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From insight to action:

Managing risk in an era of transformation

Gibraltar supplement:

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

December 2025



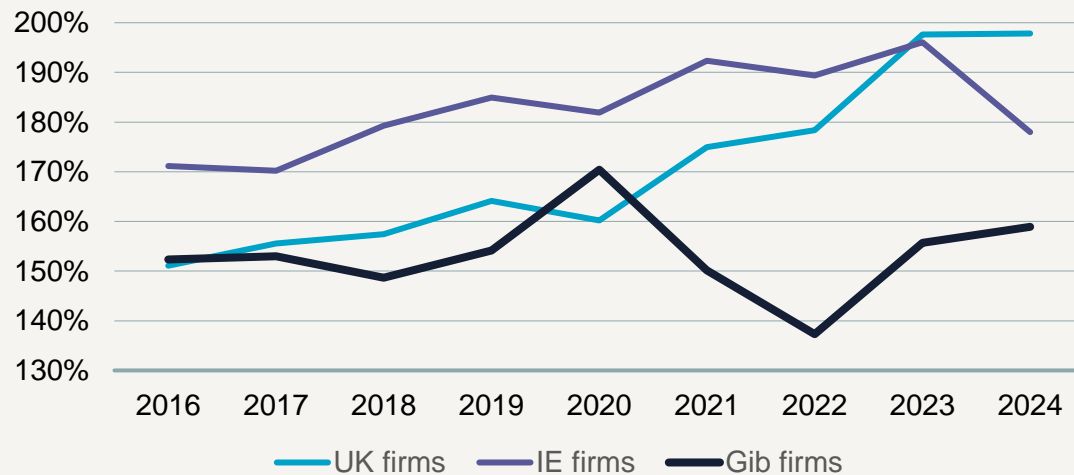
Headline insights from our review of 2024 SFCRs

Financial strength

The Gibraltar market grew in 2024, with **gross written premium (GWP) up 19% to £9.7bn**. This is higher than the growth of 7% we saw in UK and Ireland at a market level, although it is consistent with the growth seen in the motor insurance lines of business in the UK and Ireland.

The **overall market solvency coverage ratio continued to increase to 159%**, but this is still considerably lower than the UK and Ireland coverage ratio of 194%.

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



Key risks faced by Gibraltar-based insurers



Geopolitical risk was mentioned by 50% 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.



Emerging risks remained a focus in 2024. Common themes for the Gibraltar market included labour market pressures, fraud, autonomous and electric vehicles, market consolidation and data science.



Market cycle was mentioned by 40% of insurers, reflecting the concentration of insurers writing motor business. This line of business experienced large premium increases in 2023 followed by softening rates in 2024.



Cyber risk was noted by 45% of insurers, often linked to geopolitical tensions and operational resilience.

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Our recommendations

What we did

In August 2025, we published our ninth annual review of the Solvency II/UK public reporting for 100 of the largest UK and Irish non-life insurers, providing 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

For this supplement, we have carried out a similar analysis for the 20 top Gibraltar firms and compared and contrasted this to the UK and Irish experience.



Fewer Gibraltar insurers reference cyber and climate risks in their SFCRs than their UK and Ireland peers. There is an opportunity to further embed these risks into core risk frameworks.

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 which is gaining visibility in SFCRs.



Embed climate risk into decision-making – Integrate physical, transition, and liability risks into scenario analysis, capital planning, and reinsurance strategy.



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.

+ Solvency and financial strength



Solvency coverage ratios in Gibraltar remain stable overall, though lower than the broader UK and Ireland market, reflecting the Gibraltar market's limited diversification and focus on motor business.

