Homecare (Holdings) Limited

Solvency and Financial Condition Report (“SFCR”)

(for the financial year ended 31 December 2016)

Contents:

Executive Summary

The European Union Directive to harmonise prudential regulation for Insurance Companies and Insurance Groups was introduced and adopted in the UK from the 1 January 2016. The regulations require Companies and/or Groups to publish specific information under the new reporting regime via a specific report, the Solvency and Financial Condition Report ("SFCR"). The document is the first SFCR to be prepared and published by Homecare (Holdings) Limited to demonstrate the prudential position of the insurance group of entities referred to as the Homecare Insurance Group ("HIG" or "the Group").

The Homecare Insurance Group consists of Homecare (Holdings) Limited ("HHL") and Homecare Insurance Limited ("HIL" or "the Company"), which is the entity in the insurance group which underwrites policies of insurance. The ultimate parent company is CPPGroup Plc.

Both Homecare (Holdings) Limited and Homecare Insurance Limited have an independent Board of Directors that is separate from CPPGroup Plc and that have responsibility for the governance and conduct of the Companies.

HIL applied to the PRA for a single SFCR waiver and this was granted on the 19 April 2017. Therefore this SFCR is completed on this basis, incorporating the required information and disclosure for both HIG and the HIL solo entity.

HIL underwrites general insurance, predominantly device insurance such as mobile phones and insurance backed personal assistance products, for example payment card and personal identification protection. The Company has previously been subject to regulatory intervention and is currently operating under a Voluntary Variation of Permissions (VVoP).

As a result of the VVoP, the Company does not have current permissions to underwrite new retail insurance policies. HIL is therefore adopting a strategy of managed decline where it ensures that it continues to deliver valuable insurance and assistance policies to its policy holders by renewing existing polices. It is however not seeking to underwrite any new policies.

The HIL Board and executive management's main focus is therefore managing the decline of this policy base in line with their policy terms and conditions and ensuring the features, benefits and servicing the policies meets customer expectations.

Over time the number of policies and premium income will, as a result, decline due to natural attrition. HIL monitors this closely to ensure the policy base is sustainable and does not erode the Company's capital base. The Company maintains sufficient capital to cover its perceived liabilities and risks and maintains the necessary capital levels to ensure it meets its solvency requirements. At 31 December 2016, HHL consolidated and HIL solo had eligible own funds of £38.7m and £31.0m to cover Solvency capital requirements of £21.8m and £15.4m respectively. This represents significant headroom in both instances.

HIL's strategy is regularly reviewed by the HIL Board to ensure that it meets the requirements of all its stakeholders. A number of tools exist to calculate and evaluate capital levels, including stress and scenario testing to ensure that the capital levels remain sufficient to support the strategy at the required level of confidence.

As the risk-carrying entity within HIG, risk management is embedded within HIL. This includes taking into account regular full risk reviews based on HIL's strategy and the HIL Board setting the risk appetite for the Company for all key risks, thus ensuring that the Company operates within them. This is reflected in all capital planning and the associated capital modelling. Supporting this is a proportionate governance structure and control environment, which includes effective Board oversight, internal CPP Group and external control function monitoring. Operational management, primarily provided by CPP Group outsourced activities, is under the direct oversight of the HIL Board.

APPROVAL BY THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODY (AMSB) OF THE SFCR AND REPORTING TEMPLATES

Approval by the Board of Directors of the Solvency and Financial Condition Report for the year ended 31 December 2016.

The Board certifies that:

1. The Solvency and Financial Condition Report ("SFCR") has been properly prepared in all material respects in accordance with the PRA rules and Solvency II Regulations; and

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 to comply and will continue to comply in the future.

Signed on behalf of the Board of Directors

Gary Sidle
Director
27 June 2017

Report of the external independent auditor to the Directors of Homecare (Holdings) 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 Group Solvency and Financial Condition Report ('SFCR')

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2016:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Group SFCR of the Company as at 31 December 2016, ('the Narrative Disclosures subject to audit');
- Group templates S.02.01.02, S.23.01.22, S.25.01.22, S.32.01.22 ('the Group Templates subject to audit') ; and
- Solo Templates S.02.01.02, S.17.01.02, S.23.01.01, S.25.01.21and S.28.01.01 in respect of Solo entity Homecare Insurance Limited ('the Solo Templates subject to audit').

The Narrative Disclosures subject to audit and the Group Templates and Solo Templates subject to audit are collectively referred to as the 'relevant elements of the Group SFCR'.

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 'Executive Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Group SFCR;
- Group templates S.05.01.02 and S.05.02.01;
- Solo templates S.05.01.02, S.05.02.01 and S.19.01.21; and
- the written acknowledgement by management of their responsibilities, including for the preparation of the Group SFCR ('the Responsibility Statement').

To the extent the information subject to audit in the relevant elements of the Group SFCR includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group SFCR of the Company as at 31 December 2016 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 and Ireland) (ISAs (UK and Ireland)) and 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 Group 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 Group SFCR in the UK, including the APB's ethical standards 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.

Conclusions relating to going concern

We are required to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in the preparation of the Group SFCR is not appropriate; or
- the Directors have not disclosed in the Group 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 Group SFCR is authorised for issue.

We have nothing to report in relation to these matters.

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and/or 'Capital Management' sections of the Group SFCR, which describe the basis of accounting. The Group SFCR 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 Group SFCR is required to be published and intended users include but are not limited to the PRA. As a result, the Group SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Group SFCR does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Group SFCR, 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 Group SFCR, 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 Group SFCR 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 Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group SFCR 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 Group SFCR that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the Group SFCR are prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group SFCR 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 and Ireland) 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 Group SFCR.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. The same responsibilities apply to the audit of the Group SFCR.

This report is made solely to the Directors of Homecare (Holdings) Limited preparing the Report in accordance with Rule 4.1 (2) of the External Audit Chapter of the PRA Rulebook for Solvency II firms. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the Group SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the PRA for our audit work, for this report or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Chapter of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the PRA rules and EU instruments relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

In accordance with Rule 4.1 (3) of the External Audit Chapter of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Homecare (Holdings) 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.

Deloitte LLP

Peter Birch FCA
Deloitte LLP
Leeds, UK
27 June 2017

A: Business and Performance

A.1 Business and external environment

The HIG is supervised by the Prudential Regulatory Authority (PRA). HIL is regulated and authorised by the PRA and regulated by the Financial Conduct Authority (FCA). The HIG consists of the following Companies which are both fully owned subsidiaries of the ultimate parent undertaking CPPGroup Plc which is not regulated or authorised directly by the PRA and/or the FCA.

Homecare (Holdings) Limited
Holgate Park
Holgate Road
York
YO26 4GA

Homecare Insurance Limited
Holgate Park
Holgate Road
York
YO26 4GA

CPPGroup Plc
Holgate Park
Holgate Road
York
YO26 4GA

A simplified CPPGroup Plc structure can be found in Appendix 1.

Contact details for the regulators can be found at the relevant websites:

PRA: www.bankofengland.co.uk/pra

FCA: www.fca.org.uk

Both companies' financial year-end is 31 December each year and the companies' auditor is Deloitte, Chartered Accountants 1 City Square, Leeds LS1 2A

A.2 Performance from underwriting activities

The underwriting is solely carried out by HIL and is currently restricted by its VVoP from underwriting any new retail policies. As a result, in line with its strategy of managed decline, HIL has focused on its renewing policy holders.

Existing policy holders are primarily in the United Kingdom and Eire, with a small legacy base of policies in Spain. New premiums in the year relate to renewing policy holders.

The Company underwrites three lines of miscellaneous General Insurance (GI) business, being Mobile Phone, Card Protection and Identity Protection.

All underwriting is carried out from HIL's offices in York. In the year to 31 December 2016 the Company produced an underwriting profit of £1.6m. Below is the technical account for HIL as per the audited statutory accounts for the year ended 31 December 2016.

Summary technical account: year ended 31 December	***2016***	***2015***
	£'000	***£'000***
Gross premiums written	4,140	7,662
Change in provision for unearned premiums	213	595
Earned premiums	**4,353**	**8,257**
Claims paid	(480)	(1,011)
Change in provision for claims	109	232
Claims incurred	**(371)**	**(779)**
Net operating expenses	(2,364)	(6,020)
Balance on technical account	**1,618**	**1,458**

A.3 Performance from investment activities

The companies hold investments primarily for capital solvency purposes and invest in low risk highly liquid cash deposits in line with the Group's Prudential Policy. The interest is treated as income but HIL does not rely on this income to settle claims or match its liabilities.

