FIDELIS
INSURANCE GROUP

2024

Solvency and Financial Condition Report

FIDELIS UNDERWRITING LIMITED

CONTENTS

BBNI	Bound But Not Incepted
BEL	Best Estimate of Liabilities
BMA	Bermuda Monetary Authority
BNY Mellon	Bank of New York Mellon
BPS	Basis Points
BSCR	Basic Solvency Capital Requirement
CEO	Chief Executive Officer
CFO	Chief Finance Officer
Combined ratio	The ratio of net losses and net operating expenses (acquisition and administrative costs) to net premiums earned
CRO	Chief Risk Officer
CUO	Chief Underwriting Officer
CV	Curriculum Vitae
DAC	Deferred Acquisition Costs
DPMG	Delegated Performance Management Group
ENID	Events Not In Data
EPIFP	Expected Profit included in Future Premiums
FCA	Financial Conduct Authority
FEHL	Fidelis European Holdings Limited
FIBL	Fidelis Insurance Bermuda Limited
FIG	Fidelis Insurance Group
FIHL	Fidelis Insurance Holdings Limited
FIID	Fidelis Insurance Ireland Designated Activity Company
FRS 102	Financial Reporting Standard applicable in the UK and Republic of Ireland
FRS 103	Financial Reporting Standard on Insurance Contracts
FSL	FIHL (UK) Services Limited
FUL	Fidelis Underwriting Limited
HIA	Head of Internal Audit
IBNR	Incurred But Not Reported
IGR	Intra-Group Reinsurance
IIA	Institute of Internal Auditors
INED	Independent Non Executive Director
IPO	Initial Public Offering
IT	Information Technology
KPI	Key Performance Indicators
LACDT	Loss Absorbing Capacity of Deferred Taxes
LTIP	Long-term Incentive Plan
MCR	Minimum Capital Requirement
MGA	Managing General Agent
MI	Management Information
Nameco	Nameco (no. 1404) Limited
Net acquisition cost ratio	The ratio of net acquisition expenses to net premiums earned
Net loss ratio	The ratio of net claims incurred to net premiums earned
Net underwriting contribution	Net premiums earned less net claims incurred, less net acquisition expenses
OEP	Occurrence Exceedance Probability
ORSA	Own Risk and Solvency Assessment
Outsourcing Controls	Outsourcing Policy and Outsourcing Procedure
PML	Probable Maximum Loss

PRA	Prudential Regulation Authority
QRT	Quantitative Reporting Template
QS	Quota Share
RCC	Risk and Capital Committee, a committee of the FUL Board
RDS	Realistic Disaster Scenarios
Risk and Controls Register	Encompasses all material operational risks and the controls designed to prevent, mitigate or detect risks to the business achieving its strategic objectives
RMF	Risk Management Framework
RRC	Risk and Return Committee, a management committee
SCR	Solvency Capital Requirement
SEC	U.S. Securities and Exchange Commission
SFCR	Solvency and Financial Condition Report
SLA	Service Level Agreement
SMCR	Senior Managers and Certification Regime
SMF	Senior Management Function
SOX	U.S. Sarbanes-Oxley Act of 2002
TPs	Technical Provisions
U.K.	United Kingdom
UK GAAP	United Kingdom Generally Accepted Accounting Practice
UMCC	Underwriting Marketing Conference Call
U.S.	United States of America

EXECUTIVE SUMMARY

Fidelis Underwriting Limited ("FUL" or "the Company") presents its Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2024. The SFCR covers the Company's business and performance, system of governance, risk profile, valuation for solvency purposes, and capital management. The report details FUL's risk profile and its solvency and capital needs and examines how the Company's governance framework and risk management processes support it in identifying, monitoring, and assessing these needs.

A copy of this report is available on the Company's website:
https://investors.fidelisinsurance.com/financials/Other-Financial-Results/default.aspx

The administrative body that has ultimate responsibility for all these matters is the Company's Board of Directors, with the assistance of various governance and control functions which are in place to monitor and manage the business.

Throughout this document we have used acronyms and defined these in the glossary, please refer to page 2.

OVERVIEW

As at the year ended 31 December 2024 FUL was a 100% directly owned subsidiary of Fidelis Insurance Holdings Limited ("FIHL"), which is the ultimate parent company of the Fidelis Insurance Group ("the Group"). The Group also includes Fidelis Insurance Bermuda Limited ("FIBL"), Fidelis Insurance Ireland Designated Activity Company ("FIID"), FIHL (UK) Services Limited ("FSL"), Fidelis European Holdings Limited ("FEHL") and Nameco (no.1404) Limited ("Nameco"), which FIHL established on 22 May 2024 as a wholly owned subsidiary of FIBL to facilitate its participation (9.9% for the 2024 year of account) in Syndicate 3123's underwriting activity, commencing 1 July 2024. FUL is regulated by the PRA and the FCA.

The business written by the Company across eight Solvency UK lines of business was a mix of general insurance and reinsurance business written pursuant to our strategic partnership with The Fidelis Partnership (as defined below).

In this SFCR, the figures presented for the current reporting period are calculated in accordance with the Solvency UK PRA rules. Comparative figures from previous periods are based on the Solvency II framework.

MATERIAL EVENTS

Fidelis Group Restructuring

On 3 January 2023, a number of separation and reorganisation transactions occurred to create two distinct holding companies and businesses: FIHL and Shelf Holdco II Limited, which is the parent company of an external managing general underwriting platform known as "The Fidelis Partnership" (the "Separation Transactions"). As part of the Separation Transactions, the Fidelis Insurance Group and The Fidelis Partnership entered into a number of agreements governing the outsourced relationship from the Fidelis Insurance Group to The Fidelis Partnership, including the "Framework Agreement", a series of "Delegated Underwriting Authority Agreements" and the "Inter-Group Services Agreement". These agreements govern the ongoing relationship between the two groups of companies, including delegating underwriting authority to the operating subsidiaries of The Fidelis Partnership to source and bind contracts for each of the insurance subsidiaries of FIHL.

The Ukraine Conflict

Following Russia's invasion of Ukraine on 24 February 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Certain of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. As previously disclosed, the insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including certain Fidelis Insurance Group entities. Certain claims that form part of these proceedings have since been settled out of court. The Group may continue to resolve such disputes through effecting settlements. Provision has been made in the Group's and the Company's reserves for claims incurred, net of reinsurance, for potential exposures relating to the Ukraine Conflict, including reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings and settlements. While it is not feasible to predict or determine the ultimate outcome of the aforementioned proceedings, the directors do not believe that the outcome of these proceedings will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

BUSINESS AND PERFORMANCE (SECTION A)

FUL's gross premiums written for the year ended 31 December 2024 were $2,270.7 million (2023: $1,974.0 million) with a combined ratio of 85.5% (2023: 90.7%) and a net loss ratio of 37.3% (2023: 45.8%). The growth was mainly driven by increased volumes in fire and other damage to property insurance which is explained further in section 2.2.

The Company has an ongoing intra-group reinsurance agreement with FIBL to maintain its risk profile in line with its approved risk appetite.

The net underwriting contribution for 2024 compared to 2023 is shown below:

$ millions	**2024**	**2023**
Gross premiums written	2,270.7	1,974.0
Net premiums written	650.8	620.4
Net premiums earned	671.9	526.5
Net claims incurred	(250.4)	(241.3)
Net acquisition expenses	(295.8)	(187.3)
Net underwriting contribution	125.7	97.9
Net loss ratio	37.3%	45.8%
Net acquisition cost ratio	44.0%	35.6%
Expenses ratio	4.2%	9.3%
Combined ratio	85.5%	90.7%

See section 2.2 for detailed year on year commentary.

SYSTEM OF GOVERNANCE (SECTION B)

The Fidelis Insurance Group has implemented an effective system of corporate governance in a way which ensures that enterprise risk management is maintained at a high standard and that the business is operating in an efficient and effective manner. The FUL Board aligns its system of corporate governance with that of the Group where applicable.

FUL is governed by its Board of Directors and two sub-committees of the Board: the Audit Committee and the RCC. The FUL Board is ultimately responsible for ensuring that the principles of good governance are observed.

FUL has an Internal Control and Risk Management Framework (the "RMF") and employs the "Three Lines of Defence" model to manage risk. The integration of the risk management process, business strategy, business planning, and capital management is defined through FUL's approach to its ORSA. Both the management team and the Board are fully engaged with the ORSA process and use it as a tool to help deepen their understanding of the business, better understand the risks and opportunities facing it and to refine and focus FUL's strategic thinking and priorities.

RISK PROFILE (SECTION C)

The Company is exposed to risks from several sources. These include non-life underwriting risk, market risk, counterparty default risk, liquidity risk, operational risk, strategic risk and emerging risk. The primary risk to the Company is underwriting risk. There were no material changes to the Company's key risk areas in 2024. Each of these risk areas is described in more detail in section C.

The level of FUL's capital is adequate for its risk profile under both normal and stressed conditions and as evidenced by the stress and scenario testing under the Company's ORSA, FUL has sufficient capital to withstand a 1-in-200-year aggregate loss event.

VALUATION FOR SOLVENCY PURPOSES (SECTION D)

The assets and liabilities in the Solvency UK balance sheet have been valued using Solvency UK valuation rules. Solvency UK valuation rules are different, in some areas, to those used in the Company's UK GAAP financial statements, with the valuation of TPs being the major area of difference. See section D for more detail on the valuation methods, bases and assumptions of assets and liabilities in the Solvency UK balance sheet as well as a comparison to UK GAAP.

CAPITAL MANAGEMENT (SECTION E)

FUL's capital management objective is to ensure that the Company maintains, at all times, an appropriate level of capital, in terms of both quantity and quality in line with its risk appetite and capital requirements, and that it fulfils its obligations to measure, monitor, manage and report its capital position, both required and available, internally and externally as required, in accordance with relevant regulatory requirements.

The Company calculates its SCR using the Standard Formula. The Company does not use any undertaking specific parameters allowed under Solvency UK, nor does it use simplified calculations for any of the risk modules.

The following table shows the difference between equity as shown in the financial statements and the Solvency UK excess of assets over liabilities:

$ millions	**2024**	**2023**
Total UK GAAP equity	1,004.8	889.7
Ancillary own funds	—	75.0
Valuation adjustments relating to TPs	(57.7)	(10.6)
Deferred tax effect	14.4	2.5
Total basic own funds	**961.5**	**956.6**

The table below shows the SCR, MCR, Solvency UK own funds and SCR coverage ratio of Solvency UK eligible own funds to SCR as at 31 December 2024:

$ millions	**2024**	**2023**
SCR	531.8	496.1
MCR	152.3	124.0
Own funds to meet the SCR	961.5	956.6
SCR Coverage ratio	180.8 %	192.8 %

FUL has an unconditional guarantee from FIHL for all of its financial obligations.

STATEMENT OF DIRECTORS' RESPONBILITIES

The directors of Fidelis Underwriting Limited acknowledge their responsibility for ensuring that the SFCR has been prepared in all material respects in accordance with PRA rules.

The Directors are satisfied that to the best of their knowledge and belief:

1. Throughout the financial year to 31 December 2024, Fidelis Underwriting Limited has complied in all material respects with the requirements of the PRA rules as applicable; and
2. It is reasonable to believe that in respect of the period from 31 December 2024 to the date of the publication of the SFCR, Fidelis Underwriting Limited has continued so to comply, and that they will continue so to comply in the future.

By order of the Board:

H Mckenna
Chief Financial Officer

22 Bishopsgate
43rd Floor
London
EC2N 4BQ

4 April 2025

Report of the external independent auditor to the Directors of Fidelis Underwriting Limited ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

REPORT ON THE AUDIT OF THE INFORMATION SUBJECT TO AUDIT IN THE RELEVANT ELEMENTS OF THE SOLVENCY AND FINANCIAL CONDITION REPORT

Opinion

Except as stated below, we have audited the following documents prepared by Fidelis Underwriting Limited ('the Company') as at 31 December 2024:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Company as at 31 December 2024, (**'the Narrative Disclosures subject to audit'**); and
- Company templates IR.02.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21, IR.28.01.01 (**'the Templates subject to audit'**).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the '**Relevant Elements of the Solvency and Financial Condition Report**'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the **Other Information** which comprises:

- The 'Business and performance', 'System of governance' and 'Risk profile' sections of the Solvency and Financial Condition Report;
- Company templates IR.05.01.02, IR.05.04.02, IR.19.01.21;
- The written acknowledgement by the Directors of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (**'the Responsibility Statement'**).

In our opinion, the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report of the Company as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules on which it is based.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – special purpose basis of accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report. The Solvency and Financial Condition Report is prepared in accordance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern

The Directors have prepared the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Solvency and Financial Condition Report ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period was the valuation of Technical Provisions ('TPs') and calculation of the Solvency Capital Requirement ('SCR') given the estimation and judgement involved .

We also considered less predictable but realistic second order impacts that could affect demand in the Company's markets, such as the failure of counterparties who transact with the company (such as policyholders and reinsurers), the performance of the investment portfolio, solvency and capital adequacy.

We considered whether these risks could plausibly affect the liquidity and solvency in the going concern period by comparing severe, but plausible downside scenarios and the degree of downside assumptions that, individually and collectively, could result in a liquidity and solvency issue (a reverse stress tests), taking into account the Company's current and projected financial resources.

Our conclusions based on this work:

a. we consider that the Directors' use of the going concern basis of accounting in the preparation of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report is appropriate; and

b. we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

a. Enquiring of directors and the audit committee, as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.

b. Reading Board, audit committee, Reserving Committee and risk and Capital Committee meeting minutes.

c. Considering remuneration incentive schemes and performance targets for directors and management.

d. Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Solvency and Financial Condition Report is a balance sheet driven report. We also identified a fraud risk related to the valuation of technical provisions, and therefore relatedly the Solvency UK technical provisions due to the estimation required in setting these liabilities and the abilities for changes in the valuation to be used to impact solvency ratios.

In determining the audit procedures we took into account the results of our evaluation and testing of some of the fraud risk management controls.

In order to address the risk of fraud specifically as it relates to the valuation of technical provisions, and therefore relatedly the Solvency II technical provisions, we involved actuarial specialists to assist in our challenge of management. We challenged the company in relation to the selection of assumptions and the consistency of those assumptions both year on year and across different aspects of the financial reporting process.

To address the pervasive risk as it related to management override, we performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to seldom used accounts, journal entries posted by individuals who do not frequently post journals, journal entries posted containing keywords, journal entries without a user ID, post-closing journals, journals posted without a description and journal entries posted to a cash and revenue accounts with an unusual combination.

- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report from our general commercial and sector experience and through discussion with the directors and others management (as required by auditing standards), and from inspection of the Company's regulatory correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report including financial reporting legislation (including related companies' legislation), PRA Rules, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related information subject to the audit in the Relevant Elements of the Solvency and Financial Condition Report.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: liquidity, anti-bribery, health and safety, employment law, and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the information Subject to Audit in the Relevant Elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report is prepared, in all material respects, with financial reporting provisions of the PRA Rules on which it is based.

Our objectives are to obtain reasonable assurance about whether the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report.

A fuller description of our responsibilities is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements for the year ended 31 December 2024. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

This engagement is separate from the audit of the annual financial statements of the Company and the report here relates only to the matters specified and does not extend to the Company's annual financial statements taken as a whole.

As set out in our audit report on those financial statements, that audit report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. The audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for that audit work, for the audit report, or for the opinions we have formed in respect of that audit.

The purpose of our audit work and to whom we owe our responsibilities

This report of the external auditor is made solely to the Company's Directors, as its governing body, in accordance with the requirement in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and the terms of our engagement. We acknowledge that the Directors are required to submit the report to the PRA, to enable the PRA to verify that an auditor's report has been commissioned by the Company's Directors and issued in accordance with the requirement set out in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and to facilitate the discharge by the PRA of its regulatory functions in respect of the Company, conferred on the PRA by or under the Financial Services and Markets Act 2000.

Our audit has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's report issued pursuant to Rule 4.1 (2) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company through its governing body, for our audit, for this report, or for the opinions we have formed.

Julia Gunn

Julia Gunn for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

4 April 2025

SECTION A : BUSINESS AND PERFORMANCE

A1. BUSINESS PROFILE

A1.1 Information regarding the business of the Company

Fidelis Insurance Group is a global specialty insurer, leveraging strategic partnerships to offer innovative and tailored insurance solutions. It has a highly diversified portfolio focused on two segments: insurance and reinsurance, which we believe allows us to take advantage of the opportunities presented by evolving (re)insurance markets, proactively shift our business mix across market cycles, and produce superior underwriting returns.

Headquartered in Bermuda, with offices in Ireland and the UK, Fidelis Insurance Group operating companies have a financial strength rating of A (Excellent) from AM Best, A- from S&P and A3 from Moody's. The Group is supervised by the Bermuda Monetary Authority.

FUL is a non-life insurance company headquartered in London, United Kingdom. The Company was licensed in the United Kingdom by the PRA on 4 December 2015 and commenced (re)insurance operations on 1 January 2016.

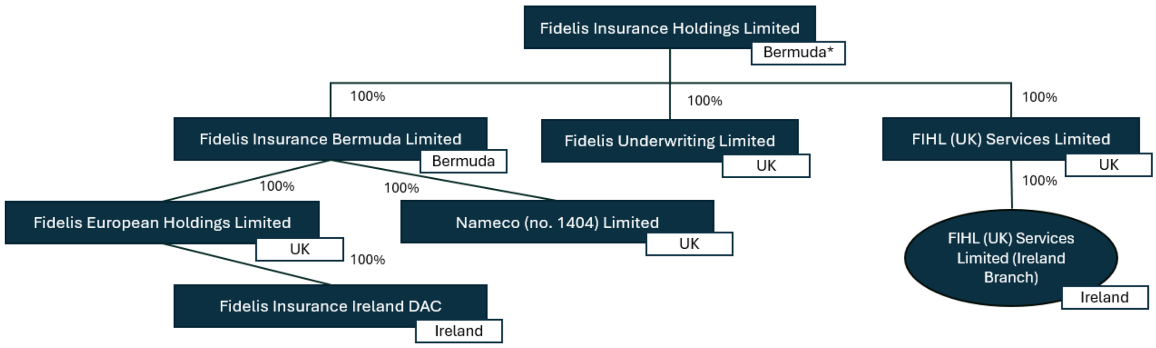
FUL is a 100% directly owned subsidiary of FIHL, a Bermuda exempted holding company, which is the ultimate parent company of the Group. The Group also includes FIBL, FEHL, FIID, Nameco and FSL. The BMA acts as group supervisor and has designated FIBL as the 'designated insurer' of the Group.