Matthew Pearlman, Partner, LCP

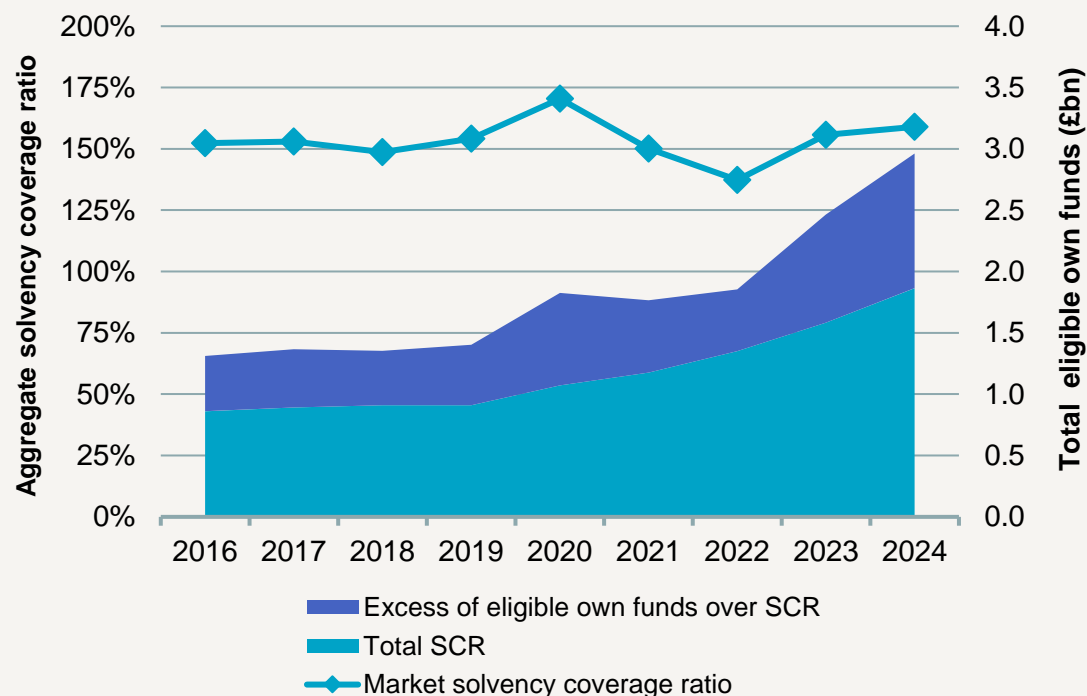
Financial overview

Financial strength of the market – 31 December 2024

We reviewed solvency coverage ratios for our sample of 20 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 Gibraltar market (2016-2024)



Market view

Eligible own funds rose 20%* from £2.5bn to £3.0bn, while total SCR increased from £1.6bn to £1.9bn. This led to an increase in the market solvency coverage ratio from 156% in 2023 to 159% in 2024.

This follows a period of notable decline between 2020 and 2022, when the ratio fell sharply as insurers absorbed the impact of claims inflation, subdued investment market performance and broader market uncertainty.

Although the current market solvency coverage ratio is still considerably lower than the UK and Ireland coverage ratio of 194%, it is encouraging that the Gibraltar ratio continues to increase. This is in contrast to the UK and Ireland ratio, which fell between 2023 and 2024.

Individual insurer view

The overall market ratio is heavily influenced by the two largest insurers – **Advantage** and **Admiral**. We therefore also look at the (unweighted) average ratio across individual insurers.

The average ratio across the 20 insurers increased from 173% to 184%.

