

S.26.07. - Solvency Capital Requirement – Simplifications

General comments:

This Annex contains additional instructions in relation to the templates included in Annex I of this Regulation. The first column of the next table identifies the items to be reported by identifying the columns and lines as showed in the template in Annex I.

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

The variant S.26.07.1 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/RRF embedded, the fund should be treated as different funds. This template should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

	ITEM	INSTRUCTIONS
Z0010	Article 112	Identifies whether the reported figures have been requested under Article 112(7), to provide an estimate of the SCR using standard formula. One of the options in the following closed list shall be used: 1 – Article 112(7) reporting 2 – Regular reporting
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	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, e.g. S.26.02, S.14.01, S.23.01. This item is to be completed only when item Z0020 = 1

Market risk (including captives)

R0010/C0010 to C0070	Spread risk (bonds and loans) – Market value – by credit quality step	Market value of the assets subject to a capital requirement for spread risk on bonds and loans for each credit quality step where a credit assessment by a nominated ECAI is available
R0010/C0080	Spread risk (bonds and loans) – Market value – No rating available	Market value of the assets subject to a capital requirement for spread risk on bonds and loans where no credit assessment by a nominated ECAI is available
R0020/C0010 to C0070	Spread risk (bonds and loans) – Modified duration – by credit quality step	Modified duration in years of the assets subject to a capital requirement for spread risk on bonds and loans for each credit quality step where a credit assessment by a nominated ECAI is available
R0020/C0080	Spread risk (bonds and loans) – Modified duration – No rating available	Modified duration in years of the assets subject to a capital requirement for spread risk on bonds and loans where no credit assessment by a nominated ECAI is available
R0030/C0090	Spread risk (bonds and loans) – Increase in unit-linked and index-linked technical provisions	Increase in the technical provisions less risk margin for policies where the policyholders bear the investment risk with embedded options and guarantees that would result from an instantaneous decrease in the value of the assets subject to the capital requirement for spread risk on bonds according to the simplified calculation

Interest rate risk (captives)

R0040/ C0100	Interest rate risk (captives) – Currency	Identify the ISO 4217 alphabetic code of the currency of issue. Each currency shall be reported in a different line
R0040/ C0110	Interest rate risk (captives) – Capital requirement – Interest rate up – by currency	Capital requirement for the risk of an increase in the term structure of interest rates according to the captive simplified calculation for each currency reported in C0100.
R0040/ C0120	Interest rate risk (Captives) – Capital requirement – Interest rate down – by currency	Capital requirement for the risk of a decrease in the term structure of interest rates according to the captive simplified calculation for each currency reported in C0100.

Life underwriting risk

R0100/ C0130	Mortality risk – Capital at risk	Sum of positive capitals at risk as defined in Article 91 of Implementing measures for all obligations subject to mortality risk
R0100/ C0170	Mortality risk – Average rate	Average mortality rate during the following 12 months weighted by sum insured for policies with a positive capital at risk
R0100/ C0190	Mortality risk – Modified duration	Modified duration in years of all payments payable on death included in the best estimate for policies with a positive capital at risk
R0110/ C0160	Longevity risk – Best estimate	Best estimate of obligations subject to longevity risk.
R0110/ C0170	Longevity risk – Average rate	Average mortality rate during the following 12 months weighted by sum insured for policies where a decrease in the mortality rate leads to an increase in technical provisions
R0110/ C0190	Longevity risk – Modified duration	Modified duration in years of all payments to beneficiaries included in the best estimate for policies where a decrease in the mortality rate leads to an increase in technical provisions
R0120/ C0130	Disability-morbidity risk – Capital at risk	Sum of positive capitals at risk as defined in article 93 of Implementing measures for all obligations subject to disability-morbidity risk
R0120/ C0140	Disability-morbidity risk – Capital at risk t+1	Capital at risk as defined in R0120/C0130 after 12 months
R0120/ C0160	Disability-morbidity risk – Best estimate	Best estimate of obligations subject to disability-morbidity risk.
R0120/ C0170	Disability-morbidity risk – Average rate	Average disability-morbidity rate during the following 12 months weighted by sum insured for policies with a positive capital at risk
R0120/ C0180	Disability-morbidity risk – Average rate t+1	Average disability-morbidity rate during the 12 months after the following 12 months weighted by sum insured for policies with a positive capital at risk
R0120/ C0190	Disability-morbidity risk – Modified duration	Modified duration in years of all payments on disability-morbidity included in the best estimate for policies with a positive capital at risk
R0120/ C0210	Disability-morbidity risk – Termination rates	Expected termination rates during the following 12 months for policies with a positive capital at risk
R0130/ C0150	Lapse risk (up) – Surrender strain	Sum of all positive surrender strains as defined in Article 95 of Implementing measures.
R0130/ C0170	Lapse risk (up) – Average rate	Average lapse rate for policies with positive surrender strains
R0130/ C0200	Lapse risk (up) – Average run off period	Average period in years over which the policies with a positive surrender strain run off
R0140/ C0150	Lapse risk (down) – Surrender strain	Sum of all negative surrender strains as defined in Article 95 of Implementing measures.
R0140/ C0170	Lapse risk (down) – Average rate	Average lapse rate for policies with negative surrender strains

