

Lancashire Insurance

Solvency and Financial Condition Report

Disclosures

31 December

2024

(Monetary amounts in USD thousands)

General information

Entity name	Lancashire Insurance Company (UK) Ltd
Entity identification code and type of code	LEI/213800SEKTC7F87AAE76
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2024
Currency used for reporting	USD
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

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IR.02.01.02 - Balance sheet

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

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

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

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

IR.02.01.02

Balance sheet

Assets

R0030	Intangible assets
R0040	Deferred tax assets
R0050	Pension benefit surplus
R0060	Property, plant & equipment held for own use
R0070	Investments (other than assets held for index-linked and unit-linked contracts)
R0080	<i>Property (other than for own use)</i>
R0090	<i>Holdings in related undertakings, including participations</i>
R0100	<i>Equities</i>
R0110	<i>Equities - listed</i>
R0120	<i>Equities - unlisted</i>
R0130	<i>Bonds</i>
R0140	<i>Government Bonds</i>
R0150	<i>Corporate Bonds</i>
R0160	<i>Structured notes</i>
R0170	<i>Collateralised securities</i>
R0180	<i>Collective Investments Undertakings</i>
R0190	<i>Derivatives</i>
R0200	<i>Deposits other than cash equivalents</i>
R0210	<i>Other investments</i>
R0220	Assets held for index-linked and unit-linked contracts
R0230	Loans and mortgages
R0240	<i>Loans on policies</i>
R0250	<i>Loans and mortgages to individuals</i>
R0260	<i>Other loans and mortgages</i>
R0270	Reinsurance recoverables from:
R0280	<i>Non-life and health similar to non-life</i>
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>
R0340	<i>Life index-linked and unit-linked</i>
R0350	Deposits to cedants
R0360	Insurance and intermediaries receivables
R0370	Reinsurance receivables
R0380	Receivables (trade, not insurance)
R0390	Own shares (held directly)
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in
R0410	Cash and cash equivalents
R0420	Any other assets, not elsewhere shown
R0500	Total assets

Solvency II value	
C0010	
	0
	184,861
	0
	0
	0
	175,757
	53,880
	94,469
	0
	27,408
	9,104
	0
	0
	241,877
	241,877
	0
	19,797
	30,868
	5,480
	0
	15,754
	1,958
	500,595

		Solvency II value
		C0010
Liabilities		
R0505	Technical provisions - total	252,196
R0510	<i>Technical provisions - non-life</i>	252,196
R0515	<i>Technical provisions - life</i>	0
R0542	Best estimate - total	243,800
R0544	<i>Best estimate - non-life</i>	243,800
R0546	<i>Best estimate - life</i>	
R0552	Risk margin - total	8,396
R0554	<i>Risk margin - non-life</i>	8,396
R0556	<i>Risk margin - life</i>	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	7,208
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	13,007
R0840	Payables (trade, not insurance)	15,819
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basin own</i>	
R0870	<i>Subordinated liabilities in Basin own</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	288,230
R1000	Excess of assets over liabilities	212,365

IR.05.02.01

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

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
Home Country	US						
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110 Gross - Direct Business	166,709	155,803					322,512
R0120 Gross - Proportional reinsurance accepted	28,177	0					28,177
R0130 Gross - Non-proportional reinsurance accepted	161	0					161
R0140 Reinsurers' share	180,639	131,118					311,757
R0200 Net	14,408	24,685					39,093
Premiums earned							
R0210 Gross - Direct Business	166,206	131,316					297,522
R0220 Gross - Proportional reinsurance accepted	40,600	0					40,600
R0230 Gross - Non-proportional reinsurance accepted	166	0					166
R0240 Reinsurers' share	184,094	115,495					299,589
R0300 Net	22,878	15,821					38,699
Claims incurred							
R0310 Gross - Direct Business	81,375	37,532					118,907
R0320 Gross - Proportional reinsurance accepted	12,643	0					12,643
R0330 Gross - Non-proportional reinsurance accepted	-642	0					-642
R0340 Reinsurers' share	79,140	29,610					108,750
R0400 Net	14,236	7,922					22,158
R0550 Net expenses incurred	-22,212	-9,494					-31,706

