



EIOPA-CP-14/052

27 November 2014

Consultation Paper

on

the proposal for draft

Implementing Technical Standards

on

the templates for the submission of

information to the supervisory

authorities

Table of contents

Responding to this paper	3
Consultation Paper Overview & Next Steps	4
1. Draft Technical Standard.....	5
Annex I: Impact Assessment.....	40

Responding to this paper

EIOPA welcomes comments on the Consultation Paper on the proposal for draft Implementing Technical Standards on the templates for the submission of information to the supervisory authorities.

Comments are most helpful if they:

- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Please send your comments to EIOPA in the provided Template for Comments, by email Consultation_Set2@eiopa.europa.eu, by 2 March 2015.

Contributions not provided in the template for comments, or sent to a different email address, or after the deadline will not be processed.

Publication of responses

Contributions received will be published on EIOPA's public website unless you request otherwise in the respective field in the template for comments. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on public access to documents¹.

Contributions will be made available at the end of the public consultation period.

Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. They will only be used to request clarifications if necessary on the information supplied.

EIOPA, as a European Authority, will process any personal data in line with Regulation (EC) No 45/2001 on the protection of the individuals with regards to the processing of personal data by the Community institutions and bodies and on the free movement of such data. More information on data protection can be found at <https://eiopa.europa.eu/> under the heading 'Legal notice'.

¹ [https://eiopa.europa.eu/fileadmin/tx_dam/files/aboutceiops/Public-Access-\(EIOPA-MB-11-051\).pdf](https://eiopa.europa.eu/fileadmin/tx_dam/files/aboutceiops/Public-Access-(EIOPA-MB-11-051).pdf)

Consultation Paper Overview & Next Steps

EIOPA carries out consultations in the case of draft Implementing Technical Standards in accordance to Article 15 of the EIOPA Regulation.

This Consultation Paper presents the draft Implementing Technical Standards.

The analysis of the expected impact from the proposed policy is covered under Annex I Impact Assessment.

Next steps

EIOPA will consider the feedback received and will publish a Final Report on the consultation. The final Guidelines will be submitted for adoption to the Board of Supervisors.

1. Draft Technical Standard



EUROPEAN COMMISSION

Brussels, 29.6.2011
C(20..) yyy final

COMMISSION DELEGATED REGULATION (EU) No .../..

of []

**COMMISSION IMPLEMENTING REGULATION (EU) No .../... laying down
implementing technical standards with regard to the templates for the submission of
information to the supervisory authorities according to Directive 2009/138/EC of the
European Parliament and of the Council**

of []

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2009/138/EC of 25 November 2009 of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)² and in particular Article 35(10), 244 (6) and 245 (6) thereof,

Whereas:

- (1) This Regulation determines the templates for the submission of information to the supervisory authorities referred to in Article 35(1) and (2) of Directive 2009/138/EC for individual insurance and reinsurance undertakings and in Article 244(2) and in Article 245(2) of Directive 2009/138/EC for groups.
- (2) Proportionate reporting rules have been introduced where appropriate in order to balance the need for information with the risks assumed by the insurance and reinsurance undertakings or by groups.

² OJ L 335, 17.12.2009, p.1.

- (3) A proper level of granularity of the information to be submitted is crucial for a proper implementation of a risk-based supervisory review process. Insurance and reinsurance undertakings and groups need to submit the information which is applicable for their business.
- (4) The harmonisation of the templates to be used when submitting information to supervisory authorities is an essential instrument to promote supervisory convergence. For this reason it is vital that the information to be reported pursuant to Directive 2009/138/EC is submitted using the templates as determined by this Regulation.
- (5) This Regulation does not cover ad-hoc submissions, but supervisory authorities may require that ad-hoc information is submitted through the templates thereof.
- (6) The provisions in this Regulation are closely linked to each other, since they deal with submission of information from insurance and reinsurance undertakings and groups to the supervisory authorities. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, including investors that are non-Union residents, it is desirable to include all the implementing technical standards required by Article 35(10), 244(6) and 245(6) of Directive 2009/138/EC in a single Regulation.
- (7) This Regulation is based on the draft implementing technical standards submitted by the European Insurance and Occupational Pensions Authority to the Commission.
- (8) The European Insurance and Occupational Pensions Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Insurance Stakeholder Group established in accordance with Article 37 of Implementing Measures 1094/2010.

HAS ADOPTED THIS REGULATION:

Section I - General supervisory reporting requirements

Article 1 **Definitions**

For the purposes of this Regulation the following definitions apply:

- (1) “Solvency II reporting currency” is the currency of the country of the supervisory authority receiving the information, unless otherwise allowed by the supervisory authority;

Article 2 **Supervisory reporting formats**

- (1) The insurance and reinsurance undertakings, the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall submit the information referred to in this Regulation in the data exchange formats and

representations determined by the supervisory authorities or group supervisor and respecting the following specifications:

- a. Data points with the data type ‘monetary’ shall be expressed in units with at least two decimals;
- b. Data points with the data type ‘percentage’ shall be expressed as per unit with at least four decimals;
- c. Data points with the data type ‘integer’ shall be expressed in units with no decimals.

Article 3
Currency

- (1) Data points with the data type ‘monetary’ shall be reported in the Solvency II reporting currency, which requires converting of other currencies into the Solvency II reporting currency.
- (2) The value of any asset or the amount of any liability denominated in a currency other than the Solvency II reporting currency shall be expressed in the Solvency II reporting currency as if conversion had taken place at the closing rate on the last day for which the appropriate rate is available in the reporting period to which the asset or liability relates.
- (3) The amount of any income or expense shall be expressed in the Solvency II reporting currency using such basis of conversion as used in accounting basis.
- (4) The conversion into the Solvency II reporting currency as referred to in paragraph 1 and 2 shall be calculated by applying the exchange rate reported by the European Central Bank or the relevant national central bank.

Article 4
Re-submission of data

- (1) The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor.

Section II – Individual quantitative reporting templates

Article 5
Content of individual quantitative reporting templates for the opening information

- (1) Insurance and reinsurance undertakings shall submit to the supervisory authorities according to Article 314 of the Implementing Measures on an individual basis the following information, where applicable:
 - a. Content of the submission detailing the information submitted, as specified in template S.01.01.s of Annex I, according to the instructions in S.01.01.s of Annex II;
 - b. Basic information on:

- i. the Insurance and reinsurance undertaking and the content of the reporting in general, as specified in template S.01.02.s of Annex I, according to the instructions in S.01.02.s of Annex II;
 - ii. Ring-fenced funds and matching adjustment portfolios, as specified in template S.01.03.s of Annex I, according to the instructions in S.01.03.s of Annex II;
- c. Balance-Sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to the solvency regime previously in place, as specified in template S.02.01.s of Annex I, according to the instructions in S.02.01.s of Annex II;
- d. Information on own funds as specified in template S.23.01.s of Annex I, according to the instructions in S.23.01.s of Annex II;
- e. Information on the solvency capital requirement calculated using:
 - i. the standard formula, as specified in template S.25.01.s of Annex I, according to the instructions in S.25.01.s of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.s of Annex I, according to the instructions in S.25.02.s of Annex II;
 - iii. A full internal model, as specified in template S.25.03.s of Annex I, according to the instructions in S.25.03.s of Annex II;
- f. Information on the minimum capital requirement for all insurance and reinsurance undertakings that pursue:
 - i. Only life or non-life activity, as specified in template S.28.01.s of Annex I, according to the instructions in S.28.01.s of Annex II;
 - ii. Both life and non-life insurance activity, as specified in template S.28.02.s of Annex I, according to the instructions in S.28.02.s of Annex II.

Article 6

Content of quarterly reporting templates for individual undertakings

- (1) Insurance and reinsurance undertakings shall, unless the scope or frequency of the reporting obligation is limited under Article 35(6) of Directive 2009/138/EC, quarterly submit to the supervisory authorities according to Article 304 (1)(d) of the Implementing Measures on an individual basis the following information, where applicable:
- a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.a of Annex I, according to the instructions in S.01.01.a of Annex II;
 - b. Basic information detailing information on the undertaking and the content of the reporting in general, as specified in template S.01.02.a of Annex I, according to the instructions in S.01.02.a of Annex II;

- c. Balance-Sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC as specified in template S.02.01.a of Annex I, according to the instructions in S.02.01.a of Annex II;
- d. Information on premiums, claims and expenses using the valuation and recognition principles used in undertaking's financial statements as specified in template S.05.01.a of Annex I, according to the instructions in S.05.01.a of Annex II, regarding each line of business as defined in Annex 1 of the Implementing Measures;
- e. Information on premiums, claims and expenses by country using the valuation and recognition principles used in undertaking's financial statements, as specified in template S.05.02.a of Annex I, according to the instructions in S.05.02.a of Annex II, and considering the following specifications:
 - i. The countries with the highest amount of gross written premiums shall be reported;
 - ii. Information reported by country shall be completed for the five most significant countries in addition to the home country or until reaching 90% of the gross written premiums;
 - iii. For the direct business for the lines of business “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” information shall be reported by country where the risk is situated as defined in Article 13(13) of Directive 2009/138/EC ;
 - iv. For direct business for all other lines of business not referred in subparagraph ii. information shall be reported by country where the contract was entered into;
 - v. For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.
- f. Item-by-item list of assets as specified in template S.06.02.a of Annex I, according to the instructions in S.06.02.a of Annex II and considering the following specifications:
 - i. Investments classifiable as asset categories 0 to 9 as defined in Annex III - Asset Categories shall be reported line-by-line with the following exceptions:
 - a) Cash shall be reported in one line for each currency;
 - b) Transferable deposits (cash equivalents) and other deposits with maturity of less than or equal to one year shall be reported split by currency for each bank;
 - c) Mortgages and loans to individuals, including loans on policies, shall be reported in two lines, one line regarding loans to administrative, management and supervisory body and another regarding loans to other natural persons;
 - d) Deposit to cedants shall be reported in one single line;

- e) Plant and equipment for the own use of the undertaking shall be reported in one single line.
- ii. Insurance and reinsurance undertakings shall use the Complementary Identification Code (CIC) as set out in Annex IV and defined in Annex V ;
- iii. Unless otherwise stated, each asset shall be reported separately in as many lines as needed in order to properly fill in all variables requested.
- g. Information on the look-through of all collective investments undertakings held as specified in template S.06.03.a of Annex I, according to the instructions in S.06.03.a of Annex II: only when the ratio of collective investments undertakings held by the undertaking to total investments, measured as the ratio between cell C0010/R0180 of S.02.01.a plus collective investments undertakings included in cell C0010/R0220 of S.02.01.a and the sum of cell C0010/R0070 and C0010/RC0220 of S.02.01.a, is higher than 30%.
- h. Item-by-item list of open positions of derivatives data as specified in template S.08.01.a of Annex I, according to the instructions in S.08.01.a of Annex II and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III - Assets Categories of this Regulation shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.
- i. Item-by-item list of transactions of derivatives as specified in template S.08.02.a of Annex I, according to the instructions in S.08.02.a of Annex II and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III - Asset Categories of this Regulation shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were closed or reduced prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.
- j. Information on Life and Health SLT Technical Provisions, as specified in template S.12.01.a of Annex I, according to the instructions in S.12.01.a of Annex II, regarding each line of business as defined in Annex I of the Implementing Measures;

- k. Information on Non-Life Technical Provisions, as specified in template S.17.01.a of Annex I, according to the instructions in S.17.01.a of Annex II regarding each line of business as defined in Annex I of the Implementing Measures;
- l. Information on own funds as specified in template S.23.01.a of Annex I, according to the instructions in S.23.01.a of Annex II;
- m. Information on the minimum capital requirement for all insurance and reinsurance undertakings that pursue:
 - i. Only life or only non-life activity, as specified in template S.28.01.a of Annex I, according to the instructions in S.28.01.a of Annex II;
 - ii. Both life and non-life insurance activity, as specified in template S.28.02.a of Annex I, according to the instructions in S.28.02.a of Annex II.

Article 7

Simplifications allowed on quarterly reporting for individual undertakings

- (1) When submitting the information referred to in paragraph c) of the previous article insurance and reinsurance undertakings may apply proportionality and materiality principles. In making assessments of materiality, it may be recognised that quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting shall be designed to ensure that the resulting information is reliable and complies with the Solvency II standards and that all material information that is relevant for the understanding of the data is reported.
- (2) When submitting the information referred to in paragraphs j) and k) of the previous article insurance and reinsurance undertakings may apply simplified methods in the calculation of the technical provisions.