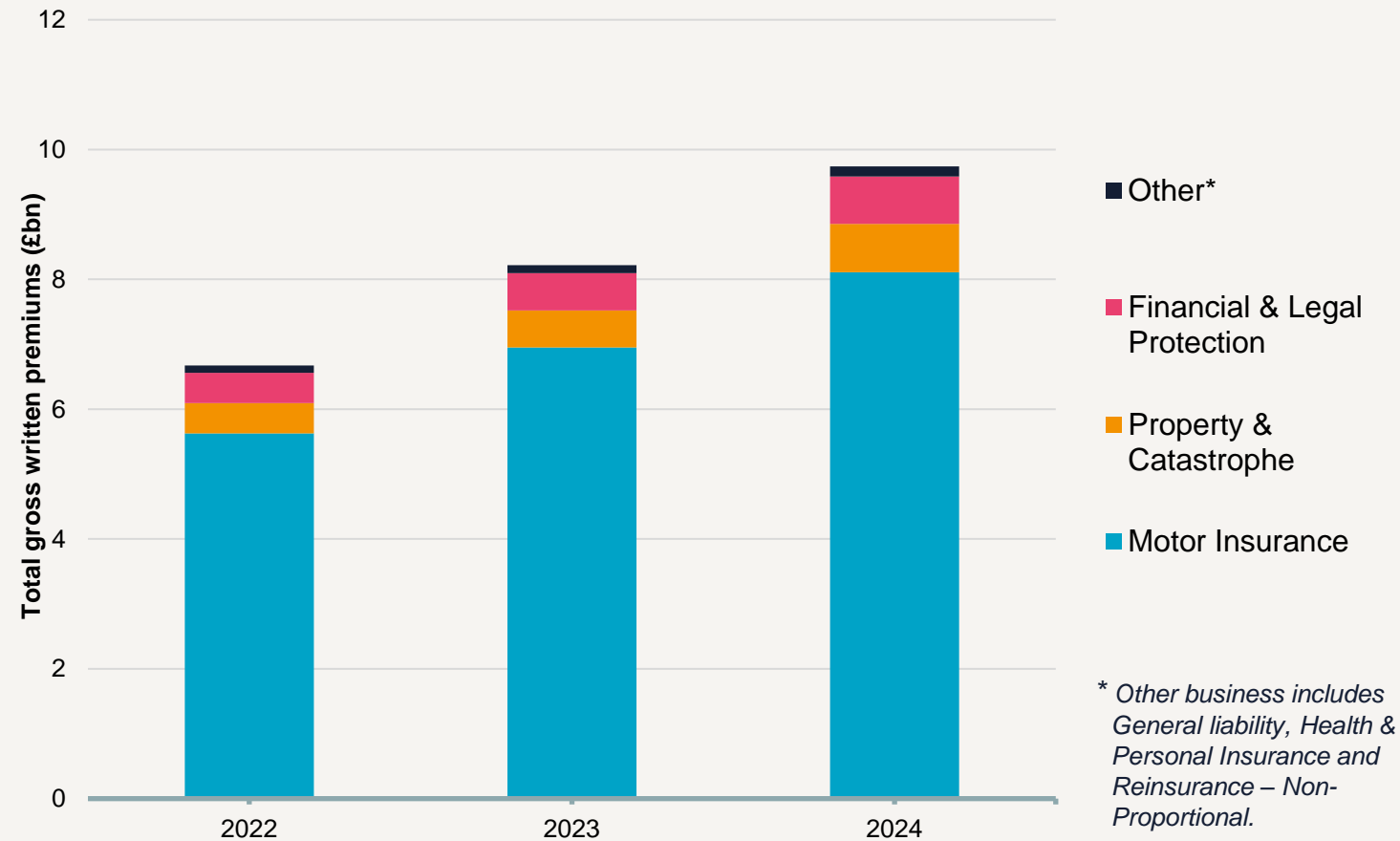
As can be seen in the graph on page 9, there are several insurers with very healthy coverage ratios, although these tend to be the smaller firms.

* Movements year on year relate to changes for the 20 insurers we have selected for this year’s report.

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 19% over the past year to **£9.7bn** at the 2024 year-end.

This percentage growth is higher than seen at a market level for the UK and Ireland market (7%), but is consistent with the growth seen in the motor insurance line of business in UK and Ireland. Other lines of business in the UK and Ireland are entering a soft market.

Most insurers in our sample (16 out of 20) saw an increase in GWP between 2023 and 2024, although there were some large fluctuations for individual insurers.

For instance, **Admiral** and **Advantage** increased GWP by 35% and 32% respectively, while **West Bay** entered run-off in 2024.

Financial strength by insurer type

At the end of 2024, the average solvency coverage ratio across our sample was 184%. 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”.

