

# **Guidelines on Submission of Information to National Competent Authorities**

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## **Introduction**

- 1.1. According to Article 16 of Regulation (EU) 1094/2010 of 24 November 2010 (hereafter, EIOPA Regulation or the Regulation)<sup>1</sup> EIOPA is issuing Guidelines addressed to national competent authorities on how to proceed in the preparatory phase leading up to the applications of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive)<sup>2</sup>.
- 1.2. These Guidelines are based on Articles 35, 220 and 254 of the Solvency II Directive.
- 1.3. In the absence of Preparatory Guidelines European national competent authorities may see the need to develop national solutions in order to ensure sound risk sensitive supervision. Instead of reaching consistent and convergent supervision in the European Union, different national solutions may emerge to the detriment of a good functioning internal market.
- 1.4. It is of key importance that there will be a consistent and convergent approach with respect to the preparation of Solvency II. These Guidelines should be seen as preparatory work for Solvency II by fostering preparation with respect to key areas of Solvency II in order to ensure proper management of undertakings and to ensure that supervisors have sufficient information at hand. These areas are the system of governance, including risk management system and a forward looking assessment of own risks (based on the Own Risk and Solvency Assessment principles), pre-application for internal models and submission of information to national competent authorities.
- 1.5. Early preparation is key in order to ensure that when Solvency II is fully applicable undertakings and national competent authorities will be well prepared and able to apply the new system. For this, national competent authorities are expected to engage with undertakings in a close dialogue.
- 1.6. As part of the preparation for the implementation of Solvency II, national competent authorities should put in place from 1 of January 2014 the Guidelines as set out in this document so that insurance and reinsurance undertakings take the appropriate steps.
- 1.7. National competent authorities should send to EIOPA, a progress report on the application of these Guidelines by the end of February following each relevant year, the first being sent by 28 February 2015 based on the period 1 January 2014 to 31 December 2014.

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<sup>1</sup> OJ L 331, 15.12.2010, p. 48–83

<sup>2</sup> OJ L 335, 17.12.2009, p. 1-155

- 1.8. National competent authorities are expected to ensure that insurance and reinsurance undertakings prepare for having appropriate systems and structures in place that would allow an adequate exchange of information with the national competent authorities.
- 1.9. As a preparation exercise for Solvency II implementation, the national competent authorities should ensure that, during the preparatory phase leading up to Solvency II the information outlined in these Guidelines is submitted by at least insurance and reinsurance undertakings and by insurance and reinsurance groups that represent a significant share of national markets. This information should be submitted in addition to any existing supervisory reporting requirements.
- 1.10. This preparation phase should be used as an opportunity for national competent authorities and undertakings to set up or foster a dialogue around implementation of reporting requirements. National competent authorities are expected to consider the information provided. National competent authorities will not be expected to take enforcement or regulatory action but it is likely to be appropriate to discuss and plan with insurance and reinsurance the progress being made. Data should be used only for the purpose of assessing and improving preparedness for Solvency II requirements.
- 1.11. EIOPA's intention is that for preparatory purposes the annual information is submitted once before Solvency II is applicable and the quarterly information is submitted in relation to the third quarter prior to the application date of Solvency II Directive. The starting dates proposed for the submission of information are based on the assumption that the Solvency II Directive will be applicable on the 1 January 2016. These submission dates will, therefore, be reviewed at the end of 2013 based on the latest developments with regard to OMDII.
- 1.12. It should not be assumed that supervisory approval for specific items or methods required under Solvency II has been given.
- 1.13. Regarding information on internal models, the aim of reporting during the preparatory phase takes into account the need of the undertaking to prepare for the eventuality that its internal model may not be approved and the fact that undertakings should prepare for the regular submission of information when Solvency II Directive is applicable.
- 1.14. Insurance and reinsurance undertakings engaged in a pre-application process for internal models should submit the information on the Solvency Capital Requirement (SCR) calculated both with the standard formula and with the full/partial internal model. The submission related to the standard formula is defined under the "Guidelines on Pre-Application of Internal Models" while the submission related to the full or partial internal model, for the purpose of submission of information, is defined under these Guidelines. On the narrative report for the preparatory phase it is only required to submit a subset of the reporting requirements foreseen under Solvency II. It was considered that the

submission of the full report would be burdensome and the content included in these Guidelines should already allow for a proper preparation to report the full narrative report when Solvency II Directive is applicable.

- 1.15. Also regarding quantitative information the set of information required is a subset of the full package. As a consequence, for the preparatory phase some reporting items will not be applicable.
- 1.16. As for reporting at a Ring Fenced Fund level EIOPA believes that it is very important that undertakings prepare for the calculation and submission of information by Ring Fenced Funds (RFF) both at individual and group level, as this will be an important part of Solvency II. Therefore the requirement of the submission of information for the major material RFF and the remaining part was kept both at individual and group level. Regarding the calculation of the SCR at entity or group level when undertakings have RFFs, EIOPA will engage in a dialogue with stakeholders to ensure that an appropriate solution is incorporated in the technical specifications.
- 1.17. As part of the preparation for the implementation of Solvency II, national competent authorities may already wish to use the taxonomy developed by EIOPA for the submission of information. For that the relevant support documentation was made available at <https://eiopa.europa.eu/publications/eu-wide-reporting-formats/index.html>. A new version of this information will be made available in the future.
- 1.18. Technical Annex VI describes the data checks to which the data submitted needs to comply with. This Annex should not be understood as representing the final position on data checks, namely due to the fact that the preparatory phase only includes a subset of the Solvency II reporting package.
- 1.19. When method 2 as defined in Article 233 of the Solvency II Directive is applied, insurance and reinsurance groups are allowed to use solvency capital requirements and eligible own funds of related third country undertakings calculated according to their local rules for the purposes of these Guidelines only, and without prejudice to any future European Commission equivalence determinations and any future decisions of group supervisors.
- 1.20. National competent authorities are expected to ensure that these Guidelines are applied in a manner which is proportionate to the nature, scale and complexity of the risks inherent in the business of the insurance and reinsurance undertaking. The Guidelines already reflect the application of the principle of proportionality by having the principle embedded and also by introducing thresholds in certain areas.
- 1.21. For the purpose of the quarterly reporting of the balance sheet, except for technical provisions, in preparatory phase only quarter 3 of 2015, proportionality and materiality in relation to the quarterly data need to be assessed. In making assessments of materiality, it has to be recognised that quarterly measurements may rely on estimates and estimation methods to a

greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting have to be designed to ensure that the resulting information is reliable and complies with the Solvency II standards and that all material information that is relevant for the understanding of the data is reported.

- 1.22. The calculation of technical provisions during the year, in particular for the purpose of quarterly reporting, in preparatory phase only quarter 3 of 2015, may rely on simplified methods in the calculation of the risk margin and best estimate (to be further elaborated by EIOPA).
- 1.23. EIOPA has also considered the specific case of insurance and reinsurance captives, in particular in relation to the quarterly submission of information. EIOPA believes that the preparatory phase should be in line with the final Solvency II framework but also have a phasing in nature. Taking this into consideration EIOPA decided to allow national competent authorities to exempt, in case any captive is covered by the market share applied, insurance and reinsurance captives from the submission of information in relation to the Q3 of 2015. Insurance and reinsurance captives do need to submit the annual information and should be considered in the calculation of the market share
- 1.24. EIOPA highlights that this solution for the quarterly reporting does not pre-empt any future solution to be applied under Solvency II for the quarterly submission of information by insurance and reinsurance captives under the Solvency II regime.
- 1.25. The Guidelines apply to both individual insurance and reinsurance undertakings and at the level of the insurance and reinsurance group. Additionally, insurance and reinsurance groups need to take into consideration the group specific Guidelines.
- 1.26. Therefore, the Guidelines set out in Sections I, II, III, and VIII clearly identify if they are applicable to individual insurance and reinsurance undertaking or at the level of the insurance and reinsurance group; Sections IV, V, VI, VII, and IX apply both to individual insurance and reinsurance undertakings and mutatis mutandis at the level of the insurance and reinsurance group, with Guidelines 26 and 33 being specific considerations on how such Guidelines apply at the level of the insurance and reinsurance group.
- 1.27. No notional Minimum Capital Requirement for composite insurance undertakings will be requested as that is out of scope for these Guidelines.
- 1.28. The Guidelines shall apply from 1st January 2014.

