



ACCELERANT®

Accelerant Insurance UK Limited

Solvency Financial Conditions Report (Group SFCR) 2025

Contents

Executive Summary	5
A. Business and Performance	13
A.1 Group Overview	13
A.1.1 Insurance Business	13
A.1.2 Business Written	14
A.2 Underwriting Performance.....	15
A.2.1 Information by line of business.....	15
A.3 Investment Performance	16
A.4 Any other information	16
B. System of Governance	17
B.1 General Information on the System of Governance.....	17
B.1.1 Corporate Governance.....	17
B.1.2 The Board	17
B.1.3 The Board Subcommittees	17
B.1.4 The Management Committees	18
B.1.5 The SMF Managers	18
B.1.6 The Independent Non-Executive Directors	19
B.1.7 Appropriateness of Arrangements	19
B.2 Fit and proper requirements	19
B.2.1 Skills, knowledge and expertise	20
B.3 Risk management system including the Own Risk and Solvency Assessment	20
B.3.1 Risk Management Framework.....	20
B.3.2 Own Risk and Solvency Assessment (“ORSA”) Process	22
B.4 Internal Control System.....	24
B.4.1 Governance and Maintenance of Controls	24
B.4.2 Control Assessments and Effectiveness Evaluation	24
B.5 Internal audit function.....	25
B.6 Outsourcing	26
B.7 Any other information	26
C. Risk Profile	27
C.1 Underwriting risk.....	29
C.2 Market risks	31
C.2.1 Market Risk	31
C.2.2 Asset Liability Management (“ALM”) Risk	32
C.3 Credit Risk	32
C.3.1 Counterparty Default Risk from credit Institutions.....	33

C.3.2	Counterparty Default from receivables by reinsurers and Members.....	34
C.4	Liquidity Risk.....	35
C.5	Operational Risk.....	36
C.5.1	Business Resilience Risk.....	37
C.5.2	Compliance & Legal Risk.....	37
C.5.3	Third Party Outsourcing Risk.....	37
C.5.4	Information Security Risk.....	38
C.6	Other Material Risks.....	39
C.6.1	Solvency Risk.....	39
C.6.2	Inflation Risk.....	40
C.6.3	Reinsurance Risk.....	40
C.6.4	Emerging Risk.....	42
C.7	Any Other Information.....	42
D.	Valuation for Solvency Purposes.....	43
D.1	Assets.....	43
D.1.1	Valuation bases, methods and main assumptions.....	44
D.2	Technical provisions.....	45
D.2.1	Valuation bases, methods and main assumptions.....	46
D.2.2	Limitations and Uncertainties.....	47
D.2.3	Contract Boundaries.....	48
D.3	Other liabilities.....	48
D.3.1	Valuation bases, methods and main assumptions.....	49
D.4	Other information on the valuation for Solvency purposes.....	50
D.4.1	Assumptions around future management actions and policyholder behaviour.....	50
D.5	Any other information.....	50
E.	Capital Management.....	51
E.1	Own funds.....	52
E.1.1	Own Funds objectives, policies and processes.....	53
E.2	Solvency Capital Requirement and Minimum Capital Requirement.....	53
E.2.1	Overall.....	54
E.2.2	Analysis of the SCR.....	55
E.2.3	Analysis of the MCR.....	57
E.3	Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.....	57
E.4	Differences between the standard formula and any internal model used.....	57
E.5	Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement.....	57
E.6	Any other information.....	57

Appendix	58
Appendix i: Directors' statement in respect of the SFCR	58
Appendix ii: Quantitative Reporting Templates	59

Executive Summary

A. Business and performance

Group Overview

Accelerant Underwriting Holdings UK Ltd (“AUHUKL”) is a UK-based insurance holding company; its sole holding is Accelerant Insurance UK Limited (hereafter referred to as “AIUK” or “The Company”), a dual-regulated UK insurer. Together, these firms comprise a UK Group. This report has been produced in relation to the UK Group (hereafter “The Group”). Refer to Section A.1 for the simplified Group structure.

AIUK is a Category 3, Solvency UK insurer, authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (“FCA”) and the PRA. Its firm reference number on the Financial Services Register is 207658. AIUK is registered in England under Company Number 03326800 with a registered address of 1 Fleet Place, London, England, EC4M 7WS.

Insurance Business

AIUK undertakes insurance business largely within the UK; with only a limited amount of legacy business currently in run off in European jurisdictions. AIUK’s Part 4 permission permits it to effect contracts of insurance in the following categories:

- Class 1 - Accident;
- Class 2 - Sickness;
- Class 3 - Land Vehicles;
- Class 6 - Ships
- Class 7 - Goods in transit;
- Class 8 - Fire and natural forces;
- Class 9 - Other damage to property;
- Class 10 - Motor Vehicle Liability;
- Class 12 – Liability for ships
- Class 13 - General Liability
- Class 14 - Credit;
- Class 15 - Suretyship;
- Class 16 - Miscellaneous financial loss;
- Class 17 - Legal Expenses;
- Class 18 - Assistance

Auditors

The external independent auditor for the annual report for the year ending 31st December 2025 was:

PricewaterhouseCoopers LLP

7 More London Riverside
London
SE1 2RT

AIUK is authorised by the Prudential Regulation Authority (PRA) and is regulated by the Financial Conduct Authority (FCA) and the PRA.

Prudential Regulatory Authority

20 Moorgate
London
EC2R 6DA

Financial Conduct Authority

12 Endeavour Square
London
E20 1JN

A. Business Model and Financial Performance

AIUK is a non-life insurance company dedicated to servicing the needs of Managing General Agents (internally referred to as “Members”), mainly based in the UK. AIUK engages with Members which are established market players with a strong track record writing a diverse portfolio of simple products, largely for Small and Medium-sized Enterprises clients. This leads to a diverse portfolio with relatively low-volatility and exposure.

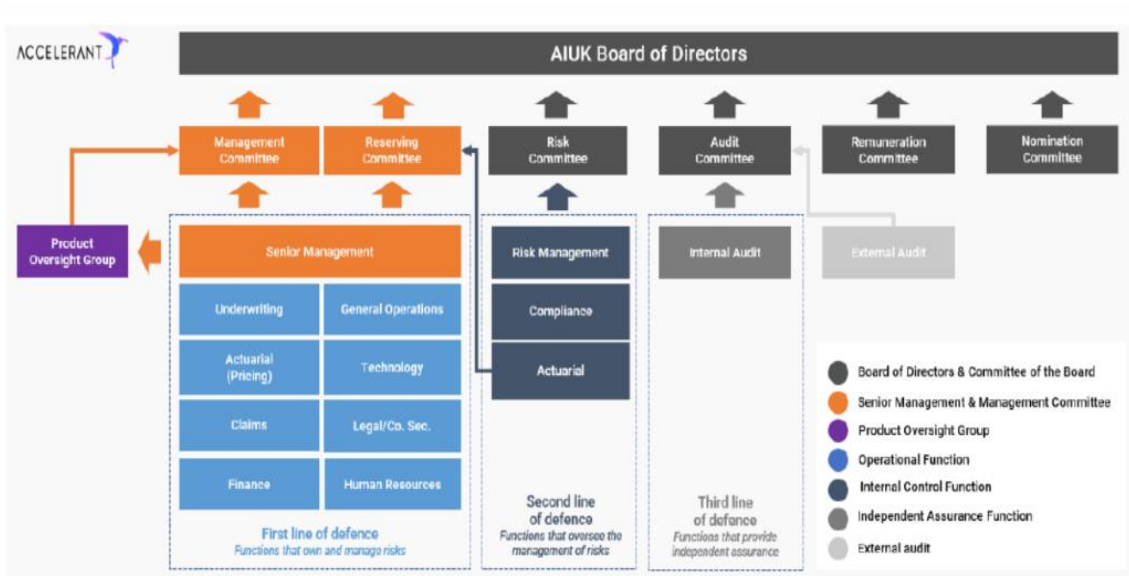
The performance of the insurance undertaking over the reporting and comparative period was as follows:

Income Statement – Technical Account – Non-life insurance	2025 UKGAAP (in £'000)	2024 UKGAAP (in £'000)
Earned premiums, net of reinsurance	98,578	6,854
<i>Net written premiums</i>	<i>130,970</i>	<i>27,888</i>
Gross written premiums (GWP)	291,959	128,590
Premiums ceded to reinsurer	160,989	100,702
<i>Change in the provision for unearned premiums</i>	<i>(32,392)</i>	<i>(21,034)</i>
Gross amount	(61,662)	(94,569)
Reinsurer's share	29,270	73,535
Claims incurred, net of reinsurance	63,280	982
<i>Net amount paid</i>	<i>17,020</i>	<i>318</i>
Gross amount	37,599	5,430
Reinsurer's share	(20,579)	(5,112)
<i>Change in claims provision, net of reinsurance</i>	<i>46,260</i>	<i>664</i>
Gross amount	94,502	13,792
Reinsurer's share	(48,242)	(13,128)
Technical costs, net of reinsurance	41,620	11,171
<i>Net operating costs</i>	<i>41,283</i>	<i>10,874</i>
Acquisition costs	86,668	11,250
Administration costs	6,328	7,279
Commissions received from the reinsurers	(51,713)	(7,655)
Other technical costs, net of reinsurance	337	297
Result of the technical account non-life	(6,322)	(5,299)

Investment returns in 2025 were £7,528k, (2024 £330k) which resulted in a 2025 UKGAAP profit before tax £1,206k, (2024 loss £4,969k).

B. System of Governance

AIUK has developed a robust system of governance, which ensures the sound and prudent management of the undertaking that is appropriate to its nature, scale and complexity. The governance structure ensures that collectively, the Board of Directors (or “Board”), its Committees, key function holders and senior executives are fit and proper, knowledgeable, and experienced in managing insurance business and all the interconnected areas that an insurance undertaking should be responsible for. The various components of the organisational structure are included below.



The Board of Directors is composed of five Directors, three of which are independent and non-executive Directors. One of the independent and non-executive Directors serves as its Chairman. The Directors collectively possess the required fitness and propriety standards required to manage an insurance undertaking in a sound and prudent manner. They have appropriate qualifications, experience, and knowledge of:

- Prudent risk and capital management;
- Insurance and financial markets;
- Business strategy and business model;
- Systems of governance;
- Financial and actuarial analysis; and
- Regulatory framework and requirements.

The table below presents an overview of the directors of AIUK as at 31 December 2025:

Director	Function
John Spencer	Independent non-executive director and Chairman
Paul Owens	Independent non-executive director
Karen Graves	Independent non-executive director
Andy Page	Executive director
Mike Melsom	Executive director

The table below presents an overview of the Members of the Management Committee of AIUK as at 31 December 2025.

Members	Function
Andy Page	Chief Executive Officer ("CEO")
Maunika Caines	Chief Risk Officer ("CRO")
Blair Houston	Chief Compliance Officer ("CCO")
Mike Melsom	Chief Financial Officer ("CFO")
Nick Brown	Chief Underwriting Officer ("CUO")
Mariyam Ahmed	Chief Operations Officer ("COO")
James Gamble	Head of Distribution

The committees have the relevant skills and expertise to take up their responsibilities. Moreover, the fact that both executives and non-executives are on the Board of Directors ensures that proper discussion takes place and both strategy and execution is being challenged.

C. Risk Profile

The Board of Directors and the Risk Management Function review the risk profile of AIUK periodically. The main risk types to which AIUK is exposed to are (refer to section C for more information):

- Underwriting Risk;
- Counterparty Default Risk;
- Market Risk;
- Asset Liability Management Risk;
- Credit Risk;
- Liquidity Risk;
- Operational Risk;
- Solvency Risk;
- Inflation Risk;
- Reinsurance Risk;
- Strategic Risk;
- Emerging Risk.

D. Valuation for Solvency Purposes

The main differences between the UK Generally Accepted Accounting Principles (“UKGAAP”) and the Solvency UK valuation methods for the classes of assets and liabilities are highlighted below:

- **Deferred Acquisition Costs (“DAC”):** Under UKGAAP DAC is recognised over the lifetime of the policy. Under Solvency UK (“SUK”), acquisition costs are not deferred but are taken into account as part of the cash flows and therefore in the valuation of the technical provisions.
- **Reinsurance Recoverables:** In order to establish the Solvency UK value for the reinsurance recoverables, an assessment of the best estimates of ceded reserves to the reinsurers has been performed in line with AIUK’s evaluation of the technical provisions forming part of the liabilities. In arriving at the Solvency UK value, the best estimate reserves have been replaced by the net present value of all future reinsurance cash flows estimated at their best estimate. In arriving at the net present value, the Prudential Regulation Authority (PRA) Risk Free Interest rate curve as at 31 December 2025 was used to discount the future cash flows. Under UKGAAP, the valuation is in line with the technical provisions and should exclude deferred income.
- **Technical Provisions:** The actuarial methods and assumptions used for the valuation of technical provisions for Solvency UK purposes are identical to those used for the preparation of AIUK’s Statutory Accounts. Nevertheless, there are significant differences between the two accounting standards applicable to all lines of business: (a) Statutory reserving includes claims outstanding and a provision for unearned premium, whereas Solvency UK technical provisions consist of the best estimate and the risk margin; (b) For AIUK’s Statutory figures, future cash flows are not discounted (the time value of money is not recognised) and counterparty risk is not included in the valuation; (c) For AIUK’s Statutory figures, the contracts in scope are the same but in general only a portion of the premium written during the reporting period is recognised as earned while the unearned portion is deferred (whereas for Solvency UK purposes future cash flows are considered in the valuation) and there is no provision for future losses, i.e. claims resulting from losses not yet incurred but covered within the boundaries of the subject business.

E. Capital Management

In assessing its future solvency needs, the Group analysed the capital requirements for each projected year, and whether the eligible capital would continuously comply with the Solvency UK regulations, within the Own Risk and Solvency Assessment (“ORSA”).

The Group’s Own Funds are all Tier 1 capital.