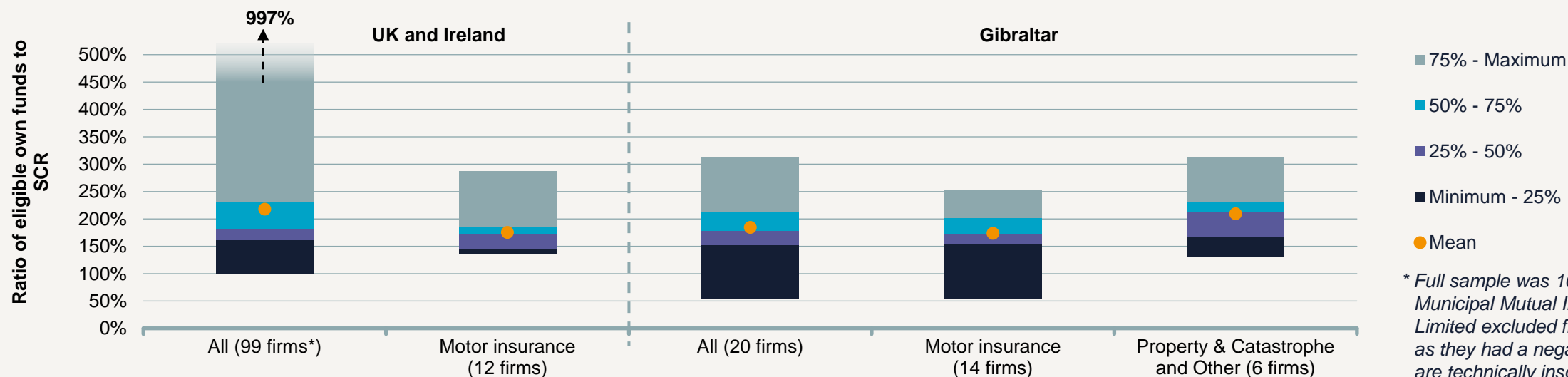
Motor insurers in Gibraltar report lower average solvency coverage than other business lines. While overall coverage ratios across the Gibraltar market remain below the UK and Ireland averages, the mean coverage ratio of motor insurers in both regions is similar, as shown in the graph below.

The range of coverage ratios across all insurers in Gibraltar is narrower than observed in the UK and Ireland, where there were several firms with ratios over 300%, as shown in the main report. This is largely due to the business written being more concentrated in motor insurance.

+ *Lower market coverage ratios in Gibraltar largely reflect the concentration in motor insurance, where solvency levels are typically tighter.*

Katie Garner, Senior Consultant, LCP

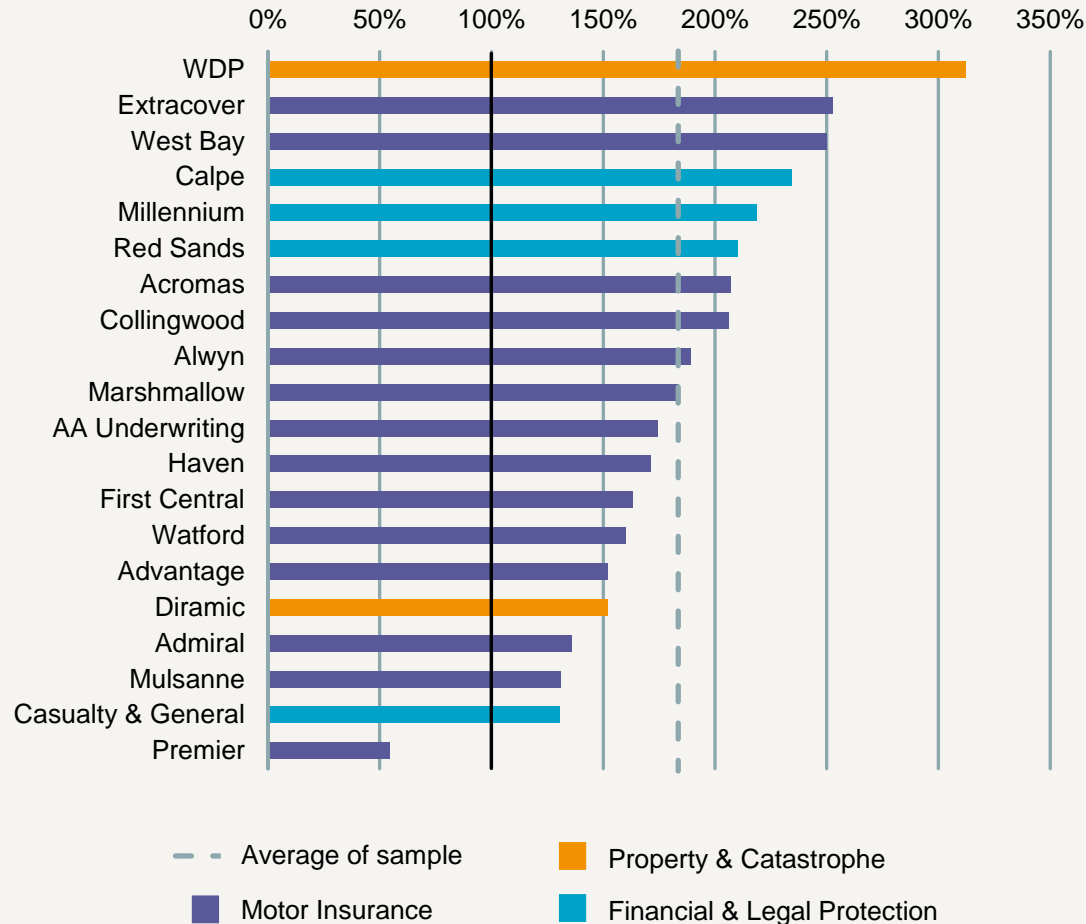
Percentile ranges of solvency coverage ratios by insurer type



