EXETER FRIENDLY SOCIETY

Group Solvency and Financial Condition Report
For the year ended 31st December 2020

Approved: 14th April 2021

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Executive Summary

The Board of Exeter Friendly Society ("The Society") and its subsidiary The Exeter Cash Plan ("ECP") have prepared this Solvency and Financial Condition Report ("SFCR") which sets out summary information on the risks faced by The Society and ECP, its management controls and the level of solvency it is required to hold. This report covers The Society and ECP as solo entities as well as the Society and its subsidiaries consolidated on a group basis. The headings used are as prescribed in the relevant regulations and cover the business activities, governance, risks, assets and capital management.

Performance summary

The Exeter has again withstood some challenging conditions to deliver solid growth against a backdrop of the global Covid-19 pandemic, increased levels of unemployment, the ongoing Brexit situation and intense competition.

Supporting existing members

Our members have never needed us more since Covid-19 arrived in the UK. Thanks to our staff and the enhancements we've made to services, processes, and infrastructure in the last 12 months, we've been there when it's mattered most. The Exeter formed a discretionary approach for self-isolation claims with the amount paid based on the length of membership held with us. The minimum payment was two weeks extending to twelve and longer where appropriate. Despite early rising claim volumes, we didn't change our approach, other than to increase payments to those considered vulnerable or those self-isolating before hospital procedures.

We moved over 90% of our 160 office-based staff to a full home working setup, providing continued service to our members and uninterrupted business hours. During the onset of lockdown, calls from our income protection members increased to 160% of normal levels, but despite this, since the onset of the pandemic, we still consistently achieved service levels across core areas of the business. We saw a 400% increase in our income protection claim requests during March and April, but thanks to our collective efforts, the majority of claims payments were still settled within a week.

Welcoming new members

As lockdown continued, a number of our competitors withdrew their products from the market. At The Exeter we felt very strongly about wanting to support those with an urgent need for insurance, such as healthcare professionals and other 'key workers' critical to the Covid-19 response. During this period, we received over 5,000 applications from those who could no longer purchase the insurance they needed elsewhere.

Helping those in need

During the height of the pandemic, we aided those members who were struggling to pay their premiums as a result of the UK wide lockdown. We did not want to leave members uninsured so took an individual approach on each case. This approach allowed us to retain 80% of members who were struggling to pay for their policy, who have now returned to their regular premium repayments, with their valuable cover still in place for the future.

Delivery of benefit to members

HealthWise

All our members have access to HealthWise, our member benefits app, providing free and convenient access to remote GP services, expert second medical opinions and other support services. This year, it has provided fast, efficient support from healthcare services at a time where the NHS has been under huge pressure. Our members have attended appointments with remote medical experts for health concerns such as the management of chronic conditions, anxiety, depression, and treatment for musculoskeletal conditions. We encourage all our members to continue to make use of this free support service available to them.

The private medical insurance market

In response to the requisitioning of private hospitals by the NHS during the pandemic, we added an ex-gratia benefit to our Private Medical Insurance ("PMI") policies. From 1st April 2020 to 31st March 2021, we offered an enhanced cash benefit to members who are treated without charge in either an NHS or private setting. During 2020 we paid over £878k in enhanced cash benefit to our members. We know that due to Covid-19 we paid less in PMI claims than expected during the pandemic and fully expect once hospitals are up to full capacity the claims position to increase.

Economic and regulatory landscape

Financial markets suffered a severe impact during 2020 due to the Covid-19 pandemic. The FTSE All Share Index had lost 26% of its 31st December 2019 value by the end of March 2020 and remained 12% down by the end of December 2020. At the same time, UK 15-year Gilt yields evidenced a far more significant reduction falling to just 31% of their end 2019 value by 31st July and ending 2020 at just 37% of the previous year's yield. A recovery has been witnessed in the yield in the first two months of 2021, peaking at 109% of December 2019 yields by the end of February 2021. However, the era of low interest rates looks to be here to stay.

Wider economic conditions have been and are still affected by the need to implement restrictions on social mixing in both work and domestic environments together with the uncertainties surrounding the UK's future trading relationship with Europe. 2020 saw more than 700,000 job losses in the UK due to the pandemic and further job losses are expected in 2021 peaking at c6.5% or over 1 million. GDP fell by 10% in 2020 and a return to pre-Covid levels for the economy is not expected to be seen until the middle of 2022. These factors may well result in increased claims for our IP business, lower sales of new policies across all product types and increased lapses across all product types. The possible impacts of these factors have been considered within our stress testing and scenario analysis.

Solvency Coverage

Our percentage coverage of our pillar 1 SCR capital is a measure of the financial strength of the organisation. We aim to maintain this above 130% in each of our funds. This changed in 2020 as follows

- Long term business fund increased from 142% to 146%. This change was the result of new reinsurance arrangements put in place during the year more than offsetting new business strain.
- General business fund increased from 474% to 490%. This change is a result of a lower level of claims during the COVID-19 pandemic.
- Cash plan was increased from 391% to 477%. This is a result of a lower level of claims.

More detail on solvency capital coverage is given in section E2.3.

Future plans

For the foreseeable future, the Board continue to be committed to the stated strategy of growing the business through organic growth and by providing innovative, leading cover in our core markets. We continue to expand our distribution channels and work closely with business partners to ensure that products are relevant, competitive and meet the changing needs of prospective members.

The Board also continue to seek strategic mergers and acquisitions with organisations within core markets where synergies and increased scale would benefit members and market position.

Throughout this period of strategic growth, the Board will ensure that the Society continues to provide the best customer service it possibly can, building on an already strong reputation. These objectives will be supported by investing in the required IT support systems and by continuing to recruit, train and retain an able and committed workforce as well as an excellent executive and management team.

Statement of Directors' Responsibilities

We acknowledge our responsibility for preparing the group SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a) throughout the financial year in question, the group has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable at the level of the group; and

b) it is reasonable to believe that the group has continued so to comply subsequently and will continue so to comply in future.

Section A : Business & Performance

A.1 - Business

A.1.1 - Business Description

The parent Society is operated as two separate sub funds as required to split long term and general business. All costs are allocated to these sub funds and to the single operating subsidiary in line with the actual resources used.

The bulk of the business is undertaken within the parent company but there are five wholly owned subsidiaries within the group. These are outlined as follows:

- Exeter Cash Plan Holdings Limited - 100% owned subsidiary which is the intermediate holding company for The Exeter Cash Plan
- The Exeter Cash Plan - Provider of cash plan policies. 100% owned by Exeter Cash Plan Holdings Limited
- Go Private Limited – 100% owned dormant subsidiary
- Exeter Friendly Members Club Limited, a wholly owned dormant subsidiary
- Pioneer Advantage Limited, a wholly owned dormant subsidiary

All operating companies share a common governance structure and operate under two PRA registrations; one for the main Society and one for The Exeter Cash Plan.

A.1.2 - Business Summary

The Group's insurance businesses consist of both general and long term elements, the former represented by its books of Private Medical Insurance ("PMI") and Health Cash Plan ("HCP") business and the latter through its Income Protection ("IP") policies, Managed Life ("ML") policies and Real Life ("RL") policies. All insurance policies are underwritten by the Group and sales of new policies are distributed primarily through Independent Financial Advisers and broker networks.

Policies are administered by the Society with two functions being outsourced. Firstly, the Health Cash Plan business is administered by The Wessex Group, as specialist in this area; and secondly private medical claims are processed on the Society's behalf by AXA. The arrangement with AXA was implemented during 2016 to improve customer service and benefit from economies of scale to reduce claim costs.

There are no proposals for any significant changes in these existing activities.

The Society operates in a competitive market. Price and broker relationships are the main drivers but the Society also sees the importance of service to both customers and brokers, and therefore has invested in developing these areas.

The income protection market is competitive but the Society does have an established foothold in that product and has improved its market position over time.

The life cover market is more competitive still so the Society has looked to offer differentiated propositions that do not directly compete with established insurers. This strategy has proved to be successful in creating a unique market position and delivering consistent levels of new business.

The private medical and cash plan markets are more challenging and aggressive competition makes it difficult to grow market share. We have however managed to maintain our market share over recent years and as a result membership levels were broadly static during 2020.

Interest rates remained at historically low levels and this has a significant impact on the Society as its long term insurance liabilities are estimated using a discount rate which is prescribed by Solvency II regulation. In order to reduce risk, the Society endeavours to match these long term liabilities with assets which behave in similar ways to the liabilities. Such matching is never perfect, but this policy has been successful during 2020.

The Society is well-placed to resume its strategy for growth, as described in more detail below.

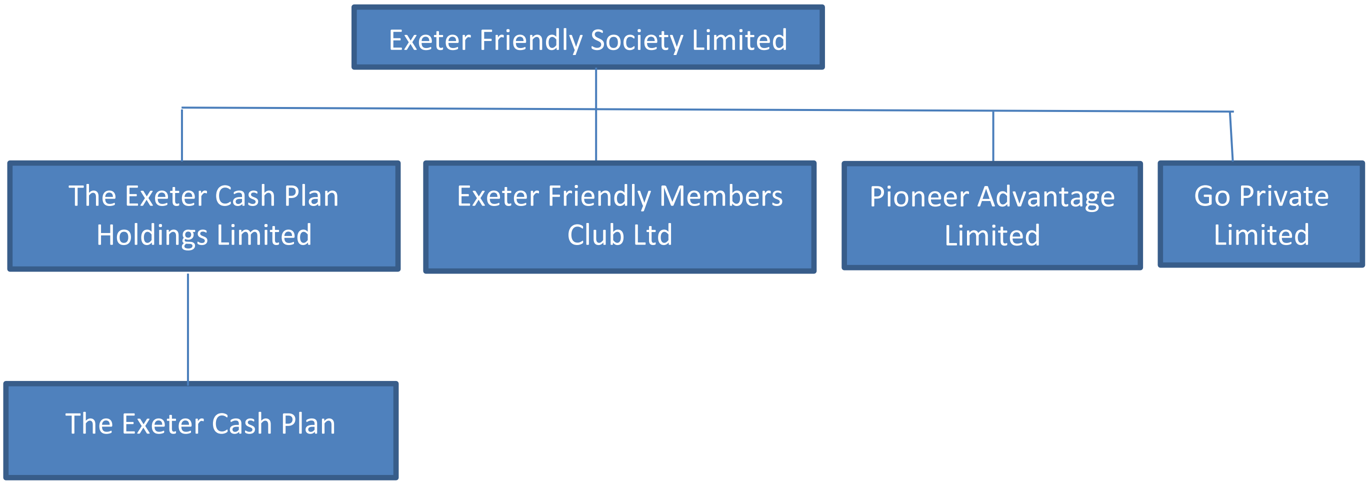
The Board agreed five key strategic objectives, in order to deliver on its vision for the Society to become the Protection Provider of Choice for its customers and distribution partners through the development of quality products, simple processes and efficient services:

- To continue organic growth of the PMI business;
- To continue organic growth of the IP business;
- To continue organic growth of the Life business;
- To maintain and continue to develop a robust, scalable and cost effective infrastructure; and
- To seek to grow the business through merger and acquisition opportunities.

By seeking to expand the business through the sale of innovative and viable policies, the Board aims to generate and preserve value for our members over the long term, thereby providing a firm capital base on which to support future growth.

A.1.3 - Group Structure

The Group structure is as follows:



A.1.4 - Geographic areas and lines of business

At 31st December 2020 the Society had 4 lines of business; Income Protection Insurance, Term Life Insurance, Health Cash Plans and Private Medical Insurance.

Income Protection, Term Life Insurance and Health Cash Plans are sold only within the UK. Private Medical insurance is only sold within the UK but legacy products are still held by individuals in many countries but with a concentration within the EU. Due to the UK leaving the EU on 31st December 2020, all policies held in EU countries will not be renewed on their 2021 renewal date.

A.1.5 - Name and legal form of the undertakings

Both Exeter Friendly Society Limited ("The Society") and The Exeter Cash Plan ("ECP") are incorporated in the United Kingdom and registered in England. Their Registered Office Address is:

Lakeside House
Emperor Way
Exeter
Devon
EX1 3FD

This Solvency and Financial Condition Report ("SFCR") covers Exeter Friendly Society Limited and its subsidiary The Exeter Cash Plan on a solo basis, as well the Society and its subsidiary companies consolidated on a group basis.

A.1.6 - Name of Supervisory Authority

The Society and ECP are authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority.

