



EIOPA-Bos-15/115

30 June 2015

**Final report on public consultation No.
14/052 on the implementing
technical standards on the templates for
the submission of information to the
supervisory authorities**

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1. Executive summary

Introduction

In accordance with Article 15 of Regulation (EU) No 1094/2010 (EIOPA Regulation), EIOPA may develop implementing technical standards (ITS) by means of implementing acts under Article 291 TFEU, in the areas specifically set out in the legislative acts referred to in Article 1(2) of the EIOPA Regulation.

Before submitting the draft ITS to the European Commission, EIOPA shall conduct open public consultations and analyse the potential costs and benefits. In addition, EIOPA shall request the opinion of the Insurance and Reinsurance Stakeholder Group (IRSG) referred to in Article 37 of the EIOPA Regulation.

In accordance with paragraph 10 of Article 35 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), EIOPA shall develop implementing technical standards with regard to the templates for the submission of information to the supervisory authorities.

As a result of the above, on 2 December 2014, EIOPA launched a public consultation on the draft implementing technical standards with regard to the templates for the submission of information to the supervisory authorities.

The Consultation Paper is also published on EIOPA's website¹.

Content

This Final Report includes the feedback statement to the consultation paper (EIOPA-CP-14/052) and the full package of the public consultation, including:

Annex I: Implementing Technical Standard

Annex II: Impact Assessment

Annex III: Resolution of comments

¹ [Consultation Paper](#)

Next steps

According to Article 15 of EIOPA Regulation, the draft ITS in Annex I will be submitted to the European Commission for endorsement by June 30, 2015.

According to Article 15 of the EIOPA Regulation, the European Commission shall forward it to the European Parliament and the Council.

Within 3 months of receipt of the draft ITS, the European Commission shall decide whether to endorse it in part or with amendments, where the Union's interests so require. The European Commission may extend that period by 1 month.

If the European Commission intends not to endorse a draft ITS or intends to endorse it in part or with amendments, it shall send it back to EIOPA explaining why it does not intend to endorse it, or, explaining the reasons for its amendments, as the case may be.

Within a period of 6 weeks, EIOPA may amend the ITS on the basis of the European Commission's proposed amendments and resubmit it in the form of a formal opinion to the European Commission. In this case EIOPA must send a copy of its formal opinion to the European Parliament and to the Council.

If on the expiry of the 6 weeks period, EIOPA has not submitted an amended draft ITS, or if it has submitted a draft ITS that is not amended in a way consistent with the European Commission's proposed amendments, the European Commission may adopt the implementing technical standard with the amendments it considers relevant or it may reject it.

Where the European Commission intends not to endorse a draft ITS or intends to endorse it in part or with amendments, it shall follow the process as set out in Article 15 of EIOPA Regulation.

2. Feedback statement

Introduction

EIOPA would like to thank the IRSG and all the participants to the public consultation for their comments on the draft ITS. The responses received have provided important guidance to EIOPA in preparing a final version of the ITS for submission to the European Commission. All of the comments made were given careful consideration by EIOPA. A summary of the main comments received and EIOPA's response to them can be found below and a full list of all the comments provided and EIOPA's responses to them can be found in Annex III.

EIOPA acknowledges the importance of the reporting package and a continued exchange of views was held with stakeholders to guarantee that informed decisions were being taken or to clarify comments received. A workshop was conducted on 24 April, to discuss key stakeholders' main comments.

On 6 May a public communication was released, on EIOPA's website providing an update on preparation for Solvency II, in particular for reporting

Implementation efforts

In April EIOPA has published the first version of the taxonomy based on the package under public consultation and a second version was released in May.

EIOPA has made available² free of charge a reporting tool for undertakings for the Preparatory Phase. This tool will be updated for the application of the "full" Solvency II taxonomy including the European Central Bank add-ons. The tool helps insurance undertakings and service providers with data integration, offering basic Excel integration, presenting in a user friendly way the business checks, and with the creation of XBRL files without XBRL knowledge.

The XBRL taxonomy will be subsequently released in the July 2015 based on the full final reporting package submitted to the European Commission. This will ensure that ultimate preparatory steps for the first prudential reporting under Solvency II by mid-April 2016 can be taken. The tool for undertakings, facilitating the implementation of the use of XBRL, will also be made available in the 3rd quarter of 2015 for the application of the full Solvency II taxonomy.

EIOPA believes that a constructive dialogue between national supervisors and insurers will smooth the implementation of Solvency II for the benefit of the internal market, industry and consumers.

The release 1.7 published in May reflected a simplification in the codification of the templates. This simplification reduces the number of worksheets by more than 50% through a simplified naming convention, further aligning the business definition and IT implementation. In essence, the simplification consists of defining templates only once

² More information including the software, the documentation and useful videos is available in <http://t4u.eurofiling.info/>

when the same templates apply identically for different variants: The same template code will be assigned when a template is used, without any changes, across different variants and entry points. In this scenario the same definition and codification will be shared across variants (i.e. use of one template of the “annual” or “solo” variants of the same business requirement such as “balance sheet”). The data and information to be provided as content of the templates is not affected by this simplification.

As a working document EIOPA will publish a table where it would be easy to identify which template is being used on each entry point. Please note that although from graphical point of view template S.26 and S.27 for groups are the same as for individual, they differ significantly on the content level. That is the consequence of a need to introduce in group templates information about method and scope of consolidation. For this technical reason in this case the codes for groups are different than the codes for individual reporting.

General comments

2.1. Codification

- a) Stakeholders raised the issue of not having aligned codification between variants of similar templates which would create difficulties for the set-up of the data models.
- b) EIOPA is quite keen of the importance of this issue. This was one of the reasons for the simplification proposed in the taxonomy and as a consequence in the ITS. Please see paragraphs above under implementation efforts.

2.2. Definition of Solvency II reporting currency - Article 1

- a) Stakeholders noted that the definition proposed was not in line with the references to “local currency” for the purposes of calculation of the “currency risk” for the SCR calculation. It would also imply changes from the approach taken in the preparatory phase;
- b) The definition of “Solvency II reporting currency” was subsequently aligned with the definition of the “local currency” for the purposes of calculation of the “currency risk” for the SCR calculation and now refers to the currency used for the preparation of the financial statements. The possibility for the national supervisory authority to require reporting in another currency if needed was kept.

2.3. Supervisory reporting formats - Article 2:

- a) Stakeholders highlighted that the level of expression was too accurate for the vast majority of monetary data. The request of two decimals for all monetary data was seen as too demanding.
- b) It was decided to keep the requirement on the expression of data in the ITS itself as the reporting rules should be irrespective of the format of reporting sent by undertakings.

EIOPA amended the proposal as follows: items shall be reported without decimals with the exception of data type "monetary" in assets/derivatives templates where the data type "monetary" shall be expressed in units with two decimals

2.4. Currency - Article 3

- a) Stakeholders complained that the exchange rate to be used in the initial proposal (NCB/ECB exchange rates) of the ITS was changing the approaches currently foreseen by undertakings/ groups, and in some cases could lead to availabilities of some exchange rates.
- b) The text of the article now allows the use of the exchange rates used from the same source as used for the insurance or reinsurance undertaking's financial statements in case of individual reporting or for the consolidated financial statements in case of group reporting unless otherwise required by the supervisory authority.

2.5. Proportionality - Article 7:

- a) Contradictory comments were received from stakeholders: some supported the deletion of the article; as proportionality should apply in general, while others welcomed the article that allow for quarterly reporting to follow specific procedures.
- b) EIOPA clarified that the references to proportionality in Article 7 (and 24) should be seen as an application of the principle of proportionality, introducing a specific reporting simplification for the purposes of quarterly reporting in addition to the simplifications/approximations already allowed by the Solvency II Directive and Delegated Regulation.
- c) EIOPA decided to keep the current articles unchanged (with minor drafting amendments), as it underlines the possibility for undertakings/groups to rely on estimates and estimation methods for quarterly reporting to a greater extent than measurements of annual reporting, as long as long the resulting information is reliable and complies with the standards of Directive 2009/138/EC and that all material information that is relevant for the understanding of the data is reported.

2.6. Quarter 4 submission/annual submission:

- a) Stakeholders underlined the duplication between information to be reported in relation to the 4th quarter of the year and the annual reporting.
- b) EIOPA would like to clarify that the templates S.06.02, S.08.01 and S.08.02 should only be submitted annually where the quarterly submission has been exempted, so the duplication has already been considered and eliminated from the reporting package in the public consultation.

- c) Further options were considered by EIOPA. However it was decided to keep the requirement unchanged because:
- The timely information received in relation to Q4 is crucial from a supervisory perspective. The annual deadline is considered to be too late for supervisors to receive the first set of information in relation to the end of the year;
 - Templates that would need to be reported quarterly also require less information than the annual submission. Besides, quarterly submission, in the particular cases of the technical provisions and the balance sheet allow to rely on estimates and estimation methods to a greater extent than measurements of annual reporting.

2.7. Balance-sheet – S.02.01

- a) Stakeholders questioned the benefit of reporting the balance sheet information using the solvency regime previously in place. This requirement causes an important effort for all undertakings to provide the data from the previous solvency regime in the Solvency II balance sheet structure.
- b) This reporting requirement is set in the Delegated Regulation. After additional input from stakeholders it was concluded that the burden would mainly be for those undertakings in jurisdictions where Solvency I is not in line with accounting principles. In addition, from an IT implementation perspective, it was also stressed that having, for only one submission, a requirement using a specific "data point" is seen as a disproportionate cost.
- c) Considering this, EIOPA has deleted the "Solvency 1" column from the day 1 reporting in the balance sheet template. This information will be received through another format, i.e.: as quantitative information in the narrative report due in relation to the first day of application of Solvency II. A guideline in the narrative reporting was added to clarify that the structure of the main classes of assets and liabilities, as defined for the Solvency II balance-sheet, should be followed when describing the qualitative explanation of the main differences between the figures reported in the opening valuation.
- d) Stakeholders further requested clarification on what items should be reported under "Reinsurance recoverables not recognised for TP calculation". The definition would overlap with that of Reinsurance receivables. By definition, amounts not recognised are not part of any balance sheet.
- e) At the workshop EIOPA explained the intention of the new row. In fact, some reinsurance recoverables might not be recognised for the purposes of technical provisions, but they still have to be recognised in the balance-sheet (Article 41 of the Delegated Regulation). Considering this justification, stakeholders suggested that this amount should be reported

under "Any other assets" to avoid a change in the balance-sheet template, compared to the preparatory phase version. EIOPA agreed with this suggestion and deleted the additional line on "recoverables not recognised under article 41". In practice, it means that this item would be captured with "Any other assets, not elsewhere shown" in the balance sheet.

- f) This template is now to the same as the one from the preparatory phase.

2.8. Assets and liabilities by currency – S.02.02

- a) No major comments were received. The template has not been changed but the LOGs have been amended, in particular the group LOG where inconsistencies were reported by stakeholders.

2.9. Off Balance-sheet – S.03.01

- a) Stakeholders stressed the fact it was not so obvious to make the difference between guarantees, collaterals and contingent liabilities.
- b) The lay out of the template was kept stable but the LOG has been improved.

2.10. Off Balance-sheet – S.03.02/S.03.03

- a) No major comments were received. The templates have not been changed.

2.11. Information by Country –S.04.01

- a) Stakeholders underlined the increased complexity of the new "host approach" added to the template compared to the 2012 version. This template has changed quite significantly. However, those changes do not follow on from the various discussions with the ECB and their specific needs, therefore the segmentation of the requirements seems overly complex in stakeholders opinion.
- b) Stakeholders complained that EIOPA is trying to reconcile both a home and a host approach leading to having the same amounts of business reported several times, but according to different pooling.
- c) Although understanding the comments from stakeholders, EIOPA believes that information by host member is useful for supervisory purposes as well as for exchange of information between supervisory authorities. Aware of the need for information from the host competent authorities but also acknowledging that the reporting package has additional information available in other templates where information by country is requested, EIOPA agreed to limit the request of information for the "host approach" only to gross written premiums.

2.12. Information on class 10 in Part A of Annex I of Solvency II Directive, excluding carrier's liability –S.04.02

- a) No major comments were received.
- b) However EIOPA has clarified that the template is not due in relation to the reinsurance accepted business, introduced the split between branch and FPS in line with requirement from article 159 of the Solvency II Directive and added the information on the business performed through FPS by the undertaking itself.

2.13. Premiums, claims and expenses split by LoB – S.05.01

- a) Stakeholders commented on the use of Solvency II Lines of Business with accounting valuation. In addition, specific questions linked to accounting were made, e.g. on claims management expenses and deferred acquisition costs.
- b) EIOPA believes it is important to have this template using accounting valuation but reflecting Solvency II Lines of Business. It is important to guarantee the comparability of the information between undertakings but also for individual analysis, using other templates.
- c) The template has not been changed. The LOG has been clarified regarding the content of each row, when different approaches might be followed in accordance with the Directive: claims management expenses are requested in a separate row; deferred acquisition costs shall be included in acquisition costs; flexibility was added to report reinsurers share of expenses if information is not available to be split by category of expenses.
- d) It has been clarified that recognition and valuation from financial statements should be used and no new recognition or re-valuation is required.

2.14. Premiums, claims and expenses split by country (top 5 countries or 90% of gross written premiums) – S.05.02:

- a) Stakeholders commented that reporting this template quarterly was not consistent with other requirements.
- b) EIOPA agrees and deleted this requirement from the quarterly reporting. The template has not changed. The clarifications made in S.05.01 were equally made in S.05.02.

