

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.26.04 – Solvency Capital Requirement – Health 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.26.04.01 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 – health mortality risk	Identify whether an undertakings used simplifications for the calculation of health mortality risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used
R0020/C0010	Simplifications used – health longevity risk	Identify whether an undertaking used simplifications for the calculation of health longevity risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used
R0030/C0010	Simplifications used: health disability–morbidity risk – Medical expense	Identify whether an undertaking used simplifications for the calculation of health disability morbidity risk – Medical expense. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used
R0040/C0010	Simplifications used: health disability–morbidity risk – Income protection	Identify whether an undertaking used simplifications for the calculation of health disability morbidity risk – Income protection. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used

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R0050/C0010	Simplifications used: SLT 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 7.21 2 – Simplification for Solvency Capital Requirement – Standard Formula 7.22 9 – Simplifications not used Options 1 and 2 may be used simultaneously.
R0051/C0010	Simplifications – NSLT 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 7.15 9 – Simplifications not used
R0060/C0010	Simplifications used: health expense risk	Identify whether an undertaking used simplifications for the calculation of health expense risk. The following options shall be used: 1 – Simplifications used 2 – Simplifications not used

SLT health underwriting risk

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

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R0200/C0080	Absolute value after shock – Gross solvency capital requirement – Health longevity risk	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health longevity risk. If R0020/C0010=1, this item represents gross capital charge for health longevity risk calculated using simplifications.
R0300/C0060	Absolute value after shock – Net solvency capital requirement – Health disability – morbidity risk	This is the net capital charge for health disability – morbidity risk, after adjustment for the loss absorbing capacity of technical provisions.
R0300/C0080	Absolute value after shock – Gross solvency capital requirement – Health disability – morbidity risk	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health disability – morbidity risk.
R0310/C0060	Absolute value after shock – Net solvency capital requirement – Health disability – morbidity risk – Medical expense	This is the net capital charge for health disability – morbidity risk – Medical expense, after adjustment for the loss absorbing capacity of technical provisions. If R0030/C0010=1, this item represents net capital charge for health disability – morbidity risk – Medical expense calculated using simplifications.
R0310/C0080	Absolute value after shock – Gross solvency capital requirement – Health disability – morbidity risk – Medical expense	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health disability – morbidity risk – Medical expense. If R0030/C0010=1, this item represents gross capital charge for health disability – morbidity risk – Medical expense calculated using simplifications.
R0320/C0060	Absolute value after shock – Net solvency capital requirement – Health disability – morbidity risk – Medical expense – increase of medical payments	This is the net capital charge for health disability – morbidity risk – Medical expense – increase of medical payments, after adjustment for the loss absorbing capacity of technical provisions. If R0030/C0010=1, this row shall not be filled in.
R0320/C0080	Absolute value after shock – Gross solvency capital requirement – Health disability – morbidity risk – Medical expense – increase of medical payments	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health disability – morbidity risk – Medical expense – increase of medical payments. If R0030/C0010=1, this row shall not be filled in.

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R0330/C0060	Absolute value after shock – Net solvency capital requirement – Health disability – morbidity risk – Medical expense – decrease of medical payments	This is the net capital charge for health disability – morbidity risk – Medical expense – decrease of medical payments, after adjustment for the loss absorbing capacity of technical provisions. If R0030/C0010=1, this row shall not be filled in.
R0330/C0080	Absolute value after shock – Gross solvency capital requirement – Health disability – morbidity risk – Medical expense – decrease of medical payments	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health disability – morbidity risk – Medical expense – decrease of medical payments. If R0030/C0010=1, this row shall not be filled in.
R0340/C0060	Absolute value after shock – Net solvency capital requirement – Health disability – morbidity risk – Income protection	This is the net capital charge for health disability – morbidity risk – Income protection, after adjustment for the loss absorbing capacity of technical provisions. If R0040/C0010=1, this item represents net capital charge for health disability – morbidity risk – Income protection calculated using simplifications.
R0340/C0080	Absolute value after shock – Gross solvency capital requirement – Health disability – morbidity risk – Income protection	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health disability – morbidity risk – Income protection. If R0040/C0010=1, this item represents gross capital charge for health disability – morbidity risk – Income protection calculated using simplifications.
R0400/C0060	Absolute value after shock – Net solvency capital requirement – SLT Health lapse risk	This is the overall net capital charge for SLT health lapse risk referred to in Solvency Capital Requirement – Standard Formula 3C, after adjustment for the loss absorbing capacity of technical provisions.
R0400/C0080	Absolute value after shock – Gross solvency capital requirement – SLT Health lapse risk	This is the overall gross capital charge (before the loss absorbing capacity for technical provisions) for SLT health lapse risk referred to in Solvency Capital Requirement – Standard Formula 3C.
R0410/C0060	Absolute value after shock – Net solvency capital requirement – SLT health lapse risk – risk of increase in lapse	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 R0050/C0010=1, this item represents net capital charge for a permanent increase in SLT health lapse rates referred to in Solvency Capital Requirement – Standard Formula 3C, calculated using simplified calculation for SLT health lapse

