

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.19.01.01 — Non-life insurance claims

General comments

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

Claims development triangles show the insurer's estimate of the cost of claims (claims paid and provision for claims outstanding calculated in accordance with PRA Rulebook principles) and how this estimate develops over time.

Three sets of triangles are required regarding claims paid, undiscounted best estimate for provision for claims outstanding and RBNS claims.

For 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).

This template shall be reported for each line of business, as defined in Technical Provisions – Further Requirements Annex 1, considering the following specifications:

- i. Reporting for all lines of business in aggregate. This is the total over each line of business 1-24 (as defined in Technical Provisions – Further requirements Annex 1) regardless of whether a line of business is reported individually according (ii) below.
- ii. Reporting by line of business: it is required to report lines of business 1–24 (as reported in IR.17.01) for both direct and accepted proportional reinsurance (to be reported together) and lines of business 25–28 for accepted non–proportional reinsurance. Firms shall report the total for each line of business that represent a coverage of 90% of the gross undiscounted best estimate provision for claims outstanding. In the cases where a firm is reporting a coverage of 90%, the lines of business should be selected as follows:
 - a) Lines of business 4 and 16 (Motor vehicle liability insurance – direct and accepted proportional reinsurance combined) must be reported;
 - b) Lines of business 8 and 20 (General liability insurance – direct and accepted proportional reinsurance combined) must be reported;
 - c) Line of business 26 (Non-proportional casualty reinsurance) must be reported,
 - d) For all other lines of business (direct and accepted proportional reinsurance combined), using a decreasing order of gross undiscounted best estimate provision for claims outstanding until all lines of business reported represents 90% coverage of the firm's gross total undiscounted best estimate provision for claims outstanding;
- iii. If the total gross undiscounted provision for claims outstanding for a non–life line of business reported according to (ii) above represents more than 10% of the firm's total gross undiscounted provision for claims outstanding, the information for that line of business shall be reported with the following split by currencies in addition to the total for the line of business:

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- a) Amounts for any currency that represents more than 25% of the gross undiscounted best estimate provision for claims outstanding from that non-life line of business; or
 - b) Amounts for any currency that represents less than 25% of the gross undiscounted best estimate provision for claims outstanding from that non-life line of business but more than 5% of total gross undiscounted best estimate provision for claims outstanding.
- iv. If the total gross undiscounted best estimate provision for claims outstanding for a reported non-life line of business represents less than 10% of the total gross undiscounted best estimate provision for claims outstanding, no currency split is required, only the total for the line of business shall be reported.
 - v. The information by currency shall be reported in the original currency of the contracts unless otherwise specified.

For the purpose of calculating whether a line of business or a currency or a currency within a line of business meets the above materiality thresholds for reporting, any negative gross undiscounted best estimate provision for claims outstanding at the level of the line of business or a currency or a currency within a line of business shall be regarded as zero when calculating the firm's gross undiscounted best estimate provision for claims outstanding: in total; for each line of business; for each currency; and for each currency within a line of business.

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.

Historical data are required for claims paid and RBNS claims. For undiscounted Best Estimate of Claims Provision, historical data starting from the firm's first reporting reference date on or after 31 December 2024 are required. This means for undiscounted Best Estimate of Claims Provision the diagonals relating to periods before the firm's first reporting reference date on or after 31 December 2024 are not required. Claims paid and RBNS relating to historical data should include 'allocated loss adjustment expenses'.

For the purpose of this template, 'the period being reported' in the Reporting Part of the Rulebook – Chapter 2A – Article 3(4)(b) means the reporting period ending on the reporting reference date.

All or part of an obligation moves from IR.19.01 into IR.16.01, when both of the conditions below 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 financial year in which all or part of an obligation has been formally settled as an annuity, only claims actually paid out to the policyholder/beneficiary before the obligation has been formally settled as an annuity are to be included in the claims paid in IR.19.01. In

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particular, firms are not to include the provision set up for the annuity (which is reported in IR.16.01) in the claims paid in IR.19.01

In the case of a firm accepting business via a transfer-in of a portfolio from the first reporting date after the transfer, the firm is required to submit data on this template as if it had always carried on the business transferred-in (ie historical data is to be restated). In the case of a firm discharging obligations via a transfer-out of a portfolio from the first reporting date after the transfer the firm is required to submit data on this template as if it never had the business transferred-out (ie historical business is to be re-stated). Historical premium data relating to business transfers is to be re-stated on a best endeavours basis.

