FIDELIS UNDERWRITING LIMITED

Solvency and Financial Condition Report

For the year 1 January 2017 to 31 December 2017

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I. EXECUTIVE SUMMARY

Fidelis Underwriting Limited ("FUL" or "the Company") presents its Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2017. 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 the report is available on the Company's website: http://www.fidelisinsurance.com/investors.

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 in place to monitor and manage the business.

BUSINESS AND PERFORMANCE

FUL was incorporated on 28 August 2015 and received authorisation from the Prudential Regulation Authority ("PRA") to underwrite business on 4 December 2015. FUL is a 100% directly owned subsidiary of Fidelis Insurance Holdings Limited ("FIHL") is part of the Fidelis Group ("the Group"), and is regulated by the PRA and the Financial Conduct Authority ("FCA").

The Company is a specialty, short-tail insurer and reinsurer writing business across eight Solvency II lines of business. The business written by the Company is a mix of specialty classes of general insurance and reinsurance business written directly or through MGAs. As part of the Group's strategy to sponsor bespoke underwriting products, FIHL established two MGAs, Firestone Surety Limited ("Firestone") and Radius Specialty Limited ("Radius") in 2017, with underwriting capacity being provided by FUL. Firestone will focus on small and medium-sized enterprises within the surety market and Radius on niche specialty treaty excess of loss business. Both MGAs are managed by FIHL's MGA incubator, Pine Walk Capital Limited. In 2018, the Company commenced writing property reinsurance business.

The Company has an ongoing intra-group reinsurance agreement with the Group's Bermuda carrier, Fidelis Insurance Bermuda Limited ("FIBL"), to maintain its risk profile in line with FUL's approved risk appetite.

Despite strong market headwinds and continued pressure on pricing, FUL's gross premiums written for the year ended 31 December 2017 were $170,652k (2016: $122,629k).

The net underwriting contribution for 2017 compared to 2016 are shown below:

	2017	2016
$000's		
Gross premiums written	170,652	122,629
Net premiums written	76,041	58,453
Net premiums earned	27,635	14,195
Net claims incurred	(5,471)	(8,130)
Net acquisition expenses	(6,551)	(3,650)
Net underwriting contribution	**15,613**	**2,415**
Net loss ratio	19.8%	57.3%
Net acquisition cost ratio	23.7%	25.7%
Combined ratio	112.6%	203.4%

The directors consider that the principal activity of FUL will continue unchanged into the foreseeable future. However, the potential for a hard Brexit scenario occurring in 2019, which will result in the loss of the Company's European passporting rights, has resulted in the activation of a contingency plan that will likely result in the setting up and authorisation of an EEA insurer within the Fidelis Group and a Part VII transfer of non-UK EEA insurance policies written by FUL to the authorised EEA insurer.

SYSTEM OF GOVERNANCE

The Fidelis Group has implemented a simple yet effective system of corporate governance in a way which ensures the 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 Risk & Capital Committee. 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 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 Own Risk and Solvency Assessment ("ORSA"). Both the management team and the Board are fully engaged with the ORSA process, and use it as a tool to help deepen the 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

The Company is exposed to risks from several sources. These include non-life underwriting risk, market risk, credit risk, liquidity risk, operational risk, strategic risk and emerging risk. The primary risk to the Company is underwriting risk. There were no changes to the Company's key risk areas in 2017. 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 ORSA, FUL has sufficient capital to withstand a 1-in-200-year loss event.

VALUATION FOR SOLVENCY PURPOSES

An analysis of the valuation of assets and liabilities on a Solvency II basis is shown in Section D. As used in this report, references to "GAAP" refer to the UK accounting standards and regulations under which the financial statements have been prepared.

CAPITAL MANAGEMENT

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

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

	2017	**2016**
$000's		
Total UK GAAP equity	158,756	128,189
Valuation adjustments relating to technical provisions	11,386	2,649
Deferred tax effect	(1,935)	(466)
Total basic own funds	**168,207**	**130,372**

The table below shows the SCR and MCR as at 31 December 2017 compared to 31 December 2016:

	2017	**2016**
$000's		
SCR	126,114	88,706
MCR	31,528	22,176

There were no significant changes to the Company's capital management strategy during 2017.

II. INDEPENDENT AUDITORS' REPORT

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 Chapter of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of 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 as at 31 December 2017:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of Fidelis Underwriting Limited as at 31 December 2017, ('**the Narrative Disclosures subject to audit**'); and

- Company templates S02.01.02,S17.01.02, S23.01.01, S25.01.21 and S28.01.01 ('**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' elements of the Solvency and Financial Condition Report;

- Company templates S05.01.02, S05.02.01, S19.01.21;

- the written acknowledgement by management 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 Fidelis Underwriting Limited as at 31 December 2017 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

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's 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. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you if:

- the directors' use of the going concern basis of accounting in the preparation of the SFCR is not appropriate; or
- the directors have not disclosed in the SFCR any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the SFCR is authorised for issue.

Other Information

The Directors are responsible for the Other Information.

Our opinion on 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 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 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 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 and Solvency II regulations.

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 Relevant Elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the Relevant Elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Our objectives are to obtain reasonable assurance about whether the Relevant Elements of the Solvency and Financial Condition Report are 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 Relevant Elements of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit of the financial statements 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 Chapter of the PRA Rulebook we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Fidelis Underwriting Limited's statutory financial statements. 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.

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 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 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.

Ben Priestley for and on behalf of KPMG LLP

15 Canada Square, Canary Wharf

London

E14 5GL

4 May 2018

- The maintenance and integrity of Fidelis Underwriting Limited's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Solvency and Financial Condition Report since it was initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of Solvency and Financial Condition Reports may differ from legislation in other jurisdictions.

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

Solo standard formula

The Relevant Elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.17.01.02
  - Rows R0290 to R0310 – Amount of transitional measure on technical provisions
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

III. DIRECTORS' STATEMENT

Approval by the Board of Directors of the Solvency and Financial Condition Report ("SFCR") for the year ended 31 December 2017.

1) We acknowledge our responsibility for preparing the SFCR in all material aspects in accordance with the PRA Rules and the Solvency II Regulations.

2) We are satisfied that:

   (a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the insurer; and

   (b) it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in future.

Approval by the Administrative, Management, or Supervisory Body of the SFCR and reporting templates

Sharon Ingham

Director and UK Chief Financial Officer

Date: 4th May 2018

A. BUSINESS AND PERFORMANCE (UNAUDITED)

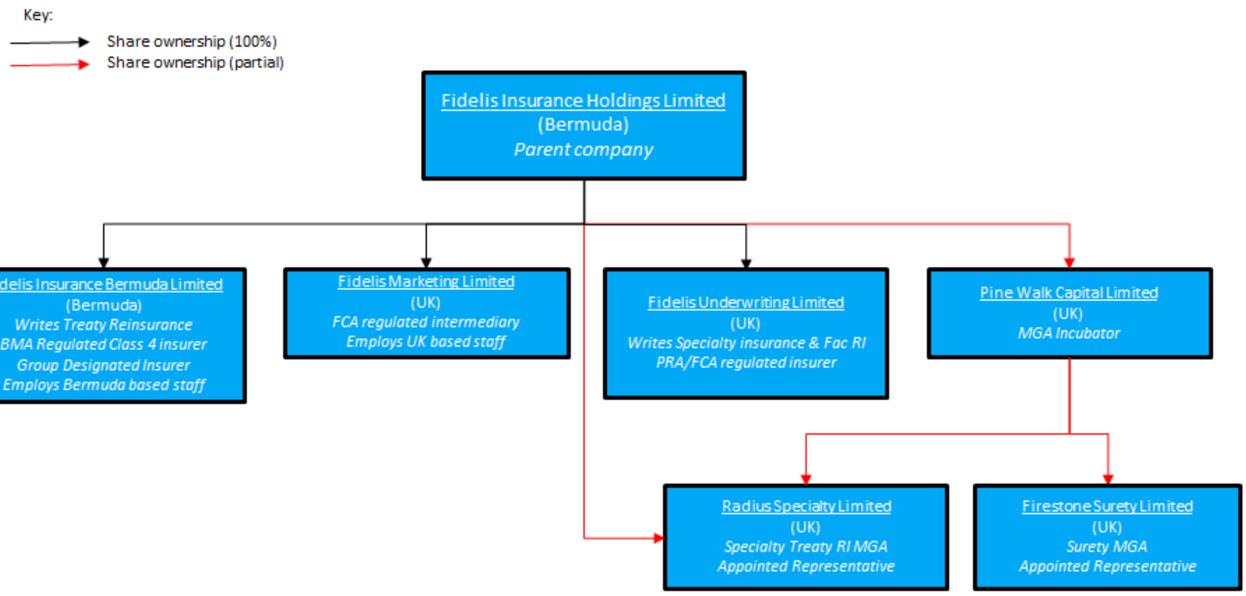
A1. BUSINESS

A1.1 Information regarding the business of the Company

FUL was incorporated under the laws of England and Wales on 28 August 2015. The Company was licensed in the United Kingdom by the PRA on 4 December 2015 and commenced (re)insurance operations on 1 January 2016.

Registered office:	34th Floor The Leadenhall Building 122 Leadenhall Street London EC3V 4AB United Kingdom
Directors:	A Collins (Chairman) D Burrows S Ingham L Jeanmart (resigned 7 February 2018) C Hawkins M Pearson M Tripp
Supervisory authorities:	Prudential Regulatory Authority 20 Moorgate London EC3R 6DA Financial Conduct Authority 25 The North Colonnade London E14 5HS
External Auditors:	KPMG LLP ("KPMG") 15 Canada Square London E14 5GL

The following diagram provides details of the Group structure as at 31 December 2017:



As part of the Group's strategy to sponsor speciality underwriting products, FIHL has established two MGAs during the period, Firestone and Radius, with underwriting capacity being provided by FUL. Firestone will focus on small and medium-sized enterprises within the UK surety market and Radius on niche specialty treaty excess of loss business. Both MGAs are managed by FIHL's MGA incubator Pine Walk Capital Limited.

A2. UNDERWRITING PERFORMANCE

A2.1 Overview of underwriting performance

The Company currently writes eight Solvency II 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 has been actively developing and growing its portfolio, underwriting business directly or by investing in long-term strategic underwriting partnerships. Despite a flattening to very modest hardening of some lines, the Company remains focused on ensuring that pricing discipline is maintained and that growth is not eroded through short term market share competitive forces. The sustained and consistent objective remains to avoid the saturated subscription specialty line business and to focus on bespoke products that are designed to meet clients' specific requirements and allow FUL to outperform the market.

A2.2 Underwriting performance by Solvency II line of business (UK GAAP) for the year ended 31 December 2017

	Direct and accepted proportional business					Accepted non-proportional reinsurance			
$000's	**Marine, aviation, and transport**	**Fire and other damage to property**	**General liability**	**Credit and suretyship**	**Miscellaneous financial loss**	**Casualty**	**Marine, aviation, and transport**	**Property**	**Total**
Gross premiums written	13,295	17,456	13,417	51,614	71,556	2,066	1,266	(18)	170,652
Net premiums written	2,381	6,948	6,366	26,501	32,604	883	521	(163)	76,041
Net premiums earned	2,985	3,895	3,018	7,907	8,094	(78)	885	929	27,635
Net claims incurred	(451)	(974)	(1,815)	(1,227)	(2,086)	(175)	203	1,054	(5,471)
Net acquisition expenses	(564)	(543)	(187)	(1,041)	(4,070)	-	(149)	3	(6,551)
Net underwriting contribution	1,970	2,378	1,016	5,639	1,938	(253)	939	1,986	15,613
Net loss ratio	15.1%	25.0%	60.1%	15.5%	25.8%	(224.4%)	(22.9%)	(113.5%)	19.8%
Net acquisition cost ratio	18.9%	13.9%	6.2%	13.2%	50.3%	0.0%	16.8%	(0.3%)	23.7%

Gross premiums written were $170,652k (2016: $122,629k) in 2017. Net premiums earned for the year were $27,635k (2016: $14,195k). Earned premiums are substantially lower than written premiums as certain classes, such as credit and suretyship insurance, have longer tenures.

A total of $5,471k (2016: $8,130k) of net claims were incurred during the year; $4,121k (2016: $5,599k) of the loss expense is in respect of IBNR. The year to date net loss ratio for the year was 19.8% (2016: 57.3%). The decrease in the net loss ratio is due to both low loss experience in 2017 and prior year reserve releases.

Net acquisition expenses were $6,551k (2016: $3,650k) and the ratio of net acquisition expenses to net premiums earned was 23.7% (2016: 25.7%).

The commentary below, by significant Solvency II line of business, incorporates values reported in the S.05.01 QRT (which is included in appendix B). The Company's underwriting performance by geographical area is detailed in the S.05.02.01 QRT (appendix B). All business is underwritten in the United Kingdom and risks covered are worldwide.

Marine, aviation, and transport

$000's	2017	2016
Gross premiums written	13,295	17,221
Net premiums written	2,381	6,641
Net premiums earned	2,985	3,165
Net claims incurred	(451)	(510)
Net acquisition expenses	(564)	(1,450)
Net underwriting contribution	**1,970**	**1,205**
Net loss ratio	15.1%	16.1%
Net acquisition cost ratio	18.9%	45.8%

This class of business includes the Company's marine, energy and aviation lines.

Gross premium written has decreased by 23% ($3,926k). FUL continues to remain focused on the niche AV52 and contingent aviation lines, avoiding subscription market aviation business until significant risk-return improvement has been achieved.

The Company is actively monitoring opportunities in the marine and energy markets, particularly on dislocated energy accounts that are anticipated to require innovation following recent loss activity.

Fire and other damage to property

$000's	2017	2016
Gross premiums written	17,456	9,658
Net premiums written	6,948	4,491
Net premiums earned	3,895	2,337
Net losses	(974)	(266)
Net acquisition expenses	(543)	(388)
Net underwriting contribution	**2,378**	**1,683**
Net loss ratio	25.0%	11.4%
Net acquisition cost ratio	13.9%	16.6%

This class of business largely comprises of the Company's nuclear property and political violence war and terror books. Gross premiums written has increased by 81% ($7,798k) during the year.

