ERRATA on the Guidelines on Submission of Information to National Competent Authorities

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The paragraphs reflect only the relevant part of the Guidelines, Annex I, Annex II and Annex VI being amended and when possible the amended text is identified as underlined.

Guidelines

1. Paragraph 1.40.: "In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that at least the participating insurance and reinsurance undertakings or insurance holding companies <u>or mixed financial holding companies</u> at the head of an insurance or reinsurance group…".

2. Paragraph 1.57.: "When undertaking is using an internal model for the calculation of Solvency Capital Requirement, the notional SCR for material ring fenced fund<u>s</u> and the remaining part,…".

3. Paragraph 1.60., paragraph c): "S.02.01.g – Balance sheet, when the method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive".

4. Paragraph 1.70.: "When undertaking is using an internal model for the calculation of Solvency Capital Requirement, the notional SCR for material ring fenced fund<u>s</u> and the remaining part…".

Technical Annex I

5. Title of paragraph 10.: "S.<u>12</u>.01.a – Life and Health Similar to Life Techniques Technical Provisions (old TP-F1Q)".

6. Title of paragraph 11.: "S.<u>12</u>.01.b – Life and Health Similar to Life Techniques Technical Provisions (old TP-F1)".

Technical Annex II

S.01.01.

7. Description of cells A10 and A11 of S.01.01.b and g: "…Not reported o/a <u>full</u> use <u>of </u>Standard Formula…".

S.02.01.

8. Description of cell A21: "<u>Amounts past-due for payment by policyholders</u>, other insurers, and linked to insurance business, that are not included in cash-in flows of technical provisions.…".

9. Description of cell LS0: "... Either, you can split your technical provisions between non-life and health <u>similar to non-life</u> business, either you cannot and you directly fill in cell <u>LS0</u> with the correct total value".

10. Description of cell LS6F: "... Either, you can split your technical provisions between life and health <u>similar to life </u>business, either you cannot and you directly fill in cell LS6F with the correct total value".

S.06.02.

11. Description of cell A1: "Distinction between life, non-life, <u>shareholders'</u> funds, general (no split) and ring fenced funds….".

12. Description of cell A9: "Identify the economic sector of issuer based on the <u>latest version </u>of NACE code. <u>The letter reference of the NACE code identifying the Section must be used as a minimum for identifying sectors (e.g. 'A' or 'A0111' would be acceptable) except for the NACE relating to Financial and Insurance activities</u>, for which the <u>letter identifying the Section followed by the </u>4 digits code <u>for the class</u> should be used (e.g. 'K6411'). This item is not applicable…".

S.08.01.

13. Description of cell A15: "…The <u>notional</u> amount refers to the amount that is being hedged / invested (when not covering risks).… "

S.17.01.

14. Description of cells A13 – P13 of S.17.01.a: "The amount of net best estimate for premium provisions, for each line of business.…".

15. Heading in S.17.01.b should read: "Technical provisions calculated as a whole".

16. Description of cell A26 - L26 of S.17.01.b: "A26=A1+A23+A25, …".

17. Description of cell A27 – L27 of S.17.01.b: "A27=A12+A21, …".

S.23.01.

18. Description of cell B26 of S.23.01.a. and b.: "… B26 = A1+A2+A3+A4+A6+A8+A9+A15+A16".

19. Descriptions of cells A56 to D109 and the cells Q1 to Q6 of S.23.01.a. and b should be deleted.

20. Description of cell B7 of S.23.01.f and g: "This is the amount of <u>surplus funds</u> which are deemed non-available as defined in Article 222(2)-(5) of the Directive that meet the criteria for Tier 1 unrestricted items. …".

21. In S.23.01.a. and b description of cells B28 should be deleted.

22. In S.23.01.f. and g description of cells A603A to D603A and A604A to E604A should be deleted.

23. Description of cell A21 of S.23.01.f. and g: "…or check formula: A21= A1+A2+A3+A4+A6+A8+A9+A12A+A13+ A15 + A16+A18 <u>-B502</u> - A607".

24. In S.23.01.f. and g, name and description of cell A45: Cell name: "<u>Credit institutions</u>, investment firms and financial institutions". Description of cell: "Own funds in <u>credit institutions,</u> investment firms and financial institutions".

25. Name and description of cell A51A of S.23.0.f.: Name of cell A51A: "Total <u>eligible</u> own funds to meet the minimum group SCR– total". Description of cell A51A: "This is the total <u>eligible</u> own funds to meet the minimum group SCR…."

26. Name and description of cell B51A of S.23.0.f.: Name of cell: "Total <u>eligible</u> own funds to meet the minimum group SCR – tier 1 unrestricted items". Description of cell B51A: "This is the total own funds of the group, that are <u>eligible</u> to meet the minimum group SCR that meet the criteria to be included in Tier 1 unrestricted items.…".