Group

Basic Own Funds	31 December 2025	
	Total (in £)	Tier 1 – unrestricted (in £’000)
Ordinary Share Capital	108	108
Share premium account related to ordinary share capital	103,753	103,753
Reconciliation Reserve	998	998
Total Basic Own Funds	104,859	104,859

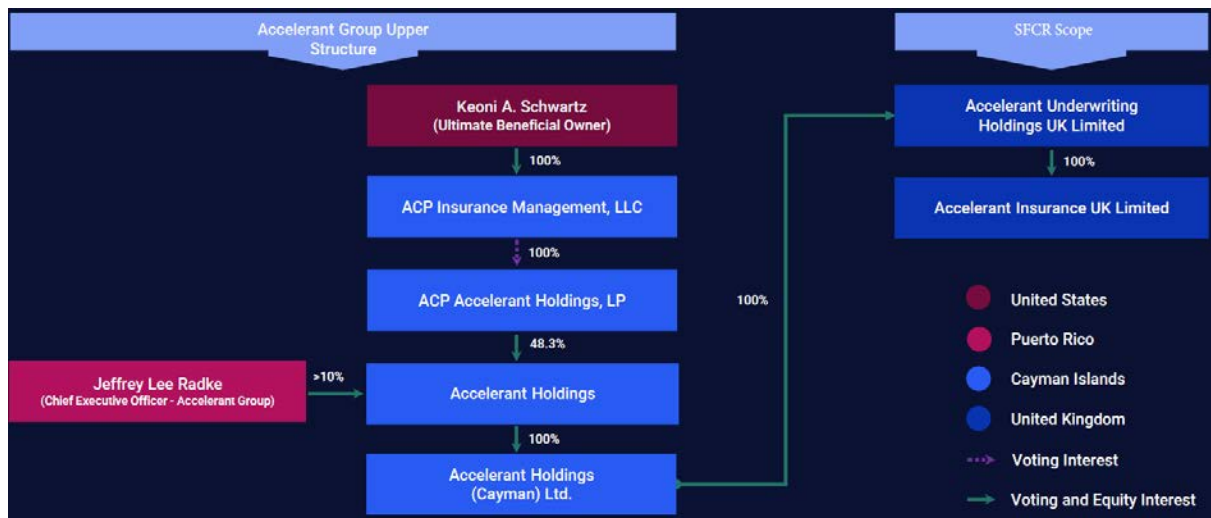
AIUK

Basic Own Funds	31 December 2025	
	Total (in £)	Tier 1 – unrestricted (in £)
Ordinary Share Capital	1,602	1,602
Share premium account related to ordinary share capital	102,803	102,803
Reconciliation Reserve	308	308
Total Basic Own Funds	104,713	104,713

A. Business and Performance

A.1 Group Overview

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Prudential Regulation Authority

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EC2R 6DA

Financial Conduct Authority

12 Endeavour Square
London
E20 1JN

A.1.2 Business Written

During 2025, AIUK, in line with its regulatory business plan, continued writing a diverse portfolio of general insurance business (see the section headed “insurance business”) intermediated by the UK Branch of Accelerant Agency Limited (AIUK’s sole master coverholder) and placed by specially selected Members. AIUK’s gross written premium income increased significantly from £128,590k in 2024 to £291,959k reflecting a full year of premium from Members onboarded in 2024, alongside new Members writing premium in 2025. In 2025, a number of Members also transitioned away from AIUK, in line with the Accelerant Group’s strategy to avail itself of third-party capacity in the operation of its insurance risk exchange platform.

A.2 Underwriting Performance

The performance over the reporting and comparative period was as follows:

Income Statement – Technical Account – Non-life insurance	2025 UKGAAP (in £'000)	2024 UKGAAP (in £'000)
Earned premiums, net of reinsurance	98,578	6,854
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Investment returns in 2025 were £7,528k, (2024 £330k) which resulted in a 2025 UKGAAP profit before tax £1,206k, (2024 loss £4,969k).

A.2.1 Information by line of business

The business growth recorded in 2025 was driven primarily by AIUK's ability to onboard Members, which provide substantial premium written in line with AIUK's risk appetite statement.

To mitigate insurance risk, AIUK entered into proportional reinsurance arrangements in the form of a 50% quota share ("QS") agreement. In addition, AIUK has implemented a programme of non-proportional reinsurance, including excess of loss ("XoL") covers and an aggregate stop-loss cover, which inure to the benefit of the vast majority of QS reinsurers.

The overall reinsurance structure is designed to reduce earnings volatility and limit aggregate exposure across the portfolio. These arrangements also support AIUK's objective of achieving sustainable profitability in the near term.

AIUK seeks to maximise the use of collateralised reinsurance arrangements where appropriate, thereby reducing counterparty credit risk and strengthening balance sheet resilience. Overall, the reinsurance programme is intended to materially de-risk AIUK.

The table below breaks down the underwriting result by line of business:

All Amounts in GBP'000	Line of Business for: non-life insurance and reinsurance obligations: Financial year 2025									
	Medical expense	Motor vehicle liability	Other motor insurance	Marine aviations & transport	Fire & other damage to property	General liability	Credit and suretyship	Legal expenses	Misc financial loss	Total
Net premiums written	1,287.00	32,923.50		434.10	55,814.50	35,078.60	116.30	1,020.60	4,295.30	130,969.9
Gross direct business	2,871.2	73,432.3		975.3	124,402.6	78,198.3	259.4	2,277.3	9,542.9	291,959.30
Reinsurer's share	- 1,584.20	- 40,508.80	-	- 541.20	- 68,588.10	- 43,119.70	- 143.10	- 1,256.70	- 5,247.60	- 160,989.40
Net premiums earned	1,008.50	31,351.50		125.00	40,891.60	22,943.10	51.30	720.00	1,486.50	98,577.50
Gross direct business	2,328.70	70,273.40		370.90	96,087.80	54,363.70	128.50	1,671.50	5,072.50	230,297.00
Reinsurer's share	- 1,320.20	- 38,921.90	-	- 245.90	- 55,196.20	- 31,420.60	- 77.20	- 951.50	- 3,586.00	- 131,719.50
Net claims incurred	855.60	22,534.50		108.50	24,243.00	14,798.70	20.10	423.10	295.80	63,279.30
Gross direct business	1,751.70	45,925.40		219.20	49,195.70	30,625.90	40.30	849.00	3,493.40	132,100.60
Reinsurer's share	- 896.10	- 23,390.90	-	- 110.70	- 24,952.70	- 15,827.20	- 20.20	- 425.90	- 3,197.60	- 68,821.30
Total expenses										41,620.00

A.3 Investment Performance

The performance of the investment portfolio, managed by Wellington Management International Ltd, has been marginally below the benchmark in 2025, with a gross return of 5.84% against a custom benchmark of 6.05%. The table below contains the net investment result and is net of interest received on funds withheld:

Investment Income (Expenses)	2025 UKGAAP (in £'000)	2024 UKGAAP (in £'000)
Investment income	5,338	576
Investment-related costs	(151)	(74)
Realised gains /(losses) of investments	653	5
Unrealised gains / losses of investments	1,517	(244)
Foreign exchange gain / (loss)	171	67
Investment Income / (Expenses)	7,528	330

A.4 Any other information

There are no additional matters to report.

B. System of Governance

B.1 General Information on the System of Governance

B.1.1 Corporate Governance

Sound governance is key to AIUK's success. This is structured in such a way as to ensure that AIUK, the Group's insurance carrier, meets its legal and regulatory obligations; delivers on good customer outcomes. This approach has numerous component parts; those being:

- The Governing Body
- The Board Subcommittees
- The Management Committees
- The SMF Managers
- The Independent Non-Executive Directors

B.1.2 The Board

The Board forms a key part of strategy, as it is responsible for setting the overall strategic objectives and direction for AIUK. The voting membership of the Board comprises the Directors of AIUK; and it is also attended by senior managers and other stakeholders, who prepare input in accordance with the standing agenda. The Board's terms of reference set out the matters reserved for it; as well as providing for mechanisms for the assessment of its effectiveness.

The governance structure is based on the Three Lines of Defence model of risk management.

B.1.3 The Board Subcommittees

There are a number of Board-level committees which support the Board in its work:

B.1.3.1 Nominations Committee

As a subcommittee of the Board and being composed exclusively of Independent Non-Executive Directors: The Nominations Committee is responsible for ensuring that individual members of the governing body and the SMF managers are selected on the basis of their honesty and integrity; competence and capability; and financial soundness. Moreover, the Nominations Committee is responsible for ensuring that the members of the governing body and the SMF managers, as a collective, are sufficiently diverse as to their skills, areas of expertise and backgrounds.

B.1.3.2 Remuneration Committee

As a subcommittee of the Board and being composed exclusively of Independent Non-Executive Directors: The Remuneration Committee is responsible for overseeing AIUK's remuneration frameworks and in particular, to ensure that the manner in which individuals are remunerated remains in the best interests of customers.

AIUK's remuneration policy ensures that the business both complies with its legal obligations under applicable employment law (such as the Equality Act); and adheres to

applicable regulation (such as the “customer’s best interest rule” set out in the Insurance Distribution Directive). Remuneration is an important consideration from a governance perspective; and therefore, AIUK has a Remuneration Committee as part of its corporate governance framework. The Remuneration Committee responsibility is to ensure that AIUK’s remuneration position promotes sound and effective risk management and does not encourage risk-taking that exceeds the risk tolerance limits.

B.1.3.3 Risk Committee

As a subcommittee of the Board: The Risk Committee has oversight of all risk and control activity. In particular, it is responsible for reviewing the Risk Management Framework; for monitoring the effectiveness of the risk function; and for proposing Risk Appetite statements for adoption by the Board.

B.1.3.4 Audit Committee

As a subcommittee of the Board: The Audit Committee is responsible for reviewing and challenging financial statements; for the selection and remuneration of AIUK’s external auditors; and for the oversight of the internal audit function.

B.1.4 The Management Committees

In addition to the Board Committees, there are a number of Executive Management Committees.

B.1.4.1 Management Committee

The Management Committee has been established to assist senior management in discharging their duties and responsibilities in relation to the prudent management and oversight of the AIUK’s day-to-day activities in areas including strategy and objectives, risk management, onboarding & supervision of Members’ arrangements, performance and organisational structure and operations.

B.1.4.2 Reserving Committee

The Reserving Committee considers matters in relation to key reserving judgements and assumptions prior to being presented to the Board

B.1.5 The SMF Managers

AIUK has a number of SMF Managers who are individually authorised by the regulators to discharge particular senior management functions. These individuals are selected on the basis of their competence to undertake those functions, but also on the strength of how the individual complements the AIUK’s strategy with regards to the markets in which it operates.

Each SMF manager has a prepared statement of responsibilities, which is a summary of the controlled functions; prescribed responsibilities; and overall responsibilities for which the SMF manager is responsible. Handover documentation is maintained on an ongoing basis by SMF managers to aid in succession planning and to ensure that incoming SMF managers are provided with appropriate information to permit them to discharge their responsibilities.

The fitness and propriety of the SMF managers is subject to initial assessment on onboarding, and to ongoing monitoring, attestation and validation checks through the course of their engagement in accordance with the AIUK’s Policies and Standards on vetting.

During 2025, the following changes were made to AIUK's portfolio of SMF managers:

- Colin Richard Cunningham resigned as Chief Finance Officer on 19/05/2025.
- Michael John Melsom was approved to perform the Chief Finance Officer function on 21/05/2025.

B.1.6 The Independent Non-Executive Directors

AIUK is cognisant of the PRA's expectation for smaller PRA regulated firms (such as AIUK) to have at least two Independent Non-Executive Directors. Independent challenge is an important part of the development of strategy. To this end, AIUK is committed to maintaining at least two Independent Non-Executive Directors. At present, AIUK has three Independent Non-Executive Directors. Moreover, AIUK is committed to ensuring that for the committees in which the Chair is a Non-Executive Director, that the Chair has a second casting vote in the event of an equity of votes (as a means of balancing decisions in the direction of independent challenge).

B.1.7 Appropriateness of Arrangements

The effectiveness of AIUK's governance arrangements are reviewed annually, with every third year seeing the review being externally facilitated. In 2024 the arrangements were reviewed externally by KPMG and so the Board's effectiveness was self-assessed in 2025

The self-assessment methodology principally took the form of a questionnaire issued to Board stakeholders. The responses were compiled by the Compliance team into a report.

The report held that the Board was operating effectively. The role of the chair was noted as a particular area of merit. The report did note that the then current Board technology (Teams and Sharepoint) could be improved with dedicated governance system (this had been addressed by the Year End, with the Board having adopted Diligent as its Board technology platform).

B.2 Fit and proper requirements

AIUK has a fit and proper review process with all new applicants subject to complete vetting in accordance with the recruitment and vetting policy. On a yearly basis, all existing employees are required to complete a declaration confirming that their personal circumstances have not changed in a material way which would affect their fitness and propriety. These declarations may be subject to a spot-check on an annual basis to validate these declarations. Such sample checking includes the procurement of a criminal record disclosure and a credit check. Where an employee - being subject to a sample check - has already been subject to a 'Standard' level criminal background check, 'Basic' level criminal background check shall be sufficient for all further checks.

Simultaneously with these declarations, the senior managers are asked to submit updated handover documents in order to aid AIUK's succession planning framework.

On an annual basis, the Compliance function undertakes a review of the fitness and propriety process in order to ensure that the above checks have been undertaken and that they have

been adequately scoped in accordance with the Senior Managers & Certification Regime; the FCA competence rules; and sound practice.

B.2.1 Skills, knowledge and expertise

A skills gap analysis is retained for senior managers; identifying thematic areas relevant to their responsibilities, and rating their competencies in these areas as considerable; moderate; or limited. This then informs training & development actions required to bring the senior managers to the required standards.

The Senior Managers and other subject matter experts delivered thematic training to the Board in 2025 in areas such as outsourcing, operational resilience and reinsurance.

In accordance with the FCA rules in force during 2025, all employees were required to undertake at least 15 hours of insurance CPD per year. To meet this objective, AIUK avails itself of CBT modules. These comprise of a number of E-learning modules on essential regulatory thematic areas such as the individual conduct rules; financial crime; and data protection. Although the FCA removed the prescribed 15-hour requirement in 2025; AIUK's staff will continue to receive appropriate training. The syllabus is tailored for seniority; for example, senior managers receive a module on the COCON 2.2 conduct rules for senior managers.

B.3 Risk management system including the Own Risk and Solvency Assessment

AIUK maintains a comprehensive Risk Management System that is proportionate to its nature, scale, and complexity, ensuring all material risks are identified, assessed, managed, and reported in line with Solvency UK and Prudential Regulation Authority (PRA) expectations. This system integrates the Own Risk and Solvency Assessment (ORSA) as a key component of risk and capital management. It is supported by a robust Risk Management Framework and a suite of policies, and it is embedded in the organisational structure and decision-making processes. Regular risk monitoring processes – including an annual evaluation of the internal control framework's effectiveness, an annual Risk and Control Self-Assessment (RCSA), and the ORSA process – are conducted to ensure ongoing oversight of AIUK's risk profile.

B.3.1 Risk Management Framework

AIUK's Risk Management Framework (RMF) is a comprehensive set of policies, standards, and procedures designed to support effective, holistic risk management in alignment with AIUK's strategic objectives. The RMF provides clear principles, methodologies, and practical guidance to ensure all employees are equipped to identify, assess, prioritise, mitigate, monitor, and report risks relevant to their roles. Risks are assessed at the appropriate organisational level to enable a focused and consistent approach. AIUK defines risk as any potential event that may impact the achievement of objectives, with outcomes that could represent either opportunities or threats.

The primary purposes of the RMF are as follows:

- Align decision-making with AIUK's risk appetite, ensuring key decisions reflect the approved risk posture.

- Minimise adverse impacts by reducing the likelihood and financial consequences of risk materialisation on AIUK's objectives.
- Protect policyholder interests through maintaining solvency and robust risk controls.
- Ensure compliance with all legislative, regulatory, and stakeholder obligations by embedding sound risk management practices.

The Framework places strong emphasis on the fiduciary duties of the Board and senior management to provide effective oversight, foster open dialogue, and drive continuous improvement in risk awareness in AIUK. This leadership-centric approach integrates risk management into strategic planning, governance arrangements, systems and controls, and the wider corporate culture. The RMF is structured to meet regulatory expectations by ensuring robust processes for the identification, assessment, management, monitoring, and reporting of risks.

