

# Bank of England

## Prudential Regulation Authority

### Chapter 10

#### Instructions regarding reporting templates for individual undertakings

##### S.05.02 – Premiums, claims and expenses by country

###### General comments:

This section relates to annual submission of information for individual entities and groups. The template is not due when the thresholds for reporting by country described below are not applicable, i.e. the home country represents 90% or more of the total gross written premiums. Countries other than the home country do not need to be reported if gross written premiums for that country are less than £100m and less than 5% of total gross written premiums.

This template shall be reported from an accounting perspective, i.e.: Local GAAP or IFRS if accepted as local GAAP. The template is based on a year-to-date basis. Undertakings shall use the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required, except for the classification between investment contracts and insurance contracts when this is applicable in the financial statements. This template shall include all insurance business regardless of the possible different classification between investment contracts and insurance contracts applicable in the financial statements.

Items in this template are to be reported using financial accounting conventions, unless these instructions state that an item is to be reported on a Solvency II basis.

For items reported using financial accounting conventions:

1. In the event of any inconsistency or contradiction between the instructions in this LOG and the accounting standard reported at {basic information – general S.01.02, row R0120}, firms are to follow the instructions in this LOG.
2. Subject to following the instructions in this LOG, firms shall follow:
  - a. the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required, and
  - b. the accounting standard reported at {basic information – general S.01.02, row R0120} to the extent practical.

The template is based on a year-to-date basis.

Insurance and reinsurance firms shall report written/earned premiums as defined in the PRA Rulebook glossary regardless of the accounting standard used. This template shall include all insurance business regardless of the possible different classification between investment contracts and insurance contracts applicable in the financial statements.

Claims incurred shall comprise all claim payments paid in the reporting period plus change in provision for claims outstanding less recoverable amounts arising out of subrogation of salvage.

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

# Bank of England

## Prudential Regulation Authority

- The information, provided by country, shall be completed for the five countries with the biggest amount of gross written premiums in addition to the home country or until reaching 90% of the total gross written premiums;
- For the direct insurance business for the lines of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” information shall be reported by country where the risk is situated as defined in Article 13 (13) of Directive 2009/138/EC;
- For direct insurance business for all other line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, information shall be reported by country where the contract was entered into;
- For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.

For the purposes of this template “country where the contract was entered into” means:

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

|   | ITEM   | INSTRUCTIONS  |
|---|--|---|
| <b>Non-life insurance and reinsurance obligations</b> |  |   |
| C0020 to C0060/R0010                                  | Top 5 countries (by amount of gross premiums written) – non-life obligations | Identify the ISO 3166-1 alpha-2 code of the countries being reported for the non-life obligations.  |
| C0080 to C0140/R0110                                  | Premiums written – Gross – Direct Business                                   | <del>Gross written premiums for direct business</del><br><u>Definition of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts due during the reporting period in respect of insurance contracts, arising from direct business, regardless of the fact that such amounts may relate in whole or in part to a later reporting period.</u>  |
| C0080 to C0140/R0120                                  | Premiums written – Gross – Proportional reinsurance accepted                 | <del>Gross written premiums for proportional reinsurance accepted</del><br><u>Definition of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts due during the reporting period in respect of insurance contracts, arising from proportional reinsurance accepted business, regardless of the fact that such amounts may relate in whole or in part to a later reporting period.</u> |

# Bank of England

## Prudential Regulation Authority

|                      | ITEM   | INSTRUCTIONS  |
|----------------------|--|---|
| C0080 to C0140/R0130 | Premiums written – Gross – Non proportional reinsurance accepted | <u>Gross written premiums for non-proportional reinsurance accepted</u> Definition of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts due during the reporting period in respect of insurance contracts, arising from non-proportional reinsurance accepted business, regardless of the fact that such amounts may relate in whole or in part to a later reporting period. |
| C0080 to C0140/R0140 | Premiums written – Reinsurers' share                             | <u>Reinsurers' share of gross written premium</u> of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts ceded to reinsurers during the reporting period in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later reporting period.  |
| C0080 to C0140/R0200 | Premiums written – net   | <u>Gross written premiums reduced by the amount ceded to reinsurance undertakings</u> Definition of premiums written provided in application of directive 91/674/EEC where applicable: the net premiums written represent the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.   |
| C0080 to C0140/R0210 | Premiums earned – Gross – Direct business                        | <u>Gross earned premiums for direct business</u> Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to insurance direct business.   |
| C0080 to C0140/R0220 | Premiums earned – Gross – Proportional reinsurance accepted      | <u>Gross earned premiums for proportional reinsurance accepted</u> Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to proportional reinsurance accepted business.  |
| C0080 to C0140/R0230 | Premiums earned – Gross – Non proportional reinsurance accepted  | <u>Gross earned premiums for non proportional reinsurance accepted</u> Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to non-proportional reinsurance accepted business.  |
| C0080 to C0140/R0240 | Premiums earned – reinsurers' share                              | <u>Reinsurers' share of gross earned premiums</u> Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of reinsurer's share in gross premiums written minus the change in the reinsurer's share in provision for unearned premiums.   |

