

Stonebridge International Insurance Limited
2025 Solvency and Financial Condition Report

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Scope and Basis of Preparation

Scope

The Solvency II Pillar 3 regulatory reporting requirements came into force on 1 January 2016. There was a subsequent update taking effect from 31st December 2023 detailing that the Regular Supervisory Report (RSR) is no longer required. That leaves firms reporting requirements as the **Solvency and Financial Condition Report (SFCR)** – Firms are required to disclose this report publicly and to report it to the Prudential Regulation Authority (PRA) on an annual basis. The SFCR includes both qualitative and quantitative information.

This report is Stonebridge International Insurance Limited's ("SIIL" or "the Company") Solvency and Financial Condition Report (SFCR) for the year ended 31 December 2025 which will be submitted in full before the reporting deadline of 13 April 2026.

This report informs the Company's stakeholders about:

A. Business and Performance

This section gives an overview of the business, underwriting, investment and other activity performance over the year.

B. System of Governance

This section gives general information on the system of governance, covering fit and proper persons requirements and the Company's risk management system including the Own Risk and Solvency Assessment (ORSA). It also covers functions such as internal audit, actuarial and outsourcing arrangements.

C. Risk Profile

This section covers all risk categories including underwriting, market, credit, liquidity and operational risk.

D. Valuation for Solvency Purposes

This section explains the methodology differences between Statutory accounts and Solvency UK, and provides a reconciliation between the two, identifying classification and valuation differences.

E. Capital Management

This section provides an analysis and explanation of own funds, solvency capital requirement and minimum capital requirement.

Basis of Preparation

This Solvency and Financial Condition Report (SFCR) for SILL has been prepared to meet the PRA's regulatory reporting requirements. The SFCR has been prepared on the basis of the financial information and risk assessments as at 31 December 2025 and has been presented to the Board for their review, challenge and approval. The report meets the requirements for the SFCR as set out in the Solvency UK rules which came into force with effect from 31 December 2024 and are specified in the PRA Rulebook.

The Company is required to ensure that its SFCR is subject to approval by its governing body and that governing body takes responsibility for ensuring that the SFCR has been properly prepared in all material respects in accordance with the PRA rules and Solvency UK Regulations.

The monetary values in the SFCR are presented in pounds sterling and in thousands except where stated otherwise.

Where Statutory results are disclosed, the figures are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), Financial Reporting Standard 103, "Consolidated accounting and reporting requirements for entities in the UK and Republic of Ireland issuing insurance contracts" ("FRS 103") and the Companies Act 2006.

SILL qualifies as a 'small firm for audit purposes' with a score of 17 (2024: 14) and is therefore exempt from the SFCR external audit requirement. The exemption has been applied since 2020 and has been reaffirmed in January 2025.

The SFCR is not audited as SILL has received an exemption from such audit as a small insurance firm under PS25/18. The quantitative reporting templates relating to the Company are submitted to the PRA. These can be read in conjunction with the SFCR.

Executive Summary

Introduction

SILL's principal activity is the transaction and servicing of general insurance products in the UK market. The Company is domiciled and incorporated in England.

The summaries below give an overview of each of the sections within the SFCR. More information is available later in the document.

A. Business and performance

Company overview

The Company's business strategy is focused on continuing to provide protection and benefits through its accident and health insurance products to its established customer base, and new customers in the UK market, ensuring clear communication with its customers on the nature and benefits of their policies.

Strategic overview

A group-wide strategy was developed during 2025 with the objective of supporting sustainable growth across the business. The Company continues to play an active role in the implementation of this strategy, with a focus on supporting its long-term viability. A number of potential opportunities are under ongoing consideration, and the Company will continue to work with existing and potential business partners in support of its strategic objectives.

The Company has refreshed its reinsurance arrangements for 2026 and expects to continue underwriting the Scratch & Patch portfolio, alongside its other existing business lines, in accordance with its underwriting strategy and risk appetite.

Overview of 2025 and key results

The business had 353,800 in force policies, at 31 December 2025 (including the Pet portfolio detailed below). All policyholders were UK residents.

Most customers receive communications explaining their policy at least annually, including those whose policies are managed by managing general agents. Where product changes have been recommended to the board, these will include a fair value assessment focussed on the Consumer Duty outcomes. Any product changes being made to the policy will be clearly explained in the customer's annual communication, giving them at least 30 days notice prior to the changes becoming effective.

Annual customer communications were completed in 2025 for all customers.

SILL underwrites a portfolio of Pet Insurance policies which are managed via a managing general agent, Only Pets Cover Ltd (OPC). The policies are all annual in duration and renew onto SILL's balance sheet upon their renewal date. By the end of 2025, the Pet portfolio comprised approximately 46,800 live policies and continued to be actively managed throughout 2025. To manage the risk exposure associated with this portfolio, SILL implemented two additional reinsurance arrangements to supplement its existing Excess of Loss coverage. These arrangements comprise a Quota Share and a second Excess of Loss reinsurance contract, each addressing different elements of the Pet portfolio's risk profile. These reinsurance arrangements remained in place during 2025.

SILL is a wholly owned subsidiary of Global Premium Holdings Ltd ("GPH"), which is itself a wholly owned subsidiary of Embignell Ltd, SILL's ultimate parent. Embignell Ltd has established a clear and coherent strategy for the Group with regards growth and new business for the medium term. SILL is an integral part of this strategy as the Group's only UK based insurance carrier and SILL expects to achieve growth to its portfolio via this strategy.

SILL has continued its strong relationship with Union Income Benefit Holdings Limited (UIB) the intra group general insurance broker, and Konecta, and Gielisch Claims Management (as key outsourcers to the business) to ensure high quality customer outcomes for its portfolio of Accident and Health Insurance customers.

Conduct and Operational risks have been kept to a minimum by monitoring and managing the products in line with Consumer Duty, ensuring an embedded risk framework and by maintaining a strong risk culture. These are all to ensure good customer outcomes and fair value of product to all customers.

A summary of the key results is provided below:

	2025	2024	Increase / (Decrease)	
	£000's	£000's	£000's	%
Gross Written Premiums	25,953	20,871	5,082	24%
Profit on ordinary activities before tax	2,628	3,962	-1,334	-34%
Solvency Ratio at year end	203%	250%	-47%	-19%

The growth in gross written premiums of 24% is driven mainly by the growth in the Pet book of business.

The decrease in Profit before Tax is mainly due to higher claims incurred on our Accident & Health book and lower investment returns for 2025.

The Solvency Capital Requirement Cover Ratio (Solvency Ratio) decreased during the year, reflecting a reduction in Own Funds while the Solvency Capital Requirement remained broadly unchanged. The movement in Own Funds was driven by capital generated from the business, offset by dividends paid. At 203%, the Solvency Ratio remains above the Company's target solvency range as set out in the Company's Capital Management Policy.

Full details on SILL's business and performance are described in Section A.

B. System of Governance

Corporate governance

SILL is a wholly owned subsidiary of Global Premium Holdings Ltd ("GPH"), which is itself a wholly owned subsidiary of Embignell Ltd. SILL's governance structure is in place to ensure the safe and efficient management of the Company, its operations and to protect the interests of its customers.

The SILL Board is the statutory board of SILL. It has oversight of the Company and assumes overall management responsibilities for the Company. The Board has delegated responsibilities to committees of the Board. This includes the following governance committees:

- Audit Committee;
- Risk Committee;
- Remuneration and Nomination Committee.

SILL is committed to compliance with PRA and Financial Conduct Authority (FCA) rules and has in place rigorous processes and procedures to ensure vetting and verification of individuals and maintenance of clear organisational accountabilities both for individual and group decisions.

Each of SILL's committees has a clear Terms of Reference that has been reviewed annually and SILL's overall risk appetite is continuously monitored with a full review taking place at least annually.

Risk management

SILL's Enterprise Risk Management Framework is designed to identify and manage potential events and risks that may affect the Company. It involves:

- Understanding which risks SILL is facing
- Establishing a business wide framework through which risk can be assessed
- Establishing risk tolerances for the level of exposure to a particular risk
- Utilising risk policies to set minimum standards to be met
- Monitoring risk exposure and actively maintaining oversight over SILL's overall risk and solvency positions

Control environment

In addition to risk management, SILL's Solvency UK control environment consists of an internal controls system, an Actuarial function and an Internal Audit function. The internal control system serves to facilitate compliance with

applicable laws and regulation and aims to measure SILL's risk exposure. The Actuarial function has end-to-end accountability for the adequacy and reliability of reported technical provisions, including policy setting and monitoring of compliance regarding actuarial risk tolerances. SILL's Internal Audit function is independent and objective in performing its duties in evaluating the effectiveness of SILL's internal control system.

Own Risk and Solvency Assessment (ORSA)

The ORSA is a key part of the system of governance. The latest ORSA report was presented to and approved by the SILL Board in December 2025.

Full details on SILL's system of governance are described in Section B.

C. Risk Profile

Key risks

The nature of the SILL business results in exposure to the following market related risks: Concentration Risk, Counterparty risk, Spread risk and Liquidity risk. However, due to SILL's conservative investment appetite, the risk of externally market driven events is typically low. SILL's risk management framework ensured that losses were minimised throughout the period and that SILL remained appropriately capitalised. The main non-financial risks that the Company is exposed to relate to Underwriting risk, including lapses and claims, and Operational risk, notably IT, Cyber, Information Security, Data Privacy and Third-Party Supplier risk (including outsourcers). SILL's two key financial risk exposures are reserving risk and expense control. SILL has carefully managed expenses during the year and will continue to do so in line with its annual budgets.

SILL's management of risks starts with the setting of its risk appetite, which articulates its risk objectives and associated limits for the key risks, and the subsequent monitoring of exposure in line with appetite.

Stress and scenario analysis is performed to test the overall financial strength of the business and the exposure to specified risk exposures. Sensitivities and scenario analysis are a core part of the risk framework in allowing the business to measure, monitor and manage risk exposures at any time.

Full details of the risk profile for SILL can be found in full in Section C.

D. Valuation for Solvency Purposes

The valuation of assets and technical provisions for Solvency UK purposes are derived predominantly from the same data and models as used in preparation of the Statutory Accounts, and a key internal process control is to reconcile from the audited Statutory Accounts to the valuation of assets and technical provisions for Solvency UK reporting.

Full details on the reconciliation between SILL's statutory balance sheet and its Solvency UK balance sheet are described in Section D.

E. Capital Management

Subject to specifications of the Solvency UK rules and regulations, the Own Funds are the assets of the Company less the liabilities. Under Solvency UK, firms must hold regulatory capital, called the Solvency Capital Requirement (SCR) in addition to those liabilities to ensure that they will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months. The minimum level and composition of an insurer's Own Funds is determined by reference to its SCR.

SILL applies the standard formula in its calculation of the SCR.

Solvency UK key figures	31-Dec-25	31-Dec-24	Increase / (Decrease)	
	£000's	£000's	£000's	%
Own Funds	15,598	18,833	-3,235	-17%
Net SCR	7,695	7,524	171	2%
Solvency Ratio at year end	203%	250%	-47%	-19%

Of the Eligible Own Funds (£15,555k) were unrestricted Tier 1 and £43k were unrestricted Tier 3 at the end of 2025. During 2025, SILL utilised its Class 16 (Miscellaneous Financial Loss) license to write a small amount of business. The solvency ratio (Own Funds/Solvency Capital Requirement) is a key performance indicator for SILL.

Full details on SILL's Own Funds and SCR are described in Section E.

A. Business and Performance

A.1 Business

A.1.1 Overview

SILL's principal activity is the transaction and servicing of general insurance products in the United Kingdom. The Company is domiciled and incorporated in England. SILL underwrites its own policies.

As a Tier 5 insurer, SILL has been granted a discretionary waiver over certain reporting requirements.

Significant developments in the SILL business over 2025:

1. Strategy

A group-wide strategy was developed during 2025 with the objective of supporting sustainable growth across the business. The Company continues to play an active role in the implementation of this strategy, with a focus on supporting its long-term viability. A number of potential opportunities are under ongoing consideration, and the Company will continue to work with existing and potential business partners in support of its strategic objectives.

The Company has refreshed its reinsurance arrangements for 2026 and expects to continue underwriting the Scratch & Patch portfolio, alongside its other existing business lines, in accordance with its underwriting strategy and risk appetite.

2. Cancellation product

In the second half of 2024, SILL commenced underwriting a train cancellation insurance product via a managing general agent, Advent Solutions Management Limited. The product is short-tailed in nature, enabling the Company to assess performance promptly and to respond efficiently to pricing and underwriting experience. A quota share reinsurance arrangement was in place to manage the risk exposure associated with this business. The binder agreement with Companjon Services UK branch was not renewed, and SILL ceased to underwrite this product from August 2025.

3. Loan

In November 2021, SILL provided a £4.0m loan to a Group entity, Union Income Benefits Holdings Ltd (UIB). The loan accrued interest calculated monthly based on the UK base rate. The loan matured in October 2025 and was repaid in full during the year, together with all accrued interest.

4. Upfront commission

On 14 December 2023, the Company entered into an arrangement with Only Pets Cover Ltd (OPC) under which an advance of commission relating to renewal and new business was provided. During 2025, the Company entered into a revised agreement to unwind the advance commission, with the outstanding balance to be repaid by Q2 2027.

A.1.2 Key Contact and Business Addresses

The authority responsible for regulatory supervision of the Company is:

Prudential Regulation Authority (or PRA)

Address : 20 Moorgate, London, EC2 6DA

Telephone : +44 (0) 20 3461 7000

Financial Conduct Authority (or FCA)

Address : 12 Endeavour Square, London, E20 1JN

Telephone : +44 (0)20 7066 1000

PKF Littlejohn LLP Accountants is the external auditor of the Company and can be contacted as follows:

Address: 15 Westferry Circus, Canary Wharf, London E14 4HD

Telephone: 0207 5162200

Registered Office of the Parent Company – Embignell Ltd:

Address: 14th Floor, 33 Cavendish Square, London, England, W1G 9DQ

Business Address of the Company:

Address: 154-160 Fleet Street, Blackfriars, London EC4A 2DQ

A.1.3 Solvency UK key figures

Subject to specifications of the SII rules and regulations, the Own Funds are the assets of the Company less the liabilities. Under Solvency UK, firms must hold regulatory capital, called the Solvency Capital Requirement (SCR) in addition to those liabilities in order to ensure that they will still be in a position, with a probability of at least 99.5%, to meet their obligations to policyholders and beneficiaries over the following 12 months. The minimum level and composition of an insurer's Own Funds is determined by reference to its SCR.