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		rate
R0410/C0080	Absolute value after shock – Gross solvency capital requirement – SLT health lapse risk –risk of increase in lapse	This is the gross capital charge (excluding the loss absorbing capacity for technical provisions) for the risk of a permanent increase in lapse rates. If R0050/C0010=1, this item represents gross capital charge for a permanent increase in lapse rates, calculated using simplified calculation for SLT health lapse rate referred to in Solvency Capital Requirement – Standard Formula 3C.
R0420/C0060	Absolute value after shock – Net solvency capital requirement– SLT health lapse risk –risk of decrease in lapse	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 R0050/C0010=1, this item represents net capital charge for a permanent decrease in SLT health rates referred to in Solvency Capital Requirement – Standard Formula 3C, calculated using simplified calculation for SLT health lapse rate
R0420/C0080	Absolute value after shock – Gross solvency capital requirement – SLT health lapse risk – risk of decrease in lapse	This is the gross capital charge (before the loss absorbing capacity for technical provisions) for the risk of a permanent decrease in lapse rates. If R0050/C0010=1, this item represents gross capital charge for a permanent decrease in SLT health rates referred to in Solvency Capital Requirement – Standard Formula 3C, calculated using simplified calculation for SLT health lapse rate.
R0430/C0060	Absolute value after shock – Net solvency capital requirement – SLT health lapse risk – mass lapse risk	This is the net capital charge for SLT health lapse risk – mass lapse risk, after adjustment for the loss absorbing capacity of technical provisions.
R0430/C0080	Absolute value after shock – Gross solvency capital requirement – SLT health lapse risk – mass lapse risk	This is the gross capital charge (excluding the loss absorbing capacity for technical provisions) for SLT health lapse risk – mass lapse risk referred to in Solvency Capital Requirement – Standard Formula 3C.
R0500/C0060	Absolute value after shock – Net solvency capital requirement – Health expense risk	This is the net capital charge for health expense risk, after adjustment for the loss absorbing capacity of technical provisions. If R0060/C0010=1, this item represents net capital charge for health expense risk calculated using simplified calculations.

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R0500/C0080	Absolute value after shock – Gross solvency capital requirement – Health expense risk	This is the gross capital charge (excluding the loss absorbing capacity of technical provisions) for health expense risk. If R0060/C0010=1, this item represents gross capital charge for health expense risk calculated using simplified calculations.
R0600/C0060	Absolute value after shock – Net solvency capital requirement – Health revision risk	This is the net capital charge for health revision risk, after adjustment for the loss absorbing capacity of technical provisions.
R0600/C0080	Absolute value after shock – Gross solvency capital requirement – Health revision risk	This is the gross capital charge (before the loss absorbing capacity of technical provisions) for health revision risk.
R0700/C0060	Diversification within SLT health underwriting risk module – Net	This is the diversification effect within the SLT health underwriting risk module referred to in Solvency Capital Requirement – Standard Formula 3C, 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.
R0700/C0080	Diversification within SLT health underwriting risk module – Gross	This is the diversification effect within the SLT health underwriting risk module referred to in Solvency Capital Requirement – Standard Formula 3C, 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.
R0800/C0060	Net solvency capital requirement – SLT health underwriting risk	This is the total net capital charge for SLT health underwriting risk referred to in Solvency Capital Requirement – Standard Formula 3C, after adjustment of the loss absorbing capacity of technical provisions.
R0800/C0080	Gross solvency capital – SLT health underwriting risk	This is the total gross capital charge for SLT health underwriting risk referred to in Solvency Capital Requirement – Standard Formula 3C, before adjustment of the loss absorbing capacity of technical provisions.

Further details on revision risk

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R0900/C0090	Revision shock USP	Revision shock – undertaking specific parameter as calculated by the undertaking and approved by the Prudential Regulatory Authority. This item is not reported where no undertaking specific parameter is used.
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NSLT Health premium and reserve risk

