

Taxonomy Roadmap and future plans – Solvency II reporting

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XBRL Taxonomy Releases

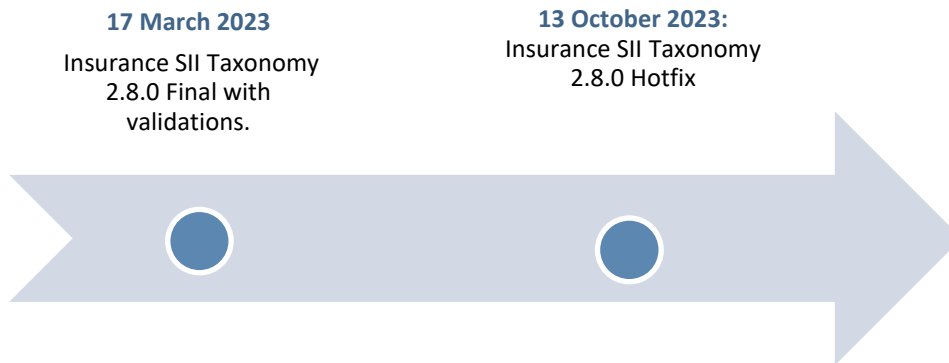
- The **2.7.0 release** is the one to be used for the reference period between Q4-2022 and Q3-2023 and includes the PEPP Prudential (PEPP PR) integration for Solvency II and Pension Funds frameworks, as well as PEPP PR standalone reporting. The release 2.7.1 includes only the reflection of Croatia entering the Euro-Zone.
- The **2.8.0 Solvency II release** is the one to be used by the insurance and reinsurance undertakings and branches from third country insurance undertakings for the reference period between Q4-2023 and Q4-2024 and includes changes only to Solvency II, but no changes to Pension Funds nor to PEPP.
- The final version of 2.8.0 with validations was published on 17 March 2023. The 2.8.0 SII Hotfix was foreseen to be published on 30 September 2023, **however due to the high number of feedbacks received in September, it will be published on Friday, 13 October 2023.**

XBRL Taxonomy Releases

- We realise that this 2 weeks of delay has impact on the implementation, however please note that due to the scope of changes stemming from a comprehensive review of the Solvency II Directive, the 2.8.0 release was preceded by 3 Public Working Drafts (PWDs). This approach allowed filers to have more time for implementing their reporting solutions. While the first two PWDs introduced modelling changes to the Solvency II model, PWD3 focused on providing revised validations.
- EIOPA also more than 105 separate queries on the model and validations after the end of commenting period.
- The EIOPA Solvency II DPM and the XBRL taxonomy package 2.8.0 release are to be used from 31/12/2023 until a new version is announced.

Solvency II 2.8.0 framework timeline

2.7.0 release for insurance and reinsurance undertakings for the reference period between Q4-2022 and Q3 2023



2.8.0 release for insurance and reinsurance undertakings for the reference period between Q4-2023 and Q4 2024

FICOD 2.8.1 Taxonomy

- FICOD is treated as a completely separate framework (same as S2, PF, PEPP) and was published as a **standalone 2.8.1 package** on 31 July 2023.
- 2.8.1 reporting should have no impact on Solvency II and vice versa (the reporting obligations stem from different legal acts).
- Commonalities and differences between 2.8.1 and 2.8.0
 - FICOD templates are close to S.36s and S.37s in 2.8.0 – but some differences exist to address the specificities of the businesses.
 - S.36s and S.37s in insurance 2.8.0 are used for both solo and group reporting, while FICOD is cross-sectoral and will be used for reporting of insurance-led conglomerates.
 - In both cases the application date is 31 December 2023 with first reporting in 2024.
 - FICOD frequency: at least once per year (annually), but also higher frequency if requested by the financial conglomerate coordinators.
- There are no requirements for reporting the FICOD templates to EIOPA. The templates are only to be reported to the coordinators of the NCAs.

Taxonomy as of 2.10.0

- Taxonomy 2.9.0 will include changes to the IORPs reporting package and be implemented as of **1 January 2025**.
- As for 2.10.0, EIOPA is still discussion with members if it should maintain the implementation date at 1 January or go back to a Q4. We can see benefits in both approaches. What would be yours?
- There is also an additional challenge for EIOPA, striking the balance between aiming to provide sufficient time for stakeholders to be able to implement the taxonomy and to provide comments on the proposed amendments and for EIOPA to take the feedback duly into account.
- We are exploring the options and we will communicate the decision soon.

3. Affected validations and implementation of new validations

Joint work among EIOPA experts and BR-AG specialists, where ENW3 and ITDC members provided several feedbacks (both regarding in- and output)

Validation rules (VRs) can be divided into three groups:

- 3.1** Already existing VRs that continue to be valid in the new framework (45% of the total)
- 3.2** Existing VRs that needed to be amended due to changes in the templates (38% of the total)
- 3.3** New VRs (17% of the total):
 - 3.3.1** New Variant – Old VRs implemented for new templates
 - 3.3.2** New VRs on existing templates
 - 3.3.3** New VRs on new templates

3.2 Amended VRs in amended templates

- **BV 251 - Template 17.01.02 – Non-Life Technical Provision, Net Best Estimate of Claims Provisions = Gross – Total Recoverables.** In 2.8.0, entry points related to Quarterly ECB reporting (solo and third-country branches) have been removed. The applicability of the rule is therefore now limited to Solvency II reporting:

BUSINESS RULES over 10 evaluations		BV251_1-2			
Validation formula	Properties	Related modules	References	Logs	Comments
Technical entry point				Severity ▼	<input type="checkbox"/>
Quarterly ECB reporting Solo				Severity ▼	<input type="checkbox"/>
Quarterly ECB reporting Third country branches				Severity ▼	<input type="checkbox"/>
Annual ECB reporting Third country branches				Severity ▼	<input type="checkbox"/>
Quarterly Solvency II reporting Group				Severity ▼	<input type="checkbox"/>
Quarterly Solvency II reporting Solo				Severity * ERROR ▼	<input checked="" type="checkbox"/>
Quarterly Solvency II reporting Third country branches				Severity * ERROR ▼	<input checked="" type="checkbox"/>



3.3.1 New variant

- Template 23.01.04** – in Taxonomy 2.7.0 entry points are Annual and Quarterly Solvency II Reporting Group. The amount in the “Total” column must be equal to the sum of other columns for the selected rows.

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210					

- In 2.8.0, the Quarterly Solvency Reporting Group is reported in the new template S.23.01.05. Therefore, the rule was split into two variants.

BUSINESS RULES

CODE 	APPLICATION 
538	x
BV538-1	TC: S.23.01.04.01 F: solvency FV: solvency2
BV538-2	TC: S.23.01.05.01 F: solvency FV: solvency2

3.3.2 New VRs on existing templates

- Source: national VRs suggested by ITDC/ENW3

members

- Examples:

- BV1423:

$$\{t: S.28.01.01.05, r: R0400, c: C0070\} = \max(\{t: S.28.01.01.05, r: R0340, c: C0070\}, \{t: S.28.01.01.05, r: R0350, c: C0070\})$$

- BV1638:

$$\{S.19.01.01.02, r0240, c0180\} = \{S.19.01.01.01, r0240, c0010\} + \{S.19.01.01.01, r0240, c0020\}$$

S.28.01.01.05

Z Axis:

VG/Solvency II

Overall MCR calculation

		C0070
Linear MCR	R0300	
SCR	R0310	
MCR cap	R0320	
MCR floor	R0330	
Combined MCR	R0340	
Absolute floor of the MCR	R0350	
Minimum Capital Requirement	R0400	

S.19.01.01.01

Z Axis:

TA/Non-cumulative

VG/Solvency II

Electric: Monetary

BC/Claims paid

RI/All members	Line of business	20010	LB_31
AK/All members	Accident year / Underwriting year	20030	AM_8
OC/All members	Currency	20030	CU_1
AI/All members	Currency conversion	20040	CA_1

Gross Claims Paid (non-cumulative) - Development year (absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0180
Prior	R0100																
N-14	R0110																
N-13	R0120																
N-12	R0130																
N-11	R0140																
N-10	R0150																
N-9	R0160																
N-8	R0170																
N-7	R0180																
N-6	R0190																
N-5	R0200																
N-4	R0210																
N-3	R0220																
N-2	R0230																
N-1	R0240																
N	R0250																

S.19.01.01.02

Z Axis:

VG/Solvency II

Electric: Monetary

BC/Claims paid

RI/All members	Line of business	20010	LB_31
AK/All members	Accident year / Underwriting year	20020	AM_8
OC/All members	Currency	20030	CU_1
AI/All members	Currency conversion	20040	CA_1

Gross Claims Paid (non-cumulative) - Current year, sum of years (cumulative)

			In Current year	Sum of years (cumulative)
			C0170	C0180
Prior	R0100			
N-14	R0110			
N-13	R0120			
N-12	R0130			
N-11	R0140			
N-10	R0150			
N-9	R0160			
N-8	R0170			
N-7	R0180			
N-6	R0190			
N-5	R0200			
N-4	R0210			
N-3	R0220			
N-2	R0230			
N-1	R0240			
N	R0250			
Total	R0260			

3.3.3 New VRs on new templates

- Old template S.04.01 provides information on activity by country.

{Filter on a specific LoB, S.04.01,r0020,

[c0010+ c0020+c0040+c0050+c0070]}

={S.05.01, r0110,cXXX}

- New template S.04.04 provides all the necessary information on the list of underwriting entities for the rest of cross-border templates, sorted by entity code, focusing on location of activity.

BV736-763:

{Filter on a specific LoB and grouped by ID code,

S.04.01,r0020, [c0010+ c0020]}

={S.05.01, r0110,cXXX}

S.04.01.01 Activity by country							S.04.01.02 By EEA member (location of the branch)						
Z Axis: VG/Statutory accounts							Z Axis: VG/Statutory accounts						
D1/Year to Date							D1/Year to Date						
BL/All members							BL/All members						
Line of business			20010				Line of business			20010 LB_52			
			LB_52				EEA member			R0010 GA_33			
Undertaking and all branches													
	Undertaking			All EEA members				Total business underwritten by all non-EEA branches	By EEA member				
	Business underwritten in the home country, by the undertaking	Business underwritten through FPS by the undertaking in the EEA countries different from the	Business underwritten through FPS in the home country, by any EEA branch	Total business underwritten by all EEA branches in the country where they are established	Total business underwritten through FPS by all EEA branches	Total of the business underwritten through FPS by the undertaking and all EEA branches	Business underwritten in the considered country, by the EEA branch established in this country		Business underwritten through FPS, by the EEA branch established in the considered country				
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090				
Premiums written	R0020												
Claims incurred	R0030												
Commissions	R0040												
	TZ/Typical undertaking activity	TZ/Freedom to provide services by undertaking	TZ/Freedom to provide services by the branch	TZ/Typical branch activity	TZ/Freedom to provide services by the branch	TZ/Freedom to provide services [FPS] and Freedom to provide services	TZ/Branch	TZ/Typical branch activity	TZ/Freedom to provide services by the branch				
	LA/Home country	LA/EEA countries [other than home country]	LA/Home country	LR/EEA	LR/EEA	LR/EEA	LR/Not EEA countries	LA/Local	LA/Not local [EEA]				
			LR/EEA	LA/Local	LA/Not local [EEA]	LA/Not local							
Z Axis:													
VG/Statutory accounts													
Line of business			20010				LB_52						
UE: Underwriting entity code			20020				UE						
Business underwritten in the country of establishment													
Business underwritten through FPS in country different from the country of establishment													
C0010													
C0020													
Premiums written	R0020												
Claims incurred	R0030												
Acquisition expenses	R0040												
of which commissions	R0050												
TZ/Typical undertaking and branch activity													
TZ/Freedom to provide services [FPS] and Freedom to provide services by the													
LA/Home country and Local [EEA]													
LA/EEA countries [other than home country] and Not local [EEA]													

3.3.3 New VRs on new templates

In S.26.{08-16}, introduction of multiple new templates to report information on individual risk modules, e.g. S.26.08 provides information on SCR for undertakings using partial and full internal model, while S.26.14 provides information on Life and Health underwriting risk.

New VRs:

{t: S.26.08.01.01, r: R0460, c: C0010} i= {t: S.26.14.01.02, r: R0280, c: C0070} i+ {t: S.26.14.01.05, r: R0580, c: C0070}



Total Life & Health
underwriting risk –
Trend Risk



Total Life
underwriting risk –
Trend Risk



Total Health
underwriting risk –
Trend Risk

4. Conclusions

Great results:

- We were using ATOME: Matter for the first time to communicate with NCAs and to collect their feedback (Note: Comments received are archived in the tool as well)
- More than 800 new VRs were added

Q&A



THANK YOU

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