At 31 December 2016 HHL consolidated investment portfolio was in cash and deposited in low risk investments. The investment portfolio comprised of the following deposits:

Investment portfolio: 31 December 2016

	Amount £'000	***% of portfolio***	***Investment return £'000***	***Weighted average return %***
Cash	22,994	59%	21	0.09%
Short term deposits	15,931	41%	52	0.34%
Total portfolio	**38,925**	**100%**	**73**	**0.19%**

Investment portfolio: 31 December 2015

	Amount £'000	***% of portfolio***	***Investment return £'000***	***Weighted average return %***
Cash	19,767	50%	16	0.08%
Short term deposits	19,426	50%	84	0.44%
Total portfolio	**39,193**	**100%**	**100**	**0.25%**

The portfolio as a whole returned £73k (2015: £100k) interest throughout the year, representing a weighted average return of 0.19% (2015: 0.25%). The Companies comply with the CPP Group's Treasury Policy as well as HIL's specific Prudential Policy, which specifies a minimum credit rating and a maximum counter-party exposure.

Short term deposits are generally deposited on 30 day terms, with maturity dates staggered to limit liquidity risk. Part of the cash investment portfolio is held in a Composite Account Scheme (CAS) and therefore has restricted liquidity. This is accounted for in the relevant Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) calculations. The HIG also holds interest bearing inter-company balances. As at 31 December 2016, these receivables totalled £2,480k (2015: £2,307k), with net interest accrued during the year of £81k (2015: £53k).

A.4 Operating/Other expenses

HIL, as the trading entity within the HIG, incurs materially all of the operating and general expenses for the insurance group. These consist of costs directly charged and paid for by HIL and other costs re-charged from other companies in the wider CPP Group for services received. As HIL's operations are scaled down and its policy base diminishes (as it follows its managed decline strategy), more services and costs are being secured directly from other CPP Group companies. This gives HIL the advantage of a variable cost base which aligns to its reducing premiums and supports its ongoing policy provision and profitability.

Net operating expenses: year-ended 31 December

	2016	***2015***
	£'000	***£'000***
Overhead and administration costs	1,481	4,370
Claims management	726	1,243
Acquisition costs (deferment release)	130	390
Investment management	27	17
HIL operating expenses	**2,364**	**6,020**
HHL operating expenses	5	3
Total	**2,369**	**6,023**

A.5 Overall Business Performance - Results and Dividends

HIL Non-technical account: year-ended 31 December

	2016	***2015***
	£'000	***£'000***
Balance on technical account	1,618	1,458
Interest receivable	178	185
Investment income	69	100
Exceptional items	230	(7)
	2,095	1,736
Taxation	583	252
HIL profit after tax	**2,678**	**1,988**
HHL operating expenses	(5)	(3)
HHL net interest	(93)	(131)
HHL taxation	(7)	28
HHL loss after tax*	**(105)**	**(159)**
HHL Consolidated profit after tax	**2,573**	**1,829**

** excluding £5,000,000 inter-Group dividend from HIL*

HIL is the main operating entity within HIG and its profit after tax for the year ended 31 December 2016 was £2.7m (2015: £2.0m). The Financial Statements are presented under Financial Reporting Standard 101. Dividends paid in the year to HHL were £5.0m (2015: £nil) and there were no dividends declared at the time of the annual accounts being approved.

HHL had a minimal loss after tax (and before dividend income from HIL) of £0.1m (2015: £0.2m) and when combined these aggregate to the HHL consolidated total of £2.6m (2015: £1.8m). No dividends have been declared or paid from HHL in the year.

A table of the net assets and total eligible own funds as at 31 December 2016 are below and all show high levels of capital and solvency.

	HHL consolidated	**HIL**
	£'000	***£'000***
Ordinary share capital	-	6,000
Retained Earnings	38,692	25,013
Equity in the financial statements	**38,692**	**31,013**
Items not recognised in financial statements:		
Risk margin	(125)	(124)
Net unearned premium	469	469
Outstanding claims expense	(6)	(6)
Items not recognised under Solvency II:		
Deferred costs and accrued income	(320)	(320)
Solvency II basic own funds	**38,710**	**31,032**

	HHL consolidated	HIL
	£'000	***£'000***
SCR	21,763	15,402
MCR	5,441	3,850

The risk components, which comprise the HHL consolidated and HIL solo SCRs are as follows:

	HHL consolidated	HIL
	£'000	***£'000***
Market risk	37	37
Counterparty risk	20,957	14,583
Underwriting risk	1,276	1,276
Diversification benefit	(638)	(625)
BSCR	**21,632**	**15,271**
Operational risk	131	131
SCR	**21,763**	**15,402**

A.6 Any other information or disclosure

The HIG and HIL specific focus has been to protect the interests of its policyholders and other stakeholders as it manages the decline of the policy base and ensures that it continues to remain compliant with Solvency II and all other applicable regulation.

During the year, HIL applied to the PRA and the FCA to have some of its VVoP restrictions lifted based on the fact that reasons for the variation of permissions relating specifically to asset restrictions had passed. This application was approved on 15 May 2017.

HIL continues to finalise any customer redress commitments and these have been fully reflected in the liabilities of HIL and the total eligible own funds.

HIL recognised a £229k exceptional credit (2015: £7k charge) in relation to management's latest estimation of the remaining compensation payable to customers through residual redress exercises.

B: Systems of Governance

B.1 General governance arrangements

Overview

HIL, and therefore the overall Homecare Insurance Group, is classified as a Category 5 firm. A category 5 firm is an Insurer whose size, inter-connectedness, complexity and business type give them almost no capacity individually to cause disruption to the UK financial system by failing or by carrying on their business in an unsafe manner, but where difficulties across a whole sector or subsector may have the potential to generate some disruption. They have no capacity to cause disruption to the interests of a substantial number of policyholders.

The HIL Board is aware of this and ensures that there is an appropriate system of governance in place.

HIL's Board of Directors have responsibility and accountability for the governance of the Company and its strategy along with defining its risk appetite and ensuring that a robust risk framework is in place.

Board of Directors during the year and to the date of signing this report

Homecare Holdings Limited:

David Jewell (Non-executive Chairman)
Gary Sidle (Director)
Lorraine Beavis (Company Secretary)

Homecare Insurance Limited:

David Jewell (Non-executive Chairman)
Gary Sidle (Director and Homecare CEO)
Mike Corcoran (Director and Group CFO) – resigned 28 April 2017
Lorraine Beavis (Company Secretary)

The Homecare Insurance Group is committed to high standards of corporate governance to ensure it can carry out its strategy on a risk-based and fully compliant way. To support this, the Board are regularly supported in Board meetings by the CPP Group control functions - namely Legal, Compliance and Risk.

The HIL Board is currently reviewing the alternatives to replace Mike Corcoran following his resignation and will work with the PRA to ensure that governance remains appropriate, taking into account HIL's strategy of managed decline and the risk landscape. In the meantime, the HIL CEO will provide oversight for any areas of responsibility previously allocated to Mike Corcoran until a suitable replacement is in place.

System of Governance Details

As part of the governance arrangements under Solvency II and the Senior Insurance Managers Regime, insurance groups and companies are required to have clear and effective governance structures.

The governance map below sets out the governance structure for HIL and its parent company HHL, taking into account Solvency II and other regulatory directives, rules, regulations and regimes including approved persons. The governance map is proportionate to the strategy, nature and scale of the HIL business and its operating model.

Under the PRA's Senior Insurance Managers Regime and as an authorised and regulated insurance entity, HIL appoints a number of PRA and FCA approved individuals known as Senior Insurance Management Functions (SIMF) and Senior Influence Functions (SIF). Approved persons, SIMFs and those performing Key Functions (KF) attend HIL board meetings as members (e.g. as Directors) or invitees (e.g. significant management).

Due to the nature and size of HIL, the HIL Board retains responsibility for oversight of the Company's risk, compliance, remuneration and audit activities. HIL therefore does not have any of the following: SIMF 10 (Risk); SIMF 11 (Audit); or SIMF 12 (Remuneration).

