

Pinnacle Insurance plc

Solvency and Financial Condition Report

Disclosures

31 December

2019

(Monetary amounts in GBP thousands)

General information

Undertaking name	Pinnacle Insurance plc
Undertaking identification code	213800EJ677W8HTX3X38
Type of code of undertaking	LEI
Type of undertaking	Undertakings pursuing both life and non-life insurance activity - article 73 (2)
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	GBP
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

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

S.02.01.02
Balance sheet

Solvency II value	
C0010	
	1,814
	0
	193,373
	0
	0
	0
	68,216
	11,882
	56,334
	0
	0
	14,000
	111,157
	0
	0
	0
	50,656
	25,716
	25,716
	0
	24,940
	0
	24,940
	0
	0
	3,270
	693
	6,108
	0
	3,274
	0
	259,188

Assets	
R0030	Intangible assets
R0040	Deferred tax assets
R0050	Pension benefit surplus
R0060	Property, plant & equipment held for own use
R0070	Investments (other than assets held for index-linked and unit-linked contracts)
R0080	<i>Property (other than for own use)</i>
R0090	<i>Holdings in related undertakings, including participations</i>
R0100	<i>Equities</i>
R0110	<i>Equities - listed</i>
R0120	<i>Equities - unlisted</i>
R0130	<i>Bonds</i>
R0140	<i>Government Bonds</i>
R0150	<i>Corporate Bonds</i>
R0160	<i>Structured notes</i>
R0170	<i>Collateralised securities</i>
R0180	<i>Collective Investments Undertakings</i>
R0190	<i>Derivatives</i>
R0200	<i>Deposits other than cash equivalents</i>
R0210	<i>Other investments</i>
R0220	Assets held for index-linked and unit-linked contracts
R0230	Loans and mortgages
R0240	<i>Loans on policies</i>
R0250	<i>Loans and mortgages to individuals</i>
R0260	<i>Other loans and mortgages</i>
R0270	Reinsurance recoverables from:
R0280	<i>Non-life and health similar to non-life</i>
R0290	<i>Non-life excluding health</i>
R0300	<i>Health similar to non-life</i>
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>
R0320	<i>Health similar to life</i>
R0330	<i>Life excluding health and index-linked and unit-linked</i>
R0340	<i>Life index-linked and unit-linked</i>
R0350	Deposits to cedants
R0360	Insurance and intermediaries receivables
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
R0410	Cash and cash equivalents
R0420	Any other assets, not elsewhere shown
R0500	Total assets

S.02.01.02
Balance sheet

Solvency II value		
C0010		
R0510	Technical provisions - non-life	65,207
R0520	<i>Technical provisions - non-life (excluding health)</i>	60,088
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	51,796
R0550	<i>Risk margin</i>	8,292
R0560	<i>Technical provisions - health (similar to non-life)</i>	5,119
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	4,870
R0590	<i>Risk margin</i>	249
R0600	Technical provisions - life (excluding index-linked and unit-linked)	27,128
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	0
R0640	<i>Risk margin</i>	0
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	27,128
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	26,814
R0680	<i>Risk margin</i>	314
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	0
R0720	<i>Risk margin</i>	0
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
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	16,859
R0830	Reinsurance payables	24
R0840	Payables (trade, not insurance)	1,986
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	120
R0900	Total liabilities	111,324
R1000	Excess of assets over liabilities	147,864

Life and Health SLT Technical Provisions

	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	C0020	C0030	C0040	C0050	C0060	C0070				C0080	C0090	C0100			
R0010 Technical provisions calculated as a whole										0					
R0020 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole										0					

Technical provisions calculated as a sum of BE and RM

Best estimate

R0030 Gross Best Estimate					26,814	0			26,814						
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default					24,940	0			24,940						
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re					1,874	0			1,874						
R0100 Risk margin					314				314						
Amount of the transitional on Technical Provisions															
R0110 Technical Provisions calculated as a whole					0				0						
R0120 Best estimate					0	0			0						
R0130 Risk margin					0				0						
R0200 Technical provisions - total					27,128				27,128						

S.17.01.02

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
R0010	Technical provisions calculated as a whole	0	0		0	0		0	0				0					0
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
Technical provisions calculated as a sum of BE and RM Best estimate																		
Premium provisions																		
R0060	Gross	0	1,774		0	1,863		61	27				5,250					8,976
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		0	0		0	7				0					7
R0150	Net Best Estimate of Premium Provisions	0	1,774		0	1,863		61	21				5,250					8,969
Claims provisions																		
R0160	Gross	3	3,094		38,286	319		904	623				4,461					47,690
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		25,422	0		0	288				0					25,709
R0250	Net Best Estimate of Claims Provisions	3	3,094		12,865	319		904	335				4,461					21,981
R0260	Total best estimate - gross	2	4,868		38,286	2,182		965	650				9,712					56,666
R0270	Total best estimate - net	2	4,868		12,865	2,182		965	356				9,712					30,950
R0280	Risk margin	0	248		5,433	156		31	14				2,657					8,541
Amount of the transitional on Technical Provisions																		
R0290	Technical Provisions calculated as a whole																	0
R0300	Best estimate																	0
R0310	Risk margin																	0
R0320	Technical provisions - total	3	5,116		43,720	2,339		996	665				12,369					65,207
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0		25,422	0		0	294				0					25,716
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	3	5,116		18,298	2,339		996	370				12,369					39,491