# Bank of England

## Prudential Regulation Authority

|                      | ITEM  | INSTRUCTIONS  |
|----------------------|---|---|
| C0080 to C0140/R0300 | Premiums earned – Net   | <u>Gross earned premiums reduced by the amount ceded to reinsurance undertakings</u> <del>Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del>   |
| C0080 to C0140/R0310 | Claims incurred Gross – Direct business                         | <u>Gross claims incurred for direct business</u> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from direct business.</del><br><br><del>This shall exclude claims management expenses and the movement in provisions in claims management expenses.</del>   |
| C0080 to C0140/R0320 | Claims incurred Gross – Proportional reinsurance accepted       | <u>Gross claims incurred for proportional reinsurance accepted</u> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from proportional reinsurance accepted.</del><br><br><del>This shall exclude claims management expenses and the movement in provisions in claims management expenses.</del>         |
| C0080 to C0140/R0330 | Claims incurred – Gross – Non proportional reinsurance accepted | <u>Gross claims incurred for non proportional reinsurance accepted</u> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from non proportional reinsurance accepted.</del><br><br><del>This shall exclude claims management expenses and the movement in provisions in claims management expenses.</del> |
| C0080 to C0140/R0340 | Claims incurred – Reinsurers' share                             | <u>Reinsurers' share of gross claims incurred</u> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: it is the reinsurer's share in sum of the claims paid and the change in the provision for claims during the reporting period.</del>   |

# Bank of England

## Prudential Regulation Authority

|                       | ITEM  | INSTRUCTIONS   |
|-----------------------|---|--|
|                       |   | <del>This shall exclude claims management expenses and the movement in provisions in claims management expenses.</del>   |
| C0080 to C0140/R040 0 | Claims incurred – Net   | <del>Gross claims incurred reduced by the amount ceded to reinsurance undertakings</del> Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.<br><del>This shall exclude claims management expenses and the movement in provisions in claims management expenses.</del> |
| C0080 to C0140/R041 0 | Changes in other technical provisions – Gross – Direct business                       | <del>Changes in other technical provisions as defined in directive 91/674/EEC where applicable: it is the changes in other technical provisions for the gross direct business.</del><br><br><del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del>   |
| C0080 to C0140/R042 0 | Changes in other technical provisions – Gross – Proportional reinsurance accepted     | <del>Changes in other technical provisions as defined in directive 91/674/EEC where applicable: it is the changes in other technical provisions for the gross proportional reinsurance accepted.</del><br><br><del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del>   |
| C0080 to C0140/R043 0 | Changes in other technical provisions – Gross – Non-proportional reinsurance accepted | <del>Changes in other technical provisions as defined in directive 91/674/EEC where applicable: it is the changes in other technical provisions for the gross non-proportional reinsurance accepted.</del><br><br><del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del>   |

# Bank of England

## Prudential Regulation Authority

|                          | ITEM   | INSTRUCTIONS  |
|--------------------------|--|---|
| C0080 to C0140/R044<br>0 | <del>Changes in other technical provisions – Reinsurers' share</del> | <del>Changes in other technical provisions as defined in directive 91/674/EEC where applicable: it is the changes in other technical provisions related to the amounts ceded to reinsurers.</del><br><br><del>This item should be reported as a positive amount if the variation is negative or as a negative amount if variation is positive.</del>  |
| C0080 to C0140/R050<br>0 | <del>Changes in other technical provisions – Net</del>               | <del>Changes in other technical provisions as defined in directive 91/674/EEC where applicable: the net amount of changes in other technical provisions represent the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del><br><br><del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del> |
| C0080 to C0140/R055<br>0 | <del>Net e</del> Expenses incurred                                   | All technical expenses <u>excluding claims management expenses</u> incurred by the undertaking during the reporting period, on accrual basis <u>and excluding other expenses not allocated to lines of business reported in R1200.</u>  |
| C0140/R120<br>0          | Other expenses   | Other technical expenses not covered by above mentioned expenses and not split by lines of business.<br><br>Shall not include non-technical expenses such as tax, interest expenses, losses on disposals, etc   |
| C0140/R130<br>0          | Total <u>net</u> expenses  | Amount of all technical expenses corresponding to countries covered by this template.   |