Article 8

Content of annual quantitative templates for individual undertakings

- (1) Insurance and reinsurance undertakings shall, unless exempted under Article 35(7) of Directive 2009/138/EC in relation to a specific template, annually submit to the supervisory authorities according to Article 304 (1)(d) of the Implementing Measures on an individual basis and for the entity as a whole the following information, where applicable:
 - a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.b of Annex I, according to the instructions in S.01.01.b of Annex II;
 - b. Basic information on:
 - i. the undertaking and the content of the reporting in general, as specified in template S.01.02.b of Annex I, according to the instructions in S.01.02.b of Annex II;
 - ii. the ring fenced funds and matching adjustment portfolios, as specified in template S.01.03.b of Annex I, according to the instructions in S.01.03.b of Annex II;

- c. Balance-Sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to undertaking's statutory accounts, as specified in template S.02.01.b of Annex I, according to the instructions in S.02.01.b of Annex II;
- d. Assets and liabilities by currency, as specified in template S.02.02.b of Annex I, according to the instructions in S.02.02.b of Annex II and considering the following specifications:
 - i. This template shall not be submitted if the Solvency II reporting currency represents more than 90% of assets and liabilities;
 - ii. If the template is submitted, information on the home country shall be always reported regardless of the amount of assets and liabilities;
 - iii. Information reported by country shall at least represent 90% of the total assets and liabilities;
 - iv. The information not reported by country shall be reported as a sum.
- e. General information on off-balance sheet items, as specified in template S.03.01.b of Annex I, according to the instructions in S.03.01.b of Annex II;
- f. List of off-balance sheet unlimited guarantees received, as specified in template S.03.02.b of Annex I, according to the instructions in S.03.02.b of Annex II;
- g. List of off-balance sheet unlimited guarantees provided, as specified in template S.03.03.b of Annex I, according to the instructions in S.03.03.b of Annex II;
- h. Information on activity by country, including EEA and non-EEA, as specified in template S.04.01.b of Annex I, according to the instructions in S.04.01.b of Annex II, applying the recognition principles used in undertaking's statutory accounts, regarding each line of business as defined in Annex I of the Implementing Measures and considering the following specifications:
 - i. When the insurance and reinsurance undertaking has business outside the home-country information shall be reported distinguishing between the home country, each of the other countries belonging to the EEA and non-EEA countries;
 - ii. The information in relation to EEA countries shall cover the following:
 - (1) Business underwritten by the undertaking in the country where it is established;
 - (2) Business underwritten by the undertaking under freedom to provide services in other EEA members;
 - (3) Business underwritten by each EEA branch in the country where they are established;
 - (4) Business underwritten by each EEA branch under freedom to provide services in other EEA members;

- (5) Business written in each country under freedom to provide services by the undertaking or any of the undertaking's EEA branches;
- iii. The information on non-EEA countries shall be reported when needed to report at least 90% of the premiums or if premiums of a non-EEA country are higher than 5% of the total premiums written;
 - iv. The information not reported by non-EEA country shall be reported as a sum.
- i. Information on class 10 in Part A of Annex I of Directive 2009/138/EC , excluding carrier's liability, as specified in template S.04.02.b of Annex I, according to the instructions in S.04.02.b of Annex II;
 - j. Information on premiums, claims and expenses as specified in template S.05.01.b of Annex I, applying the valuation and recognition principles used in undertaking's financial statements, according to the instructions in S.05.01.b of Annex II, regarding each line of business as defined in Annex I of the Implementing Measures;
 - k. Information on premiums, claims and expenses by country, as specified in template S.05.02.b of Annex I, applying the valuation and recognition principles used in undertaking's financial statements, according to the instructions in S.05.02.b of Annex II, considering the following specifications:
 - i. The countries with the highest amount of gross written premiums shall be reported;
 - ii. Information reported by country shall be completed for the five most significant countries in addition to the home country or until reaching 90% of the gross written premiums;
 - iii. For the direct business for the lines of business “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” information shall be reported by country where the risk is situated as defined in Article 13(13) of Directive 2009/138/EC ;
 - iv. For direct business for all other lines of business not referred in subparagraph i. information shall be reported by country where the contract was entered into;
 - v. For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.
 - l. Summary information of assets, only for the insurance and reinsurance undertakings exempted from the annual submission of item-by-item information in accordance with Article 35(7) of Directive 2009/138/EC , as specified in template S.06.01.b, according to the instructions in S.06.01.b of Annex II;
 - m. Item-by-item list of assets as specified in template S.06.02.b of Annex I, according to the instructions in S.06.02.b of Annex II, where the insurance and reinsurance undertakings are exempted from reporting the template S.06.02.a in relation to the

last quarter in accordance with Article 35(6) of Directive 2009/138/EC , and considering the following specifications:

- i. Investments classifiable as asset categories 1 to 9 as defined in Annex III - Asset Categories of this Regulation shall be reported line-by-line with the following exceptions:
 - i. Cash shall be reported in one line for each currency;
 - ii. Transferable deposits (cash equivalents) and other deposits with maturity of less than or equal to one year shall be reported split by currency for each bank;
 - iii. Mortgages and loans to individuals, including loans on policies, shall be reported in two lines, one line regarding loans to administrative, management and supervisory body and another regarding loans to other natural persons;
 - iv. Deposits to cedants shall be reported in one single line;
 - v. Plant and equipment for the own use of the undertaking shall be reported in one single line.
 - vi. Insurance and reinsurance undertakings shall use the Complementary Identification Code (CIC) as set out in Annex IV and defined in Annex V;
 - vii. Unless otherwise stated, each asset shall be reported separately in as many lines as needed in order to properly fill in all variables requested.
- n. Information on the look-through of all collective investments undertakings held as specified in template S.06.03.b of Annex I, according to the instructions in S.06.03.b of Annex II, where the insurance and reinsurance undertakings are exempted from reporting the template S.06.03.a in relation to the last quarter in accordance with Article 35(6) of Directive 2009/138/EC or have not reported it in accordance to the quarterly threshold.
- o. Item-by-item structured products data, as specified in template S.07.01.b of Annex I, according to the instructions in S.07.01.b of Annex II, only when the amount of structured products, measured as the ratio between assets classified as asset categories 5 (Structured notes) and 6 (Collateralised securities) as defined in Annex V and the sum of item C0010/R0070 and C0010/RC0220 of S.02.01.b, is higher than 5%.
- p. Item-by-item list of open positions of derivatives data as specified in template S.08.01.b of Annex I, according to the instructions in S.08.01.b of Annex II, where the insurance and reinsurance undertakings are exempted from reporting the template S.08.01.a in relation to the last quarter, in accordance with Article 35(6) of Directive 2009/138/EC , and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III - Asset Categories of this Regulation shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;

- iii. Information shall include all derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.
- q. Item-by-item list of transactions of derivatives as specified in template S.08.02.b of Annex I, according to the instructions in S.08.02.b of Annex II, where the insurance and reinsurance undertakings are exempted from reporting the template S.08.02.a in relation to the last quarter, in accordance with Article 35(6) of Directive 2009/138/EC, and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were closed or reduced prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.
- r. Information on income/gains and losses in the period as specified in template S.09.01.b of Annex I, according to the instructions in S.09.01.b of Annex II, by asset category as defined in Annex III;
- s. Item-by-item securities lending and repurchase agreements data on and off balance sheet, as specified in template S.10.01.b of Annex I, according to the instructions in S.10.01.b of Annex II and considering the following specifications:
 - i. Information shall be reported only when the value of the underlying securities, on and off balance sheet, involved in lending or repurchase agreements, for contracts with maturity date falling after the reporting reference date represent more than 5% of the total investments as reported in C0010/R0070 and C0010/RC0220 of S.02.01.b;
 - ii. The information shall include all contracts in the reporting period regardless of whether they were open or closed at the reporting date. For contracts which are part of a roll-over strategy, where they substantially are the same transaction, only open positions shall be reported;
 - iii. Each contract shall be reported separately in as many lines as needed in order to properly fill in all items requested. If for one item one option fits one part of the instrument being reported and a different option fits the other part then the contract needs to be unbundled unless is stated otherwise in the instructions.
- t. Item-by-item list of assets held as collateral, as specified in template S.11.01.b of Annex I, according to the instructions in S.11.01.b of Annex II, consisting of all types of off-balance sheet asset categories held as collateral.

- u. Information on Life and Health SLT Technical Provisions, as specified in template S.12.01.b of Annex I, according to the instructions in S.12.01.b of Annex II, by lines of business as defined in Annex I of the Implementing Measures.
- v. Information on Life and Health SLT Technical Provisions by country, as specified in template S.12.02.b of Annex I, according to the instructions in S.12.02.b of Annex II and considering the following specifications:
 - i. Information on the home country shall be always reported regardless of the amount of technical provisions calculated as a whole and gross best estimate;
 - ii. Information reported by country shall at least represent 90% of the technical provisions calculated as a whole and gross best estimate of any line of business;
 - iii. If a specific country has to be reported for a particular line of business to comply with sub-paragraph ii) then that country shall be reported for all lines of business;
 - iv. The other countries shall be reported aggregated in “other-EEA” or “other-non EEA”
 - v. For direct business information shall be reported by country where the contract was entered into;
 - vi. For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.
- w. Information on the life best estimate by country and currency, as specified in template S.12.03.b of Annex I, according to the instructions in S.12.03.b of Annex II;
- x. Projection of best estimate future cash flows of life business as specified in template S.13.01.b of Annex I, according to the instructions in S.13.01.b of Annex II and considering the following specifications:
 - i. The cash flows shall be reported gross of reinsurance and undiscounted;
 - ii. All cash flows expressed in different currencies shall be considered and converted in the Solvency II reporting currency;
 - iii. In case the insurance and reinsurance undertaking uses simplifications for the calculation of technical provisions, for which an estimate of the expected future cash-flows arising from the contracts are not calculated, the information shall be reported only in those cases where more than 10% of technical provisions have a settlement period longer than 24 months.
- y. Life obligations analysis, including life insurance contracts and annuities stemming from non-life contracts, by product and by homogeneous risk group issued by the undertaking, as specified in template S.14.01.b of Annex I, according to the instructions in S.14.01.b of Annex II.

- z. Information on description of the guarantees of variable annuities by product issued by the undertaking under direct business, as specified in template S.15.01.b of Annex I, according to the instructions in S.15.01.b of Annex II. If variable annuities policies are split between two insurance undertakings the insurance undertaking responsible for the guarantee shall be the one reporting this information.
- aa. Information on the hedging of guarantees of variable Annuities, by product issued by the undertaking under direct business, as specified in template S.15.02.b of Annex I, according to the instructions in S.15.02.b of Annex II. If variable annuities policies are split between two insurance undertakings the insurance undertaking responsible for the guarantee shall be the one reporting this information.
- bb. Information on annuities stemming from Non-Life insurance obligations issued by the undertaking under direct business, as specified in template S.16.01.b of Annex I, according to the instructions in S.16.01.b of Annex II, regarding all lines of business originating annuities as defined in Annex I of the Implementing Measures and additionally by currency considering the following specifications:
 - i. The information shall be reported on the basis of accident year or underwriting year, depending on approach used by each undertaking for the specific line of business unless otherwise specified;
 - ii. If the best estimate for the annuity claims provisions on a discounted basis from one non-life line of business represents less than 3% of the total best estimate for all annuity claims provisions no currency split is required;
 - iii. If the best estimate for the annuity claims provisions on a discounted basis from one non-life line of business represents more than 3% of the total best estimate for all annuity claims provisions the information shall be reported with the following split by currencies:
 - a) Amounts for the Solvency II reporting currency;
 - b) Amounts for any currency that represents more than 25% of the best estimate for the annuity claims provisions on a discounted basis from that non-life line of business; or
 - c) Amounts for any currency that represents less than 25% of the best estimate for the annuity claims provisions (discounted basis) from that non-life line of business but more than 5% of total best estimate for all annuity claims provisions.
 - iv. Historical data starting from the first time application of Directive 2009/138/EC is not required but might be filled in a best effort basis. For the first reporting year only first year need to be reported. In the following years, for each year, information on one additional year shall be submitted up to the limit of 15 years.
- cc. Information on Non-Life Technical Provisions, as specified in template S.17.01.b of Annex I, according to the instructions in S.17.01.b of Annex II by lines of business as defined in Annex I of the Implementing Measures;

- dd. Information on Non-Life Technical Provisions referred to direct business by country, as specified in template S.17.02.b of Annex I, according to the instructions in S.17.02.b of Annex II and considering the following specifications:
- i. Information on the home country shall be always reported regardless of the amount of technical provisions calculated as a whole and gross best estimate;
 - ii. Information reported by country shall at least represent 90% of the technical provisions calculated as a whole and gross best estimate of any line of business;
 - iii. If a specific country have to be reported for a particular line of business to comply with sub-paragraph ii) then that country shall be reported for all lines of business;
 - iv. The other countries shall be reported aggregated in “other-EEA” or “other-non EEA”;
 - v. For the direct business for the lines of business “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” information shall be reported by country where the risk is situated as defined in Article 13(13) of Directive 2009/138/EC;
 - vi. For direct business for all other lines of business not referred in sub-paragraph ii. information shall be reported by country where the contract was entered into.
- ee. Information on the non-life best estimate by country and currency, as specified in template S.17.03.b of Annex I, according to the instructions in S.17.03.b of Annex II;
- ff. Projection of future cash flows based on best estimate of non-life business, as specified in template S.18.01.b of Annex I, according to the instructions in S.18.01.b of Annex II and considering the following specifications:
- i. The cash flows shall be reported gross of reinsurance and undiscounted;
 - ii. All cash flows expressed in different currencies shall be considered and converted in the Solvency II reporting currency;
 - iii. In case the insurance and reinsurance undertaking uses simplifications for the calculation of technical provisions, for which an estimate of the expected future cash-flows arising from the contracts are not calculated, the information shall be reported only in those cases where more than 10% of technical provisions have a settlement period longer than 24 months.
- gg. Information on non-life insurance claims in the format of development triangles, as specified in template S.19.01.b of Annex I, according to the instructions in S.19.01.b of Annex II, regarding the total of each non-life line of business as defined in Annex I of the Implementing Measures and additionally by currency, considering the following specifications:
- i. Information on inflation rates when applicable;

