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EU-wide insurance stress tests 2021

1st Interaction with stakeholders
Teleconference, 28 January 2021

- ✓ The information contained in this presentation provides an overview of the 2021 EIOPA Insurance Stress Test exercise package
- ✓ The aim is to present the content of the package and to foster the discussion with the Stakeholders on the key aspects of the exercise
- ✓ The content of the presentation does not pre-empt any final decision on the Stress test package that will be made by the EIOPA Board of Supervisors

Agenda

	10:15 – 10:30	Connection check
1.	10:30 – 10:45	Welcome & introductory remarks
2.	10:45 – 11:00	Stress Test exercise - Overview on the process and timeline
3.	11:00 – 11:20	Methodological approach for 2021 exercise <ul style="list-style-type: none">• Capital component• Liquidity component• Management actions
4	11:20 – 11:45	Scenario <ul style="list-style-type: none">• Market shocks• Insurance specific shocks
5	11:45 – 12:00	Templates & Questionnaires
	12:00 – 12:15	Break
6.	12:15 – 13:25	Discussion on the open points
7.	13:25 – 13:30	Concluding remarks
	13:30	End of workshop



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Introduction and timeline

Introduction

Economic situation and narrative



- Concerns about the exit from and the **aftermath of the COVID-19** pandemic
 - slower than expected **economic recovery**
 - increase in **unemployment** and drop in **GDP**
 - declining long-term **risk free rates** globally from an already historically low level
- EU economies slow down and **countries' fiscal positions weaken**
 - sustainability of **public debt** amid weakening domestic demand lead to a sharp increase in sovereign spreads, in particular but not only for high-spread economies.
 - The dispersion of **government bond yields** across the EU exacerbates and slows down the convergence process
- Already high **corporate sector** indebtedness paired with a sharp decline in profits exerts pressure on corporate balance sheets
 - sustainability of corporate debt raise corporate **credit spreads**
- A slowdown in **commercial and residential property** market activities triggers sharp and sizeable price corrections

Introduction

Key elements (1 of 2)



- **No pass-fail exercise**
- One scenario: **low-for-long** in an adverse **COVID** aftermath
- Two components
 - **capital** component
 - **liquidity** component
- **Objective: microprudential** with a **macroprudential** element
 - **Fixed balance sheet** (without reactive management actions)
 - **Constrained balance sheet** (with (controlled) reactive management actions)
- Data collection
 - Capital → consistent with regular **QRT reporting**
 - Liquidity → **ad-hoc**
- Disclosure
 - **Aggregated** → Stress Test report
 - **Individual** → capital component, subset of balance sheet indicators, **upon consent**

Introduction

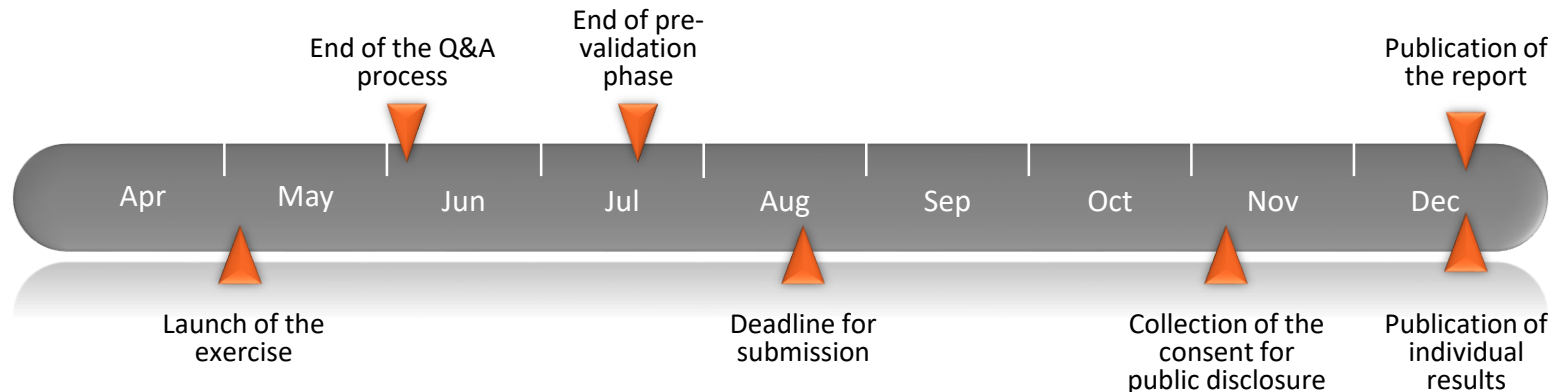
Key elements (2 of 2)