	ITEM	INSTRUCTIONS
Z0010	Line of Business	Identification of the line of business, as defined in Technical Provisions – Further Requirements Annex 1, reported. The following closed list shall be used: 1 — 1 and 13 Medical expense insurance 2 — 2 and 14 Income protection insurance 3 — 3 and 15 Workers' compensation insurance 4 — 4 and 16 Motor vehicle liability insurance 5 — 5 and 17 Other motor insurance 6 — 6 and 18 Marine, aviation and transport insurance 7 — 7 and 19 Fire and other damage to property insurance 8 — 8 and 20 General liability insurance 9 — 9 and 21 Credit and suretyship insurance 10 — 10 and 22 Legal expenses insurance 11 — 11 and 23 Assistance insurance 12 — 12 and 24 Miscellaneous financial loss insurance 25 — Non-proportional health reinsurance 26 — Non-proportional casualty reinsurance 27 — Non-proportional marine, aviation and transport reinsurance 28 — Non-proportional property reinsurance 40 — Total all lines of business
Z0020	Accident year or Underwriting year	Report the standard used by the undertakings for reporting of claims development. One of the options from the following closed 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

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	ITEM	INSTRUCTIONS
		for some lines of business and underwriting year for other lines of business. Accident year or underwriting year is not applicable for the inflation information in rows R0700 to R0760
Z0030	Currency	Identify the ISO 4217 alphabetic code of the currency in which the obligation is denominated. This item shall be filled in with “Total” when reporting the total for the line of business reported in Z0010. If Z0010 is ‘40 — Total all lines of business’, the currency reported in this item is “Total” (ie ‘Total all lines of business’ is not split by currency)
Z0040	Currency conversion	If Currency reported at Z0030 is “Total”, then ‘Currency conversion’ is to be “2 — Reporting currency” Identify if the information reported by currency is being reported in the original currency (default) or in the reporting currency (otherwise specified). The following closed list shall be used: 1 — Original currency 2 — Reporting currency Only applicable when reporting by currency.
C0010 to C0160/ R0100 to R0250	Gross Claims Paid (non-cumulative) – Triangle	The Gross Claims Paid, net of salvage and subrogation, in a triangle showing the developments of the gross claims payment already made: for each of the accident/underwriting years from N–14 (and prior) and all previous reporting periods to — including — N (last reporting year) report the payments already made corresponding at each development year (which is the delay between the accident/underwriting date and the payment date). The data are non-cumulative and undiscounted. The amounts include all the elements that compose the claim itself, include ‘allocated loss adjustment expense’, but exclude all other expenses.
C0170/ R0100 to R0260	Gross Claims Paid (non-cumulative) — In current year	Total ‘Current year’ reflects the last diagonal (all data referred to last reporting year) from R0100 to R0250.

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	ITEM	INSTRUCTIONS
		R0260 is the total of R0100 to R0250.
C0180/ R0100 to R0260	Gross Claims Paid — Sum of years (cumulative)	Total 'Sum of all years' contains the sum of all data in rows (sum of all payments referred to the accident/underwriting year), including total.
C0200 to C0350/ R0100 to R0250	Gross undiscounted Best Estimate Provision for claims outstanding — Triangle	Triangles of undiscounted best estimate provision for claims outstanding, gross of reinsurance, for each of the accident/underwriting years from N–14 (and prior) and all previous reporting periods to — including — N (last reporting year). The best estimate provision for claims outstanding relates to claims events occurred before or at the valuation date, whether the claims arising from these events have been reported or not. The data are undiscounted. The amounts include all the elements that compose the claim itself, are net of salvage and subrogation, include 'allocated loss adjustment expenses', exclude all other expenses, and exclude any future premiums. The gross undiscounted best estimate provision for claims outstanding for each accident/underwriting year (N-14 to N) and for each development year d ($0 \leq d \leq 14$) is to be the gross undiscounted best estimate provision for claims outstanding at the end of development year d for that accident/underwriting year. The gross undiscounted best estimate provision for claims outstanding for development '15 & +' is to be the gross undiscounted best estimate provision for claims outstanding at the reporting reference date for all accident/underwriting years prior to N-14.
C0360/ R0100 to R0260	Gross Best Estimate Provision for Claims Outstanding — Year end (discounted data)	Total 'Year end' reflects the last diagonal but on a discounted basis (all data referred to last reporting year) from R0100 to R0250. R0260 is the total of R0100 to R0250.
C0400 to C0550/ R0100 to R0250	Gross Reported but not Settled Claims (RBNS) — Triangle	Triangles for each of the accident/underwriting years from N–14 (and prior) and all previous reporting periods to — including — N (last reporting year) of provisions in respect of claim events that have happened and been reported to the insurer, but have not yet been settled,