* Full sample was 100 insurers. Municipal Mutual Insurance Limited excluded from this chart as they had a negative ratio and are technically insolvent.

Insurers by solvency coverage ratio

Solvency coverage ratios for the 20 firms in our sample



The chart on the left shows the 20 firms in our sample by solvency coverage ratio as reported in their 2024 SFCR.

At the end of 2024, the average solvency coverage ratio among our sample of 20 insurers was 184%.

WDP leads the rankings with a ratio of 312%, well ahead of the next highest firms, **Extracover** and **West Bay**.

At the other end of the spectrum, **Premier** reported the lowest solvency coverage ratio of 54%. The drop in coverage ratio below its regulatory capital requirement was driven by losses from continued adverse development on older years and market challenges on claims settlement. With no further capital available, the Group entered run-off effective 31 December 2024 and entered administration in October 2025.

Casualty & General, **Mulsanne** and **Admiral** reported the next lowest solvency coverage ratios in the sample, although they are all above 130%.

Insurers operating primarily in motor, where competition continues to put profitability under pressure, are generally close to or below the sample average. Their positions are nonetheless within regulatory expectations and consistent with the tighter range observed across Gibraltar’s motor-focused market.

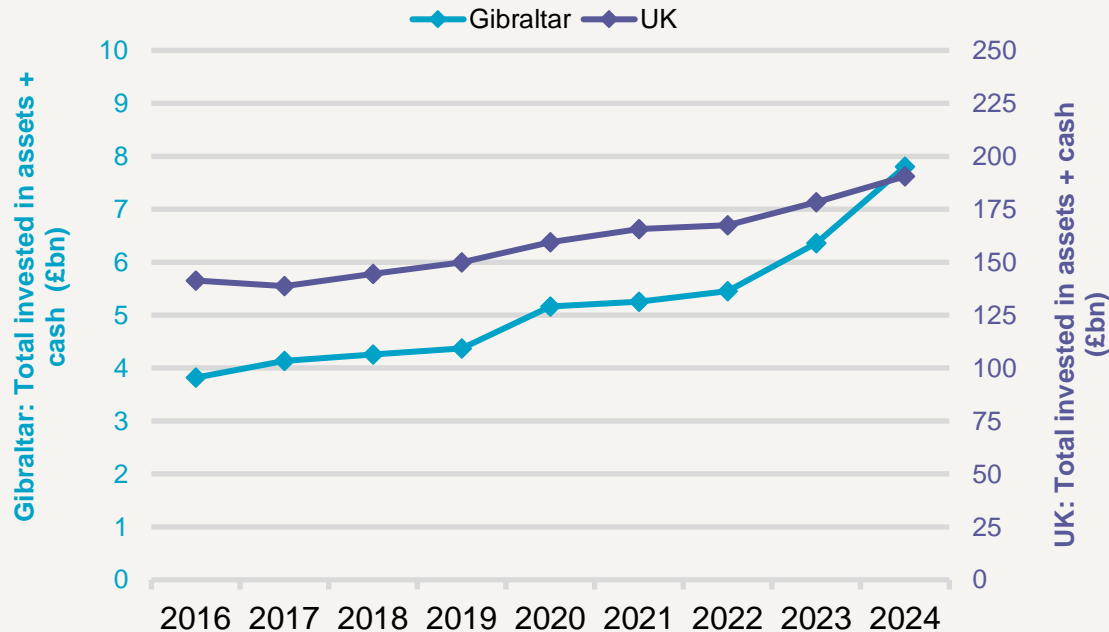
Investment disclosures

Market-wide investment trends

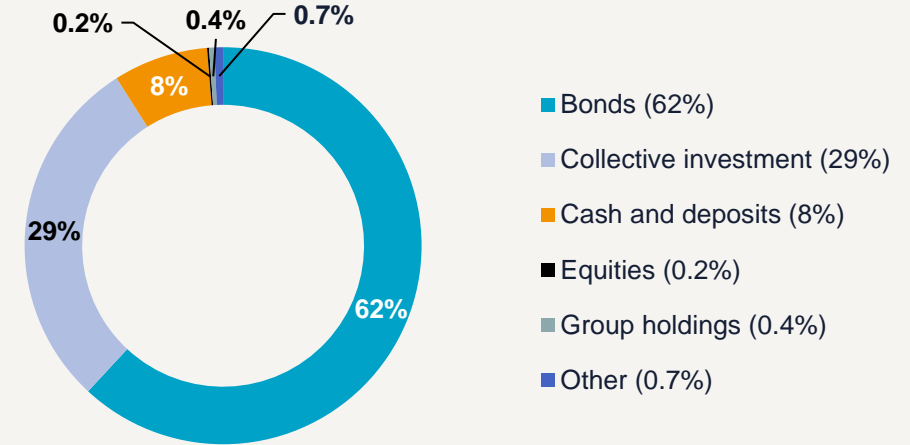
The charts below highlight how insurers' investment strategies have evolved. Total invested assets and cash have grown steadily, reaching approximately £7.8bn across the 20 insurers by the end of 2024.

Across both UK and Gibraltar-based insurers, this upward trend reflects a combination of market expansion, inflationary pressures, and shifting insurer strategies.