In the following table the Solvency UK figures for SII are presented:

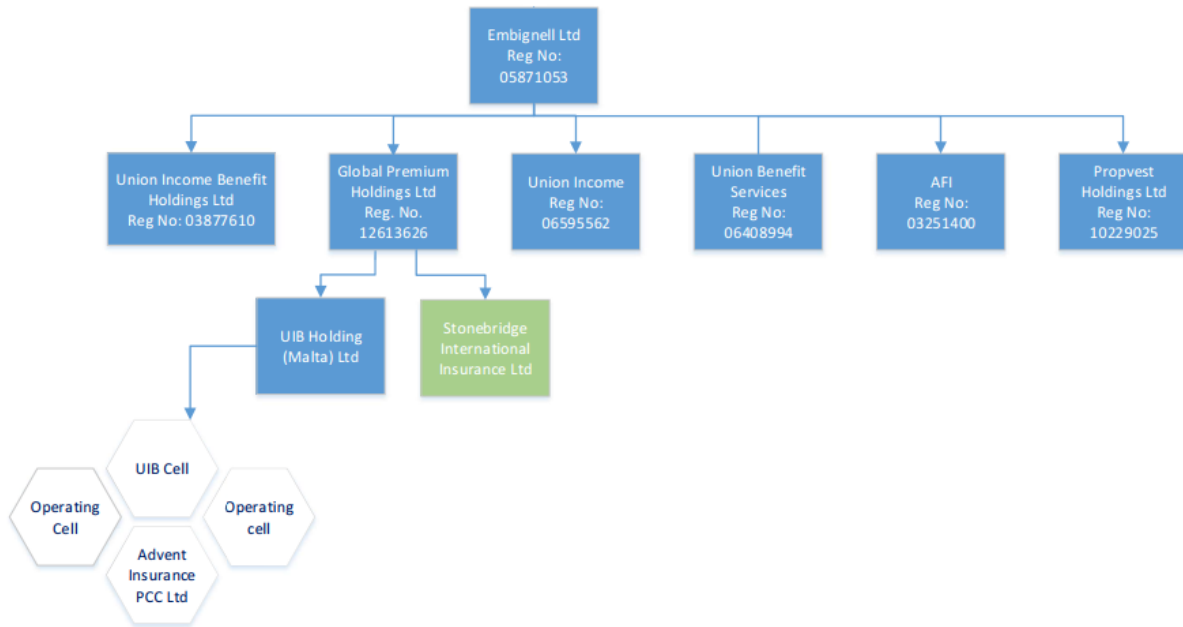
Solvency UK key figures of SII per 31 December 2025 and 31 December 2024

	2025	2024	Increase / (Decrease)	
	£000's	£000's	£000's	%
Gross Written Premiums	25,953	20,871	5,082	24%
Profit on ordinary activities before tax	2,628	3,962	-1,334	-34%
Solvency Ratio at year end	203%	250%	-47%	-19%

The Solvency UK ratio of 203% is based on the Solvency Capital Ratio (SCR) calculated using the Solvency UK Standard Formula. It represents the Own Funds as a ratio of the SCR and is a key performance indicator for the business.

A.1.4 Group structure

From 28 February 2021, SIIIL became part of the Embignell Ltd Group. Beneath Embignell Ltd, Global Premium Holdings Ltd is the direct parent of SIIIL. SIIIL is regulated to write insurance business in the United Kingdom. Union Income Benefit Holdings Ltd (UIB) is the intragroup general insurance broker that distributes SIIIL's Accident and Health insurance products.



A.1.5 List of Principal subsidiaries, Joint Ventures and associates

SIIIL has no subsidiaries or joint ventures.

A.1.6 Material lines of business and Material lines of geographical areas

Material lines of business

SIIIL underwrites a range of protection products including Accidental Death, Hospital Cash Plans and Accident Cash Plan business. Whilst a number of products are closed to new business, UIB continues to make new protection product sales underwritten by SIIIL.

SIIIL underwrites a portfolio of pet insurance which is managed by OPC. SIIIL has mitigated the risk of its pet insurance business via reinsurance coverage such that the impact to SIIIL's capital position of the pet insurance business is low.

Throughout 2025 SIIIL only underwrote UK business.

The vast majority of the business within SIIIL's portfolio is Accidental Death; these policies have the following features:

Accidental Death

- Monthly renewable. Premiums payable monthly
- Payment of Cash Benefit if the insured person suffers accidental death that happens anywhere in the world. For insured customers, the amount payable is dependent on the nature of the accident and any pre-existing conditions that may have contributed to death following an accident. Death must occur within 12 months of the accident. Exclusions and limitations apply.

The Company's in-force policies, including riders, as at 31st December 2025 split by product type is shown below:

Number of Policies		
Type of Product	31-Dec-25	31-Dec-24
Accidental Death	275,482	240,754
Pet	46,788	31,322
Personal Accident	17,952	19,187
Accident Cash Plan	10,132	10,706
Income Protection	2,976	3,332
Hospitalisation Cash Plan	454	511
Train cancellation	0	645
Total	353,784	306,457

Geographical Markets

SILL only held UK domiciled policies at 31st December 2025.

A.1.7 Major Shareholders

SILL is entirely owned by Global Premium Holdings Limited, an entity within the Embignell group.

A.2 Underwriting Performance

This section provides a high-level overview of the underwriting performance of SILL.

Underwriting performance of SILL (UKGAAP)

Statutory Results £000's	2025	2025	2024	2024
Net Written Premium	16,648		14,686	
Change in the Provision for Unearned Premiums	<u>-613</u>		<u>-591</u>	
Earned Premiums		16,035		14,095
Net Claims Paid	-6,356		-4,629	
Change in Claims Provision	<u>-1,056</u>		<u>-304</u>	
Claims Incurred		-7,412		-4,933
Expenses		-7,051		-6,351
Other Income		363		554
Investment Income		<u>693</u>		<u>597</u>
Net Income		<u>2,628</u>		<u>3,962</u>

During 2025, earned premiums increased in line with portfolio growth across the business. Claims incurred were higher than the prior year, driven primarily by increased claims activity within the UK Accidental Death portfolio, particularly within the older age cohorts.

Expenses increased during the year, reflecting the higher level of business activity and ongoing operational costs required to support the portfolio. Investment income remained positive, although returns were lower than those achieved in the previous year. Overall underwriting performance for 2025 reflects increased claims experience in the UK Accidental Death book alongside higher operating expenses, partially offset by continued premium growth.

Underwriting performance of SIIL in quantitative reporting template comparison to plan

Statutory Results £ 000's	2025 Actual	2025 Plan	Variance	Variance %
Net Written Premium	16,648	17,033	-385	-2%
Change in the Provision for Unearned Premiums	-613	-812	199	-25%
Total Premiums Earned	16,035	16,221	-186	-1%
Total Claims Incurred	-7,412	-6,056	-1,356	22%
Total Expenses	-7,051	-7,110	59	-1%
Total Other Income	363	402	-39	-10%

During 2025, earned premiums were 1% lower to plan.

Claims incurred were 22% higher than plan driven primarily by higher claims activity within the UK Accidental Death portfolio, particularly within older age cohorts and growth in the Pet Portfolio.

Expenses were £59k (1%) lower than plan, while Other Income was £39k (10%) lower than plan.

A.3 Investment Performance

This section provides a high-level overview of the investment performance of SIIL.

Investment performance of SIIL

Statutory Results £ 000's	2025	2024
Investment Income	693	604
Investment expenses	0	-11
Total	<u>693</u>	<u>593</u>

The Company holds excess liquidity in a combination of investment funds comprising a money market fund and a portfolio of short- to medium-dated fixed income securities.

The investment portfolio is managed in accordance with the Company's approved Investment Policy and established risk appetite. The Company manages its working capital requirements through a combination of fund holdings and on-balance-sheet cash deposits.

The Company does not hold any securitised investments and is therefore not exposed to the associated risks, nor subject to additional risk management requirements in respect of such assets.

A.4 Intercompany Loan

In November 2021, SIIL provided a £4.0m loan to another group entity, Union Income Benefit Holdings Limited ("UIB"). The loan, together with all accrued interest, was fully repaid in October 2025. Interest was accrued monthly in accordance with the loan agreement for the purposes of both the statutory accounts and the Solvency UK balance sheet up to the date of repayment. Following full settlement in October 2025, the Company has no remaining exposure to the intercompany loan.

The accrued interest recognised by SIIL was:

Intercompany Loan

Statutory Results £ 000's	2025	2024
Accrued Intercompany Loan Interest	303	407

The Intercompany Loan, including any accrued interest, will be treated in the same way that all other investments are during the SCR charge calculation.

A.5 Upfront Commission

On 14 December 2023, the Company entered into an agreement to advance to OPC the amount 5 months of commission on renewal and new business which is then to be repaid via a reduction in the actual commission due to OPC in month 10.

We have recognised the total amount of upfront commissions for statutory accounts purposes as a prepayment.

Upfront Commission

Statutory Results £ 000's	2025	2024
Prepayments re OPC	942	937

A.6 Performance of other activities

Please note there are no performance of other activities regarding SIIL business.

A.7 Any other information

Please note there is no other material information regarding SIIL business and performance.

B. System of Governance

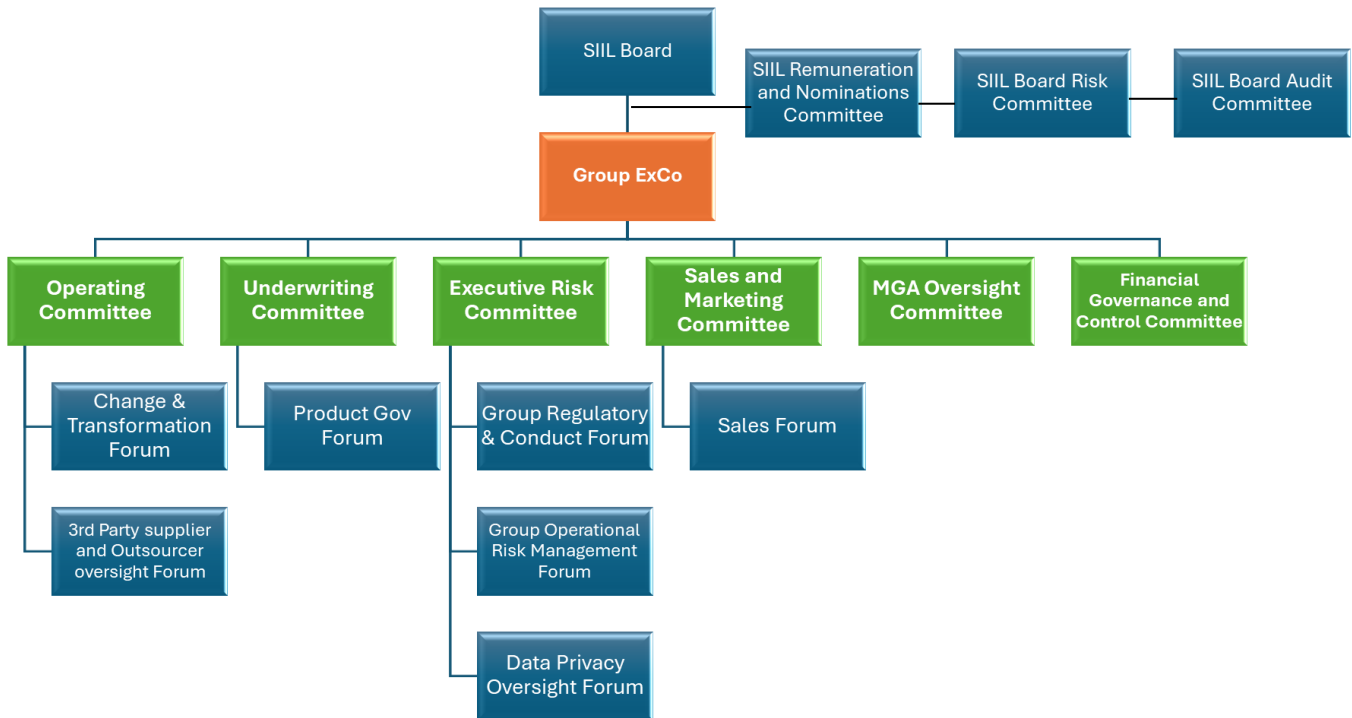
B.1 General Information on the system of governance

B.1.1 SIIL’s corporate governance

SIIL has an established governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the business.

As a financial institution, SIIL is also required to comply with rules and guidance issued by the PRA and FCA, which include high level standards covering Principles for Business and Senior Management Arrangements, Systems and Controls and requirements for the way the firm conducts its business.

Under the SIIL Board’s authority, the Company operates the following further governance structure:



SIIL’s governance framework was reviewed following the approval of the Enterprise Risk Management Framework to ensure a full coverage of the risks managed by the firm.

B.1.1.2 SIIL Board Committees and Board Sub-Committees

Board

Purpose of the SIIL Board:

For the year ended 31 December 2025, the Board’s purpose was to act as the statutory board of SIIL, to have oversight of the entity and to assume overall accountability for SIIL. Subject to the articles of association of the Company and company law generally, the authority and remit of the Board is unlimited.

The Board was supported by the Audit Committee and Risk Committee. The Executive Committee meet at least twice per quarter, convening where necessary on matters of day-to-day management of the business. The Underwriting Committee meet quarterly, or more frequently if necessary.

The Board will monitor and oversee the matters and responsibilities it has delegated to various boards and committees as set out in its terms of reference.

Each Committee reports to the Board and Committee outputs and recommendations are discussed in the plenary meetings of the Board. Each of the Committees of the Board has Terms of Reference in which the composition, duties, and internal procedures are defined.

Board Audit Committee

Purpose of the Audit Committee

The Audit Committee is a Committee of the Board. The prime responsibilities of the Audit Committee are to:-

- Monitor the integrity of the financial statements of SIIL prior to their approval by the Board and to review the financial statements contained within SIIL's Own Risk and Solvency Assessment (ORSA).
- Report to and advise the Board on any aspect on which the Committee is not satisfied in relation to the proposed financial reporting by SIIL.
- Liaise with the Risk Committee on the monitoring and review of SIIL's internal controls.
- To ensure that an appropriate audit plan is in place and to assess the effectiveness of the audit.
- Review the external auditors' findings (including those contained in management letters) and management's response to them.
- Review and monitor the external auditors' independence, objectivity, expertise, resources and effectiveness, taking into consideration relevant UK professional and regulatory requirements, including the provision of any non-audit services.
- Advise the Board on the role and selection of the external auditors; audit arrangements generally; and to make recommendations for appointment and the terms of that appointment.
- Develop and agree programmes of internal audit and to review these programmes, to review the annual internal audit plan ensuring it covers the appropriate risk areas and to monitor and ensure that all outstanding audit points are considered and actioned and to evaluate the effectiveness of SIIL's control systems.
- Review the performance of SIIL's internal auditors annually and advise the Board to make recommendations for appointment and the terms of that appointment when required.

Board Risk Committee

Purpose of the Risk Committee

The Risk Committee is a Committee of the Board. The prime responsibilities of the Risk Committee are to:-

- Satisfy itself on the solvency of the Company on a realistic stressed basis– the Risk Committee will recommend to the Board an appropriate timescale for forecasts.
- Review on a regular basis the reinsurance strategy.
- Review and approve specified risk appetite and risk tolerances to the Board.
- Ensure via review, recommendation or approval that there is effective leadership in relation to the following:
 - Risk issues;
 - An appropriate strategy and plan for risk management is in place;
 - The risk culture across the organisation is appropriate for an organisation of the size and nature of the Company;
 - The remuneration strategy does not encourage excessive risk taking;
 - Appropriate Governance processes are in place and operating effectively;
 - All material risks have been identified and accurately assessed;
 - Those risks that are outside of SIIL's risk tolerance are identified, escalated and are being actively managed back within tolerance;
 - Mitigation action is timely and appropriate and material risks are being controlled through an effective, efficient and comprehensive control environment;
 - Group policies are appropriate and adhered to; and
 - SIIL is meeting its regulatory responsibilities.

