S.26.05 – Solvency Capital Requirement – Non–Life underwriting risk

General comments:

This section relates to annual submission of information for groups, ring fenced–funds, matching adjustment portfolios and remaining part.

Template SR.26.05 has to be filled in for each ring–fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part. However, where a RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds. This template shall be reported for all sub–funds of a material RFF/MAP as identified in the second table of S.01.03.

Template SR.26.05 is only applicable in relation to RFF/MAP from undertakings consolidated according to Article 335, paragraph 1, (a), (b) and (c) of Delegated Regulation (EU) 2015/35, when method 1 (Accounting consolidation–based method) is used, either exclusively or in combination with method 2 (Deduction and aggregation method).

All values shall be reported net of reinsurance and other risk mitigating techniques.

Amounts before and after shock shall be filled in with the amount of assets and liabilities sensitive to that shock. For the liabilities the assessment shall be done at the most granular level available between contract and homogeneous risk group. This means that if a contract/HRG is sensitive to a shock the amount of liabilities associated to that contract/HRG shall be reported as amount sensitive to that shock.

For group reporting the following specific requirements shall be met:

a) This information is applicable when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC;
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 Directive 2009/138/EC, and;
c) This information does not apply to groups when method 2 as defined in Article 233 of Directive 2009/138/EC is being used exclusively.

	ITEM	INSTRUCTIONS
Z0010	Article 112	Identifies whether the reported figures have been requested under Article 112 (7), to provide an estimate of the SCR using standard formula. One of the options in the following closed list shall be used: 1 – Article 112 (7) reporting 2 – Regular reporting
Z0020	Ring–fenced fund, matching adjustment portfolio or remaining part	Identifies whether the reported figures are with regard to a RFF, matching adjustment portfolio or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part
Z0030	Fund/Portfolio number	When item Z0020 = 1, identification number for a ring fenced fund or matching adjustment portfolio. This number is attributed by the undertaking within the scope of group supervision and must be consistent over time and with the fund/portfolio number reported in other templates. When item Z0020 = 2, then report "0"

R0010/C0010	Captives simplifications – non life premium and reserve risk	Identify whether a captive undertaking within the scope of group supervision used simplifications for the calculation of non–life premium and reserve risk. One of the options in the following closed list shall be used: 1 – Simplifications used 2 – Simplifications not used If R0010/C0010 = 1, only C0060, C0070 and C0090 shall be filled in for R0100 – R0230.

Non–life premium and Reserve Risk

R0100–R0210/ C0020	Standard deviation for premium risk – USP Standard Deviation	This is the group specific standard deviation for premium risk for each segment as calculated by the group and approved or prescribed by the supervisory authority. This item is not reported where no group specific parameter is used.
R0100–R0210/ C0030	USP Standard Deviation gross/net	Identify if the USP standard Deviation was applied gross or net. One of the options in the following closed list shall be used: 1 – USP gross 2 – USP net
R0100– R0210/C0040	Standard deviation for premium risk – USP – Adjustment factor for non – proportional reinsurance	This is the group specific adjustment factor for non – proportional reinsurance of each segment allows groups to take into account the risk – mitigating effect of particular per risk excess of loss reinsurance – as calculated by the group and approved or prescribed by the supervisory authority. This item is not reported where no group specific parameter is used.
R0100–R0210/ C0050	Standard deviation for reserve risk – USP	This is the group specific standard deviation for reserve risk each segment as calculated by the group and approved or prescribed by the supervisory authority. This item is not reported where no group specific parameter is used.
R0100–R0210/ C0060	Volume measure for premium and reserve risk – volume measure for premium risk: Vprem	The volume measure for premium risk for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35.
R0100–R0210/ C0070	Volume measure for premium and reserve risk –Volume measure reserve risk: Vres	The volume measure for reserve risk for each segment, equal to the best estimate for the provisions for claims outstanding for the segment, after deduction of the amount recoverable from reinsurance contracts and special purpose vehicles.
R0100–R0210/ C0080	Volume measure for premium and reserve risk – Geographical Diversification –	Geographical diversification used for the volume measure for each segment If the factor for geographical diversification is not calculated, then this item is set to the default value of 1.
R0100–R0210/ C0090	Volume measure for premium and reserve risk – V	The volume measure for non – life premium and reserve risk for each segment If R0010/C0010 = 1, this item shall represent the capital requirement for non – life premium and reserve risk of particular segment calculated using simplifications
R0220/C0090	Total Volume measure for premium and reserve risk	The total volume measure for premium and reserve risk, equal to the sum of the volume measures for premium and reserve risk for all segments.

R0230/C0020	Combined standard deviation	This is the combined standard deviation for premium and reserve risk for all segments.
R0300/C0100	Total capital requirement for non – life premium and reserve risk	This is the total capital charge for the non–life premium and reserve risk sub module.

Non–life lapse risk

R0400/C0110	Initial absolute values before shock – Assets – Non–life underwriting risk – Lapse risk	This is the absolute value of the assets sensitive to the non–life lapse risk, before the shock. Recoverables from reinsurance and SPVs shall not be included in this cell.
R0400/C0120	Initial absolute values before shock – Liabilities – Non–life underwriting risk – Lapse risk	This is the absolute value of liabilities sensitive to the non–life lapse risk, before the shock. The amount of TP shall be net of reinsurance and SPV recoverables.
R0400/C0130	Absolute values after shock – Assets – Non–life underwriting risk – Lapse risk	This is the absolute value of the assets sensitive to non–life lapse risk, after the shock. Recoverables from reinsurance and SPVs shall not be included in this cell.
R0400/C0140	Absolute values after shock – Liabilities – Non–life underwriting risk – Lapse risk	This is the absolute value of the liabilities sensitive to non–life lapse risk, after the shock. The amount of TP shall be net of reinsurance and SPV recoverables.
R0400/C0150	Solvency capital requirement – Non–life underwriting risk – Lapse risk	This is the capital charge for non–life underwriting lapse risk.

Non–life catastrophe risk

R0500/C0160	Capital requirement for non–life catastrophe risk	This is the total non–life catastrophe risk capital requirement.

Total non–life underwriting risk

R0600/C0160	Diversification within non–life underwriting risk module	This is the diversification effect within the non–life underwriting risk sub–module as a result of the aggregation of the capital requirements premium and reserve risk, catastrophe risk and lapse risk. Diversification shall be reported as a negative value if they reduce the capital requirement.
R0700/C0160	Total capital requirement for non–life underwriting risk	This is the solvency capital requirement for non–life underwriting risk sub module.