Market investments in assets and cash by country



Asset allocation at 2024 year-end



At year-end 2024, bonds continued to dominate, making up 62% of total invested assets. This is slightly lower than the 71% held in bonds by the UK and Ireland insurance market, although the significant amounts held in collective investment vehicles make comparisons difficult.

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

Wendy Kriz Evans, Principal, LCP

+ Key risk areas



While Gibraltar shares many of the same risk drivers as the UK and Ireland, its more concentrated market profile shapes how those risks manifest and are managed.

Katie Garner, Senior Consultant, LCP

Key risks

Gibraltar insurers continue to identify similar key risks to those reported across the UK and Ireland, though with generally shorter and more targeted commentary.

The most frequently cited risks relate to **cyber** security, **geopolitical** and **macroeconomic** uncertainty, all of which remain dominant concerns across the wider market.

Compared with UK and Ireland peers, Gibraltar disclosures tend to be more operational in focus and proportionate to firm size and business model, reflecting the jurisdiction’s concentration in motor insurance.

As with disclosures for UK and Ireland insurers, **geopolitical risks** were primarily linked to financial market volatility and inflationary pressure, as opposed to direct exposures.

References to **climate change** and **AI** appear less frequently, typically limited to compliance considerations and early-stage data governance initiatives rather than strategic transformation or detailed scenario analysis.

Overall, Gibraltar insurers are addressing the same external themes as UK and Ireland insurers, but through a narrower and more practical lens, aligned with the scale and composition of the local market.