## **Section I: General provisions for Guidelines**

### **Guideline 1- General provisions for Guidelines**

- 1.29. National competent authorities should take the appropriate steps in order to put in place from 1 January 2014 the present Guidelines on submission of information to national competent authorities.
- 1.30. National competent authorities should ensure that insurance and reinsurance undertakings and groups take the appropriate steps to:
- a) build systems and structures to deliver high quality information for supervisory purposes, and;
  - b) submit to their national competent authorities the qualitative and quantitative information as set out in these Guidelines that will allow national competent authorities to review and evaluate the quality of the information and the progress made.

### **Guideline 2 - Progress report to EIOPA**

- 1.31. National competent authorities should send to EIOPA, a progress report on the application of these Guidelines by the end of February following each relevant year, the first being sent by 28 February 2015 based on the period 1 January 2014 to 31 December 2014.

## **Section II: Scope of the submission of information – Thresholds to be applied**

### **Guideline 3 – Individual annual quantitative information submission thresholds**

- 1.32. In accordance with Article 35 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings that represent at least 80% of the national market share, according to the criteria defined in Guideline 5 to 7, submit to the national competent authority the set of annual quantitative information identified in Guideline 13.

### **Guideline 4 – Individual quarterly quantitative information submission thresholds**

- 1.33. In accordance with Article 35 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings that represent at least 50% of the national market share, according to the criteria defined in Guideline 5 to 7, submit to the national competent authority the set of quarterly information identified in Guideline 16.

### **Guideline 5 – Market share for individual**

- 1.34. National competent authorities should calculate the national market share referred to in Guidelines 3 and 4 based on the data submitted by insurance and reinsurance undertakings for the purposes of supervision on the annual reporting period ending during 2012.

- 1.35. To determine the national market share the following undertakings should be excluded:
- a) non-EEA insurance and reinsurance undertakings with a share in the national market through a branch office;
  - b) other EEA insurance and reinsurance undertakings with a share in the national market through a branch office or freedom to provide services.

1.36. Life and Non-life business should be considered separately.

#### **Guideline 6 – Calculation of market share for life business**

1.37. For Life business, national competent authorities should:

- a) Identify the insurance and reinsurance undertakings writing life insurance or reinsurance business that are expected to be within the scope of the Solvency II Directive at its initial date of application, based on information available at the time of notification;
- b) Calculate the market share of each of them, dividing the amount of its gross life technical provisions by the total amount of gross life technical provisions of all insurance and reinsurance undertakings identified in the previous paragraph, and;
- c) Identify the insurance and reinsurance undertakings for which the accumulated market share calculated in the previous paragraph reaches at least 80% for the purpose of Guideline 3 and 50% for the purpose of Guideline 4.

#### **Guideline 7 – Calculation of market share for non-life business**

1.38. For Non-life business, national competent authorities should:

- a) Identify the insurance and reinsurance undertakings writing non-life insurance or reinsurance business that are expected to be within the scope of the Solvency II Directive at its initial date of application, based on information available at the time of notification;
- b) Calculate the market share of each of them, dividing the amount of its gross non-life written premiums, direct and reinsurance accepted, by the total amount of gross non-life written premiums, direct and reinsurance accepted, of all insurance and reinsurance undertakings identified in the previous paragraph, and;
- c) Identify the insurance and reinsurance undertakings for which the accumulated market share calculated in the previous paragraph reaches at least 80% for the purpose of Guideline 3 and 50% for the purpose of Guideline 4.

#### **Guideline 8 - Notification by national competent authorities to insurance and reinsurance undertakings**

1.39. National competent authorities should notify insurance and reinsurance undertakings falling into these thresholds, no later than 11 months before the initial submission reference dates indicated in Guideline 35.

## **Guideline 9 – Groups’ annual quantitative information submission thresholds**

- 1.40. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that at least the participating insurance and reinsurance undertakings or insurance holding companies at the head of an insurance or reinsurance group with more than EUR 12 billion or the equivalent in the national currency of total assets in the consolidated accounting balance-sheet for the reporting period ending during 2012, submit to the group supervisor the set of annual quantitative information identified in Guideline 17.
- 1.41. The equivalent amount in national currency should be calculated by applying the exchange rate at the end of the reporting period for supervisory purposes referred in the previous paragraph.
- 1.42. If in a Member State no insurance or reinsurance group with headquarters in its territory falls under paragraph 1.41., the national competent authority should decide whether any insurance or reinsurance groups headquartered in its territory should submit to the group supervisor the set of annual quantitative information identified in Guideline 17, considering at least the nature, scale and complexity of the risks inherent to the business of the group and its significance in the local market.
- 1.43. Where method 2 as defined in Article 233 of Solvency II Directive is applied, the national competent authority should ensure that total assets is calculated and communicated to the group supervisor by the group, based on the proportional sum of all total assets of insurance or reinsurance undertakings and insurance holding companies belonging to the group in the scope of the group solvency calculation.

## **Guideline 10 – Groups’ quarterly quantitative reporting thresholds**

- 1.44. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that at least the participating insurance and reinsurance undertakings or insurance holding companies at the head of an insurance or reinsurance group with more than EUR 12 billion or the equivalent in the national currency of total assets in the consolidated accounting balance sheet, relating to the reporting period ending during 2012, submit to the group supervisor the set of quarterly quantitative information identified in Guideline 20.
- 1.45. The equivalent amount in national currency should be calculated by applying the exchange rate at the end of the reporting period for supervisory purposes referred in the previous paragraph.
- 1.46. If in a Member State no insurance or reinsurance group with headquarters in its territory falls under paragraph 1.45., the national competent authority should decide whether any insurance or reinsurance groups headquartered in its territory should submit to the group supervisor the set of quarterly quantitative information identified in Guideline 20, considering at least the

nature, scale and complexity of the risks inherent to the business of group and its significance in the local market.

- 1.47. Where method 2 as defined in Article 233 of the Solvency II Directive is applied, the national competent authority should ensure that the total assets are calculated and communicated to the national competent authority by the group, based on the proportional sum of total assets of all insurance or reinsurance undertakings and insurance holding companies belonging to the group in the scope of the group solvency calculation.

**Guideline 11 - Notification by national competent authorities to participating insurance and reinsurance undertaking or insurance holding company at the head of an insurance or reinsurance group**

- 1.48. The national competent authorities should notify, the participating insurance and reinsurance undertaking or insurance holding company at the head of an insurance or reinsurance group falling into these thresholds no later than 11 months before the initial submission reference dates indicated in Guideline 35, that they are required to submit to the group supervisor the set of quarterly quantitative information identified in Guideline 20 and the set of annually quantitative information identified in Guideline 17.

**Guideline 12 – Narrative reporting thresholds**

- 1.49. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings and the participating insurance and reinsurance undertaking or insurance holding company falling within the scope of Guidelines 3 and 9 submit to the corresponding national competent authority the set of narrative information identified in Section IV to Section VI of these Guidelines.

