



Solvency & Financial Condition Report 31 December 2021

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INTRODUCTION AND SUMMARY

The new co-ordinated EU regulated regime for Insurance Companies, Solvency II, came into effect on 1 January 2016. The new regime requires new reporting and public disclosures to be put in place by insurers, some of which will be required to be published on the Company's website. This is the third Solvency Financial Conditions Report (SFCR) for the HSF health plan based on the financial position as at 31 December 2021.

This report covers the Business and Performance of the Company, its System of Governance, Risk Profile, Valuation for Solvency Purposes and Capital Management. The ultimate Administration Body that has the responsibility for all of these matters is the Company's Board of Directors, with the help of various governance and control functions that it has in place to monitor and manage the business.

The Company's financial year runs to 31 December each year and it reports its results in GBP sterling.

HSF health plan has three main objectives:-

1. To provide policyholders with a wide range of health benefits that represents excellent value for money. In broad terms 95% of premiums received are paid out as claims and to cover management/administration costs - leaving a relatively low profit margin.
2. To generate long-term investment growth from its investment portfolio.
3. To pay most profits and investment surplus to its parent charity company, The Hospital Saturday Fund, by way of charitable Gift Aid payments. In turn the charity upholds the aims of The Hospital Saturday Fund's founders and its own objectives by donations to medical charities, hospitals, hospices, and individuals with medical needs or medical training needs.

The profits from 1 above are fairly consistent whilst those from 2 above are inevitably quite variable. The combination of this strategy results in an overall profit being achieved in most years, as demonstrated by HSF health plan's financial performance over the past 20 years. Steady modest growth is sought/achieved through the considerable efforts of HSF health plan staff, management and board – although success is not a given. This approach is particularly important given the limited fund-raising ability of HSF health plan, reflecting its position as a subsidiary of a registered charity.

HSF health plan has been in existence for almost 150 years, with this milestone being celebrated in 2023, with its primary focus to continue its insurance and charitable activities far into the future. HSF health Plan behaves ethically and treats policyholders, staff, and suppliers fairly. The business seeks to operate pragmatically, responsively, and in a controlled manner. Being responsive to customer's means HSF health plan can adjust its product offerings with agility in relation to what is required. Being responsive to staff means improvements can be identified/made and problems/risks dealt with rather than be hidden.

HSF health plan's investment portfolio seeks long-term growth through diversification focussing mainly on equities. Some might classify this as a medium risk approach in the short term and a low-risk approach when looking many years hence.

Performance

The Directors were very satisfied with the results in 2021, with all profits from this fiscal year planned to be gift aided to The Hospital Saturday Fund in the 2021/2022 financial year in line with current gift aid rules. The financial statements were approved and authorised for issue by the Board of Directors on 15 March 2022 and were signed on its behalf by the Chairman, Mr John Randel.

A - BUSINESS & PERFORMANCE

A.1 Business

HSF health plan Ltd is the wholly owned and trading subsidiary of The Hospital Saturday Fund, an independent charity registered (number 1123381) with the Charity Commission. The Hospital Saturday Fund is a Company Limited by Guarantee in England No 6039284. Both companies have their registered office at 24 Upper Ground London SE1 9PD.

In the UK HSF health plan Limited is a Company Limited by Guarantee in England No 30869 and is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. The firm's reference number for the FCA is 202182. The company, as a category 5 firm, has no named supervisor.

Contact details for the PRA and the FCA can be found on their respective websites:

www.bankofengland.co.uk/pru

www.fca.org.uk

In Ireland HSF health plan Limited is registered as a Branch No 904935 by the Companies Registration Office and is registered with the Department of Health and Children and the Health Insurance Authority in Ireland, as per Section 14 of the Health Insurance Act 1994. HSF health plan is also authorised and regulated as a Third Country Branch by the Central Bank of Ireland.

Contact details for the Health Insurance Authority in Ireland and CBI, can be found on their respective websites:

<https://www.hia.ie/>

<https://www.centralbank.ie/>

The HSF health plan Limited is engaged in only one class of business, a range of health cash plan schemes, all of which arises in the United Kingdom and Ireland. The original Hospital Saturday Fund was founded in 1873.

Advisers	Armstrong Teasdale
Solicitors	200 Strand London WC2R 1DJ
	Ronan Daly Jermyn 2 Park Place, City Gate, Mahon Point, Cork Ireland
External Auditors'	MHA MacIntyre Hudson 6 th Floor, 2 London Wall Place, London, EC2Y 5AU
Investment Managers	UBS AG 1 Finsbury Avenue, London, EC2M 2AN
	Brewin Dolphin The Harcourt Building, Harcourt Street, Dublin 2, D02 F721 Ireland

A.2 Underwriting Performance

The total premiums (less Insurance Premium Tax) for the year were £30,163,821 (2020: £31,008,019). Benefits payable (including Personal Accident premiums, helplines and Perk Box) for the year were £22,444,112 (2020: £19,735,198) and represented 74.4% (2020: 63.6%) of premium income.

There was an increase in new business against prior year of 61%, though overall gross premium income decreased by 2.7%. A total of 129 new corporate companies launched HSF health plan schemes for their employees, which has increased from 80 in 2020. The number of policyholders at the year-end was 87,210 (2020: 85,942).

