



The Hospital  
Saturday Fund®

# Group Solvency & Financial Condition Report 31 December 2024

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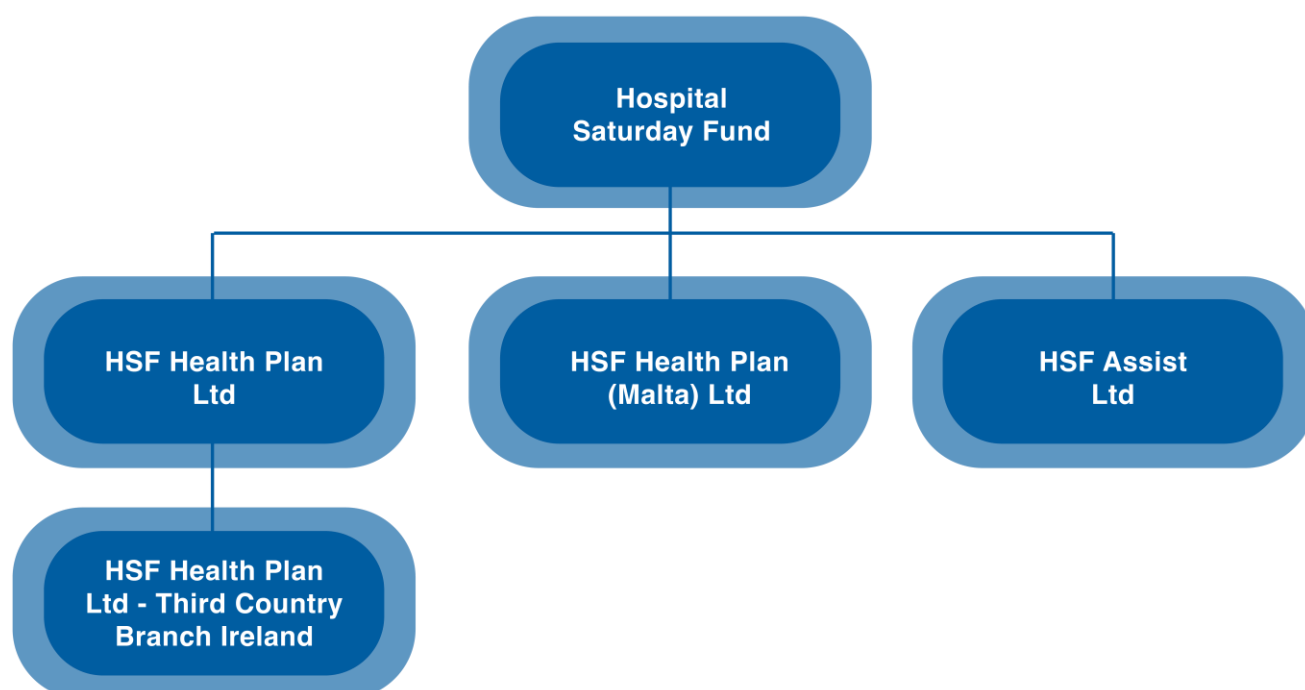
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## INTRODUCTION AND SUMMARY

The co-ordinated EU regulated regime for Insurance Companies, Solvency II, came into effect on 1 January 2016. The regime requires 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. The Board of the Hospital Saturday Fund (HSF) and its subsidiary HSF Health Plan Ltd have prepared this Solvency and Financial Condition Report ("SFCR") which sets out summary information on the risks faced by HSF, its management controls and the level of solvency it is required to hold. This report covers HSF, and its subsidiaries consolidated on a group basis. This is due to the Groups simple structure and all insurance activity taking place within HSF Health Plan Limited. A waiver has been received for single group reporting from the Prudential Regulatory Authority (PRA). The headings used are as prescribed in the relevant regulations and cover the business activities, governance, risks, assets and capital management.

The group structure is as follows:



## A - BUSINESS & PERFORMANCE

### A.1 Business

The Hospital Saturday Fund was originally founded in 1873, and is an independent charity registered (number 1123381) with the Charity Commission. The parent entity HSF is a Company Limited by Guarantee in England No 6039284 with the registered office at 24 Upper Ground London SE1 9PD. HSF's aims are to provide support through its charitable funds for:

- Individuals with a medical condition or disability who would benefit from (i) assistance with the purchase of specialised equipment or (ii) practical forms of treatment; and
- Registered health charities such as hospitals, hospices, medical organisations that are in need of grants for medical projects, care, research or support of medical training within the United Kingdom, Ireland and Malta.

