Question ID	Publication date	Topic	Paragraph / Template	Question	Answer
1	22-Apr-21	Technical Specifications	72	Participations incl. credit institutions are to be shocked according to the prescribed shocks for listed equities. As part of the capital component, a stressed SCR has to be calculated. Can we assume that the reduced net asset value according to the sectoral rules also result in lower sectoral capital requirements otherwise a situation could exist that a breach occurs at the level of the participation?	The value of the participations should be recalculated applying the shock to listed equities. The contribution to the SCR of these exposures should be recalculated according to the approach used in the regular reporting applied to the post-stress value of the participation. The approach taken together with any simplification/approximation should be discussed in the pre-validation process.
2	22-Apr-21	Template Capital	0.OF	In cell c0010 R0180-0210 no formula for the total is included.	The template will be adjusted adding the missing formulas. The amendment will be applied also in the templates CBS.OF and FBS.OF designed to capture the post stress positions.
3	22-Apr-21	Template Capital	0.OF	In row 12 of the template (no R number as reference) no formula is included. Should the total of tier1 BOF, tier 2 BOF and tier 3 BOF be reported here? Or should these cells be greyed out?	The template will be amended removing the request for inputs in row 12 in line with the regular QRTs.
4	22-Apr-21	Template Capital	0.assets/ 0.liabilities	EIOPA asks in the templates detailed information on the level of the group based on solo information. Not all entities are providing that data because they are not subject to EU-legislation such as non-EEA subsidiaries. Also the templates are not completed at group level, for example the QRT S17 template. How does EIOPA envisage groups to prepare this information and reconcile with the balance sheet information? In the detailed templates there is no possibility to include assets and liabilities for which no information is readily available.	The templates should be filled-in according to what prescribed in paragraph 210 and 211 of the Technical specifications: "The reported assets shall refer only to the solo entities consolidated via Method 1 in order to grant consistency with the values of the asset classes reported in the balance sheet". This approach should preserve the comparability with the Balance Sheet.
5	22-Apr-21	Technical Specifications	197	EIOPA describes how the reduction in premium has to be included in the capital component. In the description only Life insurance is mentioned. We assume, that the reduction in the new business will have an impact on the post-stress SCR for Non-life (and NSLT) premium- and reserve risk?	Reduction in written premia is not included in the list of the shocks to be considered when recalculating the post stress capital position as shown in Figure n.6 of the Technical Specifications. The point is further elaborated in par. 197. Against this, no impact stemming from the reduction of premia related to life and non-life in-force or new business should be applied in recalculating the post stress balance sheet and the SCR.
6	22-Apr-21	Technical Specifications	195	How should insurers treat the 10% reduction in new business premium if the insurance contracts are already renewed at 2020 YE ie. The cover has already started at 1 January?	The reduction in written premia applies only to the liquidity component as specified in par. 198 of the technical specifications. The shock to written premia should be used to calculate the post-stress position of the cash-in flows related to premiums of non-mandatory in-force and new business (both life and non-life) observed from 01/01/2021 to 31/03/2021. The cash-in flows observed in the 90-day time horizon should be recalculated reflecting the decrease of the written premia (-10%). On the specific example included in the question: if the premium of the contract is received already in 2020, or when the insurance product is mandatory by law, the premium written should not be reduced by 10%. If the premium is due in 2021, within the three month time window and when the insurance product is non-mandatory by law, the premiums written should be reduced by 10%.

7	22-Apr-21	Technical Specifications	Market shocks-govies	In the excel template, EIOPA assumes the yields for govies for Germany and France to be zero (France has a rounding up to zero). Is this correct? In the EBA-stress test, the yields for France and Germany are stressed. By the way in an equal manner to that of the Netherlands. Why does EIOPA deviate?	The narrative, the market shocks and their calibration are defined in cooperation with the ESRB. While the narrative and the shocks have been commonly developed for EBA and EIOPA, the calibration of the shocks diverges. This choice was made to reflect i) the characteristics of the industry; ii) the characteristics of the regulatory regimes, and iii) the characteristics of the stress test frameworks. On the specific points: - The shocks to government bond yields for DE and FR are zero or close to zero because they sum the effect of the shock to spreads, which is positive, and of the shock to risk free rate (i.e. shocks to Euro-swaps) which is negative. The shocks to swap and the shocks to spreads point in the opposite direction to fully reflect the double-hit nature of the scenario. A direct comparison between EIOPA and EBA shocks should not neglect the differences in the approach used for their calculation (e.g. time horizon of the calibration). However, even if looking at the simple figures, the shocks to spreads of sovereign bonds are for both EBA and EIOPA scenarios positive and of comparable severity. - The EBA methodology is based on the bucketing of the EU countries into three cohort and the subsequent definition of an average shock to sovereign bond spreads for each cohort. EIOPA opted for a more granular approach calibrating the shocks at a country level.