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	ITEM	INSTRUCTIONS
		excluding incurred but not reported claims ('IBNR'). These may be case-by-case reserves estimated by claim handlers and do not need to be on a best estimate Solvency II basis. The reported but not settled claims ('RBNS') shall be measured using consistent reserve strength over time. The data are undiscounted. The amounts include all the elements that compose the claim itself, are net of salvage and subrogation, include 'allocated loss adjustment expenses', exclude all other expenses and exclude any future premiums. The gross RBNS for each accident/underwriting year (N to N-14) and for each development year d ($0 \leq d \leq 14$) is to be the gross RBNS at the end of development year d for that accident/underwriting year. The gross RBNS for development '15 & +' is to be the gross RBNS at the reporting reference date for all accident/underwriting years prior to N-14.
C0560/ R0100 to R0260	Gross Reported but not Settled Claims (RBNS) — Year end	Total 'Year end' reflects the last diagonal (all data referred to last reporting year) from R0100 to R0250. R0260 is the total of R0100 to R0250.
C0570 / R0110 to R0250	Gross Earned Premium – up to and including the reporting reference date	When the currency reported in Z0030 is 'Total', historical Gross Earned Premiums are required for each accident / underwriting year (N-14 to N inclusive) starting from the accident / underwriting year that is the later of: • N-14; or • When Solvency II first applied to the firm (this will typically be: 2016 for individual entities and third country branches of non-Solvency II undertakings; and 2023 for third country branches of Solvency II undertakings). When the currency reported in Z0030 is other than 'Total', historical Gross Earned Premiums are required for each origin year starting from the origin year ending on the firm's first reporting reference date on or after 31 December 2024 (subject to the earliest origin year being N-14).

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	ITEM	INSTRUCTIONS
		In the case of accident year reporting (ie that reported in Z0020 is 'accident year'), gross earned premium for each accident year from N-14 to and including N is to be reported (where the 'financial year' in the glossary definition of gross earned premium is the accident year). In the case of underwriting year reporting (ie that reported in Z0020 is 'underwriting year'), the amount of the gross written premiums attributable to each underwriting year from N-14 to and including N that has been earned by the reporting reference date, is to be reported. The amount includes any acquisition costs (including commission to acquire the business) regardless of whether these are deducted before the insurer receives the premium or paid by the insurer after receiving the premium. (ie if the insurer receives 90, and 10 is deducted for acquisition costs, 100 is reported. If the insurer receives 100, and pays 10 for acquisition costs, 100 is reported.)
C0580 / R0110 to R0250	Estimate of future gross earned premium at the reporting reference date	This is reported only in the case that the standard used by the undertakings for reporting of claims development (ie that reported in Z0020) is 'underwriting year'. Firms are to report the estimate of future gross earned premium from the reporting reference date for each of the underwriting years for which a Gross Earned Premium is reported in C0570.
C1200 to C1350/ R0500 to R0650	Net Claims Paid (non-cumulative) — Triangle	Triangles for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to — including — N (last reporting year) of claims paid net of salvage/subrogation and reinsurance. The data are undiscounted. The amounts include all the elements that compose the claim itself, include 'allocated loss adjustment expenses', but exclude all other expenses.
C1360/ R0500 to R0660	Net Claims Paid (non-cumulative) — In current year	Total 'Current year' reflects the last diagonal (all data referred to last reporting year), from R0500 to R0650. R0660 is the total of R0500 to R0650