Furthermore, the RMF is formally documented and approved through a suite of governance policies and procedures, including the Capital Management Policy, Risk Management Framework, Risk Appetite Framework & Statements, Internal Control Framework, Operational Resilience Framework, and Third-Party Risk Management Framework. These documents collectively establish clear structures and expectations for risk oversight and control. The Risk Appetite Framework (and expressed statements) defines AIUK's risk tolerance and preferred risk positions across major risk categories, setting out qualitative statements, quantitative limits, and response plans for breaches. This ensures that the level of risk that AIUK is willing to accept is clearly articulated and linked to its strategic objectives and business planning, including alignment with the ORSA process.

B.3.1.1 Framework alignment and documentation

AIUK's Risk Function (second line of defence) is charged with implementing and maintaining the RMF objectively and independently. The Risk Function ensures that all significant risks are identified, evaluated, managed, and appropriately reported in AIUK. It actively integrates with business decision-making and strategic planning to ensure risk considerations underpin management decisions. A formal risk review and reporting process is in place to provide relevant risk information to each governance level (Board, Risk Committee, executive management) at the right time for informed decision-making. This includes quarterly reviews of material risks and risk domains (covering both internal and external risk factors) and analysis of key risk indicators, which together assess the evolving risk landscape on an ongoing basis. In addition to continuous monitoring, the framework encompasses periodic risk assessments such as the annual internal control effectiveness evaluation, the annual RCSA, and the annual ORSA, which offer deeper, formal evaluations of the risk and control environment. The Risk Function uses outputs from these assessments and the defined risk appetite to refine risk management strategies, set or adjust risk limits, and ensure emerging threats are addressed proactively.

B.3.1.2 Governing Body Visibility

To ensure the RMF is effective and fully integrated into the business, risk management is a standing agenda item or focal point at key governance forums. The Board of Directors has ultimate responsibility for risk oversight, supported by the Risk Committee (a Board sub-committee) which reviews risk exposures, risk appetite compliance, and the effectiveness of the risk framework. A Board-level Audit Committee is in place to oversee the effectiveness of internal control systems and audit activities, and to review AIUK's financial reporting with due challenge. The Risk and Compliance functions routinely attend these committee meetings to provide independent assurance and challenge, thereby reinforcing the "three lines of defence" model: business units as first line (owning and managing risks), Risk/Compliance as second line (oversight and advisory), and Internal Audit as third line (independent assurance). This governance structure ensures that risk management information flows upward to the Board and that there is robust, multi-layered oversight of AIUK's risk profile and control framework.

B.3.2 Own Risk and Solvency Assessment ("ORSA") Process

The Own Risk and Solvency Assessment (ORSA) is an integral part of AIUK's risk management system, acting as an annual forward-looking assessment that links AIUK's risk profile, risk management practices, and capital planning. The ORSA process evaluates how AIUK's strategic plans, material risks, and solvency position interact, ensuring that AIUK always holds adequate capital against its risks and that risk and capital decisions are made in tandem. The ORSA is documented in a Board-approved ORSA Policy which defines the governance, processes, and controls for conducting the assessment, including how it is coordinated with the risk appetite and capital requirements of AIUK.

B.3.2.1 Governance and Execution:

AIUK performs the ORSA at least annually, with the Board having ultimate ownership of the process and results. Management implements the ORSA in a structured manner: the Risk Function and Finance function collaborate to produce the ORSA analyses and report, under oversight of the Risk Committee. All key assumptions, methodologies, and base scenarios (the "ORSA baselines") are first reviewed at management level (e.g. Management Committee) and then escalated to the Risk Committee for challenge and recommendation to the Board. The Board formally reviews and approves the ORSA findings and ORSA Summary Report, embedding the outcomes into strategic decision-making and capital management plans. This tiered review approach (management, Risk Committee, Board) helps ensure the ORSA provides a realistic, holistic view of AIUK's risk profile and capital needs, reflecting both current risks and those that may arise over the business planning horizon (short to medium term). Importantly, all material risk exposures identified by AIUK are assessed in the ORSA, including rigorous stress tests and scenario analyses. This analysis evaluates the impact of severe but plausible events on AIUK's solvency, the adequacy and availability of capital to withstand those events (including the potential use of Group support if needed), and the effectiveness of risk mitigations or management actions. The ORSA therefore serves as a comprehensive internal assessment of current and future solvency under both expected and stressed conditions, and it informs the Board's decisions on capital and risk strategy.

B.3.2.2 *Continuous ORSA and Trigger Events:*

In addition to the scheduled annual ORSA, AIUK's ORSA Policy provides for out-of-cycle ORSA updates if the risk profile changes materially during the year. AIUK has defined trigger events that may prompt an ad-hoc ORSA re-run and an updated ORSA report. Examples of such trigger events include:

- Material change in risk profile – e.g. a significant shift in the Solvency Capital Requirement (SCR) ($\pm 20\%$ movement) due to risk exposure changes.
- Breach of SCR risk appetite – if a recalculation shows the regulatory capital requirement breaches Board-approved risk appetite levels.
- Major change in reinsurance programme – such as an adjustment greater than $\pm 10\%$ in the reinsurance cession, which could affect risk transfer and net risk retained.
- Group restructuring – any structural change in the wider Accelerant Group that alters AIUK's business or risk profile significantly.
- At the Board's or regulator's request – if the Board or the PRA requests an updated ORSA (for instance, due to emerging risks or market events).

These triggers are kept under review, recognising that not every circumstance can be anticipated; ultimately, the Board exercises judgement on whether the latest ORSA remains sufficiently representative of AIUK's risk and solvency position. The ORSA is by nature a forward-looking process, and the Board ensures that it is refreshed whenever needed to support continuous risk-informed decision-making. Furthermore, at each Risk Committee meeting, management provides an update on ORSA metrics and any material changes to underlying assumptions or risk exposures, so that the Risk Committee (and Board) maintain ongoing awareness of the evolving risk and solvency outlook between formal ORSA cycles.

Overall, the ORSA process in 2025 confirmed that AIUK's risk profile remained within risk appetite and that AIUK held a comfortable capital surplus above regulatory requirements. The ORSA outcomes have been used to validate the business strategy and to ensure that capital planning (including dividend plans and any capital injections or transfers) is aligned with AIUK's risk exposure and growth objectives. The Board's review of the 2025 ORSA concluded that AIUK's own funds are adequate under both base and stressed scenarios, and contingency actions are in place should adverse scenarios materialise, thereby upholding the "continuity and adequacy of solvency" principle central to Solvency UK. (Note: The ORSA Summary Report is submitted to the PRA privately, but key conclusions are reflected here in the SFCR to inform stakeholders of AIUK's solvency and risk management).

B.4 Internal Control System

AIUK maintains an Internal Control Framework (ICF) that serves as a comprehensive record of all operational controls across the business. This framework incorporates a variety of mechanisms and processes designed to manage and reduce risks that could impact the AIUK's ability to achieve its objectives. Internal controls at AIUK are grouped into three main categories:

- **Control Objectives:** Broad goals or targets established to guide risk mitigation efforts. These objectives help define the scope of control activities necessary to address identified threats or vulnerabilities.
- **Controls:** Specific policies, procedures, or technical and physical measures put in place as safeguards. These controls are designed to prevent, detect, or minimize the likelihood and impact of risk events.
- **Control Activities:** Concrete actions and routines carried out to enforce or implement a control. These tasks, performed daily or periodically, ensure that control objectives are consistently met, such as reconciliations, authorizations, and reviews.

B.4.1 Governance and Maintenance of Controls

The internal control system forms a core part of AIUK's governance framework and is managed through a three-lines-of-defence model. The first line of defence, consisting of business management, is responsible for owning, operating, and updating control documentation and processes as part of normal activities. Control owners are expected to review and confirm the effectiveness of their controls on a regular basis, at least quarterly, and whenever there are changes within the business.

The second line of defence, which includes Risk and Compliance functions, sets the standards for the Internal Control Framework, offers guidance, and monitors adherence. The Risk Function maintains a centralized register of all internal controls, including supporting documentation and assessment outcomes. This oversight ensures consistency and thoroughness in how controls are tracked and evaluated. Risk and Compliance also conduct independent monitoring and facilitate the annual Risk and Control Self-Assessment (RCSA), allowing management to formally evaluate the design and performance of key controls. This process, together with ongoing monitoring, provides a systematic check to confirm that controls are functioning as intended and to identify any control gaps or weaknesses.

The Internal Audit function constitutes the third line of defence within AIUK's system of governance.

B.4.2 Control Assessments and Effectiveness Evaluation

AIUK emphasises ongoing assessment of controls, which takes place at multiple levels. These assessments occur both as part of routine business activities by control owners and through formal evaluations led by the second line, such as the annual RCSA and the Internal Control Framework Evaluation (ICFE). Each control is assessed on both the quality of its design and the effectiveness of its operation. This approach enables AIUK to promptly identify and address any weaknesses or failures. All assessments are conducted objectively and thoroughly, with results maintained in a timely and comprehensive manner.

The results of control assessments are promptly reported to management and relevant committees, ensuring that senior management and the Board have clear visibility of the internal control environment's effectiveness. This transparency allows for informed decision-making when action is needed. Management also communicates decisions and any remedial actions—such as control improvements or resource allocation—throughout the organization, supporting accountability and continuous improvement. This feedback loop fosters a strong control culture where employees understand their responsibilities within the internal control system and how their activities contribute to the broader framework. Effective execution of these processes is essential to maintaining a high-quality internal control system that safeguards stakeholders and AIUK's assets.

In summary, throughout 2025 AIUK continued to strengthen its Internal Control Framework by conducting its annual RCSA and evaluating the effectiveness of its internal controls, addressing any identified gaps, and ensuring that controls remain aligned with the evolving risk profile. The Board is confident that the internal control system is adequate and effective for AIUK's needs and complies with regulatory requirements

B.5 Internal audit function

AIUK is committed to ensuring that Internal Audit (IA) provides reasonable assurance to the Board that major business risks are being managed, and that the framework for risk management and internal control is operating effectively. Reflecting the scale of the business, the Board considers that this can most effectively be achieved by outsourcing the IA function to an appropriately skilled and resourced partner selected via a tender process set by the Audit Committee. The function constitutes the 'third-line' of defence by providing independent review, challenge, assurance, and validation of the effectiveness of the internal controls, as outlined in the Internal Audit Policy, which is reviewed annually.

The Internal Audit function is not responsible for establishing or maintaining internal controls, as this is the responsibility of the 'first line', however the effectiveness of the internal systems of control can be enhanced by the recommendations from Internal Audit reviews, which are set by way of thematic reviews conducted to a planned schedule and reported to the Audit Committees spread throughout the year. The annual audit plans are set accordance with outputs of the RCSA and ORSA processes and are subject to amendment driven by any material change effecting the business.

During 2025, the Internal Audit function completed various reviews in line with the strategic direction of AIUK. Two of the reviews, Member onboarding and Systems and Governance, were completed in late 2025 with management working with IA to finalise the report and management actions to be completed in 2026.

Given the centralised operating model, copies of Internal Audits for Accelerant Group entities are also circulated for reference, on the basis of their relevance to AIUK's own environment.

The 2026 Internal Audit Plan has been ratified by the Board will cover a wide number of thematic areas that are considered key to the ongoing success of AIUK.

The Actuarial function, led by the Chief Actuary, is primarily responsible for the independent guidance on issues that are material to the financial condition of AIUK. The function uses statistical and analytical assessment of AIUK's financial data, supporting the business and the Board, in making informed decisions when setting risk appetites and tolerances in

relation to pricing, reserving, risk management, reinsurance, capital management and investment strategy, and regulatory requirements. The function consists of both first and second-line responsibilities and is outsourced to Accelerant Services UK Ltd (a company within the wider Accelerant group).

B.6 Outsourcing

As part of AIUK's business, certain functions are outsourced to third parties. AIUK does not contract out any of its regulatory obligations and remains responsible for complying with these obligations. The Board is responsible for determining which business functions are to be outsourced; for setting the risk appetite in respect of outsourcing; and for delegating to suitable owners and relationship managers the management and control of those outsourced functions.

AIUK's Chief Operations Officer holds the prescribed responsibility for compliance with the Outsourcing part of the PRA rulebook.

As at year-end 2025, the main outsourced functions were:

- Internal audit; which is outsourced to Grant Thornton UK LLP.
- 2nd line support to the Risk function provided by Mazars LLP
- Investment management; which is provided by Wellington Management International Ltd.
- Intra-group employment and infrastructure management services; which are outsourced to Accelerant Services UK Ltd (a company within the wider Accelerant group).
- Insurance portfolio management/binding authority management which are outsourced to the UK Branch of Accelerant Agency Ltd (a company within the wider Accelerant group).

B.7 Any other information

There are no additional matters to report.

C. Risk Profile

Consolidated Risk Profile

The Consolidated Risk Profile combines quantitative analysis with lateral empirical qualitative analysis to assess the threats faced by AIUK. Unlike a standard Risk Profile, which relies solely on quantitative analysis, the Consolidated Risk Profile acknowledges that not all risks in our environment can be effectively modelled. It also accounts for the inherent dependencies between prudential and operational risks.

This comprehensive approach strengthens the Own Risk and Solvency Assessment (ORSA) Process, ensuring that the conclusions presented to the Board are multidimensional rather than one-dimensional.

The Consolidated Risk Profile takes into consideration:

- The identified strategic objectives for the planning period;
- The Risk Management and Risk Appetite Frameworks;
- Material Risks and the effectiveness of their applied responses;
- The Accelerant culture; and
- Market conditions and the overall external environment.

The quantitative Risk Profile is reflected in the table below:

SCR – By Risk Category	Group/AIUK 2025 (in £'000)	Group/AIUK 2024 (in £'000)	Group/AIUK Variance (in £'000)
Market Risk	9,051	4,169	4,882
Counterparty Default Risk	5,103	5,897	(794)
Health	193	301	(108)
Non-Life Underwriting Risk	44,586	27,890	16,696
<i>Diversification Benefit</i>	(8,438)	(5,599)	(2,839)
Basic Solvency Capital Requirement	50,495	32,658	17,837
Operational Risk	12,523	2,185	10,338
<i>Loss absorbing capacity of deferred tax (LACDT)</i>	(1,769)	(744)	(1,025)
Solvency Capital Requirement	61,249	34,099	27,150

Risk Appetite and Sensitivity

The risk appetite set by the Board defines the level of risk AIUK is willing and comfortable to take in pursuing its strategic objectives. The approved Risk Appetite Statements outline several significant risks inherent in AIUK's normal course of business. These statements are documented in the ORSA and the broader Risk Management Framework. The Board regularly reviews them to ensure alignment with AIUK's strategic direction and to maintain their reliability in guiding business operations.

AIUK adheres to the 'prudent person principle' by implementing an investment policy that defines its investment approach and sets clear boundaries. Investments outside this policy are strictly prohibited. To reinforce compliance, AIUK collaborates with independent professional investment managers to ensure adherence to this mandate. Governance is maintained through the Accelerant Group's Investment Management Committee, where AIUK has a standing agenda item to monitor its assets, which requires investment managers to provide regular attestations confirming compliance with the prudent person principle.