The Group's insurance business (HSF Health Plan) consists of only one class of business, which is a range of health cash plan schemes ("HCP"), all of which arises in the United Kingdom, Ireland and Malta. All insurance business is undertaken within the three trading subsidiaries within the group, these are outlined below:

- HSF Health Plan Ltd – A regulated firm, 100% owned subsidiary which is provider of cash plan policies in UK & Ireland (Ireland policies are provided via the existence of a Third Country Branch ("TCB") which was formed as a result of Brexit in 2021)
- HSF Health Plan (Malta) Ltd – A regulated firm, 100% owned subsidiary which is provider of cash plan policies in Malta
- HSF Assist Ltd – A non-regulated firm 100% owned subsidiary. Service company providing Employee Assistance Program ("EAP") and is not in scope for this report.

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 4 firm, has no named supervisor.

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

[www.bankofengland.co.uk/pr](http://www.bankofengland.co.uk/pr)

[www.fca.org.uk](http://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/>

HSF Health Plan (Malta) Ltd has been granted a three-year waiver by the PRA to be exempted from Group Supervision due to its current immaterial size, as it is a startup company only launched in 2020. As the Company expands the Group will continuously review this and should there be significant growth in the coming years, this will be included in future reports.

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

## Advisers

### Solicitors

Joelson Law  
2 Marylebone Road, London  
NW1 4DF

Ronan Daly Jermyn  
2 Park Place, City Gate,  
Mahon Point, Cork  
Ireland

### External Auditors'

MHA  
6th Floor, 2 London Wall Place,  
London, EC2Y 5AU

### Investment Managers

LGT Wealth Management UK LLP  
14 Cornhill  
London, EC3V 3NR

RBC Brewin Dolphin  
The Harcourt Building, Harcourt Street,  
Dublin 2, Ireland, D02 F721

## The Hospital Saturday Fund's Principal Objects

HSF's principal objects as set out in its Memorandum of Association are:

*"the relief of sickness and suffering and giving of help to those who are aged, infirm, unemployed or in need and who require Medical Relief as hereinafter defined or who are pregnant and for the promotion of medical research for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland, the Channel Islands, the Isle of Man and Malta."*

HSF has been helping people in times of illness or medical need since 15 June 1873. In those days there was no National Health Service (NHS) and very little government aid for those who needed it most. This led the Victorian social reformer, the Twelfth Earl of Meath, and others to establish HSF to give working people an opportunity to contribute to the costs of running their local hospitals, so named because Saturday was the traditional pay-day when people were more likely to have a few pennies to spare. Over the years leading to the formation of the NHS in 1948, HSF gradually became a health cash plan but maintained its charitable support for hospitals and medical charities.

HSF is now a grant-making charity which donates to medically associated charities for care and research, and to some individuals with health problems throughout the UK, Ireland and Malta. HSF is also the parent of three trading subsidiaries:

- The HSF Health Plan Ltd, HSF Health Plan (Malta) Ltd & HSF Assist Ltd which generate the income from their trading activity to fund the grant-making. HSF Health Plan Ltd is a company limited by guarantee which provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland (Ireland policies are provided via the existence of a Third Country Branch ("TCB") which was formed as a result of Brexit in 2021).
- HSF Health Plan (Malta) Ltd markets health cash plan schemes in Malta.
- HSF Assist Ltd provides an employee support telephone service to corporate clients and therefore is out of scope for this report.

### HSF Health Plan Ltd 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 a medical need, or to support medical training.

The profits from 1 above are fairly consistent whilst those from point 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 guaranteed. This approach is particularly important given the limited fund-raising ability of HSF.

HSF has been in existence for over 150 years, with this milestone being celebrated in June 2023, with its primary focus to continue its insurance and charitable activities far into the future. The HSF Group 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.

The HSF Group's investment portfolio seeks long-term growth through diversification focussing mainly on equities. This may be classified as a medium risk approach in the short term and a low-risk approach when looking many years hence.