Executive Committee

The Executive Committee's role includes making decisions, reports and recommendations to enable SIIL to discharge regulatory and governance obligations in accordance with the applicable regulatory regime, PRA and FCA guidance and best practice and to align SIIL's interests with those of shareholders and promote the long-term success of SIIL.

The Executive Committee derives its authority from the CEO as Chair, who in turn takes his authority from the Board. The Committee make decisions on behalf of the Board save in respect of any matters which require the approval of the Board. The Executive Committee has authority to delegate matters to individuals or sub-committees, details of which are show above.

B.1.2 Remuneration policy

B.1.2.1 Remuneration

All Remuneration within SILL is overseen by the Board.

In setting remuneration packages for individual employees, SILL adopts a job evaluation approach. All roles are evaluated according to recognised job evaluation methodology and are then benchmarked against industry data to ensure that total reward (fixed compensation, variable compensation and contractual benefits) is appropriate to the particular role and local market conditions.

B.1.2.2 Fixed and Variable Compensation

Remuneration packages within SILL are categorised into Fixed and Variable Compensation. Fixed Compensation includes: Basic Salary, Employer Pension Contributions and contractual benefits. Variable Compensation is any type of remuneration that is not fixed. It includes participation in a performance bonus scheme appropriate to the employee's role. Other forms of variable pay such as sign-on bonuses, retention bonuses and variable severance pay are only permitted in exceptional circumstances and are subject to strict governance.

Variable Compensation paid to employees is from a bonus pool determined by company metrics. The funding of the pool is determined by performance against financial and non-financial indicators which are agreed by the Independent Non-Executive Directors in the Remuneration and Nominations Committee.

The allocation of individual awards to employees from the bonus pool is determined by personal performance against individual financial and non-financial objectives.

B.1.2.3 Remuneration of members of management body

Directors' remuneration as disclosed in statutory accounts

Statutory Results £ 000's Directors' Remuneration		
	2025	2024
Directors	437	407

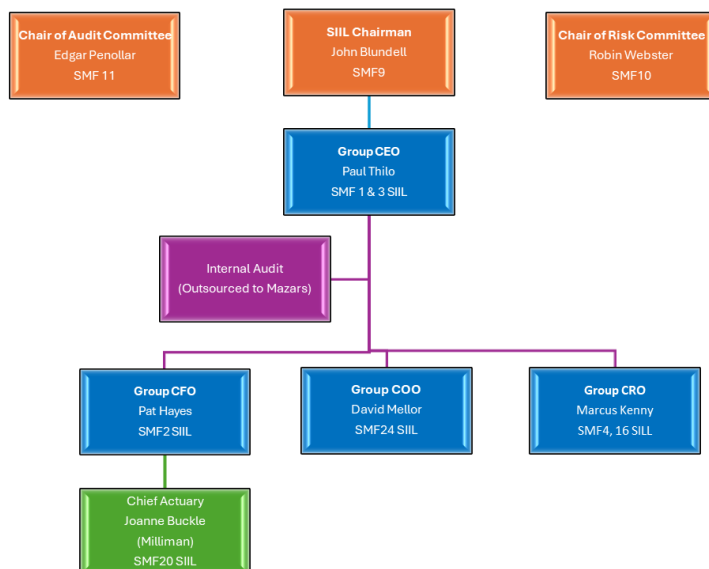
Remuneration for all directors was paid by Union Income Benefit Holdings Ltd and their remuneration charged to SILL. One director is remunerated for their services to the Group, and an apportionment of their total emoluments has been included in the SILL directors' emoluments figure.

B.1.2.4 Material Changes in the system of governance

The composition of the Board is detailed below:

Directors:	John Blundell	Independent Non-Executive Director and Chair
	Paul Thilo	Executive Director and CEO
	Robin Webster	Independent Non-Executive Director
	Edgardo Penollar	Independent Non-Executive Director (appointed at the September 2025 board)
	Pat Hayes	Executive Director (appointed 1 May 2025)
	Daniel Harrison	Non-Executive director
	Steven Strauss	Independent Non-Executive Director (resigned 30 June 2025)

The SIIL internal organisation chart as at 31 December 2025 is shown below.



B.1.2.5 Other key functions

SIIL has two key outsourced control functions: internal audit and the actuarial function.

- *Internal Audit*
In line with the requirements, Internal Audit is fully objective and independent from all other functions, reporting directly into the Audit Committee and Board.
- *Actuarial function*
Actuarial Function holder is the Chief Actuary, a role SIIL has chosen to outsource to Milliman. The Chief Actuary is a member of the Executive Committee. Joanne Buckle handed over the SMF20 Chief Actuary role to Christine Fairall, which was approved by the regulator in March 2026.

Responsible persons for key functions as at 31 December 2025

Responsible Person	SMF Position Held	Function
John Blundell	SMF 9	Chair of Governing Body
Edgar Penollar	SMF11	Chair of Audit Committee
Robin Webster	SMF10	Chair of Risk Committee
Paul Thilo	SMF1 and SMF3	Chief Executive Officer
Pat Hayes	SMF2 and SMF3	Chief Finance Officer
Marcus Kenny	SMF4 and SMF16	Chief Risk Officer
Joanne Buckle	SMF20	Chief Actuary
David Mellor	SMF24	Chief Operating Officer

B.2 Fit and proper requirements

B.2.1 Requirements

SIIIL is committed to a policy of proactive compliance with the PRA and FCA rules. The PRA/FCA expect standards of behaviour and conduct to be adhered to. These standards are expected as a minimum, and represent good business, ethical, and HR practice, and should not present a challenge for senior managers in the organisation.

Apart from ensuring that individuals are made aware of their responsibilities, there are two main areas where SIIIL has implemented rigorous processes and procedures:

1. the vetting and verification of individuals, and
2. the maintenance of clear organisational accountabilities: for both individual and group decisions.

B.2.1.1 Vetting and verification of Approved Individuals

Those about to be appointed into a Senior Manager Function (SMF) role go through a SIIIL vetting and verification process, prior to the application to the PRA/FCA. This applies whether the individual is an external or an internal appointment and whether the appointment arises as the result of restructure, succession planning or redeployment.

To ensure that SIIIL meets its regulatory obligations, it carries out 'due diligence' prior to the application being submitted to the PRA/FCA. In essence this requires SIIIL to ensure that all the information provided is factually accurate.

Appointment to an approved role is conditional upon SIIIL obtaining satisfactory information from the vetting and verification checks, a Regulatory Reference and PRA/FCA approval being granted. In assessing fitness and propriety, the PRA/FCA (and SIIIL under the 'due diligence' process) consider both the relevance and the importance of any matter which comes to their attention which suggests that a person might not be 'fit and proper'.

B.2.1.2 Criminal Record Checks

Approved roles are subject to a check from the Disclosure and Barring Service (DBS) and/or the Scottish Criminal Records Office (SCRO). The information provided includes details of cautions, reprimands or final warnings, as well as convictions. The check must be satisfactory to SIIIL and the PRA/FCA for the appointment to be confirmed. Once the SIIIL checks have been carried out satisfactorily, all required information is submitted to the PRA/FCA to go through its approval process.

B.2.1.3 Maintenance of clear organisational accountabilities

SIIIL has processes in place to ensure the maintenance of clear organisational accountabilities for key decisions. These processes govern both collective and individual decision making. Clear oversight of this is provided by the Management Responsibilities Map.

The collective element is covered by SIIIL's high level committee structures, which deal with the corporate governance frameworks of the organisation. Each committee has its own terms of reference which covers its remit, membership and operating/reporting requirements, as well as where each committee derives its authority and escalation processes where matters breach the extent of authority afford to that Committee.

In addition to this, individual Approved Persons are required to agree and maintain up to date documentation on their role. This includes a job description outlining the main responsibilities of the role. The job description reflects both the PRA/FCA Controlled Function(s) that apply and details of any high-level Boards and Committees that the individual sits on, either as Chairperson or member. The significance of this is that the individual's responsibilities for both collective and individual decisions are reflected.

B.2.2 Process for assessment

The FCA and PRA's Senior Managers and Certification Regime (SMCR) came into force on 10 December 2018 for insurers. The regime was implemented to ensure the majority of firms (commencing with insurers) followed the same standards which were implemented for banks following the publication of the final report of the Parliamentary Commission on Banking Standards.

The SMCR seeks to ensure that the senior persons who are running insurers, or who have responsibility for key functions at those firms, behave with integrity, honesty and skill. It replaced both the FCA's approved person regime and the PRA's Senior Insurance Managers Regime.

One of the regulators' key themes is senior management responsibility and accountability. The PRA continues to stress that it is the individual and collective responsibility of senior management to ensure that firms comply with its regulatory obligations.

The objective of SMCR (for insurers) is to enhance the governance structures of Solvency UK insurance firms. The regime reaffirms standards of fitness, propriety and conduct for individuals that fall within scope and reflects the regulators' increased focus on greater personal responsibility and accountability.

The scope of the SMCR covers senior insurance managers who are subject to pre-approval by the PRA and/or FCA for a controlled function together with all the other senior individuals (termed "key function holders") who are effectively running the insurer.

SIIL ensures it has appropriate persons identified and approved in line with the SMCR regime.

B.3 Risk management system including the Own Risk and Solvency Assessment (ORSA)

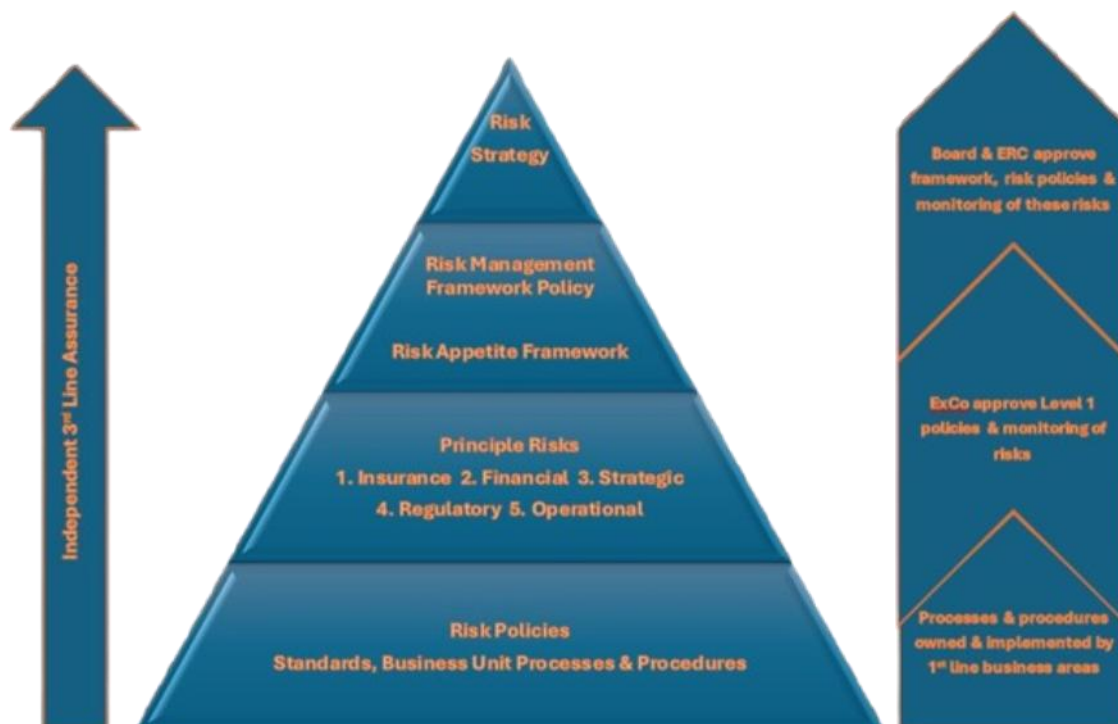
B.3.1 Risk management system

B.3.1.1 SIIL's Risk Management Framework

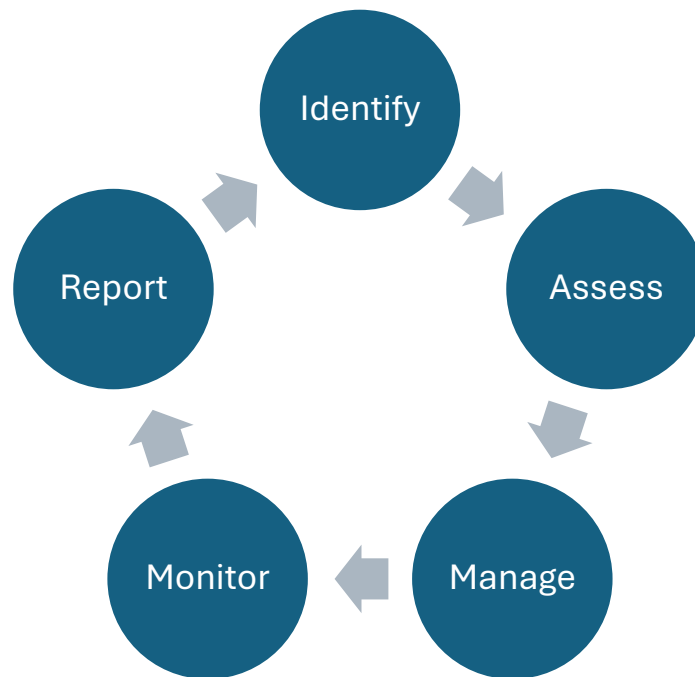
SIIL's approach to the management of risk exposures are outlined within the Risk Management Framework Policy which guides the business on its approach to risk. The fundamental purpose of the Risk Management Framework is to provide a structured approach to identifying, measuring, and managing risk within SIIL – considering both risk exposures in the here and now, as well as those which may arise in the future. The core components of the framework are outlined in this section.

The key components of the Risk Management Framework are:

1. Risk Management Framework Policy
2. Risk Strategy, including Risk Culture
3. Risk Taxonomy.
4. Risk Appetite Framework.
5. Risk Policies.
6. Control Standards, Processes and Procedures.



The Group adopts a structured and consistent approach to managing risk across all business activities. This is underpinned by a five-stage Risk Management Cycle, applied at all levels of the organisation:



Identify

All colleagues have a responsibility to be alert to potential risks that could impact the achievement of business objectives or cause customer harm. Risks may arise from internal factors (e.g. changes to processes, systems, or staffing) or external sources (e.g. regulatory changes, economic shifts, supplier failures).

Risks must be identified proactively through structured risk assessments (e.g. during change projects or Risk and Control Self-Assessment (RCSA) activity), and reactively in response to incidents, near-misses, or external developments. Identified risks must be described clearly, with reference to the potential cause, event and impact.

Assess

Identified risks must be allocated to the most appropriate category in the Risk Taxonomy and assessed consistently using the Group's 5x5 Impact and Probability Matrix, determining at least the residual risk, that is the remaining risk after existing controls are considered. Where appropriate, inherent risk - the level of exposure before any controls or mitigations are applied - may also be assessed.

Assessment must consider both the likelihood of the risk occurring and the severity of its potential impact, across financial, customer, regulatory and reputational dimensions. Where the residual risk exceeds the approved risk appetite, further treatment must be considered.

Manage

Risk management involves identifying and implementing additional actions to bring the risk within appetite. There are 4 possible treatment strategies:

1. **Accept** the risk even though it may be outside risk appetite (e.g. when the cost of mitigation is more than the potential loss caused if the risk materialises and the business has the capacity to absorb the loss, or where the senior management team formally acknowledge that there is no capacity, either financially or organisationally, to deliver in that period).
2. **Avoid** the risk (e.g. by terminating or avoiding the activity that gives rise to the risk).
3. **Transfer** the risk (e.g. to a third party via insurance).
4. **Mitigate** the risk to a level that is acceptable and within risk appetite (e.g. by putting controls in place and/or taking management actions).

