

S.25.02 – Solvency Capital Requirement – for undertakings using the standard formula and partial internal model

General comments:

This section relates to opening and 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 by ring–fenced fund, matching adjustment portfolio and the remaining part for every undertaking under a 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. This template shall be reported for all sub–funds of a material RFF/MAP as identified in the second table of S.01.03.

For those undertakings under a partial internal model to which the adjustment due to the aggregation of the nSCR of RFF/MAP is applicable, where the entity has MAP or RFF (except those under the scope of Article 304 of Directive 2009/138/EC) when reporting at the level of the whole undertaking, the nSCR at risk module level and the loss–absorbing capacity (LAC) of technical provisions and deferred taxes to be reported shall be calculated as follows:

- Where the undertaking applies the full adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level: the nSCR is calculated as if no RFF and the LAC shall be calculated as the sum of the LAC across all RFF/MAP and remaining part;
- Where the undertaking applies the Simplification at risk sub–module level to aggregate the nSCR of the RFF/MAP at entity level the the nSCR and LAC are calculated considering a direct summation at sub–module level method,
- Where the undertaking applies the Simplification at risk module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at module level method.

The adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level shall be allocated (C0060) to the relevant risk modules (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non–life underwriting risk) when calculated according to the standard formula. The amount to be allocated to each relevant risk module shall be calculated as follows:

- Calculation of “q factor” = $\frac{adjustment}{BSCR' - nSCR_{int}}$, where
 - o *adjustment* = Adjustment calculated according to one of the three methods referred above
 - o *BSCR'* = Basic solvency capital requirement calculated according the information reported in this template
 - o *nSCR_{int}* = nSCR for intangible assets risk according to the information reported in this template
- Multiplication of this “q factor” by the nSCR of each relevant risk module (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non–life underwriting risk)

	ITEM	INSTRUCTIONS
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	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.
C0010	Unique number of component	<p>Unique number of each component agreed with their national supervisory authority to identify uniquely components from their model. This number shall always be used with the appropriate component description reported in each item. Where the partial internal model allow the same split by risk module as the one in the standard formula, the following numbers of components shall be used:</p> <ul style="list-style-type: none"> – 1 – Market risk – 2 – Counterparty default risk – 3 – Life underwriting risk – 4 – Health underwriting risk – 5 – Non-life underwriting risk – 6 – Intangible asset risk – 7 – Operational risk – 8 – LAC Technical Provisions (negative amount) – 9 – LAC Deferred Taxes (negative amount) <p>Where standard formula risk modules cannot be reported, undertaking shall attribute a number to each component different from 1 to 7.</p> <p>This number shall always be used with the appropriate component description reported in each item C0030. The numbers of the components shall be kept consistent over time.</p>
C0020	Components description	<p>Identification, using free text, of each of the components that can be identified by the undertaking. These components shall be aligned with standard formula risk modules if possible according to the partial internal model. 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.</p> <p>Loss-absorbing capacity of technical provisions and/or deferred taxes not embedded within components shall be reported as separated components.</p>
C0030	Calculation of the Solvency Capital Requirement	<p>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.</p> <p>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)</p> <p>For components calculated using the standard formula this cell represents the gross nSCR. For components calculated using the partial internal model, this represents</p>

		<p>the value considering the future management actions which are embedded in the calculation, but not those which are modelled as a separate component.</p> <p>This amount shall fully consider diversification effects according to Article 304 of Directive 2009/138/EC where applicable where applicable.</p> <p>When applicable, this cell does not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level.</p>
C0050	Allocation from adjustments due to RFF and Matching adjustment portfolios	Where applicable, part of the adjustment allocated to each risk module according to the procedure described in the general comments. This amount shall be positive.
C0060	Consideration of the future management actions regarding technical provisions and/or deferred taxes	<p>To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation, the following closed list of options shall be used:</p> <p>1 – Future management actions regarding the loss–absorbing capacity of technical provisions embedded within the component</p> <p>2 – Future management actions regarding the loss–absorbing capacity of deferred taxes embedded within the component</p> <p>3 – Future management actions regarding the loss–absorbing capacity of technical provisions and deferred taxes embedded within the component</p> <p>4 – No embedded consideration of future management actions.</p>
C0070	Amount modelled	For each component this cell represents the amount calculated according to the partial internal model.
R0110/C0100	Total of undiversified components	Sum of all components.
R0060/C0100	Diversification	<p>The total amount of the diversification among components reported in C0030.</p> <p>This amount does not include diversification effects inside each component, which shall be embedded in the values reported in C0030.</p> <p>This amount shall be reported as negative value.</p>
R0120/C0100	Adjustment due to RFF/MAP nSCR aggregation	When applicable, adjustment to correct the bias on SCR calculation due to aggregation of RFF/MAP nSCR at risk module level.
R0160/C0100	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	Amount of the capital requirement, calculated according to the rules stated in article 17 of Directive 2003/41/EC, for ring–fenced funds relating to pension business operated under article 4 of Directive 2003/41/EC to which transitional measures are applied. This item is to be reported only during the transitional period.
R0200/C0100	Solvency capital requirement, excluding capital add–ons	Amount of the total diversified SCR before any capital add–on.
R0210/C0100	Capital add–ons already set	Amount of capital add–ons that had been set at the reporting reference date. It will not include capital add–ons set between that date and the submission of the data to the supervisory authority, nor any set after the submission of the data.

R0220/C0100	Solvency Capital Requirement	Overall capital requirement including capital add-ons
Other information on SCR		
R0300/C0100	Amount/Estimate of the overall loss-absorbing capacity of technical provisions	Amount/Estimate of the overall adjustment for loss-absorbing capacity of technical provisions, including the part embedded in the components and the part reported as a single component. This amount shall be reported as a negative amount.
R0310/C0100	Amount/Estimate of the loss absorbing capacity for deferred taxes	Amount/Estimate of the overall adjustment for loss-absorbing capacity for deferred taxes, including the part embedded in the components and the part reported as a single component. This amount shall be reported as a negative amount.
R0400/C0100	Capital requirement for duration-based equity risk sub-module	Amount of the capital requirement for duration-based equity risk sub-module.
R0410/C0100	Total amount of notional Solvency Capital Requirements for remaining part	Amount of the notional SCRs of remaining part when undertaking has RFF.
R0420/C0100	Total amount of Notional Solvency Capital Requirements for ring fenced funds	Amount of the sum of notional SCRs of all ring-fenced funds when undertaking has RFF (other than those related to business operated in accordance with Article 4 of Directive 2003/41/EC (transitional)).
R0430/C0100	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	Amount of the sum of notional SCRs of all matching adjustment portfolios This item does not have to be reported when reporting SCR calculation at RFF or matching adjustment portfolio level.
R0440/C0100	Diversification effects due to RFF nSCR aggregation for article 304	Amount of the adjustment for a diversification effect between ring fenced funds under Article 304 of Directive 2009/138/EC and the remaining part where applicable. It shall be equal to the difference between the sum of the nSCR for each RFF/MAP/RP and the SCR reported in R0200/C0100.
R0450/C0100	Method used to calculate the adjustment due to RFF nSCR aggregation	Method used to calculate the adjustment due to RFF nSCR aggregation. One of the following option shall be used: 1 – Full recalculation 2 – Simplification at risk sub-module level 3 – Simplification at risk module level 4 – No adjustment When the undertaking has no RFF (or have only RFF under Article 304 of Directive 2009/138/EC) it shall select option 4.
R0460/C0100	Net future discretionary benefits	Amount of technical provisions without risk margin in relation to future discretionary benefits net of reinsurance.