Taking all factors into account, the Board of Directors of HSF and HSF Health Plan are satisfied with the results achieved in 2024. The financial statements for HSF Health Plan Ltd were approved and authorised for issue by the Board of Directors on 22 April 2025 and were signed on its behalf by the Chair, Mr Neil Finlayson and Managing Director, Mr Paul Clare. The group consolidated financial statements for HSF were approved and authorised for issue by the Board of Trustees on 22 April 2025 and were signed on its behalf by the Chair, John Greenwood and Vice-Chair, Jane Dalton.

## **A.2 Underwriting Performance**

The total premiums (less Insurance Premium Tax) for the year were £33,582,224 (2023: £30,565,249). Benefits payable (including Personal Accident premiums, helplines and Perk Box) for the year were £25,047,402 (2023: £24,030,600) and represented 74.6% (2023: 78.6%) of premium income.

There was an increase in new business against prior year of 8.0%, while overall gross premium income increased by 9.9%. A total of 185 new corporate companies launched HSF Health Plan schemes for their employees, compared to 151 in 2023. The number of policyholders at the year-end was 105,639 (2023: 97,857).

## **A.3 Investment Performance**

The HSF Group holds a range of financial investments with both HSF and HSF Health Plan holding separate portfolios including both Sterling and Euro cash deposits and stock market investments. The Board of Directors/Trustees are careful to manage the group's exposure to any one counterparty and ensure the nature of the financial investments are appropriate to HSF Health Plan's activities, objectives and the maintenance of HSF Health Plan's PRA solvency requirement. The Group's investments increased in value from £34,028,664 to £35,862,315 comprising net disposals of £350,497 (2023 net additions of: £102,277) and unrealised gains of £2,505,006 (2023 gains of: £2,934,859). The HSF Group's investment holdings have generated income of £988,507 (2023: £972,736) 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: -

- 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. In terms of the scope of its activities, Health Hero is not involved in claims. The telephone helplines are a peripheral element of the health cash plan offering.
- HSF Group purchases fund management services from two external investment managers. These are currently LGT Wealth Management UK LLP and RBC Brewin Dolphin, with formal comprehensive appointment reviews

being conducted every five years, or earlier if deemed necessary by the Board of Directors. 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 the Fund.

- HSF Health Plan donated £2.1m (2023: £nil) to its parent charity HSF during 2024

#### **A.5 Cost of Living, Inflation & Price increase**

The increase in inflation and commensurate cost of living pressure which continued throughout 2024, has also caused significant impact on all aspects of our lives and the HSF Group has continued to monitor this situation closely and its potential impact on the business throughout the year. In monitoring and assessing the overall impact on HSF Health Plan Ltd, we increased our policy prices for our Irish business by an average of 9% in 2024. We believe this will allow the impact on further costs to be limited, due to the fixed benefit amounts and maximum claims value or occurrence in a particular limited timeframe, high impact benefits nature of the product. We have assessed that the insurance policies HSF Health Plan sell hold up very well, with the main potential impact being increased operating costs as fees increase in line with inflation as well as Investment Market uncertainty linked to any changes in the inflation rates. However, this could prove to be a positive for the business as potential clients seek to find more cost-effective alternatives to Private Medical Insurance as costs continue to rise, which HSF Health Plan is seeking to continue to take advantage of through 2025 to help grow during challenging times. HSF Health Plan will continue to monitor inflation and its potential impacts on the business.

After consideration of the relevant stress levels 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, HSF, who support medically associated charities and individuals in the form of grants. HSF currently holds £20m of reserves from which it can provide subordinate loans to HSF Health Plan in the unlikely event that it requires financial support. However, HSF continued its grant making through 2024 as it was evident that its trading subsidiary, HSF Health Plan would be well placed to maintain its solvency and regulatory requirements. HSF donated a total of £2.1m in charitable grants to medically associated charities and individuals in 2024 and the Trustees have agreed to keep giving at the same level of charitable activity in 2025, aiming to give away a further £2.25m.

#### **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 – HSF GROUP SYSTEM OF GOVERNANCE**

### **B.1 General information on the system of governance**

The adopted board structure of HSF is:

- Group Chief Executive
- Company Secretary
- Eight Trustee/Non-Executive Director one of whom is the Chair

The board has two subcommittee, one of the committees focuses on the policy, monitoring and performance of the groups investments and is named the Investment Committee. The committee comprises of the Group Chief Executive, three Trustees, two Non-Executive Directors of the trading subsidiaries and one special advisor as well as any HSF senior managers with responsibilities in the Committee's area of focus. The committee report to the main board.