2.15. Investments summary – S.06.01:

- a) Stakeholders questioned the need for this template.
- b) EIOPA clarified that this template is only due by undertakings/groups exempted from the annual submission of information in templates S.06.02 or S.08.01 in accordance with Article 35 (7) of Directive 2009/138/EC. EIOPA believes that by guaranteeing a minimum set of information for supervisors it is more probable that exemptions are given. The template has not changed.

2.16. External rating - S.06.02 and S.08.01

- a) External rating/ Nominated ECAI: stakeholders highlighted the cost to keep the ratings in the assets templates. They claimed that in specific situations, in particular regarding small and medium undertakings, this information would only be collected for the purposes of reporting which would carry a non-proportional burden for those undertakings.
- b) EIOPA has duly considered this issue and developed an additional impact assessment policy on this. Further details of the analysis might be read in the impact assessment section.
- c) In fact, stakeholders brought additional evidence on the costs of the requirement. Where the costs are not directly generated by the reporting requirements, it is nevertheless important to signal that there are alternatives to obtaining the ratings for prudential purposes.
- d) The decision taken reflects the importance of supervisors receiving rating information and the alternatives allowed by the Solvency II framework. The solution reflects the following:
 - i. The reporting of the rating information is mandatory by default. This means that the columns on rating information were kept in templates S.06.02 and S.08.02;
 - ii. However, the national supervisory authority may exempt from reporting of the information regarding the External rating and Nominated ECAI in templates S.06.02 and S.08.02 where:
 - the insurance and reinsurance undertakings have in place investment outsourcing arrangements that lead to this information not being available directly by the undertaking;
 - by using their powers under article 35 (6) and (7) of the Directive 2009/138/EC.
 - iii. Regarding the latter case, EIOPA underlines that if such a function is outsourced it should be considered as a critical or important function and the requirement regarding outsourcing foreseen in Solvency II should be applied;
 - iv. In addition, in the cases where undertakings have in place an outsourcing agreement that led to the limitation (no reporting), undertakings should explain in the Regular Supervisory Report, the procedures implemented by the undertaking to oversight and safeguard the compliance of the requirements in the referred area and how it is guaranteed that all relevant information underlying the investment portfolio is taken into account in the risk management.

2.17. EIOPA will closely monitor the implementation of this solution and assess the need to review the reporting requirement in the future.**List of assets – S.06.02:**

- a) Stakeholders submitted detailed comments regarding the implementation of some items.
- b) The template was not changed, however the LOGs reflect some changes, e.g. simplification of the close list for participations and clarification of items that do not have to be reported for certain types of assets.

2.18. CIC table and definitions – Annex III and IV

- a) Stakeholders strongly criticised the change from the preparatory phase to the consultation package in the criteria (from valuation to liquidity assessment) to attribute the first two positions of the CIC code. They state that the new criteria based on liquidity is difficult to implement and clarity was needed on the purpose of the first two digits of the ISO code.
- b) EIOPA understood the challenges of the change but highlights that the change was due to implementation problems of the previous solution. As a result EIOPA reverted to the criteria previously proposed but introducing a change to solve implementation issues identified before.
- c) The proposal bases the two first positions of the CIC code on valuation but creates a new category "XV" that would be used for generic prices or other multiple trading cases together with already existing XL (not listed) or XT (not exchange tradable). This will solve the situations when undertakings value an asset using prices from Multilateral Trading Facilities located in one country and the asset is listed in a market from a different country.
- d) Other minor amendments were introduced in the table and definitions following concrete comments. The most important amendment was the full alignment of the definition of Government bonds with the text from the Delegated Regulation 2015/35.

2.19. CIU – look through approach – S.06.03 Assets

- a) Stakeholders believe that the requirement on look-through is very demanding; in particular they suggested making explicit a materiality threshold for funds of funds. They suggested considering an intermediate level of granularity split by country.
- b) Stakeholders were also concerned with the need to perform look-through regarding certain types of funds, namely when they are listed.
- c) EIOPA considered the comments and believes that materiality considerations for applying the look-through in reporting funds of funds should be left to the undertaking taking into account the efforts needed and the materiality of the amounts. The approach taken (possibility to undertakings to assess residual amounts that could not be look-through) allows not to report residual assets within a fund. In relation to the geographical split, a threshold for the split by country was introduced.

- d) It should be noted that this template does not only serve the supervision of the SCR, but serves also the supervision of the prudent person principle for which a risk-based approach is needed, therefore the look through is expected by default.
- e) There are specific situations (difficult to implement through general rules) where due to the form of the investment, the asset should be excluded from the scope of the template and be classified as equity in S.06.02, even if they present some elements that could be similar to collective investments undertakings

2.20. Structured products – S.07.01:

- a) No major comments were received. The template has not been changed.

2.21. Open derivatives/Closed derivatives – S.08.01/S.08.02:

- a) No major comments were received.
- b) The template was not changed, however the LOGs reflect some changes, e.g. alignment of date description with EMIR.

2.22. S.09.01 – Information on income/gains and losses in the reporting period – for approval

- a) Stakeholders commented on the definitions used and stressed the possible double counting of accrued interests. The approach to calculate gains and losses in the period was also challenged by stakeholders as it was not in line with accounting practices.
- b) EIOPA amended the LOG to clarify that accrued interests shall not be double counted; however the calculation of gains and losses was kept as it is, including the split between realised/ unrealised gains/losses to have a global picture of performance.
- c) EIOPA believes this approach is in line with the valuation principles according to article 75 of Directive 2009/138/EC. The alignment with IFRS is not adequate for the purpose of this template which is not on accounting basis. EIOPA clarifies that the objective of this template is not to introduce an additional performance measure or rules, but to collect information on economic results arising from assets.

2.23. – S.10.01:

- a) No major comments were received. The LOG has been clarified in relation to how to report the assets from both sides of the contract.

2.24. – S.11.01:

- a) No major comments were received.

- b) Doubts in relation to the link between this template and S.03.01 were clarified and the LOG has been improved.

2.25. TP Life - S.12.01

- a) Stakeholders raised some doubts in relation to the split between contracts with options and guarantees and without options or guarantees. Comments were also received on the additional lines included in relation to the LTG measures and transitionals.
- b) EIOPA clarifies that by default contracts with guarantees should be unbundled. If not possible to unbundle, the full amount of Technical Provisions should be reported in TP column "Contract with options or guarantees" of S.12.01.
- c) To avoid different interpretations the split between the two columns (without options and guarantees/with options or guarantees) was clarified in the LOG.
- d) In relation to the information on the LTG measures and transitionals the rows referring to the impact in the risk margin were deleted and the rows referring to the amount subject to each measure and transitional now refer to best estimate (instead of technical provisions). However, the impact of each measure was kept at the level of technical provisions to be in line with Directive 2002/ 138/ EC.

2.26. TP Life per country - S.12.02

- a) No major comments were received. The template was not changed.

2.27. Best estimate by country and currency - S.12.03/S.17.03 (now S.22.06)

- a) Stakeholders underlined the excessively detailed new requirements, and believed they were not in line with other kinds of requirements for which a threshold exist.
- b) EIOPA considered the comments received and agreed on a substantive reduction of the requirement. It was agreed:
 - To keep the matrix of the BE by country/ currency;
 - To limit the scope of the templates to only Volatility Adjustment users on their Volatility Adjustment obligations (reason to change the code of the template to S.22.06)
 - To add a materiality threshold – 90% of the BE of the Volatility Adjustment obligations for each undertaking to be split according to the matrix.

2.28. Life obligations analysis - S.14.01

- a) Stakeholders suggested that the template should be limited to direct business (as referred to in EIOPA's feedback on several comments (no. 587, 597, 602, 612) on Consultation Paper 09 - EIOPA-CP-009/2011);
- b) After re-discussing the issue, EIOPA believes that the original idea and purpose of the template was in fact to include also the accepted reinsurance. However, EIOPA acknowledges that some specific items are expected to be provided on a best effort basis for reinsurance accepted.

2.29. Other Life TP templates - S.13.01/S.14.01/S.15.01/S.15.02/S.16.01

- a) No major comments were received. The templates were not changed with the minor following exceptions:
 - S.15.02 for groups, column identifying the undertaking was missing;
 - S.16.01 – Z0020 was deleted as Z0030 is enough to identify the information.

2.30. TP Non-Life - S.17.01

- a) No major comments were received. The template has not been changed.
- b) In relation to the information on the LTG measures and transitionals the rows referring to the impact in the risk margin were deleted and the rows referring to the amount subject to each measure and transitional now refer to best estimate (instead of technical provisions). However, the impact of each measure was kept at the level of technical provisions to be in line with Directive 2002/ 138/ EC.

2.31. TP Non-Life per country - S.17.02

- a) No major comments were received. The template was not changed.

2.32. Other Non-Life TP templates - S.18.01 /S.19.01 /S.20.01/ S.21.01/ S.21.02/ S.21.03

- a) No major comments were received. The templates were not changed with minor exceptions such as cells not strike-out in S.19.01 and amendments of labels in S.20.01.

2.33. Impact of long term guarantees and transitional measures - S.22.01

- a) Stakeholders referred that previous studies have shown that calculations with and without the long term guarantee and transitional measures are already a very high burden for undertakings (and groups). Further calculations, which only represent an intermediate step between the variants with and without the measures, disproportionately increase the effort - without providing any added value. The necessary parallel calculations must therefore be kept to a minimum. Undertakings (and

groups) that use more than one long term guarantee or transitional measure should only perform two calculations: one with and one without any measures.

- b) The Solvency II Directive is clear in the requirement to disclose the impact of LTG measure by measure. This requirement is established independently in different articles (51, 308c and 308d). In fact, there are significant differences with regard to the rationale under each LTG measure or transitional, so each impact provides different information which should not be mixed.
- c) EIOPA believes that the step-by-step approach proposed in the LOG is the less burdensome to comply with the requirements.

2.34. Information by material matching portfolio - S.22.02/S.22.03

- a) No major comments were received. The templates were not changed.

2.35. Information on the transitional on interest rates calculation – S.22.04

- a) Stakeholders suggested deleting the information by bands of Solvency I rates, as for some contracts (i.e.: contracts with profits), it is not possible to have the split by bands due to a global allocation of technical provision for discretionary benefits.
- b) EIOPA agrees and has limited the best estimate to only the best estimate of the obligations subject to interest rate transitional, excluding the future discretionary. Clarification has been provided in the LoG

2.36. Information on the transitional on interest rates calculation – S.22.05

- a) No major comments were received. The template was not changed.

2.37. Own funds - S.23.01

- a) From an individual perspective no major comments were received. From a group perspective stakeholders commented on the lack of clarity of the template in relation to the calculation of the solvency ratios when a combination of methods was used.
- b) EIOPA agreed and introduced changes in the template S.23.01 for groups to clarify the calculation when a combination of methods is applied. Please note that therefore both the disclosure and reporting templates have been slightly adjusted and are now different for both purposes.

2.38. Other own funds template - S.23.02 to S.23.03

- a) No major comments were received. The templates were not changed.

2.39. List of items on own funds - S.23.04

- a) Stakeholders raised some doubts regarding the tables referring to the adjustment for ring-fenced funds and matching adjustment portfolios.
- b) Following questions raised the tables referred to the "Adjustment for ring fenced funds and matching adjustment portfolios" were adjusted:
 - The value of the deduction was clarified (one additional column) asked for the total and for each RFF/MAP;
 - The table referring to the remaining part was deleted as there is no adjustment resulting from the remaining part.

2.40. S.24.01 – Participations

- a) No major comments received on this template. However, when analysing validations, some Members identified the need to clarify the template.
- b) Both the template and the LoG have been revised, mainly from a formal perspective – addition of headings on top of each table, clarifications on the content of each category of participations, split of one list into two lists to make clear the information received. Please note that it was made clear that all non-strategic participations should be completed in the template (table 7 of the new template).

2.41. SCR - S.25.01 to S.25.03

- a) No major comments were received. The templates were not changed.

2.42. SCR by module and information on simplifications - S.26.01 to S.27.01

- a) No major comments were received on templates on SCR by module. Regarding S.26.07, with information on simplifications stakeholders questioned the need for the template. They consider this new reporting template not to add value beyond the existing templates and suggested deleting.
- b) EIOPA clarifies that this template is only to be submitted by undertakings when certain simplifications apply. In fact, when simplifications are applied additional information is needed in order to understand the information reported in templates S.26.01 to S.26.06.
- c) Additional minor changes were implemented to further align with the Delegated Regulation 2015/35:
 - Move of information on mortgages from S.26.01 to S.26.02;
 - New lines on S.26.04 for medical expenses and new column for USP standard deviation gross/net for consistency with other templates;
 - Currency in S.26.07 is now a Z-axis;
 - In S.27.01 changes in Windstorm, earthquake, flood and hail to correct mistakes.

2.43. MCR - S.28.01/S.28.02

- a) No major comments were received. The templates were not changed.
- b) EIOPA clarified that S.28.02 is not applicable to reinsurance undertakings.

