

# The Ancient Order of Foresters Friendly Society Limited

## Solvency and Financial Condition Report

### Disclosures

31 December

**2019**

(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 2019
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

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## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
	<b>Assets</b>	
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	335
R0060	Property, plant & equipment held for own use	1,665
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	229,535
R0080	<i>Property (other than for own use)</i>	58,071
R0090	<i>Holdings in related undertakings, including participations</i>	10
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	40,296
R0140	<i>Government Bonds</i>	40,096
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	200
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	129,616
R0190	<i>Derivatives</i>	0
R0200	<i>Deposits other than cash equivalents</i>	1,541
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	35,408
R0230	Loans and mortgages	73
R0240	<i>Loans on policies</i>	50
R0250	<i>Loans and mortgages to individuals</i>	23
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	-82
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>	-82
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	-82
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,011
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	1,807
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	11,941
R0420	Any other assets, not elsewhere shown	-3
R0500	<b>Total assets</b>	<b>282,689</b>

## S.02.01.02

## Balance sheet

		Solvency II value
		C0010
	<b>Liabilities</b>	
R0510	Technical provisions - non-life	183
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>	183
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	155
R0590	<i>Risk margin</i>	28
R0600	Technical provisions - life (excluding index-linked and unit-linked)	116,874
R0610	<i>Technical provisions - health (similar to life)</i>	2,626
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	1,583
R0640	<i>Risk margin</i>	1,043
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	114,248
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	111,493
R0680	<i>Risk margin</i>	2,755
R0690	Technical provisions - index-linked and unit-linked	32,848
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	32,695
R0720	<i>Risk margin</i>	153
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	3,260
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	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	3,678
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	0
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	-1
R0900	<b>Total liabilities</b>	156,842
R1000	<b>Excess of assets over liabilities</b>	125,847





## 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	2,475					2,475
R0120	Gross - Proportional reinsurance accepted						0
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share						0
R0200	Net	0	2,475				2,475
<b>Premiums earned</b>							
R0210	Gross - Direct Business	2,475					2,475
R0220	Gross - Proportional reinsurance accepted						0
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share						0
R0300	Net	0	2,475				2,475
<b>Claims incurred</b>							
R0310	Gross - Direct Business	2,179					2,179
R0320	Gross - Proportional reinsurance accepted						0
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share						0
R0400	Net	0	2,179				2,179
<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
R0550	<b>Expenses incurred</b>		155				155
R1200	<b>Other expenses</b>						
R1300	<b>Total expenses</b>						155





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
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															
R0020										0					0

Technical provisions calculated as a sum of BE and RM

Best estimate

R0030 <b>Gross Best Estimate</b>	99,144		2,234	30,461			12,349	0			144,187		1,583	0			1,583
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0		0	0			-82	0			-82		0	0			0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re	99,144		2,234	30,461			12,431	0			144,269		1,583	0			1,583
R0100 <b>Risk margin</b>	1,165	153					1,591				2,909	1,043					1,043
<b>Amount of the transitional on Technical Provisions</b>																	
R0110 Technical Provisions calculated as a whole										0							0
R0120 Best estimate										0							0
R0130 Risk margin										0							0
R0200 <b>Technical provisions - total</b>	100,308	32,848					13,940				147,096	2,626					2,626



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	0
R0160	2010	0	0	0	0	0	0	0	0	0	0	0	0	
R0170	2011	1,513	260	0	0	0	0	0	0	0	0	0	1,773	
R0180	2012	1,534	250	0	0	0	0	0	0	0	0	0	1,785	
R0190	2013	1,552	270	0	0	0	0	0	0	0	0	0	1,822	
R0200	2014	1,590	290	0	0	0	0	0	0	0	0	0	1,879	
R0210	2015	1,597	286	0	0	0	0	0	0	0	0	0	1,883	
R0220	2016	1,637	308	0	0	0	0	0	0	0	0	0	1,944	
R0230	2017	1,698	279	0	0	0	0	0	0	0	0	0	1,978	
R0240	2018	1,846	317	0	0	0	0	0	0	0	0	317	2,163	
R0250	2019	1,654	0	0	0	0	0	0	0	0	0	1,654	1,654	
R0260												Total	1,971	16,882

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	2010	0	0	0	0	0	0	0	0	0	0	0		
R0170	2011	0	0	0	0	0	0	0	0	0	0	0		
R0180	2012	0	0	0	0	0	0	0	0	0	0	0		
R0190	2013	0	0	0	0	0	0	0	0	0	0	0		
R0200	2014	0	0	0	0	0	0	0	0	0	0	0		
R0210	2015	0	0	0	0	0	0	0	0	0	0	0		
R0220	2016	0	0	0	0	0	0	0	0	0	0	0		
R0230	2017	0	0	0	0	0	0	0	0	0	0	0		
R0240	2018	0	0	0	0	0	0	0	0	0	0	0		
R0250	2019	278	0	0	0	0	0	0	0	0	0	277		
R0260													Total	277

S.23.01.01

**Own Funds**

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

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
<b>R0220</b>	<b>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</b>
<b>R0230</b>	<b>Deductions for participations in financial and credit institutions</b>
<b>R0290</b>	<b>Total basic own funds after deductions</b>

**Ancillary own funds**

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

**Available and eligible own funds**

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

**R0580 SCR**

**R0600 MCR**

**R0620 Ratio of Eligible own funds to SCR**

**R0640 Ratio of Eligible own funds to MCR**

**Reconciliation reserve**

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

**Expected profits**

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
<b>R0790</b>	<b>Total Expected profits included in future premiums (EPIFP)</b>

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0	0		0	
0	0		0	
0	0		0	
0		0	0	0
6,612	6,612			
0		0	0	0
0		0	0	0
35,344	35,344			
0		0	0	0
0				0
0	0	0	0	0
0				
0	0	0	0	
41,956	41,956	0	0	0

0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0

41,956	41,956	0	0	0
41,956	41,956	0	0	
41,956	41,956	0	0	0
41,956	41,956	0	0	

37,849
12,857
110.85%
326.34%

C0060
125,847
0
6,612
83,891
35,344

3,375
123
3,498

## S.25.01.21

## Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	43,818		
R0020 Counterparty default risk	2,028		
R0030 Life underwriting risk	9,508		
R0040 Health underwriting risk	5,036		
R0050 Non-life underwriting risk	0		
R0060 Diversification	-10,977		
R0070 Intangible asset risk	0		
R0100 <b>Basic Solvency Capital Requirement</b>	49,413		
<b>Calculation of Solvency Capital Requirement</b>			
R0130 Operational risk	1,271		
R0140 Loss-absorbing capacity of technical provisions	-12,835		
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 <b>Solvency Capital Requirement excluding capital add-on</b>	37,849		
R0210 Capital add-ons already set	0		
R0220 <b>Solvency capital requirement</b>	37,849		
<b>Other information on SCR</b>			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	11,182		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	26,655		
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		
<b>Approach to tax rate</b>			
R0590 Approach based on average tax rate	Not applicable		
<b>Calculation of loss absorbing capacity of deferred taxes</b>			
<b>LAC DT</b>			
C0130			
R0640 LAC DT	0		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	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