However as a Solvency II Company, HIL is still required to establish these key functions and regulatory guidance indicates that a key function may be performed centrally within a Group. Below is how the Homecare Insurance Group covers the key control functions

Audit
HIL does not have an audit function within the Company. The CPP Group Audit function, as part of the wider Group Audit, discuss potential HIL specific audit areas with the HIL Director with allocated responsibility and suggest a possible audit plan. The HIL Non-Executive Chairman has KF responsibility for Audit and has responsibility for the oversight of outsourcing audit services as appropriate based on the results of the audit plan or other triggers.

Risk
HIL does not have a risk function within the Company. HIL accesses risk management services from the CPP Group Risk function as necessary and the Director with Risk KF responsibility has primary accountability.

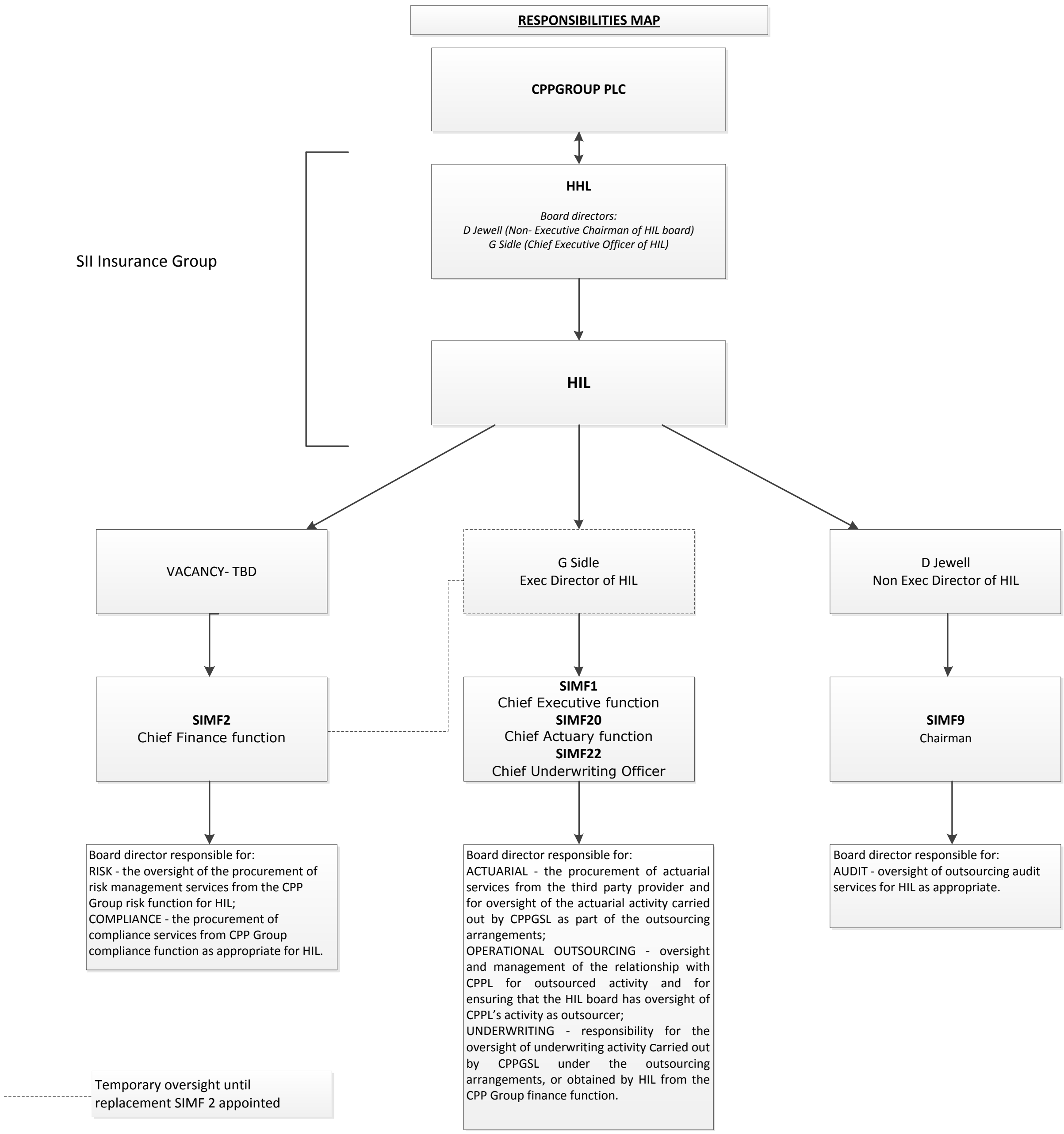
Compliance
HIL does not have a compliance function within the Company. HIL accesses compliance functions from the CPP Group Compliance function as necessary and the Director with the allocated responsibility is accountable.

Actuarial
HIL does not have an actuarial function within the Company. HIL uses an external professional firm for its actuarial services, along with support from the CPP Group's operational Finance team. HIL's Chief Executive has responsibility for the procurement of the necessary actuarial services.

Operational
HIL has identified other functions and services required to ensure appropriate governance and oversight of HIL's business. The majority of HIL's operational and administrative activities are outsourced to the CPP Group including: claims handling, IT and any underwriting activity. HIL's Chief Executive is responsible for acquiring these required services from the CPP Group.

HHL will receive appropriate reports and request any information from the HIL board, review and report to the CPPGroup Plc board.

Below summarises the Group's governance model:



B.2 Fit and proper requirements

CPP Group has an 'Approved Persons Policy' that the HIG has adopted, which sets out the procedures to be followed to ensure that individuals who perform a controlled function are fit and proper. The policy also refers to the 'HR recruitment and leavers Approved Persons process' which details the steps to be taken when an approved person joins or leaves the business.

Fitness and propriety checks are undertaken prior to an individual joining the business. In doing so, the following factors are considered as a minimum:

- Honesty, integrity and reputation;
- Competence and capability; and
- Financial soundness.

Approved Persons are also required to annually declare their ongoing suitability and re-vetting is undertaken by the Human Resources (HR) function.

As part of the recruitment process for Approved (and potentially Approved) Persons, the fitness of each individual is assessed on a case-by-case basis. Consideration is given to experience, qualifications, knowledge and relevant experience. The outputs of this assessment drive the individual's Regulatory Training and Development Plan. Training plans are supported by both HR and Compliance.

Prior to an individual being appointed into an approved person or SIMF role, Board approval is received. All offers are subject to regulatory approval.

All employees, whether an Approved Person or not, are recruited in line with the CPP Group Resourcing Policy which all Line Managers are required to follow.

All employees undergo a selection process and complete a security screening form. CRB and Fraud screening tests are carried out along with standard reference checks. Right to work and professional qualifications are also checked and verified during the vetting process.

All employees are required to complete a number of mandatory e-learning packages and all employees are subject to mandatory re-vetting.

B.3 Risk management system

The Group continues to follow industry best practice by using a risk based approach on a traditional risk management hierarchy and a three lines of defence model.

The CPP Group Risk Policy is updated annually and approved by the CPP Group Risk & Compliance Committee. This applies to all companies within the CPP Group, including HIL. It describes the Group's preferred approach to managing risk and its attitude to risk management. The HHL and HIL Boards have adopted the CPP Group Risk Framework and associated policies.

A risk register is in place for HIL and the Group Risk Team holds regular meetings with the Chief Executive of HIL to provide independent challenge to the management of these risks.

A business incident management process is fully embedded within HIL and has enhanced the internal control environment by providing a mechanism for ensuring that all appropriate remedial and preventative action is taken and that trends and root causes are identified across the business to prevent reoccurrence.

The HIL Board appraises the risks relating to its business regularly and are provided with updates on management actions.

Own Risk Solvency Assessment (ORSA)

The principle objective of the ORSA is to ensure that the Homecare Insurance Group is able to maintain appropriate levels of capital to support its short and long term risks on a continuous basis, in line with its business plan and strategy.

The HHL and HIL Boards of Directors work together to produce the Homecare Insurance Group ORSA and are clear on the risk assessment process and types of events that could give rise to an impact to HHL/HIL's own funds, including the underlying key risk drivers and assumptions.

The objectives of the ORSA policy and process are to:

- determine the overall solvency needs of HHL/HIL, which includes understanding and calculation of the overall liabilities of the group and technical provisions, the regulatory capital and internal capital needs;
- support the embedding of risk management across the Homecare Insurance Group; and
- ensure the Homecare Insurance Group holds appropriate levels of capital to support its needs on a continuous basis.