Stress testing enhances understanding of how significant changes in key risk factors could impact the risk profile. This goes beyond the Solvency Capital Requirement (SCR), which captures a 1-in-200-year event over a one-year horizon at a 99.5% confidence level. While stress testing involves assumptions, the outputs help develop effective management actions to mitigate potential risks. More importantly, they confirm the adequacy of capital resources under various conditions.

A range of plausible and feasible stress tests has been designed based on AIUK's business strategy, key risks, and ORSA process. These tests include scenario modelling, additional stress scenarios, and reverse stress testing.

Stress tests focus on risks with the most material financial impact on AIUK. These are identified using the 5x5 risk matrix, which measures risk based on likelihood and impact in accordance with AIUK's Risk Management Strategy and Framework. This approach allows for the quantification of inherent risks before the application of controls or mitigation measures, forming the foundation of the stress testing process.

During the reporting period, AIUK undertook stress and scenario testing in accordance with the Solvency UK framework and relevant PRA expectations. The testing formed part of the AIUK's risk management system and was used to support the assessment of capital adequacy and solvency under adverse but plausible conditions.

The stress and scenario tests considered a range of key risk drivers, including premium volumes, loss ratios and exposure to large loss events. The outcomes of the testing were used to inform management's understanding of the sensitivity of the capital position to these risks and to support ongoing review of underwriting, reinsurance and capital management arrangements.

The results indicated that, under certain stresses such as reduced gross written premium growth and changes to reinsurance structures, the impact on the solvency ratio was limited. Other scenarios, including those involving severe large loss events and significant deterioration in loss ratios, resulted in greater pressure on the solvency position, reflecting the exposure to extreme but plausible underwriting risks.

The testing also included consideration of external risk factors, including inflation and climate-related risks, in line with regulatory expectations. These scenarios indicated that the solvency ratio is sensitive to adverse developments in the external environment, reinforcing the importance of continued monitoring within AIUK's risk management and ORSA processes.

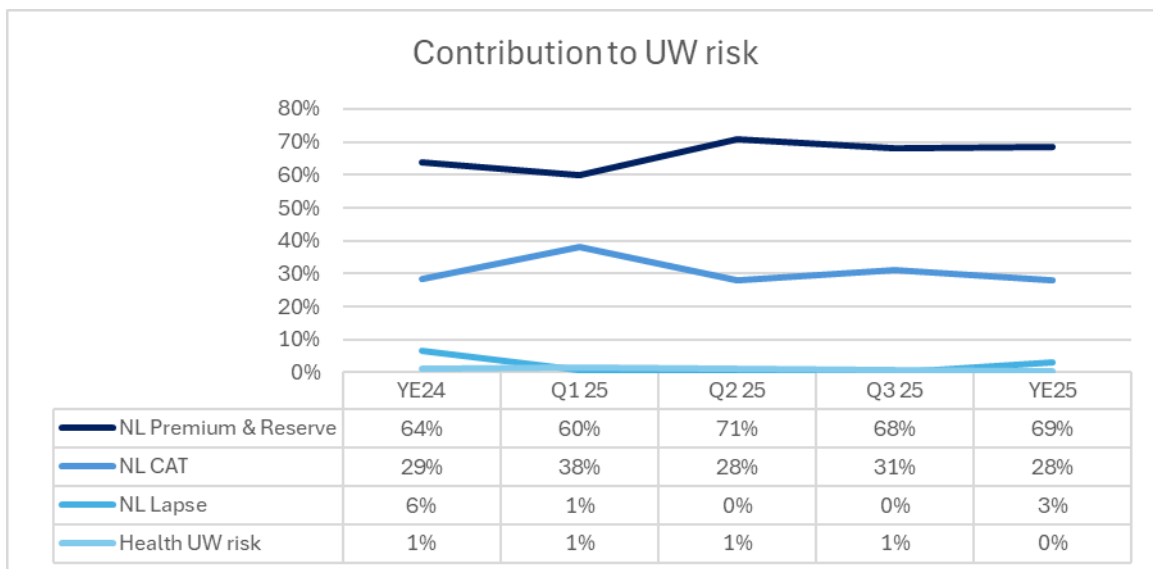
The reverse stress tests indicate vulnerabilities in maintaining a solvency ratio above 100%, prompting immediate actions such as notifying stakeholders, observing non-compliance, and invoking recovery plans to address breaches and maintain regulatory compliance.

C.1 Underwriting risk

AIUK has identified several insurance risks falling within the remit of the Chief Underwriting Officer. These underlying risks include:

- Premium and Reserve Risk;
- Lapse Risk; and
- Catastrophe Risk.

The evolution of underwriting risk throughout the last year is shown below:



Furthermore, underwriting concentration, underwriting fraud or error, lack of underwriting expertise, data quality risk, delay risk and unintended coverage risk through policy wording are also considered. Whilst some of these risks are the standard insurance / underwriting risks any insurance company faces, other elements include risks emanating from AIUK’s strategy to write insurance business through Members.

Several mitigations and controls exist to manage these risks, including:

- Limitations around the line size limits;
- Detailed underwriting parameters: Portfolio Modelling assists with the visualisation of aggregated risks;
- Clear guidelines for policy wording to help mitigate legal and coverage risks associated with insurance contracts;
- Monthly meetings with Members and Third Party Administrators (“TPAs”) involving underwriting, claims and actuarial teams to discuss ongoing matters and tackle any issues;

- Product Oversight Governance (POG) process and committee, which assesses, challenges and, where appropriate approves new insurance products and material changes to existing insurance products where the end customer is a retail customer;
- Specialised audits on Members and TPAs are carried out periodically to ensure that delegated authorities are exercised responsibly;
- Underwriting audits conducted to evaluate the effectiveness of underwriting processes;
- Quota Share reinsurance cover in place, together with Excess of Loss reinsurance covering specific risks and catastrophic events, as well as Stop Loss reinsurance treaty;
- Binder controls checks in place, ensuring that underwriting decisions align with risk appetite and guidelines;
- Continuous monitoring of the insurance portfolio allowing for real-time evaluation of risk exposures;
- Unexpected deviations are immediately investigated;
- Reserve reviews are carried out at least every 6 months.

Specifically for Catastrophe Risk, the mitigating actions and controls in place include:

- Robust catastrophe modelling and regular validation of model outputs against historical data and industry benchmarks;
- Diversification of exposure across different geographic regions and lines of business to reduce concentration risk;
- Strategic reinsurance placement and optimised reinsurance programs to transfer catastrophe risk efficiently, while ensuring adequate coverage limits and terms;
- Continuous monitoring and adjusting of risk management strategies in response to evolving catastrophe risk profiles and market conditions;
- Conducting stress tests and scenario analyses to assess the resilience of AIUK's capital position under extreme catastrophe scenarios;
- Integration of climate change considerations into catastrophe risk management, given the increasing frequency and severity of weather-related catastrophes attributed to climate change.

In line with its Board-approved risk appetite, AIUK maintains a proportionate and effective underwriting function to identify, assess, manage, and control the risks arising from both new business and in-force insurance liabilities. The underwriting function operates within the parameters of the Underwriting Risk Framework and applies defined risk mitigation and monitoring techniques to assess underwriting performance, loss experience, adverse reserve development, pricing adequacy, and the appropriateness of technical provisions and associated assumptions. Governance, oversight, and ongoing maintenance of the underwriting framework are embedded within AIUK's risk management system and supported by documented internal control policies, procedures, and management information.

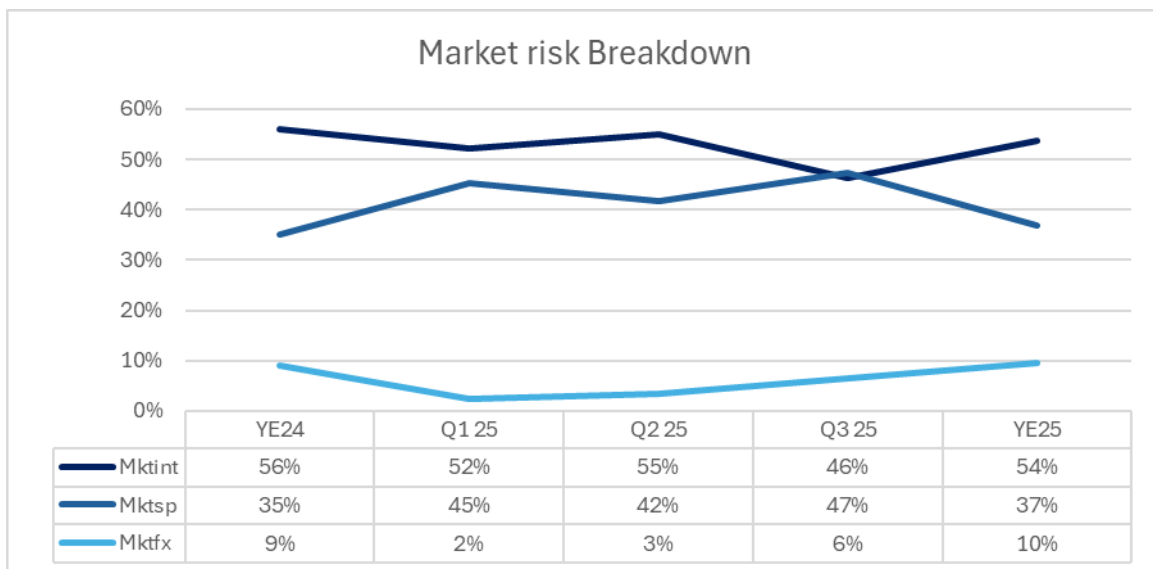
Delegated underwriting arrangements are subject to robust governance through clearly defined underwriting authorities, binding authority agreements, and underwriting guidelines, which specify permitted classes of business, authority limits, risk acceptance criteria, and control requirements. Compliance with delegated underwriting requirements is assessed through a structured, risk-based programme of underwriting reviews, providing independent assurance over adherence to delegated authorities, underwriting standards, technical pricing adequacy, data quality and completeness, and claims and exposure management practices. Review findings are escalated through established governance forums, with remediation actions formally documented, tracked, and reported to completion to ensure timely resolution and effective control of underwriting risk.

C.2 Market risks

C.2.1 Market Risk

Market risk refers to the risk of loss or adverse change in the financial situation due to fluctuations in market prices of assets, liabilities, and financial instruments. This can be due to the non-performance of the appointed investment manager or investments under management, which negatively impacts AIUK’s results, potentially culminating in having insufficient funds to pay out claims. Fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments, for example through Foreign Exchange (FX) rates or interest rates, resulting in realised losses on the investment portfolio, is another part of it.

Due to the conservative nature of the investment guidelines of AIUK, the following graph showcases the contributions to market risk, which are absent of equity and property but driven by interest rates, spread and currency given the nature of the portfolio composition.



The risk is managed through Service Level Agreements and outsourcing contracts in place with the investment manager, Wellington Management International Ltd, which are

monitored by our Treasury Department and reported to the Management Committee, Audit and Risk Committee and the Board. Furthermore, both the Board and Management maintain oversight of the Investment Manager and the investments through quarterly reports provided by Wellington and HSBC on the performance of the investments.

Internal auditors and external regulators further oversee the investment function through audits and Solvency UK reporting.

C.2.2 Asset Liability Management (“ALM”) Risk

Asset Liability Management (ALM) risk results from an insufficient amount, a different currency or a different timing or duration of assets and liabilities, resulting in a mismatch.

Short term cash needs are managed by regular reviews of the cash forecast, by currency. The wider Accelerant Group Treasury team and the AIUK Finance team regularly review the cash needs for major items, including premium receipts, reinsurance settlements, tax payments, and claims activity.

Liquidity for claims is held by our third-party e-money institution, Vitesse. The floats held are for near term claims, claims activity is reviewed within the AIUK Claims team on a weekly basis, with the claims float replenished on a weekly basis, or, ad-hoc basis, as required. The target float held with Vitesse is to cover the next 7-10 business days worth of expected claims activity.

The investments are reviewed on a quarterly basis by the CFO and the Board, with specialist reports received quarterly from the investment manager.

C.3 Credit Risk

Credit risk is defined as the risk of a counterparty failing to meet their debt obligations. Credit Risk includes Counterparty Default Risk and Concentration Risk. AIUK manages its credit risk through the following actions:

- The majority of AIUK income is received through Accelerant Agency Ltd, which mitigates credit risk of customers. Payment sources of residual lines of income are diverse and don't form any material concentration areas. Therefore, credit and counterparty risks are centred upon the recoverability of current assets, and management of concentration risk of investments in line with good risk management and impact to capital requirement of Solvency UK SCR calculation.
- In addition to cash, the investment mandate provided to the investment managers permits only investment grade securities. The rating is supplied by independent rating agencies where available and if not available, AIUK uses other publicly available financial information and its own trading records to provide a form of rating.
- All future investment decisions are considered under the Solvency UK framework and the prudent person principle.

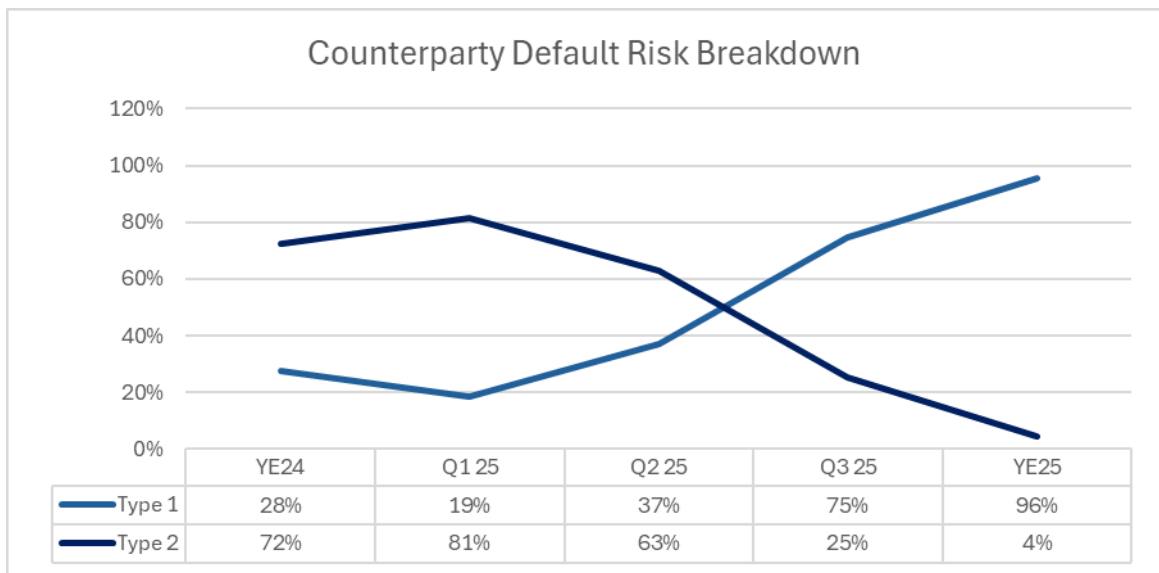
C.3.1 Counterparty Default Risk from credit Institutions

Investments are time horizon matched in low volatility, appropriately liquid assets to match the expected liabilities both in value and time. The investment managers ensure the portfolio is spread across funds to minimise concentration risk adhering to the prudent person principle.

The underlying risk is defined as a failure of banking or credit institutions or other corporates with which AIUK has cash, cash equivalents or similar investments.