8	22-Apr-21	Technical Specifications	98	In case of (non material) entities excluded from the perimeter of application of the shocks, how should the scaling be applied? More in details: are participants supposed to apply the scaling i) on each item of the balance sheet deriving the specific scaling factors from the changes of the correnspondig items of similar entities of the group whose positions are calculated applying the prescribed shocks; or ii) apply an average scaling factor to all items (both asset and liabilities) derivative from the overall change in assets and liabilities of similar entities of the group whose positions are calculated applying the prescribed shocks ? Whathever tha approach chosen, how they are supposed to fill in all the reporting and validation templates (taking into account that in some templates no linearity apply)? How should the post stress SCR and the OF of the scaled entities be computed (again, we see some issues in applying the scaling approach and then filling in all the templates accordingly considering that linearity doesn't apply to neither of them)? Considering the approximation needed to fill in all the templates when applying the scaling approach, would it be a reasonable way forward to keep these entities constant provided that they are not material in terms of Group Own Funds?	In case participants want to exclude specific asset classes or specific liability portfolios, the scaling approach should be applied and the templates should be filled in accordingly. In case participants opt for the exclusion of one or more non-material / marginally-impacted entities from the scope of the exercise, considering the operational issues in applying the scaling approach to the whole balance sheet and the approximation needed for the recalculation of the OFs and of the sub-modules of the SCRs including the diversification effects, they are allowed to keep the position of those entities unchanged with respect to the baseline. Anyway, the approach chosen has to be discussed with the NCAs during the pre-validation phase. The approach will be included in the "Simplifications and Approximations" section of the Technical Specifications.
9	29-Apr-21	Technical Specifications & Reporting liquidity	Technical specifications: §84 and §92 Reporting liquidity - Technical specifications: Stocks	In the reporting template for liquidity, concerning stocks, it is written: "The figures should be reported at the reference date 31 December 2020. Namely: - in the baseline scenario: the actual position registered at 31 December 2020 shall be reported". The "actual position" can be interpreted as the amounts from the QRTs. Is it correct that in this case the "actual position" should be interpreted as the amounts after the application of haircuts.	In the baseline scenario of the Stock Tables, the “actual position” to be reported refers to the amounts from the QRTs at 31 December 2020, before the application of the haircuts. Also in the two stressed scenarios, where the amounts from the QRTs have to be reassessed against the prescribed shocks, the values to be reported should be intended before any application of the haircuts. This applies to both tables regarding Assets (Table Stock.1) and tables regarding Liabilities (Table Stock.2), where no application of the haircuts is expected from the participants when filling in the template. The values with haircuts and weights will be automatically calculated for assets and liabilities respectively. This will be further specified in the technical specifications and liquidity template.
10	29-Apr-21	Technical Specifications	5.2.1.1	The paragraph tells us that only technical provisions are affected by the lapse shock and that the asset side is left unaffected. We believe this to be illogical because of the ensuing outflows of insurance capital; assets must be sold to cover for the outflows in such a case. Can you please confirm that assets are to be left unaffected.	This paragraph refers to the capital component. The mass lapse shock in the context of the stress test exercise refers to the situation where the shock is completely provisioned assuming that no payments take place. Therefore, the liability side needs to be affected, but the asset side not. This is inspired from the article 142 of delegated acts.

11	10-May-21	template - liquidity	stocks	In the liquidity reporting templates the data is segregated to life and nonlife business. We assume health business to be part of nonlife. Is this assumption correct?	The information to be provided depends on the type of entity according to the Solvency II classification: - Life undertakings; - Non-Life undertakings; - Undertakings pursuing both life and non-life insurance activity - article 73 (2); - Undertakings pursuing both life and non-life insurance activity - article 73 (5); - Reinsurance undertakings. The information should be provided tab P.Participant cell C11. In case of life undertakings and non-life undertakings the allocation of the health follows the type of business run by the undertaking. For composite undertakings (as specified in row 33 and row 100 of the tab I.Information) the allocation of the health business between life and non-life should follow the principle used in the allocation of the Technical Provisions in the regular Solvency II reporting, namely: health similar to life should be allocated to the life business whereas health similar to non-life should be allocated to the non-life business. Specifically : - Undertakings pursuing both life and non-life insurance activity - article 73 (2) (a) should allocate all under the life business; - Undertakings pursuing both life and non-life insurance activity - article 73 (2) (b) should allocate all under the non-life business; - Undertakings pursuing both life and non-life insurance activity - article 73 (5) should split the health business according to the treatment of the technical provision; - Reinsurers should follow the same principle of Undertakings pursuing both life and non-life insurance activity - article 73 (5). Liquidity reporting template will be amended in order to include the differentiation between article 73 (2) (a) and article 73 (2) (b).