2.44. Variation analysis - S.29.01 to S.29.04

- a) Stakeholders requested confirmation that application date was only 2017 (to be submitted in 2018) as the template is focused on variation of excess of assets over liabilities between two reporting years. Additional clarifications were requested, in particular on the approach foreseen in the templates, "results based" versus "cash flows based".
- b) Stakeholders also complained on the split by LoB of S.29.04 (detailed analysis per period of technical flows versus technical provisions).
- c) EIOPA confirms that the template is expected to be submitted to NSA only in 2018, referring to 2017 as, at that date, it would focus on the variation of excess over liabilities between 2016 and 2017. It was also clarified that the template is "result based" and the LOG has been improved to make the requested information clearer.
- d) On the split of S.29.04 this was very discussed in the past, also with the industry, and the conclusion is that the information is only relevant with the level of granularity proposed.

2.45. Reinsurance and SPVs - S.30.01 to S.31.02

- a) No major comments were received.
- b) On the last years EIOPA has been assessing the possibility to provide the industry with a reinsurers database. This database would support the harmonisation of the (reporting of) reinsurers codes in the EEA. However, with the development of the Legal Entity Identifier, this could be seen as a non-efficient effort. Therefore, EIOPA has decided, also considering the budget cuts that it has suffered, not to develop the database.
- c) The need for such a database will be re-assessed in 2017 considering the penetration of the LEI and the percentage of the use by undertakings of non-EEA reinsurers without LEI.
- d) In addition, in the final review EIOPA has improved the LOGs, namely in the general comments to clarify the scope of the templates.
- e) In the templates minor changes were introduced:
 - Type of codes were added in S.30.02 and S.30.04
 - Date of rating assigned was deleted in S.30.02

2.46. Group specific templates – S.32.01 to S.34.01

- a) No major comments were received. The templates were not changed.

2.47. Technical provisions contribution – S.35.01

- a) Stakeholders complained on the request of amounts related to the LTG measures and transitionals net and gross of IGT. They claimed that for groups, another level of complexity is added if one of the undertakings of the group applies long term guarantee or transitional measures and if intra-group transactions (ITG) exist, which is to show the effect of a long term guarantee or transitional measure without the inclusion of intra-group transactions. This additional calculation disproportionately increase the effort.
- b) EIOPA agrees and has deleted the columns referring to amounts net of IGT. Please note that a specific guideline on this was developed in the Guidelines on Reporting and public disclosure.

2.48. Intra-group transactions – S.36.01 to S.36.04

- a) No major comments were received.
- b) Only one minor change was implemented in S.36.02, a type of code was missing.

2.49. Risk concentration – S.37.01

- a) Stakeholders submitted very detailed comments in relation to this template stemming from implementation challenges.
- b) EIOPA has duly considered them and amended the template as a consequence:
 - The template was streamlined (C0160, C0180 and C0190 are deleted, the last two are merged in others)
 - Template was mixing two different approaches (line-by-line exposure and net exposure by counterparty). To solve C0160 (net maximum exposure) was deleted and clarifications introduced in the LOG. Only the line-by-line exposure approach was kept.

General nature of participants to the public consultation

EIOPA received comments from the IRSG and twenty-six responses from other stakeholders to the public consultation. All non-confidential comments received have been published on EIOPA's website.

Respondents can be classified into four main categories: European trade, insurance, or actuarial associations; national insurance or actuarial associations; (re)insurance groups or undertakings; and other parties such as consultants and lawyers.

IRSG opinion

The particular comments from the IRSG on the ITS at hand can be consulted on EIOPA's website³.

Comments on the Impact Assessment

EIOPA has not received specific comments on the Impact Assessment. However, due to the importance of the comments raised in relation to the submission of information on external ratings EIOPA has developed an additional impact assessment policy on this issue. Further details of the analysis might be read in the impact assessment section.

³ [IRSG opinion](#)

3. Annexes

Annex I: Implementing Technical Standard



Brussels, **XXX**
[...](2015) **XXX** draft

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

of **XXX**

on [...]

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

of []

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2009/138/EC of 25 November 2009 of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)⁴ and in particular Articles 35(10) third subparagraph, 244(6) third subparagraph and Article 245(6) third subparagraph thereof,

Whereas:

- (1) This Regulation establishes the templates for the submission of information to the supervisory authorities referred to in Article 35(1) and (2) of Directive 2009/138/EC for individual insurance and reinsurance undertakings and in Article 244(2) and Article 245(2) of Directive 2009/138/EC for groups.
- (2) An adequate level of granularity of the information to be submitted is crucial for a proper implementation of a risk-based supervisory review process. Insurance and reinsurance undertakings and groups should submit the information applicable for their business. In most cases only a subset of templates should be submitted, as not all the templates are applicable for all undertakings.
- (3) The harmonisation of the templates to be used when submitting information to supervisory authorities is an essential instrument to promote supervisory convergence. For this reason it is vital that the information to be reported pursuant to Directive 2009/138/EC is submitted as specified in the templates provided for by this Regulation. However, the templates are a visual representation of the information to be reported and specify the information to be reported. In practice the information will be reported electronically.
- (4) The provisions in this Regulation are closely linked to each other, since they deal with submission of information from insurance and reinsurance undertakings and groups to the supervisory authorities. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view and compact access to them by persons subject to those obligations, including investors that are non-Union residents, it is desirable to include all the implementing technical standards required by Article 35(10), 244(6) and 245(6) of Directive 2009/138/EC in a single Regulation.

⁴ OJ L 335, 17.12.2009, p.1.

- (5) This Regulation is based on the draft implementing technical standards submitted by the European Insurance and Occupational Pensions Authority to the Commission.
- (6) The European Insurance and Occupational Pensions Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Insurance Stakeholder Group established in accordance with Article 37 of Regulation 1094/2010 of the European Parliament and of the Council⁵.

HAS ADOPTED THIS REGULATION:

Chapter I- General supervisory reporting requirements

Article 1

Definitions

For the purposes of this Regulation “reporting currency” means:

- a. for individual reporting, the currency used for the preparation of the insurance or reinsurance undertaking's financial statements unless otherwise required by the supervisory authority;
- b. for group reporting, the currency used for the preparation of the consolidated financial statements unless otherwise required by the group supervisor.

Article 2

Supervisory reporting formats

Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall submit the information referred to in this Regulation in the data exchange formats and representations determined by the supervisory authorities or by the group supervisor and respecting the following specifications:

- a. data points with the data type ‘monetary’ shall be expressed in units with no decimals with the exception of templates S.06.02, S.08.01, S.08.02 and S.11.01, which shall be expressed in units with two decimals;
- b. data points with the data type ‘percentage’ shall be expressed as per unit with four decimals;
- c. data points with the data type ‘integer’ shall be expressed in units with no decimals.

Article 3

Currency

1. Data points with the data type ‘monetary’ shall be reported in the reporting currency, which

⁵ Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

requires the conversion of any other currency into the reporting currency unless otherwise stated in this Regulation.

2. When expressing the value of any asset or liability denominated in a currency other than the reporting currency, the value shall be converted in the reporting currency as if the conversion had taken place at the closing rate on the last day for which the appropriate rate is available in the reporting period to which the asset or liability relates.
3. When expressing the value of any income or expense, the value shall be converted in the reporting currency using such basis of conversion as used for accounting purposes.
4. The conversion into the reporting currency shall be calculated by applying the exchange rate from the same source as used for the insurance or reinsurance undertaking's financial statements in case of individual reporting or for the consolidated financial statements in case of group reporting unless otherwise required by the supervisory authority.

Article 4

Re-submission of data

Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed in relation to the same reporting period after the last submission to the supervisory authorities or to the group supervisor.

Chapter II – Individual quantitative reporting templates

Article 5

Individual quantitative reporting templates for the opening information

Insurance and reinsurance undertakings shall submit the information referred to in Article 314(1)(a) and (b) of Commission Delegated Regulation (EU) 2015/35⁶ using the following templates:

- a. S.01.01.03 of Annex I, specifying the content of the submission, following the instructions set out in S.01.01 of Annex II;
- b. S.01.02.01 of Annex I, specifying basic information on the undertaking and the content of reporting in general, following the instructions set out in S.01.02 of Annex II;
- c. S.01.03.01 of Annex I, specifying basic information on the ring-fenced funds and matching adjustment portfolios, following the instructions set out in S.01.03 of Annex II;
- d. S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in S.02.01 of Annex II;

⁶ Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 12, 17.1.2015, p. 1).

- e. S.23.01.01 of Annex I, specifying information on own funds, following the instructions set out in S.23.01 of Annex II;
- f. S.25.01.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula, following the instructions set out in S.25.01 of Annex II;
- g. S.25.02.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula and a partial internal model following, the instructions set out in S.25.02 of Annex II;
- h. S.25.03.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using a full internal model, following the instructions set out in S.25.03 of Annex II;
- i. S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or non-life insurance or reinsurance activity, following the instructions set out in S.28.01 of Annex II;
- j. S.28.02.01 of Annex I, specifying the Minimum Capital Requirement for insurance undertakings engaged in both life and non-life insurance activity, following the instructions set out in S.28.02 of Annex II.

Article 6

Quarterly reporting templates for individual undertakings

Insurance and reinsurance undertakings shall submit quarterly to the supervisory authorities the following information, unless the scope or frequency of the reporting is limited in accordance with Article 35(6) of Directive 2009/138/EC as further specified in Article 304 (1)(d) of Delegated Regulation (EU) 2015, where applicable:

- a. template S.01.01.02 of Annex I, specifying the content of the submission, following the instructions set out in S.01.01 of Annex II;
- b. template S.01.02.01 of Annex I, specifying basic information on the undertaking and the content of reporting in general, following the instructions set out in S.01.02 of Annex II;
- c. template S.02.01.02 of Annex I, specifying balance sheet information using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in S.02.01 of Annex II;
- d. template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses using the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in S.05.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- e. template S.06.02.01 of Annex I, providing an item by item list of assets, following the instructions set out in S.06.02 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI of this Regulation;
- f. template S.06.03.01 of Annex I, providing information on the look-through of all collective investments held by the undertakings, following the instructions set out in

S.06.03 of Annex II, only when the ratio of collective investments held by the undertaking to total investments is higher than 30%. This ratio is measured as item C0010/R0180 of template S.02.01.02 plus collective investments undertakings included in item C0010/R0220 of template S.02.01.02 plus collective investments undertakings included in item C0010/R0090 of template S.02.01.02 divided by the sum of items C0010/R0070 and C0010/RC0220 of template S.02.01.02;

- g. template S.08.01.01 of Annex I, providing an item by item list of open positions of derivatives, following the instructions set out in S.08.01 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI of this Regulation;
- h. template S.08.02.01 of Annex I, providing an item-by-item list of derivatives closed during the reporting period, following the instructions set out in S.08.02 of Annex II and using the CIC codes as set out in Annex V and defined in Annex VI of this Regulation;
- i. template S.12.01.02 of Annex I, specifying information on life and health SLT technical provisions, following the instructions set out in S.12.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- j. template S.17.01.02 of Annex I, specifying information on non-life technical provisions, following the instructions in S.17.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- k. template S.23.01.01 of Annex I, specifying information on own funds, following the instructions set out in S.23.01 of Annex II;
- l. template S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or non-life insurance or reinsurance activity, following the instructions set out in S.28.01 of Annex II.
- m. template S.28.02.01 of Annex I, specifying the Minimum Capital Requirement for insurance undertakings engaged in both life and non-life insurance activity following, the instructions set out in S.28.02 of Annex II.

Article 7

Simplifications allowed on quarterly reporting for individual undertakings

1. With regard to the information referred to in point *c* of Article 6 quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting shall be designed to ensure that the resulting information is reliable and complies with the standards laid down in Directive 2009/138/EC and that all material information that is relevant for the understanding of the data is reported.
2. When submitting the information referred to in *i* and *j* of Article 6 insurance and reinsurance undertakings may apply simplified methods in the calculation of the technical provisions.

Article 8

Annual quantitative templates for individual undertakings – Basic information and content of submission

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.01.01.01 of Annex I, specifying the content of the submission, following the instructions set out in S.01.01 of Annex II;
- b. template S.01.02.01 of Annex I, specifying basic information on the undertaking and the content of the reporting in general, following the instructions set out in S.01.02 of Annex II;
- c. template S.01.03.01 of Annex I, specifying basic information on the ring fenced funds and matching adjustment portfolios, following the instructions set out in S.01.03 of Annex II.

Article 9

Annual quantitative templates for individual undertakings – Balance sheet and other general information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.02.01.01 of Annex I, specifying balance sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation following the undertaking's financial statements, following the instructions set out in S.02.01 of Annex II;
- b. template S.02.02.01 of Annex I, specifying information on assets and liabilities by currency, following the instructions set out in S.02.02 of Annex II;
- c. template S.03.01.01 of Annex I, specifying general information on off-balance sheet items, following the instructions set out in S.03.01 of Annex II;
- d. template S.03.02.01 of Annex I, providing a list of off-balance sheet unlimited guarantees received, following the instructions set out in S.03.02 of Annex II;
- e. template S.03.03.01 of Annex I, providing a list of off-balance sheet unlimited guarantees provided, following the instructions set out in S.03.03 of Annex II;
- f. template S.04.01.01 of Annex I, specifying information on activity by country, including EEA and non-EEA, following the instructions set out in S.04.01 of Annex II, applying the valuation and recognition principles used in the undertaking's financial statements for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- g. template S.04.02.01 of Annex I, specifying information on class 10 in Part A of Annex I of Directive 2009/138/EC, excluding carrier's liability, following the instructions set out in S.04.02 of Annex II;

- h. template S.05.01.01 of Annex I, specifying information on premiums, claims and expenses following the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in S.05.01 of Annex II for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- i. template S.05.02.01 of Annex I, specifying information on premiums, claims and expenses by country, following the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in S.05.02 of Annex II.