Risk area	Proportion of market sample mentioning risk in 2024 disclosures	
	Gibraltar	UK & Ireland
Geopolitical risk	50%	64%
Inflation	95%	95%
Cyber risk	45%	81%
AI	20%	29%
Climate change	30%	86%



Insurers face heightened risks as fraudsters adopt increasingly sophisticated tactics, leveraging AI and digital channels to exploit vulnerabilities.

Marshmallow



More recently the geopolitical developments in the Middle East have given rise to further supply chain disruption due to the threats to free movement of shipping in the region, this is further compounding supply chain and inflation issues.

Mulsanne

Emerging risks and market conditions

Emerging risks

Emerging risks remained a focus for Gibraltar insurers in 2024, with firms increasingly identifying operational and technological challenges alongside traditional underwriting exposures.

Labour market pressures, fraud, and the transition to **autonomous and electric vehicles** featured prominently, reflecting the jurisdiction's motor-focused profile.

Compared with the UK and Ireland, Gibraltar firms made fewer references **social and people risk**, but showed similar awareness of technological change and data driven risks.

Discussions of **market consolidation** also appeared more frequently in Gibraltar reports, highlighting the structural evolution of a relatively concentrated market.

Overall, while the themes mirror some of those seen across the wider UK and Ireland sector, the emphasis in Gibraltar is more sector-specific.

Market conditions

Market conditions featured more prominently in Gibraltar insurers' 2024 disclosures, with **40% referencing the current state of the underwriting cycle**, compared to 15% in the UK and Ireland market.

This reflects the market's concentration in motor business, where strong rate hardening in 2023 and early 2024 was followed by signs of softening in late 2024 and early 2025. Current and future market conditions are explored further in LCP's 2025 Personal Lines [report](#) (see page 14).

Overall, firms continue to report disciplined underwriting, improved risk selection and stable solvency positions, despite the changeable pricing conditions.

+ *In 2024, the UK motor market saw substantial rate softening following the rate increases seen in 2023, which in part was driven by the reduction in the level of inflation and lower claims frequency seen across the market.*

AA Underwriting



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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](#).



Podcasts



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Join show hosts Charl Cronje, Jessica Snowball and guests to hear key issues impacting the general insurance market.



Publications

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LCP's ninth annual analysis of Solvency II reports from 100 of the largest non-life insurers in the UK and Ireland.

Personal Lines report

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LCP's annual Personal Lines report considers the key drivers of recent historical performance and provides our projections of market performance over 2025/26.



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This session covers motor, home and pet insurance, including insights into past performance and expectations for 2025/26.



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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.

Insurance company name	Report name	Insurance company name	Report name
AA Underwriting Insurance Company Limited	AA Underwriting	First Central Underwriting Limited	First Central
Acromas Insurance Company Limited	Acromas	Haven Insurance Company Limited	Haven
Admiral Insurance (Gibraltar) Limited	Admiral	Marshmallow Insurance Limited	Marshmallow
Advantage Insurance Company Limited	Advantage	Millennium Insurance Company Limited	Millenium
Alwyn Insurance Company Limited	Alwyn	Mulsanne Insurance Company Limited	Mulsanne
Calpe Insurance Company Limited	Calpe	Premier Insurance Company Limited	Premier
Casualty & General Insurance Company (Europe) Limited	Casualty & General	Red Sands Insurance Company (Europe) Limited	Red Sands
Collingwood Insurance Company Limited	Collingwood	Watford Insurance Company Europe Limited	Watford
Diramic Insurance Limited	Diramic	WDP Insurance Limited	WDP
Extracover Insurance Company Limited	Extracover	West Bay Insurance PLC	West Bay

Survey notes

Summary of insurers analysed

The 20 firms we analysed wrote £9.7bn of gross premiums during 2024 and held £3.0bn of eligible own funds at their 2024 year-end. All firms use the standard formula 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](#).

Team

The authors would like to thank those from LCP who have made this report possible:

- Nuha Farhaan
- Krinal Dhuru
- Ed Harrison
- Louis March
- Gayatri Patel
- Daniel Sacks
- Hugo Wood