- ii. Information in the format of triangles for:
 - (1) gross claims paid;
 - (2) gross undiscounted best estimate claims provisions;
 - (3) gross reported but not yet settled claims;
 - (4) reinsurance recoverables received;
 - (5) undiscounted best estimate claims provisions - reinsurance recoverables;
 - (6) reinsurance claims reported but not yet settled;
 - (7) net claims paid;
 - (8) net undiscounted best estimate claims provisions;
 - (9) net reported but not yet settled claims.
- iii. The information shall be reported on the basis of accident year or underwriting year, depending on approach used by each undertaking for the specific line of business unless otherwise specified;
- iv. If the total gross best estimate for one non-life line of business represents less than 3% of the total gross best estimate of the claims provision no currency split is required;
- v. If the total gross best estimate for one non-life line of business represents more than 3% of the total gross best estimate of the claims provision the information shall be reported with the following split by currencies:
 - a) Amounts for the Solvency II reporting currency;
 - b) Amounts for any currency that represents more than 25% of the gross best estimate of the claims provisions in the original currency from that non-life line of business; or
 - c) Amounts for any currency that represents less than 25% of the gross best estimate of the claims provisions in the original currency from that non-life line of business but more than 5% of total gross best estimate of the claims provisions in the original currency.
- vi. The direct business and proportional reinsurance accepted of each line of business shall be reported as a single line of business;
- vii. The information shall be reported in the original currency of the contracts unless otherwise specified;
- viii. Information relating to the last 15 years shall be reported by default but with the number of years to be adapted according to the undertakings' claims development used for each line of business;
- ix. Historical data, starting from the first time application of Directive 2009/138/EC , are required for the triangles referred claims paid and

reported but not yet settled claims, as specified in sub-paragraphs ii)1), ii)3), ii)4), ii)6),ii)7) and ii)9).

- hh. Information on the development of the distribution of the claims incurred at the end of the financial year, as specified in template S.20.01.b of Annex I, according to the instructions in S.20.01.b of Annex II, regarding each line of business as defined in Annex I of the Implementing Measures and considering the following specifications:
 - i. The information shall be given for direct business only;
 - ii. The information shall be reported on the basis of accident year or underwriting year, depending on approach used by each undertaking for the specific line of business unless otherwise specified.
- ii. Information on loss distribution risk profile of non-life business as specified in template S.21.01.b of Annex I, according to the instructions in S.21.01.b of Annex II, regarding each line of business as defined in Annex I of the Implementing Measures and considering the following specifications:
 - i. The information shall be given for direct business only;
 - ii. The information shall be reported on the basis of accident year or underwriting year, depending on approach used by each undertaking for the specific line of business unless otherwise specified;
 - iii. The brackets to be used are defined in euros in Annex I of the Implementing Measures, for different Solvency II reporting currencies the supervisory authorities need to define the equivalent options for the amounts to be used in the 20 brackets.
- jj. Information on the non-life underwriting peak risks, as specified in template S.21.02.b of Annex I, according to the instructions in S.21.02.b of Annex II and considering the following specifications:
 - i. Information shall be given for direct business only;
 - ii. Information shall be given on the 20 biggest underwriting risks, based on net retention, across all non-life lines of business and the 2 biggest underwriting risks for any of the non-life lines of business not covered in the 20 biggest.
- kk. Information on non-life underwriting mass risks, as specified in template S.21.03.b of Annex I, according to the instructions in S.21.03.b of Annex II, by line of business as defined in Annex I of the Implementing Measures, and considering the following specifications:
 - i. Lines of business 5, 6, 7 and 9 shall be reported by all undertakings that have business in those lines of business;
 - ii. Lines of business 1, 2, 3, 4, 8, 10, 11 and 12 shall be reported unless otherwise specified by the supervisory authority;
 - iii. Information shall be given for direct non-life business only;

- iv. The brackets to be used are defined in euros in Annex I of the Implementing Measures, for different Solvency II reporting currencies the supervisory authorities need to define the equivalent options for the amounts to be used in the 20 brackets.
- ll. Information on the impact of the long term guarantees and transitional measures, as specified in template S.22.01.b of Annex I, according to the instructions in S.22.01.b of Annex II;
- mm. Information on the interest rate transitional, as specified in template S.22.04.b of Annex I, according to the instructions in S.22.04.b of Annex II;
- nn. Information on the transitional on technical provisions, as specified in template S.22.05.b of Annex I, according to the instructions in S.22.05.b of Annex II;
- oo. Information on own funds as specified in template S.23.01.b of Annex I, according to the instructions in S.23.01.b of Annex II;
- pp. Detailed information by tiers on own funds as specified in template S.23.02.b of Annex I, according to the instructions in S.23.02.b of Annex II;
- qq. Information on annual movements on own funds as specified in template S.23.03.b of Annex I, according to the instructions in S.23.03.b of Annex II;
- rr. Information on list of items on own funds as specified in template S.23.04.b of Annex I, according to the instructions in S.23.04.b of Annex II;
- ss. Information on participations held by the insurance and reinsurance undertaking and an overview of the calculation for the deduction from own funds related to participations in financial and credit institutions, as specified in template S.24.01.b of Annex I, according to the instructions in S.24.01.b of Annex II.
- tt. Information on solvency capital requirement calculated using:
 - i. the standard formula, as specified in template S.25.01.b of Annex I, according to the instructions in S.25.01.b of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.b of Annex I, according to the instructions in S.25.02.b of Annex II;
 - iii. A full internal model, as specified in template S.25.03.b of Annex I, according to the instructions in S.25.03.b of Annex II;
- uu. Information on the solvency capital requirement, considering the specifications described in paragraphs vv., ww. and xx., on:
 - i. market risk, as specified in template S.26.01.b of Annex I, according to the instructions in S.26.01.b of Annex II;
 - ii. counterparty default risk, as specified in template S.26.02.b of Annex I, according to the instructions in S.26.02.b of Annex II;
 - iii. life underwriting risk, as specified in template S.26.03.b of Annex I, according to the instructions in S.26.03.b of Annex II;

- iv. health underwriting risk, as specified in template S.26.04.b of Annex I, according to the instructions in S.26.04.b of Annex II;
 - v. non-life underwriting risk, as specified in template S.26.05.b of Annex I, according to the instructions in S.26.05.b of Annex II;
 - vi. operational risk, as specified in template S.26.06.b of Annex I, according to the instructions in S.26.06.b of Annex II;
 - vii. the simplifications used in the calculation of the solvency capital requirement, as specified in template S.26.07.b of Annex I, according to the Instructions in S.26.07.b of Annex II;
 - viii. non-life catastrophe risk, as specified in template S.27.01.b of Annex I, according to the instructions in S.27.01.b of Annex II, calculated with the standard formula;
- vv. In case of existence of ring-fenced funds or matching adjustment portfolios information defined in paragraph uu. shall not be reported for the entity as a whole;
- ww. When a partial internal model is used information defined in sub-paragraph uu. shall only be reported in relation to the standard formula unless otherwise decided on the basis of paragraph (4) of this article.
- xx. When a full internal model is used information defined in sub-paragraph uu. shall not be reported.
- yy. Information on the minimum capital requirement for insurance and reinsurance undertakings that pursue:
- i. Only life or non-life activity, as specified in template S.28.01.b of Annex I, according to the instructions in S.28.01.b of Annex II;
 - ii. Both life and non-life insurance activity, as specified in template S.28.02.b of Annex I, according to the instructions in S.28.02.b of Annex II;
- zz. Information on the excess of assets over liabilities during the reporting year providing a summary of main sources of this variation, as specified in template S.29.01.b of Annex I, according to the instructions in S.29.01.b of Annex II;
- aaa. Information on the part of variation of the excess of assets over liabilities during the reporting year explained by:
- i. Investments and financial liabilities, as specified in template S.29.02.b of Annex I, according to the instructions in S.29.02.b of Annex II;
 - ii. Technical provisions, as specified in template S.29.03.b and S.29.04.b of Annex I, according to the instructions in S.29.03.b and S.29.04.b of Annex II;
- bbb. Information on facultative covers for non-life and life business basic data, as specified in template S.30.01.b of Annex I, according to the instructions in S.30.01.b of Annex II, for each line of business as defined in Annex I of the

- i. the standard formula, as specified in template S.25.01.1 of Annex I, according to the instructions in S.25.01.1 of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.1 of Annex I, according to the instructions in S.25.02.1 of Annex II;
 - iii. A full internal model, as specified in template S.25.03.1 of Annex I, according to the instructions in S.25.03.1 of Annex II;
 - e. Information on the solvency capital requirement, considering the specifications described in paragraphs f. and g., on:
 - i. market risk, as specified in template S.26.01.1 of Annex I, according to the instructions in S.26.01.1 of Annex II;
 - ii. counterparty default risk, as specified in template S.26.02.1 of Annex I, according to the instructions in S.26.02.1 of Annex II;
 - iii. life underwriting risk, as specified in template S.26.03.1 of Annex I, according to the instructions in S.26.03.1 of Annex II;
 - iv. health underwriting risk, as specified in template S.26.04.1 of Annex I, according to the instructions in S.26.04.1 of Annex II;
 - v. non-life underwriting risk, as specified in template S.26.05.1 of Annex I, according to the instructions in S.26.05.1 of Annex II;
 - vi. operational risk, as specified in template S.26.06.1 of Annex I, according to the instructions in S.26.06.1 of Annex II;
 - vii. the simplifications used in the calculation of the solvency capital requirement, as specified in template S.26.07.1 of Annex I, according to the Instructions in S.26.07.1 of Annex II;
 - viii. non-life catastrophe risk, as specified in template S.27.01.1 of Annex I, according to the instructions in S.27.01.1 of Annex II;
 - f. When a partial internal model is used information defined in paragraph e. shall only be reported in relation to the standard formula unless otherwise decided on the basis of paragraph (4) of this article.
 - g. When a full internal model is used information defined in paragraph e. shall not be reported.
- (3) Insurance and reinsurance undertakings shall annually submit to the supervisory authorities according to Article 304 (1)(d) of the Implementing Measures on an individual basis and in relation to material ring fenced funds and remaining part, in addition to the information referred to in paragraph 2 the following information, where applicable:
- a. Balance-Sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to undertaking's statutory accounts, as specified in template S.02.01.1 of Annex I, according to the instructions in S.02.01.1 of Annex II;

- (4) Insurance and reinsurance undertakings shall annually submit to the supervisory authorities according to Article 304 (1)(d) of the Implementing Measures on an individual basis and in relation to material matching adjustment portfolios, in addition to the information referred to in paragraph 2 the following information, where applicable:
- a. Information on the projection of future cash flows for the best estimate calculation by matching adjustment portfolio, as specified in template S.22.02.1 of Annex I, according to the instructions in S.22.02.1 of Annex II;
 - b. Information on the matching adjustment portfolios by matching adjustment portfolio, as specified in template S.22.03.1 of Annex I, according to the instructions in S.22.03.1 of Annex II.
- (5) Insurance and reinsurance undertakings that calculate the Solvency Capital Requirement using an approved partial or full internal model shall agree with its supervisory authority the templates to be submitted annually in relation to the information on the Solvency Capital Requirement.
- (6) Subject to Article 14 of this Regulation, insurance and reinsurance undertakings where the parent undertaking is a mixed-activity insurance holding company and where they are not part of a group as defined under Article 213 (2) (a), (b) and (c) of Directive 2009/138/EC shall, annually submit the following information, where applicable:
- a. Significant intra-group-transactions, involving equity-type transactions, debt and asset transfer as specified in template S.36.01.b of Annex I, according to the instructions in S.36.01.b of Annex II;
 - b. Significant intra-group-transactions on derivatives, including the guarantees supporting any derivatives instruments, as specified in template S.36.02.b of Annex I, according to the instructions in S.36.02.b of Annex II;
 - c. Significant intra-group-transactions on internal reinsurance as specified in template S.36.03.b of Annex I, according to the instructions in S.36.03.b of Annex II;
 - d. Significant intra-group-transactions on Internal Cost Sharing, Contingent Liabilities (other than derivatives) and off balance sheet items and other types of intra group transactions as specified in template S.36.04.b of Annex I, according to the instructions in S.36.04.b of Annex II.