The second committee is named the Grant Making Committee and is responsible for the of funds as allocated by the Board for the charitable grant making disbursements and operates within the Memorandum and Articles of Association of the Hospital Saturday Fund. The Committee comprises of the Chair, Group Chief Executive, the Company Secretary, and other Committee members appointed by the Board. These committee members are also Members of the Association of the Hospital Saturday Fund.

The adopted board structure of HSF Health Plan is: -

- Three executive directors employed by HSF Health Plan, to include the Group 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. These Non-Executive Directors are chosen from the eight Directors/Trustees of HSF. The Directors/Trustees of HSF 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 (always a majority of Non-Executive Directors) and attended by invitation by the chair of the committee, any HSF 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 MSc BA (Hons) DChA (Group Chief Executive)
- Mr Paul Clare Cmgr FCMI (Managing Director)
- Mrs Sharon Phelan (Director of Operations & Branch Manager of the Third Country Branch in Ireland)

The Non-Executive are: -

- Mrs E Bennett (Joined 21<sup>st</sup> November 2024)
- Mrs J L Dalton LLB (Hons)
- Mr M Davies
- Mr J Diamond
- Mr N Finlayson FCA DChA – Chairman
- Mr J Greenwood
- Mr J Randel (Resigned 16<sup>th</sup> October 2024)
- Mrs L Richards-Cole ACII
- Mr D Thomas



There were four independent Directors during the year, Mr. Jonathan Diamond, Mrs. Lynn Richards-Cole (until 16<sup>th</sup> October 2024), Mr. Neil Finlayson and Mrs Emma Bennett (from 21<sup>st</sup> November 2024), none of whom served as Directors/Trustees of the parent charitable company during their period of service.

The HSF Health Plan 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 HSF Health Plan Board remains fully committed to its regulatory responsibilities, with this at the forefront of its strategic thinking and planning. The Board continues to work extremely closely with the Head of Compliance.

#### Material Transactions with Parent

HSF Health Plan is structured to donate all profits made each year to its parent, the charity HSF. HSF Health Plan donated £2.1m (2023: £NIL).

#### HSF Committee Membership at 31 December 2024

Investment	Grant Making
Mr M Davies	Dominic Fox - Chair
Mr J Diamond	Mr P Jackson (Group CEO)
Mr N Finlayson	Pauline Jones (Company Secretary)
Mr P Jackson	Cal Healey
Mr J Minett (in attendance)	John Greenwood (Chair of HSF)
Mr D Thomas – Chair	Mr A Gilbert Mr K Lawrey Ms C Murphy Mr C Nolan Prof Andrew Tee Mr G Tomlinson

#### HSF Health Plan Committee Membership at 31 December 2024

Audit & Finance	Human Resources & Remuneration Committee	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 Randel (Resigned 16 <sup>th</sup> October 2024)	Mr P W Jackson
Mr J Randel (Resigned 16 <sup>th</sup> October 2024)	Mrs S Phelan	Mrs L Richards Cole	Mrs S Phelan
Mr P Clare (in attendance)	Mr J Randel (Resigned 16 <sup>th</sup> October 2024)		Mr J Randel (Resigned 16 <sup>th</sup> October 024)
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 for HSF Health Plan**

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 HSF Health Plan is as an 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 Group to complete the Group 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 Group ORSA is reviewed and approved by both the Board of HSF and also the Board of HSF Health Plan on an annual basis. HSF 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 a Group ORSA is for the group 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 is then the higher of the amount that HSF determines, or the statutory amount calculated within the "standard model". Therefore, a key underlying purpose of the Group ORSA is to identify capital shortfalls arising from mechanistically applying the statutory solvency calculations. Conversely if HSF 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'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 Internal Audit 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., Director of Resources) 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 but has made use of an actuary to verify methodology of calculations. 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 – The HSF Group determines its own investment strategy, and the broad market sectors and investment ranges for fund management service providers. The HSF Group owns and manages its own head office property and its bank deposits. Other assets are managed within the HSF Group's investment policy by two external fund managers, currently RBC Brewin Dolphin and LGT, who have freedom to select individual stocks and shares and the timing of their purchase/sale within an agreed framework.
- The claim's 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**

