

Bank of England

Prudential Regulation Authority

Annex II Chapter 10

Instructions regarding reporting templates for individual undertakings

S.14.01 – Life obligations analysis

General comments:

This section relates to annual submission of information for individual entities.

This template includes information about life insurance contracts (direct business and accepted reinsurance) and also includes annuities stemming from non-life contracts (which are also analysed in S.16.01). All insurance contracts shall be reported even if classified as investments contract on accounting basis. In case of products unbundled, the different parts of the product shall be reported in different rows, using different ID codes.

Where firms show the number of contracts in C0040 and C0050 the PRA expects firms to count multiple policies issued as part of the same premium, identifiable increments and rider benefits as being a single contract. Where firms report unbundled products across multiple rows and using different Product ID codes log instructions for C0040 and C0050 are directly applicable.

For scheme contracts which cover multiple lives and where the insurer is providing protection or annuity benefits defined at member level the number of contracts to be reported in C0040 and C0050 is the number of members of the scheme. For corporate pensions the number of contracts is the number of schemes.

Firms should use an approximation to apportion between product codes where parts of the technical provisions are calculated for a combination of products (eg with-profits guarantee costs) or if there is uncertainty as to which product code applies.

~~Columns C0010 to C0080 shall be reported by product.~~

~~Columns C0090 to C0160 characterise the product.~~

~~Columns C0170 to C0210 shall be reported by Homogeneous Risk Group.~~

ITEM

INSTRUCTIONS

Portfolio		
C0010	Product ID code	Internal product ID code used by the undertaking for the product. If a code is already in use or is attributed by the competent authority for supervisory purposes that code shall be used. Different products are characterised according to cells C0090 to C0160. The ID code shall be consistent over time. Firms should use the three digit product codes listed in

Bank of England

Prudential Regulation Authority

		<p><u>the Appendix.</u></p> <p>In the cases where the same product is needs to be reported in more than one row the content of C0010 (and C0090) should follow the specific pattern: {ID code of product}/+/{<u>name/number of version</u>}. For example 'AB222+/3'. <u>Where individual or corporate pensions are written as part of a Master Trust these should be shown as a separate row with a product ID code such as '212+/Master Trust'</u>. In this example the remainder for the product code may be shown as '212'.</p>
C0020	Fund number	<p>Applicable to products that are part of ring fenced funds or other internal funds (defined according to national markets). This number is attributed by the undertaking and shall be consistent over time and shall not be reused for other funds.</p> <p>The number shall be used consistently across all templates, where relevant, to identify the fund.</p>
C0030	Line of Business	<p>Line of business as defined in Annex 1 of Delegated Regulation (EU) 2015/35. The following closed list shall be used:</p> <ul style="list-style-type: none"> 29 – Health insurance 30 – Insurance with profit participation 31 – Index-linked and unit-linked insurance 32 – Other life insurance 33 – Annuities stemming from non-life insurance contracts and relating to health insurance obligations 34 – Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations 35 – Health reinsurance 36 – Life reinsurance
C0040	Number of contracts at the end of the year	<p>Number of contracts attached to each reported product. Contracts with more than one policyholder count as only one contract.</p> <p>In case of inactive policyholder (no premium paid) the contract shall be reported anyway unless the contract is cancelled.</p> <p>For annuities stemming from non-life use the number of annuities obligations.</p> <p>For products which are unbundled in more than one row, please report the number of contracts in all rows reported.</p>
C0050	Number of new contracts during year	<p>Number of new contracts during reporting year (this is for all new contracts). Otherwise use the same instructions as for cell C0040.</p> <p>For annuities stemming from non-life use the number of annuities obligations.</p>

Bank of England

Prudential Regulation Authority

C0060	Total amount of Written premiums	Total amount of gross written premiums. as defined in Article 1(11) of Delegated Regulation (EU) 2015/35. For annuities stemming from non-life this cell is not applicable.
C0070	Total amount of claims paid during year	Total amount of gross claims paid during the year, including claims management expenses.
C0080	Country	Country ISO 3166-1 alpha-2 code or list of codes according to the following instructions: <ul style="list-style-type: none"> - ISO 3166-1 alpha-2 code of the country where the contract was entered into, for countries representing more than 10 % of technical provisions or written premiums for a given product. - If reinsurance it shall refer to the country of the cedent undertaking. - For countries representing less than 10 % of Technical Provisions or written premiums for a given product, report a list of ISO 3166-1 alpha-2 Codes of the countries concerned.
<u>C0180</u>	<u>Best Estimate and Technical Provisions as a whole</u>	<u>Amount of gross best estimate and Technical Provisions as a whole.</u>
<u>C0190</u>	<u>Capital at risk</u>	<u>The capital at risk, as defined in the Delegated Regulation (EU) 2015/35.</u> <u>For annuities stemming from non-life contracts this cell shall be filled in with zero unless the annuities have positive risk.</u>
Characteristics of product		
C0090	Product ID code	Same code as in C0010. Internal product ID code used by the undertaking for the product. If a code is already in use or is attributed by the competent authority for supervisory purposes that code shall be used. The ID code shall be consistent over time.
C0100	Product classification	The following close list shall be used: <ul style="list-style-type: none"> -1— single life -2— joint life -3— collective -4— pension entitlements -5— other <p>If more than one characteristic is applicable use “5— other”.</p> <p>For annuities stemming from non-life use “5— other”.</p>
C0110	Type of product	General qualitative description of the product type. If a product code is attributed by the competent authority for supervisory purposes, the description of product type for that code shall be used.