Article 10

Annual quantitative templates for individual undertakings – Investments information

Insurance and reinsurance undertakings shall, unless exempted under Article 35(7) of Directive 2009/138/EC in relation to a specific template, annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.06.01.01 of Annex I, providing summary information of assets, only for the insurance and reinsurance undertakings exempted from the annual submission of information in templates S.06.02.01 or S.08.01.01 in accordance with Article 35(7) of Directive 2009/138/EC, following the instructions set out in S.06.01 of Annex II;
- b. template S.06.02.01 of Annex I, providing an item by item list of assets, only where the insurance and reinsurance undertakings are exempted from reporting the template S.06.02.01 in relation to the last quarter in accordance with Article 35(6) of Directive 2009/138/EC, following the instructions set out in S.06.02 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI of this Regulation;
- c. template S.06.03.01 of Annex I, providing information on the look-through of all collective investments held by the undertakings, only where the undertakings are exempted from reporting the template S.06.03.01 in relation to the last quarter in accordance with Article 35(6) of Directive 2009/138/EC or have not reported it in accordance to the quarterly threshold defined in Article 6(1)(f) of this Regulation, following the instructions set out in S.06.03 of Annex II;
- d. template S.07.01.01 of Annex I, providing an item by item list of structured products, only when the amount of structured products is higher than 5%, measured as the assets classified as asset categories 5 (Structured notes) and 6 (Collateralised securities) as defined in Annex V divided by the sum of items C0010/R0070 and C0010/RC0220 of template S.02.01.01, following the instructions set out in S.07.01 of Annex II;
- e. template S.08.01.01 of Annex I, providing an item by item list of open positions of derivatives, only where the undertakings are exempted from reporting the template S.08.01.01 in relation to the last quarter, in accordance with Article 35(6) of Directive 2009/138/EC, following the instructions set out in S.08.01 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI of this Regulation;
- f. template S.08.02.01 of Annex I, providing an item by item list of derivatives closed during the reporting period, only where the undertakings are exempted from reporting the template S.08.02.01 in relation to the last quarter, in accordance with Article 35(6)

of Directive 2009/138/EC, following the instructions set out in S.08.02 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI of this Regulation;

- g. template S.09.01.01 of Annex I, specifying information on income, gains and losses in the period, following the instructions set out in S.09.01 of Annex II, by asset category as defined in Annex IV;
- h. template S.10.01.01 of Annex I, providing an item by item list of securities lending and repurchase agreements on and off-balance sheet, only when the value of the underlying securities, on and off balance sheet, involved in lending or repurchase agreements, for contracts with maturity date falling after the reporting reference date represent more than 5% of the total investments as reported in items C0010/R0070 and C0010/R0220 of template S.02.01.01, following the instructions set out in S.10.01 of Annex II;
- i. template S.11.01.01 of Annex I, providing an item by item list of assets held as collateral, consisting of all types of off-balance sheet asset categories held as collateral, following the instructions set out in S.11.01 of Annex II.

Article 11

Annual quantitative templates for individual undertakings – Technical provisions information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.12.01.01 of Annex I, specifying information on life and health SLT technical provisions, following the instructions set out in S.12.01 of Annex II, by lines of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- b. template S.12.02.01 of Annex I, specifying information on life and health SLT technical provisions by country, following the instructions set out in S.12.02 of Annex II;
- c. template S.13.01.01 of Annex I, specifying information on the projection of best estimate future cash flows of the life business, following the instructions set out in S.13.01 of Annex II;
- d. template S.14.01.01 of Annex I, specifying information on life obligations analysis, including life insurance and reinsurance contracts and annuities stemming from non-life contracts, by product and by homogeneous risk group issued by the undertaking, following the instructions set out in S.14.01 of Annex II;
- e. template S.15.01.01 of Annex I, specifying information on description of the guarantees of variable annuities by product issued by the undertaking under direct insurance business, following the instructions set out in S.15.01 of Annex II;
- f. template S.15.02.01 of Annex I, specifying information on the hedging of guarantees of variable annuities, by product issued by the undertaking under direct insurance business, following the instructions set out in S.15.02 of Annex II;
- g. template S.16.01.01 of Annex I, specifying information on annuities stemming from non-life insurance obligations issued by the undertaking under direct insurance business, following the instructions set out in S.16.01 of Annex II, regarding all lines of

business originating annuities as defined in Annex I of Delegated Regulation (EU) 2015/35 and additionally by currency only when the following applies:

- i. If the best estimate for the annuity claims provisions on a discounted basis from one non-life line of business represents more than 3% of the total best estimate for all annuity claims provisions the information shall be reported with the following split by currencies:
 - a) Amounts for the reporting currency;
 - b) Amounts for any currency that represents more than 25% of the best estimate for the annuity claims provisions on a discounted basis in the original currency from that non-life line of business; or
 - c) Amounts for any currency that represents less than 25% of the best estimate for the annuity claims provisions (discounted basis) in the original currency from that non-life line of business but more than 5% of total best estimate for all annuity claims provisions.
- h. template S.17.01.01 of Annex I, specifying information on non-life technical provisions, following the instructions set out in S.17.01 of Annex II by lines of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- i. template S.17.02.01 of Annex I, specifying information on non-life technical provisions referred to direct insurance business by country, following the instructions set out in S.17.02 of Annex II;
- j. template S.18.01.01 of Annex I, specifying information on the projection of future cash flows based on best estimate of the non-life business, following the instructions set out in S.18.01 of Annex II;
- k. template S.19.01.01 of Annex I, specifying information on non-life insurance claims in the format of development triangles, following the instructions set out in S.19.01 of Annex II, for the total of each non-life line of business as defined in Annex I of Delegated Regulation (EU) 2015/35 and additionally by currency, only when the following applies:
 - i. If the total gross best estimate for one non-life line of business represents more than 3% of the total gross best estimate of the claims provision the information shall be reported with the following split by currencies:
 - a) Amounts for the Solvency II reporting currency;
 - b) Amounts for any currency that represents more than 25% of the gross best estimate of the claims provisions in the original currency from that non-life line of business; or
 - c) Amounts for any currency that represents less than 25% of the gross best estimate of the claims provisions in the original currency from that non-life line of business but more than 5% of total gross best estimate of the claims provisions in the original currency.

- l. template S.20.01.01 of Annex I, specifying information on the development of the distribution of the claims incurred at the end of the financial year, following the instructions set out in S.20.01 of Annex II, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- m. template S.21.01.01 of Annex I, specifying information on loss distribution risk profile of non-life business, following the instructions set out in S.21.01 of Annex II, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;
- n. template S.21.02.01 of Annex I, specifying information on the underwriting risks non-life, following the instructions set out in S.21.02 of Annex II;
- o. template S.21.03.01 of Annex I, specifying information on non-life underwriting by sum insured, following the instructions in S.21.03 of Annex II, by line of business as defined in Annex I of Delegated Regulation (EU) 2015/35.

Article 12

Annual quantitative templates for individual undertakings – Long Term Guarantees information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.22.01.01 of Annex I, specifying information on the impact of the long term guarantees and transitional measures, following the instructions set out in S.22.01 of Annex II;
- b. template S.22.04.01 of Annex I, specifying information on the interest rate transitional, following the instructions set out in S.22.04 of Annex II;
- c. template S.22.05.01 of Annex I, specifying information on the transitional on technical provisions, following the instructions set out in S.22.05.b of Annex II;
- d. template S.22.06.01 of Annex I, specifying information on the test estimate subject to volatility adjustment by country and currency, following the instructions set out in S.22.06 of Annex II.

Article 13

Annual quantitative templates for individual undertakings – Own funds and participations information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.23.01.01 of Annex I, specifying information on own funds, following the instructions set out in S.23.01 of Annex II;
- b. template S.23.02.01 of Annex I, providing detailed information on own funds by tiers, following the instructions set out in S.23.02 of Annex II;

- c. template S.23.03.01 of Annex I, specifying information on annual movements on own funds, following the instructions set out in S.23.03 of Annex II;
- d. template S.23.04.01 of Annex I, providing a list of items on own funds, following the instructions set out in S.23.04 of Annex II;
- e. template S.24.01.01 of Annex I, specifying information on participations held by the undertaking and an overview of the calculation for the deduction from own funds related to participations in financial and credit institutions, following the instructions set out in S.24.01 of Annex II.

Article 14

Annual quantitative templates for individual undertakings – Solvency Capital requirement information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.25.01.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula, following the instructions set out in S.25.01 of Annex II;
- b. template S.25.02.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula and a partial internal model, following the instructions set out in S.25.02 of Annex II;
- c. template S.25.03.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using a full internal model, following the instructions set out in S.25.03 of Annex II;
- d. template S.26.01.01 of Annex I, specifying information on market risk, following the instructions set out in S.26.01 of Annex II and considering points l., m. and n;
- e. template S.26.02.01 of Annex I, specifying information on counterparty default risk, following the instructions set out in S.26.02 of Annex II and considering points l., m. and n;
- f. template S.26.03.01 of Annex I, specifying information on life underwriting risk, following the instructions set out in S.26.03 of Annex II and considering points l., m. and n;
- g. template S.26.04.01 of Annex I, specifying information on health underwriting risk, following the instructions set out in S.26.04 of Annex II and considering points l., m. and n;
- h. template S.26.05.01 of Annex I, specifying information on non-life underwriting risk, following the instructions set out in S.26.05 of Annex II and considering points l., m. and n;
- i. template S.26.06.01 of Annex I, specifying information on operational risk, following the instructions set out in S.26.06 of Annex II and considering points l., m. and n;

- j. template S.26.07.01 of Annex I, specifying information on the simplifications used in the calculation of the Solvency Capital Requirement, following the instructions set out in S.26.07 of Annex II and considering points l., m. and n;
- k. template S.27.01.01 of Annex I, specifying information on non-life catastrophe risk, following the instructions set out in S.27.01 of Annex II and considering points l., m. and n;
- l. in case of existence of ring-fenced funds or matching adjustment portfolios information defined in points d. to k. shall not be reported for the entity as a whole;
- m. when a partial internal model is used information defined in points d. to k. shall only be reported in relation to the risks covered by the standard formula unless otherwise decided on the basis of article 19;
- n. when a full internal model is used information defined in points d. to k. shall not be reported.

Article 15

Annual quantitative templates for individual undertakings – Minimum capital requirement information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.28.01.01 of Annex I, specifying the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only life or non-life insurance or reinsurance activity, following the instructions set out in S.28.01 of Annex II;
- b. template S.28.02.01 of Annex I, specifying the Minimum Capital Requirement for insurance undertakings engaged in both life and non-life insurance activity, following the instructions set out in S.28.02 of Annex II.

Article 16

Annual quantitative templates for individual undertakings – Variation analysis information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.29.01.01 of Annex I, specifying information on the excess of assets over liabilities during the reporting year providing a summary of main sources of this variation, following the instructions set out in S.29.01 of Annex II;
- b. template S.29.02.01 of Annex I, specifying information on the part of variation of the excess of assets over liabilities during the reporting year explained by investments and financial liabilities, following the instructions set out in S.29.02 of Annex II;
- c. templates S.29.03.01 and S.29.04.01 of Annex I, specifying information on the part of variation of the excess of assets over liabilities during the reporting year explained by

technical provisions, following the instructions set out in S.29.03 and S.29.04 of Annex II.

Article 17

Annual quantitative templates for individual undertakings – Reinsurance and special purpose vehicles information

Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.30.01.01 of Annex I, specifying information on facultative covers in the next reporting year, covering information on the 10 most important risks in terms of reinsured exposure for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35 for which facultative reinsurance is used, following the instructions set out in S.30.01 of Annex II;
- b. template S.30.02.01 of Annex I, specifying information on shares of reinsurers of facultative covers in the next reporting year covering information on the 10 most important risks in terms of reinsured exposure, for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35, following the instructions set out in S.30.02 of Annex II;
- c. template S.30.03.01 of Annex I, specifying information on the outgoing reinsurance program in the next reporting year, covering prospective information on reinsurance treaties whose period of validity includes or overlaps the next reporting year, following the instructions set out in S.30.03 of Annex II;
- d. template S.30.04.01 of Annex I, specifying information on the outgoing reinsurance program in the next reporting year, covering prospective information on reinsurance treaties whose period of validity includes or overlaps the next reporting year, following the instructions set out in S.30.04 of Annex II;
- e. template S.31.01.01 of Annex I, specifying information on the share of reinsurers, following the instructions set out in S.31.01 of Annex II;
- f. template S.31.02.01 of Annex I, specifying information on special purpose vehicles from the perspective of the insurance or reinsurance undertaking transferring risk(s) to the special purpose vehicles, following the instructions set out in S.31.02 of Annex II.