HSF Health Plan has remained fully committed to maintaining its Investors In People (IIP) accreditation, in addition to its on-going program of staff training and personal development. In addition to a number of personal development programs and courses, which have taken place during the year, the business has continued to work with a number of trusted external providers, who have facilitated a number of courses and bespoke departmental training. During 2024, we have continued to use an on-line training platform, with all staff attending training courses on GDPR, the treatment of vulnerable customers, conduct rules and consumer duty. To underpin and enhance the knowledge of key subject areas, a number of senior members of staff also attended regulatory courses with external training providers.

The IIP re-accreditation assessment for HSF health plan was held in October 2024. Following a detailed assessment process, the company received a very positive report and has continued to be accredited at the Gold standard level.

In addition to supporting its people, the Company continues to remain completely focused on its mission to continue to deliver the very highest levels of customer service, coupled with its commitment to continuous improvements.

## **C- RISK PROFILE of HSF Health Plan**

### **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.

HSF Health Plan's business strategy involves 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.2 Market risk**

Investment Risk - broad investment ranges and categories are agreed with the external fund managers (RBC Brewin Dolphin and LGT Global), 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, the HSF Group applies the prudent person principle in ensuring its investments will be more than sufficient to cover its statutory capital requirements.

## **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 HSF Health Plan 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 HSF Health Plan Committees and Board to manage and mitigate risks. The Risk and Compliance Committee meet regularly to review and monitor these and reports to the HSF Health Plan 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 Health Plan 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, LGT Wealth Management and RBC Brewin Dolphin, to achieve a well-diversified balanced portfolio. Real assets (equities plus to a lesser extent property and hedge funds) from 50 to 80% of the holdings with cash and fixed interest making the remainder. Overall HSF Health Plan 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 Health Plan'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 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 HSF Health Plan 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’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 HSF Group 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 2024 which has confirmed no material change or impairment, with the net book value after depreciation being £4,595,400

#### **Investments**

The investment of assets, or portfolio management, are managed within HSF’s investment policy by two external fund managers, currently RBC Brewin Dolphin and LGT Wealth Management UK LLP, who have freedom to select individual stocks and shares and the timing of their purchase/sale within an agreed framework.

	<b>HSF</b>	<b>HSF Health Plan</b>	<b>Group</b>
Market value at 1 January 2024	15,388,935	18,639,729	34,028,664
Additions	2,953,195	3,851,186	6,804,381
Disposals	(2,186,856)	(4,968,022)	(7,154,878)
Unrealised gain on investments	522,802	1,661,346	2,184,148
Market value at 31 December 2024	16,678,076	19,184,239	35,862,315

#### **Insurance and intermediaries’ receivables**

Insurance and intermediaries’ receivable balances represent premiums owed from policyholders. As at 31 December 2024 HSF Health Plan had a total of £1,816k 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 HSF Health Plan’s financial statements is the same as for Solvency II.

#### **Cash and cash equivalents**

As at the reporting date, the HSF Group had £5,997K 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.

<b>Tangible Fixed Assets</b>	<b>Furniture and Equipment</b>
Cost	
At 1 January 2024	2,088,671
Additions	165,828
Disposals	-
	-----
At 31 December 2024	2,254,499
	-----
Depreciation	
At 1 January 2024	1,770,766
Charge for year	155,735
Disposals	-
	-----
At 31 December 2024	1,926,501
	-----
Net book value	
At 31 December 2024	327,998
	=====
At 31 December 2023	317,905
	=====

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 2024, HSF Health Plan held a technical provision valued for Solvency II purposes of £4,429k.

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 premiums received relating to periods 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.

<b>Description</b>	<b>Technical Provisions per Solvency II</b>
Technical Provisions	£4,429k
<b>Total</b>	<b>£4,429k</b>

## **D.3 Other liabilities**

The other liabilities included within the Solvency II valuation are Payables (trade, not insurance) of £829K and Deferred Tax Liabilities of £837k. 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 the Group 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 's Board of Directors. The Groups own funds are all tier 1 unrestricted and available to cover SCR and MCR.