FUL is limited by shares and its company number is 09753615. Details of the Company's registered office, supervisory authorities and external auditors are shown below:

Registered office:	22 Bishopsgate 43rd Floor London EC2N 4BQ
Supervisory authorities:	Prudential Regulation Authority 20 Moorgate London EC3R 6DA
	Financial Conduct Authority 25 The North Colonnade London E14 5HS
External Auditor:	KPMG LLP 15 Canada Square London E14 5GL

A1.2 Position within the legal structure of the Fidelis Insurance Group

The following structure chart shows the position of FUL within the legal structure of the Group as at 31 December 2024:



A1.3 Material lines of business and material geographic areas where the Company carries out business

The principle activity of the Company is the underwriting of specialty, bespoke, and reinsurance business in the United Kingdom.

The Company currently writes eight Solvency UK lines of business, which are as follows:

- Marine, aviation and transport insurance,
- Fire and other damage to property insurance,
- General liability,
- Credit and suretyship insurance,
- Miscellaneous financial loss,
- Non-proportional casualty reinsurance,
- Non-proportional marine, aviation and transport insurance and
- Non-proportional property reinsurance.

A1.4 Material events

Fidelis Group Restructuring

On 3 January 2023, a number of separation and reorganisation transactions occurred to create two distinct holding companies and businesses: FIHL and Shelf Holdco II Limited, which is the parent company of an external managing general underwriting platform known as "The Fidelis Partnership" (the "Separation Transactions"). As part of the Separation Transactions, the Fidelis Insurance Group and The Fidelis Partnership entered into a number of agreements governing the outsourced relationship from the Fidelis Insurance Group to The Fidelis Partnership, including the "Framework Agreement", a series of "Delegated Underwriting Authority Agreements" and the "Inter-Group Services Agreement". These agreements govern the ongoing relationship between the two groups of companies, including delegating underwriting authority to the operating subsidiaries of The Fidelis Partnership to source and bind contracts for each of the insurance subsidiaries of FIHL.

The Ukraine Conflict

Following Russia's invasion of Ukraine on 24 February 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Certain of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. As previously disclosed, the insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including certain Fidelis Insurance Group entities. Certain claims that form part of these proceedings have since been settled out of court. The Group may continue to resolve such disputes through effecting settlements. Provision has been made in the Group's and the Company's reserves for claims incurred, net of reinsurance, for potential exposures relating to the Ukraine Conflict, including reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings and settlements. While it is not feasible to predict or determine the ultimate outcome of the aforementioned proceedings, the directors do not believe that the outcome of these proceedings will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

A2. UNDERWRITING PERFORMANCE

A2.1 Overview of underwriting performance

The Company currently writes eight Solvency UK lines of business: marine, aviation and transport insurance, fire and other damage to property insurance, general liability, credit and suretyship insurance, miscellaneous financial loss, non-proportional casualty reinsurance, non-proportional marine, aviation and transport reinsurance and non-proportional property reinsurance.

FUL's underwriting strategy is to write a mix of insurance and reinsurance business through The Fidelis Partnership and MGAs.

A2.2 Underwriting performance (UK GAAP) by Solvency UK line of business for the year ended 31 December 2024

The table below details the underwriting performance by Solvency UK line of business for 2024. The values shown below and the following parts of section A are reported on the basis of UK GAAP and are displayed in millions of US Dollars.

	Direct and accepted proportional business					Accepted non-proportional business			
$ millions	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability insurance**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Casualty**	**Marine, aviation, and transport**	**Property**	**Total**
Gross premiums written	773.5	991.1	185.1	180.3	105.2	5.6	9.5	20.4	2,270.7
Net premiums written	238.1	275.1	42.0	50.3	32.9	0.2	4.2	8.0	650.8
Net premiums earned	240.6	256.9	74.6	41.1	50.7	2.0	4.0	2.0	671.9
Net claims incurred	(74.1)	(97.9)	(26.8)	(29.6)	(20.5)	0.8	(3.6)	1.3	(250.4)
Net acquisition expenses	(128.6)	(86.8)	(35.4)	(16.9)	(24.7)	(0.1)	(1.0)	(2.3)	(295.8)
Net underwriting contribution	**37.9**	**72.2**	**12.4**	**(5.4)**	**5.5**	**2.7**	**(0.6)**	**1.0**	**125.7**
Net loss ratio	30.8 %	38.1 %	35.9 %	72.0 %	40.4 %	(40.0)%	90.0 %	(65.0)%	37.3 %
Net acquisition cost ratio	53.4 %	33.8 %	47.5 %	41.1 %	48.7 %	5.0 %	25.0 %	115.0 %	44.0 %

Gross premiums written were $2,270.7 million in 2024 (2023: $1,974.0 million), with notable additional volumes written across fire and other damage to property insurance and miscellaneous financial loss.

Fire and other damage to property premiums grew from 2023 with increases in property direct and facultative business due to rating improvements in 2024. Miscellaneous financial loss premiums grew from 2023 driven by increased new business opportunities in contingency.

Net premiums written were $650.8 million in 2024 (2023: $620.4 million). There was increased ceded premiums written due to the timing of the Herbie Re catastrophe bond ("CAT bond") placement which normally occurs at start of a year, but was renewed in December 2024. This CAT bond will provide additional protection against insured industry losses resulting from named storms and US earthquakes. This CAT bond will earn over a 4 year period.

Net premiums earned for the year was higher than prior year at $671.9 million (2023: $526.5 million). This was driven by higher gross volumes in the year, alongside growth in the prior year earning through.

Net claims incurred in 2024 were $250.4 million (2023: $241.3 million). The net loss ratio for 2024 was 37.3% (2023: 45.8%). Losses were driven by notable natural catastrophe events including hurricane Helene and hurricane Milton in the third and forth quarter of 2024 respectively.

Net acquisition expenses were $295.8 million (2023: $187.3 million) and the ratio of net acquisition expenses to net premiums earned was 44.0% (2023: 35.6%). The increases are due to increases in variable commissions in marine and political risks, and an increase in The Fidelis Partnership commissions written in 2023 earning through.

The commentary below, by Solvency UK line of business, incorporates values reported in the IR.05.04 QRT (included in appendix). The Company's underwriting performance by geographical area is detailed in the IR.05.02.01 QRT (included in appendix). All business is underwritten in the United Kingdom and risks covered are worldwide.

Marine, aviation and transport

$ millions	2024	2023
Gross premiums written	773.5	737.3
Net premiums written	238.1	256.0
Net premiums earned	240.6	175.2
Net claims incurred	(74.1)	(81.6)
Net acquisition expenses	(128.6)	(65.8)
Net underwriting contribution	**37.9**	**27.8**
Net loss ratio	30.8%	46.6%
Net acquisition cost ratio	53.4%	37.6%

Marine, aviation, and transport includes the Company's marine and aviation and aerospace lines.

Gross premiums written have increased year on year, driven predominantly by marine, offset by a decrease in aviation and aerospace line of business where certain deals did not meet our underwriting criteria and rating hurdles.

Additional outwards reinsurance has been purchased, to protect some of the newly written business, managing FUL's net exposure to the aviation and marine risks. Net premiums earned, are above prior year as continued growth in this class earns through from both prior year and current year volumes.

The net loss ratio has decreased in 2024 primarily due to large losses in prior year in aviation and aerospace business versus a relatively benign loss activity in 2024.

The net acquisition ratio has increased due to higher profit commissions.

Fire and other damage to property

$ millions	2024	2023
Gross premiums written	991.1	749.0
Net premiums written	275.1	214.5
Net premiums earned	256.9	198.7
Net losses	(97.9)	(118.2)
Net acquisition expenses	(86.8)	(51.9)
Net underwriting contribution	**72.2**	**28.6**
Net loss ratio	38.1%	59.5%
Net acquisition cost ratio	33.8%	26.1%

Fire and other damage to property predominantly comprises the Company's property, energy, and political risk, violence and terror business.

Gross premiums written continues to grow significantly within property (direct and facultative), driven predominantly by a strong rating environment and additional new business, resulting in a year on year growth of $242.1 million.

The increase in net premiums written and net premiums earned are driven by significant growth in gross premiums written.

The net loss ratio in property is lower in 2024, primarily as in 2023 there was prior year deterioration on direct & facultative and energy losses. Losses in 2024 were driven by notable natural catastrophe events including hurricane Helene and hurricane Milton in the third and forth quarter of 2024 respectively.

The net acquisition ratio has increased due to mix of business written.

General liability

$ millions	2024	2023
Gross premiums written	185.1	183.9
Net premiums written	42.0	75.6
Net premiums earned	74.6	69.4
Net claims incurred	(26.8)	(16.3)
Net acquisition expenses	(35.4)	(32.0)
Net underwriting contribution	**12.4**	**21.1**
Net loss ratio	35.9%	23.5%
Net acquisition cost ratio	47.5%	46.1%

General liability predominantly consists of the Company's warranty, product recall, energy liability, cyber and professional indemnity business.

Gross premiums written is flat versus prior year. There was an increase in energy liability business due to an increase in premiums written through a a third party MGA, partially offset by reductions in cyber and professional indemnity.

Net premiums earned are $5.2 million above the prior year as higher prior year premium earned through during 2024.

The net loss ratio has increased in 2024 due to higher claims experience during the year relating to the warranty line of business.

The net acquisition is broadly in line with prior year.

Credit and suretyship

$ millions	2024	2023
Gross premiums written	180.3	163.0
Net premiums written	50.3	38.5
Net premiums earned	41.1	30.8
Net claims incurred	(29.6)	(14.8)
Net acquisition expenses	(16.9)	(7.5)
Net underwriting contribution	**(5.4)**	**8.5**
Net loss ratio	72.0%	48.1%
Net acquisition cost ratio	41.1%	24.4%

Credit and suretyship includes the Company's mortgage insurance, surety, contract frustration, and other credit business.

Gross premiums written have increased versus prior year predominantly through more collateral protection insurance business.

Net premiums written have increased from prior year largely due to the growth in gross premiums written.

Net loss ratio increased during 2024 primarily driven by two intellectual property losses.

The net acquisition cost ratio has increased due to higher profit commission.

Miscellaneous financial loss

$ millions	2024	2023
Gross premiums written	105.2	66.7
Net premiums written	32.9	19.1
Net premiums earned	50.7	42.2
Net claims incurred	(20.5)	(5.2)
Net acquisition expenses	(24.7)	(23.1)
Net underwriting contribution	**5.5**	**13.9**
Net loss ratio	40.4%	12.3%
Net acquisition cost ratio	48.7%	54.7%

This class consists primarily of the Company’s title, contingency and cyber business.

Gross premiums written have increased by $38.5 million compared to prior year. This is primarily driven by increased new business opportunities in contingency.

Net premiums written and net premiums earned are above the prior year due to increased gross premiums written.

The net loss ratio increased from the prior year mainly due to an event cancellation loss in the contingency line of business.

The acquisition cost ratio has decreased due to reduction in title earnings which has a higher commission rate.

Non-proportional reinsurance – casualty

$ millions	2024	2023
Gross premiums written	5.6	2.1
Net premiums written	0.2	0.3
Net premiums earned	2.0	0.5
Net claims incurred	0.8	(0.2)
Net acquisition expenses	(0.1)	(0.1)
Net underwriting contribution	**2.7**	**0.2**
Net loss ratio	(40.0)%	40.0%
Net acquisition cost ratio	5.0 %	20.0%

Non-proportional reinsurance – casualty includes FUL's non-proportional cyber, mortgage and accident and health treaty business.

Gross premiums written are above the prior year by $3.5 million, the most significant components of which were in financial mortgage business.

The net loss ratio is negative 40.0% due to a reserve release from a prior underwriting year.

Non-proportional reinsurance – marine, aviation and transport

$ millions	**2024**	**2023**
Gross premiums written	9.5	18.0
Net premiums written	4.2	7.7
Net premiums earned	4.0	5.9
Net claims incurred	(3.6)	(2.1)
Net acquisition expenses	(1.0)	(4.0)
Net underwriting contribution	**(0.6)**	**(0.2)**
Net loss ratio	90.0%	35.6%
Net acquisition cost ratio	25.0%	67.8%

Non-proportional reinsurance – marine, aviation and transport predominantly includes the Company's non-proportional marine and aviation business.

The gross and net premiums written decrease is driven by a reduction in marine war premiums with more business being written on a direct basis in 2024.

Non-proportional reinsurance - property

$ millions	**2024**	**2023**
Gross premiums written	20.4	54.0
Net premiums written	8.0	8.7
Net premiums earned	2.0	3.8
Net claims incurred	1.3	(2.9)
Net acquisition expenses	(2.3)	(2.9)
Net underwriting contribution	**1.0**	**(2.0)**
Net loss ratio	(65.0)%	76.3%
Net acquisition cost ratio	115.0 %	76.3%

Non-proportional reinsurance - property predominantly includes FUL's property catastrophe reinsurance business.

Gross premiums written reduced year on year by $33.6 million with the most significant reduction in North American catastrophe business as this is no longer being underwritten by FUL as the Company looked to optimise its reinsurance pillar portfolio.

A3. INVESTMENT PERFORMANCE

A3.1 Income and expenses from investments by asset class

The Company maintains a high-grade investment portfolio with a primary focus on capital preservation.

The following table presents the components of investment return by asset class during the year-ended 31 December 2024:

$ millions	Investment income	Net realised losses	Change in net unrealised gains	Investment return
Government bonds	4.4	(1.1)	1.2	4.5
Corporate bonds	25.6	(13.0)	14.5	27.1
Collateralised securities	4.2	(2.0)	0.9	3.1
Cash and other	15.1	—	—	15.1
Investment fees	(1.3)	—	—	(1.3)
Investment return	**48.0**	**(16.1)**	**16.6**	**48.5**

The following table presents the components of investment return by asset class during the year-ended 31 December 2023:

$ millions	Investment income	Net realised losses	Change in net unrealised gains	Investment return
Government bonds	2.3	(1.5)	6.8	7.6
Corporate bonds	14.2	(5.7)	21.5	30.0
Collateralised securities	2.2	(0.1)	1.0	3.1
Cash and other	11.6	—	—	11.6
Investment fees	(1.1)	—	—	(1.1)
Investment return	**29.2**	**(7.3)**	**29.3**	**51.2**

The total annual return on cash and investments was 3.9%, driven by strong investment income and unrealised gains in the portfolio, offset by realized losses on sales. The portfolio was positively impacted by falling yields at the front-end of the yield curve which drove unrealised gains while the Company continued to opportunistically sell low yielding securities in order to reinvest proceeds at higher rates. These sales resulted in a realized loss but have improved the embedded book yield of the portfolio which can be seen in the strong investment income.

A3.2 Recognition of gains and losses

The Company accounts for all investments at fair value with unrealised gains and losses through the income statement. During the year, unrealised gains or losses were recognised in the income statement and no gains or losses were recognised directly in equity.

A3.3 Collateralised securities

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2024:

$ millions	Investment Income	Net realised losses	Change in net unrealised gain / (loss)	Total
Asset-backed securities	0.1	(0.2)	—	(0.1)
Mortgage-backed securities	4.0	(1.8)	1.2	3.4
Collateralised mortgage obligations	0.1	—	(0.3)	(0.2)
Investment return	**4.2**	**(2.0)**	**0.9**	**3.1**

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2023:

$ millions	Investment Income	Net realised losses	Change in net unrealised gains	Total
Mortgage-backed securities	2.2	(0.1)	1.0	3.1
Investment return	**2.2**	**(0.1)**	**1.0**	**3.1**

FUL holds a small proportion of its fixed income portfolio in collateralised securities (mortgage-backed securities) to improve the diversification of the portfolio. Investment limits have been placed on these assets through an advisory agreement with its portfolio manager and FUL maintains a strict review of securities held to ensure the guidelines agreed between the portfolio manager and FUL are followed and that any securities held comply with Solvency UK requirements.

A4. PERFORMANCE OF OTHER ACTIVITIES

Other material expenses comprise the following:

$ millions	2024	2023
Employment costs	14.6	13.7
Non-employment costs	10.5	29.9
IT costs	1.4	0.7
Professional and consulting fees	2.1	1.2
Total administrative expenses	**28.6**	**45.5**

The Company does not have any direct employees. All of the UK based staff are employed by FSL. Costs have decreased during the year due to costs associated with the separation transactions in 2023. Administrative expenses for FUL are predominantly a result of a recharge from other Group companies for providing physical infrastructure, staff and associated support services.

A5. OTHER INFORMATION REGARDING THE BUSINESS

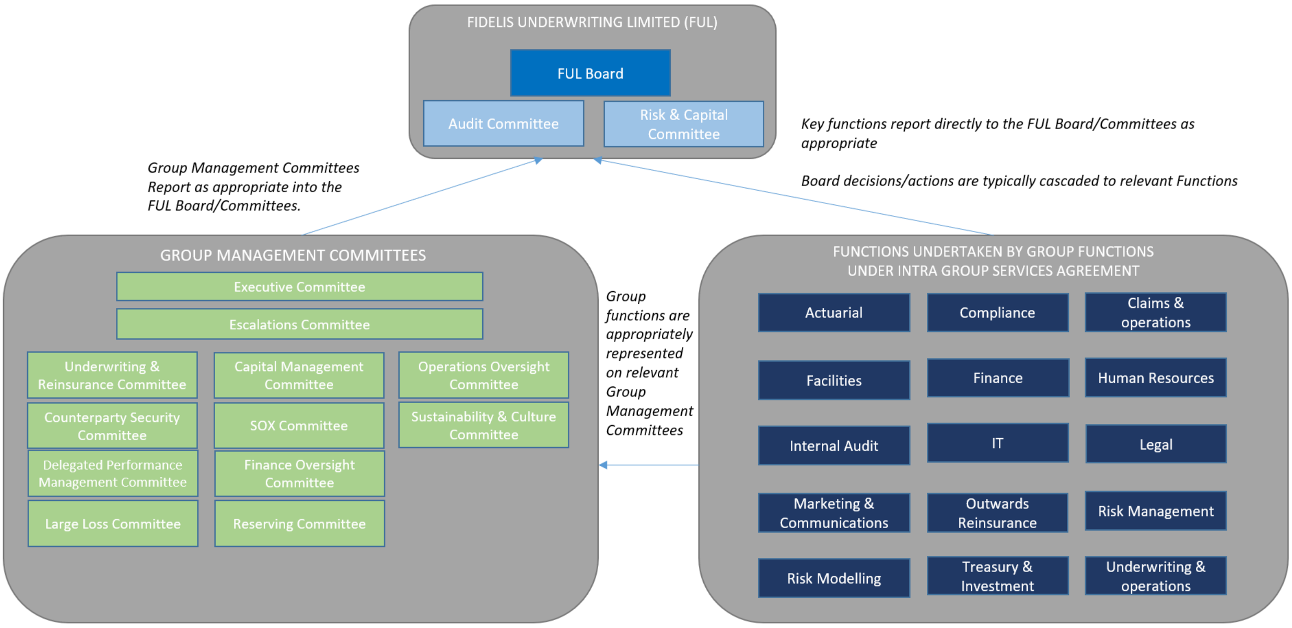
Other than as noted above, no other events occurred during the year which had a material impact on the business or performance of the Company.