Article 9

Individual reporting of very significant intra-group transactions

- (1) Insurance and reinsurance undertakings where the parent undertaking is a mixed-activity insurance holding company and where they are not part of a group as defined under Article 213 (2) (a), (b) and (c) of Directive 2009/138/EC shall report very significant intra-group transactions and intra-group transactions to be reported in all circumstances, as soon as practicable, according to Article 265 and 245 (2) and (3) using the relevant templates S.36.01.b to S.36.04.b of Annex I, according to the instructions in S.36.01.b to S.36.04.b of Annex II.

Section 3 – Groups quantitative reporting requirements

Article 10

Content of group quantitative reporting templates for the opening information

- (1) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall submit to group supervisor according to Article 375 of the Implementing Measures the following information, where applicable:
- a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.t of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.01.01.t of Annex II;
 - b. Basic information detailing information on the group and the content of the reporting in general, as specified in template S.01.02.t of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.01.02.t of Annex II;
 - c. Basic information detailing information on the ring fenced funds and matching adjustment portfolios, as specified in template S.01.03.t of Annex I, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with the 2 method as defined in Article 233 of Directive 2009/138/EC , according to the instructions in S.01.03.t of Annex II;
 - d. Balance-Sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to the solvency regime previously in place where available, as specified in template S.02.01.t of Annex I, according to the instructions in S.02.01.t of Annex II;
 - e. Information on own funds as specified in template S.23.01.t of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.23.01.t of Annex II;
 - f. Information on the solvency capital requirement calculated, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC , using:
 - i. the standard formula, as specified in template S.25.01.t of Annex I, according to the Instructions in S.25.01.t of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.t of Annex I, according to the Instructions in S.25.02.t of Annex II;
 - iii. A full internal model, as specified in template S.25.03.t of Annex I, according to the instructions in S.25.03.t of Annex II;
 - g. Information on the undertakings in the scope of the group as specified in template S.32.01.t of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.32.01.t of Annex II;

- h. Information on requirements of insurance and reinsurance undertakings belonging to the group as specified in template S.33.01.t of Annex I, according to the instructions in S.33.01.t of Annex II and considering the following specifications:
 - i. Information on all insurance and reinsurance undertakings of the group from EEA and non-EEA countries applying Directive 2009/138/EC shall be reported in accordance with the rules therein when the method 2 as defined in Article 233 of the Directive 2009/138/EC or a combination of methods is used;
 - ii. Information on the local capital requirements, local minimum capital requirements and eligible own funds of all non-EEA insurance and reinsurance undertakings of the group shall be reported in accordance with local rules, regardless of the method used for the calculation of the group solvency.
- i. Information on other regulated financial undertakings and other non-regulated financial undertakings including insurance holding companies and mixed financial holding companies as specified in template S.34.01.t of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.34.01.t of Annex II.

Article 11

Content of group quarterly reporting templates for groups

- (1) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall, unless the scope or frequency of the obligation is limited under Article 254(2) of Directive 2009/138/EC, quarterly submit to group supervisor according to Article 372 of the Implementing Measures at a group level the following information, where applicable:
 - a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.01.01.f of Annex II;
 - b. Basic information detailing information on the group and the content of the reporting in general, as specified in template S.01.02.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the instructions in S.01.02.f of Annex II;
 - c. Balance-Sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC, using the valuation in accordance with Article 75 of the Directive 2009/138/EC as specified in template S.02.01.f of Annex I, according to the instructions in S.02.01.f of Annex II;
 - d. Information on premiums, claims and expenses as specified in template S.05.01.f of Annex I, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in group's financial statements, according to the Instructions in S.05.01.f of Annex II, regarding each line of business as defined in Annex 1 of the Implementing Measures;

- e. Information on premiums, claims and expenses by country, as specified in template S.05.02.f of Annex I, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in group's financial statements, according to the Instructions in S.05.02.f of Annex II, and considering the following specifications:
- i. The countries with the highest amount of gross written premiums shall be reported;
 - ii. Information reported by country shall be completed for the five most significant countries in addition to the home country or until reaching 90% of the gross written premiums;
 - iii. For the direct business for the lines of business "Medical expense", "Income protection", "Workers' compensation", "Fire and other damage to property" and "Credit and suretyship" information shall be reported by country where the risk is situated as defined in Article 13(13) of Directive 2009/138/EC;
 - iv. For direct business for all other lines of business not referred in subparagraph ii. information shall be reported by country where the contract was entered into;
 - v. For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.
- f. Item-by-item list of assets as specified in template S.06.02.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.06.02.f of Annex II and considering the following specifications:
- i. Investments classifiable as asset categories 1 to 9 as defined in Annex III shall be reported line-by-line with the following exceptions:
 1. Cash shall be reported in one line for each currency;
 2. Transferable deposits (cash equivalents) and other deposits with maturity of less than one year shall be reported split by currency for each bank;
 3. Mortgages and loans to individuals, including loans on policies, shall be reported in two lines, one line regarding loans to administrative, management and supervisory body and another regarding loans to other natural persons;
 4. Deposits to cedants shall be reported in one single line;
 5. Plant and equipment for the own use of the undertaking shall be reported in one single line.
 - ii. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall use the CIC codes as set out in Annex IV and defined in Annex V ;
 - iii. Unless otherwise stated, each asset shall be reported separately in as many lines as needed in order to properly fill in all variables requested.

- g. Information on the look-through of all collective investments undertakings held as specified in template S.06.03.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.06.03.f of Annex II only when the ratio of collective investments undertakings held by the undertaking to total investments, measured as the ratio between cell C0010/R0180 of S.02.01.f plus collective investments undertakings included in cell C0010/R0220 of S.02.01.f and the sum of item C0010/R0070 and C0010/RC0220 of S.02.01.f, is higher than 30%.
- h. Item-by-item list of open positions of derivatives data as specified in template S.08.01.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.08.01.f of Annex and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III - shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all variables requested.
- i. Item-by-item list of transactions of derivatives as specified in template S.08.02.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.08.02.f of Annex and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were closed or reduced prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all variables requested.
- j. Information on own funds as specified in template S.23.01.f of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.23.01.f of Annex II.

Article 11

Simplifications allowed on quarterly reporting for groups

- (1) When submitting the information referred to in paragraph c) of the previous article participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies may apply proportionality and materiality principles. In

making assessments of materiality, it may be recognised that quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting shall be designed to ensure that the resulting information is reliable and complies with the Solvency II standards and that all material information that is relevant for the understanding of the data is reported.

Article 12

Content of annual reporting templates for groups

- (1) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall, unless exempted under Article 254(2) of Directive 2009/138/EC in relation to a specific template, annually submit to the group supervisor according to Article 372 of the Implementing Measures at a group level the following information, where applicable:
 - a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.01.01.g of Annex II;
 - b. Basic information detailing information on the undertaking and the content of the reporting in general, as specified in template S.01.02.g of Annex I, regardless of the method used for the calculation of the group solvency of the participating insurance or reinsurance undertaking, according to the Instructions in S.01.02.g of Annex II;
 - c. Basic information detailing information on the ring fenced funds and matching adjustment portfolios, as specified in template S.01.03.g of Annex I, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with the 2 method as defined in Article 233 of Directive 2009/138/EC , according to the Instructions in S.01.03.g of Annex II;
 - d. Balance-Sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC , using the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to undertaking's statutory accounts as specified in template S.02.01.g of Annex I, according to the Instructions in S.02.01.g of Annex II;
 - e. Assets and liabilities by currency, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC , as specified in template S.02.02.g of Annex I, according to the Instructions in S.02.02.g of Annex II and considering the following specifications::
 - i. This template shall not be submitted if the Solvency II reporting currency represents more than 90% of assets and liabilities;
 - ii. If the template is submitted, information on the home country shall be always reported regardless of the amount of assets and liabilities;
 - iii. Information reported by country shall at least represent 90% of the total assets and liabilities;

- iv. The information not reported by country shall be reported as a sum.
- f. General information on off-balance sheet items, as specified in template S.03.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.03.01.g of Annex II;
- g. List of off-balance sheet unlimited guarantees received, as specified in template S.03.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.03.02.g of Annex II;
- h. List of off-balance sheet unlimited guarantees provided, as specified in template S.03.03.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.03.03.g of Annex II;
- i. Information on premiums, claims and expenses as specified in template S.05.01.g of Annex I, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in group's financial statements, according to the Instructions in S.05.01.g of Annex II, regarding each line of business as defined in Annex 1 of the Implementing Measures;
- j. Information on premiums, claims and expenses by country, as specified in template S.05.02.g of Annex I, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in group's financial statements, according to the Instructions in S.05.02.g of Annex II, considering the following specifications:
 - i. The countries with the highest amount of gross written premiums shall be reported;
 - ii. Information reported by country shall be completed for the five most significant countries in addition to the home country or until reaching 90% of the gross written premiums;
 - iii. For the direct business for the lines of business "Medical expense", "Income protection", "Workers' compensation", "Fire and other damage to property" and "Credit and suretyship" information shall be reported by country where the risk is situated as defined in Article 13(13) of Directive 2009/138/EC;
 - iv. For direct business for all other lines of business not referred in subparagraph ii. information shall be reported by country where the contract was entered into;
 - v. For proportional and non-proportional reinsurance information shall be reported by country of localisation of the ceding undertaking.
- k. Summary information of assets, only for the groups exempted from the annual submission of item-by-item information in accordance with Article 254(2) of Directive 2009/138/EC , as specified in template S.06.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.06.01.g of Annex II;
- l. Item-by-item list of assets as specified in template S.06.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.06.02.g of Annex II, where the group is exempted from reporting

the template S.06.02.f in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC, and considering the following specifications:

- i. Investments classifiable as asset categories 1 to 9 as defined in Annex III shall be reported line-by-line with the following exceptions:
 1. Cash shall be reported in one line for each currency;
 2. Transferable deposits (cash equivalents) and other deposits with maturity of less than one year shall be reported split by currency for each bank;
 3. Mortgages and loans to individuals, including loans on policies, shall be reported in two lines, one line regarding loans to administrative, management and supervisory body and another regarding loans to other natural persons;
 4. Deposits to cedants shall be reported in one single line;
 5. Plant and equipment for the own use of the undertaking shall be reported in one single line.
 - ii. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall use the Complementary Identification Code (CIC) as set out in Annex IV and defined in Annex V ;
 - iii. Unless otherwise stated, each asset shall be reported separately in as many lines as needed in order to properly fill in all variables requested.
- m. Information on the look-through of all collective investments undertakings held as specified in template S.06.03.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.06.03.g of Annex II where the group is exempted from reporting the template S.06.03.f in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC or have not been reported in accordance to the quarterly threshold and considering the following specifications:
- n. Item-by-item structured products data, as specified in template S.07.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.07.01.g of Annex II, when the amount of structured products, measured as the ratio between assets classified as asset categories 5 (Structured notes) and 6 (Collateralised securities) as defined in Annex III and the sum of cell C0010/R0070 and C0010/RC0220 of S.02.01.g, is higher than 5%;
- o. Item-by-item list of open positions of derivatives data as specified in template S.08.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.08.01.g of Annex II, where the group is exempted from reporting the template S.08.01.f in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC, and considering the following specifications:

- i. Derivatives classifiable as asset categories A to F as defined in Annex III shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V ;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were not closed prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.

- p. Item-by-item list of transactions of derivatives as specified in template S.08.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.08.02.g of Annex II, where the group is exempted from reporting the template S.08.02.f in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC and considering the following specifications:
 - i. Derivatives classifiable as asset categories A to F as defined in Annex III shall be reported line-by-line;
 - ii. Insurance and reinsurance undertakings shall use the CIC codes as set out in Annex IV and defined in Annex V;
 - iii. Information shall include all derivatives contracts that existed during the reporting period and were closed or reduced prior to the reporting reference date;
 - iv. Unless otherwise stated, each derivative shall be reported separately in as many lines as needed in order to properly fill in all items requested.

- q. Information on income/gains and losses in the period as specified in template S.09.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.09.01.g of Annex II, by asset category as defined in Annex III

- r. Item-by-item securities lending and repurchase agreements data on and off balance sheet, as specified in template S.10.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.10.01.g of Annex II and considering the following specifications:
 - i. Information shall be reported only when the underlying securities, on and off balance sheet, involved in lending or repurchase agreements, for contracts with maturity date falling after the reporting reference date represent more than 5% of the total investments as reported in C0010/R0070 and C0010/RC0220 of S.02.01.g;
 - ii. The information shall include all contracts in the reporting period regardless of whether they were open or closed at the reporting date.

