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EIOPA Explanatory notes on reporting templates

Variation Analysis templates

1.1. EIOPA has received in the last months a number of Q&A addressing the reporting of Variation Analysis templates (S.29.01 to S.29.04). The Q&A received covered most of the templates and put into question how the templates are to be interpreted in many areas. For this reason EIOPA has choosen to address the Q&A received in a more structured way and provide step-by-step explanations on the templates at stake.

1.2. The aim of this note is to provide via the EIOPA Q&A on Regulation process explanations and a list of Q&A on the completion of the quantitative reporting templates S.29.01 to S.29.04 (as defined in Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 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).

1.3. As any other Q&A EIOPA expects that insurance and reinsurance undertakings use the explanations and further clarifications on the Instructions of the reporting ITS included in this document in the implementation and reporting of the templates regarding end 2017 submission. However, it is acknowledged that the templates raised many questions and doubts and this Notes is being published close to the submission date and therefore a best effort approach is expected.

1.4. The Note has the following structure:

a) Template by template, the Note provides explanations and a list of Q&A; and

b) Annex 1 provides a number of examples regarding non-life business and index-linked and unit-linked business.

1.5. The necessary corrections/amendments to the Instructions of the templates[1] will be proposed for the 2018 draft ITS correction to be approved by EIOPA BoS in July 2018.

1.6. The aim of these templates is to explain with economic metrics why and how the situation of the undertaking has evolved during the year. As it implies having two full years of Solvency II application these templates are only due for the first time with reference to the end of 2017, where an analysis of the variation of own funds between end 2016 and end 2017 will be provided.

1.7. The variation analysis includes four templates addressing different inputs to the variation of excess of assets over liabilities (own funds, investments and technical provisions). To assess the variation of excess of assets over liabilities (EoAoL) from one year to the other the four templates should be considered as a whole.

General Q&A

Q&A 1479:

Is there an updated log file for S.29.04 which reflects the changes listed in Annex 2 of the Variation analysis issued on 29 June 2017?

In particular, can you confirm what we should be using for C0020/R0040 in S.29.04? Do we use the Variation analysis, or the log file which was issued previously?

Answer:
As with any other Q&A EIOPA expects that insurance and reinsurance undertakings use the explanations and further clarifications on the Instructions of the reporting ITS included in EIOPA Explanatory Note on reporting templates – Variarion Analysis templates in the implementation and reporting of the templates regarding end 2017 submission. However, it is acknowledged that the templates raised many questions and doubts and that clarification is being published close to the submission date and therefore a best effort approach is expected.

[1] The approach taken is to introduce only the changes absolutely needed. When Instructions in the reporting ITS were not contradicting the conclusions and guidance of this explanatory note they will not be amended and are to be read in conjunction with this document.

S.29.01 - Excess of Assets over Liabilities

1.8. The quantitative reporting template S.29.01 summarises the variation of own funds as they are shown in own funds templates (S.23). A focus is then done to isolate the variations that are not "self-explanatory":

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35		Year N C0010	Year N-1 C0020	Variation C0030
Ordinary share capital (gross of own shares)	R0010			
Share premium account related to ordinary share capital	R0020			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0030			
Subordinated mutual member accounts	R0040			
Surplus funds	R0050			
Preference shares	R0060			
Share premium account related to preference shares	R0070			
Reconciliation reserve before deduction for participations	R0080			A
Subordinated liabilities	R0090			
An amount equal to the value of net deferred tax assets	R0100			
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0110			
Variation of total BOF items before adjustments	R0120			

Summary of basic own funds, with data from S.23

1.9. This is carried out by a zoom on cell "A" – Reconciliation reserve before deduction for participation - by nature of the items, excluding the items which are self-explanatory, in order to isolate the EoAoL which is to be explained by this template:

Excess of assets over liabilities (Variations of BOF explained by Variation Analysis Templates)	R0130			B
Own shares	R0140			
Forseeable dividends, distributions and charges	R0150			
Other basic own fund items	R0160			
Restricted own fund items due to ring fencing and matching	R0170			
Total variation of Reconciliation Reserve	R0180			A

Split of the reconciliation reserve following the nature of funds => this allows to "exclude" from further analysis the components for which variation is self explanatory

1.10. Cell 'A' corresponds to the EoAoL minus own shares, foreseeable dividends, other basic own funds items, and restricted own funds items.

1.11. To comply with this approach cells S.29.01.R0140 to R0170 should be reported as positive amounts if they are to be deducted from EoAoL to calculate the reconciliation reserve.

1.12. Finally, an analysis on cell "B" - Variation of EoAoL - by origin is done:

Summary Analysis of Variation of Excess of Assets over Liabilities				
Variations due to investments and financial liabilities	R0190			S.29.02
Variations due to technical provisions	R0200			S.29.03
Variations in capital basic own fund items and other items approved	R0210			
Variation in Deffered Tax position	R0220			
Income Tax of the reporting period	R0230			
Dividend distribution	R0240			
Other variations in Excess of Assets over Liabilities	R0250			

Split of the excess of assets over liabilities in order to identify the economic source of the variation.

1.13. The total of these rows corresponds to "B". To comply with this approach the amounts should be reported positive or negative according to their contribution to the variation of the EoAoL. Amounts should be reported positive if they increase the variation and negative if they decrease the variation of EoAoL. For example, in S.29.01.R0200 a decrease of technical provisions is reported as a positive amount as it positively contributes to the EoAoL (please see BV144 of the list of validations).

1.14. It is not the intention of this part of the template to require a detailed record of all variations. Undertakings are allowed to use approximations to derive these amounts. One way to assess these amounts may be to start by filing out S.29.02 and S.29.03 (to arrive to the amounts to be reported in S.29.01.R0190 and R0200) as long as undertakings are able to explain the amounts reported in S.29.01.R0250, if material.

1.15. Please note that S.29.01.R0190 should be the same as the sum of S.29.02.R0010, S.29.02.R0030, S.29.02.R0040 minus S.29.02.R0050 and S.29.01.R0200 should be the same as in S.29.03.R0360 + R0370.

1.16. The amount reported in S.29.01.R0190 - Variations due to investments and financial liabilities - will be further explained in template S.29.02. This amount should correspond to the sum of S.29.02.R0010, S.29.02.R0030, S.29.02.R0040 minus S.29.02.R0050. When filling this cell, it is important to understand the scope of "Investments" and "Financial Liabilities".

1.17. For the purposes of this template, "Investments" include the following items from S.02.01. (Balance-sheet): R0070 "Investments (other than assets held for index-linked and unit-linked contracts)", R0220 ("Assets held for index-linked and unit-linked contracts"), R0230 ("Loans and mortgages"), R0350 ("Deposits to cedants"), R0410 ("Cash and cash equivalents") and R0790 ("Derivatives" in Liabilities). Please be aware that own shares are not considered as "Investments" (see paragraph 1.19).

1.18. This variation of "Investments" is not a "pure variation" as it should only capture the variation leading to an impact on the EoAoL, i.e. should not capture any acquisitions (for example performed following premiums received) or selling (for example to pay claims or to re-invest) but simply the variation due to valuation, including expenses/revenues (as said S.29.01.R0190 needs to capture all amounts reported in S.29.02). For example, when bonds are repaid this might affect "Cash and cash equivalents" but does not affect the EoAoL.

1.19. For the purposes of this template, "Financial liabilities" includes the following items from S.02.01. (Balance-sheet): R0800 ("Debts owed to credit institutions"), R0810 ("Financial liabilities other than debts owed to credit institutions") and R0850 ("Subordinated liabilities").

1.20. In S.29.01.R0200 the amount of technical provisions – index-linked and unit-linked should also be considered. These templates do not assume a perfect neutralisation of assets and liabilities related to index-linked and unit-linked business. See also comments on S.29.03.R0300.

1.21. The amount reported in S.29.01.R0200 is net of reinsurance (please see BV508 of the list of validations).

1.22. The amount reported in S.29.01.R0210 - Variations in capital basic own fund items and other items approved - includes only "pure capital" items, meaning it excludes reconciliation reserve, subordinated liabilities and net deferred tax assets but includes own shares and surplus funds:

a) the amount of own shares is included in S.29.01.R0210 and excluded in S.29.01.R0190;
b) the amount of surplus funds is included in S.29.01.R0210 and as the amount/calculation of the surplus funds may have different sources such as valuation of assets and technical provisions using Solvency II valuation, valuation of assets and technical provisions using financial statements valuation, or projection of specific cash-flows, the corresponding adjustments should be done in S.29.01.R0250 if needed in order to avoid double counting.

1.23. S.29.01.R0220 – "Variation in Deferred Tax position" and S.29.01.R0230 – "Income Tax of the reporting period" should be determined according to the Instructions of the reporting ITS.

1.24. In S.29.01.R0240 ("Dividend distribution") distribution of profits should be reported according to the Instructions of the reporting ITS, including any profit transfer to the parent company.

1.25. Please note that the last row of S.29.01.R0250 "Other variations" should reflect the variation of at least the following items:

- Adjustment required to eliminate the double counting from surplus funds reporting;
- Variation of the amount of assets other than investments as defined above and other liabilities such as for example "property, plant & equipment held for own use" and "reinsurance receivables" as well as "reinsurance payables";
- Technical flows other than "premiums", "claims and benefits net of salvages and subrogations" and "expenses (excluding investment expenses)" that are not reported in S.29.03.R0310 to R0350.

1.26. The amount reported in S.29.01.R0250 should reflect the amount needed to reconcile the amounts reported in R0190 to R0240 with the amount obtained by the difference between EoAoL at the end of the period and EoAoL at the beginning of the period (R0130) (please see BV144 of the list of validations).

1.27. Concluding, these two parts of the template present two analysis of the EoAoL, one by "nature" and one by "origin" which explains why elements are reported more than once:

Analysis by "Nature"		Analysis by "Origin"
	+	Variations due to investments and financial liabilities
	+	Variations due to technical provisions
Own shares	+	Variations in capital basic own fund items and other items approved
Forseeable dividends, distributions and charges	+	Variation in Deffered Tax position
Other basic own fund items	+	Income Tax of the reporting period
Restricted own fund items due to ring fencing and matching	+	Dividend distribution
Reconciliation Reserve	+	Other variations in Excess of Assets over Liabilities
Excess of assets over liabilities (Variations of BOF explained by Variation Analysis Templates)		

Questions on S.29.01 - Excess of Assets over Liabilities[2]

Q&A 524:

The cell S.29.01.R0180 would appear to be the sum of R0130 to R0170. But is this supposed to agree to R0080? If so, then this is itself confusing because this section (R0130-R0180) seems to be about the variation in the reconciliation reserve but R0130 is the variation in the excess of assets over liablities. This is a function of both the GAAP P&L (surplus funds) and the reconciliation reserve. Is R0250 a stand alone item or a sub-total?

Answer:

The variation of Reconciliation Reserve (S.29.01.R0180) corresponds to the value reported in R0130 minus the sum of R0140 to R0170. The value reported in R0180 is the same as in R0080/C0030. This is actually identified as "identical data point" in the "EIOPA_Solvency II_Validations". This means that when reporting in XBRL this amount is reported only once. The Excess of Assets over Liabilities (EoAoL) reported in R0130 is the Solvency II EoAoL, not a function of accounting GAAP.

Cell S.29.01.R0250 is a standalone item and intends to allow the reporting of any remaining variation in the EoAoL not captured by R0190 to R0240 or in case of surplus funds to avoid double count within the template.

Question:

Should the variation of Surplus Fund be included in R0210 (as stated in the Instructions) if this variation is already captured as part of the other variation

[2] Only the Q&A received though EIOPA tool have a number. The other Q&A were received during the consultation process of this document.

categories (i.e. within cells R0190, R0200 etc.) under the 'Summary Analysis of Variation of Excess of Assets over Liabilities'?

Including variation of surplus funds in R0210 results in double count of variation relating to surplus funds ?

Instructions of R0210: "This amount explains the part of the variation of Excess of Assets over Liabilities due to movements in "pure" capital items, such as Ordinary share capital (gross of own shares), Preference shares, Surplus funds".

Answer:

The amount of Surplus Funds is to be included in S.29.01.R0210 as stated in the Instructions. Additionally, as the amount of Surplus Funds may have different sources such as valuation of assets and technical provisions using Solvency II valuation, valuation of assets and technical provisions using financial statements, or projection of specific cash flows, the corresponding adjustments should be done in S.29.01.R0250 if needed to avoid double count.

Question:

The row C0030/R0140 presents movements in own shares while S.29.01.C0030/R0190 also includes this. Is this not a double counting?

Answer:

The last two tables of the templates analyse the Excess of Assets over liabilities by its "nature" and by its "origin". The variation of the value of own shares is presented in R0140 in the 'per nature' analysis (second table, R0130 to R0180). In the third table ('per origin' analysis) the amounts of own shares are reported in R0210 but not in R0190. These two tables are independent and therefore, double count is not applicable.

Question:

The template does not include "change in the perimeter"?

Answer:

Correct. The template should only refer to the variation in the value of the investments, whereas the acquisition of new investments or maturing/selling of investments is not captured. This type of variation should be captured by other templates linked to the activity that created a variation in the excess of assets over liabilities. For example, the impact of a change in perimeter due to the acquisition or cession of an insurance portfolio, or simple issue of new business, will be included in variations due to technical provisions. It will be embedded in the specific row of S.29.01 (R0200) and detailed in S.29.03 (net impact between variation of technical provisions and technical flows).

Question:

Should S.29.01.R0200/C0030 be net of reinsurance recoverables?

Answer:

Yes. The amount reported should be net of reinsurance recoverables. Please see BV508 of the list of validations that validates this amount against amounts reported in S.29.03.