Treatment actions should be proportionate, time-bound, and clearly allocated to an owner. Progress should be monitored and reported through appropriate governance channels.

The risk management process should include:

- The need for risks to be managed in accordance with approved policies and procedures to ensure that

residual risk is kept within tolerance.

- Compliance with all relevant laws and regulations.
- Responding to the priority risks first.
- Recognition and acceptance that risk mitigation involves resource allocation.
- Demonstration that costs/benefits and alternatives have been considered.
- Consideration to unintended consequences e.g. mitigating actions taken to control one risk could introduce other risks or undermine existing controls.
- Adherence to the control and sign off/governance standards.

Monitor

All risks and their associated controls, assessments and actions must be recorded and monitored. This ensures transparency, accountability and the ability to monitor trends over time.

Each recorded risk must include:

- A clear risk description.
- Description of controls in place their effectiveness at mitigating the risk.
- Any agreed actions or treatments with due dates and owners.
- Date of last review and next planned review.

Risk exposures by risk category must be monitored on a regular basis. The frequency will be determined by the materiality of the risk and will include:

- Reward achieved on risk taking activities with comparison to targets.
- Performance within stated risk appetite and that risk appetite remains appropriate as circumstances and objectives evolve.
- Controls are operating as intended and remain fit for purpose in both design and application, including but not limited to:
 - Adherence to mandates and delegated authorities.
 - Policies remain current and are routinely updated.
 - Standards have been implemented.
 - Appropriate resources have been deployed.
 - Documented escalation processes are being followed to make sure that issues, events, material control weaknesses and policy breaches are transparent and actioned as appropriate.
 - Checking that any remedial actions are: Specific, Measurable, have Accountable owners, are Realistic and have agreed Timelines (SMART); and
 - Key Indicators (Performance, Risk and Control) with appropriate limits and tolerances exist which conform to the defined Lookers policies.
- Exposure to risk must be monitored in a timely manner to ensure any escalations and/or mitigating actions required can be implemented before any tolerances are breached.

Report

Risks must be reviewed regularly to ensure they remain accurate and relevant. Reviews should consider:

- Changes to the business, environment or control effectiveness.
- Emerging risks or trends.
- Progress of treatment actions.
- Performance against risk appetite.

Review frequency must be appropriate to the nature and severity of the risk, with high or rapidly evolving risks reviewed more frequently. Reviews may be triggered ad hoc by incidents, audit findings, or governance challenge.

The Risk Function provides oversight and challenge to the effectiveness of risk management activity and may escalate concerns or reassessments to the appropriate committee.

Risk reporting provides management and the board with accurate, timely and clear information on the current risk profile and exposures, highlighting current and future risks to the achievement of business objectives.

B.3.2 Own Risk and Solvency Assessment (ORSA)

B.3.2.1 ORSA process overview

The ORSA policy outlines the mandatory requirements for completing the SII ORSA. The ORSA enabling framework helps link the process between the business strategy and business plan, to the supporting risk framework and risk & capital assessments, to the use of the results in decision making and hence influence on the business strategy.

B.3.2.2 ORSA Governance

The ORSA report is subject to Board level approval at least annually or in the event of a significant change in the risk profile. The last ORSA was approved at the December 2025 Board.

B.3.2.3 Own Solvency Needs & Capital Management

Solvency UK became the primary regulatory capital basis applicable to the business as of 1 January 2016 and hence is the primary metric adopted within the ORSA. Solvency UK is a risk-based capital regime which has policyholder protection central to its aims.

There is a need to maintain and meet Regulatory Capital requirements and therefore protect policyholder benefits to the regulatory specified levels. In addition, and in line with SII Capital Management Policy, a buffer level of capital is targeted within SII. Capital strength is actively considered through Solvency UK reporting, required by the PRA under its Prudential Sourcebook for Insurers.

The approved Standard Formula ('SF') has been used to determine solvency needs. Additional capital in the form of a capital buffer represents the level of target capital which enables the business to withstand plausible events whilst still being able to meet regulatory capital requirements. This is further described in Section E.

The company also uses financial forecasts to cover the medium-term financial outlook of the business, including forecasts of solvency positions and key performance indicators under a variety of management decisions. This is a key element of the MTP and ORSA.

B.3.3 External Credit Assessments Institutions (ECAI)

SII does not use credit assessments from ECAI.

B.3.4 Long Term Guarantees

SII does not use the Matching Adjustment, Volatility Adjustment or the Transitional Measures. Due to the duration of its liabilities it is not exposed to the extrapolation of the risk free rate.

B.4 Internal control system

B.4.1 Roles and Responsibilities

Effective risk management requires clarity of responsibilities. SILL adopts the Three Lines of Defence model (3LOD), which defines how risk is owned, overseen, and assured.

First Line of Defence: Risk Ownership and Management

The First Line is responsible for owning and managing risk in the day-to-day operations of the business.

Responsibilities include:

- Identifying, assessing, treating and monitoring risks within their areas.
- Designing and maintaining effective controls aligned with the Group's risk appetite and policies.
- Maintaining accurate and timely risk documentation, including risk registers, incident reports, and control assessments.
- Escalating material risks, control weaknesses, or appetite breaches in line with the Risk Management Framework.
- Supporting a positive risk culture and embedding risk management into decision-making.

Level 1 Risk Owners are accountable for oversight of risks aligned to the principal risk categories. They must take reasonable steps to ensure the risk is controlled effectively, including:

- Ensuring that key controls are in place and operating effectively.
- Risk appetite metrics being monitored and acted upon.
- Policies and standards implemented and reviewed as required.

Second Line of Defence: Risk Oversight and Challenge

The Risk Function forms part of the Second Line (with the Compliance function) and provides independent oversight, advice and challenge on risk management activities.

Responsibilities include:

- Designing, maintaining and promoting the Risk Management Framework, policies, and tools.
- Supporting the setting and monitoring of risk appetite and tolerance thresholds.
- Reviewing and challenging risk assessments, including RCSAs and treatment plans.
- Monitoring and reporting the Group's risk profile and emerging risks to the Executive Committees.
- Supporting risk-based decision making and maintaining the integrity of the overall framework.

Third Line of Defence: Independent Assurance

Internal Audit provides independent and objective assurance over the effectiveness of governance, risk management and internal control processes.

Responsibilities include:

- Assessing whether risk management activities (including those carried out by the first and second lines) are appropriately designed and operating effectively.
- Reporting findings to the Boards and Audit Committees.
- Providing assurance that the Risk Management Framework is being consistently applied.

Board and Committee Responsibilities

- The Board of SILL own the Risk Management Framework, approve risk appetite, and hold management to account.
- The Executive Committee ensures effective implementation, monitors risk exposure, and approves Level 1 Risk Policies.
- The Executive Risk Committee provides focused oversight of risk profile, control effectiveness, and framework adherence.

Chief Executive Officer (CEO)

- Responsible for embedding an effective risk culture.
- Ensures the Risk Management Framework is implemented across SILL.
- Leads and supports the delivery of strategic objectives within approved risk appetite.

Chief Risk Officer (CRO)

- Leads the development and maintenance of the Risk Management Framework.
- Provides independent oversight and challenge to risk and control activities.
- Aggregates and reports risk information to executive and board-level committees.
- Oversees the development of risk policies, taxonomy and tools.

All Employees

- Are responsible for managing risks in their role.
- Must be aware of the risks associated with their activities.
- Are expected to escalate concerns or control weaknesses without delay.
- Support a culture of transparency, integrity, and continuous improvement in risk management.

SILL's Compliance function

The objectives of the Compliance function cover both Solvency UK Compliance and broader aspects through the Regulatory Compliance function. The objective is to support the SILL Board and Risk Committee in ensuring that SILL acts in line with relevant legal, regulatory requirements and group risk tolerance. It also has oversight of operations systems and controls. In this role, the function promotes and fosters compliance with laws and regulations. Delivered well, strong regulatory compliance enables the organisation to act with integrity and enable optimal service delivery to the Company's policyholders.

B.5 Internal audit function

B.5.1 Internal audit function

The Internal Audit team assist the Executive the Board and Risk Committees in protecting the Company's assets, reputation, and sustainability by independently and objectively evaluating the effectiveness of internal controls, risk management and governance processes. The Internal Audit function is the third line of defence.

Audit Services for SILL are delivered by Mazars LLP, reporting to the Board and Audit Committee.

The audit function carries out the following activities;

- Prepare and execute a risk-based audit plan which is approved by the SILL Board.
- Identify, and agree with management, opportunities to improve internal controls, risk management and governance processes and verify that such improvements are implemented within a reasonable period of time.

- Assist in the investigation of significant suspected fraudulent activities or conduct special reviews or consulting which may not usually be included in the scope of Internal Audit and notify the Audit and Board Committees of the results of these activities.
- Issue periodic reports to management and the Audit Committee, summarising the progress and results of the annual audit plan.
- Ensure the Audit Committee, Board and wider senior management are kept informed of emerging trends and successful practices in internal auditing.
- Consider the scope of work of the external auditors, regulators, and compliance and risk functions, as appropriate, for the purpose of providing optimal audit coverage to the organisation at a reasonable overall cost.
- Maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

B.5.2 Independence and Objectivity of the Internal audit function

The Internal Audit function is independent of senior management, which has responsibility for the first and second lines of defence and is therefore able to provide independent assurance opinions on the effectiveness of the systems of internal control, risk management, and governance.

Internal Audit executes its duties freely and objectively in accordance with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Audit. Internal Audit's policies also align with professional auditing standards, including the Chartered Institute of Internal Auditors' guidance for Effective Internal Audit in the Financial Services Sector.

Internal Audit avoids any conflict of interest and accesses the expertise and knowledge necessary to undertake work in respect of specialist business functions.

Internal Audit did not execute any operational duties for SILL and will not review a business area or function in which they have had recent management or operational responsibility or are otherwise conflicted.

To ensure the independence of the auditors and effective governance, Internal Audit had a primary reporting line to the Audit Committee and secondary reporting lines to the Board and Risk Committee.

The Internal Auditor attended SILL Audit Committee meetings in 2025, providing updates to the Board.

Role and purpose of the SILL Internal Audit Function

Internal Audit Services for SILL are delivered by Mazars LLP. The Internal Audit Function is the third line of defence and reports functionally and administratively primarily to the Audit Committee.

The objective of the Internal Audit Function is to systematically evaluate the effectiveness of and provide insight on the SILL control environment that consists of, not limited to, the combined effectiveness of governance, organisation, policies, procedures and systems. Examples may include strategy, culture, financial performance, compliance, system security, and due diligence engagements. The function also provides consulting services where the nature and scope of the services are agreed with the service requestor. These should fit the nature of the audit function and not interfere or conflict with the independence and objectivity of the audit function. The consulting services intend to add value and improve SILL's governance, risk management, and control processes without assuming any management responsibility by the internal auditors. Examples include counsel, advice, facilitation, and training. In order to act upon SILL's purpose, the service provided by the function needs to be aligned with SILL's Strategy and business objectives.

Opportunities to strengthen the existing management control environment, effectiveness and SILL's reputation may be identified during all its activities.

Authority

SILL Internal Audit derives its authority from the SILL Board, via the Audit Committee, and is authorised to examine the internal controls, risk management and governance processes in all areas of the Company.

Internal Audit is authorised to have full, free and unrestricted access to all SILL records, functions, physical properties and personnel, including where appropriate outsourced operations, within a reasonable period of time making the request. Local laws and regulations will apply regarding the attainment of any records required.

Escalation

To ensure the appropriate influence, authority, independent position and direct access to the appropriate parts of the organisation, Internal Audit can escalate to the Chair of the Audit Committee, Chair of the SILL Board or to the SILL Chief Executive Officer.

Committees

The Internal Audit Function shall meet periodically with the Audit Committee to report activities since the previous meeting, significant audit findings, future activities relating to regular audits and special projects, acts of fraud, theft or misconduct, and other matters believed to be of sufficient magnitude and importance.

B.5.3 Internal Audit 2026 Plan

The proposed risk-based internal audit plan for 2026 has been reviewed by the Audit Committee and confirmed to consist of the following reviews:

- Financial Controls
- Data Governance
- Product Governance
- MGA Oversight

B.6 Actuarial Function

The SILL actuarial function is delivered through an outsourcing arrangement with an actuarial consulting provider. The overall accountability for the function rests with the Chief Actuary. The SILL Chief Actuary is responsible for providing information and assurance as required for the Board. Within SILL the objective of the Actuarial function is to assist the effective discharge of their responsibilities by:

- Ensuring appropriate methodology and best estimate assumptions for the valuation of the firm's liabilities and related items, including procedures that ensure timely review and appropriate level of granularity on an ongoing basis;
- Ensuring that insurance liabilities and related items are valued and reported properly, including choice of valuation approach, reflection of uncertainty and management discretion, model set-up and other relevant components of valuation;
- Furnishing senior management with actuarial analysis and advice at least concerning:
 - appropriateness of data, assumptions and methodologies used to determine technical provisions and related items including items that are deemed to require future attention;
 - the adequacy of the reinsurance arrangements.
 - impact of strategic or management decisions on liabilities.
- Supporting management in the execution of an effective underwriting policy, also covering pricing and product development, by providing expert opinions; and
- Ensuring compliance with regulatory actuarial (reporting) requirements, including local actuarial sign-off on adequacy of reserves.

B.7 Outsourcing

Outsourcing arrangements and material suppliers impact operational risk as a result of potential changes and reduced control over the related people, processes and systems. SIIIL adheres to the Outsourcing and Supplier Management policy which is aligned with the Enterprise Risk Management Framework. This ensures that arrangements entered into by SIIIL which can result in material risk (i.e., risk classification severe and significant) are subject to appropriate due diligence approval and on-going monitoring and governance. All material risks arising from these activities should be appropriately managed to ensure that SIIIL is able to meet both its financial and service obligations.

External outsourcing arrangements are arrangements of any form between an organisation and a supplier, by which the supplier performs a function or an activity, whether directly or by sub-outsourcing, which could otherwise be performed by the organisation itself.

B.7.1 Intra-group outsourcing arrangements

Embignell Group

Staff were jointly employed by UIB, SIIIL, GPH and Union Benefit Services Ltd (UBS) throughout the year. These are all entities within the Embignell Group. UIB is the lead employer and recharges the costs of salaries to SIIIL in the proportion of the SIIIL work carried out by each staff member.

UIB provides some IT, HR, Legal and Payroll support and these costs were recharged through 2025.

UIB also provide customer service and claims handling services to SIIIL customers via a delegated authority agreement for a significant portion of SIIIL's portfolio. UIB staff act as the first point of contact for relevant SIIIL customer phone calls, emails and post. UIB staff handle and process customer policy claims for the same SIIIL customers that they provide customer service. UIB conduct their own quality assurance, reporting to SIIIL monthly via a performance report.

B.7.2 External outsourcing arrangements

SIIIL outsources Customer Services and Claims Handling whilst retaining all Management as internal roles. The most significant outsourcing arrangements are:

Konecta

Konecta provide customer service to SIIIL customers for a significant portion of the portfolio that are not handled by intragroup services. Konecta act as the first point of contact for relevant SIIIL customer phone calls, emails, faxes and post. Konecta also work collaboratively with the relevant adjudicating bodies in the UK to ensure a fair outcome when handling customer complaints. Konecta also provide a quality assurance service which ensures processing work is to a high standard. This includes the quality assurance(QA) of claims cases processed by Gielisch (GCM).