The Prudential Regulatory Authority ("PRA") can be contacted at:

Prudential Regulatory Authority
Bank of England
Threadneedle Street
London
EC2R 8AH

The Financial Conduct Authority ("FCA") can be contacted at:

Financial Conduct Authority
25 The North Colonnade
London
E14 5HS

A.1.7 - Auditors

The auditors of the Society and all Subsidiaries within the Group are:

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

A.2 - Underwriting Performance and other KPIs

A.2.1 - Underwriting performance

The Board monitors a number of key performance indicators to measure its success in delivering its strategy for the business, including growth in sales, premium income, membership, claims, operating expenses and reserves.

A.2.2 - Membership

Membership is key to The Exeter as it reflects the scale of the Society; and the long-term ability to continue to provide services to members depends upon membership being stable or growing. Whilst membership drives the financial results it is not a number that is directly derived from the financial statements.

Sales of new PMI policies increased during 2020, but coupled with an increase in policy lapses, resulted in a decrease in the number of members, by 485, bringing the overall PMI members to 23,262 during the year (2019: 23,747). In contrast, IP membership showed a 4,499 increase on the previous year from 45,388 to 49,887 members at the year end.

HCP sales showed an overall decrease in the numbers of members from 24,050, to 19,773 in 2020. The cash plan market is dominated by two very large insurers with high marketing profiles and management have focused on maintaining rather than increasing sales of this product.

Sales of new life protection products showed a significant increase over the last two years and this is expected to continue as the product offering widens. Membership of life protection book was 8,375 (2019: 5,052) at the year end.

A.2.3 - Earned premium income

Total earned premiums for 2020 amounted to £71.1m compared to £67.9m for 2019. The individual product line performance was as follows:

- Sales of new Income Protection policies were 1% lower than in 2019 ending the year at £4.7 million. Overall gross written IP premiums recorded an increase of 8% to £26.2 million for the year.

- Sales of new Life Cover policies were £2.9 million in 2020, down from £3.5 million in 2019.

- New Private Medical Insurance sales totalled £3.5 million, an increase of 9% compared to 2019. Gross written premiums reduced by 3% to £36.3 million during the year.

- The Cash Plan business contributed £3.1 million gross written premium compared to £3.5 million in 2019.

- Total new business sales decreased slightly from £12.0m in 2019 to £11.6m in 2020, a decrease of 4%.

A.2.4 - Claims and expenses

PMI benefits and claims decreased by 28.3% to £20.9 million. Gross IP benefits and claims totalled £12.0 million, a 33.9% increase on 2019. On a net basis, after allowing for reinsurance recoveries, there was an increase of 29.1% to £6.8 million. Benefits paid on the HCP business amounted to £1.7 million, bringing the total claims paid out for the Group to £34.7 million (2019:£41.0 million).

At Group level the commission payable to intermediaries decreased by 8.7% to £13.3 million. Net operating expenses increased by 1.8% from £21.7 million to £22.1 million (2019: 35.4%).

A.3 - Investment Performance

The Society updated its investment strategy in 2018 allowing an increased investment in corporate bonds. Investment in gilts was reduced and gilts are now only held to match policy liabilities. The Society's investments remain well aligned with its capital adequacy requirements under the new Solvency II regime and it will continue to refine its investments in accordance with the solvency framework.

Matching of assets to liabilities is achieved by investing in assets of similar maturity duration to the underlying cash flow requirements of the insurance liabilities. The Society has a policy of not using equities to match any insurance liabilities and therefore any such investments are made out of free assets.

Investment markets have been volatile during 2020, however we still achieved a total return of £5.4m. This was largely driven by reductions in interest rates, which increased the value of gilts and corporate bonds. This increase was partially offset by the reduction in value of equities over the year. The reduction in interest rates also resulted in increased reserves And in 2020, the increase in reserves exceeded the return on assets

	2020	2019	2018
Investment Income	£2.4m	£2.6m	£2.4m
Net gains(losses) on investments	£2.9m	£9.1m	(£3.6m)
Total return	£5.4m	£11.7m	(£1.2m)
Reserve movement due to interest rates	£10.2m	£5.8m	(£0.5m)

A.4 - Future Prospects

As a mutual, the Society puts the interests of its members at the heart of how it does business and, to support this philosophy, the Board endeavours to ensure that products and services are designed and delivered in accordance with the needs of those members.

The Society performed well in 2020, delivering £11.6m of new sales. This is a decrease of just 4% on 2019, despite the COVID-19 pandemic having a significant adverse impact on new business volumes. The Board believes that the Society is well-placed to achieve growth through innovation of our existing product range. The Society has continued to invest in its infrastructure and systems and is well placed to continue to pursue growth over the medium term.

The move to an intermediary-focused distribution model several years ago continues to be a successful strategy. The Board believes that this is a good platform from which to form a solid long-term future for the business.

There remains uncertainty over the exact nature of the UK's future relationship with the EU and we expect this uncertainty to continue during 2021 and beyond. The key areas which may cause issues for The Exeter's business include market volatility, possible movement to a deeper recession and regulatory uncertainty.

A.5 - Reinsurance Arrangements

The Society reinsures its Income Protection products with Pacific Life Re and Swiss Re and Term Life Insurance products with Swiss Re. Private Medical Insurance and Cash Plan are not reinsured. In 2020, the Society mitigated its exposure to tail lapse risks from Income Protection by entering a reinsurance agreement with Hannover Re.

Section B: System of governance

B.1 - Governance Structure

The Board's role is to provide entrepreneurial leadership of the Society within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Society's strategic aims and ensures that the necessary financial and human resources are in place in order for the Society to meet its objectives and review management performance. In addition, the Board sets the Society's values and standards and ensures that its obligations to members and others are understood and met.

The Board has a general duty to ensure that relevant legislation and regulations are adhered to, and that proper accounting records and effective systems and controls are established, maintained, documented and audited to safeguard members' interests. The Non-Executive Directors are responsible for bringing independent judgement to discussions held by the Board, using their breadth of experience and understanding of the business to constructively challenge and help develop proposals on strategy.

There is a formal schedule of matters specifically reserved for the Board's decision and a Corporate Governance Handbook sets out its responsibilities and the structure of delegation of authority by the Board to management.

The Board has established five principal Committees, under its overall authority, to deal with certain functions in detail. These Committees cover the following functions:

- Governance and Risk
- Nomination
- Remuneration
- Audit
- Investment

In addition to Committee Meetings the Board holds eight formal Board meetings each year including a whole day devoted to the development of strategy. Each Board meeting includes a consideration of the Society's performance against its strategic objectives, with corrective action proposed as required to ensure that the business remains on target to achieve them. In addition, the Non-Executive Directors meet on one occasion without the Executive Directors and on a further occasion without the Chairman present. The attendance record during the year of Directors at formal meetings of the Board and its Committees is reported within the Annual Report.

The Main Board comprises a non-executive Chair, four other non-executive directors and four executive directors. The Main Board is supported by an Executive Board which comprises four Executive Directors plus two other function Heads. This committee is in turn supported by other committees comprising senior managers within the business. All such committees have formal terms of reference, agendas, full minutes and specific action points.

The board and its committees continue to meet through the COVID-19 lockdown using video conferencing facilities.

B.1.1 - Governance and Risk Committee

The Governance and Risk Committee is appointed by the Board on the recommendation of the Nomination Committee. As recommended by the Association of Financial Mutuals UK Corporate

Governance Code (the "Code"), the majority of members of the Committee are independent Non-Executive Directors.

The purpose of the Committee is to ensure and provide assurance to the Board that the Society's risk management strategies and governance arrangements are appropriate in respect of the type of business it transacts, the market in which it operates and the regulatory regime by which it is assessed. In discharging its responsibilities, the Committee reviews, approves and monitors internal risk and compliance strategies and reports, and manages the process to ensure that the Own Risk Solvency Assessment ("ORSA") has the content required by the Board.

The Committee meets at least three times a year, at appropriate times in the reporting cycle. The Chief Risk Officer and Head of Compliance both have direct access to the Committee and its Chairman and they meet at least once a year with the Committee, without the Society's management present.

The Committee has the additional responsibility of providing oversight of the Society's governance and regulatory compliance arrangements and monitoring their on-going effectiveness. In this regard, the Committee regularly reviews reports from the Compliance Function including the outcomes and recommendations arising from its monitoring programme. The Committee also reviews the Society's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

B.1.2 - Nomination Committee

The Nomination Committee regularly reviews the structure, size and composition of the Board, in particular the range and balance of skills, knowledge and background on the Board, and considers succession planning for Directors. The Committee is responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

Prior to the Board recommending a Non-Executive Director for re-election at the Annual General Meeting, the Committee considers their appointment giving due regard to their performance, continuing commitment to the role and ability to contribute effectively to the Board and to ensure the continuing balance of the Board.

On the basis of the above criteria the Committee considers that the current Board is appropriate for the needs of the business.

B.1.3 - Remuneration Committee

The remuneration of the Executive Directors is set by the Remuneration Committee and is based on the following principles:

- Executives are rewarded for creating long term value for the Society and hence its members;
- Performance related rewards form part of the total remuneration package;
- The remuneration package is competitive in the market in which the Society operates;
- Failure is not rewarded; and
- Contractual terms are agreed which ensure that, on termination, payments are fair to the individual and the Society.

Further detail on remuneration for Executive Directors is included in the annual report and accounts.

B.1.4 - Audit Committee

The Audit Committee is appointed by the Board on the recommendation of the Nomination Committee. As recommended by the Code, all three members of the Committee are independent Non-Executive Directors and at least one member has recent and relevant financial experience. The Audit Committee Chairman is appointed by the Audit Committee.

The purpose of the Committee is to assist the Board in discharging its responsibilities for the integrity of the Society's financial reporting, the quality of the external and internal audit processes and the appropriateness of the Society's system of internal financial controls.

The Committee meets at least three times a year, at appropriate times in the reporting and auditing cycle. The independent auditors and the Chief Internal Auditor both have direct access to this Committee and its Chairman and they meet at least once a year with the Committee, without the Society's management present.

The primary role of the Committee in relation to financial reporting is to review with both management and the external independent auditors the appropriateness of the annual financial statements concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with the external independent auditors;
- whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for members to assess the Society's position and performance, business model and strategy; and
- any correspondence from regulators in relation to the Society's financial reporting.

To aid its review, the Committee considers reports from the Chief Internal Auditor, the Finance Director, the society's actuaries and also reports from the external independent auditors on the outcomes of their annual audit. The internal audit function also advises the Committee on the effectiveness of the Society's internal control systems, the adequacy of those systems to manage business risk and to safeguard its assets and resources.

The committee approves this SFCR, including the templates in appendix 1.

B.1.5 - Investment Committee

The Committee draws up and regularly reviews Investment Guidelines and recommends investment policy to the Board, including the review and approval of established limits for investments and the review and approval of credit policies including investment and counterparty liability, taking advice from the in-house actuarial team and other appropriate financial advisers.

The Committee monitors the performance of the Investment Managers against the agreed benchmarks including its policy for compliance with the principles of the Stewardship Code. Royal London Asset Management was appointed as the Society's Investment Managers in 2011, following a selection process that was overseen by the Committee. A separate contract is in place with HSBC Bank Plc for the provision of custodial services for the Society's investments.

B.1.6 - Adequacy of the Governance Structure

The Society monitors and assesses its system of governance on an ongoing basis as described in the above sections and believes it to be robust.

B.2 – Fit and Proper Requirements

The Committees outlined above set the policies and processes to be implemented throughout the organisation. In order for this to happen the Society must be staffed by individuals with the appropriate skills and training. Significant emphasis is placed on recruiting the right people and then ensuring that they adhere to the Society's regulatory and operational processes.

B.3 - Risk Management System

The Board is responsible for determining strategies for risk management and control. Senior management are responsible for designing, operating and monitoring risk management and internal control processes and the Governance and Risk Committee, on behalf of the Board, is responsible for reviewing the adequacy of these processes. The Committee is also responsible for ensuring that appropriate risk management systems are in place across the business and that there is an on-going process for identifying, evaluating and managing significant risks faced by the Society. This process is regularly reviewed at Board level, any risk related issues that are identified are investigated and, if necessary, additional compliance or internal audit resources are utilised.

Given the risks faced by the organisation and the nature of its products the Board believe a Standard Formula approach in respect of calculation of capital requirements under Solvency II is appropriate and this has been documented in the ORSA. The review process for the ORSA means that this assumption is regularly challenged.

