

Pinnacle Insurance plc

Solvency and Financial Condition Report

Disclosures

31 December
2020

(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 2020
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	
	3,105
	0
	171,045
	0
	0
	0
	53,283
	12,076
	41,207
	0
	0
	25,500
	92,262
	0
	0
	0
	42,236
	16,640
	16,640
	0
	25,595
	0
	25,595
	0
	0
	7,971
	1,012
	9,968
	0
	9,045
	244,381

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	69,391
R0520	<i>Technical provisions - non-life (excluding health)</i>	65,778
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	55,357
R0550	<i>Risk margin</i>	10,421
R0560	<i>Technical provisions - health (similar to non-life)</i>	3,612
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	3,456
R0590	<i>Risk margin</i>	157
R0600	Technical provisions - life (excluding index-linked and unit-linked)	28,127
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>	28,127
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	27,778
R0680	<i>Risk margin</i>	350
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	6,179
R0830	Reinsurance payables	141
R0840	Payables (trade, not insurance)	4,753
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	
R0880	Any other liabilities, not elsewhere shown	296
R0900	Total liabilities	108,887
R1000	Excess of assets over liabilities	135,494

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							27,778			27,778					
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default							25,595			25,595					
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re							2,183	0		2,183					
R0100 Risk margin						350				350					
Amount of the transitional on Technical Provisions															
R0110 Technical Provisions calculated as a whole										0					
R0120 Best estimate										0					
R0130 Risk margin										0					
R0200 Technical provisions - total						28,127				28,127					

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	-4	950		0	3,482		4	29				6,012					10,474
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		0	671		0	29				0					700
R0150	Net Best Estimate of Premium Provisions	-4	950		0	2,811		4	0				6,012					9,773
Claims provisions																		
R0160	Gross	3	2,506		27,408	-10		1,048	257				17,128					48,339
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		15,735	16		0	190				0					15,940
R0250	Net Best Estimate of Claims Provisions	3	2,506		11,673	-26		1,048	67				17,128					32,399
R0260	Total best estimate - gross	-1	3,456		27,408	3,472		1,052	286				23,140					58,813
R0270	Total best estimate - net	-1	3,456		11,673	2,785		1,052	67				23,140					42,173
R0280	Risk margin	1	156		7,332	90		23	3				2,972					10,578
Amount of the transitional on Technical Provisions																		
R0290	Technical Provisions calculated as a whole	0	0		0	0		0	0				0					0
R0300	Best estimate	0	0		0	0		0	0				0					0
R0310	Risk margin	0	0		0	0		0	0				0					0
R0320	Technical provisions - total	0	3,613		34,740	3,562		1,076	288				26,112					69,391
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	0	0		15,735	687		0	219				0					16,640
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	0	3,613		19,005	2,876		1,076	70				26,112					52,750

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	
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	25,305	24,125	2,903	844	387	190	90	38				38	53,883
R0190	42,356	32,342	8,300	5,094	5,514	3,713	1,925					1,925	99,245
R0200	50,458	34,642	7,545	4,400	3,788	2,858						2,858	103,691
R0210	28,919	12,981	2,008	1,080	417							417	45,406
R0220	13,599	6,903	582	71								71	21,155
R0230	11,892	5,487	433									433	17,811
R0240	12,118	5,274										5,274	17,392
R0250	19,546											19,546	19,546
R0260	Total										30,562	378,128	

Gross Undiscounted Best Estimate Claims Provisions												
(absolute amount)												
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Development year										Year end (discounted data)	
	0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior										0	
R0160	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	1,339				1,067
R0190	0	0	0	0	0	0	17,802					14,113
R0200	0	0	0	0	0	15,222						12,093
R0210	0	0	0	0	1,679							1,389
R0220	0	0	0	62								62
R0230	0	0	157									158
R0240	0	945										945
R0250	18,502											18,513
R0260	Total										48,339	

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
-17,491	-17,491			
0		0	0	0
3,105				3,105
0	0	0	0	0
0				
0				
135,494	132,389	0	0	3,105

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

135,494	132,389	0	0	3,105
132,389	132,389	0	0	
135,494	132,389	0	0	3,105
132,389	132,389	0	0	

68,734
17,183
197.13%
770.44%

C0060
135,494
0
152,985
0
-17,491

1,396
-52
1,344

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	2,455		
R0020 Counterparty default risk	8,056		
R0030 Life underwriting risk	455		
R0040 Health underwriting risk	2,775		
R0050 Non-life underwriting risk	61,395		
R0060 Diversification	-8,460		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	66,676		
Calculation of Solvency Capital Requirement			
R0130 Operational risk	2,058		
R0140 Loss-absorbing capacity of technical provisions	0		
R0150 Loss-absorbing capacity of deferred taxes			
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	68,734		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	68,734		
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			
LAC DT			
C0130			
R0640 LAC DT			
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:

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

For health underwriting risk:

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

For non-life underwriting risk:

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