Q&A 1462:

Would you confirm that for C0030/R0200 'Variations due to net technical provisions' and consequently for C0120/R0360-R0370 in S.29.03 we should make the theoritical assumption that the unit-linked assets fully 'neutralise' the unit-linked liabilities (which is not the case) and disclose "the net impact between Investments and Liabilities from unit-linked and index-linked business" under C0030/R0250 'Other variations in Excess of Assets over Liabilities'?

As an additional question for C0030/R0250, could you please clarify why reinsurance related items are expected under 'Other variations' if C0030/R0200 'Variations due to net technical provisions' should be net of reinsurance, so including the reinsurance?

Answer:

Index-linked and unit-linked business should be included in the analysis performed in S.29.01 to S.29.04. This means that index-linked and unit-linked business should be included in S.29.02 and reflected in S.29.01.R0190; it should be included in S.29.03 main tables and reflected in S.29.01.R0200 and in S.09.04 as well. In addition specific index-linked and unit-linked information is requested in S.29.03.R0300 for information. This cell should reflect the net impact of the amount of assets held by index-linked and unit-linked business and of technical provisions – index-linked and unit-linked, including the technical flows, should be reported for information. A positive impact in variation of EoAoL should be reported positive. This amount is requested for information exactly because there is no assumption that the index-linked and unit-linked assets fully 'neutralise' the index-linked and unit-linked liabilities.

Regarding the inclusion of reinsurance in S.29.01.R0250 your observation is totally correct, reinsurance recoverables should not be reported in S.29.01.R0250. However please note that reinsurance receivables should be reported in S.29.01.R0250.

Q&A 1487:

I see the reply on Nov. We referred to Explanatory Notes on Variation Analysis Template before and could not get the reasonableness of the overall treatment on UL line of business in S.29s. Please allow us to be more specific with the issue.

- First, all the case examples in the Explanation paper are for NL business. We don't see a single one capturing UL line of business with an overall picture: S.29.01.R0250, S.29.03 R0300/C0090, and S.29.04.R0070/C0010.

- Second, to follow "In R0360/C0120-C0130 the BE, RM and TP as whole are considered but the amount is then 'neutralised' by the deduction of the amount reported in R0300/C0090 reflecting the variation in the balance-sheet of the Investment held by unit-linked business." on page 18 of Explanatory notes, we think S.29.03 R0300/C0090 should be: -deltaBEL+delta UL+cfs. However, to follow "- the variation in BE... and variation of TP calculated as a whole (between end of previous year and the reporting year);
  - minus the variation in unit-linked (C0090 / R0300);
  - plus total amount of net technical flows, i.e.: inflows minus outflows (C0100/R0340 for Life and C0110/R0340 for Non-Life)." on page 14, section 1.35 of Explanatory notes, the signs of delta UL and technical flows should be opposite, which is contradictory from the formula above: -deltaBEL+delta UL+cfs

- Third, if S.29.01 R0250 already captures asset and liabilities in UL fund and which is close to each other. And in S.29.03 R0300/C0090: -deltaBEL+delta UL+cfs, where we see first two items might cancel on a large level each other. Then looking at the overall picture by adding S.29.01 R0250, R0200, for UL line of business, by large we will always get:UL asset-UL liability+cfs. We could not interpret the meaning of this and purpose of having that.

- Fourth, in S.29.01, whether UL asset and UL liability as a total need to be captured, or the changes in these two items need to be captured? So a) Please provide specific formulas on S.29s with an UL example in places S.29.01.01 R0250, S.29.03 R0300/C0090, and S.29.04 R0070/C0010, and explain the reasonableness of what in the end S.29s could capture. b) CFs for UL are gross premiums, gross claims, expenses, or just UL fees, expenses, and claims exceeding UL fund? c) If S.29.01 R0250 could already capture the own fund movement due to UL LOB, then why should be bother providing more data items relating to UL LOB in S.29s?

Answer:

After the comments received and the public event, EIOPA has further analysed the options to report index-linked and unit-linked business. The approach should be the following:

- In S.29.02 and in S.29.01.R0190, Assets held for index-linked and unit-linked should be included;

- In S.29.03 (main tables), S.29.04 and in S.29.01.R0200, the best estimate from index-linked and unit-linked should be included (S.29.03.R0360/C0120 and C0130 should include best estimate, the risk margin, technical provisions calculated as a whole and the transitional measure on technical provisions of all business);

- In S.29.03.R0300, for information only, the net impact of the amount of assets held by index-linked and unit-linked business and of technical provisions – index-linked and unit-linked is requested, including the technical flows, should be reported for information. A positive impact in variation of EoAoL should be reported positive.

Question:

Our interpretation of R0250 'Other variations in Excess of Assets over Liabilities in S.29.01 is that it should contain residual variations not covered by other rows in S.29.01. The variation caused by the difference in the valuation of investments in linked funds (as per the detail in Question above) can be quite large and so we do not believe it should be included in R0250, however, there appears to be no other logical place to report it.

Answer:

Please see previous answer.

S.29.02 - Excess of Assets over Liabilities - explained by investments and financial liabilities

1.28. As in S.29.01 the variation captured in this template is not a "pure variation" as it should only capture the variations leading to an impact on the EoAoL.

1.29. Template S.29.02 details the impact on own funds of investments as identified in template S.29.01.R0190 resulting from both revenues and valuation movements.

1.30. This template includes amounts referring to:
- Investments in S.29.02.R0010 (as described in paragraph. 1.17);
- Own shares in S.29.02.R0020;
- Financial liabilities in S.29.02. R0030 (as described in paragraph 1.19).

1.31. This template excludes amounts referring to "Property, plant & equipment held for own use", other assets and "liabilities other than technical provisions", which are, not considered as investments and financial liabilities (as described in paragraph 1.23).

1.32. In the specific case of “own shares”, the variation in the valuation of this item is reported only in S.29.02.R0020.

Analysis of movements affecting Excess of Assets over Liabilities		C0010
Of which movements in valuation with an impact on Excess of Assets over Liabilities		
Valuation movements on investments	R0010	
Valuation movements on own shares	R0020	
Valuation movements on financial liabilities and subordinated liabilities	R0030	
Of which Investments revenues and expenses with an impact on Excess of Assets over Liabilities		
Investment revenues	R0040	C
Investments expenses incl. Interest charges on subordinated and financial liabilities	R0050	
Variation in Excess of Assets over Liabilities explained by Investments and financial liabilities management	R0060	S.29.01
Detail of Investment revenues		
Dividends	R0070	
Interests	R0080	
Rents	R0090	
Other	R0100	

Sum of these lines should correspond to C

1.33. The amount reported in S.29.02.R0060 should be the sum of R0010 to R0040 minus R0050. The amounts reported in R0010 to R0030 should be reported as positive or negative amounts according to the contribution to the variation of the EoAoL. Amounts should be reported positive if they increase the variation and negative if they decrease the variation of EoAoL. For example, in R0030 a decrease of financial liabilities is reported as a positive amount as it positively contributes to the EoAoL. Amounts reported in R0040 and R0050 should follow the default approach and be reported as positive if in line with their nature.

1.34. In general, the amounts regarding investments reported in this template should be consistent with the ones reported in S.09.01. This means that:

a) the amounts reported in S.29.02.R0010 should be consistent with the amounts reported in S.09.01. C0100 and C0110 (realised and unrealised gains and losses leading to a variation of EoAoL);

b) the amounts to be reported in S.29.02.R0070 to R0090 should follow the valuation approach taken in S.09.01.

However, differences in the scope of both templates should also be noted.

1.35. S.29.02.R0040 should be the sum of S.29.02.R0070 to R0100 (please see BV145 of the list of validations).

1.36. In S.29.02.R0050 the amount of technical flows (investment expenses earned during the period and that are not reflected in the closing best estimate) should be reported. They would normally be reported in S.29.03.R0330 but this cell explicitly excluded the amount on investment expenses.

Questions on S.29.02 - Excess of Assets over Liabilities - explained by investments[3]

Q&A 1143:

S.29.02 'Analysis of changes due to investments and financial liabilities' QRT covers income, gains, and losses on investments other than assets held for unit-linked and index-linked funds. The S.29.02 log file states "With regards to assets held for unit linked and index linked funds, the adjustment on basic own funds related to valuation is taken into account in template S.29.03." However, according to the relevant log file, C0090/R0300 in S.29.03 'Analysis of changes due to technical provisions' appears to be asking for a balance sheet movement between the opening and closing investments index-linked and unit-linked funds. The movement in the investments balance (S.29.03) is not the same as the valuation movement (income, gains and losses) referred to in the S.29.02 log file and this causes a difference. We have included this difference in C0030/R0250 in S.29.01 ' Variation analysis – Analysis of variation of excess of assets over liabilities' as we are unsure where else to record it.

Please can you advise if our interpretation of S.29.02 and S.29.03 templates is correct and if so, please can you confirm how we should report the difference in the valuation of investments in linked funds.

Answer:

Please see Q&As on index-linked and unit-linked business under S.29.01.

Question:

The cells "Dividends" and "Interests" refer to earned data but earned data is not consistent with the economic perspective and the cash flow approach followed in the template. Insurers will look into their financial statements to obtain the information required leading to a mix of measurement basis in the template

Answer:

It is correct that the valuation approach is different but to avoid extra re-calculation burden to the undertakings the amounts as reported in S.09.01 may be used in S.29.02, considering however only the differences in scope.

[3] Only the Q&A received though EIOPA tool have a number. The other Q&A were received during the consultation process of this document.

S.29.03 - Excess of Assets over Liabilities - explained by technical provisions

1.37. Template S.29.03 details the impact of variations of technical provisions on the EoAoL. The link between this template and S.29.01 is that the sum of S.29.03.R0360/C0120-C0130 and R0370/C0120-C0130 is equal to S.29.01.R0200/C0030, variation of EoAoL due to technical provisions.

1.38. The variation of EoAoL due to technical provisions does not correspond to the variation between two years of the amount of technical provisions as shown in the balance-sheet. The contribution to the EoAoL due to technical provisions is the variation of the best estimate considered together with the technical flows (premiums, claims and expenses which are presented in rows R0310 to R0350).

1.39. The main table (R0010 to R0290) reflects only amounts related to best estimate, i.e. it does not include the risk margin, technical provisions calculated as a whole nor the transitional measure on technical provisions. However, in R0360 the amounts refers to total technical provisions, so including best estimate, risk margin, technical provisions calculated as a whole and the transitional measure on technical provisions.

1.40. This template is due to both life and non-life business, however that does not mean that all rows are equally relevant for both. Regarding the non-life business the best estimate of both premium provision and claim provision should be reported.

1.41. The best estimate related to index-linked and unit-linked business should also be included in R0010 to R0290, preferably in R0010-R0140, i.e. by underwriting year. In S.29.03.R0300 the net impact of the amount of the assets held by index-linked and unit-linked business and of technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculated as a whole), including the technical flows, should be reported for information. A positive impact in variation of EoAoL should be reported positive.

1.42. The amounts under analysis are the drivers of the variation of the best estimate and the technical revenues and charges (inflows and outflows) as detailed below. The template is divided in between obligations managed by underwriting year (R0010 to R0140) and obligations managed by accident year (R0150 to R0290). Undertakings are required to report data on an accident year or underwriting year basis, in accordance with any requirements of the National Supervisory Authority. If the National Supervisory Authority has not stipulated which to use then the undertaking may use accident or underwriting year according to how they manage each line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, provided that they use the same method consistently, year on year. This question is applicable mostly for non-life and annuities business. In life business, other than annuities, it is expected that underwriting year is used. This choice is not related to how the best estimate is calculated and which item compose the best estimate but rather, when information is requested by years (or periods in case of S.29.04) in each year/period the contract relates to.

1.43. The template only requires the split of the obligations according to whether the obligations are managed by underwriting or accident year. The impact is only whether the amounts are reported in rows R0010 to R0140 or in R0150 to R0290, no breakdown by year is requested.

1.44. The main table, from R0010 to R0120, from R0150 to R0270, R0310 to R0340 and R0360 reflects amounts gross of reinsurance, R0130, R0140, R0280, R0290, R0350, and R0370 refers to reinsurance recoverables and the result net of reinsurance recoverables is reflected in S.29.01.R0200/C0030 (please see BV508 of the list of validations). The amounts relative to reinsurance recoverables should be reported negative if they are an Asset.

Of which the following breakdown of Variation in Best Estimate - analysis per UWY if applicable

		LIFE	NON LIFE	
		Gross of reinsurance	Gross of reinsurance	
		C0010	C0020	
Opening Best Estimate	R0010			Decomposition of variations of the technical provisions
Exceptional elements triggering restating of opening Best Estimate	R0020			
Changes in perimeter	R0030			
Foreign exchange variation	R0040			
Best Estimate on risk accepted during the period	R0050	S.29.04		
Variation of Best Estimate due to unwinding of discount rate - risks accepted prior to period	R0060			
Variation of Best Estimate due to year N projected in and out flows - risks accepted prior to period	R0070	S.29.04		
Variation of Best Estimate due to experience - risks accepted prior to period	R0080			
Variation of Best Estimate due to changes in non economic assumptions - risks accepted prior to period	R0090			
Variation of Best Estimate due to changes in economic environment - risks accepted prior to period	R0100			
Other changes not elsewhere explained	R0110			
Closing Best Estimate	R0120			

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0030	C0040
Openning Best Estimate	R0130		
Closing Best Estimate	R0140		

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE	
		C0090	
Variation in Investments in unit-linked	R0300		Movements on UL that need to be neutralized

Technical flows affecting Technical provisions

		LIFE	NON LIFE	
		C0100	C0110	
Premiums written during the period	R0310	s.29.04		Technical flows
Claims and Benefits during the period, net of salvages and subrogations	R0320	s.29.04		
Expenses (excluding Investment expenses)	R0330	s.29.04		
Total technical flows on gross technical provisions	R0340			
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350			

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360	s.29.01	
Reinsurance recoverables	R0370		

1.45. The table below further explains expectations regarding the meaning and add comments of each row of the template from R0020 to R0110 and from R0160 to R0260 for life and non-life business. However, please note that the most important aspect of this template is that it should reflect as much as possible the analysis performed by the undertaking and keep it consistently over time. In case of doubt insurance undertakings should contact their National Supervisory Authority.