12	10-May-21	Reporting liquidity - Technical specifications		How should undertakings fill the reporting template when several entities of the group are not part of the stress test? Is it correct that a single reporting liquidity template should be filled for all solo entities?	While the scope of the 2021 Stress Test exercise encompasses Groups, the assessment of their liquidity position requires the application of the shocks at solo level (ref. par. 62 of the Technical specifications). The selection of the solo entities to be included in the perimeter of the liquidity assessment follows the criteria defined in the Technical Specifications, section 3.1 – Liquidity. Groups are requested to submit one liquidity template for each of the solos included in the liquidity assessment as specified in par. 219 of the technical specification. For example, assuming a situation where a Group is composed by four solo undertakings and that only three of them are identified as relevant for the liquidity assessment, the reporting package to be submitted its NCA should encompass: - 1 template for the capital component (filled with group data); - 1 questionnaire for the capital component (filled with group data); - 3 templates for the liquidity component (filled with solo data, one for each of the three solos indentified for the liquidity component).
13	10-May-21	Technical Specifications	210	When defining ratings, do participants need to use the iboxx methodology instead of the method estabilished in article 4 to 6 of the COM Delegated Regulation (EU) 2015/35 deviating from the methodology used for the regular SII reporting?	When applying shocks specified on credit ratings, participants should refer to the same classification of assets and methods used in their regular reporting in line with the prescription of article 4 to 6 of the COM Delegated Regulation (EU) 2015/35. The reference to the iboxx methodology only refers to the dataset used by the ESRB for the calibration of the market shocks.
14	10-May-21	Technical Specifications	n.a.	There is no indication in the technical specification on how to stress investment in infrastructure. Is it our understanding correct that they should be kept constant?	Investment in infrastructure shall be shocked according to the underlying relevant asset class (i.e. using the provided shocks for corporate bonds, equity). A specific clarification is added to the technical specifications.
15	10-May-21	Technical Specifications	146	In para 146 there is no reference to residential property held for own use. How they should be treated? Should they be shocked according the shock provided for office and commercial real estate as the paragraph 146 seems suggesting?	Property for own use should be shocked according the shocks to property held in the investment portfolios. Which means that commercial properties for own use (including offices) should be treated with shocks to commercial real estates whereas properties for own use classified as residential should be treated with the shocks provided to residential real estates. Par. 146 of the Technical specifications is amended with the clarification.

16	20-May-21	template - liquidity	Flows C.5.4, C.5.5	Are participants suppossed to assume that the same assets as in the baseline case are purchased and sold in column F (stress without management actions) and any decision to change these assets (which is rather likely) has to be taken into account in column G (stress with management actions)?	Generally speaking, in the stress scenario without reactive management actions, participants are supposed to sell and purchase asset according to their day-to-day investment strategy. Therefore they are not necessarily supposed to sell/purchase the same assets as in the baseline scenario as long as they do not deviate from the investment strategy that they use in their day-to-day business. The distinction between embedded and reactive management actions should be defined case by case and specifically discussed with the National Supervisor during the pre-validation phase of the exercise. In principle, in the context of the liquidity exercise embedded management actions refer to automatic/predefined processes of investment/disinvestment operations. The effect of these actions should be reported in the liquidity template under the columns labelled as "Stressed". Any other action (e.g. actions aimed at changing the investment strategy or, actions aimed at postponing/delaying payments against the market conditions prescribed in the scenario, or actions aimed at raising cash through the use of cash pooling agreements for entities belonging to groups that do not manage their liquidity centrally or through the use of other liquidity sources like loans, credit lines, etc.) should be considered as reactive management actions and should be included in the liquidity template under the columns labelled as "Stressed with reactive management actions".
17	20-May-21	Technical Specifications	5.2.3 Pandemic morbidity shock and increase of non-life cost of claims	Health insurance coverages can be based on pre-defined reimbursement schemes which remains constant during a calendar year. Should the shock to non-life cost of claims (claims inflation) be applied to this business line?	The scenario derives its shocks from a prolonged period of pandemic whose effects are converted into an increase in the cost and frequency of claims for those non-life business lines more affected by the COVID and its aftermath. Increase in litigation costs, loss of income, and increase in costs of medical treatments can be assumed, without any aim of completeness, as potential triggering events for the 2% increase stated in section 5.2.3 of the Technical Specifications. The shock should be applied homogeneously to all the business lines listed in Figure 8 independently by potential mitigation effects stemming from uncertainty regarding exclusion clauses and national specificities. In the specific case, the increase in the cost of claims may, for example, come from litigation costs and therefore the shock should be applied to all health insurance coverages notwithstanding their characteristic (as the pre-defined reimbursement schemes).
18	20-May-21	Technical Specifications	155	In accordance with Article 142 of the Delegate Regulation, should mass lapse shocks have to be apply only for contracts for which the exercise of the option would result in an increase of Best Estimate ? If yes, should the treatment also have an impact on the liquidity component? Same question for mortality shock.	For lapse: The mass lapse shock shall be applied to all policies independently of whether the discontinuance would result in an increase of technical provisions (with/without the risk margin) or not. This will be further specified, also, in paragraph 155 of the technical specifications. For mortality: The mortality shock shall be applied to all policies independently of whether the increase in mortality rates leads to an increase in technical provisions (with/without the risk margin) or not. This will be further specified, also, in paragraph 170 of the technical specifications. In terms of the liquidity component, the application of the shock is also independent of the abovementioned effects in the technical provisions.