Article 18

Annual quantitative templates for individual undertakings – ring-fenced funds, material matching adjustment portfolios and remaining part information

1. Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities in relation to each material ring-fenced fund, each material matching adjustment portfolios and the remaining part the following information, where applicable:
 - a. template SR.01.01.01 of Annex I, specifying the content of the submission, following the instructions set out in S.01.01 of Annex II;

- b. template SR.12.01.01 of Annex I, specifying information on life and health SLT technical provisions, following the instructions set out in S.12.01 of Annex II, for each line of business as defined in Annex 1 of Delegated Regulation (EU) 2015/35;
- c. template SR.17.01.01 of Annex I, specifying information on non-life technical provisions, following the instructions set out in S.17.01 of Annex II for each line of business as defined in Annex 1 of Delegated Regulation (EU) 2015/35;
- d. template SR.25.01.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula, following the instructions set out in S.25.01 of Annex II;
- e. template SR.25.02.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using the standard formula and a partial internal model, following the instructions set out in S.25.02 of Annex II;
- f. template SR.25.03.01 of Annex I, specifying the Solvency Capital Requirement, for insurance and reinsurance undertakings using a full internal model, following the instructions set out in S.25.03 of Annex II;
- g. template SR.26.01.01 of Annex I, specifying information on market risk, following the instructions set out in S.26.01 of Annex II and considering points l., m. and n;
- h. template SR.26.02.01 of Annex I, specifying information on counterparty default risk, following the instructions set out in S.26.02 of Annex II and considering points l., m. and n;
- i. template SR.26.03.01 of Annex I, specifying information on life underwriting risk, following the instructions set out in S.26.03 of Annex II and considering points o. and p;
- j. template SR.26.04.01 of Annex I, specifying information on health underwriting risk, following the instructions set out in S.26.04 of Annex II and considering points o. and p;
- k. template SR.26.05.01 of Annex I, specifying information on non-life underwriting risk, following the instructions set out in S.26.05 of Annex II and considering o. and p;
- l. template SR.26.06.01 of Annex I, specifying information on operational risk, following the instructions set out in S.26.06 of Annex II and considering o. and p;
- m. template SR.26.07.01 of Annex I, specifying information on the simplifications used in the calculation of the Solvency Capital Requirement, following the instructions set out in S.26.07 of Annex II and considering o. and p;
- n. template SR.27.01.01 of Annex I, specifying information on non-life catastrophe risk, as specified in following the instructions set out in S.27.01 of Annex II and considering o. and p;
- o. when a partial internal model is used information defined in points g. to n. shall only be reported in relation to the risks covered by the standard formula unless otherwise decided on the basis of article 19 of this Regulation;

- p. when a full internal model is used information defined in points g. to n. shall not be reported.
2. Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35, to the supervisory authorities in relation to each material ring-fenced fund and the remaining part, in addition to the templates referred to in paragraph 1, template SR.02.01.01 of Annex I, specifying balance sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation following the undertaking's financial statements, following the instructions set out in S.02.01 of Annex II;
 3. Insurance and reinsurance undertakings shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities in relation to each material matching adjustment portfolio, in addition to the templates referred to in paragraph 1, the following information, where applicable:
 - a. template SR.22.02.01 of Annex I, specifying information on the projection of future cash flows for the best estimate calculation by matching adjustment portfolio, following the instructions set out in S.22.02 of Annex II;
 - b. template SR.22.03.01 of Annex I, specifying information on the matching adjustment portfolios by matching adjustment portfolio, following the instructions set out in S.22.03 of Annex II.

Article 19

Annual quantitative templates for individual undertakings – internal model users

Insurance and reinsurance undertakings that calculate the Solvency Capital Requirement using an approved partial or full internal model shall agree with its supervisory authority the templates to be submitted annually in relation to the information on the Solvency Capital Requirement.

Article 20

Annual quantitative templates for individual undertakings – intra-group-transactions information

Insurance and reinsurance undertakings where the parent undertaking is a mixed-activity insurance holding company and where they are not part of a group as set out in Article 213(2)(a), (b) and (c) of Directive 2009/138/EC shall, annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the supervisory authorities the following information, where applicable:

- a. template S.36.01.01 of Annex I, specifying information on significant intra-group-transactions, involving equity-type transactions, debt and asset transfer, following the instructions set out in S.36.01 of Annex II;
- b. template S.36.02.01 of Annex I, specifying information on significant intra-group-transactions on derivatives, including the guarantees supporting any derivatives instruments, following the instructions set out in S.36.02 of Annex II;
- c. template S.36.03.01 of Annex I, specifying information on significant intra-group-transactions on reinsurance, following the instructions set out in S.36.03 of Annex II;

- d. template S.36.04.01 of Annex I, specifying information on significant intra-group transactions on internal cost sharing, contingent liabilities (other than derivatives) and off balance sheet items and other types of intra group transactions, following the instructions in S.36.04 of Annex II.

Article 21

Individual reporting of very significant intra-group transactions

Insurance and reinsurance undertakings where the parent undertaking is a mixed-activity insurance holding company and where they are not part of a group as set out in Article 213(2)(a), (b) and (c) of Directive 2009/138/EC shall report very significant intra-group transactions and intra-group transactions to be reported in all circumstances, as soon as practicable referred to in Article 265 and Article 245(2) and (3) of that Directive by using the relevant templates S.36.01.01 to S.36.04.01 of Annex I, following the instructions set out in S.36.01 to S.36.04 of Annex II.

Chapter 3 – Groups quantitative reporting requirements

Article 22

Group quantitative reporting templates for the opening information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall submit to the group supervisor the information referred to in Article 375 of Delegated Regulation (EU) 2015/35 using the following templates:

- a. S.01.01.06 of Annex I, specifying the content of the submission, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.01 of Annex III;
- b. S.01.02.04 of Annex I, specifying basic information on the group and the content of the reporting in general, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.02 of Annex III;
- c. S.01.03.04 of Annex I, specifying basic information on the ring-fenced funds and the matching adjustment portfolios, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.01.03 of Annex III;
- d. S.02.01.02 of Annex I, specifying balance sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in S.02.01 of Annex III;
- e. S.23.01.04 of Annex I, specifying information on own funds, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.23.01 of Annex III;
- f. S.25.01.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either

exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using the standard formula, following the instructions set out in S.25.01 of Annex III;

- g. S.25.02.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using the standard formula and a partial internal model, following the instructions set out in S.25.02 of Annex III;
- h. S.25.03.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using a full internal model, following the instructions set out in S.25.03 of Annex III;
- i. S.32.01.04 of Annex I, specifying information on the insurance and reinsurance undertakings in the scope of the group, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.32.01 of Annex III;
- j. S.33.01.04 of Annex I, specifying information on requirements of insurance and reinsurance undertakings belonging to the group, following the instructions set out in S.33.01 of Annex III;
- k. S.34.01.04 of Annex I, specifying information on other regulated financial undertakings and other non-regulated financial undertakings including insurance holding companies and mixed financial holding companies, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.34.01 of Annex III.

Article 23

Group quarterly reporting templates for groups

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall, unless the scope or frequency of the obligation is limited under Article 254(2) of Directive 2009/138/EC, quarterly submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.01.01.05 of Annex I, specifying the content of the submission, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.01 of Annex III;
- b. template S.01.02.04 of Annex I, specifying basic information on the group and the content of the reporting in general, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.02 of Annex III;
- c. template S.02.01.02 of Annex I, specifying balance sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, using the valuation in accordance with Article 75 of Directive 2009/138/EC, following the instructions set out in S.02.01 of Annex III;

- d. template S.05.01.02 of Annex I, specifying information on premiums, claims and expenses, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in the consolidated financial statements, following the instructions set out in S.05.01 of Annex III, for each line of business as defined in Annex 1 of Delegated Regulation (EU) 2015/35;
- e. template S.06.02.04 of Annex I, providing an item by item list of assets, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.06.02 of Annex III and using the Complementary Identification Code as set out in Annex V and defined in Annex VI;
- f. template S.06.03.04 of Annex I, providing information on the look-through of all collective investments undertakings held, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.06.03 of Annex III, only when the ratio of collective investments undertakings held by the undertaking to total investments is higher than 30%. This ratio is measured as item C0010/R0180 of template S.02.01.02 plus collective investments undertakings included in item C0010/R0220 of template S.02.01.02 plus collective investments undertakings included in item C0010/R0090 of template S.02.01.02 divided by the sum of item C0010/R0070 and C0010/R0220 of template S.02.01.02 when method 1 as defined in Article 230 of Directive 2009/138/EC is used exclusively. When method 1 is used in combination with method 2 as defined in Article 233 of Directive 2009/138/EC or method 2 is used exclusively the ratio needs to be adjusted in order to capture the items of all entities included in the scope of template S.06.02.04;
- g. template S.08.01.04 of Annex I, providing an item by item list of open positions of derivatives, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.08.01 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI;
- h. template S.08.02.04 of Annex I, providing an item by item list of transactions of derivatives during the reporting period, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.08.02 of Annex II and using the Complementary Identification Code as set out in Annex V and defined in Annex VI;
- i. template S.23.01.04 of Annex I, specifying information on own funds, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.23.01 of Annex III.

Article 24

Simplifications allowed on quarterly reporting for groups

With regard to the information referred to in point (c) of Article 10, quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting shall be designed to ensure that the resulting information is reliable and complies with the standards laid down in Directive 2009/138/EC and that all material information that is relevant for the understanding of the data is reported.

Article 25

Annual reporting templates for groups – Basic information and content of submission

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.01.01.04 of Annex I, specifying the content of the submission, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.01 of Annex III;
- b. template S.01.02.04 of Annex I, specifying basic information on the undertaking and the content of the reporting in general, regardless of the method used for the calculation of the group solvency of the participating insurance or reinsurance undertaking, following the instructions set out in S.01.02 of Annex III;
- c. template S.01.03.04 of Annex I, specifying basic information on the ring-fenced funds and matching adjustment portfolios, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.01.03 of Annex III;

Article 26

Annual reporting templates for groups – Balance sheet and other general information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.02.01.01 of Annex I, specifying balance sheet information, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, using the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation following the consolidated financial statements, following the instructions set out in S.02.01 of Annex III;
- b. template S.02.02.01 of Annex I, specifying information on assets and liabilities by currency, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.02.02 of Annex III;
- c. template S.03.01.04 of Annex I, specifying general information on off-balance sheet items, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.03.01 of Annex III;
- d. template S.03.02.04 of Annex I, providing a list of off-balance sheet unlimited guarantees received, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.03.02 of Annex III;
- e. template S.03.03.04 of Annex I, providing a list of off-balance sheet unlimited guarantees provided, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.03.03 of Annex III;

- f. template S.05.01.01 of Annex I, specifying information on premiums, claims and expenses, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in the consolidated financial statements, following the instructions set out in S.05.01 of Annex III, for each line of business as defined in Annex 1 of Delegated Regulation (EU) 2015/35;
- g. template S.05.02.01 of Annex I, specifying information on premiums, claims and expenses by country, regardless of the method used for the calculation of the group solvency, using the valuation and recognition principles used in the consolidated financial statements, following the instructions set out in S.05.02 of Annex III.

Article 27

Annual reporting templates for groups – Investments information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall, unless exempted under Article 254(2) of Directive 2009/138/EC in relation to a specific template, annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.06.01.01 of Annex I, providing summary information of assets, regardless of the method used for the calculation of the group solvency, only for the groups exempted from the annual submission of information in templates S.06.02.04 or S.08.01.04 in accordance with Article 254(2) of Directive 2009/138/EC, following the instructions set out in S.06.01 of Annex III;
- b. template S.06.02.04 of Annex I, providing an item by item list of assets, regardless of the method used for the calculation of the group solvency, only where the group is exempted from reporting the template S.06.02.04 in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC, following the instructions set out in S.06.02 of Annex II;
- c. template S.06.03.04 of Annex I, providing information on the look-through of all collective investments undertakings held, regardless of the method used for the calculation of the group solvency, only where the group is exempted from reporting the template S.06.03.04 in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC or have not been reported in accordance to the quarterly threshold, defined in Article 11(1)(f), following the instructions set out in S.06.03 of Annex III;
- d. template S.07.01.04 of Annex I, providing an item by item list of structured products, regardless of the method used for the calculation of the group solvency, only when the amount of structured products is higher than 5%, measured as the assets classified as asset categories 5 (Structured notes) and 6 (Collateralised securities) as defined in Annex III divided by the sum of items C0010/R0070 and C0010/R0220 of template S.02.01.01, following the instructions set out in S.07.01 of Annex III when method 1 as defined in Article 230 of Directive 2009/138/EC is used exclusively. When method 1 is used in combination with method 2 as defined in Article 233 of Directive 2009/138/EC or method 2 is used exclusively the ratio needs to be adjusted in order to capture the items of all entities included in the scope of template S.06.02.04;
- e. template S.08.01.04 of Annex I, providing an item by item list of open positions of derivatives, regardless of the method used for the calculation of the group solvency,

only where the group is exempted from reporting the template S.08.01.04 in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC, following the instructions set out in S.08.01 of Annex III;

- f. template S.08.02.04 of Annex I, providing an item by item list of transactions of derivatives, regardless of the method used for the calculation of the group solvency, only where the group is exempted from reporting the template S.08.02.04 in relation to the last quarter in accordance with Article 254(2) of Directive 2009/138/EC, following the instructions set out in S.08.02 of Annex III;
- g. template S.09.01.04 of Annex I, specifying information on income, gains and losses in the period, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.09.01 of Annex III, by asset category as defined in Annex IV;
- h. template S.10.01.04 of Annex I, providing an item by item list securities lending and repurchase agreements on and off-balance sheet, regardless of the method used for the calculation of the group solvency, only when the underlying securities, on and off balance sheet, involved in lending or repurchase agreements, for contracts with maturity dates falling after the reporting reference date represent more than 5% of the total investments as reported in items C0010/R0070 and C0010/R0220 of template S.02.01.01, following the instructions set out in S.10.01 of Annex III when method 1 as defined in Article 230 of Directive 2009/138/EC is used exclusively. When method 1 is used in combination with method 2 as defined in Article 233 of Directive 2009/138/EC or method 2 is used exclusively the ratio needs to be adjusted in order to capture the items of all entities included in the scope of template S.06.02.04;
- i. template S.11.01.04 of Annex I, providing an item by item list of assets held as collateral, consisting of all types of off-balance sheet asset categories held as collateral, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.11.01 of Annex III.