Gielisch

Gielisch (GCM) handle and process customer policy claims for the remaining SIIIL customers across its portfolio. GCM also enhance the quality model by providing an additional layer of oversight to the quality checks performed.

Only Pets Cover Ltd (OPC)

OPC are the managing general agent of the Scratch & Patch portfolio which is underwritten by SIIIL. SIIIL delegates the management of the portfolio which is then outsourced by OPC including customer service, claims handling, premium collection and quality assurance work. SIIIL maintains oversight of OPC aligned with our supplier oversight governance framework to ensure that the products provide fair value, in line with Consumer Duty and that no conduct related issues are unaddressed.

The risks to the outsourcers include but are not limited to the failure of the outsourcer and need for replacement – potentially at short notice, reducing standards including poor customer conduct issues and fraud. All outsourcers are required to comply with the approved Outsourcing policy that is adopted by SIIIL, compliance with this policy supports the effectiveness of the outsourcing governance framework, the outsourcing strategy and budgets set by SIIIL.

SIIIL recognises it cannot outsource its regulatory responsibilities and remains liable for the fair treatment of customers and to ensure that FCA principles and consumer outcomes are honoured. To achieve this oversight, monitoring and reporting of these Outsource Service Providers (OSPs) is given the highest priority. Additionally, SIIIL takes fair value to the end customer into consideration when deciding whether to outsource key processes to OSPs.

B.7.3 The rationale for outsourcing and evidence that appropriate oversight and safeguards are in place

Customer service and complaints management is outsourced to Konecta, previously known as Comdata and claims handling is outsourced to Gielisch Claims Management (“GCM”) for the A&H portfolio while Claims Sorted manage claims handling for the Pet Portfolio. Konecta and GCM have vast experience in dealing with SILL products and processes and have been providing these services for SILL for over 10 years. The Company has appointed ClaimSorted as its outsourced claims administrator for the pet portfolio to deliver efficient, technology-enabled claims handling that enhances customer outcomes while maintaining robust oversight, control, and data transparency.

SILL delegates Customer service and complaints management services for policies arranged through our MGA partnerships. This is currently on our pet portfolio through OPC.

Konecta, GCM, OPC have all participated in regular monthly performance reviews to ensure an appropriate service is delivered and business objectives are being met. In addition, SILL chairs formal quarterly meetings to review measures and controls in relation to risk, compliance and contractual obligations.

Critical outsourcers are subject to annual health checks validating the financial health of the companies and ensuring the security controls in place are appropriate and fit for purpose.

Regular monthly meetings as well as daily MI / daily contact ensures the outsourced services are being provided within SILL’s risk and control appetite and provides us the platform to respond quickly to areas of concern. The business maintains a register on all SILL’s outsourcers in line with the PRA’s guidance on outsourcers and third parties.

B.8 Any other information

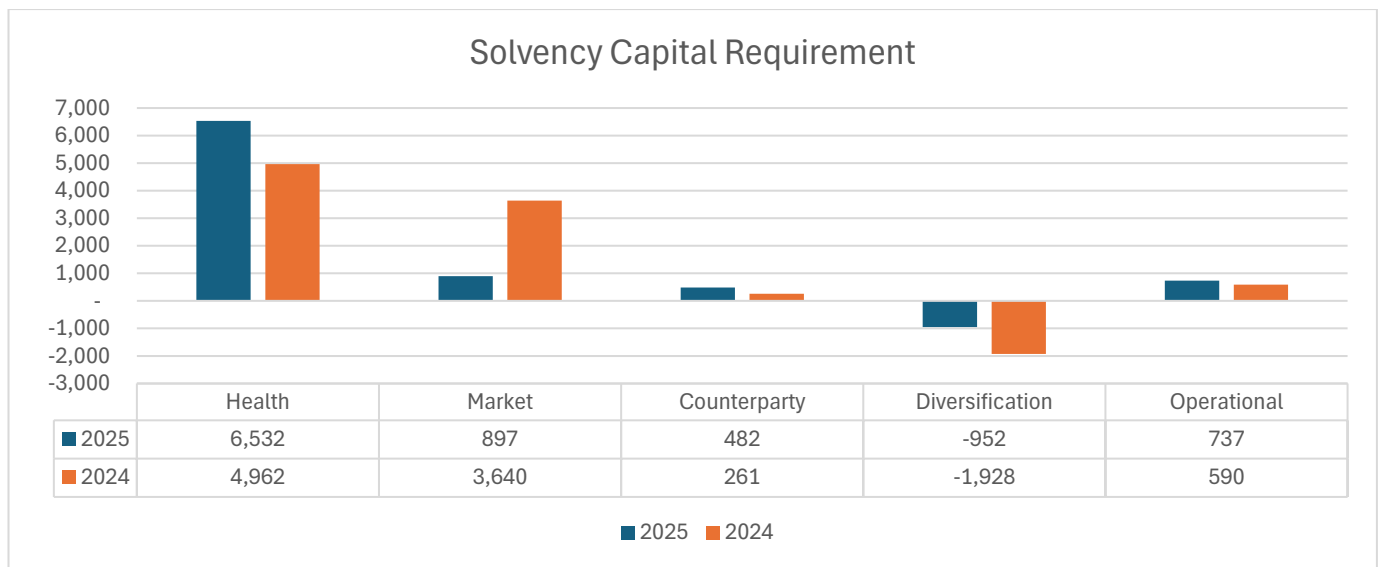
All material information regarding the Systems of Governance for SILL is covered earlier in this section. The Systems of Governance described are fully embedded in the business. To ensure the Systems of Governance are operating effectively, a regular cycle of Board effectiveness and Terms of Reference compliance is undertaken.

C. Risk Profile

General

As illustrated in the Solvency Capital Requirement (“SCR”) risk-module breakdown below, the Company’s capital requirement is driven primarily by underwriting risk, reflecting the nature of its accident and health insurance portfolio. Market risk and counterparty default risk are present but remain secondary, reflecting the prudent investment strategy adopted and the high credit quality of counterparties. Operational risk represents a smaller but stable component of the overall SCR, consistent with the scale and complexity of the business and its reliance on outsourced service providers. Diversification benefits materially reduce the aggregate capital requirement, demonstrating that the Company’s risk profile is well balanced across risk types.

Exposure to these risks is monitored by the Board, and appropriate sub-committees of the Board (in particular the Risk Committee) and Executive Committee. The capital held to cover the risks are further disclosed in Section E, however a chart of the Solvency Capital Requirement (SCR) outlining the key risks exposures is noted below:-



SIIIL SCR as at 31st December 2025

Off-balance positions and Special Purpose Vehicles

There are no off-balance sheet positions for SIIIL. SIIIL does not utilise Special Purpose Vehicles.

Prudent Person principle

The prudent person principle is in scope of SIIIL’s System of Governance. There are a suite of risk policies in place to ensure that the assets held are appropriate to the nature of the liabilities without taking on excessive risks.

SIIIL only invests in assets that can be properly identified, measured, managed, controlled and reported on. Assets held to cover Technical Provisions are invested in a manner appropriate to the nature and duration of the corresponding general insurance liabilities. The overall aim is aligned to Article 132 of the Solvency II Directive to only make investments for that a "prudent person" would make.

This section discusses each risk category, per the Delegated Acts Article 95, in turn as follows:

- Underwriting Risk (C.1)
- Market Risk (C.2)
- Credit Risk (C.3)
- Liquidity Risk (C.4)
- Operational Risk (C.5)
- Other material risks (C.6)

Collateral

SIIIL does not have any collateral arrangements.

Securities Lending or Borrowing

SILL does not have any securities lending or borrowing transactions.

Annuities

SILL does not sell annuities. There are no guarantees to include hedging arrangements in respect of any variable annuity business.

Loan Portfolio

SILL does not have a loan portfolio.

Investments

A listing of SILL's assets has been included in Section C 3.1 in this document. These assets are invested in accordance with the prudent person principle as noted in the risk profile and with the low-risk business strategy. SILL has no qualifying infrastructure investments.

Stonebridge maintains routine intercompany balances with other group entities as part of normal operations. These balances are short term in nature and are settled monthly in accordance with established group settlement processes. As a result, intra-group exposures are actively managed and are not considered to give rise to material credit or capital risk.

There are no other material risks to the capital position of SILL. Full analysis of any material risk exposures can be found in the ORSA.

C.1 Prudential Risk

C.1.1 Underwriting Risk

Underwriting risk is the risk of making losses on the activity of insurance either in assessing the risks it insures or in quantifying claims that might occur.

The risk under any one insurance contract is the possibility that the insured event occurs and the size of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk faced by the Company is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims are greater than estimated. Insurance events are random, and the actual number and number of claims and benefits will vary year to year from the level established using estimation techniques.

Health Underwriting risk at 31 December 2025 comprises 75% (2024: 52%) of the total undiversified SCR. The key components of underwriting risk are:

- Premium Risk - Results from fluctuations in the timing, frequency and severity of insured events
- Reserve Risk - Results from fluctuations in the timing and amount of claim settlements
- Catastrophe Risk - The risk from extreme or irregular events that are not sufficiently captured by the capital requirements for premium and reserve risk
- Lapse Risk - The risk from the discontinuance of insurance policies (where this would result in a reduction of future premiums).

Future lapse risk only exists on insurance contracts of more than one month in length. The risk to the Solvency UK capital position comes from a lack of future premiums in cases where contracts are not renewed. The Company has a portfolio where contracts are 12 months in length at the reporting date. These contracts carry a lapse risk which will add to the Capital Requirement, however the risk is currently low given the product experience.

Underwriting Risk Monitoring and Control

The Company monitors and controls underwriting risks via various methods, including:

- The Company acquired re-insurance cover for the entirety of 2025 and into 2026. This offered Risk Mitigation to the Company against larger claims against SILL's Accident & Health policies. SILL mitigates risk on the Pet portfolio by obtaining reinsurance coverage against large third party liability claims and also via a quota share arrangement which covers all other claims.
- Monthly performance reporting highlights performance of key underwriting metrics.
- Quarterly reporting of claims reserves are submitted to the Board and Executive Committee respectively.
- The ORSA includes stress and scenario testing which is used to assess the risks under stressed conditions
- Lapse/Non-Renewal monitoring is conducted monthly
- Expense management processes are in place to limit Expense Risk

Underwriting Risk Sensitivity

SILL undertakes a range of stress and scenario testing to determine both the potential losses that could arise because of underwriting experience and also any additional impacts on solvency coverage levels that could arise, for example as a result of changes in SCR.

In preparing the ORSA consideration was given to the key following scenarios: -

- 1) Macro Economic stress
- 2) Strategic Impact stress tests
- 3) Claims Shock test
- 4) Reverse stress test
- 5) Operational Resilience test
- 6) Cyber stress

In all instances SILL was able to maintain a suitable solvency position once the impacts to Underwriting Risk (and all other risks) was factored in.

C.1.2 Market risk

Market risk is the risk that assets or liabilities for the Company are adversely impacted by market movements including instrument defaults, credit risk movements (covered below in separate section) or market volatility increases/decreases.

As noted in sections A.3 and A.4, SILL holds a diversified investment portfolio comprising a combination of collective investment funds and fixed income securities

Market risk at 31 December 2025 comprises 10% (2024: 39%) of the total SCR. The repayment of the Intercompany Loan is the primary driver of the reduction in the Market Risk SCR. The key components of market risk are:

Spread Risk

Arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.

Concentration Risk

Is the risk arising from the accumulation of exposures with the same counterparty. It applies to equities, bonds and property and is dependent on rating and type.

Interest Rate Risk

Arises because of the impact of interest yield curves on future payments to be made for claims and receipts from investments. SILL's exposure to interest rates arises from the investment portfolio and the settlement of future claims.

Currency Risk

Arises from fluctuations in exchange rates causing revaluations of the Company's current or future assets or liabilities. SILL has limited exposure to currency risk.

Market Risk Monitoring and Control

SILL's investment assets are held predominantly in highly liquid instruments, comprising cash and short-duration fixed income securities. The portfolio is structured to reflect the liquidity requirements of the business and the short-tail nature of the insurance liabilities, with an emphasis on capital preservation and minimising exposure to adverse market movements.

Market risk is primarily driven by interest rate and credit spread movements within the bond portfolio. This exposure is mitigated through a focus on high-quality, investment-grade securities and the use of short-dated or low-duration bonds, which limits sensitivity to changes in market yields. The absence of complex or illiquid assets further reduces exposure to market volatility.

The investment portfolio is managed in accordance with the Company's approved Investment Policy and is subject to ongoing monitoring to ensure that asset quality, duration and liquidity remain appropriate relative to the nature and timing of expected claims payments. Market risk is assessed and monitored by the Board as part of its oversight of the investment portfolio, with exposures monitored against approved risk appetite limits and reviewed at least annually to ensure that the investment strategy and associated controls remain appropriate for the Company and the prevailing risk environment.

The Company does not have any exposure to Equity Risk or Property Risk.

Market Risk Mitigation

The investment strategy is derived and managed consistently with risk appetite and within the boundaries set out in The Company's Capital Management policy.

Investment performance is monitored monthly, and reporting provided to the Board and relevant Sub-Committees at least quarterly.

C.1.3 Credit Risk

Counterparty Default Risk description

Counterparty Default risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause SILL to incur a financial loss. An indication of SILL's exposure to counterparty default risk is the quality of

the investments and counterparties with which it transacts. SILL manages counterparty default risk exposure by individual counterparty, sector and asset class, including cash positions.

SILL holds assets in cash and in low volatility/low return funds which seeks to reduce losses in downward market conditions in exchange for lower return potential.

SILL also holds a reinsurance policy aimed at mitigating the risk of large claims.

At 31 December 2025 Counterparty Default Risk accounted for 6% of the total SCR charge (2024: 3%).

Counterparty Default Risk Monitoring and Control

Counterparty default risk is monitored in monthly financial reporting where exposures to each financial institution is recorded. The Board reviews and monitors this risk exposure through quarterly capital reporting.

Counterparty Default Risk Mitigation

If the Board's risk appetite to Counterparty Default risk is exceeded, then the Board will instruct management to diversify its exposure to counterparties.

C.1.4 Liquidity risk

Liquidity risk description

The definition of "liquidity risk" is where SILL is unable to realise investments and other assets to settle its financial obligations when they fall due. This will arise where SILL cannot meet policyholder claim pay outs or operational expense obligations due to a lack of accessible funds with which to make the payments.

SILL generates liquidity in Sterling as it receives regular premiums in the period which are used to fund future claims and expenses. Furthermore, SILL holds sufficient cash assets which can be readily realised. Cash assets can be drawn immediately with limited barriers to execution. Assets in the investment portfolio can be drawn with 2 days' notice.

SILL does employ a strategic mismatch in the duration of its assets versus liabilities (because of the short tail nature of the liabilities) to earn additional returns. This is managed through the preparation and review of regular cash flow forecasts. Also, as mentioned above all of SILL's assets remain highly liquid.

Liquidity is assessed against a defined risk appetite ensuring SILL can meet all payments due even in the event of stressed conditions. The current position is that SILL is well within its risk appetite and liquidity risk exposure is deemed to be low.