19	20-May-21	Technical Specifications		Is the mortality shock additive or multiplicative?	The shock to mortality is specified as per paragraph 169 in the technical specifications. In fact, the formula specifies that the baseline qx shall be multiplied (notated by the symbol *) by (1 + 10%). Effectively, this means that the shock is multiplicative.
20	20-May-21	Pandemic morbidity shock and increase of non-life cost of claims/ technical specifications / liquidity template - stocks S14	181-190	It is not clear to us what shock should be applied in the determination of the stressed best estimate for the non-life business (item S.14). Should this be the impact on the Q4 best estimate of only applying the severity and the frequency shock on the 90 days? Or applying the severity shock on the full run off of the reserves (alike at Capital) and the frequency only on 90 days? Or something different?	The stock value to be reported in the liquidity template is the same as in the capital component. In the capital exercise shocks have to be applied to the best estimate considering the full run-off and only severity shock has to be applied as specified in para 187 in the Technical Specifications. In the liquidity component, only the flows need to be stressed. The stocks should not be recalculated in the liquidity exercise (neither assets nor liabilities) since the same value as in the capital component should be reported while for the flows the impact of the shocks should be considered limited to what would have happened during the first 3 months of the year (please note that no recalculation of the TP is requested for the flows because the actual in-flows and out-flows don't include the change in TP). In particular, the actual claims paid in the baseline should be increased in the stressed scenario considering the impact of the increase both of the severity and of the frequency as specified in paragraph 188 and 190 of the Technical Specifications.
21	20-May-21	Technical specifications/ liquidity template / best-estimate Non-Life business		It is not clear to us which insurance specific shocks should be taken into account in the determination of the stressed best estimate for the non-life business (item S.14). Is our assumption correct that we should apply the shocks as described in the subsections "Application in the capital component" for the stock part of the template and the shocks as described in the subsection "Application in the liquidity component" in the determination of the stressed flows?	Refer to Q&A 20.

22	20-May-21	Technical specifications/Shocks to swaps (bps)		For the curve to be used for asset valuations, does the downward shift of the swap curves lead to a steepening of the curve from the 20 year to the 25 year tenors? Or does the downward shock of interest rates remains constant after LLP (and equal to the shock at LLP)	The revaluation of the assets should be at market value according to the approach prescribed by Solvency II and applied in the regular reporting. The post stress market value should be computed in line with the shocks prescribed. Specifically: - sovereign bonds: shocks to yields. Shocks to maturities not provided should be derived as specified in par. 132 of the technical specifications - corporate bonds: shocks to yields. The shocks are prescribed for each credit quality step and should be applied to all the maturities. - other assets: in case the shocks to swap curves are needed, the missing maturities should be computed via interpolation and for the maturities exceeding the last maturity with an explicit shock by keeping the last value of the shock unchanged
23	20-May-21	Liquidity template	Stocks tab	In the stocks tab should the best estimate liabilities be reported gross or net of reinsurance?	Liabilities should be reported gross of reinsurance. This will be clarified in the liquidity component template, I.Information sheet.
24	20-May-21	Capital Reporting template	Asset Tab	We have doubts related to the allocation and the reporting currency w.r.t. assets in tables Q 1.1. (Sovereing bonds) and Q3 (Equity portfolio) of the Asset Tab, where besides the Issuer column, there are two more columns referring to: the currency of the Country and the currency of denomination (in Q.1.1) and to currency of reporting and the currency of denomination (in Q3). Which of the 3 columns of each table should we take into account when deciding on the allocation of an asset among the different lines of the table? For example, in the case of a bond issued in US and denominated in Euro, where should we allocate it? In the US line (currency of the issuer) or in the EUR line (currency of denomination)? Moreover, which currency should we use to report the amounts of the assets in the table? in the case of a USD equity for a group whose reporting currency is EUR, should we report the value in USD (reporting currency of the issuer) or EUR (reporting currency used for reporting purposes of the participating entity)?	The allocation of the bonds should follow the country of issuance and not the denomination of the security. All the values inputed in the templates should be reported in the reporting currency independently by the country of issuance of the security and its denomination. For example if an undertaking whose reporting currency is the Danisk Krona, helds a sovereign bond issued by the Canadian Government (whose currency is Canadian Dollar) and denominated in US dollars the position should be reported in Danish Krona. The template will be amended to avoid confusions.
25	20-May-21	Technical Specifications - Liabilities Non Life Business for capital	181	Paragraph 181 in the Technical Specifications describes how the severity shock should be applied. In the capital exercise, do participants have also to take into account the impact of the severity shock also in cash inflows related to claims costs when calculating for example Recoverable from Reinsurance?	In the capital component the full impact of the severity shock should be considered, including the impact to the recoverable from reinsurance. This will be further specified in the technical specifications.