Article 28

Annual reporting templates for groups – Variable annuities information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.15.01.04 of Annex I, specifying information on description of the guarantees of variable annuities by product issued by non-EEA undertaking belonging to the group under direct business, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.15.01 of Annex III;
- b. template S.15.02.04 of Annex I, specifying information on the hedging of guarantees of variable annuities by product issued by non-EEA undertaking belonging to the group under direct business, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.15.02 of Annex III.

Article 29

Annual reporting templates for groups – Long Term Guarantees information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor template S.22.01.04 of Annex I, specifying information on the impact of the long term guarantees and transitional measures, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.22.01 of Annex III.

Article 30

Annual reporting templates for groups – Own funds information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.23.01.04 of Annex I, specifying information on own funds, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.23.01 of Annex III;
- b. template S.23.02.01 of Annex I, providing detailed information on own funds by tiers, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.23.02 of Annex III;
- c. template S.23.03.01 of Annex I, specifying information on annual movements on own funds, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.23.03 of Annex III;
- d. template S.23.04.04 of Annex I, providing a list of items on own funds, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.23.04 of Annex III;

Article 31

Annual reporting templates for groups – Solvency Capital requirement information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.25.01.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using the standard formula, following the instructions set out in S.25.01 of Annex III;
- b. template S.25.02.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either

exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using the standard formula and a partial internal model, following the instructions set out in S.25.02 of Annex III;

- c. template S.25.03.04 of Annex I, specifying the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, calculated using a full internal model, following the instructions set out in S.25.03 of Annex III;
- d. template S.26.01.04 of Annex I, specifying information on market risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.01 of Annex III and considering points l. to n.;
- e. template S.26.02.04 of Annex I, specifying information on counterparty default risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.02 of Annex III and considering points l. to n.;
- f. template S.26.03.04 of Annex I, specifying information on life underwriting risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.03 of Annex III and considering points l. to n.;
- g. template S.26.04.04 of Annex I, specifying information on health underwriting risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.04 of Annex III and considering points l. to n.;
- h. template S.26.05.04 of Annex I, specifying information on non-life underwriting risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.05 of Annex III and considering points l. to n.;
- i. template S.26.06.04 of Annex I, specifying information on operational risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.06 of Annex III and considering points l. to n.;
- j. template S.26.07.04 of Annex I, specifying information on the simplifications used in the calculation of the Solvency Capital Requirement, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC, following the instructions set out in S.26.07 of Annex III and considering points l. to n.;
- k. template S.27.01.04 of Annex I, specifying information on non-life catastrophe risk, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with method 2 as defined in Article 233 of Directive

2009/138/EC, following the instructions set out in S.27.01 of Annex III and considering points l. to n.;

- l. in case of existence of ring-fenced funds or matching adjustment portfolios information defined in points d. to k. shall not be reported for the group as a whole;
- m. when a partial internal model is used information defined in points d. to k. shall only be reported in relation to the risks covered by the standard formula unless otherwise decided on the basis of article 35 of this Regulation;
- n. when a full internal model is used information defined in points d. to k. shall not be reported.

Article 32

Annual reporting templates for groups – Reinsurers and Special Purpose Vehicles information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.31.01.04 of Annex I, specifying information on share of reinsurers, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.31.01 of Annex III;
- b. template S.31.02.04 of Annex I, specifying information on special purpose vehicles from the perspective of the insurance or reinsurance undertaking transferring risk(s) to the special purpose vehicles, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.31.02 of Annex III.

Article 33

Annual reporting templates for groups – Group specific information

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 372 of Delegated Regulation (EU) 2015/35 to the group supervisor the following information, where applicable:

- a. template S.32.01.04 of Annex I, specifying information on the insurance and reinsurance undertakings in the scope of the group, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.32.01 of Annex III;
- b. template S.33.01.04 of Annex I, specifying information on requirements of insurance and reinsurance undertakings belonging to the group, following the instructions set out in S.33.01 of Annex III;
- c. template S.34.01.04 of Annex I, specifying information on other regulated financial entities and other non-regulated financial entities including insurance holding companies and mixed financial holding companies, regardless of the method of calculation of the group solvency, following the instructions set out in S.34.01 of Annex III;

- d. template S.35.01.04 of Annex I, specifying information on technical provisions of undertakings of the group, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.35.01 of Annex III;
- e. template S.36.01.01 of Annex I, specifying information on significant intra-group-transactions involving equity-type transactions, debt and asset transfer, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.36.01 of Annex III;
- f. template S.36.02.01 of Annex I, specifying information on significant intra-group-transactions on derivatives, including the guarantees supporting any derivatives instruments, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.36.02 of Annex III;
- g. template S.36.03.01 of Annex I, specifying information on significant intra-group-transactions on reinsurance, above the threshold decided by the group supervisor in accordance with Article 245 (3) of Directive 2009/138/EC, regardless of the method used for the calculation of the group solvency, following the instructions in S.36.03 of Annex III;
- h. template S.36.04.01 of Annex I, specifying information on significant intra-group-transactions on internal cost sharing, contingent liabilities (other than derivatives) and off-balance sheet items and other types of intra-group transactions, above the threshold decided by the group supervisor in accordance with Article 245(3) of Directive 2009/138/EC, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.36.04 of Annex III;
- i. template S.37.01.04 of Annex I, specifying information on significant risk concentrations, above the threshold decided by the group supervisor in accordance with Article 244(3) of Directive 2009/138/EC, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.37.01 of Annex III.

Article 34

Annual reporting templates for groups – ring-fenced funds, material matching adjustment portfolios and remaining part information

1. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit to the group supervisor as referred to in Article 372 of Delegated Regulation (EU) 2015/35 in relation to each material ring-fenced funds, each material matching adjustment portfolios and the remaining part the following information, where applicable, only when method 1 as defined in Article 230 of Directive 2009/138/EC is used, either exclusively or in combination with the 2 method as defined in Article 233 of Directive 2009/138/EC and only for the material ring-fenced funds and material matching portfolios related to the part that is consolidated following Article 335 (1)(a) and (c) of Delegated Regulation (EU) 2015/35:
 - a. template SR.01.01.04 of Annex I, specifying the content of the submission, following the instructions set out in S.01.01 of Annex III;

- b. template SR.25.01.01 of Annex I, specifying the Solvency Capital Requirement calculated using the standard formula, following the instructions set out in S.25.01 of Annex III;
 - c. template SR.25.02.01 of Annex I, specifying the Solvency Capital Requirement calculated using the standard formula and a partial internal model, following the instructions set out in S.25.02 of Annex III;
 - d. template SR.25.03.01 of Annex I, specifying the Solvency Capital Requirement calculated using a full internal model, following the instructions set out in S.25.03 of Annex III;
 - e. template SR.26.01.01 of Annex I, specifying information on market risk, following the instructions set out in S.26.01 of Annex III and considering points m. and n.;
 - f. template SR.26.02.01 of Annex I, specifying information on counterparty default risk, following the instructions set out in S.26.02 of Annex III and considering points m. and n.;
 - g. template SR.26.03.01 of Annex I, specifying information on life underwriting risk, following the instructions set out in S.26.03 of Annex III and considering points m. and n.;
 - h. template SR.26.04.01 of Annex I, specifying information on health underwriting risk, following the instructions set out in S.26.04 of Annex III and considering points m. and n.;
 - i. template SR.26.05.01 of Annex I, specifying information on non-life underwriting risk, following the instructions set out in S.26.05 of Annex III and considering points m. and n.;
 - j. template SR.26.06.01 of Annex I, specifying information on operational risk following, the instructions set out in S.26.06 of Annex III and considering points m. and n.;
 - k. template SR.26.07.01 of Annex I, specifying information on the simplifications used in the calculation of the Solvency Capital Requirement, following the instructions set out in S.26.07 of Annex III and considering points m. and n.;
 - l. template SR.27.01.01 of Annex I, specifying information on non-life catastrophe risk, following the instructions set out in S.27.01 of Annex III and considering points m. and n.;
 - m. when a partial internal model is used information defined in points e. to l. shall only be reported in relation to the risks covered by the standard formula unless otherwise decided on the basis of article 35 of this Regulation;
 - n. when a full internal model is used information defined points e. to l. shall not be reported.
2. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall annually submit as referred to in Article 304 (1)(d) of Delegated Regulation (EU) 2015/35 to the group supervisor, in relation to each material ring-fenced fund and the remaining part, in addition to the information referred to in paragraph 1 and only when method 1 as defined in Article 230 of Directive 2009/138/EC is

used, either exclusively or in combination with method 2 as defined in Article 233 of Directive 2009/138/EC and only for the material ring-fenced funds related to the part that is consolidated following Article 335 (1) (a) and (c) of Delegated Regulation (EU) 2015/35, template SR.02.01.01 of Annex I, specifying balance sheet information using both the valuation in accordance with Article 75 of Directive 2009/138/EC and the valuation following the consolidated financial statements, following the instructions set out in S.02.01 Annex III.

Article 35

Annual reporting templates for groups – internal model users

Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies that calculate the Solvency Capital Requirement using an approved partial or full internal model shall agree with its group supervisor the templates to be submitted annually in relation to the information on the Solvency Capital Requirement.

Article 36

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

Participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies shall report:

- a. Very significant intra-group transactions and intra-group transactions to be reported in all circumstances as referred to in Article 245 (2) and (3) of Directive 2009/138/EC by using the relevant templates S.36.01.01 to S.36.04.01 of Annex I, following the instructions set out in S.36.01 to S.36.04 of Annex III;
- b. Risk concentrations to be reported in all circumstances as referred to in Article 244 (2) and (3) of Directive 2009/138/EC using the relevant template S.37.01.04 of Annex I, following the instructions set out in S.37.01 of Annex III.

Article 37

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, []

*[For the Commission
[The President]*

*[On behalf of the President]
[Position]*

Annex II: Impact Assessment

Section 1: Procedural Issues and Consultation of Interested Parties

- 1.1. According to Article 15 of the EIOPA Regulation, EIOPA conducts analysis of costs and benefits in the policy development process. The analysis of costs and benefits is undertaken according to an Impact Assessment methodology.
- 1.2. The Impact Assessment incorporates feedback received from EIOPA previous consultations and pre-consultation exercises and during the development and implementation of the Guidelines on the Submission of Information for the preparatory phase.
- 1.3. For the last 4 years EIOPA has been working intensively on the reporting requirements with the aim to establish a harmonised, effective and efficient reporting system in the European Economic Area (EEA).
- 1.4. The draft technical standard requirements are based on the detailed analysis of all comments received during all consultations and pre-consultations, of Q&A received and of lessons learned from the preparatory phase. The main objectives for the Solvency II reporting requirements are to collect data that are needed for supervisory purposes under the new regime by creating a system that will not be too burdensome for small and less complex insurance undertakings.
- 1.5. The development of quantitative reporting requirement has been a long project, and the reporting package has evolved overtime. EIOPA is aware of the fact that changes made in the package might be of concern to undertakings that are already implementing the reporting framework. All the changes made have been very carefully considered and undergone a thorough process of discussions and challenges. The information resulting from those changes are deemed to be necessary from a supervisory perspective and this is why they have been reflected in the package. They have introduced relevant amendments to the underlying legislation (Omnibus II Directive) and also stakeholders' feedback from a consistency perspective. EIOPA will make available any information that may help the industry identifying the changes and their impact.
- 1.6. After consultation and following the comments received, additional analysis was done in a new policy option under policy issue Policy Issue 1: List of assets and derivatives.
- 1.7. Harmonised Solvency II quantitative reporting templates should replace all present national quantitative reporting templates that supervisors collect for supervisory purposes, except for national-specific templates.

Section 2: Problem Definition

- 1.8. In the current EEA regime, Member States have introduced reporting requirements at national level. This has resulted in widely diverging regulatory

requirements and supervisory practices throughout the EEA. The lack of harmonisation undermines the proper functioning of the Single Market. It also imposes significant costs on insurance groups operating in more than one Member State and does not ensure level playing field for all European undertakings.

