

# The Ancient Order of Foresters Friendly Society Limited

## Solvency and Financial Condition Report

### Disclosures

31 December

**2018**

(Monetary amounts in GBP thousands)

## General information

Undertaking name	The Ancient Order of Foresters Friendly Society Limited
Undertaking identification code	2138009NEAMYWZUSGL81
Type of code of undertaking	LEI
Type of undertaking	Undertakings pursuing both life and non-life insurance activity - article 73 (2)
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2018
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

## List of reported templates

- S.02.01.02 - Balance sheet
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.05.02.01 - Premiums, claims and expenses by country
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-Life Technical Provisions
- S.19.01.21 - Non-Life insurance claims
- S.23.01.01 - Own Funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	220
R0060	Property, plant & equipment held for own use	101
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	222,999
R0080	<i>Property (other than for own use)</i>	66,831
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	42,162
R0110	<i>Equities - listed</i>	42,162
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	102,253
R0140	<i>Government Bonds</i>	51,330
R0150	<i>Corporate Bonds</i>	50,723
R0160	<i>Structured notes</i>	200
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	11,396
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	356
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	30,961
R0230	Loans and mortgages	111
R0240	<i>Loans on policies</i>	57
R0250	<i>Loans and mortgages to individuals</i>	53
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	40
R0280	<i>Non-life and health similar to non-life</i>	0
R0290	<i>Non-life excluding health</i>	0
R0300	<i>Health similar to non-life</i>	0
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	40
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	40
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,614
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	1,550
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	9,222
R0420	Any other assets, not elsewhere shown	0
R0500	<b>Total assets</b>	<b>266,818</b>

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
	<b>Liabilities</b>	
R0510	Technical provisions - non-life	290
R0520	<i>Technical provisions - non-life (excluding health)</i>	0
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	0
R0550	<i>Risk margin</i>	0
R0560	<i>Technical provisions - health (similar to non-life)</i>	290
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	262
R0590	<i>Risk margin</i>	28
R0600	Technical provisions - life (excluding index-linked and unit-linked)	108,443
R0610	<i>Technical provisions - health (similar to life)</i>	2,568
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	1,754
R0640	<i>Risk margin</i>	814
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	105,875
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	103,381
R0680	<i>Risk margin</i>	2,494
R0690	Technical provisions - index-linked and unit-linked	28,633
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	28,490
R0720	<i>Risk margin</i>	144
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	2,392
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	2,755
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	<b>Total liabilities</b>	142,514
R1000	<b>Excess of assets over liabilities</b>	124,304





## S.05.02.01

## Premiums, claims and expenses by country

## Non-life

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010	GG						
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
<b>Premiums written</b>							
R0110	Gross - Direct Business	2,443					2,443
R0120	Gross - Proportional reinsurance accepted						0
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share						0
R0200	Net	0	2,443	0	0	0	2,443
<b>Premiums earned</b>							
R0210	Gross - Direct Business	2,443					2,443
R0220	Gross - Proportional reinsurance accepted						0
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share						0
R0300	Net	0	2,443	0	0	0	2,443
<b>Claims incurred</b>							
R0310	Gross - Direct Business	2,125					2,125
R0320	Gross - Proportional reinsurance accepted						0
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share						0
R0400	Net	0	2,125	0	0	0	2,125
<b>Changes in other technical provisions</b>							
R0410	Gross - Direct Business						0
R0420	Gross - Proportional reinsurance accepted						0
R0430	Gross - Non-proportional reinsurance accepted						0
R0440	Reinsurers' share						0
R0500	Net	0	0	0	0	0	0
R0550	Expenses incurred		261				261
R1200	Other expenses						
R1300	Total expenses						261

## S.05.02.01

## Premiums, claims and expenses by country

## Life

	C0150	C0160	C0170	C0180	C0190	C0200	C0210
	Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400	C0220	C0230	C0240	C0250	C0260	C0270	C0280
<b>Premiums written</b>							
R1410	Gross	27,595					27,595
R1420	Reinsurers' share	258					258
R1500	Net	27,337	0	0	0	0	27,337
<b>Premiums earned</b>							
R1510	Gross	27,595					27,595
R1520	Reinsurers' share	258					258
R1600	Net	27,337	0	0	0	0	27,337
<b>Claims incurred</b>							
R1610	Gross	30,088					30,088
R1620	Reinsurers' share	50					50
R1700	Net	30,038	0	0	0	0	30,038
<b>Changes in other technical provisions</b>							
R1710	Gross						0
R1720	Reinsurers' share						0
R1800	Net	0	0	0	0	0	0
R1900	Expenses incurred	6,728					6,728
R2500	Other expenses						
R2600	Total expenses						6,728



