

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.21.04 — Cyber underwriting risk

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 is relevant to non-life insurance and reinsurance firms which affirmatively underwrite products covering cyber risks as defined in these instructions.

Firms are required to provide information on the cyber risk underwritten by product group code, Cyber coverage and Line(s) of Business (LoB). When more than one commercial product is provided for the same Cyber coverage and for the same set of LoB, products shall be reported using a single line, providing a “Product Group Code” defined by the undertaking to identify the group of reported products. In the instances where more than one LoB is written within the Product Group Code, multiple LoB should be selected to reflect all the LoB written.

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).

‘Reporting period’ means: the period between the reporting reference date applicable to when the template was last reported and the current reporting reference date.

In the case of a cyber claim 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 amounts columns (ie columns: C0080, C0090, C0100, C0120, C0121, C0122, C0123, C0140, C0141, C0142, C0143)
- a count of 1 (not its share) in the ‘Number of claims settled’ columns (ie columns: C0110, C0130).

Eg Suppose there is a cyber claim on underlying insurance contract for which gross paid is 1000. Suppose also that the firm has a 20% share of this contract. The firm would report in respect of this claim: 200 (20% of 1000) in column C0120; 1 in column C0110.

	ITEM	INSTRUCTIONS
C0009	Line identification	Each row of data is required to have a unique numerical reference.

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	ITEM	INSTRUCTIONS
C0010	Product Group Code	Internal product group ID code defined by the undertaking. The Product Group Code shall be consistent over time. In the cases where the same product group needs to be reported in more than one row the content of C0010 shall follow the specific pattern: {Product Group code}/+/{cardinal number}. For example 'AB222/+1'.
C0040	Cyber coverage	Identification of the Cyber coverage included in the commercial products. Only one of the options in the following closed list shall be used: (1) Cyber Standalone Coverage (2) Cyber as add-on coverage but main risk being covered (3) Cyber as add-on coverage and not as main risk being covered Cyber Standalone Coverage includes all the coverages where cyber is provided as standalone (ie unique) coverage. Cyber as add-on coverage but main risk being covered (sum(s) insured for cyber related risk(s) is 50% or more of total sum(s) insured reported in C0080) includes all coverages where cyber is an add-on item but represents the main risk being covered. Cyber as add-on coverage and not as main risk being covered (sum(s) insured for cyber related risk(s) is less than 50% of total sum(s) insured reported in C0080) includes all coverages where cyber is an add-on item but does not represent the main risk being covered. Where total sum(s) insured is not available, firms should categorise products based on whether the primary purpose of the product is to provide coverage for cyber-related risk(s).
C0050	Line(s) of Business	Identification of the Line of Business, as defined in Technical Provisions – Further Requirements Annex 1, that are covered in the commercial products should be reported using the following codes. Where multiple lines of business are

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	ITEM	INSTRUCTIONS
		covered the codes should be reported in combination (separated by ',') in ascending numerical order 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 13 - Proportional medical expense reinsurance 14 - Proportional income protection reinsurance 15 - Proportional workers' compensation reinsurance 16 - Proportional motor vehicle liability reinsurance 17 - Proportional other motor reinsurance 18 - Proportional marine, aviation and transport reinsurance 19 - Proportional fire and other damage to property reinsurance 20 - Proportional general liability reinsurance 21 - Proportional credit and suretyship reinsurance 22 - Proportional legal expenses reinsurance 23 - Proportional assistance reinsurance 24 - Proportional miscellaneous financial loss reinsurance 25 - Non-proportional health reinsurance 26 - Non-proportional casualty reinsurance 27 - Non-proportional marine, aviation and transport reinsurance 28 - Non-Proportional property reinsurance Insurance LoBs (1 to 12) and accepted reinsurance LoBs (13 to 28) must not be entered in the same row. ie insurance (direct) cyber risks and accepted reinsurance cyber risks must be in separate rows. Only the code number of the line(s) of business covered in the commercial products (ie 1,2, ...,28) is to be reported. For example, a firm could