SECTION B : SYSTEM OF GOVERNANCE

B1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B1.1 Role and responsibilities of the administrative, management or supervisory body and key functions

The Group has implemented an effective system of corporate governance in a way which ensures that enterprise risk management is maintained at a high standard and that the business is operating in an efficient and effective manner. The FUL Board aligns its system of corporate governance with that of the Group where applicable. The diagram below presents an overview of FUL's governance structures:



The table below summarises the role of each of the Boards and entity committees that make up FUL's system of governance as at 31 December 2024:

Board / Committee	INEDs	Exec	Role	Links into boards
Board	4 (inc. Chair)	3	Considering and deciding on FUL's strategy and matters affecting FUL, including matters referred for approval by FIHL committees, FUL committees or Group management committees.	Considers, challenges and is the sole point of FUL approval. Matters cascaded from the FIHL Board may be approved, approved with subjectivities, amended or rejected by the FUL Board or referred back to the FIHL Board.
Audit Committee	4 (inc. Chair)	—	Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the internal audit function and external auditors.	The Committee Chair reports into the FUL Board on the outcome of the Audit Committee. The Group Chief Legal Officer ensures any matters referred by the FIHL Board are also reported to the FUL Board.
Risk and Capital Committee	4 (inc. Chair)	2	To advise the FUL Board in respect of risk and capital management and oversight of risk management and tolerances.	The Committee Chair reports into the FUL Board. The Group Chief Legal Officer ensures any matters referred by the FIHL Board are also reported to the FUL Board.

In addition, the table below summarises the role of the Group management committees, their role and how they interact with other parts of the system of governance as at 31 December 2024:

Management Committee	Role	Links into Boards/Entity Committees
Executive Committee	Ensure that decisions made within the Group's Three Pillar structure are consistent with strategic objectives and business plan objectives. For those functions that have been outsourced to The Fidelis Partnership, the Committee ensures these are being managed robustly with effective oversight by Heads of Function and the Operations Oversight Committee.	Matters requiring Board consideration or approval are referred to the FUL Board by the FUL CEO.
Escalations Committee	Oversight of the Group's Three Pillar Committees and for ensuring that the Committees are operating effectively whilst it triages actions upwards to the Group Executive Committee and monitoring and ensuring execution of those actions that remain within the Committees.	Matters requiring FUL Board consideration or approval are referred to the FUL Board by the FUL CEO.
Counterparty Security Committee	Oversee development and adherence to outwards reinsurer and broker counterparty exposure tolerances.	Matters requiring FUL Board consideration or approval are referred by the FUL CUO to the FUL Board.
Operations Oversight Committee	Oversee Operational activities of the Group and oversee the outsourcing of services to The Fidelis Partnership.	Matters requiring FUL Board consideration or approval are referred by the FUL COO to the FUL Board.
Sustainability & Culture Committee	Oversees the Group's implementation of the strategy for Sustainability & Culture as agreed by Group and Entity Boards and the Group Executive Committee.	Matters requiring FUL Board consideration or approval are referred by the FUL CPO to the FUL Board.
Underwriting & Reinsurance Committee	Discuss, evaluate and monitor underwriting and reinsurance performance. The Group has outsourced underwriting & reinsurance activities to The Fidelis Partnership and the committee oversee delegation of underwriting and reinsurance.	Matters requiring FUL Board consideration or approval are referred by the FUL CUO to the FUL Board.
Delegated Performance Management Committee	Ongoing monitoring of performance and management of conduct risk concerning delegated authorities, as per the Group Delegated Authority Procedure and the Group Conduct Risk Framework.	Matters requiring FUL Board consideration or approval are referred by the FUL CUO to the FUL Board.
Large Loss Committee	Monitors the developments in relation to large or complex insurance/ reinsurance claims and sets case specific loss reserves exceeding the authorities of the Group Head of Claims.	Matters requiring FUL Board consideration or approval are referred by the FUL Head of Claims to the FUL Board.
Reserving Committee	Considers and opines on portfolio level reserves and IBNR loss reserves for recommendation to the relevant Boards.	Matters requiring FUL Board consideration or approval are referred by the Group Chief Actuary to the FUL Board in quarterly Board reporting.
Finance Oversight Committee	Oversees the performance of the IG Finance functions including SEC and statutory reporting, and also the performance of outsourced finance tasks.	Matters requiring FUL Board consideration or approval are referred by the FUL CFO to the FUL Board.
Capital Management Committee	Ensures rating agency and regulatory capital is maintained at appropriate levels. Identifies capital optimization opportunities and drives capital management actions.	Matters requiring FUL Board consideration or approval are referred by the Group Chief Actuary to the FUL Board.
SOX Committee	Oversees and ensures SOX compliance	Matters requiring FUL Board consideration or approval are referred by the FUL CFO to the FUL Board.

B1.2 Material changes in the system of governance over the reporting period

There have been no material changes in the system of governance. There have been some changes in the Group management committees shown above.

B1.3 Remuneration policy for the administrative, management or supervisory body and employees

Principles of the remuneration policy

The Compensation Framework is recommended for approval by the Group Compensation Committee to the FIHL Board. After approval by the FIHL Board the relevant details are reported to the subsidiary boards including FUL's Board. The FUL Board does not deem it necessary to establish a separate FUL Compensation committee and believes it appropriate that such matters, on the basis of the proportionate size and risk profile of the Company, be addressed by the Group Board. However, the FUL Board reviews group proposals in relation to entity and individual performance with consideration to risk performance, in order to meet its obligations. Where appropriate, it would recommend adjustments to the Group Compensation Committee.

Our compensation philosophy for our senior managers is to align the interests of our senior managers with those of our shareholders. The primary elements of the total compensation package for our senior managers include base salary, annual cash bonus awards under our annual cash bonus program, and equity awards granted pursuant to our 2023 Share Incentive Plan (the "LTIP Awards"). The compensation program for our senior managers is administered by the Compensation Committee of the FIHL Board. For any senior manager who was also a director of Fidelis Insurance Group in the year ended 31 December 2024, no additional compensation was paid for their service as director.

In addition to the above, certain senior staff are required to commit, by way of an annual declaration, that they have not and will not enter into any personal hedging strategies in relation to their variable remuneration or to otherwise undermine their risk alignment with FUL/Fidelis Insurance Group in their variable remuneration.

Information on individual and collective performance criteria on which variable components of remuneration is based

Annual Cash Bonus

The purpose of our annual cash bonus program is to reward employees for achievement against key financial and non-financial operational goals that will help drive long-term business strategy and are predicates of shareholder value. Bonuses are generally based on a formulaic calculation, though are entirely discretionary, so that employees can be confident that an even-handed approach has been taken and can readily understand the effect of financial and personal performance on their bonuses. Two core elements are assessed by the Group Compensation Committee when determining the bonuses: (i) the Group's financial performance ("Financial Performance") and (ii) the employee's strategic and personal performance ("Personal Performance"). The weighting of each element is based on pre-determined percentage allocations. For purposes of the annual cash bonus pool calculation, Financial Performance is based on achievement by the Group of the business plan then in force. If the Financial Performance is below the minimum payout level, then payment of an annual cash bonus to any employee will be discretionary. Personal Performance is based upon individual achievement of clearly articulated objectives created and agreed to at the beginning of the year.

The annual cash bonus targets are proposed by the Group CEO and approved by the Group Compensation Committee towards the beginning of each year when the information necessary to compute the bonuses has been obtained. Once approved, the bonuses are paid within the first quarter of each year following the relevant fiscal year in which they were earned.

Share Incentive Plan

In 2023, the Group adopted the LTIP Awards in connection with the Separation Transactions. Qualifying employee, officer, non-executive director or other individual service provider of the Group is eligible to participate in the 2023 Plan. The purpose of the 2023 Plan is to create a strong and long-term alignment between the Group's employees and its shareholders. The Group Compensation Committee administers the 2023 Plan under delegation from the FIHL Board. The size and form of the LTIP Awards granted under the 2023 Plan is determined by the Group Compensation Committee, role and level of seniority within the Group. The LTIP Awards may be delivered in the form of restricted share units, restricted common shares, share options, share appreciation rights and other awards which may be denominated in common shares or cash. The LTIP Awards relate to FIHL's common shares and generally vest over a three-year period, subject to continued service and the achievement of performance goals. The 2023 Plan is also relevant for 2024.

For more information on the Group's compensation framework, please refer to FIHL's Annual Report in respect of the year ended December 31, 2024, filed on Form 20-F with the SEC on March 11, 2025 (the "2024 Annual Report"), available electronically at www.sec.gov.

Supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders

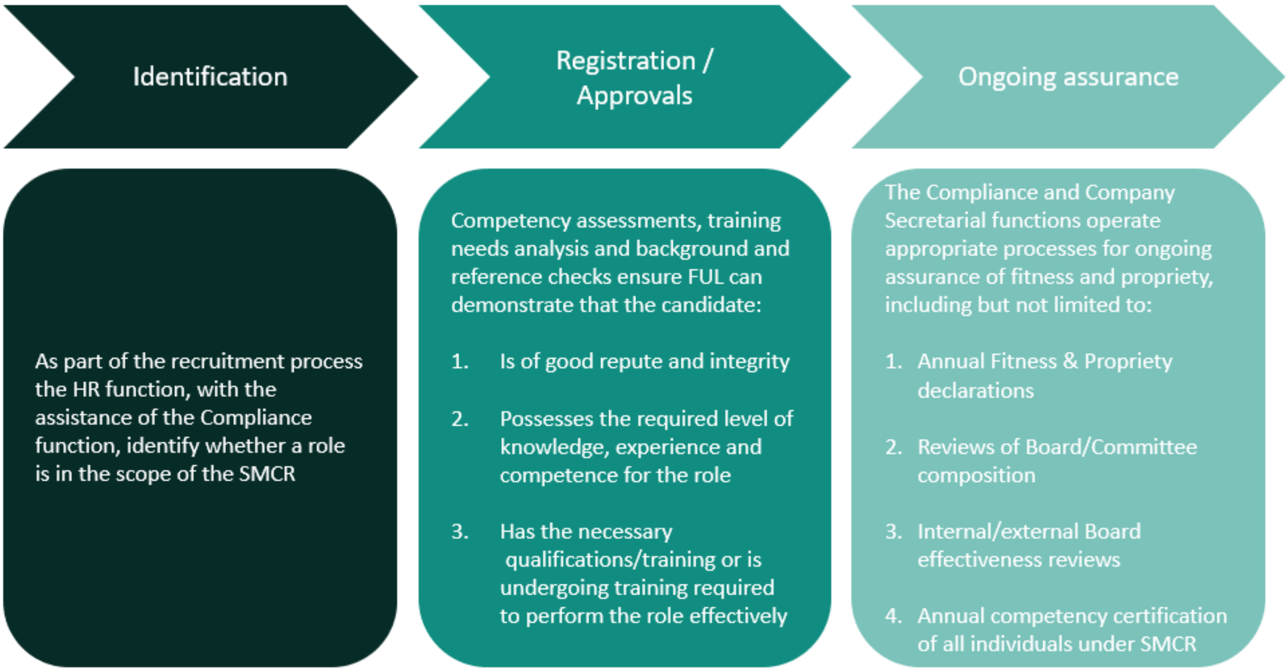
The Group offers eligible staff the choice of making contributions into the Group's relevant retirement plans, subject to applicable pension rules. To the extent permitted by the applicable rules in the relevant jurisdiction in which the Group has participating employees, eligible participants receive a Company pension contribution of either 10% or 12% of annual base salary (subject to the salary threshold of the employee) by the relevant operating subsidiary of the Group, subject to the limitations of the laws of the relevant jurisdiction.

B1.4 Material transactions with the shareholder, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

During 2024 the Company did not receive a capital injection from FIHL (2023: $65 million).

B2. FIT AND PROPER REQUIREMENTS

FUL operates within a Group Regulated Personnel Procedure which governs the recruitment, appointment, approvals, induction, training and ongoing assessment of the Fitness and Propriety of those who effectively run FUL.



As per the SMCR requirements, individuals who are performing an SMF, a certification role or are notified non-executive directors, are required to be assessed for their fitness and propriety at appointment and on an on-going basis by FUL.

Assessing a person's fitness and propriety includes an assessment of their:

- honesty, integrity and reputation;
- competence and capability, including whether the person satisfies any relevant FCA training and competence requirements; and
- financial soundness.

The FUL Board identifies the skills and experience that are required at Board level, including the appointment of executive directors or independent non-executive directors, so as to ensure the relevant diversity, experience, skills and knowledge required for effective oversight and challenge.

Fitness and propriety assessment on appointment
A fit and proper assessment on appointment is undertaken for all candidates being hired to SMF roles. The fit and proper assessment is completed prior to the individual commencing their duties as a regulated individual. The fit and proper assessment made at initial appointment will normally include (but may not be limited to):

- Interview with appropriately qualified manager(s) and relevant senior experienced individuals
- Collection of satisfactory references from previous employers for the previous six years
- Background checks, verifying key information provided including:
  - Criminal disclosure
  - CV
  - Education and qualifications
  - Directorship search
  - FCA register search
  - and other legal, regulatory, and financial checks as appropriate.

In addition, members of the FUL Board complete an annual evaluation of board effectiveness.

Annual fitness and propriety assessment

For all individuals who are certificated staff or SMF holders, an annual fit and proper assessment will be undertaken. This assessment includes, but is not limited to:

- The completion of annual director and officers questionnaire (incorporating a fit and proper questionnaire);
- Annual performance review by an appropriately qualified line manager
- Annual Board effectiveness review

B3. RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B3.1 Risk management system

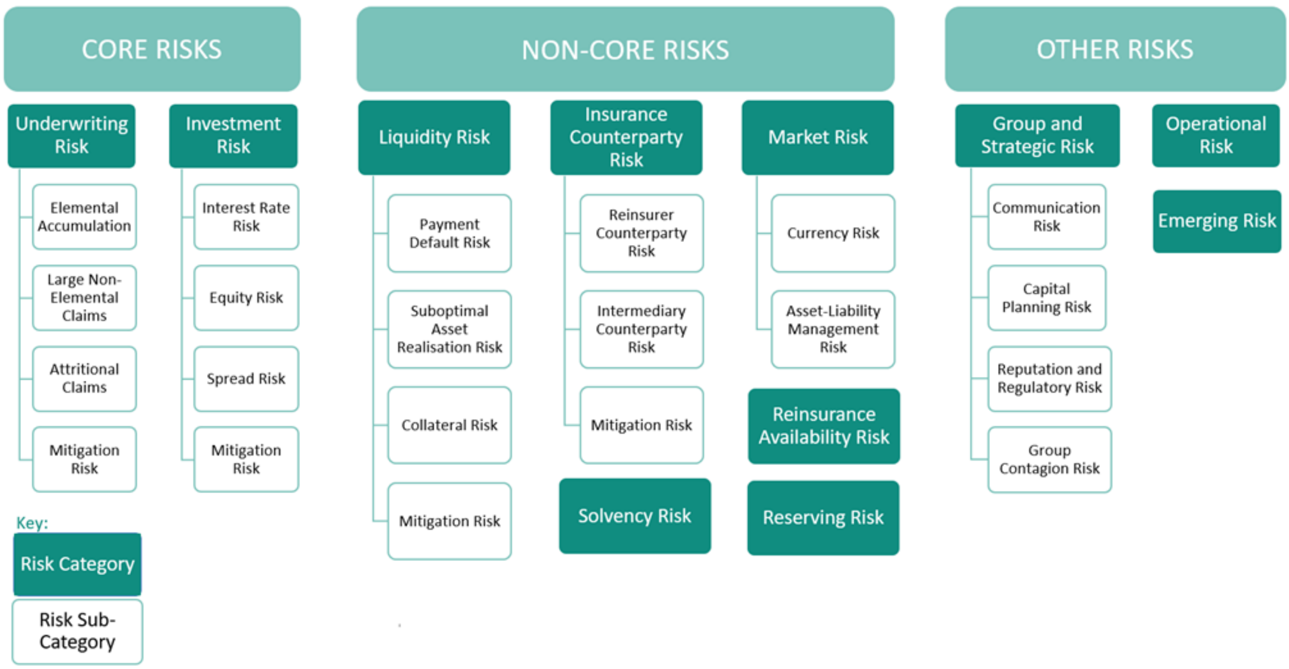
FUL operates the Group RMF leveraging Group capabilities and governance structures whilst maintaining full local accountability with the FUL Board.

The approved RMF is designed to identify, measure, manage and report on the exposures that FUL faces.

1. **Identification** – the risk exposures that could materially impact FUL in achieving its objectives are identified through the quarterly risk review process with each of the risk owners and the emerging risk process.
2. **Measurement** – these risks are quantified and ranked in the operational risk register in terms of the impact that they would have on FUL if the risk were to materialise. With respect to the aggregation of the underwriting exposures, these are monitored on at least a quarterly basis to ensure that they remain within the FUL Board's approved risk appetite levels.
3. **Management** - where a risk exposure has exceeded the FUL Board's risk appetite or the risk levels are more generally considered to be higher than desirable, management identifies suitable actions to either transfer, avoid or mitigate the risk level.
4. **Reporting** – a summary of all key material risk exposures is reported to the FUL Board on a quarterly basis. Where there has been an exceedance in the FUL Board's risk appetite, the report details management's plans to transfer, avoid or mitigate the risk, where appropriate.

The RMF is founded upon a clear understanding and articulation of the risk universe to which FUL is, or could be, exposed. This universe encompasses those intrinsic risks that are fundamental to FUL's business (such as underwriting and market risk), operational risks (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risk.

The universe spans the following overall risk categories and subcategories:



The classification of subcategories of risk is reflected throughout the RMF. These subcategories of risk are:

- "core" risks encompasses those intrinsic risks that are fundamental to our business, and which we actively pursue (within tolerances) to optimise FUL's risk adjusted return;
- "non-core" risks are those intrinsic risks that are incurred as a necessary consequence of our business but have little or no potential to generate a reward; and
- "other" risks that arise from the failure of people, processes or systems upon which we rely (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risk.

For each category of risk, the FUL Board has an established risk appetite comprising qualitative statements supported by specific tolerances (expressed in quantitative terms where appropriate) against which risk exposures are monitored and managed. This appetite is adjusted over the business cycle in response to market conditions and the strategic and tactical drivers over the horizon of the business plan.

Monitoring and reporting of the risk, capital and solvency position is performed on both an actual and, where meaningful, prospective basis with a frequency that is proportionate to the materiality and volatility of risk presented by each category of risk defined in the universe, and reported quarterly as part of the CRO Report.

FUL has embedded the principles of effective risk management and the ORSA in its core business processes - the forward-looking assessment of risk, capital and solvency adequacy being integrated into the strategic decision making and continuous monitoring processes.