R1000–R1030/ C0100	Standard deviation for premium risk – USP	This is the undertaking specific standard deviation for premium risk for each line of business, as defined in Technical Provisions – Further Requirements Annex I., and its proportional reinsurance as calculated by the undertaking and approved or prescribed by the Prudential Regulatory Authority. This item is not reported where no undertaking specific parameter is used.
R1000–R1030/ C0110	USP Standard Deviation gross/net	Identify if the USP standard Deviation was applied gross or net. One of the options in the following closed list shall be used: 1 – USP gross 2 – USP net
R1000–R1030/ C0120	Standard deviation for premium risk – USP – Adjustment factor for non – proportional reinsurance	This is the undertaking specific adjustment factor for non-proportional reinsurance of each line of business, as defined in Technical Provisions – Further Requirements Annex 1, which allows undertakings to take into account the risk-mitigating effect of particular per risk excess of loss ("XL") reinsurance – as calculated by the undertaking and approved or prescribed by the PRA. Where no undertaking specific parameter is used, this cell shall be left blank.
R1000–R1030/ C0130	Standard deviation for reserve risk – USP	This is the undertaking specific standard deviation for reserve risk for each line of business, as defined in Technical Provisions – Further Requirements Annex 1, and its proportional reinsurance as calculated by the undertaking and approved or prescribed by the PRA. This item is not reported where no undertaking specific parameter is used.
R1000–R1030/ C0140	Volume measure for premium and reserve risk – volume measure for premium risk: Vprem	The volume measure for premium risk for each line of business, as defined in Technical Provisions – Further Requirements Annex 1, and its proportional reinsurance

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R1000–R1030/ C0150	Volume measure for premium and reserve risk – Volume measure reserve risk: V_{res}	The volume measure for reserve risk for each line of business, as defined in Technical Provisions – Further Requirements Annex I, and its proportional reinsurance
R1000–R1030/ C0160	Volume measure for premium and reserve risk – Geographical Diversification	This represents the geographical diversification to be used for the volume measure for premium and reserve risk for each line of business, as defined in Technical Provisions – Further Requirements Annex 1, and its proportional reinsurance. If the factor for geographical diversification is not calculated, then this item is set to the default value of 1.
R1000–R1030/ C0170	Volume measure for premium and reserve risk – V	The volume measure for NSLT health premium and reserve risk referred to in Solvency Capital Requirement – Standard Formula 3C, for each line of business, as defined in Technical Provisions – Further Requirements Annex 1, and its proportional reinsurance
R1040/C0170	Total Volume measure for premium and reserve risk	The total volume measure for premium and reserve risk, equal to the sum of the volume measures for premium and reserve risk for all lines of business, as defined in Technical Provisions – Further Requirements Annex 1.
R1050/C0100	Combined standard deviation	This is the combined standard deviation for premium and reserve risk for all segments.
R1100/C0180	Solvency capital requirement – NSLT health premium and reserve risk	This is the total capital charge for the NSLT health premium and reserve risk sub module referred to in Solvency Capital Requirement – Standard Formula 3C.
R1200/C0230	Absolute value after shock– Solvency capital requirement – Lapse risk	This is the capital charge for NSLT health lapse risk referred to in Solvency Capital Requirement – Standard Formula 3C.
R1300/C0240	Diversification within NSLT health underwriting risk – gross	This is the diversification effect within the NSLT health underwriting risk sub-module referred to in Solvency Capital Requirement – Standard Formula 3C, as a result of the aggregation of the capital requirements for NSLT health premium and reserve risk and NSLT health lapse risk. Diversification shall be reported as a negative value if they reduce the capital requirement.
R1400/C0240	Total solvency capital requirement for NSLT health underwriting	This is the total capital charge for the NSLT health underwriting risk sub module referred to in Solvency Capital Requirement – Standard Formula 3C.

Health catastrophe risk

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R1540/C02570	Total net solvency capital requirement for health catastrophe risk	This is the total net capital charge (after loss absorbing capacity of technical provisions) for the health catastrophe risk sub-module
R1540/C02680	Total gross solvency capital requirement for health catastrophe risk	This is the total gross capital charge for the health catastrophe risk sub-module (before loss absorbing capacity of technical provisions)

Total health underwriting risk

R1600/C0270	Diversification within health underwriting risk module – Net	This is the diversification effect within the health underwriting risk sub-module as a result of the aggregation of the capital requirements SLT health underwriting risk sub-module, NSLT health underwriting risk sub-module and health catastrophe risk sub-module, referred to in solvency Capital Requirement – Standard Formula 3C, calculated after loss absorbing capacity of technical provision.
R1600/C0280	Diversification within health underwriting risk module – Gross	This is the diversification effect within the health underwriting risk sub-module as a result of the aggregation of the capital requirements SLT health underwriting risk sub-module, NSLT health underwriting risk sub-module and health catastrophe risk sub-module, referred to in solvency Capital Requirement – Standard Formula 3C, calculated before loss absorbing capacity of technical provisions.
R1700/C0270	Total net solvency capital requirement for health underwriting risk	This is the total net solvency capital requirement for the health underwriting risk module.
R1700/C0280	Total gross solvency capital requirement for health underwriting risk	This is the total gross solvency capital requirement for the health underwriting risk module.