Liquidity Risk Monitoring and Control

All Cash and Investment assets are monitored for changes in their availability. Any significant lengthening to availability is assessed to determine the impact on the Company's ability to settle its financial obligations.

The nature of SILL's investment holdings mean it is highly unlikely that any impact would be significant.

Liquidity Risk Mitigation

Liquidity is managed through holding highly liquid assets, regular cash flow forecasting and reporting as endorsed by the business strategy. This is within risk-appetite and is monitored by management.

Future Premiums

An unearned premium reserve is held under UKGAAP to cover periods of time bound by existing contracts that are after the reporting date. Under Solvency UK a cashflow approach is taken and the claims expected to occur in these same periods of time is held in a Premiums Provision. The Premiums Provision ensures that SILL hold sufficient liquidity to settle these claims as they fall due.

C.2 Operational risk

Operational risk description

Operational risk comprises the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events, including risks arising from regulatory and legal compliance, customer servicing and claims processing.

The Company maintains an internal control environment supported by policies, procedures and governance arrangements designed to identify, monitor and manage operational risks at an appropriate level, having regard to the nature, scale and complexity of its activities.

Operational risk is inherent in the conduct of the Company's business and cannot be fully eliminated. The Company's risk management framework does not seek to anticipate all potential economic or financial outcomes, nor the timing or severity of such events.

The Company is exposed to risks arising from reliance on third-party service providers, including providers of information technology and administrative services. Should such arrangements be terminated, alternative providers may not be available on a timely basis or on equivalent terms, which could result in financial or operational impacts.

At 31 December 2025 Operational Risk accounted for 9% of the total SCR (2024: 6%). Operational risk is derived by gross written premiums under the standard formula.

Operational risk Monitoring and Control

Operational risk is measured and monitored on an on-going basis in line with the Risk Framework. The risk categories are defined in the risk taxonomy. Each risk has a risk policy that sets out the definition along with the high level principles for the identification, assessment, management, monitoring and reporting of that risk. The primary tools are the use of Risk Appetite Statements, underpinned by a range of tolerance metrics, Risk and Control Self Assessment (RCSA) and a robust incident management framework.

C 2.1 Processing Risk

Processing risk covers operational processes in the business focused on the servicing of customers, as well as financial reporting and accounting processes. Controls are identified and monitored by risk owners of the appropriate risks within the risk taxonomy. Key processing risks include:

- Management and oversight of outsourcers and MGAs to administer policies and claims. Service level agreements are in place and are monitored, combined with regular reporting of key metrics.
- Implementation of Solvency UK for SILL. Inaccuracies in (financial) models could have a significant adverse effect on SILL's business. Reliance on various (financial) models to measure risk, price products and establish key results, is critical to SILL's operations.
- Billing processes with distribution partners are subject to controls to reduce the risk of incorrect billing or issues arising in the billing process.

SILL remains within risk appetite for processing risk.

On a monthly basis, management complete a risk report to assess the status of each risk against its key risk indicators and their tolerances. The Chief Risk Officer gathers all risk reports together and reports an overall view of SILL's risk exposure to the Executive Committee and Risk Committee. This framework supports compliance with senior manager arrangements as set out by the UK regulators, the PRA and FCA.

C 2.2 Systems & Business Disruption Risk

Systems and Business Disruption risk is the risk that losses occur due to systems related failures arising from inadequate or failed controls over technology maintenance and development, information security or business continuity and disaster recover planning. Disaster recovery plans are in place, aligned to Group policies, in the event of a major business disturbance across the Group infrastructure. Key outsourcers have recovery plans in place and these are tested annually and reviewed and signed off by SILL management

Systems & Business Disruption risk is within tolerance as existing exposures are monitored. A particular focus is on the oversight to ensure critical outsourcers business continuity and disaster recovery plans remain appropriate and information security standards continue to meet SILL's risk appetite.

Operational Risk Mitigation

A range of risk mitigation techniques are employed to ensure Operational Risk remains within Operational risk appetite. Generally, this is achieved through day-to-day management of processes and people, controls and risk appetite monitoring. Where incidents arise, corrective action is taken in line with the incident management process and controls are evaluated and improved on.

Material risk mitigation techniques include outsourcer and supplier oversight, compliance monitoring programme, and disaster recovery processes.

C.3 Strategic Risk

Strategic risks are the risks to the successful execution of the firms' strategic aims. These risks are monitored and reported to Management and the Board through Risk reporting and other Chief Risk Officer reporting. Key business risks include:

- Growth
- Overall business strategy and products in the medium to long term
- Customer communications to ensure that SIIIL continues to provide clear and accurate policyholder information
- Claims ratios, persistency levels and expense levels as outlined in earlier sections

SIIIL remains within risk appetite for business risk.

C 4 Legal, Compliance & Conduct Risk

Legal, compliance and conduct risk is the risk that losses occur due to non-voluntary legal liabilities, inadequate legal documentation, inadequate patenting of brands and intellectual property, and the risk of impairment to the organisation's business model, reputation, integrity and financial condition, resulting from failure to comply with laws, regulations and internal company rules and policies, as well as late identification of significant legal and regulatory developments, possibly resulting in an inability to influence the final outcome.

Legal, Compliance & Conduct Risk is within tolerance as existing exposures are monitored.

C.5 Other material risk

SIIIL monitors emerging risks, including the financial risk from the impact of climate change and has a plan in place that is monitored by the Risk Committee.

There are no other material risks to the capital position of SIIIL, full analysis of the material risk exposures can be found in the ORSA.

SIIIL has no risk exposure from the pledging of collateral or off-balance sheet events.

SIIIL has no risk exposure to securities lending, borrowing or any repurchase or reverse repurchase agreements which includes liquidity swap.

There are no guarantees to include hedging arrangements in respect of any variable annuity business.

SIIIL has no qualifying infrastructure investments.

Other than the Intercompany Debtor, there are no other risks from intra-group positions at 31 December 2025.

C.7 Any other information

There is no further material information regarding the risk profile for SIIIL.

D. Valuation for Solvency Purposes

In this chapter the Statutory balance sheet is reconciled to the Solvency UK balance sheet for full years 2025 and 2024, the comparative year. First the approach used for the reconciliation of the UKGAAP Statutory balance sheet to the Solvency UK balance sheet is discussed. Followed by a reconciliation by balance sheet item between the Statutory and Solvency UK, this also includes a discussion of the differences in measurement and presentation between Statutory and Solvency UK and the resulting reconciliation differences.

Total balance sheet reconciliation overview

The table below shows the total Statutory to Solvency UK reconciliation.

Balance Sheet as at	Statutory to Solvency UK Reconciliation					
	31-Dec-25			31-Dec-24		
	Statutory	Adjustments	Solvency UK	Restated	Restated	Solvency UK
(£000's) Assets	Results		Results	Statutory	Adjustments	UK
				Results		Results
Deferred acquisition costs	386	-386	0	391	-391	0
Deferred tax assets	43	-16	27	52		52
Investments (other than assets held for index-linked and unit-linked contracts)	16,722	0	16,722	14,428		14,428
Intercompany Loan		0	0	5,071		5,071
Insurance and intermediaries receivables	8,721	-7,224	1,497	6,505	-5,680	825
Reinsurance Recoverables	6,398	-5,031	1,367	4,145	-373	3,772
Receivables	0	0	0			0
Cash and cash equivalents	3,166	0	3,166	1,391		1,391
Other assets	2,816	0	2,816	2,638	-965	1,673
Total Assets	38,252	-12,657	25,595	34,621	-7,409	27,212
Liabilities						
Technical provisions – health not similar to life techniques	15,427	-8,035	7,392	11,802	-6,505	5,297
Reinsurance payables	4,726	-4,685	41	1,490	-1,490	0
Payables	1,751	0	1,751	1,745	-137	1,608
Other Liabilities	813	0	813	751	723	1,474
Total Liabilities	22,717	-12,720	9,997	15,788	-7,409	8,379
Excess of assets over liabilities	15,535		15,598	18,833		18,833

The 2024 Statutory Balance Sheet and Solvency II adjustments have been restated to ensure consistency with the current year presentation; this restatement has had no impact on Net Assets, the Solvency Capital Requirement, or the Solvency Coverage Ratio.

In the next sections, the reconciliation for each balance sheet item is discussed. The statutory valuation basis is fully disclosed in the statutory accounts. All amounts disclosed in this section are in £000s.

Cash based assets have no judgements or assumptions applied to value the assets.

D.1 Assets

D.1.1 Deferred acquisition costs

Deferred acquisition costs (DAC)

Balance Sheet as at	<i>Deferred acquisition costs (DAC)</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Deferred acquisition costs (DAC)	386	-386	0	391	-391	0

Statutory Treatment:

Commission is incurred on the earned premium and is expenses in line with earned premiums.

Reconciliation difference: Revaluation Adjustments

Deferred acquisition costs are not recognised under Solvency UK as they have no resale value and for this reason they are eliminated (i.e. revalued to nil with corresponding adjustment of reducing equity/own funds) as one of the reconciliation steps.

Solvency UK Treatment:

Solvency UK regulation does not recognise deferred acquisition costs. Under Solvency UK, these are captured under insurance liabilities, which for Solvency UK embody all the acquisition costs and servicing costs within the contract boundaries defined. For the valuation of the insurance liabilities, the principles of accrual-based accounting and the matching principle are not applied.

D.1.2 Deferred tax assets

Deferred tax assets

Balance Sheet as at	<i>Deferred Tax Assets</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Deferred Tax Assets	43	-16	27	52	0	52

Statutory Treatment:

Deferred tax assets are recognised for the estimated future tax effects of temporary differences between the carrying value of an item and its tax value, with the exception of differences arising from the initial recognition of goodwill and of assets and liabilities that do not impact taxable or accounting profits. A tax asset is recognised for tax loss carry forwards to the extent that it is probable at the reporting date that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised (IAS 12.5). IAS 12 prescribes the accounting treatment for income taxes. Current tax liabilities or assets for the current and prior periods shall be measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period (IAS 12.46). Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period (IAS 12.47).

Statutory to Solvency UK reconciliation adjustments:

Considering the requirements outlined above - Statutory to Solvency UK reconciliation of deferred tax items should comprise of DTA and DTL adjustments reflecting the tax impact of all the individual revaluations processed for other components of the Balance Sheet. In these cases, where the sum of all above adjustments results in a DTA or DTL changing their sign to negative - effectively becoming DTL and DTA respectively – additional reclassification is required to move the new balance to the correct – opposite – side of the Balance Sheet.

Reconciliation difference: Valuation Adjustments

The difference between the balance sheet valuation of the deferred tax assets according to Statutory or Solvency UK is purely driven by the differences in the valuation of the relevant balance sheet elements between the Statutory balance sheet and Solvency UK balance sheet. Where tax bases do not change, revaluation adjustments related to DTA balances must then be equal to the revaluation adjustments for other balance sheet elements multiplied by applicable tax rates.

Solvency UK Treatment:

The methodology for the calculation of deferred taxes follows the provisions of IAS 12. Deferred tax assets and liabilities are recognised for Solvency UK purposes, on the basis of the temporary differences between the carrying amounts of the assets and liabilities in the solvency balance sheet for Solvency UK and the tax balance sheet values according to local tax regulations of the insurance company. Deferred tax accrual is calculated at the corporate tax rate. Tax losses carried forward are recognised as deferred tax assets if their future benefit is likely according to the forecast. Solvency UK guidelines do not require discounting of deferred tax assets and liabilities, in line with the Statutory approach.

D.1.3 Investments (other than assets held for index- and unit-linked contracts)

Investments (other than assets held for index and unit-linked contracts)

Balance Sheet as at	<i>Investments (other than assets held for index and unit-linked contracts)</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Investments (other than assets held for index and unit-linked contracts)	16,722	0	16,722	14,428	0	14,428

Statutory Treatment:

The investments are valued at fair value using market prices these prices are readily available on actively traded markets. No significant judgments or estimates are used in the valuation of these investments.

Reconciliation difference: Reclassification/Valuation Adjustments

There is no reclassification adjustment required for Solvency UK in 2025.

Solvency UK Treatment:

A look-through approach is used for investment funds under Solvency UK. Look-through data provided by the fund manager drives the classification of the assets and liabilities within the fund.

D.1.4 Intercompany Loan

Intercompany Loan

Balance Sheet as at	<i>Intercompany Loan</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Intercompany Loan	0	0	0	5,070	0	5,071

Statutory Treatment:

Intercompany Loans are valued at fair value. The accrued interest relating to the loan is shown as a debtor under UKGAAP. The intercompany loan was repaid in full in October 2025.

Reconciliation difference: Reclassification Adjustments:

As the accrued loan income is included during the calculation of the Concentration and Spread risks, it is reclassified under Solvency UK. As the loan gets nearer to maturity, the difference between the two valuations increases.

Solvency UK Treatment:

Solvency UK requires that Fair Value be applied to Loans, inclusive of any accrued interest.

D.1.5 Insurance and intermediaries receivables

Insurance and intermediaries receivables

Balance Sheet as at	<i>Insurance and intermediaries receivables</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Insurance and intermediaries receivables	8,721	-7,224	1,497	6,505	-5,680	825

Statutory treatment:

'Insurance and intermediaries receivables' are valued at amortised cost.

Statutory to Solvency UK reconciliation adjustments:

Insurance receivables relating to premiums not yet due on annual insurance contracts are considered within the Premium Provision under Solvency UK. The Scratch & Patch policies, which are annual contracts, represents a large part of the premiums not yet due balance at the end of 2025. This is backed out for the Solvency UK balance sheet, as it is accounted for within the technical provisions calculation.

Solvency UK Treatment:

Any receivables not considered within the Premium Provision are held at Fair Value under Solvency UK.

D.1.6 Reinsurance Recoverables

Reinsurance Recoverables

Balance Sheet as at	<i>Reinsurance Recoverables</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Reinsurance Recoverables	6,398	-5,031	1,367	4,145	-373	3,772

Statutory Treatment:

Reinsurance recoverables are valued at amortised cost.

Statutory to Solvency UK reconciliation adjustments:

Reinsurance recoverables are measured differently under UKGAAP and Solvency UK resulting in an adjustment between the two valuations. SIIIL's reinsurance recoverables all relate to the Scratch & Patch portfolio.

Solvency UK Treatment:

Reinsurance recoverables under Solvency UK are measured as the ceded portions of the Technical Provisions as calculated in section D.2 – Technical Provisions.

D.1.7 Cash and cash equivalents

Cash and cash equivalents

Balance Sheet as at	<i>Cash and cash equivalents</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Cash and cash equivalents	3,166	0	3,166	1,391	0	1,391

Statutory Treatment:

Cash comprises cash at banks and in-hand. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known cash amounts, are subject to insignificant risks of changes in value and are held for the purpose of meeting short-term cash requirements.

Reconciliation difference: Reclassification/Valuation Adjustments

There are no reclassification or valuation adjustments required for Solvency UK in 2025.

Solvency UK Treatment:

The Fair Value approach is prescribed, with the exception that the amount should not be less than the amount payable on demand.

D.1.8 Any other Assets

Any other Assets

Balance Sheet as at	<i>Any other Assets</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Any other Assets	2,816	0	2,816	2,638	-965	1,673

Statutory Treatment:

Any other assets are initially recognised at Fair Value and are subsequently measured at amortised cost. There are no differences between fair value and amortised cost.