**Section III: Quantitative information**

**Guideline 13 – Individual quantitative annual information**

- 1.50. In accordance with Articles 35 of the Solvency II Directive, national competent authorities should ensure that individual insurance and reinsurance undertakings falling within the scope of Guideline 3 submit annually to the national competent authority the following items as defined in Technical Annex I, with the detail described in Technical Annex II, and under the references indicated below:

- a) S.01.01.b – Content of the submission;
- b) S.01.02.b – Basic information;
- c) S.02.01.b – Balance sheet;
- d) S.02.02.b – Assets and liabilities by currency;
- e) S.06.02.b – List of assets;
- f) S.08.01.b – Open derivatives;
- g) S.12.01.b – Life and Health Similar to Life Techniques Technical Provisions;
- h) S.17.01.b – Non-life Technical Provisions;

- i) S.23.01.b – Own funds;
- j) S.25.01.b – Solvency Capital Requirement - Standard Formula or Partial Internal Models;
- k) S.25.02.b – Solvency Capital Requirement - Partial Internal Models;
- l) S.25.03.b – Solvency Capital Requirement - Full Internal Models;
- m) S.26.01.b – Solvency Capital Requirement - Market risk;
- n) S.26.02.b – Solvency Capital Requirement - Counterparty default risk;
- o) S.26.03.b – Solvency Capital Requirement - Life underwriting risk;
- p) S.26.04.b – Solvency Capital Requirement - Health underwriting risk;
- q) S.26.05.b – Solvency Capital Requirement - Non-life underwriting risk;
- r) S.26.06.b – Solvency Capital Requirement - Operational risk;
- s) S.27.01.b – Solvency Capital Requirement - Non-life catastrophe risk;
- t) S.28.01.b – Minimum Capital Requirement – Non-composite undertakings, and;
- u) S.28.02.b – Minimum capital Requirement - Composite undertakings.

1.51. The information referred to in paragraph d) should be submitted for the number of currencies needed to report at least 90% of the total assets and liabilities, where the currencies to be reported are those underlying the asset or liability.

1.52. The information referred to in paragraphs g) and h) by country should be submitted for the home country and for the additional number of countries needed to report up to 90% of the Best Estimate for direct business on a certain Line of business, with the rest being reported in items “For European Economic Area countries outside the materiality threshold” or “For non-European Economic Area countries outside the materiality threshold”.

#### **Guideline 14 – Individual quantitative annual information – Internal Models**

1.53. National competent authorities should ensure that insurance and reinsurance undertakings that are engaged with the relevant national competent authority in a pre-application process for an internal model that would be used for the calculation of the Solvency Capital Requirement, submit annually to the national competent authority, within the deadlines defined in Guideline 35 the relevant information identified in the Guideline 13.

1.54. 4.55. For the information regarding the internal model calculation of Solvency Capital Requirement the relevant information identified in m) to s) of Guideline 13 according to the specific categorization of risks of the specific internal model and any additional information requested by the national competent authority about the internal model under pre-application should be submitted according to specific templates agreed with the respective national competent authority.

#### **Guideline 15 – Individual quantitative annual information – Ring Fenced Funds**

1.55. In addition to the information regarding the Solvency Capital Requirement at entity level, the information referred to in paragraph j) of Guideline 13 should be submitted, separately, regarding the Ring Fenced Fund with the most

material notional Solvency Capital Requirement and regarding the remaining part of the business of the undertaking using the references S.25.01.l.

- 1.56. The information referred to in paragraphs m) to s) of Guideline 13 should be submitted, separately, regarding the Ring Fenced Fund with the most material notional Solvency Capital Requirement and regarding the remaining part of the business of the undertaking using the references S.26.01.l to S.26.06.l and S.27.01.l.
- 1.57. When undertaking is using an internal model for the calculation of Solvency Capital Requirement, the notional SCR for material Ring Fenced Fund and the remaining part, should be taken into account, when submitting the relevant information identified in k) and l) of Guideline 13, according to specific templates agreed with the respective national competent authority.

### **Guideline 16 – Individual quantitative quarterly information**

1.58. In accordance with Articles 35 of the Solvency II Directive, national competent authorities should ensure that individual insurance and reinsurance undertakings falling within the scope of Guideline 4 submit quarterly to the national competent authority the following items as defined in Technical Annex I, with the detail described in Technical Annex II, and under the references indicated below:

- a) S.01.01.a – Content of the submission;
- b) S.01.02.a – Basic information;
- c) S.02.01.a – Balance sheet;
- d) S.06.02.a – List of assets;
- e) S.08.01.a – Open derivatives;
- f) S.12.01.a – Life and Health Similar to Life Techniques Technical Provisions;
- g) S.17.01.a – Non-life Technical Provisions;
- h) S.23.01.a – Own funds;
- i) S.28.01.a – Minimum Capital Requirement – Non-composite undertakings, and;
- j) S.28.02.a – Minimum capital Requirement - Composite undertakings.

1.59. Notwithstanding Guideline 4, national competent authorities may exempt captive insurance and reinsurance undertakings from the submission of the information referred to in the previous paragraph.

### **Guideline 17 – Groups’ quantitative annual information**

1.60. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that participating insurance and reinsurance undertakings or insurance holding companies at the head of an insurance or reinsurance group falling within the scope of Guideline 9 submit annually to the national competent authority the following items as defined in Technical Annex I, with the detail described in Technical Annex II, and under the references indicated below:

- a) S.01.01.g – Content of the submission;
- b) S.01.02.g – Basic information;

- c) S.02.01.g – Balance sheet, when the method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with 2 method or method 2 as defined in Article 233 of the Solvency II Directive;
- d) S.06.02.g – List of assets;
- e) S.08.01.g – Open derivatives;
- f) S.23.01.g – Own funds;
- g) S.25.01.g - Solvency Capital Requirement - Standard Formula or Partial Internal Models, when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- h) S.25.02.g - Solvency Capital Requirement - Partial Internal Models, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- i) S.25.03.g - Solvency Capital Requirement - Full Internal Models, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- j) S.26.01.g - Solvency Capital Requirement - Market risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- k) S.26.02.g - Solvency Capital Requirement - Counterparty default risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- l) S.26.03.g - Solvency Capital Requirement - Life underwriting risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- m) S.26.04.g - Solvency Capital Requirement - Health underwriting risk, when method 1 as defined in Article 230 of the Solvency IIDirective is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- n) S.26.05.g - Solvency Capital Requirement - Non-life underwriting risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- o) S.26.06.g - Solvency Capital Requirement - Operational risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- p) S.27.01.g - Solvency Capital Requirement - Non-life catastrophe risk, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- q) S.32.01.g - Undertakings in the scope of the group;

- r) S.33.01.g - Insurance and reinsurance individual requirements;
- s) S.34.01.g - Other regulated and non-regulated financial undertakings including insurance holding companies individual requirements and;
- t) S.35.01.g - Contribution to group technical provisions.

- 1.61. In accordance with Article 220 (2) of the Solvency II Directive, notwithstanding paragraph 1.63, national competent authorities in the role of group supervisor should form a view, after consulting the other supervisory authorities concerned and the group itself, on whether an insurance or reinsurance group can apply the method 2 as defined in Article 233 of the Solvency II Directive or the combination of method 1 as defined in Article 230 of the Solvency II Directive and method 2 as defined in Article 233 of the Solvency II Directive, where the exclusive application of method 1 is not considered appropriate regarding the EEA operations.
- 1.62. With regard to third country undertakings, the insurance or reinsurance group and the group supervisor should engage in a dialogue on the method of calculation that the group will use to determine their group solvency for the preparatory phase. The insurance or reinsurance group should explain to the group supervisor why the exclusive application of method 1 is not considered appropriate.
- 1.63. During the preparatory phase the group should decide which method to apply after having considered the outcome of the dialogue with the group supervisor. In the case the group intends to apply during the preparatory phase the method 2 or the combination of method 1 as defined in Article 230 of Solvency II Directive and method 2 as defined in Article 233 of Solvency II Directive, and this is not in line with the outcome of the dialogue, the insurance or reinsurance groups should communicate the rationale for deviating from the outcome of the dialogue before commencing their solvency calculations for the preparatory phase.
- 1.64. The use of the method 2 or the combination of method 1 as defined in Article 230 of Solvency II Directive and method 2 as defined in Article 233 of Solvency II Directive should be applied without prejudice to any future decision of the group supervisor once Solvency II is applicable.

### **Guideline 18 – Groups’ quantitative annual information – Internal Models**

- 1.65. National competent authorities should ensure that groups that are engaged with the relevant national competent authority in a pre-application process for an internal model that would be used for the calculation of the Solvency Capital Requirement, submit annually to the national competent authority, within the deadlines defined in Guideline 35, the relevant information identified in the Guideline 17.
- 1.66. In the case of group internal models under pre-application that would be used for the calculation of both the group Solvency Capital Requirement and some Solvency Capital Requirement of related undertakings, for the information

regarding the internal model calculation of Solvency Capital Requirement the relevant information identified in j) to p) of the Guideline 17 according to the specific categorization of risks of the specific internal model and any additional information requested by the national competent authority about the internal model under pre-application should be submitted according to specific templates agreed with the respective national competent authority.

### **Guideline 19 – Groups’ quantitative annual information – Ring Fenced Funds**

- 1.67. When method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive, in addition to the information regarding the Solvency Capital Requirement calculation at group level, the information referred to in paragraphs g) of Guideline 17 should be submitted, separately, regarding the Ring Fenced Fund with the most material notional Solvency Capital Requirement and regarding the remaining part of the business of the group using the references S.25.01.n. .
- 1.68. When method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive, the information referred to in paragraphs j) to p) of Guideline 17 should be submitted, separately, regarding the Ring Fenced Fund with the most material notional Solvency Capital Requirement and regarding the remaining part of the business of the group using the references S.26.01.n to S.26.06.n and S.27.01.n.
- 1.69. When method 2 as defined in Article 233 of the Solvency II Directive is used, the information referred to in paragraph r) of Guideline 17, in the cells B1 to B7 as defined in Annex II, should be submitted for insurance and reinsurance undertakings, separately, at entity level, regarding the Ring Fenced Fund with the most material notional Solvency Capital Requirement and regarding the remaining part of the business.
- 1.70. When undertaking is using an internal model for the calculation of Solvency Capital Requirement, the notional SCR for material Ring Fenced Fund and the remaining part, should be taken into account, when submitting the relevant information identified in h) and i) of Guideline 17, according to specific templates agreed with the respective national competent authority.

### **Guideline 20 – Groups’ quantitative quarterly information**

- 1.71. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that participating insurance and reinsurance undertakings or insurance holding companies at the head of insurance or reinsurance group falling within the scope of Guideline 10 submit quarterly to the national competent authority the following items as defined in Technical Annex I, with the detail described in Technical Annex II, and under the references indicated below:

- a) S.01.01.f – Content of the submission;

- b) S.01.02.f – Basic information;
- c) S.02.01.f – Balance sheet, when method 1 as defined in Article 230 of the Solvency II Directive is used, either exclusively or in combination with method 2, as defined in Article 233 of the Solvency II Directive;
- d) S.06.02.f - List of assets;
- e) S.08.01.f – Open derivatives, and;
- f) S.23.01.f - Own funds.

## **Section IV: Narrative information on System of governance**

### **Guideline 21 – Information on general governance requirements**

1.72. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's general governance requirements:

- a) information allowing the national competent authority to gain a good understanding of the system of governance within the undertaking, and to assess its appropriateness to the undertaking's business strategy and operations;
- b) information relating to the undertaking's delegation of responsibilities, reporting lines and allocation of functions, and;
- c) the structure of the undertaking's administrative, management or supervisory body, providing a description of their main roles and responsibilities and a brief description of the segregation of responsibilities within these bodies, in particular whether relevant committees exist within them, as well as a description of the main roles and responsibilities of key functions held by such bodies.

### **Guideline 22 – Information on the fit and proper requirements**

1.73. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's compliance with the fit and proper requirements:

- a) a list of the persons in the undertaking, or external to the undertaking in the case that the undertaking has outsourced key functions that are responsible for key functions, and;
- b) information on the policies and processes established by the undertaking to ensure that those persons are fit and proper.

### **Guideline 23 – Information on the risk management system**

1.74. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's risk management system:

- a) a description of the undertaking's risk management system comprising strategies, processes and reporting procedures, and how it is able to effectively identify, measure, monitor, manage and report, on a continuous basis, the risks on an individual and aggregated level, to which the undertaking is or could be exposed;
- b) a description of how the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of the undertaking;
- c) information on the undertaking's risk management strategies, objectives, processes and reporting procedures for each category of risk, with an explanation how these are documented, monitored and enforced;
- d) information on how the undertaking fulfils its obligation related to the 'prudent person principle' as set out in the Guidelines 22 to 30 on the System of Governance;
- e) information on how the undertaking verifies the appropriateness of credit assessments from external credit assessments institutions including how and the extent to which credit assessments from external credit assessments institutions are used.

#### **Guideline 24 – Information on internal control system**

1.75. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's internal control system:

- a) a description of the undertaking's internal control system;
- b) information on the key procedures that the internal control system includes, and;
- c) a description of how the compliance function is implemented.

#### **Guideline 25 – Additional information**

1.76. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes any other material information regarding insurance and reinsurance undertaking's system of governance.

#### **Guideline 26 – Information on System of governance – Groups**

1.77. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that Guidelines 21 to 25 apply to groups.

1.78. National competent authorities should ensure that groups provide additionally the following information:

- a) a description of how the risk management and internal control systems and reporting procedures are implemented consistently in all the undertakings included in the scope of group supervision, as referred to in the Guidelines on the System of Governance;

- b) where applicable, a statement that the participating insurance or reinsurance undertaking or the insurance holding company has made use of the option to perform a single forward looking assessment of own risks document as set out in Guidelines 20 and 23 of forward looking assessment of own risks Guidelines. , and;
- c) information on any material intra-group outsourcing arrangements;
- d) qualitative and quantitative information on material specific risks at group level.

### **Guideline 27 – Information on Governance Structure**

1.79. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure the narrative report referred to in Guideline 12 includes an organizational chart indicating the positions of key function holders within the information on the governance structure.

## **Section V: Narrative information on Capital management**

### **Guideline 28 – Information on Own funds**

1.80. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's and group's own funds:

- a) a quantitative and qualitative explanation of any material differences between equity as shown in the undertaking's financial statements and the excess of assets over liabilities as calculated for solvency purposes, and;
- b) Information on the structure, amount and quality of basic own funds and ancillary own funds.

1.81. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding group's own funds:

- a) How the group's own funds have been calculated net of any intra-group transactions, including intra-group transactions with undertakings of other financial sectors, and;
- b) The nature of the restrictions to the transferability and fungibility of own funds in the related undertakings, if any.

## **Section VI: Narrative information on Valuation for solvency purposes**

### **Guideline 29 – Information on valuation of assets**

1.82. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding insurance and reinsurance undertaking's valuation of their assets for solvency purposes:

- a) separately for each material class of assets, the value of the assets as well as a description of the bases, methods and main assumptions used for valuation for solvency purposes, and;
- b) separately for each material class of assets, a quantitative and qualitative explanation of any material differences between the bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes and those used for their valuation in financial statements.

### **Guideline 30 – Information on valuation of technical provisions**

1.83. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding the insurance and reinsurance undertaking's valuation of their technical provisions for solvency purposes:

- a) separately for each material line of business the value of technical provisions, including the amount of the best estimate and the risk margin, as well as a description of the bases, methods and main assumptions used for their valuation for solvency purposes;
- b) a description of the level of uncertainty associated with the amount of technical provisions;
- c) separately for each material line of business, a quantitative and qualitative explanation of any material differences between the bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes and those used for their valuation in financial statements, and;
- d) a description of the recoverables from reinsurance contracts and special purpose vehicles.

1.84. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes details of the relevant actuarial methodologies and assumptions used in the calculation of the technical provisions including details of any simplification used in the calculation of the technical provision, including deriving the risk margin and its allocation to the single lines of business and including a justification that the method chosen is proportionate to the nature, scale and complexity of risks.

### **Guideline 31 – Information on Valuation of other liabilities**

1.85. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes the following information regarding the insurance and reinsurance undertaking's valuation of other liabilities for solvency purposes:

- a) separately for each material class of other liabilities the value of other liabilities as well as a description of the bases, methods and main assumptions used for their valuation for solvency purposes, and;

- b) separately for each material class of other liabilities, a quantitative and qualitative explanation of any material differences with the valuation bases, methods and main assumptions used by the undertaking for the valuation for solvency purposes and those used for their valuation in financial statements.

### **Guideline 32 – Any other material information**

- 1.86. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes a separate section on any other material information regarding the insurance and reinsurance undertaking's valuation of assets and liabilities for solvency purposes.
- 1.87. In accordance with Articles 35 and 254 of the Solvency II Directive, information on the valuation of assets and liabilities for solvency purposes should include a description of:
  - a) the relevant assumptions about future management actions, and;
  - b) the relevant assumptions about policyholders' behaviour.
- 1.88. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative report referred to in Guideline 12 includes, when insurance and reinsurance undertakings use mark to model techniques information on:
  - a) identification of the assets and liabilities to which that valuation approach applies;
  - b) justification of the use of that valuation approach for the assets and liabilities referred to in point a);
  - c) documentation of the assumptions underlying that valuation approach and;
  - d) assessment of the valuation uncertainty of the assets and liabilities referred to in point a).

### **Guideline 33 – Information on Valuation for solvency purposes - Groups**

- 1.89. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that Guidelines 29 to 32 applies to groups and includes additionally the information regarding the group's valuation for solvency purposes, where the bases, methods and main assumptions used at group level for the valuation for solvency purposes of the group's assets, technical provisions and other liabilities differ materially from those used by any of its subsidiaries for the valuation for solvency purposes of its assets, technical provisions and other liabilities, a quantitative and qualitative explanation of any material differences.

## **Section VII: Reporting process and undertakings' reporting policy**

### **Guideline - 34 Undertakings' reporting policy**

- 1.90. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings establishes a reporting policy that complies with Guideline 9 of the Guidelines on System of Governance, and additionally:
- a) details which business unit is responsible for drafting any reporting to the supervisor along with those business units which are responsible for reviewing any reporting to the supervisor;
  - b) sets out processes and timeline for completion of the various reporting requirements and review and approval, and;
  - c) explains the processes and controls for guaranteeing the reliability, completeness and consistency of the data provided facilitating the analysis and comparison throughout the years.

## **Section VIII: Dates of initial application and deadlines**

### **Guideline 35 – Initial submission reference dates and deadlines for submitting information to national competent authorities**

- 1.91. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings submit the annual quantitative information referred to in Section III, Guidelines 13, 14 and 15, regarding the annual quantitative information related to financial year ending on 31 December 2014, no later than 22 weeks after the undertaking's financial year end.
- 1.92. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that insurance and reinsurance undertakings submit the quarterly quantitative information referred to in Section III, Guideline 16, regarding the quarterly quantitative templates related to the quarter ending on 30 September 2015, no later than 8 weeks after the quarter end.
- 1.93. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the narrative reporting referred to in Sections IV to VI is submitted, in relation to financial year ending on 31 December 2014, no later than 22 weeks after the undertaking's financial year end.
- 1.94. For reporting by groups, the submission of the information referred to in Section III, Guidelines 17, 18, 19 and 20 and the narrative report referred to in Sections IV to VI, 6 weeks are added to the annual and quarterly submission deadlines referred in the previous paragraphs.
- 1.95. Where undertakings or groups are permitted by national laws to report their financial information based on their accounting year-end which deviates from

the calendar year, reporting reference dates may be adjusted accordingly. The reference dates to be used should be approved by the supervisory authority.

## **Section IX: Means for reporting, currency, units and data checks and others**

### **Guideline 36 – Lines of Business and Complementary Identification Code**

- 1.96. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that when the information submitted under these Guidelines is required by Line of Business, insurance and reinsurance undertakings use the Lines of Business as defined under Technical Annex III.
- 1.97. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that regarding information on assets and derivatives under these Guidelines, insurance and reinsurance undertakings use the Complementary Identification Code categories and table as defined under Technical Annexes IV and V.

### **Guideline 37 – Means for reporting**

- 1.98. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the quantitative information referred in Section III is submitted electronically and the narrative report referred to in Sections IV to VI is submitted in an electronically readable format to the national competent authority.

### **Guideline 38 – Currency and units**

- 1.99. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that all monetary data is submitted in the undertaking's and group currency of reporting, which requires converting of other currencies into the currency of reporting, with the exchange rate at the end of the reporting period.
- 1.100. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that all quantitative data is submitted in units.

### **Guideline 39 – Data Checks**

- 1.101. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that the data received comply with the data checks identified in Technical Annex VI.

## **Compliance and Reporting Rules**

- 1.102. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation,

Competent Authorities shall make every effort to comply with guidelines and recommendations.

1.103. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.

1.104. Competent authorities shall confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the publication..

1.105. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting.

### **Final Provision on Review**

1.106. These Guidelines shall be subject to a review by EIOPA.

1.107. In particular, the dates referred to in Guideline 35 may be revised based on the latest developments on the Omnibus II negotiations.

## **Technical Annex I: Content of quantitative information**

This Annex includes an explanation of the type of information that national competent authorities should include in the submission of information regarding each reference.

### **S.01.01 – Content of the submission**

1. The content of the submission comprises the information contained in Technical Annex II under the reference S.01.01 (different variants) detailing the content of the reporting instance being submitted.

### **S.01.02 – Basic information (old BI)**

2. The basic information comprises the information contained in Technical Annex II under the reference S.01.02 (different variants), detailing basic information on the undertaking and the content of the quantitative reporting in general.

### **S.02.01 – Balance sheet (old BS-C1)**

3. The balance sheet comprises the information contained in Technical Annex II under the reference S.02.01 (different variants) and differentiating between valuation in accordance with article 75 of Solvency II Directive and valuation according to undertaking's or group's statutory accounts. The balance sheet should cover the entire business of the insurance or reinsurance undertaking for individual reporting or of the business of the group.
4. For quarterly reporting, the balance sheet data indicated in the previous paragraph should only consider valuation in accordance with article 75 of Solvency II Directive.

### **S.02.02 – Assets and liabilities by currency (old BS-C1D)**

5. Assets and liabilities by currency comprises the information contained in Technical Annex II under the reference S.02.02 (different variants), for the number of currencies needed to report at least 90% of the total assets and liabilities, where the currencies to be reported are those underlying the asset or liability.

### **S.06.02 – List of assets (old AS-D1)**

6. The detailed list of assets comprises the information contained in Technical Annex II under the reference S.06.02 (different variants), and encompass the following specific requirements:
  - a) A line-by-line list of investments classifiable as asset categories 1 to 9, as set out in Technical Annex IV - Complementary Identification Code Categories, distinguishing between ring fenced funds and whenever the undertaking or group makes the distinction between life insurance and non-life insurance for internal purposes, distinguishing between these two businesses and shareholders' funds, and;
  - b) Each asset is reported separately in relation to each portfolio and /or each ring-fenced or other internal fund;

c) For investments classifiable under the following CIC code, as set out in Technical Annex V - Complementary Identification Code Table:

- CIC 71 (Cash), only one line per currency is to be reported;
- CIC 72 (Transferable deposits (cash equivalents)), only one line per pair(bank, currency) is to be reported;
- CIC 73 (Other deposits short term (less than one year)), only one line per pair(bank, currency) is to be reported;
- CIC 8X (Mortgages and loans): for mortgages and loans to individuals, including loans on policies, there must be only 2 lines, one line regarding loans to senior management board and another regarding loans to other individuals, without distinction between individuals;
- CIC 95 (Plant and equipment (for own use)), only one line is reported, aggregating all plant and equipment.

7. For group reporting, and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:

a) Where method 1 as defined in Article 230 of Solvency II Directive is used exclusively, the reporting should reflect the consolidated position of the assets (i.e. net of intra group transactions) within the group. The report should be made as follows:

- Item Legal name of the undertaking should not be reported;
- For participating insurance and reinsurance undertakings or insurance holding companies: report made line-by-line of the assets held;
- For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries: report made line-by-line of the assets held;
- For other related undertakings which are subsidiaries: report one line for each undertaking held and identify it by using the available options in item Participation;
- For undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised: report one line for each undertaking held and identify it by using the available options in item Participation, and;
- Other Financial Sectors: report one line for each participation in other financial sectors held and identify it by using the available options in item Participation.

b) Where method 2 as defined in Article 233 of Solvency II Directive is used exclusively, the report should include the detailed list of the assets net of intra group transactions held by the participating undertakings, the insurance holding companies and subsidiaries or one line for each undertaking held under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised. The report should be made as follows:

- Item Legal name of the undertaking should be reported;
- For participating insurance and reinsurance undertakings or insurance holding companies: report made line-by-line of the assets held;
- For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicle which are subsidiaries (European Economic Area, equivalent non-European Economic Area and non-equivalent non-European Economic Area): report made line-by-line of the assets held;
- For other related undertakings which are subsidiaries (European Economic Area, equivalent non-European Economic Area and non-equivalent non-European Economic Area): report one line for each undertaking held;
- For undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised (European Economic Area, non-equivalent non-European Economic Area, equivalent non-European Economic Area countries): report one line for each undertaking held, and;
- Other Financial Sectors: report one line for each participation in other financial sectors held.

c) Where a combination of methods 1 as defined in Article 230 of Solvency II Directive and 2 as defined in Article 233 of Solvency II Directive is used:

- i. One part of the report reflects the consolidated position of the assets (i.e. net of Intra Group Transactions) within the group which must be reported. The report should be made as follows:
  - Item Legal name of the undertaking should not be reported;
  - For participating insurance and reinsurance undertakings or insurance holding companies for which method 1 as defined in Article 230 of Solvency II Directive is used: report made line-by-line of the assets held;
  - For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries for which method 1 as defined in Article 230 of Solvency II Directive is used: report made line-by-line of the assets held;
  - For other related undertakings which are subsidiaries and for which method 1 as defined in Article 230 of Solvency II Directive is used: report one line for each undertaking held and identify it by using the available options in item Participation;

- For undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised and for which method 1 as defined in Article 230 of Solvency II Directive is used: report one line for each undertaking held and identify it by using the available options in item Participation; Other Financial Sectors: report one line for each participation in other financial sectors held and identify it by using the available options in item Participation;
  - Subsidiaries for which method 2 as defined in Article 233 of Solvency II Directive is used: report one line for each subsidiary held and identify it by using the available options in item Participation, and;
  - Undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised and for which method 2 as defined in Article 233 of Solvency II Directive is used: report one line for each undertaking held and identify it by using the available options in item Participation.
- ii. The other part of the report should include the detailed list of the assets net of Intra Group Transactions held by the participating undertakings, the insurance holding companies and subsidiaries or one line for each undertaking held under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised. The report should be made as follows:
- Item Legal name of the undertaking should be reported;
  - For participating insurance and reinsurance undertakings or insurance holding companies and for which method 2 as defined in Article 233 of Solvency II Directive is used: report made line-by-line of the assets held;
  - For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries (European Economic Area, equivalent non-European Economic Area and non-equivalent non-European Economic Area) and for which method 2 as defined in Article 233 of Solvency II Directive is used: report made line-by-line of the assets held;
  - For other related undertakings which are subsidiaries and for which method 2 as defined in Article 233 of Solvency II Directive is used (European Economic Area, equivalent non-European Economic Area and non-equivalent non-European Economic Area): report one line for each other related undertaking;
  - For undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised and for which method 2 as defined in Article 233 of Solvency II Directive is used (European Economic Area, non-equivalent non-European Economic Area,

equivalent non- European Economic Area countries): report one line for each undertaking held, and;

- Other Financial Sectors: report one line for each participation in other financial sectors held.

### **S.08.01 – Open derivatives (old AS-D20)**

8. The list of derivatives – open positions comprises the information contained in Technical Annex II under the reference S.08.01 (different variants), and encompass with the following requirements:

- a) A line-by-line list of derivatives classifiable as asset categories A to F, as set out in Technical Annex IV – Complementary Identification Code Categories, distinguishing between ring fenced funds. Whenever the undertaking or group makes the distinction between life insurance and non-life insurance for internal purposes, distinguishing between these two businesses and shareholder’s funds. When derivatives are issued by the undertaking as an internal (group) derivative and when derivatives relate to the undertakings’ liabilities;
- b) All derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date;
- c) Each derivative is reported separately in relation to each portfolio and / or each ring-fenced or other internal fund, and;
- d) Derivatives to be reported are the ones directly held and not held indirectly through investment funds or structured products.

9. For group reporting, and in addition to the requirements set in the previous paragraph, the following specific requirements should be attended:

a) Where method 1 as defined in Article 230 of Solvency II Directive is used exclusively, the reporting should reflect the consolidated position of the derivatives held (i.e. net of Intra Group Transactions) within the group. The report should be made as follows:

- Item Legal name of the undertaking should not be reported;
- For participating insurance and reinsurance undertakings or insurance holding companies: report made line-by-line of the derivatives held;
- For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries: report made line-by-line of the derivatives held;
- Derivatives held by other related undertakings which are subsidiaries should not be included;
- Derivatives held by undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised should not be included, and;

- Derivatives held by participations in other financial sectors should not be included.
- b) Where method 2 as defined in Article 233 of Solvency II Directive is used exclusively, the report should include the detailed list of the derivatives net of Intra Group Transactions held by the participating undertakings, the insurance holding companies and subsidiaries. The report should be made as follows:
- Item Legal name of the undertaking should be reported;
  - For participating insurance and reinsurance undertakings or insurance holding companies: report made line-by-line of the derivatives held;
  - For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries (European Economic Area, equivalent non-European Economic Area, non-equivalent non-European Economic Area) : report made line-by-line of the derivatives held;
  - Derivatives held by other related undertakings which are subsidiaries should not be included;
  - Derivatives held by undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised (European Economic Area, non-equivalent non-European Economic Area, equivalent non-European Economic Area countries) should not be included, and;
  - Derivatives held by participations in other financial sectors (European Economic Area, non-equivalent non-European Economic Area, equivalent non-European Economic Area countries) should not be included.
- c) Where a combination of methods 1 as defined in Article 230 of Solvency II Directive and 2 as defined in Article 233 of Solvency II Directive is used:
- i. One part of the report reflects the consolidated position of the derivatives held (i.e. net of Intra Group Transaction) within the group which must be reported. The report should be made as follows:
    - Item Legal name of the undertaking should not be reported;
    - For participating insurance and reinsurance undertakings or insurance holding companies for which method 1 as defined in Article 230 of Solvency II Directive is used: report made line-by-line of the derivatives held;
    - For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries for which method 1 as defined in Article 230 of Solvency II Directive is used: report made line-by-line of the derivatives held;

- Derivatives held by other related undertakings which are subsidiaries and for which method 1 as defined in Article 230 of Solvency II Directive is used should not be included;
  - Derivatives held by undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised and for which method 1 as defined in Article 230 of Solvency II Directive is used should not be included;
  - Derivatives held by participations in other financial sectors should not be included;
  - Derivatives held by subsidiaries for which method 2 as defined in Article 233 of Solvency II Directive is used should not be included, and;
  - Derivatives held by undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised and for which method 2 as defined in Article 233 of Solvency II Directive is used should not be included.
- ii. The other part of the report should include the detailed list of the derivatives held net of Intra Group Transactions by the participating undertakings, the insurance holding companies and subsidiaries. The report should be made as follows:
- Item Legal name of the undertaking should be reported;
  - For insurance and reinsurance undertakings, insurance holding companies, ancillary services undertakings and special purpose vehicles which are subsidiaries (European Economic Area, equivalent non-European Economic Area, non-equivalent non-European Economic Area) for which method 2 as defined in Article 233 of Solvency II Directive is used: report made line-by-line of the derivatives held;
  - Derivatives held by other related undertakings which are subsidiaries and for which method 2 as defined in Article 233 of Solvency II Directive is used should not be included;
  - Derivatives held by undertakings under which a significant influence as defined in Article 33 of Directive 1983/349/EC is exercised (European Economic Area, non-equivalent non-European Economic Area, equivalent non-European Economic Area countries) and for which method 2 as defined in Article 233 of Solvency II Directive is used should not be included, and;
  - Derivatives held by participations in other financial sectors (European Economic Area, non-equivalent non-European Economic Area, equivalent non-European Economic Area countries) and for which method 2 as defined in Article 233 of Solvency II Directive is used should not be included.

#### **S.14.01.a – Life and Health Similar to Life Techniques Technical Provisions (old TP-F1Q)**

10. Life and Health Similar to Life Techniques Technical Provisions, regarding each Line of Business as defined in Technical Annex III – Lines of Business. Comprise the information contained in Technical Annex II under the reference S.14.01.a, and encompass with the following requirements:
- a) Technical provisions calculated as a whole (Replicable portfolio);
  - b) Gross Best Estimate of technical provisions calculated as a sum of Best Estimate and risk margin (Non-Replicable portfolio);
  - c) Total Recoverables from reinsurance and special purpose vehicles after the adjustment for expected losses due to counterparty default, and;
  - d) Risk Margin.

#### **S.14.01.b – Life and Health Similar to Life Techniques Technical Provisions (old TP-F1)**

11. Life and Health Similar to Life Techniques Technical Provisions, regarding each Line of Business as defined in Technical Annex III – Lines of Business. Comprises the information contained in Technical Annex II under the reference S.14.01.b, and encompass with the following requirements:
- a) Technical provisions calculated as a whole (Replicable portfolio);
  - b) Gross Best Estimate of technical provisions calculated as a sum of Best Estimate and risk margin (Non-Replicable portfolio);
  - c) Total Recoverables from reinsurance and special purpose vehicles after the adjustment for expected losses due to counterparty default, and;
  - d) Risk Margin;
  - e) Only the following items, relating to the amount of gross best estimate by country, are to be reported:
    - i. Gross Best Estimate for different countries - Home country;
    - ii. Gross Best Estimate for different countries - For countries in the materiality threshold;
    - iii. Gross Best Estimate for different countries - For European Economic Area countries outside the materiality threshold, and;
    - iv. Gross Best Estimate for different countries - For non-European Economic Area countries outside the materiality threshold.
  - f) The amount of gross Best Estimate by country regards to the location of risk underwritten.
12. Application of a materiality threshold:
- i. Reported the gross Best Estimate for the countries representing up to 90% of the Best Estimate for direct business on a certain Line of business, with the rest being reported in items "For European Economic Area countries outside the materiality threshold" or "For non-European Economic Area countries outside the materiality threshold", and;
  - ii. Regardless of the materiality threshold, the gross Best Estimate in the home country has to be reported.

### **S.17.01.a - Non-life Technical Provisions (old TP-E1Q)**

13. Non-life Technical Provisions, regarding each Line of Business as defined in Technical Annex III – Line of Business, reporting direct insurance together with proportional accepted reinsurance. Comprise the information contained in Technical Annex II under the reference S.17.01.a, and encompass with the following requirements:

- a) Technical provisions calculated as a whole (Replicable portfolio);
- b) Gross Best Estimate of technical provisions calculated as a sum of Best Estimate and risk margin (Non-Replicable portfolio);
- c) Total Recoverables from reinsurance and Special Purpose Vehicle after the adjustment for expected losses due to counterparty default, and;
- d) Risk Margin.

### **S.17.01.b - Non-life Technical Provisions (old TP-E1)**

14. Non-life Technical Provisions – Best Estimate by country, regarding each Line of Business as defined in Technical Annex III – Lines of Business, reporting direct insurance together with proportional accepted reinsurance. Comprises the information contained in Technical Annex II under the reference S.17.01.b, and encompass with the following requirements:

- a) Technical provisions calculated as a whole (Replicable portfolio);
- b) Gross Best Estimate of technical provisions calculated as a sum of Best Estimate and risk margin (Non-Replicable portfolio);
- c) Total Recoverables from reinsurance and Special Purpose Vehicle after the adjustment for expected losses due to counterparty default, and;
- d) Risk Margin;
- e) only the following items, relating to the amount of gross Best Estimate by country, are to be reported:
  - i. Gross Best estimate for different countries - Home country;
  - ii. Gross Best estimate for different countries - For countries in the materiality threshold;
  - iii. Total gross Best estimate for European Economic Area countries outside the materiality threshold, and;
  - iv. Total gross Best estimate for non- European Economic Area countries outside the materiality threshold
- f) The amount of gross Best Estimate by country regards to the localization of risk for “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” Line of business;
- g) The amount of gross Best Estimate by country regards to the country of underwriting for all the other non-life Lines of business.

15. Application of a materiality threshold:

- i. Reported the gross Best Estimate for the countries representing up to 90% of the Best Estimate for direct business on a certain Line of business, with the rest being reported in items “For European Economic

- Area countries outside the materiality threshold” or “For non- European Economic Area countries outside the materiality threshold”, and;
- ii. Regardless of the materiality threshold, the gross Best Estimate in the home country has to be reported.

### **S.23.01 – Own funds (old OF-B1Q and OF-B1)**

16. Own funds, comprises the information contained in Technical Annex II under the reference S.23.01 (different variants), and encompass with the following requirements:
  - a) Information on Basic own funds items and tiers;
  - b) Information on Ancillary own funds items and tiers;
  - c) Information on available and eligible own funds to meet solvency requirements;
  - d) Information on reconciliation reserve, and;
  - e) Information on expected profits included in future premiums for Life business and Non-life business.

