

S.25.05 – Solvency Capital Requirement - for undertakings using an internal model (partial or full)

General comments:

This section relates to annual submission of information for individual entities, ring-fenced funds, matching adjustment portfolios and remaining part when an internal model is used for the calculation of the Solvency Capital Requirement.

This template shall be reported based on availability according to the internal model architecture and risk profile when possible with reasonable effort. The data to be reported shall be agreed between national supervisory authorities and insurance and reinsurance undertakings.

The purpose of this template is to collect data on an aggregate level and show diversification benefits between separate risk modules. All values should be reported before any tax effects unless otherwise stated.

Partial internal models:

All rows for C0010 refer to the 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.

For the components Loss absorbing capacity of technical provisions and/or deferred taxes when reported as a separate component it should be the amount of the loss-absorbing capacity (these amounts should be reported as negative values).

For components calculated using the standard formula this cell represents the gross 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.

These amounts shall fully consider diversification effects according to Article 304 of Directive 2009/138/EC where applicable.

When applicable, these cells do not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level.

Template SR.25.05 shall be reported by ring-fenced fund, matching adjustment portfolio and the remaining part for every undertaking under an internal model. For partial internal models, 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 should 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 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 (C0050) 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 to 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)

Full internal models:

Template SR.25.05 has to be filled in for each ring-fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part for every undertaking under a full internal model. However, where a RFF/MAP includes a MAP/RFF 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.

CODE	ITEM	INSTRUCTIONS
Aggregation		
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. When item Z0020 = 2, then report "0"
C0010/R0020	Total diversification	Amount of the diversification effects between risk modules. This amount should be reported as a negative value.
C0010/R0030	Total diversified risk before tax	Amount of diversified capital charges before tax. Same as S.26.08.01 C0010/R0030.
C0010/R0040	Total diversified risk after tax	Amount of diversified capital charges after tax. Same as S.26.08.01 C0010/R0040.
C0010/R0070	Total market & credit risk	Sum of the respective following values from C0020 of S.26.09.01: <ul style="list-style-type: none"> - Interest rate risk diversified (R0050) - Inflation risk (R0080) - Equity risk diversified (R0100) - Property risk (R0130) - Currency risk (R0140) - Credit risk sum (R0150) Same as S.26.08.01 C0010/R0070.
C0010/R0080	Market & Credit risk - diversified	Same as S.26.08.01 C0010/R0080.
C0010/R0190	Credit event risk not covered in market & credit risk	Same as S.26.08.01 C0010/R0190.
C0010/R0200	Credit event risk not covered in market & credit risk - diversified	Same as S.26.08.01 C0010/R0200.
C0010/R0270	Total Business risk	Same as S.26.08.01 C0010/R0270.
C0010/R0280	Total Business risk - diversified	Same as S.26.08.01 C0010/R0280.
C0010/R0310	Total Net Non-life underwriting risk	Same as S.26.08.01 C0010/R0310.

C0010/R0320	Total Net Non-life underwriting risk - diversified	Same as S.26.08.01 C0010/R0320.
C0010/R0400	Total Life & Health underwriting risk	Same as S.26.08.01 C0010/R0400.
C0010/R0410	Total Life & Health underwriting risk - diversified	Same as S.26.08.01 C0010/R0410.
C0010/R0480	Total Operational risk	Same as S.26.08.01 C0010/R0480.
C0010/R0490	Total Operational risk - diversified	Same as S.26.08.01 C0010/R0490.
C0010/R0500	Other risk	Same as S.26.08.01 C0010/R0500.
C0050/R0020-R0530	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/R0020-R0530	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> <ol style="list-style-type: none"> 1 - Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component 2 - Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component 3 - Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component 4 - No embedded consideration of future management actions.
C0070/R0020-R0530	Amount modelled	For each component this cell represents the amount calculated according to the partial internal model.

R0110/C0100	Total 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 should be reported as negative value.</p>
R0120/C0100	Adjustment due to RFF/MAP nSCR aggregation	<p>When applicable, adjustment to correct the bias on SCR calculation due to aggregation of RFF/MAP nSCR at risk module level.</p> <p>Applicable only for partial internal models.</p>
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 Art. 17 of Directive 2003/41/EC, for ring-fenced funds relating to pension business operated under Art. 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-on set by the NSA by the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.
R0211/C0100	of which, capital add-ons already set – Article 37 (1) Type a	Amount of capital add-on set by the NSA by the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.
R0212/C0100	of which, capital add-ons already set - Article 37 (1) Type b	Amount of capital add-on set by the NSA by the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.