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	ITEM	INSTRUCTIONS
		report for C0050: "8,12", or "20,26" or "7" or "19,26,28".
C0080	Sum(s) insured	Amount of the total sum(s) insured for risks incepted in the 'reporting period' for the relevant Product Group Code.
C0090	Premium(s)	Amount of the total gross written premium for risks incepted in the 'reporting period' for the relevant Product Group Code. If gross written premium reported is a net cash in-flow, it is to be reported as a positive amount. If gross written premium reported is a net cash out-flow, it is to be reported as a negative amount.
C0100	Sum(s) reinsured	Amount of the sum(s) insured reported in column C0080 ceded to reinsurance undertakings. This item is to include only the following types of reinsurance: - Facultative - Proportional quota share. - Risk excess of loss that is not subject to any aggregate retentions.
C0110	Number of Claims settled with Payment	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Number of Claims, for the relevant Product Group Code, that have been deemed settled and closed during the 'reporting period'. (ie this number does not include claims for which there have been part payments.) Only claims that have been settled with payment to policyholders are to be included in this number (ie claims settled at nil claim payment to the policyholder are not to be included in this number as these are reported in C0130).
C0120	Amount of gross claims paid on settled claims - Total	Total amount of gross claims paid, for the relevant Product Group Code, for claims that have been deemed settled and closed during the 'reporting period'. (ie this amount does not include partial or interim claim payments.) This amount is to include: a) claims paid to policyholders in the reporting period and in previous reporting periods

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	ITEM	INSTRUCTIONS
		relating to claims deemed settled and closed during the reporting period; b) any claim payments to policyholders relating to claims deemed settled and closed during the 'reporting period' that have not yet fully been paid at the reporting reference date (because at the reporting reference date part of the amount sits in 'Insurance & intermediaries payables' on the balance sheet); c) 'Allocated loss adjustment expenses (ALAE)'. If the claims paid reported in C0120 is a net cash out-flow, it is to be reported as a positive amount. If the claims paid reported is a net cash in-flow, it is to be reported as a negative amount. This item is reported for all lines of business 1 to 28 (as denoted in C0050). For lines of business 1 to 12 this will equal the sum of columns C0121, C0122 and C0123.
C0121	Amount of Gross Claims Paid on settled claims - First Party	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of gross claims paid reported in column C0120 attributable to First Party claims. First Party claims include losses incurred by the policyholder such as (but not limited to) loss of income, losses from business interruption, losses from data and software loss etc.
C0122	Amount of Gross Claims Paid on settled claims - Third Party	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of gross claims paid reported in column C0120 attributable to third party claims. Third Party claims include losses relating to the policyholders' liability such as (but not limited to) losses from damage caused by data breach, losses from network service failure etc.
C0123	Amount of Gross Claims Paid on settled claims - Costs & Expenses	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of gross claims paid reported in column C0120 attributable to costs and expenses losses. Costs and expenses losses include costs or services delivered by the insurer to restore

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	ITEM	INSTRUCTIONS
		systems and data after a cyber event (including legal costs).
C0130	Number of Claims settled without payment	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Number of Claims, for the relevant Product Group Code, that have been settled without payment to policyholders during the 'reporting period'. This item is to include: • number of claims that have been settled without payment to policyholders and without payment of allocated loss adjustment expenses; and • number of claims that have been settled without payment to policyholders but with payment of allocated loss adjustment expenses.
C0140	Gross undiscounted best estimate provision for claims outstanding – Total	Total amount of undiscounted best estimate provision for claims outstanding, gross of reinsurance, for the relevant Product Group Code at the reporting reference date. The amounts include all the elements that compose the claim itself, are net of salvage and subrogation, include 'Allocated loss adjustment expenses (ALAE)', exclude all other expenses, and exclude any future premiums. If the provision for claims outstanding reported in C0140 is a net cash out-flow, it is to be reported as a positive amount. If the claims provision reported is a net cash in-flow, it is to be reported as a negative amount. This item is reported for all lines of business 1 to 28 (as denoted in C0050). For lines of business 1 to 12 only this item will equal the sum of columns C0141, C0142 and C0143.
C0141	Gross undiscounted best estimate provision for claims outstanding - First Party	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of undiscounted best estimate provision for claims outstanding, gross of reinsurance, reported in C0140 attributable to First Party claims.

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	ITEM	INSTRUCTIONS
		First Party claims include losses incurred by the policyholder such as (but not limited to) loss of income, or loss of data or software etc.
C0142	Gross undiscounted best estimate provision for claims outstanding - Third Party	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of undiscounted best estimate provision for claims outstanding, gross of reinsurance, reported in C0140 attributable to Third Party claims. Third Party claims include (but are not limited to) losses relating to policyholders' liability for losses from: damage caused by data breach; network failure etc.
C0143	Gross undiscounted best estimate provision for claims outstanding - Costs & Expenses	This shall only be reported for lines of business 1 to 12 as denoted in C0050. Amount of undiscounted best estimate provision for claims outstanding, gross of reinsurance, reported in C0140 attributable to Costs and Expenses. Costs and Expenses losses include costs or services delivered by the insurer to restore systems and data after a cyber event (including legal costs).