The ORSA is a forward-looking assessment of Homecare Insurance Group's short and long term risks, which is updated regularly to ensure HIG has sufficient own-funds to meet its existing and 'future' liabilities through a combination of risk, capital and solvency projections.

'Future' in this context refers specifically to the term for the forward business plan and generally for the consideration of risks that would put the Homecare Insurance Group in difficulty (on a 1 in 200 year basis) and into a position of insolvency (on a reverse stress-test basis).

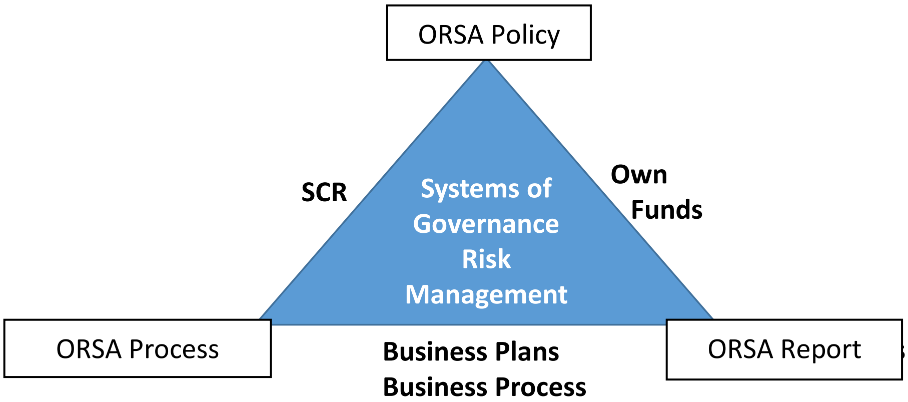
The Homecare Insurance Group produces a single, annual ORSA report on a Group basis. This means that although the ORSA solvency position will be calculated on both an individual insurance entity (solo) basis and an aggregate Group basis, the report itself covers both the solo entity and the aggregated Group. The annual ORSA will be run as part of the annual financial cycle. The requirement to produce a single HIG ORSA has been assessed and approved by the PRA.

In addition, the output of the standard formula calculations used as part of the ORSA (the SCR, MCR and Eligible Own Funds) will be reviewed on a quarterly basis, as part of the annual financial cycle.

An Ad-hoc ORSA will be run where it is perceived that the HIG's risk profile will significantly change or has already changed. In both cases an ad-hoc ORSA will be run as soon as the change or potential change, or the event that gives rise to the change, is known about.

The ORSA Process

Elements of the Homecare Insurance Group ORSA.



The ORSA Process coordinates key functions (internal or from the outsourced provider) with the HIL and HHL Boards to ensure the required information, data and calculations are available for reporting, through to the Results and ensuring that the stakeholders are available to review and comment on the ORSA outputs (this policy is coupled with the ORSA Process and Report).

The ORSA is reliant on the following processes which need to be carried out before the ORSA report can be produced. The inputs to the ORSA include:

- The ORSA and own-funds calculations;
- The SCR calculations based on the standard formula
- HIL Board decision-making in related areas;
- Financial reporting for HIL and HHL level;
- Up-to-date reporting on risk appetite;
- Up-to-date top down risk analysis and reporting;
- Up-to-date risk and control registers
- Investment policy and reporting;
- Outputs from stress and scenario analysis;
- Current state business plans.

The ORSA process, the Policy and Results, are owned by the HHL and HIL Boards.

The HIL Board is responsible for understanding the ongoing solvency requirements of the businesses of the Homecare Insurance Group in order to make recommendations to the HHL Board, as appropriate. It also includes reviewing ORSA reports before submission to the HHL Board and, in the event of an ad-hoc ORSA to agree the reason and circumstances for its production.

The HIL Board is responsible for overseeing the majority of the capital, liquidity and cash flow position of the Homecare Insurance Group and recommendations to the HHL Board. It has responsibility for capital oversight within the solo regulated entity HIL and for contributing to and reviewing the results of the ORSA.

The ORSA and any supporting assessments indicate that under all scenarios and stress tests the company is adequately capitalised.

The solvency requirements are determined by using the Solvency II standard formula as approved by the PRA. This clearly shows HIL's and HIG's Solvency Capital Requirements (SCR) and the Minimum Capital Requirements (MCR).

HIL also completes an Assessment of Own Risk from its Risk Framework and Risk Register. Capital is then allocated per risk and correlated. This provides an assessment of capital required by prudential risk category that can be directly compared to the Standard Formula SCR. This validates the Standard Formula model as being appropriate for the Companies and any variances can be reviewed by the Boards and the Regulator.

The major risks are then stressed individually and collectively to ensure that there is sufficient capital to cover appropriate stress levels. Reverse stress testing is also considered to understand the situations which could cause the Company solvency issues and ensure that these are remote.

Finally, the ORSA includes scenario testing based on the HIL strategy of managed decline. The scenarios test that HIL specifically has sufficient capital to manage a planned or unplanned run-off.

The latest ORSA shows that the capital required under the Standard Formula and the Assessment of Own Risk are comparable in total and any variances in individual risks are explainable and understood. All reasonable stress tests and scenarios can be covered by the level of capital carried by the Companies.

B.4 Internal control

The Homecare Insurance Group operates a traditional three lines of defence model whereby each function has clearly defined responsibilities and accountabilities.

1st Line – Business Management and Executive ensure that the business is operating within the Group's Risk Appetite and is responsible for the identification, management and monitoring of risk.

2nd Line – Being made up of all the Control Functions: Risk, Compliance, Information Security and Legal. These provide framework, guidance, support and challenge.

3rd Line – Internal Audit provide risk based independent testing of the design and operation of the governance framework and risk management.

This model supports the overall control of the HIL and HHL Boards. The Boards meet to review performance, policies, reports and to agree the framework under which the companies operate approximately every six weeks.

The independent control functions provide support and challenge to the Board on the overall performance of the Company and the future outlook, from both a risk and performance perspective.

The Non-Executive Director/s also provides independent challenge to all reports and performance management information.

CPP Group adopted policies, as well as Company specific policies, support the control framework and detail what the control objectives of the Company are and how these are to be achieved.

Finally, monthly controls are in place to monitor financial and operational performance via pre-determined Key Performance Indicators (KPIs) and Management Information (MI). This includes detailed financial reviews of performance and forecasts. There are also monthly Supplier/Outsourcing meetings to review service levels and developments at our key suppliers and outsources (mainly CPP Group outsourcers).

B.5 Internal audit function

The internal audit function for the Homecare Insurance Group and specifically Homecare is under the responsibility of the HIL and HHL Chairman. This ensures that there is oversight of the internal audit function to ensure the effectiveness of the internal control system and other areas of governance.

The CPP Group, of which both the supervised companies of the Homecare Insurance Group are subsidiaries, has an internal audit function which forms part of the Insurance Group's control framework. The Group Internal Audit function is led by the Group Head of Internal Audit who is an experienced Internal Audit practitioner. Group Internal Audit is independent of executive management and reports directly to the Group Audit Committee.

Group Internal Audit agree a risk base audit plan with the Group Audit Committee at least annually and all reports are circulated and actioned as necessary within the Group.

CPP Group Internal Audit will provide support to the HIG to put together a specific HIL risk based audit plan on an annual basis, which is then agreed by the HIL and HHL Boards.

Both HIL and HHL can independently use the audit services of outsourced professional Solvency II audit practitioners, as well as engaging CPP Group Internal Audit to carry out specific HIG audits as and when necessary.

B.6 Actuarial function

The actuarial services are provided by the internal CPP Group outsourced actuarial team, supported by a firm of professional external Actuaries (Barnett Waddingham).

The primary objective of the Homecare Group Actuarial Function is to assist the Board of HIL to protect the assets and sustainability of the Homecare Insurance Group by providing assurance on the underwriting and reinsurance policies, adequacy of technical provisions and the appropriateness of all solvency calculations.

To discharge its responsibilities and thereby achieve its objectives, the Actuarial Function carries out the following core activities:

- co-ordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies and underlying models used, as well as the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- oversee the calculation of technical provisions;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements.

The Actuarial Function will prepare an annual Actuarial Function Report, for consideration and approval by the HIL Board, which will take into account all relevant activities, findings and recommendations of the Actuarial Function with reference to the Homecare Insurance Group and their exposure to risk.