The significant quantifiable risks that FUL faces in the current business plan are set out below:

Risk Category	Risk Description
Non-life underwriting risk	This risk arises from two sources – adverse claims development (reserve risk) and underwriting (premium risk)
Market risk	The risk that the value of the Company's assets falls or that there are adverse currency swings
Counterparty default risk	The risk of default of FUL's reinsurers or intermediaries
Operational risk	The risk of losses resulting from inadequate or failed people, processes, systems or from external events

Each of these risks has been captured in the overall solvency needs of FUL through the calculation of the SCR using the Solvency UK standard formula, the setting and monitoring of risk appetite tolerances for each of the risks, and consideration of how the risk exposures are likely to change over the planning period in both normal and stressed environments.

Other than liquidity risk, which is not explicitly captured by the standard formula SCR, there are no identified quantifiable material risks faced by FUL that are not currently considered to be included in the SCR as calculated by the Standard Formula. The details as to how the Company monitors and mitigates against liquidity risk are detailed in section C1.4.

i. Governance and structure

The FUL Board retains sole authority for setting the risk and capital appetite for the Company within the context of the overall Group and taking into account any recommendations from FUL Board committees and management.

The Board receives comprehensive risk and capital reporting on at least a quarterly basis and at such other times as required due to an actual or projected change in the Company's risk, capital or solvency profile. The RCC, a committee of the Board, supports the Board in ensuring the continued effectiveness and appropriateness of the RMF – reviewing, challenging and making recommendations upon its outputs.

The RCC and Board are supported by management's RRC in the day-to-day maintenance of the RMF and its underlying components. A summary of the RRC work in the period and any issues and recommendations for Board attention are reported within the CRO report to the RCC.

The Board and committees are supported by the risk management, actuarial, compliance, legal and internal audit functions.

ii. Core processes

The RMF is delivered through a series of business processes operated with a frequency designed to provide ongoing management of the Company's changing risk profile, capital and solvency position on both a current and projected basis that is proportionate, whilst addressing stated regulatory reporting requirements.

The core elements of the process include:

Strategic Planning

The annual strategic planning process provides projections based on a range of potential economic and market scenarios. The review revisits and restates the Company's strategic risk and return aims to evaluate the prospective performance of the business model. The strategy is reviewed annually by the Board.

Business Planning

The business planning process incorporates a forward-looking projection of the risk, capital and solvency profile of the Company and associated strategies. It includes the assessment of a range of potential business scenarios supported by the use of stress testing, to test forecast capital adequacy, volatility and viability and inform capital and liquidity management strategies and associated contingency plans.

The proposed plan is subject to Board challenge and approval and formalises the risk / return objectives, risk and capital appetite, underwriting, and investment and capital management plans for the coming year against which performance is assessed.

The process involves extensive input from risk management, the actuarial function, and the RRC, with a key output being the CRO's review of the business plan covering a series of summary assertions relating to risk, capital and solvency matters noting any exceptions or recommending changes to the risk, capital and solvency appetite.

The plan is reviewed and approved by the Board in the fourth quarter and updated in the first quarter of the following year with the benefit of the year-end and key January renewals and forms the core of the annual ORSA process.

iii. Quarterly risk, capital and solvency review

The risk function provides the RCC with a full review of the risks facing the Company at least quarterly and at any other time as required in the interim in response to a material actual or proposed change in its risk, capital and solvency profile.

The review provides an analysis of the risk, liquidity, capital and solvency profile of the Company against the Board approved risk appetites as well as considering a forward-looking view of the risks that it faces. It therefore addresses the core elements of the ORSA on a quarterly basis.

B3.2 Own risk and solvency assessment

The ORSA is the forward-looking process by which the Board can monitor the risks to the business and assess the impact of those risks on the capital adequacy of the business. The Board uses the ORSA to inform its future business decisions and to ensure that any risk remaining after controls have been applied is within the parameters of FUL's risk appetite.

The ORSA process is undertaken on a formal basis at least annually as a part of FUL's annual business planning process. A full or partial ad hoc ORSA process is undertaken if there has been a material change in FUL's risk profile.

FUL has embedded relevant ORSA processes into the quarterly business-as-usual internal reporting. This information includes monitoring the level of risk faced against the Board approved risk appetite, as well as strategic developments and their potential impact on the required level of capital. This all forms a key part of the ORSA related internal documentation and the quarterly reporting to the FUL RCC and the FUL Board.

Following the completion of each ORSA process, the results are documented and reported to the FUL Board for review and approval. In line with regulatory guidance, a supervisory report of the results of this assessment is then provided to the PRA within two weeks of the Board approval.

Through the performance of the ORSA process and based on the business strategy and plan, FUL determines its overall solvency needs by taking into account its current and projected risk profile, regulatory capital requirements, and risk appetite tolerance limits. The results of the ORSA process are considered on an on-going basis in decision-making in respect of the Company's capital management activities and risk framework development.

The latest formal ORSA process was conducted as part of FUL's annual business planning process in the first quarter of 2025. It was approved by the FUL Board during Q1 2025 and will be submitted to the PRA within two weeks of the Board approval.

B4. INTERNAL CONTROL SYSTEM

B4.1 Description of internal control system

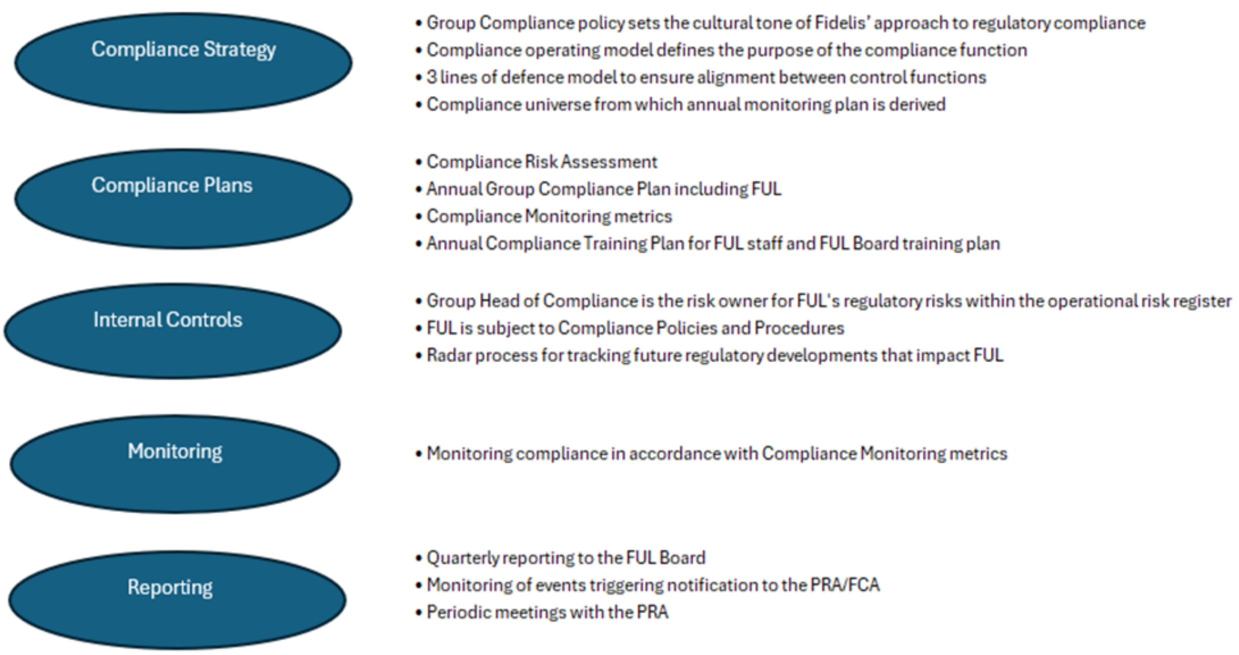
Significant internal policies are approved at Group level by the FIHL Board, with subsequent approval by the subsidiary boards who may either approve the policy, approve subject to amendments, or decline to approve the policy, with a resulting referral back to the FIHL Board for reconsideration. Group level policies provide a statement of intent, with internal procedures intended to embed and achieve the policy being driven, owned and approved by senior management.

Internal controls have been adopted in such a way as to ensure that they are aligned with each other and to the business strategy and are subject to a risk-based periodic review cycle. All key internal controls are recorded in the risks and controls register so as to be capable of second line monitoring and third line audits.

B4.2 Implementation of the compliance function

The Group compliance function is led by the Group Head of Compliance who reports into the Group Chief Legal Officer. The Group Head of Compliance is responsible for FUL's compliance oversight.

A summary of the compliance risk management framework is below:



The compliance function seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met.

B5. INTERNAL AUDIT FUNCTION

B5.1 Implementation of the internal audit function

The internal audit department is resourced internally by the Group HIA and internal audit staff located in the UK, Ireland, and Bermuda, as well as through a panel of co-source service providers. The Group HIA is responsible for maintaining the following items, which are approved and recommended to the FUL Board by the FUL Audit Committee:

- An audit charter;
- An audit universe;
- A budget for co-source resource; and
- An annual audit plan.

The above items are presented to the FUL Audit Committee annually as part of the audit plan approval process. The audit plan is risk-based and its formation is based on a combination of the risk and controls register, discussion with management, discussion with the external auditor (KPMG) and input from the co-source providers. The Group HIA exercises independent judgment in determining what should be included within the audit plan to ensure the audit plan is independent of management and management's view of risk. Upon obtaining approval from the FUL Audit Committee, the Group HIA, using in-house or co-source resources, as agreed by the Audit Committee, will then execute the audit plan.

The internal audit department aims to comply with industry best practice wherever possible. This includes the principles set out by the Chartered IIA.

There is a quarterly report issued to the FUL Audit Committee reporting on the activities of Internal Audit over the prior quarter, specifically:

- Progress of completion of the audit plan;
- Summary of audit work completed in the quarter including reports issued;
- Progress with the clearance of agreed actions;
- Overdue agreed actions;
- Proposed changes to the plan if necessary;
- Resourcing and budget usage for co-source; and
- Any other matters.

The Group HIA, in conjunction with the business plan to be approved by the FUL Board each year, presents an annual audit plan, typically in the fourth quarter, for approval by the FUL Board.

B5.2 Independence and objectivity of internal audit

The following key procedures are in place to ensure that internal audit is independent and objective:

- Primary reporting line – The Group HIA has a direct reporting line to the Chair of the FUL Audit Committee;
- Secondary reporting line – The Group HIA's secondary reporting line on a day-to-day basis is to the Group CFO;
- Group HIA compensation – All compensation arrangements for the Group HIA are subject to Group Compensation Committee review and approval, removing any management influence over the Group HIA compensation;
- HIA appraisal – this will be performed in the first instance by the Group CFO and is then reviewed and approved by the Chair of the Group Audit Committee;
- Audit Committee private session – the FUL Audit Committee, as per its quarterly standing agenda item, may request a closed session with the Group HIA at its regularly held meetings. Furthermore, it is compulsory at least annually for the Group HIA to have a closed session with the FUL Audit Committee. This ensures that the Group HIA can relay any serious concerns without management present;
- The HIA and Chair of the Audit Committee have a private meeting pre-Audit Committee every quarter to discuss all Audit Committee materials provided by the HIA. At this meeting the HIA has the opportunity to raise any concerns;
- Agreement of audit reports – the Group HIA is responsible for agreeing and issuing all internal audit reports and being satisfied that any raised actions have been appropriately addressed and closed; and
- Internal audit policy – the approved policy provides for the audit team to have unfettered access to all staff, records and information of the Company as they see fit while conducting audits.

B6. ACTUARIAL FUNCTION

The actuarial function, led by the Group Chief Actuarial Officer, consists of a number of qualified actuaries and analysts. The function is also supported by an external consultancy, Dynamo Analytics Ltd, who provide actuarial support.

Key responsibilities include the valuation of the TPs, opining on the underwriting policy and reinsurance arrangements and calculating the standard formula SCR as well as assessing the appropriateness of the standard formula being used to calculate the SCR. The main underwriting is currently carried out by The Fidelis Partnership which has its own actuarial pricing and exposure management functions. These functions are set out in the Service Management & Oversight Framework. The Group Chief Actuarial Officer has complete oversight over the monitoring of key actuarial related SLAs and KPIs.

The work performed by the function and the resulting opinions, are documented at least annually in the actuarial function report. The function reports its activities and findings to the FUL Board.

It is the responsibility of the actuarial function to report on each of the above areas, and in addition to this, make recommendations to remediate any deficiencies identified.

The Group Chief Actuarial Officer is responsible for ensuring that there is sufficient independence in the activities undertaken by the actuarial function. Independence is supported by the following factors:

- All actuaries within the function are members of actuarial associations and subject to both professional and technical requirements;
- An external reserve review is carried out at year end providing the Board with an alternative view;
- Key tasks of the function are subject to governance through the Audit Committee, RRC and/or the FUL Board. These committees include non-executive directors ensuring adequate challenge;
- All tasks of the function are subject to internal audit on a regular basis which aids identification and escalation of deficiencies; and
- The Group Chief Actuarial Officer role is an approved position and is subject to the PRA/FCA SMCR.

B7. OUTSOURCING

FUL operates an outsourcing policy and outsourcing procedure ("outsourcing controls"). This applies to any form of agreement between FUL and an external third party, where the latter performs a (re)insurance activity or undertakes a key function on behalf of FUL, which FUL would otherwise perform itself. An outsourced service is regarded as critical or important if a defect or failure in its performance would have a material, negative impact on:

1. The quality and continuity of providing core services to the policyholders;
2. FUL's continuing compliance with the conditions and obligations of its authorisation;
3. FUL's ability to comply with other regulatory obligations.

The outsourcing controls require appropriate consideration of the operational, regulatory and other risks associated with the activities to be outsourced, both prior to signing the agreement and in monitoring after the agreement is signed.

Where there is critical or important outsourcing arrangement, the outsourcing controls require the following levels of additional scrutiny:

Prior to executing the arrangement

- Enhanced due diligence
- Minimum contractual requirements
- FUL Board approval of the outsourcing arrangement
- Parent Board approval if deemed appropriate based on the outsourcing relationship
- Notification to relevant regulators

After executing the agreement

- Frequent monitoring by the function owner of the outsourcing relationship
- Quarterly Board reporting by the compliance function
- More stringent renewal requirements

In 2024, FUL outsourced the following critical functions listed below, noting the jurisdiction of the service providers:

Function	Location of outsourced service provider	Rationale for outsourcing	Function responsible for oversight
Underwriting, underwriting administration and claims handling	United Kingdom	Under a 10 year rolling Framework Agreement, The Fidelis Partnership manages origination, underwriting, underwriting administration and claims handling under delegated authority agreements with the Group. Other services provided by The Fidelis Partnership to the Group include sourcing and administering the outwards reinsurance program, and support with business planning, insurance contract accounting and information technology.	Multiple functions
Investment custodian / administrator and investment accounting services	United States of America	Administration of, and accounting for a portfolio of fixed-income securities is a technical job that requires significant investment in people and technology. At current size of assets, it would not be economical to do this in-house. Outsourcing enables FUL to have its portfolio independently priced and appropriately reported.	Finance
Solvency UK TPs and other actuarial support	United Kingdom	FUL would not currently be able to economically perform the level of actuarial and technical work required for calculating, evaluating and monitoring Solvency UK TPs.	Actuarial

In addition to the above, there is a master intra-group services agreement and a number of non-material outsourcing agreements in place.

B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE

The Board reviews FUL's system of governance periodically and considers it to be effective and appropriate for the nature, complexity and scale of the risks inherent in the firm and its business.

B9. OTHER INFORMATION

The assurance functions undertake monitoring activity to assess performance of our systems and controls. This includes consideration of compliance with system of governance requirements. Appropriate action is taken to deal with any findings, changes or updates required.

SECTION C : RISK PROFILE

C1. RISK CATEGORIES

C1.1 Non-life underwriting risk

i. Overview of assessment of non-life underwriting risk

Underwriting risk comprises premium risk and reserve risk. Underwriting risk arises from the Company's general insurance business and refers to the risk of loss, or of adverse change in the value of insurance liabilities due to inadequate pricing and reserving assumptions.

Examples of such risks include unexpected losses arising from fluctuations in the timing, frequency and severity of claims compared to expectations and inadequate reinsurance protection. The Company's underwriting and reinsurance strategies are set within the context of the overall Fidelis Insurance Group strategies, approved by the Board and communicated clearly throughout the business through policy statements and guidelines. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

ii. Risk mitigation techniques for non-life underwriting risk

Premium risk

Building on the foundation of strict underwriting governance and individual underwriter authorities, the Company oversees The Fidelis Partnership's robust system of peer review which operates to a high level of sophistication, depth and scope of application.

All new risks and renewals, other than declarations under full-follow sub-delegated authorities, are required to be presented to the daily UMCC (or "the call"), normally prior to terms being offered and in the event of a material change in terms, exposure or pricing from that agreed previously. This call includes key figures from the Underwriting team such as Class Underwriters, the Underwriting Director, and the CUO. The call is designed to ensure the cooperative and collegiate management of insurance risk, ensure that individual underwriters draw upon the expertise of their peers, and avoid silos of underwriting. Where full-follow sub-delegated authorities are issued, the master contract will be reviewed at the UMCC as well as by the DPMG although declarations or risks attaching to such covers may not be.

Product design and pricing aims to minimise adverse selection of risks and use appropriate rating factors to differentiate between levels of risk.

A key aspect of the Company's strategy for risk mitigation centres on the use of outwards reinsurance for the inwards portfolio. Outwards reinsurance allows FUL to more effectively manage capital, to reduce and spread the risk of loss on insurance and reinsurance business and to limit the Company's exposure to multiple claims arising from a single occurrence.

The FUL Board primarily approves the purchase of outwards reinsurance as a part of the approval of the business plan. The main reinsurance treaty for FUL is an IGR quota share and excess of loss treaty with FIBL. FUL also purchases additional facultative and treaty reinsurance protection as the FUL CUO deems necessary, on behalf of the Board. The Group also purchases proportional and non-proportional treaty reinsurance, which FUL benefits from, with the agreement of the FUL CUO.

The Company plans to continue to use outwards reinsurance as one of its main underwriting risk mitigation techniques over the business planning time horizon.

Reserving risk

As the majority of the Company's portfolio is expected to benefit from a short period of discovery of loss, the reserves will relate to claims notified against which the Company will hold individually evaluated case reserves and IBNR reserves. These reserves are expected to be less variable from a risk perspective than peers with longer tail business.

The Company aims to set reserves at a level that limits the potential impact of reserve deterioration on overall return on equity whilst avoiding the taxation, reputational and regulatory risks that could result from systematic or excessive over-reserving.

FUL's stated risk tolerance level is that it has no appetite for setting case reserves below the levels advised by internal or external claims adjusters and counsel, nor does it have appetite to set IBNR reserves below the mean best estimate determined in consultation between our internal and external actuaries.