1.46. The amounts in “Opening Best Estimate” and “Closing Best Estimate” should be reported with the same signal as reported in the balance-sheet.

The amounts reported from R0020 to R0110 and from R0160 to R0260 should be positive if they increase the closing best estimate and negative if they decrease the closing best estimate.

	Instructions summary	**Life example/Additional comment**	**Non-life example/Additional comment**
Exceptional elements triggering restating of opening Best Estimate (R0020/R0160)	Shall essentially concern material changes in models (in case models are used), correction of models and other modifications to the models. It shall not concern changes in assumptions. It should only relate to changes in amounts of best estimate that were in the opening best estimate and remain in the closing best estimate.	These cells are expected to be mostly applicable for Life business.	Expected not to be applicable due to case reserving.
Changes in perimeter (R0030/R0170)	Amount of adjustment to opening Best Estimate related to changes in perimeter of the portfolio like sales of (part of) portfolio and purchases. This could also concern changes of perimeter due to liabilities evolving to annuities stemming from Non-Life contracts (triggering some changes from Non-Life to Life).	Regarding annuities, the amounts reported in S.29.03 should be discounted. Even if a link to S.16.01 is expected, the amounts will be different. Purchase of a life portfolio from another company is another example.	Purchase of a portfolio from another company. Would mainly also be seen following the recognition of annuities stemming from Non-Life contracts. Accordingly, in case annuities are derecognised from Non-Life to Life, both columns need to be filled in.
Foreign exchange variation	In this case the foreign exchange variation is	Applies to responsabilities that	Applies to responsabilities that have Cash-Flows

(R0040/R0180)	actually meant to be applied to contracts which are taken out in currencies different from the balance sheet currency. For the calculation, the cash-flows of these contracts contained in the opening Best Estimate are simply converted due to the exchange variation.	have Cash-Flows calculated in different currencies. Allows the comparison of opening and closing best estimate as if no foreign exchange variation have occurred.	calculated in different currencies. Allows the comparison of opening and closing best estimate as if no foreign exchange variation have occurred.
Best Estimate on risks accepted during the period (only for underwriting year) R0050	Expected future cash flows (gross of reinsurance) included in Best Estimate and related to risks accepted during the period	Expected future cash flows (gross of reinsurance) related to risks accepted during the period.	Premium and claim provision best estimate increase due to risks accepted during the period. Risks accepted during the period should include any new responsibilities not reflected in the opening best estimate, i.e. not foreseen in the projected cash-flows, be it from new contracts, new premiums, premiums increase, etc. Examples: an existing group insurance where new persons join the group, and where this was not reflected in the opening BE should be considered as "risk accepted during the period". The trigger for the split between "risks accepted during "or "before" the period should be if the Cash-Flows were considered in the opeining

			BE or not and not if the undertaking has the power to reject the new responsibility.
Variation of Best Estimate on risk covered after the period (only for accident year) R0190	Refers to changes in (part of) Premiums Provisions (i.e. in relation to all recognised obligations within the boundary of the contract at the valuation date where the claim has not yet occurred) – see proposal to correct/amend Instructions to be published by end of March.	Expected not to be applicable.	Diference between the premiums provisions at Year end (N) and (N–1) related to a coverage period starting after the closing Year end N.
Variation of Best Estimate on risks covered during the period (only for accident year) R0200	Refers to the following cases: a) (part of) Premiums Provisions at Year end N-1 which turned to Claims Provisions at year end N because claim has occurred during the period; b) claims provisions related to claims occurred during the period (for which there was no Premiums provisions at year end N-1). See proposal to correct/amend Instructions to be	Expected not to be applicable.	Reflect the increase of Best estimate due to claims occurred during the period. The increase in claim provision would be higher than the decrease of premium provision, e.g. in multiyear contract. No split between premium and claim provision is requested.

	published by end of March.		
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period (R0060/R0210)	The concept of unwinding may be illustrated as follows: Calculate the Best Estimate of year N-1 again but using the shifted interest rate term structure in order to isolate this strict scope of variation.	This cell is the difference between the adjusted opening BE and the BE that results from the application of the shifted one year ahead term structure (i.e the one year forward curve). For the cells R0220-R0240 the forward curve is applied.	This cell is the difference between the adjusted opening BE and the BE that results from the application of the shifted one year ahead term structure (i.e the one year forward curve). For the cells R220-R240 the forward curve is applied.
Variation of Best Estimate due to year N projected in and out flows – risks accepted/covered prior to period (R0070/R0220)	Premiums, claims, and surrenders that were forecasted on the Opening Best Estimate (related to risks accepted/covered prior to period) as to be paid during the year. These will not be in the closing Best Estimate anymore as they would have been paid / received during the year. A neutralisation adjustment has thus to be performed.	All cash-flows should be considered (in and out cash-flows). Refers only to the neutralisation of the cash-flows projected for that year. The real cash-flows received/paid will be reflected in the table on technical flows. Similar to non-life.	All cash-flows should be considered (in and out cash-flows). Refers only to the neutralisation of the cash-flows projected for that year. The real cash-flows received/paid will be reflected in the table on technical flows. Example 1: claim provision of 100 expected to be paid in year n, paid 105 during year n. This row should show -100. The payment of 105 would be reported only in technical flows. Example 2: claim provision of 100 expected to be paid in year n, paid 50 during year n. This row should show -100. The payment of 50 would be reported only in technical flows. (claim

			closed) Example 3: claim provision of 100, 50 expected to be paid in year n and another 50 in year n+1, paid 50 during the year and review provision for 55 (plus 5 than initially). This row should show -50. The payment of 50 would be reported only in technical flows. And R0080 will show plus 5.
Variation of Best Estimate due to experience and other sources - risks accepted/covered prior to period (R0080/R0230)	The variation of Best Estimate captured here shall strictly relate to the strict realisation of cash flows when compared to the cash flows that were projected, if the variation still affects the closing best estimate. For calculation purposes, and in case on non-availability of information of realised cash flows, the variation due to experience may be calculated as the difference between realised technical flows and projected cash-flow. See proposal to correct/amend Instructions to be published by end of March..	The cell should include the impact in future cash-flows due to the experience in year n (not related to assumptions). Examples: Higher/lower amount of surrenders in year n affecting the future cash-flows. Impact of deaths in the cash flows projected for the future regarding that insured person. Example 1: 1 death not foressen in year n (no CF projected for year n): - In R0070 no deduction; - In R0080 adjustment of the future CF; - The payment in year n is only showed in	The cell should include the impact in future cash-flows due to the experience in year n (not related to assumptions). Examples: Slowing down/speeding-up payments. Example 1: claim provision of 100, paid 105 during the year. This row is zero as the extra payment does not impact the closing BE Example 2: claim provision of 100, paid 50 during the year and review provision for 55 (plus 5 than initially). This row should show +5.

		technical flows (R0320).	
Variation of Best Estimate due to changes in non economic assumptions - risks accepted/covered prior to period (R0090/R0240)	It mainly refers to changes in best estimate not driven by realised technical flows and changes assumptions directly linked to insurance risks (i.e. reserving methodology assumptions, assumptions on lapse rates, inflation, etc), which can be referred to as non-economic assumptions. See proposal to correct/amend Instructions to be published by end of March.	Should reflect changes in CF projections from new information or revisions due to non-economic assumprions. Mortality and customer behavior are considered non-economic assumptions. This will provide the variation of Best Estimate strictly related to changes in these assumptions, e.g. lapse rates.	Should reflect changes in CF projections from new information or revisions of IBNR due to non-economic assumprions. This will provide the variation of Best Estimate strictly related to changes in these assumptions. This may not capture the variation due to case-by-case revision of RBNS, which would thus have to be added if related to a change in assumptions. This amount could also be reported in R0230 depending on the rationale for the revision. In cases where these changes cannot be discerned separately from changes due to experience, report the total figure under C0060/R0230. Changes of BE due to new information in terms of a new diagonal in the claims paid/incurred triangle would be captured in the cell R0230, while changes due to new or updated actuarial assumptions (e.g use of different development factors, changes in the actuarial reserving method (e.g from chain ladder to Loss-Development Method ect.) would be captured in

			R0240.
Variation of Best Estimate due to changes in economic environment - risks accepted/covered prior to period (R0100/R0250)	It mainly refers to assumptions not directly linked to insurance risks, i.e. mainly the impact of the changes in economic environment on the cash flows (taking management actions into account, e. g. reduction of FDB) and changes in discount rates.	This will provide the variation of Best Estimate strictly related to changes in assumptions related to economic environment.	For non-life (C0060/R0250), in case variation due to inflation cannot be discerned from changes due to experience, the whole amount would be reported under C0060/R0230.
Other Changes not elsewhere explained (R0110/R0260)	Corresponds to other variations in Best Estimate, not captured in previous cells	Could be used for final adjustment that if material need to be justified	Could be used for final adjustment that if material need to be justified

1.47. The second table (R0310 to R0350) of the template reflects the technical flows related to technical provisions. This amounts should include the technical flows related to index-linked and unit-linked business. The amounts should all be reported positive if in line with its nature, e.g. cash-in flows related to premiums as positive and cash-out flows related to claims as positive as well (please see also BV146 and BV147 of the list of validatons).

1.48. The amounts to be reported in this table should be consistent with the ones reported in S.05.01. For R0310 the same values are expected while for R0330 it should be noted the difference due to investment expenses. The assumption is that any technical cash-in and out flow will be reflected as well in the responsibility assumed in the best estimate. Only the technical cash-flows referred explicitly should be reported. Any other technical flows other than “premiums”, “claims and benefits, net of salvages and subrogations” and “expenses (excluding investment expenses)” should not be reported in this template (see also comment on S.29.01.R0250).

	Instructions summary	Life example/Additonal comment	Non-life example/Additonal comment
Premiums written during the period (R0310)	Amount of premiums written during the period not reflected in the closing best estimate See proposal to correct/amend Instructions to be published by end of March.	Written premiums during the period (premiums actually due to be received in that year) corresponding to contracts recognised during the period. Should include premiums from both existing and new business. For new business there will be an impact in EoAoL (balance of this cell and S.29.03.R0050). Existing business should balance (not necessarily netting) with corresponding variation in best estimate (S.29.03.R0020, S.29.03.R0080, possibly also S.29.03.R0090, S.29.03.R0100). The balance is the impact in EoAoL.	Written premiums during the period corresponding to new contracts recognised during the period.
Claims and Benefits during the period, net of salvages and subrogations (R0320)	Amount of claims and benefits during the period, net of salvages and subrogations, respectively for Life and Non-life not reflected in the closing best estimate.	Cash-flows regarding claims and benefits settled which cash-flows, if previously projected, are no longer in the closing best estimate. Example: Payment following one death.	Cash -flows regarding claims and benefits settled which cash-flows, if previously projected, are no longer in the closing best estimate
Expenses (excluding	Amount of expenses	Cash-flows paid	Cash-flows paid regarding

Investment expenses) (R0330)	(excluding investment expenses – which are reported under S.29.02) not reflected in the closing best estimate.	regarding expenses. It should exclude flows related to investment expenses which are reported under S.29.02.	expenses. It should exclude flows related to investment expenses which are reported under S.29.02.
Technical flows related to reinsurance during the period (recoverables received net of premiums paid) (R0350)	Total amount of technical flows related to reinsurance recoverable during the period, i.e. recoverable received net of premiums,	Cash-flows paid and received regarding reinsurance recoverables	Cash-flows paid and received regarding reinsurance recoverables

1.49. The variation in EoAoL explained by technical provisions - is then calculated, considering the amounts of gross best estimate, risk margin, technical provisions calculated as a whole and transitional measure on technical provisions (R0360) and also the reinsurance recoverables (R0370). This should correspond to:

- the variation in best estimate (opening best estimate minus closing best estimate), variation of risk margin (between end of previous year and the reporting year), variation of technical provision calculated as a whole (between end of previous year and the reporting year) and variation of transitional measure on technical provisions;
- plus total amount of net technical flows, i.e.: inflows minus outflows (C0100/R0340 for Life and C0110/R0340 for Non-Life).

Questions on S.29.03 - Excess of Assets over Liabilities - explained by technical provisions[4]

[4] Only the Q&A received though EIOPA tool have a number. The other Q&A were received during the consultation process of this document.

Question:

The purpose of S.29.03, from line R0150 to R0270 is to detail the changes from the opening Best Estimate to the closing one.

Therefore, we should get: opening BE (R0010) + Sum of changes (R0020+…+ R0110) = closing BE (R0120)

However, line R0230 is not about a change in Best Estimate because it includes the realisation of the cash flow. Therefore, it does not seem possible to get the equality here above.

Can you give an example where R0230 could be used?

Example:
- Run off from the opening
- Opening BE = 100 (with no cash flow projected in year N)
- Closing BE = 100

However, during N, the company has to pay 20 (instead of it was not projected). This experience has no impact on the closing BE in our example.

The variation in Excess of Assets over Liabilities explained by Technical provisions is -20.

