**Annex IV – Life & Health SLT underwriting risk Structured template Instructions**

**INTERNAL MODEL: LIFE and HEALTH SLT UNDERWRITING RISK**

**General comments:**

In this template, the results of internal models for Life and Health SLT underwriting risk are reported. If insurers also integrate Health NSLT underwriting risk in the Life + Health SLT underwriting risk model structure, the results of the Health NSLT model should also be reported in this template.

Depending on the structure of Life and Health SLT underwriting risk modelling, one of the two blocks for longevity and mortality risk should be used. If the internal model structure is such that Mortality and Longevity risks are modelled together, then for these risks only R27 where these risks are combined, shall be reported.

In general, if cells cannot be sensibly reported an alternative should be selected. For exampke, if an undertaking cannot separate trend, level or volatility modelling within a submodule, then information should be provided at the corresponding aggregate level.

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| **CODE** | **ITEM** | **INSTRUCTIONS** |
| **LIFE RISK** | | |
| LH\_LIF\_EXP\_Rxx\_C1  LH\_LIF\_APO\_R11\_C1  LH\_LIF\_ANPO\_R11\_C2  xx = 1, 6, 11, 25, 27 (if R27 is reported then R1 – Mortality – and R6 – Longevity – shall not be reported) | Net Best Estimate liability + Technical provisions calculated as a whole | Best estimate shall be reported net of reinsurance and refers to the products of the life insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well.  The split for disability-morbidity risk aggregate refers to annuities paid out (“APO”) or not (“ANPO”). |
| LH\_LIF\_EXP\_Rxx\_C3  xx = 1, 6, 11, 20, 23 (if R27 is reported then R1 – Mortality – and R6 – Longevity – shall not be reported) | Net Written Premiums | The total of the written premiums net of reinsurance shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category. |
| LH\_LIF\_EXP\_Rxx\_C4  xx = 1, 6, 11, 20, 23 (if R27 is reported then R1 – Mortality – and R6 – Longevity – shall not be reported) | Sum insured | The total sum insured shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category. |
| LH\_LIF\_SCR\_Rxx\_C5  xx = 1 to 27 (if R27 is reported then R1 to R10 shall not be reported) | Solvency Capital Requirements | The SCR for the relevant risk category, net of reinsurance.  The following explanations apply for C5 – C24:  For the aggregate risks, the SCR after aggregation over the underlying sub-risks should be reported.  For lapse risk the following applies:   * ‘Lapse’ covers exercising contractual options in a general sense. * Risk of increase in lapse rates (R17) and decrease of lapse rates (R18) are lapse risks other than mass lapse risk, where R17 (R18) covers the part of the business leading to a loss if lapse rates increase (dercrease) as defined in the internal model. * Risk of mass lapse (R19) is risk of accumulation or catasptrophe risk for lapse as defined in the internal model * ‘Lapse type split (other than mass lapse)’ covers non-mass lapse risk if a split in increase / decrease is not available and offers a split in three rough categories: ‘full surrender’, i.e. termination of the contract, ‘partial surrender’ and ‘other’ exercising of contractual options or ‘Policyholder behaviour’. |
| LH\_LIF\_SCR\_Rxx\_C6  xx = 1 to 27 (if R27 is reported then R1 to R10 shall not be reported) | Mean | The mean of the probability distribution of the net SCR |
| LH\_LIF\_SCR\_Rxx\_C7  xx = 1 to 27 (if R27 is reported then R1 to R10 shall not be reported) | Standard deviation | The Standard deviation of the probability distribution of the net SCR |
| LH\_LIF\_SCR\_Rxx\_Cyy  xx= 1 to 27 (if R27 is reported then R1 to R10 shall not be reported)  yy = 8 to 24 | Percentiles from 0.001 to 0.999 (see required percentiles in Annex XII ) | It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis). |
| **ALTERNATIVE BLOCK FOR LIFE RISK**  To be completed if the internal model only has a split between Trend and Level risk. In that case the following block replaces the block above. | | |
| LH\_LIF\_EXPTLC\_R3\_C1 | Net Best Estimate liability + Technical provisions calculated as a whole | Catastrophe risk best estimate shall be reported net of reinsurance and refers to the products of the life insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well. |
| LH\_LIF\_EXPTLC\_R3\_C2 | Net Written Premiums | The total of the net written premiums for catastrophe risk shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category. |
| LH\_LIF\_EXPTLC\_R3\_C3 | Sum insured | The total sum insured for catastrophe risk shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category. |
| LH\_LIF\_SCRTLC\_Rxx\_C4  xx = 1 (trend risk), 2 (level risk), 3 (catastrophe risk) | Solvency Capital Requirements | The SCR for the relevant risk category, net of reinsurance.  For the aggregate risks, the net SCR after aggregation over the underlying submodules should be reported. |
| LH\_LIF\_SPRTLC\_Rxx\_C5  xx = 1 (trend risk), 2 (level risk), 3 (catastrophe risk) | Mean | The mean of the probability distribution of the SCR |
| LH\_LIF\_SPRTLC\_Rxx\_C6  xx = 1 (trend risk), 2 (level risk), 3 (catastrophe risk) | Standard deviation | The Standard deviation of the probability distribution of the net SCR |
| LH\_LIF\_PCTTLC\_Rxx\_Cyy  xx = 1 (trend risk), 2 (level risk), 3 (catastrophe risk)  yy = 7 to 23 | Percentiles from 0.001 to 0.999 (see required percentiles in Annex XII ) | It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis). |
| **HEALTH RISK** | | |
| LH\_QUE\_XXX\_R1\_C1 | Type of Health risk modelled in Life & Health? | In the closed list there are 3 options:  SLT, NSLT and SLT+NSLT |
| LH\_HLT\_EXP\_Rxx\_C1  LH\_HLT\_APO\_Ryy\_C1  LH\_HLT\_ANPO\_Ryy\_C2  xx = 1, 6, 26  yy = 11 to 16 | Net Best Estimate liability + Technical provisions calculated as a whole | Best estimate shall be reported net of reinsurance and refers to the products of the health insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well.  The split for disability-morbidity risk aggregate refers to annuities paid out (“APO”) or not (“ANPO”). |
| LH\_HLT\_EXP\_Rxx\_C3  xx = 1, 6, 11-16, 26 | Net Written Premiums | The total of the net written premiums shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category. |
| LH\_HLT\_EXP\_Rxx\_C4  xx = 1, 6, 11-16, 26 | Sum insured | The total sum insured shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category. |
| LH\_HLT\_SCR\_Rxx\_C5  xx = 1 to 27 | Solvency Capital Requirements | The SCR for the relevant risk category, net of reinsurance.  The following explanations apply for C5 – C24:  For the aggregate risks, the SCR after aggregation over the underlying submodules should be reported.  For lapse risk the following applies:   * ‘Lapse’ covers exercising contractual options in a general sense. * Risk of increase in lapse rates (R17) and decrease of lapse rates (R18) are lapse risks other than mass lapse risk, where R17 (R18) covers the part of the business leading to a loss if lapse rates increase (dercrease) as defined in the internal model. * Risk of mass lapse (R19) is risk of accumulation or catasptrophe risk for lapse as defined in the internal model   ‘Lapse type split (other than mass lapse)’ covers non-mass lapse risk if a split in increase / decrease is not available and offers a split in three rough categories: ‘full surrender’, i.e. termination of the contract, ‘partial surrender’ and ‘other’ exercising of contractual options or ‘Policyholder behaviour’. |
| LH\_HLT\_SCR\_Rxx\_C6  xx = 1 to 27 | Mean | The mean of the probability distribution of the net SCR |
| LH\_HLT\_SCR\_Rxx\_C7  xx = 1 to 27 | Standard deviation | The Standard deviation of the probability distribution of the net SCR |
| LH\_HLT\_SCR\_Rxx\_Cyy  xx = 1 to 27  yy = 8 to 24 | Percentiles from 0.001 to 0.999 (see required percentiles in Annex XII ) | It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis). |
| **ALTERNATIVE BLOCK FOR HEALTH RISK**  To be completed if the internal model only has a split between Trend and Level risk. In that case the following block replaces the block above. | | |
| LH\_HLT\_EXPTLC\_R3\_C1 | Net Best Estimate liability + Technical provisions calculated as a whole | Best estimate shall be reported net of reinsurance and refers to the products of the health insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well.  The split for disability-morbidity risk aggregate refers to annuities paid out (“APO”) or not (“ANPO”). |
| LH\_HLT\_EXPTLC\_R3\_C2 | Net Written Premiums | The total of the net written premiums shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category. |
| LH\_HLT\_EXP\_R3\_C3 | Sum insured | The total sum insured shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category. |
| LH\_HLT\_SCRTLC\_Rxx\_C4  xx = 1 (trend risk), 2 (level risk), 3 (catastrophe risk) | Solvency Capital Requirements | The SCR for the relevant risk category, net of reinsurance.  For the aggregate risks, the net SCR after aggregation over the underlying submodules should be reported. |
| LH\_HLT\_SPRTLC\_Rxx\_C5  xx = 1 (trend risk), 2 (level risk) , 3 (catastrophe risk) | Mean | The mean of the probability distribution of the net SCR |
| LH\_HLT\_SPRTLC\_Rxx\_C6  xx = 1 (trend risk), 2 (level risk) , 3 (catastrophe risk) | Standard deviation | The Standard deviation of the probability distribution of the net SCR |
| LH\_HLT\_PCTTLC\_Rxx\_Cyy  xx = 1 (trend risk), 2 (level risk) , 3 (catastrophe risk)  yy= 7 to 23 | Percentiles from 0.001 to 0.999 (see required percentiles in Annex XII) | It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis). |
| **SOLVENCY CAPITAL REQUIREMENTS** | | |
| LH\_LIF\_SCR\_R1\_C1  LH\_HLT\_SCR\_R1\_C1  LH\_SCR\_XXX\_R1\_C1 | Total undiversified risk: Life underwriting,  Health underwriting, Life and Health underwriting | The sum of all (sub-) SCRs.  For lapse please choose the sum as approriate to the splits presented on the most granular level.  Examples: (1) If lapse increase and lapse decrease and mass lapse are available plese sum up these. Irrespectively if the lapse split is additionally available. (2) If mass lapse and lapse split are available and also lapse split sublevels, please take the sum of mass lapse and lapse split. If only sublevels of lapse split are available, please chose those. |
| LH\_LIF\_SCR\_R2\_C1  LH\_HLT\_SCR\_R2\_C1  LH\_SCR\_XXX\_R2\_C1 | Diversification:  Life underwriting,  Health underwriting, Life and Health underwriting | The diversification between the subrisks |
| LH\_LIF\_SCR\_R3\_C1  LH\_HLT\_SCR\_R3\_C1  LH\_SCR\_XXX\_R3\_C1 | Diversified risk:  Life underwriting,  Health underwriting, Life and Health underwriting | The aggregated SCR Life and Health risk after aggregating all subrisks |