26	20-May-21	Technical Specifications - Liabilities Non Life Business for capital	157	We ask for a confirmation that, in case a participating entity applies a dynamic lapse model, the DPB shall be switched off for all the projected years: we believe this interpretation is correct because the application of 20% instantaneous mass lapse shock has an anticipatory effect on surrenders of policyholders more reactive to the market condition, making the DPB phenomenon irrelevant in the following years	As specified in paragraph 157 of the Technical Specifications the prescribed immediate shocks shall overrule the dynamic adjustment of the lapses potentially generated by the set of prescribed market shocks. This means that the dynamic lapse model needs to be switched off for the first year of the projection and then switched on again. A clarification will be added in paragraph 157. Only in case the model used in the regular reporting does not allow to switch the dynamic lapse off for the first year, then participants are allowed to keep it always on to grant consistency with the baseline.
27	20-May-21	Technical Specifications	69 & 153	Based on chapter 5.2 and specifically point 153, the marginal impact of the insurance specific shocks to the OF and to the SCR shall be reported separately, while on chapter 4 and point 69 it is mentioned that all the insurance specific shocks are designed to be applied simultaneously and to have a single run. Based on the reporting templates, only point 69 seems to be applicable. Please define the scope of point 153.	The reference to SCR in par. 153 of the Technical Specification was a typo. The marginal impact on SCR is not requested in the exercise (see the Tab Miscellaneous in the Capital Template). The paragraph will be amended in line with data requested in the Tab Miscellaneous in the Capital template (namely only the marginal impact of insurance specific shock to OF, TP and EAoL shall be reported).
28	20-May-21	Technical Specifications	181	Based on footnote 40 in Figure 8 on point 181 of chapter 5.2.3, Business lines are aligned with the Solvency II QRT S.14.01. This QRT is related with Life obligations analysis, while Figure 8 refers to Non Life LoBs. Should we assume that it is a typing error?	This is a typo. The reference will be similar to footnote 41 and will be clarified in the technical specifications accordingly.

29	20-May-21	Template for data collection - capital, tabs 0.Assets, FBS.Assets, CBS.Assets		Based on tab Assets on "Template for data collection - capital" the scope of the reporting is the investment portfolio without look-through excluding assets held for unit-linked/index linked. Since there is no classification for funds, we assume that they are completely out of scope. Is our understanding correct?	While the application of look through approach is requested to revaluate the CIUs after stress in the capital component (the stressed value should be reported in the FBS.BS and CBS.BS tabs), no "look through reporting" of these values (details of the amounts of the assets included in CIUs split by asset categories) is required in the Assets Tabs.
30	20-May-21	Technical Specifications	5.2.1. figure 7	Products with different benefit in case of death and survival (e.g. in case of death the benefit is the paid premiums so far, while in case of survival the benefit is the sum assured) should be categorized in the Endowment category (5.2.1 section)?	Yes, the policy should be classified as an endowment.
31	20-May-21	EIOPA-BoS-21-156_2021ST/Methodology /Liquidity Component	84	According to the specification for the capital component, the "look through" method should be used, while in the liqudity component (in the case of haircuts on investment funds, without a fund decomposition agreement) it seems "look through" is not allowed. While it might be justified in some of cases it seems to be not justified in situation of insurance company holding 100% of the fund - can the "look through" method for liqudity component be used in this situation?	The liquidity haircut for the Collective Investment Untertatkings (CIUs) is calibrated using a look through method i.e. based on the average composition of the CIUs of the European groups and the related haircuts. Furthermore by a liquidity perspective the holding of a security is not equivalent to the holding of the same security in a funds. Against this the CUIs will be reported in a dedicated cell and will be treated through the prescribed haircut.
32	20-May-21	EIOPA-BoS-21-156_2021ST/Methodology /Liquidity Component	92	If the insured has the option to cancel the insurance contract, but surrender value is equal to 0, such product should be classifed in S.11.1 Without surrender option, or S.11.4 Surrender value lower that 80% of the best estimate/statutory reserves?	The way that the product is described implies that there is a very significant counter-incentive for lapsation. Hence, from a liquidity perspective, this shall be included in S.11.4.
33	20-May-21	EIOPA-BoS-21-156_2021ST/Methodology /Liquidity Component	84	Do we interpret the methodology well? Liquid assets are calculated via liquidity haircuts applied to the different asset classes. The denominator (i.e. Total assets) of the formula in this formula: liquid assets / total assets, are assets excluding liquidity haircuts?	Yes. Liquid assets are calculated via liquidity haircuts applied to the different asset classes as explained in par. 84 of the technical specification while total asset (cell S.9) are calculated without the application of haircuts
34	20-May-21	EIOPA-BoS-21-156_2021ST/Methodology /Liquidity Component	84	Should we apply haircuts to the entire portfolio of assets or only a part of it resulting from the materialization of insurance risk?	Participants are supposed to report figures without haircuts or weights. They are automatically calculated as specified in Q&A 9.
