

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.26.05 — Solvency Capital Requirement — Non-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.26.05.01 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	Captives simplifications — non life premium and reserve risk	Identify whether a captive undertaking used simplifications for the calculation of non-life premium and reserve risk. One of the options in the following closed list shall be used: 1 — Simplifications used 2 — Simplifications not used If R0010/C0010 = 1, only C0060, C0070 and C0090 shall be filled in for R0100 — R0230.
R0011/C0010	Simplifications used — non-life lapse risk	Identify whether an undertaking used simplifications for the calculation of non-life underwriting risk. The following options shall be used: 1 — Simplification for the purposes of Solvency Capital Requirement – Standard Formula 7.5 9 — Simplification not used
Non-life premium and Reserve Risk		

Bank of England PRA

	ITEM	INSTRUCTIONS
R0100– R0210/C0020	Standard deviation for premium risk — USP Standard Deviation	This is the undertaking specific standard deviation for premium risk for each segment as calculated by the undertaking and approved or prescribed by the supervisory authority. This item is not reported where no undertaking specific parameter is used.
R0100– R0210/C0030	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
R0100– R0210/C0040	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 segment allows undertakings to take into account the risk mitigating effect of particular per risk excess of loss reinsurance as calculated by the undertaking and approved or prescribed by the supervisory authority. This item is not reported where no undertaking specific parameter is used.
R0100– R0210/C0050	Standard deviation for reserve risk — USP	This is the undertaking specific standard deviation for reserve risk each segment as calculated by the undertaking and approved or prescribed by the supervisory authority. This item is not reported where no undertaking specific parameter is used.
R0100– R0210/C0060	Volume measure for premium and reserve risk — volume measure for premium risk: V_{prem}	The volume measure for premium risk for each line of business, as defined in Technical Provisions – Further Requirements Annex 1.
R0100– R0210/C0070	Volume measure for premium and reserve risk – Volume measure reserve risk: V_{res}	The volume measure for reserve risk for each segment, equal to the best estimate for the provisions for claims outstanding for the segment, after deduction of the amount recoverable from reinsurance contracts and special purpose vehicles.
R0100– R0210/C0080	Volume measure for premium and reserve risk —	Geographical diversification used for the volume measure for each segment.

Bank of England PRA

	ITEM	INSTRUCTIONS
	Geographical Diversification	If the factor for geographical diversification is not calculated, then this item is set to the default value of 1.
R0100– R0210/C0090	Volume measure for premium and reserve risk — V	The volume measure for non-life premium and reserve risk for each segment If $R0010/C0010 = 1$, this item shall represent the capital requirement for non-life premium and reserve risk of particular segment calculated using simplifications
R0220/C0090	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 segments.
R0230/C0020	Combined standard deviation	This is the combined standard deviation for premium and reserve risk for all segments. If $R0010/C0010=1$, this item represents total capital charge for non-life premium and reserve risk sub module calculated using simplified calculation.
R0300/C0100	Total capital requirement for non-life premium and reserve risk	This is the total capital charge for the non-life premium and reserve risk sub module.
Non-life lapse risk		
R0400/C0150	Solvency capital requirement — Non-life underwriting risk — Lapse risk	This is the capital charge for non-life underwriting lapse risk.
Non-life catastrophe risk		
R0500/C0160	Capital requirement for non-life catastrophe risk	This is the total non-life catastrophe risk capital requirement.
Total non-life underwriting risk		
R0600/C0160	Diversification within non-life underwriting risk module	This is the diversification effect within the non-life underwriting risk sub-module as a result of the aggregation of the capital requirements premium and reserve risk, catastrophe risk and lapse risk. Diversification shall be reported as a negative value if they reduce the capital requirement.

Bank of England PRA

	ITEM	INSTRUCTIONS
R0700/C0160	Total capital requirement for non-life underwriting risk	This is the solvency capital requirement for non-life underwriting risk sub module.

Not in effect