For the nuclear property market, the Company continues to maintain its primary partnerships and ensure it is in the best position to capitalise on any opportunities that may arise in 2018.

For political violence war and terror, events of recent years, despite the devastating human suffering, have not created significant losses to the insurance market and therefore capacity has continued to enter the class creating more competition. The Company monitors its political violence account and strategy in light of current market conditions and intends to use its existing relationships to leverage lead positions on certain lines.

General liability

$000's	2017	2016
Gross premiums written	13,417	-
Net premiums written	6,366	-
Net premiums earned	3,018	-
Net claims incurred	(1,815)	-
Net acquisition expenses	(187)	-
Net underwriting contribution	**1,016**	**-**
Net loss ratio	60.1%	-
Net acquisition cost ratio	6.2%	-

This class predominantly consisted of cyber direct insurance.

Recent high profile cyber events in 2017 are expected to force an overall tightening in policy terms and conditions to specifically exclude cyber coverage. This helps maintain pricing stability and creates an opportunity for the Company, where both direct clients and insurers are seeking to cap exposures and / or buy-back this exclusion to maintain coverage. In 2018, this class will predominantly consist of cyber reinsurance.

Credit and suretyship

$000's	2017	2016
Gross premiums written	51,614	36,600
Net premiums written	26,501	18,300
Net premiums earned	7,907	1,825
Net claims incurred	(1,227)	(794)
Net acquisition expenses	(1,041)	(182)
Net underwriting contribution	**5,639**	**849**
Net loss ratio	15.5%	43.5%
Net acquisition cost ratio	13.2%	10.0%

This class of business primarily consists of credit and suretyship and political risk business.

Gross premiums written has increased by 41% ($15,014k) after a successful year in terms of both new policies and renewals. As rates remain flat in this market FUL continues to focus on structuring bespoke deals around clients' requirements.

Miscellaneous financial loss

	2017	2016
$000's		
Gross premiums written	71,556	36,917
Net premiums written	32,604	18,326
Net premiums earned	8,094	2,912
Net claims incurred	(2,086)	(849)
Net acquisition expenses	(4,070)	(1,149)
Net underwriting contribution	**1,938**	**914**
Net loss ratio	25.8%	29.2%
Net acquisition cost ratio	50.3%	39.5%

This class consists primarily of transaction liability business.

Gross premiums written has increased by 94% ($34,639k) as FUL's MGA partnerships have strengthened and developed over 2017.

A3. INVESTMENT PERFORMANCE

A3.1 Income and expenses from investments by asset class – UK GAAP

The following table presents the components of investment return by asset class during the year-ended 31 December 2017:

$000's	Investment income	Net realised gains / (losses)	Change in net unrealised gains / (losses)	Investment return
Government bonds	297	(1,258)	1,283	**322**
Corporate bonds	1,949	(76)	(731)	**1,142**
Collateralised securities	386	(205)	3	**184**
Derivatives	-	353	(1,561)	**(1,208)**
Cash and deposits	197	-	-	**197**
Investment return	**2,829**	**(1,186)**	**(1,006)**	**637**

The following table presents the components of investment return by asset class during the year-ended 31 December 2016:

$000's	Investment income	Net realised gains / (losses)	Change in net unrealised gains / (losses)	Investment return
Government bonds	178	37	(1,704)	**(1,489)**
Corporate bonds	686	(16)	(563)	**107**
Collateralised securities	590	(57)	(111)	**422**
Derivatives	-	(18)	1,536	**1,518**
Cash and deposits	184	4	-	**188**
Investment return	**1,638**	**(50)**	**(842)**	**746**

A3.2 Gains and losses recognised directly in equity

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

A3.3 Investments in securitisation

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2017:

$000's	Investment Income	Net realised gains / (losses)	Change in net unrealised gains / (losses)	Total
Asset-backed securities	136	(36)	(15)	**85**
Mortgage-backed securities	227	(163)	23	**87**
Collateralised mortgage obligations	23	(6)	(5)	**12**
Investment return	**386**	**(205)**	**3**	**184**

The following table presents the components of collateralised securities' investment return by asset type during the year-ended 31 December 2016:

$000's	Investment Income	Net realised gains / (losses)	Change in net unrealised gains / (losses)	Total
Asset-backed securities	265	13	19	**297**
Mortgage-backed securities	298	(71)	(110)	**117**
Collateralised mortgage obligations	27	1	(20)	**8**
Investment return	**590**	**(57)**	**(111)**	**422**

FUL holds a low percentage of collateralised securities (asset-backed securities, mortgage-backed securities, and collateralised mortgage obligations) to aid in diversification through investing in alternative credit risk assets. Investment limits have been placed on these assets through an advisory agreement with GSAM and FUL maintains a strict review of securities held to ensure the guidelines agreed between GSAM and FUL are followed.

A4. PERFORMANCE OF OTHER ACTIVITIES

Other material expenses comprise the following:

$000's	2017	2016
Employment costs	9,752	12,282
Non-employment costs	5,879	4,574
IT costs	2,060	1,571
Professional and consulting fees	1,586	1,183
Investment expenses	408	225
Total investment and administrative expenses	**19,685**	**19,835**

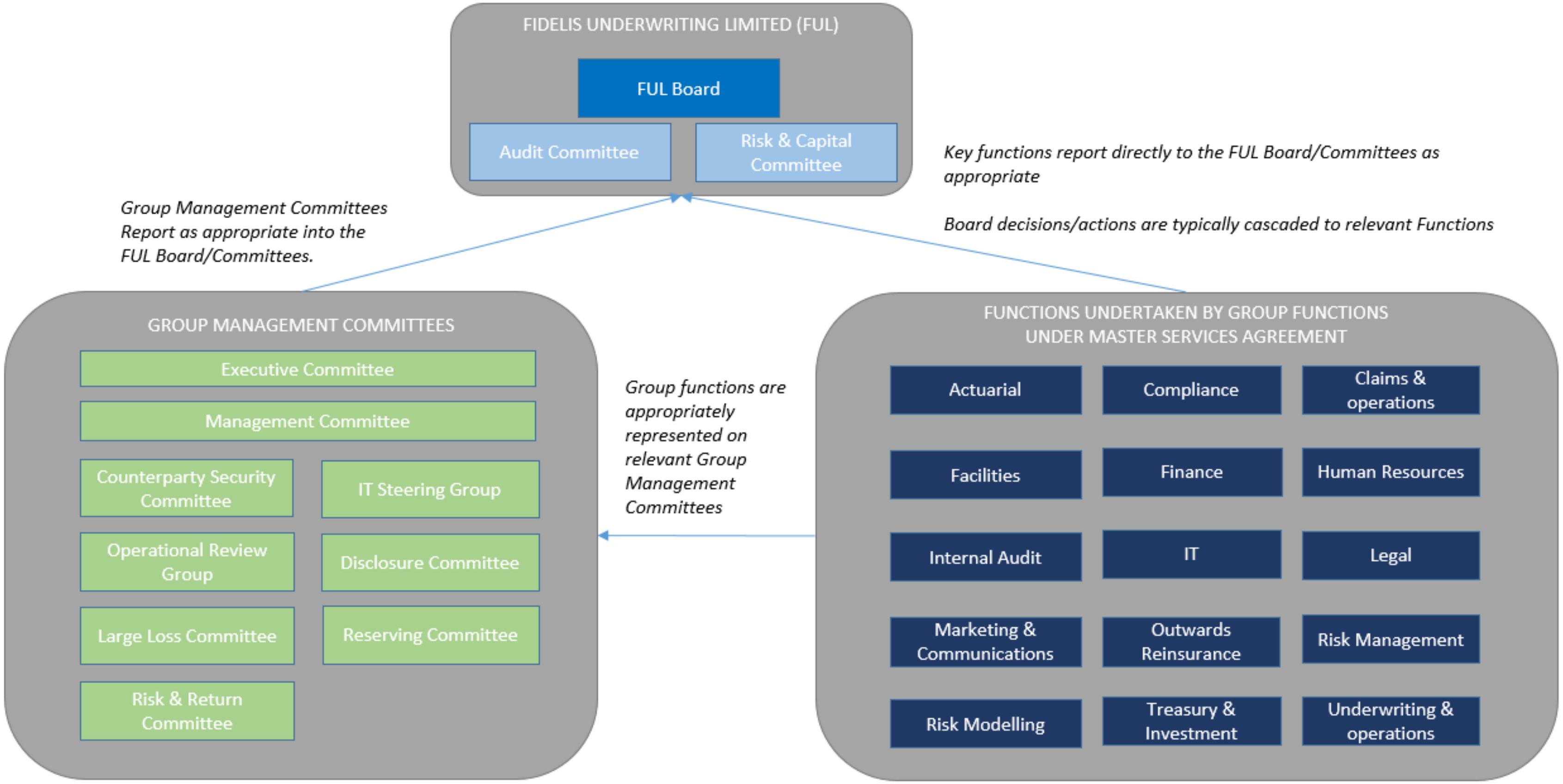
Administrative expenses for FUL are predominantly a result of a recharge from Fidelis Marketing Limited ("FML"), a service company for the Fidelis Group, for providing physical infrastructure, staff and associated support services.

B. SYSTEM OF GOVERNANCE (UNAUDITED)

B1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

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

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 2017:

Board / Committee	INEDS	Exec	Role	Links into boards
Board	4 including Chair ("C")	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	-	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 General Counsel ensures any matters referred by the FIHL Board are so referred
Risk & Capital Committee	4	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 and the Group CRO ensures any matters referred by the FIHL Board are so referred

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 2017:

Management Committee	Members	Role	Links into Boards/Entity Committees
Executive Committee	Group CEO (C), Group CFO, Group CUO, FUL CEO, Group General Counsel, Group CRO	Review the Group's strategy, operations and business plan, assess and action any opportunities that are in the best interest of the Fidelis Group and make proposals to the FIHL Board and FIHL Committees relating to the strategy, operations and conduct of the business of the Fidelis Group and ensure the operations of the Group are within the strategy and business plans approved by the FIHL Board	Matters requiring Board consideration or approval are referred to the FUL Board by the FUL CEO
Risk & Return Committee	**Members** Group CRO (C), Group CFO, Group CIO, Group Chief Actuary, Group Financial Controller / UK CFO, FUL CEO, FIBL CEO **Non-member attendee** Group Risk & Capital Manager	Oversight of risk appetite, tolerances and preferences, risk methodology, capital and solvency appetite, capital methodology, risk return optimisation and risk and capital monitoring	Matters requiring FUL Board consideration or approval are referred by the Group CRO to the FUL Board in quarterly Board reporting
Counterparty Security Committee	**Members** Group Head of Operations (C), FIBL CEO, FUL CEO, Head of International Underwriting, FUL Director of Underwriting, Group Head of Claims & Delegated Underwriting Management **Non-member attendees** Group Risk & Capital Manager, Group Compliance Officer, Controller – Regulatory Reporting	Oversee development and adherence to outwards reinsurer and broker counterparty exposure tolerances	Matters requiring FUL Board consideration or approval are referred by the Group CRO to the FUL Board in quarterly Board reporting

Management Committee	Members	Role	Links into Boards/Entity Committees
IT Steering Group	Group CTO (C), Group CHRO, Group Head of Operations, Group Chief Actuary, Group CRO, Group Financial Controller / UK CFO, Group Head of Claims & Delegated Underwriting Management, Group Risk & Capital Manager, FUL Underwriter, FIBL Underwriter	A forum to consider the Technology Strategy of the Group and to approve and track the progress and performance of IT projects and change requests	Matters requiring FUL Board consideration or approval are referred by the Group Financial Controller / UK CFO to the FUL Board
Operational Review Group	Group Head of Claims & Delegated Underwriting Management (C), Head of Planning & Reporting, Group Head of Operations, Group Compliance Officer, Technical Accounts Manager, Group CTO, Group CRO, Legal Counsel, Group HR Manager, Senior Portfolio Analyst	Challenges, approves or declines New Business Initiatives and Delegated Underwriting/Claims Authorities from an operational view point, after in principle underwriting approval has been received	Matters requiring FUL Board consideration or approval are referred by the Group Financial Controller / UK CFO, or Group Compliance Officer (as appropriate) to the FUL Board in quarterly Board reporting
Disclosure Committee	Group General Counsel (C), Group CRO, Group Financial Controller / UK CFO, Group Chief Actuary, Group CFO, FIBL CEO, FUL CEO, Group CIO	Review disclosures around Fidelis' financial condition and results of operations, ad hoc disclosures such as press releases and conference presentations and oversee the design and effectiveness of the Group's disclosure controls	While the Disclosure Committee will not review all regulatory filings, it will review material regulatory filings which will be made available in the public domain. The Disclosure Committee will review such disclosures and recommend their inclusion in the FUL Board materials for consideration and approval. The Group Financial Controller / UK CFO or Group CRO (as appropriate) will bring the filing to the FUL Board in the relevant Board papers

Management Committee	Members	Role	Links into Boards/Entity Committees
Large Loss Committee	**Members** Group Chief Actuary (C), Group CFO, Group Head of Claims & Delegated Underwriting Management, Group Financial Controller / UK CFO, Group Head of Operations **Non-member attendees** Group CRO, FUL Director of Underwriting, Head of North American Underwriting, Head of International Underwriting, Chairman of Specialised Risks, FIBL CEO, FUL CEO	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 & Delegated Underwriting Management and Group Head of Operations	Matters requiring FUL Board consideration or approval are referred by the Group Chief Actuary (as appropriate) to the FUL Board
Reserving Committee	**Members** Group Chief Actuary (C), FIBL CEO, FUL CEO, Group CFO, Group Head of Claims & Delegated Underwriting Management, Group Financial Controller / UK CFO **Non-member attendees** Group CRO, Group Head of Operations, FUL Director of Underwriting, Head of International Underwriting, Head of North American Underwriting	Considers and opines on portfolio level reserves and IBNR 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
Management Committee	Group CRO (C), Group CFO, FIBL CEO/Group CUO, FUL CEO, Group General Counsel	Co-ordinate and execute the implementation of the strategy and business plan as decided by Group and subsidiary Boards and the Executive Committee; report on and refer to the Executive Committee all items requiring strategic oversight or opinion	Matters requiring Board consideration or approval are referred to the FUL Board by the FUL CEO

The Company shares key control functions with the Group, namely the Group CRO, the Group Compliance Officer, the Group HIA and the Group Chief Actuary, who each report into the FUL Board and/or Committees as appropriate. The internal outsource to the Group-wide functions ensures appropriate seniority of the holders of the key control functions. When engaged on behalf of FUL, these individuals report to FUL's Board. The independence of the key control function holders is assured through independence in reporting lines. All key control function holders report into either Group level senior management or, in the case of the Group HIA, to the Chair of the Audit Committee who is an INED, and in the case of the Group CRO, the FUL Board.

