

Annex XI – Instructions for the new S.25.02 (replacing S.25.02 and S.25.03)

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Annex II

S.25.02 – Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

General comments:

This Annex contains additional instructions in relation to the templates included in Annex I of this Regulation. The first column of the next table identifies the items to be reported by identifying the columns and lines as showed in the template in Annex I.

This annex relates to opening and annual submission of information for individual entities, ring fenced-funds, matching adjustment portfolios and remaining part.

All components that are supported by the model structure shall be reported. The components to be reported shall be agreed between national supervisory authorities and insurance and reinsurance undertakings.

Template SR.25.02 shall be reported by ring-fenced fund, matching adjustment portfolio and the remaining part for every undertaking under an internal model. For partial internal models, this includes undertakings where a partial internal model is applied to a full ring-fenced fund and/or matching adjustment portfolio while the other ring-fenced funds and/or matching adjustment portfolios are under the standard formula. However for full internal models, where a RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds. This template should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

For those undertakings under a partial internal model to which the adjustment due to the aggregation of the nSCR of RFF/MAP is applicable, where the entity has MAP or RFF (except those under the scope of article 304 of Directive 2009/138/EC) when reporting at the level of the whole undertaking, the nSCR at risk module level and the loss-absorbing capacity (LAC) of technical provisions and deferred taxes to be reported shall be calculated as follows:

- Where the undertaking applies the full adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level: the nSCR is calculated as if no RFF and the LAC shall be calculated as the sum of the LAC across all RFF/MAP and remaining part;
- Where the undertaking applies the Simplification at risk sub-module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at sub-module level method,
- Where the undertaking applies the Simplification at risk module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at module level method.

The adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level shall be allocated (C0060) to the relevant risk modules (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk) when calculated according to the standard formula. The amount to be allocated to each relevant risk module shall be calculated as follows:

- Calculation of “q factor” = $\frac{adjustment}{BSCR' - nSCR_{int}}$, where
 - o *adjustment* = Adjustment calculated according to one of the three methods referred above
 - o *BSCR'* = Basic solvency capital requirement calculated according the information reported in this template
 - o *nSCR_{int}* = nSCR for intangible assets risk according to the information reported in this template

- Multiplication of this “q factor” by the nSCR of each relevant risk module (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk)

	ITEM	INSTRUCTIONS
Z0020	Ring-fenced fund, matching adjustment portfolio or Remaining Part	Identifies whether the reported figures are with regard to a RFF, matching adjustment portfolio or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part
Z0030	Fund/Portfolio number	When item Z0020 = 1, identification number for a ring fenced fund or matching adjustment portfolio. This number is attributed by the undertaking and must be consistent over time and with the fund/portfolio number reported in other templates. When item Z0020 = 2, then report “0”
C0010	Unique code of component	Alphanumeric codes that represent different modules and submodules of the internal model. Please see Annex XII for a complete list of the available codes. Codes that are not supported by the model in a meaningful way shall not be reported.
C0020	Text data	Data in text format. Any text data must be supplied in this field. Depending on the data supplied, this field can be an item from a closed list or free text.
C0030	Numerical data	Data in numerical format. Any numerical data must be supplied in this field. What each number represents is specified in the LOG files of Annexes XIII - XVII for each risk area.
C0050	Allocation from adjustments due to RFF and Matching adjustment portfolios	Where applicable, part of the adjustment allocated to each risk module and submodule according to the procedure described in the general comments. This amount shall be positive. Applicable only for partial internal models.
C0060	Consideration of the future management actions regarding technical provisions and/or deferred taxes	To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation. The following closed list of options shall be used: 1 – Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component 2 – Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component 3 – Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component 4 – No embedded consideration of future management actions.
C0070	Amount modelled	For each component, this cell represents the amount calculated according to the partial internal model. Applicable only for partial internal models.
R0110/C0100	Total of undiversified components	Sum of all components.
R0060/C0100	Diversification	The total amount of the diversification among

		<p>components reported in C0030.</p> <p>This amount does not include diversification effects inside each component, which shall be embedded in the values reported in C0030.</p> <p>This amount should be reported as negative value.</p>
R0120/C0100	Adjustment due to RFF/MAP nSCR aggregation	<p>When applicable, adjustment to correct the bias on SCR calculation due to aggregation of RFF/MAP nSCR at risk module level.</p> <p>Applicable only for partial internal models.</p>
R0160/C0100	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	Amount of the capital requirement, calculated according to the rules stated in Art. 17 of Directive 2003/41/EC, for ring-fenced funds relating to pension business operated under Art. 4 of Directive 2003/41/EC to which transitional measures are applied. This item is to be reported only during the transitional period.
R0200/C0100	Solvency capital requirement, excluding capital add-ons	Amount of the total diversified SCR before any capital add-on.
R0211/C0100	Capital add-ons already set	Amount of type (a) capital add-on according to Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.
R0212/C0100	Capital add-ons already set	Amount of type (b) capital add-on according to Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.
R0213/C0100	Capital add-ons already set	Amount of type (c) capital add-on according to Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.
R0214/C0100	Capital add-ons already set	Amount of type (d) capital add-on according to Article 37 (1) of Directive 2009/138/EC (2014/51/EU) that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.
R0220/C0100	Solvency Capital Requirement	Overall capital requirement including capital add-ons
Other information on SCR		
R0300/C0100	Amount/Estimate of the overall loss-absorbing capacity of technical provisions	Amount/Estimate of the overall adjustment for loss-absorbing capacity of technical provisions, including the part embedded in the components and the part reported as a single component. This amount shall be reported as a negative amount.
R0310/C0100	Amount/Estimate of the loss absorbing capacity for deferred taxes	Amount/Estimate of the overall adjustment for deferred taxes, including the part embedded in the components and the part reported as a single component. This amount shall be reported as a negative amount.
R0400/C0100	Capital requirement for duration-based equity risk sub-module	<p>Amount of the capital requirement for duration-based equity risk sub-module.</p> <p>Applicable only for partial internal models.</p>

R0410/C0100	Total amount of notional Solvency Capital Requirements for remaining part	Amount of the notional SCRs of remaining part when undertaking has RFF.
R0420/C0100	Total amount of Notional Solvency Capital Requirements for ring fenced funds	Amount of the sum of notional SCRs of all ring-fenced funds when undertaking has RFF (other than those related to business operated in accordance with article 4 of Directive 2003/41/EC (transitional)).
R0430/C0100	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	<p>Amount of the sum of notional SCRs of all matching adjustment portfolios</p> <p>This item does not have to be reported when reporting SCR calculation at RFF or matching adjustment portfolio level.</p>
R0440/C0100	Diversification effects due to RFF nSCR aggregation for article 304	<p>Amount of the adjustment for a diversification effect between ring fenced funds under article 304 of Directive 2009/138/EC and the remaining part where applicable.</p> <p>It shall be equal to the difference between the sum of the nSCR for each RFF/MAP/RP and the SCR reported in R0200/C0100.</p>
R0450/C0100	Method used to calculate the adjustment due to RFF nSCR aggregation	<p>Method used to calculate the adjustment due to RFF nSCR aggregation. One of the following option shall be used:</p> <ol style="list-style-type: none"> 1 - Full recalculation 2 - Simplification at risk sub-module level 3 - Simplification at risk module level 4 - No adjustment <p>When the undertaking has no RFF (or have only RFF under article 304 of Directive 2009/138/EC) it shall select option 4.</p> <p>Applicable only for partial internal models.</p>
R0460/C0100	Net future discretionary benefits	Amount of technical provisions without risk margin in relation to future discretionary benefits net of reinsurance.