A.3 Investment Performance

The Company holds a range of financial investments including both Sterling and Euro cash deposits and stock market investments. The Company's Directors are careful to manage the Company's exposure to any one counterparty and ensure the nature of the financial investments are appropriate to the Company's activities, objectives and the maintenance of the Company's PRA solvency requirement. The Company's investments increased in value from £19,259,024 to £21,041,012 comprising net disposals of £934,481 (2020 net additions of: £804,863) and unrealised gains of £2,716,469 (2020 gains of: £1,309,407). The companies' investment holdings have generated income of £369,846 (2020: £398,944) in interest and dividend payments. The fund management fees per annum range from 0.008% to 0.01% of funds under management.

A.4 Performance of Other Activities

In considering the major service suppliers to HSF health plan the following specific comments apply to certain suppliers: -

- The accident benefit coverage section of the health cash plan operated by HSF health plan was provided by Chubb European Group SE (CEG) in their capacity as co-insurer of HSF health plan's policyholders up until 31st January 2021. As a co-insurer Chubb assessed and paid the claims it received. HSF health plan monitored the performance of Chubb to ensure that it was providing a good service to its policyholders and was able to appoint an alternative accident insurer to provide these benefits, if appropriate. The accident cover is a minor component of the health cash plan offering. From the 1st February 2022 this services was brought in-house and the contract with Chubb terminated. All claims relating to accidents prior to the end of the contract on the 31st January 2021 remained the responsibility of Chubb.
- Health Hero supplies the various telephone helplines offered as part of the health cash plan. The most material of these is the GP Advice Line. Health Hero is not involved in claims. The telephone helplines are a peripheral part of the health cash plan offering.
- HSF health plan purchases fund management services from two external investment managers. These are currently UBS and Brewin Dolphin with appointment reviews being conducted every five years, and performance reviews conducted quarterly. These fund management activities are not material to the provision of the health cash plan product to policyholders but does influence the capital resources available and the level of charitable donations to HSF's parent company.
- HSF health plan donated £4.4m (2020: £5.6m) to its parent charity the Hospital Saturday Fund during 2021

A.5 Covid-19

Following the national lockdowns in the UK and Ireland during 2020, HSF health plan has continued to evolve its business continuity and resilience planning, which has proven to be effective in allowing the business to function in an effective and compliant manner. Both offices in London and Ennis have remained open for five days a week for the majority of 2021, with staff working on a hybrid model of office and home working, which is regularly reviewed and adjusted to consider the rate of infections and the commensurate risk to our staff. The company has placed the wellbeing and safety of its staff at the forefront of its planning and established a lateral flow (LFT) testing regime in 2020 which has continued throughout 2021. In advance of staff and visitors entering our offices, a negative LFT result must be produced. This testing regime, coupled with the strict adherence to mask wearing when not at individual workstations, has undoubtedly contributed to the high attendance and low infection rates that we have experienced throughout the pandemic.

The company will continue to evolve its procedures during 2022 building on lessons learned, and review both its resilience and business continuity protocols, ensuring that it remains adequately prepared to meet the challenges of

any future Covid19 variant strains and its commensurate impact. The external validation of our commitment to exemplary customer service following our Customer Service Excellence (CSE) assessment in October 2021, has also given feedback and demonstrable evidence, both quantitative and qualitative, that the business continues to deliver on its mission statement.

The current pandemic has proved to have wide ranging impacts, and these have been carefully considered in order to assist in planning and evaluating the impact on the business. HSF health plan continues to align its approach to the guidance of the UK and Irish Government as well as to HSF health plan Group guidance. The impact of COVID-19 on HSF health plan's solvency position has been assessed, taking into consideration relevant stresses given the circumstances. After consideration of the relevant stresses at the time of writing, the SCR would not breach the regulatory requirements or HSF health plan's own risk appetite. HSF health plan is expected to continue to have funds available in excess of the regulatory requirements without needing to take contingency action.

Profits made by HSF health plan are channelled to its parent, a registered charity, The Hospital Saturday Fund, who support medically associated charities and individuals in the form of grants. The Hospital Saturday Fund currently holds £20m of reserves from which it can provide subordinate loans to the Insurance Company the unlikely event that it requires financial support. However, the charity restarted its grant making again in the autumn of 2020 once the initial shock of the pandemic had been assessed and it was evident that its trading subsidiary would be well placed to maintain its solvency and regulatory requirements. The charity gave away a total of £1.8m in charitable grants to medically associated charities and individuals in 2021 and the Trustees have agreed to increase charitable activity in 2022 to give away a further £2.1m.

In May 2020, the FCA published "Product value and coronavirus: draft guidance for insurance firms". This guidance set out their expectations for insurers and insurance intermediaries to consider the value of their products in light of the exceptional circumstances arising out of coronavirus (Covid-19). The finalised guidance was published in June 2020 and Firms had until 3 December to review their product lines in light of the impact of Coronavirus and decide on any resulting action.

