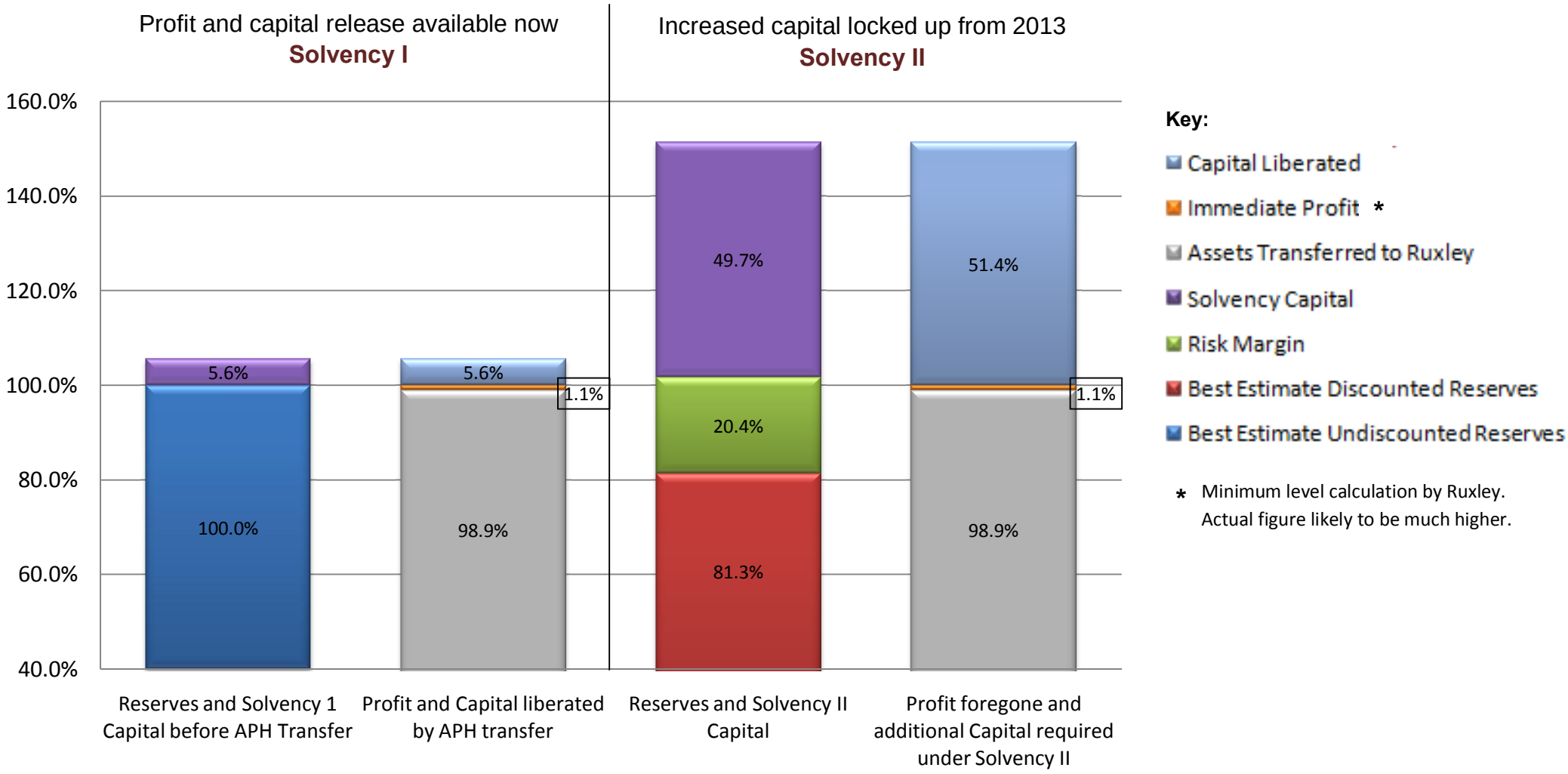
Ruxley
buying insurance run-off

Profit Opportunity ï Ruxley Case Study



Notes:

- The charts shown are based upon an actual APH portfolio transferred to, and then managed by Ruxley.
- The upper chart shows the capital requirement for this portfolio under the Solvency I regime, and shows that Ruxley can accept transfers of APH business in return for assets valued at less than the transferring companyôs ñBestòestimate of reserves.
- The lower chart shows the capital requirement for this portfolio under the proposed Solvency II regime. (Figures have been calculated using the QIS4 standard model which in this Ruxley case study gives similar results to the QIS5 standard model).
- The Solvency II capital requirement calculation makes no allowance for any diversification credit in the calculation of the capital requirement, and therefore represents a worst case scenario
- The precise value of assets required by Ruxley can be determined by a swift due diligence exercise, and the profit earned by the vendor is dependent upon the due diligence findings.