- Scope
 - **Groups** (>40)
 - **Market coverage** at EU level >75% (based on TA)
 - Sufficient representation of all the **business lines**
 - Larger number of **NCA's involved**
 - Continuity with 2018
- Liquidity “*assess the risk where it is managed*”
 - Classification of the participants into:
 - Groups that **centrally manage** liquidity (cash-pooling or binding agreement)
 - Groups that manage liquidity on a **solo-level** (or non-binding agreement)
 - In the second case the selection of the solos (subject to materiality principle) can follow:
 - **Top-down**: EIOPA, in cooperation with the Group Supervisors, selects the solos for each participating entity. The list of solos will be bilaterally shared with each group in advance of the launch of the exercise to allow them to better organise the activities in the calculation period
 - **Bottom-up**: Participating entities are provided with the criteria for the selection of the solos and select their relevant entities to be included in the assessment. The list can be discussed with the NCA before the initiation of the calculation phase

Introduction

Timeline



- Milestones:
 - o Launch of the exercise: **beginning May 2021**
 - o Deadline for submission from ST participants to NCAs: **mid-August 2021**
 - o Collection of the consent for public disclosure: **mid-November 2021**
 - o Publication of the results: **mid/end-December 2021**
- Time-frames:
 - o Q&A: **4 weeks**
 - o Pre-validation: **10 weeks**
 - o Calculation: **14 weeks**



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Structure of the exercise

Methodology

Common to the two components



- **Bottom-up** exercise
- Reference date: **Year-End 2020**
 - **baseline** (pre-stress) figures as per 31 December 2020
 - alignment with **2020 Annual Solvency II reporting** expected
 - **post stress** figures as per 31 December 2020 (capital) and 31 March 2021 (liquidity)
- Holistic view
 - **common scenario** for capital and liquidity assessment
 - potential **different application of the shocks** in the two exercises
- **Instantaneous** application of the shocks:
 - instantaneous impact on asset prices of the **market shocks**
 - some **insurance specific shocks** are stretched out over a longer time horizon (impact analysed only at valuation date). The different time horizon in the unwinding of the shocks requires a specific sequence in their application
- Two approaches: fixed and constrained balance sheet
 - **Fixed balance sheet**: only embedded management actions
 - **Constrained balance sheet**: plausible and realistic reactive management action allowed accompanied by a thorough explanation on their application process, plausibility and impacts

- Entire **in-force business** to be considered
 - all entities within the perimeter of consolidation shall be stressed
 - UL/IL positions shall be stressed
- The **look-through approach** should be applied (e.g. for CIU)
- Same model used for evaluation of balance sheet for the **regular Solvency II reporting** purposes (included **LTG** and **Transitional** measures used at reference date)
- **Simplifications** which do not distort interpretability and comparability of the results are allowed:
 - Perimeter of the application of the shock (scaling approach for the excluded parts)
 - Deferred tax and liabilities
 - Best estimates calculated via regression techniques (constant parameters)
 - Risk margin: more simplified method compared to the baseline
 - Group consolidated based approach allowed vs full reassessment of solos' position

All simplifications and approximations shall be discussed upfront with Group Supervisors and disclosed in the qualitative questionnaire

- Same model used to assess capital position for the **regular Solvency II** reporting purposes
- The use of (partial) internal models and undertaking specific parameters (USPs) should have been approved by the group supervisor at reference date
- **Simplifications** which do not distort interpretability and comparability of the results are allowed:
 - o Relevance of subsidiaries: materiality in terms of SCR contribution under baseline can be applied
 - o Relevance of risk drivers: materiality in terms of change wrt SCR contribution under baseline can be applied
 - o Simplified calculation of LACDT (even LACDT=0)

All simplifications and approximations shall be discussed upfront with Group Supervisors and disclosed in the questionnaire

- **Hybrid approach**

- o stocks / flows assessment of the liquidity sources and liquidity needs (reference to the recently published methodological paper on the liquidity stress test)

- Key metric: **sustainability indicators**

$$Net\ flows_t + Liquid\ Assets_t$$

- **Liquid assets**

$$\frac{Liquid\ assets_t}{Net\ flows_t}$$

$$Net\ flows_t$$

- o estimated via different **liquidity haircuts** to be applied to the different asset classes
- o haircuts will be kept **constant** both in the baseline and in the post-stress position

- **Flow analysis (90 days)**

- o 2 sets of data: relevant flows actually registered and projected over the time horizon
- o mitigation effects stemming from local micro- or macro-prudential regulatory regime (e.g. temporary suspension of the redemption rights) can't be taken into account
- o no discounting (given the short time horizon and the low level of risk free rates)

- **Complementary analysis**

- o Liquid assets/ total Assets; Liquid liabilities / total liabilities, Surrender ratios
- o Assessment of the liquidity of liabilities: classification of the BEs according to a criteria based on the economic penalties to lapse (life) or duration (non-life)