The Board has approved a Risk Appetite and Risk Register, which are regularly reviewed and form the basis of discussion and decision-making. The internal audit function, reporting to the Audit Committee, provides independent and objective assurance that the Society's risk management processes are appropriate and are applied effectively.

The Governance and Risk Committee also devotes a significant amount of its time to ensuring that the Society meets its obligations under Solvency II with a focus on the methodology and assumptions for the Solvency Capital Requirement calculations, the review of the Society's Own Risk and Solvency Assessment Report and ongoing quantitative reporting requirements.

A key starting point in the consideration of risk and solvency is the setting of the Society's risk appetite policy and the tolerance limits that are required and acceptable. Risk Appetite is set on an annual basis by the full board and is then used to assess the overall solvency needs derived from the ORSA. If the Board perceives a change in the risk appetite is required due to specific events or environmental changes then the risk appetite will be reviewed immediately. Once set the Risk Appetite is used to assess the Society's exposure through management information, the ORSA and new project evaluation.

The Society has three lines of defence in risk management:

- The operational management of the Society makes up the first line of defence by assessing risk and implementing day to day controls.
- The Risk Management and Compliance functions provide oversight and challenge to form the second line of defence. This includes compliance checks and risk monitoring.
- Internal Audit provides independent assurance that the risk management framework and internal controls are fit for purpose and effective. When appropriate, specialist external resource may be utilised to provide expert assurance e.g. in respect of auditing actuarial activity. (See section B5, below for further detail about Internal Audit.)

Risk Management is headed by the Chief Risk Officer but primary responsibility for the identification and monitoring of risk sits with department heads who form the first line of defence. Regular reviews of the risk register are undertaken, and monthly risk reports are discussed by the Executive Board and quarterly risks reports are discussed by the Main Board. Any issues arising from the review of the risk report are minuted and appropriate actions are taken.

The Chief Risk Officer Role is key to the development and implementation of risk management. The Chief Risk Officer reports regularly to the Executive Board and the Governance and Risk Committee and in order to maintain the independence of the Chief Risk Officer, this role reports directly to the chair of the Governance and Risk committee.

The Compliance functions are managed by the Head of Compliance, who undertakes an agreed program of work designed to provide comfort on our regulatory compliance. This function also includes the handling of complaints and breaches.

The resources involved in Risk, Compliance, Audit and Actuarial amounted to a total of 15 staff out of a total average number of staff for the year of 160. Roles and responsibilities are clearly defined and allocated to specific individuals in accordance with the Senior Insurance Management Functions regime.

The governance of specific risks is outlined below.

B.3.1 - Underwriting and reserving risk management

To mitigate underwriting risks the Society asks relevant questions of its applicants and these are processed in accordance with documented underwriting philosophies. This may include automated underwriting which, depending upon conditions, leads to policies being offered, declined or earmarked for review by an experienced underwriter.

Certain private medical policies are offered on a moratorium basis and in these cases applicants must be able to answer certain qualifying questions.

Whilst some legacy products were issued without reinsurance the majority of long term policies were written with reinsurance since 2007 and all current long term new policies are reinsured to mitigate risk. Reinsurance is used to protect the Society against large individual claim risks, adverse experience in any one product line and to provide additional expertise within a particular line of business; such as the Managed Life and Real Life products.

Detailed modelling of all pricing assumptions is undertaken before a product is launched and this is repeated on a regular basis to ensure that pricing and reserving continue to be appropriate.

Claims are managed by a dedicated in-house team for long term products whilst the claims functions for cash plan and private medical products are outsourced with close review and supervision by the Society.

B.3.2 - Asset-liability management

The Society aims to match its interest rate and market risks with specific assets to counteract these risks. Risk mitigation is achieved by matching the duration of investments to the expected cash flow requirements of the funds. This asset and liability matching cannot be exact due to the uncertainties involved but is reviewed regularly and adjustments made to the portfolio allocation if required.

B.3.3 - Investment risk management

A detailed investment policy is approved by the Board annually and is reviewed by the management team on a monthly basis to ensure that the external investment managers are complying with the stated policy.

The investment policy sets out requirements for asset liability matching and the investment of free assets over and above those used to match liabilities. Insurance liabilities are matched by cash deposits and investments in fixed interest securities. Equities do form part of the portfolio but only form part of the allocation of free assets.

The investment policies are set alongside detailed guidelines for each asset class and these are monitored monthly within set bands. The investment manager therefore does have discretion within these bands but must correct the portfolio if limits are breached.

In the case of fixed interest investments and cash deposits the Society reviews the credit ratings of the counterparties involved.

There are no direct holdings in derivatives but some collective schemes in which the Society invests may have small exposures. These are disclosed in the Society's regulatory returns on a look through basis.

B.3.4 - Liquidity risk management

The Society models its cash flow and liquidity management as part of the business planning process and this is updated and reviewed monthly to ensure that sufficient liquid resources are available to run the business and meet members claims as they fall due.

B.3.5 - Concentration risk management

The concentration of risk is assessed as part of the ORSA process and any exposures which are deemed to be too high for the risk appetite are reviewed and reduced if necessary.

B.3.6 - Operational risk management:

Operational risk is formally reviewed and reported quarterly but if any issues arise they are reported to the Chief Risk Officer immediately and appropriate action taken. Operational risk is discussed as part of the senior management team and the Executive Board monthly meetings.

All risks are allocated to a risk owner by the Chief Risk Officer and that owner is responsible for the on-going monitoring and management of that risk.

B.3.7 - Persistency risk management:

The ORSA has consistently identified persistency as our biggest net-of-reinsurance risk in the LTBF. We have a medium appetite for persistency risk and so, during 2020 we analysed a range of tools to manage persistency risk and concluded that lapse reinsurance could be used to provide protection against more extreme (tail) lapse risks. A treaty was put in place with effective date of 31st December 2020, ensuring the Society's exposure to persistency risk remains within our risk appetite.

B.4 - Internal Control System

The Society has identified the processes and controls required within its operations to ensure that business risks are addressed and assets are safeguarded. In doing this all key operations are documented and flowcharted to assess the risks that they link to and the controls that are in place.

Each control is allocated to a specific individual or role and these controls are subject to review by internal and external audit and the compliance department.

B.5 - Internal Audit Function

The internal audit function advises management on the effectiveness of the Society's internal control systems, the adequacy of those systems to manage business risk and to safeguard its assets and resources. The internal audit function provides objective assurance on risks and controls to the Audit Committee. The Committee directs the internal audit plan to cover areas of risk and concern and this is kept under regular review. It also conducts a regular review of the effectiveness of the internal audit function and ensures that it has sufficient resources to carry out its duties effectively.

B.6 - Actuarial Function

The Society employs an in-house team of actuaries who are responsible for the assessment of insurance related risks within the Society. This work includes product pricing, experience analysis, the quantification of actuarial reserves, technical provisions and capital modelling.

B.7 - Outsourcing

The Board acknowledges that it is responsible for the actions of its subcontractors and therefore has an outsourcing policy with appropriate controls for due diligence, contracting and monitoring performance. The Society has two material outsourcing arrangements relating to the Cash Plan operations and the handling of private medical claims.

Cash Plan operations are outsourced to The Wessex Group who carry out all day to day processing of cash plan claims and premium collections. In addition, the Society also outsources all private medical claims handling to AXA. Both of these key outsourcers are domiciled in the UK.

Daily management information is reviewed for each of the outsourcing arrangements and regular review meetings are held with outsourcers to review contracted performance indicators and any issues that have arisen during the month. Any corrective action or revisions to service standards is agreed as required.

B.8 - External audit

The Audit Committee oversees the Society's relationship with and monitors the performance of the external independent auditors and makes recommendations to the Board in relation to their appointment, reappointment or removal. These recommendations are then put to the members for approval at the Annual General Meeting. The Audit Committee decided to undertake a tender exercise in 2020 and Mazars LLP were selected by the Audit Committee and appointed as The Exeter's auditors by members voting at the 2020 Annual General Meeting (AGM), replacing PricewaterhouseCoopers LLP.

The Society has policies in place which aim to safeguard and support the independence and objectivity of the external independent auditors. One such policy requires the prior approval of the Board for the engagement of the independent auditors for non-audit work.

The independent auditors are not normally engaged to provide any other services in line with current standards. Where other services are provided from time-to-time, these are limited in scope so that they would not compromise the independence of the audit and the total spend on these services is limited to be no greater than the cost of the independent audit.

The effectiveness of the external audit process is assessed as part of the Audit Committee's annual effectiveness review, which takes the form of a survey issued to the Committee members and regular attendees. The Chairman collates the findings of the effectiveness review and ensures that any issues relevant to the audit process are acted upon.

Section C : Risk Profile

There are four types of risk to which The Exeter is exposed:

1. Risks customers transfer to us – "Insurance Risk";
2. Financial Risks we incur;
3. Risks from Business Operations; and
4. Business Strategy and External Risks.

Each of these basic risk types encompasses a significant number of specific risks that we, as an organisation, need to identify, quantify, manage, monitor and report. Risks are mitigated through the operation of appropriate internal controls and the use of reinsurance for long-term products.

Risks and their associated mitigation and control are discussed in more detail below. Quantification of risks is included in the table in section E.2.2

C.1 - Insurance risk

These are the life events for which we provide protection to our members viz:

1. Mortality;
2. Health (i.e. healthcare costs); and
3. Morbidity.

As a result of protecting against these life events, we also carry Persistency (Lapse) Risk which is included within the same classification for ease of reference.

Underwriting mitigates the inherent insurance risk arising from the uncertainties involved in the occurrence, amount and timing of insurance liabilities. Long term insurance risk arises from morbidity, persistency and expenses variances. General insurance risk arises from risks in general insurance contracts which lead to significant claims in terms of quantity or value. Systems are in place to measure, monitor and control exposure to all these risks. These are documented in policies for underwriting, pricing, claims and reinsurance. To mitigate risk in the long-term business fund the Society uses reinsurance to protect the Society against large individual claim risks, adverse experience and to provide additional expertise.

We have observed an increase in mortality and morbidity claims as a result of COVID-19, with these centred around the infection spikes in April 2020 and January 2021. We have modelled stressed scenarios and are confident that the Society will be able to continue to satisfy its regulatory solvency requirements in the event of further spikes in claims.

C.2 - Financial Risks

There are three main financial risks that we incur, viz:

1. Credit;
2. Market (including interest rate risk); and
3. Liquidity

C.2.1 Credit Risk

Credit Risk relates to credit defaults or expected defaults from/of counterparties with whom we invest funds resulting in uncertainty of investment returns. In this context, investing funds also encompasses reinsurance contracts that we enter into, as a credit default by a reinsurer would have a similar impact to the failure of an institution with whom we had invested funds. Failure by policyholders to pay policy premia on time is also a credit risk event. The Society takes on investment credit risk when it is considered beneficial to do so in support of the Society's strategic objectives and in matching insurance liabilities. The Society seeks to minimise other forms of credit risk, in particular those related to reinsurance, deposit takers and bond issuers.

Assets backing insurance liabilities are invested primarily in gilts and deposits. In addition, the Society has taken the following steps to mitigate credit risk:

- Diversified the portfolio of investments to reduce the potential impact of a credit event;
- Counterparty limits are in place for each cash deposit;
- Only reinsurers who match the Society's credit rating requirements are used.

C.2.2 Market Risk

Market Risk is the risk of losses arising from changes in the value of assets or in the income from the assets. The key risks faced in this area are equity risk; interest rate risk; and exchange rate risk. The Society manages market risk so that the returns generated are in line with members' expectations and support the Society's future strategic and operational objectives.

The Society's Investment Committee oversees the investment policy and strategy, which the Society implements through the use of investment mandates. Each mandate aims to manage the market risk using some, or all, of the following mechanisms:

- Defined performance benchmarks;
- Limits on asset allocation by asset type, market capitalisation and geographical spread;
- Limits on duration of the fixed interest portfolio.

The Society is exposed to interest rate risk where changes in interest rates result in changes to market values or cash flows. Some members (Holloway) bear the interest rate risk through the allocation of bonuses which is influenced by changes in market values and cash flows.

C.2.3 Liquidity Risk

Liquidity risk is the risk that the Society, although solvent, is unable to meet its obligations as they fall due. The Society's objective on liquidity risk management is to ensure that sufficient funds are available over the short and medium term to meet the needs of the Society. This includes new business costs, planned strategic activities, member withdrawals, claims payments and day to day cash flow requirements.

Liquidity risk is managed as follows:

- Budgets are prepared to forecast the short term and medium term liquidity requirements;
- Assets of suitable marketability and maturity are held to meet the member liabilities as they fall due;
- Credit risk of deposit takers is managed by having appropriate counterparty and credit limits in place.