The risk is managed through Service Level Agreements and outsourcing contracts in place with the investment manager, Wellington Management International Ltd, which are monitored by our Treasury Department and reported to the Risk Committee. Furthermore, the Accelerant Group’s Investment Committee maintain oversight of the Investment Manager and the investments through quarterly reports and meetings provided by Wellington on the performance of the investments. A summary of the investment performance is presented to the Board as part of a finance update.

In Solvency UK, the counterparty risk charge is divided into Type 1 and Type 2 risks. Type 1 covers exposures with low default probability but high impact, such as reinsurers, banks, and derivatives. Type 2 applies to more diversified, higher-risk but lower-impact exposures, such as policyholder receivables and intermediaries. The total counterparty default risk capital requirement reflects the probability of default and potential losses from both types.



C.3.2 Counterparty Default from receivables by reinsurers and Members

AIUK faces counterparty credit risk predominantly due to recoverables from reinsurers and receivables from Members. If receivables are delayed or cannot be recovered, this can put a strain on liquidity.

With effect from 1 July 2025, the structure of the AIUK's reinsurance programme changed, with the majority of reinsurance ceded initially to two intragroup reinsurers (Accelerant Re Cayman and Accelerant Re Puerto Rico), which have been assigned a Financial Strength Rating of A- by AM Best. These intragroup reinsurers subsequently retrocede the majority of the risk outwards to a diversified quota share panel of external reinsurers.

AIUK treats these risks through several mitigations and controls. These are listed below:

- Reinsurance is only purchased from companies that maintain an A- or better rating from an accredited rating agency, or provide cash or cash equivalent collateral. With effect from 1 July 2025, reinsurance is primarily purchased from the two intragroup reinsurers mentioned above. These intragroup reinsurers subsequently retrocede risk to a diversified core quota share panel of external reinsurers that meet the same minimum rating or collateral requirements;
- There is a substantial diversification of reinsurers in place at Accelerant Group level;
- (Re)insurance receivables are netted off against the (re)insurance payables where contractually permitted;
- Members are subject to periodic credit reviews;
- Regular monthly meetings are held with every Member. Every quarter a deeper dive meeting is held. These meetings tackle any credit issues;
- Reconciliations of premium receivable bordereaux are performed on a monthly basis;
- Credit worthiness is monitored continuously by the Regulatory Efficiency Gains (REG) tool and AIUK is alerted to any negative change; REG is an international tool that allows AIUK to monitor the creditworthiness of its partner Members. It interfaces with different available databases on a regular basis and provides a rating of the creditworthiness. Any issues such as a debt not paid, creates an alert through the tool which is investigated by the relevant staff members;
- Strong operational credit controls are in place for follow-up and collections;
- Premium is received from our outsourced service provider on a monthly basis after 60 days and is reconciled. This is also monitored through the Risk Appetite Statement;
- Our outsourced service provider settles the premiums in the original currency, mainly being GBP, thereby limiting currency risk; and
- Additionally, there is a contractual link between the amounts due to reinsurance panel and the amounts received from the intermediaries. This means that on default of an intermediary, no reinsurance amount is due to be paid. This limits any second order effects relating from such a default event.

C.4 Liquidity Risk

Liquidity Risk is the risk that AIUK will not be able to meet short-term financial obligations due to the inability to convert assets into cash, or that the assumed liquidity premium used to value illiquid liabilities does not materialise in line with expectations. The underlying risk is that outstanding loss and loss adjustment expense reserves, including Incurred But Not reported (IBNR), are deficient, resulting in the need to make significant reserve adjustments increasing the risk to wide fluctuations in the income statement and liabilities on the balance sheet. Liquidity risk can arise from a number of causes, including insufficient amount, currency and/or timing & duration of assets, resulting in a mismatch with the liabilities of AIUK and through a liquidity issue with a reinsurer's settlement.

There are several mitigations and controls in place to mitigate liquidity risk, including:

- Periodic checks are carried out on the reinsurers' financial stability and the official credit rating. Action is taken in case of downgrade or rating deterioration;
- The reserves are reviewed every quarter to ensure that the IBNR reserve makes sense, and unexpected deviations are investigated;
- There is a half-yearly comprehensive review of the reserves for potential development;
- Monthly claims meetings are undertaken with each Member to discuss claims situation and large losses, in case there is a need for a cash call;
- Review of investments is carried out on a quarterly basis by the Investment Committee, together with the CFO and the asset manager;
- Cash is held at highly rated credit institutions, Vitesse escrow accounts and in highly liquid investments thereby being readily available to support policyholder claims as they come due;
- Bi-Monthly Cash Forecasts are carried out;
- Short term cash forecasts are reviewed and approved daily;
- TPAs provide a monthly reconciliation, and funds are replenished in Vitesse (escrow account) to minimise liquidity issues;
- Daily review of Vitesse claims liquidity, reviewing all TPA positions and the master funding position;
- Daily cash management review for all Group bank accounts;
- Daily monitoring and weekly reporting on liquidity;
- Short-term forecasting prior to month-end and mid-month vendor settlements;
- Longer-term capital forecasting on a quarterly basis and through the ORSA.

C.5 Operational Risk

Operational Risk is a key risk for AIUK and has many different aspects. Operational risks include human resources, internal fraud, outsourcing failure or fraud, finance risks, reliance on third parties for regulatory returns, third-party risk, IT operational risks, development risks and distribution risks. AIUK treats these risks through several mitigations and controls, including:

- Competitive compensation programme;
- Fostering a positive culture;
- Whistleblower procedures;
- Code of Conduct Policy;
- Internal and External audits carried out, including on associated fraud controls;
- Due diligence carried out prior to any engagement;
- Underwriting, Member and Third Party Administrator (TPA) audits;
- Third Party Risk Management (TPRM) system facilitating the management of third-party risk;
- Various finance controls, including four-eye principle and Management oversight;
- Review of work carried out by third parties prior to being reported to regulatory authorities;
- Product and Technology team in place, responsible for IT reliability, security and development;
- Succession planning in place;
- A well-developed internal control system;
- A Policy, Oversight and Governance (POG) working group and Committee in place to ensure policies are distributed in the right manner and POG requirements are adhered to.

An Operational Risk quantification tool was developed in 2024 and enhanced in 2025, leveraging internal expertise to assess and benchmark the operational risk capital charge against the Solvency UK Standard Formula, while also identifying key risk drivers and potential contingency measures. Validated by Risk Management, the model quantifies and evaluates operational risk scenarios using inputs from multiple AIUK teams, providing deeper insight into the dynamics and potential consequences of operational risks.

During the 2025 run, in addition to the business-as-usual (BaU) input update, two enhancements were introduced: first, a simple entity-based approach was rolled out, allocating operational risk across the insurance carriers based on core entity characteristics; second, additional scenarios were introduced, increasing the robustness of the model. Overall, the results have helped identify critical areas requiring attention and control enhancements, supporting the appropriateness of the operational risk charge under Solvency UK.

The 2026 model update is scheduled to further refine the entity approach by running separate instances for each entity, demonstrating the continuous improvement and methodological consistency of the Operational Risk model as AIUK grows.

Key components of AIUK's Operational Risk are as follows:

C.5.1 Business Resilience Risk

Business resilience risk is the risk of not being able to respond to, recover from, and resume operations at acceptable levels of service to customers, clients, and counterparties through significant disruptions. AIUK has implemented an Operational Resilience Framework to sit alongside and complement the existing Operational Risk Framework. The Operational Resilience Framework sets out the policies, process and Impact Tolerances that define the control environment designed to protect and sustain AIUK's critical processes, people, and infrastructure in times of operational stress, pressure and disruption, and restore the critical functions of the business in as short a time frame as possible, meaning minimal disruption to business operations and AIUK's customers. An annual self-assessment of AIUK's operational resilience arrangements is undertaken in accordance with PRA supervisory statement SS1/21, with the 2025 assessment having been reviewed and approved by the Board in March 2025.

C.5.2 Compliance & Legal Risk

AIUK operates as a regulated entity and is therefore subject to a broad range of legal and compliance risks arising from insurance regulation, company law, and other applicable primary and secondary legislation, including employment, tax, and data protection requirements, as well as relevant international regulatory frameworks. Key risk areas include legislative and regulatory compliance, records management, financial crime and sanctions compliance, corporate governance, data protection, complaints handling, and engagement with local and international regulators. Failure to manage these risks effectively could result in regulatory sanctions, financial penalties, reputational damage, or adverse impacts on the AIUK's financial condition.

These risks are mitigated through a comprehensive compliance and legal framework supported by experienced leadership, robust policies, and effective operational controls. AIUK has implemented dedicated IT systems to manage regulatory obligations, records, and sanctions screening, alongside a structured data protection framework overseen by AIUK's Data Protection Officer. Compliance is further strengthened through regular regulatory engagement, ongoing staff training, weekly compliance oversight meetings, and specialist resources for complaints handling. Sanctions compliance is embedded across internal processes and third-party relationships, including TPAs, Members, and payment systems. Collectively, these measures support effective identification, monitoring, and management of legal and compliance risks.

C.5.3 Third Party Outsourcing Risk

Third Party Outsourcing Risk is the risk of financial or operational loss due to the inadequate management and oversight of major processes, key operations, functions and knowledge that are critical to the business undertaking and provided through third parties arrangements. SS2/21 came into effect in 03/2022 and has made a number of changes to

the PRA's supervision of outsourced arrangements (including sub-outsourcing). Outsourcing is key to AIUK's objectives, not only in terms of insurance distribution but also in sourcing resource, expertise, and assurance. At present, outsourcing agreements are in place which define service levels and the service being performed. A thorough Due Diligence Process is undertaken for each Third Party, with an escalation and approval process in place, which includes 2nd Line functions. A series of in-depth underwriting, actuarial, compliance, security, and claims reviews are in place in accordance with their service type, i.e. Members, TPAs or third-party vendors and evidenced by a formal sign-off.

Credit checks are also performed regularly on all third parties. These credit checks are either done manually or through the REG system. Monthly checks carried out on Members and their directors via Lexis Nexis. The REG system is used during the member application process and on an ongoing basis to check Member credit quality and flag any other potential financial or credit management issues.

AIUK recognises its increasing reliance on outsourcing arrangements and is currently in the process of embedding the Board approved Third-Party Risk Management (TPRM) Framework to replace the current Outsourcing Framework. The Framework sets out the enhanced outsourcing strategy, 3rd party assessment criteria and due diligence procedures, expected standards of service, risk acceptance levels, the use of 4th parties, and normal and stressed exit strategies. The Framework also highlights use of the automated assessment tool, UpGuard for third party vendors and LaunchPad for members and TPAs, which is integral in the oversight process. The tools enforce the TPRM Process and ensure the Due Diligence and Risk Assessment is performed in line with internal and regulatory obligations. This includes relationship monitoring, whereby the system gives an alert when there is a material change for a critical arrangement. The Third-Party Risk Management Framework ensures ownership is assigned and the responsibilities are clear.

Please refer to Section B.7 for a list of the current material outsourcing arrangements.

C.5.4 Information Security Risk

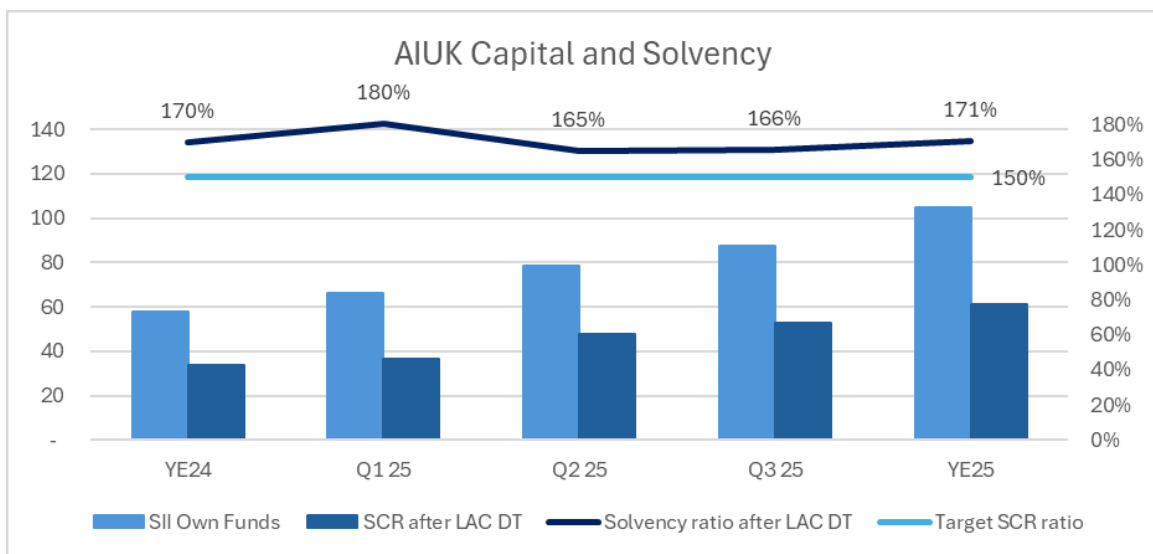
Information Security risk is the risk of loss due to; a failure to adequately safeguard the organisation's information or communications systems and data from unauthorised access, or unauthorised use by employees, clients, agents or third parties, and cyber-attacks. The integrity of AIUK's information and communication systems is key to the successful delivery of valuable products to our customers, and maintenance of our success and profitability for our stakeholders. The Accelerant Group has in place numerous preventive and directive measures to manage its Information Security Risk such as the IT Risk management framework, Security Management Framework, The Cloud Governance Policy, and the Cyber Security Incident Response Playbook. An integral part of the Security Management Framework includes quarterly monitoring and reporting of key risk indicators, aggressive access management provisions, and regular tabletop exercises which allows the Accelerant Group to further refine control design and effectiveness and improve incident response procedures.

C.6 Other Material Risks

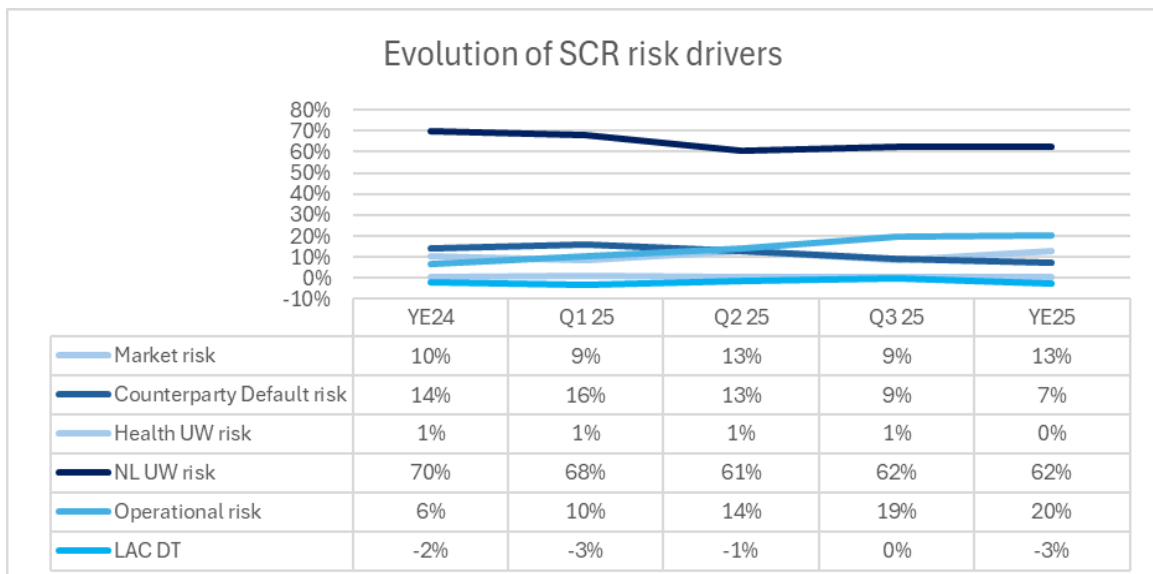
C.6.1 Solvency Risk

Solvency risk refers to the potential inability of the business to meet its financial obligations in full as they fall due, even after the disposal of assets. AIUK’s capital management appetite is defined on a Solvency UK basis, with a target minimum solvency capital ratio of 150%. AIUK is exposed to various factors that influence capital adequacy, and collectively, these factors can negatively impact profitability, thereby reducing the level of own funds available for capital resources.

