

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.26.03 – Solvency Capital Requirement – Life underwriting risk

General comments

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

Template IRR.26.03.01 has to be filled in for each ring-fenced fund (RFF), matching adjustment portfolio (MAP) and remaining part. However, where a RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds.

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

	ITEM	INSTRUCTIONS
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 remaining part. One of the options in the following closed list shall be used: 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.
R0010/C0010	Simplifications used: mortality risk	Identify whether an undertaking used simplifications for a calculation of mortality risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used If R0010/C0010 = 1, only C0060 and C0080 shall be filled in for R0100.
R0020/C0010	Simplifications used – longevity	Identify whether an undertaking used simplifications for the calculation of longevity risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used If R0020/C0010 = 1, only C0060 and C0080 shall be filled in for R0200.
R0030/C0010	Simplifications used: disability– morbidity risk	Identify whether an undertaking used simplifications for the calculation of disability – morbidity risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used

Bank of England PRA

		If R0030/C0010 = 1, only C0060 and C0080 shall be filled in for R0300.
R0040/C0010	Simplifications used: lapse risk	Identify whether an undertaking used simplifications for the calculation of lapse risk. The following options shall be used: 1 - Simplification for Solvency Capital Requirement- Standard Formula 7.12 2 – Simplification for Solvency Capital Requirement- Standard Formula 7.13 9 – Simplifications not used Options 1 and 2 can be used simultaneously.
R0050/C0010	Simplifications used: life expense risk	Identify whether an undertaking used simplifications for the calculation of life expense risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used If R0050/C0010 = 1, only C0060 and C0080 shall be filled in for R0500.
R0060/C0010	Simplifications used: life catastrophe risk	Identify whether an undertaking used simplifications for the calculation of life catastrophe risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used If R0060/C0010 = 1, only C0060 and C0080 shall be filled in for R0700.

Life underwriting risk

R0100/C0060	Absolute value after shock – Net solvency capital requirement – Mortality risk	This is the net capital charge for mortality risk after the shock (after adjustment for the loss absorbing capacity of technical provisions). If R0010/C0010=1, this item represents net capital charge for mortality risk calculated using simplifications.
R0100/C0080	Absolute value after shock – Gross solvency capital requirement – Mortality risk	This is the gross capital charge for mortality risk after the shock (before the loss absorbing capacity of technical provisions). If R0010/C0010=1, this item represents gross capital charge for mortality risk calculated using simplifications.
R0200/C0060	Absolute value after shock – Net solvency capital requirement – Longevity risk	This is the gross capital charge for longevity risk (after adjustment for the loss absorbing capacity of technical provisions). If R0020/C0010=1, this item represents net capital charge for longevity risk calculated using simplifications.

Bank of England PRA

R0200/C0080	Absolute value after shock – Gross solvency capital requirement – Longevity risk	This is the gross capital charge for longevity risk (before the loss absorbing capacity of technical provisions). If R0020/C0010=1, this item represents gross capital charge for longevity risk calculated using simplifications.
R0300/C0060	Absolute value after shock – Net solvency capital requirement – Disability – morbidity risk	This is the net capital charge for disability – morbidity risk, after adjustment for the loss absorbing capacity of technical provisions. If R0030/C0010=1, this item represents net capital charge for disability and morbidity risk calculated using simplifications.
R0300/C0080	Absolute value after shock – Gross solvency capital requirement – Disability – morbidity risk	This is the gross capital charge for disability – morbidity risk (before the loss absorbing capacity of technical provisions). If R0030/C0010=1, this item represents gross capital charge for disability and morbidity risk calculated using simplifications.
R0400/C0060	Absolute value after shock – Net solvency capital requirement – Lapse risk	This is the overall net capital charge for lapse risk, after adjustment for the loss absorbing capacity of technical provisions. If R0040/C0010=1, this item represents net capital charge for lapse risk calculated using simplifications.
R0400/C0080	Absolute value after shock – Gross solvency capital requirement – Lapse risk	This is the overall gross capital charge (before the loss-absorbing capacity of technical provisions) for lapse risk. If R0040/C0010=1, this item represents gross capital charge for lapse risk calculated using simplifications.
R0410/C0060	Absolute value after shock – Net solvency capital requirement – Lapse risk – risk of increase in lapse rates	This is the net capital charge for the risk of a permanent increase in lapse rates, after adjustment for the loss absorbing capacity of technical provisions. If R0040/C0010=1, this item represents net capital charge for a permanent increase in lapse rates, calculated using simplified calculation for lapse rate.
R0410/C0080	Absolute value after shock – Gross solvency capital requirement – Lapse risk – risk of increase lapse rates	This is the gross capital charge (before the loss-absorbing capacity of technical provisions) for the risk of a permanent increase in lapse rates. If R0040/C0010=1, this item represents gross capital charge for a permanent increase in lapse rates, calculated using simplified calculation for lapse rate.