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year

Gross Claims Paid (non-cumulative)													
(absolute amount)													
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Development year										In Current year	Sum of years (cumulative)	
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior										0	0	0
R0160	0	0	0	0	0	0	0	0	0	0		0	0
R0170	0	0	0	0	0	0	0	0	0			0	0
R0180	0	0	0	0	0	0	0	0				0	0
R0190	25,346	24,132	2,904	844	387	190	90					90	53,892
R0200	42,383	32,352	8,300	5,076	5,514	3,713						3,713	97,338
R0210	50,480	34,653	7,545	4,400	3,788							3,788	100,866
R0220	28,941	12,992	2,008	1,080								1,080	45,021
R0230	13,607	6,916	583									583	21,106
R0240	11,897	5,487										5,487	17,383
R0250	12,118											12,118	12,118
R0260	Total										26,859	347,724	

Gross Undiscounted Best Estimate Claims Provisions												
(absolute amount)												
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Development year										Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior										0	0
R0160	0	0	0	0	0	0	0	0	0	0		0
R0170	0	0	0	0	0	0	0	0	0			0
R0180	0	0	0	0	0	0	0	0				0
R0190	0	0	0	0	0	0	2,466					1,452
R0200	0	0	0	0	0	33,767						19,761
R0210	0	0	0	0	28,278							16,610
R0220	0	0	0	2,941								1,849
R0230	0	0	65									65
R0240	0	832										828
R0250	7,156											7,123
R0260	Total										47,690	

S.23.01.01
Own Funds

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

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

R0220 Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

R0230 Deductions for participations in financial and credit institutions

R0290 Total basic own funds after deductions

Ancillary own funds

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

Available and eligible own funds

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

R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Expected profits

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
126,557	126,557		0	
23,323	23,323		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
-3,830	-3,830			
0		0	0	0
1,814				1,814
0	0	0	0	0
0				
0				
147,864	146,050	0	0	1,814

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

147,864	146,050	0	0	1,814
146,050	146,050	0	0	
147,864	146,050	0	0	1,814
146,050	146,050	0	0	

59,395
14,849
248.95%
983.59%

C0060
147,864
0
0
151,694
0
-3,830

67
16
83

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	3,271		
R0020 Counterparty default risk	8,071		
R0030 Life underwriting risk	390		
R0040 Health underwriting risk	3,385		
R0050 Non-life underwriting risk	51,853		
R0060 Diversification	-9,396		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	57,574		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	1,821		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes	0		
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	59,395		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	59,395		
Other information on SCR			
R0400 Capital requirement for duration-based equity risk sub-module	0		
R0410 Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420 Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430 Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440 Diversification effects due to RFF nSCR aggregation for article 304	0		
Approach to tax rate			
R0590 Approach based on average tax rate	Not applicable		
Calculation of loss absorbing capacity of deferred taxes			
R0640 LAC DT	0		
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:

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

For health underwriting risk:

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

For non-life underwriting risk:

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

S.28.02.01

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

		Non-life activities	Life activities	Non-life activities	Life activities		
		MCR _(NL,NL) Result	MCR _(NL,L) Result	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0010	C0020	C0030	C0040	C0050	C0060
R0010	Linear formula component for non-life insurance and reinsurance obligations	8,556	0				
R0020	Medical expense insurance and proportional reinsurance			2	32		
R0030	Income protection insurance and proportional reinsurance			4,868	9,696		
R0040	Workers' compensation insurance and proportional reinsurance			0	0		
R0050	Motor vehicle liability insurance and proportional reinsurance			12,865	0		
R0060	Other motor insurance and proportional reinsurance			2,182	3,415		
R0070	Marine, aviation and transport insurance and proportional reinsurance			0	0		
R0080	Fire and other damage to property insurance and proportional reinsurance			965	98		
R0090	General liability insurance and proportional reinsurance			356	0		
R0100	Credit and suretyship insurance and proportional reinsurance			0	0		
R0110	Legal expenses insurance and proportional reinsurance			0	0		
R0120	Assistance and proportional reinsurance			0	0		
R0130	Miscellaneous financial loss insurance and proportional reinsurance			9,712	29,821		
R0140	Non-proportional health reinsurance			0	0		
R0150	Non-proportional casualty reinsurance			0	0		
R0160	Non-proportional marine, aviation and transport reinsurance			0	0		
R0170	Non-proportional property reinsurance			0	0		
		MCR _(L,NL) Result	MCR _(L,L) Result				
		C0070	C0080				
R0200	Linear formula component for life insurance and reinsurance obligations	0	96				
				Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk	Net (of reinsurance/S PV) best estimate and TP calculated as a whole	Net (of reinsurance/S PV) total capital at risk
				C0090	C0100	C0110	C0120
R0210	Obligations with profit participation - guaranteed benefits						
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					1,874	
R0250	Total capital at risk for all life (re)insurance obligations						81,049
Overall MCR calculation		C0130					
R0300	Linear MCR	8,652					
R0310	SCR	59,395					
R0320	MCR cap	26,728					
R0330	MCR floor	14,849					
R0340	Combined MCR	14,849					
R0350	Absolute floor of the MCR	6,374					
R0400	Minimum Capital Requirement	14,849					
Notional non-life and life MCR calculation		C0140		C0150			
R0500	Notional linear MCR	8,556	96				
R0510	Notional SCR excluding add-on (annual or latest calculation)	58,735	660				
R0520	Notional MCR cap	26,431	297				
R0530	Notional MCR floor	14,684	165				
R0540	Notional combined MCR	14,684	165				
R0550	Absolute floor of the notional MCR	3,187	3,187				
R0560	Notional MCR	14,684	3,187				