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

There have been no material changes to the system of governance over the reporting period.

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

B1.3.1 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 Company's remuneration approach reflects the intent to align shareholder and employee interests by attracting and retaining employees of the highest calibre and motivating them to drive the Company's business plan and build shareholder value. Fixed compensation is based on market norms for the position, and total compensation aims to provide above market level compensation for superior performance. Variable compensation programs are provided to all employees and include a companywide bonus plan and a RSU plan.

INEDs receive a quarterly directors' fee. They are not eligible for additional non-cash benefits or variable compensation.

B1.3.2 Information on individual and collective performance criteria on which variable components of remuneration is based

The bonus plan performance criteria are comprised of both personal performance and company performance and the bonus is paid annually. Personal performance is evaluated based on achievement of specific objectives and demonstration of cultural values and management responsibilities (where applicable). Company performance is measured against a pre-established target for the annual ROE for the Group. The RSUs contain both service and performance conditions. Generally half of the RSU grants vest based on service after a three-year period and half of the RSUs vest based on certain performance conditions based on achievement of pre-established targets for the three-year average ROE for the Group.

In addition to the RSUs the Company operates management warrants which are also driven by ROE performance and were issued to the initial group of Fidelis employees including certain FUL Executive Directors.

B1.3.3 Supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders

The Company's remuneration policy does not include any supplementary pension or early retirement schemes for members of the Board or other key function holders. The Company offers all staff the choice of making contributions into a defined contribution pension scheme, which the Company will match up to a limit, subject to applicable pension rules.

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

There were no material transactions with the shareholder, with persons who exercise a significant influence on the undertaking or members of the administrative, management or supervisory body, during the year.

B2. FIT AND PROPER REQUIREMENTS

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

Identification	Registration/Approvals	Ongoing assurance
As part of the recruitment process the HR function with the assistance of the compliance function identify whether a role is in the scope of the SIMR	Competency assessments, training needs analyses and background and reference checks ensure FUL can demonstrate that the candidate: 1. Is of good repute and integrity 2. Possesses the required level of knowledge, experience and competence for the role 3. Has the necessary qualifications/training or is undergoing training required to perform the role effectively	The compliance and CoSec functions operate appropriate processes for ongoing assurance of fitness and propriety including but not limited to: 1. Fitness & Propriety declarations 2. Reviews of Board/Committee composition 3. Internal/external Board effectiveness reviews

The internal outsourcing model used by FUL results in several individuals that head Group functions having individual accountability for the performance of their functions in respect of the services provided to FUL. The list of FUL's SIMF holders and approved persons is below:

Name	SIMF(s) or Controller Function(s)
Mr D Burrows	SIMF 1 (Chief Executive) SIMF 22 (Chief Underwriting Officer) Responsible for Insurance Mediation
Mr A Collins	SIMF 9 (Chairman) SIMF 12 (Chair of the Remuneration Committee)
Mr S Drysdale	SIMF 7 (Group Entity Senior Manager)
Mr C Hawkins	SIMF 11 (Chair of the Audit Committee)
Mr R Herron	SIMF 5 (Head of Internal Audit Function)
Ms S Ingham	SIMF 2 (Chief Finance Officer)
Mr L Jeanmart (resigned 7 February 2018)	SIMF 7 (Group Entity Senior Manager)
Mr C Mathias	SIMF 4 (Chief Risk Function)
Mr H Patel	SIMF 20 (FUL Chief Actuary)
Mr M Pearson	SIMF 10 (Chair of the Risk Committee) SIMF 14 (Senior Independent Director)
Mr P Thompson	CF10 (Compliance Oversight) CF11 (Money Laundering Reporting Officer)
Mr M Tripp	Notified Non-Executive Director

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

B3.1 Risk management system

FUL operates the Group Capital, Solvency and Risk Management Framework ("the Framework") leveraging Group capabilities and governance structures whilst maintaining full local accountability with the FUL Board.

The approved risk management framework 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 Framework 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 crystallize either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as emerging risk.

The classification of sub categories of risk into those "core" risks that are actively pursued to optimise FUL's risk adjusted return, and those "non-core" risks that are a necessary consequence of the business but have little or no potential to generate a reward, is reflected throughout the framework.

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 core decision making and continuous monitoring processes.

The significant risks that FUL faces 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
Credit risk	The risk of default of one of FUL's reinsurers
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 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 deemed required due to an actual or projected change in the risk, capital or solvency profile. The RCC, a committee of the Board, supports the Board in ensuring the continued effectiveness and appropriateness of the framework - 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 framework and its underlying components. It meets approximately every three weeks, which affords an appropriate level of review and challenge. A summary of the RRC work in the period and any issues and recommendations for Board attention are reported through the Group CRO report to the RCC.

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

ii. Core processes

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

The core elements of the process include:

- **Strategic Planning**

The annual strategic planning process provides for a rolling three year forward looking analysis and associated projections based on a range of potential economic and market scenarios.

The review revisits and restates the Company's strategic risk and return aims and uses reverse stress and scenario testing to evaluate the prospective performance of the business model.

The plan is reviewed annually, typically in the Board meeting in the second quarter of each year.

- **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 Risk, Capital & Solvency Review 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 typically 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 Group CRO provides the RCC with a full review at least quarterly and at any other time as required in the interim in response to a material actual or proposed change in the risk, capital and solvency profile of the Company.

The review provides an analysis of the risk, capital and solvency profile of the Company against the Board approved risk appetites based on both the actual and projected position. 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 make 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 formal ORSA process that was conducted in 2017 was undertaken as part of FUL's annual business planning process in Q4 2017. There have been no formal out of cycle ORSA processes undertaken as the result of a planned or unplanned material change in the risk or solvency profile of the business during 2017.

FUL has maintained and developed its ORSA process on an ongoing basis throughout 2017. This has been undertaken by embedding 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 Board.

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

B4. INTERNAL CONTROL SYSTEM

B4.1 Description of internal control system

All internal controls are recorded in either control documents or policies and procedures as appropriate, with controls being mapped to the risks in the risk and controls register.

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 internal controls are evidenced in such a way 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 Compliance Officer who reports into the Group General Counsel. The Group Compliance Officer is responsible for FUL's Compliance oversight and is the Money Laundering Reporting Officer.

A summary of the compliance risk management framework is below:

Compliance Strategy

- Group compliance policy sets the cultural tone of Fidelis' approach to regulatory compliance
- Compliance operating model defines the purpose of the compliance function
- Three lines of defence map shows the split of responsibilities for second line matters between control functions
- Compliance universe from which annual monitoring plan is derived

Compliance Plans

- Compliance risk assessment
- Annual Group compliance plan including FUL
- Annual compliance monitoring plan
- Annual compliance training plan for FUL staff and FUL Board training plan

Internal Controls

- Group compliance officer is the risk owner for FUL's key regulatory risks within the operational risk register
- FUL is subject to compliance policies and procedures
- Radar process for tracking future regulatory developments that impact FUL

Monitoring

- Monitoring FUL's compliance in accordance with the annual monitoring plan
- Mixture of recurring and annual monitoring activities including file reviews, MI/report reviews, staff meetings/interviews, governance reviews, non-voting attendance at committee meetings, etc.

Reporting

- Quarterly reporting to the FUL Board
- Fortnightly monitoring of events triggering notification to the PRA/FCA
- Periodic meetings with the PRA

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. The compliance function seeks to ensure that FUL’s culture and behaviours put clients’ interests at the heart of its business activities and that FUL acts with integrity in the market.

B5. INTERNAL AUDIT FUNCTION

B5.1 Implementation of the internal audit function

The internal audit department is resourced both internally by the Group HIA and through a co-source arrangement with Deloitte Touche Tohmatsu Limited ("Deloitte"). The Group HIA has drafted and the FUL Board has approved:

- An audit charter;
- An audit universe;
- A budget for co-source resource;
- A three-year plan for the implementation of financial reporting controls; and
- An audit plan.

The Group HIA drafted the audit universe based on several inputs including the risk and controls register, discussion with management, discussion with the external auditor, KPMG, input from the co-source provider with the overriding factor being the Group HIA's experience and opinion to ensure the audit universe is independent of management and management's view of risk. The audit plan is reviewed regularly, with any changes deemed necessary by the Group HIA approved by the FUL Audit Committee. The Group HIA, with co-source resource, as agreed by the FUL 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 IIA. In 2013 the IIA issued guidance for Effective Internal Audit in the financial services sector. A gap analysis is maintained to identify any areas of non-compliance.

There is a quarterly report issued to the FUL Audit Committee reporting on the progress of the audit plan, 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;
- Proposed changes to the plan if necessary;
- Budget usage for co-source; and
- Any other matters.

The Group HIA, in conjunction with the business plan to be approved by the Board in 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 CRO;
- 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;
- Audit Committee private session – the FUL Audit Committee, at its option, 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;
- 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 FUL Chief Actuary is supported by the Group actuarial function, led by the Group Chief Actuary, which consists of four qualified actuaries, three catastrophe modelling analysts. The function is also supported by an external consultancy, Dynamo Analytics, who provide actuarial support and peer review. The actuarial team has industry experience across all key functional areas.

Key responsibilities include the valuation of the technical provisions, opining on the underwriting policy and reinsurance arrangements, as well as building the stochastic capital model. The function is integral to building and maintaining pricing models, as well as carrying out case pricing and catastrophe and exposure modelling.

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 FUL Chief Actuary 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, RCC and/or the FUL Board. These committees include all non-executive directors ensuring familiarity and 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 FUL Chief Actuary role is an approved position and is subject to the PRA/FCA SIMR.

B7. OUTSOURCING

The outsourcing policy applies to any form of agreement between FUL and an external third party by which that third party performs an insurance or reinsurance activity or undertakes a key function on behalf of FUL which FUL could otherwise do itself. An outsourced service is regarded as critical or important if a defect or failure in its performance has a material, negative impact on the quality and continuity of providing core services to the policyholders; FUL's compliance with the conditions and obligations of its authorisation; FUL's other regulatory obligations.

The outsourcing policy requires appropriate consideration and monitoring of the operational, regulatory and other risks associated with the activities to be outsourced.

FUL currently outsources the following critical functions listed below, noting the jurisdiction of the service providers:

- Custodian / Administrator Services (Fixed Income Investments) – Citco Fund Administration (Cayman Islands) Limited – Canada
- Data Storage – International Business Machines Corporation ("IBM") – United Kingdom
- Underwriting system development and support – Imaginera Limited – United Kingdom
- Actuarial Support – Dynamo Analytics Limited – United Kingdom

In addition to the above, there is a master intra-group services agreement.

There were two changes to the Group's critical outsourcing relationships during the reporting period:

i. IT support has been moved inhouse; and
ii. The Group's existing relationship with Imaginera Limited has grown to such a point that Imaginera should rightly be recognised as a critical outsourcing relationship for the Group.

B8. ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE

The system of governance and its effectiveness is subject to annual review by the compliance function, which reports to the Board. During the year, the following assessments were performed:

1) An internal Board effectiveness review;
2) An internal assessment against PRA Governance requirements; and
3) An internal review of the FUL-FIBL intragroup reinsurance agreement against the PRA's reinsurance counterparty credit risk requirements.

The outcome the above reviews is that the Board considers FUL's system of governance 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 Group compliance officer performs annual reviews of compliance with the requirements in relation to the system of governance sections of this report. Appropriate action is taken to deal with any findings, changes or updates required.

Subsequent to the reporting period, the Group Chief Investment Officer, Laurent Jeanmart, resigned as a FUL director with effect from 7 February 2018.

C. RISK PROFILE (UNAUDITED)

C1. RISK CATEGORIES

C1.1 Non-life underwriting risk

i. Overview of assessment of non-life underwriting 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 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 and individual underwriter authorities, the Company operates a system of peer review to a high level of sophistication, depth and scope of application.

All new risks and renewals are required to be presented to the daily Underwriting and Marketing Conference Call ("UMCC" or "the call(s)"), normally prior to terms being offered and in the event of a material change in terms, exposure or pricing from that agreed previously. 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 delegated authorities, binders or lineslips are accepted, the master contract will be reviewed at the UMCC although declarations or risks attaching to such covers may not be.

In addition to underwriters, the calls are frequently attended by representatives from actuarial, exposure modelling, capital modelling, risk, claims, legal and compliance functions to provide appropriate expertise and challenge. Regular attendance of the Group CRO provides an additional layer of defence and supports him in keeping abreast of actual, projected and potential emerging risk issues in real time.

Elemental (e.g. wind, earthquake) and non-elemental (e.g. terror, financial risk) exposures are monitored on a range of metrics set out in the Board approved risk appetite, based upon data from the in-house 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 in-house by the dedicated Fidelis 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 PMLs 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 RDS scenarios also includes those defined in the standard formula that materially influence the Company's SCR.

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 insurance 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 main reinsurance treaty for FUL is an IGR treaty with FIBL. FUL also purchases additional facultative and treaty reinsurance protection as the FUL CEO deems necessary, on behalf of the Board. The Group also purchases proportional and non-proportional treaty placements, with prior approval and input from the FUL CEO.

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

Reserving risk

As the majority of the Company's portfolio benefits from a short period of discovery of loss, the reserves relate to claims notified against which the Company holds individually evaluated case reserves and IBNR reserves. These are less material 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 with internal and external actuaries.