HSF health plan took the FCA guidance extremely seriously and established a Project Team to review the situation, with the project team reporting their findings to the Board. The Project Team included:

- Group Chief Executive
- Managing Director
- Director of Operations
- Head of Finance
- Head of Compliance

The Project Team continued to monitor the statistics and management information data throughout 2021 and produced their final report to the Board at their meeting on 25 November 2021

A.6 Any Other Information – Mission Statement

HSF health plan Mission Statement

Our Mission is: To be recognised as the number one Health Cash Plan provider in the UK and Ireland by offering the best value range of schemes and ensuring a first-class service for every policyholder

B - SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

The usual board structure of HSF health plan Ltd is:-

- Three executive directors employed by HSF health plan include the Chief Executive, Managing Director and Director of Operations. These Executive Directors have day-to-day management responsibility for HSF health plan.
- Three independent Non-Executive Directors.
- Five Non-Executive Directors nominated by The Hospital Saturday Fund who are also Directors/Trustees of The Hospital Saturday Fund. These Non-Executive Directors are chosen from the seven Directors/Trustees of The Hospital Saturday Fund. The Directors/Trustees of The Hospital Saturday Fund are in turn elected from amongst the members of the Association. The Chairman of the Board is chosen from these Directors.

The board has four sub committees each comprising of four to six Directors of HSF health plan (always a majority of Non-Executive Directors) and attended by invitation by the chair of the committee, and HSF health plan senior manager with responsibilities in the committee's area of focus. These report to the main Board with a focus of interest as indicated by their names i.e.: -

- Sales and Marketing
- Audit & Finance
- Human Resources and Remuneration (to include Operations)
- Risk & Compliance

In Solvency II terms the Board and Committees are the “administrative, management and supervisory body” (AMSB).

Board of Directors

The Executive Directors are:-

- Mr Paul Jackson (Group Chief Executive)
- Mr Paul Clare (Managing Director)
- Mrs Sharon Phelan (Director of Operations & Branch Manager of the Third Country Branch in Ireland)

The Non-Executive are:-

- Mrs J L Dalton LLB (Hons)
- Mr M Davies
- Mr J Diamond
- Mr N Finlayson FCA DChA
- Mr J Greenwood
- Mr J Randel – Chairman
- Mrs L Richards-Cole ACII
- Mr D Thomas

In November 2021, Mr. John Randel was re-elected to serve a further term as Chairman and Mr. Mark Davies was re-elected to serve as Vice Chairman. There are three independent Directors, Mr. Jonathan Diamond, Mrs. Lynn Richards-Cole and Mr. Neil Finlayson, none of whom serve as Directors/Trustees of the charity company.

The Board of Directors is composed of individuals from a broad range of backgrounds in general insurance, finance, investment banking, legal and the charity sector. This diverse range of experience is invaluable to the Company and ensures that the continued strong governance culture is maintained.

The Board continues to maintain a strong governance culture and is fully committed to its regulatory responsibilities, with this at the forefront of its strategic planning. The Board continues to work extremely closely with its Head of Compliance.

Material Transactions with Parent

HSF health plan is structured to donate all profits made each year to its parent charity, the Hospital Saturday Fund. HSF health plan donated £4.4m (2020: £5.6m).

Committee Membership at 31 December 2021

Audit & Finance	Human Resources	Sales and Marketing	Risk & Compliance
Mr J Diamond	Mr P Clare	Mr P Clare	Mr P Clare
Mr N Finlayson – Chair	Mrs J Dalton – Chair	Mr M Davies – Chair	Mr M Davies
Mr J Greenwood	Mr P W Jackson	Mr J Diamond	Mr P W Jackson
Mr J Randel	Mrs S Phelan	Mr J Randel	Mrs S Phelan
Mr P Clare (in attendance)	Mr J Randel	Mrs L Richards Cole	Mr J Randel
Mr P W Jackson (in attendance)	Mr D Thomas		Mrs L Richards-Cole – Chair
	Mr J Greenwood		

Remuneration

The Human Resources & Remuneration Committee is responsible for carrying out duties delegated to them by the Board to ensure the firm recruits and retains employees whose values are aligned to our culture and core purpose. The Committee undertakes an oversight role and gives guidance to the appropriate Executive Directors and senior managers to ensure that the following areas:

- Annual review of staff salaries, bonus payments, allowances and benefits
- Being non-discriminatory – all remuneration policies and practices are free from unfair discrimination based on race, gender, age, religion, marital status and ethnic or social origin
- Terms and Conditions of Employment are reviewed when appropriate
- Health and Safety practices are regularly monitored and training is delivered to meet mandatory requirements
- Induction, ongoing training, and Person Development Reviews (PDR's) are conducted in-line with company policy.
- Holding individual performance appraisals to identify talent at all levels in the business and enable fair and competitive pay.
- Holding interim reviews as appropriate and instruct the Managing Director to take the necessary action deemed necessary.
- All policies are applied and maintained in a satisfactory manner, to ensure that the company is conducting business within acceptable legal regulations and good practice guidelines.

The Human Resources & Remuneration Committee is also responsible for:

- Recommending to the Board a level of remuneration for the Chairman of the Board and Non-Executive Directors.
- Ensuring that the Service Agreement for Non-Executive Directors continues to reflect the role adequately.