The Groups eligible own funds as of 31 December 2024 £43,273k and the SCR and MCR ratio stands at 216% and 862% respectively. The own funds are expected to increase in coming years due to the expected continued good performance of the Group. The table below shows the own funds, SCR and MCR compared to prior year.

	31 December 2023	31 December 2024
Total Own Funds	£41,936k	£43,273k
Eligible Own Funds	£41,653k	£43,001k
SCR Ratios	238%	216%
MCR Ratio	954%	862%

### E.2 Solvency Capital Requirements and Minimum Capital Requirement

	31 December 2023	31 December 2024
Market Risk	£13,758k	£15,788K
Counterparty Default Risk	£731K	£568K
Health Underwriting Risk	£5,980K	£6,809k
Diversification	(£3,918k)	(£4,294k)
Operational Risk	£917K	£1,070K
SCR	£17,468K	£19,942K
MCR	£4,367k	£4,986K

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

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

The HSF Group has fully embedded the Solvency II calculation process and is engaged with the Solvency II standard model assumptions. HSF Group considers the standard model provides a prudent calculation of HSF's Group capital requirements and no additional capital loadings are necessary. As a package of risk capital calculations HSF Group



considers the Standard Model provides a sound framework to use when applying its own assessment to the risks to be valued. HSF Group 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.

The HSF Group monitors the ongoing appropriateness of the standard formula for the Group ORSA framework as part of its considerations each time a Group 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**

The HSF Group has continually complied with both the Minimum Capital Requirement and Solvency Capital Requirement throughout the reporting period.



## Solvency and Financial Condition Report

### Disclosures

31 December

2024

## General information

Undertaking name	HSF Health Plan Ltd
Undertaking identification code	LEI/213800YV3JV2KPMNCU43
Type of code of undertaking	LEI
Type of undertaking	Non-Life insurance undertakings
Country of authorisation	GB
Language of reporting	en
Reporting reference date	31 December 2024
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: Non-life insurance and reinsurance obligations

S.23.01.01 - Own Funds

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

## S.02.01.02

### Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
R0030	Intangible assets	
R0040	Deferred tax assets	0
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	4,923
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	35,862
R0080	<i>Property (other than for own use)</i>	0
R0090	<i>Holdings in related undertakings, including participations</i>	0
R0100	<i>Equities</i>	27,471
R0110	<i>Equities - listed</i>	27,471
R0120	<i>Equities - unlisted</i>	
R0130	<i>Bonds</i>	7,781
R0140	<i>Government Bonds</i>	5,879
R0150	<i>Corporate Bonds</i>	1,902
R0160	<i>Structured notes</i>	0
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	0
R0190	<i>Derivatives</i>	
R0200	<i>Deposits other than cash equivalents</i>	610
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	0
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	
R0260	<i>Other loans and mortgages</i>	
R0270	Reinsurance recoverables from:	2,719
R0280	<i>Non-life and health similar to non-life</i>	0
R0290	<i>Non-life excluding health</i>	0
R0300	<i>Health similar to non-life</i>	2,719
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	
R0330	<i>Life excluding health and index-linked and unit-linked</i>	
R0340	<i>Life index-linked and unit-linked</i>	
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	148
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	5,491
R0420	Any other assets, not elsewhere shown	
R0500	<b>Total assets</b>	<b>49,144</b>

**S.02.01.02**  
**Balance sheet**

		Solvency II value
		C0010
<b>Liabilities</b>		
R0510	Technical provisions - non-life	4,429
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)	4,429
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	4,156
R0590	<i>Risk margin</i>	273
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	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	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	837
R0790	Derivatives	
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	878
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	<b>Total liabilities</b>	6,143
R1000	<b>Excess of assets over liabilities</b>	43,001

## S.05.01.02

## Premiums, claims and expenses by line of business: Non-life insurance and reinsurance obligations

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	33,664														33,664
R0120	Gross - Proportional reinsurance accepted															0
R0130	Gross - Non-proportional reinsurance accepted															0
R0140	Reinsurers' share															0
R0200	Net	33,664														33,664
Premiums earned																
R0210	Gross - Direct Business	33,582														33,582
R0220	Gross - Proportional reinsurance accepted															0
R0230	Gross - Non-proportional reinsurance accepted															0
R0240	Reinsurers' share															0
R0300	Net	33,582														33,582
Claims incurred																
R0310	Gross - Direct Business	24,424														24,424
R0320	Gross - Proportional reinsurance accepted															0
R0330	Gross - Non-proportional reinsurance accepted															0
R0340	Reinsurers' share															0
R0400	Net	24,424														24,424
R0550	Expenses incurred	10,062														10,062
R1210	Balance - other technical expenses/income															
R1300	Total technical expenses															10,062