In addition to the 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. Stress testing for premium risk

All RDSs as at 31 December 2017 are within tolerance for FUL and aligned with our underwriting strategy in accordance with management's view of the market.

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 risk.

ii. Risk mitigation techniques for market risk

Investment risk

The key drivers of investment risk are a function of the fixed income strategy that the Company has chosen to follow. The primary drivers of risk in the fixed income portfolio are shifts in the investments 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 manager strategies 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 GSAM for the provision of investment management services. The Company's investment guidelines and risk, capital and solvency appetite formalise FUL's appetite for investment risk at the portfolio level.

Extensive due diligence of investments is undertaken prior to the finalisation of the investment guidelines. 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 at least annually in conjunction with the investment manager which takes into account the Company's risk tolerance levels and investment objectives. All strategic investment decisions are considered by the RRC and then presented to the Group Investment Committee prior to being submitted to the FUL Board for approval. Investment decisions are made in line with the Company's investment guidelines and the prudent person principle.

The aggregate risk level is managed through the adherence to the investment guidelines with GSAM. 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 investment portfolio is also monitored on a quarterly basis to ensure that the following risk metrics remain within the Board's stated risk appetite:

- The average portfolio duration;
- The average credit rating; and
- The minimum allowed credit rating as a percentage of the portfolio value.

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

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.

A parallel shift upwards or downwards of 10 basis points in interest rates across the yield curve would result in additional loss or gain for the year of $303k with an equal impact on net assets, assuming all other assumptions remain unchanged.

The high credit quality nature of the fixed income portfolio mitigates 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 Group’s risk appetite limits currency mismatches to $5,000k equivalent within 14 days of completion of quarterly management accounts, recognising that doing so at individual operating entity 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.

The Group’s and FUL’s actual net currency matching exposure is reported in the quarterly CRO report to the FUL Board.

An increase or decrease of 10 basis points in the US dollar compared to the currencies to which the Company is exposed, would result in additional loss or gain for the year of $1,479k with an equal impact on net assets, assuming all other assumptions remain unchanged. Recognising that the variability in individual currencies is something over which the Company has no control, it therefore seeks to limit its exposure to currency risk through asset liability matching including, and where appropriate, currency hedging strategies.

Asset and liability risk

Asset and liability risk is defined as the risk that the Company either 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 has been developed to ensure that investment proceeds and returns and available cash are in excess of obligations under insurance contracts.

C1.3 Credit risk

i. Overview of assessment of credit risk

Credit risk exposures relate to the potential failure of a third-party to meet their financial obligations to the Company. Key areas where the Company is exposed to credit 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; and
(iv) Amounts due from insurance intermediaries

Changes to the limits on the level of credit risk by category and territory are approved annually by the FUL Board. Reinsurance is used to manage underwriting risk, however, this does not discharge the Company's liability as 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 all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy. In certain circumstances, deposits from reinsurers are also held as collateral.

Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. No credit limits were exceeded during the year. No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

ii. Risk mitigation techniques for credit risk

Reinsurer counterparties

The risk management approach to credit 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 and/or downgrade clauses as appropriate; and
(iv) Monitoring changes in security and taking appropriate remedial action as required.

The Counterparty Security Committee meets half yearly and ad hoc as new partners are proposed, and monitors the Group's aggregations which are reported to the FUL Board on a quarterly basis in the CRO report.

Intragroup reinsurer counterparty

The counterparty risk presented by the IGR arrangement is mitigated through the use of collateralisation – an irrevocable LOC issued by Citibank Europe and Lloyds Bank PLC, to the benefit of FUL, being supported by collateral provided by FIBL.

The FUL Board has set a minimum level of collateralisation based on the greater of the reinsurer's share of unearned premium and the reinsurer's share of claims reserves. The level of actual and required collateral is monitored and reported quarterly to the FUL Board in the CRO report.

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.

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 cash received is allocated appropriately. Documented credit control meetings, where delinquent accounts are reviewed, are held monthly and include a representative from underwriting, finance, operations and claims. Underwriters assist with the collection of premiums when required and if no response is forthcoming, a notice of cancellation will be issued.

C1.4 Liquidity risk

i. Overview of assessment of liquidity risk

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

ii. Risk mitigation techniques for liquidity risk

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 in order to enable dynamic portfolio risk return optimisation. The Company maintains a predominantly fixed-income portfolio, with the main goal of the investment policy to maximise income under the constraints of capital conservation.

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. As such, management do not believe it necessary to cascade formal risk tolerances and associated risk reporting requirements to entity level and instead report the overall Group position to all Boards.

The target minimum level of Group 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 days to cover a variety of pre-defined gross man-made and natural catastrophe loss events. FUL's portfolio consists of a highly liquid fixed income portfolio and cash. The Company's investment guidelines and risk, capital and solvency appetite 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 maintaining liquidity significantly in excess of that which would otherwise be required to support projected outflows related to insurance obligations even in stressed scenarios.

iii. 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 II technical provisions.

The EPIFP as at 31 December 2017 is £35,040k. 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 processes, people or systems. 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 crystallizing.

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 crystallize 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; and
- Failure of process, people of 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 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 formally reassess and reaffirm the full scope of risks, controls and related assessments for which they are responsible. The review considers whether the risk is stated correctly, whether it is assessed correctly, whether the correct controls are associated to it and whether they are accurately stated and operate effectively.

The resulting assessment is recorded and subject to Group CRO review, challenge and approval.

In the remaining quarters, the Group CRO and/or a member of the risk management function meets with individual risk and control 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 risk owners.

An assessment of key risks and any material changes in the period is reported by the Group CRO to the RCC supported by a summary of key risk assessments. 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 crystallizing, 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 CRO reporting to the RCC and the FUL Board.

C1.6 Other material risks

Emerging risk

i. Overview of assessment of emerging risk

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;
- Group CRO and other members of the Risk Management function's reviews with risk owners conducted via the operational risk management process;
- Group CRO attendance at underwriting and investment committees; and
- Group CRO review and other members of the risk management function's of relevant external inputs, publications and periodic surveys.

ii. Risk mitigation techniques used for emerging risks

An Emerging Risk Register is maintained by the Group CRO and emerging or crystallizing risks are reported to the RCC and the Board in aggregate through the regular CRO reporting process.

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

Reinsurance risk

i. Overview of assessment of reinsurance risk

Reinsurance 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 above.

ii. Risk mitigation techniques used for reinsurance risk

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

The reinsurance purchase forms include statements regarding matching the period of underwriting the risk and expected availability in 12 months, which must all be explicit at time of purchase of any reinsurance.

The majority of FUL's and the Group's reinsurance program renews at 1st January, however exposures are not all written at the 1st January, therefore, if there is a mismatch FUL and the Group are aware before the inward exposure is written.

Group and strategic risk

i. Overview of assessment 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

The Company uses Group resources in a number of areas, including IT and risk management. 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.

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 2017:

$000's	2017
Non-life underwriting risk	118,087
Market risk	9,489
Credit risk	4,441
Operational risk	2,988
Diversification	(8,891)
SCR	**126,114**

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. The risks have been subject to a series of plausible but extreme scenario tests covering each of these risk categories and the liquidity of the Company's assets following these events.

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 Solvency II Directive to ensure that its assets are invested in line with the prudent person principle by only investing in 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. The investment portfolio is monitored on a regular basis to ensure that it remains at an appropriate level of quality and liquidity whilst avoiding excessive concentrations.

C3. RISK SENSITIVITY

The following scenario tests were undertaken as part of the ORSA process. These scenarios were developed by a subcommittee of the Board, comprising the Chair of the RCC, the FUL CEO, the UK CFO and the Group CRO and were discussed at the RRC. The aim of the scenarios is to provide a range of realistic challenges to the business plan covering the key risk categories that the Company is exposed to, and to test the potential range of responses to the outcomes.

1) A reinsurer default, combined with a correlating operational loss and a separate investment loss – this scenario resulted in a post event solvency ratio of 93%.
2) A loss event due to two aircraft colliding – this scenario resulted in a post event solvency ratio of 101%.
3) The largest PML for a 1-in-25 year underwriting loss combined with a 10% (10,000 basis points) increase in interest rates – this scenario resulted in a post event solvency ratio of 102%.
4) A rogue MGA breaching their delegated authority – this scenario resulted in a post event solvency ratio of 128%.
5) The largest PML loss occurs combined with an operational error in the placement of related external reinsurance – this scenario resulted in a post event solvency ratio of 98%.
6) An elemental catastrophe occurs prior to collateralisation of the trust funds relating to the purchased reinsurance – this scenario resulted in a post event solvency ratio of 124%.

Under all of the above scenarios the Company maintained its own funds above the MCR.

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 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” ("FRS 102") and FRS 103 "Insurance Contracts" ("FRS 103") issued by the Financial Reporting. The table below shows the differences in the valuation of assets and liabilities per the Company’s financial statements to the valuation for solvency purposes as at 31 December 2017:

$000's	Valuation per UK GAAP	Valuation adjustments	Valuation per Solvency II
Assets			
Investments	158,025	-	158,025
Cash and cash equivalents	35,456	-	35,456
Insurance and intermediaries receivables	114,844	(107,973)	6,871
Deferred acquisition costs	23,312	(23,312)	-
Reinsurance recoverables	124,035	(129,242)	(5,207)
Deferred tax assets	4,735	(1,935)	2,800
Any other assets, not elsewhere shown	2,409	-	2,409
Total assets	**462,816**	**(262,462)**	**200,354**
Liabilities			
Technical provisions	228,878	(205,527)	23,351
Reinsurance payables	66,386	(66,386)	-
Investments	484	-	484
Any other liabilities, not elsewhere shown	8,312	-	8,312
Total liabilities	**304,060**	**(271,913)**	**32,147**

D1. ASSETS

D1.1 Investments

As at 31 December 2017, the Company held $157,541k worth of investments, which are carried at fair value under UK GAAP and Solvency II.

The table below shows the Company’s financial assets at fair value by material class of investment under UK GAAP (which is a fair approximation of the Solvency II hierarchy) as at 31 December 2017:

$000's	Level 1	Level 2	Level 3	Total
Debt securities and other fixed income securities				
Government bonds	3,573	29,756	-	33,329
Corporate bonds	-	114,463	-	114,463
Structured fixed income	-	9,830	-	9,830
Total debt securities and other fixed income securities	3,573	154,049	-	157,622
Derivative assets	403	-	-	403
Total assets	**3,976**	**154,049**	**-**	**158,025**
Derivate liabilities	(484)	-	-	(484)
Total liabilities	**(484)**	**-**	**-**	**(484)**
Net assets at fair value	**3,492**	**154,049**	**-**	**157,541**

The Company's investment portfolio is valued using the following techniques for Solvency II purposes:

- Level 1 - investments are securities with quoted prices in active markets. An active market is one in which transactions for the asset occurs with sufficient frequency and volume to provide readily and regulatory available quoted prices.
- 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, the extent to which inputs relate to items that are comparable to the asset and the volume or level of activity in the markets within which the inputs are observed.
- 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 2017.

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

D1.2 Cash and cash equivalents

As at 31 December 2017, the Company held $35,456k as cash and cash equivalents. Cash and cash equivalents carrying amounts are considered to be as approximate fair values on the basis that these are short term assets, therefore there are no differences between the valuations under Solvency II and UK GAAP.

D1.3 Insurance and intermediaries receivables

Insurance and intermediaries receivables represents premiums owed from policyholders. As at 31 December 2017, the Company had a total of $114,844k of outstanding premiums per UK GAAP. For Solvency II purposes, an adjustment is made to remove non-overdue receivables leaving an insurance and intermediaries receivables balance of $6,871k. The non-overdue receivables balance is considered within the calculation of the technical provisions as they are used as the basis for the future premiums and claims reinsurance recoveries elements.

Under UK GAAP, insurance and intermediaries receivables are measured at amortised cost less any impairment losses. Under Solvency II, receivables are measured at fair value. Due to the short-term nature of the receivables, the UK GAAP carrying value represents a fair approximation of the market consistency valuation under Solvency II.

D1.4 Deferred acquisition costs

Deferred acquisition costs comprise brokerage and commission incurred on contracts written during the financial year, but expensed over the term of the insurance contract. As at 31 December 2017, deferred acquisition costs totalled $23,312k per UK GAAP. Deferred acquisition costs are removed under Solvency II principles, however future cashflows of unpaid acquisition costs are accounted for within the technical provisions (see D2.1).

D1.5 Reinsurance recoverables

As at 31 December 2017, reinsurance recoverables were $124,035k under UK GAAP and negative $5,207k under Solvency II. 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 II purposes, reinsurance recoverables are determined as part of the calculation for technical provisions (see D2.1).

D1.6 Deferred tax asset

Deferred taxes are calculated based on the differences between the values ascribed to assets and liabilities on a Solvency II basis, as opposed to a UK GAAP basis, and the values ascribed to the same assets and liabilities for tax purposes. The value of the deferred tax asset per UK GAAP is $4,735k as at 31 December 2017. This is

$1,935k lower for Solvency II, reflecting the tax effect of the difference in the valuation of assets and liabilities for UK GAAP compared to solvency purposes. The deferred tax asset originates from losses generated in FUL.

Deferred tax is measured using rates enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of a timing difference.

FUL's deferred tax asset has been recognised on the basis that these tax credits are expected to be utilised in future periods, as supported by future profit forecasts.

D1.7 Any other assets, not elsewhere shown

As at 31 December 2017, other assets were $2,409k 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. Therefore, no Solvency II adjustment is made.