Bank of England

Prudential Regulation Authority

C0120	Product denomination	Commercial name of product (undertaking specific).
C0130	Product still commercialised?	Specify if product is still for sale or if it is just in run-off. The following closed list shall be used: 1— Still commercialised 2— In run-off
C0140	Type of premium	The following closed list shall be used: 1— Regular premium, premiums that policyholder has to pay at pre-determined dates and predetermined or variable amounts in order to have the full effect of its guarantee, including those cases when contracts provide the right of policyholders of changing dates and amount of premiums. 2— Single premium with possibility of additional premiums with additional guarantee according to amount paid 3— Single premium without possibility to pay an additional premium in the future 4— Other, any other case not mentioned in options above or a combination For annuities stemming from non-life use “4—other”.
C0150	Use of financial instrument for replication?	State whether the product is considered replicable by a financial instrument (i.e. hedgeable, with technical provisions calculated as a whole). The following closed list shall be used: 1— Replicable by financial instrument; 2— Not replicable by financial instrument; 3— Partially replicable by financial instrument.
C0160	Number of HRGs in products	If Homogeneous Risk Groups (“HRG”) within the product are common to other products, specify the number of Homogeneous Risk Groups in the product that are common to other products.
Information on Homogeneous risk groups		
C0170	HRG code	Homogeneous Risk Group Internal ID code used by undertaking for each Homogeneous Risk Group, as referred to in Article 80 of Directive 2009/138/EC. The ID code shall be consistent over time.
C0180	Best Estimate and Technical Provisions as a whole	Amount of gross best estimate and Technical Provisions as a whole calculated by Homogenous Risk Group.
C0190	Capital at risk	The capital at risk, as defined in the Delegated Regulation (EU) 2015/35. For annuities stemming from non-life contracts this cell

Bank of England

Prudential Regulation Authority

		shall be filled in with zero unless the annuities have positive risk.
C0200	Surrender value	Surrender value (where available), as mentioned in Article 185 (3) (f) of Directive 2009/138/EC, net of taxes: amount to be paid to the policyholder in case of early termination of the contract (i.e. before it becomes payable by maturity or occurrence of the insured event, such as death), net of charges and policy loans; does not concern contracts without options, given that surrender value is an option.
C0210	Annualised guaranteed rate (over average duration of guarantee)	Average guaranteed rate to the policy holder over the remaining life time of the contract expressed as a percentage. Only applicable where a guaranteed rate is provided in the contract. Not applicable for unit linked contracts.
Information on products and homogeneous risk groups		
C0220	Product ID code	Same code as in C0010. Internal product ID code used by the undertaking for the product. If a code is already in use or is attributed by the competent authority for supervisory purposes that code shall be used. The ID code shall be consistent over time. If one product corresponds to more than one Homogeneous Risk Group identify which ones by rows, repeating the Product ID code. If different products correspond to one single Homogeneous Risk Group report each product once identifying the HRG ID code.
C0230	HRG ID code	Same code as in in C0170. Internal HRG ID code used by the undertaking for each Homogeneous Risk Group, as referred to in Article 80 of Directive 2009/138/EC. The ID code shall be consistent over time. Identify the HRG for each product that is considered for the purposes of calculating the technical provisions.

Bank of England

Prudential Regulation Authority

Appendix

List of life insurance product reporting codes

This appendix sets out how the PRA expects firms to derive the data item 'product ID code' C0010 in template S.14.01 as a 3 character string.

PRA Solvency II product codes	Description
Savings and investments	
100	Whole of life OB CWP
101	Whole of life OB UWP
102	Whole of life OB UL
104	Whole of life OB NP
105	Whole of life IB CWP
106	Whole of life IB NP
111	Single premium bond UWP
112	Single premium bond UL
113	Single premium bond IL
114	Single premium bond NP
120	Endowment OB CWP
121	Endowment OB UWP
122	Endowment OB UL
124	Endowment OB NP
125	Endowment IB CWP
126	Endowment IB NP
131	Investment only reinsurance UWP
132	Investment only reinsurance UL
Individual pensions	
200	Individual defined contribution pensions CWP
201	Individual defined contribution pensions UWP
202	Individual defined contribution pensions UL
204	Individual defined contribution pensions NP
210	Workplace defined contribution pensions CWP
211	Workplace defined contribution pensions UWP
212	Workplace defined contribution pensions UL
214	Workplace defined contribution pensions NP
221	Income drawdown UWP
222	Income drawdown UL
224	Income drawdown NP
231	Individual pensions investment only reinsurance UWP
232	Individual pensions investment only reinsurance UL
Corporate pensions	
300	Corporate defined benefit pensions CWP