27. Name and description of cell C51A of S.23.0.f.: Name of cell: "Total <u>eligible</u> own funds to meet the minimum group SCR – tier 1 <u>restricted</u> items". Description of cell: "This is the total own funds of the group, that are <u>eligible</u> to meet the minimum group SCR that meet the criteria to be included in Tier 1 <u>restricted</u> items.…".

28. Name and description of cell D51A of S.23.0.f.: Name of cell: "Total <u>eligible</u> own funds to meet the minimum group SCR – tier 2". Description of cell: "This is the total own funds of the group, that are <u>eligible</u> to meet the minimum group SCR that meet the criteria to be included in Tier 2.…".

S.25.01.

29. Description of cell A02: "Identifies whether some elements/or all of the risk within standard formula sub risk modules are calculated using partial internal model: <u>if Y, means that some risks or some elements of the risks within standard formula sub risk modules are calculated using partial internal model</u>; if N, means that all risks within standard formula sub risk modules are covered by the standard formula".

30. Description of cell B5: "Capital charge for <u>non – life underwriting</u> risk cannot be expressed gross of the loss absorbing capacity of technical provisions, considering the structure of the calculation of the capital charge.…"

31. Description of cell A13: "… If the undertaking does not use the standard formula to calculate any operational risk, this item shall not be reported, otherwise it will only reflect either those elements of the <u>operational risk</u> calculated using the standard formula, or the part of the undertaking's business for which <u>operational risk</u> SCR is calculated using the standard formula.…"

32. When the sentence "only applicable when reporting SCR calculation at undertaking level" is used the sentence should read, for all relevant cells ", this item is only applicable when reporting SCR calculation at undertaking/group level".

33. Description of cell A8: "Amount of the capital charge, including adjustment for the loss absorbing capacity of technical provisions <u>and/or deferred taxes</u>, as calculated using a partial internal model if any.…"

34. Description of cell A9 of S.25.01: "Amount of the adjustment for the diversification effect between risk modules calculated using the standard formula and components calculated using partial internal models, including the loss absorbing capacity of technical provisions <u>and/or deferred taxes</u>.…".

35. Description of cell B10 of S.25.01: "… This amount shall be calculated as a sum of the <u>gross</u> capital charges for each risk module within the standard formula, including adjustment for diversification effect within standard formula.…"

36. Description of cell A15C the following needs to be deleted: "This item is only applicable when reporting SCR calculation at undertaking level".

37. Description of cell A16: "… This item is only applicable to group reporting and corresponds, for those non controlled entities, to the capital requirement calculated in accordance <u>with S2.</u>…".

S.25.02./S.25.03

38. Description of cell A1B of S.25.02 and S.25.03: "To identify modelling approach <u>of the</u> calculation of the loss-absorbing capacity of technical provisions. The following closed list of options shall be used: - Modelled and identifiable; - Modelled but not identifiable; - Not modelled. Depending on each case, the information reported in cell B1, C1, <u>B5 and C5</u> will vary."

39. Description of cell A1C of S.25.02 and S.25.03: "To identify modelling approach <u>of the</u> calculation of the loss-absorbing capacity of deferred taxes. The following closed list of options shall be used: - Modelled and identifiable; - Modelled but not identifiable; - Not modelled. Depending on each case, the information reported in cell B1, C1, <u>B6 and C6</u> will vary."

40. Description of cell B1 of S.25.02 and S.25.03: "Amount of the net capital charge for each component, including adjustments for loss-absorbing capacity of technical provision <u>and</u>/or deferred taxes when applicable, calculated by the partial/full internal model on an undiversified basis, to the extent that these adjustments are modelled within components.

    The capital charges shall be reported in decreasing order of size (which may of course change from one reporting period to another).

    <u>Considering the loss-absorbing capacity of technical provisions:</u>
    - if modelled and identifiable or not identifiable, B1 represents net capital charge, including loss-absorbing capacity of technical provisions, for each component, B5 will not be reported <u>and the total amount/</u>estimate of <u>the</u> adjustment will be reported in C5;
    - if not modelled<u>, B1 represents capital charge as calculated by the model, i.e. is equal to the gross capital charge as calculated by the model, for each component and B5 will be reported. In this case B1=C1.</u>

    <u>Considering the loss-absorbing capacity of deferred taxes:</u>
    - <u>if modelled and identifiable or not identifiable for each component, B1 represents net capital charge, including loss-absorbing capacity of deferred taxes, for each component, B6 will not be reported and the total amount/estimate of the adjustment will be reported in C6;</u>

- if modelled but not for each component (only as a total) that total needs to be identified as a separate component; B6 will not be reported and the total amount/estimate of the adjustment will be reported in C6;
- if not modelled, B1 represents capital charge as calculated by the model, i.e. is equal to the gross capital charge as calculated by the model, for each component and B6 will be reported. In this case B1=C1."