### **S.25.01 - Solvency Capital Requirement - for undertakings on Standard Formula or Partial Internal Models (old SCR-B2A)**

17. The Solvency Capital Requirement - for undertakings on Standard Formula or Partial Internal Models comprises the information contained in Technical Annex II under the reference S.25.01 (different variants), and encompass information on Solvency capital requirement calculated using the standard formula, or, in case of undertakings using partial internal models, a split between the part of the Solvency Capital Requirement calculated with the standard formula and the part calculated with a partial internal model if any.
18. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.25.02 - Solvency Capital Requirement - for undertakings on Partial Internal Models (old SCR-B2B)**

19. The Solvency Capital Requirement - for undertakings on Partial Internal Models comprises the information contained in Technical Annex II under the reference S.25.02 (different variants), and encompasses information on Solvency capital requirement calculated using partial internal model.
20. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:

- a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
- b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
- c) This information does not apply to groups when method 2 is being used exclusively

### **S.25.03. - Solvency Capital Requirement - for undertakings on Full Internal Models (old SCR-B2C)**

- 21. The Solvency Capital Requirement - for undertakings on Full Internal Models comprises the information contained in Technical Annex II under the reference S.25.03 (different variants), and encompasses information on Solvency capital requirement calculated using full internal model.
- 22. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.26.01 - Solvency Capital Requirement - Market risk (old SCR-B3A)**

- 23. The Solvency Capital Requirement - for Market Risk - comprises the information contained in Technical Annex II under the reference S.26.01 (different variants), and encompasses information on Solvency capital requirement for market risk, calculated using the standard formula.
- 24. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.26.02 - Solvency Capital Requirement - Counterparty default risk (old SCR-B3B)**

25. The Solvency Capital Requirement - for Counterparty Default Risk - comprises the information contained in Technical Annex II under the reference S.26.02 (different variants) and encompasses information on Solvency capital requirement for Counterparty Default Risk, calculated using the standard formula.
26. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.26.03 - Solvency Capital Requirement - Life underwriting risk (old SCR-B3C)**

27. The Solvency Capital Requirement - for Life Underwriting Risk - comprises the information contained in Technical Annex II under the reference S.26.03 (different variants), and encompasses information on Solvency capital requirement for Life Underwriting Risk, calculated using the standard formula.
28. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.26.04 - Solvency Capital Requirement - Health underwriting risk (old SCR-B3D)**

29. The Solvency Capital Requirement - for Health Underwriting Risk - comprises the information contained in Technical Annex II under the reference S.26.04 (different variants), and encompasses information on Solvency capital requirement for Health Underwriting Risk, calculated using the standard formula.
30. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:

- a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
- b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
- c) This information does not apply to groups when method 2 is being used exclusively

#### **S.26.05 - Solvency Capital Requirement - Non-life underwriting risk (old SCR-B3E)**

- 31. The Solvency Capital Requirement - for Non-Life Underwriting Risk - comprises the information contained in Technical Annex II under the reference S.26.05 (different variants), and encompasses information on Solvency capital requirement for Non-Life Underwriting Risk, calculated using the standard formula.
- 32. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

#### **S.26.06 - Solvency Capital Requirement - Operational risk (old SCR-B3G)**

- 33. The Solvency Capital Requirement - for Operational Risk - comprises the information contained in Technical Annex II under the reference S.26.06 (different variants), and encompasses information on Solvency capital requirement for Operational Risk calculated using the standard formula.
- 34. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
  - a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.27.01 - Solvency Capital Requirement - Non-life catastrophe risk (old SCR-B3F)**

35. The Solvency Capital Requirement - for Non-Life Catastrophe Risk - comprises the information contained in Technical Annex II under the reference S.27.01 (different variants), and encompasses with the following requirements:
- a) Information on Solvency capital requirement for Non-Life Catastrophe Risk, including Health Catastrophe risk, calculated using the standard formula, and;
  - b) For every type of catastrophe risk the risk mitigating effect of the undertaking's specific reinsurance contracts and special purpose vehicles must be determined. This calculation is prospective and must be based on the reinsurance program of the next reporting.
36. For group reporting and in addition to the requirements set in the previous paragraph, the following specific requirements should be met:
- a) This information is applicable when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of Solvency II Directive;
  - b) When combination method is being used, this information is to be submitted only for the part of the group calculated with method 1 as defined in Article 230 of Solvency II Directive, and;
  - c) This information does not apply to groups when method 2 is being used exclusively.

### **S.28.01- Minimum Capital Requirement except for composite undertakings (old MCR B4A)**

37. The Minimum Capital Requirement - except for composite undertakings - comprises the information contained in Technical Annex II under the reference S.28.01 (different variants), and encompasses information on Minimum capital requirement for undertakings other than composites.

### **S.28.02 - Minimum Capital Requirement - Composite undertakings (old MCR B4B)**

38. The Minimum Capital Requirement - for composite undertakings - comprises the information contained in Technical Annex II under the reference S.28.02 (different variants), and encompasses information on Minimum capital requirement for composite undertakings.

### **S.32.01.g – Undertakings in the scope of the group (old G01)**

39. The undertakings in the scope of the group comprises the information contained in Technical Annex II under the reference S.32.01.g, and encompass with the following requirements:
- a) A line-by-line list of undertakings belonging to the group including their legal form, their relevant national competent authority and the type of undertaking;
  - b) Ranking criteria for each entity reported;

- c) Criteria of influence, and;
- d) Information about the inclusion in the scope of group supervision and the method chosen for calculating the Solvency Capital Requirement.

#### **S.33.01.g – Insurance or reinsurance individual requirements (old G03)**

- 40. Insurance or reinsurance individual requirements comprise the information contained in Technical Annex II under the reference S.33.01.g, and encompass with the following requirements.
- 41. For all European Economic Area insurance or reinsurance undertakings and non-European Economic Area insurance or reinsurance undertakings (when Solvency II Directive rules are used) when the method 2 as defined in Article 233 of Solvency II Directive is applied:
  - a) A line-by-line list of individual requirements of undertakings belonging to the group including the individual Solvency Capital Requirement split by different risk categories, individual Minimum Capital Requirement and eligible individual own funds to cover the Solvency Capital Requirement;
  - b) In case of the use of the standard formula information about simplifications and where a partial internal model was used;
  - c) Information about a group or individual internal model.
- 42. Additionally, for non-European Economic Area insurance and reinsurance undertakings all local capital requirements, minimum capital requirements and eligible own funds in accordance with local rules, regardless of the method of calculation.

#### **S.34.01.g – Other regulated and non-regulated financial undertakings including insurance holding companies individual requirements (old G04)**

- 43. Other regulated and non-regulated financial undertakings including insurance and mixed holding companies individual requirements comprises the information contained in Technical Annex II under the reference S.34.01.g, and encompass a line-by-line list of Individual requirements of other regulated financial undertakings and other non-regulated financial undertakings, including insurance holding companies, whether controlled or not controlled, under all methods of calculation, including the notional Solvency Capital Requirement or sectorial capital requirement, notional Minimum Capital Requirement or sectorial minimum capital requirement and eligible own funds.

#### **S.35.01.g –Contribution to group Technical Provisions (old G14)**

- 44. The list of technical provisions that contribute to group technical provisions comprises the information contained in Technical Annex II under the reference S.35.01.g, and encompass with the following requirements:
  - a) A list of technical provisions – Non-life excluding health;
  - b) A list of technical provisions – Health similar to non-life;
  - c) A list of technical provisions – Health similar to life;

- d) A list of technical provisions – Life excluding health and index-linked and unit-linked;
  - e) A list of technical provisions – Index-linked and unit-linked insurance, and;
  - f) Total amount of TP (excluding IGT)
45. The template is applicable for method 1 as defined under Article 230 of the Solvency II Directive, method 2 as defined under Article 233 of the Solvency II Directive and a combination of methods 1 and 2.