

The Ancient Order of Foresters Friendly Society Limited

Solvency and Financial Condition Report

Disclosures

31 December

2020

(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 2020
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
	Assets	
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	236
R0060	Property, plant & equipment held for own use	1,603
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	232,427
R0080	<i>Property (other than for own use)</i>	50,384
R0090	<i>Holdings in related undertakings, including participations</i>	10
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	0
R0120	<i>Equities - unlisted</i>	0
R0130	<i>Bonds</i>	59,306
R0140	<i>Government Bonds</i>	59,106
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	200
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	121,732
R0190	<i>Derivatives</i>	0
R0200	<i>Deposits other than cash equivalents</i>	995
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	38,203
R0230	Loans and mortgages	68
R0240	<i>Loans on policies</i>	49
R0250	<i>Loans and mortgages to individuals</i>	18
R0260	<i>Other loans and mortgages</i>	0
R0270	Reinsurance recoverables from:	140
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>	140
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	140
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,127
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	1,491
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	8,175
R0420	Any other assets, not elsewhere shown	0
R0500	Total assets	284,469

S.02.01.02

Balance sheet

		Solvency II value
		C0010
	Liabilities	
R0510	Technical provisions - non-life	64
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>	64
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	32
R0590	<i>Risk margin</i>	32
R0600	Technical provisions - life (excluding index-linked and unit-linked)	118,654
R0610	<i>Technical provisions - health (similar to life)</i>	2,561
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	1,825
R0640	<i>Risk margin</i>	736
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	116,094
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	112,607
R0680	<i>Risk margin</i>	3,486
R0690	Technical provisions - index-linked and unit-linked	36,136
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	35,959
R0720	<i>Risk margin</i>	177
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	3,196
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)	2,358
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	0
R0900	Total liabilities	160,409
R1000	Excess of assets over liabilities	124,061

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
		GG					
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110 Gross - Direct Business		2,588					2,588
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share							0
R0200 Net	0	2,588					2,588
Premiums earned							
R0210 Gross - Direct Business		2,588					2,588
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share							0
R0300 Net	0	2,588					2,588
Claims incurred							
R0310 Gross - Direct Business		1,794					1,794
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share							0
R0400 Net	0	1,794					1,794
Changes in other technical provisions							
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 Expenses incurred		3					3
R1200 Other expenses							
R1300 Total expenses							3

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)	
	Insurance with profit participation	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees				Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees				
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010 Technical provisions calculated as a whole										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

Technical provisions calculated as a sum of BE and RM

Best estimate

R0030 Gross Best Estimate	97,870		0	35,959		14,737	0			148,567		1,825	0			1,825
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						140	0			140		0	0			0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re	97,870		0	35,959		14,597	0			148,427		1,825	0			1,825
R0100 Risk margin	1,446	177			2,040					3,663	736					736
Amount of the transitional on Technical Provisions																
R0110 Technical Provisions calculated as a whole										0						0
R0120 Best estimate										0						0
R0130 Risk margin										0						0
R0200 Technical provisions - total	99,316	36,136			16,777					152,230	2,561					2,561

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	2011	1,513	260	0	0	0	0	0	0	0	0	0	0	1,773
R0170	2012	1,534	250	0	0	0	0	0	0	0	0	0	0	1,785
R0180	2013	1,552	270	0	0	0	0	0	0	0	0	0	0	1,822
R0190	2014	1,590	290	0	0	0	0	0	0	0	0	0	0	1,879
R0200	2015	1,597	286	0	0	0	0	0	0	0	0	0	0	1,883
R0210	2016	1,637	308	0	0	0	0	0	0	0	0	0	0	1,944
R0220	2017	1,698	279	0	0	0	0	0	0	0	0	0	0	1,978
R0230	2018	1,846	317	0	0	0	0	0	0	0	0	0	0	2,163
R0240	2019	1,654	236	0	0	0	0	0	0	0	0	236	0	1,890
R0250	2020	1,722	0	0	0	0	0	0	0	0	0	1,722	0	1,722
R0260												Total	1,958	18,840

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	2011	0	0	0	0	0	0	0	0	0	0	0		
R0170	2012	0	0	0	0	0	0	0	0	0	0	0		
R0180	2013	0	0	0	0	0	0	0	0	0	0	0		
R0190	2014	0	0	0	0	0	0	0	0	0	0	0		
R0200	2015	0	0	0	0	0	0	0	0	0	0	0		
R0210	2016	0	0	0	0	0	0	0	0	0	0	0		
R0220	2017	0	0	0	0	0	0	0	0	0	0	0		
R0230	2018	0	0	0	0	0	0	0	0	0	0	0		
R0240	2019	0	0	0	0	0	0	0	0	0	0	0		
R0250	2020	296	0	0	0	0	0	0	0	0	0	296		
R0260													Total	296

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
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
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions

Ancillary own funds

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

Available and eligible own funds

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

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
R0760	Reconciliation reserve

Expected profits

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

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
7,224	7,224			
0		0	0	0
0		0	0	0
35,760	35,760			
0		0	0	0
0				0
0	0	0	0	0
0				
0	0	0	0	
42,984	42,984	0	0	0