In addition to the quarterly review cycle operated by the Fidelis actuarial function, the level of reserves across all classes are subject to a full external actuarial review annually.

iii. Risk assessment of non-life underwriting risk

Premium risk

Elemental (e.g. wind, earthquake) and non-elemental (e.g. terror, aviation, marine, economic risks) exposures are monitored on a range of metrics set out in the Board approved risk appetite, based upon data from The Fidelis Partnership's underwriting system combined with the use of external and proprietary modelling techniques.

For elemental exposures, modelling leverages the use of external stochastic catastrophe modelling tools operated by The Fidelis Partnership's dedicated in-house modelling team. The results of the modelling are reviewed by the RRC and reported to senior management and the Board at least quarterly providing modelled OEP curves estimating the PML both gross and net of reinsurance for each significant peril / geographical zone at a range of return periods.

For non-elemental exposures, where stochastic modelling capabilities are not available, the process considers a range of RRC-approved deterministic RDSs, designed to represent hypothetical extreme but nonetheless credible potential loss scenarios. These are supplemented by internally modelled loss distributions projecting potential losses at a range of return periods similar to the approach applied to elemental exposures. The deterministic RDSs also include those defined in the standard formula that materially influence the Company’s SCR.

Reserving risk

In respect of reserve risk, in addition to the quarterly review cycle operated by the actuarial function, the level of reserves across all classes is subject to a full external actuarial review annually.

iv. Risk concentration of non-life underwriting risk

Non-life underwriting risk concentrations may occur in relation to geographic regions, geographic locations, industry sectors, and insured counterparties. The potential for the build-up of concentration risk is monitored on a frequent basis against the Board’s stated risk appetite for such concentrations.

C1.2 Market risk

i. Overview of assessment of market risk

The Company seeks to optimise its investment income whilst focusing on ensuring it maintains sufficient capital to meet solvency requirements and maintain sufficient liquid funds to meet liabilities when they fall due. Exposure to market risk is therefore limited to the extent that investment strategies are balanced by these primary objectives.

Market risk is divided into three subcategories: investment risk, currency risk, and asset and liability matching risk. We assess our risk asset exposures whenever there is volatility in the equity markets.

ii. Risk mitigation techniques for market risk

Investment risk

The key drivers of investment risk are a function of the predominantly fixed income strategy that the Company has chosen to follow. The primary drivers of risk in the fixed income portfolio are shifts in the yield curve (interest rate risk) and the credit quality of the investment (spread risk).

The investment portfolio performance and risk are managed at an aggregate portfolio level. The investment strategy and investment types have been chosen specifically to construct an investment portfolio that ensures the credit quality, duration, and value at risk remain within the risk tolerances set out in the risk appetite. The investment portfolio's key metrics are included in the quarterly CRO Report to the FUL Board.

FUL contracts with its portfolio managers for the provision of investment management services. The Company's investment guidelines and the RMF formalise FUL's appetite for investment risk at the portfolio level.

Extensive due diligence of investments is performed prior to directly investing into new asset classes, or entering into new investment manager relationships. Due diligence procedures will be performed on both the investment opportunity and on any third-party investment managers who will be engaged in connection with the investment. This due diligence considers many aspects of the investment decision including the potential for adverse aggregations and correlations with other elements of the investment portfolio and the underwriting portfolio.

A strategic asset allocation exercise is undertaken regularly in conjunction with the investment managers which takes into account the Company's risk tolerance levels and investment objectives. Investment decisions are made in line with the Company's investment guidelines and the prudent person principle. The high credit quality nature of the fixed income portfolio provides a level of mitigation against spread risk.

Currency risk

Currency risk exposures arise due to assets and liabilities being held in differing currencies. Whilst the Company accepts a degree of currency risk as a natural consequence of operating across multiple currencies, it has no desire for speculative exposure as a means to value creation.

The RMF limits currency mismatches to $5.0 million equivalent per currency and mitigation activities must be implemented within 14 days of completion of quarterly management accounts, recognising that doing so at an individual operating entity level may be disproportionate and in theory potentially trigger inefficient risk management action.

Recognising that the variability in individual currencies is something over which the Company has no control, it therefore seeks to limit its actual exposure to currency risk through asset liability matching including, and where appropriate, currency hedging strategies that are undertaken at the Group level taking into account FUL's own exposures.

An increase or decrease of 25% in the US dollar would result in additional gain or loss, respectively for the year of $26.2 million (2023: $27.9 million) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Asset and liability matching risk
Asset and liability matching risk is defined as the risk that the Company does not have available sufficient financial resources to enable it to meet its medium to long term financial obligations due to, for example, a currency or duration mismatch in its assets and liabilities.

These risks arise from open market positions in interest rate and currency products, both of which are exposed to general and specific market movements.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. It manages these positions within a risk management framework that incorporates a Board-approved risk appetite limit that defines the maximum currency and duration mismatches that are allowed, as well as the investment portfolio being developed to ensure that investment proceeds and returns and available cash are in excess of obligations under insurance contracts.

iii. Risk assessment of market risk

Investment Risk
The aggregate risk level is managed through the adherence to the investment guidelines with the portfolio managers. The investment portfolio is monitored and reviewed on an ongoing basis to ensure adherence to credit limit guidelines. In addition, there are limits on the amount of credit exposure to any one issuer, except for US government securities.

The following investment portfolio risk metrics are monitored on a quarterly basis:

- The average portfolio duration;
- The average portfolio credit quality;
- Percentage of assets in the portfolio with a credit rating lower than BBB-
- The minimum credit quality at time of purchase; and
- Value-at-Risk

The Company monitors interest rate risk on at least a quarterly basis by calculating the duration of the investment portfolio. Duration is an indicator of the sensitivity of the assets to changes in current interest rates.

Investment risk is also assessed as a part of the stress and scenario testing undertaken as a part of the ORSA process.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

An increase or decrease of 50 basis points ("BPS", a measurement where one BPS is equal to 0.01%) in interest yields would result in additional loss or gain for the year of $19.6 million (2023: $8.6 million) with an equal impact on net assets, assuming all other assumptions remain unchanged.

Currency risk
FUL assesses its exposure to currency risk through its regular monitoring against the Board agreed risk appetite limits. The Group's and FUL's actual net currency matching exposure is reported in the quarterly CRO Report to the FUL Board.

Asset and liability matching risk
FUL assesses its exposure to asset and liability matching risk through its regular monitoring against the Board agreed risk appetite limits in respect of currency mismatches and the average durations of the investment and liability portfolios.

The Group's and FUL's actual net currency matching exposure and investment and liability portfolios are reported in the quarterly CRO Report to the FUL Board.

iv. Risk concentration of market risk
Market risk concentrations may occur in relation to geographic locations, currency, asset duration, industry sectors and counterparties. The potential for the build-up of concentration risk is monitored on a frequent basis against the investment manager guidelines, investment portfolio benchmarks (that are based upon the findings from the strategic allocation exercise), and the Board's stated risk appetite limits.

C1.3 Counterparty default risk

i. Overview of counterparty default risk

Counterparty default risk exposures relate to the potential failure of a third-party to meet their financial obligations to the Company, and explicitly excludes counterparty default risk in relation to the investment portfolio. Key areas where the Company is exposed to counterparty default risk are:

i. Reinsurers' share of insurance liabilities;

ii. Amounts due from reinsurers in respect of claims already paid;

iii. Amounts due from insurance contract holders;

iv. Amounts due from insurance intermediaries; and

v. All other assets not stressed elsewhere in the SCR.

ii. Risk mitigation techniques for counterparty default risk

Reinsurer counterparties

The risk management approach to counterparty default risk is designed to limit potential reinsurance and broker counterparty default to a level consistent with the risk appetite through a combination of:

i. Appropriate counterparty selection;

ii. Appropriate levels of diversification in the portfolio;

iii. Appropriate mitigation in respect of external counterparties with a lower security rating through the use of collateralisation, subject to minimum collateral quality requirements, and/or downgrade clauses as appropriate; and

iv. Monitoring changes in security and taking appropriate remedial action as required.

The Counterparty Security Committee meets at least half yearly, and ad hoc as new partners are proposed. The RRC monitors the Group’s aggregations which are reported to the FIHL, FIBL and FUL Boards on a quarterly basis in the CRO Report.

In certain circumstances, deposits from reinsurers are also held as collateral.

Intragroup reinsurer counterparty risk

The counterparty risk presented by the IGR arrangement is mitigated through the use of collateralisation in the form of trust accounts with BNY Mellon as the trustee, FIBL as grantor and FUL as beneficiary. FIBL has deposited assets in the trust account, to secure its obligations to FUL, under the IGR arrangement.

As at the end of 2024 the FUL Board set a minimum level of collateralisation of 102% of the sum of a) FUL’s reserves for losses and loss adjustment expenses reported and outstanding and incurred but not reported; and b) FUL’s unearned premium reserves minus premiums payable and DAC, provided that this number shall never be less than zero. Confirmation that the level of actual and required collateral has been met is monitored and reported quarterly to the FUL Board.

Intermediary counterparty risk

Whilst in theory FUL has significant exposure to counterparty risk in respect of its dealings with insurance intermediaries, in practice these are limited through the use, for the most part, of non-risk transfer terms of business through The Fidelis Partnership.

As such, FUL is prepared to tolerate significant outstanding broker balances reflecting the concentration of business in the markets in which it operates subject to regular monitoring and the reporting of material exposures to management and the Board.

Credit control policies and procedures are in place to ensure all money owed to FUL is collected and to ensure that material cash received is allocated appropriately.

iii. Risk assessment of counterparty default risk

Reinsurance is used to manage and mitigate underwriting risk; however, this does not discharge the Company's liability as the primary insurer. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of its reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

Exposures to individual policyholders, groups of policyholders and intermediaries are also monitored on an ongoing basis through the Company's credit control processes.

The risk appetite limits on the level of intermediary and reinsurance counterparty default risk are reviewed and approved annually by the FUL Board.

Counterparty default risk is also assessed as a part of the stress and scenario testing undertaken as a part of the ORSA process.

iv. Risk concentration of counterparty default risk

Counterparty default risk concentrations may occur in relation to reinsurer counterparties, insurance contract holders or insurance intermediaries. The potential for the build-up of concentration risk is monitored on a frequent basis against the Board's stated risk appetite limits.

C1.4 Liquidity risk

i. Overview of liquidity risk

Liquidity risk relates to the risk of the Company being unable to meet its liabilities as they fall due, caused by a lack of available cash. FIHL has unconditionally and irrevocably guaranteed all of FUL's financial obligations.

ii. Risk mitigation techniques for liquidity risk

FUL's investment portfolio consists of a highly liquid fixed income portfolio and cash. The Company's investment guidelines and the RMF formalise FUL's appetite for liquidity at the portfolio level. This level of required liquidity across the overall portfolio is one of the drivers for the construction and maintenance of the investment portfolio. This results in liquidity levels being maintained significantly in excess of that which would otherwise be required to support projected outflows related to insurance obligations even in stressed scenarios. Furthermore, FUL has the right to request immediate settlement of material recoveries (those in excess of $10.0 million on a gross of IGR basis) under the IGR agreement with FIBL.

The Company's exposure to liquidity risk is regularly monitored through its liquidity risk appetite which is dominated by its strategic imperative to maintain a highly liquid investment portfolio.

The Company maintains a predominantly cash and fixed-income investment portfolio. The Company seeks to optimise its investment income whilst focusing on ensuring it maintains sufficient capital to meet solvency requirements and maintain sufficient liquid funds to meet liabilities when they fall due.

Subject to maintaining sufficient liquidity in aggregate across entities, FUL has the ability to perform intragroup transactions in the event of temporary liquidity shortfalls at individual entity level. This obviates incurring costs that might result from raising entity-specific liquidity through external means.

At the Group level the target minimum level of liquidity is designed to ensure that the Company can satisfy policyholder liabilities in a stressed environment requiring sufficient cash liquidity at 5 days, 30 days and 180 working days to cover a variety of pre-defined gross man-made and natural catastrophe loss events.

FUL has also established liquidity buffers that are equivalent to the assets required to be held for it to meet the 1, 5, 30 and 180 working days stress tests based on its own assets and exposures after taking into account expected recoveries from the intragroup reinsurance arrangements.

iii. Risk assessment of liquidity risk

Liquidity risk is assessed on a regular basis against the stress tests defined in the Company's liquidity risk appetite statement, as well as a part of the stress and scenario testing undertaken during the ORSA process.

The results of the quarterly liquidity stress tests and the amount of the invested assets that are expected to be able to be liquidated within 5 days are reported to the FUL Board in the CRO Report.

iv. Risk concentration of liquidity risk
Liquidity risk concentrations may occur in relation to the nature of the underlying assets that FUL invests in, as well as the custodians, banks, credit institutions and bond issuers that FUL places its cash and investments with.

The potential for the build-up of concentration risk is monitored on a frequent basis against investment manager guidelines, investment portfolio benchmarks (that are based upon the findings from the strategic allocation exercise), and the Board's stated risk appetite limits.

v. Expected profit included in future premiums ("EPIFP")
Liquidity risk also takes account of EPIFP. The Company recognises that EPIFP can contribute to an increase in future net cash flows and therefore can act to reduce liquidity risk.

EPIFP is the expected present value of the future cash-flows of legally obliged insurance contracts where the future incomings are larger than future outgoings. This value forms part of the calculation of Solvency UK technical provisions.

The EPIFP as at 31 December 2024 is $161.7 million (2023: $251.4 million). The calculation of the EPIFP has been performed to understand the level of expected profit within premiums that are expected to be received in the future. This calculation has inherent uncertainty as it is on a planning basis and actual outcome may differ materially.

C1.5 Operational risk

i. Overview of assessment of operational risk
Operational risk relates to the risk of losses arising from adverse external events, or from inadequate or failed internal processes, people or systems or from (non-insurance) external events. FUL sets high standards for its operations and maintains a simple operating structure designed to limit operational risk and ensure effective identification and appropriate action in the event of risks crystallising.

Operational risk is considered from a range of internal and external sources according to whether it has the potential to exacerbate the intrinsic losses that may be suffered and / or crystallise in a specific financial loss or other adverse impact.

Sources of risk are considered under the following broad categories:

- Failure of a core business process, people or system to contain intrinsic risk within the Board's approved appetite e.g. failure to underwrite within underwriting authority / maximum lines;
- Failure of a process, people or system and / or external events leading to a specific financial loss or impact over and above that resulting from intrinsic risk exposures e.g. a failure to comply with anti-money laundering policy resulting in fine or sanction or processing backlogs; and
- Failure of process, people or systems leading to loss of opportunity (i.e. not necessarily a capital impact but one that adversely impacts potential risk adjusted returns) e.g. failure to effectively maintain broker relationships leading to a loss of income.

ii. Risk mitigation techniques used for operational risk
The Company maintains an operational risk and controls register encompassing all material operational risks and the controls designed to prevent, mitigate or detect them.

On a quarterly basis the CRO and/or a member of the risk management function meets with individual risk owners to discuss and document any changes to risks, controls or processes. The meeting includes an open discussion encompassing changes to business and processes, new or developing emerging risks and any other topics raised by the risk owners.

A disaster recovery plan and a business continuity plan are both in place to mitigate the impact to the Company of a failure in FUL's IT systems or a loss of access to its premises.

In respect of key person risk, Fidelis has succession plans in place that are reviewed and updated on at least an annual basis to mitigate the impact of the departure of key individuals from the organisation.

The utilisation of documented policies and procedures also mitigates against the risk of a loss of knowledge from the Company.

iii. Risk assessment of operational risk

On at least an annual basis, and at such points in the development of the Company where material changes are made to the operating structure, relevant risk owners are required to reassess and reaffirm the full scope of risks, controls and related assessments for which they are responsible.

The resulting assessment is recorded and subject to review, challenge and approval by the risk management function.

An assessment of key risks and any material changes in the period is reported by the CRO to the RCC supported by a summary of key points from the risk owner discussions. Material changes to the scope, nature or assessments of risks and controls are reported to the internal audit function to inform the audit planning and review process.

In the event of a material operational risk crystallising, a risk learning exercise will be undertaken to understand the root causes and identify mitigating factors or steps to reduce the probability and / or impact of a recurrence where appropriate.

The conclusions from this exercise and the results of the follow up action will be reported to senior management and agreed with the relevant risk / control owner(s) and summarised in the CRO Report to the RCC and the FUL Board.

Operational risk is also assessed as part of the stress and scenario testing undertaken within the ORSA process.

iv. Risk concentration of operational risk

Operational risk concentrations may occur in relation to an overreliance on key individuals within the organisation, or the dependency on third-parties, key systems and processes that the Company utilises.

Operational risk is monitored on a regular basis against the Board's stated risk appetite limits.

C1.6 Other material risks

Risks relating to the strategic relationship with The Fidelis Partnership

i. Overview of risks relating to the strategic relationship with The Fidelis Partnership

The Company relies on The Fidelis Partnership for services critical to its underwriting and other operations. The termination of the relationship or the failure by The Fidelis Partnership to perform these services may cause material disruption in our business or materially adversely affect our financial results.

If the relationship with The Fidelis Partnership is terminated or The Fidelis Partnership fails to perform any of the services outsourced to it, the Company may be required to hire staff to provide such services itself or retain a third party to provide such services, and no assurances can be made that the Company would be able to do so in a timely, efficient, or cost-effective manner. Additionally, the Company's success depends to a significant extent on key personnel employed by The Fidelis Partnership to implement its business strategy. There can be no assurance, however, that such key personnel will remain employed by The Fidelis Partnership. Additionally, The Fidelis Partnership's loss of the services of key personnel could significantly and negatively affect its ability to execute the agreed annual plan, which could, in turn, have a material adverse effect on the Company's business.

ii. Risk mitigation techniques used

The Company and Fidelis Insurance Group have entered into a number of agreements governing the outsourced relationship with The Fidelis Partnership, including the Framework Agreement, a series of Delegated Underwriting Authority Agreements, and the Inter-Group Services Agreement.

The Framework Agreement has a rolling initial term of 10 years, with years one to three rolling automatically (each year resetting for a new 10-year period).

In accordance with the terms of the Framework Agreement, the Fidelis Insurance Group and The Fidelis Partnership will agree the following documents on an annual basis: (i) an annual plan, agreed at group level, which will set out the limits of The Fidelis Partnership's delegated authority for the respective underwriting year, including the agreed underwriting parameters and risk tolerances in respect of its two segments, insurance and reinsurance, underwriting strategy on a gross and net basis for each annual period; and (ii) a group-level underwriting strategy, which will establish how the Fidelis Insurance Group and The Fidelis Partnership will coordinate the manner in which insurance and reinsurance risks are underwritten pursuant to the Delegated Underwriting Authority Agreements in each annual period.