41. Description of cell C1 of S.25.02 and S.25.03: "Amount of the gross capital charge for each component (gross of adjustments for loss-absorbing capacity of technical provision and/or deferred taxes when applicable) calculated by the partial/full internal model on an undiversified basis, to the extent that these adjustments are modelled within components.

    Considering the loss-absorbing capacity of technical provisions:
    - if modelled and identifiable or not identifiable, C1 represents gross capital charge, excluding loss-absorbing capacity of technical provisions, for each component, B5 will not be reported and the total amount/estimate of the adjustment will be reported in C5;
    - if not modelled, C1 represents gross capital charge as calculated by the model, i.e. is equal to the net capital charge as calculated by the model, for each component and B5 will be reported.

    Considering the loss-absorbing capacity of deferred taxes:
    - if modelled and identifiable for each component, C1 represents gross capital charge, excluding loss-absorbing capacity of deferred taxes, for each component, B6 will not be reported and the total amount/estimate of the adjustment will be reported in C6;
    - if modelled but not identifiable for each component, C1 represents gross capital charge but would be the same as the net charge in relation to this adjustment, for each component, B6 will not be reported and the total amount/estimate of the adjustment will be reported in C6;
    - if modelled but not for each component (only as a total) that total needs to be identified as a separate component; B6 will not be reported and the total amount/estimate of the adjustment will be reported in C6;
    - if not modelled, C1 represents gross capital charge as calculated by the model, i.e. is equal to the net capital charge as calculated by the model, for each component and C6 will be reported."

42. Description of cell B2: "- if both the loss-absorbing capacity of technical provisions and/or deferred taxes are modelled by component or if the loss-absorbing capacity of deferred taxes is modelled only as a total and shown as component: B2 = Sum (all B1 items).".

43. Description of cell B4: "The amount of the total solvency capital requirement calculated using partial/full internal model after diversification and including adjustments for loss absorbing capacity of technical provisions and deferred tax, to the extent that those adjustments are modelled within the model and are identifiable or not. B4= B2+B3"

44. Description of cell C4: "The amount of the total solvency capital requirement calculated using partial/full internal model after diversification and excluding adjustments for loss absorbing capacity of technical provisions and deferred tax, to the extent that those adjustments are modelled and identifiable within the model. C4=C2+C3"

45. Description of cell C5: "This item is only reported for information, in cases where adjustments for loss-absorbing capacity of technical provision are modelled within components."

46. Description of cell B7 of S.25.02: "Amount of the net solvency capital charge calculated using partial internal models. B7= B4 - B5 - B6…"

S.25.03.

47. Description of cell B8: …. This item is only applicable to group reporting and corresponds, for those non controlled entities, to the capital requirement calculated in accordance with S2."

48. Description of cell B10: "Amount of the total diversified SCR before any capital add-on. B10= B4 - B5 - B6 + B7 + B8 + B9"

S.26.01.

49. Description of cell D0: "… If AA01=Y, this item represents the gross capital charge for interest rate risk calculated using simplified calculations for captive undertakings."

50. Description of cell D2: "… If AA01=Y, item D2 represents the gross capital charge for interest rate up risk calculated using simplifications."

51. Cell A19A, should be deleted.

52. Description of cell C2: "… If AA01=Y, item C2 represents the net capital charge for interest rate up risk calculated using simplifications."

53. Description of cell D2: "… If AA01=Y, item D2 represents the gross capital charge for interest rate up risk calculated using simplifications."

54. Description of cell A19: "… For captive undertakings, if A003=Y, item A19 represents the absolute value of the assets subject to the market risk concentration, after taking into account simplifications allowed for captives.

S.26.02.

55. Description of cell AB10: "Identification of the code used in AA10:…"

S.26.03.

56. Description of cell D4: "… If A04=Y, D4 represents the gross capital charge for a permanent increase in lapse rates, calculated using simplified calculation for lapse rate."

57. Description of cell D5: "… If A04=Y, D5 represents the gross capital charge for a permanent decrease in lapse rates, calculated using simplified calculation for lapse rate."

58. Name of the cell B7B: "Absolute values after shock – Liabilities (excluding the loss-absorbing capacity of technical provisions) – Life - expense risk".

59. Description of the cell D10: "This is the diversification effect within the life underwriting risk module as a result of the aggregation of the gross capital requirements (<u>before</u> adjustment for the loss-absorbing capacity of technical provisions) of the single risk sub-modules. …".

S.26.04.