35	20-May-21	Technical Specifications	133	Is our assumption correct that … a government bond denominated in a currency other than the currency of the country of issuance is shocked according to the bond yield shock of this specific country leading to a new higher yield and lower a bond price in its denomination currency? What exactly shall be applied in "shocked according to the country shock"? What's exactly ment with currency conversion, if reporting and denomination currency is equal? Could You please supply an example for para 133. which corresponds to para. 131. Shocks to sovereign in terms of ΔCreditSpreadBond=ΔYBond−ΔSWAP.	Para. 133 assumes that the yield shock is applied directly to the market value of the bond. Provided that the shock to yields is aligned with the shock provided to the country of issuance in the technical information, if the group applies the method of splitting the yield of foreign bonds into swap rate and credit spread, as described in para. 131, to foreign bonds, the country specific spread shock and the swap shock of the currency of the denomination of the bond may be applied.

36	20-May-21	template for data collection - liquidity	Flows	Is our assumption correct that (in the "Flows" tab, Table Flows.2 under "Stressed") the same purchases and sales of assets, that were executed in the Baseline (Actual flows for 90 days), should be revalued under stressed market conditions? (e.g. proceeds from the sale of bond X under baseline scenario vs. proceeds from the sale of bond X after market stress in Q1).	he value reported in the "Baseline" column should reflect the actual transactions registered in the 90 days time horizon. The value reported in the columns "Stressed" and "Stressed with reactive management actions" should be computed as follows: - In the case of purchases and sales of assets that have already been executed and reported in the "Baseline", the value to be reported should correspond to the value reported in the baseline shocked according to the related market shocks used in the capital component (refer to the Technical information tab: "Market_Shocks"). Please note, that this case does not include reduction/increase in the quantity of these assets. This is included in the case below. - In case of purchases/sales of assets that differs in terms of quantity / type from the assets of the actual flows executed in "Baseline", the amount should reflect the price as of 2020 year end shocked according to the related market shocks used in the capital component (refer to the Technical information tab: "Market_Shocks"). If an asset is issued after 2020 year end the 2020 year end price of a comparable asset shall be used. When reestimating the price of the fixed income assets, participants are allowed to apply simplified approaches such as duration based approach or scaling approach. The approach taken should be discussed during the pre-validation phase and disclosed in section "simplification" of the qualitative information included in the liquidity template. Example on equity: Baseline: purchase of 100 EUR of stock X and sale of 150 of stock Y (both within the 90 days). The equity shock of 45% should be applied to the value of the stocks X and Y in line with the technical information. Stressed (without or with reactive management actions): Case 1: • The value of the stock X becomes 100*(1-45%) = 55 EUR and of the stock Y 150*(1-45%) = 82.5 EUR. Case 2: • If additional shares of stock X need to be purchased/sold: o In order to determine the purchase/selling price, the price of stock X as of the 2020 year end should be used, say 95 EUR. - Then, this shall be shocked, resulting in (1-45%)*95 = 52.25 EUR. - This is the purchase/selling price. • If a different stock Z needs to be purchased: o The price of stock Z as of 2020 year end shall be used, say 80 EUR. - Then, this shall be shocked, resulting in (1-45%)*80 = 44 EUR - This is the purchase/selling price.
37	20-May-21	EIOPA-BoS-21/156	4.4. Management Actions	With regard to reactive management actions, is the application for regulatory measures, such as e.g. volatility adjustment (VA), a measure in the sense of this year's stress test and reactive management actions, since the approval of e.g. VA is dependent on the supervisory authority and thus also influences the time horizon?	All management actions which might depend on the approval/agreement of an entity outside the insurance group such as NCA, state or other market participants shall be avoided. Only the management actions which can be executed without additional formal external agreement can be applied. Any external agreement should have been formalized prior to the stress test and should not have been designed conditionally to the stress test market conditions.
38	20-May-21	Capital Template		The capital sheet includes an indicators worksheet. Can these be linked to the underlying worksheets in the final templates, so that not all insurers have to interpret / link these indicators themselves?	The indicators sheet is not linked to the other tabs or formulas as the participant groups should take ownership on the results presented in the Indicators. That is because some indicators will be requested to be individually publicly disclosed upon consent of the groups and because during the validation phase this template will be used also for validation purposes.
39	20-May-21	Liquidity Template		Is it correct to assume that the total purchases and sales non life of assets (C4 and C5) should be equal to C22 NL?	Yes. The consistency between the purchases/sales in lines C22 and in lines C.5.4/C.5.5 of the Flows tables is now granted, after the changes made in the liquidity template, namely the deletion of the line “C.19. - Off-balance sheet or contingent financial liabilities to third parties” from Table.Flows.2.a and Table.Flows.2.b, previously included.
40	20-May-21	Technical Specifications	92	In general there is no surrender option for group life contracts, but (active) individuals within the contract might transfer their pension to another insurance company. Does this count as surrender as stated in figure 5?	The lapse shock shall be applied to individual life contracts, excluding the collective contracts. This clarification is added to the technical specifications. Thus, the specific case described here does not count as a surrender.
41	20-May-21	Technical Specifications	156	Should the lapse shock only be applied to individual life contracts or also to group contracts?	Refer to Q&A 40.