- 1.9. The Solvency II directive and Delegated Regulation 2015/35 have addressed this problem. Further details on reporting requirements are required by the Solvency II Directive through the development of a technical standard to ensure harmonisation and to streamline supervisory reporting requirements among Member States, through harmonised templates and formats.
- 1.10. The assessment of the potential related costs and benefits from the draft technical standards developed by EIOPA, builds upon previous and current impact assessments undertaken by the European Commission.
- 1.11. The reporting requirements under Solvency II have already been assessed for impact on stakeholders in the Impact Assessment: Possible macroeconomic and financial effects of Solvency II (DG ECFIN/C-4(2007) REP 53199) from March 2007:
 - http://ec.europa.eu/internal_market/insurance/docs/solvency/impactassess/annex-c06_en.pdf
- 1.12. Following the level 1 impact assessment, level 2 reporting requirements have been assessed for impact on stakeholders in an External Study by Deloitte for the Impact Assessment of Solvency II (Level 2) from the 2 March 2010:
 - http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Documents/Industries/Financial%20Services/EU_FS_ExternalStudy_ofSIILevel2.pdf
- 1.13. With regard to the analysis of the impact for Delegated Regulation 2015/35, the European Commission collected in the beginning of 2011 additional evidence for their impact assessment and in 2014 published the analysis of impact for Commission Delegated Regulation 2015/35:
 - http://ec.europa.eu/internal_market/consultations/2010/solvency-2_en.htm
 - http://ec.europa.eu/internal_market/insurance/solvency/solvency2/index_en.htm#implementing_measures

Baseline

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

- The content of Directive 2009/138/EC (Solvency II Directive) as amended by Directive 2014/51/EU (Omnibus II Directive);
- The Delegated Regulation 2015/35.

Proportionality and Materiality

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

provisions and a strong system of governance. Its focuses on the ability of the undertaking to properly identify, measure, monitor, manage and report those risks but also on the ability of the supervisory authorities to identify and supervise them. In order to properly identify and assess risks undertaken by undertakings and to ensure the protection of policyholders, a proper level of detail of the reporting is required.

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

Section 3: Objective Pursued

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

Section 4: Policy Options

- 1.26. In the Solvency II project policy-makers have already considered, analysed and compared a number of policy options. Based on the impact assessment already done for the requirements set in the Directive and in the Commission Delegated Regulation, EIOPA has considered a wide range of policy options referring to the concrete solutions set out in the technical standard. In this section EIOPA would like to show the policy alternatives which were considered, the preferred policy options that have been analysed, as well as the discarded options.
- 1.27. EIOPA proposes to analyse the impact by addressing the following specific policy issues:
- **Policy issue 1:** List of assets and derivatives
 - **Policy issue 2:** Quarterly balance sheet for the not exempted undertakings in accordance with article 35 of the Solvency II directive
 - **Policy issue 3:** Level of information by ring-fenced funds (RFF)
 - **Policy issue 4:** Level of information required for Long Term Guarantee and transitional measures (LTG)

- **Policy issue 5:** Level of harmonised information on partial internal models and full internal models, regarding the Solvency Capital Requirement
- **Policy issue 6:** Risk Concentration information

1.28. For each of these areas the respective proposed policy options are outlined including the developments following the pre-consultations and the Omnibus II text, where applicable.

1.29. In general the impact for the stakeholders is quite similar for all policy options. It is about striking the right balance between the protection of policyholders (supervisors' main objective) and the burden on undertakings. On one hand, the impact of more reporting entails some costs that might be passed to policyholders at the end. On the other hand receiving appropriate information to supervise is the only way supervisors can guarantee the protection of policyholders. The analysis of the policy issues as explained below take this into consideration.

Policy Issue 1: List of assets and derivatives

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

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

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

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

Options for requiring information on external ratings for the list of assets and derivatives:

- **Option 1:** Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI;
- **Option 2:** Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI by default but with possibility of exemption under specific circumstances
- **Option 2:** No regular reporting of information on external ratings.

Policy Issue 2: Quarterly Balance sheet

- **Option 1:** full Solvency II Balance sheet submitted quarterly;
- **Option 2:** simplified⁷ Solvency II Balance sheet submitted quarterly;
- **Option 3:** no Solvency II Balance sheet submitted quarterly.

⁷ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

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

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

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

Options for the frequency of information:

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

Options for the content of annual information:

- **Option 1A:**
 - General information on LTG within the existing list of Assets and Technical provisions templates (without specific templates)
- **Option 1B:**
 - General information on LTG within the existing list of assets and Technical provisions templates
 - Basic information at a matching portfolio level, e.g. not including balance sheet, own funds, SCR, technical provisions
 - Basic information on the calculation of Matching volatility and adjustment (MA) and transitional measures
- **Option 1C:**
 - General information on LTG within the existing list of Assets and Technical provisions templates.
 - Information reported at a matching portfolio level, including SCR, technical provisions templates and a projection of cash flows
 - Information on the calculation of MA and transitional measures
 - Impact of each measure on the financial position of the undertaking.
- **Option 1D:**
 - General information on LTG measures within the existing list of Assets and Technical provisions templates.
 - Detailed information reported at a matching portfolio level, including balance sheet, own funds, SCR, technical provisions templates

- Detailed information on the products within each matching portfolio
- Detailed information on the calculation of MA and transitional measures
- Impact of each measure on the financial position of the undertaking, including a split of the impact for each SCR module.

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

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

Policy Issue 6: Risk Concentration (RC) information

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

Section 5 - Analysis of Impacts

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

Policy Issue 1: List of assets and derivatives

Why do supervisors need the information on assets?

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

reporting and to exempt undertakings from reporting on an item-by-item basis under certain conditions and subject to supervisory judgment, such as if reporting would be overly burdensome in relation to the nature, scale and complexity of the risks inherent in the business of the undertaking.

The options considered were the following:

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

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

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

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

Options for requiring information on external ratings for the list of assets and derivatives:

- Option 1: Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI
- Option 2: Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI by default but with possibility of exemption under specific circumstances
- Option 2: No regular reporting of information on external ratings

1.37. The first two policy issues address the frequency of the list of assets and derivatives for non-exempted undertakings in accordance with article 35 of the Solvency II Directive.

1.38. The third policy issue was developed after consultation following comments received.

Analysis of the options:

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

Pros (+):

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

1.40. In relation to the double reporting regarding the fourth quarter and annual information, it would be easier from an IT perspective to implement separately

a quarterly and an annual submission, as the mixture of quarterly submissions and annual submissions is more complex, both for undertakings and national supervisory authorities. For example, the validations between the list of assets and the balance sheet would be more complex in the case of a mixture of submissions.

Cons (-):

- 1.41. It would require double reporting of information regarding end of the fourth quarter and annual year-end data which might represent additional costs for undertakings without added benefit for national supervisory authorities.
- 1.42. As some undertakings will be exempted from quarterly reporting but not from annual, each national supervisory authority will have to be prepared to receive the fourth quarter from a part of the market, annual submission from another part and no reporting from the remaining part.

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

Pros (+):

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

Cons (-):

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

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

Pros (+):

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

Cons (-):

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

For all options consideration should be given to the following:

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

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

Protection of policyholders perspective

- 1.56. Protection of policy holders is closely linked to the undertakings compliance to the Solvency II framework, in particular the implementation of prudent person

principle by the undertakings and the ability of supervisory authorities to assess the compliance.

1.57. The supervision needs to be proportionate to the nature, scale and complexity of the risks undertakings face, but the risk assessment is impossible without information. Available information is key for the application of a proper supervisory review process.

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

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

1.58. These options refer to the requirement to submit summarized information on assets and derivatives when an undertaking is exempted from reporting item-by-item information on an annual or quarterly basis in accordance with article 35 of the Solvency II Directive.

1.59. This proposal reconciles the principle of proportionality, which is explicitly stated in the Solvency II Directive, with the need to have sufficient information that enables supervisory authorities to perform an adequate risk assessment of the undertakings.

1.60. The proposed template S.06.01 contains information that can be directly obtained from the same sources used to submit templates S.06.02 and S.08.01, through the aggregation of the exposures by asset category, following the classification in Annex III - Asset Categories and Annex IV - CIC table of this Regulation, split by Portfolio as defined in items C0040 of templates S.06.02 and S.08.01.

1.61. As the decision on exempting item-by-item information on assets and derivatives may be constrained by the consequent lack of information for the purpose of properly accessing the prudent person principle, supervisors may consider relying on a summary of assets and derivatives as an alternative.

1.62. The benefits for supervisory purposes and policyholder protection come from the fact that, in the absence of a detailed list of investments, supervisors would still have a way of assessing financial risks on an aggregate level annually.

Analysis of the options:

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

Pros (+):

1.63. This would allow for a frequent assessment of investment portfolios that permits having minimal information of risk exposure on a quarterly basis.

1.64. It would be consistent with the objective of limiting more detailed submission requirements from undertakings that have a lower risk profile and at the same time it would allow for at least an assessment of each undertaking's aggregated risk profile when deciding on quarterly and item-by-item exemptions

Cons (-):

1.65. Quarterly frequency for submission requirements is mainly driven by the need to assess undertakings that have a higher risk profile and consequently the item-by-item information would be better suited for that purpose.

1.66. Although the information could be easily obtained, undertakings and supervisors would still need to have risk management systems and processes in place to submit and analyse the information on the summary of assets template.

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

Pros (+):

1.67. This would allow for an alternative way of assessing investment portfolios composition that permits having minimal information of risk exposure on an annual basis.

1.68. It is consistent with the objective to limit more frequent and more detailed submission requirements from undertakings that have a lower risk profile, at the same time it would allow for at least an assessment of each undertaking's aggregated risk profile when deciding on quarterly and item-by-item exemptions.

Cons (-):

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

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

Pros (+):

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

Cons (-):

1.71. Supervisors would not have an alternative way of assessing investment portfolios composition, limiting the possibility of having minimal information of risk exposure.

1.72. Supervisors would have to rely more on costly ad-hoc information requests

Options for requiring information on external ratings for the list of assets and derivatives:

- 1.73. These options refer to the mandatory content of the templates S.06.02 (list of assets) and S.08.02 (open derivatives). In any of the considered options, the information on credit quality step attributed to each item is kept.
- 1.74. The request of information on external ratings as part of the regular reporting templates does not preclude the eventual exclusion/limitation by decision of the NSA on a case by case basis according to Article 35 (7) and (8) of the Solvency II Directive.

Background information:

The external ratings in the Solvency II framework

- 1.75. Solvency II defines "external credit assessment institution" or "ECAI" as a credit rating agency that is registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council or a central bank issuing credit ratings which is exempt from the application of that Regulation.
- 1.76. The use of external ratings issued by these institutions are crucial for the assessment of the credit risk, namely of the investments portfolio. However, they should not be used blindly. In fact, paragraph 4a of Article 44 (risk management) of the Solvency II Directive states "In order to avoid overreliance on external credit assessment institutions when they use external credit rating assessment in the calculation of technical provisions and the Solvency Capital Requirement, insurance and reinsurance undertakings shall assess the appropriateness of those external credit assessments as part of their risk management by using additional assessments wherever practicably possible in order to avoid any automatic dependence on external assessments."
- 1.77. As stated in recital 2 of the Delegated Regulation, "In order to reduce overreliance on external ratings, insurance and reinsurance undertakings should aim at having their own credit assessment on all their exposures. However, in view of the proportionality principle, insurance and reinsurance undertakings should only be required to have own credit assessments on their larger or more complex exposures".
- 1.78. This requirement is further explained in the TS with regard to the assessment of external credit assessments. This ITS sets out the procedure for undertakings to make additional assessments as part of their risk management wherever this is practicably possible in order to avoid any automatic dependence on external assessments, taking into account the nature, scale and complexity inherent in the business of the insurance and reinsurance undertakings. A key measure to reduce market reliance on external credit ratings for insurance and reinsurance undertakings is to perform own credit assessments. Outsourcing the performance of additional assessments should not undermine the aim of avoiding overreliance on external credit assessment institutions
- 1.79. But one cannot underestimate the general use of external ratings, namely in the calculation of the SCR. For that purpose, the ESAs through the Joint

Committee are developing a draft implementing technical standard on the allocation of credit assessments of external credit assessment institutions (ECAIs) to an objective scale of credit quality steps applying the steps (credit quality steps 0 to 6).

1.80. In practice insurance and reinsurance undertakings will generally use the external ratings and will need to consider the following:

- Insurance or reinsurance undertakings shall nominate one or more ECAI to be used for the calculation of the Solvency Capital Requirement according to the standard formula;
- The use of credit assessments shall be consistent and such assessments shall not be used selectively;
- Where an insurance or reinsurance undertaking decides to use the credit assessments produced by a nominated ECAI for a certain class of items, it shall use those credit assessments consistently for all items belonging to that class;
- Where an insurance or reinsurance undertaking decides to use the credit assessments produced by a nominated ECAI, it shall use them in a continuous and consistent way over time;
- Where only one credit assessment is available from a nominated ECAI for a rated item, that credit assessment shall be used to determine the capital requirements for that item;
- Where two credit assessments are available from nominated ECAIs and they correspond to different parameters for a rated item, the assessment generating the higher capital requirement shall be used;
- Where more than two credit assessments are available from nominated ECAIs for a rated item, the two assessments generating the two lowest capital requirements shall be used. If the two lowest capital requirements are different, the assessment generating the higher capital requirement of those two credit assessments shall be used. If the two lowest capital requirements are the same, the assessment generating that capital requirement shall be used;
- Where available, insurance and reinsurance undertakings shall use both solicited and unsolicited credit assessments;
- Where an item is part of the larger or more complex exposures of the insurance or reinsurance undertaking, the undertaking shall produce its own internal credit assessment of the item and allocate it to one of the seven steps in a credit quality assessment scale. Where the own internal credit assessment generates a lower capital requirement than the one generated by the credit assessments available from nominated ECAIs, then the own internal credit assessment shall not be taken into account for the purposes of this Regulation.

1.81. The compliance with these Delegated Regulation requirements, in particular the requirements to use the same ECAI through the asset class, the requirement to

keep it consistent conjugated to the scope of the ratings available from each ECAI, will in practice imply that insurance and reinsurance will need to have license agreements to use the information provided by more than one ECAI.