Reconciliation difference: Reclassification/Valuation Adjustments

Prepayments have no resale value and therefore carry no value under Solvency UK. Accrued interest relating to the intercompany loan is treated elsewhere in the Solvency UK calculation and is therefore removed. The 2024 Statutory balance included a reinsurance balance which has been reclassified in the 2025 Statutory Results.

Solvency UK Treatment:

Solvency UK requires that any other assets are held at Fair Value. There were no assets valued using alternative valuation methods.

D.2 Technical provisions

SILL's principal activity is the transaction and servicing of accident and health related general insurance products.

The transitional provisions on technical provisions, the matching adjustment and the volatility adjustment are not used by SILL.

D.2.1 Technical provisions – Health not similar to Life Techniques – Non -Life

Technical provisions – Health not similar to Life techniques – Non-Life

Balance Sheet as at	31-Dec-25			31-Dec-24		
	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
(£000's) Assets						
Technical provisions	15,427	-8,035	7,392	11,802	-6,505	5,297
Best Estimate	15,427	-8,319	7,108	11,802	-6,652	5,150
Risk Margin		284	284		147	147

Statutory Treatment:

The insurance liability generally includes reserves for unearned premiums, unexpired risk, and outstanding claims and benefits. No catastrophe reserves are included in the measurement of the liability.

The reserve for unearned premiums includes premiums related to periods of risk coverage for periods beyond the balance sheet date. Generally, the reserve is released over the coverage period of the premium and is recognised as premium income.

The liability for outstanding claims and benefits is established for claims that have not been settled and any related cash flows, such as claims handling costs. It includes claims that have been incurred but have not been reported to SILL. The liability is calculated at the reporting date using statistical methods based on empirical data and current assumptions. Liabilities for claims subject to periodic payment are calculated using actuarial methods consistent with those applied to general insurance contracts.

Reconciliation difference: Reclassification/Valuation Adjustments

The differences between technical provisions calculated under the UK Statutory Accounting basis and Solvency UK arise primarily from differences in classification and valuation methodology.

Under the Statutory Accounting basis, insurance liabilities comprise unearned premium reserves and claims reserves, calculated using an accrual-based approach and reflecting premiums written but not yet earned, together with claims incurred but not yet settled. Statutory technical provisions do not include a risk margin and are established without explicit allowance for the cost of transferring insurance obligations to another entity.

Under Solvency UK, technical provisions are determined on a market-consistent basis and comprise a Best Estimate Liability and a Risk Margin. The Best Estimate Liability represents the probability-weighted average of future cash flows arising from insurance obligations within contract boundaries, including claims and associated expense payments. The Risk Margin reflects the cost of holding capital to support non-hedgeable risks over the lifetime of the obligations and is not recognised under the Statutory Accounting basis.

A key difference arises in the treatment of unearned premiums. Under Solvency UK, premiums not yet due on contracts bound at the reporting date are not recognised as an asset or reserve in their own right. Instead, expected future claims and expenses relating to these premiums are included within the Best Estimate Liability. This results in a different presentation compared to the Statutory Accounting basis, where an unearned premium reserve is held on an accrual basis.

Differences also arise in the valuation of claims reserves. Under Solvency UK, claims provisions include allowances for all future cash flows associated with claim settlement, including events not yet reflected in the data, using actuarial methodologies consistent with a best estimate approach. This may lead to differences compared to Statutory Accounting reserves, which are primarily based on incurred claims experience and established reserving practices.

Solvency UK Treatment:

The majority of Stonebridge's technical provisions relate to incurred but not settled claims. For these liabilities, reserves under Solvency UK are broadly aligned to the Statutory claims reserves, with an additional allowance for future expenses, reflecting the Solvency UK requirement to include all costs necessary to service and settle insurance obligations. This includes an allocation for indirect overhead expenses that are not explicitly recognised under the Statutory Accounting basis.

Given the short-tail nature of the Company's insurance liabilities, the expected run-off period and prevailing risk-free interest rate environment result in the impact of discounting being immaterial. As a result, no adjustment is currently made to discount future cash flows for Solvency UK purposes.

Under Solvency UK, the Premium Provision is calculated as the present value of expected future claims and expenses arising from the unexpired portion of contracts bound at the reporting date. This differs from the Statutory Accounting basis, which recognises an unearned premium reserve on an accrual basis. Under Solvency UK, expected future cash outflows are assessed using an expected loss ratio approach and reflected directly within the Best Estimate Liability.

In addition, Solvency UK requires the inclusion of a Risk Margin within technical provisions. The Risk Margin represents the cost of holding capital to support non-hedgeable risks over the lifetime of the insurance obligations and reflects the theoretical cost of transferring these obligations to another market participant. This concept is not recognised under the Statutory Accounting basis.

The most significant assumption in determining the Solvency UK claims provision relates to the development of incurred but not settled claims. Claims development assumptions are set using a combination of actuarial methodologies, including Basic Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio techniques. For more recent accident periods, greater reliance is placed on Expected Loss Ratio and Bornhuetter-Ferguson methods, with expert judgement applied at a product segment level to reflect the volatility and maturity of the underlying claims experience.

The data used for Solvency UK calculations is fully compliant with requirements for full year 2025 reporting.

Significant judgements contained within the claims reserving have been approved by the Board and these can be found in the Technical Provision Actuarial Function Report.

D.3 Other liabilities

D.3.1 Payables

Balance Sheet as at	<i>Other liabilities Payables (trade, not insurance)</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Payables (trade, not insurance)	1,751	0	1,751	1,745	-137	1,608

Statutory Treatment:

Considered 'financial liabilities' are to be valued at amortised cost or Fair Value. If at Fair Value, then the discount rates should also include the Own Credit Spread (OCS). There are no differences between fair value and amortised cost.

Reconciliation difference: Reclassification/Valuation Adjustments

There are no reclassification or valuation adjustments required for Solvency UK.

Solvency UK Treatment:

Fair Value approach is prescribed, excluding the effect of changes in OCS since initial recognition. There were no liabilities valued using alternative valuation methods.

D.3.2 Any Other Liabilities

Balance Sheet as at	<i>Any Other Liabilities</i>					
	31-Dec-25			31-Dec-24		
(£000's) Assets	Statutory Results	Adjustments	Solvency UK Results	Statutory Results	Adjustments	Solvency UK Results
Any Other Liabilities	813	0	813	4,583	-3,109	1,474

Statutory Treatment:

Any other liabilities are initially recognised at Fair Value and are subsequently measured at amortised cost. There are no differences between fair value and amortised cost.

Reconciliation difference: Reclassification/Valuation Adjustments

The reinsurer's share of premiums not yet due and deferred acquisition costs are removed from the Solvency UK balance sheet asset. Premiums not yet due are accounted for within the technical provisions calculation and deferred acquisition costs carry no value under Solvency UK.

Solvency UK Treatment:

Solvency UK requires that any other liabilities are held at Fair Value. There were no liabilities valued using alternative valuation methods.

D.3.4 Off-balance sheet liabilities

There are no material or otherwise off-balance sheet liabilities in the reporting period.

D.4. Alternative methods of valuation

SIII do not apply alternative methods of valuation for both assets and liabilities.

D.5. Other material information

All material information for the valuation of solvency purposes has been detailed in the earlier sections.

D.6 Any other information not contained in the SFCR.

There is no further information that is not contained within the SFCR regarding the Solvency UK valuation of assets, technical provisions and other liabilities.

E. Capital Management

E.1 General

The Capital Management Policy ('CMP') supports SILL's financial strategy to adequately protect the interests of customers, return capital to SILL's shareholder and execute strategic priorities.

E.1.1 Capital Management Policy

The CMP is intended to ensure transparency and accountability with respect to capital management within SILL. The CMP provides trigger levels for management action or management response such as initiation of a capital plan. These trigger levels are calculated as part of the process of updating the ORSA report.

As noted in the ORSA report, a limit has been set for SILL using capital coverage ratios. The Capital Management Zones for SILL have been set by using the ratio of own funds to the standard capital requirement in line with the requirements of the Capital Management policy. This was assessed by management and signed off by the Board as part of the process outlined in Section B in regard to the ORSA.

Capital Management Zones are set to allow time for management actions to be taken if an adverse scenario occurs and therefore minimise the likelihood of a breach of the SCR.

The capital management policy is reviewed at least annually by the Board in conjunction with the ORSA. The current position against the capital and risk tolerance policy is subject to regular monitoring by management.

A full formal Budgeting and Medium-Term Planning process is undertaken each year involving a detailed review of SILL's business plan including detailed projections of the expected level of Own Funds, SCR and earnings over the projection period. This takes into account the company's best estimate of future investment conditions, expenses and business experience such as persistency and claim rates.

Details of the Capital Management Policy and how it is applied for SILL are set out in the ORSA.

E.1.2 Managing dividends and executing of strategic priorities

Any dividend paid by SILL will be appropriate given the current capital position and future projections of the capital position. Any dividend paid will comply with SILL's capital management policy such that SILL's capital is not expected to drop below the target range.

E.1.3 Monitoring capital positions

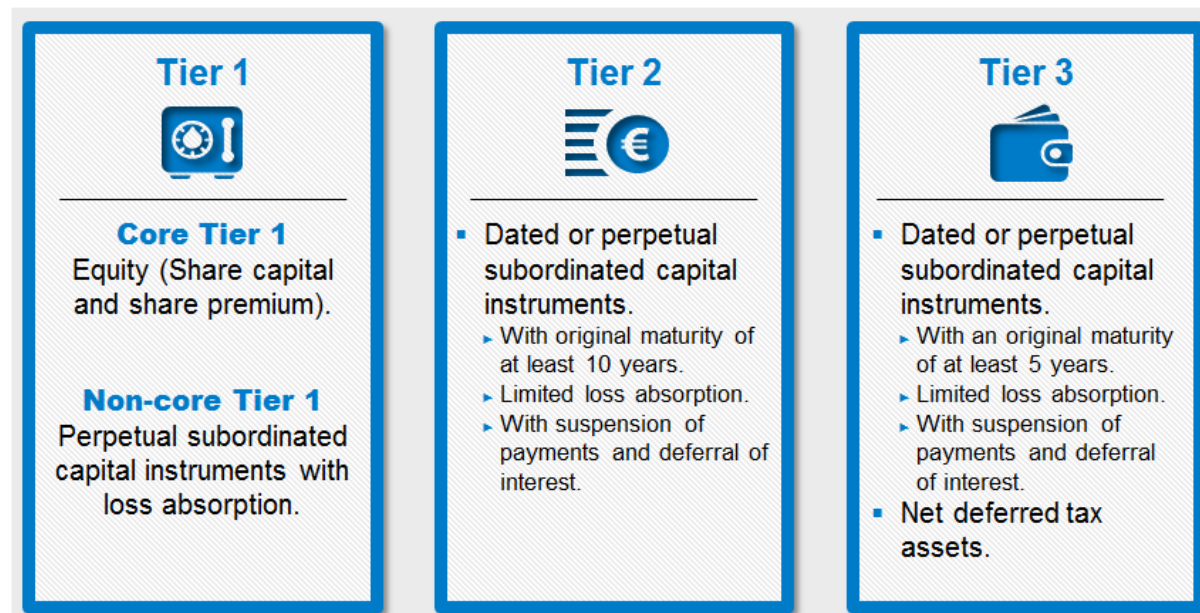
Management monitor the capital position on a quarterly basis from a full valuation perspective and against the estimated capital position throughout the period. Management also monitor the estimated position on a monthly basis. Key drivers that are monitored are the claims loss ratio and level of lapses in respect to ongoing premiums and investment portfolio performance. This is monitored through the Executive Committee to ensure experience is aligned to expectations.

E.2 Own Funds

E.2.1 Tiering of Own Funds

The Own Funds are divided into three Tiers. The general characteristics of these tiers are visualised in the figure below.

Figure 1 Overview of general characteristics of the three Tiers of Own funds



Restrictions apply to the eligibility of Tier 2 and Tier 3 capital, as well as the eligibility of Non-core Tier 1. The total of Tier 2 and Tier 3 Own Funds may not exceed 50% of the SCR whilst Tier 3 Own Funds is limited to 15% of SCR. Non-core Tier 1 may not exceed 20% of Tier 1 Own Funds.

In regard to SILL, the majority of own funds qualify as Tier 1 as it relates to either share capital of £7,500k or it is retained earnings with the exception of deferred tax assets which are Tier 3.

Ordinary share capital

Ordinary share capital comprises of 7,500k ordinary shares of £1 par. The amount presented here aligns with data published in SILL statutory accounts for the year 2025.

Reconciliation reserve

Reconciliation reserve is calculated as follows:

Reconciliation reserve	2025	2024
£ 000's		
Excess of Assets over Liabilities	15,598	18,833
Share Capital	-7,500	-7,500
Deferred Taxes	-27	-52
Reconciliation reserve	8,071	11,281

Total available own funds to meet the SCR and MCR

The expected development of own funds is included in the ORSA where a base case of normal anticipated results have been provided along with stressed results for potential risks facing SILL. Management have no current plans at this time or in the immediate future to repay, redeem or issue share capital.

E.2.2 Difference between Solvency Own Funds and Statutory Shareholders Equity

The main differences between the Solvency Own Funds and statutory equity as reported in SILL's statutory accounts are related to the Solvency UK expense overhead reserve and the difference in the valuation of the insurance liabilities, recognition of deferred acquisition costs and the resulting tax impact of these valuation differences.

Key differences between Statutory Equity and Solvency UK

£000's	2025	2024
Statutory Accounts Net Assets	15,535	18,833
Other	-436	-1,065
Technical Provision	111	673
DAC	386	391
Excess of Assets over Liabilities	15,598	18,833

E.2.3 Transitional arrangements

There are no transitional arrangements in place for SILL and therefore no plans to replace any basic own funds items.

E.2.4 Ancillary own funds

The year-end 2025 solvency position of SILL did not include any ancillary own funds as defined by article 89(1) of Directive 2009/138/EC.

E.2.5 Description of items deducted from Own Funds

There were no items deducted from own funds for SILL.

E.3 Solvency Capital Requirement and Minimum Capital Requirement

E.3.1 SCR

This section outlines the period to 31 December 2025 Solvency Capital Requirement based on the Standard Formula Model ('SF') for SILL.