B.2 Fit and proper requirements

Directors are appointed under the “fit and proper” process adopted by the Company and in addition under the Senior Managers and Certification Regime (SM & CR) function holders are pre- approved by the PRA/FCA. The process within HSF health plan, which is used to determine honesty, integrity, reputation, competence/capability, and financial soundness, involves a personal declaration, credit checks, criminal record checks as well as the assessment as to whether individuals have the knowledge, skills and experience to undertake a particular role. This is reflected in the Scope of Responsibilities. “Fit and proper” is reviewed annually and there is a continuing obligation to advise the Chairman if, at any stage, individuals cannot fulfil these requirements.

B.3 Risk management system including the own risk and solvency assessment

The main activity of the Company is operator of a medical cash plan and with this business activity, comes the need to take risk. We monitor the profitability of schemes and the claims data regularly, taking action when required and deemed necessary. The scheme premiums are rated on detailed analysis of historic claims data. Under the insurers regulatory regime, we also consider and diligently monitor a wide range of other risk including market, liquidity, interest rate, insurance, operational, concentration among others, this is done by regular consideration of the ORSA (Own Risk and Solvency Assessment).

The framework adopted by HSF health plan to complete the ORSA process pulls together the work which is done on risk within the business and ensures that appropriate monitoring takes place, that appropriate reviews are conducted in line with the regulatory guidelines and the appropriate amendments made to any necessary documentation. The

ORSA is reviewed and approved by the Board on an annual basis. HSF health plan has adopted the Standard Formula as the basis for calculating its solvency capital requirement.

For the SM & CR functions of Risk Management, Internal Audit and the Actuarial Function, the company adopts an approach, which reflects the nature, scale and complexity of the business and delivers the desired outcomes.

The key purpose of preparing an ORSA is for HSF health plan to make its own assessment of the capital required to be solvent and stay in business over the next year and beyond. The minimum benchmark is the active survival of the business for at least one year with a probability of at least 99.5%. This sits alongside the statutory capital calculated in accordance with the balance sheet and standard capital requirements parameters set by the regulatory authorities for their “standard model”. The required capital for HSF health plan is then the higher of the amount that HSF health plan determines, or the statutory amount calculated within the “standard model”. Therefore, a key underlying purpose of the ORSA is to identify capital shortfalls arising from mechanistically applying the statutory solvency calculations. Conversely if HSF health plan determines that less capital than the statutory amount is more appropriate then the statutory amount will prevail i.e., under Solvency II the capital required is set at the higher of the statutory and own assessment amounts.

The indicated confidence level of a 99.5% probability of remaining solvent after one year is deemed a suitable balance for HSF health plan between taking excessive risks or holding excessive capital. This period reflects HSF health plan’s three-year business planning cycle with updated three-year plans being prepared every year i.e. in effect a one year plan with a three year horizon. Maintaining capital well in excess of the amount determined on this basis provides significant investment freedom for HSF health plan’s investment portfolio to secure real long-term growth and permit profits to be generated both from the trading activities and the investment portfolio.

B.4 Internal control system

In order to ensure the effectiveness of the firm’s system of governance, HSF health plan has adopted the ‘Three Lines of Defence’ model. The first line of defence is provided by front line staff and operational management. The systems, internal controls, the control environment, and culture developed and implemented by these business units is crucial in anticipating and managing operational risks. The second line of defence is provided by the risk management and compliance functions. These functions provide the oversight and the tools, systems, and advice necessary to support the first line in identifying, managing and monitoring risks. The third line of defence is provided by the Audit and Finance Committee together with the Internal and External Audit Function. This function provides a level of independent assurance that the risk management and internal control framework is working as designed.

B.5 Internal audit function

The Internal Audit function is managed by the Head of Compliance. The function reports through normal line management to the Managing Director and has full and ready access to the Group Chief Executive. They also report directly to the Audit and Finance Committee regarding internal audit matters only and have access to Non-executive Directors. When performing an audit and when evaluating and reporting the audit results, the internal audit function is not subject to influence from the Board that can impair its independence and impartiality.

B.6 Actuarial function

The actuarial function manager (i.e., Head of Finance) will like all staff in a small company such as HSF health plan have many other roles and duties, particularly preparation of accounting information. The Company is aware of the potential conflicts, as well as the advantages, from this overlap of duties. Support and oversight is provided by the Group Chief Executive and Managing Director. Many of the function’s outputs will be checked or prepared first by others including the external auditors, the Group Chief Executive, the Managing Director or other Finance department personnel.

HSF health plan does not require the services of a qualified actuary given the straightforward nature of the product offering to policyholders and risks inherent in the business. Claims expectation is derived solely from the claims experience of HSF health plan as no appropriate/relevant industry claims data is available.

As a matter of practice and policy no prior underwriting of individual risks is conducted and terms offered are usually the same for policyholders who fulfil the criteria for joining/remaining in their particular scheme. Health condition

exclusions or temporary restrictions are usually applied based on the health declaration supplied by the policyholder on joining. Premiums do not vary with age, or sex, or health.

