

Bank of England PRA

Chapter 10

Instructions regarding reporting templates

IR.12.03 – Life best estimate liabilities by country

General comments

This section relates to annual submission of information for individual entities and third country branches.

Line of business for life obligations: The lines of business, as defined in Technical Provisions – Further Requirements Annex 1. The segmentation shall reflect the nature of the risks underlying the contract (substance), rather than the legal form of the contract (form). By default, where an insurance or reinsurance contract covers risks across the lines of business undertakings shall, where possible, unbundled the obligations into the appropriate lines of business (Technical Provisions – Further Requirements 26.5). In this template life annuities are shown as a separate column and not as part of ‘other life insurance’. Reinsurance accepted is shown as a separate row for the underlying line of business and not as separate columns.

The information reported shall be gross of reinsurance and after the volatility adjustment, the matching adjustment and the transitional adjustment to the relevant risk-free interest rate term structure if applied but shall not include the transitional measure on technical provisions.

Individual entities and third country branches shall report template IR.12.03 for:

- The home country; and
- all other countries except countries where the life gross best estimate liabilities for that country are less than £500m.

The following criteria for the classification by country shall be used:

- For direct insurance business information shall be reported by country where the contract was entered into;
- For reinsurance business information shall be reported by country of localisation of the ceding undertaking.

For the purposes of this template “country” means:

- a. The country where the insurance undertaking is established (home country) when the contract was not sold through a branch or freedom to provide services;
- b. The country where the branch is located (host country) when the contract was sold through a branch;
- c. The country where the freedom to provide services was notified (host country) when the contract was sold through freedom to provide services.
- d. If an intermediary is used or in any other situation, it is a), b) or c) depending on who sold the contract.

	ITEM	INSTRUCTIONS
--	------	--------------

Bank of England PRA

Z0010	Country	Identify the ISO 3166–1 alpha–2 code of the country being reported.
-------	---------	---

Column definitions

C0010	Insurance with profit participation	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0020	Index-linked and unit-linked insurance	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0030	Life annuities	Annuities and deferred annuities which would be included in the line of business ‘other life insurance’ defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0040	Non-life annuities	Corresponds to the sum of the lines of business ‘annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations’ and ‘annuities stemming from non-life insurance contracts and relating to health insurance obligations’ defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0050	Other life insurance	Corresponds to the line of business ‘other life insurance’ excluding annuities and deferred annuities defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0060	Health insurance	Corresponds to the line of business ‘health insurance’ defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0070	Total life and health	The sum of all the preceding columns.

Best estimate liabilities

Bank of England PRA

R0025	Gross Best Estimate (direct business)	Amount of Gross Best Estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re according to Technical Provisions 3) for direct business.
R0026	Gross Best Estimate (reinsurance accepted)	Amount of Gross Best Estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re Technical Provisions 3) for reinsurance accepted.
R0030	Gross Best Estimate	Amount of Gross Best estimate including Technical Provisions as a Whole (no deduction of reinsurance, SPVs and Finite Re according to Technical Provisions 3.