

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.16.01 — Non-life annuities information

General comments

This section relates to annual submission of information for individual entities and third-country insurance undertakings in regard to branch operations.

This template shall not be reported for any accepted reinsurance business.

This template shall be reported only for annuities formally settled stemming from non-life contracts and relating to health insurance obligations and relating to insurance obligations other than health insurance obligations.

For the purpose of this template 'allocated loss adjustment expenses (ALAE)' means: the costs of processing and resolving claims that could be assignable to individual claim (eg legal and adjuster's fees).

Firms are required to report data on an accident year or underwriting year basis according to how the business is managed. Firms must report each line of business (and where applicable each currency within a line of business) by accident year or each line of business (and where applicable each currency within a line of business) by underwriting year. Firms are not to report some lines of business by accident year and some by underwriting year.

This template shall be reported:

1. For all lines of business for insurance (direct) business only, as defined in Technical Provisions – Further Requirements Annex 1, (ie lines 1 to 12) in total, in the reporting currency.
2. By non-life line of business, as defined in Technical Provisions – Further Requirements Annex 1, originating the annuity and by currency, considering the following specifications:
 - i. If the best estimate for the annuity claims provisions on a discounted basis from one non-life line of business represents more than 3% of the total best estimate for all annuity claims provisions the information shall be reported with the following split by currencies in addition to the total for the line of business:
 - a) Amounts for any currency that represents more than 25% of the best estimate for the annuity claims provisions on a discounted basis from that non-life line of business; or
 - b) Amounts for any currency that represents less than 25% of the best estimate for the annuity claims provisions (discounted basis) from that non-life line of business but more than 5 % of total best estimate for all annuity claims provisions.
 - ii. If the best estimate for the annuity claims provisions on a discounted basis from one non-life line of business represents less than 3% of the total best estimate for all annuity

Bank of England PRA

claims provisions no currency split is required, only the total for the line of business shall be reported;

iii. The information shall be reported in the original currency of the contracts unless otherwise specified.

All or part of an obligation moves from IR.19.01 into IR.16.01, when both of the below conditions are met:

- i. All or part of the obligation has been formally settled as an annuity; and
- ii. a best estimate of an obligation formally settled as an annuity can be established using life techniques.

Formally settled as an annuity typically means that a legal process has ordered that the beneficiary is to receive payments as an annuity.

In the event that after an obligation has been formally settled as an annuity and some of that obligation subsequently ends up being settled via a lump sum payment that was not in the original annuity payment order, that lump sum would be recorded as a payment in template IR.16.01; ie there is no movement of claims data out of template IR.16.01 and into IR.19.01.

In the case of a non-life annuity obligation arising from an underlying policy where the firm has a share (<100%) of the underlying policy (ie the firm is a co-insurer of the underlying policy), the firm should report:

- only its share in the amount columns (ie all columns apart from C0060),
- a count of 1 (not its share) in the 'Number of annuities obligations at the end of year N' column (C0060).

Eg Suppose there is a non-life annuity obligation on an underlying for which: 'Undiscounted annuity claims provisions at the end of year N' was 1000. Suppose also that the firm has a 20% share of the underlying policy. The firm would report in respect of this non-life annuity obligation: 200 in column 'Undiscounted annuity claims provisions at the end of year N' (C0050); and 1 in column 'Number of annuities obligations at the end of year N' (C0060).

Year N is the reporting year.

Bank of England PRA

	ITEM	INSTRUCTIONS
Z0010	The related non-life line of business	Name of the line of business, as defined in Technical Provisions – Further Requirements Annex 1. The origin of the liability (medical expense, income protection, workers' comp, motor liability etc.). All the figures in the template are stemming from the related line of business. The following close list shall be used: 1 - Medical expense insurance 2 - Income protection insurance 3 - Workers' compensation insurance 4 - Motor vehicle liability insurance 5 - Other motor insurance 6 - Marine, aviation and transport insurance 7 - Fire and other damage to property insurance 8 - General liability insurance 9 - Credit and suretyship insurance 10 - Legal expenses insurance 11 – Assistance insurance 12 - Miscellaneous financial loss insurance 41 – Total all non-life insurance (direct) obligations (ie total of lines of business 1 to 12 above)
Z0020	Accident year/Underwriting year	Report the standard used by the undertakings for reporting of claims development. The following close list shall be used: 1 — Accident year 2 — Underwriting year A firm must use the standard (ie accident year or underwriting year) used for the public disclosure template IR.19.01.21 for all of its lines of business and currencies ie it must not use accident year for some lines business and underwriting year for other lines of business.
Z0030	Currency	Identify the ISO 4217 alphabetic code of the settlement currency of the obligation. All amounts, not reported by currency, are reported in the undertaking's reporting currency. This item shall be filled in with 'Total' when reporting the total for the line of business reported in Z0010. Currency is not reported when the line of business is '41 - Total all non-life insurance (direct) obligations'