S.23.01.01  
Own Funds

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

R0010	Ordinary share capital (gross of own shares)
R0030	Share premium account related to ordinary share capital
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings
R0050	Subordinated mutual member accounts
R0070	Surplus funds
R0090	Preference shares
R0110	Share premium account related to preference shares
R0130	Reconciliation reserve
R0140	Subordinated liabilities
R0160	An amount equal to the value of net deferred tax assets
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above
R0220	<b>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</b>
R0230	<b>Deductions for participations in financial and credit institutions</b>
R0290	<b>Total basic own funds after deductions</b>
	<b>Ancillary own funds</b>
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	<b>Total ancillary own funds</b>
	<b>Available and eligible own funds</b>
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	<b>SCR</b>
R0600	<b>MCR</b>
R0620	<b>Ratio of Eligible own funds to SCR</b>
R0640	<b>Ratio of Eligible own funds to MCR</b>
	<b>Reconciliation reserve</b>
R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	<b>Reconciliation reserve</b>
	<b>Expected profits</b>
R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	<b>Total Expected profits included in future premiums (EPIFP)</b>

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
43,001	43,001			
0		0	0	0
0				0
0	0	0	0	0
0				
43,001	43,001	0	0	0
0				
0				
0				
0				
0				
0				
0				
0				
0			0	0
43,001	43,001	0	0	0
43,001	43,001	0	0	
43,001	43,001	0	0	0
43,001	43,001	0	0	
19,943				
4,986				
215.62%				
862.47%				
C0060				
43,001				
0				
0				
0				
43,001				
0				

## Solvency Capital Requirement - for undertakings on Standard Formula

R0010	Market risk
R0020	Counterparty default risk
R0030	Life underwriting risk
R0040	Health underwriting risk
R0050	Non-life underwriting risk
R0060	Diversification

R0070 Intangible asset risk

R0100 **Basic Solvency Capital Requirement**

**Calculation of Solvency Capital Requirement**

R0130	Operational risk
R0140	Loss-absorbing capacity of technical provisions
R0150	Loss-absorbing capacity of deferred taxes
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
R0200	<b>Solvency Capital Requirement excluding capital add-on</b>
R0210	Capital add-ons already set
R0211	<i>of which, capital add-ons already set - Article 37 (1) Type a</i>
R0212	<i>of which, capital add-ons already set - Article 37 (1) Type b</i>
R0213	<i>of which, capital add-ons already set - Article 37 (1) Type c</i>
R0214	<i>of which, capital add-ons already set - Article 37 (1) Type d</i>
R0220	<b>Solvency capital requirement</b>

**Other information on SCR**

R0400	Capital requirement for duration-based equity risk sub-module
R0410	Total amount of Notional Solvency Capital Requirements for remaining part
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios
R0440	Diversification effects due to RFF nSCR aggregation for article 304

**Approach to tax rate**

R0590 Approach based on average tax rate

**Calculation of loss absorbing capacity of deferred taxes**

R0640	LAC DT
R0650	LAC DT justified by reversion of deferred tax liabilities
R0660	LAC DT justified by reference to probable future taxable economic profit
R0670	LAC DT justified by carry back, current year
R0680	LAC DT justified by carry back, future years
R0690	Maximum LAC DT

Gross solvency capital requirement	USP	Simplifications
C0110	C0090	C0120
15,788		
568		
6,809		
0		
-4,294		

**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

C0100
1,071
0
0
19,943
0
0
0
0
0
19,943

0
0
0
0
0

Yes/No

C0109

0

LAC DT

C0130

0
0
0
0
0



## **Validations**

The Hospital Saturday Fund

Approval by the Board of the Solvency and Financial Condition Report  
Financial period ended 31 December 2024

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  
Group Chief Executive Officer  
The Hospital Saturday Fund

Date: 16<sup>th</sup> May 2025



The Hospital  
Saturday Fund®