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

42,984	42,984	0	0	0
42,984	42,984	0	0	
42,984	42,984	0	0	0
42,984	42,984	0	0	

38,454
13,287
111.78%
323.50%

C0060
124,061
0
7,224
81,077
35,760

2,443
264
2,708

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	38,247		
R0020 Counterparty default risk	2,083		
R0030 Life underwriting risk	9,939		
R0040 Health underwriting risk	3,213		
R0050 Non-life underwriting risk	0		
R0060 Diversification	-9,924		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	43,558		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	1,296		
R0140 Loss-absorbing capacity of technical provisions	-6,401		
R0150 Loss-absorbing capacity of deferred taxes			
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	38,454		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	38,454		
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	10,927		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	27,529		
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		
Approach to tax rate			
R0590 Approach based on average tax rate	Not applicable		
Calculation of loss absorbing capacity of deferred taxes			
LAC DT			
C0130			
R0640 LAC DT			
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

S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

	Non-life activities	Life activities	Non-life activities	Life activities								
	<table border="1"> <tr> <td>MCR_(NL,NL) Result</td> <td>MCR_(NL,L) Result</td> </tr> <tr> <td>C0010</td> <td>C0020</td> </tr> </table>		MCR _(NL,NL) Result	MCR _(NL,L) Result	C0010	C0020						
MCR _(NL,NL) Result	MCR _(NL,L) Result											
C0010	C0020											
R0010 Linear formula component for non-life insurance and reinsurance obligations	123	0										
			<table border="1"> <tr> <td>Net (of reinsurance/S PV) best estimate and TP calculated as a whole</td> <td>Net (of reinsurance) written premiums in the last 12 months</td> <td>Net (of reinsurance/S PV) best estimate and TP calculated as a whole</td> <td>Net (of reinsurance) written premiums in the last 12 months</td> </tr> <tr> <td>C0030</td> <td>C0040</td> <td>C0050</td> <td>C0060</td> </tr> </table>	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	C0030	C0040	C0050	C0060	
Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months									
C0030	C0040	C0050	C0060									
R0020 Medical expense insurance and proportional reinsurance	32	2,588										
R0030 Income protection insurance and proportional reinsurance												
R0040 Workers' compensation insurance and proportional reinsurance												
R0050 Motor vehicle liability insurance and proportional reinsurance												
R0060 Other motor insurance and proportional reinsurance												
R0070 Marine, aviation and transport insurance and proportional reinsurance												
R0080 Fire and other damage to property insurance and proportional reinsurance												
R0090 General liability insurance and proportional reinsurance												
R0100 Credit and suretyship insurance and proportional reinsurance												
R0110 Legal expenses insurance and proportional reinsurance												
R0120 Assistance and proportional reinsurance												
R0130 Miscellaneous financial loss insurance and proportional reinsurance												
R0140 Non-proportional health reinsurance												
R0150 Non-proportional casualty reinsurance												
R0160 Non-proportional marine, aviation and transport reinsurance												
R0170 Non-proportional property reinsurance												
	<table border="1"> <tr> <td>MCR_(L,NL) Result</td> <td>MCR_(L,L) Result</td> </tr> <tr> <td>C0070</td> <td>C0080</td> </tr> </table>		MCR _(L,NL) Result	MCR _(L,L) Result	C0070	C0080						
MCR _(L,NL) Result	MCR _(L,L) Result											
C0070	C0080											
R0200 Linear formula component for life insurance and reinsurance obligations	0	13,164										
			<table border="1"> <tr> <td>Net (of reinsurance/S PV) best estimate and TP calculated as a whole</td> <td>Net (of reinsurance/S PV) total capital at risk</td> <td>Net (of reinsurance/S PV) best estimate and TP calculated as a whole</td> <td>Net (of reinsurance/S PV) total capital at risk</td> </tr> <tr> <td>C0090</td> <td>C0100</td> <td>C0110</td> <td>C0120</td> </tr> </table>	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk	C0090	C0100	C0110	C0120	
Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk									
C0090	C0100	C0110	C0120									
R0210 Obligations with profit participation - guaranteed benefits			85,033									
R0220 Obligations with profit participation - future discretionary benefits			12,837									
R0230 Index-linked and unit-linked insurance obligations			35,959									
R0240 Other life (re)insurance and health (re)insurance obligations			16,423									
R0250 Total capital at risk for all life (re)insurance obligations				14,412,157								
Overall MCR calculation	C0130											
R0300 Linear MCR	13,287											
R0310 SCR	38,454											
R0320 MCR cap	17,304											
R0330 MCR floor	9,613											
R0340 Combined MCR	13,287											
R0350 Absolute floor of the MCR	5,593											
R0400 Minimum Capital Requirement	13,287											
Notional non-life and life MCR calculation	C0140		C0150									
R0500 Notional linear MCR	123	13,164										
R0510 Notional SCR excluding add-on (annual or latest calculation)	356	38,097										
R0520 Notional MCR cap	160	17,144										
R0530 Notional MCR floor	89	9,524										
R0540 Notional combined MCR	123	13,164										
R0550 Absolute floor of the notional MCR	2,255	3,338										
R0560 Notional MCR	2,255	13,164										