Throughout 2025, AIUK maintained a solvency coverage ratio always above target solvency ratio of 150%. Fluctuations in SCR ratio is closely monitored by the Management Committee and the Board through Key Risk Indicators to ensure ongoing capital resilience.



The evolution of the SCR risk drivers has been stable and growing following the increase in volumes as seen below:



C.6.2 Inflation Risk

Inflation risk refers to the potential for the prices of goods and services to rise more than expected, thereby eroding purchasing power, or for an unexpected surge in inflation to reduce the real value of investment cash flows. Additionally, inflation risk can drive up claims costs as the prices of materials and services related to claims payments increase.

If early warning indicators suggest that claims costs may exceed forecasts, AIUK would promptly adjust its pricing strategy to mitigate the impact of inflation. Unprofitable products would be reviewed in terms of underwriting terms and pricing, and if necessary, AIUK would take action to discontinue writing such business.

Inflation risk also has implications for investment strategy. The investment portfolio consists of high-quality assets in accordance with the AIUK's investment strategy, with an average duration kept low to align with liabilities. However, a rapidly increasing inflationary environment could lead to a mismatch between assets and liabilities, adversely affecting the solvency capital requirement. In the event of materialisation of this risk, AIUK would realign its investment strategy, including reducing exposure to fixed-income investments, to mitigate the impact of inflation.

C.6.3 Reinsurance Risk

Reinsurance Risk is defined as the risk that the insurance undertaking will have to significantly increase capital or look to the Accelerant Group for assistance in raising sufficient capital, if unable to secure appropriate reinsurance. In line with the wider AIUK Reinsurance Policy and the risk acceptance levels approved by the Board, any reinsurance placed must be with a reinsurer that holds at least an A- rating – assessed using S&P and AM Best, with the higher of the two applied – or be fully collateralised. While AIUK maintains a low appetite for reinsurance risk, reinsurance remains a key risk mitigation tool within our risk management framework.

With effect from 1 July 2025, the structure of AIUK's reinsurance programme changed, with the majority of reinsurance ceded initially to two intragroup reinsurers (Accelerant Re Cayman and Accelerant Re Puerto Rico), which have been assigned a Financial Strength Rating of A- by AM Best. These intragroup reinsurers subsequently retrocede the majority of the risk outwards to a diversified quota share panel of external reinsurers in line with AIUK's Reinsurance Policy.

Reinsurance Risk can be analysed from several different angles, which are discussed below:

- One of the risks is that of not finding the right reinsurance partners due to insufficient capacity, not at the right pricing, or not at the required credit strength, resulting in under-reinsurance or increased reinsurance spend.
- Another risk is that the data provided to reinsurers is incorrect, resulting in inflated reinsurance pricing, or the reinsurance protection bought is not sufficient.
- Other risks include that the reinsurance contractual terms do not adequately cover what AIUK writes, resulting in more retained risk exposure than intended and reinsured; that reinsurance recoverable cannot be recovered due to solvency issues, thus putting a strain on the AIUK's finances; and that reinsurance is

placed with reinsurers in unstable locations, which gives rise to the risk of failure or delay of payment due to geopolitical or political reasons.

- AIUK might also have a significant concentration with any one reinsurer or within the same country, resulting in the aggregation of reinsurance risk.
- Furthermore, collateral callability risk is defined as the risk that unforeseen circumstances impact AIUK's ability to call upon the secured collateralisation which forms the backbone of the reinsurance program.
- Finally, the risk that the wider Accelerant Group reinsurance is exhausted, resulting in reinsurance gaps for any additional losses or other entities, and/or additional costs to reinstate cover.

There are several mitigations and controls in place within AIUK to manage these risks, including:

- Reinsurance process starts early to ensure adequate time for completion;
- Experienced brokers assist with the process;
- Diversification and success of the AIUK's portfolio leads to more interest from reinsurers;
- Four-eye review of data by actuaries;
- Data is reviewed and modelled by brokers, who also assist in the renewal process.
- Policy wordings are reviewed by legal experts to ensure there is no wording mismatch;
- Policy wordings are reviewed by experienced underwriters to ensure no mismatch;
- Experienced staff purchase reinsurance that is aligned by the projections performed by the actuarial team;
- Reinsurance is only purchased from companies that maintain an A- or better rating from an accredited rating agency or post collateral;
- Cash call in case of large losses is standard in the agreements;
- Clauses in place to exit reinsurance contract in case there is a downgrade;
- Periodic checks on the reinsurers' financials;
- Avoidance of certain countries which might be at risk, such as countries who are, or could potentially be, in collision or who tend to be in collision with the USA, UK and / or the EU;
- Periodical scanning for emerging geopolitical risk in the world, especially in countries where we have reinsurers;
- Limits are in place on the maximum exposure to any single reinsurance counterparty. These limits are applied at Group level and are reflected in the selection of the external reinsurance panel to which risk is retroceded by the intragroup reinsurers;
- Reviews by the Actuarial team on the maximum exposure for AIUK;
- Prioritisation of intra-group reinsurance where available. If not available, multiple reinsurance partners to mitigate reliance on a single source and spread risk exposure;

- Comprehensive Collateral Management Policy and process that defines how collateral is to be managed, utilized, and monitored throughout the life of the reinsurance agreement, including the types of eligible collateral and the timing of collateral postings;
- Contractual provisions to minimise collateral callability risk within reinsurance agreements. The reinsurance default risk is included in the counterparty default risk module as part of the SCR Standard Formula calculation and takes into consideration, among others, the ratings of and collateral posted by the reinsurance counterparties.

C.6.4 Emerging Risk

Emerging risk refers to the potential for unforeseen or previously unrecognised events to negatively impact AIUK's financial resources, earnings stability, scheduled dividends, or ability to meet its commercial obligations.

Additionally, AIUK continues to align its Climate Risk frameworks with regulatory requirements to ensure compliance and reinforce its approach to managing emerging risks.

C.7 Any Other Information

The Group had no material risk events during the reporting period.

No further information to be reported.

D. Valuation for Solvency Purposes

In general, Solvency UK valuation requires a market consistent approach to the valuation of assets and liabilities.

Within the Accelerant Group, the primary accounting framework used for valuing assets and liabilities is US GAAP, reflecting Accelerant Groups reporting requirements. Accordingly, AIUK prepares financial statements under US GAAP.

For prudential and local statutory reporting purposes, AIUK also prepares financial information under UK GAAP. While US GAAP forms the starting point for these processes, the resulting valuations are closely aligned with UK GAAP, with no material differences arising and only limited adjustments required to reflect the applicable local reporting requirements.

D.1 Assets

The value of each of the material classes of assets as well as the basis used and main assumptions for valuation are described below.

GROUP

Class of Assets	Ref.	UKGAAP (in £'000)	Solvency UK (in £'000)	Difference (in £'000)
Deferred Acquisition costs	a	23,932	0	(23,932)
Investments	b	258,878	258,878	0
Reinsurance Recoverable	c	169,442	107,411	(62,031)
Insurance Receivables	d	51,890	29,908	(21,982)
Reinsurance Receivables	e	7,163	0	(7,163)
Cash & Cash Equivalents	f	3,191	5,298	2,107
Receivables (trade, not insurance)	g	4,055	4,055	0
Any Other Assets	h	4,831	12,835	8,004
Total Assets		523,382	418,385	(104,997)

AIUK

Class of Assets	Ref.	UKGAAP (in £'000)	Solvency UK (in £'000)	Difference (in £'000)
Deferred Acquisition costs	a	23,932	0	(23,932)
Investments	b	258,878	258,878	0
Reinsurance Recoverable	c	169,442	107,411	(62,031)
Insurance Receivables	d	51,890	29,908	(21,982)
Reinsurance Receivables	e	7,163		(7,163)
Cash & Cash Equivalents	f	3,000	5,107	2,107
Receivables (trade, not insurance)	g	4,049	4,049	
Any Other Assets	h	4,831	12,835	8,004
Total Assets		523,185	418,188	(104,997)

D.1.1 Valuation bases, methods and main assumptions

The valuation methods for the assets classes highlighted above are set out below. For some asset classes, differences between the UKGAAP and Solvency UK valuation can be observed:

- a. **Deferred Acquisition Costs:** A deferred acquisition cost asset is recognised in relation to costs incurred while writing policies. These costs are deferred over the life of the policy. Deferred acquisition costs are not recognised for Solvency UK valuation purposes.
- b. **Investments:** Assets are valued on a market-consistent basis in line with Solvency UK requirements, being the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. AIUK considers that this valuation basis is aligned to the fair value principles applied under UK GAAP, and accordingly there are no valuation differences between UK GAAP and Solvency UK.
- c. **Reinsurance Recoverables:** In order to establish the Solvency UK value for the reinsurance recoverables, an assessment of the best estimates of ceded reserves to the reinsurers has been performed in line with AIUK's evaluation of the technical provisions forming part of the liabilities. In arriving at the Solvency UK value, the best estimate reserves have been replaced by the net present value of all future reinsurance cash flows estimated at their best estimate. In arriving at the net present value, the Prudential Regulation Authority (PRA) Risk Free Interest rate curve as at 31 December 2025 was used to discount the future cash flows. Under UKGAAP, the valuation is in line with the technical provisions and should exclude deferred income.
- d. **Insurance Receivables:** Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of insurance receivables is reviewed for

impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement. As the receivables are predominantly short-term balance sheet items, the difference between the UKGAAP value and the fair value under Solvency UK is not material. As such, no revaluation is performed between UKGAAP and Solvency UK. The insurance receivables are presented on a net basis under Solvency UK, subtracting the commissions payable. This causes a classification difference in presentation between the Solvency UK balance sheet and the UKGAAP annual accounts.

- e. **Reinsurance Receivables:** Under Solvency UK, the reinsurance receivables are netted with the reinsurance payables which results in a liability. This causes a difference in presentation between the Solvency UK balance sheet and the UKGAAP annual accounts, where the reinsurance receivables and payables are not netted.
- f. **Cash and Cash Equivalents:** In the UKGAAP balance sheet, cash and cash equivalents are reported at the notional amount, while in the Solvency UK balance sheet, they are reported at market value. There are no valuation differences as the market value is not different from the notional value. Under UKGAAP, the Vitesse claims fund is considered as “Any other Asset” while under Solvency UK it is considered cash and cash equivalents. This causes a difference in presentation between the Solvency UK balance sheet and the UKGAAP annual accounts.
- g. **Receivables (trade, not insurance):** Receivables are valued at fair value under Solvency UK.
- h. **Any Other Assets:** Under UKGAAP, the Vitesse claims fund is considered as “Any other Asset” while under Solvency UK it is considered cash and cash equivalents. This causes a difference in presentation between the Solvency UK balance sheet and the UKGAAP annual accounts.

D.2 Technical provisions

AIUK presents below the information regarding the valuation of technical provisions for Solvency UK purposes including:

- A quantitative explanation of any material differences between the Technical Provisions for Solvency UK purposes and those used for financial reporting bases.
- A description of the Technical Provisions valuation bases, methods and main assumptions used for Solvency purposes and those used for financial reporting in the statutory accounts.
- As the holding company does not hold material assets or liabilities, there are no material [REDACTED] between the Group and Company solvency positions, and accordingly the Group SCR is equal to the Company SCR.

Solvency UK Technical Provisions	UKGAAP (in £'000)	Solvency UK (in £'000)	Difference (in £'000)
Premium Provisions			
Gross	178,350	83,830	94,520
Reinsurers' share	108,072	48,115	59,917
Net	70,278	35,675	34,603
Provisions of Claims Outstanding			
Gross	114,248	110,195	4,053
Reinsurers' share	61,370	59,296	2,074
Net	52,878	50,899	1,979
Risk Margin		5,688	(5,688)
Gross Technical Provisions	292,598	199,713	92,885

D.2.1 Valuation bases, methods and main assumptions

D.2.1.1 Process to Calculate the Technical Provisions

The Technical Provisions ("TPs") are carried out in three stages, the first part is the calculation of the best estimate reserves used in the Audited Accounts and Accelerant Group reporting. Second stage involves adjustment to the best estimate reserves to calculate UKGAAP Technical Provisions. The third stage is the calculation of the specific Solvency UK ("SUK") adjustments required for the SUK TPs. The best estimate reserves are a significant element of the UKGAAP and SUK TPs.

The reserving methodology applied by AIUK is based on the results of several commonly used reserving methodologies. These include the loss development method, Bornheutter-Ferguson method, and the Initial Expected Loss Ratio ("IELR") method. Initially, the IELR method (ultimate expected cost) is relied upon. The IELR is calculated using the expected ultimate loss ratio multiplied by the premium volume. The expected ultimate loss ratio is determined through the Member's historical experience. This data is obtained at onboarding and an update is provided regularly by the Members via their contact with the actuarial pricing team. In most cases, this is done by applying the historical loss ratio adjusted for inflation and rate changes to the gross written premium projected for the year. The performance of the individual Members is monitored monthly and any material improvements or deteriorations are reflected in the conversations with Members.

Under UKGAAP, specific allowance is made for Unallocated Loss Adjustment Expenses ("ULAE") loading. Calculations are performed in line with the relevant laws and regulations.

D.2.1.2 Data

There have been no material issues in gaining the premium and claims data so far. There is, however, limited data and because many actuarial methods rely on having sufficient data

this limits the available techniques. Benchmark data has been used in some cases for the payment patterns where sufficient data is not available.

D.2.1.3 Methodology

The key methodology used to generate the best estimate reserves is to set the Earned Loss Ratio equal to the IELR and this is then reviewed with judgement to assess if additional IBNR is required. The analysis is carried out for each Underwriting Year, with splits by Members and lines of business as deemed appropriate based on the volume of business written and the differences in the mix of business within a particular Member.

The methodology used to adjust the UKGAAP TPs to be Solvency UK TPs is to include the:

- Expected profit arising from the unearned premiums
- Include an element for Binary events and Claims handling expenses
- Unallocated Loss Adjustment Expense
- Discount benefit
- Risk margin

These adjustments are made at the total level, i.e. not by underwriting year.

