

# 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 part.

Template IRR.26.03.01 has to be filled in for each ring-fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part. However, where a RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds. This template shall be reported for all sub-funds of a material RFF/MAP as identified in the second table of IR.01.03.

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 to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part
Z0030	Fund/Portfolio number	When item Z0020 = 1, identification number for a ring-fenced fund or matching adjustment portfolio. This number is attributed by the undertaking and must be consistent over time and with the fund/portfolio number reported in other templates.
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:

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		<p>1 – Simplifications used 2 – Simplifications not used</p> <p>If R0030/C0010 = 1, only C0060 and C0080 shall be filled in for R0300.</p>
R0040/C0010	Simplifications used: lapse risk	<p>Identify whether an undertaking used simplifications for the calculation of lapse risk. The following options shall be used:</p> <p>1 - Simplification for the Article 95 2 – Simplification for the Article 95a 9 – Simplifications not used</p> <p>Options 1 and 2 can be used simultaneously.</p>
R0050/C0010	Simplifications used: life expense risk	<p>Identify whether an undertaking used simplifications for the calculation of life expense risk. The following options shall be used:</p> <p>1 – Simplifications used 2 – Simplifications not used</p> <p>If R0050/C0010 = 1, only C0060 and C0080 shall be filled in for R0500.</p>
R0060/C0010	Simplifications used: life catastrophe risk	<p>Identify whether an undertaking used simplifications for the calculation of life catastrophe risk. The following options shall be used:</p> <p>1 – Simplifications used 2 – Simplifications not used</p> <p>If R0060/C0010 = 1, only C0060 and C0080 shall be filled in for R0700.</p>

### Life underwriting risk

R0100/C0060	Absolute value after shock – Net solvency capital requirement – Mortality risk	<p>This is the net capital charge for mortality risk after the shock (after adjustment for the loss absorbing capacity of technical provisions).</p> <p>If R0010/C0010=1, this item represents net capital charge for mortality risk calculated using simplifications.</p>
R0200/C0080	Absolute value after shock – Gross solvency capital requirement – Longevity risk	<p>This is the gross capital charge for longevity risk (before the loss absorbing capacity of technical provisions).</p> <p>If R0020/C0010=1, this item represents gross capital charge for longevity risk calculated using simplifications.</p>
R0300/C0060	Absolute value after shock – Net solvency capital requirement – Disability – morbidity risk	<p>This is the net capital charge for disability – morbidity risk, after adjustment for the loss absorbing capacity of technical provisions.</p> <p>If R0030/C0010=1, this item represents net capital charge for disability and morbidity risk calculated using simplifications.</p>

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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.
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

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		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.
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

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		using simplified calculations.
R0800/C0060	Diversification within life underwriting risk module – Net	<p>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.</p> <p>Diversification shall be reported as a negative value if they reduce the capital requirement.</p>
R0800/C0080	Diversification within life underwriting risk module – Gross	<p>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.</p> <p>Diversification shall be reported as a negative value if they reduce the capital requirement.</p>
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	<p>Revision shock – undertaking specific parameter ("USP") as calculated by the undertaking and approved by the Prudential Regulation Authority.</p> <p>This item is not reported where no undertaking specific parameter is used.</p>
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