S.12.01.02

Life and Health SLT Technical Provisions

	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0020	C0030	C0040	C0050	C0060	C0070				C0080	C0160	C0170			
R0010 <b>Technical provisions calculated as a whole</b>	0	0			0				0	0					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	0	0			0				0	0					0

Technical provisions calculated as a sum of BE and RM

Best estimate

R0030 <b>Gross Best Estimate</b>	90,238		1,820	26,670		11,707	1,436			131,871		1,754	0		1,754
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0		0	0		40	0			40		0	0		0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re	90,238		1,820	26,670		11,667	1,436			131,830		1,754	0		1,754
R0100 <b>Risk margin</b>	941	144			1,553					2,637	814				814
<b>Amount of the transitional on Technical Provisions</b>															
R0110 Technical Provisions calculated as a whole	0	0			0					0	0				0
R0120 Best estimate	0		0	0		0	0			0		0	0		0
R0130 Risk margin	0	0			0					0	0				0
R0200 <b>Technical provisions - total</b>	91,179	28,633			14,696					134,508	2,568				2,568



S.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	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year										In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9			10 & +	
R0100	Prior											0	0	
R0160	-9	0	0	0	0	0	0	0	0	0	0	0	0	
R0170	-8	0	0	0	0	0	0	0	0	0	0	0	0	
R0180	-7	1,513	260	0	0	0	0	0	0	0	0	0	1,773	
R0190	-6	1,534	250	0	0	0	0	0	0	0	0	0	1,785	
R0200	-5	1,552	270	0	0	0	0	0	0	0	0	0	1,822	
R0210	-4	1,590	290	0	0	0	0	0	0	0	0	0	1,879	
R0220	-3	1,597	286	0	0	0	0	0	0	0	0	0	1,883	
R0230	-2	1,637	308	0	0	0	0	0	0	0	0	0	1,944	
R0240	-1	1,698	279	0	0	0	0	0	0	0	0	279	1,978	
R0250	2019	1,846	0	0	0	0	0	0	0	0	0	1,846	1,846	
R0260												1,846	1,846	
												2,125	14,910	
												<b>Total</b>	<b>2,125</b>	<b>14,910</b>

Gross Undiscounted Best Estimate Claims Provisions													
(absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year										Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9		10 & +	
R0100	Prior											0	
R0160	-9	0	0	0	0	0	0	0	0	0	0	0	
R0170	-8	0	0	0	0	0	0	0	0	0	0	0	
R0180	-7	0	0	0	0	0	0	0	0	0	0	0	
R0190	-6	0	0	0	0	0	0	0	0	0	0	0	
R0200	-5	0	0	0	0	0	0	0	0	0	0	0	
R0210	-4	0	0	0	0	0	0	0	0	0	0	0	
R0220	-3	0	0	0	0	0	0	0	0	0	0	0	
R0230	-2	0	0	0	0	0	0	0	0	0	0	0	
R0240	-1	0	0	0	0	0	0	0	0	0	0	0	
R0250	2019	348	0	0	0	0	0	0	0	0	0	346	
R0260												346	
												<b>Total</b>	<b>346</b>



S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

- R0010 Market risk
- R0020 Counterparty default risk
- R0030 Life underwriting risk
- R0040 Health underwriting risk
- R0050 Non-life underwriting risk
- R0060 Diversification

R0070 Intangible asset risk

R0100 **Basic Solvency Capital Requirement**

**Calculation of Solvency Capital Requirement**

- R0130 Operational risk
- R0140 Loss-absorbing capacity of technical provisions
- R0150 Loss-absorbing capacity of deferred taxes
- R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
- R0200 **Solvency Capital Requirement excluding capital add-on**
- R0210 Capital add-ons already set
- R0220 **Solvency capital requirement**

**Other information on SCR**

- R0400 Capital requirement for duration-based equity risk sub-module
- R0410 Total amount of Notional Solvency Capital Requirements for remaining part
- R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds
- R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
- R0440 Diversification effects due to RFF nSCR aggregation for article 304

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
42,821		
2,170		
8,617		
4,552		
0		
-10,247		

0
47,913

C0100
1,165
-10,153
0
0
38,925
0
38,925

0
10,390
28,535
0
0

USP Key

For life underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 9 - None

For health underwriting risk:

- 1 - Increase in the amount of annuity benefits
- 2 - Standard deviation for NSLT health premium risk
- 3 - Standard deviation for NSLT health gross premium risk
- 4 - Adjustment factor for non-proportional reinsurance
- 5 - Standard deviation for NSLT health reserve risk
- 9 - None

For non-life underwriting risk:

- 4 - Adjustment factor for non-proportional reinsurance
- 6 - Standard deviation for non-life premium risk
- 7 - Standard deviation for non-life gross premium risk
- 8 - Standard deviation for non-life reserve risk
- 9 - None