The outsourced actuaries contribute and support the ORSA preparation and provide an independent validation report for the HIL Board of Directors. The external actuaries also support the quarterly SCR and MCR by reviewing the calculations and assumptions, whilst at the same time providing specific guidance on the actuarial models and calculations.

B.7 Outsourcing

HIL has become more reliant on outsourced arrangements as a result of its strategy of managed decline that has been in place for many years. This strategy over time has led to a significant reduction in premium income and the number of policy holders.

As a result, the scale of operations and the amount of supporting services required has significantly diminished. This has resulted in the Company using suitable outsourcers to provide all of its operational and administrative services.

The Company has taken advantage by leveraging the capabilities and skills of the wider CPP Group by ensuring that any outsourced arrangement is robust and compliant. The Company has an outsourcing policy that all outsourced contracts must comply with and all need to be ultimately approved by the HIL Board.

The Outsourcing Policy and any Outsource Contracts are subject to at least an annual review, with the Outsourced contracts themselves being managed closely. All of HIL's Critical or Important Functions and Insurance Activities, whether they are Controlled Functions or other Critical or Important Functions or Insurance Activities, are managed by Senior Insurance Manager Function Holders (SIMFs) or Key Function Holders (KFHs).

Detailed areas within the Outsource Policy are:

- Outsourcing evaluation and selection process;
- Approvals and Sponsorship;
- Fit and Proper compliance with respect to the Outsourcers providing Critical or Important Functions and Insurance Activities;
- Compliance against Policy and the Outsourcing Contracts;
- Outsourcing contract detail required;
- Accountabilities and responsibilities;
- Service Provider Selection Process;
- Contingency, including building resilience and Business Continuity;
- Regulatory Notification requirements;
- Compliance and monitoring;
- Key contacts.

Below is a summary of HIL's Outsourced Critical or Important Functions and Insurance Activities:

Homecare Insurance Limited – Outsourcing Arrangements (NB: All the service providers of outsourced functions or activities are located in the United Kingdom).

Outsourced Provider	Service Outsourced	Internal/External	Outsourcing Director
Card Protection Plan Limited (CPPGroup Company)	Customer Service - including Service Calls and Operational Support Claims Handling Complaints Handling	Internal	HIL CEO (SIMF1) (Gary Sidle)
CPPGroup Services Limited (CPPGroup Company)	**Actuarial** (Controlled Function) (Also use services of Barnett Waddingham)	Internal/External	HIL CEO (SIMF20) (Gary Sidle)
	Underwriting IS including IT Infrastructure, System Development, BI/MI including Data Goveranance Legal Product Support Procurement & Facilities		HIL CEO (SIMF22) (Gary Sidle)
	Risk (Controlled Function) **Compliance** (Controlled Function) Finance and Tax		HIL CFO (SIMF2) (TBC)
	Internal Audit (Controlled Function) (Also has access to external SII Audit services)	Internal/External	HIL Chairman (SIMF9) (David Jewell)

C. Risk Management

C.1 Underwriting risk

HIL's underwriting risk arises from two sources - reserve risk and premium risk.

Reserve Risk is the risk of loss or adverse change in value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of the amount of claim settlements.

Premium Risk is the risk of loss or adverse change in value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of insured events.

HIL uses historic claims data to predict future claims reserves, based on claims still outstanding as at the end of the month and year. The uncertainty over premium risk was assessed as part of the successful USP application made by the Homecare Insurance Group with regards to a USP for premium risk. This demonstrated a stable claims profile over a number of years, making claims and reserves predictable.

HIL's underwritten insurance policies are relatively short term, so HIL has the ability to increase premiums or not renew the policies and possibly cancel the insurance policy to ensure that the policyholder remains protected and that HIL maintains its required solvency levels.

Catastrophe Risk is a third source of risk but due to the nature of HIL underwriting policy, no catastrophe risks have been identified as currently relevant to HIL.

Risk sensitivity with regards to the impact of an underwriting risk stress, as determined in the stress testing carried for the ORSA, was less than £1m. This is primarily due to the size and nature of the underwriting risks within the insurance policies being underwritten.

HIL is not exposed to any concentration of underwriting risk.

C.2 Market risk

HIL focuses its Treasury operations on bank deposits and only allowing limited activity in derivatives where it wishes to hedge against a specific interest rate or foreign exchange rate exposure. HIL currently does not hold any derivatives and has no plans to do so. HIL does not currently hold any portfolio of traded investments and thus is not subject to movements in equity, bond, gilt or other tradable security prices.

HIL has both balance sheet and profit and loss account exposure to the Euro: £ exchange rate but the reducing Irish Card live book and premium income mean that fluctuations would have minimal impact.

HIL's assets are low risk and as such are invested in accordance with the prudent person principle described in Article 132 of the SII Directive.

HIL is not exposed to any material concentration of market risk.

C.3 Credit risk

Credit Risk relates to the risk of counterparty default. HIL aims to achieve a flat or reducing trend in amounts outstanding and to avoid any material losses through counterparty default. This risk is managed by carrying out regular financial reviews on existing counterparties. Management would review the balances held with counterparties and seek to reduce credit risk.

A key exposure for HIL is the historic intercompany counterparty risk. The HIG maintains the same level of intercompany Group balances, as when the HIL and other CPP Group VVoP restrictions came into effect. These balances are fully reflected in the standard formula SCR and MCR, as well as in the insurance Group's ORSA. They are also assessed for overall recoverability and audited externally.

There was no material risk sensitivity in the latest ORSA for the impact of any credit default risk.

C.4 Liquidity risk

Liquidity risk refers to the possibility of the main trading entity HIL having insufficient cash available to settle claims and other liabilities as they fall due. HIL closely monitors cash flow and prepares cash-flow forecasts in order to manage likely cash requirements. HIL holds cash on short deposit, with a maximum maturity of one month (in line with its own Prudential and the CPP Group Treasury policy) and investments are staggered, with differing maturity dates to ensure funds are sufficiently liquid.

HIL does not have a large dependency on a single debtor. Therefore any concentration risk is much reduced.

Due to the short-term nature of HIL's policies, the total amount of expected profit included in future premiums, as calculated in technical provisions, is £nil. This does not, therefore, affect the Company's liquidity risk.

C.5 Operational Risk

Operational Risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events mainly relating to the provision of operational services from the wider CPP Group entities (outsourced).

HIL fully outsources its operations to another Group company, being Card Protection Plan Limited (CPPL) for operational activity and CPP Group Services Limited for administration and support activities.

The key material operational risks that the business continued to actively manage over the period include:

- Information security/cyber - A data breach resulting in a loss of confidential policyholder data. Personal data belonging to HIL policyholders is held by the outsourced providers CPPL.
- Outsourcing - the risk of failure, non-performance, ineffective management and/or oversight of HIL's outsourcing partners CPPL and CPPGSL.
- Data Management – This would be the risk of there being material errors in any data that the business relies on. The CPP Group has data processes and procedures that help mitigate any material occurrence of this.
- Product suitability – the risk that HIL is unable to demonstrate the ongoing suitability of its products for its customers.

The intra-company outsourcing arrangements are governed by the HIL outsourcing policy. Regular meetings are held to review performance against contractual obligations and for escalation of any issues for resolution.

C.6 Other material risk

Brexit - The Brexit referendum on the 23 June 2016 and its result announced the exit of the UK from the EU. The period of change is likely to be long and the extent of the changes will take time to be determined and implemented. HIL is monitoring this development and considers that, depending on how the exit of the UK evolves, the likely areas of impact are to be immaterial as any impact is not likely to take effect until March 2019, when HIL policy base, underwriting premium and SCR will be approaching immaterial levels.

Risk mitigation practices

All material operational risks which HIL is exposed to are identified and recorded in the HIL risk register. The risks are assessed and the actions to manage the risks are monitored. The risks are reported to the HIL Board on a regular basis.

The following list outlines the actions/techniques used for mitigating risks:

- Risk reduction – where possible, HIL takes action to reduce the impact of a risk. The required actions vary by risk type. This way risks are mitigated to an acceptable level within the Company's risk appetite.

- Risk Avoidance – where risks are outside risk appetite and there are no viable means of reducing the risk to within appetite, measures are taken to remove the risk activity.

- Risk transfer – HIL outsources its operational activities to CPP Limited (CPPL) and its administrative activities to CPPGroup Services Limited (CPPGSL). However, HIL recognises that it cannot transfer responsibility or accountability and therefore manages any risks transferred to its outsourcing relationships in line with its outsourcing policy.