D2. TECHNICAL PROVISIONS

D2.1 Value of technical provisions by line of business

The table below shows the technical provisions as at 31 December 2017 by line of business:

	Direct and accepted proportional business					Accepted non-proportional reinsurance			
$000's	Marine, aviation and transport	Fire and other damage to property	General liability	Credit and suretyship	Miscellaneous financial loss	Casualty	Marine, aviation and transport	Property	Total
Premium provisions: Gross	(851)	(2,808)	(451)	(5,050)	(4,776)	(3,828)	(630)	34	(18,360)
Premium provisions: Ceded	606	2,235	90	3,581	1,894	806	(112)	1,513	10,613
Premium provisions: Net	**(245)**	**(573)**	**(361)**	**(1,469)**	**(2,882)**	**(3,022)**	**(742)**	**1,547**	**(7,747)**
Claims provisions: Gross	1,840	2,175	598	4,977	6,972	227	2,105	3,206	22,100
Claims provisions: Ceded	283	(649)	(74)	(1,884)	(1,777)	(51)	(838)	(416)	(5,406)
Claims provisions: Net	**2,123**	**1,526**	**524**	**3,093**	**5,195**	**176**	**1,267**	**2,790**	**16,694**
Risk margin	**342**	**905**	**304**	**10,057**	**6,056**	**1,301**	**146**	**500**	**19,611**
Total technical provisions	**2,220**	**1,858**	**467**	**11,681**	**8,369**	**(1,545)**	**671**	**4,837**	**28,558**

i.Technical provisions methodology

The technical provisions are calculated as the sum of a best estimate of the liabilities and a risk margin. The best estimate portion of the technical provisions 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 EIOPA 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 II, these cash flows are split into 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 technical provisions is consistent across all lines of business.

The risk margin represents the risk premium that would be required to be paid to a third party in order to take over and meet the insurance and reinsurance obligations over their lifetime. The risk margin is calculated using the Solvency II prescribed approach, as the discounted cost of capital of running off all policies that form part of the best estimate, at a rate of 6% per annum. The risk margin is currently allocated between Solvency II lines of business in line with its insurance premium volume measure within the Standard Formula calculation.

ii. Technical provisions assumptions

The key assumptions underlying the technical provisions calculation are:

- **Expected claims**
  Expected claims on earned business are taken directly from the UK GAAP reserves, while unearned claims are determined using IELRs based on industry data and expert judgement.

- **ENIDs**
  Under Solvency II, 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 a UK GAAP basis.

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

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

The assumptions within each class can vary, for example the loss ratios and ENID ratios that are parameterised using industry data. 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 technical provisions

There is inherent uncertainty within the cash flows that relate to insurance contracts, which could arise due to volatility within the claims reserve, losses occurring within the unearned exposure, policy cancellations and other areas. Actual experience is expected to deviate from expectations. The Company’s estimates are subject to additional uncertainty due to 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 technical provision process, a suite of sensitivity tests is run to better understand the materiality of key assumptions and how sensitive the overall best estimate technical provision is to changes in the underlying assumptions.

D2.3 Solvency II and UK GAAP valuation differences of technical provisions by material line of business

The table below shows a build up from the UK GAAP valuation of insurance contract liabilities to the Solvency II technical provisions, split by line of business, as at 31 December 2017:

$000's	**Marine, aviation, and transport**	**Fire and other damage to property**	**General liability**	**Credit and suretyship**	**Miscellaneous financial loss**	**Casualty**	**Marine, aviation, and transport**	**Property**	**Total**
Gross UK GAAP insurance contract liabilities	3,514	4,150	3,788	4,707	6,600	927	2,510	3,039	29,235
Solvency II adjustments	(2,525)	(4,783)	(3,641)	(4,780)	(4,404)	(4,528)	(1,035)	201	(25,495)
Gross BEL	**989**	**(633)**	**147**	**(73)**	**2,196**	**(3,601)**	**1,475**	**3,240**	**3,740**
Net UK GAAP insurance contract liabilities	856	918	3,423	2,026	3,216	(1,017)	856	689	10,967
Solvency II adjustments	1,022	35	(3,260)	(402)	(903)	(1,829)	(331)	3,648	(2,020)
Net BEL	**1,878**	**953**	**163**	**1,624**	**2,313**	**(2,846)**	**525**	**4,337**	**8,947**
Risk margin	**342**	**905**	**304**	**10,057**	**6,056**	**1,301**	**146**	**500**	**19,611**
Technical provisions	**2,220**	**1,858**	**467**	**11,681**	**8,369**	**(1,545)**	**671**	**4,837**	**28,558**

The main differences between the Solvency II and UK GAAP valuation bases are:

- The expected profit in the unearned premium, discounting and profit in the BBNI (all of which reduce the liabilities); and
- Additional allowances required under Solvency II such as ENIDs, expenses and the risk margin (all of which increase the liabilities).

D3. OTHER LIABILITIES

D3.1 Reinsurance payables

As at 31 December 2017, reinsurance payables were $66,386k per UK GAAP. Reinsurance payables are measured at amortised cost less any impairment. Given the short-term nature of reinsurance payables, this approximates to fair value under UK GAAP. There are no differences in principle between Solvency II and UK GAAP valuations of reinsurance payables. However, for Solvency II purposes, the non-overdue element of reinsurance payables is considered as part of the calculation for technical provisions. None of the reinsurance payables balance was overdue as at 31 December 2017.

D3.2 Investments

See section D1.1 above.

D3.3 Any other liabilities, no elsewhere shown

As at 31 December 2017, all other payables were $8,312k per UK GAAP. Other payables are measured at amortised cost less any impairment 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, technical provisions or other liabilities.

E. CAPITAL MANAGEMENT

E1. OWN FUNDS

The objective of own funds management is to maintain, at all times, sufficient capital for regulatory and rating agency purposes with an appropriate buffer (based on an underwriting shock). These funds should be of sufficient quality to meet the eligibility requirements in the Solvency II rules. The Company holds regular meetings of senior management, which are at least quarterly, in which the ratio of eligible own funds over the SCR and MCR are reviewed. The committees that review the Company's solvency are described in more detail in *B. System of Governance (Unaudited)*, and responsibility ultimately rests with FUL's Board. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the basis of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

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

	Tier 1	**Tier 2**	**Tier 3**	**Total**
$000's				
Called up share capital	7,500	-	-	7,500
Share premium account	142,500	-	-	142,500
Deferred tax asset	-	-	3,367	3,367
Reconciliation reserve	(22,995)	-	-	(22,995)
Balance as at 31 December 2016	**127,005**	**-**	**3,367**	**130,372**
Capital contribution	35,000	-	-	35,000
Change in deferred tax and reconciliation reserve	3,401	-	(566)	2,835
Movement in 2017 own funds	**38,401**	**-**	**(566)**	**37,835**
Called up share capital	7,500	-	-	7,500
Share premium account	142,500	-	-	142,500
Deferred tax asset	-	-	2,801	2,801
Reconciliation reserve	15,406	-	-	15,406
Balance as at 31 December 2017	**165,406**	**-**	**2,801**	**168,207**

The Company's ordinary share capital, share premium arising on ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds per Article 69 (a)(i) of the Delegated Regulation. The ordinary share capital and share premium arising is not subordinated and has no restricted duration. The reconciliation reserve represents the excess of assets over liabilities, less a deduction equal to the share capital and the share premium account. The movement in own funds is driven by a capital contribution of $35,000k to FUL from FIHL to support projected growth plans.

Tier 1 own funds are eligible to meet both the SCR and the MCR and are permanently available to cover losses. The deferred tax asset is included in tier 3 capital. This category of own funds can be used to cover the SCR (up to a maximum 15%) but is not eligible to cover the MCR. Therefore, $165,826k of the Company's own funds are eligible to meet the SCR and $165,406k for the MCR.

When considering the loss absorbing capacity of deferred tax in the SCR, it is possible to recognise the tax asset against:

- Deferred tax liabilities on the Solvency II balance sheet;
- Future taxable profits; or
- Prior year profits (carry back).

As at 31 December 2017, no loss absorbing capacity of deferred tax has been recognised in the SCR.

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

$000's	2017	2016
Total UK GAAP equity	158,756	128,189
Valuation adjustments relating to technical provisions	11,386	2,649
Deferred tax effect	(1,935)	(466)
Total basic own funds	**168,207**	**130,372**

The valuation differences relating to technical provisions and are detailed in section D2.3 above.

E2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E2.1 SCR and MCR as at 31 December 2017 and 31 December 2016:

$000's	2017	2016
SCR*	126,114	88,706
MCR	31,528	22,176

*The final amount of the SCR is still subject to supervisory assessment.

E2.2 SCR split by risk module

The capital requirement is currently being calculated exclusively by the Standard Formula. The risk charges per category as at 31 December 2017 compared to as at 31 December 2016 are outlined below:

$000's	2017	2016
Non-life underwriting risk	118,087	83,613
Market risk	9,489	6,061
Credit risk	4,441	2,756
Diversification	(8,891)	(5,667)
BSCR	**123,126**	**86,763**
Operational risk	2,988	1,943
SCR	**126,114**	**88,706**

The increase in the SCR from $88,706k as at 31 December 2016 to $126,114k as at 31 December 2017, is driven by an increase in the non-life underwriting and market risk modules.

Non-life underwriting risk is primarily driven by premium risk and catastrophe risk. This is due to both increased business volumes and plan premium combined with FUL's increased exposure to man-made and natural catastrophe scenarios.

The increase in market risk reflects a change in the asset portfolio mix, and is driven primarily by interest rate risk and spread risk.

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. There is a marginal simplification for non-life catastrophe risk, in that natural catastrophe risk is not modelled by CRESTA zone. This is a proportionate approach given the Company's low exposure to natural perils. On a diversified basis, the natural catastrophe sub-section is $4,108k out of a total catastrophe risk of $61,072k.

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 technical provisions at the valuation date. These are supplied by SII 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 Article 129 (1) (d) of Directive 2009/138/EC). This has been converted into US Dollars below at the 31 December foreign exchange rate:

	2017	**2016**
$000's		
Absolute floor	4,306	4,214
Linear MCR	6,433	5,051
SCR	126,114	88,706
Combined MCR	31,528	22,176
MCR	**31,528**	**22,176**

The change in the absolute floor reflects the movement in the exchange rate. The final MCR (currently equivalent to the 25% floor of the SCR) reflects an increase in the overall SCR.

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

The duration-based equity risk sub-module does not apply to FUL.

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

The Company does not have an approved internal model to calculate its SCR and therefore this section is not applicable.

E5. NON-COMPLIANCE WITH MCR AND SCR

There has not been any non-compliance with the SCR or MCR over the financial year. If the SCR or MCR were to be breached, plans would be put into place to raise additional capital as required.

A. GLOSSARY

BBNI - Bound But Not Incepted

BEL – Best Estimate Liabilities

BMA - Bermuda Monetary Authority

BSCR – Basic Solvency Capital Requirement

CEO – Chief Executive Officer

CFO – Chief Finance Officer

CHRO – Chief Human Resources Officer

CIO – Chief Investment Officer

CTO – Chief Technology Officer

CRESTA - Catastrophe Risk Evaluation and Standardizing Target Accumulations

CRO – Chief Risk Officer

CUO – Chief Underwriting Officer

EEA – European Economic Area

EIOPA – European Insurance and Occupational Pensions Authority

ENID – Events not in Data

ERM – Enterprise Risk Management

FIBL – Fidelis Insurance Bermuda Limited

FIHL – Fidelis Insurance Holdings Limited

FML – Fidelis Marketing Limited

FUL – Fidelis Underwriting Limited

GSAM – Goldman Sachs Asset Management

HIA – Head of Internal Audit

IBNR – Incurred but not Reported

IELR – Initial Expected Loss Ratio

IGR – Intra-Group Reinsurance

IIA – Institute of Internal Auditors

INED – Independent non-executive Director

LOC – Letter of Credit

MCR – Minimum Capital Requirement

MGA – Managing General Agents

Net acquisition cost ratio – The ratio of net acquisition expenses to net premiums earned

Net loss ratio – The ratio of net losses to net premiums earned

Net underwriting contribution – Net premiums earned less net losses, less net acquisition expenses

OEP – Occurrence Exceedance Probability

ORSA – Own Risk and Solvency Assessment

PML – Probable Maximum Loss

QRT – Quantitative Reporting Template

RCC – Risk & Capital Committee, a committee of the FUL Board

RDS – Realistic Disaster Scenario

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

ROE – Return on Equity

RRC – Risk & Return Committee, a management committee

RSU – Restricted Stock Unit

SCR – Solvency Capital Requirement

SIMF – Senior Insurance Management Function

SIMR – Senior Insurance Managers Regime

UK GAAP – United Kingdom Generally Accepted Accounting Practice

ULAE – Unallocated Loss Adjustment Expenses

UMCC – Underwriting Marketing Conference Calls

B. QUANTITATIVE REPORTING TEMPLATES (“QRTs”)

The following QRTs are required for the SFCR:

QRT Ref	QRT Template name
S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.17.01.02	Non-Life technical provisions
S.19.01.21	Non-life insurance claims
S.23.01.01	Own funds
S.25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.01.01	Minimum Capital Requirement

The templates are included at the end of this report.