As required under Article 295 of the Delegated Acts the total amount of the expected profit included in future premiums is as follows:

Expected profits included in future premiums:	31/12/2020 £000	31/12/2019 £000
Long Term Business Fund	132,339	118,026
General Business Fund	1,061	1,440
Total Expected profits included in future premiums (Society)	***133,460***	***119,466***
Health Cash Plan subsidiary	51	93
Total Expected profits included in future premiums (Group)	**133,511**	**119,559**

The expected profits included in future premiums (EPIFP) has increased in 2020. This is largely because of the expected future profits arising from new business in 2020.

C.3 - Risk From Business Operations – "Operational Risks"

Risks arising from business operations fall into five main categories, viz:

1. Conduct;
2. Broker Risk;
3. Operational;
4. IT Systems; and
5. Cyber Security

Conduct risk chiefly relates to failure to ensure good customer outcomes in line with market and regulatory expectations. It also encompasses governance requirements including having a robust policy framework and remuneration policy.

Broker Risk relates to risk of loss or lost opportunity from failing to adequately vet, monitor and manage broker relationships resulting in defaults in payments by intermediaries, inability to recover clawback (including fraud on premiums), unusual behaviour that is, for example, too heavily weighted to a specific industry sector, geographical location or other demographic. Any of which may result in the Society facing fraudulent applications and higher than expected claims experience, whether through collusion or otherwise

Operational risk relates to direct or indirect loss arising from inadequate or failed internal processes, systems and/or people.

IT Systems risk relates to direct or indirect losses arising from failure to specify, implement, manage and maintain appropriate ICT systems hardware, software and operating policies and procedures any of which could result in: significant loss of systems availability; loss of confidence from brokers, members, consumers and the media.

Cyber Security risk relates to direct or indirect losses arising from failure to adequately protect our systems and data from external or internal threats, any of which could result in: significant loss of systems availability; loss of confidence from brokers, members, consumers and the media; plus, significant regulatory censure and fines.

Managing the risks is generally achieved by the application of robust policies and processes coupled with good governance.

Operational risks are reported to Risk Management monthly in addition to being discussed by the Executive Board and encompassed within the quarterly risk report where necessary. Cyber risks are reported monthly via the Security Committee. The other risks are incorporated into quarterly risk dashboards and reports as appropriate.

Operational risks are assessed on a fund by fund basis and then aggregated for the Society as a whole. The Board reviews the risk register composition on a regular basis and then monitors key risk indicators as part of its monthly performance management.

The Board has set a risk appetite measured as a proportion of available capital for each of the funds. The utilisation of capital against this appetite is measured and considered regularly and appropriate action taken to address any issues.

COVID-19 has allowed us to demonstrate our operational resilience. Within the space of one week, we were able to move to a position where 95% of our staff were working from home. Only key mail handling staff and facility management remain working from our offices as we adhered to the government's requirement to work from home wherever possible. However, as a result of home working we have moderately increased exposure to other operational risks.

C.4 - Business Strategy & External Risks

Strategy risk relates to the failure to set or achieve a sustainable business strategy resulting in poor profit performance, ineffective capital utilisation, risk to solvency and/or negative publicity, it also encompasses expense management which is fundamental to any insurer's survival. Virtually all business entities must continue to grow and innovate if they are to avoid stagnating and ultimately ceasing to exist. The Exeter is no different in this respect. Ensuring, however, that the correct strategy has been identified, implemented and continuously reviewed is one of the biggest risk challenges faced by any organisation, it is for this reason that strategy risk is invariably one of the largest risks faced.

Political Economic & Environmental Risk encompasses changes in Government policy, regulation, the economy and environmental impacts, e.g. the financial impact of climate change, but excludes items caught by Conduct Risk, i.e. Prudential Regulation.

C.5 - Risk Monitoring

Each of the exposures to risk are analysed regularly to assess their likely impact and probability. The overall level of risk is then compiled into a detailed report taking into account the correlation of individual risks to arrive at a required level of capital. The Board is responsible for reviewing the risks faced by the Society and approving the required level of capital to be held against each risk element.

Holdings in equities are by their nature subject to market movement. In order to mitigate this risk the Society employs an external investment portfolio manager and has a policy of only investing in equities out of assets not matching insurance liabilities. Assets required to back insurance liabilities are therefore held in term deposits; index-linked securities; and fixed interest securities.

The Society has a number of Private Medical Insurance policies overseas which present an exchange rate risk. This is mitigated by holding deposits in Euros as a natural hedge against the exchange rate risk. Exchange rate risk also arises from the Society's overseas equity holdings and this risk is managed by limiting the extent of overseas exposure, holding diversified investments and not using such investments to back insurance liabilities.

C.6 - Sensitivities

The Society explores the financial impact of risks through a series of sensitivities. Unlike the capital requirements under the main SCR calculation these are designed to relate to the business and are at no pre-determined risk level. They are designed to guide management in their decision-making and to look at key areas which may impact on results for the Society and for ECP.

Our methodology groups risk into four areas:

- Business risks and sensitivities – based on management decisions in areas such as sales, expense allocation, product design and reinsurance;
- Economic risks and sensitivities – to explore those economic sensitivities that would have the greatest impact;
- Insurance risks and sensitivities – to explore those areas of insurance risk which are likely to change and could have a significant impact, including the management actions that could be taken; and
- Operational risks.

Analysis is undertaken on both a quantitative and qualitative basis as required.

Section D : Valuation for Solvency Purposes

D.1 - Assets

The Society values its assets using the following methodologies:

- Intangible assets consist of bespoke computer software and software licences. For accounting purposes, intangible assets are initially recognised at cost and amortised using the straight line method over their useful lives (three to ten years). The amortisation periods used are reviewed annually. Software values are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount is not recoverable the asset is written down immediately to the estimated recoverable amount, based on value in use calculations. Whilst these values are carried in the statutory accounts they are valued at nil for Solvency II purposes.

- Land and buildings are formally re-valued annually and included in the accounts at valuation with any surplus or deficit being transferred to a revaluation reserve.

- Fixed assets excluding property are valued at cost and depreciation is provided to write off the cost, less estimated residual value, of tangible assets by equal instalments over their estimated useful economic lives.

- The Society classifies its financial assets as financial assets at fair value through income or at amortised cost.
  - Financial assets at fair value through income
    The Society classifies all of its investments upon initial recognition as financial assets at fair value through income and subsequent valuation movements are recognised in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Society has transferred substantially all risks and rewards of

ownership. Financial assets at fair value through income include listed and unlisted investments, and units in collective investment vehicles. Fair value is based on the bid value at the year end.

- Financial assets at amortised cost
  The Society measures Term Deposits initially at fair value and then at amortised cost.

- Insurance receivables are recognised when due as at the reporting date.

- Cash and cash equivalents for statutory accounting purposes comprise cash at bank and in hand, and short term deposits with a maturity of less than 3 months. All such holdings are presented at current value with exchange rates being used where necessary. For Solvency II disclosure the Society only treats balances which are available immediately as cash and cash equivalents, with all other balances treated as investments.

- Reinsurance is recognised as a negative asset as the expected present value of all future cashflows under all reinsurance contracts, including reinsurance premiums and the reinsurer's share of claims. The projections are calculated using best estimate assumptions and allow for discounting at the prescribed risk-free interest rates. More detail on the main assumptions is included below.

D.1.1 - Intangible assets

The Society initially recognises intangible assets on its balance sheet at cost and any values are then tested annually for impairment to estimate the asset's recoverable amount. Whilst these assets are included for statutory accounts purposes the carrying amount is removed from the Solvency II balance sheet in accordance with the Regulations.

D.1.2 - Financial assets

All financial assets are valued at fair value based upon the published bid value at the period end, apart from Term Deposits which are valued initially at fair value and then at amortised cost. The Society does not hold any unlisted securities or securities listed on inactive markets.

Units in collective investment schemes are valued fair value.

For Solvency II purposes accrued interest on fixed interest securities is included within the market valuation whereas for statutory accounting purposes it is treated as a separate receivable.

D.1.3 - Lease assets

The Society holds a lease asset in respect of auxiliary office accommodation. This asset is initially valued at cost, which comprises the initial amount of the lease liability, less any lease payments made at or before the commencement date plus any initial direct costs incurred. The right of use asset is depreciated over a straight-line basis from the commencement date until the end of the lease term.

D.1.4 - Holdings in related undertakings

The acquisition of Engage Mutual Health Limited completed in late 2015, up until that point all subsidiaries were dormant and immaterial in aggregate.

The acquisition of Engage Mutual Health Limited, now renamed The Exeter Cash Plan, was via a 100% share purchase to create a wholly owned subsidiary. The subsidiary adds approximately £3m to the Society's revenue and has net assets of around £3m to support its regulatory capital requirement.

The Exeter Cash Plan is a subsidiary of the General Fund. The subsidiary is treated as a strategic investment of the Society and is included in the General Fund. The subsidiary is consolidated into the General Fund in order to calculate the Society's group balance sheet.

Within the Society's Statutory Accounts under IFRS the investment in related undertakings is valued at cost less impairment; the impairment review did not indicate a need to reduce the valuation. On a Solvency II basis the investment in related undertakings is valued at net assets.

D.1.5 - Deferred tax assets

The Society does not recognise any deferred tax assets. Whilst tax losses do exist with subsidiary companies these are not expected to be realised as the vast majority of the Society's operations fall outside of the scope of Corporation Tax

D.2 - Technical provisions

Under Solvency II, Technical Provisions comprise the Best Estimate Technical Provisions (BETPs) and the Risk Margin.

The BETP is the expected present value of all future cashflows under the policy, including premiums, claims, expenses and commission, which occur after the valuation date. The projections are calculated using best estimate assumptions and allow for discounting at the prescribed risk-free interest rates. More detail on the main assumptions is included below.

The Solvency II Technical Provisions require a 'Risk Margin' to be added to the BETPs to reflect the additional cost of capital needed to offset the risks inherent in the insurance.

The valuation of pension and other post-retirement benefit obligations are determined using actuarial valuations. These involve making assumptions about interest rates, expected returns, longevity and future benefit indexation. Due to the long term nature of these obligations the estimates are subject to significant uncertainty. Details of the key pension assumptions are contained in Note 23 of the Report and Accounts as well as the key assumptions used in the calculation of the post-retirement medical benefits reserve.

No transitional measures, matching adjustment or volatility adjustments have been applied to the calculation of the BETPs.

D.2.1 - Main assumptions within technical provisions

The main assumptions used to calculate technical provisions are set out below.

D.2.2 - Interest rates and inflation

The risk-free interest rate term structure used for discounting the projected cash flows in the technical calculation is the sterling relevant risk-free structure as specified by the Solvency II regulations. Historically these rates have been provided by European Insurance and Occupational Pensions Authority (“EIOPA”). Following the UK’s exit from the EU at 11pm on 31 December 2020, the risk-free rates are now provided by the PRA. The Society does not use the matching adjustment nor the volatility adjustment.

The assumption for Retail Price Index (“RPI”) inflation is based on implied inflation from the Bank of England’s forward gilt yield curves, except for the short end which is based on the Bank of England’s inflation report.

D.2.3 - Expenses

The expenses incurred in servicing The Society’s policies consist of administration, claims management and new business expenses. The Society performs a regular expense analysis in order to allocate the expenses between initial and renewal and by type of expense. The best estimate expense assumptions are based on the results of this regular analysis together with budgeted expenses.

D.2.4 - Lapse assumptions

Lapse assumptions are set with reference to historic experience for The Society’s business, guidance from subject matter experts, reinsurers and industry data. Lapse assumptions vary by product, duration inforce, deferred period (for Income Protection policies) and location.

D.2.5 - Claims Assumptions

Claims rate assumptions take account of relevant reinsurance and industry information and, where credible, internal experience including experience from The Society’s business.

For long term business, the assumptions used for mortality, morbidity and longevity are based on standard industry tables (where available), adjusted where appropriate to reflect the Society’s own experience. Where the society lacks relevant experience, for example for its Managed Life and Real Life products, reinsurance rates will be used as a base to set assumptions. Due to the long term nature of these obligations, the estimates are subject to significant uncertainty.