60. Name of cell B1B: "Absolute values <u>after</u> shock – Liabilities (excluding the loss-absorbing capacity of technical provisions) –Health mortality risk"

61. Names of the following cells: B2B, B3B, B4B, B5B, B6B, B7B, and B8B, a reference to "initial" should be deleted.

62. Description of cell D4: "… If A04=Y, <u>D4</u> represents the gross capital charge for a permanent increase in lapse rates, calculated using simplified calculation for SLT health lapse rate."

63. Description of cell D5: "… If A04=Y, <u>D5</u> represents the gross capital charge for a permanent decrease in lapse rates, calculated using simplified calculation for SLT health lapse rate."

64. Description of cell A26: "… <u>A26= A27 – SUM (D10,D20,A25)</u>".

65. Description of cell B26: "…<u>B26= B27 - SUM(C10, D20,B25)</u>"

S.26.05.

66. The references to "lines of business" or "classes" should be replaced by references to "segments" across all cells, where relevant.

67. Description of cells E1 to E12: "<u>Geographical diversification used for</u> the volume measure for…"

68. Description of cell F12: "The volume measure for non-life premium and reserve risk for Non-proportional reinsurance – MAT. F12= (C12 + D12) x (0.75 + 0.25E12)".

69. Name of cell D12: "Volume measure for premium and reserve risk – $\underline{V_{RES}}$ - Non – proportional reinsurance – MAT".

S.26.06.

70. Description of cell A12: "This is the capital requirement for operational risk before capping adjustment. A12 = Max (A4, <u>A11</u>)".

71. Description of cell A13: "Without precluding the final design of reporting on SCR, this is the result of the percentage applied to the Basic SCR reported in item <u>B10</u> on SCR-B2A".

S.27.01.

72. The following formulas should be amended: "A7=<u>A1 - SUM(A2:A6)</u>"; "C7=<u>C1 - SUM(C2:C6)</u>"; "A16=<u>A9 - SUM(A10:A15)</u>"; "C16=<u>C9 - SUM(C10:C15)</u>"; "A20=<u>A21 - A19</u>"; "C20=<u>C21 - C19</u>"; "A26=<u>A22 - SUM(A23:A25)</u>"; "C26=<u>C22 - SUM(C23:C25)</u>"; "AF38=<u>AF39 - AF37</u>"; "AI38=<u>AI39 - AI37</u>"; "BE38=<u>BE39 -</u>

BE37"; "BH38=<u>BH39 - BH37</u>"; "CF32=<u>CF33 - CF31</u>"; "CI32=<u>CI33 - CI31</u>"; "DF27=<u>DF28 - DF26</u>"; "DI27=<u>DI28 - DI26</u>"; "EE2=<u>EE3 - EE1</u>"; "EH2=<u>EH3 - EH1</u>"; "HB3=<u>HC3 - HA3</u>"; "HB5=<u>HC5 - HA5</u>"; "KB8=<u>KC8 - KA8</u>"; "KB10=<u>KC10 - KA10</u>"; "LB12=<u>LC12 - LA12</u>"; "LB14=<u>LC14 - LA14</u>"; "MG2=<u>MH2 - MF2</u>"; "MG4=<u>MH4 - MF4</u>"; "NK33=<u>NK34 - NK32</u>"; "NN33=<u>NN34 - NN32</u>".

73. Description of cell AD21: "AD21 = <u>AC21/AB21</u>"

74. Description of cell CB1:CB14: "The sum of the total insured per each of <u>14</u> EEA regions: …"

S.28.01.

75. Description of cell A18: "…A18 = (0.05<u>*</u>B19) - (0.088*B20) + (0.005*B21) + (0.029*B22) + (0.001*C23)".

S.28.02.

76. Description of cell B18: "…B18 = (0.05<u>*</u>D19) - (0.088*D20) + (0.005*D21) + (0.029*D22) + (0.001*E23)"

77. Description of cell C18: "…C18 = (0.05<u>*</u>F19) - (0.088*F20) + (0.005*F21) + (0.029*F22) + (0.001*G23)".

S.32.01.

78. Description of cell D1: "…12. Special purpose vehicle other <u>than</u> special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC…".

79. Description of cell U1: "… 3.Consolidation/<u>adjusted </u>equity method… 8. No inclusion into the Solvency II consolidated data as defined in Article <u>214…</u>".

S.34.01.

80. Description of cell B1: "… For Mixed activity<u> insurance</u> holding company: Non…".

Technical Annex VI

81. Formula CAS 78: "S.23.01.b.A20 = S.02.01.b.L27<u>-S.23.01.b.</u>B24-S.23.01.b.B25<u> -</u> S.23.01.b.B27-S.23.01.b.B502-S.23.01.b.A503+ S.02.01.b.L26".