- Risk acceptance – where HIL has considered all viable mitigation techniques and the risk remains at an acceptable level with sufficient capital to cover any adverse impacts.

The HIG and HIL specifically do not have any significant individual material risk exposure or any material risk concentrations. All of HIL's underwriting policies are based on high volume, low premium underwriting. The policy base is now also mature as no new policies have been written since November 2012, which also reduces the chance of any new material risks developing.

Risk sensitivities

Any risk sensitivities are reviewed regularly as part of the on-going risk management framework and specifically in the ORSA. As the policy base is in continued managed decline, many operational and underwriting risks are reducing proportionally. The five risks that were more volatile and would have most impact on the HIG were stressed in the last HIG ORSA.

Combined, the stress tests did not breach the capital held by HIG. The stress tests were either operational risks or underwriting risk and no individual stressed risk was over £2m. The highest stressed risks as a result of the Homecare Insurance Group's strategy of managed decline would be as a result of data breaches due to the large amount of historic data held by HIL, followed by operational system issues. Underwriting stress testing in total for both incidents and average cost, when stressed would be less than £1m.

C.7 Any other disclosures

As HIG and HIL operate a strategy of managed decline, the run-off scenarios now take a higher prominence. HIL models two scenarios to ensure it has sufficient capital and the capability to be able to manage an accelerated run-off and a controlled run-off. In both cases HIL has sufficient capital and a high level operating plan.

D: Regulatory Balance Sheet

D.1 Assets

The following table analyses the financial assets of HIG and HIL as at 31 December 2016.

	HHL consolidated		HIL	
	Assets per FRS 101	**Assets per Solvency II**	**Assets per FRS 101**	**Assets per Solvency II**
	£'000	***£'000***	***£'000***	***£'000***
Investments	15,931	15,931	15,931	15,931
Cash & cash equivalents	22,994	2,276	11,075	1,652
Receivables and loans & mortgages	2,842	23,240	7,073	16,176
Total assets	**41,767**	**41,447**	**34,079**	**33,759**

Investments

The Company held £15,931k on short term deposit as at the reporting date. The financial investments of the Company are held at face value which is deemed to be equal to their fair value and amortised cost.

HHL holds no financial investments.

Cash

The HIG held £22,994k of cash and cash equivalents as at the reporting date. For the purposes of Solvency II reporting, £20,718k held in bank accounts subject to a Group offset arrangement are classified as inter-company receivables where members of the wider Group have secured borrowings against those balances. These amounts are instead recognised within receivables and loans & mortgages and has no impact on the total eligible own fund calculations.

HIL held £11,075k of cash and cash equivalents, of which £9,423k is subject to the Group offset arrangement.

Receivables and loans & mortgages

Receivables and loans & mortgages comprise inter-company receivables, accrued income and insurance receivables and deferred costs, all of which are carried at fair value. The Solvency II position differs from the statutory position as it recognises cash subject to the Group offset arrangement as an inter-company receivable (see Cash). Accrued income and deferred costs are excluded from the Company's total assets under Solvency II reporting.

D.2 Technical provisions

The following table analyses the technical provisions and risk margin as at 31 December 2016. HHL does not undertaking any underwriting activities and as a result the technical provisions for HIG and HIL are the same, although the risk margin differs slightly.

	HHL consolidated		HIL	
	Technical provisions per FRS 101	**Technical provisions per Solvency II**	**Technical provisions per FRS 101**	**Technical provisions per Solvency II**
	£'000	***£'000***	***£'000***	***£'000***
Technical provisions	863	399	863	399
Risk margin	-	125	-	124
Total Technical provisions	**863**	**524**	**863**	**523**

The difference in the evaluation of technical provisions between Solvency II and the financial statements are principally a result of the following:

- Setting provisions for unexpired risks in Solvency II premium provisions as the expected cost of meeting claims, rather than at 100% of unearned premium, as reported in the financial statements;
- The addition of further provisions for expenses within Solvency II technical provisions;
- The addition of the Solvency II Technical Provisions Risk Margin.

No transitional measures are used in the calculation of HIL's technical provisions and neither are the matching and volatility adjustments. HIL has no active reinsurance arrangements and does not use special purpose vehicles.

HIL has made no material changes in the assumptions used in setting technical provisions over the reporting period.

The uncertainty associated with technical provisions is low, due to the low and predictable value of claim sizes.

Technical provisions

Technical provisions represent management's best estimate of the Company's claims, unearned premiums and expenses measured at fair value. The best estimate of such liabilities comprises the following three components:

1. Claims outstanding

The outstanding claims provision is based on an estimate of total costs of handling claims received, plus an estimate for the cost of claims incurred but not reported at the balance sheet date, based on historic trends.

2. Unearned premium

The provision for unearned premium within the financial statements represents that part of written gross premiums that are estimated to be earned in subsequent periods.

Under Solvency II, provisions for unexpired risks are not set at the value of the unearned premium. Instead HIL's premium provisions are based on the expected cost of future claims payments for these premiums.

3. Expenses

Included within the technical provision for Solvency II purposes is an estimated provision relating to expense and overhead costs associated with servicing the Identity Protection policies. This amount is not reported within the financial statements.

Risk margin

The risk margin is the estimated cost of capital of the Group's and Company's SCR at the prescribed rate of 6%. As the technical provisions as a whole are equivalent to the amount required to take over and meet the insurance obligations, the HIG's inter-company receivables are excluded when calculating the risk margin.

D.3 Other liabilities

The following table analyses the HIG's and HIL's other liabilities as at 31 December 2016.

	HHL consolidated		**HIL**	
	Other liabilities per FRS 101	**Other liabilities per Solvency II**	**Other liabilities per FRS 101**	**Other liabilities per Solvency II**
	£'000	***£'000***	***£'000***	***£'000***
Insurance creditors	492	492	492	492
Other creditors	1,720	1,720	1,711	1,711
Total other liabilities	**2,212**	**2,212**	**2,203**	**2,203**

Other liabilities, comprising insurance and inter-company creditors, residual redress provisions and sundry accruals, are recognised and valued at fair value for both Solvency II reporting and within the annual financial statements.

D.4 Alternative Method of Valuation

HIL has no assets or liabilities for which alternative methods, as described in article 10 of the Commissions Delegated Regulations 2015/35, are used in their valuation.

E: Capital management

E.1 Own funds

The HIG's own funds comprise of accumulated retained earnings. HIL's own funds comprise of fully paid up share capital and accumulated retained earnings.

The following table reconciles the differences between the equity balance per the annual financial statements and the excess of assets over liabilities as calculated for the purposes of Solvency II.

	HHL consolidated	**HIL**
	£'000	***£'000***
Ordinary share capital	-	6,000
Retained Earnings	38,692	25,013
Equity in the financial statements	**38,692**	**31,013**
Items not recognised in financial statements:		
Risk margin	(125)	(124)
Net unearned premium	469	469
Outstanding claims expense	(6)	(6)
Items not recognised under Solvency II:		
Deferred costs and accrued income	(320)	(320)
Solvency II basic own funds	**38,710**	**31,032**

The eligible amount of own funds to cover the Solvency Capital Requirement and the Minimum Capital Requirement is £38,710k for the consolidated Group and £31,032k for HIL. These funds entirely comprise Tier 1 capital and there are no items deducted, or restrictions affecting the availability and transferability of own funds.

Management's objective is to, at all times, maintain sufficient own funds to meet the SCR with appropriate headroom. The HHL and HIL Boards have determined a capital target of >125% of SCR and this target is kept under review.

E.2 Solvency capital requirement and minimum capital requirement

The amount of the Group's and Company's SCR and MCR is detailed in the table below:

	HHL consolidated	HIL
	£'000	*£'000*
SCR	21,763	15,402
MCR	5,441	3,850
Linear MCR	580	580
MCR CAP	9,794	6,931
MCR Floor	5,441	3,850
Combined MCR	5,441	3,850
Absolute Floor of the MCR	3,332	3,332

The risk components which comprise the Group's and Company's SCR are as follows:

	HHL consolidated	HIL
	£'000	*£'000*
Market risk	37	37
Counterparty risk	20,957	14,583
Underwriting risk	1,276	1,276
Diversification benefit	(638)	(625)
BSCR	**21,632**	**15,271**
Operational risk	131	131
SCR	**21,763**	**15,402**

Simplifications were not used in the calculations of HIL and HIG's SCR's.