Bank of England PRA

	ITEM	INSTRUCTIONS
Z0040	Currency conversion	Identify if the information reported by currency is being reported in the original currency (default) or in the reporting currency (otherwise specified). The following close list shall be used: 1 — Original currency 2 — Reporting currency Only applicable when reporting by currency.
	Information on year N:	
C0010 / R0010	The average interest rate	The average interest rate used in percentage (as a decimal) for the end of year N
C0010 / R0020	The average duration of the obligations	Average duration in years on total obligations basis for the end of the year N
C0010 / R0030	The weighted average age of the beneficiaries	The weight shall be the Best Estimate for annuity claims provisions at the end of year N. Age of beneficiaries calculated on a weighted average for total obligations. The beneficiary is the person to whom the payments are reverting to, following the occurrence of a claim (that affects the insured person) which originates this type of payment. Information should be considered gross of reinsurance.
	Annuities information:	
C0013, C0014, C0015 are to include only claims designated as a non-life annuity claim (ie, where assumptions used were for the first time based on life techniques) in year N.		
C0013/R0040–R0190	Claims designated as a non-life annuity claim during year N- RBNS as at the last QE prior to claim being designated as a non-life annuity claim	The reported but not settled (RBNS) amount for the claim as at the last quarter-end when the claim was allocated to the line of business reported in Z0010 (ie the last quarter end prior to the claim being designated as a non-life annuity claim). Eg suppose a firm has a 31 December year-end and the firm designated a non-life claim to be a non-life annuity claim on 29 August in the reporting year, the RBNS amount for this is to be the RBNS at 30 June in that reporting calendar year. This RBNS amount is undiscounted and includes 'allocated loss adjustment expenses'.

Bank of England PRA

	ITEM	INSTRUCTIONS
C0014/R0040–R0190	Claims designated as a non-life annuity claim during year N- Lump sum paid or payable upon claim being designated a non-life annuity claim	Amount of any lump sum that the firm paid, or agreed to pay, upon the date when the claim was designated as a non-life annuity claim.
C0015/R0040–R0190	Claims designated as a non-life annuity claim during year N- Undiscounted annuity claims provisions established upon claim being designated a non-life annuity claim	The undiscounted claims provision established upon the claim being designated a non-life annuity claim. This amount is to include any provision for 'allocated loss adjustment expenses'.
Columns C0017, C0018 and C0019 need only contain information for claims designated as a non-life annuity claim (ie, where assumptions used were for the first time based on life techniques) during or after the firm's first financial year ending on or after 31 December 2026		
C0017/R0040–R0190	Claims designated as a non-life annuity claim during or before year N- Amounts paid from when claim was designated a non-life annuity claim until end of year N	The amount paid between the date when the claim was designated a non-life annuity claim and the end of year N. This amount includes annuity benefit payments and 'allocated loss adjustment expenses'.
C0018/R0040 – R0190	Claims designated as a non-life annuity claim during or before year N- Undiscounted annuity claims provisions established upon claim being designated a non-life annuity claim	The undiscounted claims provision established upon the claim being designated a non-life annuity claim. This amount is to include any provision for 'allocated loss adjustment expenses'.

Bank of England PRA

	ITEM	INSTRUCTIONS
C0019/R0040-R0190	Claims designated as a non-life annuity claim during or before year N- Undiscounted annuity claims provisions at the end of year N	Total amount of undiscounted annuity claims provisions stemming from non-life insurance obligations at end of year N. This amount is to include any provision for 'allocated loss adjustment expenses'.
C0020/R0040-R0190	Undiscounted annuity claims provisions at the start of year N	Total amount of undiscounted annuity claims provisions stemming from non-life insurance obligations at beginning of year N. This amount is to include any provision for 'allocated loss adjustment expenses'.
C0040/R0040-R0190	Annuity payments paid during year N	Total amount of annuity payments stemming from non-life insurance obligations made during the calendar year N.
C0050/R0040-R0190	Undiscounted annuity claims provisions at the end of year N	Total amount of undiscounted annuity claims provisions stemming from non-life insurance obligations at end of year N. This amount is to include any provision for 'allocated loss adjustment expenses'.
C0060/R0040-R0190	Number of annuities obligations at the end of year N	Number of non-life insurance annuity obligations.
C0070/R0040-R0190	Best Estimate for annuity claims provisions at the end of year N (discounted basis)	Best estimate covering annuities stemming from non-life insurance obligations at the end of calendar year N. Information should be considered gross of reinsurance.
C0020 and C0040-C0070/R0200	Total	Total amount for all accident/underwriting years. R0200 is the total of R0040 to R0190.