### Life insurance and reinsurance obligations

|                          |  |  |
|--------------------------|--|--|
| C0160 to C0200/R140<br>0 | Top 5 countries (by amount of gross premiums written) – life obligations | Identify the ISO 3166–1 alpha–2 code of the countries being reported for the life obligations.   |
| C0220 to C0280/R141<br>0 | Premiums written – Gross   | <u>Gross written premiums for direct business and reinsurance accepted</u> Definition of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts due during the reporting period in respect of insurance contracts, arising from gross business, regardless of the fact that such amounts may relate in whole or in part to a later reporting period. |

# Bank of England

## Prudential Regulation Authority

|                      | ITEM                                 | INSTRUCTIONS   |
|----------------------|--------------------------------------|--|
| C0220 to C0280/R1420 | Premiums written – Reinsurers’ share | <u>Reinsurers’ share of gross written premiums</u><br><del>Definition of premiums written provided in application of directive 91/674/EEC where applicable: gross premiums written shall comprise all amounts ceded to reinsurers due during the reporting period in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later reporting period.</del>   |
| C0220 to C0280/R1500 | Premiums written – net               | <u>Gross written premiums reduced by the amount ceded to reinsurance undertakings</u><br><del>Definition of premiums written provided in application of directive 91/674/EEC where applicable: the net premiums written represent the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del>  |
| C0220 to C0280/R1510 | Premiums earned – Gross              | <u>Gross earned premiums for direct business and reinsurance accepted</u><br><del>Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to direct and reinsurance accepted gross business.</del>  |
| C0220 to C0280/R1520 | Premiums earned – reinsurers’ share  | <u>Reinsurers’ share of gross earned premiums</u><br><del>Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the reinsurer's share in gross premiums written minus the change in the reinsurer's share in provision for unearned premiums.</del>   |
| C0220 to C0280/R1600 | Premiums earned – Net                | <u>Gross earned premiums reduced by the amount ceded to reinsurance undertakings</u><br><del>Definition of earned premiums provided in directive 91/674/EEC where applicable: it is the sum of gross premiums written minus the change in the gross provision for unearned premiums related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del>   |
| C0220 to C0280/R1610 | Claims incurred – Gross              | <u>Gross claims incurred for direct business and reinsurance accepted</u><br><del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to insurance contracts arising from the gross direct and reinsurance business.<br/>It excludes claims management expenses and the movement in provisions in claims management expenses.</del> |

# Bank of England

## Prudential Regulation Authority

|                          | ITEM  | INSTRUCTIONS   |
|--------------------------|---|--|
| C0220 to C0280/R162<br>0 | Claims incurred – Reinsurers’ share                     | <del>Reinsurers’ share of gross claims incurred</del> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: it is the reinsurers’ share in the sum of the claims paid and the change in the provision for claims during the reporting period. It excludes claims management expenses and the movement in provisions in claims management expenses.</del>   |
| C0220 to C0280/R170<br>0 | Claims incurred – Net                                   | <del>Gross claims incurred reduced by the amount ceded to reinsurance undertakings</del> <del>Claims incurred in the reporting period as defined in directive 91/674/EEC where applicable: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del><br><br><del>It excludes claims management expenses and the movement in provisions in claims management expenses.</del> |
| C0220 to C0280/R171<br>0 | Changes in other technical provisions –Gross            | <del>Definition of changes in other technical provisions provided in directive 91/674/EEC where applicable: it is the changes in other technical provisions relating to insurance contracts arising from the gross direct and reinsurance business.</del><br><br><del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del>  |
| C0220 to C0280/R172<br>0 | Change in other technical provisions –Reinsurers’ share | <del>Definition of changes in other technical provisions provided in directive 91/674/EEC where applicable: it is the reinsurers’ share in changes in other technical provisions.</del><br><br><del>This item should be reported as a positive amount if the variation is negative or as a negative amount if variation is positive.</del>   |
| C0220 to C0280/R180<br>0 | Change in other technical provisions –Net               | <del>Definition of changes in other technical provisions provided in directive 91/674/EEC where applicable: it is the changes in other technical provisions related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.</del>   |



# Bank of England

## Prudential Regulation Authority

|                      | ITEM                           | INSTRUCTIONS   |
|----------------------|--------------------------------|--|
|                      |                                | <del>This item should be reported as a positive amount if the variation is negative (reduction of other technical provisions leading to a profit) or as a negative amount if variation is positive (increase of other technical provisions leading to a loss).</del> |
| C0220 to C0280/R1900 | <u>Net e</u> Expenses incurred | All technical expenses <u>excluding claims management expenses</u> incurred by the undertaking during the reporting period, on accrual basis <u>and excluding other expenses not allocated to lines of business reported in R2500.</u>                               |
| C0280/R2500          | Other expenses                 | Other technical expenses not covered by above mentioned expenses and not split by lines of business.<br><br>Shall not include non-technical expenses such as tax, interest expenses, losses on disposals, etc.   |
| C0280/R2600          | Total <u>net</u> expenses      | Amount of all technical expenses corresponding to countries covered by this template.  |

Draft for consultation