Should the 20 be reported in R0230 as a change in provision OR in R0230 as a R0320 as a claim during the period? (OR in R0240)

Answer:

In the example R0230 and R0240 should not reflect the amount paid during the year that was not reflected in the opening best estimate and that is not reflected in the closing best estimate as well.

See explanations provided in the document on both rows and example 1 of the Annex 1.

Question:

Technical flows affecting Technical provisions LIFE
Premiums written during the period R0310
Claims and Benefits during the period, net of salvages and subrogations R0320
Expenses (excluding Investment expenses) R0330

The impact of the change of BEL and Risk Margin on the Excess of Assets over Liabilities (EAL) is intuitively clear. But we are in doubt what else EIOPA considers as a technical provision related circumstance with effect on the EAL.

Could you please provide a more detailed explanation what else – besides the variation of TP themselves – is supposed to be conquered in S.29.03.?

Could you please give typical Life/Health examples of circumstances when R0310 / R0320 / R0330 in S.29.03 are supposed to differ from zero?

In an older version of the QRTs (VA C2C), the Technical flows (besides adjustment for salvages and subrogations) were supposed to be taken from Cover A1 (now S.05.01). In the current version of the QRTs and LOGs, such a connection between S.29.03 Technical flows and S.05.01 is not mentioned any more. Could you please explain whether you still see a connection between S.05.01 and the Technical flows in S.29.03 and if so, what the connection looks like.

Answer:

There is a connection with amounts reported in template S.05.01. However, template S.05.01 is to be reported from an accounting perspective, i.e.: Local GAAP or IFRS if accepted as local GAAP while templates S.29 should use Solvency II valuation. The amounts to be reported in this table should be consistent with the ones reported in S.05.01. The assumption is that any technical cash-in and out flow will be reflected as well in the responsibility assumed in the best estimate.

Question:

S.29.03 - Could I please get some clarification on the calculation of "Variation of Best Estimate due to unwinding of discount rate". What exaclty is the shifted interest rate structure and to which amount is it appplied?

Answer:

Unwinding of discount rates means to use the given interest rate curve as of year N-1. From this you can derive the “1-year forward interest rate term structure of N-1”.

Mathematically speaking, this means solving the equation $(1+\mathrm{r}_1)\cdot\left(1+\mathrm{f}_{1,\mathrm{M}}\right)^{\mathrm{M}-1} = (1+\mathrm{r}_\mathrm{M})^\mathrm{M}$, where r_1 and r_M are taken from the interest rate term structure of $\mathrm{N}-1$.

R0100 then reflects the update of the interest rate curve to the new one as of year N.

The unwinding of discount rate refers to computing the 1-year forward curve based on the interest rate term structure of year N-1. The change in discount rates as referred to in R0100 means replacing this 1-year forward rate term structure with the new interest rate term structure as of year N. This allows to capture the effect of the difference in expected interest rates at year N (as derived from N-1) compared to actual interest rates at year N.

Question:

Please can you give a worked example of how S.29.03 and S.29.04 are filled in for a non-life insurer as conceptually, I do not know what the template is seeking. For example, what is meant by variation in best estimate for risks accepted during the period? And variation of BE due to year N projected in and out flows for risks accepted in prior periods ?

Answer:

In S.29.03: the aim is to strip out the reasons for the variation of the BE, i.e. if there was an increase of "x", how much is related to new business, to claims paid, to changes in interest rate, etc.

R0050: represents the amount of the BE at the end of the period that corresponds to contracts/risks that were accepted during the period (i.e. were not reflected in the opening BE)

R0070: This row can be computed at year-end N-1 without knowledge of the reality as experienced during period N. Refers only to the neutralisation of the cash-flows projected for that year.

Q&A 1379:

Lets assume an example where we have only one claim of 100. We expect to pay in the following year and we end up indemnifying the claim with 50 in the following year.

Then our opening best estimate would be 100, our closing 0 (case indemnified, no more provision).

I guess Cell R0070 would be -100 (text suggest inflow - outflow, hence negative sign), is our understanding correct?

Then what would be cell R0080? Description seems to suggest that it relates to strict realisation of cash flow, does this mean 50? But then the balance wouldnt add up...

Can you please provide further clarification and if possible a more detailed example than the one above?

Answer:

In the example a claim provision of 100 expected to be paid in year n, paid 50 during year n. This row should show -100. The payment of 50 would be reported only in technical flows. This assumes the claim was closed. The impact would be positive in the excess of assets over liabilities as the payment was lower than expected.

Question:

How is the risk margin included in this variation analysis? According to the LOG files the RM seems to be included.

Answer:

In most of the template, the Instructions state that only the variations in BE should be detailed (which is, excluding RM). The risk margin should only be considered in R0360/C0120 and C0130.

Q&A 1143:

S.29.02 'Analysis of changes due to investments and financial liabilities' QRT covers income, gains, and losses on investments other than assets held for index-linked and unit-linked funds. The S.29.02 log file states "With regards to assets held for index-linked and unit-linked funds, the adjustment on basic own funds related to valuation is taken into account in template S.29.03." However, according to the relevant log file, C0090/R0300 in S.29.03 'Analysis of changes due to technical provisions' appears to be asking for a balance sheet movement between the opening and closing investments index-linked and unit-link funds. The movement in the investments balance (S.29.03) is not the same as the valuation movement (income, gains and losses) referred to in the S.29.02 log file and this causes a difference. We have included this difference in C0030/R0250 in S.29.01 ' Variation analysis – Analysis of variation of excess of assets over liabilities' as we are unsure where else to record it.

Please can you advise if our interpretation of S.29.02 and S.29.03 templates is correct and if so, please can you confirm how we should report the difference in the valuation of investments in linked funds.

Our interpretation of R0250 'Other variations in Excess of Assets over Liabilities in S.29.01 is that it should contain residual variations not covered by other rows in S.29.01. The variation caused by the difference in the valuation of investments in linked funds (as per the detail in Question above) can be quite large and so we do not believe it should be included in R0250, however, there appears to be no other logical place to report it.

Answer:

The impact of the index-linked and unit-linked business was discussed and all comments and concerns received considered. This document reflects the following treatment for the amounts related to index-linked and unit-linked business:

- In S.29.02 amounts related to index-linked and unit-linked business should be included as any other asset;

- In S.29.03 the amounts calculated with Best Estimate will be captured in the main table, including the amounts related to index-linked and unit-linked business;

- In S.29.03.R0300 the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole), including the technical flows, should be reported for information;

- In S.29.03., the second table (R0310 to R0350) of the template reflects the technical flows affecting technical provisions but that are not reflected in the best estimate. This amounts should include the technical flows related to index-linked and unit-linked;

- In S.29.03.R0360, the amounts refers to gross total technical provisions, so including best estimate, risk margin, technical provisions calculated as a whole and the transitional measure on Technical Provisions, also related to index-linked and unit-linked business;

- In S.29.01. the amounts are related to index-linked and unit-linked business are then reflected in R0190 (assets) and R0200 (technical provisions).

Q&A 1421:

We have a question concerning the variation analysis. We are not sure in which step to report the variation of the best estimate due to projection of incorrect future cashflows, because of an incorrect projection of cashflows of the first year. For example:

In S.29.03 step "Variation of Best Estimate due to experience and other sources - risks accepted/covered prior to period (R0080/R0230)" we have to report only the first year. (According to the legal text 2015/2450: The variation of Best Estimate captured here shall strictly relate to the strict realisation of cash flows when compared to the cash flows that were projected.)

Assume a projected cashflow of 1 million due to surrender, but the actual cashflow was 2 million. Then this will affect all future cashflows as well, as for example cashflows that are projected can no longer occur because these contracts lapsed. Consequently, not only the cashflow in the first year but all other cashflows have to be adapted to obtain the closing best estimate.

As a consequence the position "other changes not elsewhere shown (R0110/R0260)" would include a lot of positions making the analysis of variance harder to interpret.

Answer:

Regarding this example the following should be reported:

- In R0070 adjustment for the projected 1 million;

- In R0080 adjustment for the future CF of the new situation after 2 million surrenders;

- In R0320 surrender value.

Q&A 1439:

According to both Logs and templates, direct business should be broken down by UWY or AY. However, according to our reading, the EIOPA template of the QRT does not foresee any breakdown fields or additional columns to integrate the different accident years for example. Could you please confirm that there's no need to display a breakdown by UWY or AY in this QRT?

Q&A 1468:

Could you please confirm that there's no need to display a breakdown by UWY or AY in the QRT S.29.03 ?

Q&A 1512:

We want to confirm our understanding on item 992. "EIOPA confirms that for each LoB reported in S.29.04 only "Underwriting Year" or "Accident Year" should be reported."

For example, case 1) contract A and contract B are both under one LoB, say 37-life. Case 2) Best Estimate under one tpye of contract (belongint to LoB 37-life) is composed by two parts: discounted future cashflows A plus outstanding claims B which is not included in A. Then should A and B be reported to the same category(either Underwriting Year or Accident), or could they be reported differently, say A is under Underwritig Year and B is under Accident Year?

Q&A 1513:

In Log file it says "...undertaking may use accident or underwriting year according to how they manage each line of business provided that they use the same year consistently, year on year." Then could we say for a life company, TP should be categorized under Underwriting Year? In which case of life company that the LoB is seen as being managed in accident year? Managing means underwriting the responsibility or valuating or other meaning? How should "outstanding claims" be categorized?

Answer:

The template is divided in between obligations managed by underwriting year (R0010 to R0140) and obligations managed by accident year (R0150 to R0290). Undertakings are required to report data on an accident year or underwriting year basis, in accordance with any requirements of the National Supervisory Authority. If the National Supervisory Authority has not stipulated which to use then the undertaking may use accident or underwriting year according to how they manage each line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, provided that they use the same consistently, year on year. This question is applicable mostly for non-life and annuities business. In life business, other than annuities, it is expected underwriting year. This choice is not related to how the best estimate is calculated and which item compose the best estimate but rather, when information is requested by years (or periods in case of S.29.04) in each year/period the contract relates to.

Q&A 1460:

Although the the log file S.29.03 clearly states for C0090/R0300 'Variation in Investments in unit–linked' and the definition is "Amount shall represent the variation, in Balance Sheet, of the Assets held for index–linked and unit–linked funds", this field is often referred to as 'Variation in unit–linked' which creates some confusion.

Would you confirm that the intention is to disclose only the 'Variation in Investments in unit–linked' in C0090/R0300?

Answer:

In S.29.03.R0300 the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole), including the technical flows, should be reported for information.

Q&A 1461:

Should index-linked and unit-linked contracts be included in C0010/R0010-R0120 'Best Estimate' and C0030/R0130-R0140 'Reinsurance Recoverables'?

Answer:

The best estimate related to index-linked and unit-linked business should also be included in R0010 to R0290, preferably in R0010-R0140, i.e. by underwriting year. The same applies for reinsurance recoverables.

Q&A 1285:

We are seeking clarification on how/where to present movements in Technical Provisions as a Whole and Unitised Fund Values in order to ensure consistency between QRTs S.29.03.01 and S.29.04.01 as specified in the EIOPA validations.

The Variation Analysis QRT S.29.03.01 and S.29.04.01 analyse the changes in excess of Assets over Liabilities due to Technical Provisions. Both of these QRTs explain the variation in Technical Provision broken down into its various components. Our approach is that all unitised funds on pure unit-linked business are considered Technical Provision as a Whole and hence the change in the Technical Provision as a Whole reflects a change in the value of the Unit Fund. No other elements contribute to Technical Provision as a Whole.

Our interpretation of rows R0050 and R0060 in S.29.04.01 is therefore as follows:

- R0050 will show all variation in the unit fund and,

- R0060 will be zero

This will ensure that the Variation in Technical Provisions as a result of the variation in Technical Provision as a Whole (i.e. the unit fund) is only shown once. This will allow the Total (R0070) to reflect the net position of the above rows.

Do you agree with this presentation?

Similarly, our view is that S.29.03.01 R0300/C0090 should show the 'Variation in investments in Unit-Linked' which, in line with our methodology, would reflect the Variation in Technical Provision as a Whole.

The challenge to this approach arises when considering consistency between the two QRTs. It has been suggested to us that S.29.03.01 R0300/C0090 should equal the sum of S.29.04.01 R0060 across all lines of business. This would however result in the movement of Technical Provisions as a Whole not being reflected in S.29.03.01. Can you advise on how/where we should bring through movements in TP as a whole to ensure consistency between the two templates?

Note the above only refers to the Underwriting Year Approach as Accident Year is not applicable to our business.

Answer:

Regarding the treatment of index-linked and unit-linked business, regardless of how TP are calculated, please see previous question.

Regarding the contracts valued as TP calculated as a whole (in the case you describe, your unit-linked business) the main table in S.29.03 (from R0010 to R0290) reflects only amounts related to best estimate, i.e. it does not include the risk margin, technical provisions calculated as a whole nor the transitional measure on Technical Provisions. However, in R0360 the amount refers to technical provisions (i.e. including best estimate, risk margin, technical provisions calculated as a whole and the transitional measure on Technical Provisions). In this case R0360 would be the only one where the index-linked and unit-linked business technical provisions which is calculated as TP as a whole would be reported. Please note that in any case the technical flows related to index-linked and unit-linked business should be reported in S.29.01.R0310 to R0350.

In S.29.04.R0060 and R0130, as stated above, the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole), including the technical flows, should be reported split by periods for information (same value as in S.29.03.R0300).

Q&A 1378:

How to undestand "Variation in investment in UL" R0300? For eg, for a new UL contract with written premiums of 100Euro, say UL fund investment of 100Euro too and assume no change in financial market till year end. So BEL increases by 100Euro and the same for "variation in investments in UL". Then the total impact to R0360 due to this contract would be (-delta BEL - variations in investment in UL + technical flows)=-100-100+100=-100, which does not seem to be right. Is that what is expected? Perhaps somewhere else in S.29.01, there is another positive item with +100?