For contracts which are part of a roll-over strategy, where they substantially are the same transaction, only open positions shall be reported;

- iii. Each contract shall be reported separately in as many lines as needed in order to properly fill in all items requested. If for one item one option fits one part of the instrument being reported and a different option fits the other part then the contract needs to be unbundled unless is stated otherwise in the instructions.
- s. Item-by-item list of assets held as collateral, as specified in template S.11.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.11.01.g of Annex II, consisting of all types of off-balance sheet asset categories held as collateral.
- t. Information on description of the guarantees of variable annuities by product issued by non-EEA undertaking belonging to the group under direct business, as specified in template S.15.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.15.01.g of Annex II. If variable annuities policies are split between two insurance undertakings the insurance undertaking responsible for the guarantee shall be the one reporting this information.
- u. Information on the hedging of guarantees of variable annuities by product issued by non-EEA undertaking belonging to the group under direct business, as specified in template S.15.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.15.02.g of Annex II. If variable annuities policies are split between two insurance undertakings the insurance undertaking responsible for the guarantee shall be the one reporting this information.
- v. Information on the impact of the long term guarantees and transitional measures, regardless of the method used for the calculation of the group solvency, as specified in template S.22.01.g of Annex I, according to the Instructions in S.22.01.g of Annex II;
- w. Information on own funds as specified in template S.23.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.23.01.g of Annex II;
- x. Detailed information by tiers on own funds, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC, as specified in template S.23.02.g of Annex I, according to the Instructions in S.23.02.g of Annex II;
- y. Information on annual movements on own funds, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC, as specified in template S.23.03.g of Annex I, according to the Instructions in S.23.03.g of Annex II;

- z. Information on list of items on own funds as specified in template S.23.04.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.23.04.g of Annex II;
- aa. Information on the solvency capital requirement calculated, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC, using:
 - i. the standard formula, as specified in template S.25.01.g of Annex I, according to the Instructions in S.25.01.g of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.g of Annex I, according to the Instructions in S.25.02.g of Annex II;
 - iii. Directive 2009/138/EC Directive 2009/138/EC A full internal model, as specified in template S.25.03.g of Annex I, according to the Instructions in S.25.03.g of Annex II;
- bb. Information on the solvency capital requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of the Directive 2009/138/EC, considering the specifications described in paragraphs cc., dd. and ee., on:
 - i. market risk as specified in template S.26.01.g of Annex I, according to the Instructions in S.26.01.g of Annex II, calculated with the standard formula;
 - ii. counterparty default risk as specified in template S.26.02.g of Annex I, according to the Instructions in S.26.02.g of Annex II, calculated with the standard formula;
 - iii. on life underwriting risk as specified in template S.26.03.g of Annex I, according to the Instructions in S.26.03.g of Annex II, calculated with the standard formula;
 - iv. health underwriting risk as specified in template S.26.04.g of Annex I, according to the Instructions in S.26.04.g of Annex II, calculated with the standard formula;
 - v. non-life underwriting risk as specified in template S.26.05.g of Annex I, according to the Instructions in S.26.05.g of Annex II, calculated with the standard formula;
 - vi. operational risk as specified in template S.26.06.g of Annex I, according to the Instructions in S.26.06.g of Annex II, calculated with the standard formula;
 - vii. the simplifications used in the calculation of the solvency capital requirement as specified in template S.26.07.g of Annex I, according to the Instructions in S.26.07.g of Annex II;
 - viii. non-life catastrophe risk EC as specified in template S.27.01.g of Annex I, according to the Instructions in S.27.01.g of Annex II, calculated with the standard formula;

- cc. In case of existence of ring fenced funds or matching adjustment portfolios information defined in paragraph bb. shall not be reported for the group as a whole;
- dd. When a partial internal model is used information defined in paragraph bb. shall only be reported in relation to the standard formula unless otherwise decided on the basis of paragraph (4) of this article.
- ee. When a full internal model is used information defined in paragraph bb. shall not be reported.
- ff. Share of reinsurers data as specified in template S.31.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.31.01.g of Annex II.
- gg. Information on Special Purpose Vehicles, as specified in template S.31.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.31.02.g of Annex II from the perspective of the insurance or reinsurance undertaking transferring risk(s) to the Special Purpose Vehicles.
- hh. Information on the undertakings in the scope of the group as specified in template S.32.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.32.01.g of Annex II.
- ii. Information on requirements of insurance and reinsurance undertakings belonging to the group as specified in template S.33.01.g of Annex I, Directive 2009/138/EC according to the Instructions in S.33.01.g of Annex II and considering the following specifications:
 - i. Information on all insurance and reinsurance undertakings of the group from EEA and non-EEA countries applying Directive 2009/138/EC shall be reported in accordance with the rules thereof, when the method 2 as defined in Article 233 of the Directive 2009/138/EC or a combination of methods is used;
 - ii. Information on the local capital requirements, local minimum capital requirements and eligible own funds of all non-EEA insurance and reinsurance undertakings of the group shall be reported in accordance with local rules, regardless of the method of calculation used for the calculation of the group solvency.
- jj. Information on other regulated financial entities and other non-regulated financial entities including insurance holding companies and mixed financial holding companies as specified in template S.34.01.g of Annex I, regardless of the method of calculation of the group solvency, according to the Instructions in S.34.01.g of Annex II;
- kk. Information on technical provisions of undertakings of the group as specified in template S.35.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.35.01.g of Annex II;
- ll. Significant intra-group-transactions, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC , as specified in template S.36.01.g of Annex I, regardless of the method used for the

calculation of the group solvency, according to the Instructions in S.36.01.g of Annex II, involving equity-type transactions, debt and asset transfer.

- mm. Significant intra-group-transactions on derivatives, including the guarantees supporting any derivatives instruments, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC , as specified in template S.36.02.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.36.02.g of Annex II;
- nn. Significant intra-group-transactions on internal reinsurance, above the threshold decided by the group supervisor in accordance with Article 245 (3) of Directive 2009/138/EC , as specified in template S.36.03.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.36.03.g of Annex II;
- oo. Significant intra-group-transactions on internal cost Sharing, contingent liabilities (other than derivatives) and off-balance sheet items and other types of intra-group transactions, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC , as specified in template S.36.04.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.36.04.g of Annex II;
- pp. Significant risk concentrations, above the threshold decided by the group supervisor in accordance with Article 244(3) of Directive 2009/138/EC , as specified in template S.37.01.g of Annex I, regardless of the method used for the calculation of the group solvency, according to the Instructions in S.37.01.g of Annex II.

(2) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit to group supervisor according to Article 372 of the Implementing Measures in relation to material ring-fenced funds, material matching adjustment portfolios and remaining part the following information, where applicable, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with the 2 method as defined in Article 233 of the Directive 2009/138/EC and only for the material ring-fenced funds and material matching portfolios related to the part that is consolidated according to Article 335 1) a) and c) of the Implementing Measures:

- a. Content of the submission detailing the information submitted at each reporting submission date, as specified in template S.01.01.n of Annex I, according to the Instructions in S.01.01.n of Annex II;
- b. Information on the solvency capital requirement calculated using:
 - i. Only the standard formula, as specified in template S.25.01.n of Annex I, according to the Instructions in S.25.01.n of Annex II;
 - ii. The standard formula and partial internal model, as specified in template S.25.02.n of Annex I, according to the Instructions in S.25.02.n of Annex II;
 - iii. A full internal model, as specified in template S.25.03.n of Annex I, according to the Instructions in S.25.03.n of Annex II;

- c. Information on the solvency capital requirement on considering the specifications described in paragraphs d. and e., on:
 - i. Market risks as specified in template S.26.01.n of Annex I, according to the Instructions in S.26.01.n of Annex II;
 - ii. Counterparty default risk as specified in template S.26.02.n of Annex I, according to the Instructions in S.26.02.n of Annex II;
 - iii. Life underwriting risk as specified in template S.26.03.n of Annex I, according to the Instructions in S.26.03.n of Annex II;
 - iv. Health underwriting risk as specified in template S.26.04.n of Annex I, according to the Instructions in S.26.04.n of Annex II;
 - v. Non-life underwriting risk as specified in template S.26.05.n of Annex I, according to the Instructions in S.26.05.n of Annex II;
 - vi. Operational risks as specified in template S.26.06.n of Annex I, according to the Instructions in S.26.06.n of Annex II;
 - vii. The simplifications used in the calculation of the solvency capital requirement as specified in template S.26.07.n of Annex I, according to the Instructions in S.26.07.n of Annex II;
 - viii. non-life catastrophe risk as specified in template S.27.01.n of Annex I, according to the Instructions in S.27.01.n of Annex II, calculated with the standard formula;
- d. When a partial internal model is used information defined in paragraph c. shall only be reported in relation to the standard formula unless otherwise decided on the basis of paragraph (4) of this article.
- e. When a full internal model is used information defined in paragraph c. shall not be reported.

(3) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit to group supervisor according to Article 304 (1)(d) of the Implementing Measures on an individual basis and in relation to material ring fenced funds and remaining part, in addition to the information referred to in paragraph 2 the following information, where applicable, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with the 2 method as defined in Article 233 of the Directive 2009/138/EC and only for the material ring fenced funds related to the part that is consolidated according to Article 335 1) a) and c) of the Implementing Measures:

- a. Balance-Sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation according to undertaking's statutory accounts, as specified in template S.02.01.n of Annex I, according to the Instructions in S.02.01.n Annex II;

(4) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies that calculate the Solvency Capital Requirement using an approved partial or full internal model shall agree with its group supervisor the

templates to be submitted annually in relation to the information on the Solvency Capital Requirement.

Article 14

Group reporting of very significant intra-group transactions and intra-group transactions and risk concentrations to be reported in all circumstances

- (1) Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall report:
 - a. Very significant intra-group transactions and intra-group transactions to be reported in all circumstances, as soon as practicable, according to Article 265 and 245 (2) and (3) of Directive 2009/138/EC using the relevant templates S.36.01.g to S.36.04.g of Annex I, according to the Instructions in S.36.01.g to S.36.04.g of Annex II.
 - b. Risk concentrations to be reported in all circumstances, as soon as practicable, according to article 265 and 244 (2) and (3) of Directive 2009/138/EC using the relevant template S.37.01.g of Annex I, according to the Instructions in S.37.01.g of Annex II.

Article 15

Entry into force

- (1) (This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.)
- (2) This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, []

[For the Commission

The President]

[On behalf of the President]

[Position]

Annex I: Impact Assessment

Procedural Issues and Consultation of Interested Parties

- 1.1. According to Article 15 of the EIOPA Regulation, EIOPA conducts analysis of costs and benefits in the policy development process. The analysis of costs and benefits is undertaken according to an Impact Assessment methodology.
- 1.2. The Impact Assessment incorporates feedback received from EIOPA previous consultations and pre-consultation exercises and during the development and implementation of the Guidelines on the Submission of Information for the preparatory phase.
- 1.3. For the last 4 years EIOPA has been working intensively on the reporting requirements with the aim to establish a harmonised, effective and efficient reporting system in the European Economic Area (EEA).
- 1.4. The draft technical standard requirements are based on the detailed analysis of all comments received during all consultations and pre-consultations, of Q&A received and of lessons learned from the preparatory phase. The main objectives for the Solvency II reporting requirements are to collect data that are needed for supervisory purposes under the new regime by creating a system that will not be too burdensome for small and less complex insurance undertakings.
- 1.5. The development of quantitative reporting requirement has been a long project, and the reporting package has evolved overtime. EIOPA is aware of the fact that changes made in the package might be of concern to undertakings that are already implementing the reporting framework. All the changes made have been very carefully considered and undergone a thorough process of discussions and challenges. The information resulting from those changes are deemed to be necessary from a supervisory perspective and this is why they have been reflected in the package. They have introduced relevant amendments to the underlying legislation (Omnibus II Directive) and also stakeholders' feedback from a consistency perspective. EIOPA will make available any information that may help the industry identifying the changes and their impact.
- 1.6. Harmonised Solvency II quantitative reporting templates should replace all present national quantitative reporting templates that supervisors collect for supervisory purposes, except for national-specific templates.

Problem Definition

- 1.7. In the current EEA regime, Member States have introduced reporting requirements at national level. This has resulted in widely diverging regulatory requirements and supervisory practices throughout the EEA. The lack of harmonisation undermines the proper functioning of the Single Market. It also imposes significant costs on insurance groups operating in more than one Member State and does not ensure level playing field for all European undertakings.

- 1.8. The Solvency II directive and the Implementing Measures have addressed this problem. Further details on reporting requirements are required by the Solvency II Directive through the development of a technical standard to ensure harmonisation and to streamline supervisory reporting requirements among Member States, through harmonised templates and formats.
- 1.9. The assessment of the potential related costs and benefits from the draft technical standards developed by EIOPA, builds upon previous and current impact assessments undertaken by the European Commission.
- 1.10. The reporting requirements under Solvency II have already been assessed for impact on stakeholders in the Impact Assessment: Possible macroeconomic and financial effects of Solvency II (DG ECFIN/C-4(2007) REP 53199) from March 2007:
 - http://ec.europa.eu/internal_market/insurance/docs/solvency/impactassess/annex-c06_en.pdf
- 1.11. Following the level 1 impact assessment, level 2 reporting requirements have been assessed for impact on stakeholders in an External Study by Deloitte for the Impact Assessment of Solvency II (Level 2) from the 2 March 2010:
 - http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Documents/Industries/Financial%20Services/EU_FS_ExternalStudyofSIILevel2.pdf
- 1.12. With regard to the analysis of the impact for Level 2 implementing measures, the European Commission collected in the beginning of 2011 additional evidence for their impact assessment and in 2014 published the analysis of impact for the implementing measures:
 - http://ec.europa.eu/internal_market/consultations/2010/solvency-2_en.htm
 - http://ec.europa.eu/internal_market/insurance/solvency/solvency2/index_en.htm#implementing_measures

Baseline

- 1.13. When analysing the impact from proposed policies, the Impact Assessment methodology foresees that a baseline scenario is applied as the basis for comparing policy options. This helps to identify the incremental impact of each policy option considered. The aim of the baseline scenario is to explain how the current situation would evolve without additional regulatory intervention.
- 1.14. The baseline scenario is based on the current situation of EU insurance and reinsurance markets, taking account of the progress towards the implementation of the Solvency II framework achieved at this stage by insurance and reinsurance undertakings and supervisory authorities.
- 1.15. In particular the baseline scenario includes:
 - The content of Directive 2009/138/EC (Solvency II Directive) as amended by Directive 2014/51/EU (Omnibus II Directive);
 - The relevant Implementing Measures.

