

Q&A

QUESTION ID:

2381

REGULATION REFERENCE:

(EU) No 2015/2450 - templates for the submission of information to the supervisory authorities (EU) No 2009/138 - Solvency II Directive (Insurance and Reinsurance)

TOPIC:

Reporting Templates

ARTICLE:

Article 35 of SII Directive

TEMPLATE:

S.23.01

STATUS:

Final

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20 Jan 2022

Question

What should be reported in the group template for Own funds (S.23.01.04.01) and in the SCR template (S.25.01.04.02) in the case when the minimum consolidated group SCR exceeds the consolidated group SCR? This situation could happen for smaller groups when the minimum consolidated group SCR equals the value of the solo MCR of the only insurance undertaking of a group, and where the solo MCR corresponds to the absolute floor. When reading the instructions for R0590 in S.23.01.04.01, "Consolidated Group SCR" should be the "Consolidated group SCR calculated for the consolidated data in accordance with Article 336, (a), (b), (c) and (d) of Delegated Regulation (EU) 2015/35." Shouldn't this value take into account the minimum consolidated group SCR as stated in Art 230.2 second subparagraph in the SII Dir? This Article makes reference to article 129 that includes a reference to the absolute floor (art 129.1.d).

EIOPA answer

EIOPA has identified that the instructions for some items in the templates does not cover the situation described in your question.

In S.23.01.04.01, the amount reported on row R0590, "Consolidated Group SCR" should also take into account the situation you describe in your question, that is, where the minimum consolidated group

SCR (as described in Article 230.2 2nd para in the SII Directive 2009/138/EC) exceeds the calculated consolidated Group SCR. So in the case described in the question, the minimum consolidated group SCR should be reported on row R0590. This also means that the amounts reported on rows R0590 and R0610 (minimum consolidated group SCR) will be the same. The total group SCR on row R0680 will be the sum of the minimum reported on row R0590 and any amount reported as SCR for method 2 where a combination of methods is used.

In S.25.01.04.02, the calculated consolidated group SCR should be reported on row R0220 (i.e. without considering the minimum consolidated group SCR). Row R0220 also includes any capital-add on and CR from other financial sectors. The total group SCR, row R0570, should be the sum of the highest amount of row R0470 (minimum consolidated group SCR) and row R0220, and any SCR for undertakings included with method 2 (row R0560).

The total group SCR reported on row R0680 in S.23.01.04.01 shall be equal to the row R0570 in S.25.01.04.02.

To fix this issue, as a short-term solution, EIOPA has accordingly deactivated two validation rules BV343 and BV351 to allow reports to be accepted also in the scenario described in your question, with the intention of changing them when the new taxonomy will be released. Please also refer to line 200 at the following link:

https://dev.eiopa.europa.eu/Taxonomy/Full/2.6.0/common/EIOPA_List_of_Known_Issues.xlsx