Answer:

In S.29.03.R0300 the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole) should be reported for information.

In the technical flows affecting technical provisions but that are not reflected in the best estimate, the amounts should include the technical flows related to index-linked and unit-linked. So, the amount should be calculated as (-variations in investment in UL + technical flows)= -100+100=0, because delta BEL = 0 in this case because it is reflected in the closing BE.

Q&A 1397:

It appears that Technical flows i.e. "Premium Written during the period", "Claims and Benefits during the period", "Expenses (excluding investment expenses" and "Technical flows related to reinsurance during the period" as reported in S.29.03 are based on actual receipt and payments in cash during the reporting period. Since Technical Provisions are based on future/projected cashflows therefore, it will not be possible for actual cash payments and receipts during the reporting period to be used in Technical Provisions other than to revise the estimate of projected cashflows. Can you please confirm if our understanding is correct?

Answer:

Your understanding is correct. However, please note that regarding the premiums the written premiums during the period (premiums actually due to be received in that year) should be reported.

Q&A 1458:

The explanatory notes on VA QRTs and the log file for S.29.03 state that the fields C0100/R0310-R0350 in the table S.29.03.01.06 "reflect the technical flows affecting technical provisions but that are not reflected in the closing best estimate".
Could you please give us an example for the Life business where these technical flows are expected to be non-zero?

Answer:

In this cells cash-flows regarding claims and benefits settled, including the ones previously projected, should be reported. One example is payment following one death, i.e. it was projected, happened, was settled and is no longer in the closing best estimate.

S.29.04 - Detailed analysis per period - Technical flows versus Technical provisions[5]

1.50. Template S.29.04 aims at giving more detailed analysis, per LoB, of technical variations depending on the occurrence of the risks. The information reported in this template should be consistent, as referred above for the S.29.03, with the information reported in S.05.01. Allocation methods for split by LoB and by periods are possible but it is expected that this information is available without the need for allocation methods at least by LoB.

1.51. The template is divided in between underwriting year and accident year. Undertakings are required to report data on an accident year or underwriting year basis, in accordance with any requirements of the National Supervisory Authority. If the National Supervisory Authority has not stipulated which to use then the undertaking may use accident or underwriting year according to how they manage each line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, provided that they use the same consistently, year on year. This choice is not related to how the best estimate is calculated and which item compose the best

[5] Only the Q&A received though EIOPA tool have a number. The other Q&A were received during the consultation process of this document.

estimate but rather, when information is requested by years (or periods in case of S.29.04) in each year/period the contract relates to.

Detailed analysis per period - Technical flows versus Technical provisions - UWY

Line of Business
Z0010

		Risks accepted during period	Risks accepted prior to period
		C0010	**C0020**
Written premiums underwritten during period	**R0010**		
Claims and benefits - net of salvages and subrogations recovered	**R0020**		
Expenses (related to insurance and reinsurance obligations)	**R0030**		
Variation of Best Estimate	**R0040**		
Variation of TP as a whole	**R0050**		
Adjustment of valuation of Assets held for unit-linked funds	**R0060**		
Total	**R0070**		

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			
Expenses (related to insurance and reinsurance obligations)	**R0100**			
Variation of BE	**R0110**			
Variation of TP as a whole	**R0120**			
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			
Total	**R0140**			

1.52. Basically this template summarises part of the information provided in template S.29.03 (variation of BE and technical flows) but from other side requires a higher level of granularity with the split between prior/during/after the period and and split by Line of Business.

1.53. All amounts to be reported in R0010 to R0050 and from R0080 to R0120 should include amounts related to index-linked and unit-linked business. In R0060 and R0130 the net impact on EoAoL of the amount of the assets held by index-linked and unit-linked business and of technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole) should be reported split by periods for information. With this new application for index-linked and unit-linked business BV148 and BV149 have to be amended (validations should not include references to R0060 and R0130).

1.54. The amounts to be reported should be consistent, regardless if underwriting year or accident year is used, with template S.29.03 but not exactly the same:

- S.29.04.R0010 and R0080 - Premiums: no validation between S.29.04 and S.29.03. However it is expected that the amounts are the same as the ones reported in S.29.03.R0310. In both cases should be premiums actually due to be received in that year;
- S.29.04.R0020 and R0090 - Claims and benefits: it is expected that the amounts reported in both S.29.03 and S.29.04 are the same (see BV509).
- S.29.04.R0030 and R0100 - Expenses: it is expected that the amounts reported in both S.29.03 and S.29.04 are the same (see BV510). One doubt that could arise would be the investment expenses, however in both S.29.03 and S.29.04 the amount on expenses should exclude any investment expenses.

1.55. Only the technical cash-flows referred explicitly should be reported. Any other technical flows other than premiums, claims and benefites net of salvages and subrogations and expenses excluding investment expenses should not be reported in this template (see also comment on S.29.01.R0250).

1.56. In cell S.29.04.R0040 and R0110, the amounts should reflect only the variation directly linked to the acceptance of risks (see BV 512 and BV 513). Specifically:
   - S.29.04.R0040/C0010 = S.29.03.R0050/C0010+C0020
   - S.29.04.R0040/C0020 = S.29.03.R0060 to R0100/C0010+C0020
   - S.29.04.R0110/C0030 = S.29.03.R0190/C0050+C0060
   - S.29.04.R0110/C0040 = S.29.03.R0200/C0050+C0060
   - S.29.04.R0110/C0050 = S.29.03.R0210 to R0250/C0050+C0060

1.57. The variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.

1.58. In S.29.04.R0060 and R0130, as stated above, the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole), including the technical flows, should be reported split by periods for information. This amount should be the same as the amount reported in S.29.03.R0300/C0090.

1.59. The amounts should be reported positive if in line with its nature, e.g. cash-in flows related to premiums as positive and cash-out flows related to claims as positive as well:
   - R0010/R0080:usually as positive (if cash-in as expected) (see also BV148 and BV149);

- R0020/R0090 and R0030/R0100: usually as positive (if cash-out as expected) (see also BV148 and BV149);
- R0040/R0110 and R0050/R0120: reductions of BE as negative (see also BV148 and BV149);
- R0060/R0130: contribution to the increase of EoAoL should be reported as positive amount (e.g. if BE reduces).

1.60. The most important aspect of this template is to reflect as much as possible the analysis performed by the undertaking and to keep it consistently over time. In case of doubt insurance undertakings should contact their NSA.

1.61. Please see proposal to correct/amend Instructions to be published by end of March.

Questions on S.29.04 - Excess of Assets over Liabilities - explained by technical provisions

Q&A 1093:

The first question is, should we be able to reconcile the totals in R0070 of S.29.04 to anything in S.29.03? The way it is set up, I think we should be able to reconcile to cell R0360/C0120 in S.29.03, however the current approach given in the log file means this doesn't work.

Assuming we should be able to reconcile – why is C0020/R0040 in S.29.04 restricted to pick up solely C0010/R0070 and C0020/R0070 from S.29.03? The row R0040 in S.29.04 is headed "Variation of Best Estimate", which should surely contain everything in S.29.03 between rows R0020 and R0110; R0060 is risks accepted during the period, the rest is movements in risks accepted prior to the period.

All the other rows can be reconciled:

o R0010 in S.29.04 matches R0310 in S.29.03

o R0020 in S.29.04 matches R0320 in S.29.03

o R0030 in S.29.04 matches R0330 in S.29.03

o R0060 in S.29.04 matches R0300 in S.29.03

- There is only one further exception; we need to populate R0050 with the movement in Risk Margin so we can reconcile exactly. R0360 in S.29.03 is the total movement in technical provisions, whereas all of the movements in S.29.04 so far are movements in best estimate.

Answer:

Your analysis is partly correct. The following rows can be reconciled:

o R0010 and R0080 in S.29.04 matches S.29.03.R0310;

o R0020 and R0090 in S.29.04 matches S.29.03.R0320;

o R0030 and R0100 in S.29.04 matches S.29.03.R0330;

o R0060 and R0130 in S.29.04 matches S.29.03.R0300 (but please see new meaning).

S.29.04.R0040/R0110 does not reflect the total variation of the best estimate. Please see clarification above and the proposed proposal to correct/amend Instructions to be published by end of March.

Regarding the Risk Margin, the amount should not be reported in S.29.04. The same applies for the amount of transitional on technical provision.

Q&A 1224:

In report S.29.04 cell R0110/C0050, what values shall be delivered, I can not find any validation on this cell, but as I see it I have two options:

1. From S.29.03 R0220/ C0050+C0060

2. From S.29.03 R0210-R0250/ C0050+C0060

Which one is correct?

Answer:

The cell S.29.04.R0110/C0050 should reflect the variation of BE as reported in cells S.29.03.R0210 to R0250.

Q&A 1459

The log file S.29.04 states for R0060 'Adjustment of valuation of Assets held for unit–linked funds' that "This item is added to the premiums and intends to eliminate the impact from unit–linked funds.".

However, premiums in R0010 (= S.29.03.01 R0310) only covers "technical flows affecting technical provisions but that are not reflected in the closing best estimate", i.e. premiums reflected in the closing BE would not be included in this balance.
Therefore, how is adding R0060 (= S.29.03.01 R0300 'Variation in UL assets') eliminating the impact from unit-linked funds?

Answer:

All amounts to be reported in R0010 to R0050 and from R0080 to R0120 should include amounts related to index-linked and unit-linked business. In R0060 and R0130 the net impact of the amount of the assets held by index-linked and unit-linked business and of Technical provisions – index-linked and unit-linked (calculated as best estimate and risk margin or calculate as a whole) should be reported split by periods for information. With this new application for index-linked and unit-linked business BV148 and BV149 have to be amended.

Q&A 1486 (and 998):

According to the log file "Expenses (related to insurance and reinsurance obligations)" for all risk categories (i.e. risks accepted during the period etc.) of S.29.04 need to reconcile with "C0100-C0110/R0330" of S.29.03. However, unlike S.29.03, where the requirement says that only those expenses should be reported that are not included in Best Estimate calculation, S.29.04 doesn't say as such. Does it mean that S.29.04 should have details of expenses irrespective of whether they are included in Best Estimate calculation or not? If so, then how the values of expenses of all risk categories in S.29.04 would reconcile with S.29.03? Can you please confirm.

Answer:

Regarding S.29.04.R0030 and R0100 – Expenses it is expected that amounts reported in both S.29.03 and S.29.04 are the same (see BV510). One doubt that could arise would be the investment expenses, however in both S.29.03 and S.29.04 the amount on expenses should exclude any expenses included in the best estimate such as the investment expenses.

Annex 1:

Taking into consideration that in particular for non-life business templates S.29.03 and S.29.04 might not be as intuitive as for life, EIOPA has developed some examples on how S.29.03 and S.29.04 would be filled in for non-life business. The examples developed reflect the following cases:

- Case 1: Base Case: Pure run-off business
  - Case 1A: Base Case: Pure run-off business with – 1 contract without revaluation of the projected cash-flows
  - Case 1B: Base Case: Pure run-off business – 1 contract with revaluation of the projected cash-flows
  - Case 1C: Base Case: Pure run-off business – portfolio
- Case 2: Claim provision (case reserve) turns into annuity
  - Case 2A: Claim provision (case reserve) turns into annuity – 1 contract
  - Case 2B: Claim provision (case reserve) turns into annuity – portfolio
- Case 3: Run-off with discounting
- Case 4: Run-off with FX variation
  - Case 4A - Claim provision run-off with FX (current FX rate at valuation date)
  - Case 4B - Claim provision run-off with FX (average FX rate during period)
- Case 5: Claim provision run-off with FX and discounting
- Case 6: New business
  - Case 6A: New business, one-year contract, incepting 01.07
  - Case 6B: New business, one-year contract, incepting 01.07 with up-front premium
- Case 7: Index-linked and unit-linked

Case 1A: Base Case: Pure run-off business with – 1 contract without revaluation of the projected cash-flows

Case 1A: Base Case: Pure run-off business with – 1 contract without revaluation of the projected cash-flows

Assumptions:	**Notation**	
No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	CF	Cash flow
No reinsurance, no expenses (& no premiums)		

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
100	60	30	10

Actual Paid during Period
80

End of Period Claim Provision

CP t=1
40

Projected CF @t=1

CF @ t=2	CF @ t=3
30	10

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		100
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170		0
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		0
Variation of Best Estimate on risks covered during the period	R0200		0
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-60
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		0
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270		40

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		0
Claims and Benefits during the period, net of salvages and subrogations	R0320		80
Expenses (excluding Investment expenses)	R0330		0
Total technical flows on gross technical provisions	R0340		-80
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		-20
	R0370		0

Notes/explanations:

S.29.03

R0220: minus the estimated CF projected for the year that is finishing

R0320: reflects the amount settled during the reporting period

R0360: Reflects the impact in the EoAoL, i.e. the fact that in year 1 undertaking paid 20 more than projected.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			80
Expenses (related to insurance and reinsurance obligations)	**R0100**			0
Variation of BE	**R0110**			-60
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**			-20

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period

R0110: This is the variation of effects directly linked to the acceptance of risks referring to risks covered prior to period captured in R0210 up to R0250 in the S.29.03, i.e. -60 (of course only if the anaylsis in S.29.03 is performed on the LOB basis).