R0140/ C0200	Lapse risk (down) – Average run off period	Average period in years over which the policies with a negative surrender strain run off
R0150/ C0190	Life expense risk – Modified duration	Modified duration in years of the cash flows included in the best estimate of life insurance and reinsurance obligations
R0150/ C0220	Life expense risk – Payments	Expenses paid related to life insurance and reinsurance during the last 12 months
R0150/ C0230	Life expense risk – Average inflation rate	Weighted average inflation rate included in the calculation of the best estimate of those obligations, where the weights are based on the present value of expenses included in the calculation of the best estimate for servicing existing life obligations.
R0160/ C0130	Life catastrophe risk – Capital at risk	Sum of positive capitals at risk as defined in article 96 of Implementing measures.

Health underwriting risk

R0200/ C0130	Health mortality risk – Capital at risk	Sum of positive capitals at risk as defined in Article 97 of Implementing measures for all obligations subject to health mortality risk
R0200/ C0170	Health mortality risk – Average rate	Average mortality rate during the following 12 months weighted by sum insured for policies with a positive capital at risk
R0200/ C0190	Health mortality risk – Modified duration	Modified duration in years of all payments payable on death included in the best estimate for policies with a positive capital at risk
R0210/ C0160	Health longevity risk – Best estimate	Best estimate of obligations subject to health longevity risk.
R0210/ C0170	Health longevity risk – Average rate	Average mortality rate during the following 12 months weighted by sum insured for policies where a decrease in the mortality rate leads to an increase in technical provisions
R0210/ C0190	Health longevity risk – Modified duration	Modified duration in years of all payments to beneficiaries included in the best estimate for policies where a decrease in the mortality rate leads to an increase in technical provisions
R0220/ C0190	Health disability-morbidity risk (medical expenses) – Modified duration	Modified duration in years of the cash flows included in the best estimate of medical expense insurance and reinsurance obligations
R0220/ C0220	Health disability-morbidity risk (medical expenses) – Payments	Expenses paid related to medical expense insurance and reinsurance during the last 12 months
R0220/ C0230	Health disability-morbidity risk (medical expenses) – Average inflation rate	Weighted average rate of inflation on medical payments included in the calculation of the best estimate of those obligations, where the weights are based on the present value of medical payments included in the calculation of the best estimate of those obligations.
R0230/ C0130	Health disability-morbidity risk (income protection) – Capital at risk	Sum of positive capitals at risk as defined in article 100 of Implementing measures for all obligations subject to disability-morbidity risk (income protection)
R0230/ C0140	Health disability-morbidity risk (income protection) – Capital at risk t+1	Capital at risk as defined in R0230/C0130 after 12 months
R0230/ C0160	Health disability-morbidity risk (income protection) – Best estimate	Best estimate of obligations subject to disability-morbidity risk.
R0230/ C0170	Health disability-morbidity risk (income protection) – Average rate	Average disability-morbidity rate during the following 12 months weighted by sum insured for policies with a positive capital at risk
R0230/ C0130	Health disability-morbidity risk (income protection) – Average rate	Average disability-morbidity rate during the 12 months

C0180	risk (income protection) – Average rate t+1	after the following 12 months weighted by sum insured for policies with a positive capital at risk
R0230/ C0190	Health disability-morbidity risk (income protection) – Modified duration	Modified duration in years of all payments on disability-morbidity included in the best estimate for policies with a positive capital at risk
R0230/ C0210	Health disability-morbidity risk (income protection) – Termination rates	Expected termination rates during the following 12 months for policies with a positive capital at risk
R0240/ C0150	Health SLT lapse risk (up) – Surrender strain	Sum of all positive surrender strains as defined in Article 102 of Implementing measures
R0240/ C0170	Health SLT lapse risk (up) – Average rate	Average lapse rate for policies with positive surrender strains
R0240/ C0200	Health SLT lapse risk (up) – Average run off period	Average period in years over which the policies with a positive surrender strain run off
R0250/ C0150	Health SLT lapse risk (down) – Surrender strain	Sum of all negative surrender strains as defined in Article 102 of Implementing measures
R0250/ C0170	Health SLT lapse risk (down) – Average rate	Average lapse rate for policies with negative surrender strains
R0250/ C0200	Health SLT lapse risk (down) – Average run off period	Average period in years over which the policies with a negative surrender strain run off
R0260/ C0190	Health expense risk – Modified duration	Modified duration in years of the cash flows included in the best estimate of health insurance and reinsurance obligations
R0260/ C0220	Health expense risk – Payments	Expenses paid related to health insurance and reinsurance during the last 12 months
R0260/ C0230	Health expense risk – Average inflation rate	Weighted average inflation rate included in the calculation of the best estimate of these obligations, weighted by the present value of expenses included in the calculation of the best estimate for servicing existing health obligations.