Bank of England

Prudential Regulation Authority

PRA Solvency II product codes	Description
301	Corporate defined benefit pensions UWP
302	Corporate defined benefit pensions UL
304	Corporate defined benefit pensions NP
310	Corporate defined contribution pensions WP
311	Corporate defined contribution pensions UWP
312	Corporate defined contribution pensions UL
314	Corporate defined contribution pensions NP
321	Corporate pensions investment only reinsurance UWP
322	Corporate pensions investment only reinsurance UL
Protection	
404	Level term regular premium
414	Level term single premium
424	Decreasing term regular premium
434	Decreasing term single premium
444	Accelerated critical illness (guaranteed premiums)
454	Accelerated critical illness (reviewable premiums)
464	Stand-alone critical illness (guaranteed premiums)
474	Stand-alone critical illness (reviewable premiums)
480	Income protection CWP
481	Income protection Holloway accounts UWP
494	Income protection (guaranteed premiums)
504	Income protection (reviewable premiums)
514	Income protection single premium
524	Income protection claims in payment
534	Group life
544	Group death in service dependants' annuities
554	Collective life
564	Group income protection
574	Group income protection claims in payment
584	Group critical illness
594	Risk premium mortality reinsurance
604	Risk premium critical illness reinsurance
614	Risk premium income protection reinsurance
620	Miscellaneous protection CWP
621	Miscellaneous protection UWP
622	Miscellaneous protection UL
624	Miscellaneous protection NP
Annuities	

Bank of England

Prudential Regulation Authority

PRA Solvency II product codes	Description
700	Purchased life annuity WP
704	Purchased life annuity NP
710	Individual deferred annuity WP
714	Individual deferred annuity NP
720	Individual pension annuity WP
722	Individual pension annuity UL
724	Individual pension annuity NP
734	Individual enhanced pension annuity NP
740	Bulk purchase deferred annuity WP
744	Bulk purchase deferred annuity NP
754	Bulk purchase pension annuity NP
764	Purchased temporary annuity NP
774	Pension temporary annuity NP
784	Annuity stemming from non-life
794	Longevity swap accepted

Draft for consultation

Bank of England

Prudential Regulation Authority

Notes on product categories

Whole life and endowment – regular premium business only – includes policies made ‘paid-up’ – excludes single premium bonds which are technically whole of life.

Single premium bond – includes ‘investment bond’ and ‘with-profits bond’.

Individual defined contribution pensions – pensions savings before retirement, excludes deferred annuity buyouts, but contract may be written as deferred annuity with-profits, endowment with-profits, UWP or UL. Individual means there is no employer involvement.

Workplace defined contribution pensions – covers ‘group pensions’ where the group is the employer and the insurer has a separate record for each employee covered, which may include employer contributions. The firm calculates liabilities at member level.

Corporate pensions – covers trust based pension arrangements where the insurer does not hold separate records for individual employees. The insurer normally just provides investment services, and the records of benefits are maintained by the trustees or another party. The firm calculates liabilities at scheme level.

Miscellaneous protection – these categories are for types of protection which do not fit within the named protection categories, e.g. long term care.

Bulk purchase annuity – this is for annuity liabilities arising from occupational pension schemes including where members hold individual policies after winding up of the scheme.

All reinsurance refers to reinsurance accepted. Reinsurance ceded is not reported in S.14.01.

Abbreviations

- OB** **Ordinary branch:** in the past this term was required to distinguish OB and IB policies.
- IB** **Industrial branch:** business sold in the past where premiums were collected door to door. The policies are now either paid up or premiums are collected by direct debit.
- WP** **With-profits:** a contract of long-term insurance which provides benefits through eligibility to participate in discretionary distributions based on profits arising from the firm's business or from a particular part of the firm's business
- CWP** **Conventional with-profits:** the traditional style of with-profits, where the policy specifies the regular premium payable and the initial guaranteed benefit, to which reversionary (annual bonuses) are added.
- UWP** **Unitised with-profits (includes accumulating with-profits):** the newer style of with-profits, where each premium is invested in units or to an account at the face value of the amount invested. This amount grows with ‘bonus’ and any further premiums.
- UL** **Unit-linked:** the same as the legal term ‘property linked’ in the PRA annual returns.
- IL** **Index-linked:** includes policies linked to a stock market index or the value of specific securities. It excludes RPI / CPI linked policies.
- NP** **Non-profit:** all policies covered by the ‘Other’ Solvency II line of business and including life health business.

Bank of England

Prudential Regulation Authority

Draft for consultation