1.82. From the comments received during the public consultation stakeholders highlighted:

“To access the rating of the ECAIs, all firms reporting under Solvency will be required to buy licenses from the ECAIs; The process is as follows: the issuer pays to be noted , the client (an asset manager for example) to view the rating and the end user (insurance undertaking subject to SII) to store and download the data. Moreover, the fact that not a single ECAIs registered in the EU is able to provide all the necessary data and the fact that the contracts with ECAIs do not allow to supply some securities with one provider (i.e. S&P) and other securities with another provider (i.e Moody’s) results in the need to contract with more than one ECAI and to go for the larger ones (S&P, Moody’s and Fitch).”

“The total cost of the contracts to cover all the securities for which an ECAI is needed is huge (e.g. the cost of an ECAIs subscription amounts to 50,000-65,000 euro per year for a small insurance undertaking with less than 500 asset lines).”

1.83. The description in the above paragraphs allow us to conclude that insurance and reinsurance undertakings will need to have access to external ratings produced by ECAIs in order to comply with Solvency II Directive.

1.84. It also needs to be considered that the Solvency II Directive allows for externalisation of some functions through outsourcing, more on this later in the note.

The inclusion of the external rating in the templates S.06.02 and S.08.02

1.85. The issue of having a requirement to report an external credit rating has been raised in the past.

1.86. EIOPA decided in the past to keep the requirement of external rating in the template since it is considered relevant information to see how undertakings assess the quality of the portfolio from a PPP perspective and (at the last revision) whether the credit quality steps are applied in a proper way for the purpose of SCR calibration.

1.87. In the last consultation two items of information were added: identification of the credit quality step” and information on “internal rating” if used.

1.88. In the consultation stakeholders raised even stronger concerns than before with regard to costs of submitting the information on ratings. For the preparatory phase some undertakings are in fact using alternative schemas and will not report the rating for now. In particular AMICE informed that: “during the preparatory phase some firms have chosen the information provided by their asset managers to avoid having to pay additional charges. This means that in the asset-by-asset reporting template (S.06.02 a) the column "nominated ECAI" cannot be filled in. However, the asset manager has for this rating an

important audit trail (the asset manager has the data but cannot simply circulate it to his client (insurance company) unless the firm pays a new subscription to the rating agency”.

- 1.89. Taking all of the above into consideration, the inclusion or not of the rating information on the template S.06.02 and S.08.01 needs to be properly assessed.

Supervisory Review Process

- 1.90. Under Solvency II, in addition to the solvency capital requirements, insurance and reinsurance undertakings need to comply with the prudent person principle. In order to supervise how undertakings select and manage their investment portfolio, information on the list of assets and derivatives is crucial.
- 1.91. The rating of each instrument is considered as indispensable for any analysis of the portfolio to be performed by national supervisory authorities. This means that supervisors will need to have access to the rating of each instrument. It is as well important to have information on the credit quality step, reflecting any re-assessment of the rating quality. This last piece of information was included in the template in the last revision before public consultation and its reporting its not at stake. It could be used already as a first assessment for supervisory purposes.
- 1.92. This means that national supervisor authorities will need to have access to external ratings information with reference to the end of each quarter, as a minimum, but preferably at any time.

Option 1: Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI

Pros (+):

- 1.93. Supervisors would be regularly provided with relevant information on the quality of the undertakings’ investment portfolios based on an external assessment performed by an ECAI.
- 1.94. Supervisors would be able to regularly verify the consistent use of credit assessments.
- 1.95. Supervisors would be able to easily and periodically check the proper allocation of credit assessments of ECAIS to credit quality steps (mapping).
- 1.96. The request of such information is fully aligned with the information requirements during the Solvency II preparatory phase, since rating and rating agency were already requested in the relevant templates for assets and open derivatives in Appendix 1 to Guidelines on Submission of Information to National Competent Authorities.

Cons (-):

- 1.97. Undertakings could face the payment of extra charges for the systematic submission of information to the supervisory authorities.
- 1.98. It could be burdensome, in particular to small and medium size companies.

1.99. The eventual raise of applicable charges for both undertakings and supervisors could not be excluded.

1.100. The request of such information would become a problem for those undertakings which had outsourced the mapping to asset managers. The outsourcing arrangements and the ECAIs licences would need to be revised.

Option 2: Regular reporting of information on the external rating assigned to each item by an ECAI and identification of that ECAI by default but with possibility of exemption under specific circumstances

Pros (+):

1.101. In the situations where undertakings outsource the tasks that need the use of ratings and notify the supervisor of this outsourcing it would not need to change the approach just for the purpose of reporting as they could be exempted from this requirement;

1.102. For companies without such an outsourcing agreement, supervisors would be regularly provided with relevant information on the quality of the undertakings' investment portfolios based on an external assessment performed by an ECAI.

1.103. For companies without such an outsourcing agreement, supervisors would be able to regularly verify the consistent use of credit assessments.

1.104. For companies without such an outsourcing agreement, supervisors would be able to easily and periodically check the proper allocation of credit assessments of ECAIS to credit quality steps (mapping).

1.105. The request of such information is fully aligned with the information requirements during the Solvency II preparatory phase, since rating and rating agency were already requested in the relevant templates for assets and open derivatives in Appendix 1 to Guidelines on Submission of Information to National Competent Authorities.

Cons (-):

1.106. The eventual raise of applicable charges for both undertakings and supervisors could not be excluded.

1.107. In the absence of regular reporting on external ratings, for companies with outsourcing agreements, supervisors would need to verify the consistent use of credit assessments and the proper allocation to credit quality steps by ad-hoc information requests or on-site inspections.

Option 3: No regular reporting of information on external ratings

Pros (+):

1.108. Undertakings would avoid the payment of extra charges by the ECAIs for the systematic submission of information to the supervisory authorities.

1.109. The current situation in those undertakings where outsourcing is used would not need to be changed just for the purpose of reporting.

1.110. Supervisors would still be provided in the relevant templates with information on the credit quality step for each asset, which is the key input for assigning

proper risk factors in the SCR calculation. The ECAIs ratings, as well as the detailed information on the undertaking's own assessments, used to derive such credit quality steps could be provided upon request.

Cons (-):

- 1.111. Supervisors might need to have direct access to external ratings (through license agreements) to get a comprehensive view on the quality of the undertakings' investment portfolios.
- 1.112. Supervisors would not be able to regularly verify the consistent use of credit assessments;
- 1.113. Supervisors would not be able to easily and periodically check the proper allocation of credit assessments of ECAIS to credit quality steps (mapping);
- 1.114. In the absence of regular reporting on external ratings, supervisors would need to verify the consistent use of credit assessments and the proper allocation to credit quality steps by ad-hoc information requests or on-site inspections.

Policy Issue 2: Quarterly balance sheet

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

The options considered were the following:

- **Option 1:** full Solvency II Balance sheet submitted quarterly;
- **Option 2:** simplified⁸ Solvency II Balance sheet submitted quarterly;
- **Option 3:** no Solvency II Balance sheet submitted quarterly.

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

Analysis of the options:

Option 1: full Solvency II Balance sheet submitted quarterly

Pros (+):

⁸ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

1.118. Balance sheet items would need to be calculated with a frequency compatible with the requirement of assessing continuous coverage of MCR and SCR.

1.119. It would give detailed information on all BS items quarterly.

1.120. Full BS calculation would have to be performed quarterly for IFRS publication or risk management purposes.

1.121. Reporting of assets, technical provisions and own funds would be required quarterly and therefore the additional burden is residual as simplifications might also be used.

Cons (-):

1.122. It would be more burdensome for undertakings (requires full quarterly closing).

1.123. It would require a full formal BS to calculate OF quarterly. Own funds may be calculated as a balancing number without using the same level of accuracy that is needed for annual closing.

1.124. There would be no material impact of BS items other than assets, TP and OF.

Option 2: simplified⁹ Solvency II Balance sheet submitted quarterly;

Pros (+):

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

Cons (-):

1.126. Since BS items would have to be valued anyway, burden is the same as full BS.

1.127. There could be a confusion and costs related to diverging presentations for quarterly and annual BS.

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

Option 3: no Balance sheet submitted quarterly.

Pros (+):

1.129. It would be less burdensome for undertakings as it facilitates the use of proxies for OF as it may allow for non-material differences between total assets and total liabilities.

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

Cons (-):

⁹ A simplified BS would consist of larger aggregation of BS items than in S.02.01. This would mean that most of the items outside of subordinated liabilities, Technical provisions and investments would be in categories "other assets" and "other liabilities".

1.131. There would be no detailed information for other BS items than assets, TP and OF.

1.132. There would be no possibility to understand the rationale for material changes in OF (those not resulting from TP and assets).

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

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

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

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

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

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

The options considered were the following:

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

Analysis of the options:

Option 1: No information by material RFF

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

Pros (+):

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

Cons (-):

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

Option 2: Information by material RFF only annually

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

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

Option 2.1.: Only SCR

Pros (+):

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

Cons (-)

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

Option 2.2.: SCR, BS and TP

Pros (+):

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

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

1.146.The details of the information on the calculation of the SCR by risk modules would not be requested for the entity as a whole, so would be needed at a RFF level.

Cons (-):

1.147.It would be burdensome for undertakings, in particular when they have several medium size RFF that would be considered material.

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

Option 2.3.: all annual versions of templates applicable

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

Pros (+):

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

Cons (-):

1.151.It would be burdensome for the majority of undertakings without the proper benefit to the supervisory review process.

Option 3: Information by material RFF quarterly

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

Pros (+):

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

Cons (-):

1.154.This option would represent an important burden for undertakings, depending from Member State to Member State regarding which types of funds would be classified as RFF.

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

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

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

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

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

The options considered on the frequency were the following:

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

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

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

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

Analysis of the options:

Option 1: Only annual information on LTG

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

Pros (+):

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

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

1.165.The reporting burden for undertakings would be lower.

Cons (-):

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

1.167.Impact could be substantial on TP and the TP templates are also required quarterly.

Option 2: Annual and quarterly information on LTG measures

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

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

- a. Compare the duration of assets and liabilities;

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

Pros (+):

- 1.170. This would enable supervisors to adequately supervise the application of the adjustments and transitional measures on an annual basis.
- 1.171. This would enable supervisors to develop early warning indicators on a quarterly basis.

Cons (-):

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

Option 1A:

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

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

Pros (+):

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

Cons (-):

- 1.175. The information available to supervisors would be minimalistic and would not support an adequate Supervisory Review Process in the area of technical provisions.
- 1.176. It would not be possible for supervisors to understand the use of these measures.
- 1.177. The information required would not reflect the approach taken in the reporting package, whenever supervisors need to understand the calculations in order to properly assess the risks undertakings face.

Option 1B:

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

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

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

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

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

Pros (+):

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

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

Cons (-):

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

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

Option 1C:

- General information on LTG within the existing list of Assets and Technical provisions templates.

- Information reported at a matching portfolio level, including SCR, technical provisions templates and a projection of cash flows.

- Information on the calculation of MA and transitional measures.

- Impact of each measure on the financial position of the undertaking.

1.186. It is a similar option to 1B but with information requirements on matching adjustment almost mirroring the information required at an RFF level.

Pros (+):

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

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

Cons (-):

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

Option 1D:

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

1.190. It is a similar option to 1C but with information requirements on products.

Pros (+):

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

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

Cons (-):

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

Policy Issue 5: Level of information on partial internal models and full Internal models, regarding the Solvency Capital Requirement

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

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

Pros (+):

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

1.196. Allows better comparison between undertakings.

Cons (-):

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

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

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

Pros (+):

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

Cons (-):

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

Policy Issue 6: Risk Concentration (RC) information

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

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

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

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

Pros (+):

1.204.A quantitative template would also contribute to harmonise reporting and the possibilities for supervisors to monitor raw data.

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

Cons (-):

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

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

Pros (+):

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

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

Cons (-):

1.209.Analysis via automated tools would be more difficult.

Section 6: Comparison of Options

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

Policy Issue 1: List of assets and derivatives

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

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

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

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

1.215. With respect to the options for requiring information on external ratings for the list of assets and derivatives: EIOPA has selected as preferred option 2 (allow exemptions/limitations).

1.216. The decision taken reflects the importance of supervisors receiving rating information and the alternatives allowed by the Solvency II framework.

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

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

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

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

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

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

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

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

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

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

- Impact of each measure on the financial position of the undertaking.

Policy Issue 5: Level of information on partial internal models and full internal models, regarding the Solvency Capital Requirement

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

Policy Issue 6: Risk Concentration (RC) information

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

Section 7: Monitoring and evaluation

The following indicators may be relevant in assessing whether the ITS has been effective and efficient in respect of the objectives specified above:

<p>Objective 1: promoting compatibility of valuation rules, supervisory reporting and public disclosure requirements with the International Accounting Standards elaborated by the IASB.</p> <p>Objective 2: ensuring that all quantitative and qualitative regulatory requirements imposed on insurers are proportionate to the nature, scale and complexity of the insurer and its operations.</p>	<p>Possible indicators of progress towards meeting the objectives may be:</p> <ul style="list-style-type: none"> • Assess the consistency and quality of information submitted to NSA to assess the efficiency of the instructions given; • Assess the compliance with the timeframes across Member States and for different frequencies (annually and quarterly); • Assess the need for re-submission of the information due to mistakes by undertakings across Member States.
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Annex III: Resolution of comments

See separate excel file.