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance					Accepted non-proportional reinsurance			Total Non-Life obligation
		Medical expense insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Non-proportional health reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0070	C0080	C0090	C0100	C0140	C0160	C0170	C0180
Best estimate										
Premium provisions										
R0060	Gross		-48,012	-12,656	-12,081	6,943		-869	-1,629	-68,304
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		-33,219	-14,310	-6,477	37,163		-191	610	-16,424
R0150	Net Best Estimate of Premium Provisions		-14,793	1,654	-5,604	-30,220		-678	-2,239	-51,880
Claims provisions										
R0160	Gross		129,396	110,264	55,096	9,608		970	6,770	312,104
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		108,152	90,737	44,356	8,420		800	5,836	258,301
R0250	Net Best Estimate of Claims Provisions		21,244	19,527	10,740	1,188		170	934	53,804
R0260	Total best estimate - gross		81,384	97,608	43,015	16,551		101	5,141	243,800
R0270	Total best estimate - net		6,451	21,181	5,136	-29,032		-508	-1,305	1,923
R0280	Risk margin		2,409	4,601	774	608		1	3	8,396
R0320	Technical provisions - total		83,793	102,209	43,789	17,159		102	5,144	252,196
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total		74,933	76,427	37,879	45,583		609	6,446	241,877
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total		8,860	25,782	5,910	-28,424		-507	-1,302	10,319

IR.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020

Accident year / underwriting year

Gross Claims Paid (non-cumulative)														
(absolute amount)														
Year	C0010	C0020	C0030	C0040	Development year		C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)	
R0100	Prior											31	31	
R0160	-9	24,903	29,829	28,013	2,451	1,855	430	331	1,359	1,621	196	196	90,989	
R0170	-8	19,732	30,801	24,929	13,900	1,807	1,125	592	450	-102		-102	93,234	
R0180	-7	4,725	21,402	13,903	18,754	16,636	-8,404	-3,910	-4,301			-4,301	58,805	
R0190	-6	2,257	63,313	16,701	3,942	3,282	3,301	2,459				2,459	95,254	
R0200	-5	4,083	12,107	10,973	24,254	1,959	1,423					1,423	54,798	
R0210	-4	20,852	25,063	12,100	12,687	3,585						3,585	74,287	
R0220	-3	28,314	55,181	16,914	4,717							4,717	105,126	
R0230	-2	33,492	37,646	11,014								11,014	82,152	
R0240	-1	18,630	20,077									20,077	38,706	
R0250	0	26,234										26,234	26,234	
R0260												Total	65,331	719,617

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	Development year		C0260	C0270	C0280	C0290	C0300	C0360	
	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)	
R0100	Prior											66,052	8,420
R0160	-9	117,067	59,771	22,099	14,117	6,244	5,576	4,715	4,799	878	942		676
R0170	-8	126,667	97,187	51,043	15,213	11,757	-130	2,000	1,543	632			599
R0180	-7	87,336	65,465	42,133	39,624	13,569	10,251	9,228	7,905				7,447
R0190	-6	125,354	53,171	21,314	21,379	16,688	14,270	10,141					9,499
R0200	-5	84,263	57,930	24,223	9,138	7,348	6,099						5,730
R0210	-4	120,117	62,150	37,282	33,164	27,708							26,342
R0220	-3	125,393	47,612	24,879	34,020								31,576
R0230	-2	115,372	67,900	41,426									38,700
R0240	-1	103,752	72,004										67,291
R0250	0	124,956											115,825
R0260												Total	312,104

IR.19.01.21.22

Gross premium

	C0570	C0580	
	Gross earned premium at reporting reference date	Estimate of future gross earned premium	
R0160	N-9	310,836	0
R0170	N-8	281,434	0
R0180	N-7	249,305	0
R0190	N-6	228,605	0
R0200	N-5	223,740	3
R0210	N-4	241,436	0
R0220	N-3	292,517	0
R0230	N-2	316,162	0
R0240	N-1	359,701	0
R0250	N	379,193	0

