



Management Summary

The purpose of this report is to present an assessment of the financial condition of the Zurich Branch as at December 31, 2021.

The financial condition of the Zurich Branch is adequate and is supported by the capital position of Aspen Insurance UK Limited ('AIUK').

The Zurich Branch wrote gross written premiums of CHF 1.2m in 2021, compared to CHF 25.1m in 2020. The net loss after tax in 2021 was CHF 2.3m, compared with a profit after tax of CHF 8.8m in 2020.

The business activities and performance of the Zurich Branch are outlined below.

A. Business activities

Branch and Company overview

The Zurich Branch is a branch of AIUK, a non-life insurance and reinsurance company, incorporated in the United Kingdom. AIUK writes business across the London market and in Canada through its Canadian Branch.

The Zurich Branch is regulated in Switzerland by the Financial Markets Supervisory Authority ('FINMA').

The largest and smallest group in which the results of AIUK are consolidated is that headed by Aspen Insurance Holdings Limited ("AIHL"). The consolidated accounts of this company are available to the public and may be obtained from The Company Secretary, Aspen Insurance Holdings Limited, 141 Front Street, Hamilton, HM 19, Bermuda.

Branch strategy, objectives and business segments

The strategy of AIUK's Zurich Branch is aligned with the group strategy of AIHL whose objective is to create a diversified portfolio of insurance and reinsurance risks, spread across lines of business, products, geographic areas of coverage, cedants and sources, while ensuring sufficient capital and liquidity to meet its obligations.

The objective of AIUK is to provide an efficient platform from which the two underwriting segments, Aspen Insurance and Aspen Re, can offer specialty insurance and reinsurance products to their customers while providing a high level of security to policyholders.

AIUK's Zurich Branch supported these objectives by offering reinsurance products to European and international customers. In 2019 operational streamlining took place within the group whereby Aspen Bermuda Limited ("ABL"), a subsidiary of AIHL, established a branch in Zurich to write property and casualty reinsurance with inception dates of January 1, 2020 and later. In 2019 all business was transferred from AIUK's Zurich branch to ABL's Zurich branch, with no new business being written in the AIUK Zurich branch.

The Zurich Branch manages its risk accumulations by ceding business to ABL, under internal quota share agreements.

The Zurich Branch also offered specialty insurance products until April 1, 2017, when the Aspen Insurance operation in Zurich ceased writing new business.



Both Zurich branches no longer write new business. In 2021, the process to be placed into run-off was commenced with FINMA. The next step involves the run-off plan being submitted to FINMA.

Branch external auditors

KPMG AG is the external auditor of the Zurich Branch and their contact details are as follows:

KPMG AG
Badenerstrasse 172
CH-8004 Zürich
Switzerland

Unusual events

Apart from the branch streamlining listed above there were no unusual events to report that impacted the Zurich Branch during the reporting period.

B. Performance

The Zurich Branch performance is outlined below in order of premium volumes, and makes reference to the quantitative reporting template attached.

Branch underwriting performance

Business performance overview

The Branch reported a profit of CHF 1.1m (2020: CHF 1.7m) for the year ended December 31, 2021, with a reinsurance segment loss of CHF 3.2m (2020: CHF 1.5m loss), and a profit of CHF 2.1m (2020: CHF 0.2m loss) in the insurance segment.

Aspen Insurance

The Zurich Insurance branch ceased writing new business on April 1, 2017.

Aspen Re

Aspen Reinsurance branch has ceased to underwrite any new business.

Miscellaneous

In 2021, the Zurich Reinsurance branch reported a refund in gross written premiums of CHF 4.2m (2020: CHF 14.5m) across the Miscellaneous class, a decrease of 71% on the prior year. The reduction in premiums reflects business which was transferred from AIUK's Zurich branch to ABL's Zurich branch and partially the transfer of renewal rights on global credit and surety reinsurance business after our decision to exit this class of business.

Acquisition and administrative expenses were CHF 18.6m in the reporting period, compared with CHF 22.2m in 2020. The reduction in acquisition and administrative expenses is in line with the reduction in gross written premiums.

The miscellaneous class reported a net underwriting profit of CHF 2.9m (2020: CHF 4.8m loss) for the year ended December 31, 2021.



Property

Aspen Re in Zurich reported a refund in gross written premiums in the Property class of CHF 0.3m compared with CHF 4.7m in 2020. The reduction in premiums segment reflects business which was transferred from AIUK's Zurich branch to ABL's Zurich branch.

The Property class reported a net underwriting profit of CHF 0.9m (2020: CHF 5.1k profit) for the year ended December 31, 2021.

Motor

Aspen Re in Zurich wrote Motor Liability reinsurance on an excess of loss and quota share basis.

In 2021, the Zurich Branch reported a refund in gross written premiums of CHF 2.3m across the Motor Liability class, compared with CHF 5.8m in 2020. The reduction in premiums segment reflects business which was transferred from AIUK's Zurich branch to ABL's Zurich branch.

The Motor class reported a net underwriting loss of CHF 1.0m (2020: profit of CHF 5.0m) for the year ended December 31, 2021.

Casualty

Aspen Re in Zurich wrote General Liability reinsurance.

In 2021, the Zurich Branch reported a refund of CHF 0.1m of gross written premiums in the General Liability class, compared with CHF 23k in 2020.

The Casualty class reported a net underwriting profit of CHF 0.4m (2020: loss of CHF 1.3m) for the year ended December 31, 2021.