For Private Medical Insurance and Health Cash Plan policies within the general fund and The Exeter Cash Plan, estimates are made for the expected ultimate cost of claims reported as at the year- end date and the cost of claims incurred but not yet reported (IBNR). It can take many months before the ultimate cost of claims can be established with certainty, and the final outcome may be better or worse than provided. Standard actuarial claims projection techniques are used to estimate outstanding claims. These techniques use past patterns of delay between claims being incurred and settled, and combine them with estimates of ultimate loss ratios and seasonality of claims. Case estimates are used for some reported claims where the ultimate amount is not known.

D.2.6 - Technical provision calculation methodology

Under Solvency II, Technical Provisions comprise the Best Estimate Technical Provisions (BETPs) and the Risk Margin.

The Society's Best Estimate Technical Provisions are calculated using a gross premium valuation (as required by Solvency II) for all policies in-force and on risk at the valuation date. Therefore, the technical provisions are calculated based on the prospective value of future expected cash-flows on a policy-by-policy basis, allowing for full premiums, claims, expenses and lapses. Negative reserves are permitted. The provisions are calculated net and gross of reinsurance to allow separate calculation of the reinsurance recoverables.

The Risk Margin is calculated by projecting a future notional Solvency Capital Requirement (SCR), applying a cost of capital factor and discounting to provide a present value. The Society uses the Solvency II 'Standard Formula' to calculate its SCR. For the purposes of calculating the Risk Margin, Solvency II rules allow hedgeable risks to be ignored. The Society considers all Market risks (for example, investment risk and default risk) to be hedgeable and all other risks to be non-hedgeable.

D.2.7 - Uncertainty associated with the value of technical provisions

Uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are interest rates, lapse rates, mortality rates, morbidity rates and future expenses. A robust assumption setting process is followed in order to ensure the uncertainty is well understood.

D.2.8 - Solvency II and IFRS valuation differences

The financial statements are prepared utilising an accounting policy that mirrors as far as possible Solvency II principles for the Long Term Business Fund and uses IFRS for the General Business Fund.

Note that none of the figures below have been adjusted for the impacts of COVID-19.

	2020 General Fund SII £'000	2020 General Fund IFRS £'000	2020 Long Term SII £'000	2020 Long Term IFRS £'000	2020 Cash Plan SII £'000	2020 Cash Plan IFRS £'000
Investments	100,558	100,313	30,704	30,704	2,024	2,024
Future premium debtor	-	11,039	-	1,870		659
Other debtors	4,893	3,780	2,905	1,680	2,224	2,224
Insurance Assets	-	-	-	73,798	-	-
Reinsurance Assets	-	-	(44,982)	-	-	-
Intangible assets & deferred acquisition costs	-	2,267	-	4,618	-	124
Other Assets	20,056	20,701	1,770	1,125	-	-
Total Assets	125,507	138,101	(9,603)	113,794	4,249	5,032
Technical Provisions	8,672	19,469	(106,607)	-	236	901
Reinsurance Liabilities	-	-	-	12,172	-	-
Other liabilities	12,683	13,328	6,186	6,186	339	339
Total Liabilities	21,355	32,797	(100,421)	18,358	575	1,240
Capital Resources (Own Funds)	104,152	105,303	90,818	95,435	3,673	3,791

	2019 General Fund SII £'000	2019 General Fund IFRS £'000	2019 Long Term SII £'000	2019 Long Term IFRS £'000	2019 Cash Plan SII £'000	2019 Cash Plan IFRS £'000
Investments	96,486	96,357	38,614	38,614	2,005	2,005
Future premium debtor	-	11,285	-	1,630		936
Other debtors	4,361	3,235	2,646	2,901	622	622
Insurance Assets	-	-	-	68,241	-	-
Reinsurance Assets	-	-	(39,586)	-	-	-
Intangible assets & deferred acquisition costs	-	2,364	-	5,749	-	138
Other Assets	11,654	13,539	2,802	917	1,432	1,432
Total Assets	112,501	126,779	4,475	118,052	4,059	5,133
Technical Provisions	8,486	20,578	(91,269)	-	265	1,298
Reinsurance Liabilities	-	-	-	16,540	-	-
Other liabilities	4,131	6,016	6,099	6,099	755	755
Total Liabilities	12,617	26,594	(85,170)	22,639	1,020	2,054
Capital Resources (Own Funds)	99,883	100,185	89,645	95,413	3,039	3,079

The key differences between the methodologies are:

- the reclassification of assets and liabilities.
- the removal of intangible assets and deferred acquisition costs (DAC).
- presentation of the risk margin (which for IFRS purposes is presented gross rather than net).

Technical provisions net of the premium debtor and DAC are similar on both bases as Long Term Reserves for IFRS purposes are now based on Solvency II principles, therefore the net own funds positions are similar on a Solvency II basis to IFRS.

Group Own Funds (before ring-fenced fund adjustments) are £195.0m (2019 : £189.0m) on a Solvency II basis, compared with £200.7m (2019 : £195.9m) under IFRS.

D.3 - Other liabilities

Certain Private Medical Insurance products sold by the Society include an age-at-entry policy whereby the Society calculates the policyholder's premium by reference to the age of the policyholder on joining the Society rather than their age at each annual policy renewal, provided that their cover remains unchanged.

The age-at-entry policies are annual, general insurance contracts and under the policy terms both the policyholder and the Society have the right not to renew the policy after the end of the 12-month term. Furthermore, management has discretion to alter premium rates and the level of cover under age-at-entry plans, subject to compliance with the overall age-at-entry principle.

This product feature does not fall within the technical provisions prescribed by Solvency II and therefore does not affect the Solvency II balance sheet or SCR or Minimum Capital Requirement ("MCR") calculations. However, the Board do take the impact of these policies into account when considering the long term management of the Society and when calculating the ORSA.

It is management's current intention to continue to calculate premiums by reference to age-at-entry for these policies, acknowledging that this may result in future underwriting losses. As disclosed in the statutory accounts at 31st December 2020 for internal management (and ORSA) purposes £46.4 million (2019: £44.6 million) of the General Fund Capital Resources have been allocated to cover future underwriting losses arising from these age-at-entry polices. The Society does not guarantee this level of capital allocation and will be guided by the need to ensure its continued financial well-being and to meet statutory levels of solvency.

The Society has a lease liability in respect of property for auxiliary office space. The lease liability is initially measured as the present value of payments due over the lease term that have not been paid at the lease commencement date, discounted at the incremental borrowing rate. The liability is subsequently measured at amortised cost. A small number of operating leases are also in place for office equipment; the value of which is immaterial.

The Society does not have any other provisions or contingent liabilities or deferred tax liabilities.

D.4 - Alternative methods for valuation

The Society does not use any alternative methods for the valuation of liabilities.

D.5 - Employee benefits

For some employees, the Society operates a funded pension scheme, which is now closed to future benefit accrual. The defined benefit scheme is operated from a trust, which has assets which are held separately from the Society, and by trustees who ensure the scheme's rules are strictly followed.

The results of the formal valuation as at 1 January 2018 were updated to the accounting date by an independent qualified actuary in accordance with IAS 19. These are consistent between SII and IFRS valuation methods.

The funding target is for the scheme to hold assets equal in value to the accrued benefits allowing for future pension revaluation and future pension increases. If there is a shortfall against this target, then the Society and trustees will agree on the deficit contributions to meet this deficit over a period. There is a risk to the Society that adverse experience could lead to a requirement for the Society to make additional contributions to recover any deficit that arises.

E : Capital Management

E.1 - Own funds (Society, ECP and Group)

The following information relates to the own funds of the Society and its subsidiaries:

- The Society holds own funds in Sterling and Euros, the Euros being used to cover trading operations within the EU. Subsidiaries' own funds are all held in Sterling.

- The local currency for all reporting and regulatory returns is Sterling.

- The Exeter Cash Plan manages its capital in the same way as the main Society with a separate SCR and MCR calculation. The ORSA is combined with the rest of the Group to show the Cash Plan as a separate entity. See above for the monitoring process.

- Any intra-group transactions take place at market value with any resultant intra-group balances being settled regularly where necessary.

- All of the Society's business falls within one of two separate ring-fenced funds: one for Long Term Business and one for short term General Business. There is no business conducted outside those funds and the Society manages its capital requirements separately for each fund. Ring-fenced fund restrictions mean that Own Funds at an overall Society level are restricted to the total SCR across both funds.

- The Exeter Cash Plan is a 100% subsidiary of the General Fund and its capital requirements are managed separately. On a group basis, ECP is consolidated into the General Fund. Share capital in ECP is classified as Tier 1 capital as directors have the right to cancel dividends at any time prior to payment.

- To calculate our group SCR, we have used accounting consolidation-based method

Section E.2 sets out the current own funds against SCR and MCR for the Society, ECP and the Group.

E.1.1 – Risk Appetite

Exeter Friendly Society sets its risk appetite based on the results of its ORSA. This is to allow for the risks that the management of the company recognise that are not covered within the standard formula capital requirements on a Solvency II basis. The level of own funds is also monitored against the SCR requirement but the ORSA requirement is the key indicator for the Board.

As the LTBF and GBF are separate funds with no ability for cross-subsidy then the appetite will apply separately for each fund.

The appetite is set out in terms of excess of free assets over the ORSA Capital Requirement and is measured by quoting the free assets over the requirement as a percentage of the capital requirement. Limits are set at agreed points for intervention and solvency is then monitored on a monthly basis.

E.1.2 - Restrictions on use of capital

In the case of Exeter Friendly Society all funds result from accumulated mutual capital with no capital tiers or capital instruments in issue; subordinated or unsubordinated. Therefore, all surplus capital is available to support the business. The Society owns shares within the subsidiary companies which are fully paid up with no other forms of financing available.

E.1.3 – Difference between Own Funds and IFRS equity

There are a number of differences between Own Funds under the Solvency II definitions and those under IFRS. Please refer to Section D.2.8 above.

E.1.4 - Treatment of intra-group transactions

Any intra-group transactions are treated at arms-length and each sub fund or entity is therefore considered on a standalone basis. Any expenses that are shared are reviewed regularly to ensure that the allocations are an appropriate reflection of the resources utilised by each fund or entity.

E.2 – SCR and MCR

E.2.1 - MCR Calculations

The Society uses the standard formula for the MCR as set out in the Solvency II regulations. The Society has not applied any undertaking-specific parameters, capital add-ons or simplifications.

Minimum Capital Requirement:	2020 £m	2019 £m
Society	20.8	20.6
Cash plan subsidiary	2.3	2.2
Group	23.1	22.8

For the Cash Plan subsidiary, the Absolute Floor of €2.5m applies, meaning that its MCR exceeds the SCR as shown in section E2.3 below.

The appended table (S.28.01.01) sets out the information on the input used by the Society to calculate the MCR.

E.2.2 – SCR calculation on a Pillar 1 basis

The SCR by component of the standard formula at 31st December 2020 is as follows:

	2020				2019			
	Society				Society			
	Long Term Fund £m	General Fund £m	Cash Plan £m	Group £m	Long Term Fund £m	General Fund £m	Cash Plan £m	Group £m
Interest	11.5	7.0	0.0	18.5	8.1	6.3	0.0	14.4
Equity	2.0	12.5	0.0	13.7	7.5	12.6	0.0	19.5
Property	0.1	0.6	0.0	0.6	-	0.6	0.0	0.6
Spread	1.9	2.7	0.0	4.6	1.5	2.5	0.0	4.0
Concentration	0.2	0.0	0.0	0.2	0.5	0.0	0.0	0.6
Currency	0.0	2.5	0.0	2.5	1.2	2.6	0.0	3.7
MARKET	12.1	17.5	0.0	29.0	12.3	17.3	0.0	29.1
DEFAULT	1.4	1.1	0.3	2.6	1.3	0.7	0.2	2.2
Morbidity	25.4	-	-	25.4	28.0	-	-	28.0
Mortality	0.3	-	-	0.3	0.3	-	-	0.3
Expense	7.6	-	-	7.6	6.7	-	-	6.7
Non SLT Health premium & reserve	-	5.8	0.5	6.3	-	6.0	0.6	6.5
Lapse	42.2	0.4	0.0	42.6	41.7	0.6	0.0	42.3
Health Catastrophe Risk	0.4	0.2	0.0	0.6	0.3	0.2	0.0	0.5
HEALTH	54.9	5.8	0.5	61.2	55.2	6.0	0.6	61.8
LIFE	4.3	-	-	4.3	1.8	-	-	1.8
OPERATIONAL	1.3	1.1	0.1	2.4	1.1	1.1	0.1	2.3
Total Category Diversification	-11.8	-4.3	-0.2	-16.4	-10.2	-4.1	-0.1	-14.7
SCR	62.1	21.3	0.8	83.2	61.5	21.1	0.7	82.5

The group SCR is £83.2m (2019 £82.5m) and the combined SCR for the Society is £83.3m (2019: £82.6m), being the sum of the SCRs for each of the two sub-funds. The Society SCR is slightly higher than the group SCR due to the treatment of the Cash Plan as an asset within General Fund of the Society.