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	ITEM	INSTRUCTIONS
C1370/ R0500 to R0660	Net Claims Paid — Sum of years (cumulative)	Total 'Sum of years' contains the sum of all data in rows (sum of all payments referred to the accident/underwriting year), including total.
C1400 to C1550/ R0500 to R0650	Net Undiscounted Best Estimate Provision for claims outstanding — Triangle	Triangles for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to — including — N (last reporting year) of undiscounted Best Estimate Provision for claims outstanding, net of reinsurance. The data are undiscounted. The amounts include all the elements that compose the claim itself, are net of salvage and subrogation, include 'allocated loss adjustment expenses', exclude all other expenses, and exclude any future premiums. The net undiscounted best estimate provision for claims outstanding for each accident / underwriting year (N to N-14) and for each development year d ($0 \leq d \leq 14$) is to be the net of reinsurance undiscounted best estimate provision for claims outstanding at the end of development year d for that accident / underwriting. The net undiscounted best estimate provision for claims outstanding for development '15 & +' is to the net of reinsurance undiscounted best estimate provision for claims outstanding at the reporting reference date for all accident / underwriting years prior to N-14.
C1600 to C1750/ R0500 to R0650	Net RBNS Claims — Triangle	Triangles for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to — including — N (last reporting year) of Claims Outstanding net of salvage/subrogation and reinsurance. The data are undiscounted. The amounts include all the elements that compose the claim itself, are net of salvage and subrogation, include 'allocated loss adjustment expenses', exclude all other expenses and exclude any future premiums. The net RBNS for each accident/underwriting year (N to N-14) and for each development year d ($0 \leq d \leq 14$) is to be the net of reinsurance RBNS at the end of development year d for that accident/underwriting year. The net RBNS for development '15 & +' is to the net of reinsurance

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	ITEM	INSTRUCTIONS
		RBNS at the reporting reference date for all accident/underwriting years prior to N-14.
C1760/ R0500 to R0660	Net RBNS Claims — Year end	Total 'Year end' reflects the last diagonal (all data referred to last reporting year) from R0500 to R0650. R0660 is the total of R0500 to R0650.
C1770 / R0510 to R0650	Net Earned Premium – up to and including the reporting reference date	When the currency reported in Z0030 is 'Total', historical Net Earned Premiums are required for each accident / underwriting year (N to N-14) starting from the accident / underwriting year that is the later of: • N-14; or • When Solvency II first applied to the firm (this will typically be: 2016 for individual entities and third country branches of non-Solvency II undertakings; and 2023 for third country branches of Solvency II undertakings). When the currency reported in Z0030 is other than 'Total', historical Net Earned Premiums are required for each origin year starting from the origin year ending on the firm's first reporting reference date on or after 31 December 2024 (subject to the earliest origin year being N-14). In the case of accident year reporting (ie that reported in Z0020 is 'accident year'): • gross earned premiums for each accident year from N-14 to and including N as defined in the instructions to C0570; • less the reinsurers' share of premiums earned that is attributed to the same accident years as the corresponding gross earned premiums, so as to calculate the net earned premiums for each accident year is to be reported. In the case of underwriting year reporting (ie that reported in Z0020 is 'underwriting year'), the amount of the net written premiums attributable to each underwriting year from N-14 to N that has been earned by the reporting reference date, is to be reported.

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		The treatment of acquisition costs follows that for 'Gross Earned Premium' reported in C0570.
C1780 / R0510 to R0650	Estimate of future net earned premium at the reporting reference date	This is reported only in the case that the standard used by the undertakings for reporting of claims development (ie that reported in Z0020) is 'underwriting year'. Firms are to report the estimate of future net earned premium from the reporting reference date for each of the underwriting years for which a Net Earned Premium is reported in C1770.
Inflation rates (only in the case of using methods that take into account inflation to adjust data)		The inflation rate information in rows R0700 to R0740 is not required when the Line of Business in Z0010 is '40 — Total all lines of business'.
C1800 to C1940/ R0700	Historic inflation rate — total	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report by year, and for the 15 years, historic inflation rate used to adjust historical paid losses triangles.
C1800 to C1940/ R0710	Historic inflation rate — external inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, historic external inflation: which is the 'economic' or 'general' inflation, i.e. the increase of the price of goods and services in a specific economy (eg Consumer Price Index, Producer Price Index, etc).
C1800 to C1940/ R0720	Historic inflation rate — endogenous inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, historic endogenous inflation: which is an increase of claim costs specific of the line of business, as defined in Technical Provisions – Further Requirements Annex 1, under consideration.
C2000 to C2140/ R0730	Expected inflation rate — total	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report by year, and for the 15 years, expected inflation rate used to adjust historical paid losses triangles.
C2000 to C2140/ R0740	Expected inflation rate — external inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, expected external inflation: which is the

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	ITEM	INSTRUCTIONS
		'economic' or 'general' inflation, i.e. the increase of the price of goods and services in a specific economy (eg Consumer Price Index, Producer Price Index, etc.).
C2000 to C2140/ R0750	Expected inflation rate — endogenous inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, expected endogenous inflation: which is an increase of claim costs specific of the line of business, as defined in Technical Provisions – Further Requirements - Annex 1, under consideration.
C2200/ R0760	Description of inflation rate used	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report narrative description of inflation rate used.