IR.23.01.01

Own Funds

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

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above

R0220 Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

R0290 Total basic own funds after deductions

Ancillary own funds

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

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

R0580 SCR

R0600 MCR

R0620 Ratio of Eligible own funds to SCR

R0640 Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
188,442	188,442		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
23,923	23,923			
0		0	0	0
0				0
0	0	0	0	0
0				
212,365	212,365	0	0	0
0				
0				
0				
0				
0				
0				
0			0	0
212,365	212,365	0	0	0
212,365	212,365	0	0	
212,365	212,365	0	0	0
212,365	212,365	0	0	
76,501				
19,125				
277.60%				
1110.40%				
C0060				
212,365				
0				
188,442				
0				
23,923				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
Market risk		
R0070	Interest rate risk	12,626
R0080	Equity risk	0
R0090	Property risk	0
R0100	Spread risk	8,105
R0110	Concentration risk	1,559
R0120	Currency risk	7,813
R0125	Other market risk	
R0130	Diversification within market risk	-10,879
R0140	Total Market risk	19,224
Counterparty default risk		
R0150	Type 1 exposures	1,841
R0160	Type 2 exposures	6,142
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-362
R0180	Total Counterparty default risk	7,621
Life underwriting risk		
R0190	Mortality risk	
R0200	Longevity risk	
R0210	Disability-Morbidity risk	
R0220	Life-expense risk	
R0230	Revision risk	
R0240	Lapse risk	
R0250	Life catastrophe risk	
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	
R0270	Total Life underwriting risk	0
Health underwriting risk		
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	Total Health underwriting risk	0
Non-life underwriting risk		
R0330	Non-life premium and reserve risk (ex catastrophe risk)	21,755
R0340	Non-life catastrophe risk	42,111
R0350	Lapse risk	10,946
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-21,666
R0370	Non-life underwriting risk	53,146
R0400	Intangible asset risk	
Operational and other risks		
R0422	Operational risk	11,376
R0424	Other risks	
R0430	Total Operational and other risks	11,376
R0432	Total before all diversification	124,274
R0434	Total before diversification between risk modules	91,367
R0436	Diversification between risk modules	-14,866
R0438	Total after diversification	76,501
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	
R0455	Other adjustments	
R0460	Solvency capital requirement including undisclosed capital add-on	76,501
R0472	Disclosed capital add-on - excluding residual model limitation	
R0474	Disclosed capital add-on - residual model limitation	
R0480	Solvency capital requirement including capital add-on	76,501
R0490	Biting interest rate scenario	
R0495	Biting life lapse scenario	

IR.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

7,761

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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C0020

C0030

C0020	C0030
0	
0	
0	
0	
0	
6,451	11,805
21,181	25,585
5,136	6,324
0	1,499
0	0
0	0
0	0
0	0
0	0
0	3
0	41

- R0020 Medical expense insurance and proportional reinsurance
- R0030 Income protection insurance and proportional reinsurance
- R0040 Workers' compensation insurance and proportional reinsurance
- R0050 Motor vehicle liability insurance and proportional reinsurance
- R0060 Other motor insurance and proportional reinsurance
- R0070 Marine, aviation and transport insurance and proportional reinsurance
- R0080 Fire and other damage to property insurance and proportional reinsurance
- R0090 General liability insurance and proportional reinsurance
- R0100 Credit and suretyship insurance and proportional reinsurance
- R0110 Legal expenses insurance and proportional reinsurance
- R0120 Assistance and proportional reinsurance
- R0130 Miscellaneous financial loss insurance and proportional reinsurance
- R0140 Non-proportional health reinsurance
- R0150 Non-proportional casualty reinsurance
- R0160 Non-proportional marine, aviation and transport reinsurance
- R0170 Non-proportional property reinsurance

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

C0050	C0060

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

Overall MCR calculation

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

C0070

7,761
76,501
34,425
19,125
19,125
4,399
19,125