

Bank of England

Prudential Regulation Authority

Annex II Chapter 10

Instructions regarding reporting templates for individual undertakings

S.25.05 – Solvency Capital Requirement – for undertakings using a partial or full internal model

General comments:

This section relates to annual submission of information for individual entities, ring fenced–funds, matching adjustment portfolios and remaining part.

The components to be reported shall be agreed between national supervisory authorities and insurance and reinsurance undertakings.

Template SR.25.02 shall be reported for each ring–fenced fund (RFF), matching adjustment portfolio (MAP) and the remaining part for every undertaking under a full or partial internal model. This includes undertakings where a partial internal model is applied to a full ring–fenced fund and/or matching adjustment portfolio while the other ring–fenced funds and/or matching adjustment portfolios are under the standard formula.

	<u>ITEM</u>	<u>INSTRUCTIONS</u>
<u>Z0020</u>	<u>Ring–fenced fund, matching adjustment portfolio or Remaining Part</u>	<u>Identifies whether the reported figures are with regard to a RFF, MAP or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part</u>
<u>Z0030</u>	<u>Fund/Portfolio number</u>	<u>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.</u>
<u>C0010</u>	<u>Unique number of component</u>	<u>Unique number of each component agreed with the PRA.</u>
<u>C0020</u>	<u>Components description</u>	<u>Identification, using free text, of each of the components agreed with the PRA. These components shall be aligned with standard formula risk modules if possible. Each component shall be identified using a separate entry. Undertakings shall identify and report components consistently across different reporting periods, unless there has been some change to the internal model affecting the categories.</u>

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		<u>Loss-absorbing capacity of technical provisions and/or deferred taxes not embedded within components shall be reported as separated components.</u>
<u>C0030</u>	<u>Calculation of the Solvency Capital Requirement</u>	<p><u>Amount of the capital charge for each component regardless of the method of calculation (either standard formula or partial internal model), after the adjustments for loss-absorbing capacity of technical provision and/or deferred taxes when they are embedded in the component calculation.</u></p> <p><u>For the components Loss absorbing capacity ("LAC") of technical provisions and/or deferred taxes when reported as a separate component it shall be the amount of the loss-absorbing capacity (these amounts shall be reported as negative values)</u></p> <p><u>For components calculated using the standard formula this cell represents the net nSCR. For components calculated using the partial internal model, this represents the value considering the future management actions which are embedded in the calculation, but not those which are modelled as a separate component.</u></p> <p><u>This amount shall fully consider diversification effects according to Article 304 of Directive 2009/138/EC where applicable.</u></p>
<u>C0040</u>	<u>Amount modelled</u>	<u>For each component this cell represents the amount calculated using the internal model.</u>

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