D.2.1.4 Assumptions

A key assumption, given the method used, is the selected IELR for the various Members and lines of business.

The allowance for the profitability within the UPR is a material SUK adjustment. The loss ratios used for the UPR are the same as those used for calculating the Claims Provisions. This is a reasonable approach, which ensures consistency between the assumptions used in the calculation.

The addition of the Risk Margin is another material SUK adjustment and the approach assumes the future SCR can be approximated using the expected run-off of the reserves. This is one of the standard methods prescribed by the PRA.

Other assumptions used are the ULAE, Events Not In Data ("ENID"), Admin Expenses, Bound But Not Incepted ("BBNI") and the payment pattern for discounting of the SUK TPs. These have less material impact on the SUK TPs compared to the UPR profit and Risk Margin mentioned above. The approach for these additional adjustment follows accepted market methodology and any assumptions used are in line with market benchmarks.

In AIUK's view, this approach and these assumptions are reasonable.

D.2.2 Limitations and Uncertainties

The following are general limitations applicable to actuarial analysis:

- A reliance that past history is a reasonable guide to the future;
- Ultimate cost of claims can be affected by many factors which may not yet be prevalent in the loss data, for example inflation, latent claims, new sources of claims, economic / legal / social trends etc;

- For the SUK TPs there is additional uncertainty compared to UK GAAP reserves as there is more Large Loss exposure in the SUK TPs as it also includes unearned exposure;
- Liability classes generally contain uncertainty due to their relatively long development.

There are also a number of uncertainties specific to AIUK:

- Due to limited historical data, a reliance may be placed on external and benchmark market data, which may not be representative of the business written by AIUK.
- Due to the nature of the business written by AIUK with exposure to property damage, there is a risk of natural catastrophes and large losses. This is mitigated by extensive quota share and excess of loss reinsurance.

D.2.3 Contract Boundaries

The BBNI premium has been estimated by looking at the individual Members and assessing the number of contracts which are legally bound at the valuation date of 31 December 2025. For all Members, the contractual obligations extend one month after the valuation date. To estimate the BBNI premium volumes, we have taken the planned premium for the next one month and taken this as the BBNI premium. The ultimate loss ratio and other loadings (as per the Solvency UK valuation rules) have been applied to estimate the cashflows linked to the BBNI. From these cashflows we have included the profit in the BE PP.

D.3 Other liabilities

Set out in the table below are our other liabilities under Solvency UK and UK GAAP:

GROUP

Other Liabilities	Ref	UKGAAP (in £'000)	Solvency UK (in £'000)	Difference (in £'000)
Deposits from reinsurers	a	39,659	40,090	(431)
Deferred Tax Liabilities	b	0	1,769	(1,769)
Insurance & Intermediaries Payables	c	12,024	0	12,024
Reinsurance Payables	d	66,203	58,609	7,594
Payables (trade, not insurance)	e	13,347	13,347	0
Total Other Liabilities		131,233	113,815	17,418

AIUK

Other Liabilities	Ref.	UKGAAP (in £'000)	Solvency UK (in £'000)	Difference (in £'000)
Deposits from reinsurers	a	39,659	40,090	(431)
Deferred Tax Liabilities	b	0	1,769	(1769)
Insurance & Intermediaries Payables	c	12,024	0	12,024
Reinsurance Payables	d	66,203	58,609	7,594
Payables (trade, not insurance)	e	13,295	13,295	
Total Other Liabilities		131,181	113,763	17,418

D.3.1 Valuation bases, methods and main assumptions

- Deposits from reinsurers: Deposits received from reinsurers contain cash deposits withheld from reinsurers and are at face value under both Solvency UK and UKGAAP.
- Deferred Tax Liabilities: Under UKGAAP, deferred tax is recognised on the balance sheet in respect of timing differences, with deferred tax assets recognised only to the extent that it is probable that they will be recovered. In the Solvency UK balance sheet, deferred taxes are valued on the basis of the difference between the tax bases of assets and liabilities and their carrying values. A positive value to deferred taxes is only attributed where it is probable that future taxable profit will be available against which the deferred tax asset can be used, taking into account any legal or regulatory requirements on the time limits relating to the carry forward of unused tax losses or credits.
- Insurance and Intermediaries Payables: The insurance and intermediaries payables relate mainly to Insurance Premium Tax ("IPT") and Written But Not Incepted ("WBNI") business. The insurance payables are presented on a net basis under Solvency UK. This causes a classification difference in presentation between the Solvency UK balance sheet and the UKGAAP annual accounts. See also Insurance and Intermediaries Receivables.
- Reinsurance Payables: The reinsurance receivables are netted with the reinsurance payables which results in a liability under Solvency UK. This causes a difference in presentation with the UKGAAP annual accounts. The valuation is the same under UKGAAP and Solvency UK.
- Payables (trade, not insurance): The remaining payables relate to other liabilities and are valued at face value. The valuation is the same under UKGAAP and Solvency UK as the payables are short term in nature.

D.4 Other information on the valuation for Solvency purposes

Other information regarding the valuation of assets and liabilities of AIUK for Solvency UK purposes are as follows:

- Volatility Adjustment (“VA”): AIUK did not apply any volatility adjustments.
- Transitional risk-free interest rate term structure: AIUK has not applied the transitional risk-free interest rate term structure.
- Transitional deduction: AIUK has not applied a transitional deduction.
- No Matching Adjustments (“MA”) were used.

No other material information regarding the valuation of assets and liabilities warrants disclosure.

D.4.1 Assumptions around future management actions and policyholder behaviour

The business plan is built on a number of assumptions including the reinsurance programme for the year, the expense ratio, and investment return. These assumptions are articulated as part of the business plan.

The plan is also based on selected loss ratios for each class of business. The reserving methodology applied by AIUK is based on the results of several commonly used reserving methodologies. These include the loss development method, Bornheutter-Ferguson method, and the Loss per Exposure method.

Loss ratios are reviewed each year as part of the business planning therefore should policy holder behaviour change (or indeed other factors affecting the loss ratios such as retrospective legal changes impacting claims) this will be factored into the business plan.

D.5 Any other information

There are no additional matters to report.

E. Capital Management

Below is defined 'what is required' (accountabilities) and 'what must be carried out' (processes and procedures) to manage capital consistently across the Accelerant Group.

The objectives of the Capital Management Framework of AIUK are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- Maintain financial strength to support new business growth;
- Satisfy the requirements of its policyholders and regulators;
- Retain financial flexibility by maintaining strong liquidity;
- Allocate capital efficiently to support growth; and
- Comply with quantitative requirements of Pillar 1 of the Solvency UK Directive.

The Capital Management Framework requires AIUK to maintain a target capital ratio of 150%. Any capital deficit outside the target capital is expected to trigger a capital contribution by the parent company or other measures to restore the capital position of AIUK, subject to the approval of the parent company's Board of Directors.

Every quarter, the required regulatory capital is calculated. AIUK received capital injections in 2025 listed in table below from the parent company to increase the solvency coverage ratio to support planned business growth.

Date	Capital increase (in £'000)
28/03/2025	6,700
27/06/2025	15,000
26/09/2025	11,000
22/12/2025	10,000

The CFO and CRO make sure that there is regular, timely and effective monitoring of capital positions. To ensure that capital efficiency and a sufficient capital base are maintained, AIUK completes the following:

- Actual Capital Base - UKGAAP Equity, Solvency UK Equity, SCR coverage ratio and return on key asset classes is calculated and reviewed at least annually in line with ORSA Policy;
- Ad hoc basis - when there is a significant event that affect AIUK's business strategy;

Internal reporting of capital positions: the CFO and CRO make sure that there is regular and effective internal reporting of the capital positions to the Board and senior management;

External reporting of capital positions: the Group produces the following in accordance with Solvency UK requirements:

- Quantitative Reporting Templates (“QRTs”);
- Solvency and Financial Condition Report (“SFCR”);
- Own Risk and Solvency Assessment (“ORSA”).

E.1 Own funds

Please refer to below table which illustrates the breakdown of the structure, amount and quality of own funds at the end of the reporting periods being 31 December 2025. The three Tiers are defined as follows:

- Tier 1 own funds is capital that has no features causing or accelerating insolvency e.g. ordinary share capital.
- Tier 2 ancillary own funds are items of capital other than basic own funds which can be called up to absorb losses e.g. unpaid share capital, letters of credit or guarantees.
- Tier 3 ancillary own funds are items of capital which when called up would not qualify as Tier 1.

Group

Basic Own Funds	December 2025	
	Total (in £)	Tier 1 – unrestricted (in £'000)
Ordinary Share Capital	108	108
Share premium account related to ordinary share capital	103,753	103,753
Reconciliation Reserve	998	998
Total Basic Own Funds	104,859	104,859

AIUK

Basic Own Funds	December 2025	
	Total (in £)	Tier 1 – unrestricted (in £)
Ordinary Share Capital	1,602	1,602
Share premium account related to ordinary share capital	102,803	102,803
Reconciliation Reserve	308	308
Total Basic Own Funds	104,713	104,713

AIUK has a simple shareholding structure made up of Tier 1 issued share capital that is 100% admissible under Solvency UK.

The reconciliation reserve mainly comprises consolidated losses as per the UKGAAP financial statements coupled with the post-tax impact of changes between the UKGAAP and Solvency UK valuation of assets and liabilities described in section D.

E.1.1 Own Funds objectives, policies and processes

The main objectives to manage and monitor AIUK's own funds and capital are:

- Ensure that the eligible capital continuously meets the applicable regulatory requirements and the levels established in the Risk Appetite.
- Ensure that the projected eligible capital continuously meets the applicable requirements throughout the period covered.
- Ensure that AIUK has a medium-term Capital Management Plan in place through the ORSA.
- Capital management will take into account the results from the ORSA, as well as the conclusions reached during that process.
- Further to the capital management planning within the ORSA, AIUK performs a quarterly SCR projection to ensure that the projected eligible capital continuously meets the solvency margins of the Risk Appetite.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

A split of the SCR and Minimum Capital Requirements ("MCR") and the eligible capital are displayed in the following tables:

Description	Capital Requirement (in £'000)	Eligible Capital (in £'000)	Solvency Ratio
Group SCR	61,249	104,859	171%
AIUK SCR	61,249	104,713	171%
AIUK MCR	15,312	104,713	684%

SCR – By Risk Category	Group/AIUK 2025 (in £'000)	Group/AIUK 2024 (in £'000)
Market Risk	9,051	4,169
Counterparty Default Risk	5,103	5,897
Health	193	301
Non-Life Underwriting Risk	44,586	27,890
<i>Diversification Benefit</i>	-8,438	(5,599)
Basic Solvency Capital Requirement	50,495	32,658
Operational Risk	12,523	2,185
<i>Loss absorbing capacity of deferred tax (LACDT)</i>	(1,769)	(744)
Solvency Capital Requirement	61,249	34,099

The value of the SCR is reduced to allow for the loss absorbing capacity of deferred tax ("LACDT"). This adjustment is calculated in accordance with Article 207 of the Regulation and is equal to the change in the value of deferred taxes that would result from an instantaneous loss amount that is equal to the Basic SCR plus operational risk.

There is no additional diversification benefit at The Group Level.

The differences between the UKGAAP and SUK valuations of the Group's and Company's Equity are set out in the table below:

GROUP

Explanation of Variances	in £'000
UKGAAP – Excess of Assets over Liabilities	99,553
Solvency UK – Excess of Assets over Liabilities	104,859
Variance	5,306
Difference in the valuation and classification of assets	(104,997)
Difference in the valuation of technical provisions	92,885
Difference in the valuation and classification of other liabilities	17,418
Variance	5,306

AIUK

Explanation of Variances	in £'000
UKGAAP – Excess of Assets over Liabilities	99,407
Solvency UK – Excess of Assets over Liabilities	104,713
Variance	5,306
Difference in the valuation and classification of assets	(104,997)
Difference in the valuation of technical provisions	92,885
Difference in the valuation and classification of other liabilities	17,418
Variance	5,306

Through an assessment carried out as part of the ORSA process, AIUK has concluded that the Standard Formula appropriately reflects the risks of the business, given the size and complexity of AIUK. This is evidenced as described below.

E.2.1 Overall

AIUK does not have a different correlation structure than the one assumed for the Standard Formula. The classes and types of risk included in the SCR cover all quantifiable risks faced by AIUK for the next 12 months. The Standard Formula model quantifies each of the five main risk categories that AIUK is exposed to, being Market Risk, Counterparty Default Risk, Operational Risk, Health Underwriting Risk and Non-Life Underwriting Risk.

E.2.2 Analysis of the SCR

E.2.2.1 Operational Risk

Over the past year, AIUK has continued to build on its adequate risk management framework which is considered to be at a standardised level as per the SCR assumptions. Even though the SCR does not define a 'standardised' level of risk management, it is assumed that it implies that all material risks are identified, monitored, measured and mitigated using standard risk management tools such as the continuous use of the risk register.

Under the Standard Formula, the Operational Risk is determined by the larger of the Premiums-based and Provisions-based Risk Components, while being capped at 30% of the Basic SCR ("BSCR").

For AIUK, the Provisions-based Risk Component drives the Operational Risk component.

E.2.2.2 Non-Life Underwriting Risk

Non-Life risk can be broken down further as follows:

- **Premium and Reserve Risk**
 - This is currently the main driver of Non-Life Underwriting Risk, relating to projections of both premiums and reserves, subject to the timing and impact of future use of alternative capacity providers mentioned earlier in this document.
- **Lapse Risk**
 - This is a minor component of Non-Life Underwriting Risk because of the short term nature of the contracts.
- **Catastrophe Risk**
 - Catastrophe Risk is another key driver of the Non-Life Underwriting Risk module. It is mitigated by a well-diversified portfolio across the UK and a number of quota share ,excess of loss reinsurance contracts in place together with an aggregate stop-loss.
 - Catastrophe Risk can be further split into Natural Catastrophe, Man-Made Catastrophe and Other Catastrophe, of which NAT CAT is the highest.

E.2.2.3 Health Underwriting Risk

The (Similar to Non-Life) Health Underwriting Risk submodule follows a similar argumentation as for Non-Life Underwriting Risk, but its materiality is much lower as a whole.

E.2.2.4 Market Risk

The Market Risk that applies to AIUK can be further split into the following categories under the Standard Formula:

- **Concentration Risk**
 - AIUK's investment portfolio is divided over a number of well-diversified, highly liquid Undertakings managed by Wellington Asset Management.

- For these reasons, AIUK is not materially exposed to a single counterparty on its investment portfolio which is not captured by the SCR.
- **Spread Risk**
 - The funds are invested in Money Market Funds.
 - AIUK's bond portfolio is relatively standard and therefore the spread assumptions in the SCR are appropriate.
- **Interest Rate Risk**
 - AIUK is not materially exposed to changes in the shape of the yield curve or to inflationary / deflationary risk.
- **Currency Risk**
 - AIUK's currency risk is limited as its insurance business is mainly in GBP. Furthermore, the quota share reinsurance contracts require the reinsurance balances to be settled in the original currency of the policies.

E.2.2.5 Counterparty Default Risk

Counterparty Default Risk can be split into Type 1 exposures, which are based around risk-mitigating contracts with counterparties that are likely to have credit ratings, including reinsurers, banks and cedents counterparties; or Type 2 exposures, which encompass all others, including intermediaries and policyholders.