42	20-May-21	Template Capital	Template 0.OF	We would kindly ask for a clarification on a formula that seems not correct in the template 0.OF, specifically: Total basic own funds after deductions (cell R0290 x C0010): the formula included in the cell seems wrong since the item “Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds” is not deducted. According to the Technical Specifications, EIOPA requires to fill in this template 0.OF coherently with standard QRT for YE20 reporting. Therefore, no differences in terms of formulas in the cells should apply.	Template amended accordingly

43	20-May-21	Technical Specifications	Technical specifications: §89	In the calculation of the post-stress liquidity position performed under fixed balance sheet only "business as usual" transactions (e.g. (i) transactions in line with the in-force investment plan (if any); (ii) transactions in line with the investment mandate for UL/IL business (if any)), should be included in the sales/purchase of assets. We interpret as "business as usual" additional transactions arising from change in flows (mainly operating flows) produced by the application of the stresses. For this reason, reduction in purchase and increase of sales of assets stemming from reduction in written premiums and increase in claims/surrenders should be accounted in the F column ("stressed") of item 5.4 and 5.5. of the "Flow" template Is our interpretation correct ?	Refer to Q&A 16.
44	20-May-21	Template liquidity	I. Information	We miss an explanation how to fill the Table Stock.2 in I.Information. Will that be provided?	The information on Table Stock.2 are provided in the tab I.Information - Stocks in the liability section. No reference to the QRT cells are provided as the information are not part of the regular Solvency II reporting.
45	20-May-21	Template	Stocks, S11.i - S13.i	Where can we find the definition of "surrender value"?	Surrender value is defined in line with Article 1 Solvency II Delegated Act. The cells "Surrender value" contains the surrender value of these contracts, regardless whether they are assumed to be cancelled or not in the stressed scenario. The distinction in lines 48 - 66 is made, as a default option according to best estimates. When it is not possible the statutory values can be used for bucketing. In any case the cells "Best estimate" contains the best estimate of all contracts in the portfolio within the respective bucket (however simplifications for the calculation of the BE are allowed and they must be flagged in the template).
46	20-May-21	Template liquidity	Stocks, S11.i - S13.i, S.14	Where can we find the definition of "best estimate", especially in the post Stress situation? It is said in No. 166 and No. 177 of the technical specifications, that no recalculation of the technical provisions is requested.	The "Stocks" sheet of the liquidity template should be filled in using the post stress values from the capital component. Hence, no recalculation of the technical provision is required specifically for the shocks specified for the liquidity component.
47	20-May-21	Technical Specifications	174	Please give a more precise definition of what "concentrated" means? E.g. the yearly (shocked) death probability should realise in the first three months?	It means that the annual shocks implied by the shocked death probabilities (i.e. q'_x) should realise in the time horizon of 90 days.
48	20-May-21	template for data collection - capital	0.Liabilities.Char	According to the latest "Q&A - third batch" document published by EIOPA, unfortunately the answer to Question 4 does not help to fill the template "0.Liabilities.Char" for groups. We are using exclusively Method1 and include all companies in the group consolidation, also non EEA insurers. That means that technical provisions of non-EEA insurers are included in the balance sheet of the group but are not included in the QRTs S12 and S.17 since these QRTs are not relevant for groups. As a consequence it is not possible to grant consistency between the balance sheet and the template "0.Liabilities.Char" due to missing data on group level. How should groups prepare data for the template "0.Liabilities.Char"?	Participating groups with non-EEA entities consolidated via Method 1 should fill the templates Liabilities.Char including the liabilities of all the Method 1 consolidated solos on a best effort basis. The approach taken should be discussed in the pre-validation phase.
49	20-May-21	Technical Specifications	195	Is our understanding correct that the shock in reduction on premia doesn't apply to MTPL LoB (mandatory liability car insurance) ?	Motor Third Part Liability are mandatory by law hence shall be excluded from the application of the shock. A specific reference to premium for Motor Third Part Liability will be added in paragraph 195 of the Technical Specifications.
50	20-May-21			Considering that mass lapse shocks have to be applied on non-binding products, should lapse shocks be applied on credit insurance contracts (given that they can become mandatory to get a loan offer) ? Background: * Life guarantees only are a component of those contracts * Those contracts are generally not redeemable/lapsable for a lenghty period of time.	Lapse shock applies only to non-mandatory life contracts. Credit insurance contracts are non-life contracts which are not supposed to be affected by the lapse shock. However, in case a death coverage is linked to a credit contract, this is a life term insurance, therefore subject to the lapse shock and its prescriptions. If the coverage is mandatory to get the loan, no lapse shock should be applied. In case the coverage is not mandatory to get / maintain the loan the positions should be stressed.

51	20-May-21			Can reactive management actions have an impact on the distribution of assets at t=0 (and on the balance sheet at t=0)? Should they be incorporated in the model of flows' projection?	In case of application of reactive management action that have an impact on the distribution of asset we need to distinguish two cases: - On the liquidity component, only reactive management actions that have an impact on the distribution of assets at T=Q1 can be applied. Therefore they should be reflected into the flow template table "2A" and "2B". No change in the stocks at T=0 are expected. - On the capital component, instead, reactive management actions that have an impact on the distribution of assets should be fully reflected in the post-stress distribution of assets (T=0).