Diversification arises between risks within the categories of Market risk and Health risk and between the categories of Market, Default, Health and Operational risk. The main diversification benefits are between Lapse and Morbidity risk in the LTBF and between Health and Market risk in the GBF.

E.2.3 - Current own funds position against SCR

The Board's key performance indicator in this area is the level of own funds over and above the capital requirement expressed as a percentage of the capital requirement.

The Pillar 1 (SCR) solvency positions of each fund of the Society, the Society as a whole, the cash plan subsidiary and the Group, as at 31 December 2020, are shown below.

	2020				2019			
	Society		Cash Plan	Group	Society		Cash Plan	Group
£m	Long Term	General Fund			Long Term	General Fund		
Reinsurance recoverables	(45.0)	-	-	(45.0)	(39.6)	-	-	(39.6)
Investments, cash & other assets	35.4	125.5	4.2	159.5	44.1	114.4	4.1	154.0
TOTAL ASSETS	**(9.6)**	**125.5**	**4.2**	**114.5**	**4.5**	**114.4**	**4.1**	**114.4**
Best Estimate Liabilities	(161.2)	8.0	0.2	(152.9)	(131.7)	7.8	0.2	(123.6)
Risk Margin	46.6	0.6	0.1	47.3	31.9	0.7	0.1	32.6
Other Liabilities	14.1	12.7	0.3	25.2	16.4	6.0	0.8	17.4
TOTAL LIABILITIES	**(100.4)**	**21.4**	**0.6**	**(80.5)**	**(83.3)**	**14.5**	**1.0**	**(73.6)**
TOTAL AVAILABLE OWN FUNDS (before RFF restrictions)	**90.8**	**104.2**	**3.7**	**195.0**	**87.8**	**99.9**	**3.0**	**188.0**
SCR	**62.1**	**21.3**	**0.8**	**83.2**	**61.5**	**21.1**	**0.8**	**82.5**
OWN FUNDS ABOVE SCR	28.7	82.9	2.9	111.7	26.3	78.8	2.3	105.5
PERCENTAGE COVER OF SCR	**146%**	**490%**	**477%**	**234%**	**143%**	**474%**	**391%**	**228%**
AVAILABLE OWN FUNDS after RFF restriction*	**83.3**		**3.7**	**87.0**	**82.6**		**3.0**	**85.6**
OWN FUNDS ABOVE SCR after RFF restriction*	0.0		2.9	0.0	0.0		2.3	0.0

PERCENTAGE COVER OF SCR after RFF restriction*	0%	477%	0%	**0%**	**391%**	**0%**
MCR	20.8	2.3	23.1	19.8	2.2	21.9
PERCENTAGE COVER OF MCR	**400%**	**163%**	**377%**	**417%**	**141%**	**390%**

* As explained in Section E.1, all the Society's business falls within one of the two ring-fenced funds with no business being conducted outside those funds. Therefore, ring-fenced fund restrictions mean that Own Funds at an overall Society and Group level are restricted to the total SCR across both funds, giving rise to the results above showing zero excess Own Funds. The more meaningful results are those at fund level and before the ring-fenced fund restrictions.

The extent of the cover and the movement over time is a factor of how these funds are projected to grow over time.

- Long term products incur a high proportion of initial costs which means that due to the level of expansion that is envisaged the level of solvency cover decreases over time. During 2020, a lapse reinsurance arrangement has been set up. This has reduced the SCR relative to Own Funds thus increasing the solvency coverage.

- The General Business Fund has lower growth funding requirements and is not expected to grow as fast as the long term. Due to the COVID-19 pandemic, The Society has incurred a lower level of claims in the General Business Fund than in previous years. This has led to premium income outweighing claims outgo and so increased the solvency coverage.

- The Cash Plan requires capital to grow as the product margins are modest and new business has certain acquisition costs. Therefore, it may require some capital injection from the General Fund over time but that Fund has sufficient capital to finance this. 2020 claims have been at a lower level than previous years which has resulted in increased solvency coverage.

E.2.4 – Overall own funds position against SCR

As noted above, the Society operates entirely through two separate sub-funds, the General and Long Term Funds, with The Exeter Cash Plan as the single operating subsidiary of the General Fund. In accordance with the Solvency II regulations each sub-fund is treated as ring fenced from a capital point of view and a surplus from one fund cannot be added to another.

As a result of this at the overall Society and Group level any excess of own funds within each of the Sub-funds cannot be reported as an overall surplus and therefore the Society is in the position of having to report own funds at overall Society and Group level equal to the SCR with no free assets. This is not an operational problem as no insurance business is undertaken outside of the two sub-funds but does present a reporting anomaly.

E.2.5 - Stress Testing Of Capital Requirements

As part of the ORSA process the Board considers stress test scenarios which look at potential movements on parameters such as:

- new business levels;
- lapse rates;
- claim rates; and
- interest rates.

The outcomes of these tests are then considered before and after potential management actions which could then be taken to rectify any capital issues to arrive at a net position. These tests did not reveal areas of concern for the Board.

E.3 - Use of duration-based equity models

The Society does not use these models.

E.4 - Differences between the standard formula and any internal models used

The Society only applies the Standard Formula approach.

E.5 - Non Compliance with SCR or MCR

There has been no non-compliance with SCR or MCR for the Society or its subsidiaries. See section E.2 above

Appendix I – List of submission data

Note that none of these have been adjusted to reflect the impacts of COVID-19.

Society

S.02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business (non-life)
S.05.01.02	Premiums, claims and expenses by line of business (life)
S.05.02.01	Premiums, claims and expenses by country (non-life)
S.05.02.01	Premiums, claims and expenses by country (life)
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 - Accident Year
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

Cash Plan

S.02.01.02	Balance sheet
S.05.02.01	Premiums, claims and expenses by line of business (non-life)
S05.01.02	Premiums, claims and expenses by country (non-life)
S.17.01.02	Non-Life Technical Provisions
S.19.02.21	Non-Life insurance claims - Accident Year
S.23.01.01	Own Funds
S25.01.21	Solvency Capital Requirement - for undertakings on Standard Formula
S28.01.01	Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Group

S02.01.02	Balance sheet
S.05.01.02	Premiums, claims and expenses by line of business (non-life)
S.05.01.02	Premiums, claims and expenses by line of business (life)
S.05.02.01	Premiums, claims and expenses by country (non-life)
S.05.02.01	Premiums, claims and expenses by country (life)
S23.01.22	Own Funds
S25.01.22	Solvency Capital Requirement - for groups on Standard Formula
S32.01.22	Undertakings in the scope of the group

Exeter Friendly Society Limited

Solvency and Financial Condition Report

Disclosures

31 December

2020

(Monetary amounts in GBP thousands)

General information

Undertaking name	Exeter Friendly Society Limited
Undertaking identification code	213800V19RLONY7XIL94
Type of code of undertaking	LEI
Type of undertaking	Undertakings pursuing both life and non-life insurance activity - article 73 (5)
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
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	961
R0060	Property, plant & equipment held for own use	3,555
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	131,262
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	196
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	48,964
R0140	*Government Bonds*	48,964
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	82,102
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	-44,982
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	-44,982
R0320	*Health similar to life*	-46,082
R0330	*Life excluding health and index-linked and unit-linked*	1,100
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	3,056
R0370	Reinsurance receivables	831
R0380	Receivables (trade, not insurance)	3,910
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	17,310
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	115,903

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	8,672
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	0
R0550	*Risk margin*	0
R0560	*Technical provisions - health (similar to non-life)*	8,672
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	8,029
R0590	*Risk margin*	643
R0600	Technical provisions - life (excluding index-linked and unit-linked)	-106,607
R0610	*Technical provisions - health (similar to life)*	-106,577
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	-149,790
R0640	*Risk margin*	43,213
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	-29
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	-3,424
R0680	*Risk margin*	3,395
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	130
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	2,092
R0830	Reinsurance payables	868
R0840	Payables (trade, not insurance)	15,779
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	-79,066
R1000	**Excess of assets over liabilities**	194,969

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	35,778																35,778
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share																	0
R0200	Net	35,778																35,778
	Premiums earned																	
R0210	Gross - Direct Business	36,305																36,305
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share																	0
R0300	Net	36,305																36,305
	Claims incurred																	
R0310	Gross - Direct Business	19,300																19,300
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net	19,300																19,300
	Changes in other technical provisions																	
R0410	Gross - Direct Business	619																619
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	619																619
R0550	**Expenses incurred**	9,372																9,372
R1200	**Other expenses**																	7,146
R1300	**Total expenses**																	16,518

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	31,648								31,648
R1420	Reinsurers' share	9,685								9,685
R1500	Net	21,963	0							21,963
	Premiums earned									
R1510	Gross	31,648								31,648
R1520	Reinsurers' share	9,685								9,685
R1600	Net	21,963	0							21,963
	Claims incurred									
R1610	Gross	6,456								6,456
R1620	Reinsurers' share	9,595								9,595
R1700	Net	-3,140	0							-3,140
	Changes in other technical provisions									
R1710	Gross	0								0
R1720	Reinsurers' share									0
R1800	Net	0	0							0
R1900	**Expenses incurred**	23,378	0							23,378
R2500	**Other expenses**									2,794
R2600	**Total expenses**									26,173

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			ES	PT	GR	CY	MT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	32,569	556	402	256	229	80	34,093
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share							0
R0200	Net	32,569	556	402	256	229	80	34,093
	Premiums earned							
R0210	Gross - Direct Business	33,048	564	408	260	232	82	34,594
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share							0
R0300	Net	33,048	564	408	260	232	82	34,594
	Claims incurred							
R0310	Gross - Direct Business	17,569	300	217	138	124	43	18,391
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	17,569	300	217	138	124	43	18,391
	Changes in other technical provisions							
R0410	Gross - Direct Business	563	10	7	4	4	1	590
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	563	10	7	4	4	1	590
R0550	**Expenses incurred**	7,489	128	92	59	53	19	7,840
R1200	**Other expenses**							7,146
R1300	**Total expenses**							14,985

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	31,648						31,648
R1420	Reinsurers' share	9,685						9,685
R1500	Net	21,963						21,963
	Premiums earned							
R1510	Gross	31,648						31,648
R1520	Reinsurers' share	9,685						9,685
R1600	Net	21,963						21,963
	Claims incurred							
R1610	Gross	6,456						6,456
R1620	Reinsurers' share	9,595						9,595
R1700	Net	-3,140						-3,140
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0						0
R1900	**Expenses incurred**	23,378						23,378
R2500	**Other expenses**							2,794
R2600	**Total expenses**							26,173

S.12.01.02

Life and Health SLT Technical Provisions

		Insurance with profit participation	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)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010	**Technical provisions calculated as a whole**	0									0	0					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									0	0					0
	Technical provisions calculated as a sum of BE and RM																
	Best estimate																
R0030	**Gross Best Estimate**	7,618					0	-11,042			-3,424		-49,018	-100,772			-149,790
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0					0	1,100			1,100		-19,165	-26,916			-46,082
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re	7,618					0	-12,141			-4,524		-29,853	-73,856			-103,709
R0100	**Risk margin**	0				3,395					3,395	43,213					43,213
	Amount of the transitional on Technical Provisions																
R0110	Technical Provisions calculated as a whole	0									0	0					0
R0120	Best estimate	0									0		0	0			0
R0130	Risk margin	0									0	0					0
R0200	**Technical provisions - total**	7,618				-7,647					-29	-106,577					-106,577

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		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	Total Non-Life obligation
		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
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	4,337																4,337
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0150	**Net Best Estimate of Premium Provisions**	4,337																4,337
	Claims provisions																	
R0160	Gross	3,692																3,692
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0250	**Net Best Estimate of Claims Provisions**	3,692																3,692
R0260	**Total best estimate - gross**	8,029																8,029
R0270	**Total best estimate - net**	8,029																8,029
R0280	**Risk margin**	643																643
	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**	8,672																8,672
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0																0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	8,672																8,672