Counterparty Default Risk for AIUK is driven by three main drivers:

- **Reinsurance (Type 1)**
 - Consists of rating-based scenarios that involve a Loss Given Default ("LGD") for each counterparty that AIUK is exposed to.
 - AIUK has a panel of QS reinsurers whereby each benefit from a strong rating by an External Credit Assessment Institution ("ECAI") or collateral. We also have a AM Best A- rated intra-group QS reinsurance agreements with Accelerant Re (Cayman) Ltd and Accelerant Re I.I. (ARPR).
- **Outstanding bank balances (Type 1)**
 - Counterparty Default Risk is also driven by bank balance held with the banks. AIUK needs to maintain an adequate buffer in its bank accounts to meet its insurance and non-insurance commitments on time.
- **Insurance balance receivable (Type 2)**
 - The capital charge is also incurred on insurance premiums receivable from the Members which is classified as type 2 exposure and is subject to a 15% capital charge for the balance not more than 90 days overdue from the agreed credit terms, and a capital charge of 90% for the balance more than 90 days overdue from the agreed credit terms.

E.2.2.6 Simplification Methods Used

AIUK uses one of the simplification methods set out within the Solvency UK Regulations and guidelines, which is proportional to the nature and scale of the business: Risk Margin simplification method 2, being the Proportional Risk Margin calculation, was used within the Standard Formula Model.

E.2.3 Analysis of the MCR

The MCR is determined using the Standard Formula. Through the use of the Standard Formula, the boundaries of the MCR are determined as follows:

- The MCR is capped at 45% of the SCR, whilst
- The lowest allowed Capital Requirement, i.e. the floor of the MCR, is set at 25% of the SCR. Additionally, there is the Absolute Minimum Capital Requirement of £3.5m.

For 2025, AIUKs MCR was defined by the floor set out in the Standard Formula.

Description	in £'000
SCR	61,249
MCR	15,312

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

AIUK does not make use of a duration-based equity risk sub-module set out in article 304 of Directive 2009/138/EC for the calculation of the Standard Formula SCR.

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

Neither the Group, or AIUK makes use of a (partial) internal model for the calculation of the SCR.

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

During the full reporting period AIUK was compliant with its MCR and SCR.

E.6 Any other information

We have set out to fully comply with the Standard Formula calculation of MCR and SCR and are not aware of any non-compliance. There is a risk within areas of interpretation as to the methodologies and procedures in arriving at these outputs. The Board utilises the expertise of its internal and external advisors to ensure that industry benchmarking, shared knowledge, procedures, and learnings help to mitigate this. To date we have not identified any area where these uncertainties are likely to lead to a material misstatement of our capital requirements.

Appendix

Appendix i: Directors' statement in respect of the SFCR

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

We are satisfied that:

- a) throughout the financial year in question, the Group has complied in all material respects with the requirements of the PRA Rules and the Solvency UK Regulations as applicable to the Group; and
- b) it is reasonable to believe that the Group has continued so to comply subsequently and will continue so to comply in future.

On behalf of the Board



Mike Melsom

Chief Financial Officer

Date: 02.04.2025

Appendix ii: Quantitative Reporting Templates

Basic Information (Group)

Entity: AUHU - Accelerant Insurance Limited UK

Scenario: 2025 Solvency II

Period: Annual

Currency: GBP - Pound Sterling

PRA QRT: IR.01.02

		C0010
Entity name	R0010	Accelerant Insurance Limited UK
Entity identification code	R0025	213800X5UHKV2UWAE715
Type of identification code	R0035	1 - LEI
Country of incorporation	R0052	GB
Country of the group supervisor	R0055	GB
Sub-group information	R0060	1 - No sub-group information
Language of reporting	R0070	EN
Reporting submission date	R0080	2026-04-02
Financial year end	R0081	2025-12-31
Reporting reference date	R0090	2025-12-31
Regular/Ad-hoc submission	R0100	1 - Regular reporting
Currency used for reporting	R0110	GBP
Accounting standards	R0120	2 - The undertaking is using local generally accepted accounting principles ('GAAP') (other than IFRS)
Method of Calculation of the group SCR	R0130	1 - Standard formula
Use of group specific parameters	R0140	2 - Don't use undertaking specific parameters
Ring-fenced funds	R0150	2 - Not reporting activity by RFF
Method of group solvency calculation	R0160	1 - Method 1 is used exclusively
Matching adjustment	R0170	2 - No use of matching adjustment
Volatility adjustment	R0180	2 - No use of volatility adjustment
Transitional measure on the risk-free interest rate	R0190	2 - No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	R0200	2 - No use of transitional measure on technical provisions
Initial submission or re-submission	R0210	1 - Initial submission
Exemption of reporting ECAI information	R0250	0 - Not exempted

Balance sheet (Group annual)

Entity: AUHU - Accelerant Insurance Limited UK

Scenario: 2025 Solvency II

Period: Annual

Currency: GBP - Pound Sterling

PRA QRT: IR.02.01

		Solvency II value C0010	Statutory accounts value C0020
Assets			
Goodwill	R0010		
Deferred acquisition costs	R0020		23,932,270
Intangible assets	R0030		
Deferred tax assets	R0040		
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060		
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	258,878,442	258,878,432
Property (other than for own use)	R0080		
<i>Holdings in related undertakings, including participations</i>	<i>R0090</i>		
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	169,361,636	169,361,637
Government Bonds	R0140	76,346,650	
Corporate Bonds	R0150	93,014,987	
Structured notes	R0160		
Collateralised securities	R0170		
Collective Investments Undertakings	R0180	89,516,805	89,516,794
Derivatives	R0190		
Deposits other than cash equivalents	R0200		
Other investments	R0210		
Assets held for index-linked and unit-linked contracts	R0220		
Loans and mortgages	R0230		
Loans on policies	R0240		
Loans and mortgages to individuals	R0250		
Other loans and mortgages	R0260		
Reinsurance recoverables from:	R0270	107,410,802	169,442,404
Non-life and health similar to non-life	R0280	107,410,802	
Life and health similar to life, excluding index-linked and unit-linked	R0315		
Life index-linked and unit-linked	R0340		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360	29,907,752	51,889,573
Reinsurance receivables	R0370		7,163,313
Receivables (trade, not insurance)	R0380	4,055,593	4,055,593
Own shares (held directly)	R0390		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	5,298,414	3,191,135
Any other assets, not elsewhere shown	R0420	12,834,951	4,830,571
Total assets	R0500	418,385,953	523,383,290

Balance sheet (Group annual)

Entity: AUHU - Accelerant Insurance Limited UK

Scenario: 2025 Solvency II

Period: Annual

Currency: GBP - Pound Sterling

PRA QRT: IR.02.01

Solvency II value	Statutory accounts value
C0010	C0020

Liabilities

Technical provisions - total	R0505	199,712,238	292,597,807
Technical provisions - non-life	R0510	199,712,238	292,597,807
Technical provisions - life	R0515		
Best estimate - total	R0542	194,024,634	
Best estimate - non-life	R0544	194,024,634	
Best estimate - life	R0546		
Risk margin - total	R0552	5,687,604	
Risk margin - non-life	R0554	5,687,604	
Risk margin - life	R0556		
Transitional (TMTP) - life	R0565		
Other technical provisions	R0730		
Contingent liabilities	R0740		
Provisions other than technical provisions	R0750		
Pension benefit obligations	R0760		
Deposits from reinsurers	R0770	40,090,186	39,659,385
Deferred tax liabilities	R0780	1,768,869	
Derivatives	R0790		
Debts owed to credit institutions	R0800		
Financial liabilities other than debts owed to credit institutions	R0810		
Insurance & intermediaries payables	R0820		12,023,930
Reinsurance payables	R0830	58,608,595	66,202,709
Payables (trade, not insurance)	R0840	13,346,646	13,346,646
Subordinated liabilities	R0850		
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870		
Any other liabilities, not elsewhere shown	R0880		
Total liabilities	R0900	313,526,534	423,830,477
Excess of assets over liabilities	R1000	104,859,419	99,552,813

Own Funds - Group

Entity: AUHU - Accelerant Insurance Limited UK
 Scenario: 2025 Solvency II
 Period: Annual
 Currency: GBP - Pound Sterling
 PRA QRT: IR.23.01

			Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3	
			C0010	C0020	C0030	C0040	C0050	
Basic own funds	Ordinary share capital (gross of own shares)	R0010	108	108				
	Non-available called but not paid in ordinary share capital at group level	R0020						
	Share premium account related to ordinary share capital	R0030	103,753,385	103,753,385				
	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040						
	Subordinated mutual member accounts	R0050						
	Non-available subordinated mutual member accounts at group level	R0060						
	Surplus funds	R0070						
	Non-available surplus funds at group level	R0080						
	Preference shares	R0090						
	Non-available preference shares at group level	R0100						
	Share premium account related to preference shares	R0110						
	Non-available share premium account related to preference shares at group level	R0120						
	Reconciliation reserve	R0130	1,105,926	1,105,926				
	Subordinated liabilities	R0140						
	Non-available subordinated liabilities at group level	R0150						
	An amount equal to the value of net deferred tax assets	R0160						
	The amount equal to the value of net deferred tax assets not available at the group level	R0170						
	Other items approved by supervisory authority as basic own funds not specified above	R0180						
	Non available own funds related to other own funds items approved by supervisory authority	R0190						
	Minority interests (if not reported as part of a specific own fund item)	R0200						
	Non-available minority interests at group level	R0210						
	criteria to be classified as Solvency II own funds	R0220						
	Deductions	Deductions for participations where there is non-availability of information	R0250					
Deduction for participations included by using D&A when a combination of methods is used		R0260						
Total of non-available own fund items		R0270						
Total deductions	R0280							
Total basic own funds after deductions	R0290	104,859,419	104,859,419					
Ancillary own funds	Unpaid and uncalled ordinary share capital callable on demand	R0300						
	type undertakings, callable on demand	R0310						
	Unpaid and uncalled preference shares callable on demand	R0320						
	A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330						
	Letters of credit and guarantees	R0340						
	Letters of credit and guarantees other	R0350						
	Supplementary members calls	R0360						
	Supplementary members calls - other	R0370						
	Non available ancillary own funds at group level	R0380						
	Other ancillary own funds	R0390						
Total ancillary own funds	R0400							
Own funds of other financial sectors	management companies - total	R0410						
	Institutions for occupational retirement provision	R0420						
	Non regulated entities carrying out financial activities	R0430						
	Total own funds of other financial sectors	R0440						
	Own funds when using the D&A, exclusively or in combination of method 1	Own funds aggregated when using the D&A and combination of method	R0450					
		Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
		Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	104,859,419	104,859,419			
		Total available own funds to meet the minimum consolidated group SCR	R0530	104,859,419	104,859,419			
	Consolidated Group SCR	Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	104,859,419	104,859,419			
		Total eligible own funds to meet the minimum consolidated group SCR	R0570	104,859,419	104,859,419			
Minimum consolidated Group SCR	R0590	61,248,599						
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0610	171%						
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0630	171%						
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0650							
SCR for entities included with D&A method	R0660	104,859,419	104,859,419					
Group SCR	R0670							
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0680	171%						
Reconciliation reserve	Excess of assets over liabilities	R0700	104,859,419					
	Own shares (held directly and indirectly)	R0710						
	Foreseeable dividends, distributions and charges	R0720						
	Deductions for participations in financial and credit institutions	R0725						
	Other basic own fund items	R0730	103,753,493					
	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740						
	Other non available own funds	R0750						
Reconciliation reserve	R0760	1,105,926						

Solvency Capital Requirement

Entity: AUHU - Accelerant Insurance Limited UK

Scenario: 2025 Solvency II

Period: Annual

Currency: GBP - Pound Sterling

PRA QRT: IR.25.04

			C0010	
Net of loss-absorbing capacity of technical provisions	Market risk	Interest rate risk	R0140	9,051,422
		Equity risk	R0070	7,036,588
		Property risk	R0080	0
		Spread risk	R0090	0
		Concentration risk	R0100	4,834,261
		Currency risk	R0110	0
		Other market risk	R0120	1,257,439
		Diversification within market risk	R0125	0
			R0130	-4,076,866
			R0180	5,102,919
	Counterparty default risk	Type 1 exposures	R0150	4,926,919
		Type 2 exposures	R0160	231,600
		Other counterparty risk	R0165	0
		Diversification within counterparty default risk	R0170	-55,600
	Life underwriting risk		R0270	
		Mortality risk	R0190	
		Longevity risk	R0200	
		Disability-Morbidity risk	R0210	
		Life-expense risk	R0220	
		Revision risk	R0230	
		Lapse risk	R0240	
		Life catastrophe risk	R0250	
		Other life underwriting risk	R0255	
		Diversification within life underwriting risk	R0260	
	Total health underwriting risk		R0320	192,595
		Health SLT risk	R0280	
		Health non SLT risk	R0290	192,595
		Health catastrophe risk	R0300	
		Other health underwriting risk	R0305	
	Non-life underwriting risk		R0310	
		Diversification within health underwriting risk	R0370	44,586,474
		Non-life premium and reserve risk (ex catastrophe risk)	R0330	38,084,633
		Non-life catastrophe risk	R0340	15,480,465
Lapse risk		R0350	1,756,601	
	R0355	0		
	R0360	-10,735,226		
	R0400			
Intangible asset risk		R0430	12,522,688	
Operational and other risks	Operational risk	R0422	12,522,688	
	Other risks	R0424		
Total before all diversification		R0432	86,323,790	
Total before diversification between risk modules		R0434	71,456,098	
Diversification between risk modules		R0436	-8,438,630	
Total after diversification		R0438	63,017,468	
Loss-absorbing capacity of technical provisions		R0440		
Loss-absorbing capacity of deferred taxes		R0450	-1,768,869	
Other adjustments		R0455		
Solvency capital requirement including undisclosed capital add-on		R0460	61,248,599	
Disclosed capital add-on - excluding residual model limitation		R0472		
Disclosed capital add-on - residual model limitation		R0474		
Solvency capital requirement including capital add-on		R0480	61,248,599	
Undisclosed capital add-on - residual model limitation		R0482		
Capital add-on		R0484		
Biting interest rate scenario		R0490		
Biting life lapse scenario		R0495		
Information on other entities	Capital requirement for other financial sectors (Non-insurance capital requirements)	Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
		Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
		Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
	Capital requirement for non-controlled participation requirements	R0540		
	Capital requirement for residual undertakings	R0550		
Overall SCR	Solvency capital requirement (consolidation method)	R0555	61,248,599	
	SCR for undertakings included via D and A	R0560		
	SCR for sub-groups included via D and A	R0565		
Solvency capital requirement		R0570	61,248,599	

Group SFCR for signing

Final Audit Report

2026-04-02

Created:	2026-04-02
By:	Steven Clark (Steven.Clark@accelins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJuEuEiF5DK20NNuM63hpZLJhPdyWddya

"Group SFCR for signing" History

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-  Signer mike.melsom@accelins.com entered name at signing as Michael Melsom
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-  Document e-signed by Michael Melsom (mike.melsom@accelins.com)
Signature Date: 2026-04-02 - 11:00:50 AM GMT - Time Source: server
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