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 1B: Base Case: Pure run-off business – 1 contract with revaluation of the projected cash-flows

Case 1B: Base Case: Pure run-off business – 1 contract with revaluation of the projected cash-flows

Assumptions:	**Notation**	
No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	CF	Cash flow
No reinsurance, no expenses (& no premiums)		

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
100	60	30	10

Actual Paid during Period
80

End of Period Claim Provision

CP t=1
55

Projected CF @t=1

CF @ t=2	CF @ t=3
35	20

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		100
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170		0
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		0
Variation of Best Estimate on risks covered during the period	R0200		0
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-60
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		15
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270		55

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		0
Claims and Benefits during the period, net of salvages and subrogations	R0320		80
Expenses (excluding Investment expenses)	R0330		0
Total technical flows on gross technical provisions	R0340		-80
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		-35
	R0370		0

Notes/explanations:

S.29.03

R0220: minus the estimated CF projected for the year that is finishing

R0240: the difference between the expected and projected CFs is due to a change in a non-economic assumption (e.g. new assumption in the reserving methodology) then this amount would be captured here. It should be the difference between the projection at the end of the year (35+20) and the projection at beginning of the year for the following years (30+10).

Please note that if the change is only due to new information (new diagonal in the claims paid/incurred triangle) this amount would be entered in R230.

R0320: reflects the amount settled during the reporting period

R0360: Reflects the full impact in the EoAoL, i.e. the fact that in year 1 undertaking paid 20 more than projected and in addition increased the projections for following years by 15. In total, accordingly, the excess of assets over liabilities is reduced by 35.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			80
Expenses (related to insurance and reinsurance obligations)	**R0100**			0
Variation of BE	**R0110**			-45
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**			-35

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period

R0110: This is the variation of effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03, i.e. -60+15 (of course only if the anaylsis in S.29.03 is performed on the LOB basis).

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 1C: Base Case: Pure run-off business – portfolio

Case 1C: Base Case: Pure run-off business – portfolio

Assumptions:

No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	CF	Cash flow
No reinsurance, no expenses (& no premiums)		

Triangles with cash-flows and expenses of the opening and closing best estimate. For the purposes of the template cash-ins do not need to be separated from cash-outs.

opening best estimate cash out (31.12.2015)

Accident year	Development year 0	1	2	3	4	
2011						
2012					3	
2013				5	3	"covered prior to period"
2014			9	6	4	
2015		30	10	5	3	
2016	10	5	2	1	0	"covered during the period"
2017	3	1	1	0	0	"covered after the period"

closing best estimate cash out (31.12.2016)

Accident year	Development year 0	1	2	3	4
2012					
2013					3
2014				6	4
2015			10	7	5
2016		35	11	6	5
2017	12	6	3	1	0
2018	3	1	1	0	0

opening best estimate cash in

Accident year	Development year 0	1	2	3	4	
2011						
2012					0	
2013				0	0	"covered prior to period"
2014			0	0	0	
2015		0	0	0	0	
2016	-30	0	0	0	0	"covered during the period"
2017	-10	0	0	0	0	"covered after the period"

closing best estimate cash in

Accident year	Development year 0	1	2	3	4
2012					
2013					0
2014				0	0
2015			0	0	0
2016		0	0	0	0
2017	-33	0	0	0	0
2018	-11	0	0	0	0

opening best estimate expenses

Accident year	Development year 0	1	2	3	4	
2011						
2012					0.3	
2013				0.5	0.3	"covered prior to period"
2014			0.9	0.6	0.4	
2015		3	1	0.5	0.3	
2016	7	0.5	0.2	0.1	0	"covered during the period"
2017	2.3	0.1	0.1	0	0	"covered after the period"

closing best estimate expenses

Accident year	Development year 0	1	2	3	4
2012					
2013					0.3
2014				0.6	0.4
2015			1	0.7	0.5
2016		3.5	1.1	0.6	0.5
2017	7.8	0.6	0.3	0.1	0
2018	2.5	0.1	0.1	0	0

Technical flows:

Accident year	Premiums written during the period
2012	0
2013	0
2014	0
2015	0
2016	150
2017	0
2018	0

Accident year	Claims and Benefits during the period, net of salvages and subrogations
2012	4
2013	4
2014	10
2015	35
2016	47
2017	0
2018	0

Accident year	Expenses (excluding Investment expenses)
2012	0.4
2013	0.4
2014	1
2015	3.5
2016	33
2017	0
2018	0

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		79.1
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170		0
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		-3
Variation of Best Estimate on risks covered during the period	R0200		66.9
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-51.7
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		4.4
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270		95.7

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		0
Closing Best Estimate	R0290		0

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		150
Claims and Benefits during the period, net of salvages and subrogations	R0320		100
Expenses (excluding Investment expenses)	R0330		38.3
Total technical flows on gross technical provisions	R0340		11.7
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360	0	-4.9
	R0370	0	0

Notes/explanations:

S.29.03

R0150: opening best estimate is the sum of the 3 triangles above (cash-in, cash-out and expenses

R0190: risk covered after the period is the difference between closing best estimate and opening best estimate, rows corresponding to years after the period (in this case 2017 and 2018)

R0200: risk covered during the period is the difference between closing best estimate and opening best estimate, row corresponding to the reporting year (in this case 2016)

R0220: projected in and out flows to be paid during the reporting period are the cash-flows reported in the first diagonal, in this case only covering the year prior to the period. E.g. cash-flows from accidents in 2015 projected to be paid in year 1 (2016), or accidents in 2014 projected to be paid in year 2 (2016).

R0240: changes in non-economic assumptions is calculated with the difference between closing best estimate and opening best estimate except the first diagonal already reported in R0220. In this case we are assuming all variations are due to non-economic assumptions.

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-16.6) and the impact of the technical flows (11.7), summing -4.9.

Annex I **S2 LoB 1 - 28**
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080	0	150	
Claims and benefits - net of salvages and subrogations recovered	R0090	0	47	53
Expenses (related to insurance and reinsurance obligations)	R0100	0	33	5.3
Variation of BE	R0110	-3	66.9	-47.3
Variation of TP as a whole	R0120			0
Adjustment of valuation of Assets held for unit-linked funds	R0130			0
Total	R0140	3	3.1	-11

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period split between risks covered during and prior to the period.

R0110: This is the variation of effects directly linked to the acceptance of risks captured in R0190 up to R0250 in the S.29.03, i.e. 16.6, but split by periods (of course only if the anaylsis in S.29.03 is performed on the LOB basis).

R0140: Note that the amount reported in S.29.03/R0360 and the sum of the amounts reported in S.29.04/R0140 (R0140/C0030 + R0140/C0040 + R0140/C0050) should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 2A: Claim provision (case reserve) turns into annuity – 1 contract

Case 2A - Claim provision (case reserve) turns into Annuity - 1 contract

Assumptions:		**Notation**
No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	CF	Cash flow
No reinsurance, no expenses (& no premiums)		

Begin of Period (**01.01**) Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
100	60	30	10

31.03. Recognition of Annuity NL annuity provision = 80

Actual Paid during Period
8

End of Period Claim Provision

CP t=1	CF @ t=2	CF @ t=3	CF @ t=…	CF @ t=10
72	8	8	…	8

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		100
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170	80	-100
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190	n.a.	n.a.
Variation of Best Estimate on risks covered during the period	R0200	n.a.	n.a.
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210	0	0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220	-8	0
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		
Variation of Best Estimate due to changes in non economic	R0240	0	0
Variation of Best Estimate due to changes in economic	R0250		
Other changes not elsewhere explained	R0260		
Closing Best Estimate	R0270	72	0

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310	0	0
Claims and Benefits during the period, net of salvages and subr	R0320	8	0
Expenses (excluding Investment expenses)	R0330	0	0
Total technical flows on gross technical provisions	R0340	-8	0
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350	0	0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360	-80	100
	R0370	0	0

Notes/explanations:

S.29.03

R0170: calculation of the annuity, reduction of the entire NL opening best estimate and recognition in Life of the re-calculated best estimate

R0220: minus the payment of the annuity made in the reporting year

R0340: the only technical flow to be identified is the payment of the annuity made in the reporting year

R0360: Reflects the total impact in the EoAoL, i.e. elimination of the NL best estimate and recognition of the annuity. The technical flow is recognised but netted with the variation of the Life technical provision (the payment as foreseen should not impact the EoAoL)

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY
NON-LIFE

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080			
Claims and benefits - net of salvages and subrogations recovere	R0090			0
Expenses (related to insurance and reinsurance obligations)	R0100			0
Variation of BE	R0110			0
Variation of TP as a whole	R0120			0
Adjustment of valuation of Assets held for unit-linked funds	R0130			0
Total	R0140			0

Detailed analysis per period - Technical flows versus Technical provisions - AY
LIFE

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080			
Claims and benefits - net of salvages and subrogations recovere	R0090			8
Expenses (related to insurance and reinsurance obligations)	R0100			0
Variation of BE	R0110			-8
Variation of TP as a whole	R0120			0
Adjustment of valuation of Assets held for unit-linked funds	R0130			0
Total	R0140			0

Notes/explanations:

S.29.04

R0090: reflects the payment of the annuity during the reporting period

R0110: This is the variation effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03, i.e. 0 for non-life and -8 for life. Please note para. 1.57 (the variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.)

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 2B: Claim provision (case reserve) turns into annuity – portfolio

Case 2B: Claim provision (case reserve) turns into annuity – portfolio

Assumptions:

No FX impact — CP: Claim Provision

Interest rate = 0 / undiscounted view — CF: Cash flow

No reinsurance, no expenses (& no premiums)

Begin of Period Claim provision

CP @ t=0 CF @ t=1 CF @ t=2 CF @ t=3

Actual Paid
during Period

End of Period Claim Provision

CP t=1 CF @ t=2 CF @ t=3

Recognition of an annuity on 30.06.2016 10

Triangles with cash-flows and expenses of the opening and closing best estimate. For the purposes of the template cash-ins do not need to be separated from cash-outs.

opening best estimate cash out (31.12.2015)

Accident year \ Development year	0	1	2	3	4	
2011						
2012					3	
2013				5	3	"covered prior to period"
2014			9	6	4	
2015		30	10	5	3	
2016	10	5	2	1	0	"covered during the period"
2017	3	1	1	0	0	"covered after the period"

closing best estimate cash out (31.12.2016)

Accident year \ Development year	0	1	2	3	4
2012					
2013					3
2014				6	4
2015			10	7	5
2016		35	11	6	5
2017	12	6	3	1	0
2018	3	1	1	0	0

opening best estimate cash in

Accident year \ Development year	0	1	2	3	4	
2011						
2012					0	
2013				0	0	"covered prior to period"
2014			0	0	0	
2015		0	0	0	0	
2016	-30	0	0	0	0	"covered during the period"
2017	-10	0	0	0	0	"covered after the period"

closing best estimate cash in

Accident year \ Development year	0	1	2	3	4
2012					
2013					0
2014				0	0
2015			0	0	0
2016		0	0	0	0
2017	-33	0	0	0	0
2018	-11	0	0	0	0

opening best estimate expenses

Accident year \ Development year	0	1	2	3	4	
2011						
2012					0.3	
2013				0.5	0.3	"covered prior to period"
2014			0.9	0.6	0.4	
2015		3	1	0.5	0.3	
2016	7	0.5	0.2	0.1	0	"covered during the period"
2017	2.3	0.1	0.1	0	0	"covered after the period"

closing best estimate expenses

Accident year \ Development year	0	1	2	3	4
2012					
2013					0.3
2014				0.6	0.4
2015			1	0.7	0.5
2016		3.5	1.1	0.6	0.5
2017	7.8	0.6	0.3	0.1	0
2018	2.5	0.1	0.1	0	0

Technical flows:

Accident year	Premiums written during the period
2012	0
2013	0
2014	0
2015	0
2016	150
2017	0
2018	0

Accident year	Claims and Benefits during the period, net of salvages and subrogations
2012	4
2013	4
2014	10
2015	35
2016	47
2017	0
2018	0

Accident year	Expenses (excluding Investment expenses)
2012	0.4
2013	0.4
2014	1
2015	3.5
2016	33
2017	0
2018	0

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		79.1
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170	10	-10
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		-3
Variation of Best Estimate on risks covered during the period	R0200		66.9
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-41.7
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		4.4
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270	10	95.7

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		0
Closing Best Estimate	R0290		0

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310	0	150
Claims and Benefits during the period, net of salvages and subrogations	R0320	0	100
Expenses (excluding Investment expenses)	R0330	0	38.3
Total technical flows on gross technical provisions	R0340	0	11.7
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350	0	0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360	-10	-4.9
	R0370	0	0

Notes/explanations:

S.29.03

R0150: opening best estimate is the sum of the 3 triangles above (cash-in, cash-out and expenses

R0170: calculation of the annuity, reduction of the NL opening best estimate reflecting the amount associated to the claim and recognition in Life of the re-calculated best estimate. In this case we are assuming it is the same as the re-calculation for the Life annuity but could be also lower or higher

R0190: risk covered after the period is the difference between closing best estimate and opening best estimate, rows corresponding to years after the period (in this case 2017 and 2018)

R0200: risk covered during the period is the difference between closing best estimate and opening best estimate, row corresponding to the reporting year (in this case 2016)

R0220: projected in and out flows to be paid during the reporting period are the cash-flows reported in the first diagonal covering the accident years prior to the period. E.g. cash-flows from accidents in 2015 projected to be paid in year 1 (2016), or accidents in 2014 projected to be paid in year 2 (2016) but once the annuity is recognized the lump sum (10) also needs to be deducted from the year N projection (10 in R0170 and 41.7 in R0220 in Case 2B corresponds to the 51.7 in R0220 in case 1C, which is the amount projected for the reporting year.

R0240: changes in non-economic assumptions is calculated with the difference between closing best estimate and opening best estimate except the first diagonal already reported in R0220. In this case we are assuming all variations are due to non-economic assumptions.

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-16.6 for non-life and -10 for life) and the impact of the technical flows (11.7), summing -14.9.

Annex I **S2 LoB 1 - 28**
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY
NON-LIFE

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080	0	150	
Claims and benefits - net of salvages and subrogations recovered	R0090	0	47	53
Expenses (related to insurance and reinsurance obligations)	R0100	0	33	5.3
Variation of BE	R0110	-3	66.9	-37.3
Variation of TP as a whole	R0120			0
Adjustment of valuation of Assets held for unit-linked funds	R0130			0
Total	R0140	3	3.1	-21

Detailed analysis per period - Technical flows versus Technical provisions - AY
LIFE

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080	0	0	
Claims and benefits - net of salvages and subrogations recovered	R0090	0	0	0
Expenses (related to insurance and reinsurance obligations)	R0100	0	0	0
Variation of BE	R0110	0	0	0
Variation of TP as a whole	R0120	0	0	0
Adjustment of valuation of Assets held for unit-linked funds	R0130	0	0	0
Total	R0140	0	0	0

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period split between risks covered during and prior to the period.

R0110: This is the variation effects directly linked to the acceptance of risks captured in R0190 up to R0250 in the S.29.03, i.e. 26.6 for non-life and 0 for life, but split by periods. Please note para. 1.57 (the variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.)

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03). In this case in S.29.04 needs to be the some of the three periods.

Case 3: Run-off with discounting

Case 3 - Claim provision run-off with discounting

Assumptions:	**Notation**	
No FX impact	CP	Claim Provision
No reinsurance, no expenses (& no premiums)	CF	Cash flow

hypothetical interest rate term structure @t=0 (just an assumption)

r (spot rate)	r_1	r_2	r_3
	0.01	0.03	0.06
Discount rate	0.99009901	0.942595909	0.839619283

1_year implied forwarded interest rate term structure @t=0

forward rate		0.05039604	0.085920698
Discount forward rate after unwind	1	0.952021868	0.848015476
check	1	0.952021868	0.848015476

hypothetical interest rate term structure @t=1 (just an assumption)

r (spot rate)	r_1	r_2	r_3
	0.03	0.06	0.09
Discount rate	0.970873786	0.88999644	0.77218348

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
96.0800107	60	30	10

Actual Paid during Period
80

End of Period Claim Provision

CP t=1	CF @ t=2	CF @ t=3
51.78051132	35	20

Formulas made available in the excel file.

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		96.0800
Exceptional elements triggering restating of opening Best Estimate	R0160		0.0000
Changes in perimeter	R0170		0.0000
Foreign exchange variation	R0180		0.0000
Variation of Best Estimate on risk covered after the period	R0190		0.0000
Variation of Best Estimate on risks covered during the period	R0200		0.0000
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0.9608
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-60.0000
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0.0000
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		13.2403
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		1.4994
Other changes not elsewhere explained	R0260		0.0000
Closing Best Estimate	R0270		51.7805

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		0
Claims and Benefits during the period, net of salvages and subrogations	R0320		80
Expenses (excluding Investment expenses)	R0330		0
Total technical flows on gross technical provisions	R0340		-80
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		-35.7005
	R0370		0

Notes/explanations:

S.29.03

R0150: projected cash-flows at the opening position discounted

R0210: difference between opening BE and BE calculated discounting the Cash-Flows with the implied interest rate (1_year implied forwarded interest rate term structure @t=0)

R0220: minus the estimated CF projected for the year that is finishing

R0240: difference between the revised cash-flows and original cash-flows estimated, both discounted with the implied interest rate (1_year implied forwarded interest rate term structure @t=0)

R0250: considering now the revised Cash-flows, assess the impact of a change in an economic item, in this case the discount curve. Difference between the revised cash-flows discounted with the implied interest rate (1_year implied forwarded interest rate term structure @t=0) and discounted with hypothetical interest rate term structure @t=1 (just an assumption).

R0320: reflects the amount settled during the reporting period;

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-44.2995) and the impact of the technical flows (80), summing -35.7005.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			80.0000
Expenses (related to insurance and reinsurance obligations)	**R0100**			0
Variation of BE	**R0110**			-44.2995
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**			-35.7005

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting

R0110: This is the variation of effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03.

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 4A - Claim provision run-off with FX (current FX rate at valuation date)

Case 4A - Claim provision run-off with FX (current FX rate at valuation date)

Assumptions:

Interest rate = 0 / undiscounted view	CP	Claim Provision
No reinsurance, no expenses (& no premiums)	CF	Cash flow
One claim coming from a CHF contract		

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3	
140	70	50	20	CHF

FX@t=0 EUR : CHF 0.9

CP @ t=0, FX@t=0	CF @ t=1	CF @ t=2	CF @ t=3	
0				
126	63	45	18	CHF conv to EUR
126				

FX@t=1 EUR : CHF 0.8

CP @ t=0, FX@t=1	CF @ t=1	CF @ t=2	CF @ t=3	
112	56	40	16	CHF conv to EUR
112				

Actual Paid	assumption: actual paid = expected paid
70	CHF
56	Total in EUR using FX@t=1

End of Period Claim Provision

CP @ t=1, FX@t=1	CF @ t=2	CF @ t=3	
56	40	16	EUR
56			CHF conv to EUR

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	**R0150**		126.00
Exceptional elements triggering restating of opening Best Estimate	**R0160**		0.00
Changes in perimeter	**R0170**		0.00
Foreign exchange variation	**R0180**		-14.00
Variation of Best Estimate on risk covered after the period	**R0190**		0.00
Variation of Best Estimate on risks covered during the period	**R0200**		0.00
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	**R0210**		0.00
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	**R0220**		-56.00
Variation of Best Estimate due to experience and other sources - risks covered prior to period	**R0230**		0.00
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	**R0240**		0.00
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	**R0250**		0.00
Other changes not elsewhere explained	**R0260**		0.00
Closing Best Estimate	**R0270**		56.00

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	**R0280**		
Closing Best Estimate	**R0290**		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over

		LIFE
		C0090
Variation in Investments in unit-linked	**R0300**	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	**R0310**		0
Claims and Benefits during the period, net of salvages and subrogations	**R0320**		56
Expenses (excluding Investment expenses)	**R0330**		0
Total technical flows on gross technical provisions	**R0340**		-56
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	**R0350**		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	**R0360**		14
	R0370		0

Notes/explanations:

S.29.03

R0150: according to the LOG the order is not prescriptive so undertaking may decide to do the foreign exchange variation at the end, and not reflect it in the opening BE

R0180: reflect the impact of the exchange rate

TP@t=0(FX @t=1)-TP@t=0(FX@t=0)

R0220: minus the estimated CF projected for the year that is finishing converted into euros

R0320: reflects the amount settled during the reporting period converted into euros

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (70) and the impact of the technical flows (-56), summing 14.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			56
Expenses (related to insurance and reinsurance obligations)	**R0100**			0
Variation of BE	**R0110**			-56.00
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**			0

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period converted into euros

R0110: This is the variation effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03, i.e. -56. Please note para. 1.57 (the variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.)

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 4B - Claim provision run-off with FX (average FX rate during period)

Case 4B - Claim provision run-off with FX (average FX rate during period)

Assumptions:
Interest rate = 0 / undiscounted view — CP: Claim Provision
No reinsurance, no expenses (& no premiums)
One claim coming from a CHF contract

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3	
				EUR
140	70	50	20	CHF

FX t=0 EUR : CHF 0.9

CP @ t=0, FX@t=0	CF @ t=1	CF @ t=2	CF @ t=3	
				EUR
126	63	45	18	CHF conv to EUR
126				

FX@t=1 EUR : CHF 0.8

CP @ t=0, FX@t=1	CF @ t=1	CF @ t=2	CF @ t=3	
				EUR
112	56	40	16	CHF conv to EUR
112				

Actual Paid	
0	EUR
70	CHF
59.5	Total in EUR **using average rate for conversion**

assumption: actual paid = expected paid

End of Period Claim Provision

CP @ t=1, FX@t=1	CF @ t=2	CF @ t=3	
0	0	0	EUR
56	40	16	CHF conv to EUR
56			

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		126.00
Exceptional elements triggering restating of opening Best Estimate	R0160		0.00
Changes in perimeter	R0170		0.00
Foreign exchange variation	R0180		-14.00
Variation of Best Estimate on risk covered after the period	R0190		0.00
Variation of Best Estimate on risks covered during the period	R0200		0.00
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0.00
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-59.50
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0.00
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		0.00
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0.00
Other changes not elsewhere explained	R0260		3.50
Closing Best Estimate	R0270		56.00

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		0
Closing Best Estimate	R0290		0

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		0
Claims and Benefits during the period, net of salvages and subrogations	R0320		59.5
Expenses (excluding Investment expenses)	R0330		0
Total technical flows on gross technical provisions	R0340		-59.5
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		10.50
	R0370		0

Notes/explanations:

S.29.03

R0180: reflect the impact of the exchange rate

TP@t=0(FX @t=1)-TP@t=0(FX@t=0) but using an average exchange rate

R0220: minus the estimated CF projected for the year that is finishing converted into euros

R0260: the application of an average exchange rate leads to unexplained changes in previous rows effects

R0320: reflects the amount settled during the reporting period converted into euros

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (70) and the impact of the technical flows (-59.5), summing 10.5.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**			
Claims and benefits - net of salvages and subrogations recovered	**R0090**			59.5
Expenses (related to insurance and reinsurance obligations)	**R0100**			0
Variation of BE	**R0110**			-59.50
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**			0

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting period converted into euros

R0110: This is the variation effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03, i.e. -59.5. Please note para. 1.57 (the variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.)

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 5: Claim provision run-off with FX and discounting

Case 5 - Claim provision run-off with FX and discounting

Assumptions:

Interest rate = 0 / undiscounted view	CP	Claim Provision
No reinsurance, no expenses (& no premiums)	CF	Cash flow
One claim coming from a CHF contract		

hypothetical interest rate term structure @t=0 (just an assumption)

r (spot rate)	r_1	r_2	r_3
	0.02	0.03	0.06
Discount rate	0.980392157	0.942595909	0.839619283

1_year implied forwarded interest rate term structure @t=0

forward rate		0.040098039	0.080584446
Discount forward rate after unwind	1	0.961447827	0.856411669
check	1	0.961447827	0.856411669

hypothetical interest rate term structure @t=1 (just an assumption)

r (spot rate)	r_1	r_2	r_3
	0.04	0.06	0.09
Discount rate	0.961538462	0.88999644	0.77218348

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3	
95.49759952	60	30	10	CHF BE_t0

FX@t=0 EUR : CHF 0.9

CP @ t=0, FX@t=0	CF @ t=1	CF @ t=2	CF @ t=3	
0				
85.94783956	60	30	10	CHF conv to EUR
85.94783956				

FX@t=1 EUR : CHF 0.8

CP @ t=0, FX@t=1	CF @ t=1	CF @ t=2	CF @ t=3	
76.39807961	60	30	10	CHF conv to EUR
76.39807961				

Actual Paid	
60	assumption: actual paid = expected paid CHF
48	Total in EUR using FX@t=1

End of Period Claim Provision

CP @ t=1, FX@t=1	CF @ t=2	CF @ t=3	
41.16301996	35	20	EUR
41.16301996	0	0	CHF conv to EUR

CF	
Formula	Cash flow
Relevant for example	
n.a.	Not applicable in this example

Formulas made available in the excel file.

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		85.95
Exceptional elements triggering restating of opening Best Estimate	R0160		0.00
Changes in perimeter	R0170		0.00
Foreign exchange variation	R0180		-9.55
Variation of Best Estimate on risk covered after the period	R0190		0.00
Variation of Best Estimate on risks covered during the period	R0200		0.00
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		1.53
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		-48.00
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0.00
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		10.70
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0.54
Other changes not elsewhere explained	R0260		0.00
Closing Best Estimate	R0270		41.16

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		0
Claims and Benefits during the period, net of salvages and subrogations	R0320		48
Expenses (excluding Investment expenses)	R0330		0
Total technical flows on gross technical provisions	R0340		-48
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		-3.215180399
	R0370		0

Notes/explanations:

S.29.03

R0150: projected cash-flows at the opening position discounted. According to the LOG the order is not prescriptive so undertaking may decide to do the foreign exchange variation at the end, and not reflect it in the opening BE

R0180: reflect the impact of the exchange rate

TP@t=0(FX @t=1)-TP@t=0(FX@t=0)

R0210: difference between opening BE and BE calculated discounting the Cash-Flows with the implied interest rate (1_year implied forwarded interest rate term structure @t=0)

R0220: minus the estimated CF projected for the year that is finishing

R0240: difference between the revised cash-flows and original cash-flows estimated, both discounted with the implied interest rate (1_year implied forwarded interest rate term structure @t=0)

R0250: considering now the revised Cash-flows, assess the impact of a change in an economic item, in this case the discount curve. Difference between the revised cash-flows discounted with discounted with the implied interest rate (1_year implied forwarded interest rate term structure @t=0) and discounted with hypothetical interest rate term structure @t=1 (just an assumption).

R0320: reflects the amount settled during the reporting period;

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-44.78) and the impact of the technical flows (48), summing -3.215.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	C0040	C0050
Premiums earned/to be earned	R0080			
Claims and benefits - net of salvages and subrogations recovered	R0090			48
Expenses (related to insurance and reinsurance obligations)	R0100			0
Variation of BE	R0110			-35.24
Variation of TP as a whole	R0120			0
Adjustment of valuation of Assets held for unit-linked funds	R0130			0
Total	R0140			-12.76

Notes/explanations:

S.29.04

R0090: reflects the amount settled during the reporting

R0110: This is the variation effects directly linked to the acceptance of risks referring to risks covered prior to the period captured in R0210 up to R0250 in the S.29.03, i.e. -35.24. Please note para. 1.57 (the variation triggered for example by changes in perimeter or foreign exchange variation should not be reported in S.29.04. This means that this cells do not reflect the total variation of the best estimate.)