52	20-May-21			When an intra-group reinsurer has a close link with a solo, should the partial default of reinsurers be taken into account for the solo? Especially in terms of market value for the reinsurer.	The shock to reinsurance, specified in paragraph 192-194 of the Technical Specifications, has to be taken into account only in the liquidity component and only with regards to the reinsurance inflows.
53	20-May-21			How are we supposed to distinguish life and non-life flows when non-life are ancillary covers? Question relates to businesses where non-life guarantees are very small compared to life ones and bundled to the same contract.	Refer to Q&A 11.
54	20-May-21			How are we supposed to actually neutralize dynamic lapses?	Refer to Q&A 26.
55	20-May-21			In liquidity template participating groups are supposed to project flows, but those actually happened during the january-march 2021 period which is alreadt being processed and for which groups already have collected and written premiums. Should we fill our liquidity template on this basis? Could you give groups more guidance on the matter?	The liquidity component is based on the actual flows registered in the first quarter of 2021 which should be reported and used as baseline for the assessment of the flows. No projections are expected. Baseline flows should be reassessed in the post stress scenario taking into account the estimated impact of the insurance specific shocks as summarised in Figure 6 of the Technical Specifications. The application of each shock on the baseline flows are presented in section 5 of the TS. Where any reassessment of the projections is needed (e.g. mortality shock, lapse shock) it should be consistent with one used for the capital component.
56	20-May-21			Are haircuts from liquidity template applied on the assets values for baseline and for stress?	Participants should report values of assets and liability stocks without the application of haircuts / weights. Refer to Q&A 9.
57	20-May-21			For the liquidity test, is it possible to use the management actions that consists in selling a part of liquid or almost liquid asset (for those with unrealized capital gain close to 0)?	Participants are allowed to apply embedded and reactive management actions as prescribed in section 4.4 of the Technical Specifications. On the specific issue, refer to Q&A 16.
58	20-May-21			In the liquidity stress test, groups are using flows which are already covered by the period into stress. In case we would like to apply changes in the transactions reported in the stressed and stressed with reactive management actions with respect to the one reported in the baseline, shoud we undertake the full internal approval process?	Transactions can be changed as specified in Q&A 16. It is an internal decision how and to what extent to validate and approve the information provided to the Stress Test exercise.
59	20-May-21			Regarding the liquidity stress test, can groups use exceptional repurchase agreements?	As a general principle, reactive management actions can be used as far as they meet the requirement specified in section 4.4 of the Technical Specifications. Any potential action should be appropriate and plausible and its potential application should be discussed in the pre-validation and validation process. Repurchase agreements which stem on intragroup transactions are allowed. Regarding market based operations, only repo contracts which have been negotiated before the launch of the Stress Test exercise can be utilized. No new agreements should be considered.
60	20-May-21			Are participating groups forced to measure the impact of reactive management actions? How are they supposed to report it?	The application of reactive management actions is in the capacity of the participant. In case their application is not deemed necessary there is no need to provide specific information in the liquidity and capital templates. In case a participant opts out of the application of reactive management actions, it will be supposed to provide only the post stress information calculated under the fixed balance sheet approach. With regards to reporting of reactive management actions, participants are not requested to calculate the marginal impact of each reactive management action, a qualitative estimation should be provided in the qualitative questionnaire.

61	20-May-21			Regarding embedded management actions, should participating groups give the full list?	Participants should provide information on the full list of embedded management actions in the qualitative questionnaire both for the liquidity and for the capital component.
62	20-May-21			How should the embedded management actions be applied and estimated : at 31 december 2021? Or should they be reestimated one year after the stress test?	In the capital component embedded management actions should be incorporated in the data requested at the reference date (YE2020). In the liquidity component the impact of embedded management actions should be reflected only in the flows (January -March 2021) and embedded management actions can be applied only if the time horizon needed for their application is not longer than 3 months.
63	20-May-21			Should participating groups list the full list of their reactive management actions to be granted the right to be used for this stress test exercise?	In the qualitative questionnaires (both for capital and for liquidity component) participants need to provide a full list of reactive management actions used in the exercise with detail indication on the time needed for their implementation, their cost and evidence that these actions are already included in written policies/ used in the past. If participants are in doubt which reactive management action they will apply (or whether they apply any), they should during the pre-validation phase provide information on the potential list of reactive management actions they could use.
64	20-May-21			In the estimation of the post stress risk margin for the non-life liabilities can participants apply a scaling approach independently by the method used in the regular reporting?	The Risk Margin should be estimated according to the method used in the regular reporting as prescribed in par.99 of the Technical Specification. However, the same paragraph allows for simplifications based on the EIOPA guidance on the evaluation of the technical provisions. This section will be enriched specifying that for the non-life liability portfolios participants are allowed to apply a scaling approach independently by the method used in the regular reporting.