Balance sheet (annual solo)

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Default Original Amount
Currency: USD - USA Dollar
EIOPA QRT: S.02.01

Assets

		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	2,800,165.19
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**158,025,208.30**
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	*R0100*	
Equities - listed	R0110	
Equities - unlisted	R0120	
no split between listed and unlisted (Statutory column)		
Bonds	*R0130*	*157,622,004.21*
Government Bonds	R0140	23,443,856.55
Corporate Bonds	R0150	126,149,371.09
Structured notes	R0160	
Collateralised securities	R0170	8,028,776.57
no split between bonds (Statutory column)		
Collective Investments Undertakings	R0180	
Derivatives	R0190	403,204.09
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	**R0230**	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
no split between loans & mortgages (Statutory column)		
Reinsurance recoverables from:	**R0270**	**(5,206,913.84)**
Non-life and health similar to non-life	R0280	(5,206,913.84)
Non-life excluding health	R0290	(5,206,913.84)
Health similar to non-life	R0300	
no split between non-life excluding health and health similar to non-life (Statutory column)		
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	6,871,102.90
Reinsurance receivables	R0370	
Receivables (trade, not insurance)	R0380	
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	35,456,428.71
Any other assets, not elsewhere shown	R0420	2,409,358.31
Total assets	**R0500**	**200,355,349.57**

Liabilities

Technical provisions - non-life	**R0510**	**23,350,945.20**
Technical provisions - non-life - no split between non - life (excluding health) and health (similar to non - life) (Statutory column)		
Technical provisions - non-life (excluding health)	**R0520**	**23,350,945.20**
TP calculated as a whole	R0530	
Best estimate	R0540	3,739,854.28
Risk margin	R0550	19,611,090.92
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	
Derivatives	R0790	483,851.28
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	
Reinsurance payables	R0830	
Payables (trade, not insurance)	R0840	
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Subordinated liabilities - no split between not in BOF and in BOF (Statutory column)		
Any other liabilities, not elsewhere shown	R0880	8,313,984.96
Total liabilities	**R0900**	**32,148,781.44**

Excess of assets over liabilities	**R1000**	**168,206,568.13**

Excess of assets over liabilities minus Subordinated Liabilities in BOF		**168,206,568.13**

Premiums, claims and expenses by line of business (annual)

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Solvency II: Statutory Account
Currency: USD - USA Dollar
EIOPA QRT: S.05.01

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					Line of Business for: accepted non-proportional reinsurance			Total
		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, transport	Property	
		C0060	C0070	C0080	C0090	C0120	C0140	C0150	C0160	C0200
Premiums written										
Gross - Direct Business	R0110	12,775,302.09	17,206,628.50	3,416,550.00	44,037,751.48	67,575,457.44				**145,011,689.51**
Gross - Proportional reinsurance accepted	R0120	519,448.23	249,729.55	10,000,000.00	7,576,587.30	3,980,229.99				**22,325,995.07**
Gross - Non-proportional reinsurance accepted	R0130						2,066,217.75	1,266,293.39	(18,265.44)	**3,314,245.70**
Reinsurers' share	R0140	10,913,403.44	10,508,490.29	7,050,774.25	25,113,563.61	38,951,796.23	1,182,945.06	745,783.40	144,285.85	**94,611,042.13**
Net	**R0200**	**2,381,346.88**	**6,947,867.76**	**6,365,775.75**	**26,500,775.17**	**32,603,891.20**	**883,272.69**	**520,509.99**	**(162,551.29)**	**76,040,888.15**
Premiums earned										
Gross - Direct Business	R0210	11,691,359.19	7,746,652.68	929,982.54	11,592,982.22	18,274,071.80				**50,235,048.43**
Gross - Proportional reinsurance accepted	R0220	486,111.03	530,800.81	5,410,150.28	1,231,376.42	96,428.57				**7,754,867.11**
Gross - Non-proportional reinsurance accepted	R0230						314,706.47	2,390,831.79	3,210,282.68	**5,915,820.94**
Reinsurers' share	R0240	9,192,705.69	4,382,211.87	3,322,613.79	4,917,390.53	10,276,124.37	392,661.38	1,505,851.76	2,281,257.05	**36,270,816.44**
Net	**R0300**	**2,984,764.53**	**3,895,241.62**	**3,017,519.03**	**7,906,968.11**	**8,094,376.00**	**(77,954.91)**	**884,980.03**	**929,025.63**	**27,634,920.04**
Claims incurred										
Gross - Direct Business	R0310	741,904.59	2,757,464.09	344,546.97	2,970,013.71	4,728,921.56				**11,542,850.92**
Gross - Proportional reinsurance accepted	R0320	403,222.13	(49,090.43)	3,443,249.02	84,494.41	25,991.87				**3,907,867.00**
Gross - Non-proportional reinsurance accepted	R0330						616,475.24	359,569.18	(2,866,018.33)	**(1,889,973.91)**
Reinsurers' share	R0340	694,366.93	1,733,935.13	1,972,831.81	1,827,605.26	2,668,798.46	442,280.48	562,307.33	(1,811,746.16)	**8,090,379.24**
Net	**R0400**	**450,759.79**	**974,438.53**	**1,814,964.18**	**1,226,902.86**	**2,086,114.97**	**174,194.76**	**(202,738.15)**	**(1,054,272.17)**	**5,470,364.77**
Changes in other technical provisions										
Gross - Direct Business	R0410									-
Gross - Proportional reinsurance accepted	R0420									-
Gross - Non-proportional reinsurance accepted	R0430									-
Reinsurers' share	R0440									-
Net	**R0500**									-
Expenses incurred	**R0550**	**1,174,301.15**	**2,323,617.74**	**1,819,343.76**	**7,834,566.55**	**12,428,105.16**	**225,976.96**	**282,690.86**	**(44,995.42)**	**26,043,606.76**
Administrative expenses										
Gross - Direct Business	R0610	959,231.36	1,291,956.75	256,531.07	3,306,567.01	5,073,891.62				**10,888,177.81**
Gross - Proportional reinsurance accepted	R0620	39,002.68	18,750.90	750,848.28	568,886.76	298,854.89				**1,676,343.51**
Gross - Non-proportional reinsurance accepted	R0630						155,141.61	95,079.42	(1,371.46)	**248,849.57**
Reinsurers' share	R0640	819,431.02	789,028.19	529,406.17	1,885,647.61	2,924,688.93	88,821.23	55,997.02	10,833.68	**7,103,853.85**
Net	**R0700**	**178,803.02**	**521,679.46**	**477,973.18**	**1,989,806.16**	**2,448,057.58**	**66,320.38**	**39,082.40**	**(12,205.14)**	**5,709,517.04**
Investment management expenses										
Gross - Direct Business	R0710	68,463.14	92,210.73	18,309.37	235,999.35	362,138.47				**777,121.06**
Gross - Proportional reinsurance accepted	R0720	2,783.74	1,338.31	53,590.24	40,603.11	21,330.15				**119,645.55**
Gross - Non-proportional reinsurance accepted	R0730						11,072.91	6,786.10	(97.88)	**17,761.13**
Reinsurers' share	R0740	58,485.19	56,315.25	37,785.27	134,584.18	208,743.59	6,339.43	3,996.67	773.23	**507,022.81**
Net	**R0800**	**12,761.69**	**37,233.79**	**34,114.34**	**142,018.28**	**174,725.03**	**4,733.48**	**2,789.43**	**(871.11)**	**407,504.93**
Claims management expenses										
Gross - Direct Business	R0810	295,148.11	397,525.15	78,932.64	1,017,405.23	1,561,197.42				**3,350,208.55**
Gross - Proportional reinsurance accepted	R0820	12,000.82	5,769.51	231,030.24	175,042.08	91,955.35				**515,798.00**
Gross - Non-proportional reinsurance accepted	R0830						47,735.88	29,255.21	(421.99)	**76,569.10**
Reinsurers' share	R0840	252,132.62	242,777.90	162,894.21	580,199.27	899,904.29	27,329.61	17,229.85	3,333.44	**2,185,801.19**
Net	**R0900**	**55,016.31**	**160,516.76**	**147,068.67**	**612,248.04**	**753,248.48**	**20,406.27**	**12,025.36**	**(3,755.43)**	**1,756,774.46**
Acquisition expenses										
Gross - Direct Business	R0910	3,702,948.39	1,731,027.22	116,247.82	1,848,028.69	8,975,223.26				**16,373,475.38**
Gross - Proportional reinsurance accepted	R0920	53,306.94	38,323.61	865,624.05	308,562.66	19,285.71				**1,285,102.97**
Gross - Non-proportional reinsurance accepted	R0930						(925.41)	443,818.59	557,179.72	**1,000,072.90**
Reinsurers' share	R0940	3,192,406.10	1,226,800.52	794,377.80	1,115,428.03	4,924,324.62	(477.76)	294,559.09	560,505.55	**12,107,923.95**
Net	**R1000**	**563,849.23**	**542,550.31**	**187,494.07**	**1,041,163.32**	**4,070,184.35**	**(447.65)**	**149,259.50**	**(3,325.83)**	**6,550,727.30**
Overhead expenses										
Gross - Direct Business	R1010	1,952,072.09	2,629,180.83	522,050.43	6,728,988.88	10,325,561.29				**22,157,853.52**
Gross - Proportional reinsurance accepted	R1020	79,371.93	38,158.79	1,528,004.65	1,157,706.06	608,180.99				**3,411,422.42**
Gross - Non-proportional reinsurance accepted	R1030						315,719.03	193,490.22	(2,790.97)	**506,418.28**
Reinsurers' share	R1040	1,667,573.12	1,605,702.20	1,077,361.58	3,837,364.19	5,951,852.56	180,754.55	113,956.05	22,046.94	**14,456,611.19**
Net	**R1100**	**363,870.90**	**1,061,637.42**	**972,693.50**	**4,049,330.75**	**4,981,889.72**	**134,964.48**	**79,534.17**	**(24,837.91)**	**11,619,083.03**
Other expenses	R1200									-
Total expenses	**R1300**									**26,043,606.76**

Premiums, claims and expenses by country

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Solvency II: Statutory Account
Currency: USD - USA Dollar
EIOPA QRT: S.05.02

Non-life obligations

		Total Top 5 and home country	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
		C0070	C0000	C0010	C0020	C0030	C0040	C0050
R0010			United Kingdom (GB)	United States of America (US)	Luxembourg (LU)	Italy (IT)	Malta (MT)	Japan (JP)
		C0140	C0070	C0080	C0090	C0100	C0110	C0120
Premiums written								
Gross - Direct Business	R0110	**110,590,846.93**	76,597,809.36	14,964,738.82	10,367,457.68	322,292.98	5,274,533.48	3,064,014.61
Gross - Proportional reinsurance accepted	R0120	**14,939,545.82**	11,258,682.26	-	-	3,305,230.00	-	375,633.56
Gross - Non-proportional reinsurance accepted	R0130	**6,861,747.27**	552,756.99	(153,214.18)	-	5,484,722.89	-	977,481.57
Reinsurers' share	R0140	**72,539,035.12**	46,481,742.07	10,852,300.20	5,794,138.92	4,698,528.96	2,649,258.30	2,063,066.67
Net	**R0200**	**59,853,104.90**	**41,927,506.54**	**3,959,224.44**	**4,573,318.76**	**4,413,716.91**	**2,625,275.18**	**2,354,063.07**
Premium earned								
Gross - Direct Business	R0210	**31,267,552.00**	24,449,193.29	2,422,497.52	876,806.34	65,523.47	2,258,641.55	1,194,889.83
Gross - Proportional reinsurance accepted	R0220	**5,922,023.86**	5,512,172.49	-	-	-	-	409,851.37
Gross - Non-proportional reinsurance accepted	R0230	**2,976,991.96**	652,345.92	1,152,455.15	-	1,032,066.62	-	140,124.27
Reinsurers' share	R0240	**23,743,673.94**	17,607,017.16	2,798,962.80	615,233.32	687,229.11	1,122,494.09	912,737.46
Net	**R0300**	**16,422,893.88**	**13,006,694.54**	**775,989.87**	**261,573.02**	**410,360.98**	**1,136,147.46**	**832,128.01**
Claims incurred								
Gross - Direct Business	R0310	**8,558,542.77**	7,407,367.73	(30,402.46)	178,515.03	11,328.93	409,410.07	582,323.47
Gross - Proportional reinsurance accepted	R0320	**3,659,888.83**	3,472,316.50	-	-	116,182.25	-	71,390.08
Gross - Non-proportional reinsurance accepted	R0330	**319,907.03**	(58,970.68)	311.27	-	192,793.68	-	185,772.76
Reinsurers' share	R0340	**7,229,979.87**	6,427,776.02	(72,488.72)	120,068.25	115,428.25	203,302.03	435,894.04
Net	**R0400**	**5,308,358.76**	**4,392,937.53**	**42,397.53**	**58,446.78**	**204,876.61**	**206,108.04**	**403,592.27**
Changes in other technical provisions								
Gross - Direct Business	R0410	-						
Gross - Proportional reinsurance accepted	R0420	-						
Gross - Non-proportional reinsurance accepted	R0430	-						
Reinsurers' share	R0440	-						
Net	**R0500**	-						
Expenses incurred	**R0550**	**20,204,686.97**	13,492,350.78	2,260,422.85	1,582,202.97	1,390,642.04	804,959.40	674,108.93
Other expenses	**R1200**	-						
Total expenses	**R1300**	**20,204,686.97**						

Percentage of the total gross written premiums		
	Non-life	77.58%
	Life	0.00%
Country split is 90% of total gross written premiums or 5 Countries have been entered		
	Non-life	YES
	Life	YES

Non - life Technical Provisions

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Default Original Amount
Currency: USD - USA Dollar
EIOPA QRT: S.17.01