The Fidelis Partnership is subject to various service standards in relation to the services it provides to the Fidelis Insurance Group under the Framework Agreement and the Inter-Group Services Agreement. In addition to general requirements to carry out its obligations in accordance with good industry practice and all reasonable care and skill, the Framework Agreement and the Inter-Group Services Agreement each contain a number of prescribed SLAs and KPIs, that apply to a range of services. If The Fidelis Partnership fails to remedy breaches of the SLAs or KPIs within a reasonable period agreed with the Company, there are financial penalties which can be levied upon The Fidelis Partnership.

Under the terms of the relevant agreements, The Fidelis Partnership provides detailed reporting to the Company on a regular basis. Such reports include, among other things, (i) accounting information (i.e., premiums written and earned, fees and loss reserves); (ii) underwriting information (including all insurance business underwritten under the Delegated Underwriting Authority Agreements); and (iii) claims handling information.

iii. Risk assessment

A governance and oversight framework has been established to provide the Company and Fidelis Insurance Group with oversight of key activities conducted within The Fidelis Partnership, as well as the flow of information from The Fidelis Partnership to the Company and the Fidelis Insurance Group.

A Joint Approval Group (JAG) has been formed which facilitates and oversees the execution of all activities required to manage the Framework Agreement in a consistent and standardised manner. The JAG meets monthly and acts as an escalation point for the Heads of Departments to ensure adherence to prescribed service-level agreements and KPIs.

The Fidelis Partnership is required to send data each month to the Company and the Fidelis Insurance Group to support attestations that the agreed SLAs and KPIs have been met.

iv. Risk concentration

Operational risk concentrations may occur in relation to an overreliance on key individuals within the Company or the wider Fidelis Insurance Group, or dependency on the key systems and processes that the Company utilises. Operational risk is monitored on a frequent basis against the Board's stated risk appetite limits.

The Company's operating model places a significant reliance on The Fidelis Partnership, with resulting credit and operational risk. Given the materiality of our exposure to The Fidelis Partnership, as well as the concentration of that exposure, regular scenario tests are conducted to test our Operational Resilience, the robustness of our Business Continuity Plans and our Exit Plans from the Framework Agreement with The Fidelis Partnership.

Emerging risk

i. Overview of emerging risk

Emerging risks are defined as the risks that are either previously unknown, or which were to some extent known but that are evolving in unexpected ways, and that have the potential to develop in such a way as to impact the balance sheet.

FUL identifies and monitors new and developing emerging risks through a range of channels including but not limited to:

- Regular communication with underwriters in respect of areas of risk material to their portfolios;
- Liaison with asset managers and advisors in respect of emerging macroeconomic, geopolitical and societal risks;
- The FUL CRO's and other members of the risk management function’s reviews with risk owners conducted via the operational risk management process; and
- The FUL CRO's and other members of the risk management function’s review of relevant external inputs, publications and periodic surveys.

ii. Risk mitigation techniques used for emerging risks

An emerging risk register is maintained by the risk management function and emerging or crystallising risks are reported to the RCC and the Board in aggregate through the regular CRO Report.

In the event of a new or developing emerging risk representing a material risk, the CRO will escalate as appropriate in order that appropriate mitigation can be implemented.

iii. Risk assessment of emerging risks

FUL assesses its exposure to emerging risks through the review and updating of the emerging risk register. On an annual basis the emerging risk register is presented to the FUL Board.

iv. Risk concentration of emerging risks

Emerging risk concentrations may occur in relation to a broad range of areas covering environmental, political, economic, social and technological developments.

Reinsurance availability risk

i. Overview of reinsurance availability risk

Reinsurance availability risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost. The inability may emanate from a variety of reasons such as unfavourable market conditions.

This risk does not include reinsurer default risk which is covered under C1.3.

ii. Risk mitigation techniques used for reinsurance availability risk

All reinsurance purchases must be authorised appropriately to ensure alignment to strategy and risk appetite and in accordance with operating guidelines.

The majority of FUL’s and the Group’s elemental reinsurance programs renew at 1st January. In the event of the reinsurance not being available, and mismatching FUL’s business plan, action can be taken including not writing the business or transferring the business to another Group entity as the inward exposure is not all written at 1st January but throughout the year.

FUL also benefits from the catastrophe bonds that the Group has purchased on a multi-year coverage basis and also enters into facultative reinsurance arrangements to manage its exposures in specialty and bespoke lines.

iii. Risk assessment of reinsurance availability risk

The risk is monitored on a regular basis against the Board’s stated risk appetite limits.

iv. Risk concentration of reinsurance availability risk

Reinsurance availability risk concentrations may occur in relation to reinsurance contracts placed relating to a particular class of business, a particular counterparty or at a specific period of time.

Group and strategic risk

i. Overview of Group and strategic risk

Group and strategic risk is defined as the risk of impact on shareholder value, earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Within this definition the Group has identified four key sub-categories of risk:

- **Communication risk:** The risk that the Group fails to define, maintain or adequately communicate its strategy and, as a result, cannot take advantage of strategic opportunities;
- **Capital planning risk:** The risk that the Company has insufficient capital at the right time to take advantage of strategic opportunities;
- **Reputational and regulatory risk:** The risk that adverse events or circumstances negatively affect the reputation of the Group with its rating agencies, regulators, policyholders, intermediaries, existing or prospective investors; and
- **Group contagion risk:** The risk that adverse events or circumstances affecting one or more business units or entities damage the solvency, liquidity, results or reputation of other entities or the overall Group.

ii. Risk mitigation techniques used for Group and strategic risk

Group risk is assessed, managed, monitored and reported as part of the Company's risk management processes. The Company seeks to manage strategic risks to the business by ensuring that the business strategies and resources are compatible with the strategic goals and the economic situation of the markets in which it operates.

iii. Risk assessment of Group and strategic risk

Strategic risk is assessed at least annually, as a part of the CRO’s review of the strategy.

Group risk is assessed at least annually as part of the ORSA process.

iv. Risk concentration of Group and strategic risk

Group risk concentrations may occur in relation to an overreliance by the Company on key individuals, systems, processes and financial resources of the Group.

Group and strategic risk are included within and monitored against the Board’s stated operational risk appetite limits on a frequent basis.

C2. RISK EXPOSURES

C2.1 Material risks and risk measures

The figures in the table below detail the current material risks for FUL as part of the SCR as at 31 December 2024 compared to 31 December 2023:

$ millions	2024	2023
Non-life underwriting risk	428.4	405.4
Market risk	112.5	74.7
Counterparty default risk	53.4	69.2
Diversification	(95.2)	(79.7)
BSCR	**499.1**	**469.6**
Operational risk	69.6	50.7
Deferred tax adjustment	(36.9)	(24.2)
SCR	**531.8**	**496.1**

The FUL Board is updated on at least a quarterly basis as to whether the current risk profile is within the approved risk appetite tolerances and expected to remain so. As part of the ORSA process, these risks have been subject to a series of plausible but extreme stress and scenario tests covering each of these risk categories and the liquidity of the Company's assets following these events. There have been no material changes in these processes during the year.

The most material risk that FUL faces relates to non-life underwriting risk. An overview of how this risk is assessed and the key risk mitigation techniques employed are detailed in section C1.1.i and ii respectively.

Commentary on the key movements in the SCR between 2023 and 2024 can be seen in section E2.2 SCR split by risk module.

C2.2 Investment of assets in accordance with prudent person principle

The Company is required to invest the assets used to cover the MCR and the SCR in accordance with the "prudent person principle". The prudent person principle defines that the assets must be invested in a manner that a "prudent person" would – that is that the decisions are generally accepted as being sound for the average person.

FUL fulfils its obligations required by the PRA rules to ensure that its assets are invested in line with the prudent person principle by investing in a portfolio of fixed income securities which is highly diversified across asset types, sectors, geographies and issuers. FUL's portfolio is in line with its risk appetite and includes predominantly investment-grade corporate bonds, investment-grade structured credit, investment-grade government bonds, cash or cash equivalents. These assets are all considered to be of a high quality and liquidity.

C3. RISK SENSITIVITY

As part of the annual ORSA process, management considers the impacts of the following plausible but extreme adverse events:

- Global pandemic and largest natural catastrophe[1],
- Reserve deterioration[1],
- Counterparty default risk,
- Operational risk - rogue MGA (cyber),
- Liquidity risk,
- Escalation of geopolitical issues,
- Group risk - non-payment of IGR,
- Aviation disaster,
- Elemental catastrophe and
- Underwriting Risk – maximum underwriting risk appetite.

[1]There were two stress and scenario tests which breached our regulatory capital. These two events are considered extreme with a return period of >1-in-200 years where the underlying assumptions are stressed in a severe way to assess the resilience of FUL's capital position.

C4. ANY OTHER INFORMATION

C4.1 Climate change

The principal climate-related risks for the Company are those that relate to the physical impacts of climate change. This includes all impacts driven from the natural elements (or “elemental”) and include perils such as tropical cyclones, flood, fire, and subsidence. The process to link these risks to the insurance portfolios under management by The Fidelis Partnership is relatively straightforward in its impact to classes such as property, energy and marine. The direct links have been regularly monitored through ongoing pricing, reserving and exposure management. To accomplish this, the Company together with The Fidelis Partnership, leverage industry-leading models as well as our own proprietary solutions to develop a “Fidelis view of risk” (“VoR”) which adds a layer of specific focus to climate factors (amongst other) that may not be adequately reflected elsewhere. So, whilst climate change has been an important strategic decision-making factor throughout the development of the insurance portfolios under management, the climate risk framework will endeavour to isolate the impacts of the climate risks elements through a different lens.

In terms of opportunities, the escalating impacts of climate risk imply there is likely to be a growing demand for (re)insurance solutions in order to support both climate risk mitigation and adaptation. The Company expects that there will be an increase in the amount of protection needed, as well as a need for new and innovative products. Fidelis Insurance Group continues to explore opportunities to offer additional capacity to these types of products.

C4.2 The Ukraine Conflict

Following Russia’s invasion of Ukraine on 24 February 2022, government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Certain of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft. As previously disclosed, the insurers have denied the claims and the lessors have instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including certain Fidelis Insurance Group entities. Certain claims that form part of these proceedings have since been settled out of court. The Group may continue to resolve such disputes through effecting settlements. Provision has been made in the Group’s and the Company’s reserves for claims incurred, net of reinsurance, for potential exposures relating to the Ukraine Conflict, including reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings and settlements. While it is not feasible to predict or determine the ultimate outcome of the aforementioned proceedings, the directors do not believe that the outcome of these proceedings will have a material adverse effect on the financial condition of the Company, after consideration of any applicable reserves.

C4.3 Unconditional Guarantee from FIHL

FUL has an unconditional guarantee from FIHL for all its financial obligations, however, FUL does not plan to rely on this guarantee and none of the extreme but plausible stress tests that have been run in the previous ORSA report resulted in a scenario that FUL needed to rely on this guarantee.

SECTION D : VALUATION FOR SOLVENCY PURPOSES

The Company's financial statements are prepared under the historical cost convention, as modified by the inclusion of certain investments at fair value and in accordance with FRS 102 and FRS 103 issued by the Financial Reporting Council.

The table below shows the differences in the valuation and classification of assets and liabilities per the Company's financial statements to the valuation for Solvency UK purposes as at 31 December 2024:

$ millions	Valuation per UK GAAP	Valuation adjustments	Re-classification adjustments	Valuation per Solvency UK
Assets				
Cash and cash equivalents	101.7	—	—	101.7
Investments	1,315.1	—	11.5	1,326.6
Deferred acquisition costs	215.1	(215.1)	—	—
Reinsurance recoverables / Ceded TPs	963.3	(485.0)	—	478.3
Reinsurance recoverable accrual	190.9	—	72.9	263.8
Ceded unearned premium reserve	1,278.5	(1,278.5)	—	—
Insurance and intermediaries receivables	1,383.1	(512.6)	(805.1)	65.4
Subrogation recovery on paid claims	69.8	(69.8)	—	—
Deferred tax assets	1.7	14.4	—	16.1
Any other assets, not elsewhere shown	137.4	(10.2)	(84.4)	42.8
Total assets	**5,656.6**	**(2,556.8)**	**(805.1)**	**2,294.7**
Liabilities				
Technical provisions	3,303.4	(1,322.5)	(805.1)	1,175.8
Reinsurance payables	944.9	(1,026.9)	82.0	—
Insurance and intermediaries payables	164.1	(164.1)	—	—
Any other liabilities, not elsewhere shown	239.4	—	(82.0)	157.4
Total liabilities	**4,651.8**	**(2,513.5)**	**(805.1)**	**1,333.2**
Excess of assets over liabilities	**1,004.8**	**(43.3)**	**—**	**961.5**

The Solvency UK assets were valued at $2,294.7 million which is $3,361.9 million lower than under UK GAAP. Liabilities were valued at $1,333.2 million which is $3,318.6 million lower than under UK GAAP.

Insurance liabilities, otherwise referred to as TPs, are measured and classified differently under Solvency UK rules compared to UK GAAP. Gross liabilities ceded to reinsurers will impact reinsurance recoverables included within total assets. This is detailed further in sections D.1.5 and D2.

Receivables which are not yet due are reclassified and dealt with as part of the TPs. This is detailed further in sections D.1.3 and D2.

DAC is not recognised under Solvency UK. The future cash flows of unpaid acquisition costs are considered in the best estimate TPs. This is detailed further in sections D1.4 and D2.

There were no changes to the approach taken in valuing assets and liabilities under either Solvency UK or UK GAAP during the year.

The table below shows the differences in the valuation and classification of assets and liabilities per the Company's financial statements to the valuation for Solvency UK purposes as at 31 December 2023:

$ millions	Valuation per UK GAAP	Valuation adjustments	Re-classification adjustments	Valuation per Solvency UK
Assets				
Cash and cash equivalents	132.9	—	—	132.9
Investments	924.7	—	6.9	931.6
Deferred acquisition costs	219.4	(219.4)	—	—
Reinsurance recoverables / Ceded TPs	800.6	(102.3)	—	698.3
Reinsurance recoverable accrual	107.9	—	20.4	128.3
Ceded unearned premium reserve	1,156.3	(1,156.3)	—	—
Insurance and intermediaries receivables	1,206.9	(410.7)	(683.6)	112.6
Subrogation recovery on paid claims	98.6	(98.6)	—	—
Deferred tax assets	3.8	2.5	—	6.3
Any other assets, not elsewhere shown	92.5	(0.5)	(27.3)	64.7
Total assets	**4,743.6**	**(1,985.3)**	**(683.6)**	**2,074.7**
Liabilities				
Technical provisions	2,997.7	(1,258.4)	(683.6)	1,055.7
Reinsurance payables	523.8	(603.1)	79.3	—
Insurance and intermediaries payables	115.8	(115.8)	—	—
Any other liabilities, not elsewhere shown	216.7	—	(79.3)	137.4
Total liabilities	**3,854.0**	**(1,977.3)**	**(683.6)**	**1,193.1**
Excess of assets over liabilities	**889.6**	**(8.0)**	**—**	**881.6**

As at 31 December 2023 the Solvency UK assets were valued at $2,074.7 million which is $2,668.9 million lower than under UK GAAP. Liabilities were valued at $1,193.1 million which is $2,660.9 million lower than under UK GAAP.

D1. ASSETS

D1.1 Investments

Under UK GAAP, all investments are recognised at fair value including accrued interest, with gains and losses recognised through the income statement. Under Solvency UK, accrued interest is reclassified from any other assets, not elsewhere shown, and a levelling criteria is used as described below to value the Company's investment portfolio. As at 31 December 2024, the Company held $1,326.6 million (2023: $931.6 million) worth of investments, which are carried at fair value under UK GAAP and Solvency UK.

The table below shows the Company's investment assets at fair value by material class of investment under Solvency UK rules as at 31 December 2024:

$ millions	**Level 1**	**Level 2**	**Total**
Government bonds	255.6	24.0	279.6
Corporate bonds	—	734.3	734.3
Collateralised securities	—	105.5	105.5
Collective investments undertakings	—	207.2	207.2
Total debt securities and other fixed income securities	255.6	1,071.0	1,326.6
Net assets at fair value	**255.6**	**1,071.0**	**1,326.6**

The Company's investment portfolio is valued using the following methodology for Solvency UK purposes:

- Level 1 investments are securities with quoted prices in active markets, which are markets in which transactions for the asset occurs with sufficient frequency and volume to provide readily and regulatory available quoted prices. Level 1 investments as at 31 December 2024 totalled $255.6 million (2023: $85.7 million).
- Level 2 investments are securities with quoted market prices in active markets for similar assets with adjustments to reflect factors specific to the asset, including the condition or location of the asset. Level 2 investments as at 31 December 2024 totalled $1,071.0 million (2023: $845.9 million).
- Level 3 investments are securities where no active market or other transactions can be used as a good estimate of fair value. FUL did not have any level 3 assets as at 31 December 2024 (2023: $nil).

Using this levelling criteria equates to the fair value of the securities.

D1.2 Cash and cash equivalents

As at 31 December 2024, the Company held $101.7 million as cash and cash equivalents (2023: $132.9 million), including $18.3 million of cash which is subject to restrictions (2023: $92.0 million). Cash and cash equivalents carrying amounts are considered to be an approximation of fair value on the basis that these are short term assets, therefore there are no differences between the valuations under Solvency UK and UK GAAP.

D1.3 Insurance and intermediaries receivables

Insurance and intermediaries receivables represent premiums owed from policyholders. Under UK GAAP, this is measured at amortised cost less any impairment. However, under Solvency UK, receivables are measured at fair value and an adjustment made to remove non-overdue receivables, which are considered as part of the TPs. As at 31 December 2024, the Company had a total of $1,383.1 million of outstanding premiums per UK GAAP (2023: $1,206.9 million).

For Solvency UK purposes, an adjustment is made to remove non-overdue receivables leaving an insurance and intermediaries receivables balance of $65.4 million (2023: $112.6 million). The non-overdue receivables balance is considered within the calculation of the TPs as they are used as the basis for the future premiums and claims reinsurance recoveries elements.

D1.4 Deferred acquisition costs

DAC is recognised at cost and expensed over the life of the contract under UK GAAP, however DAC is not recognised under Solvency UK. Instead, the future cash flows of unpaid acquisition costs are accounted for within the TPs (see D2.1). DAC comprise brokerage and commissions incurred on contracts less ceded DAC written during the financial year, but expensed over the term of the insurance contract.

As at 31 December 2024, DAC were $215.1 million per UK GAAP (2023: $219.4 million). DAC are removed under Solvency UK principles, however future cash flows of unpaid acquisition costs are accounted for within the TPs (see D2.1).

D1.5 Reinsurance recoverables / ceded technical provisions

Under UK GAAP, reinsurance recoverables are held at amortised cost less any impairment. However, under Solvency UK, reinsurance recoverables are valued as part of the TPs and disclosed separately on the Solvency UK balance sheet.