In setting out the terms offered to policyholders HSF health plan's objectives for these are designed to:-

- Reflect the provident ethos of the organisation by generating a small surplus of premiums over claims and management costs to provide: -
 - funds to assist the capital development of the business
 - funds to allow for future benefit improvements/development
 - funds to allow charitable donations to be made to the parent charity organisation
- Provide a consistent benefit structure for the various country/distribution channel product ranges with a progressive increase in benefits for an increase in premiums regardless of age or sex or dependency situation. The level charging structures thus created naturally incorporate cross subsidies between various membership categories e.g., young and old, high-paying and low-paying, etc.
- Provide long-term good value for money.

B.7 Outsourcing

The general stance of HSF health plan is not to outsource any activities and does not therefore require an outsourcing policy. HSF health plan does however buy in skills that it does not possess. In terms of the critical/important functions/activities from a Solvency II perspective the following applies: -

- The design and pricing of insurance products - undertaken solely by HSF health plan personnel.
- The investment of assets or portfolio management - HSF health plan determines its own investment strategy, and the broad market sectors and investment ranges for fund management service providers. HSF health plan owns and manages its own head office property and its bank deposits. Other assets are managed within HSF health plan's investment policy by two external fund managers, currently Brewin Dolphin and UBS, who have freedom to select individual stocks and shares and the timing of their purchase/sale within an agreed framework.
- The claims handling process is undertaken solely by HSF health plan personnel.
- The provision of regular or constant compliance, accounting, risk management or actuarial support is undertaken by HSF health plan personnel. However, on occasions external guidance or commissioned tasks may be requested.
- The Internal and External Audit Functions are outsourced and therefore provides a level of independent assurance, as well as providing the third line of defence.
- The provision of data storage - undertaken for electronic data solely by HSF health plan personnel using Company owned equipment. Paper file storage is partly undertaken in-house but with the bulk being held by an external box management company, currently Recall
- The provision of ongoing day-to-day systems maintenance or support is undertaken solely by HSF health plan personnel. On the rare occasions external support may be sought.

B.8 Any other information - Employees

The company continues to remain fully committed to its on-going program of staff training and personal development; despite the challenges the pandemic continues to have on face-to-face training. There are a number of development programs and courses currently underway including management apprenticeships, leadership development courses and bespoke departmental training. During 2021, a new on-line training platform was launched, with all staff attending training courses on GDPR, the treatment of vulnerable customers and conduct rules. A number of senior members of staff also attended regulatory courses with external training providers.

The IIP assessment scheduled for June 2020 was postponed because of the pandemic and instead replaced by a desk top review, which was conducted in October 2020, at which the company met the criteria to defer the assessment. The re-scheduled assessment took place in June 2021 and following the detailed assessment process, HSF health plan received a very strong report and has continued to be accredited at the Gold standard level.

C- RISK PROFILE

C.1 Underwriting risk

Underwriting Risk - standard terms apply to the great majority of business controlled by monthly monitoring of profitability and the product re-pricing facility. About 10% of existing business lapses each year so much of new business (over 90% is direct) is about replacing this. In practice numbers of policyholders are static/slightly reducing with premiums slightly growing as new joiners usually pay more than leavers assisted by the occasional price increase.

C.2 Market risk

HSF health plan's business plans involve very modest business growth. Materially different levels of new business would require very different direct sales resources, and intermediary sales are very low margin/IT resource intensive (brokers often request their own benefit structures).

C.3 Credit risk

There is minimal risk other than temporary exposures whilst sponsoring company's forward premiums deducted from policyholder earnings.

C.4 Liquidity risk

Liquidity Risk - assets are immediately tradable apart from up to 25% held in property and hedge funds.

C.5 Operational risk

The Risk and Compliance Committee monitor the Company's risk exposure in all areas including investment, operational, financial, human resources, sales and business continuity, with the Committees also monitoring their own areas of risk as well. It advises the Board on risk management and policy, whilst it also keeps under review the effectiveness of these areas. The Chief Risk Officer is the Executive Director accountable for enabling the efficient and effective governance of significant risks, and related opportunities, this role is the responsibility of the Managing Director. The Chief Risk Officer reports to the Risk and Compliance Committee bi-annually to assist the committee with actively monitoring the risks and ensure the controls and appropriate monitoring systems are in place, the Chief Risk Officer is also accountable to the Board of Directors.

The Company have produced various risk registers for the different parts of the business, and these are kept under constant review by the various Committees and Board to manage and mitigate risks. The Risk and Compliance Committee meet regularly to review and monitor these and reports to the Board. The Board are satisfied with the risk management policies and procedures in place.

C.6 Other material risk

Regulatory Risk - all sales are on a non-advisory basis with firm training and monitoring to prevent policyholder advice. HSF undertakes audits, complaint monitoring, and sales staff training/monitoring to detect indications that advice might be given to policyholders

Investment Risk - broad investment ranges and categories are agreed with the external fund managers, UBS and Brewin Dolphin, to achieve a well-diversified balanced portfolio. Real assets (equities plus to a lesser extent property and hedge funds) form 50 to 80% of the holdings with cash and fixed interest making the remainder. Overall HSF applies the prudent person principle in ensuring its investments will be more than sufficient to cover its statutory capital requirements.

C.7 Any other information

HSF health plan adopts a medium to low strategic risk appetite when determining the acceptability and management approach to risk. Due allowance is made for HSF's financial strength, the cost/value of controls, and the extent to which the risk can be accepted or mitigated.

