

The Ancient Order of Foresters Friendly Society Limited

Solvency and Financial Condition Report

Disclosures

31 December

2021

(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 2021
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	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	1,677
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	238,413
R0080	<i>Property (other than for own use)</i>	51,653
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>	
R0130	<i>Bonds</i>	59,541
R0140	<i>Government Bonds</i>	59,341
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	200
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	126,513
R0190	<i>Derivatives</i>	44
R0200	<i>Deposits other than cash equivalents</i>	653
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	44,633
R0230	Loans and mortgages	63
R0240	<i>Loans on policies</i>	50
R0250	<i>Loans and mortgages to individuals</i>	13
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	-149
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>	-149
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	-149
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	2,283
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	2,052
R0390	Own shares (held directly)	
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	8,860
R0420	Any other assets, not elsewhere shown	
R0500	Total assets	297,831

S.02.01.02

Balance sheet

Solvency II value	
C0010	
Liabilities	
R0510 Technical provisions - non-life	41
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>	41
R0570 <i>TP calculated as a whole</i>	0
R0580 <i>Best Estimate</i>	9
R0590 <i>Risk margin</i>	32
R0600 Technical provisions - life (excluding index-linked and unit-linked)	117,617
R0610 <i>Technical provisions - health (similar to life)</i>	1,910
R0620 <i>TP calculated as a whole</i>	0
R0630 <i>Best Estimate</i>	936
R0640 <i>Risk margin</i>	974
R0650 <i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	115,707
R0660 <i>TP calculated as a whole</i>	0
R0670 <i>Best Estimate</i>	112,514
R0680 <i>Risk margin</i>	3,193
R0690 Technical provisions - index-linked and unit-linked	41,996
R0700 <i>TP calculated as a whole</i>	0
R0710 <i>Best Estimate</i>	41,806
R0720 <i>Risk margin</i>	190
R0740 Contingent liabilities	
R0750 Provisions other than technical provisions	3,852
R0760 Pension benefit obligations	
R0770 Deposits from reinsurers	
R0780 Deferred tax liabilities	
R0790 Derivatives	64
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)	2,759
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 Total liabilities	166,331
R1000 Excess of assets over liabilities	131,501

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		2,651					2,651
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share							0
R0200 Net	0	2,651					2,651
Premiums earned							
R0210 Gross - Direct Business		2,651					2,651
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share							0
R0300 Net	0	2,651					2,651
Claims incurred							
R0310 Gross - Direct Business		2,211					2,211
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share							0
R0400 Net	0	2,211					2,211
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		6					6
R1200 Other expenses							
R1300 Total expenses							6

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	100,679		41,806			11,835				154,320		936				936
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						-149				-149						0
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re	100,679		0	41,806		11,984	0			154,469		936	0			936
R0100 Risk margin	1,312	190			1,881					3,384	974					974
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	101,990	41,996			13,717					157,703	1,910					1,910

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	41,326		
R0020 Counterparty default risk	1,957		
R0030 Life underwriting risk	9,861		
R0040 Health underwriting risk	4,799		
R0050 Non-life underwriting risk	0		
R0060 Diversification	-10,897		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	47,045		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	1,619		
R0140 Loss-absorbing capacity of technical provisions	-8,464		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	40,201		
R0200 Solvency Capital Requirement excluding capital add-on	0		
R0210 Capital add-ons already set	40,201		
R0220 Solvency capital requirement	0		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	10,591		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	27,992		
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		
Approach to tax rate			
R0590 Approach based on average tax rate	0		
Calculation of loss absorbing capacity of deferred taxes			
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	122	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			9	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	13,703										
			<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				86,521								
R0220 Obligations with profit participation - future discretionary benefits				13,611								
R0230 Index-linked and unit-linked insurance obligations				41,806								
R0240 Other life (re)insurance and health (re)insurance obligations				13,466								
R0250 Total capital at risk for all life (re)insurance obligations				15,191,973								
Overall MCR calculation	C0130											
R0300 Linear MCR	13,825											
R0310 SCR	40,201											
R0320 MCR cap	18,090											
R0330 MCR floor	10,050											
R0340 Combined MCR	13,825											
R0350 Absolute floor of the MCR	5,238											
R0400 Minimum Capital Requirement	13,825											
Notional non-life and life MCR calculation	C0140 C0150											
R0500 Notional linear MCR	122	13,703										
R0510 Notional SCR excluding add-on (annual or latest calculation)	355	39,846										
R0520 Notional MCR cap	160	17,931										
R0530 Notional MCR floor	89	9,961										
R0540 Notional combined MCR	122	13,703										
R0550 Absolute floor of the notional MCR	2,112	3,126										
R0560 Notional MCR	2,112	13,703										