R0213/C0100	of which, capital add-ons already set - Article 37 (1) Type c	Amount of capital add-on set by the NSA by the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.
R0214/C0100	of which, capital add-ons already set - Article 37 (1) Type d	Amount of capital add-on that set by the NSA by the reporting reference date. It does not include capital add-ons set between that date and the submission of the data to the supervisory authority.
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 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. Applicable only for partial internal models.
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	Amount of the sum of notional SCRs of all matching adjustment portfolios

	Capital Requirements for 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 options 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. Applicable only for partial internal models.
R0460/C0100	Net future discretionary benefits	Amount of technical provisions without risk margin in relation to future discretionary benefits net of reinsurance.
<i>Approach to tax rate if calculated under the standard formula</i>		
R0590/C0109	Approach based on average tax rate	One of the options in the following closed list shall be used: 1 – Yes 2 – No 3 – Not applicable as the adjustment for the loss-absorbing capacity of deferred taxes (LAC DT) is not used (in this case R0600 to R0690 are not applicable) See EIOPA Guidelines on loss-absorbing capacity of technical provisions and deferred taxes.

<i>Calculation of adjustment for loss-absorbing capacity of deferred taxes if calculated under the standard formula</i>		
R0600/C0110	DTA Before the shock	Total amount of the Deferred Tax Assets (DTA) in the balance-sheet using Solvency II valuation before the instantaneous loss described in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35. The DTA amount of this cell shall be consistent with the value in the cell R0040/C0010 in S.02.01.
R0600/C0120	DTA After the shock	Total amount/estimate of the Deferred Tax Assets (DTA) if a balance-sheet using Solvency II valuation was set up after the instantaneous loss, as provided for in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35. This cell shall be left blank where R0590/C0109 is filled with '1-Yes'.
R0610/C0110	DTA carry forward - Before the shock	Amount of deferred tax assets (DTA) in the balance-sheet using Solvency II valuation due to carry forward of previous losses or tax deductions before the instantaneous loss described in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35.
R0610/C0120	DTA carry forward - After the shock	Amount/estimate of deferred tax assets (DTA) due to carry forward of previous losses or tax deductions if a balance-sheet using Solvency II valuation was set up after the instantaneous loss, as provided for in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35. This cell shall be left blank where R0590/C0109 is filled with '1-Yes'.
R0620/C0110	DTA due to deductible temporary differences - Before the shock	Amount of deferred tax assets (DTA) in the balance-sheet using Solvency II valuation due to differences between the Solvency II valuation of an asset or liability and its tax base before the instantaneous loss described in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35.
R0620/C0120	DTA due to deductible temporary differences - After the shock	Amount/estimate of deferred tax assets (DTA) due to differences between the Solvency II valuation of an asset or liability and its tax base if a balance-sheet using Solvency II valuation was set up after the instantaneous loss, as provided for in Article 207(1) and (2)

		of Delegated Regulation (EU) 2015/35. This cell shall be left blank where R0590/C0109 is filled with '1-Yes'.
R0630/C0110	DTL - Before the shock	Amount of Deferred Tax Liabilities (DTL) in balance-sheet using Solvency II valuation before the instantaneous loss described in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35. The DTL amount of this cell shall be consistent with the value in the cell R0780/C0010 in S.02.01.
R0630/C0120	DTL - After the shock	Amount/estimate of Deferred Tax Liabilities (DTL) if a balance-sheet using Solvency II valuation was set up after the instantaneous loss, as provided for in Article 207(1) and (2) of Delegated Regulation (EU) 2015/35. This cell shall be left blank in case of an average tax rate approach and where R0590/C0109 is filled with '1-Yes'.
R0640/C0130	Amount/estimate of LAC DT	Amount/estimate of loss-absorbing capacity of deferred taxes, calculated in accordance with Article 207 of Delegated Regulation (EU) 2015/35. The LAC amount of this cell shall be the same as the value in the cell R0310/C0100 in S.25.05.01.
R0650/C0130	Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	Amount/estimate of loss-absorbing capacity of deferred taxes, calculated in accordance with Article 207 of Delegated Regulation (EU) 2015/35, justified by reversion of deferred tax liabilities.
R0660/C0130	Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	Amount/estimate of loss-absorbing capacity of deferred taxes, calculated in accordance with Article 207 of Delegated Regulation (EU) 2015/35, justified by reference to probable future taxable economic profit.
R0670/C0130	Amount/estimate of LAC DT justified by carry back, current year	Amount/estimate of loss-absorbing capacity of deferred taxes, calculated in accordance with Article 207 of Delegated Regulation (EU) 2015/35, justified by profits from past years. Amount of the losses allocated to the next year.

R0680/C0130	Amount/estimate of LAC DT justified by carry back, future years	Amount/estimate of loss-absorbing capacity of deferred taxes, calculated in accordance with Article 207 of Delegated Regulation (EU) 2015/35, justified by profits from past years Amount of losses allocated to the years after next year.
R0690/C0130	Amount/estimate of Maximum LAC DT	Maximum amount of loss-absorbing capacity of deferred taxes that could be available, before the assessment whether the increase in net deferred tax assets can be used for the purposes of the adjustment, as provided for in Article 207(2) of Delegated Regulation (EU) 2015/35.



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