HSF health plan seeks to manage its business in a sensible, considered, and common-sense manner whilst taking sufficient risks to develop the business and compete/survive successfully against other organisations. So, taking risks

is necessary, but taking unnecessary or ill-judged risks in areas HSF health plan do not fully understand is not. HSF health plan will act with prudence in its business activities and approach – and even more so on matters more removed from its core health cash plan insurance product.

HSF health plan will make considered judgments, acting decisively, seeking to carefully analyse potential new initiatives in order to consider possible outcomes in relation to specified criteria. HSF health plan may seek external guidance (upon which HSF health plan will still need to make a validity judgment) where appropriate.

The business operates in an open and ethical manner with the Board monitoring expenditure and actual/potential variances. “Treating Customers Fairly” is embedded firmly in the firms’ ethos, values and culture, with fair treatment of customers and low level of complaints being of primary importance.

Not all HSF health plan’s risk exposures are included in the standard formula capital calculation. For example, risk exposures associated with reputation, strategic or regulatory are mitigated through a combination of reliance on internal controls, monitoring of the risk management framework and future management actions. There is no exposure to pension scheme liabilities.

D - VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Land and buildings

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. The property was valued on 18 February 2021, the fair value of the property was £4,995,000 on an open market basis by an independent valuer, Egerton chartered surveyors. At the date of the revaluation, the directors believed the property had a useful economic life of at least 50 years. The directors have reassessed the valuation at 31 December 2021 which has confirmed no material change or impairment.

Investments

The investment of assets, or portfolio management, are managed within HSF health plan's investment policy by two external fund managers, currently Brewin Dolphin and UBS, who have freedom to select individual stocks and shares and the timing of their purchase/sale within an agreed framework.

Market value at 1 January 2021	19,259,024
Additions	2,187,922
Disposals	(3,122,403)
Unrealised gain on investments	2,716,469
Market value at 31 December 2021	21,041,012

Insurance and intermediaries' receivables

Insurance and intermediaries' receivable balances represent premiums owed from policyholders. As at 31 December 2021 the Company had a total of £1,479k of outstanding premiums. Outstanding premiums are valued at fair value and due to the short-term nature of the receivable; no adjustments to valuation are required. The value of insurance and intermediaries' receivables in the Company's financial statements is the same as for Solvency II.

Cash and cash equivalents

As at the reporting date, the Company had £2,282K held as cash in UK and Irish bank accounts. The UK bank accounts are all held in pounds sterling; no estimation methods, adjustments for future value or valuation judgements are required for these balances. The monies held in Irish bank account are denominated in Euro ("EU"), translated into pounds sterling at the period end for reporting purposes.

Cash and cash equivalents are valued at fair value by the relevant financial institution, and the Company receives monthly statements at the period end to confirm the balances held. There are no significant estimates or judgements used in valuing cash holdings due to the nature of the asset.

Tangible Fixed Assets	Furniture and Equipment
Cost	
At 1 January 2021	1,854,285
Additions	36,944
Disposals	-

At 31 December 2021	1,891,229

Depreciation	
At 1 January 2021	1,632,547
Charge for year	131,451
Disposals	-

At 31 December 2021	1,763,998

Net book value	
At 31 December 2021	127,231
	=====
At 31 December 2020	221,738
	=====

The valuation used for assets within the Reports and Financial Statements we feel is in line with the defined fair value for Solvency purposes and therefore there has been no revaluation of assets for Solvency II.

D.2 Technical provisions

At 31 December 2021, HSF health plan held a technical provision valued for Solvency II purposes of £4,265k.

The Technical provision represents at the balance sheet date the current cost of insurance liabilities and includes the following components:

- Claims provisions being claims incurred at the balance sheet date
- Premium provision being claims expected to be incurred after the balance sheet date

HSF health plan technical provision is calculated using a claims paid analysis and including all policies in force and on risk at the reporting date.

The primary uncertainties relate to how future actual experience will differ from the assumptions used to calculate the technical provisions. The key assumptions are in respect of the claims experience. In order to best understand the uncertainties a robust process for setting assumption is adhered to.

The table below is set out to display the technical provision.

Description	Technical Provisions per Solvency II
Technical Provisions	£4,265k
Total	£4,265k

D.3 Other liabilities

The other liabilities included within the Solvency II valuation are Payables (trade, not insurance) of £609K and Deferred Tax Liabilities of £1,856k. There are no adjustments or judgements made for valuation purposes. The valuation for Solvency II is the same as UK GAAP valuation for both other liabilities detailed above.

D.4 Alternative methods for valuation

The valuation used by HSF health plan Ltd for assets within the Reports and Financial Statements we feel is in line with the defined fair value for Solvency purposes and therefore there has been no revaluation of assets for Solvency calculations.

E- CAPITAL MANAGEMENT

E.1 Own funds

The own funds management objective is to at all times maintain sufficient own funds to cover both the SCR and MCR with an appropriate excess. Regular reviews are carried out by the responsible committee at least quarterly of the eligible own funds over SCR and MCR ratios with the ultimate responsibility for this resting with HSF health plans Board of Directors. HSF health plans own funds are all tier 1 unrestricted and available to cover SCR and MCR.

HSF health plan's eligible own funds as of 31 December 2021 £24,104k.

