

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

General comments:

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

This annex relates to annual disclosure of information for individual entities.

The components to be disclosed shall be agreed between national supervisory authorities and insurance and reinsurance undertakings.

	ITEM	INSTRUCTIONS
C0010 (A1)	Unique number of component	<p>Unique number of each component. This number shall always be used with the appropriate component description disclosed in each item. Where the PIM allow the same split by risk module than the one in the standard formula, the following numbers of components shall be used:</p> <ul style="list-style-type: none">- 1 - Market risk- 2 - Counterparty default risk- 3 - Life underwriting risk- 4 - Health underwriting risk- 5 - Non-life underwriting risk- 6 - Intangible asset risk- 7 - Operational risk- 8 - LAC TP (negative amount)- 9 - LAC DT (negative amount) <p>Where standard formula risk modules cannot be disclosed, undertaking shall attribute a number to each component different from 1 to 7.</p> <p>This number shall always be used with the appropriate component description disclosed in each item C0030. The numbers of the components shall be kept consistent over time.</p>
C0020 (A1A)	Components description	<p>Identification, using free text, of each of the components that can be identified by the undertaking. These components shall be aligned with standard formula risk modules if possible according to the partial internal model. Each component shall be identified using a separate entry. Undertakings shall identify and report components consistently across different reporting periods, unless there has been some change to the internal model affecting the categories.</p> <p>Loss-absorbing capacity of technical provisions and/or deferred taxes not embedded within components shall be disclosed as separated components.</p>
C0030 (B1)	Calculation of the Solvency Capital Requirement	<p>Amount of the capital charge for each component regardless of the method of calculation (either SF or PIM), after the adjustments for loss-absorbing capacity of technical provision and/or deferred taxes when they are embedded in the component calculation.</p>

		<p>For the components Loss absorbing capacity of technical provisions and/or deferred taxes when disclosed as a separate component it should be the amount of the loss-absorbing capacity (these amounts should be disclosed as negative values)</p> <p>For components calculated using the standard formula this cell represents the gross nSCR. For components calculated using the partial internal model, this represents the value considering the future management actions with are embedded in the calculation, but not whose which are modelled as a separate component.</p> <p>This amount shall fully consider diversification effects according to article 304 of Directive 2009/138/EC where applicable.</p> <p>When applicable, this cell do not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level.</p>
C0060 (A1B)	Consideration of the future management actions regarding technical provisions and/or deferred taxes	<p>To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation. The following closed list of options shall be used:</p> <p>1 – Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component</p> <p>2 – Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component</p> <p>3 – Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component</p> <p>4 – No embedded consideration of future management actions.</p>
C0070	Amount modelled	<p>For each component this cell represents the amount calculated according to the partial internal model. Therefore, the amount calculated with the Standard Formula should be the difference between the amounts disclosed in C0040 and C0060.</p>
C0080	USP	<p>For those components calculated according to the standard formula where undertaking specific parameters have been applied, one of the following options shall be used:</p> <p>For life underwriting risk:</p> <ul style="list-style-type: none"> - Increase in the amount of annuity benefits - None <p>For health underwriting risk:</p> <ul style="list-style-type: none"> - Increase in the amount of annuity benefits - Standard deviation for NSLT health premium risk - Standard deviation for NSLT health gross premium risk - Adjustment factor for non-proportional reinsurance - Standard deviation for NSLT health reserve risk - None <p>For non-life underwriting risk:</p> <ul style="list-style-type: none"> - Standard deviation for non-life premium risk - Standard deviation for non-life gross premium risk

		<ul style="list-style-type: none"> - Adjustment factor for non-proportional reinsurance - Standard deviation for non-life reserve risk - None <p>In any case, if more than one specific parameter is used, report them separated by comas.</p>
C0090	Simplifications	<p>For those components calculated according to the standard formula where simplifications have been applied, the risk sub-modules of each risk module for which a simplified calculation method has been used should be identified</p> <p>If simplified calculation methods for more than one risk sub-module have been used within one risk module, report them separated by comas.</p>
R0110/ C0100 (B2)	Total of undiversified components	Sum of all components.
R0060/ C0100 (B3)	Diversification	The total amount of the diversification within components. This amount should be disclosed as negative value.
R0160/ C0100 (A17)	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	Amount of the capital requirement, calculated according to the rules stated in Art. 17 of Directive 2003/41/EC, for ring-fenced funds relating to pension business operated under Art. 4 of Directive 2003/41/EC to which transitional measures are applied. This item is be disclosed only during the transitional period..
R0200/ C0100 (A14C)	Solvency capital requirement, excluding capital add-ons	Amount of the total diversified SCR before any capital add-on.
R0210/ C0100 (A19)	Capital add-ons	<p>Amount of capital add-ons that had been set at the reporting reference date. It will not include capital add-ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.</p> <p>During the transitional phase, this item shall only be disclosed if the Member State decided it to be compulsory according to article 51(2) of Directive 2009/138/EC. Otherwise, the amount of the capital add-on should be split among the nSCR of the risk modules. The precise procedure should be previously agreed with the NSA.</p>
R0220/ C0100 (A20)	Solvency Capital Requirement	Overall capital requirement including capital add-ons.
Other information on SCR		
R0300/ C0100 (B5)	Amount/Estimate of the overall loss-absorbing capacity of technical provisions	Amount/Estimate of the overall adjustment for loss-absorbing capacity of technical provisions, including the part embedded in the components and the part disclosed as a single component.
R0310/ C0100 (B6)	Amount/Estimate of the loss absorbing capacity for deferred taxes	Amount/Estimate of the overall adjustment for deferred taxes, including the part embedded in the components and the part disclosed as a single component.
R0400/ C0100	Capital requirement for duration-based equity risk sub-module	Amount of the capital requirement for duration-based equity risk sub-module.

R0410/ C0100 (B8AA)	Total amount of notional Solvency Capital Requirements for remaining part	Amount of the notional SCR of remaining part when undertaking has RFF.
R0420/ C0100 (B8)	Total amount of Notional Solvency Capital Requirements for ring fenced funds	Amount of the sum of notional SCR of all ring-fenced funds when undertaking has RFF.
R0430/ C0100	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	<p>Amount of the sum of notional SCR of all matching adjustment portfolios</p> <p>This item does not have to be disclosed when reporting SCR calculation at RFF or matching portfolio level.</p>
R0440/ C0100	Diversification effects due to RFF nSCR aggregation for article 304	<p>Amount of the adjustment for a diversification effect between ring fenced funds under article 304 and remaining part.</p> <p>It shall be equal to the difference between the sum of the nSCR for each RFF/MAP/RP and the total SCR.</p>