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year: Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											In Current year	Sum of years (cumulative)
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2012	0	0	0	0	0	0	0	0	0			0	0
R0180	2013	0	0	0	0	0	0	0	0				0	0
R0190	2014	0	0	0	0	0	0	0					0	0
R0200	2015	0	0	0	0	0	0						0	0
R0210	2016	30,394	6,206	0	0	0							0	36,600
R0220	2017	27,441	3,723	0	0								0	31,163
R0230	2018	25,015	3,632	0									0	28,647
R0240	2019	23,549	3,194										3,194	26,743
R0250	2020	16,071											16,071	16,071
R0260												Total	19,265	139,224

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											Year end (discounted data)
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0
R0170	2012	0	0	0	0	0	0	0	0	0			0
R0180	2013	0	0	0	0	0	0	0	0				0
R0190	2014	0	0	0	0	0	0	0					0
R0200	2015	0	0	0	0	0	0						0
R0210	2016	0	0	0	0	0							0
R0220	2017	0	0	0	0								0
R0230	2018	0	0	0									0
R0240	2019	0	0										0
R0250	2020	3,691											3,691
R0260												Total	3,691

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	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	194,969	194,969			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-111,621	-111,621			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	83,348	83,348	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	83,348	83,348	0	0	0
R0510	Total available own funds to meet the MCR	83,348	83,348	0	0	
R0540	Total eligible own funds to meet the SCR	83,348	83,348	0	0	0
R0550	Total eligible own funds to meet the MCR	83,348	83,348	0	0	
R0580	**SCR**	83,348				
R0600	**MCR**	20,837				
R0620	**Ratio of Eligible own funds to SCR**	100.00%				
R0640	**Ratio of Eligible own funds to MCR**	400.00%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	194,969
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	194,969
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	111,621
R0760	**Reconciliation reserve**	-111,621
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	132,399
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,061
R0790	**Total Expected profits included in future premiums (EPIFP)**	133,460

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	31,413		
R0020	Counterparty default risk	2,628		
R0030	Life underwriting risk	4,577		
R0040	Health underwriting risk	67,332		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-22,478		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	83,472		

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	2,355
R0140	Loss-absorbing capacity of technical provisions	-2,479
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**	83,348
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	83,348
	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	83,348
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	C0109
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

S.28.02.01

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

		Non-life activities	Life activities
		MCR$_{(NL,NL)}$ Result	MCR$_{(NL,L)}$ Result
		C0010	C0020
R0010	**Linear formula component for non-life insurance and reinsurance obligations**	2,059	0

		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance) written premiums in the last 12 months	Life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
R0020	Medical expense insurance and proportional reinsurance	8,029	35,779		
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				

		MCR$_{(L,NL)}$ Result	MCR$_{(L,L)}$ Result
		C0070	C0080
R0200	**Linear formula component for life insurance and reinsurance obligations**	0	3,381

		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance/SPV) total capital at risk	Life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
R0210	Obligations with profit participation - guaranteed benefits			7,618	
R0220	Obligations with profit participation - future discretionary benefits			18,094	
R0230	Index-linked and unit-linked insurance obligations			0	
R0240	Other life (re)insurance and health (re)insurance obligations			0	
R0250	Total capital at risk for all life (re)insurance obligations				5,771,773

	Overall MCR calculation	C0130
R0300	Linear MCR	5,440
R0310	SCR	83,348
R0320	MCR cap	37,507
R0330	MCR floor	20,837
R0340	Combined MCR	20,837
R0350	Absolute floor of the MCR	5,593
R0400	**Minimum Capital Requirement**	20,837

	Notional non-life and life MCR calculation	C0140	C0150
R0500	Notional linear MCR	2,059	3,381
R0510	Notional SCR excluding add-on (annual or latest calculation)	31,545	51,803
R0520	Notional MCR cap	14,195	23,311
R0530	Notional MCR floor	7,886	12,951
R0540	Notional combined MCR	7,886	12,951
R0550	Absolute floor of the notional MCR	2,255	3,338
R0560	**Notional MCR**	7,886	12,951

The Exeter Cash Plan

Solvency and Financial Condition Report

Disclosures

31 December

2020

(Monetary amounts in GBP thousands)

General information

Undertaking name	The Exeter Cash Plan
Undertaking identification code	213800TYI7ORV3TF7T41
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
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.05.02.01 - Premiums, claims and expenses by country
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.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	
R0040	Deferred tax assets	
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)	2,024
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	
R0120	*Equities - unlisted*	
R0130	*Bonds*	0
R0140	*Government Bonds*	0
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	2,024
R0190	*Derivatives*	
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	
R0260	*Other loans and mortgages*	
R0270	Reinsurance recoverables from:	0
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	0
R0320	*Health similar to life*	
R0330	*Life excluding health and index-linked and unit-linked*	
R0340	*Life index-linked and unit-linked*	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	255
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	1,970
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	0
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	4,249

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	236
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	0
R0550	*Risk margin*	0
R0560	*Technical provisions - health (similar to non-life)*	236
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	179
R0590	*Risk margin*	57
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	*Technical provisions - health (similar to life)*	0
R0620	*TP calculated as a whole*	
R0630	*Best Estimate*	
R0640	*Risk margin*	
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	0
R0660	*TP calculated as a whole*	
R0670	*Best Estimate*	
R0680	*Risk margin*	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	
R0710	*Best Estimate*	
R0720	*Risk margin*	
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	0
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	210
R0830	Reinsurance payables	0
R0840	Payables (trade, not insurance)	129
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	
R0900	**Total liabilities**	575
R1000	**Excess of assets over liabilities**	3,673

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	2,846																2,846
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share																	0
R0200	Net	2,846																2,846
	Premiums earned																	
R0210	Gross - Direct Business	3,128																3,128
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share																	0
R0300	Net	3,128																3,128
	Claims incurred																	
R0310	Gross - Direct Business	1,668																1,668
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net	1,668																1,668
	Changes in other technical provisions																	
R0410	Gross - Direct Business	43																43
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	43																43
R0550	**Expenses incurred**	819																819
R1200	**Other expenses**																	
R1300	**Total expenses**																	819

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	**Top 5 countries (by amount of gross premiums written) - non-life obligations**			**Top 5 countries (by amount of gross premiums written) - non-life obligations**		**Total Top 5 and home country**
R0010								
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	2,846						2,846
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share							0
R0200	Net	2,846						2,846
	Premiums earned							
R0210	Gross - Direct Business	3,128						3,128
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share							0
R0300	Net	3,128						3,128
	Claims incurred							
R0310	Gross - Direct Business	1,668						1,668
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	1,668						1,668
	Changes in other technical provisions							
R0410	Gross - Direct Business	43						43
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	43						43
R0550	**Expenses incurred**	819						819
R1200	**Other expenses**							
R1300	**Total expenses**							819

S.17.01.02

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		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	Total Non-Life obligation
		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
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	-46																-46
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0150	**Net Best Estimate of Premium Provisions**	-46																-46
	Claims provisions																	
R0160	Gross	225																225
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	0
R0250	**Net Best Estimate of Claims Provisions**	225																225
R0260	**Total best estimate - gross**	179																179
R0270	**Total best estimate - net**	179																179
R0280	**Risk margin**	57																57
	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**	236																236
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	0																0
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total**	236																236

S.19.01.21

Non-Life insurance claims

Total Non-life business

Z0020 **Accident year / underwriting year** Accident Year

Gross Claims Paid (non-cumulative)
(absolute amount)

		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
	Year	Development year											**In Current year**	**Sum of years (cumulative)**
		0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											0	0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0	0
R0170	2012	0	0	0	0	0	0	0	0	0			0	0
R0180	2013	0	0	0	0	0	0	0	0				0	0
R0190	2014	0	0	0	0	0	0	0					0	0
R0200	2015	0	259	0	0	0	0						0	259
R0210	2016	2,686	312	0	0	0							0	2,998
R0220	2017	2,880	262	0	0								0	3,141
R0230	2018	2,750	245	0									0	2,996
R0240	2019	2,621	231										231	2,852
R0250	2020	1,511											1,511	1,511
R0260												**Total**	1,742	13,757

Gross Undiscounted Best Estimate Claims Provisions
(absolute amount)

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
	Year	Development year											**Year end (discounted data)**
		0	1	2	3	4	5	6	7	8	9	10 & +	
R0100	Prior											0	0
R0160	2011	0	0	0	0	0	0	0	0	0	0		0
R0170	2012	0	0	0	0	0	0	0	0	0			0
R0180	2013	0	0	0	0	0	0	0	0				0
R0190	2014	0	0	0	0	0	0	0					0
R0200	2015	0	0	0	0	0	0						0
R0210	2016	0	0	0	0	0							0
R0220	2017	0	0	0	0								0
R0230	2018	0	0	0									0
R0240	2019	0	0										0
R0250	2020	192											192
R0260												**Total**	192

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	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	5,000	5,000		0	
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0070	Surplus funds	0	0			
R0090	Preference shares	0		0	0	0
R0110	Share premium account related to preference shares	0		0	0	0
R0130	Reconciliation reserve	-1,327	-1,327			
R0140	Subordinated liabilities	0		0	0	0
R0160	An amount equal to the value of net deferred tax assets	0				0
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	0	0	0	0	0
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**	0				
R0230	**Deductions for participations in financial and credit institutions**	0				
R0290	**Total basic own funds after deductions**	3,673	3,673	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	3,673	3,673	0	0	0
R0510	Total available own funds to meet the MCR	3,673	3,673	0	0	
R0540	Total eligible own funds to meet the SCR	3,673	3,673	0	0	0
R0550	Total eligible own funds to meet the MCR	3,673	3,673	0	0	
R0580	**SCR**	771				
R0600	**MCR**	2,255				
R0620	**Ratio of Eligible own funds to SCR**	476.52%				
R0640	**Ratio of Eligible own funds to MCR**	162.88%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	3,673
R0710	Own shares (held directly and indirectly)	0
R0720	Foreseeable dividends, distributions and charges	
R0730	Other basic own fund items	5,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	0
R0760	**Reconciliation reserve**	-1,327
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	51
R0790	**Total Expected profits included in future premiums (EPIFP)**	51

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	50		
R0020	Counterparty default risk	333		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	492		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-198		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	677		

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

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	94
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**	771
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement**	771
	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	C0109
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

S.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	C0010
R0010	MCR_{NL} Result	142

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
R0020	Medical expense insurance and proportional reinsurance	179	2,846
R0030	Income protection insurance and proportional reinsurance	0	
R0040	Workers' compensation insurance and proportional reinsurance	0	
R0050	Motor vehicle liability insurance and proportional reinsurance	0	
R0060	Other motor insurance and proportional reinsurance	0	
R0070	Marine, aviation and transport insurance and proportional reinsurance	0	
R0080	Fire and other damage to property insurance and proportional reinsurance	0	
R0090	General liability insurance and proportional reinsurance	0	
R0100	Credit and suretyship insurance and proportional reinsurance	0	
R0110	Legal expenses insurance and proportional reinsurance	0	
R0120	Assistance and proportional reinsurance	0	
R0130	Miscellaneous financial loss insurance and proportional reinsurance	0	
R0140	Non-proportional health reinsurance	0	
R0150	Non-proportional casualty reinsurance	0	
R0160	Non-proportional marine, aviation and transport reinsurance	0	
R0170	Non-proportional property reinsurance	0	

	Linear formula component for life insurance and reinsurance obligations	C0040
R0200	MCR_L Result	0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		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	C0070
R0300	Linear MCR	142
R0310	SCR	771
R0320	MCR cap	347
R0330	MCR floor	193
R0340	Combined MCR	193
R0350	Absolute floor of the MCR	2,255
R0400	**Minimum Capital Requirement**	2,255

Exeter Friendly Society Limited

Solvency and Financial Condition Report

Disclosures

31 December

2020

(Monetary amounts in GBP thousands)

General information

Participating undertaking name	Exeter Friendly Society Limited
Group identification code	213800V19RLONY7XIL94
Type of code of group	LEI
Country of the group supervisor	GB
Language of reporting	en
Reporting reference date	31 December 2020
Currency used for reporting	GBP
Accounting standards	IFRS
Method of Calculation of the group SCR	Standard formula
Method of group solvency calculation	Method 1 is used exclusively
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.23.01.22 - Own Funds
S.25.01.22 - Solvency Capital Requirement - for groups on Standard Formula
S.32.01.22 - Undertakings in the scope of the group

