Supplementary Report of the Chief Actuary of Rothesay Life Plc on the Proposed Insurance Business Transfer Scheme Relating to the Transfer of Certain Annuity Business from The Prudential Assurance Company Limited to Rothesay Life Plc

May 2019

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Section 1 Introduction

Background

1.1. The purpose of this report is to provide an update to my initial report ("Report of the Chief Actuary of Rothesay Life Plc on the Proposed Insurance Business Transfer Scheme Relating to the Transfer of Certain Annuity Business from The Prudential Assurance Company Limited to Rothesay Life Plc") dated 21 January 2019, in order to provide any updates required to:

- describe my understanding of the proposed insurance business transfer scheme (the "Scheme") as defined in section 105 of Part VII of The Financial Services And Markets Act 2000 ("FSMA") relating to the transfer of the in-scope long-term insurance business of The Prudential Assurance Company Limited ("PAC") to Rothesay Life Plc ("RL"); and

- consider the implications of the proposed Scheme on the security and benefit expectations of existing RL policyholders and other beneficiaries of insurance policies issued by RL, including the principles to treat customers fairly and to manage conflicts of interest fairly.

1.2. This report has been prepared for the Board of Directors of RL in my capacity as the Chief Actuary of RL.

1.3. In this report I address the effects of the Scheme on the security and benefit expectations of the existing RL policyholders. For the purposes of this report I have interpreted 'policyholders' to include not only the individual policyholders (for instance, those arising from pension scheme buy-out arrangements) but also the trustee policyholders (for instance, those arising from pension scheme buy-in arrangements) and the individual pension scheme members in respect of whom the relevant buy-in liabilities relate. In addition, I have also interpreted 'policyholders' to include the contingent dependants of such other policyholders. I have also included PAC as a holder of reinsurance from RL.

1.4. In preparing this supplementary report and the previous report which it updates, I have been in regular contact with the Independent Expert, Nick Dumbreck FIA, of Milliman LLP, to consider all aspects of the proposed Scheme in detail. Mr Dumbreck produced an independent report ("The Part VII transfer of non-profit annuity business from The Prudential Assurance Company Limited to Rothesay Life Plc: The report of the Independent Expert") dated 21 January 2019, on the likely effect of the Scheme on the policyholders of both RL and PAC. The Prudential Regulation Authority ("PRA") had approved Mr Dumbreck as the Independent Expert following consultation with the Financial Conduct Authority ("FCA"). The Scheme Report is required by section 109 of FSMA as part of the procedure for gaining approval of the Scheme by the High Court of Justice of England and Wales (the "Court"). Mr Dumbreck is also producing a supplementary version of his report to provide an update on his opinions.

1.5. While this report is addressed to the Board of Directors of RL, it will also be provided to the Court, the Independent Expert, the PRA and the FCA in order to assist them with their considerations in relation to the proposed Scheme.

1.6. The contents of this report should be considered together with my original report, and the material information contained in the Independent Expert's report and supplementary report. I have not repeated in this report every fact which I considered in my original report, save where they are particularly material or where they either have changed or had the potential to change since the analysis which was used for that original report.

1.7. In preparing this supplementary report, I have considered any objections received from existing RL policyholders. These are set out in more detail in 5.14.

1.8. This report has been prepared for only those users listed in 1.5 above. As such this report assumes familiarity with the insurance industry in the UK, including the regulatory and legal framework under which insurance companies operate. Any other readers of this report may wish to consult relevant publicly available information relating to RL, including the most recent Annual Report and Accounts and Solvency and Financial Condition Report, which can be found on the RL website (RothesayLife.com).

1.9. I note that the Chief Actuary of PAC has produced a report which considers the impact of the Scheme on the transferring policyholders of PAC and on the remaining policyholders of PAC, and that the With-Profits Actuary of PAC has produced a report which considers the impact of the Scheme on PAC's with-profits policyholders, and that both are similarly producing supplementary reports. I have been in regular contact with the actuarial team at PAC and we have exchanged drafts of our respective supplementary reports.

Disclosures and reliances

1.10. I am a Fellow of the Institute and Faculty of Actuaries, having qualified in 2004, and hold a certificate issued by the Institute and Faculty of Actuaries to act as Chief Actuary (Life). I joined RL as Chief Actuary in April 2018, having previously been the Chief Actuary for Zurich Assurance Ltd, and I have over 15 years of experience working in the UK life assurance industry.