		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 reinsurance	Non-proportional property reinsurance	Total Non-Life obligations
		C0070	C0080	C0090	C0100	C0130	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**									-
Direct business	R0020									-
Accepted proportional reinsurance business	R0030									-
Accepted non-proportional reinsurance	R0040									-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									-
Technical Provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060	**(850,762)**	**(2,808,655)**	**(451,195)**	**(5,049,531)**	**(4,775,721)**	**(3,828,539)**	**(630,355)**	**34,473**	**(18,360,286)**
Gross - direct business	R0070	(851,309)	(2,693,590)	156,088	(5,722,796)	(4,244,860)				**(13,356,467)**
Gross - accepted proportional reinsurance business	R0080	547	(115,065)	(607,283)	673,265	(530,861)				**(579,397)**
Gross - accepted non-proportional reinsurance business	R0090						(3,828,539)	(630,355)	34,473	**(4,424,421)**
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	**(597,503)**	**(2,224,194)**	**(86,265)**	**(3,546,186)**	**(1,850,860)**	**(802,429)**	**115,596**	**(1,511,852)**	**(10,503,694)**
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	(597,503)	(2,224,194)	(86,265)	(3,546,186)	(1,850,860)	(802,429)	115,596	(1,511,852)	**(10,503,694)**
Recoverables from SPV before adjustment for expected losses	R0120									-
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130									-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	(605,597)	(2,235,020)	(90,472)	(3,580,958)	(1,894,044)	(805,627)	112,151	(1,513,025)	**(10,612,590)**
Net Best Estimate of Premium Provisions	**R0150**	**(245,165)**	**(573,635)**	**(360,723)**	**(1,468,573)**	**(2,881,678)**	**(3,022,913)**	**(742,506)**	**1,547,497**	**(7,747,696)**
Claims provisions										
Gross - Total	R0160	**1,839,376**	**2,176,074**	**598,633**	**4,976,196**	**6,971,974**	**227,182**	**2,105,592**	**3,205,114**	**22,100,140**
Gross - direct business	R0170	1,457,173	2,085,865	356,811	4,697,493	6,837,899				**15,435,241**
Gross - accepted proportional reinsurance business	**R0180**	382,203	90,209	241,821	278,703	134,074				**1,127,011**
Gross - accepted non-proportional reinsurance business	R0190						227,182	2,105,592	3,205,114	**5,537,888**
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	**(276,943)**	**655,826**	**79,624**	**1,890,670**	**1,786,718**	**51,166**	**842,275**	**420,209**	**5,449,546**
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	(276,943)	655,826	79,624	1,890,670	1,786,718	51,166	842,275	420,209	**5,449,546**
Recoverables from SPV before adjustment for expected losses	**R0220**									-
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230									-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	(284,055)	649,714	74,823	1,883,276	1,777,255	50,695	838,367	415,600	**5,405,676**
Net Best Estimate of Claims Provisions	R0250	**2,123,430**	**1,526,360**	**523,809**	**3,092,919**	**5,194,719**	**176,487**	**1,267,225**	**2,789,515**	**16,694,464**
Total Best estimate - gross	R0260	**988,614**	**(632,581)**	**147,437**	**(73,335)**	**2,196,252**	**(3,601,357)**	**1,475,237**	**3,239,587**	**3,739,854**
Total Best estimate - net	**R0270**	**1,878,265**	**952,724**	**163,086**	**1,624,346**	**2,313,041**	**(2,846,426)**	**524,719**	**4,337,012**	**8,946,768**
Risk margin	**R0280**	341,701	905,115	303,917	10,057,118	6,056,026	1,301,397	146,223	499,594	**19,611,091**
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									-
Best estimate	R0300									-
Risk margin	R0310									-
Technical Provisions										
Technical provisions - total	R0320	**1,330,315**	**272,534**	**451,355**	**9,983,782**	**8,252,278**	**(2,299,960)**	**1,621,460**	**3,739,181**	**23,350,945**
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	**(889,652)**	**(1,585,305)**	**(15,649)**	**(1,697,681)**	**(116,789)**	**(754,932)**	**950,518**	**(1,097,425)**	**(5,206,914)**
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	**2,219,966**	**1,857,839**	**467,003**	**11,681,464**	**8,369,067**	**(1,545,029)**	**670,942**	**4,836,606**	**28,557,859**
Line of Business (LoB): further segmentation										
Premium provisions - Total number of homogeneous risk groups	R0350									
Claims provisions - Total number of homogeneous risk groups	R0360									
Cash-flows of the Best estimate of Premium Provisions (Gross)										
Future benefits and claims	R0370	3,297,285	3,114,773	1,041,872	7,895,369	38,350,770	1,517,128	553,882	510,917	**56,281,996**
Future expenses and other cash-out flows	R0380	(4,151,884)	(5,925,885)	(1,496,641)	(12,961,763)	(43,136,626)	(5,347,238)	(1,186,348)	(478,733)	**(74,685,118)**
Future premiums	R0390	3,837	2,455	3,573	16,864	10,136	1,572	2,112	2,289	**42,837**
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400									-
Cash-flows of the Best estimate of Claims Provisions (Gross)										
Future benefits and claims	R0410	1,537,111	1,303,503	1,026,689	825,930	1,565,737	116,445	480,220	728,386	**7,584,021**
Future expenses and other cash-out flows	R0420	299,933	871,643	(432,435)	4,146,428	5,404,136	110,258	1,624,192	2,475,206	**14,499,360**
Future premiums	R0430	2,333	928	4,378	3,839	2,099	479	1,181	1,522	**16,759**
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440									-
Percentage of gross Best Estimate calculated using approximations	**R0450**									**0.00%**
Best estimate subject to transitional of the interest rate	**R0460**									-
Technical provisions without transitional on interest rate	R0470	1,878,266	952,724	163,086	1,624,348	2,313,041	(2,846,425)	524,719	4,337,012	**8,946,770**
Best estimate subject to volatility adjustment	**R0480**	-	-	-	-	-	-	-	-	-
Technical provisions without volatility adjustment and without others transitional measures	R0490	1,878,266	952,724	163,086	1,624,348	2,313,041	(2,846,425)	524,719	4,337,012	**8,946,770**

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Credit and suretyship insurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount)				In Current year	Sum of years (cumulative)
		0	1	2			
		C0010	C0020	C0030		C0170	C0180
Prior	R0100				R0100		
2015	R0230				R0230		
2016	R0240	-	-		R0240		
2017	R0250	-			R0250		
				Total	R0260		

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount)				Year end (discounted data)
		0	1	2		
		C0200	C0210	C0220		C0360
Prior	R0100				R0100	
2015	R0230				R0230	
2016	R0240	1,578,099	5,061,894		R0240	4,607,753
2017	R0250	434,861			R0250	368,444
					R0260	**4,976,197**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount)	
		0	1
		C0400	C0410
Prior	R0100		
2015	R0230		
2016	R0240	-	-
2017	R0250	-	

Reinsurance Recoveries received (non-cumulative)

		C0600	C0610	C0620		C0760	C0770
Prior	R0300				R0300		
2015	R0430				R0430		
2016	R0440	-	-		R0440		
2017	R0450	-			R0450		
				Total	R0460		

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		C0800	C0810	C0820		C0960
Prior	R0300				R0300	
2015	R0430				R0430	
2016	R0440	371,082	2,420,398		R0440	2,205,918
2017	R0450	(292,559)			R0450	(322,642)
					R0460	**1,883,277**

Reinsurance RBNS Claims

		C1000	C1010
Prior	R0300		
2015	R0430		
2016	R0440	-	-
2017	R0450	-	

Net Claims Paid (non-cumulative)

		C1200	C1210	C1220		C1360	C1370
Prior	R0500				R0500		
2016	R0640				R0640		
2017	R0650				R0650		
				Total	R0660		

Net Undiscounted Best Estimate Claims Provisions

		C1400	C1410	C1420		C1560
Prior	R0500				R0500	
2016	R0640	1,207,017	2,641,496		R0640	2,401,835
2017	R0650	727,420			R0650	691,085
					R0660	**3,092,920**

Net RBNS Claims

		C1600	C1610
Prior	R0500		
2016	R0640		
2017	R0650		

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Fire and other damage to property insurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2
		C0010	C0020	C0030
Prior	R0100			
2015	R0230			
2016	R0240	-	1,261,770	
2017	R0250	-		

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0230		
	R0240	1,261,770	1,261,770
	R0250		
Total	R0260	**1,261,770**	**1,261,770**

Reinsurance Recoveries received (non-cumulative)

		Development year (absolute amount) 0	1	2
		C0600	C0610	C0620
Prior	R0300			
2015	R0430			
2016	R0440	-	630,884	
2017	R0450	-		

		In Current year	Sum of years (cumulative)
		C0760	C0770
	R0300		
	R0430		
	R0440	630,884	630,884
	R0450		
Total	R0460	**630,884**	**630,884**

Net Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2
		C1200	C1210	C1220
Prior	R0500			
2015	R0630			
2016	R0640		630,885	
2017	R0650			

		In Current year	Sum of years (cumulative)
		C1360	C1370
	R0500		
	R0630		
	R0640	630,885	630,885
	R0650		
Total	R0660	**630,885**	**630,885**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2
		C0200	C0210	C0220
Prior	R0100			
2015	R0230			
2016	R0240	1,054,360	1,540,798	
2017	R0250	684,221		

		Year end (discounted data)
		C0360
	R0100	
	R0230	
	R0240	1,511,816
	R0250	664,258
Total	R0260	**2,176,074**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		Development year (absolute amount) 0	1	2
		C0800	C0810	C0820
Prior	R0300			
2015	R0430			
2016	R0440	(1,028,539)	291,333	
2017	R0450	394,505		

		Year end (discounted data)
		C0960
	R0300	
	R0430	
	R0440	272,380
	R0450	377,335
Total	R0460	**649,715**

Net Undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2
		C1400	C1410	C1420
Prior	R0500			
2015	R0630			
2016	R0640	2,082,898	1,249,465	
2017	R0650	289,716		

		Year end (discounted data)
		C1560
	R0500	
	R0630	
	R0640	1,239,436
	R0650	286,923
Total	R0660	**1,526,360**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount) 0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	443,252	1,472,540	
2017	R0250	-		

Reinsurance RBNS Claims

		Development year (absolute amount) 0	1	2
		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	221,626	1,065,217	
2017	R0450	-		

Net RBNS Claims

		Development year (absolute amount) 0	1	2
		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640	221,626	407,324	
2017	R0650			

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Marine, aviation and transport insurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030		C0170	C0180
Prior	R0100				R0100		
2015	R0230				R0230		
2016	R0240	1,318	70,090		R0240	70,090	71,408
2017	R0250	-			R0250		
				Total	R0260	**70,090**	**71,408**

Reinsurance Recoveries received (non-cumulative)

		0	1	2		In Current year	Sum of years (cumulative)
		C0600	C0610	C0620		C0760	C0770
Prior	R0300				R0300		
2015	R0430				R0430		
2016	R0440	1,163	36,038		R0440	36,038	37,201
2017	R0450	-			R0450		
				Total	R0460	**36,038**	**37,201**

Net Claims Paid (non-cumulative)

		0	1	2		In Current year	Sum of years (cumulative)
		C1200	C1210	C1220		C1360	C1370
Prior	R0500				R0500		
2015	R0630				R0630		
2016	R0640	156	34,052		R0640	34,052	34,208
2017	R0650				R0650		
				Total	R0660	**34,052**	**34,208**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2		Year end (discounted data)
		C0200	C0210	C0220		C0360
Prior	R0100				R0100	
2015	R0230				R0230	
2016	R0240	2,557,801	2,200,336		R0240	2,138,214
2017	R0250	(277,500)			R0250	(298,838)
				Total	R0260	**1,839,377**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		0	1	2		Year end (discounted data)
		C0800	C0810	C0820		C0960
Prior	R0300				R0300	
2015	R0430				R0430	
2016	R0440	1,050,160	573,933		R0440	546,428
2017	R0450	(819,653)			R0450	(830,482)
				Total	R0460	**(284,054)**

Net Undiscounted Best Estimate Claims Provisions

		0	1	2		Year end (discounted data)
		C1400	C1410	C1420		C1560
Prior	R0500				R0500	
2015	R0630				R0630	
2016	R0640	1,507,641	1,626,403		R0640	1,591,787
2017	R0650	542,153			R0650	531,644
				Total	R0660	**2,123,431**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount) 0	1	2	3
		C0400	C0410	C0420	C0430
Prior	R0100				
2015	R0230				
2016	R0240	52,878	328,135		
2017	R0250	-			

Reinsurance RBNS Claims

		0	1	2	3
		C1000	C1010	C1020	C1030
Prior	R0300				
2015	R0430				
2016	R0440	28,417	226,525		
2017	R0450	-			

Net RBNS Claims

		0	1	2	3
		C1600	C1610	C1620	C1630
Prior	R0500				
2015	R0630				
2016	R0640	24,462	101,610		
2017	R0650				

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Miscellaneous financial loss
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030		C0170	C0180
Prior	R0100				R0100		
2015	R0230				R0230		
2016	R0240	12,913	2,378		R0240	2,378	15,291
2017	R0250	-			R0250		
					Total R0260	**2,378**	**15,291**

Reinsurance Recoveries received (non-cumulative)

		C0600	C0610	C0620		C0760	C0770
Prior	R0300				R0300		
2015	R0430				R0430		
2016	R0440	6,457	1,201		R0440	1,201	7,658
2017	R0450	-			R0450		
					Total R0460	**1,201**	**7,658**

Net Claims Paid (non-cumulative)

		C1200	C1210	C1220		C1360	C1370
Prior	R0500				R0500		
2015	R0630				R0630		
2016	R0640	6,457	1,177		R0640	1,177	7,633
2017	R0650				R0650		
					Total R0660	**1,177**	**7,633**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2		Year end (discounted data)
		C0200	C0210	C0220		C0360
Prior	R0100				R0100	
2015	R0230				R0230	
2016	R0240	740,750	5,230,349		R0240	5,126,160
2017	R0250	1,899,004			R0250	1,845,810
					R0260	**6,971,971**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		C0800	C0810	C0820		C0960
Prior	R0300				R0300	
2015	R0430				R0430	
2016	R0440	575,228	594,513		R0440	579,927
2017	R0450	1,231,205			R0450	1,197,327
					R0460	**1,777,254**

Net Undiscounted Best Estimate Claims Provisions

		C1400	C1410	C1420		C1560
Prior	R0500				R0500	
2015	R0630				R0630	
2016	R0640	165,521	4,635,837		R0640	4,546,233
2017	R0650	667,799			R0650	648,484
					R0660	**5,194,717**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount) 0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	194	183,575	
2017	R0250	-		

Reinsurance RBNS Claims

		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	97	91,921	
2017	R0450	-		

Net RBNS Claims

		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640	97	91,654	
2017	R0650			

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: General liability insurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030		C0170	C0180
Prior	R0100				R0100		
2015	R0230				R0230		
2016	R0240	-	-		R0240		
2017	R0250	247			R0250	247	247
				Total	R0260	**247**	**247**

Reinsurance Recoveries received (non-cumulative)

		0	1	2		In Current year	Sum of years (cumulative)
		C0600	C0610	C0620		C0760	C0770
Prior	R0300				R0300		
2015	R0430				R0430		
2016	R0440	-	-		R0440		
2017	R0450	124			R0450	124	124
				Total	R0460	**124**	**124**

Net Claims Paid (non-cumulative)