Proportionality and Materiality

- 1.16. One of the objectives is to create a system that will not be too burdensome for small and less complex insurance undertakings. This goal is stated clearly in the Solvency II Directive with the amendment introduced by the Omnibus II Directive.
- 1.17. The principle of proportionality has always been taken into account by the European Community. This means that regulations should not go beyond what is necessary to achieve satisfactorily the objectives which have been set. With regard to Small and Medium sized Enterprises (SMEs), due to their size and limited resources, they can be affected by the costs of regulations more than their bigger competitors. At the same time, the benefits of regulations tend to be more unevenly distributed over companies of different sizes. SMEs may have limited scope for benefiting from economies of scale. In general, SMEs find it more difficult to access capital and as a result the cost of capital for them is often higher than for larger businesses. Therefore the principle of proportionality is always taken into account while considering different policy options.
- 1.18. In addition to reporting exemptions (under Solvency II Directive) provided by Solvency II, further consideration was given to the proportionality principle in the delegated acts and when developing the technical standards.
- 1.19. The scope of quantitative templates (as defined in the delegated acts) that have to be submitted on a quarterly basis is narrower than the scope of quantitative templates to be submitted on an annual basis. Furthermore, it is also acknowledged that when submitting quarterly information proportionality and materiality need to be assessed. In making assessments of materiality, it has to be recognised that quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data.
- 1.20. Considering the proportionality principle and that only information needed for the purposes of fulfilling national supervisory authorities' responsibilities under Directive 2009/138/EC shall be required, some templates are only required to be submitted on a risk-based approach. This guarantees that information submitted is proportional to the risks assumed by the insurance and reinsurance undertakings or groups. In addition, implicit proportionality applies, meaning that reporting requirements are proportionate to the nature, scale and complexity of the risks faced by the undertakings.
- 1.21. The reporting package has been prepared balancing the necessity of supervisory authorities to get an appropriate level of information with possible proportionality measures embedded. Solvency II is a risk based regime with risk based capital requirements, a new approach in the calculation of technical provisions and a strong system of governance. Its focuses on the ability of the undertaking to properly identify, measure, monitor, manage and report those risks but also on the ability of the supervisory authorities to identify and supervise them. In order to properly identify and assess risks undertaken by undertakings and to ensure the protection of policyholders, a proper level of detail of the reporting is required.

- 1.22. Regarding submission of information by Captive undertakings, EIOPA believes that the exemptions laid down in the Solvency II Directive, as amended by the Omnibus Directive, already contribute for a supervisory reporting system that will not be too burdensome for these small and less complex insurance undertakings.

Objective Pursued

- 1.23. The proposed technical standards aim at promoting compatibility of valuation rules, supervisory reporting and public disclosure requirements with the International Accounting Standards elaborated by the IASB. Insurance undertakings are not being required to make full use of IAS/IFRS, however certain prudential valuation rules, as well as reporting and disclosure rules are similar to IAS/IFRS rules.
- 1.24. The proposed technical standards aim at ensuring that all quantitative and qualitative regulatory requirements imposed on insurers are proportionate to the nature, scale and complexity of the insurer and its operations. Small insurance undertakings play an important role in the economic environment and should be subject to a balanced approach. Therefore the proposed policy requirements introduce proportionate requirements for small undertakings.

Policy Options

- 1.25. In the Solvency II project policy-makers have already considered, analysed and compared a number of policy options. Based on the impact assessment already done for the requirements set in the directive and in the draft delegated acts, EIOPA has considered a wide range of policy options referring to the concrete solutions set out in the technical standard. In this section EIOPA would like to show the policy alternatives which were considered, the preferred policy options that have been analysed, as well as the discarded options.
- 1.26. EIOPA proposes to analyse the impact by addressing the following specific policy issues:
- **Policy issue 1:** List of assets and derivatives
 - **Policy issue 2:** Quarterly Balance-sheet for the not exempted undertakings in accordance with article 35 of the Solvency II directive
 - **Policy issue 3:** Level of information by ring-fenced funds (RFF)
 - **Policy issue 4:** Level of information required for Long Term Guarantee and transitional measures (LTG)
 - **Policy issue 5:** Level of harmonised information on partial internal models and full Internal models, regarding the solvency capital requirement
 - **Policy issue 6:** Risk Concentration information
- 1.27. For each of these areas the respective proposed policy options are outlined including the developments following the pre-consultations and the Omnibus II text, where applicable.
- 1.28. In general the impact for the stakeholders is quite similar for all policy options. It is about striking the right balance between the protection of policyholders

(supervisors' main objective) and the burden on undertakings. On one hand, the impact of more reporting entails some costs that might be passed to policyholders at the end. On the other hand receiving appropriate information to supervise is the only way supervisors can guarantee the protection of policyholders. The analysis of the policy issues as explained below take this into consideration.

Policy Issue 1: List of assets and derivatives

Options for requiring the list of assets and derivatives for undertakings that are not exempted in accordance with article 35 of the Solvency II directive:

- **Option 1:** on both a quarterly and annual basis
- **Option 2:** only on a quarterly basis
- **Option 3:** only on an annual basis

Options for requiring the summary of assets template for exempted undertakings in accordance with article 35 of the Solvency II directive:

- **Option 1:** on a quarterly basis
- **Option 2:** on an annual basis
- **Option 3:** no requirement

Policy Issue 2: Quarterly Balance-sheet

- **Option 1:** full Solvency II Balance-Sheet submitted quarterly;
- **Option 2:** simplified³ Solvency II Balance-Sheet submitted quarterly;
- **Option 3:** no Solvency II Balance-Sheet submitted quarterly.

Policy Issue 3: Level of information by ring-fenced funds (RFF)

- **Option 1:** No information by RFF
- **Option 2:** Information by RFF only annually
 - Option 2.1.:** Only SCR
 - Option 2.2.:** SCR, BS and TP (quarterly version)
 - Option 2.3.:** all annual version of templates applicable
- **Option 3:** Information by RFF quarterly

Policy Issue 4: Level of information required for Long Term Guarantee and transitional measures (LTG)

Options for the frequency of information:

- **Option 1:** Only annual information on LTG
- **Option 2:** Annual and quarterly information on LTG

Options for the content of annual information:

- **Option 1A:**
 - General information on LTG within the existing list of Assets and Technical provisions templates (without specific templates)

³ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

- **Option 1B:**
 - General information on LTG within the existing list of assets and Technical provisions templates
 - Basic information at a matching portfolio level, e.g. not including balance sheet, own funds, SCR, technical provisions
 - Basic information on the calculation of Matching volatility and adjustment (MA) and transitional measures

- **Option 1C:**
 - General information on LTG within the existing list of Assets and Technical provisions templates.
 - Information reported at a matching portfolio level, including SCR, technical provisions templates and a projection of cash flows
 - Information on the calculation of MA and transitional measures
 - Impact of each measure on the financial position of the undertaking.

- **Option 1D:**
 - General information on LTG measures within the existing list of Assets and Technical provisions templates.
 - Detailed information reported at a matching portfolio level, including balance sheet, own funds, SCR, technical provisions templates
 - Detailed Information on the products within each matching portfolio
 - Detailed information on the calculation of MA and transitional measures
 - Impact of each measure on the financial position of the undertaking, including a split of the impact for each SCR module.

Policy Issue 5: Level of harmonised information on partial internal models and full Internal models

- **Option 1:** Develop harmonised templates for detail on the solvency capital requirement for partial and full internal models
- **Option 2:** Don't develop harmonised templates for detail on the solvency capital requirement for partial and full internal models but guarantee that NSAs may require, in different formats, at least level of information similar to the one reported by undertakings using the standard formula

Policy Issue 6: Risk Concentration (RC) information

- **Option 1:** Combination of quantitative Risk Concentration template complemented with qualitative narrative template explaining the different exposures in detail
- **Option 2:** Only qualitative narrative template for Risk Concentration (with quantitative information included). A risk concentration template can still be produced a few years after having gained experience with further risk concentration reports

Analysis of Impacts

- 1.29. This chapter describes the analysis of impact conducted by EIOPA in order to identify the most suitable options. For each policy option, the impact on Policyholders, the industry and national supervisory authorities (NSAs) were considered.
- 1.30. The conclusions of the analysis and the preferred options are outlined in the next chapter Comparison of Options.

Policy Issue 1: List of assets and derivatives

Why do supervisors need the information on assets?

- 1.31. The Solvency II Directive allows freedom of investment and introduces the Prudent Person principle for these investments. Higher freedom to invest needs to be balanced, to guarantee policyholders protection, with two main requirements: an adequate system of governance ensuring a high level of responsibility and accountability, and an adequate level of reporting to supervisors. Consequently undertakings must have in place a system that ensures a proper identification, measurement, monitoring, management, control and reporting of their investments. This can contribute to guarantee that assets are invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. Therefore information on assets available at the insurance undertaking should encompass such requirements.
- 1.32. The proposed templates S.06.02 (list of assets), S.08.01 (list of open derivatives) and S.08.02 (list of derivatives transactions) provide detailed information on an item-by-item basis that is essential for both micro and macro-supervision. This information will give a complete overview of the risks in the investment portfolio and will reduce the need for ad hoc requests to assess specific exposures of certain undertakings. The detailed reporting of assets and derivatives will enable supervisors to perform necessary aggregation and analysis at both undertaking and market-wide level.
- 1.33. The benefits for supervisory purposes and policyholder protection come from the fact that the detailed list of investments provides the means for properly assessing financial risks, and this is all more important in Solvency II as undertakings will have freedom of investment under the prudent person principle.
- 1.34. In jurisdictions where the detailed list of assets (and in some cases also derivatives) is currently used, it has often proved very effective to provide early warning indicators on potential excessive risk-taking or deficiencies in risk management of assets. In practice, detailed asset reporting proved to be an effective supervisory tool for all types of undertakings, regardless of the size or type of activity.
- 1.35. The Omnibus II Directive addressed the proportionality principle and introduced the possibility for national supervisory authorities to limit the quarterly reporting and to exempt undertakings from reporting on an item-by-item basis under certain conditions and subject to supervisory judgment, such

as if reporting would be overly burdensome in relation to the nature, scale and complexity of the risks inherent in the business of the undertaking.

The options considered were the following:

Options for requiring the list of assets and derivatives for undertakings that are not exempted in accordance with article 35 of the Solvency II directive:

- Option 1: on both a quarterly and annual basis
- Option 2: only on a quarterly basis
- Option 3: only on an annual basis

Options for requiring the summary of assets template for exempted undertakings in accordance with article 35 of the Solvency II directive:

- Option 1: on a quarterly basis
- Option 2: on an annual basis
- Option 3: no requirement

1.36. The first three options address the frequency of the list of assets and derivatives for not exempted undertakings in accordance with article 35 of the Solvency II Directive.

Analysis of the options:

Option 1: Require the list of assets and derivatives both on quarterly and annual basis for the undertakings that are not exempted in accordance with Article 35 of the Solvency II Directive

Pros (+):

1.37. This would provide enough information for supervisors to properly assess compliance with Solvency II framework, in particular compliance with the prudent person principle.

1.38. In relation to the double reporting regarding the fourth quarter and annual information, it would be easier from an IT perspective to implement separately a quarterly and an annual submission, as the mixture of quarterly submissions and annual submissions is more complex, both for undertakings and national supervisory authorities. For example, the validations between the list of assets and the balance-sheet will be more complex in the case of a mixture of submissions.

Cons (-):

1.39. It would require double reporting of information regarding end of Quarter 4 and annual year-end data which might represent additional costs for undertakings without added benefit for national supervisory authorities.

1.40. As some undertakings will be exempted from quarterly reporting but not from annual, each national supervisory authority will have to be prepared to receive Quarter 4 for part of the market, annual submission for other part and no reporting for another.

Option 2: Require the list of assets and derivatives only quarterly for the undertakings that are not exempted in accordance with Article 35 of the Solvency II Directive

Pros (+):

- 1.41. This would provide enough information for supervisors to properly assess compliance with Solvency II framework as information on all quarters will be available.
- 1.42. It would not imply a double reporting in relation to the end of the fourth quarter and the annual year-end information which might represent additional costs for undertakings without added benefit for national supervisory authorities.
- 1.43. If any subsequent material change occurs, the general principle that information has to be re-submitted would apply also to this information.