1.11. I do not hold any insurance policies issued by either RL or PAC, and have no direct financial interest in either company other than as an employee and minor shareholder of the Rothesay Life group. There are no other potential conflicts of interest.

1.12. In preparing this report I have had access to all relevant financial information in relation to RL. In forming my conclusions I have relied upon work carried out by other RL employees, which has been subject to suitable peer review where appropriate, and which I have challenged or investigated personally where material.

Compliance with Technical Actuarial Standards

1.13. The Financial Reporting Council ("FRC") sets technical standards for the members of the UK actuarial profession. This report is subject to and complies with these standards.

1.14. A full description of compliance with relevant actuarial standards is given in Section 6.

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Section 2 Executive summary

The key points of the proposed Scheme are as follows:

Reinsurance arrangements

2.1. PAC has reinsured a portfolio of in-payment and deferred annuities to RL. These policies will be referred to as the "PAC policies". It is intended that the Part VII transfer considered in this report will include the majority of these policies, other than a group of non-transferring policies (see 2.7).

2.2. The PAC policies have a variety of original sources, and include both individual and bulk annuity policies.

2.3. The reinsurance was structured as funded reinsurance where assets were passed from PAC to RL. The transaction was structured with security such that the reinsurance is fully collateralised. The collateral assets are held in a security arrangement for the benefit of PAC.

2.4. Under certain circumstances, which are unlikely to materialise, PAC would be entitled to terminate the reinsurance agreement, with the termination amount determined using an agreed approach. Such termination amount is supported by the collateral assets.

2.5. Prior to the reinsurance being effected with RL, PAC had put in place longevity reinsurance ("PAC Longevity Reinsurance") with a number of counterparties, providing protection against adverse movements in longevity experience for some but not all of the liabilities proposed to transfer under the Scheme. It is intended that these reinsurance contracts form part of the transfer of business and therefore RL will replace PAC as the cedant under those contracts.

The Scheme

2.6. Under the Scheme, PAC will transfer all insurance liabilities associated with the PAC policies to RL, other than the non-transferring policies as described in 2.7.

2.7. A subset of the reinsured PAC policies (approximately 10% of the total) would not form part of the portfolio of transferring policies under the Scheme. This mainly relates to deferred annuity liabilities, plus other schemes or benefits which would be difficult to transfer because of specific features. These non-transferring policies will be referred to as the "non-transferring policies" in this report.

2.8. The non-transferring policies will remain reinsured by RL under the existing reinsurance arrangement (appropriately amended to reflect the reduced scale of the reinsurance arrangement and its long-term nature).

2.9. On the effective date of the Scheme, expected to be 26 June 2019, any collateralisation and security features relating to the transferring liabilities will be terminated or unwound, and any policyholders or claimants in respect of the transferring PAC policies will be policyholders or claimants respectively of RL. Any policyholders or claimants in respect of the non-transferring policies will continue to be policyholders or claimants of PAC.

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Impact of the Scheme on RL

2.10. The reinsurance transaction entered into by RL and PAC was set up to replicate the economics of transferring the PAC policies from PAC to RL, on the assumption that the PAC Longevity Reinsurance will be transferred to RL. As a result, there is a negligible net financial impact for RL from cancelling the reinsurance transaction between PAC and RL and transferring the in-scope PAC policies from PAC to RL.

2.11. Following the Scheme RL will be responsible for ensuring the policies are appropriately managed and administered. RL and PAC have agreed that there will be a Transitional Services Agreement ("TSA") such that PAC will continue to provide administration services on behalf of RL for the transferring policyholders for a period of between 12 and 24 months after the effective date of the Scheme. Therefore following the Scheme, RL would have additional primary responsibilities and also have a new material outsourcing relationship to manage. A new long-term administrator will be appointed by RL to provide administration services after the TSA ends. This may be one of RL's existing third-party administrators or a new administration provider.

2.12. I have considered the impact of the potential residual mis-selling liabilities that will transfer to RL under the Scheme and which are not currently included as part of the reinsurance. While the impact of these liabilities is potentially large, given the time which will have elapsed since the initial sales of the policies I have assessed the likelihood of any material impact on the security of RL's existing policyholders as being very small.

2.13. I am not aware of any other expected or potential adverse impacts on RL or RL's policyholders which would result from the transfer.

2.14. Upon completion of the Scheme, PAC will lose all security and recourse to any collateralised assets of RL in relation to the transferring PAC policies, save in relation to any collateral assets required in respect of the non-transferring policies. Overall this will provide a liquidity management benefit, increase RL's ability to manage the asset portfolio, and provide a small reduction in operational expense for RL.

2.15. On transfer of the PAC Longevity Reinsurance RL will also have additional reinsurance contracts to manage including new reinsurance counterparties, but RL has extensive experience in managing reinsurance contracts of this type.

Opinion of the Chief Actuary

2.16. In light of the considerations set out in this report and my original report, I have concluded that:

- the security of the current policyholders of RL is not likely to be adversely affected as a result of the proposed transfer;
- the reasonable benefit expectations of the current policyholders of RL are not likely to be adversely affected as a result of the proposed transfer;
- the administrative arrangements applicable to the policyholders of RL are not likely to be adversely affected as a result of the proposed transfer;
- there are no features of the proposed Scheme that appear to me to breach either of the principles to treat customers fairly or to manage conflicts of interest fairly; and
- there are no features of the proposed Scheme that appear to me likely to prejudice Court approval of the Scheme.

Section 3 Significant events since 30 June 2018

3.1. The analysis in my original report considered the financial position as at 30 June 2018. Details of any relevant significant events since that date and my view of the impact are set out below. The financial position as at 31 December 2018 is set out in Section 4.

3.2. The financial position as at 30 June 2018 was based upon the Solvency II Standard Formula. On 3 December 2018 the PRA approved RL's application to use an internal model to calculate part of its required capital, with the rest continuing to use Standard Formula; this is known as a Partial Internal Model ("PIM"). As such the 31 December 2018 values shown in Section 4 are calculated using the PIM.

3.3. A small amount of new bulk annuity business was written by Rothesay Life in the second half of 2018. There were no unusual features relating to this business and the impact of writing this business is reflected in the financial position of RL as at 31 December 2018.

3.4. In September 2018 RL issued £350m of Restricted Tier 1 subordinated notes, which was used to pay a dividend to RL's parent, Rothesay Holdco UK Limited (RHUK) in order to repay bank debt.

3.5. There are no other material events which have taken place since 30 June 2018 which are relevant to my considerations within this report. However there have also been some changes to RL's asset portfolio, market conditions (e.g. interest rates) have changed (albeit not materially), and RL has carried out its annual review of actuarial assumptions used to calculate technical provisions. All of these are also reflected in the 31 December 2018 financial position.

3.6. Since 31 December 2018 RL has agreed to the sale of a small portfolio of Irish annuities worth around €140m, such that they can continue to be serviced regardless of the impact of the UK leaving the European Union. None of the transferring policies are impacted and the impact on RL's financial position is small.

3.7. None of the points described above have caused me to revise my overall opinions as set out in my original report.

3.8. There have been no other material events subsequent to 31 December 2018, and I am not aware of any material events planned either between the date of this report and the expected effective date of the business transfer, or indeed subsequent to that date, which would cause me to revise my opinions as to the impact of the Scheme on the security of RL's existing policyholders.

Section 4 Financial position post transfer

Solvency II capital

4.1. Solvency II is a strong capital regime designed to provide a high level of policyholder security. Solvency II is a risk-based regime which applies to insurers in the European Union (EU) which means that insurers are required to hold capital commensurate with the level of risk that they operate with. Companies are expected to hold sufficient excess capital such that they can withstand adverse scenarios measured at the 99.5% confidence level over one year.

4.2. I note that in the event that the UK leaves the EU it is expected that the Solvency II regime will continue to apply in the UK, with a number of technical changes to ensure that it is adopted as part of UK law.

4.3. As mentioned in Section 3, RL has applied for and been granted permission to use an internal model to calculate part of its Solvency Capital Requirement (SCR). This replaces some of the Standard Formula calculations, which are designed to be applicable to most insurers across the EU, with bespoke calculations which more accurately reflect the risk profile of the specific insurer (e.g. the assets or liabilities it has). The rest of the SCR is then calculated using the Standard Formula; the combination of internal model and Standard Formula is the PIM.

4.4. RL's capital management policy aims to maintain a solvency ratio of not less than 130% on a Solvency II "Pillar 1" basis, that is, to have surplus assets to cover at least 130% of the SCR, calculated using the PIM.

4.5. Under Solvency II a firm is also obliged to consider the capital it believes that it needs in order to meet its own targets, a process known as the Own Risk and Solvency Assessment ("ORSA"). RL's capital policy in relation to the ORSA is to hold sufficient excess capital such that RL can withstand adverse scenarios measured at the 99.8% confidence level over one year, where the required capital is measured using RL's own view of the risks it has rather than using the PIM. RL would therefore seek to hold the greater of the capital calculated under the ORSA or 130% of the regulatory SCR, both of which give a high level of protection against adverse experience. In practice it is the Solvency II Pillar 1 basis which is the more onerous, and this is expected to continue to be the case for the foreseeable future.

4.6. The Part VII transfer of the transferring PAC policies to RL will have no direct impact on the capital management policy. The capital policy will remain under regular review by the Board to ensure that it remains appropriate.

Capital position as at 31 December 2018

4.7. The Solvency II Pillar 1 position of RL before and after the proposed transfer (as if it had been effective on 31 December 2018) is set out in table 4.1. As the policies in question are reinsured to RL and the transaction was fully funded at the point of sale, with assets transferred to RL, there is no change in the solvency position of RL due to the Scheme. It is noted that the non-transferring policies described in Section 2 will not transfer under the Scheme and will remain reinsured by RL and this is reflected in the post-transfer position. This is the same conclusion as per the analysis carried out as at 30 June 2018 in my original report i.e. no financial impact as result of the Scheme.

Table 4.1: Solvency II Pillar 1 financial position (PIM) at 31 December 2018 before and after the proposed transfer (£m)

Rothesay Life Plc	Actual pre transfer	Pro-forma post transfer
Net Assets	36,089	36,089
Technical Provisions	32,195	32,195
Own Funds	3,895	3,895
Solvency Capital Requirement	2,163	2,163
Surplus	1,731	1,731
SCR cover (%)	180	180

4.8. The values of Technical Provisions shown above include the use of a matching adjustment in the valuation of the best estimate liability as approved by the PRA in November 2015. This involves the application of a spread to risk-free discount rates reflecting the liabilities being long-term and illiquid. The Scheme will not affect the ability of RL to apply the matching adjustment.

4.9. In common with many other firms in the UK, RL has been given approval by its prudential regulator the PRA to use a transitional adjustment to technical provisions. This reduces the technical provisions required in order to smooth the impact of moving to Solvency II. The transferring business will be eligible for such treatment as it was written before the start of the Solvency II regime. Both sets of numbers above (i.e. pre- and post-transfer) allow for a recalculation of the transitional on 31 December 2018, the day that the RL PIM came into effect for regulatory reporting purposes. The Scheme will not affect the ability of RL to apply this adjustment to technical provisions, and a recalculation of the adjustment is not required as a result of the Scheme since RL has already accepted the economic risks associated with the liabilities through the reinsurance contract agreed with PAC.

4.10. The Scheme, and the associated TSA described earlier, will not materially change the cost of administration, nor in the risks associated with those costs, compared to those currently assumed by RL, nor in the associated reserves or capital held in relation to expenses.

4.11. Before the transfer, some of the assets backing the reinsured liabilities are being held as collateral for PAC's benefit. There are some restrictions on the types of assets which can be held as part of this. After the transfer, these contractual restrictions relating to the transferring liabilities will be removed and RL will have more investment freedom. However RL does not anticipate fundamentally changing the types of asset held immediately following the transfer.

4.12. As at the date of the this report, the financial position of RL, as measured on a Solvency II PIM basis, has not materially changed from the figures presented in Table 4.1.

4.13. In summary, I do not expect the proposed transfer to have any impact on the Solvency II capital position of RL, and therefore no material impact on the security of RL's current policyholders.

Solvency II ORSA

4.14. In addition to the results shown above, I have also considered the ORSA position of the business before and after the proposed transfer, as if the transfer had become effective on 31 December 2018. As the PAC policies are reinsured to RL and the transaction was fully funded at the time of entering into the reinsurance, with assets transferred to RL, there is no change in the ORSA position of RL due to the Scheme. This was also the case in my original report. Therefore I remain of the view that there is no material reduction in the security of RL's policyholders as a result of the Scheme.

Section 5 Impact of proposed Scheme on existing RL policyholders

Impact on contractual terms applicable to existing RL policyholders

5.1. There are no intended changes within the proposed Scheme to the contractual terms of any of the existing RL policies.

5.2. The majority of the benefits payable under the existing RL policies are fully defined, or vary only in relation to an external data source (e.g. the level of an inflation index). Where RL has some discretion over payments to be made, for example in relation to the amount paid when a deferred annuity is transferred away from RL or other types of commutations, no changes in the approach or basis to be used are intended as a result of the Scheme.

5.3. No changes are intended to be made to the collateral or security arrangements in place with certain trustee policyholders.

Impact on security of benefits applicable to existing RL policyholders

5.4. As noted in Section 4 of this report, had the proposed Scheme been effective as at 31 December 2018, the capital impact to RL (including the transferred-in assets and liabilities of PAC) would have been nil, and RL would have continued to have capital in excess of the SCR, and in line with its capital management policy.

5.5. There would be negligible change in the security of benefits of RL policyholders if the proposed Scheme were to be approved, as the reinsured PAC liabilities and associated assets are currently held on the RL balance sheet and as such, the RL policyholders are already exposed to the overall risks associated with the PAC policies.

5.6. The costs associated with the transfer will be borne in part by RL and in part by PAC. No costs will be passed on to any RL policyholders. These costs are not material in the context of the assets of RL and will have no impact on the security of benefits for RL's policyholders.

5.7. As part of the Scheme some ancillary liabilities (in respect of the PAC policies) will transfer to RL, e.g. residual mis-selling risk. I do not consider these additional liabilities create a material additional risk for RL's existing policyholders.

5.8. Certain policyholders of RL benefit from access to the Financial Services Compensation Scheme ("FSCS"), which acts to provide a safety net should a company be unable to pay claims or benefits due to policyholders. Generally the FSCS covers all individuals and some businesses. The Scheme will not impact the rights of any of RL's current policyholders who are currently eligible to make a claim under the FSCS.

5.9. Upon completion of the Scheme, PAC will lose all security and recourse to any collateralised assets of RL in relation to the transferring PAC policies, save for any collateral required for the long-term reinsurance in respect of the non-transferring policies. This will provide a liquidity management benefit, give RL more freedom to manage the assets appropriately, and give a small reduction in operational expense for RL, therefore marginally improving the position for RL and its policyholders compared to continuing with the reinsurance.

Impact on administration applicable to existing RL policyholders

5.10. There are no significant administrative changes that will adversely affect existing RL policyholders as a result of the proposed Scheme.

Impact on PAC as a policyholder of RL

5.11. When undertaking the reinsurance of the PAC policies, the objective of the reinsurance was as a precursor to a Part VII transfer to ultimately remove the liabilities from PAC's balance sheet. Other than in respect of the non-transferring policies, all liabilities covered under the reinsurance agreement will also transfer and as such the security (i.e. collateral) currently in place will no longer be required for these transferring liabilities. In respect of the non-transferring policies, it is anticipated by RL and PAC that they will remain reinsured by RL under the existing reinsurance agreement (appropriately amended to reflect the reduced scale of the reinsurance arrangement and its long-term nature).

5.12. Therefore the Scheme does not adversely affect PAC as a policyholder.

5.13. The implications for individual PAC policyholders will be considered in full in the PAC Chief Actuary's report, in the PAC With-Profits Actuary's report and in the Independent Expert's report, and their respective supplementary reports.

Policyholder communications

5.14. As part of the Part VII transfer process, RL wrote to its existing policyholders (whose names and addresses were held on RL's database just prior to the relevant mailing date) to inform them of the proposed transfer, providing an opportunity to comment or object. As at 15 May 2019 10 objections have been received, which I have been provided with. They related to the following matters:

- Policyholders who believed they should have been informed earlier of the proposed transfer;
- Policyholders who were concerned with the security of benefits following the transfer;
- Policyholders who are concerned about the ongoing service standards that will apply to their policy following the transfer;
- Policyholders that are concerned they will have less control over the investment procedures as a result of the Scheme;
- Policyholders who believe that "no material adverse effect" is not sufficient reassurance and that that the proposed transfer should not have any adverse effect on policyholders;
- Policyholders who believe information is being withheld from them;

* Policyholders who do not wish to be transferred to RL due to already having a policy with RL and who wish to keep their policies with different companies in case one of the companies should become insolvent; and

* Policyholders who would like more information on the commercial reasons for the transfer.

5.15. All objections have been shared with the Independent Expert. Summaries have been or will be provided to the PRA and FCA, and appropriate responses have been or will be provided to all of the policyholders. I have considered the issues raised by the objections and the responses provided so far. None of the objections received provided any legitimate reasons why the Scheme should not go ahead, nor changed any of my opinions as set out in my original report.

Summary

5.16. Overall, in my opinion, the proposed Scheme and transfer of business is not likely to adversely affect the benefits, security or administrative arrangements applicable to existing RL policyholders. Consequently, I do not consider that the proposed Scheme would mean that the principles to treat customers fairly and to manage conflicts of interest fairly are likely to be breached.

Simon Johnson, FIA
Chief Actuary, Rothesay Life Plc
17 May 2019

Section 6 Compliance with actuarial standards

6.1. The Financial Reporting Council ("FRC") sets Technical Actuarial Standards ("TASs") for members of the UK actuarial profession.

6.2. The TASs relevant to this work are:

- TAS 100: Principles for Technical Actuarial Work
- TAS 200: Insurance

6.3. I have considered the extent to which TAS 300: Pensions applies, and I have concluded that although some of the insurance policies in scope of the Scheme insure benefits provided by pension schemes (i.e. through buy-in policies) and therefore the Scheme could impact on the security of members' benefits, the Scheme and the associated reinsurance are in relation to insurance arrangements, and TAS 300 does not introduce any relevant additional requirements over and above TAS 100 and 200.

6.4. I have also taken into account guidance issued by the Institute and Faculty of Acutaries (IFoA) in relation to the TASs.

6.5. It is my assessment that this Report, and the underlying work, complies with the relevant TASs.

6.6. The IFoA issues Actuarial Professional Standards (APSs) which members must comply with. I have considered the requirements of APS X1: Applying Standards to Actuarial Work and APS L1: Duties and Responsibilities of Life Assurance Actuaries and applied them to the extent relevant.

6.7. This Report has been prepared in accordance with the Actuarial Professional Standard APS X2: Review of Actuarial Work. The drafting of this Report included an internal review by another actuary in the company, Andrew Stoker FIA, and I have taken his feedback into account when producing this Report. The Scheme is subject to independent review by the Independent Expert which provides a further review of the conclusions of this Report. I am satisfied that in the context of the Scheme and the purpose of this Report, that this is sufficient peer review.

Glossary of terms used

Chief Actuary	The actuary appointed from time to time to carry out the duties set out in the Actuaries section of the PRA rulebook
Court	The High Court of Justice of England and Wales
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services & Markets Act 2000
Independent Expert	The individual appointed to report on the terms of an insurance business transfer scheme and approved by the PRA and FCA pursuant to Section 109 of FSMA
ORSA	Own Risk and Solvency Assessment. An internal assessment a company makes of its own risk profile and hence the capital needed to allow for those risks
Own Funds	A company's assets minus its liabilities, assessed on a Solvency II basis
PAC	The Prudential Assurance Company Limited
PAC Longevity Reinsurance	Longevity reinsurance contracts PAC had in place on some of the policies which are proposed to transfer to RL. It is anticipated that these contracts will transfer to RL as part of the overall insurance business transfer process.
PIM	Partial Internal Model, a type of internal model which may be used to calculate a company's SCR, subject to regulatory approval. Some of the risks are modelled using a bespoke internal calculation, with the remaining risks using the Standard Formula approach
PRA	Prudential Regulation Authority
RHUK	Rothesay HoldCo UK Limited, the parent company of RL
RL	Rothesay Life Plc (formerly known as Rothesay Life Limited)
Scheme	The proposed insurance business transfer scheme relating to the transfer of the business of PAC to RL
Scheme Report	The independent report required as part of the procedure for gaining approval of the Scheme by the Court
SCR	Solvency Capital Requirement under Solvency II

Standard Formula	A defined method for calculating a company's SCR, using techniques and calibrations intended to be applicable for the majority of insurance companies
Supplementary Report	An update to the Scheme Report (or, if the context infers, to this Report), which may be required for the secondary Court hearing reflecting any material changes that have occurred in the businesses
Surplus	The excess of a firm's Own Funds over its SCR
Technical Provisions	Solvency II base liability calculated as a sum of the Best Estimate Liability plus Risk Margin net of any transitional provisions