		0	1	2		In Current year	Sum of years (cumulative)
		C1200	C1210	C1220		C1360	C1370
Prior	R0500				R0500		
2015	R0630				R0630		
2016	R0640				R0640		
2017	R0650	124			R0650	124	124
				Total	R0660	**124**	**124**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2		Year end (discounted data)
		C0200	C0210	C0220		C0360
Prior	R0100				R0100	
2015	R0230				R0230	
2016	R0240	-	-		R0240	-
2017	R0250	798,203			R0250	598,633
				Total	R0260	**598,633**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		0	1	2		Year end (discounted data)
		C0800	C0810	C0820		C0960
Prior	R0300				R0300	
2015	R0430				R0430	
2016	R0440	-	-		R0440	-
2017	R0450	177,078			R0450	74,823
				Total	R0460	**74,823**

Net Undiscounted Best Estimate Claims Provisions

		0	1	2		Year end (discounted data)
		C1400	C1410	C1420		C1560
Prior	R0500				R0500	
2015	R0630				R0630	
2016	R0640				R0640	
2017	R0650	621,126			R0650	523,809
				Total	R0660	**523,809**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount) 0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	-	-	
2017	R0250	1,503		

Reinsurance RBNS Claims

		0	1	2
		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	-	-	
2017	R0450	752		

Net RBNS Claims

		0	1	2
		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640			
2017	R0650	752		

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Non-proportional marine, aviation and transport reinsurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount) 0	1	2		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030		C0170	C0180
Prior	R0100				R0100		
2015	R0230				R0230		
2016	R0240	390	10,278		R0240	10,278	10,668
2017	R0250	1,038			R0250	1,038	1,038
				Total	R0260	**11,316**	**11,706**

Reinsurance Recoveries received (non-cumulative)

		C0600	C0610	C0620		C0760	C0770
Prior	R0300				R0300		
2015	R0430				R0430		
2016	R0440	195	5,139		R0440	5,139	5,334
2017	R0450	519			R0450	519	519
				Total	R0460	**5,658**	**5,853**

Net Claims Paid (non-cumulative)

		C1200	C1210	C1220		C1360	C1370
Prior	R0500				R0500		
2015	R0630				R0630		
2016	R0640	195	5,139		R0640	5,139	5,334
2017	R0650	519			R0650	519	519
				Total	R0660	**5,658**	**5,853**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount) 0	1	2		Year end (discounted data)
		C0200	C0210	C0220		C0360
Prior	R0100				R0100	
2015	R0230				R0230	
2016	R0240	1,211,629	1,999,872		R0240	1,899,553
2017	R0250	219,376			R0250	206,040
				Total	R0260	**2,105,593**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		C0800	C0810	C0820		C0960
Prior	R0300				R0300	
2015	R0430				R0430	
2016	R0440	396,275	750,046		R0440	695,784
2017	R0450	155,064			R0450	142,584
				Total	R0460	**838,368**

Net Undiscounted Best Estimate Claims Provisions

		C1400	C1410	C1420		C1560
Prior	R0500				R0500	
2015	R0630				R0630	
2016	R0640	815,354	1,249,826		R0640	1,203,769
2017	R0650	64,312			R0650	63,456
				Total	R0660	**1,267,225**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount) 0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	12,203	345,373	
2017	R0250	1,173		

Reinsurance RBNS Claims

		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	6,101	172,687	
2017	R0450	692		

Net RBNS Claims

		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640	6,101	172,686	
2017	R0650	481		

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Non-proportional property reinsurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C0010	C0020	C0030
Prior	R0100			
2015	R0230			
2016	R0240	329,874	2,940,890	
2017	R0250	-		

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0230		
	R0240	2,940,890	3,270,764
	R0250		
Total	R0260	**2,940,890**	**3,270,764**

Reinsurance Recoveries received (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C0600	C0610	C0620
Prior	R0300			
2015	R0430			
2016	R0440	204,019	1,823,996	
2017	R0450	-		

		In Current year	Sum of years (cumulative)
		C0760	C0770
	R0300		
	R0430		
	R0440	1,823,996	2,028,015
	R0450		
Total	R0460	**1,823,996**	**2,028,015**

Net Claims Paid (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C1200	C1210	C1220
Prior	R0500			
2015	R0630			
2016	R0640	125,856	1,116,894	
2017	R0650			

		In Current year	Sum of years (cumulative)
		C1360	C1370
	R0500		
	R0630		
	R0640	1,116,894	1,242,750
	R0650		
Total	R0660	**1,116,894**	**1,242,750**

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount)		
		0	1	2
		C0200	C0210	C0220
Prior	R0100			
2015	R0230			
2016	R0240	8,802,596	3,161,465	
2017	R0250	50,074		

		Year end (discounted data)
		C0360
	R0100	
	R0230	
	R0240	3,156,635
	R0250	48,480
Total	R0260	**3,205,115**

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		Development year (absolute amount)		
		0	1	2
		C0800	C0810	C0820
Prior	R0300			
2015	R0430			
2016	R0440	4,454,261	394,744	
2017	R0450	20,421		

		Year end (discounted data)
		C0960
	R0300	
	R0430	
	R0440	396,433
	R0450	19,167
Total	R0460	**415,600**

Net Undiscounted Best Estimate Claims Provisions

		Development year (absolute amount)		
		0	1	2
		C1400	C1410	C1420
Prior	R0500			
2015	R0630			
2016	R0640	4,348,335	2,766,721	
2017	R0650	29,653		

		Year end (discounted data)
		C1560
	R0500	
	R0630	
	R0640	2,760,202
	R0650	29,313
Total	R0660	**2,789,515**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount)		
		0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	5,111,902	(3,452,798)	
2017	R0250	-		

Reinsurance RBNS Claims

		Development year (absolute amount)		
		0	1	2
		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	3,156,426	(2,146,065)	
2017	R0450	-		

Net RBNS Claims

		Development year (absolute amount)		
		0	1	2
		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640	1,955,477	(1,306,733)	
2017	R0650			

Non-life Insurance Claims Information

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Currency: USD - USA Dollar
Category: Default Original Amount
Line of Business: Non-proportional casualty reinsurance
Underwriting year
EIOPA QRT: S.19.01

Gross Claims Paid (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C0010	C0020	C0030
Prior	R0100			
2015	R0230			
2016	R0240	-	-	
2017	R0250	-		

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0230		
	R0240		
	R0250		
Total	R0260		

Gross undiscounted Best Estimate Claims Provisions

		Development year (absolute amount)		
		0	1	2
		C0200	C0210	C0220
Prior	R0100			
2015	R0230			
2016	R0240	354,393	18,958	
2017	R0250	228,777		

		Year end (discounted data)
		C0360
	R0100	
	R0230	
	R0240	20,014
	R0250	207,168
Total	R0260	**227,182**

Gross Reported but not Settled Claims (RBNS)

		Development year (absolute amount)		
		0	1	2
		C0400	C0410	C0420
Prior	R0100			
2015	R0230			
2016	R0240	-	-	
2017	R0250	-		

Reinsurance Recoveries received (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C0600	C0610	C0620
Prior	R0300			
2015	R0430			
2016	R0440	-	-	
2017	R0450	-		

		In Current year	Sum of years (cumulative)
		C0760	C0770
	R0300		
	R0430		
	R0440		
	R0450		
Total	R0460		

Undiscounted Best Estimate Claims Provisions - Reinsurance recoverable

		Development year (absolute amount)		
		0	1	2
		C0800	C0810	C0820
Prior	R0300			
2015	R0430			
2016	R0440	78,245	(695)	
2017	R0450	61,477		

		Year end (discounted data)
		C0960
	R0300	
	R0430	
	R0440	(115)
	R0450	50,809
Total	R0460	**50,694**

Reinsurance RBNS Claims

		Development year (absolute amount)		
		0	1	2
		C1000	C1010	C1020
Prior	R0300			
2015	R0430			
2016	R0440	-	-	
2017	R0450	-		

Net Claims Paid (non-cumulative)

		Development year (absolute amount)		
		0	1	2
		C1200	C1210	C1220
Prior	R0500			
2015	R0630			
2016	R0640			
2017	R0650			

		In Current year	Sum of years (cumulative)
		C1360	C1370
	R0500		
	R0630		
	R0640		
	R0650		
Total	R0660		

Net Undiscounted Best Estimate Claims Provisions

		Development year (absolute amount)		
		0	1	2
		C1400	C1410	C1420
Prior	R0500			
2015	R0630			
2016	R0640	276,148	19,653	
2017	R0650	167,300		

		Year end (discounted data)
		C1560
	R0500	
	R0630	
	R0640	20,129
	R0650	156,359
Total	R0660	**176,488**

Net RBNS Claims

		Development year (absolute amount)		
		0	1	2
		C1600	C1610	C1620
Prior	R0500			
2015	R0630			
2016	R0640			
2017	R0650			

Own funds (solo)

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Default Original Amount
Currency: USD - USA Dollar
EIOPA QRT: S.23.01

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	7,500,100	7,500,100			
Share premium account related to ordinary share capital	R0030	142,500,000	142,500,000			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	15,406,303	15,406,303			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	2,800,165				2,800,165
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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						
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	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	**R0290**	**168,206,568**	**165,406,403**			**2,800,165**

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	**R0400**					

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	**168,206,568**	**165,406,403**			**2,800,165**
Total available own funds to meet the MCR	**R0510**	**165,406,403**	**165,406,403**			
Total eligible own funds to meet the SCR	**R0540**	**168,206,568**	**165,406,403**			**2,800,165**
Total eligible own funds to meet the MCR	**R0550**	**165,406,403**	**165,406,403**			
SCR	**R0580**	**126,113,593**				
MCR	**R0600**	**31,528,398**				
Ratio of Eligible own funds to SCR	**R0620**	**133.38%**				
Ratio of Eligible own funds to MCR	**R0640**	**524.63%**				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	168,206,568
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	152,800,265
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	15,406,303
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	35,040,311
Total Expected profits included in future premiums (EPIFP)	**R0790**	**35,040,311**

Solvency Capital Requirement - for undertakings on Standard Formula

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: USD - USA Dollar
EIOPA QRT: S.25.01

Loss absorbing capacity of deferred taxes calculation (Standard Formulas module) - Solo level

Loss-absorbing capacity of deferred taxes		
Article 112	Z0010	2 - Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios	USP	Simplifications
		C0030	C0040	C0050	C0080	C0090
Market risk	R0010	9,488,375	9,488,375			
Counterparty default risk	R0020	4,441,159	4,441,159			
Life underwriting risk	R0030	-				
Health underwriting risk	R0040	-				
Non-life underwriting risk	R0050	118,086,579	118,086,579			
Diversification	R0060	(8,890,449)	(8,890,449)			
Intangible asset risk	R0070					
Basic Solvency Capital Requirement	**R0100**	**123,125,664**	**123,125,664**			

Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Total capital requirement for operational risk	R0130	2,987,929
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	**R0200**	**126,113,593**
Capital add-on already set	R0210	
Solvency capital requirement	**R0220**	**126,113,593**
Solvency capital requirement		**126,113,593**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
Net future discretionary benefits	R0460	

Parameters	Market	Default	Life	Health	Non life
Market	100.00%	25.00%	25.00%	25.00%	25.00%
Default	25.00%	100.00%	25.00%	25.00%	50.00%
Life	25.00%	25.00%	25.00%	25.00%	
Health	25.00%	25.00%	100.00%	100.00%	
Non-life	25.00%	50.00%			100.00%

Intangible asset risk - Factor	80.00%

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

Entity: FUL - Fidelis Underwriting Limited
Scenario: 2017 Solvency II
Period: Annual
Category: Solvency II: Solo Purpose
Currency: USD - USA Dollar
EIOPA QRT: S.28.01

Linear formula component for non-life insurance and reinsurance obligations

Background information

MCR calculation Non Life		Non-life activities			Factor	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Linear formula component for non-life insurance and reinsurance obligations - MCR calculation	α	β
		C0020	C0030			
Medical expense insurance and proportional reinsurance	R0020				4.70%	4.70%
Income protection insurance and proportional reinsurance	R0030				13.10%	8.50%
Workers' compensation insurance and proportional reinsurance	R0040				10.70%	7.50%
Motor vehicle liability insurance and proportional reinsurance	R0050				8.50%	940.00%
Other motor insurance and proportional reinsurance	R0060				7.50%	7.50%
Marine, aviation and transport insurance and proportional reinsurance	R0070	1,878,266		**193,461**	10.30%	14.00%
Fire and other damage to property insurance and proportional reinsurance	R0080	952,724	1,261,781	**184,190**	9.40%	7.50%
General liability insurance and proportional reinsurance	R0090	163,086	1,546,229	**219,354**	10.30%	13.10%
Credit and suretyship insurance and proportional reinsurance	R0100	1,624,348	15,772,015	**2,069,747**	17.70%	11.30%
Legal expenses insurance and proportional reinsurance	R0110				11.30%	6.60%
Assistance and proportional reinsurance	R0120				18.60%	8.50%
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2,313,041	17,079,431	**2,513,916**	18.60%	12.20%
Non-proportional health reinsurance	R0140				18.60%	15.90%
Non-proportional casualty reinsurance	R0150		2,191,181	**348,398**	18.60%	15.90%
Non-proportional marine, aviation and transport reinsurance	R0160	524,719		**97,598**	18.60%	15.90%
Non-proportional property reinsurance	R0170	4,337,010		**806,684**	18.60%	15.90%

Linear formula component for life insurance and reinsurance obligations

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

MCR components

		Non-life activities	Life activities	Total
		C0010	C0040	
MCR_{NL} Result	R0010	6,433,347.66		6,433,347.66
MCR_{L} Result	R0200			

Overall MCR calculation

			C0070	National supervisor requires standard formula reference SCR(Y/N)		
Linear MCR	R0300		**6,433,348**			
SCR	R0310		126,113,593	-1	NO	**1 = Yes and -1 = No**
MCR cap	R0320	45.00%	**56,751,117**			
MCR floor	R0330	25.00%	**31,528,398**			
Combined MCR	R0340		**31,528,398**			
Absolute floor of the MCR	R0350		4,306,060			

		C0070
Minimum Capital Requirement	**R0400**	**31,528,398**