Branch financial performance


The overall profit before tax of the Zurich Branch was CHF 1.1m in 2021, compared with CHF 12.6, in 2020. The profit before tax includes the underwriting profit of CHF 1.1m as explained above, net investment income of CHF 0.9m and net other expenses of CHF 0.9m.

Investment income CHF' millions	Income		Total	
	2021	2020	2021	2020
Fixed interest securities	1.9	3.0	1.9	3.0
Total	1.9	3.0	1.9	3.0

Investment expenses CHF' millions	Expenses		Total	
	2021	2020	2021	2020
Allocated investment expense	1.0	0.1	1.0	0.1
Total	1.0	0.1	1.0	0.1

Net other expenses of CHF 0.9m consisted of net foreign exchange losses.

Zurich, 27 May 2022


Camille Meier
General Manager


Hans Jörg Blaser
Head of Casualty Treaty Europe



Financial situation report: quantitative template "Performance Solo NL"

Currency: CHF or annual report currency
Amounts stated in millions

	Total		Accident		Illness		Motor vehicle		Transport		Fire, natural hazards, property damage		General third-party liability		Other branches	
	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year
1 Gross premiums	25.1	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Reinsurers' share of gross premiums	(33.0)	(15.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Premiums for own account (1 + 2)	(7.9)	(14.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Change in unearned premium reserves	31.3	22.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Reinsurers' share of change in unearned premium reserves	(0.4)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Premiums earned for own account (3 + 4 + 5)	23.1	8.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other income from insurance business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Total income from underwriting business (6 + 7)	23.1	8.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Payments for insurance claims (gross)	(62.8)	(40.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Reinsurers' share of payments for insurance claims	39.8	29.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Change in technical provisions	44.8	53.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Reinsurers' share of change in technical provisions	(26.5)	(36.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Change in technical provisions for unit-linked life insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)	(4.7)	5.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Acquisition and administration expenses	(26.6)	(16.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Reinsurers' share of acquisition and administration expenses	9.9	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Acquisition and administration expenses for own account (15 + 16)	(16.7)	(12.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Other underwriting expenses for own account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)	(21.4)	(7.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Investment income	3.0	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Investment expenses	(0.1)	(0.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Net investment income (20 + 21)	2.9	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Capital and interest income from unlinked life insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Other financial income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Other financial expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Operating result (8 + 17 + 18 + 22 + 24 + 25)	4.6	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Interest expenses for interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Other income	8.3	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Other expenses	(0.3)	(3.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Extraordinary income/expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Profit / loss before taxes (26 + 27 + 28 + 29 + 30)	12.6	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Direct taxes	(3.7)	(3.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Profit / loss (31 + 32)	8.8	(2.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Regulated PII/NPI

Caroline Ullrich



Direct non-Swiss business				Indirect business											
Total		Personal accident		Health		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year	Previou year	Reportin year
-	(0.0)	-	(0.0)	-	-	5.8	(2.3)	-	-	4.7	(0.4)	0.0	(0.1)	14.5	4.2
-	0.0	-	0.0	-	-	(5.8)	1.2	-	-	(4.7)	(0.7)	(0.7)	0.2	(21.7)	(16.1)
-	(0.0)	-	(0.0)	-	-	0.0	(1.1)	-	-	(0.0)	(1.1)	(0.6)	0.1	(7.2)	(11.9)
-	-	-	-	-	-	3.5	0.0	-	-	2.9	1.0	1.1	(0.2)	23.8	21.9
-	(0.0)	-	(0.0)	-	-	(0.0)	(0.0)	-	-	(0.4)	0.0	-	-	-	-
-	(0.0)	-	(0.0)	-	-	3.6	(1.1)	-	-	2.5	(0.1)	0.4	(0.2)	16.6	10.0
-	(0.0)	-	(0.0)	-	-	3.6	(1.1)	-	-	2.5	(0.1)	0.4	(0.2)	16.6	10.0
-	(0.1)	-	(0.1)	-	-	(8.1)	(8.1)	-	-	(19.4)	(10.9)	(8.2)	(1.5)	(26.5)	(18.8)
-	0.1	-	0.0	-	-	4.9	5.0	-	-	13.5	10.1	5.0	1.2	16.1	12.3
-	0.2	-	0.1	-	-	7.6	8.0	-	-	12.0	14.9	9.3	3.0	15.4	28.0
-	(0.1)	-	(0.1)	-	-	(4.5)	(4.5)	-	-	(8.1)	(12.9)	(5.2)	(2.2)	(9.5)	(16.1)
-	0.1	-	0.0	-	-	(0.2)	0.4	-	-	(2.0)	1.2	0.9	0.5	(4.5)	5.4
-	-	-	-	-	-	(1.2)	0.0	-	-	(2.7)	(0.2)	(0.4)	0.2	(22.2)	(18.5)
-	(0.0)	-	(0.0)	-	-	2.8	(0.4)	-	-	1.5	0.1	0.3	(0.1)	5.2	6.1
-	(0.0)	-	(0.0)	-	-	1.6	(0.3)	-	-	(1.2)	(0.2)	(0.1)	0.1	(17.0)	(12.5)
-	0.1	-	0.0	-	-	1.4	0.1	-	-	(3.2)	1.0	0.9	0.6	(21.5)	(7.1)

Regulated PII/NPI

Caroline Collins