E.2 Solvency Capital Requirements and Minimum Capital Requirement

The Solvency Capital Requirement and Minimum Capital Requirement for the Company are set out in templates 28.01.01. HSF health plan Ltd applies the Standard Formula as the basis for calculating capital requirements having assessed and reviewed the underlying assumptions as appropriate for the firm.

	31 December 2021
Market Risk	£12,790k
Counterparty Default Risk	£1,586K
Health Underwriting Risk	£4,663K
Diversification	(£4,414k)
Operational Risk	£905K
SCR	£15,530K
MCR	£3,883k

The MCR is pre-determined within the Solvency II legislation and corresponds to an amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk if insurance undertakings were allowed to continue their operations. The MCR is calibrated to the Value-at-Risk of the basic own funds of an insurance undertaking subject to a confidence level of 85% over a one year period. The MCR has been calculated as 25% of the SCR in accordance with article 248(1) of the Delegated Regulations 2015/35.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

No duration-based equity risk sub-module is included in the Solvency Capital Requirement.

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

HSF health plan has fully embedded the Solvency II calculation process and is engaged with the Solvency II standard model assumptions. HSF health plan considers the standard model provides a prudent calculation of HSF health plan's capital requirements and no additional capital loadings are necessary. As a package of risk capital calculations HSF considers the Standard Model provides a sound framework to use when applying its own assessment to the risks to be valued. HSF health plan agrees that the 0.5% per annum risk of failure is an appropriate benchmark when balancing the firm failure risk against its capital resources - as is inherent in the Standard Formula.

HSF health plan monitors the ongoing appropriateness of the standard formula for HSF health plan's ORSA framework as part of its considerations each time an ORSA is being prepared. Business assumptions are challenged and agreed by relevant parties with controls put in place such as agreeing all inputs and stress tests to be conducted before the calculation takes place.

E.5 Non-Compliance with the Minimum Capital Requirements and non-compliance with the Solvency Capital Requirement

HSF health plan Ltd has continually complied with both the Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period.

HSF Health Plan Ltd

Solvency and Financial Condition Report

Disclosures

31 December

2021

(Monetary amounts in GBP thousands)

General information

Undertaking name	HSF Health Plan Ltd
Undertaking identification code	213800YV3JV2KPMNCU43
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 2021
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
		C0010
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	5,022
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	21,041
R0080	Property (other than for own use)	2,014
R0090	Holdings in related undertakings, including participations	0
R0100	Equities	14,746
R0110	Equities - listed	14,746
R0120	Equities - unlisted	
R0130	Bonds	3,744
R0140	Government Bonds	1,779
R0150	Corporate Bonds	1,966
R0160	Structured notes	0
R0170	Collateralised securities	0
R0180	Collective Investments Undertakings	0
R0190	Derivatives	
R0200	Deposits other than cash equivalents	0
R0210	Other investments	537
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	2,221
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	2,282
R0420	Any other assets, not elsewhere shown	267
R0500	Total assets	30,833

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	4,265
R0520	<i>Technical provisions - non-life (excluding health)</i>	0
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	0
R0550	<i>Risk margin</i>	0
R0560	Technical provisions - health (similar to non-life)	4,265
R0570	<i>TP calculated as a whole</i>	4,265
R0580	<i>Best Estimate</i>	0
R0590	<i>Risk margin</i>	0
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	
R0630	<i>Best Estimate</i>	
R0640	<i>Risk margin</i>	
R0650	Technical provisions - life (excluding health and index-linked and unit-linked)	0
R0660	<i>TP calculated as a whole</i>	
R0670	<i>Best Estimate</i>	
R0680	<i>Risk margin</i>	
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	
R0710	<i>Best Estimate</i>	
R0720	<i>Risk margin</i>	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	1,856
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	609
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	6,729
R1000	Excess of assets over liabilities	24,104

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	30,128															30,128
R0120 Gross - Proportional reinsurance accepted																0
R0130 Gross - Non-proportional reinsurance accepted																0
R0140 Reinsurers' share																0
R0200 Net	30,128															30,128
Premiums earned																
R0210 Gross - Direct Business	30,164															30,164
R0220 Gross - Proportional reinsurance accepted																0
R0230 Gross - Non-proportional reinsurance accepted																0
R0240 Reinsurers' share																0
R0300 Net	30,164															30,164
Claims incurred																
R0310 Gross - Direct Business	21,721															21,721
R0320 Gross - Proportional reinsurance accepted																0
R0330 Gross - Non-proportional reinsurance accepted																0
R0340 Reinsurers' share																0
R0400 Net	21,721															21,721
Changes in other technical provisions																
R0410 Gross - Direct Business	36															36
R0420 Gross - Proportional reinsurance accepted																0
R0430 Gross - Non-proportional reinsurance accepted																0
R0440 Reinsurers' share																0
R0500 Net	36															36
R0550 Expenses incurred	6,633															6,633
R1200 Other expenses																
R1300 Total expenses																6,633