Bank of England PRA

R0420/C0060	Absolute value after shock – Net solvency capital requirement – Lapse risk – risk of decrease in lapse rates	This is the net capital charge for the risk of a permanent decrease in lapse rates, after adjustment for the loss absorbing capacity of technical provisions. If R0040/C0010=1, this item represents net capital charge for a permanent decrease in lapse rates, calculated using simplified calculation for lapse rate.
R0420/C0080	Absolute value after shock – Gross solvency capital requirement – Lapse risk – risk of decrease in lapse rates	This is the gross capital charge for the risk of a decrease in lapse rates as used to compute the risk (before the loss absorbing capacity of technical provisions). If R0040/C0010=1, this item represents gross capital charge for a permanent decrease in lapse rates, calculated using simplified calculation for lapse rate
R0430/C0060	Absolute value after shock – Net solvency capital requirement – Lapse risk – mass lapse risk	This is the net capital charge for mass lapse risk, after adjustment for the loss absorbing capacity of technical provisions.
R0430/C0080	Absolute value after shock – Gross solvency capital requirement – Lapse risk – mass lapse risk	This is the gross capital charge for mass lapse risk, after the shock (before the loss absorbing capacity of technical provisions).
R0500/C0060	Absolute value after shock – Net solvency capital requirement – Life expense risk	This is the net capital charge for expense risk, including adjustment for the loss absorbing capacity of technical provisions. If R0050=1, this cell represents net capital charge for life expense risk calculated using simplified calculation.
R0500/C0080	Absolute value after shock – Gross solvency capital requirement – Life – expense risk	This is the gross capital charge for expense risk (before the loss absorbing capacity of technical provisions). If R0050/C0010=1, this cell represents gross capital charge for life expense risk calculated using simplified calculations.
R0600/C0060	Absolute value after shock – Net solvency capital requirement – Revision risk	This is the net capital charge for revision risk after adjustment for the loss absorbing capacity of technical provisions.
R0600/C0080	Absolute value after shock – Gross solvency capital requirement – Revision risk	This is the gross capital charge (before the loss–absorbing capacity of technical provisions) for revision risk.

Bank of England PRA

R0700/C0060	Absolute value after shock —Net solvency capital requirement – life catastrophe risk	This is the net capital charge for life catastrophe risk after adjustment for the loss absorbing capacity of technical provisions. If R0060/C0010=1, this item represents net capital charge for life catastrophe risk calculated using simplified calculations.
R0700/C0080	Absolute value after shock – Gross solvency capital requirement – life catastrophe risk	This is the gross capital charge for life catastrophe risk (before the loss absorbing capacity of technical provisions). If R0060/C0010=1, this item represents gross capital charge for life catastrophe risk calculated using simplified calculations.
R0800/C0060	Diversification within life underwriting risk module – Net	This is the diversification effect within the life underwriting risk module as a result of the aggregation of the net capital requirements (after adjustment for the loss absorbing capacity of technical provisions) of the single risk sub-modules. Diversification shall be reported as a negative value if they reduce the capital requirement.
R0800/C0080	Diversification within life underwriting risk module – Gross	This is the diversification effect within the life underwriting risk module as a result of the aggregation of the gross capital requirements (before the loss absorbing capacity of technical provisions) of the single risk sub-modules. Diversification shall be reported as a negative value if they reduce the capital requirement.
R0900/C0060	Total net solvency capital requirement for life underwriting risk	This is the total net capital charge for life underwriting risk, after adjustment for the loss absorbing capacity of technical provisions.
R0900/C0080	Total gross solvency capital requirement for life underwriting risk	This is the total gross capital charge for life underwriting risk, before the loss absorbing capacity of technical provisions.

Further details on revision risk

R1000/C0090	USP – Factors applied for the revision risk shock	Revision shock – undertaking specific parameter ("USP") as calculated by the undertaking and approved by the Prudential Regulation Authority. This item is not reported where no undertaking specific parameter is used.
-------------	---	--