- **Simplifications** as in the capital component where applicable

- **Fixed balance sheet:** no reactive management actions allowed
 - o Only embedded management action
 - o No future actions (e.g. dynamic hedging, de-risking strategies, ...)
- **Constrained balance sheet:** reactive management actions allowed
 - o Within specific boundaries
 - o For capital position (included the recalculation of SCR) and liquidity position
 - o **Management actions could be different in the two assessments**
- **Boundaries** for the application of reactive management actions:
 - o should be part of the **governance framework** adopted by the group/solo and not specifically defined and implemented for the purposes of this exercise
 - o need to be **realistic and proportionate** and take account of the time needed to implement them and any expenses arising from them
 - o participants should be able to provide **credible explanations** on whether and how they could actually be implemented under the adverse conditions of the stress scenario, also taking into account any potential secondary consequences
 - o shall be **clearly documented** qualitatively and quantitatively



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Scenarios

Market shocks

Key highlights



- **Market shocks** are assumed to represent **one-off, instantaneous** and **simultaneous shifts** in asset prices relative to their end-2020 levels
- **Second level** or contagion **effects** are **out of scope**
- Market shocks are **common** for both **capital** and **liquidity** component
- **Market shocks closely follow** the market shocks in the context of **2018 ST exercise** and the **stress test methodological paper, but** potentially **with** some **additional elements** (e.g. transition matrices for corporate bonds)
- List of **asset classes to be shocked in 2021 ST** exercise:
 - Swap rates
 - Sovereign and corporate bonds
 - Equity and real estate (commercial and residential)
 - Residential mortgage-backed securities
 - Other assets: Private equity, Hedge funds, REITs, Commodities

Market shocks

Details 1/2



- o **Shocks to SWAPs** are **utilised to derive** the **shocked EIOPA risk-free** rate curve (via the Smith-Wilson model). Additional parameters:
 - last liquid point (LLP) (defined coherently with the LLP used for the definition of the EIOPA risk-free interest rate term structures e.g. EUR=20Y; GBP=50Y; CHF=25Y)
 - the ultimate forward rate (UFR)
 - Credit risk adjustment is kept unchanged with respect to the baseline
- o **sovereign** bond yields
 - Geography: EU countries, GB, CH, NO, IS, RU, BR, CL, CO, IN, MY, TW, TH, TR, US, JP, Other advanced economies, Emerging markets)
 - Maturity: 1, 2, 5, 10, 15, 20, 30 years
- o **corporate** bond yields
 - Geography: EU, GB, US, Other advanced economies, Emerging markets
 - Type: Financial, Non-financial
 - Credit quality: AAA, AA, A, BBB, BB, B, CCC
- o **RMBS yields**
 - Geography : EU, GB, US, Asia, Other advanced economies, Emerging markets
 - Credit quality: AAA, AA, A, BBB

Market shocks

Details 2/2



- o **equity** prices
 - Geography: EU, GB, CH, NO, US, JP, Other advanced economies, Emerging markets
- o **real estate** prices
 - Type: Commercial, residential
 - Country (EU countries, GB, CH, NO, US, JP, Other advanced economies, Emerging markets)
- o **other assets prices**
 - Type: private equity, hedge funds, REITs, commodities
 - Geography: EU, Global

Additional points:

- o **Shocks** to sovereign bonds **for missing maturities** should be derived (a) via **interpolation** (b) by keeping the **shock constant** with the **last maturity provided**
- o **Unrated corporate bonds** shall be shocked **as BBB**
- o **Corporate bonds rated lower than CCC** shall be shocked **as CCC**
- o **Shocks** for **non covered geographical areas** shall be based **according to average shocks** provided **for larger geographical areas**

Insurance specific shocks

Key highlights

	Life	Health similar to life	Health similar to non-life	Non-life other than health
Mass Lapse	$X_{C,L}$			
Mortality	$X_{C,L}$	$X_{C,L}$		
Pandemic morbidity and increase in cost of claims		$X_{C,L}$	$X_{C,L}$	$X_{C,L}$
<i>Pandemic morbidity</i>		$X_{C,L}$	$X_{C,L}$	
<i>Increase in cost of claims</i>				$X_{C,L}$
Reinsurance recoverables and receivables	$X_{C,L}$	$X_{C,L}$	$X_{C,L}$	$X_{C,L}$
Reduction in written premia (New business)	X_L	X_L	X_L	X_L

C=capital component; L=liquidity component

- The exercise encompasses a set of **insurance shocks** to be applied to specific lines
- The **shocks** should be **applied** both for the **capital component and liquidity component***. This **common scenario** allows to:
 - **reduce** the number of **hypotheses**
 - **reduce** the numbers of **calibrations**
 - increase the **consistency** of the two assessments
 - **reduce** the **burden** of the exercise

*Reduction in written premium is applied only for liquidity

Insurance specific shocks

Details 1/5

Non-life cost of claims

- **Shocks to severity** (claims inflation): percentage uplift in the annual claims and expense inflation under the baseline scenario.
- **Shocks to frequency:** percentage uplift in the expected claims that are not yet occurred. The increase should be applied to the frequency parameter used to calculate the BE in the baseline reporting
- **Capital** component: (a) