

Q&A RECEIVED AT THE EIOPA PUBLIC EVENT ON SUPERVISORY REPORTING ON 10TH OCTOBER

TAXONOMY

Question: There were no dates provided in slide 6 in regards to 2.10.0 release. Also - will there be a 2.9.0 for insurance companies?

Answer: 2.9.0. release is only for IORPs. 2.8.0 remains applicable for insurance until 2.10.0. release (most probably during 2025 as well). We don't have the exact timeline for 2.10.0 for insurance yet, but EIOPA will start the work on the ITS amendment on reporting and disclosure and reflecting on the Level 1 and Level 2 legal texts.

Question: Can you clarify which taxonomy insurance companies will need to use for 2024 annual reporting and for Q1/2025?

Answer: 2.8.0 taxonomy

Question: I have concerns with application of new taxonomy as of 1 January, as it will have to be deployed during ongoing annual reporting (for companies with reporting year ending 31/12)

Answer: noted. A technical survey on the subject will be launched shortly (early March).

Question: Question slide "ITS amendments on reporting and disclosure". Will issues identified in 2.8.0 be updated in 2.10.0 - as there will be no 2.9.0 for insurance companies (refer your earlier reply)

Answer: Yes, that is the plan. However, EIOPA is assessing some issues with the 2.8.0 release. If necessary, EIOPA might consider a 2nd Hotfix of 2.8.0 for non-business related issues. So far we haven't found a clear reason to justify it, but we are open to receive rationale for it. If eventually necessary, EIOPA would plan it also for July 2024 and communicate it in due course.

Question: A taxonomy change in Q1 and not in Q4 is not desirable because this means that two different taxonomies have to be reported at the same time, namely for the annual report and for Q1. This could lead to technical problems and upset the previously established procedure.

Answer: Noted

Question: As a software provider, we are indifferent as to whether to implement in Q4 or Q1.

Answer: Noted

Question: We don't see any challenges in changing taxonomy in Q1.

Answer: Noted

Question: We prefer the implementation start on 1. January.

Answer: Noted

Question: In the release notes it is stated that you should apply 2.8.0 as of Q4 2023: According to the Governance of Taxonomy Releases, the EIOPA Solvency II DPM and the XBRL taxonomy package 2.8.0 release are to be used from 31/12/2023 until a new version is announced.

Answer: Indeed. Taxonomy 2.8.0 is applicable as of 31.12.2023 which means that the Q4 and annual 2023 reporting to be submitted in 2024 shall be with the 2.8.0 taxonomy.

Question: About the Annotated Templates and taxonomy. Is there a document in which the columns are explained? Some columns are clear, but a lot isn't. What is the best way to dig in?

Answer: Annotated Templates represent the tabular view of the reporting requirements under EIOPA frameworks (e.g. Solvency II). To better understand the content of specific field it is worth to analyse the annotations provided on the z-axis, under as well as on the right-hand side of the tables in question. Furthermore, we would recommend to familiarise yourself with the relevant ITS (e.g. Annex II of the ITS on reporting [<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32023R0894>]) and XBRL Filing Rules (as well as other supportive documentation available on EIOPA supervisory reporting webpage [https://www.eiopa.europa.eu/tools-and-data/supervisory-reporting-dpm-and-xbrl_en]).

Finally, for the specific enquiry check the official EIOPA Q&A on Regulation. (https://www.eiopa.europa.eu/tools-and-data/qa-regulation_en)

Question: Can you please clarify if the changes in the QRTs presented earlier on are applicable for the annual submission for 2023 or from 2024? Thank you:

Answer: Taxonomy 2.8.0 is applicable as of 31.12.2023, which means that the Q4 and annual 2023 reporting to be submitted in 2024 shall be with the 2.8.0 taxonomy.

GENERAL

Question: Would the CIC table is about to be updated?

Answer: Any update to the CIC table is considered as part of the ITS amendments. The next review will be in the future ITS amendments. Any proposal to change is welcomed.

Question: Are we correct, if we are saying that Q&A should be used, in terms of documentation/references in the filling of QRTs, in the same manner of EIOPA Log file, Dictionary etc.? I mean if there are "bug/issues" that have not been included into Hotfix, Q&A will be there for this reason, isn't?

Answer: The approach towards Q&A is the same as before, and yes they should be taken into account. They do not have the same legal value of ITS but they are used to clarify approaches until we amend the ITS. They are used mostly for business issues. Technical issues should be addressed in the Hotfix or identified in the "List of known issues" if they cannot be addressed in the Hotfix.

Question: For the asset QRT's LEI-codes are 'mandatory' under 2.8.0 For some companies a LEI code is not available. Can we keep this cell empty?

Answer: No, the LEI code is mandatory only when addressing reporting entities which shall have a LEI. In assets QRT (S.06.02) regarding issuers the LEI is to be reported if available, if not available please follow the instructions, it should not be empty.

Question: Will all the questions from this chat be included in the general Q&A on the EIOPA website?

Answer: No

Question: Given all the new data points and new and updated validation rules included in the taxonomy 2.8.0 and the numerous corrections and precisions added via Q&A on top of the ITS it is a real challenge to implement the new taxonomy in time for the Q4 2023 production, could you please confirm if additional delay, control deactivation or shortcuts are allowed for the first submission?

Answer: No delay is envisaged as deadlines for reporting are defined in the Solvency II Regulation. Most of the new validations are non-blocking, there are just few blocking ones on S.04 as the approach is the same as in 2.7.0. In any case specific situations are to be discussed with the NCA. It should be reminded that the ITS was submitted to European Commission for adoption by EIOPA on 31 March 2022 and the taxonomy 2.8.0 was released on 17 March 2023, with sufficient time in advance to support a timely implementation.

Question: Overall question: following the question made by someone else before, I am also very interesting to know if there is a room to have additional delay, and if it is not possible, any room to deactivate validation rules for this first submission. The aim is to ensure a smoother transition. Thanks a lot.

Answer: No delay is envisaged as deadlines for reporting are defined in the Solvency II Regulation. Most of the new validations are non-blocking, there are just few blocking ones on S.04 as the approach is the same as in 2.7.0. In any case specific situations are to be discussed with the NCA.

Question: Are there any changes in the QRTs in 2023 in relation to IFRS17?

Answer: No changes linked to IFRS17 are planned.

Question: Could there be a session where EIOPA could go through all changed or new reports (or those which have many questions), and industry could ask questions directly. It would be really efficient comparing with Q&A-process.

Answer: It is very difficult to answer specific questions on the spot. Q&A need to be assessed, sometimes discussed internally with different experts and with the National Competent Authorities. We can plan a session but only if we receive the Q&As up-front. We can consider it for example to address the ones received today. Such session has been held on the 22 February 2024.

Question: In case there are any news on potential coordination between EIOPA and ESMA concerning CIC codes, we would be grateful for an update. If not, no problem.

Answer: Nothing to update. EIOPA has no plans to change the approach of CIC codes.

Question: To be honest: There were only smaller QRTs deleted from the package: S.06.01, S.08.02 and S.15 QRTs. S.04 QRTs have been replaced and there were a lot of new QRTs added: Internal Model, S.14, S.36 and S.37. So there is a feeling that reporting was not reduced by 25 %, but increased by more than 25% !!

Answer: The ITS amendments were never aimed to have reduction of 25%. The ITS amendments followed a number of interaction with stakeholders and long discussions between supervisors. The final package reflects a balanced approach where a number of proportionality aspects were incorporated translating in less reporting for many undertakings, The increase mentioned impacts more IM users, for small/medium companies the burden should be reduced. In any case, this session is to support the implementation not to come back to discussions held during the preparation of the ITS.

Question: It is very welcome that some QRT were deleted. At the same time, modifications to existing QRT also require material effort to implement. Additionally, identified inconsistencies or flaws also complicate the implementation. Therefore, swift corrections are very important for undertakings.

Answer: Noted. This is what EIOPA has been always striving to.

VALIDATIONS

Question: Will there be replacements for the deleted validations (e.g. BV251) in SE.17.01?

Answer: This validation is implemented in the taxonomy as multiple XBRL assertions. Please note that this approach was used also on the previous versions on the taxonomy (please see the validation file and relations between business validation and the xbrl assertion tab). In the 2.8.0 release EIOPA decided to show this relation and merge information from both worksheets. Please note that EIOPA also provided a dedicated column to map between the 2.7.0 and 2.8.0 implementation.

Question: How to resolve the validation BV1439: The item "Gross - Total" reported for Income protection insurance in S.17.01 should be equal to "Total" item reported for Year-end (discounted data) reported in S.19.01. as there are no expenses in the S.19.01.

Answer: We acknowledge the validity of the BV1439 validation. It is important to note that the 'Total' item in S.19.01 is derived from the summation of all columns within the upper-left matrix presented in the S19.01.01.03 table. Consequently the 'Gross - Total' reported for Income Protection Insurance in S.17.01 aligns with the 'Total' item reported for Year-end (discounted data) in S.19.01.

Question: Most of the issues we encountered with 2.8.0 were with the validations, which were not contained in early PWDs. Many of these issues were technical issues with the taxonomy rather than the validation rule itself.

Each of these issues takes quite a long time to diagnose and feed back to EIOPA. Frustratingly, these issues were not just with new validations but with validations that hadn't (or more accurately "shouldn't have") changed since 2.7.0.

We are diverting a lot of our developer resource to checking the EIOPA's taxonomy for

technical accuracy. This may explain why we are unable to get all our feedback to you during the PWD window.

Answer: Thank you for the comment on the source for the late comments focusing on the validations. Validations were first introduced with PWD3 published at the end of January 2023. We agree that due to the number of feedback received there was a substantial amount of changes. The feedback received was considered very valuable and allowed us to increase substantially the model quality. However, considering the feedback received we will see how to further improve the process.

S.02.01

Question: You update the requirement for S.02.01 government bond definition, but you did not update the CIC definition for government bond. Can you confirm if this is the intention?

Answer: There is no difference.

Question: Re EIOPA Q&A 2653 (C0294 RGLA of S.06.02) - Is EIOPA sure that the answer to the second question is correct (9 -Not applicable)? Taking a bond issued by the State of Alaska CIC 13 or bond issued by the Province of Ontario CIC14 as examples. Shouldn't they receive "2" in C0294 S.06.02, not 9?

Answer: The answer is correct.

S.04S

Question: If you have a 100% home country, S.04.03/05/05 are required?

Answer: No – cross-border templates do not need to be reported if all business is written in the domestic market.

Question: What about country outside Europe regarding template S.04?

Answer: If a company has a business outside Europe this is also to be reported, with the specifics of how the business is written determining which templates are required. If the business is written by a branch of the EEA company located in a third country, countries outside of Europe will be included in both the location of underwriting (S.04.04) and location of risk (S.04.05). If business outside Europe is written directly (e.g. fronted business on a non-admitted basis), it may be that the non-European countries are only included on a location of risk basis (S.04.05).

Question: And if you have 99.9% in home country, is S.04.03 required?

Answer: Yes. Under Article 159 of the Solvency II Directive, there is an obligation on national authorities to share information on cross-border activities (within the EEA) and the data collected in S.04.03 and S.04.04 are required to meet this obligation.

Question: Please confirm, that any of S.04 shouldn't be reported if business outside of home country is less than 95%

Answer: In this case, the cross-border templates shall be reported. The exemptions is for 100% home country. If business outside of the home country is less than 95%, it is possible to complete S.04.05 using "other countries" to account for this residual business. However, S.04.03 and S.04.04 must be completed in full for business in the EEA.

Question: Do we have to report in S.04.04 and S.04.05 the countries outside Europe one by one or do we have to sum up all the non-EU countries?

Answer: *The reporting instructions for template S.04.04 should be read in conjunction with the reporting instructions for S.04.03 and S.04.05. Across these three templates, entities shall report **all business** from two distinct perspectives: location of underwriting and location of risk. Template S.04.04 focuses on the location of underwriting.*

If for example a company has a branch outside EU:

- In S.04.03 the branch information should be captured in C0010 (i.e. a unique ID for this entity), C0030 (i.e. non-EEA branch) and C0040 (i.e. non-EU country).
- The Z-axis on S.04.04 (Z0020 – Underwriting entity code) should include “*each individual underwriting entity as reported in template S.04.03*” so there should be a Z0020 entry for the non-EU branch.
- The sum of C0010 and C0020 should be the total business for the underwriting entity (in this case the non-EU branch)
- C0010 should capture “Business underwritten in the country of establishment” – irrespective of whether this is EEA or non-EEA.
- C0020 should include all FPS (and so be the sum of C0030, which should capture, separately for each EEA member, the FPS business), if any, written by that underwriting entity. This should be zero for a non-EU branch.

Question: Regarding template S.04 - how shall an EEA reinsurance company include business underwritten in a country outside EEA be treated?

Answer: If a company has a business outside Europe this is also to be reported, with the specifics of how the business is written determining which templates are required. If the business is written by a branch of the EEA company located in a third country, countries outside of Europe will be included in both the location of underwriting (S.04.04) and location of risk (S.04.05). If business outside Europe is written directly (e.g. fronted business on a non-admitted basis), it may be that the non-European countries are only included on a location of risk basis (S.04.05).

Question: Do we have to report QRTs S.04.03-S.04.04-S.04.05 if we have 100% home country business?

Answer: No

Question: How is the content required in S.04.03 different from Contents of Submission for Solo entities?

Answer: In the event of a standalone solo entity with no branches, S.04.03 will only contain a single underwriting entity (i.e. no additional content to the Contents of Submission). However, the content differs where an undertaking includes either EEA or non-EEA branches.

Question: Is there a threshold on S.04.04 & S.04.05? Based on the description of these templates no threshold of 95% and thus should be always be reported.

Answer: Templates are not reported in case of 100% home activity The data collected on location of underwriting are required to meet information sharing obligations on cross-border activities under Article 159; as a result no threshold applies to S.04.04. For the location of risk

perspective (S.04.05) the 95% threshold will mean that for at least 95% of the gross written premium the reporting will be on country-by-country basis with an option to group residual business as “other countries”. As an example, if a reporter shows 95% of their business split across countries A, B & C and 5% in “other countries”, the correct interpretation is that the 5% is not in country A, B or C.

S.06.02

Question: A question regarding C0240 Issuer Group in S.06.02. In ITS it is stated: „This item is not applicable for bonds issued by “the group/entity itself.” Does the „group/entity itself” refer to reporting entity or to the group that issued the bond directly through the group and not through its subsidiary?

Answer: „group/entity itself” refers to the reporting entity – the undertaking or group submitting the file to the supervisory authority. For example, if undertaking A, or some entity in the group of undertaking A, issues a bond and the bond is held by the undertaking, then C0240 isn’t applicable.

Question: Question regarding the reporting of cryptoassets. Will we see an alignment with other European standards i.e. bcbs report on treatment of prudential assets.

Answer: For crypto assets the idea is to receive the new information now included in the ITS and monitor materiality. Once the Commission delegated acts supplementing this Directive, reflecting the risk posed by crypto-assets in the market risk sub-module and in the counterparty risk sub-module, foreseen on the final version of Solvency II review is known, changes may be needed.

Question: Regarding the upcoming changes to the CIC regime and S.06.02, the reference to Article 1 of Implementing Regulation (EU) 2015/2011 whilst useful is not as specific as a similar regime by the EBA which lists out all organizations which fall under the guarantee regime. Will we see EIOPA provide further clarification on the organizations or a list where vendors could reference an entity which is for example guaranteed by a supranational?

Answer: EIOPA will investigate this option in the next ITS amendments.

Question: Are "Loans on policies" to classify as CIC 87 or 88 since the loans are made to natural persons?

Answer: See Q&A 2753 and 2754.

S.06.04

Question: For template S.06.04 what is the definition of climate change related transition and physical risk ?

Transition risks are risks that arise from a rapid transition to a low-carbon and climate-resilient economy. Physical risks are risks that arise from the physical effects of climate change. For further background: [Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA \(europa.eu\)](https://www.europa.eu/application-guidance-on-running-climate-change-materiality-assessment-and-using-climate-change-scenarios-in-the-ORSA)

Question: For S.06.04 - Is the entire asset portfolio subject to Physical risks?

Answer: The identification of direct properties exposed to physical risk should be consistent with the identification made, in C0190 Item in S.06.02. See also responses to Q&A no.2553, 2611 and 2782.

Question: For the S.06.04 it is simply strange that you would provide a semi-definition but still leave methods open to the company. How will you compare? There is no info whatsoever on the methods actually used.

Answer: To implement this first reporting in a proportionate manner, EIOPA allows undertakings to apply their own methodologies to perform the risk assessment and report on the KPI. As methodologies evolve, good practices are expected to emerge to improve comparability of reporting for future reporting.

Question: Slide on S.06.04 Does "indirectly held properties" mean for instance such properties held in investment funds or subsidiaries. Do you know already which Q&A # will include the definitions of what assets are included in scope of physical risk and transition risk?

Answer: The identification of properties exposed to physical risk should be consistent with the identification made, in C0190 Item in S.06.02. See also responses to Q&As 2553, 2611 and 2782.

S.12.02

Question: EIOPA Business package – S.12.02: “The template is not due when the thresholds for reporting by country described below are not applicable, i.e. the home country represents 100 % of the sum of the technical provisions calculated as a whole and gross best estimate. When this amount is higher than 90 % but lower than 100 % only R0010, R0020 and R0030 shall be reported”.

Answer: EIOPA confirms that S.12.02 does not need to be reported if 100% of the business is in the home country.

S.14.01

Question: About S.14.01, please clarify with specific example the different option related to fiscal treatment

Answer: In relation to S.14.01.C0055, this aims at understanding if there are tax regimes which could influence policyholders’ decisions on exercising surrender or cancellation options. In this respect, the Instructions sets out the following closed list of options:

- In case of lapse/surrender there is no tax or subsidy related loss (meaning that the policyholder does not lose any tax benefit or subsidy gained when invested in the product).
- In case of lapse/surrender past or future tax benefits or other subsidies are lost (meaning that the policyholder will lose benefits already gained, i.e. have to pay back amounts from previous premium payments).
- Other tax related losses not covered above (policyholder has other additional tax losses on top of losing benefits).
- Not applicable.

The first option is the option where there is not tax loss, the second would include the loss of deductions on premium payments and/or future benefits payouts, the third one would include any other benefit loss.

For example a consumer may invest €100 a month in an insurance-based investment product and should keep the product for the recommended holding period and/or for a specific number of years. If the consumers keep it for this amount of years they may benefit from tax exemptions/deductions. This can be backward looking (i.e., deduct what they paid in premium) and/or forward looking (i.e., have no or lower tax brackets on returns, pay-outs, etc.).

- In the first case, if the consumer surrenders early they would keep the tax benefit;
- In the second case they may need to pay tax the deducted amount and/or may lose benefits relating to better tax treatment on returns and/or pay outs;
- In the third case in addition to tax benefit losses for the second they may have also additional penalties.

Question: "profit sharing" in S.14.01 C0141 is not defined. In taxonomy annotated templates "metric data", there appears to be a connection made to "profit participation" (LOB 30). Is this correct?

Answer: Correct, for the purposes of this cell, the term "profit sharing" should be interpreted in the sense of "profit participation" as used in the definition of LOB 30, i.e. it should be decided as to whether the respective product category includes profit participation features or not.

S.14.02

Question: About S.14.02. Policies should be associated with the LoB corresponding to their main risk. What about motor insurance's products, which contain damage insurance and liabilities insurance? Should they be associated to LoB 4 or 5? Or should they be duplicated to be associated to both LoB?

Answer: There should be no duplication. As explained in the Instructions products should be reported under the main LoB of reference; hence if the majority of the premium for a given product relates to liability it should be reported under LoB 4.

Question: in QRT S.14.02 does the Column C0140 "Number of insured properties at the end of the year". is it required for Motor LOBs ?

Answer: C0140 should be reported for LOB 4 and 5 hence it is required for motor LOB.

S.14.03

Question: Are technical provisions expected in C0140 on QRT S.14.03 in S2 valuation or local statutory valuation?

Answer: Technical provisions should be reported in their Solvency II valuation.

Question: Could EIOPA clarify how companies will have to report the elements on which the exemption is based?

The template shall be subject to the application of a threshold based on the following:

- The sum of premiums earned for standalone cyber policies and policies with cyber as add-on coverage (where only the (estimated) premiums earned for cyber risk should be taken into account) is greater than 5% of the overall non-life business pursued by the undertaking or greater than 5 million €

OR

- Number of policies that include cyber coverage (i.e. standalone cyber and/or cyber ad add-on policy) represent more than 3% of the total number of policies of the non-life business).

And the concern/question is that companies that are exempted will still have to calculate the abovementioned reporting items to see if they pass the threshold or not.

Answer: The exemption is intended to exclude an undertaking from fulfilling the template S.14.03. For the undertaking to be exempted, the thresholds need to be calculated. The verification of the thresholds should not be considered as burdensome as reporting the full template, also because undertakings should be able to identify the cyber risk that they are covering, either as stand alone or as silent coverage. See also EIOPA Supervisory Statement on the management of non-affirmative cyber exposures. Not being aware of the amounts needed to assess the threshold is an indication of concerns with the risk management system of the undertaking.

S.14.04

Question: Which is the level of granularity to be considered to fill in the S.14.04 Liquidity Risk for Life Business? Product level or a combination of 3 elements (Asset held in unit linked and index linked contracts; Fiscal treatment of the products; Country) as reported in the related Q&A?

Answer: The information in S.14.04 template can be aggregated for products with similar characteristics as a combination of the elements mentioned and the exit conditions at reporting date.

S.14.05

Question: In our opinion, in QRT S.14.05 the description of C0310 Unearned premium (year to date) does not fit to cell title. The description asks for "Total amount of payment to date related to early termination of the contract."?

Answer: Please refer to Q&A 2849 currently under internal review.

Question: It is not clear from Q&A 2476 which level of granularity has to be used to fill in the S.14.05. Can you, please, clarify? Do you expect it to be filled by Company, Portfolio, LoB, or Product i.e?

Answer: The information in S.14.05 template can be aggregated at country level.

Question: According to FS guidelines in S.14.04 and S.14.05 the division into countries should be done by product (C0080). Shouldn't be there the split between unit and index linked business and non-linked business + fiscal treatment option instead of product level and

division into countries for non-life information shouldn't be reported for the non-life business as a whole instead of product level?

Answer: The information in S.14.04 templates can be aggregated for products with similar characteristics as a combination of the following elements: Asset held in unit linked and index linked contracts (C0310), fiscal treatment of the products (C0055), country (C0080) and exit conditions at reporting date (C0270).

The information in S.14.05 template can be aggregated at country level (C0080).

S.19.01

Question: We noticed a change in the LOG File for S.19.01: Many KPIs shall now be reported "net of salvage and subrogation and excluding any expenses as well as any future premiums." This change would lead to a very burdensome change in our systems. Furthermore, we are asking ourselves if we have to recalculate the triangles for the past years with this new information? This would be very burdensome, too?!

Answer: EIOPA confirms that the BE triangles shall be reported net of salvage and subrogation. There seems to be a mistake and the BE triangles are to be reported including any expenses. This will be clarified in the next ITS amendments.

Question: For QRT S.19-S-20-S-21 it has been required to include only material lobs representing 90% of the TP Non-life. Is it possible to go on to include all lines of business as we did until last QA?

Answer: Yes

S.21.03

Question: For S.21.03, does the 90% threshold applies within the 4 mandatory LoBs or should we report LoBs until we reach a representation of 90% of the TP?

Answer: You should report until 90% of the TP are reach, following the priority. The scope of S.21.03 is limited to direct business and includes only four mandatory lines of business plus any additional line of business considered mandatory by NCAs' decision. Therefore, the threshold should be calculated considering only mandatory lines of business (i.e., four mandatory lines of business plus any additional line of business considered mandatory by NCAs' decision). The threshold is used to determine the mandatory LoBs included in the scope of the template, so immaterial LoBs are not required to be reported, but material LoBs (i.e., up to ensure a 90% coverage in terms of TPs) are fully reported.

INTERNAL MODELS

Question: In the former sheet S.27.01 was included in the list of IM template. Is this correct? If yes, does this mean that we have to fill IM values in S.27.01? We are requested under Art 112 to report S.27.01 for SF. How can we then both report IM and SF?

Answer: S.27.01 is not an IM template. It should not have been on the slide. So, SF values need to be reported as in previous taxonomies.

Question: I have a question regarding S.25.05.21.01 R0400 and R0400, this QRT seem to have the same structure labels as on S.26.08.01.01. However, R0400 in S.25.05.21.01 is R0370 in S.26.08.01.01. Is this simply an error?

Answer: It is an error, and it will be addressed in the next ITS.

Question: Will the new S.25.05 template include a multi-row section for companies to describe their own risk components as in S.25.02 & S.25.03.

Answer: No. Wherever this was deemed necessary there are “multi-row” sections so undertakings can report their own structure e.g. S.26.13.

Question: Regarding template S.25.05 and S.26.08, the risk modules used in these templates are not aligned with Standard Formula Risk Modules (for example, it does not appear "Counterparty risk"). How should we inform Standard Formula Risk Modules?

Answer: Please clarify the question. What does it mean to “inform Standard Formula Risk Modules”? S.25.05 and S.26.08 are IM templates. Undertakings using the Standard Formula do not need to submit them. If you are referring to a partial internal model, then in S.25.05 and S.26.08 C0010 asks for the SCR which is the total one including SF (or only SF if the risk is not modelled). C0070 is the amount modelled which means that in this column only the IM part is reported. When the structure does not fit then the undertaking should report SF figures on best effort basis.

S.36S

Question: S.36.05 asks to report all 'significant, very significant transactions. Has every supervisor to define 'significant'?

Answer: Yes, this up to the group supervisor to define the thresholds.

Question: The QRT for IGT - Off-balance sheet and contingent liabilities is still coded as 36.03 in your presentation but according the latest update this is now 36.06: can you please clarify this point ?

Answer: Yes, you are correct. There is an intended mismatch between the ITS and the model. The issue has been explained in the release notes and we will correct the numbering in the next ITS amendments. Therefore, we would like to clarify that slides referring to S.36.03 are relevant for S.36.06.

Question: Following up on the Question on IGT, there are actually 2 IGT QRTs with questionable code, can you clarify what is correct: IGT - Off-balance sheet and contingent liabilities and IGT - Insurance and Reinsurance should it be 36.06 and 36.07 or 36.03 and 36.04?

Answer: We can confirm that this change is intentional. Unfortunately, due to the date of this amendment it was impossible to also align the ITS, thus the mismatch was created. The change aimed to align the IGT and Risk Concentration templates with the FICO reporting (FC.03 and FC.04). The new codification allowed not to break the historization of the model and map the templates between frameworks. Please note that this inconsistency has been explained in the release notes and we will correct the numbering in the next ITS amendments.

S.37S

Question: Could you please point out. What "Insurance policies" in QRT S.37.01 means from a reinsurance perspective?

Answer: Please refer to Q&A 2823 currently under internal review.

Question: Could you elaborate "Insurance policies" in QRT S.37.01. What kind of insurance risk concentrations should we include and how. Should we sum all the risks and policies together from the same counterparty even if the risks are not in the same risk concentration if you consider two buildings far away from each other.

Answer: Please refer to Q&A 2823 currently under internal review.

Question: How should we report "Risk Mitigation techniques" in new S.37.01 per external counterparty? Usually, for example a currency swap, there is no breakdown possible for each counterparty. The same is for Reinsurance programs?!

Answer: Please refer to Q&A 2724 for the reporting of "Risk Mitigation techniques". With regard to insurance exposures, in case of non-proportional reinsurance encompassing more than one counterparty, the deductions should be allocated proportionally or, alternatively, according to justifiable break-down agreed with the group supervisor. In general, where a specific breakdown per counterparty is not possible, a justifiable breakdown can be proposed and agreed with the group supervisor.

Question: Can you provide an example of risk mitigation techniques applicable for the S.37.01?

Answer: Please refer to Q&A 2724, these can be for example external reinsurance and derivatives.

Question: Is it really intended to sum up total assets and off-balance sheet insurance amounts in S.37.01? Currently, this seems to be implemented this way.

Answer: This is correct.

Question: For QRT S.37.01 - how is collateral pledged/held to be handled and reported in regard to exposure by counterparty for example for the financial product repos?

Answer: Counterparties in the context of financial product repos are not to be included in the S.37 templates as a separate direct risk exposure.

ECB

Question: Is the QRT E.04.01 due if we have 100% home country?

Answer: E.04.01 always has to be reported. If all business is in the home country, then only cells relating to home country thus ER0010 should be filled. If cross-country business exists, countries which are material in S.12.02 should be reported in row E.04.01 ER0040. Countries which are not material in S.12.02 should be reported in E.04.01 ER0020, ER0030.

Question: Instructions for ECB add-ons – E.04.01:

“The information on income gains and expenses attributed to policyholders are part of life TPs and shall be reported for all countries reported in the current S.12.02 submission.”

Could you please confirm that both QRTs are not to be reported as defined by the materiality thresholds in EIOPA taxonomy?

Answer: E.04.01 always has to be reported. The reference to S.12.02 merely relates to the split of material and non-material countries. If all business is in the home country, then only cells relating to home country thus ER0010 should be filled. If cross-country business exists,

countries which are material in S.12.02 should be reported in row E.04.01 ER0040. Countries which are not material in S.12.02 should be reported in E.04.01 ER0020, ER0030.

Question: Is E.04.01 to be reported also for non-life insurance or only for life Insurance?

Answer: E.04.01 shall be reported only for life for investment revenues and expenses attributed to policyholders (E.04.01.16.01, E.04.01.16.02) and for life and non-life for investment revenues and expenses - part of excess of assets over liabilities (E.04.01.16.03).

Question: Could you confirm if the check between E.04.01 and S.29.02 is referred to investment revenues and expenses not attributed to policyholders or to overall investment revenues and expenses?

Answer: The instructions have been updated.

Under the assumption that non-life products with profit participation do not exist, the following holds:

- Investment revenues of S.29.02.01 C0010 R0040 equals the sum of all rows of E.04.01 EC0020, EC0030 and EC0060
- Investment expenses of S.29.02.01 C0010 R0050 equals the sum of all rows in E.04.01 EC0040, EC0050 and EC0070

Question: I have a question regarding the nature of investment revenues/expenses in the E.04.01. We are talking here about the provisioned share of the investment revenues/expenses allocated to policyholders in the TP and not the paid share, right?

Answer: Yes, E.04.01.16.01 and E.04.01.16.02 only refer to investment revenues/expenses that are part of TP.

Question: E.04.01.16 – We are waiting for further guidance from the ECB on how to report data "attributed to policyholders."

Answer: The LOG files were updated in August 2023 with issued raised through EIOPA's Q&As and again in October 2023 to clarify issues during the public event. If further questions arise, please contact your NCB for instructions. Tables E.04.01.16.01 and E.04.01.16.02 relate only to investment income (dividends, interest, rent) as reported in both S.09.01 and S.29.02 and expenses as reported in S.29.02. E.04.01 mainly tries to split these investment income and expenses into whether they are part of TP (attributed to policyholder) or part of excess of assets over liabilities.

All investment income including discretionary benefits and guaranteed interest rate should be included when reporting E.04.01. All investment income that are part of unit linked contracts should also be included.

Question: Investment revenues and expenses - part of excess of assets over liabilities - E.04.01.16.03: Clarification is requested regarding criteria/thresholds for completing the QRT. Specifically, it is requested if the part identified with E.04.01.16.03 is to be filled out only by companies that sell products outside the home country or by all companies.

Answer: The template E.04.01 should always be reported, even if all business is in the home country. In E.04.01.16.03 ER0050 all business has to be reported, without a country breakdown.

Question: EC0060 - Investment revenues: Confirmation is requested on the criteria for calculating the amounts to be included, particularly if the "attributed to policyholder" part refers only to projected investment earnings and expenses in the BEL.

Answer: Yes, attributed to policyholder (E.04.01.16.01 and E.04.01.16.02) refers to all investment revenues and expenses that are part of TP.

Question: ECB-QRT E.04.01 requires information on the geographical breakdown of technical provisions in life insurance in respect of investment income and investment expenses attributable to individual policyholders and in respect of investment income and investment expenses in life and non-life insurance not attributable to individual policyholders. Reference is made to the information in QRT S.12.02, which is not reported by us, however, as the insurance business is conducted exclusively in Germany. In QRT SE.01.01 (Content ECB), there is unfortunately no option to indicate that there is no business outside the home country. Here, a short-term adjustment makes sense.

Answer: E.04.01 always has to be reported. If all business is in the home country, then only cells relating to home country thus ER0010 should be filled. If cross-country business exists, countries which are material in S.12.02 should be reported in row E.04.01 ER0040. Countries which are not material in S.12.02 should be reported in E.04.01 ER0020, ER0030. Therefore, there is no need to amend the content of the submission.

Question: Gross claims paid in the current quarter relating to risks covered before the current reporting period - ER0421/Gross claims paid in the current quarter relating to risks covered in the current reporting period

- ER0422: Clarification is requested on the content of the field.

Specifically, it is requested if it is required to differentiate payments on the basis of policy underwriting date, and if this should be applied also on the basis of renewals and new business.

Answer: The instructions have been changed to say that the cells refer to

- ER0421 Gross claims paid in the current financial year relating to claims incurred before the current financial year and
- ER0422 Gross claims paid in the current financial year relating to claims incurred in the current financial year.

The policy underwriting date is thus irrelevant for the reporting of these ECB Add-ons but rather whether the claims incurred in the current or the previous financial year.