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 6A: New business, one-year contract, incepting 01.07.

Case 6A - New business, one-year contract, incepting 01.07.

Assumptions:

No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	PP	Premium Provision
No reinsurance, no expenses (& no premiums)	CF	Cash flow

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
0	0	0	0

	Actual Paid during Period	
		assumption: actual paid = expected paid
out-flows benefits	12	30% of the claim benefits in the reporting period
out-flows expenses	10	
in-flows	-50	

End of Period Claim Provision

	CP t=1	CF @ t=2	CF @ t=3
out-flows CP prior accident years	0	0	
out-flows CP current accident year	28	28	
out-flows PP	40	40	
in-flows PP	-50	-50	

Specific assumptions of the new contract

new contract, on 31.12.t-1 not on the Balance Sheet			
Beginning	01.07.t		
End	30.06.t+1		
1. premium due	01.07.t		50
2. premium due	01.01.t+1		50
Total Premium		100	
Loss Ratio/combined ratio		80.0%	
(Expected) Total Claim benefits		80	
Claim benefits paid in t		30.0%	
Expenses (pure acquisition expenses) paid at beginning of contract		10	

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		0
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170		0
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		-10
Variation of Best Estimate on risks covered during the period	R0200		28
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		0
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		0
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270		18

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		
Closing Best Estimate	R0290		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		50
Claims and Benefits during the period, net of salvages and subrogations	R0320		12
Expenses (excluding Investment expenses)	R0330		10
Total technical flows on gross technical provisions	R0340		28
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		10
	R0370		0

Notes/explanations:

S.29.03

R0190: part corresponding to risks after the period: Premium Provision @t=1=0.8*50-50=-10

Note that 50=PVFP (present value of future premium)

and unearned premium=0.

Also note that costs of 10 are not considered in PP @t=1 because these are already paid at beginning of contract

R0200: part corresponding to risks during the period:

CP@t=1=0.8*50*(1-0.3)=28

This is, CP @t=1=loss ratio *earned premium-claims paid during period

R0320: reflects the amount actually payed during the reporting period =0.8*50*0.3=12

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-18) and the impact of the technical flows (28), summing 10.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**	0	50	
Claims and benefits - net of salvages and subrogations recovered	**R0090**	0	12	0
Expenses (related to insurance and reinsurance obligations)	**R0100**	0	10	0
Variation of BE	**R0110**	-10	28	0
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**	10	0	0

Notes/explanations:

S.29.04

R0080/C0030: the unearned premium amount is captured here, but not the future premium. (Future premiums are only captured in the variation of BE after the period) Since in this example unearned premium=0, R0080/C0030=0.

R0080/C0040: premiums earned

R0110: This is the variation of effects directly linked to the acceptance of risks captured in R0190 up to R0250 in the S.29.03, i.e. 18 but split by periods. -10 for risks covered after the period (S.29.03.R0190) and +28 for risks covered during the period (S.29.03.R0200).

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 6B: New business, one-year contract, incepting 01.07. with up-front premium

Case 6B - New business, one-year contract, incepting 01.07. (same example but now with upfront premium)

Assumptions:

No FX impact	CP	Claim Provision
Interest rate = 0 / undiscounted view	PP	Premium Provision
No reinsurance, no expenses (& no premiums)	CF	Cash flow

Begin of Period Claim provision

CP @ t=0	CF @ t=1	CF @ t=2	CF @ t=3
0	0	0	0

	Actual Paid during Period	
		assumption: actual paid = expected paid
out-flows benefits	12	30 % of the claim benefits in the reporting period,i.e 30 %*40
out-flows expenses	10	
in-flows	-100	

End of Period Claim Provision

	CP t=1	CF @ t=2	CF @ t=3
out-flows CP prior accident years	0	0	
out-flows CP current accident year	28	28	
out-flows PP	40	40	
in-flows PP	0	0	

Specific assumptions of the new contract

new contract, on 31.12.t-1 not on the Balance Sheet			
Beginning	01.07.t		
End	30.06.t+1		
1. premium due	01.07.t		100
2. premium due	01.01.t+1		0
Total Premium		100	
Loss Ratio/combined ratio		80.0%	
(Expected) Total Claim benefits		80	
Claim benefits paid in t		30.0%	
Expenses (pure acquisition expenses) paid at beginning of contract		10	

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per AY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0050	C0060
Opening Best Estimate	R0150		0
Exceptional elements triggering restating of opening Best Estimate	R0160		0
Changes in perimeter	R0170		0
Foreign exchange variation	R0180		0
Variation of Best Estimate on risk covered after the period	R0190		40
Variation of Best Estimate on risks covered during the period	R0200		28
Variation of Best Estimate due to unwinding of discount rate - risks covered prior to period	R0210		0
Variation of Best Estimate due to year N projected in and out flows - risks covered prior to period	R0220		0
Variation of Best Estimate due to experience and other sources - risks covered prior to period	R0230		0
Variation of Best Estimate due to changes in non economic assumptions - risks covered prior to period	R0240		0
Variation of Best Estimate due to changes in economic environment - risks covered prior to period	R0250		0
Other changes not elsewhere explained	R0260		0
Closing Best Estimate	R0270		68

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0070	C0080
Openning Best Estimate	R0280		0
Closing Best Estimate	R0290		0

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	n.a.

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310		100
Claims and Benefits during the period, net of salvages and subrogations	R0320		12
Expenses (excluding Investment expenses)	R0330		10
Total technical flows on gross technical provisions	R0340		78
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		0

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360		10
	R0370		0

Notes/explanations:

S.29.03

R0190: part corresponding to risks after the period: Premium Provision @t=1=0.8*50=40.

Note that in this example PVFP (present value of future premium) =0, but

unearned premium=100*0,5=50. Accordingly the upfront premium leads to an increase in the premium provision.

R0200: The upfront premium does not change the claims provision since the earned premium remains unchanged.

CP@t=1=0.8*50*(1-0.3)=28

This is, CP @t=1=loss ratio *earned premium-claims paid during period

R0320:0.8*50*0.3=12

R0360: Reflects the full impact in the EoAoL, i.e. the variation in the best estimate (-68) and the impact of the technical flows (78), summing 10

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - AY

		Risks covered after the period	Risks covered during the period	Risks covered prior to period
		C0030	**C0040**	**C0050**
Premiums earned/to be earned	**R0080**	50	50	
Claims and benefits - net of salvages and subrogations recovered	**R0090**	0	12	0
Expenses (related to insurance and reinsurance obligations)	**R0100**	0	10	0
Variation of BE	**R0110**	40	28	0
Variation of TP as a whole	**R0120**			0
Adjustment of valuation of Assets held for unit-linked funds	**R0130**			0
Total	**R0140**	10	0	0

S.29.04

R0080/C0030: In this example unearned premium=50 % written premium=50, thus R0080/C0030=0.

R0080/C0040: premiums earned

R0110: This is the variation of effects directly linked to the acceptance of risks captured in R0190 up to R0250 in the S.29.03, i.e. 68 but split by periods. 40 for risks covered after the period (S.29.03.R0190) and 28 for risks covered during the period (S.29.03.R0200).

R0140: Note that the amount reported in S.29.03/R0360 and S.29.04/R0140 should be the same with same signs (this can only hold if either analysis is performed on a segment/LOB basis and if there are no unexplained changes in R0260 in S.29.03).

Case 7: Index-linked and unit-linked

The example on unit-liked is a simple one with premiums, investment returns and investment expenses but not considering risk margin or a material difference between the market value of the assets and the technical provisions (BE+RM). However, it is illustrating and clarifying the current understanding of the index-linked and unit-linked.

The example assumes investment returns over the year of 5 (3 from dividends and 2 from interest, an increase in the value of the investments of 15 and investment expenses of 3. Investment expenses are reflected in the Technical Provisions.

Assumptions:

	Year N-1	Year N
Premium	1000	100
UL Assets	1000	1120
Technical Provisions	995	1112
Investment returns		20
Expenses	5	3
EoAoL	5	8
Variation EoAoL		3

Annex I

S.29.01.01
Excess of Assets over Liabilities

Summary Analysis of Variation of Excess of Assets over Liabilities				
Variations due to investments and financial liabilities	**R0190**			20
Variations due to technical provisions	**R0200**			-17
Variations in capital basic own fund items and other items approved	**R0210**			
Variation in Deffered Tax position	**R0220**			
Income Tax of the reporting period	**R0230**			
Dividend distribution	**R0240**			
Other variations in Excess of Assets over Liabilities	**R0250**			

Notes/explanations:

S.29.01

R0190: reflects the variation due to investments variation (20 minus expenses due to investments), further detail in S.29.02.

R0200: reflects the variation due to technical provisions (including technical flows), further detail in S.29.03 (see also BV508).

Annex I
S.29.02.01
Excess of Assets over Liabilities - explained by investments and financial liabilities

		C0010
Analysis of movements affecting Excess of Assets over Liabilities		
Of which movements in valuation with an impact on Excess of Assets over Liabilities		
Valuation movements on investments	**R0010**	15
Valuation movements on own shares	**R0020**	
Valuation movements on financial liabilities and subordinated liabilities	**R0030**	
Of which Investments revenues and expenses with an impact on Excess of Assets over Liabilities		
Investment revenues	**R0040**	5
Investments expenses incl. Interest charges on subordinated and financial liabilities	**R0050**	0
Variation in Excess of Assets over Liabilities explained by Investments and financial liabilities management	**R0060**	
Detail of Investment revenues		
Dividends	**R0070**	3
Interests	**R0080**	2
Rents	**R0090**	
Other	**R0100**	

Notes/explanations:

S.29.02

R0010: reflects the variation due to investments valuation, in this case a gain of 15.

R0040: reflects investment revenues (3 coming from dividends and 2 from interests).

R0050: investment expenses should be zero as they are reflected in the TP.

Annex I
S.29.03.01
Excess of Assets over Liabilities - explained by technical provisions

Of which the following breakdown of Variation in Best Estimate - analysis per UWY if applicable

		LIFE	NON LIFE
		Gross of reinsurance	Gross of reinsurance
		C0010	C0020
Opening Best Estimate	R0010	995	
Exceptional elements triggering restating of opening Best Estimate	R0020		
Changes in perimeter	R0030		
Foreign exchange variation	R0040		
Best Estimate on risk accepted during the period	R0050	100	
Variation of Best Estimate due to unwinding of discount rate - risks accepted prior to period	R0060		
Variation of Best Estimate due to year N projected in and out flows - risks accepted prior to period	R0070		
Variation of Best Estimate due to experience - risks accepted prior to period	R0080	17	
Variation of Best Estimate due to changes in non economic assumptions - risks accepted prior to period	R0090		
Variation of Best Estimate due to changes in economic environment - risks accepted prior to period	R0100		
Other changes not elsewhere explained	R0110		
Closing Best Estimate	R0120	1112	

		LIFE	NON LIFE
		Reinsurance recoverables	Reinsurance recoverables
		C0030	C0040
Openning Best Estimate	R0130		
Closing Best Estimate	R0140		

Of which adjustments in Technical Provisions related to valuation of Unit linked contracts, with theoretically a neutralizing impact on Assets over Liabilities

		LIFE
		C0090
Variation in Investments in unit-linked	R0300	3

Technical flows affecting Technical provisions

		LIFE	NON LIFE
		C0100	C0110
Premiums written during the period	R0310	100	
Claims and Benefits during the period, net of salvages and subrogations	R0320		
Expenses (excluding Investment expenses)	R0330	0	
Total technical flows on gross technical provisions	R0340	100	
Technical flows related to reinsurance during the period (recoverables received net of premiums paid)	R0350		

Variation in Excess of Assets over Liabilities explained by Technical provisions

		LIFE	NON LIFE
		C0120	C0130
Gross Technical Provisions	R0360	-17	
Reinsurance recoverables	R0370		

Notes/explanations:

S.29.03

R0050: reflects the new premium received during the year.

R0080: reflects investment revenues affecting the technical provision.

R0300: corresponds to the net impact of index-linked and unit-linked business, including technical flows (in this case the full amount as we are assuming only UL business). This cell is for information only.

R0310: reflects the new premium received during the year

R0360: reflects the full impact in the EoAoL from technical provisions, i.e. the impact of the variation in the best estimate (-117) and the impact of the technical flows (100), summing -17.

Annex I
S.29.04.01
Detailed analysis per period - Technical flows versus Technical provisions

Detailed analysis per period - Technical flows versus Technical provisions - UWY

		Line of Business	
		Z0010	
		LoB 37	
		Risks accepted during period	Risks accepted prior to period
		C0010	**C0020**
Written premiums underwritten during period	**R0010**	100	
Claims and benefits - net of salvages and subrogations recovered	**R0020**		
Expenses (related to insurance and reinsurance obligations)	**R0030**		0
Variation of Best Estimate	**R0040**	100	17
Variation of TP as a whole	**R0050**		
Adjustment of valuation of Assets held for unit-linked funds	**R0060**	0	3
Total	**R0070**	0	-17

Notes/explanations:

S.29.04

R0010: reflects the premium received during the reporting period

R0040: reflects the variation of the TP (assuming that the return on the assets relate only to the ones held at the beginning of the year).

R0060: corresponds to the net impact of index-linked and unit-linked business, including technical flows (in this case the full amount as we are assuming only UL business) split by periods. This cell is for information only.

R0070: Note that the amount reported in S.29.03/R0360 and S.29.04/R0070 should be the same.