

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IRR.12.01 – Life technical provisions

General comments

This section relates to quarterly and annual submission of information for individual entities, third country branches, ring-fenced funds, matching adjustment portfolios and remaining parts.

Undertakings may apply appropriate approximations in the calculation of the technical provisions as referred to in Technical Provisions – Further Requirements 6. In addition, Supervisory Statement SS8/24 3.2 may be applied to calculate the risk margin during the financial year.

Third country branches should read any reference to ‘technical provisions’ as the provisions for insurance and reinsurance obligations referred to in Third Country Branches 6.1.

Line of business for life obligations: The lines of business as defined in Technical Provisions – Further Requirements Annex 1. The segmentation shall reflect the nature of the risks underlying the contract (substance), rather than the legal form of the contract (form). By default, where an insurance or reinsurance contract covers risks across the lines of business undertakings shall, where possible, unbundle the obligations into the appropriate lines of business (Technical Provisions – Further Requirements 26.5). In this template life annuities are shown as a separate column and not as part of ‘other life insurance’. Reinsurance accepted is shown as a separate row for the underlying line of business and not as separate columns.

The information reported shall be gross of reinsurance as information on Recoverables from reinsurance/SPV and Finite reinsurance is requested in specific rows.

The information to be reported between R0010 and R0100 shall be after the volatility adjustment, the matching adjustment and the transitional adjustment to the relevant risk-free interest rate term structure if applied but shall not include the transitional measure on technical provisions. The amount of the transitional on technical provisions is requested separately between rows R0140 and R0180.

Individual entities and third country branches shall report template IRR.12.01 for each ring-fenced fund (RFF), matching adjustment portfolio (MAP) and remaining part.

For IRR.12.01 only rows R0025-R0030, R0080-R0100 and R0140-R0200 should be completed.

	ITEM	INSTRUCTIONS
Z0020	Ring-fenced fund, matching adjustment portfolio or remaining	Identifies whether the reported figures are with regard to a RFF, matching adjustment portfolio or remaining part. One of the options in the following closed list shall be used:

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	part	1 – Ring-fenced fund 2 – Matching adjustment portfolio 3 – Remaining part
Z0030	Fund/Portfolio number	Identification number for a ring-fenced fund, matching adjustment portfolio or remaining part. This number is attributed by the undertaking and must be consistent over time and is either 0 or corresponds to an entry in IR.01.03.

Column definitions

C0010	Insurance with profit participation	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted'.
C0020	Index-linked and unit-linked insurance	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted'.
C0030	Life annuities	Annuities and deferred annuities which would be included in the line of business 'other long-term insurance business' defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted'.
C0040	Non-life annuities	Corresponds to the sum of the lines of business 'annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations' and 'annuities stemming from non-life insurance contracts and relating to health insurance obligations' defined in Technical Provisions – Further Requirements - Annex 1 and the corresponding part of 'reinsurance accepted'.
C0050	Other life insurance	Corresponds to the line of business 'other long-term insurance business' defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted' but excluding life annuities reported in C0030.
C0060	Health insurance	Corresponds to the line of business 'health insurance' defined in Technical Provisions – Further Requirements Annex 1 and the

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		corresponding part of 'reinsurance accepted'.
C0070	Total life and health	The sum of all the preceding columns.

Technical provisions - best estimate and risk margin

R0025	Gross Best Estimate (direct business)	Amount of Gross Best Estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re according to Technical Provisions 3) for direct business.
R0026	Gross Best Estimate (reinsurance accepted)	Amount of Gross Best Estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re according to Technical Provisions 3) for reinsurance accepted.
R0030	Gross Best Estimate	Amount of Gross Best estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re according to Technical Provisions 3.
R0040	Total Recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	Amount of recoverables before adjustment for expected losses due to possibility of default of the reinsurer, as defined in Technical Provisions 11.1, including ceded intra group reinsurance.
R0050	Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	Amount of recoverables (before adjustment for expected losses) from "traditional" reinsurance, ie without SPVs and Finite Reinsurance, calculated consistently with the boundaries of the contracts to which they relate, including ceded intra group reinsurance.
R0060	Recoverables from SPV before adjustment for expected losses	Amount of recoverables from SPVs before adjustment for expected losses, calculated consistently with the boundaries of the contracts to which they relate, including ceded intra group reinsurance.
R0070	Recoverables from Finite Re before adjustment for expected losses	Amount of recoverables from Finite Re before adjustment for expected losses, calculated consistently with the boundaries of the contracts to which they relate, including ceded intra group

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		reinsurance.
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	Amount of recoverables after adjustment for expected losses due to possibility of default of the reinsurer, as defined in Technical Provisions 11.1, including ceded intra group reinsurance.
R0090	Best Estimate minus recoverables from reinsurance/SPV and Finite Re	Amount of Best Estimate minus recoverables from reinsurance/SPV and Finite Re after adjustment for expected losses due to possibility of default of the reinsurer, as defined in Technical Provisions 11.1.
R0100	Risk Margin	Amount of Risk margin, as defined in Technical Provisions 4.2. This item does not apply to third country branches.