As at 31 December 2024, reinsurance recoverables were $963.3 million (2023: $800.6 million) under UK GAAP and $478.3 million (2023: $698.3 million) under Solvency UK. Reinsurance recoverables are held at amortised cost less any impairment, which approximates to fair value given the short-term nature of these assets. For Solvency UK purposes, reinsurance recoverables are determined as part of the calculation for TPs (see section D2.1). Under UK GAAP reinsurer's share of subrogation recovery on paid claims of $23.5 million has been disclosed within reinsurance recoverables (2023: $36.0 million).

D1.6 Reinsurance recoverable accrual

As at 31 December 2024 reinsurance receivables comprise reinsurance recoverables on paid claims under UK GAAP of $190.9 million (2023: $107.9 million). Group reinsurance purchases and recoveries are recognised in any other liabilities / any other assets, not shown elsewhere on a US and UK GAAP basis, but reallocated to TPs / recoverable accrual on an Solvency UK basis. An adjustment of $72.9 million (2023: $20.4 million) has been made for these recoveries not yet received.

D1.7 Deferred tax asset and liabilities

Under UK GAAP, deferred tax is recognised for expected future tax credits or charges. However, under Solvency UK, deferred taxes are calculated based on the differences between the values ascribed to assets and liabilities on a Solvency UK basis, as opposed to a UK GAAP basis, and the values ascribed to the same assets and liabilities for tax purposes.

Deferred taxes at the balance sheet date have been measured using the enacted tax rates, and reflected in these financial statements.

As at 31 December 2024 the value of the deferred tax asset per UK GAAP is $1.7 million (2023: $3.8 million). On a Solvency UK basis the deferred tax asset is $16.1 million (2023: $6.3 million).

D1.8 Subrogation recovery on paid claims

Under UK GAAP, subrogation on paid claims relating to the expected recovery via the sale and lease of repossessed property is disclosed on the balance sheet and is estimated based on considerations as prescribed under UK GAAP rules. However, as this is not overdue at the balance sheet date, subrogation is reclassified into TPs under Solvency UK.

Subrogation assets of $69.8 million (2023: $98.6 million) relating to the expected subrogation recovery held in relation to past losses has been deemed material enough to be disclosed within "other debtors". During the period the Company continued to dispose of the repossessed property as well as enter into leasing contracts for that which remains unsold. The recoverable amounts have been estimated by considering, amongst other evidence: (i) a range of values provided by third party legal and valuation experts and (ii) benchmarked comparable recoveries that have been achieved in the market in respect of an element of the claim that is against a responsible party. There is a risk that the final amounts realised for the subrogation assets materially differ from the estimates. As this is not overdue at the balance sheet date it is reclassified into TPs on a Solvency UK basis.

D1.9 Any other assets, not elsewhere shown

As at 31 December 2024, other assets which primarily comprise intercompany receivables, were $137.4 million (2023: $92.5 million) per UK GAAP and are valued at amortised cost less any impairment which approximates to fair value given the short-term nature of these assets. The adjustment to $42.8 million (2023: $64.7 million) on a Solvency UK basis, is driven by the reclassification of group reinsurance purchases, the re-classification of accrued interest to investments for Solvency UK and a valuation adjustment for prepayments which is an inadmissible asset under Solvency UK principles.

D2. TECHNICAL PROVISIONS

Under Solvency UK principles TPs represent a valuation of the Company's obligations towards its policyholders. TPs are required to be calculated as the sum of:

a. best estimate equal to the probability-weighted average of all future cash-flows, taking account of the time value of money; and

b. a risk margin equivalent to the amount that an insurance undertaking would be expected to require in order to take over and meet the TPs obligations.

There are a number of factors which influence the calculation of TPs and their final value. These are discussed in section D.2.1 of this report. On a Solvency UK basis the total TPs at 31 December 2024, including the risk margin were $697.6 million compared to $1,061.6 million on a statutory basis, a difference of $364.1 million.

The table below shows the TPs as at 31 December 2024 by line of business:

	Direct and accepted proportional business					Accepted non-proportional business			
$ millions	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Casualty**	**Marine, aviation and transport**	**Property**	**Total**
Premium provisions: Gross	(8.8)	(41.4)	42.1	(67.7)	31.5	(1.7)	(1.3)	(13.0)	(60.3)
Premium provisions: Ceded	0.4	(84.4)	10.0	(3.3)	9.1	(0.3)	0.5	46.4	(21.6)
Premium provisions: Net	**(9.2)**	**43.0**	**32.1**	**(64.4)**	**22.4**	**(1.4)**	**(1.8)**	**(59.4)**	**(38.7)**
Claims provisions: Gross	322.7	591.0	170.1	(39.7)	53.5	1.9	11.0	86.3	1,196.8
Claims provisions: Ceded	123.8	295.6	94.9	(17.5)	(30.1)	—	4.4	28.8	499.9
Claims provisions: Net	**198.9**	**295.4**	**75.2**	**(22.2)**	**83.6**	**1.9**	**6.6**	**57.5**	**696.9**
Risk margin	11.5	13.3	4.8	3.7	3.5	0.2	0.5	1.9	39.4
TPs	**201.2**	**351.7**	**112.1**	**(82.9)**	**109.5**	**0.7**	**5.3**	**—**	**697.6**

D2.1 Valuation of technical provisions

Under Solvency UK guidelines, TPs are calculated as the sum of a best estimate of the liabilities and a risk margin.

The best estimate portion of the TPs represents the sum of probability-weighted average future cash flows in respect of all policies that are legally obliged as at the valuation date, taking into account the time value of money (expected present value of future cash flows) using the PRA risk-free interest rate term structure. These future cash flows include future premium receipts, future claims payments, future reinsurance spend, future reinsurance recoveries and associated future expense cash flows. For Solvency UK, these cash flows are split into the premium provision (unearned element of future cash flows including premiums and claims) and claims provision (earned element of future cash flows including premiums and claims). The methodology employed in the calculation for TPs is consistent across all lines of business.

The risk margin reflects the additional amount a third party would charge to assume the insurance and reinsurance obligations over their lifetime. The risk margin is calculated using the Solvency UK prescribed approach, as the discounted cost of capital of running off all policies that form part of the best estimate, at a rate of 4% per annum. The risk margin is currently allocated between Solvency UK lines of business in line with its insurance premium volume measure within the Standard Formula calculation.

There are a number of valuation differences between Solvency UK and UK GAAP:

- Unexpired risks – Under UK GAAP, premium is earned over the period of the underlying policies having regard to the incidence of risk. Unearned premium represents premium relating to unexpired periods of policies written. Solvency UK does not recognize an unearned premium liability; instead a premium provision is included in TPs to reflect expected future claims and expenses netted by expected future premiums on existing policies.

- Discounting – is not applied under UK GAAP where under Solvency UK all TPs are discounted to make allowance for the time value of money.

- Profit recognition – under UK GAAP, FUL recognises profits or losses on insurance policies over the duration of the policy periods, whereas under Solvency UK these are recognised as the associated policies are recognised.

- Margin for uncertainty / events not in data – under UK GAAP an additional margin may be booked over and above the best estimate of TPs upon the recommendation of a company’s Reserving Committee. Under Solvency UK TPs must be booked at best estimate; however, Events Not in Data ("ENIDs") must be considered in terms of whether they give rise to the need for additional provisions. An ENID is a type of potential future claim which historical loss data might not necessarily reflect.

- Risk margin – risk margin is an estimate of the amount above and beyond the best estimate valuation which one might reasonably expect another insurer to charge to assume the Company’s liabilities. Under Solvency UK it is necessary to consider this in the valuation of TPs, whereas no such requirement exists under UK GAAP.

In completing the Company's TPs, the following key assumptions are made:

- **Expected claims** - Expected claims on earned business are taken directly from the UK GAAP reserves, while unearned claims are determined using Initial Expected Loss Ratios (“IELR’s”) based on Fidelis IG data, industry data and expert judgement and include unearned loss loadings for a number of past events.

- **Events not in data** - Under Solvency UK, the mathematical mean of the distribution of all possible future outcomes should be captured. Therefore, a load is added to the future losses to allow for ENIDs which would not be captured in the best estimate calculated on an UK GAAP basis.

- **Expenses** - The TPs make allowance for the expenses incurred in servicing the legal obligations of contracts and these include acquisition costs, reinsurance costs, claims handling costs, administrative and investment expenses.

- **Interest rates** - The future cash flows are discounted using the standard risk-free rate term structure provided by the PRA. The matching adjustment or the volatility adjustment has not been utilised.

The assumptions within each class can vary, for example the loss ratios that are parameterised using industry data and ENID ratios that are parameterised using outputs from The Fidelis Partnership capital model. Outside of differences in assumptions, there are no material differences in the methodological approach taken for each line of business.

D2.2 Level of uncertainty associated with the value of TPs

There is inherent uncertainty within the cash flows that relate to insurance contracts and it is recognised that future claim emergence is likely to deviate from the estimates, potentially materially. Key uncertainties include:

- the number and magnitude of potential large losses and catastrophe events on unexpired business at the valuation date;
- the provision for ENIDs for which by their nature there is no data available;
- potential for policies to be cancelled;
- the estimation of risk margin with uncertainty over run-off of capital requirements;
- potential deviation on expected profits on unincepted and unearned business;
- the volume of unincepted business;
- fluctuations in economic conditions, such as inflation or interest rates, affecting the discounting and adequacy of cashflows;
- potential changes in regulatory requirements or legal frameworks impacting the scope or cost of insurance obligations;
- risk of reinsurer default or disputes affecting the reliability of expected reinsurance recoveries;
- the ultimate payout patterns and how a different pattern would impact the level of discounting; and
- uncertainty around the level of future premium receivable.

The Company's estimates are subject to additional uncertainty from the high exposure to potential large losses due to the nature of the business written, and the number of multi-year deals with large volumes of premium yet to be received.

As part of the TP process, a suite of sensitivity tests is run to better understand the materiality of key assumptions and how sensitive the overall best estimate TP is to changes in the underlying assumptions.

D2.3 Solvency UK and UK GAAP valuation differences of TPs by material line of business

The table below shows a build up from the UK GAAP valuation of insurance contract liabilities to the Solvency UK TPs, split by line of business, as at 31 December 2024:

	Direct and accepted proportional business					Accepted non-proportional business			
$ millions	**Marine, aviation and transport insurance**	**Fire and other damage to property insurance**	**General liability**	**Credit and suretyship insurance**	**Miscellaneous financial loss**	**Casualty**	**Marine, aviation and transport**	**Property**	**Total**
Gross UK GAAP insurance contract liabilities	400.7	670.3	202.5	(35.1)	55.5	2.8	9.4	29.1	1,335.2
Solvency UK adjustments	(86.9)	(120.7)	9.7	(72.3)	29.5	(2.6)	0.3	44.2	(198.8)
Gross BEL	**313.8**	**549.6**	**212.2**	**(107.4)**	**85.0**	**0.2**	**9.7**	**73.3**	**1,136.4**
Net UK GAAP insurance contract liabilities	126.9	198.3	68.9	(33.3)	25.4	1.1	3.6	4.7	395.6
Solvency UK adjustments	62.8	140.1	38.4	(53.3)	80.6	(0.6)	1.2	(6.6)	262.6
Net BEL	**189.7**	**338.4**	**107.3**	**(86.6)**	**106.0**	**0.5**	**4.8**	**(1.9)**	**658.2**
Risk margin	11.5	13.3	4.8	3.7	3.5	0.2	0.5	1.9	39.4
Technical provisions	**201.2**	**351.7**	**112.1**	**(82.9)**	**109.5**	**0.7**	**5.3**	**—**	**697.6**

Under the Company’s UK GAAP reserving methodology the actuarial function calculates ultimate loss ratios with no margins for prudence or optimism. An explicit margin may be added based on consideration and recommendation from the reserving committee.

The Company does not use the following adjustments in calculating the TPs referred to in the PRA rules:

- volatility adjustment;
- the transitional risk-free interest rate-term structure; and
- the transitional deduction.

D2.3 Solvency UK and UK GAAP valuation differences of TPs by material line of business (continued)

Solvency UK TPs are evaluated on a best estimate cash flow basis with items such as unearned premium reserves being removed. In estimating Solvency UK TPs, the following adjustments are made to UK GAAP estimates:

- Removal of any margins in the UK GAAP reserves – Solvency UK TPs are required to be on an actuarial best estimate basis with no implicit margin (or reduction from best estimate). FUL assumes the booked UK GAAP reserves at 31 December 2024 are on this basis and the reserves based on actuarial ultimate loss ratios have not been recalculated.
- Recognition of profit in the UPR – The full amount of unearned premiums is removed from the TPs and the best estimate of the claims liabilities associated with the UPR are added back. Expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.
- Recognition of profits in business written prior to, but incepting after, the valuation date – BBNI premium serves to reduce the TPs. The best estimate of the claims liabilities associated with BBNI is added to the TPs. Expected reinsurance recoveries are allowed for separately for both proportional and non-proportional reinsurance.
- Allowance for future premiums – Future premium cash flows, premiums that have been written and are either earned or unearned but are not yet due to be paid, are derived from the Company's financial systems for both gross cash inflows and reinsurance cash outflows.
- Events not in data – Under UK GAAP TPs only allow for items that are implicitly included within the data or are reasonably foreseeable. Under Solvency UK the best estimate must allow for to all possible outcomes. This would include latent claims and/or very high severity, low probability claims. Gross and ceded TPs are estimated separately.
- Expenses required to run-off the TPs – Under Solvency UK all expenses expected to be incurred in running-off the TPs must be allowed for in the TP calculations, including a proportion of fixed overheads. These are projected using the latest financial data and an estimate of the expected time to run-off the TPs based on the estimated claims payment patterns.
- Allowance for reinsurance bad debt (non-recoverable reinsurance) – an allowance for an expected non-payment of reinsurance recoveries, calculated on a Solvency UK basis. The expected default under Solvency UK takes into account the timing of the expected payment by reinsurer and hence allows for a change in rating over time.
- Allowance for the future cost of reinsurance in respect of written business – some future reinsurance purchases will benefit business written at the valuation date and the expected cost of this spend is included in the TPs.
- Allowance for the impact of policies lapsing – based on historical data an allowance is made against future profits / losses for a level of policies lapsing (or being cancelled) before expiry date or a claim being made.
- Allowance for future investment income (discounting) – cash flows are discounted for the time value of money based on the expected timing of all cash flows. The yield curves (discount rates) for major currencies are used to discount the cash flows and are provided by the supervisory authorities.
- Allowance for risk margin – this increases the overall value of the TPs from the discounted best estimate to an amount equivalent to a theoretical level, needed to transfer the obligations to another insurance undertaking.

There have been no significant changes in the assumptions used to calculate the TPs during the year.

D3. OTHER LIABILITIES

D3.1 Reinsurance payables

Reinsurance payables are measured at amortised cost. Given the short-term nature of reinsurance payables, this approximates to fair value under UK GAAP. There are no differences in principle between Solvency UK and UK GAAP valuations of reinsurance payables. However, for Solvency UK purposes, the non-overdue element of reinsurance payables is considered as part of the calculation for net TPs.

As at 31 December 2024, reinsurance payables were $944.9 million per UK GAAP (2023: $523.8 million). None of the reinsurance payables balance was overdue as at 31 December 2024.

D3.2 Insurance and intermediaries payables

Within insurance and intermediaries payables, are amounts owed to The Fidelis Partnership which include items such as profit commissions. For Solvency UK purposes the non-overdue element is considered as part of the calculation of TPs.

As at 31 December 2024, insurance and intermediaries payables were $164.1 million per UK GAAP (2023: $115.8 million). None of the insurance and intermediaries payables was overdue as at 31 December 2024.

D3.3 Any other liabilities, not elsewhere shown

As at 31 December 2024, all other payables were $239.4 million (2023: $216.7 million) per UK GAAP and $157.4 million (2023: $137.4 million) per Solvency UK. The adjustment of $82.0 million (2023: $79.3 million) is a reclassification of intercompany payables relating to amounts owed to other Fidelis IG entities for group reinsurance purchases.

Other payables, which includes accruals, intercompany payables, and deferred income, are measured at amortised cost which approximates to fair value under UK GAAP given the short-term nature of these liabilities.

D4. ALTERNATIVE METHODS FOR VALUATION

The Company does not use any alternative methods for valuation of its assets, TPs or other liabilities.

D5. ANY OTHER INFORMATION

None noted.

SECTION E : CAPITAL MANAGEMENT

The objective of capital management is to maintain, at all times, sufficient capital to safeguard the Company's ability to continue as a going concern and to protect the interests of its customers, investors, regulators, and trading partners while also efficiently deploying capital and managing risk to sustain ongoing business development.

Under Solvency UK rules, the Company is required to maintain capital at a level which is above its SCR. The MCR is a measure which only becomes relevant in a scenario where the capital base has been subject to extreme distress. Accordingly, the SCR value is significantly greater than that of the MCR. Capital held should be of sufficient quality to meet the eligibility requirements in the Solvency UK rules as enacted.

The SCR ratio compares a company's own funds to its SCR requirement. While the Company regularly communicates its SCR ratio to the PRA, an SCR ratio below 100% requires immediate reporting in which event the Company must implement a recovery plan to demonstrate the actions it will take to restore its SCR ratio to 100% within 6 months of the breach taking place.

The Company determines its SCR using the standard formula and maintains a prudent buffer over the SCR. The Company's capital position is kept under constant review and is reported quarterly to the Board and to the PRA as part of quantitative Solvency UK reporting. The Company manages its own funds with the objective of always being able to satisfy both the MCR and the SCR plus a buffer. There have been no significant changes to capital management objectives over the period of this report.

The Company prepares solvency projections for the next three years as part of its business planning process, which also forms part of the ORSA. In addition, short-term solvency projections are calculated when a significant transaction is considered by the Company. Solvency calculations are prepared following the end of each quarter and compared with available own funds; this is included in the risk function's report to the RCC. The solvency position is also communicated to the Board on a quarterly basis.

E1. OWN FUNDS

The Company's capital resources are made up of tier 1 capital instruments with ancillary own funds reducing to nil during 2024 (2023: $75.0 million). This comprises ordinary share capital, share premium and the reconciliation reserve, which are all available as tier 1 unrestricted own funds per the PRA rules and are eligible for meeting the Company's SCR requirements.