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
		IE					
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110 Gross - Direct Business	13,085	17,042					30,128
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share							0
R0200 Net	13,085	17,042					30,128
Premiums earned							
R0210 Gross - Direct Business	13,121	17,042					30,164
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share							0
R0300 Net	13,121	17,042					30,164
Claims incurred							
R0310 Gross - Direct Business	10,108	11,613					21,721
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share							0
R0400 Net	10,108	11,613					21,721
Changes in other technical provisions							
R0410 Gross - Direct Business	36	0					36
R0420 Gross - Proportional reinsurance accepted							0
R0430 Gross - Non-proportional reinsurance accepted							0
R0440 Reinsurers' share							0
R0500 Net	36	0					36
R0550 Expenses incurred	3,319	3,314					6,633
R1200 Other expenses							
R1300 Total expenses							6,633

Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
R0010	Technical provisions calculated as a whole	4,265																4,265
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
R0060	Gross	0																0
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	0																0
Claims provisions																		
R0160	Gross	0																0
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	0																0
R0260	Total best estimate - gross	0																0
R0270	Total best estimate - net	0																0
R0280	Risk margin	0																0
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	4,265																4,265
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	4,265																4,265

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 2012	0	0	0	0	0	0	0	0	0	0		0	0
R0170 2013	0	0	0	0	0	0	0	0	0			0	0
R0180 2014	0	0	0	0	0	0	0	0				0	0
R0190 2015	0	0	0	0	0	0	0					0	0
R0200 2016	0	0	0	0	0	0						0	0
R0210 2017	0	0	0	0	0							0	0
R0220 2018	0	0	0	0								0	0
R0230 2019	0	0	0									0	0
R0240 2020	0	2,548										2,548	2,548
R0250 2021	19,173											19,173	19,173
R0260												Total 21,721	21,721

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 2012	0	0	0	0	0	0	0	0	0	0		0
R0170 2013	0	0	0	0	0	0	0	0	0			0
R0180 2014	0	0	0	0	0	0	0	0				0
R0190 2015	0	0	0	0	0	0	0					0
R0200 2016	0	0	0	0	0	0						0
R0210 2017	0	0	0	0	0							0
R0220 2018	0	0	0	0								0
R0230 2019	0	0	0									0
R0240 2020	0	0										0
R0250 2021	3,284											0
R0260												Total 0

5.23.01.01

Own Funds

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

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of not deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds
R0230	Deductions for participations in financial and credit institutions
R0290	Total basic own funds after deductions
	Ancillary own funds
R0300	Unpaid and uncalled ordinary share capital callable on demand
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
R0320	Unpaid and uncalled preference shares callable on demand
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds
	Available and eligible own funds
R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR
R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR
	Reconciliation reserve
R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Forfeitable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve
	Expected profits
R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
0	0		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
24,104	24,104			
0		0	0	0
0				0
0	0	0	0	0
0				
0				
0				
0				
0				
0				
0			0	0
24,104	24,104	0	0	0
24,104	24,104	0	0	
24,104	24,104	0	0	0
24,104	24,104	0	0	
15,530				
3,883				
155.21%				
620.83%				
C0060				
24,104				
0				
0				
0				
24,104				
0				

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010 Market risk	12,790		
R0020 Counterparty default risk	1,586		
R0030 Life underwriting risk	0		
R0040 Health underwriting risk	4,663		
R0050 Non-life underwriting risk	0		
R0060 Diversification	-3,824		
R0070 Intangible asset risk	0		
R0100 Basic Solvency Capital Requirement	15,216		
Calculation of Solvency Capital Requirement	C0100		
R0130 Operational risk	905		
R0140 Loss-absorbing capacity of technical provisions	-591		
R0150 Loss-absorbing capacity of deferred taxes			
R0160 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200 Solvency Capital Requirement excluding capital add-on	15,530		
R0210 Capital add-ons already set	0		
R0220 Solvency capital requirement	15,530		
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	0		
Calculation of loss absorbing capacity of deferred taxes	LAC DT		
	C0130		
R0640 LAC DT			
R0650 LAC DT justified by reversion of deferred tax liabilities	0		
R0660 LAC DT justified by reference to probable future taxable economic profit	0		
R0670 LAC DT justified by carry back, current year	0		
R0680 LAC DT justified by carry back, future years	0		
R0690 Maximum LAC DT	0		

USP Key

For life underwriting risk:

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

For health underwriting risk:

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

For non-life underwriting risk:

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

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		1,616		
				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		4,265		30,128
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		1,616		
R0310	SCR		15,530		
R0320	MCR cap		6,989		
R0330	MCR floor		3,883		
R0340	Combined MCR		3,883		
R0350	Absolute floor of the MCR		2,112		
R0400	Minimum Capital Requirement		3,883		

Validations


HSF health plan

Approval by the Board of Directors of the Solvency and Financial Condition Report
Financial period ended 31 December 2021

We certify that:

1. the Solvency and Financial Condition Report ("SFCR") has been properly prepared in all material respects in accordance with the PRA rules and Solvency II Regulations; and
2. we are satisfied that:
 - (a) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the insurer; and
 - (b) it is reasonable to believe that, at the date of the publication of the SFCR, the insurer has continued so to comply, and will continue so to comply in future.

Approval by the Administrative, Management or Supervisory Body (AMSB) of the SFCR and reporting templates



Paul Jackson
Chief Executive Officer
HSF health plan Ltd

Date: 07th April 2022