S.02.01.02

Balance sheet

		Solvency II value
	Assets	C0010
R0030	Intangible assets	0
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	961
R0060	Property, plant & equipment held for own use	3,555
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	133,090
R0080	*Property (other than for own use)*	0
R0090	*Holdings in related undertakings, including participations*	0
R0100	*Equities*	0
R0110	*Equities - listed*	0
R0120	*Equities - unlisted*	0
R0130	*Bonds*	48,964
R0140	*Government Bonds*	48,964
R0150	*Corporate Bonds*	0
R0160	*Structured notes*	0
R0170	*Collateralised securities*	0
R0180	*Collective Investments Undertakings*	84,126
R0190	*Derivatives*	0
R0200	*Deposits other than cash equivalents*	0
R0210	*Other investments*	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	0
R0240	*Loans on policies*	0
R0250	*Loans and mortgages to individuals*	0
R0260	*Other loans and mortgages*	0
R0270	Reinsurance recoverables from:	-44,982
R0280	*Non-life and health similar to non-life*	0
R0290	*Non-life excluding health*	0
R0300	*Health similar to non-life*	0
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	-44,982
R0320	*Health similar to life*	-46,082
R0330	*Life excluding health and index-linked and unit-linked*	1,100
R0340	*Life index-linked and unit-linked*	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	3,311
R0370	Reinsurance receivables	831
R0380	Receivables (trade, not insurance)	411
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	17,311
R0420	Any other assets, not elsewhere shown	0
R0500	**Total assets**	114,489

S.02.01.02

Balance sheet

		Solvency II value
	Liabilities	C0010
R0510	Technical provisions - non-life	8,904
R0520	*Technical provisions - non-life (excluding health)*	0
R0530	*TP calculated as a whole*	0
R0540	*Best Estimate*	0
R0550	*Risk margin*	0
R0560	*Technical provisions - health (similar to non-life)*	8,904
R0570	*TP calculated as a whole*	0
R0580	*Best Estimate*	8,208
R0590	*Risk margin*	696
R0600	Technical provisions - life (excluding index-linked and unit-linked)	-106,607
R0610	*Technical provisions - health (similar to life)*	-106,577
R0620	*TP calculated as a whole*	0
R0630	*Best Estimate*	-149,790
R0640	*Risk margin*	43,213
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	-29
R0660	*TP calculated as a whole*	0
R0670	*Best Estimate*	-3,424
R0680	*Risk margin*	3,395
R0690	Technical provisions - index-linked and unit-linked	0
R0700	*TP calculated as a whole*	0
R0710	*Best Estimate*	0
R0720	*Risk margin*	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	0
R0760	Pension benefit obligations	130
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	0
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	2,302
R0830	Reinsurance payables	868
R0840	Payables (trade, not insurance)	13,915
R0850	Subordinated liabilities	0
R0860	*Subordinated liabilities not in BOF*	0
R0870	*Subordinated liabilities in BOF*	0
R0880	Any other liabilities, not elsewhere shown	0
R0900	**Total liabilities**	-80,489
R1000	**Excess of assets over liabilities**	194,978

S.05.01.02

Premiums, claims and expenses by line of business

Non-life

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		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	Misc. financial loss	Health	Casualty	Marine, aviation and transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
	Premiums written																	
R0110	Gross - Direct Business	38,625																38,625
R0120	Gross - Proportional reinsurance accepted																	0
R0130	Gross - Non-proportional reinsurance accepted																	0
R0140	Reinsurers' share																	0
R0200	Net	38,625																38,625
	Premiums earned																	
R0210	Gross - Direct Business	39,433																39,433
R0220	Gross - Proportional reinsurance accepted																	0
R0230	Gross - Non-proportional reinsurance accepted																	0
R0240	Reinsurers' share																	0
R0300	Net	39,433																39,433
	Claims incurred																	
R0310	Gross - Direct Business	20,968																20,968
R0320	Gross - Proportional reinsurance accepted																	0
R0330	Gross - Non-proportional reinsurance accepted																	0
R0340	Reinsurers' share																	0
R0400	Net	20,968																20,968
	Changes in other technical provisions																	
R0410	Gross - Direct Business	662																662
R0420	Gross - Proportional reinsurance accepted																	0
R0430	Gross - Non-proportional reinsurance accepted																	0
R0440	Reinsurers' share																	0
R0500	Net	662																662
R0550	**Expenses incurred**	10,191																10,191
R1200	**Other expenses**																	7,146
R1300	**Total expenses**																	17,337

S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
	Premiums written									
R1410	Gross	31,648								31,648
R1420	Reinsurers' share	9,685								9,685
R1500	Net	21,963	0							21,963
	Premiums earned									
R1510	Gross	31,648								31,648
R1520	Reinsurers' share	9,685								9,685
R1600	Net	21,963	0							21,963
	Claims incurred									
R1610	Gross	6,456								6,456
R1620	Reinsurers' share	9,595								9,595
R1700	Net	-3,140	0							-3,140
	Changes in other technical provisions									
R1710	Gross	0								0
R1720	Reinsurers' share									0
R1800	Net	0	0							0
R1900	**Expenses incurred**	23,378	0							23,378
R2500	**Other expenses**									2,794
R2600	**Total expenses**									26,173

S.05.02.01

Premiums, claims and expenses by country

Non-life

		C0010	C0020	C0030	C0040	C0050	C0060	C0070
		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations			Top 5 countries (by amount of gross premiums written) - non-life obligations		Total Top 5 and home country
R0010			ES	PT	GR	CY	MT	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
	Premiums written							
R0110	Gross - Direct Business	35,415	556	402	256	229	80	36,939
R0120	Gross - Proportional reinsurance accepted							0
R0130	Gross - Non-proportional reinsurance accepted							0
R0140	Reinsurers' share							0
R0200	Net	35,415	556	402	256	229	80	36,939
	Premiums earned							
R0210	Gross - Direct Business	36,176	564	408	260	232	82	37,722
R0220	Gross - Proportional reinsurance accepted							0
R0230	Gross - Non-proportional reinsurance accepted							0
R0240	Reinsurers' share							0
R0300	Net	36,176	564	408	260	232	82	37,722
	Claims incurred							
R0310	Gross - Direct Business	19,237	300	217	138	124	43	20,059
R0320	Gross - Proportional reinsurance accepted							0
R0330	Gross - Non-proportional reinsurance accepted							0
R0340	Reinsurers' share							0
R0400	Net	19,237	300	217	138	124	43	20,059
	Changes in other technical provisions							
R0410	Gross - Direct Business	606	10	7	4	4	1	633
R0420	Gross - Proportional reinsurance accepted							0
R0430	Gross - Non-proportional reinsurance accepted							0
R0440	Reinsurers' share							0
R0500	Net	606	10	7	4	4	1	633
R0550	**Expenses incurred**	8,308	128	92	59	53	19	8,658
R1200	**Other expenses**							7,146
R1300	**Total expenses**							15,804

S.05.02.01

Premiums, claims and expenses by country

Life

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations			Top 5 countries (by amount of gross premiums written) - life obligations		Total Top 5 and home country
R1400								
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
	Premiums written							
R1410	Gross	31,648						31,648
R1420	Reinsurers' share	9,685						9,685
R1500	Net	21,963						21,963
	Premiums earned							
R1510	Gross	31,648						31,648
R1520	Reinsurers' share	9,685						9,685
R1600	Net	21,963						21,963
	Claims incurred							
R1610	Gross	6,456						6,456
R1620	Reinsurers' share	9,595						9,595
R1700	Net	-3,140						-3,140
	Changes in other technical provisions							
R1710	Gross							0
R1720	Reinsurers' share							0
R1800	Net	0						0
R1900	**Expenses incurred**	23,378						23,378
R2500	**Other expenses**							2,794
R2600	**Total expenses**							26,173

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	0	0		0	
R0020	*Non-available called but not paid in ordinary share capital at group level*	0				
R0030	Share premium account related to ordinary share capital	0	0		0	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0		0	
R0050	Subordinated mutual member accounts	0		0	0	0
R0060	*Non-available subordinated mutual member accounts at group level*	0				
R0070	Surplus funds	194,978	194,978			
R0080	*Non-available surplus funds at group level*	0	0			
R0090	Preference shares	0		0	0	0
R0100	*Non-available preference shares at group level*	0				
R0110	Share premium account related to preference shares	0		0	0	0
R0120	*Non-available share premium account related to preference shares at group level*	0				
R0130	Reconciliation reserve	-108,878	-108,878			
R0140	Subordinated liabilities	0		0	0	0
R0150	*Non-available subordinated liabilities at group level*	0				
R0160	An amount equal to the value of net deferred tax assets	0				0
R0170	*The amount equal to the value of net deferred tax assets not available at the group level*	0				0
R0180	Other items approved by supervisory authority as basic own funds not specified above	0	0	0	0	0
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	0				
R0200	Minority interests (if not reported as part of a specific own fund item)	0				
R0210	*Non-available minority interests at group level*	0				
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 other financial undertakings, including non-regulated undertakings carrying out financial activities**	0				
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	0				
R0250	Deductions for participations where there is non-availability of information (Article 229)	0				
R0260	Deduction for participations included by using D&A when a combination of methods is used	0				
R0270	**Total of non-available own fund items**	0	0	0	0	0
R0280	**Total deductions**	0	0	0	0	0
R0290	**Total basic own funds after deductions**	86,101	86,101	0	0	0
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand	0				
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	0				
R0320	Unpaid and uncalled preference shares callable on demand	0				
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	0				
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	0				
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	0				
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	0				
R0380	Non available ancillary own funds at group level	0				
R0390	Other ancillary own funds	0				
R0400	**Total ancillary own funds**	0			0	0
	Own funds of other financial sectors					
R0410	Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	0				
R0420	Institutions for occupational retirement provision	0				
R0430	Non regulated entities carrying out financial activities	0				
R0440	**Total own funds of other financial sectors**	0	0	0	0	0

S.23.01.22

Own Funds

	Basic own funds before deduction for participations in other financial sector	Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	0				
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	0				
R0520	Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	86,101	86,101	0	0	0
R0530	Total available own funds to meet the minimum consolidated group SCR	86,101	86,101	0	0	
R0560	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	86,101	86,101	0	0	0
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	86,101	86,101	0	0	
R0610	**Minimum consolidated Group SCR**	86,101				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	100.00%				
R0660	**Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	86,101	86,101	0	0	0
R0680	**Group SCR**	86,101				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	100.00%				

	Reconcilliation reserve	C0060
R0700	Excess of assets over liabilities	194,978
R0710	Own shares (held directly and indirectly)	
R0720	Forseeable dividends, distributions and charges	
R0730	Other basic own fund items	194,978
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	108,878
R0750	Other non available own funds	
R0760	**Reconciliation reserve**	-108,878
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	132,399
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	1,112
R0790	**Total Expected profits included in future premiums (EPIFP)**	133,511

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Solvency Capital Requirement - for groups on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	31,607		
R0020	Counterparty default risk	9,548		
R0030	Life underwriting risk	4,700		
R0040	Health underwriting risk	69,684		
R0050	Non-life underwriting risk	0		
R0060	Diversification	-27,146		
R0070	Intangible asset risk	0		
R0100	**Basic Solvency Capital Requirement**	88,394		

	Calculation of Solvency Capital Requirement	C0100
R0130	Operational risk	2,449
R0140	Loss-absorbing capacity of technical provisions	-4,742
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**	86,101
R0210	Capital add-ons already set	0
R0220	**Solvency capital requirement for undertakings under consolidated method**	86,101
	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	86,101
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
R0470	Minimum consolidated group solvency capital requirement	86,101
	Information on other entities	
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	0
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	0
R0520	*Institutions for occupational retirement provisions*	0
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	0
R0540	Capital requirement for non-controlled participation requirements	0
R0550	Capital requirement for residual undertakings	0
	Overall SCR	
R0560	SCR for undertakings included via D&A	0
R0570	**Solvency capital requirement**	86,101

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

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Undertakings in the scope of the group

	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
1	GB	213800V19RLONY7XIL94	LEI	Exeter Friendly Society Limited	Composite undertaking	Friendly Society	Mutual	Prudential Regulation Authority
2	GB	213800TYI7ORV3TF7T41	LEI	The Exeter Cash Plan	Non life insurance undertaking	Unlimited Company	Non-mutual	Prudential Regulation Authority
3	GB	009567930	Specific code	Exeter Cash Plan Holdings Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited Company	Non-mutual	

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Undertakings in the scope of the group

				Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
	Country	Identification code of the undertaking	Type of code of the ID of the undertaking	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
Row	C0010	C0020	C0030	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	GB	213800V19RLONY7XIL94	LEI					Dominant		Included in the scope		Method 1: Full consolidation
2	GB	213800TYI7ORV3TF7T41	LEI	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
3	GB	009567930	Specific code	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation