



From insight to action:

Managing risk in an era of transformation

LCP's ninth annual review of SFCR reporting by 100 of the largest non-life insurers in the UK and Ireland

August 2025



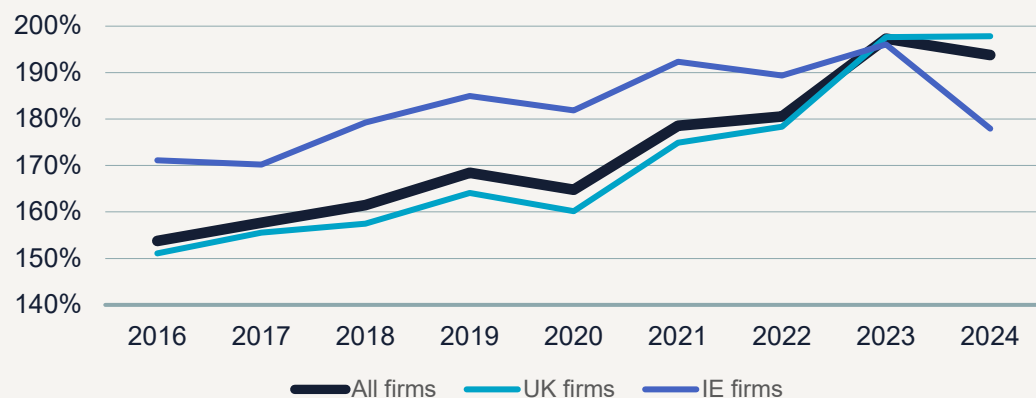
Headline insights from our review of 2024 SFCRs

Financial strength

The market grew in 2024, with gross written premium (GWP) up 7% to **£150bn**. While the overall market solvency coverage ratio dipped slightly to **194%**, UK insurers remained steady at 198%. The decline was driven by Irish insurers reducing from 196% to 178%, citing higher dividends, market conditions and risk profile changes.

After three years of double-digit GWP growth, early signs of market softening are emerging, particularly in lines such as non-proportional reinsurance and professional liability. Several SFCRs point to intensifying competitive pressure, driven by excess capacity and recent underwriting profitability. In response, insurers are focusing on pricing discipline and reinsurance optimisation.

Solvency coverage ratio across the UK and Irish markets (2016-2024)



Key risks



Geopolitical risk was mentioned by 64% of insurers, with a shift in focus from specific conflicts highlighted in 2023 to broader concerns about global instability in 2024.



Inflation continues to be widely cited, with 95% of insurers mentioning it. However, it is now seen as part of the ongoing business environment, rather than a short-term concern. We explored inflation in detail in last year's [report](#).



Emerging risks remained a focus in 2024, with 86 insurers mentioning them in their SFCRs. Commonly featured themes included labour market pressures, social risks, and environmental liabilities, particularly concerns around 'forever chemicals*'. Many firms also reported using structured frameworks, such as risk registers and scenario testing to assess emerging risks.



Climate change is now categorised into physical, transition, and liability risks by most insurers (54%) – some insurers have a detailed discussion, although others simply mention these categories.



Cyber risk was noted by 81% of firms, often linked to geopolitical tensions and operational resilience.

* a group of persistent synthetic substances (such as PFAS (Perfluoroalkyl and Polyfluoroalkyl Substances) that resist breaking down in the environment and can accumulate in living organisms.

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What we did

Our ninth annual review of the Solvency II/UK public reporting for 100 of the largest UK and Irish non-life insurers provides a snapshot of the sector's financial strength and risk landscape.

We analysed Solvency and Financial Condition Reports (SFCRs) and Quantitative Reporting Templates (QRTs) to assess:

- Solvency II balance sheets and capital positions
- Key risks and emerging themes
- Market-wide trends and peer benchmarking
- Key changes and emerging trends from the past year



Insurers that embed climate and cyber risks into their core risk frameworks will be better positioned to navigate regulatory and market shifts.

Matthew Pearlman, Partner, LCP



Recommendations for firms



Maintain capital resilience – Monitor capital strategies to maintain solvency strength in a softening market.



Formalise emerging risk governance – Establish structured frameworks including cross-functional working groups, emerging risk registers, and board-level oversight. Consider people risk and environmental liabilities (eg PFAS – see page 15), which are gaining visibility in SFCRs.



Embed climate risk into decision-making – Integrate physical, transition, and liability risks into scenario analysis, capital planning, and reinsurance strategy. UK firms should align with upcoming PRA expectations.



Evolve cyber and AI risk management – Enhance cyber resilience in response to geopolitical tensions. Treat AI as both a risk and an opportunity.



Maintain pricing discipline – In response to softening rates, reinforce pricing adequacy, optimise reinsurance structures, and monitor shifts in exposure to protect underwriting margins.

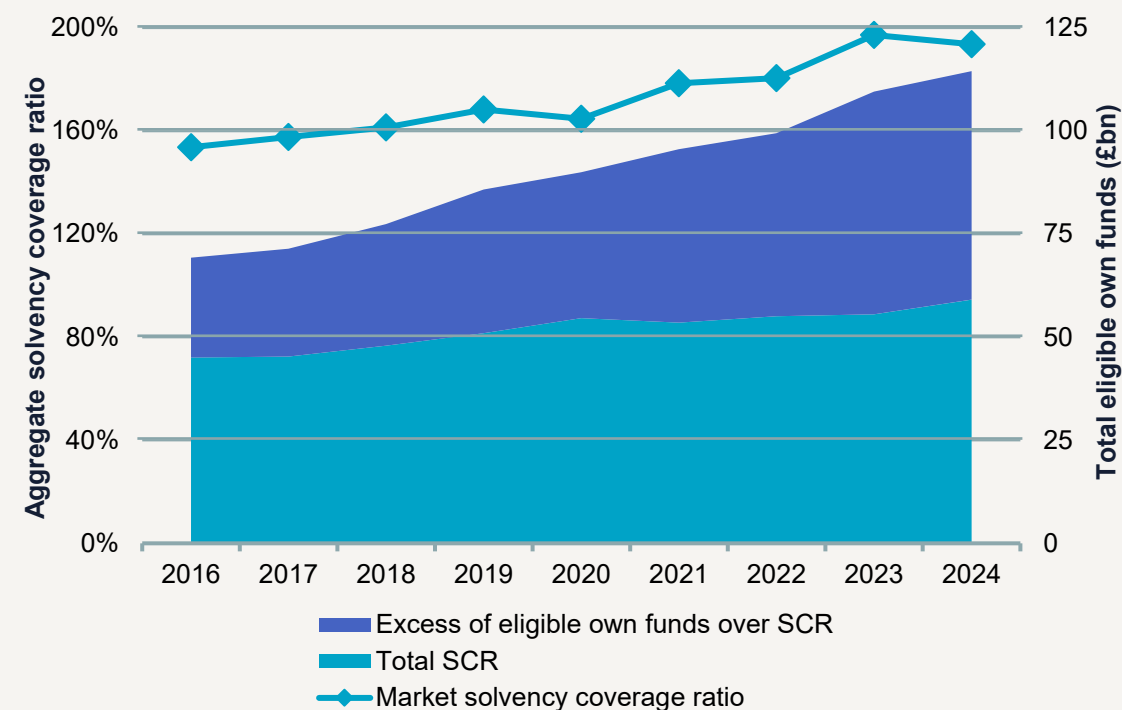
Financial overview

Financial strength of the market – 31 December 2024

We reviewed solvency coverage ratios for our sample of 100 insurers, for the market and individually.

The solvency coverage ratio – defined as eligible own funds divided by Solvency Capital Requirement (SCR) – is a key measure for a firm’s solvency and financial strength.

Solvency coverage ratio across the market (2016-2024)



Market view

Eligible own funds rose 5%* from £110bn to £115bn, while total SCR increased from £56bn to £59bn. This led to a slight fall in the market solvency coverage ratio from 197% in 2023 to 194% in 2024 – the first decline since 2020.

The fall is driven by Irish insurers, whose ratio dropped from 196% to 178%. Firms attribute this to:

- Higher dividends (eg **Beazley**, **Partner Re Ireland** and **SCOR Ireland**)
- Market conditions (eg **Bupa Global** and **Everest**)
- Risk profile changes (eg **Allianz Re**, **Everest**, **SCOR Ireland** and **XL**)

In contrast, UK insurers remained stable at 198% solvency coverage ratio over the year.

Individual insurer view

The fall in the market ratio is also reflected at the individual level. The average ratio across the 100 insurers fell slightly from 217% to 215%.

- Among Irish insurers, 59% saw a decline, contributing to an overall drop in the average ratio for that group.
- In the UK, 44% of insurers reported a reduction.

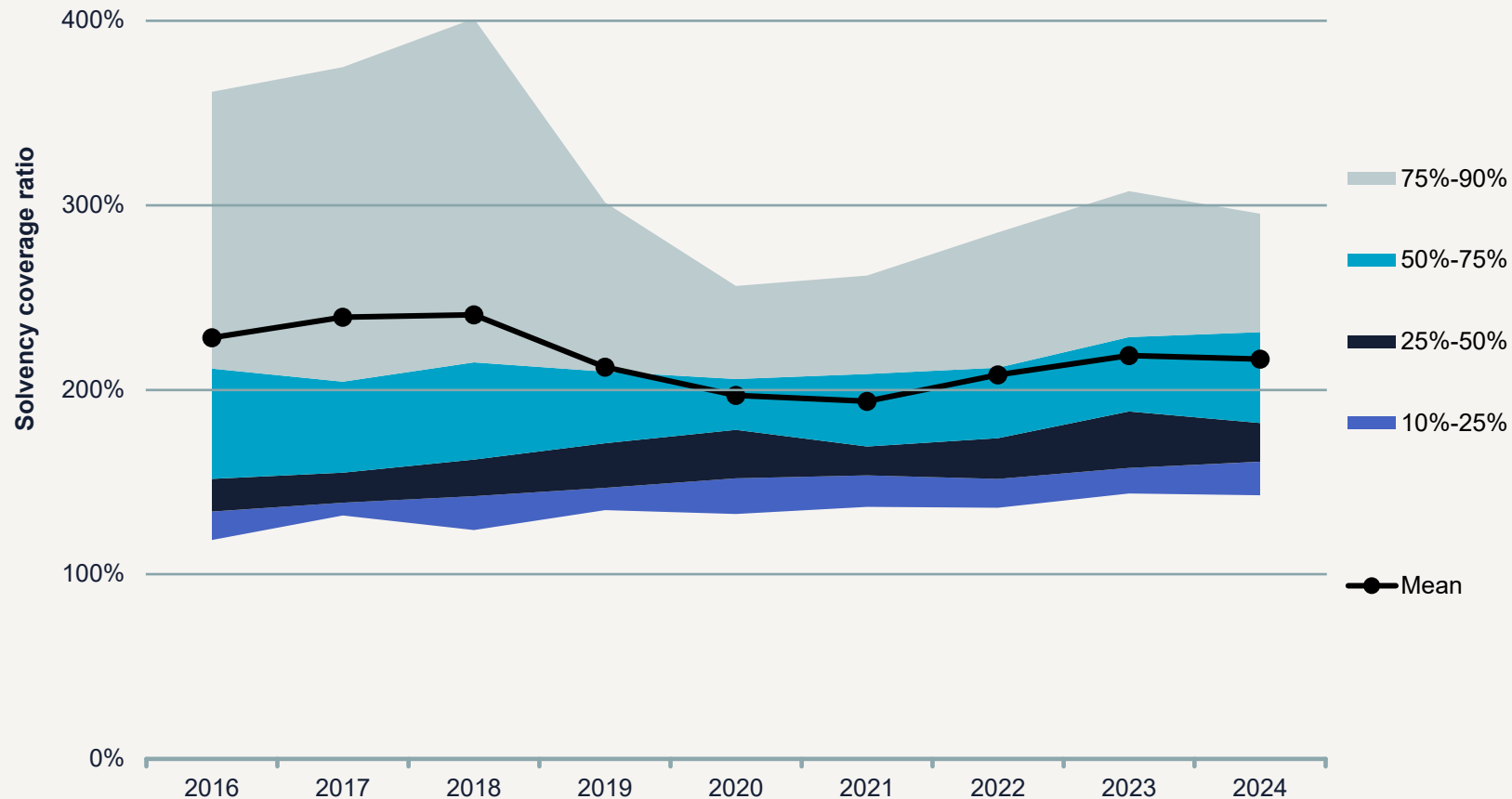
These figures suggest that while reductions were widespread, they were more concentrated among Irish insurers, which helps explain the sharper fall in their aggregate ratio.

* Movements year on year relate to changes for the 100 insurers we have selected for this year’s report.

Financial overview (continued)

Market-level solvency coverage ratios at each year-end since 2016

Percentile ranges and mean of solvency coverage ratios at each year-end



The average solvency coverage ratio across individual insurers fell slightly from 217% to 215%, although 2023 marked the highest average since 2018.

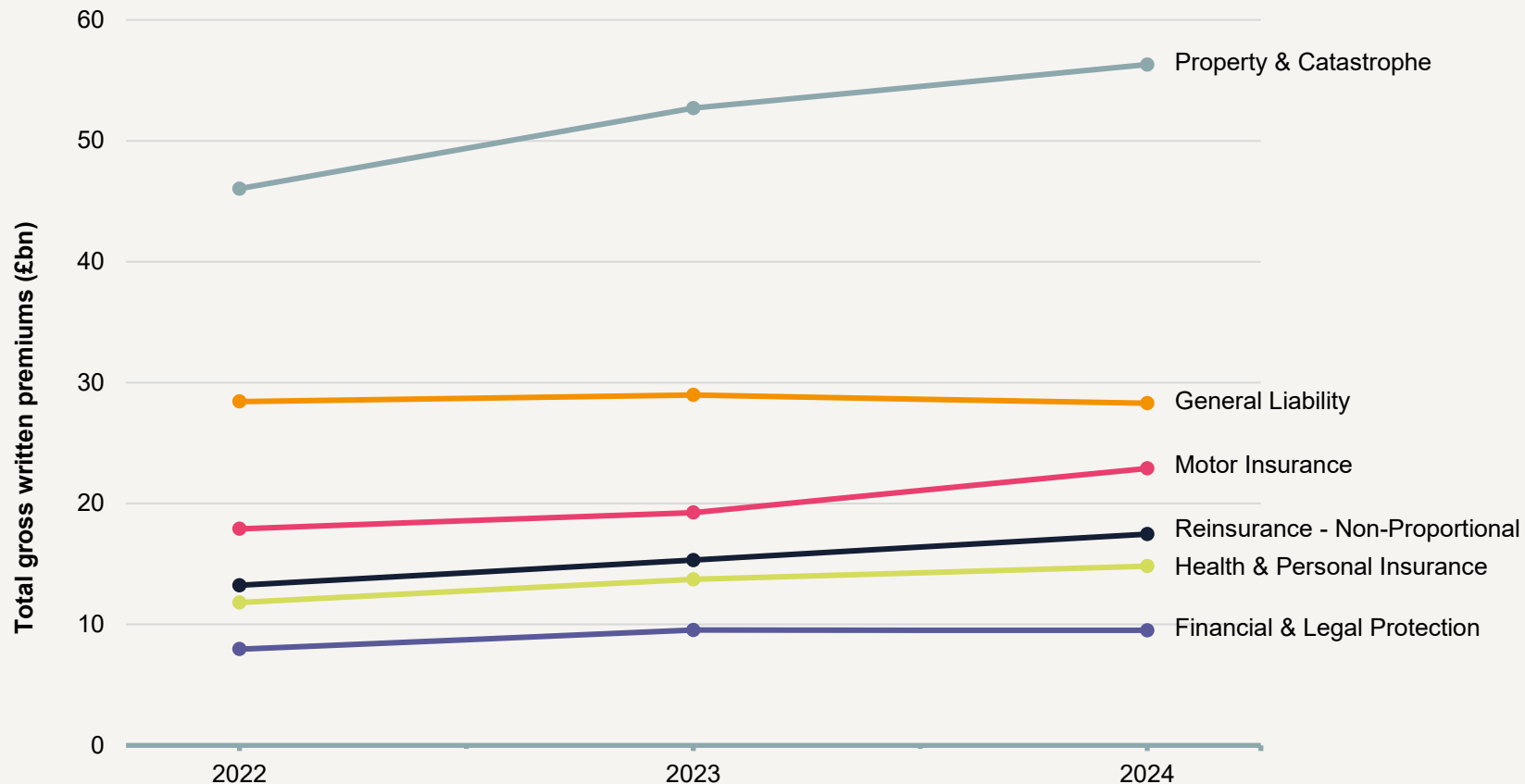
This modest decline suggests a slight weakening in the overall financial strength of the market when viewed on individual firm performance, as well as at aggregate capital levels.

The interdecile range (10th to 90th percentile) of solvency coverage ratios narrowed to 150% in the latest year, reversing the widening trend observed since 2021 and continuing the significant contraction seen since 2018. This could reflect regulatory pressure, improved risk management practices, or market conditions.

Financial overview (continued)

Breakdown of total gross written premium for grouped Line of Business

Gross written premium by grouped Line of Business (LoB) (2022-2024)



We have grouped the Solvency II/UK lines as shown in the appendix.

Total GWP increased by 7% over the past year to **£150bn** at the 2024 year-end. This growth is lower than seen in previous years as some lines enter a soft market.

Most groups experienced growth, with Property & Catastrophe showing the strongest increase – up 7% in GWP over the past year. Conversely, General Liability saw a 2% decline in GWP following three years of growth.

The fluctuations in business lines often reflect large shifts by individual insurers. For instance, **Euro Insurances** grew its GWP by £162m (a 69% increase), nearly all of which is in Motor insurance.

+ Key risk areas



Understanding key risk areas is not just about identifying threats. It's about empowering smarter decisions, building resilience, and staying ahead of uncertainty.

Wendy Kriz Evans, Principal, LCP

Geopolitical risk

Geopolitical risk remained a key theme in SFCRs this year. While many insurers focused on the conflicts in Ukraine and the Middle East, others acknowledged broader instability, including:

- Rising nationalism (eg **MetLife**, **SCOR Ireland**)
- Strained relations between global powers (eg **MetLife**, **Motors**, **RSA**)
- Potential for increased protectionist measures (eg **Direct Line**, **RSA**)

These developments were linked to financial market volatility, inflationary pressure, and operational uncertainty – factors that could significantly impact insurers’ investment performance, underwriting strategies, and overall risk exposure.

Cybersecurity risk






A number of insurers linked geopolitical tensions to heightened cyber risk (eg **Aviva**, **AXA XL**). **AXIS Re** noted the link and highlighted that cybersecurity threats are dynamic and fast evolving (see quote below). **Aviva** described its use of internal ethical hacking teams (see quote opposite).



Risks from cybersecurity threats are dynamic and fast evolving, and could be exacerbated by geopolitical tensions.

AXIS Re

Key stats

-  **64** insurers mentioned geopolitical risk
-  **36** discussed inflation or investment impacts
-  **28** evaluated whether they had direct exposure
-  **24** mentioned supply chain disruption
-  **12** linked geopolitical tensions to cyber risk



Increasing geo-political tensions have heightened the risk of cyber security attacks on the Group, Solo entities and Suppliers, ... Aviva’s cyber defences are regularly tested using our own ‘ethical hacking’ team.

Aviva

Geopolitical risk (continued)

Operational and indirect impacts

While direct underwriting losses from geopolitical exposure were generally limited, insurers reported a range of secondary effects in their SFCRs.

Inflation in claims and operational costs was a common theme, noted by **Arch** and **Sabre**. Supply chain disruption was also mentioned by **RSA** and **SCOR Ireland**.

Sanctions had a clear operational impact too – **AXA XL** and **Newline** highlighted the challenges they pose. **Arch** and **MetLife**, meanwhile, flagged increased market volatility as another source of uncertainty.



With regard to geopolitical issues, the Company provides very limited war coverage but is potentially exposed to secondary effects through the policies it writes. The main areas of focus have been the aviation, marine, directors and officers and cyber portfolios.

Berkshire Hathaway EU

Sector-specific exposure

Lines of business insurers most frequently flagged for geopolitical sensitivity in their SFCRs included:

- Aviation
- Marine
- D&O
- Cyber

Insurers report monitoring these portfolios actively for both direct and indirect impacts.



Cyber and AI risk

Cyber: Still front and centre

Cyber risk is acknowledged by 81 insurers, but only 5% are quantifying it, highlighting a gap between awareness and action.



5%

of insurers mention
quantifying cyber risk

What's changing in cyber risk?

- **Operational Resilience:** **AXIS Re** reported major enhancements to its cyber exposure management framework. **RSA Ireland** highlighted significant work in 2024 to align with the CBI's guidelines.
- **Risk appetite:** **Lloyd's** implemented a non-natural catastrophe risk appetite in Q1 2024 to monitor exposures to cyber risk.
- **Control Enhancements:** **Catalina** described 2024 as 'a transformative year', citing the launch of a 24/7 Security Operations Centre.
- **Regulatory Alignment:** **Arch EU** referenced preparations for the EU's Digital Operational Resilience Act (DORA), which came into effect on 17 January 2025.



[RSA Ireland] continues to work on improving cyber resilience controls and there was significant work performed during 2024 to align with the CBI Guidelines on Operational Resilience.

RSA Ireland

AI risk: Emerging, but underexplored

AI was mentioned by 29 insurers in 2024, though most references are high-level: both **Direct Line** and **HCC** report using AI specifically in underwriting, with **HCC** also explicitly describing AI as both a risk and an opportunity. Few insurers explored specific risks, such as bias, privacy breaches, or opaque decision-making. These risks are well-recognised across the market but are not yet reflected in the SFCRs.



The rise of AI can bring both risks and opportunities. Potential advantages could involve automating manual tasks in the data collection process for underwriting.

HCC

Climate change

Climate change remains a central and evolving theme in the SFCRs:

- 86 referenced climate-related risks (an increase from 84 at 2023).
- The depth of analysis and integration into risk frameworks varies significantly.

Risk categorisation

An increasing number of insurers (54) now explicitly categorise climate risks into physical, transition, and liability risks (eg **QBE** – see below) – up from last year. Some also mention reputational risk (eg **Newline** – see right).



The risk of reputational damage through climate change activism has been considered, although Newline does not have any obvious underwriting or investment exposures which might trigger this.

Newline

Solvency and Financial Condition Report

QBE European Operations plc

QBE UK Limited

QBE Europe SA/NV

For the year ended 31 December 2024

In line with SS3/19, exposures to physical, transition and liability risks are monitored and reported to RCG and the Board RCC on a quarterly basis using the EO Climate Risk dashboard ('CRD'). The CRD includes the following assessments:

- Physical risks: modelling of natural climate perils, for example assessing how EO's Insurance Concentration risk appetite statements would be impacted by future climate stress scenarios. When considering physical risks, Representative Concentration Pathway 8.5 ('RCP 8.5') is adopted, which is considered a 'worst-case scenario' and is based on a substantial global temperature increase.
- Underwriting Transition risks: modelling transition scenario impacts on sensitive industry sectors and assessing how they could impact EO's GWP derived from products written for customers in these sectors
- Investments Transition risks: assessments of specific EO's investment portfolios' exposure to transition risks.
- Liability risks: climate-related litigation trends are monitored, and scenario assessments are conducted – supported by the litigation monitoring work performed by the Legal team and
- Climate-related risks as they pertain to Operations KPIs and Claims trends.

Climate change (continued)

Scenario analysis and quantification

45 insurers described their approach to climate risk quantification. Stress and scenario analysis is now widely adopted, referenced in 34 SFCRs. Many firms align to established frameworks such as the Bank of England's CBES* (eg **AIG UK, Arch, Lloyd's**) or GIST** (**Convex, XL Re**).

HCC is developing a specific reverse stress test relating to climate change. Notably, even smaller insurers such as **TT Club** are engaging in meaningful scenario development, as illustrated in the quote below. This highlights that climate-related financial impacts are being considered across the market, regardless of firm size.



The scenario included an increase in the frequency of large property losses from windstorms, increased reinsurance costs and a fall in investment return.





TT Club

*CBES = Climate Biennial Exploratory Scenario

**GIST = General Insurance Stress Test

Commitments

21 insurers referred to formal climate commitments. Of these, 10 specified one or more target year - ranging from 2025 to 2050 - while the remaining 11 did not include a specific date.

Year	No of firms	Commitment type
2025	5	 Operational or investment targets in progress
2030	6	 Mid-term transition goals under development
2040	2	 Longer-term targets for sectoral change
2050	7	 Net-zero or full decarbonisation ambitions
N/A	11	Commitments made, but no target dates disclosed

Catastrophe modelling and monitoring

Broadly consistent with last year, 36 insurers noted they use catastrophe models in their SFCRs. Models used include:

- **Vendor models (Cov ea, Lloyds Bank, SCOR Ireland)**
- **Internal models**, often enhanced with proprietary data and expert judgement (**AXA, AXIS Specialty, HCC**)

Emerging risks

In 2024, 86 insurers mentioned emerging risks in their SFCRs, up slightly from 2023. While awareness remains high, the pace of development in how firms address these risks appears steady.

Many firms now describe structured frameworks that include:

- **Cross-functional working groups** involving Risk, Claims, Underwriting, and Exposure Management (eg **Covéa**, **CNA**, **Partner Re**, **VHI**)
- **Emerging risk registers** to monitor and assess new threats (eg **Bupa**, **Endurance**, **Riverstone**)
- **Board-level engagement**, with annual updates and thematic deep dives (eg **Assured Guaranty**, **British Gas**, **QBE**)

Lloyd's continues to support the market through its Futureset platform:



Lloyd's provide the market with research on emerging and systemic risks through our action leadership platform and community, Lloyd's Futureset.

Lloyd's

People risk

Labour market pressures were a recurring theme in the 2024 SFCRs.

- **Allianz Re** mentioned that there are certain roles which represent significant risk should the current employee leave.
- **MetLife** cited skills shortages, reskilling gaps, and challenges in attracting and retaining talent.
- **QBE** is positioning itself as the employer of choice by embedding its new global employee value proposition: 'Why QBE'.

These risks are often linked to broader socio-demographic shifts and are increasingly viewed as strategic.

Workforce wellbeing was also mentioned by 12 insurers, suggesting a potential emerging risk. This also highlights a growing recognition of the link between employee resilience and long-term business performance.

12%

of insurers mentioned
workforce wellbeing



Emerging risks (continued)

Sector-specific emerging risks

Several insurers referred to sector-specific emerging risks that reflect the changing nature of insurance markets. In motor insurance, **Arch** and **FBD** mentioned the growing adoption of lithium-ion batteries in electric vehicles. **FBD** went further to suggest this has introduced new fire and safety concerns, and also mentioned changes in urban vehicle ownership models. This may prompt a reassessment of traditional assumptions around exposure, usage patterns and pricing strategies.



Due to a greater number of electric cars, there is an increased use in lithium-ion rechargeable batteries which can present a higher risk of fire.

FBD

Proactive risk management

Some insurers are enhancing their emerging risk frameworks by incorporating tools such as emerging risk registers, scenario analysis, and reverse stress testing. These practices reflect a growing emphasis on strategic foresight and integration of emerging risks into broader governance processes. This approach is illustrated in the **AXIS Re** SFCR, which highlights how emerging risk management fits within a wider risk strategy, including risk appetite, stress testing, and reporting.

New emerging risks

Many insurers identified a range of emerging risks in their SFCRs. The two most commonly mentioned emerging risks were:

- **PFAS** (Perfluoroalkyl and Polyfluoroalkyl Substances): Often referred to as 'forever chemicals', these are synthetic compounds widely used in industrial and consumer products.
- They are highlighted for their potential long-tail

liability due to environmental and health concerns (**Arch**, **Berkshire Hathaway**, **Catalina**).

- **Social risk:** This includes socio-demographic changes, such as population growth, alongside social unrest and the growing influence of social media. These factors can affect underwriting decisions, investment portfolios, and operational resilience. Insurers including **Allianz Re**, **Arch**, **Beazley**, **Greenlight**, **IGI**, and **MetLife** and all referred to aspects of social risk in their SFCRs.



The Emerging Risks Working Group oversees the process for identifying, assessing, managing, monitoring and reporting current and potential emerging risks. They are regularly discussed and reviewed by the Company's Board Risk Committee.

AXIS Re

Regulation and reporting

Regulatory change

2024 marks the first reporting year under Solvency UK, the UK's post-Brexit adaptation of the Solvency II regime. The PRA saw this as an opportunity to introduce a more proportionate and flexible framework tailored to the UK insurance market, with changes in areas such as internal model approval and reporting templates. These reforms aim to streamline regulatory burdens while maintaining robust prudential standards.

Despite the shift, only 28 out of 61 UK insurers (46%) mentioned Solvency UK in their SFCRs. The low percentage could point to inconsistent engagement or readiness across the market in adapting to the new regime. On the other hand, it shows that, for most insurers, the changes do not affect their day-to-day operations.

Notably, the Quantitative Reporting Templates were revised into a UK-specific set, with some templates removed or simplified. Of the 61 UK insurers reviewed, 2 did not use the new templates. This can make it more difficult to compare across different firms.



Regulatory risk: The main risks here relate to the uncertainty about the regulatory focus.

MetLife

Climate risk supervision

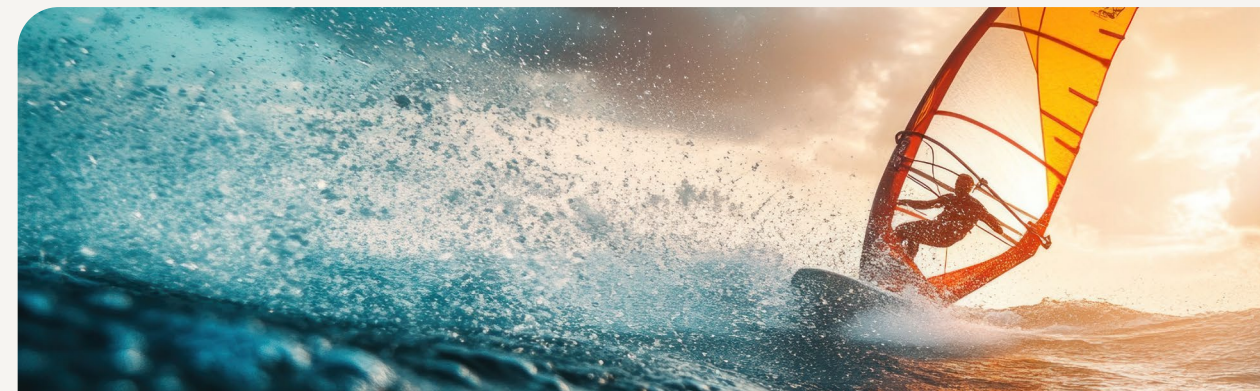
In April 2025, the PRA published Consultation Paper CP10/25, setting out enhanced expectations for how insurers should manage climate-related risks. These proposals align closely with the themes explored in the climate change section of this report, which outlines how firms are currently responding to environmental risk drivers.

We anticipate that next year's SFCRs will begin to reflect changes stemming from CP10/25 as firms adapt their governance, risk management, and disclosure practices.



46%

of UK insurers mentioned
Solvency UK in their SFCRs



Market conditions

Cyclical shifts

Following several years of rate hardening, early signs of softening began to appear in 2024. While only 15 insurers explicitly discussed 2024 as a turning point in the market, this likely reflects the early and uneven nature of the shift. Many firms may not yet see softening as material to their business or may be cautious about commenting publicly on pricing trends.

The shift toward a softer market was noted by insurers including **Arch**, **AXIS**, **Chaucer**, **esure**, **HCC**, **Markel**, **Partner Re**, **TransRe**. For example, **AXIS** noted ‘Rates and terms and conditions across the majority of insurance lines are expected to be more competitive in 2025.’

In relation to reinsurance business, **TransRe** said ‘Hardening of reinsurance rates has generally continued, but loss free XOL [excess of loss] has come under some pressure and there is a continued push for increased commissions on pro rata business.’



January 2025 renewals were more challenging than the previous year and several segments began to soften at a more notable pace.

Partner Re

Outlook for 2025

Competitive pressure – Several insurers point to intensifying competitive pressure heading into 2025, with rate softening observed across multiple lines of business. Two key drivers are consistently cited:

- **Excess capacity:** **AXIS Re**, **Chaucer**, **Newline**, **SCOR UK** and **TT Club** all highlight surplus capacity in the market, which is contributing to downward pressure on pricing. This is particularly evident in lines where recent loss experience has been benign, encouraging more aggressive underwriting.
- **Recent underwriting profitability:** Strong performance in recent years is also fuelling competition, as noted by **Markel** and **SCOR UK**. **TransRe** emphasises a strategy focused on underwriting profitability rather than top-line growth.

Strategic response – In response, insurers are adopting targeted strategies to protect underwriting margins and maintain discipline in a softening market:

- **Pricing discipline:** Emphasised by **AXIS** and **Newline** as a core tactic to maintain rate adequacy. **AXIS** noted ‘strong focus remaining on writing premium adequate business’ is needed and **Newline** said ‘We anticipate the opportunity to attract well priced new business will remain for business that continues to fall within our underwriting & pricing appetite.’
- **Reinsurance alignment:** Reinsurance is being used more strategically to support profitability. **AXIS Re** and **White Horse** are among those optimising their reinsurance structures.

+ Solvency and financial strength



GWP growth has begun to moderate after three strong years, with early softening visible in specific lines of business.

Matthew Pearlman, Partner, LCP

Financial strength by insurer type

At the end of 2024, the average solvency coverage ratio across our sample was 215%. We analysed how this varies by insurer type, allocating insurers to a grouped line of business if more than 55% of their 2024 GWP was in that line. Otherwise, they are classified as “multi-line”.

General liability insurers continue to report the highest average solvency capital ratios, although their levels have declined from 2023 – driven in part by a reduction in premium volumes. Motor and Health & Personal insurers remained at the lower end of the spectrum, with relatively narrow ranges across firms, suggesting more consistent capital management, or potentially

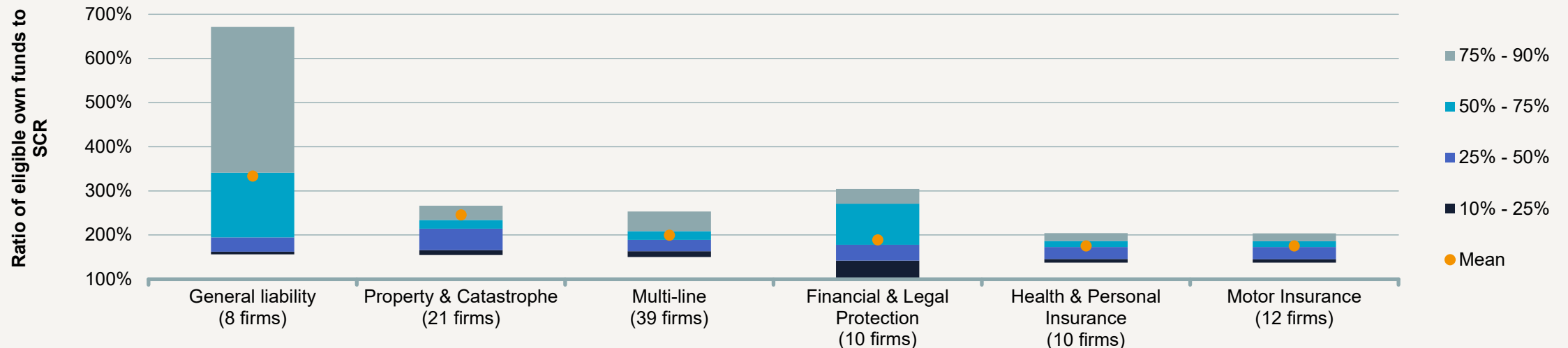
more competitive markets. Property & Catastrophe insurers saw a modest increase in average ratios, following a sharp rise in 2023. Note we have excluded **Municipal Mutual** as it has a negative ratio.



The gap between the highest and lowest capitalised insurer types remains significant, highlighting differing risk appetites, competitive pressures, and capital strategies.

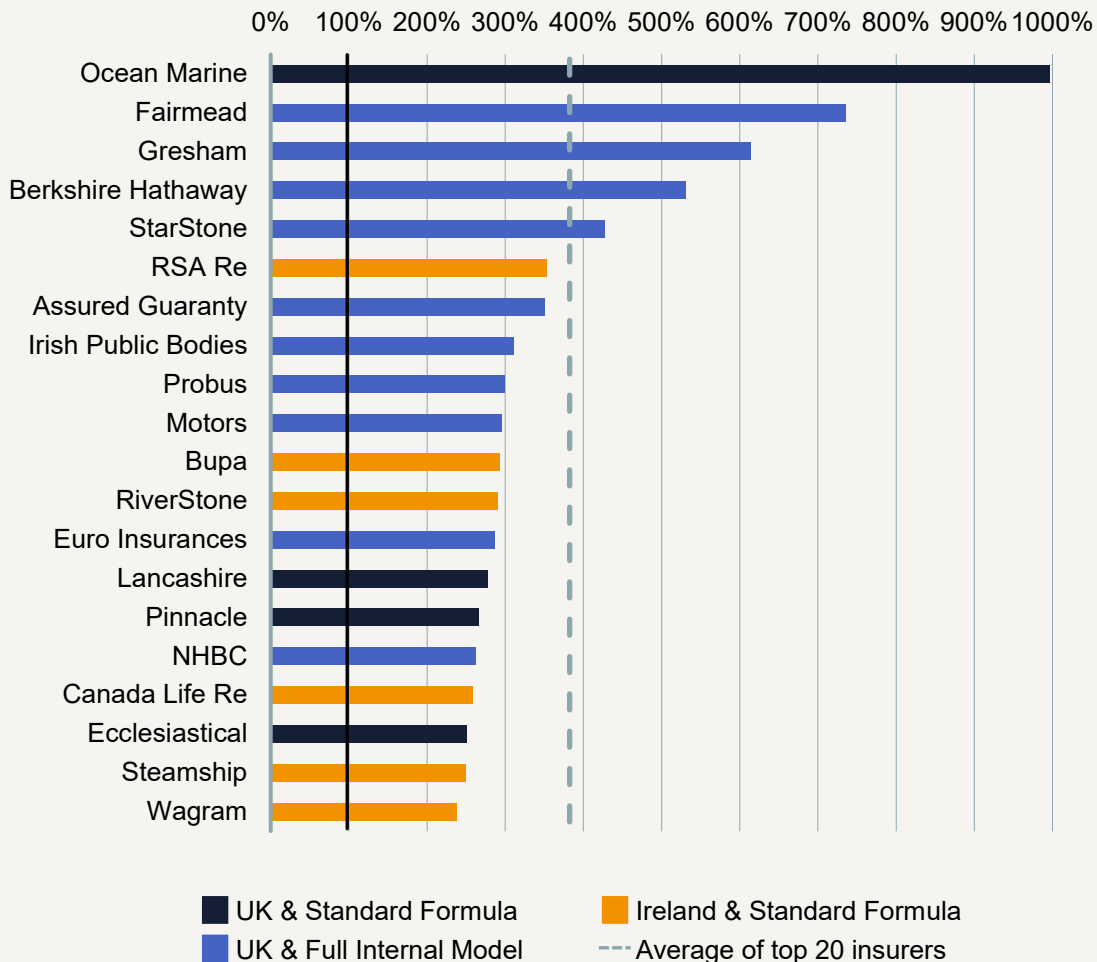
Matthew Pearlman, Partner, LCP

Percentile ranges of solvency coverage ratios by insurer type



Top 20 insurers by solvency coverage ratio

Solvency coverage ratios for the top 20 firms



The chart on the left shows the top 20 firms in our sample by solvency coverage ratio as at their 2024 year-ends

At the end of 2024, the average solvency coverage ratio among the top 20 insurers was 379%. This remains significantly above the overall market average of 215%, highlighting the continued strength of most well-capitalised firms.

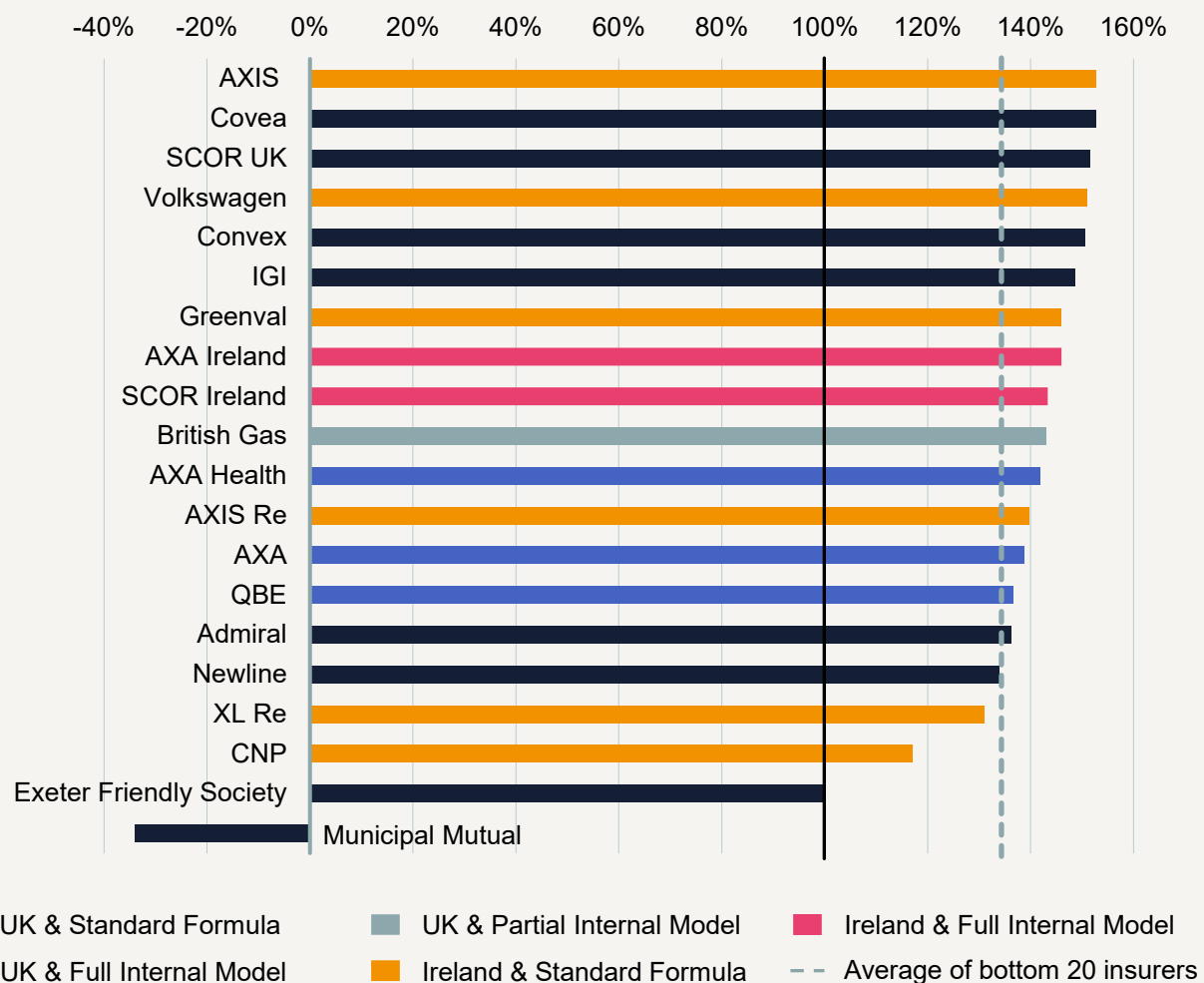
Ocean Marine (part of Aviva Group) leads the rankings with a ratio of 997%, well ahead of the next highest firms, **Berkshire Hathaway**, **Fairmead** (part of Allianz Group), and **Gresham** (also part of Aviva Group), all of which were in our top 20 last year. **Ocean Marine** was not included in our 2023 analysis as it did not meet the size threshold for the top 100. **Fairmead** moved from 13th to 2nd, increasing its ratio from 306% to 735%, as a result of reductions in exposure as the business runs off.

The top 20 includes a mix of UK and Irish firms, using both standard formula and internal models, reflecting a broad range of business models and regulatory approaches. 13 of the top 20 firms from 2023 retained their position in the top 20 in 2024, reflecting a relatively stable group of capital-strong insurers. Among the new entrants to the top 20, **RSA Re** saw a reduction in SCR reflecting the settlement of a large claim during the year. **StarStone's** increased ratio reflects a reduced SCR as the business runs off.

Note: **Marine Insurance** (RSA Group), which topped the list in 2023 with a ratio of 2,355%, is not included this year as it no longer meets the size threshold for inclusion in our sample of 100 top insurers.

Bottom 20 insurers by solvency coverage ratio

Solvency coverage ratios for the bottom 20 firms



At the end of 2024, the average solvency coverage ratio among the bottom 20 insurers was 141%. All maintained ratios above 100%, except **Municipal Mutual**, which has a negative ratio as it is technically insolvent.

Exeter Friendly Society reports a 100% ratio due to a ring-fenced fund which caps own funds at the total SCR. Without this restriction, the ratio would have been 195%.

Nine new insurers entered the bottom 20 this year, reflecting modest shifts in capital positions rather than significant deterioration. The presence of multiple entities from certain groups may suggest that group-level capital strategies are influencing local solvency positions. For instance, **SCOR Ireland's** dividend increase contributed to a decrease in its ratio from 231% to 143%, aligning more closely with **SCOR UK's** 152%.

CNP's ratio fell from 155% to 117%, reflecting an increase in SCR due to higher expected business volumes. In contrast **Travelers**, previously in our bottom 20 with a ratio of 156%, improved to 175% this year, thanks to stronger profits from premiums that have not yet been earned, which increased its available capital.

This year's bottom 20 includes a broader mix of model types and jurisdictions, highlighting the diversity of capital outcomes even among firms with similar regulatory frameworks.

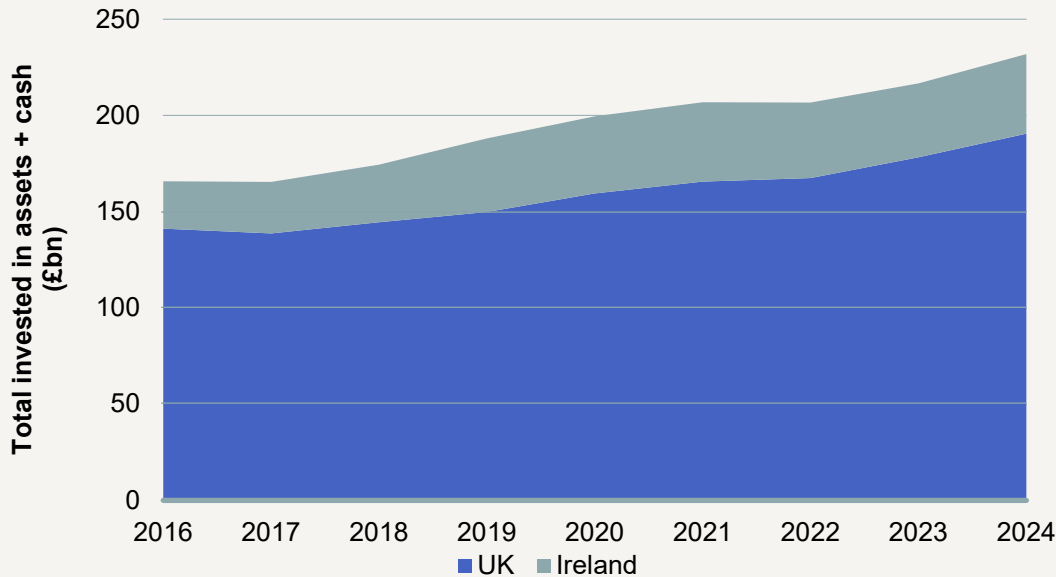
Investment disclosures

Market-wide investment trends

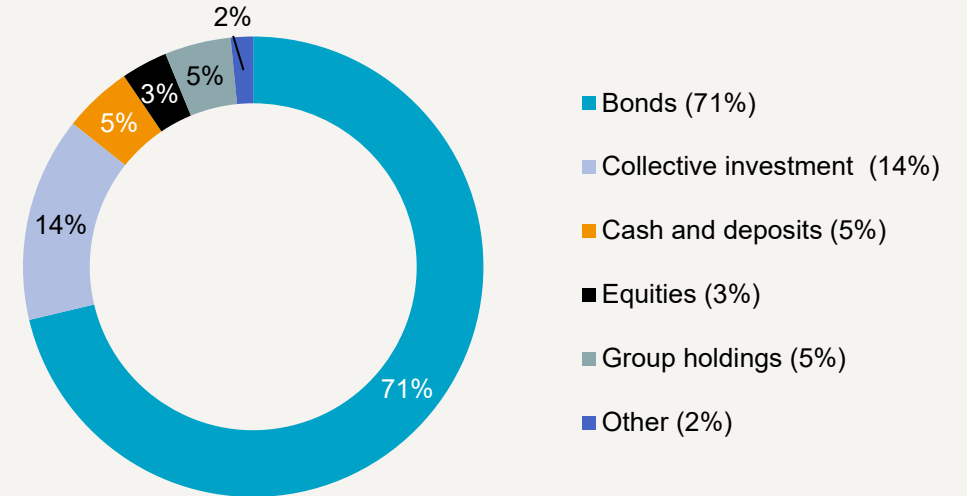
The charts below highlight how insurers' investment strategies have evolved. Total invested assets and cash have grown steadily, reaching approximately £232bn across 100 insurers by the end of 2024.

In the UK, this upward trend reflects a combination of market expansion, inflationary pressures, and shifting insurer strategies. In contrast, the trend in Ireland has been more variable, particularly in more recent years.

Market investments in assets and cash by country



Asset allocation at 2024 year-end



At year-end 2024, bonds continued to dominate, making up 71% of total invested assets, broadly unchanged from 2023.



Insurers continue to favour bonds, with limited diversification into equities or alternatives.

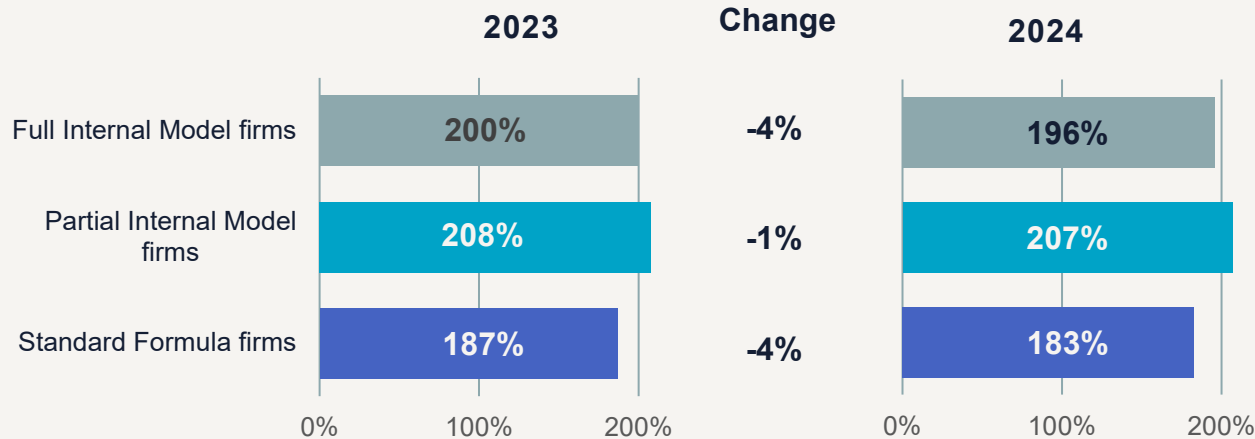
Wendy Kriz Evans, Principal, LCP

Capital calculation approaches

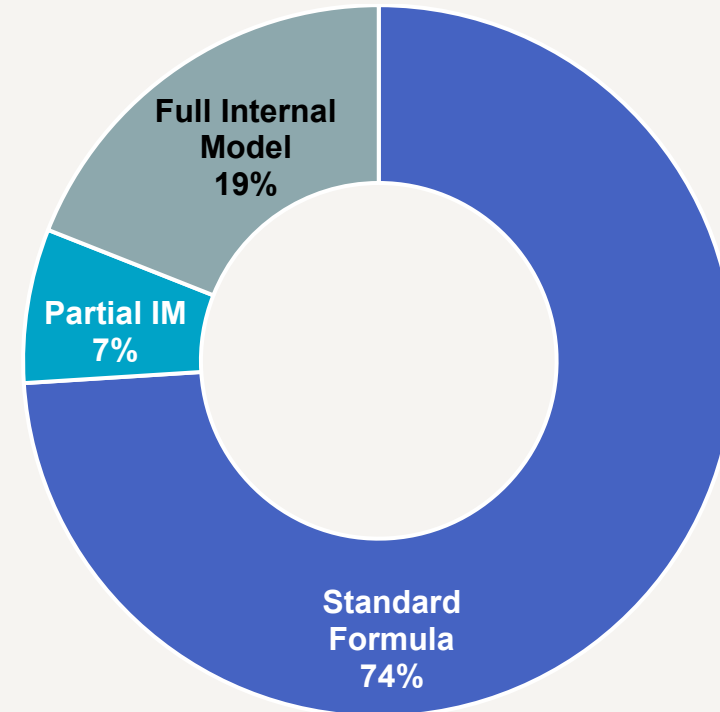
Under Solvency II, insurers calculate their SCR using one of three approaches: the standard formula or, subject to regulatory approval, a partial or full internal model that better reflects their specific risk profile.

The pie chart shows the proportion of firms using each approach. This distribution remains broadly consistent with the previous year, with the majority still relying on the standard formula.

Change in solvency coverage ratio by SCR calculation approach



Approach to calculating SCR



The infographic illustrates the change in market solvency coverage ratios by approach between 2023 and 2024. All three groups saw a decline in solvency coverage ratios over the year, mirroring the slight overall decrease across the full sample.

More from our team

LCP InsurSight

Our award-winning analytics and reserving platform for general insurers.

[Click here](#) to find out more and request a demo



Our viewpoint

[Personal lines report](#)

Key drivers of recent historical performance and projections of market performance.

We have a wide range of insurance blogs, available on: [Our Viewpoint](#)



Our roundtables

We host regular roundtable meetings (both in-person and virtual) for NEDs, Chief Actuaries and CROs as well as for reserving and capital specialists.

If you would like to attend our roundtables, please get in touch with [Nikki Freegard](#).



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The capital modelling landscape continues to evolve in a rapidly changing risk environment

Topics include soft market, geopolitical risk and reserve risk modelling.

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Powered by bright and passionate people, we help clients navigate complexity to make the decisions that matter. With market-leading capabilities across insurance, pensions and financial services, energy, health and analytics, we create and uncover new possibilities to help shape a more positive future.

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+ Appendix

Line of business groupings (Solvency UK)

To improve consistency and readability across this report, we have grouped Solvency UK lines of business* (LoBs) into broader categories. The table below sets out how individual LoBs have been mapped to these groupings.

Financial & Legal Protection	General liability	Health & Personal Insurance
Credit and suretyship	Employers' liability	Assistance
Legal expenses	Professional indemnity	Income protection
Miscellaneous financial loss	Public & products liability	Medical expense
	Other general liability	Workers' compensation
Motor Insurance	Property & Catastrophe	Reinsurance – Non-Proportional
Motor vehicle liability – non-personal lines	Fire and other damage – non-personal lines	Non-prop RI Casualty
Motor vehicle liability –personal lines	Fire and other damage – personal lines	Non-prop RI Health
Other motor – non-personal lines	Marine, aviation and transport	Non-prop RI Marine, Aviation and Transport
Other motor – personal lines		Non-prop RI Property

**Solvency UK adopts the same line of business groupings as Solvency II but introduces greater granularity in certain areas. Specifically, Motor vehicle liability, Other motor, and Fire and other damage to property are each split into personal and non-personal lines. Additionally, General liability is subdivided into Employers' liability, Public & products liability, Professional indemnity, and Other general liability.*

Survey constituents

To improve the readability throughout this report, we have shortened the names of some insurers when referring to them. The following table sets out the full entity names of the insurers we reviewed, together with the name used in this report, if applicable.

UK insurers

Insurance company name	Report name
Admiral Insurance Company Limited	Admiral
Ageas Insurance Limited	Ageas
AIG UK Limited	AIG UK
Aioi Nissay Dowa Insurance UK Limited	Aioi Nissay Dowa
Allianz Insurance plc	Allianz
Ambac Assurance UK Limited	Ambac
Arch Insurance (UK) Limited	Arch
Aspen Insurance UK Limited	Aspen
Assured Guaranty UK Limited	Assured Guaranty
Aviva Insurance Limited	Aviva
Aviva International Insurance Limited	Aviva International
AXA Insurance UK plc	AXA
AXA PPP Healthcare Limited	AXA Health
AXA XL Insurance Company UK Limited	AXA XL
Berkshire Hathaway International Insurance Limited	Berkshire Hathaway

Insurance company name	Report name
British Gas Insurance Limited	British Gas
Bupa Insurance Limited	Bupa
Catalina Worthing Insurance Limited	Catalina
CNA Insurance Company Limited	CNA
Convex Insurance UK Limited	Convex
Covea Insurance PLC	Covéa
DAS Legal Expenses Insurance Company Limited	DAS
Ecclesiastical Insurance Office plc	Ecclesiastical
Endurance Worldwide Insurance Limited	Endurance
esure Insurance Limited	esure
Exeter Friendly Society Limited	Exeter Friendly Society
Fairmead Insurance Limited	Fairmead
Fidelis Underwriting Limited	Fidelis
Gresham Insurance Company Limited	Gresham
HCC International Insurance Company plc	HCC

Survey constituents (continued)

UK insurers (continued)

Insurance company name	Report name
Highway Insurance Company Limited	Highway
Hiscox Insurance Company Limited	Hiscox
International General Insurance Company (UK) Limited	IGI
Lancashire Insurance Company (UK) Limited	Lancashire
Liverpool Victoria Insurance Company Limited	LV=
Lloyds Bank General Insurance Limited	Lloyds Bank
Markel International Insurance Company Limited	Markel
Motors Insurance Company Limited	Motors
Municipal Mutual Insurance Limited	Municipal Mutual
National House-Building Council	NHBC
Newline Insurance Company Limited	Newline
Pinnacle Insurance plc	Pinnacle
QBE UK Limited	QBE UK
RiverStone Insurance (UK) Limited	RiverStone
Royal & Sun Alliance Insurance Limited	RSA

Insurance company name	Report name
Royal & Sun Alliance Reinsurance Limited	RSA Re
Sabre Insurance Company Limited	Sabre
SCOR UK Company Ltd	SCOR UK
StarStone Insurance SE	StarStone
Steamship Mutual Underwriting Association Limited	Steamship
The Association of Underwriters known as Lloyd's	Lloyd's
The Equine and Livestock Insurance Company Limited	Equine and Livestock
The National Farmers Union Mutual Insurance Society Limited	NFU Mutual
The Ocean Marine Insurance Company Limited	Ocean Marine
Tokio Marine Kiln Insurance Limited	Tokio Marine
TransRe London Limited	TransRe
Travelers Insurance Company Limited	Travelers
TT Club Mutual Insurance Limited	TT Club
U K Insurance Limited	Direct Line
Unum Limited	Unum
Vitality Health Limited	Vitality

Survey constituents (continued)

Irish insurers

Insurance company name	Report name
Allianz p.l.c.	Allianz Ireland
Allianz Re Dublin Designated Activity Company	Allianz Re
Allied World Assurance Company (Europe) dac	Allied World
AmTrust International Underwriters DAC	AIU
Arch Insurance (EU) dac	Arch EU
Arch Reinsurance Europe Underwriting dac	Arch Re
Aviva Insurance Ireland Designated Activity Company	Aviva Ireland
AXA Insurance dac	AXA Ireland
AXIS Re SE	AXIS Re
AXIS Specialty Europe SE	AXIS
Beazley Insurance dac	Beazley
Berkshire Hathaway European Insurance DAC	Berkshire Hathaway EU
Bupa Global Designated Activity Company	Bupa Global
CACI Non-Life DAC	CACI
Canada Life Re Ireland dac	Canada Life Re

Insurance company name	Report name
Chaucer Insurance Company DAC	Chaucer
CNP Santander Insurance Europe dac	CNP
Euro Insurances Limited	Euro Insurances
Everest Insurance (Ireland) dac	Everest
FBD Insurance Plc	FBD
Greenlight Reinsurance Ireland dac	Greenlight Re
Greenval Insurance Company Limited	Greenval
Hamilton Insurance DAC	Hamilton
IPB Insurance CLG	Irish Public Bodies
MetLife Europe dac	MetLife
Partner Reinsurance Europe SE	Partner Re
PartnerRe Ireland Insurance dac	Partner Re Ireland
Pharma International Insurance dac	Pharma
Probus Insurance Company Europe DAC	Probus
RGA International Reinsurance Company DAC	RGA

Survey constituents (continued)

Irish insurers (continued)

Insurance company name	Report name
RiverStone International Ireland dac	RiverStone Ireland
RSA Insurance Ireland DAC	RSA Ireland
SCOR Ireland dac	SCOR Ireland
Vhi Insurance DAC	VHI
Volkswagen Insurance Company dac	Volkswagen
Wagram Insurance Company Limited	Wagram
White Horse Insurance Ireland dac	White Horse
XL Insurance Company SE	XL
XL Re Europe SE	XL Re

Survey notes

Summary of insurers analysed

The firms we analysed wrote £150bn of gross premiums during 2024 and held £167bn of gross best estimate technical provisions on their Solvency II/UK balance sheets at their 2024 year-end. 74 of these firms use the standard formula, 7 use partial internal models and the remaining 19 use full internal models to calculate their SCRs.

Groups vs solo entities

Some of the entities listed above are part of a larger group. When analysing the QRTs, we have considered only the QRTs of the solo entities listed. Where a firm has produced an SFCR at a group level for multiple solo entities, we have applied its comments to all entities within the group unless it explicitly disclosed otherwise.

Year-ends and market figures

A small proportion of firms analysed had a financial year-end that was not 31 December 2024. When we have aggregated figures within this report, we have done so for all companies, including those with other year-end dates during 2024 and Q1 2025.

Exchange rates

For those firms that do not report in Sterling, we have taken all of their reported figures and converted them to Sterling using the prevailing exchange rate as at 31 December 2024.

Data

The data analysed in this report was sourced from Solvency II Wire Data and the company disclosures. Solvency II Wire Data provides detailed information about the Solvency II/UK figures, enabling users to build reports and view changes over time to better understand the impact of Solvency II/UK. The data is available via subscription [here](#).

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