Amount of the Transitional Measure on Technical Provisions (TMTP)

R0140	TMTP – risk margin	Amount of TMTP attributable to the risk margin portion. This corresponds to A_r in Transitional Measure on Technical Provisions 5.1. For firms applying the legacy approach in accordance with Statement of Policy 'Permissions for transitional measures on technical provisions and risk-free interest rates', this item corresponds to the amount of TMTP attributable to the risk margin. This item does not apply to third country branches.
R0150	TMTP – best estimate dynamic component	Amount of TMTP attributable to the dynamic portion. This corresponds to B_r in Transitional Measure on Technical Provisions 5.1. For firms applying the legacy approach in accordance with Statement of Policy 'Permissions for transitional measures on technical provisions and risk-free interest rates', this item corresponds to the amount of TMTP attributable to the best estimate.

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		This item does not apply to third country branches.
R0160	TMTP – best estimate non-dynamic component	Amount of TMTP attributable to the non-dynamic portion. This corresponds to C_r in Transitional Measure on Technical Provisions 5.1. This item does not apply to firms applying the legacy approach in accordance with Statement of Policy 'Permissions for transitional measures on technical provisions and risk-free interest rates'. This item does not apply to third country branches.
R0170	TMTP – amortisation adjustment	Adjustment to increase the rate of run-off of TMTP. This corresponds to W_r in Transitional Measure on Technical Provisions 5.1. This item does not apply to firms applying the legacy approach in accordance with Statement of Policy 'Permissions for transitional measures on technical provisions and risk-free interest rates'. This item does not apply to third country branches.
R0180	Transitional Measure on Technical Provisions	Amount of TMTP, calculated as $R0140 + R0150 + R0160 - R0170$ subject to a minimum of zero. This corresponds to T_r in Transitional Measure on Technical Provisions 5.1 and should be reported as a positive value. This item does not apply to third country branches.

Technical provisions – Total

R0200	Technical Provisions – Total	Total amount of Technical Provisions after the transitional deduction to technical provisions.
R0210	Technical Provisions minus Recoverables from reinsurance/SPV and Finite Re – Total	Total amount of Technical Provisions minus Recoverables from reinsurance/SPV and Finite Re including technical provisions calculated as a whole and after the transitional deduction to technical provisions.

R0300 (C0020 only)	Surrender value	The amount of surrender value net of taxes. Shall reflect the amount, defined contractually, to be paid to the policyholder in case of early
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		termination of the contract (ie before it becomes payable by maturity or occurrence of the insured event, such as death), net of charges and policy loans. It includes surrender values guaranteed and not guaranteed. The amount allows for any duration based penalties and assumes that any clause deferring the availability of the surrender value does not apply.
R0302 (C0020 only)	Nominal value of units	Value of units allocated. The amount should allow for actuarial funding / discounting where these are 'initial' or 'capital' units subject to a higher management charge.
R0304 (C0020 only)	Matching value of units	Value of units held included in IR.02.01 R0220 and IR.02.01 R0340 which are matching the unit liability in R0302.
R0310	Best estimate subject to transitional of the interest rate	Indicate the amount of gross best estimate (R0030) subject to the transitional adjustment to the relevant risk-free interest rate term structure. This item does not apply to third country branches.
R0320	Technical provisions without transitional on interest rate	Amount of technical provisions where the transitional adjustment to the relevant risk-free interest rate term structure has been applied calculated without the transitional adjustment to the relevant risk-free interest rate term structure. In the cases where the same best estimates were also subject to the volatility adjustment, the amount reported in this item shall reflect the value without the transitional adjustment to the relevant risk-free interest rate term structure but with the volatility adjustment.
R0330	Best estimate subject to volatility adjustment	Indicate the amount of gross best estimate (R0030) subject to volatility adjustment. This item does not apply to third country branches.
R0340	Technical provisions without volatility adjustment and without others transitional measures	Amount of technical provisions calculated without volatility adjustment. In the cases where the same technical provisions were also subject to the transitional deduction to technical provisions/transitional adjustment to the relevant risk-free interest rate term structure, the amount reported in this item shall reflect the value

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		with neither the volatility adjustment nor the transitional deduction to technical provisions/transitional adjustment to the relevant risk-free interest rate term structure.
R0350	Best estimate subject to matching adjustment	Indicate the amount of gross best estimate (R0030) subject to matching adjustment.
R0360	Technical provisions without matching adjustment and without all the others	Amount of technical provisions calculated without matching adjustment, for each line of business. In the cases where the same technical provisions were also subject to the transitional deduction to technical provisions, the amount reported in this item shall reflect the value with neither the matching adjustment nor the transitional deduction to technical provisions.