Cons (-):

- 1.44. In relation to the lack of double reporting of the fourth quarter 4 and annual information it would be more difficult from an IT perspective to implement as some undertakings will not have annual submissions for these templates, which makes validations more complex.
- 1.45. Although the not exempted undertakings would have to submit the template quarterly, as some undertakings will be exempted from quarterly reporting but not from annual, each NSA will have to be prepared to receive the fourth quarter for part of the market, an annual submission for other part of the market (those not reporting quarterly) and no reporting for others (those exempted for both).

Option 3: Require the list of assets and derivatives only annually for undertakings that are not exempted in accordance with Article 35 of the Solvency II Directive

Pros (+):

- 1.46. It would not imply a double reporting in relation to the Quarter 4 and the annual information which might represent additional costs for undertakings without added benefit.
- 1.47. Easier to implement from an IT perspective.

Cons (-):

- 1.48. This would not provide enough information for supervisors to properly assess compliance with Solvency II framework. It would not be enough in terms of frequency or in terms of timeliness as the deadlines for annual reporting are quite long.
- 1.49. Would as a consequence imply an increase of ad-hoc reporting which would imply additional costs for both supervisors and national supervisory authorities.

For all options consideration should be given to the following:

What are the costs of submitting the detailed information on assets?

- 1.50. In order to comply with the requirements as defined in the Solvency II framework, undertakings need to have in place strategies, processes and reporting procedures that enable them to identify, measure, monitor, manage, control and report the risks underlying the investments portfolio. This requires undertakings to hold a detailed list of all investments and derivatives. It is not possible to comply with the prudent person principle without an adequate level of information on each investment in the portfolio.
- 1.51. Therefore, it is expected that undertakings will implement the necessary risk management system changes in order to comply with Solvency II requirements, taking into consideration that granular information on assets provides the most flexible way for undertakings to monitor different aspects of investment risk. Reflecting this reasoning, EIOPA has developed a reporting framework on assets that includes a detailed list of assets and derivatives.
- 1.52. The set-up of the risk management system and the collection of the necessary data will bring, in some cases, initial set-up costs. However, in fact the major part of these costs will be consistent with the implementation of a proper risk management system. In this context, additional costs have to be compared to additional benefits for undertakings and supervisors, considering risk management practices in light of the new regulatory framework.
- 1.53. Initial costs might exist for undertakings, but not on an on-going basis; besides, it is essential for undertakings to properly manage the risk of their assets, which implies that they will have to bear the cost anyway. For quarterly and annual reporting of the detailed list of investments, proportionality aspects are already taken into account in the Solvency II Directive.

Protection of policyholders perspective

- 1.54. Protection of policy holders is closely linked to the undertakings compliance to the Solvency II framework, in particular the implementation of prudent person principle by the undertakings and the ability of supervisory authorities to assess the compliance.
- 1.55. The supervision needs to be proportionate to the nature, scale and complexity of the risks undertakings face, but the risk assessment is impossible without information. Available information is key for the application of a proper supervisory review process.

Options for requiring the summary of assets template for the exempted undertakings in accordance with article 35 of the Solvency II directive:

- **Option 1:** Require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives quarterly
- **Option 2:** Require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives annually
- **Option 3:** Don't require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives quarterly and annually

- 1.56. These options refer to the requirement to submit summarized information on assets and derivatives when an undertaking is exempted from reporting item-by-item information on an annual or quarterly basis in accordance with article 35 of the Solvency II Directive.
- 1.57. This proposal reconciles the principle of proportionality, which is explicitly stated in the Solvency II Directive, with the need to have sufficient information that enables supervisory authorities to perform an adequate risk assessment of the undertakings.
- 1.58. The proposed template S.06.01 contains information that can be directly obtained from the same sources used to submit templates S.06.02 and S.08.01, through the aggregation of the exposures by asset category, following the classification in Annex III - Asset Categories and Annex IV - CIC table of this Regulation, split by Portfolio as defined in items C0040 of templates S.06.02 and S.08.01.
- 1.59. As the decision on exempting item-by-item information on assets and derivatives may be constrained by the consequent lack of information for the purpose of properly accessing the prudent person principle, supervisors may consider relying on a summary of assets and derivatives as an alternative.
- 1.60. The benefits for supervisory purposes and policyholder protection come from the fact that, in the absence of a detailed list of investments, supervisors would still have a way of assessing financial risks on an aggregate level annually.

Analysis of the options:

Option 1: Require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives quarterly

Pros (+):

- 1.61. This allows for a frequent assessment of investment portfolios that permits having minimal information of risk exposure on a quarterly basis.
- 1.62. It is consistent with the objective of limiting more detailed submission requirements from undertakings that have a lower risk profile and at the same time of allowing for at least an assessment of each undertaking's aggregated risk profile when deciding on quarterly and item-by-item exemptions

Cons (-):

- 1.63. Quarterly frequency for submission requirements is mainly driven by the need to assess undertakings that have a higher risk profile and consequently the item-by-item information would be better suited for that purpose.
- 1.64. Although the information can be easily obtained, undertakings and supervisors would still need to have risk management systems and processes in place to submit and analyse the information on the summary of assets template.

Option 2: Require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives annually

Pros (+):

- 1.65. This allows for an alternative way of assessing investment portfolios composition that permits having minimal information of risk exposure on an annual basis.
- 1.66. It is consistent with the objective to limit more frequent and more detailed submission requirements from undertakings that have a lower risk profile, at the same time allowing for at least an assessment of each undertaking's aggregated risk profile when deciding on quarterly and item-by-item exemptions.

Cons (-):

- 1.67. Although the information can be easily obtained, undertakings and supervisors would still need to have systems and processes in place to submit and analyse it.

Option 3: Don't require a Summary template for the exempted undertakings to report minimum information on the assets and derivatives quarterly and annually

Pros (+):

- 1.68. Both undertakings and supervisors would not need to set systems and processes in place to submit and analyse data at a different level of aggregation.

Cons (-):

- 1.69. Supervisors would not have an alternative way of assessing investment portfolios composition, limiting the possibility of having minimal information of risk exposure.
- 1.70. Supervisors have to rely more on costly ad-hoc information requests

Policy Issue 2: Quarterly Balance-sheet

- 1.71. Following previous consultations, it was decided to require a balance sheet on a quarterly basis. Stakeholder comments were taken into account and the use of the approximations and estimations has been allowed. This has already been clearly stated in the preparatory phase package regarding submission of information to supervisors. EIOPA believes that it is important to have a full balance-sheet and considers it important for on-going supervision. The balance-sheet is seen as crucial information to assess the financial position of an undertaking.
- 1.72. Solvency II allows national supervisory authorities to limit/exempt quarterly reporting under certain conditions. The options below address only the reporting by non-exempted undertakings.

The options considered were the following:

- **Option 1:** full Solvency II Balance-Sheet submitted quarterly;

- **Option 2:** simplified⁴ Solvency II Balance-Sheet submitted quarterly;
- **Option 3:** no Solvency II Balance-Sheet submitted quarterly.

1.73. In the case of option 1 the TS would have some provisions on the use of simplifications, as foreseen in the preparatory phase.

Analysis of the options:

Option 1: full Solvency II Balance-Sheet submitted quarterly

Pros (+):

- 1.74. Balance sheet items need to be calculated with a frequency compatible with the requirement of assessing continuous coverage of MCR and SCR.
- 1.75. Gives detailed information on all BS items quarterly.
- 1.76. Full BS calculation has to be performed quarterly for IFRS publication or risk management purposes.
- 1.77. Reporting of assets, technical provisions and own funds are required quarterly and therefore the additional burden is residual as simplifications might also be used.

Cons (-):

- 1.78. More burdensome for undertakings (requires full quarterly closing).
- 1.79. No need for a full formal BS to calculate OF quarterly. Own funds may be calculated as a balancing number without using the same level of accuracy that is needed for annual closing.
- 1.80. No material impact of BS items other than assets, TP and OF.

Option 2: simplified⁵ Solvency II Balance-Sheet submitted quarterly;

Pros (+):

- 1.81. Avoids detailed calculation of BS items other than TP and assets, while still requiring balance sheet items to be calculated with a frequency compatible with the requirement of assessing continuous coverage of MCR and SCR.

Cons (-):

- 1.82. Since BS items will have to be valued anyway, burden is the same as full BS.
- 1.83. Confusion and costs related to diverging presentations for quarterly and annual BS.

⁴ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

⁵ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

1.84. "Other liabilities" and "other assets" may be calculated as a balancing number without using the same level of accuracy that is needed for annual closing.

Option 3: no Balance-Sheet submitted quarterly.

Pros (+):

1.85. Less burdensome for undertakings as it facilitates the use of proxies for OF as may allow for non-material differences between total assets and total liabilities.

1.86. Quarterly data would be provided on TP, OF and assets and only TP and premiums are required for quarterly calculation of MCR.

Cons (-):

1.87. No detailed information for other BS items than assets, TP and OF.

1.88. No possibility to understand the rationale for material changes in OF (those not resulting from TP and assets).

Policy Issue 3: Level of information by ring-fenced funds (RFF)

1.89. The Delegated Acts require the calculation of notional SCR by RFF and the calculation of an adjustment in Own Funds.

1.90. When discussing the possible solutions for reporting of information EIOPA considered that insurance and reinsurance undertakings should be required only to provide such information to their national supervisory authorities that is relevant for the purposes of supervision, taking into account the objectives of supervision as laid down in Directive 2009/138/EC.

1.91. The options address the frequency and level of detail of the information to be received by supervisory authorities in conjunction.

1.92. The options only consider material RFF as it was considered disproportionate to even consider the reporting of the information on non-material RFF.

1.93. EIOPA will not define what a material RFF is. This is to be judged by the undertaking. Defining what is a material RFF is always difficult and not risk-based as it is very difficult to argue that a RFF representing 10% of the SCR is material and a RFF representing 9,5% is not. It really depends of the concentration of the portfolio and of the number of RFF in each portfolio. EIOPA expects undertakings to enter in a dialogue with the national supervisory authorities to clarify in each situation what should be considered material.

The options considered were the following:

- **Option 1:** No information by RFF
- **Option 2:** Information by RFF only annually
 - Option 2.1.:** Only SCR
 - Option 2.2.:** SCR, BS and TP (quarterly version)
 - Option 2.3.:** all annual versions of templates applicable

- **Option 3:** Information by RFF quarterly

Analysis of the options:

Option 1: No information by material RFF

1.94. Despite the calculation requirements this option would not require any information by RFF and a single number for the total value of the adjustment could be requested.

Pros (+):

1.95. It would be less burdensome for undertakings although they would have to perform the calculations by RFF anyway.

Cons (-):

1.96. No available information to supervisors. This would be significant amounts when RFF are material.

Option 2: Information by material RFF only annually

- **Option 2.1.:** Only SCR
- **Option 2.2.:** SCR, BS and TP
- **Option 2.3.:** all annual versions of templates applicable

1.97. This option is subdivided in 3 sub-options regarding the level of information to be required by material RFF. The requirement on the SCR can be seen as natural considering the delegated act, and subsequently the inclusion of TP and BS, and even all other templates was discussed.

Option 2.1.: Only SCR

Pros (+):

1.98. This would allow supervisors to have a first picture on the final result of the adjustment with own funds at a RFF level provided in the OF templates at an individual level.

Cons (-)

1.99. This would not allow supervisors to understand the input of the adjustment calculation. In case of material RFF, information on the SCR by RFF is crucial; hence, more information is required for supervisory purposes in order to have a proper understanding of the calculation.

Option 2.2.: SCR, BS and TP

Pros (+):

1.100. This option may be seen as a further step towards the need for supervisors to have a proper understanding of the calculation by material RFF. The BS and TP, as main input of the SCR calculations, are crucial for the supervisory review process.

1.101. RFF may be substantial in relation to the undertaking and supervisors need information to properly assess the risks in the RFF.

1.102. The details of the information on the calculation of the SCR by risk modules are not requested for the entity as a whole, so it is needed at a RFF level.

Cons (-):

1.103. Burdensome for undertakings, in particular when they have several medium size RFF that would be considered material.

1.104. Information on assets can be derived, in large scale from the list of assets, and if TP is required then the need for the BS could be questioned.

Option 2.3.: all annual versions of templates applicable

1.105. RFF should be treated as a single entity and reporting would follow that principle.

Pros (+):

1.106. In some jurisdictions the structure of RFF may be very close to the structure of a single entity.

Cons (-):

1.107. Burdensome for the majority of undertakings without the proper benefit to the supervisory review process.

Option 3: Information by material RFF quarterly

1.108. This option just follows the frequency of the BS, TP templates and OF templates leading to a quarterly reporting at RFF level as well.

Pros (+):

1.109. In the cases where RFF are material this would provide supervisors with information to properly supervise and monitor RFF.

Cons (-):

1.110. This option represents an important burden for undertakings, depending from Member State to Member State regarding which types of funds will be classified as RFF.

1.111. As one of the most important features is the adjustment to eligible own funds, and this depends on the calculation of the notional SCR which is done annually, this is considered disproportionate.