The total structure and movement of the Company's own funds are shown below:

$ millions	**Tier 1**	**Tier 2**	**Tier 3**	**Total**
Called up share capital	7.5	—	—	7.5
Share premium account	645.8	—	—	645.8
Deferred tax asset	—	—	6.2	6.2
Letters of credit and guarantees	—	75.0	—	75.0
Reconciliation reserve	222.1	—	—	222.1
Balance as at 31 December 2023	**875.4**	**75.0**	**6.2**	**956.6**
Letters of credit and guarantees	—	(75.0)		(75.0)
Deferred tax asset and reconciliation reserve	70.0	—	9.9	79.9
Movement in 2024 own funds	**70.0**	**(75.0)**	**9.9**	**4.9**
Called up share capital	7.5	—	—	7.5
Share premium account	645.8	—	—	645.8
Deferred tax asset	—	—	16.1	16.1
Reconciliation reserve	292.1	—	—	292.1
Balance as at 31 December 2024	**945.4**	**—**	**16.1**	**961.5**

The following table shows the difference between equity as shown in the financial statements and the Solvency UK excess of assets over liabilities:

$ millions	**2024**	**2023**
Total UK GAAP equity	1,004.8	889.7
Valuation adjustments relating to TPs	(57.7)	(10.6)
Deferred tax effect	14.4	2.5
Ancillary own funds	—	75.0
Total own funds	961.5	956.6

The amount of own funds available and eligible to cover the SCR and the MCR is summarised in the table below:

$ millions	**Total**	**Tier 1 - unrestricted**	**Tier 2**	**Tier 3**
Total available own funds to meet the SCR	961.5	945.4	—	16.1
Total available own funds to meet the MCR	945.4	945.4	—	—
Total eligible own funds to meet the SCR	961.5	945.4	—	16.1
Total eligible own funds to meet the MCR	945.4	945.4	—	—
SCR	531.8			
MCR	152.3			
Ratio of eligible own funds to SCR	180.8 %			
Ratio of eligible own funds to MCR	620.6 %			

The valuation differences relating to TPs are detailed in section D2.3 above.

E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E2.1 SCR and MCR as at 31 December 2024 and 31 December 2023:

$ millions	**2024**	**2023**
SCR	531.8	496.1
MCR	152.3	124.0
SCR coverage ratio	180.8%	192.8%

E2.2 SCR split by risk module

The capital requirement is being calculated exclusively by the standard formula and is intended to ensure that all material quantifiable risks to which FUL is exposed are captured. The risk charges per category as at 31 December 2024 compared to as at 31 December 2023 are outlined below:

$ millions	**2024**	**2023**
Non-life underwriting risk	428.4	405.4
Market risk	112.5	74.7
Counterparty default risk	53.4	69.2
Diversification	(95.2)	(79.7)
BSCR	**499.1**	**469.6**
Operational risk	69.6	50.7
Loss-absorbing capacity of deferred taxes ("LACDT")	(36.9)	(24.2)
Solvency Capital Requirement	**531.8**	**496.1**

SCR commentary by risk module

The increase in non-life underwriting risk of $23.0 million is primarily driven by increase in reserves and future premium which is attributable to the growth of the business.

The increase in market risk of $37.8 million is due to purchasing bonds relating to multi-asset credit funds.

Counterparty default risk has decreased by $15.8 million due to a reduction in exposure to overdue premiums greater than 3 months.

Diversification has decreased by $15.5 million as a function of the other categories.

Operational risk has increased by $18.9 million due to growth in premiums from 2022 to 2023 and 2023 to 2024.

LACDT of $36.9 million has been applied to the SCR in 2024, reflecting FUL's ability to recover actual taxes paid in the event of unexpected losses.

E2.3 Simplified calculations for risk modules of the Standard Formula

The Standard Formula methodology follows the full calculation for premium and reserve risk, default risk and market risk.

E2.4 Inputs used to calculate the MCR

The MCR targets an 80% value at risk over a one-year time horizon. The MCR is based on proportions of net premiums written in the previous 12 months and the net best estimate of TPs at the valuation date. These are supplied by Solvency UK class of business and the proportions vary by class.

The table below shows the inputs into the MCR calculation as at 31 December. The MCR is calculated using a linear formula, subject to a floor of 25% and a cap of 45% of the SCR. The MCR is further subject to an absolute floor that reflects the nature of the undertaking (as defined in the PRA rules).

This has been converted into US Dollars below at the 31 December foreign exchange rate:

$ millions	**2024**	**2023**
Absolute floor	4.4	4.2
Linear MCR	152.3	110.9
SCR	531.8	496.1
Combined MCR	152.3	124.0
Minimum Capital Requirement	**152.3**	**124.0**

E2.5 Any material change to the SCR and to the MCR over the reporting period, and the reasons for any such change.

The SCR and MCR increased over the reporting period as described in section E2.2. These movements are attributable to normal business developments, as opposed to a material change in methodology.

E3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SCR

The Company does not use the duration-based equity risk sub-module in the calculation of its SCR.

E4. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The Company does not have an approved internal model to calculate its SCR.

E5. NON-COMPLIANCE WITH MCR AND SCR

There has not been any non-compliance with the SCR or MCR over the period.

E6. ANY OTHER INFORMATION

There has not been any non-compliance with the SCR or MCR over the period.

Appendix: QUANTITATIVE REPORTING TEMPLATES ("QRTs")

The following QRTs are required for the SFCR:

QRT Ref	**QRT Template name**
IR.02.01.02	Balance sheet
IR.05.02.01	Premiums, claims and expenses by country
IR.05.04.02	Premiums, claims and expenses by line of business
IR.17.01.02	Non-Life technical provisions
IR.19.01.21	Non-life insurance claims
IR.23.01.01	Own funds
IR.25.04.01	Solvency Capital Requirement - for undertakings on Standard Formula
IR.28.01.01	Minimum Capital Requirement

The templates are included at the end of this report.

General information

Entity name	Fidelis Underwriting Limited
Entity identification code and type of code	LEI/213800AT5F7TFGX4UI14
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2024
Currency used for reporting	USD
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

IR.02.01.02 - Balance sheet

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

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

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

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

IR.02.01.02

Balance sheet (in $thousands)

	Assets	Solvency II value
		C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	16,054
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	1,326,601
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	1,119,363
R0140	*Government Bonds*	279,624
R0150	*Corporate Bonds*	734,282
R0160	*Structured notes*	0
R0170	*Collateralised securities*	105,457
R0180	*Collective Investments Undertakings*	207,238
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	478,273
R0280	*Non-life and health similar to non-life*	478,273
R0315	*Life and health similar to life, excluding index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	65,438
R0370	Reinsurance receivables	263,865
R0380	Receivables (trade, not insurance)	0
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	101,676
R0420	Any other assets, not elsewhere shown	42,755
R0500	**Total assets**	2,294,663

	Liabilities	Solvency II value
		C0010
R0505	Technical provisions - total	1,175,834
R0510	*Technical provisions - non-life*	1,175,834
R0515	*Technical provisions - life*	0
R0542	Best estimate - total	1,136,443
R0544	*Best estimate - non-life*	1,136,443
R0552	Risk margin - total	39,391
R0554	*Risk margin - non-life*	39,391
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	
R0850	Subordinated liabilities	0
R0880	Any other liabilities, not elsewhere shown	157,373
R0900	**Total liabilities**	1,333,207
R1000	**Excess of assets over liabilities**	961,456

IR.05.02.01

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

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
R0010			US	AE	TR	CA	HK	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	631,396	934,160	29,276	23,254	13,713	28,975	1,660,775
R0120	Gross - Proportional reinsurance accepted	18,216	128,071	6,025	9,744	18,465	2,497	183,019
R0130	Gross - Non-proportional reinsurance accepted	6,099	9,068	1,244	87	154	14	16,666
R0140	Reinsurers' share	456,031	762,879	21,944	22,985	26,101	27,334	1,317,274
R0200	Net	199,680	308,420	14,602	10,101	6,231	4,152	543,186
	Premiums earned							
R0210	Gross - Direct Business	591,729	889,235	21,302	22,647	19,316	27,829	1,572,057
R0220	Gross - Proportional reinsurance accepted	17,941	110,179	5,827	6,286	17,295	3,450	160,978
R0230	Gross - Non-proportional reinsurance accepted	5,290	14,868	689	36	352	0	21,234
R0240	Reinsurers' share	410,568	703,637	19,423	20,270	25,536	21,672	1,201,106
R0300	Net	204,392	310,645	8,394	8,699	11,426	9,607	553,163
	Claims incurred							
R0310	Gross - Direct Business	118,592	411,092	7,189	4,600	3,753	11,406	556,632
R0320	Gross - Proportional reinsurance accepted	7,596	1,185	2,571	2,949	53,584	1,365	69,250
R0330	Gross - Non-proportional reinsurance accepted	99	-338	320	20	34	70	205
R0340	Reinsurers' share	93,563	304,167	7,879	4,659	34,011	9,287	453,566
R0400	Net	32,724	107,772	2,201	2,910	23,360	3,554	172,520
R0550	**Net expenses incurred**	99,958	154,392	7,309	5,056	3,119	2,079	271,913

IR.05.04.02

Non-life income and expenditure : reporting period (in $thousands)

	All business (including annuities stemming from accepted non-life insurance and	All non-life business (ie excluding annuities stemming from accepted insurance and reinsurance contracts)	Non-life insurance and accepted proportional reinsurance obligations						Accepted non-proportional reinsurance		
			Marine, aviation and transport insurance	Fire and other damage to property insurance - non-personal lines	General liability insurance		Credit and suretyship insurance	Miscellaneous financial loss	Casualty	Marine, aviation and transport	Property
					Professional Indemnity	Other general liability					
	C0010	C0015	C0160	C0180	C0210	C0220	C0230	C0260	C0320	C0330	C0340
Income											
Premiums written											
R0110 Gross written premiums		2,270,708	773,436	991,072	11,246	173,871	180,335	105,234	5,564	9,549	20,401
R0111 Gross written premiums - insurance (direct)		1,941,879	717,899	791,549	11,246	174,795	146,890	99,500			
R0113 Gross written premiums - accepted reinsurance		328,829	55,537	199,523	0	-924	33,446	5,734	5,564	9,549	20,401
R0160 Net written premiums		650,772	238,070	275,133	922	41,023	50,305	32,839	220	4,223	8,037
Premiums earned and provision for unearned											
R0210 Gross earned premiums		2,159,993	770,674	895,246	9,758	199,991	122,070	123,357	4,662	11,971	22,265
R0220 Net earned premiums		671,863	240,648	256,903	1,497	73,058	41,144	50,700	1,964	3,996	1,954
Expenditure											
Claims incurred											
R0610 Gross (undiscounted) claims incurred		819,906	222,504	358,797	380	103,295	79,465	55,258	-1,019	3,716	-2,490
R0611 Gross (undiscounted) direct business		702,524	206,151	263,188	380	102,772	74,809	55,225			
R0612 Gross (undiscounted) reinsurance accepted		117,382	16,353	95,609	0	524	4,656	34	-1,019	3,716	-2,490
R0690 Net (undiscounted) claims incurred		250,444	74,161	97,916	-132	26,976	29,624	20,531	-851	3,543	-1,325
R0730 Net (discounted) claims incurred	250,444	250,444									
Analysis of expenses incurred											
R0910 Technical expenses incurred net of reinsurance ceded	325,503										
R0985 Acquisition costs, commissions, claims management costs	295,795	295,795	128,566	86,764	1,033	34,344	16,904	24,736	72	1,034	2,342
Other expenditure											
R1140 Other expenses	0										
R1310 **Total expenditure**	612,693										

IR.17.01.02

Non-Life Technical Provisions (in $thousands)

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			
		Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport	Non-proportional property reinsurance	Total Non-Life obligation
		C0070	C0080	C0090	C0100	C0130	C0150	C0160	C0170	C0180
	Best estimate									
	Premium provisions									
R0060	Gross	-8,834	-41,423	42,078	-67,645	31,473	-1,667	-1,292	-13,031	-60,342
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	369	-84,413	10,000	-3,214	9,068	-296	478	46,400	-21,610
R0150	**Net Best Estimate of Premium Provisions**	-9,203	42,991	32,078	-64,431	22,405	-1,371	-1,770	-59,431	-38,732
	Claims provisions									
R0160	Gross	322,672	591,047	170,136	-39,749	53,544	1,854	11,022	86,259	1,196,784
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	123,854	295,634	94,959	-17,569	-30,122	-47	4,404	28,771	499,883
R0250	**Net Best Estimate of Claims Provisions**	198,818	295,413	75,177	-22,180	83,665	1,901	6,619	57,488	696,901
R0260	**Total best estimate - gross**	313,838	549,624	212,214	-107,394	85,017	187	9,730	73,227	1,136,443
R0270	**Total best estimate - net**	189,615	338,404	107,255	-86,611	106,070	530	4,849	-1,943	658,170
R0280	**Risk margin**	11,475	13,283	4,799	3,742	3,553	151	453	1,935	39,391
R0320	**Technical provisions - total**	325,313	562,907	217,012	-103,652	88,570	338	10,184	75,163	1,175,834
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	124,222	211,220	104,958	-20,783	-21,054	-343	4,882	75,171	478,273
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	201,091	351,686	112,054	-82,869	109,623	681	5,302	-8	697,561

IR.19.01.21

Non-Life insurance claims (in $thousands)

Total Non-life business

Z0020 **Accident year / underwriting year**: Underwriting year

Gross Claims Paid (non-cumulative)

(absolute amount)

	Year	C0010 0	C0020 1	C0030 2	C0040 3	C0050 4	C0060 5	C0070 6	C0080 7	C0090 8	C0100 9	C0110 10 & +	C0170 In Current year	C0180 Sum of years
		Development year												
R0100	Prior											0	0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0	0
R0170	-8	344	4,285	7,473	2,249	7,635	57,258	-39,473	708	6,430			6,430	46,910
R0180	-7	1	562	3,902	18,714	70,690	32,969	-54,461	107				107	72,485
R0190	-6	4,299	15,499	9,450	50,699	19,834	19,234	16,042					16,042	135,058
R0200	-5	770	11,803	35,313	4,802	10,495	8,145						8,145	71,328
R0210	-4	28,802	92,381	58,008	39,585	23,271							23,271	242,047
R0220	-3	79,197	124,163	157,492	101,452								101,452	462,304
R0230	-2	20,161	146,426	260,213									260,213	426,800
R0240	-1	14,611	103,486										103,486	118,097
R0250	0	53,999											53,999	53,999
R0260												Total	573,146	1,629,028

Gross Undiscounted Best Estimate Claims Provisions

(absolute amount)

	Year	C0200 0	C0210 1	C0220 2	C0230 3	C0240 4	C0250 5	C0260 6	C0270 7	C0280 8	C0290 9	C0300 10 & +	C0360 Year end (discounted data)
		Development year											
R0100	Prior											0	0
R0160	-9	0	0	0	0	0	0	0	0	0	0		0
R0170	-8	16,300	19,214	21,849	16,074	2,590	-59,059	-6,001	-5,955	-15,859			-14,682
R0180	-7	4,037	29,587	24,172	19,633	-44,802	-80,214	-28,579	-22,781				-23,179
R0190	-6	16,672	39,707	43,413	-14,679	6,253	-22,473	-33,348					-33,680
R0200	-5	3,779	72,604	56,403	50,378	36,959	46,375						43,789
R0210	-4	68,850	110,683	96,882	90,182	71,623							66,487
R0220	-3	259,370	289,452	321,740	187,636								173,821
R0230	-2	239,151	451,545	239,378									222,915
R0240	-1	276,843	410,379										383,564
R0250	0	410,608											377,750
R0260												Total	1,196,784

IR.19.01.21.22

Gross premium

		C0570 Gross earned premium at reporting referenc	C0580 Estimate of future gross earned premium
R0160	N-9	0	0
R0170	N-8	125,772	6,088
R0180	N-7	172,471	7,086
R0190	N-6	216,412	6,957
R0200	N-5	288,324	13,394
R0210	N-4	803,254	50,170
R0220	N-3	1,307,843	35,812
R0230	N-2	1,550,638	124,888
R0240	N-1	1,635,631	330,726
R0250	N	925,249	1,323,308

IR.23.01.01

Own Funds (in $thousands)

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	7,500	7,500		0	
R0030	Share premium account related to ordinary share capital	645,800	645,800		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	292,101	292,101			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	16,054				16,054
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
R0220	**Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds**	0				
R0290	**Total basic own funds after deductions**	961,456	945,401	0	0	16,054
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	961,456	945,401	0	0	16,054
R0510	Total available own funds to meet the MCR	945,401	945,401	0	0	
R0540	Total eligible own funds to meet the SCR	961,456	945,401	0	0	16,054
R0550	Total eligible own funds to meet the MCR	945,401	945,401	0	0	
R0580	**SCR**	531,765				
R0600	**MCR**	152,347				
R0620	**Ratio of Eligible own funds to SCR**	180.80%				
R0640	**Ratio of Eligible own funds to MCR**	620.56%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	961,456
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0725	Deductions for participations in financial and credit institutions	
R0730	Other basic own fund items	669,355
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	292,101

IR.25.04.21

Solvency Capital Requirement (in $thousands)

Net of loss absorbing capacity of technical provisions

		C0010
	Market risk	
R0070	Interest rate risk	85,611
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	55,723
R0110	Concentration risk	1,164
R0120	Currency risk	23,625
R0125	Other market risk	
R0130	Diversification within market risk	-53,591
R0140	**Total Market risk**	112,531
	Counterparty default risk	
R0150	Type 1 exposures	23,540
R0160	Type 2 exposures	33,421
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-3,564
R0180	**Total Counterparty default risk**	53,396
	Non-life underwriting risk	
R0330	Non-life premium and reserve risk (ex catastrophe risk)	337,105
R0340	Non-life catastrophe risk	185,591
R0350	Lapse risk	64,687
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-158,956
R0370	**Non-life underwriting risk**	428,428
	Operational and other risks	
R0422	Operational risk	69,647
R0424	Other risks	
R0430	**Total Operational and other risks**	69,647
R0432	**Total before all diversification**	880,113
R0434	Total before diversification between risk modules	664,002
R0436	Diversification between risk modules	-95,305
R0438	**Total after diversification**	568,698
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	-36,933
R0455	Other adjustments	
R0460	**Solvency capital requirement including undisclosed capital add-on**	531,765
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	**Solvency capital requirement including capital add-on**	531,765
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity (in $thousands)

	Linear formula component for non-life insurance and reinsurance obligations	C0010
R0010	MCR_{NL} Result	152,347

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	0	
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	189,615	233,425
R0080	Fire and other damage to property insurance and proportional reinsurance	338,404	252,088
R0090	General liability insurance and proportional reinsurance	107,255	52,847
R0100	Credit and suretyship insurance and proportional reinsurance	0	47,002
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	106,070	28,080
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	530	220
R0160	Non-proportional marine, aviation and transport reinsurance	4,849	4,223
R0170	Non-proportional property reinsurance	0	8,037

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

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

	Overall MCR calculation	C0070
R0300	Linear MCR	152,347
R0310	SCR	531,765
R0320	MCR cap	239,294
R0330	MCR floor	132,941
R0340	Combined MCR	152,347
R0350	Absolute floor of the MCR	4,382
R0400	**Minimum Capital Requirement**	152,347