The company has been granted the use of Undertaking Specific Parameters ("USPs"). As a result of this, the standard deviation of premium risk for Miscellaneous is reduced to 6%, based on actual Actuarial modelling and replaces the default standard formula standard deviation of 13%.

The standard inputs into the MCR calculation are the SCR; the technical provisions (excluding risk margin); and net written premiums over the previous 12 months.

There have been no material changes or breaches to the SCR and MCR over the reporting period.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The duration based equity risk was not used in the calculation of HIL and HIG's SCRs.

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

The standard formula, as set out in Articles 100 to 110 in the Solvency II Directive, is used to calculate the SCR.

E.5 Non-compliance with Minimum Capital Requirements and non-compliance with the Solvency Capital Requirements

There was no breach of the SCR or MCR during the reporting period, nor is there expected to be for the foreseeable future.

Appendix 1: Simplified CPPGroup Plc organisation structure

CPPGroup Plc
No: 7151159
(Previously Cranberry 1 Plc)

CPP Worldwide holdings Ltd
No: 7154018
(Previously Cranberry 22 Ltd)

CPP Holdings Ltd
No: 1659493
(Previously CPP Group Plc / CPP Group Ltd)

Homecare (Holdings) Ltd
No: 3341261

Homecare Insurance Ltd
No: 2793290

Appendix 2: HIL solo Solvency II Templates

S.02.01.02

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	15,931
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	15,931
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	9,423
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	9,423
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	0
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	42
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	6,711
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	1,652
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	33,759

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	523
R0520	Technical provisions – non-life (excluding health)	523
R0530	TP calculated as a whole	0
R0540	Best Estimate	399
R0550	Risk margin	124
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	100
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	1,298
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	805
R0900	**Total liabilities**	2,727
R1000	**Excess of assets over liabilities**	31,032

S.05.01.02

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	Total
		Miscellaneous financial loss	
		C0120	C0200
	Premiums written		
R0110	Gross - Direct Business	4,140	4,140
R0120	Gross - Proportional reinsurance accepted	0	0
R0130	Gross - Non-proportional reinsurance accepted		0
R0140	Reinsurers' share	0	0
R0200	Net	4,140	4,140
	Premiums earned		
R0210	Gross - Direct Business	4,353	4,353
R0220	Gross - Proportional reinsurance accepted	0	0
R0230	Gross - Non-proportional reinsurance accepted		0
R0240	Reinsurers' share	0	0
R0300	Net	4,353	4,353
	Claims incurred		
R0310	Gross - Direct Business	372	372
R0320	Gross - Proportional reinsurance accepted	0	0
R0330	Gross - Non-proportional reinsurance accepted		0
R0340	Reinsurers' share	0	0
R0400	Net	372	372
	Changes in other technical provisions		
R0410	Gross - Direct Business	322	322
R0420	Gross - Proportional reinsurance accepted	0	0
R0430	Gross - Non- proportional reinsurance accepted		0
R0440	Reinsurers'share	0	0
R0500	Net	322	322
R0550	**Expenses incurred**	2,364	2,364
R1200	**Other expenses**		0
R1300	**Total expenses**		2,364

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		Direct business and accepted proportional reinsurance	Total Non-Life obligation
		Miscellaneous financial loss	
		C0130	C0180
R0010	**Technical provisions calculated as a whole**	0	0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	0	0
	Technical provisions calculated as a sum of BE and RM		
	Best estimate		
	Premium provisions		
R0060	Gross	399	399
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0
R0150	Net Best Estimate of Premium Provisions	399	399
	Claims provisions		
R0160	Gross	0	0
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0
R0250	Net Best Estimate of Claims Provisions	0	0
R0260	**Total Best estimate - gross**	399	399
R0270	**Total Best estimate - net**	399	399
R0280	**Risk margin**	124	124
	Amount of the transitional on Technical Provisions		
R0290	Technical Provisions calculated as a whole	0	0
R0300	Best estimate	0	0
R0310	Risk margin	0	0
	Technical provisions - total		
R0320	Technical provisions - total	523	523
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	523	523

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	Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
		Development year												
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
R0100	Prior												0	0
R0160	N-9	8,658	2,547										0	11,206
R0170	N-8	9,836	1,494										0	11,330
R0180	N-7	6,349	1,579										0	7,928
R0190	N-6	12,550	2,833										0	15,384
R0200	N-5	22,991	2,653										0	25,645
R0210	N-4	35,676	3,614										0	39,290
R0220	N-3	18,802	1,374										0	20,176
R0230	N-2	3,128	428										0	3,556
R0240	N-1	586	193										193	779
R0250	N	291											291	291
R0260												Total	485	135,585

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year end (discounted data)
		Development year											
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
R0100	Prior												
R0160	N-9	2,282	0										
R0170	N-8	1,338	0										
R0180	N-7	1,415	0										
R0190	N-6	2,539	0										
R0200	N-5	2,403	0										
R0210	N-4	3,214	0										
R0220	N-3	1,174	0										
R0230	N-2	263	0										
R0240	N-1	93	0										0
R0250	N	40											40
R0260												Total	40

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		Total	Tier 1 - unrestricted
		C0010	C0020
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of		
R0010	Ordinary share capital (gross of own shares)	6,000	6,000
R0030	Share premium account related to ordinary share capital	0	0
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0
R0050	Subordinated mutual member accounts	0	
R0070	Surplus funds	0	0
R0090	Preference shares	0	
R0110	Share premium account related to preference shares	0	
R0130	Reconciliation reserve	25,032	25,032
R0140	Subordinated liabilities	0	
R0160	An amount equal to the value of net deferred tax assets	0	
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0
	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	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0	
	Deductions		
R0230	Deductions for participations in financial and credit institutions	0	0
R0290	**Total basic own funds after deductions**	31,032	31,032
	Ancillary own funds		
R0300	Unpaid and uncalled ordinary share capital callable on demand	0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0	
R0320	Unpaid and uncalled preference shares callable on demand	0	
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0	
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0	
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	
R0390	Other ancillary own funds	0	
R0400	**Total ancillary own funds**	0	
	Available and eligible own funds		
R0500	Total available own funds to meet the SCR	31,032	31,032
R0510	Total available own funds to meet the MCR	31,032	31,032
R0540	Total eligible own funds to meet the SCR	31,032	31,032
R0550	Total eligible own funds to meet the MCR	31,032	31,032
R0580	**SCR**	15,402	
R0600	**MCR**	3,850	
R0620	**Ratio of Eligible own funds to SCR**	2.0148	
R0640	**Ratio of Eligible own funds to MCR**	8.0594	

		C0060
	Reconciliation reserve	
R0700	Excess of assets over liabilities	31,032
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	0
R0730	Other basic own fund items	6,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	25,032
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	0
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0
R0790	**Total Expected profits included in future premiums (EPIFP)**	0

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		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
R0010	Market risk	37		
R0020	Counterparty default risk	14,583		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	1,276		
R0060	Diversification	-625		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	15,271		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	131
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	15,402
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	15,402
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirement for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0

S.28.01.01

Linear formula component for non-life insurance and reinsurance obligations

		C0010
R0010	MCRNL Result	580

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expenses insurance and proportional reinsurance	0	0
R0030	Income protection insurance and proportional reinsurance	0	0
R0040	Workers' compensation insurance and proportional reinsurance	0	0
R0050	Motor vehicle liability insurance and proportional reinsurance	0	0
R0060	Other motor insurance and proportional reinsurance	0	0
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	0
R0080	Fire and other damage to property insurance and proportional reinsurance	0	0
R0090	General liability insurance and proportional reinsurance	0	0
R0100	Credit and suretyship insurance and proportional reinsurance	0	0
R0110	Legal expenses insurance and proportional reinsurance	0	0
R0120	Assistance and proportional reinsurance	0	0
R0130	Miscellaneous financial loss insurance and proportional reinsurance	399	4,143
R0140	Non-proportional health reinsurance	0	0
R0150	Non-proportional casualty reinsurance	0	0
R0160	Non-proportional marine, aviation and transport reinsurance	0	0
R0170	Non-proportional property reinsurance	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
R0200	MCRL Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation - guaranteed benefits	0	
R0220	Obligations with profit participation - future discretionary benefits	0	
R0230	Index-linked and unit-linked insurance obligations	0	
R0240	Other life (re)insurance and health (re)insurance obligations	0	
R0250	Total capital at risk for all life (re)insurance obligations		0