Solvency UK key figures

SCR

£000's	2025	2024
own funds	15,598	18,833
Net SCR	7,695	7,524
Solvency Ratio	203%	250%

SCR based on Standard Formula

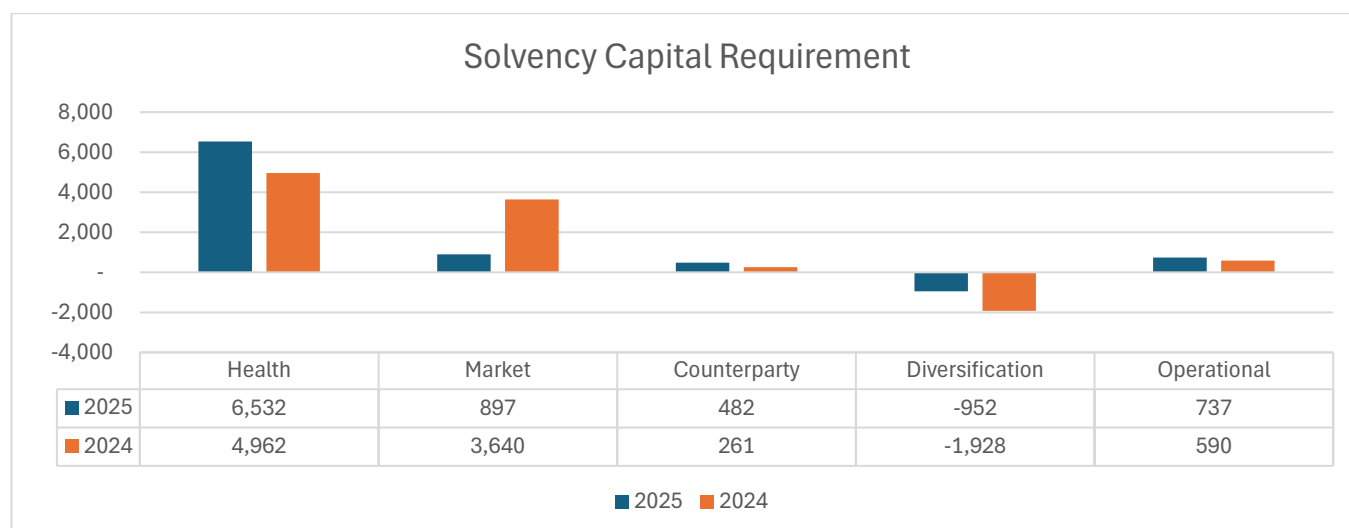
At 31 December 2025, SILL's SCR was £7,695k (2024: £7,524k).

In the implementation of the Solvency II Directive, the UK has made use of the Member State option provided for in article 51(2) of the Solvency II Directive relating to capital add-on disclosure.

The composition of the Standard Formula SCR is shown section C.

E.3.2 SCR split by risk module

The chart below shows the breakdown of the SF SCR components:



E.3.3 Simplified Calculations

SILL does not apply simplified calculations for calculating the Standard Formula SCR.

E.3.4 Undertaking- specific parameters (Article 104(7) of Directive 2009/138/EC)

SILL does not apply SILL-specific parameters as defined in article 104(7) of the Directive 2009/138/EC for calculating the Standard Formula SCR.

E.3.5 Article 51(2) of Directive 2009/138/EC

The UK does not make use of the option provided for in the third subparagraph of article 51(2) of Directive 2009/138/EC.

E.3.6 Minimum Capital Requirement

The Minimum Capital Requirement ("MCR") of SILL at 31 December 2025 was £2,356 (2024: £2,239), an increase of 5% during 2025. The MCR is calculated in accordance with a prescribed formula subject to a defined floor and cap based on the SCR.

E.4 Use of the duration-based equity risk sum-module

SIII does not use the duration-based equity risk sub-module set out in article 304 of Directive 2009/138/EC in the calculation of the SCR.

E.5 Non-compliance with capital requirements

There have not been any instances during 2025 where the estimated SIII Solvency UK ratio was below the SCR, nor the MCR level. To ensure that SIII maintains adequate solvency levels, actual and expected capital positions are monitored against capitalisation zones that are defined in Capital Management Policy. Several activities as referred to in section E.1.1 are performed to monitor and assess the future development of SIII's solvency position such as the annual Budget Medium Term Planning (MTP) process and regular, periodic management reporting. Decisions to return capital to the shareholder are based on solvency assessments that look into the impact of the decision on the current and future projected solvency position.

Any solvency position is subject to risks and SIII therefore constantly monitors such risks. These are quantified to determine the impact of such risks on the current and the projected solvency position. The Capital Management Policy provides actions that need to be performed as soon as the identified risks could cause the projected solvency ratio to fall within a particular capitalisation zone.

Within the ORSA there are detailed projection of SIII's earnings over the business planning period to include the Capital position. These forward-looking projections provide assurance that there are no foreseeable risks for non-compliance with the MCR and SCR.

E.6 Any other information

There have been no changes to information previously submitted in any application to use undertaking specific parameters in the standard formula SCR or a matching adjustment in the calculation of technical provisions.

There is no further information available in respect of capital management.

F. Audit Report

SIIL has received exemption from the regulator from having its SFCR and quantitative reporting templates audited.

SIIL's board will provide sign off in the following section that the SFCR has been prepared in accordance with all Solvency UK regulations.

G. Approval by the Board of the Solvency and Financial Condition Report and Reporting Templates

Stonebridge International Insurance Limited

Approval by the Board of Directors of the Solvency and Financial Condition Report

Financial year ended 31 December 2025

We certify that:

- a. The Solvency and Financial Condition Report (SFCR) has been properly prepared in all material respects in accordance with the PRA rules and Solvency UK regulations; and
- b. We are satisfied that:
 - i. Throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and the Solvency UK regulations as applicable to the insurer; and
 - ii. 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.

Paul Thilo

Paul Thilo (Apr 13, 2026 16:01:42 GMT+1)

Paul Thilo

Director and Chief Executive

9th April 2026

H. Quantitative Reporting Template

Stonebridge International Insurance Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2025

(Monetary amounts in GBP thousands)

General information

Entity name	Stonebridge International Insurance Ltd
Entity identification code and type of code	LEI/2138006PPB8GBYSGJC74
Type of undertaking	Non-life undertakings
Country of incorporation	GB
Language of reporting	en
Reporting reference date	31 December 2025
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

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	27
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	0
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	16,722
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	0
R0110	<i>Equities - listed</i>	
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	0
R0140	<i>Government Bonds</i>	0
R0150	<i>Corporate Bonds</i>	0
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	16,722
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	0
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	1,367
R0280	<i>Non-life and health similar to non-life</i>	1,367
R0315	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	1,497
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
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	3,166
R0420	Any other assets, not elsewhere shown	2,816
R0500	Total assets	25,595

		Solvency II value
		C0010
Liabilities		
R0505	Technical provisions - total	7,392
R0510	<i>Technical provisions - non-life</i>	7,392
R0515	<i>Technical provisions - life</i>	0
R0542	Best estimate - total	7,108
R0544	<i>Best estimate - non-life</i>	7,108
R0546	<i>Best estimate - life</i>	
R0552	Risk margin - total	284
R0554	<i>Risk margin - non-life</i>	284
R0556	<i>Risk margin - life</i>	
R0565	Transitional (TMTP) - life	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	0
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	41
R0840	Payables (trade, not insurance)	1,751
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>	
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0
R0880	Any other liabilities, not elsewhere shown	813
R0900	Total liabilities	9,997
R1000	Excess of assets over liabilities	15,598

IR.05.02.01

Premiums, claims and expenses by country: Non-life obligations

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
R0010	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110	Gross - Direct Business	25,953					25,953
R0120	Gross - Proportional reinsurance accepted						0
R0130	Gross - Non-proportional reinsurance accepted						0
R0140	Reinsurers' share	9,305					9,305
R0200	Net	16,648					16,648
Premiums earned							
R0210	Gross - Direct Business	23,862					23,862
R0220	Gross - Proportional reinsurance accepted						0
R0230	Gross - Non-proportional reinsurance accepted						0
R0240	Reinsurers' share	7,827					7,827
R0300	Net	16,035					16,035
Claims incurred							
R0310	Gross - Direct Business	11,614					11,614
R0320	Gross - Proportional reinsurance accepted						0
R0330	Gross - Non-proportional reinsurance accepted						0
R0340	Reinsurers' share	4,709					4,709
R0400	Net	6,904					6,904
R0550	Net expenses incurred	7,714					7,714

Non-Life Technical Provisions

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Best estimate																	
Premium provisions																	
R0060 Gross	17	9										0					26
R0140 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	283	0										0					283
R0150 Net Best Estimate of Premium Provisions	-266	9										0					-258
Claims provisions																	
R0160 Gross	1,549	5,534										0					7,082
R0240 Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	1,084	0										0					1,084
R0250 Net Best Estimate of Claims Provisions	465	5,534										0					5,998
R0260 Total best estimate - gross	1,566	5,542										0					7,108
R0270 Total best estimate - net	198	5,542										0					5,741
R0280 Risk margin	10	274										0					284
R0320 Technical provisions - total	1,576	5,816										0					7,392
R0330 Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	1,367	0										0					1,367
R0340 Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	208	5,816										0					6,024

IR.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 - C0070 Development year					C0080	C0090	C0100	C0110	C0170	C0180			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	In Current year	Sum of years (cumulative)
R0100	Prior																0	0
	-14	569	643	8	27	13	48	2	1	0	0	0	0	0	0	0	0	1,310
	-13	372	515	49	96	0	0	0	0	289	10	0	0	0	23	0	0	1,353
	-12	481	577	109	67	9	23	2	0	0	0	0	0	0	0	0	0	1,267
	-11	461	1,128	68	30	8	16	0	0	0	0	0	0	0	0	0	0	1,711
	-10	879	875	239	56	25	0	0	0	65	0	0	0	0	0	0	0	2,140
R0160	-9	483	1,440	306	2	18	0	0	0	0	0	0	0	0	0	0	0	2,250
R0170	-8	1,334	1,592	474	55	130	0	1	0	0	0	0	0	0	0	0	0	3,585
R0180	-7	519	985	244	130	0	1	0	0	0	0	0	0	0	0	0	0	1,878
R0190	-6	765	2,005	787	30	146	130	0	0	0	0	0	0	0	0	0	0	3,862
R0200	-5	434	1,035	208	57	325	0	0	0	0	0	0	0	0	0	0	0	2,059
R0210	-4	145	828	267	199	52	0	0	0	0	0	0	0	0	0	0	52	1,491
R0220	-3	187	894	733	268	0	0	0	0	0	0	0	0	0	0	0	268	2,083
R0230	-2	1,507	1,473	760	0	0	0	0	0	0	0	0	0	0	0	0	760	3,740
R0240	-1	3,701	2,388	0	0	0	0	0	0	0	0	0	0	0	0	0	2,388	6,089
R0250	0	6,617	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,617	6,617
R0260																	10,085	41,434

Gross Undiscounted Best Estimate Claims Provisions																	
(absolute amount)																	
Year	C0200	C0210	C0220	C0230	C0240 - C0270 Development year					C0280	C0290	C0300	C0360				
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +	Year end (discounted data)
R0100	Prior																0
R0155	-14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R0156	-13	0	0	0	0	0	31	3	0	0	0	0	0	0	0	0	0
R0157	-12	0	0	0	0	114	26	0	0	0	0	0	0	0	0	0	0
R0158	-11	0	0	0	107	38	7	0	0	0	0	0	0	0	0	0	0
R0159	-10	0	0	186	35	15	0	0	0	0	0	0	0	0	0	0	0
R0160	-9	0	436	78	39	4	0	0	0	0	0	0	0	0	0	0	0
R0170	-8	1,987	306	124	18	15	0	0	0	0	0	0	0	0	0	0	0
R0180	-7	1,980	330	54	17	1	0	0	0	0	0	0	0	0	0	0	0
R0190	-6	1,914	431	142	10	17	0	28	0	0	0	0	0	0	0	0	28
R0200	-5	2,061	671	520	378	4	17	0	0	0	0	0	0	0	0	0	17
R0210	-4	1,997	496	180	21	79	0	0	0	0	0	0	0	0	0	0	79
R0220	-3	2,401	1,307	770	281	0	0	0	0	0	0	0	0	0	0	0	281
R0230	-2	3,415	1,181	748	0	0	0	0	0	0	0	0	0	0	0	0	748
R0240	-1	3,866	1,464	0	0	0	0	0	0	0	0	0	0	0	0	0	1,464
R0250	0	4,464	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,464
R0260																	7,082

Gross premium		
	C0570	C0580
	Gross earned premium at reporting reference date	Estimate of future gross earned premium
R0155	N-14	0
R0156	N-13	0
R0157	N-12	0
R0158	N-11	0
R0159	N-10	0
R0160	N-9	11,656
R0170	N-8	10,327
R0180	N-7	9,638
R0190	N-6	9,202
R0200	N-5	8,526
R0210	N-4	8,005
R0220	N-3	9,866
R0230	N-2	14,912
R0240	N-1	18,786
R0250	N	23,862

IR.23.01.01

Own Funds

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
R0290	Total basic own funds
	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
R0350	Letters of credit and guarantees other
R0360	Supplementary members calls
R0370	Supplementary members calls - other
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
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
R0725	Deductions for participations in financial and credit institutions
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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
7,500	7,500		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
8,071	8,071			
0		0	0	0
27				27
0	0	0	0	0
0				
15,598	15,571	0	0	27
0				
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
15,598	15,571	0	0	27
15,571	15,571	0	0	
15,598	15,571	0	0	27
15,571	15,571	0	0	
7,695				
2,400				
202.71%				
648.86%				
C0060				
15,598				
0				
7,527				
0				
8,071				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

	C0010
Market risk	
R0070 Interest rate risk	782
R0080 Equity risk	0
R0090 Property risk	0
R0100 Spread risk	437
R0110 Concentration risk	46
R0120 Currency risk	0
R0125 Other market risk	
R0130 Diversification within market risk	-368
R0140 Total Market risk	897
Counterparty default risk	
R0150 Type 1 exposures	296
R0160 Type 2 exposures	219
R0165 Other counterparty risk	
R0170 Diversification within counterparty default risk	-32
R0180 Total Counterparty default risk	482
Life underwriting risk	
R0190 Mortality risk	
R0200 Longevity risk	
R0210 Disability-Morbidity risk	
R0220 Life-expense risk	
R0230 Revision risk	
R0240 Lapse risk	
R0250 Life catastrophe risk	
R0255 Other life underwriting risk	
R0260 Diversification within life underwriting risk	
R0270 Total Life underwriting risk	0
Health underwriting risk	
R0280 Health SLT risk	0
R0290 Health non SLT risk	6,477
R0300 Health catastrophe risk	206
R0305 Other health underwriting risk	
R0310 Diversification within health underwriting risk	-152
R0320 Total Health underwriting risk	6,532
Non-life underwriting risk	
R0330 Non-life premium and reserve risk (ex catastrophe risk)	0
R0340 Non-life catastrophe risk	0
R0350 Lapse risk	0
R0355 Other non-life underwriting risk	
R0360 Diversification within non-life underwriting risk	0
R0370 Non-life underwriting risk	0
R0400 Intangible asset risk	
Operational and other risks	
R0422 Operational risk	737
R0424 Other risks	
R0430 Total Operational and other risks	737
R0432 Total before all diversification	9,200
R0434 Total before diversification between risk modules	8,647
R0436 Diversification between risk modules	-952
R0438 Total after diversification	7,695
R0440 Loss absorbing capacity of technical provisions	
R0450 Loss absorbing capacity of deferred tax	
R0455 Other adjustments	
R0460 Solvency capital requirement including undisclosed capital add-on	7,695
R0472 Disclosed capital add-on - excluding residual model limitation	
R0474 Disclosed capital add-on - residual model limitation	
R0480 Solvency capital requirement including capital add-on	7,695
R0490 Biting interest rate scenario	
R0495 Biting life lapse scenario	

IR.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

1,996

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
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- R0020 Medical expense insurance and proportional reinsurance
- 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

C0020

C0030

C0020	C0030
198	3,938
5,542	12,654
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	
0	

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

0

Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
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C0050

C0060

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

Overall MCR calculation

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR
- R0400 Minimum Capital Requirement

C0070

1,996
7,695
3,463
1,924
1,996
2,400
2,400

SIIL 2025 SFCR Final-130426

Final Audit Report

2026-04-13

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