Policy Issue 4: Level of information required for Long Term Guarantee and transitional measures (LTG)

1.112. Directive OMDII amended the Solvency II Directive, introducing the possibility to use a matching adjustment, a volatility adjustment, a transitional on the risk free rate in the calculation of the technical provisions and a transitional on technical provisions resulting from the difference between the value of technical provisions as calculated using the Solvency II requirements and the technical provisions calculated in accordance with the laws, regulations and administrative provisions which exist prior to the application of the Solvency II regime.

1.113. When discussing the possible solutions for reporting of information EIOPA considered that insurance and reinsurance undertakings should be required only to provide such information to their national supervisory authorities that is relevant for the purposes of supervision, taking into account the objectives of supervision as laid down in Directive 2009/138/EC.

1.114. The first set of options address mainly the frequency of the information to be received by supervisory authorities, while the second set of options address the content of the information to be received.

The options considered on the frequency were the following:

- **Option 1:** Only annual information on LTG
- **Option 2:** Annual and quarterly information on LTG

1.115. Regarding the analysis of Option 1 and 2 EIOPA discussed whether there was a need for quarterly information regarding the LTG measures and the two transitionals.

1.116. From one side supervisors believed that basic information quarterly, following the information on assets and technical provisions, would allow the development of early warning indicators during the year. To have only annual information was seen as less desirable. On the other side, it was recognised that having only basic information, and not detailed information (e.g. by matching portfolio), could lead to wrong conclusions and therefore was not seen as helpful.

1.117. It was concluded that the burden for undertakings is not significant as the information at stake is information that should be available internally.

Analysis of the options:

Option 1: Only annual information on LTG

1.118. In this option, specific information on the application of the LTG would be required only annually.

Pros (+):

1.119. This option would enable supervisors to adequately supervise the application of the adjustments and transitional measures on an annual basis.

1.120. The reporting of information would be aligned with the public disclosure requirements.

1.121. The reporting burden for undertakings is lower.

Cons (-):

1.122. Supervisors would have no information quarterly. This information is seen as important for supervisory purposes so supervisors can develop early warning indicators on a quarterly basis. This is seen as crucial by supervisors that have already implemented a similar approach to the matching adjustment.

1.123. Impact can be substantial on TP and the TP templates are also required quarterly.

Option 2: Annual and quarterly information on LTG measures

1.124. In this option, specific information on the application of the LTG and transitional measures would be required annually and basic information would be required quarterly.

1.125. On the basic information to be provided to supervisors, the discussion focused on the need to require the "duration of assets and liabilities" as this piece of information would be an important one. In fact, it would enable supervisors to

- a. Compare the duration of assets and liabilities;
- b. Compare duration of liabilities with number of years of the transitional measures;
- c. Could be used to draw different scenarios with high/low interest rates.

Pros (+):

1.126. This would enable supervisors to adequately supervise the application of the adjustments and transitional measures on an annual basis.

1.127. This would enable supervisors to develop early warning indicators on a quarterly basis.

Cons (-):

1.128. The reporting burden for undertakings is higher. However the information requested is information that should be available to the management of the undertaking and does not therefore represent a real cost.

Option 1A:

- General information on LTG measures within the existing list of assets and Technical provisions templates (without specific templates)

1.129. In this option supervisory authorities would receive information on the assets linked to matching portfolios and information on technical provisions that were calculated with the LTG and transitional measures, along with the impact of such measures.

Pros (+):

1.130. There would be minimum changes to the package as published in July 2012 as no new template would be developed.

Cons (-):

1.131. The information available to supervisors would be minimalistic and would not support an adequate Supervisory Review Process in the area of technical provisions.

1.132. It would not be possible for supervisors to understand the use of these measures.

1.133. The information required would not reflect the approach taken in the reporting package, whenever supervisors need to understand the calculations in order to properly assess the risks undertakings face.

Option 1B:

- General information on LTG measures within the existing list of assets and Technical provisions templates;
- Basic information at a matching portfolio level;
- Basic information on the calculation of MA and transitional measures.

1.134. In this option supervisory authorities would receive information on both matching and volatility adjustment and both transitional measures, including some information by matching portfolio.

1.135. Discussions on the need for information on the transitional led to the conclusion that, although on one side it is true that, in the approval process, the supervisory authorities receive information, on the other side it is important to follow the application of such transitional measures and have information that would allow identifying cases where transitional measures would no longer be applicable.

1.136. It is also important to incorporate the information on these transitional measures in the NSA databases to be able to work with the rest of the information.

1.137. Information by matching portfolio was also highly discussed and a balanced approach was believed to be achieved in this option. Options 1C and 1D reflect the option where most information by matching portfolio was considered.

Pros (+):

1.138. The information required would reflect the approach taken in the reporting package, whenever supervisors need to understand the calculations in order to properly assess the risks undertakings face.

1.139. It would be possible for supervisors to understand the use of these measures.

Cons (-):

1.140. It represents a material change from the July 2012 report, however in an area identified then as an area that would suffer changes.

1.141. The impact of the LTG measures and transitional measures can be substantial and supervisors need more information to properly understand the calculations and assess the risks.

Option 1C:

- General information on LTG within the existing list of Assets and Technical provisions templates.
- Information reported at a matching portfolio level, including SCR, technical provisions templates and a projection of cash flows.
- Information on the calculation of MA and transitional measures.
- Impact of each measure on the financial position of the undertaking.

1.142. Similar option to 1B but with information requirements on matching adjustment almost mirroring the information required at an RFF level.

Pros (+):

1.143. Requiring information almost similar to the one applicable to RFF would improve considerably the level and detail of information available for supervisory purposes.

1.144. Having more detailed information for the calculation of MA and transitional measures would help to understand the composition of each portfolio.

Cons (-):

1.145. Reporting SCR, BS and TP templates by matching portfolio would imply an additional burden for undertakings, although undertakings have to calculate it anyway when applying the matching adjustment.

Option 1D:

- General information on LTG within the existing list of Assets and Technical provisions templates;
- Detailed Information reported at a matching portfolio level, including balance sheet, own funds, SCR, technical provisions templates;
- Detailed Information on the products within each matching portfolio;
- Detailed information on the calculation of MA and transitional measures;
- Impact of each measure on the financial position of the undertaking, including a split of the impact for each SCR module.

1.146. Similar option to 1C but with information requirements on products.

Pros (+):

1.147. This option would allow to have detailed information both for the supervisory review process while fulfilling information needs for the purposes of the EIOPA report due annually for the first 5 years regarding the application of such measures.

1.148. Information on the products is considered very interesting from a supervisory perspective, although this is not specific for the purpose of monitoring the use of the adjustments.

Cons (-):

1.149. It was also considered that information on products would be a real burden on reporting as the management information could follow different rational, namely because it isn't information directly linked to the calculation

Policy Issue 5: Level of information on partial internal models and full Internal models, regarding the solvency capital requirement

1.150. Due to the specificities of each internal model, whether partial or full, it is very difficult to design harmonized reporting templates that would fit all internal models. However a minimum harmonized set of information is needed. Therefore this policy option addresses the level of detailed information regarding the solvency capital requirement that could be required in a harmonised format.

Option 1: Develop harmonised templates for partial and full internal models

Pros (+):

1.151.This option would allow NSA to have in the database harmonized information by risk modules.

1.152.Allows better comparison between undertakings.

Cons (-):

1.153.It would not fit all internal models, and then would create undue cost for undertakings to develop and for supervisors to receive (meaningless information).

1.154.Even when using partial internal models it might be difficult to report the part calculated using the standard formula in the same format as if no internal model was used.

Option 2: Not to develop harmonised templates for partial and full internal models but guarantee that NSAs may require, in different formats, at least information similar to the one reported by undertakings using the standard formula

Pros (+):

1.155.This option would allow fitting the templates to each internal model on a case by case basis.

Cons (-):

1.156.This option would not be harmonised with consequences at the level of use of databases, lack of convergence in the approaches taken between MS

Policy Issue 6: Risk Concentration (RC) information

1.157.According to Art. 254 of the Solvency II Directive insurance or reinsurance undertakings are required to report on a regular basis to the group supervisor any significant risk concentration (RC) at the level of the group. Furthermore a description of all material risk concentration shall be included in the solvency and financial condition report pursuant to Art. 295 of the Delegated Act. With regard to these reporting requirements EIOPA has developed a quantitative reporting template on Risk Concentration. This Risk Concentration template was further developed after the first and the second pre-consultation and the 2011-2012 public consultation.

1.158.Stakeholders commented that information from a Risk Concentration template should not be publicly disclosed. The information contained in this form is likely to be very sensitive in their view. They were concerned that such disclosure may lead to events that trigger market instability. The concerns of stakeholders were acknowledged and the public disclosure of the Risk Concentration template is no longer required.

1.159.EIOPA decided to consider as an option to have a quantitative template on risk concentration, with additional narrative information to be provided by the group in the solvency and financial condition report.

Option 1: Combination of quantitative RC template complemented with qualitative narrative explaining the different exposures in detail:

Pros (+):

A quantitative template contributes to harmonise reporting and the possibilities for supervisors to monitor raw data.

1.160.A quantitative template may also facilitate any RC analysis with the possible use of automated tools which may not be possible if there is only narrative reporting.

Cons (-):

1.161.A quantitative RC template could be less meaningful than a reporting in a qualitative way complemented by additional figures.

Option 2: Only qualitative narrative for RC (with figures included). A risk concentration template can still be produced a few years after having gained experience with further risk concentration reports

Pros (+):

Information related to issues like exposure, sectors, underlying risk etc. seem to be difficult to harmonize in one template.

1.162.Industry has commented on the complication to estimate the overall exposure of RC, and implications to the system of governance. The assumptions on which such estimate is derived would be more efficiently provided in the narrative RSR.

Cons (-):

1.163.Analysis via automated tools would be more difficult.

Comparison of Options

1.164.This chapter presents the conclusions of the policy options analysis and the preferred options for each of the policy issues.

Policy Issue 1: List of assets and derivatives

1.165.With respect to the options for requiring the list of assets and derivatives for undertakings that are not exempted in accordance with article 35 of the Solvency II directive: EIOPA has selected as preferred option 2 (only on a quarterly basis).

1.166.It is more effective and efficient in achieving the objectives of the technical standards. It would allow supervisors to receive the information they need and undertakings will not have to submit duplicate information.

1.167.With respect to the options for requiring the summary of assets template for exempted undertakings in accordance with article 35 of the Solvency II directive: EIOPA has selected as preferred option 2 (on an annual basis).

1.168. It is the more effective and efficient in achieving the objectives of the technical standards. It would allow supervisors to receive the minimum information necessary for assessing investment risk exposure for undertakings with a lower risk profile. This ensures adequate policyholder protection in a proportionate way.

Policy Issue 2: Quarterly Balance-sheet for the not exempted undertakings in accordance with article 35 of the Solvency II directive

1.169. The preferred option is option 1 (full Solvency II Balance-Sheet submitted quarterly) as together with an article in the TS addressing the issue of simplifications, this is considered to be the most effective and efficient option in achieving the objectives of the technical standards.

Policy Issue 3: Level of information by ring-fenced funds (RFF)

1.170. EIOPA believes option is 2.2 (SCR, BS and TP (quarterly version)) the best option in achieving the objectives of the technical standards as it includes the information considered relevant for supervisory purposes, not only to develop early warning indicators and key risk indicators, but also to perform detailed off-site monitoring in the cases where RFF are material within the business of the undertaking.

Policy Issue 4: Level of information required for Long Term Guarantee and transitional measures (LTG)

1.171. With respect to the options for the frequency of information: the preferred option is Option 1 (Only annual information on LTG) as it is more balanced in achieving the objectives of the technical standards and includes the information considered relevant for supervisory purposes, not only to develop early warning indicators and key risk indicators but also to perform detailed off-site monitoring.

- It should be highlighted that this will be new measures with an important impact in the level of technical provisions. As a consequence, it would have a key impact in the financial position of undertakings. A proper supervision of the application of these measures is crucial to guarantee an adequate protection of policy holders.

1.172. With respect to the options for the content of annual information Option 1C is the preferred option in achieving the objectives of the technical standards while not asking burdensome information from undertakings in addition to what they will need to have for internal purposes.

Option 1C states: General information on LTG within the existing list of Assets and Technical provisions templates.

- Information reported at a matching portfolio level, including SCR, technical provisions templates and a projection of cash flows.
- Information on the calculation of MA and transitional measures.
- Impact of each measure on the financial position of the undertaking.

Policy Issue 5: Level of information on partial internal models and full Internal models, regarding the solvency capital requirement

1.173. Option 2 (Not to develop harmonised templates for partial and full internal models but guarantee that NSAs may require, in different formats, at least information similar to the one reported by undertakings using the standard formula) is seen as the only one effectively and efficiently achieving the objectives of technical standards. EIOPA will further consider the development of good practices on principles to define the templates to be submitted when internal models are used.

Policy Issue 6: Risk Concentration (RC) information

1.174. The preferred option is Option 1 (Combination of quantitative RC template complemented with qualitative narrative explaining the different exposures in detail) achieving the objectives of the technical standards, as it allows for complementing quantitative data with narrative information.