	Overall MCR calculation	C0070
R0300	Linear MCR	580
R0310	SCR	15,402
R0320	MCR cap	6,931
R0330	MCR floor	3,850
R0340	Combined MCR	3,850
R0350	Absolute floor of the MCR	3,332

		C0070
R0400	**Minimum Capital Requirement**	3,850

Appendix 3: HHL consolidated Solvency II Templates

S.02.01.02

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	15,931
R0080	Property (other than for own use)	0
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	0
R0110	Equities - listed	0
R0120	Equities - unlisted	0
R0130	Bonds	0
R0140	Government Bonds	0
R0150	Corporate Bonds	0
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	0
R0200	Deposits other than cash equivalents	15,931
R0210	Other investments	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	20,718
R0240	Loans on policies	0
R0250	Loans and mortgages to individuals	0
R0260	Other loans and mortgages	20,718
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	0
R0300	Health similar to non-life	0
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	0
R0330	Life excluding health and index-linked and unit-linked	0
R0340	Life index-linked and unit-linked	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	0
R0370	Reinsurance receivables	42
R0380	Receivables (trade, not insurance)	2,480
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,276
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	41,447

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions – non-life	525
R0520	Technical provisions – non-life (excluding health)	525
R0530	TP calculated as a whole	0
R0540	Best Estimate	399
R0550	Risk margin	125
R0560	Technical provisions - health (similar to non-life)	0
R0570	TP calculated as a whole	0
R0580	Best Estimate	0
R0590	Risk margin	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	TP calculated as a whole	0
R0630	Best Estimate	0
R0640	Risk margin	0
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	TP calculated as a whole	0
R0670	Best Estimate	0
R0680	Risk margin	0
R0690	Technical provisions – index-linked and unit-linked	0
R0700	TP calculated as a whole	0
R0710	Best Estimate	0
R0720	Risk margin	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	100
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	813
R0820	Insurance & intermediaries payables	492
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	0
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	0
R0870	Subordinated liabilities in Basic Own Funds	0
R0880	Any other liabilities, not elsewhere shown	807
R0900	**Total liabilities**	2,737
R1000	**Excess of assets over liabilities**	38,710

S.05.01.02

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	Total
		Miscellaneous financial loss	
		C0120	C0200
	Premiums written		
R0110	Gross - Direct Business	4,140	4,140
R0120	Gross - Proportional reinsurance accepted	0	0
R0130	Gross - Non-proportional reinsurance accepted		0
R0140	Reinsurers' share	0	0
R0200	Net	4,140	4,140
	Premiums earned		
R0210	Gross - Direct Business	4,353	4,353
R0220	Gross - Proportional reinsurance accepted	0	0
R0230	Gross - Non-proportional reinsurance accepted		0
R0240	Reinsurers' share	0	0
R0300	Net	4,353	4,353
	Claims incurred		
R0310	Gross - Direct Business	372	372
R0320	Gross - Proportional reinsurance accepted	0	0
R0330	Gross - Non-proportional reinsurance accepted		0
R0340	Reinsurers' share	0	0
R0400	Net	372	372
	Changes in other technical provisions		
R0410	Gross - Direct Business	322	322
R0420	Gross - Proportional reinsurance accepted	0	0
R0430	Gross - Non- proportional reinsurance accepted		0
R0440	Reinsurers'share	0	0
R0500	Net	322	322
R0550	**Expenses incurred**	2,369	2,369
R1200	**Other expenses**		0
R1300	**Total expenses**		2,369

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		Total	Tier 1 - unrestricted
		C0010	C0020
	Basic own funds before deduction for participations in other financial sector		
R0010	Ordinary share capital (gross of own shares)	0	0
R0020	Non-available called but not paid in ordinary share capital at group level	0	0
R0030	Share premium account related to ordinary share capital	0	0
R0040	Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	0	0
R0050	Subordinated mutual member accounts	0	
R0060	Non-available subordinated mutual member accounts at group level	0	
R0070	Surplus funds	0	0
R0080	Non-available surplus funds at group level	0	0
R0090	Preference shares	0	
R0100	Non-available preference shares at group level	0	
R0110	Share premium account related to preference shares	0	
R0120	Non-available share premium account related to preference shares at group level	0	
R0130	Reconciliation reserve	38,710	38,710
R0140	Subordinated liabilities	0	
R0150	Non-available subordinated liabilities at group level	0	
R0160	An amount equal to the value of net deferred tax assets	0	
R0170	The amount equal to the value of net deferred tax assets not available at the group level	0	
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0
R0190	Non available own funds related to other own funds items approved by supervisory authority	0	0
R0200	Minority interests (if not reported as part of a specific own fund item)	0	0
R0210	Non-available minority interests at group level	0	0
	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	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	0	
	Deductions		
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial a	0	0
R0240	whereof deducted according to art 228 of the Directive 2009/138/EC	0	0
R0250	Deductions for participations where there is non-availability of information (Article 229)	0	0
R0260	Deduction for participations included by using D&A when a combination of methods is used	0	0
R0270	Total of non-available own fund items	0	0
R0280	**Total deductions**	0	0
R0290	**Total basic own funds after deductions**	38,710	38,710
	Ancillary own funds		
R0300	Unpaid and uncalled ordinary share capital callable on demand	0	
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0	
R0320	Unpaid and uncalled preference shares callable on demand	0	
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0	
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0	
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0	
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0	
R0380	Non available ancillary own funds at group level	0	
R0390	Other ancillary own funds	0	
R0400	**Total ancillary own funds**	0	
	Own funds of other financial sectors		
R0410	Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	0	0
R0420	Institutions for occupational retirement provision	0	0
R0430	Non regulated entities carrying out financial activities	0	0
R0440	Total own funds of other financial sectors	0	0
	Own funds when using the D&A, exclusively or in combination of method 1		
R0450	Own funds aggregated when using the D&A and combination of method	0	0
R0460	Own funds aggregated when using the D&A and a combination of method net of IGT	0	0
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	38,710	38,710
R0530	Total available own funds to meet the minimum consolidated group SCR	38,710	38,710
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and	38,710	38,710
R0570	Total eligible own funds to meet the minimum consolidated group SCR	38,710	38,710
	Consolidated Group SCR		
R0610	**Minimum consolidated Group SCR**	21,763	
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**		
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	1.7787	
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	38,710	38,710
R0670	**SCR for entities included with D&A method**		
R0680	**Group SCR**	21,763	
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	1.7787	

	Reconciliation reserve	C0060	
R0700	Excess of assets over liabilities	38,710	
R0710	Own shares (held directly and indirectly)	0	
R0720	Forseeable dividends, distributions and charges	0	
R0730	Other basic own fund items	0	
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0	
R0750	Other non available own funds	0	
R0760	**Reconciliation reserve before deduction for participations**	38,710	
	Expected profits		
R0770	Expected profits included in future premiums (EPIFP) - Life business	0	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	0	
R0790	**Total Expected profits included in future premiums (EPIFP)**	0	

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		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
R0010	Market risk	37		
R0020	Counterparty default risk	20,957		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	0		
R0050	Non-life underwriting risk	1,276		
R0060	Diversification	-637		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	21,633		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	131
R0140	Loss-absorbing capacity of technical provisions	0
R0150	Loss-absorbing capacity of deferred taxes	0
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0
R0200	**Solvency capital requirement excluding capital add-on**	21,763
R0210	Capital add-on already set	0
R0220	**Solvency capital requirement**	21,763
	Other information on SCR	
R0400	Capital requirement for duration-based equity risk sub-module	0
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0
R0470	Minimum consolidated group solvency capital requirement	21,763
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	0
R0520	Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
R0530	Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D and A	0
R0570	**Solvency capital requirement**	21,763

S.32.01.22

	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
									Criteria of influence						Inclusion in the scope of		Group
	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
	GB	213800XHNSW33J9X2Y53	LEI	Homecare (Holdings) Limited	5	Company limited by shares	2	Prudential Regulation Authority	100.0000	100.0000	100.0000		1	100.0000	1		1
	GB	213800F8JEMKECKP4509	LEI	Homecare Insurance Limited	2	Company limited by shares	2	Prudential Regulation Authority	100.0000	100.0000	100.0000		1	100.0000	1		1