

Annex XX – Instructions for proposed new template S.29.05

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S.29.05 Variation of the best estimate in life insurance

General comments:

This section relates to annual submission of information for individual entities.

This template focuses on changes in the best estimate of life insurance obligations (BE). It isn't applicable to those TP which are captured through TP calculated as a whole. Nevertheless, it should take into account all guarantees from life insurance business.

It is focussed on the guaranteed cashflows only – i.e. without any profit participation. To capture scenario-dependant policyholder behaviour, the economic scenario described as best estimate based on the certainty equivalent path shall assume the interest rates earned in each year of the future corresponds to the interest rate given by the RFR (including its components like VA/MA if applied to value the best estimate).

The actual and assumed benefits, costs and interest rates are compared in the first two tables. The decomposition of the assumed benefits should take into account that living benefits always contain the best estimate of the forthcoming year if the regular termination of the contract doesn't lie within the period.

As regards the order of calculation in the table S29.05.03 presentation of the order is not fully prescriptive as to the order in which the calculation is performed, as long as the changes of the non-economic assumptions is executed before the changes of the economic assumptions. This prescription shall ensure a certain comparability of the results.

In a last step, the new business is taken into account. As new business, only new contracts count. Changes of the premium amount or annuities for survivors of insured shall not be considered as new business.

S.29.05.01

	ITEM	INSTRUCTIONS
C0010/R0010	Opening Best Estimate	The best estimate at the beginning of the reporting period
C0010/R0020	Opening BECE	Opening best estimate based on certainty equivalent (BECE) path without future discretionary profit participation. Reduces the best estimate to its non-stochastic component by calculating the difference between the expected future benefits and expected future premiums using the guaranteed benefits and the risk-free rate together with its components (VA/MA) only, i.e. no future discretionary benefits or profit participation shall be taken into account.
C0010/R0030	Exceptional elements triggering restating of opening Best Estimate	Shall not contain model changes during/after the period and in most cases it should be not applicable.
C0010/R0040	Changes in perimeter (e.g. acquisition or sale of business to/from another insurer)	This shall include business which changed its nature (e.g. from non-life to life) and acquisitions or sales of business from/to another insurer
C0010/R0050	Interest according to the RFR and its components (e.g. MA/VA) at	This shall reflect the 1-year interest rate of the RFR together with its components on the BE at opening date

	opening date on the whole BE (surrendered and remaining business) including the expected benefits/premiums in advance (according to calculation of BE)	while taking into account the expected benefits, premiums and costs during the period
C0010/R0060	Actual gains/losses of assets taking into account investment expenses but not reinsurance recoverables	Gains/losses of the assets through changes of the market value and dividends, assets to be taken: assets covering the BE of the LoB including the deposits of reinsurances in this LoB.
C0010/R0070	Expected Costs (excluding investment expenses)	All kinds of costs (excluding investment expenses) which are expected to be paid during the period shall be inserted here.
C0010/R0080	Actual Costs (including all type of costs from both: existing and new business except investment expenses)	Covering all kind of costs/expenses during the period except investment expenses

S.29.05.02

	ITEM	INSTRUCTIONS
C0030/R0090	Expected premiums (of the business at opening date)	Premiums from existing contracts at opening date expected to be paid during the period. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0090	Actual premiums (of the business at opening date)	Premiums paid from existing business at opening date during the period. Neither reinsurance nor derivatives should be taken into account here.
C0030/R0100	Expected living benefits of the current year (including the BECE for surviving business, from business at opening date)	At opening date, the best estimate shall estimate the living benefits– among them those which will be paid during the period and the BECE to be covered after the period only if the insured survived the period. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0100	Actual Living benefits of the current year (including the BECE for surviving business, from business at opening date)	All actual living benefits – e.g. paid annuities for retirement or disability and the expected value for future benefits/insurance cover in case the insured survived. Neither reinsurance nor derivatives should be taken into account here.
C0030/R0110	Expected Mortality benefits of the current year (including BECE to be covered after death, from business at opening date)	At opening date, the best estimate shall estimate the death benefits– among them those which will be paid during the period. This includes a best estimate for benefits to survivors at closing date according to assumptions at opening date if survivor benefits were included. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0110	Actual Mortality benefits of the current year (including BECE to be covered after death, from business at opening date)	All actual mortality benefits – e.g. usual death benefits and a BECE (present value of future survivors' benefits) to be covered by assets. Neither reinsurance nor derivatives should be taken into account here.
C0030/R0120	Expected Disability benefits (BECE of future disability payments for insured who got disabled/increasingly disabled during the current year at closing date according to assumptions at opening date) of the current year (from business at opening date)	At opening date, the best estimate shall estimate the disability/reactivation benefits – i.e. the amount to be paid or held (as reserve) if an insured becomes disabled during the period. If while being disabled an annuity must be paid, these benefits shall be reflected in "expected living benefits", because here longevity risk is material. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0120	Actual Disability benefits (BECE of future disability payments for insured who got	Neither reinsurance nor derivatives should be taken into account here.

	disabled/increasingly disabled during the current year at closing date according to assumptions at opening date) of the current year (from business at opening date)	
C0030/R0130	Expected Reactivation benefits (BECE of insured who were reactivated)	Expected reactivation benefits (for example the expectation of the BECE/present value of reactivated insured). Neither reinsurance nor derivatives should be taken into account here.
C0040/R0130	Actual Reactivation benefits (BECE of insured who were reactivated)	Actual reactivation benefits (the BECE of reactivated insured during the period). Neither reinsurance nor derivatives should be taken into account here.
C0030/R0140	Expected Health costs (SLT health) of the current year (from business at opening date)	At opening date, the best estimate shall estimate the health benefits – among them those which will be paid during the period. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0140	Actual Health costs (SLT health) of the current year (from business at opening date)	At opening date, the best estimate shall estimate the health benefits – among them those which will be paid during the period. Neither reinsurance nor derivatives should be taken into account here.
C0030/R0150	Expected Lapse benefits (surrender values to be paid) of the current year (from business at opening date)	If lapse rates are used, expected lapse benefits should be inserted here. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0150	Actual Lapse benefits (surrender values to be paid) of the current year (from business at opening date)	If lapse occurs, actual lapse benefits should be inserted here. Neither reinsurance nor derivatives should be taken into account here.
sC0030/R0160	Expected Unconditional benefits (e.g. from products without biometric assumptions)	For contracts without biometric assumptions (e.g. mortality or disability tables), the expected benefits during the period should be inserted here including the BECE to be covered after the period unconditionally. Neither reinsurance nor derivatives should be taken into account here.
C0040/R0160	Actual Unconditional benefits	Neither reinsurance nor derivatives should be taken into account here.
C0030/R0170	Expected BECE of business in force at opening date, based on assumptions of the previous year, but at closing date	The BECE at the end of the year expected according to the assumptions made at the beginning of the year.

S.29.05.03

The order of the changes.

	ITEM	INSTRUCTIONS
C0070/R0180	Actual BECE of business in force at opening date and still in force, based on assumptions of the previous year, but at closing date	The best estimate based on the certainty equivalent path of the remaining business of opening date valued at closing date using the assumptions of opening date and an RFR together with all components used to calculate the BE (VA or MA) derived from the one-year forwards of the RFR at opening date
C0070/R0190	Variation of BECE due to changes in mortality tables covering longevity risk based on closing date	Difference between the BECE in C0070/R0180 and a BECE based on mortality tables to cover longevity risk at closing date. Only business still in force from opening date shall be taken into account.
C0070/R0200	Variation of BECE due to changes in mortality tables covering mortality risk based on closing	Quantifies the impact of the change of mortality tables covering mortality risk for the business at opening date still in force at closing date

	date	
C0070/R0210	Variation of the BECE due to changes of biometric tables covering disability based on the closing date	Quantifies the impact of the change of tables of disability rates covering disability risk for the business at opening date still in force at closing date
C0070/R0220	Variation of the BECE due to changes of the biometric tables covering health cost (SLT health) based on the closing date	Quantifies the impact of the change of biometric tables covering health risk for the business at opening date still in force at closing date
C0070/R0230	Variation of the BECE due to changes of lapse rates based on the closing date	Quantifies the impact of the change of lapse rates covering lapse risk for the business at opening date still in force at closing date
C0070/R0240	Variation of the BECE due to changes of the cost charges based on the closing date	
C0070/R0250	BECE of old business still in force, based on economic assumptions of the previous year and current technical assumptions (except interest rates), but at closing date	The best estimate of the remaining business of opening date based on the certainty equivalent path valued at closing date using the new technical assumptions (biometrical ones and costs charges) of closing date and the old economic assumptions (currency changes and interest rates)
C0070/R0260	Variation of the BECE due to changes of foreign exchange rates	
C0070/R0270	Variation of the BECE due to reinsurance contracts underwritten during the year	
C0070/R0280	Variation of the BECE due to changes of the risk-free rate RFR and its components based on the closing date	Quantifies the impact of the change of the risk-free rate including its components (for example VA/MA) from the rolled forward rate of the previous year to the current interest rates.
C0070/R0290	Variation of the BECE due to changes of economic assumptions	Impact of the change of guaranteed cashflows due to economic development during the period (e.g. index-linked contracts)
C0070/R0300	Other changes not elsewhere explained (please explain in the RSR)	
C0070/R0310	BECE of old business still in force, based on current assumptions and current closing date	

S.29.05.04

	ITEM	INSTRUCTIONS
C0090/R0320	Opening Best Estimate	The reinsurance recoverables at opening date
C0090/R0330	Expected outgoing cash-flows to reinsurers	The cash-flows to reinsurance (costs, premiums, benefits) expected to be paid by the insurer to reinsurances during the period.
C0090/R340	of which: expected payments for interest on deposits of reinsurances	
C0090/R350	of which: expected payments to pay back notional amount of deposits of reinsurances	
C0090/R0360	Actual outgoing cash-flows to reinsurers	The cash-flows which have been paid to reinsurances during the period.
C0090/R0370	of which: actual payments for interest on deposits of reinsurances	
C0090/R0380	of which: actual payments to pay	

	back notional amounts of deposits of reinsurances	
C0090/R0390	Expected incoming cash-flows from reinsurers	Cash-flows expected to be paid by reinsurances to the insurer (costs, benefits, premiums)
C0090/R0400	of which: expected payments for deposits of reinsurances	
C0090/R0410	Actual incoming cash-flows from reinsurers	Actual cash-flows from reinsurers (including costs, premiums and benefits) during the period.
C0090/R0420	of which: actual payments for deposits of reinsurances	
C0090/R0430	Interest according to the discounting of the reinsurance recoverables at opening date on the reinsurance recoverables	Change of the reinsurance recoverables due to interest rate changes during the period (including changes of interest rates and spreads)
C0090/R0440	Changes of the best estimate due to changes of assumptions	
C0090/R0450	Changes of the best estimate due to new business	
C0090/R0460	Closing Best Estimate	Reinsurance recoverables at closing date

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	ITEM	INSTRUCTIONS
C0110/R0470	BECE of surrendered contracts at opening date	The best estimate based on the certainty equivalent path of the contracts which surrendered during the period at opening date.
C0110/R0480	Premiums from business that surrendered during the period	Premiums paid during the period to contracts which have surrendered in this time
C0110/R0490	Of which: from business in force at opening date	Premiums paid for contracts which surrendered during the period and were in force at opening date already
C0110/R0500	Expected reclaims of acquisition costs from agents during the period	
C0110/R0510	Actual reclaims of acquisition costs of surrenders during the period	
C0110/R0520	Actual reclaims of acquisition costs of surrenders paid during the period	

S.29.05.06

	ITEM	INSTRUCTIONS
C0130/R0530	Benefits to new business not in force at closing date any more (already died, lapsed, etc.)	Benefits paid during the period for contracts not in force at opening date and already not in force at closing date
C0130/R0540	Benefits to new business in force at closing date	Benefits paid during the period for contracts not in force at opening date but at closing date
C0130/R0550	Premiums of new business not in force at closing date any more	Premiums received from contracts in force neither at opening date nor at closing date (started and ended within the period)
C0130/R0560	Premiums of new business in force at closing date	Premiums received from contracts not in force at opening date, but at closing date (new business)
C0130/R0570	Expected costs of new business	Costs expected according to cost charges used to calculate the contract during the period
C0130/R0580	BECE of new business (not included: contracts succeeded by descendants), based on the current assumptions	

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	ITEM	INSTRUCTIONS
C0150/R0590	BECE of business at closing date	The best estimate based on the certainty equivalent path without future profit participation
C0150/R0600	Change of BECE due to increased guaranteed benefits due to profit participation	Impact of profit participation during the period on the BECE, i.e. increase of guaranteed cashflows as consequence of profit participation which cannot be revoked any more.
C0150/R0610	BE of business at closing date	Best estimate calculated stochastically and which is part of the TP in the balance sheet.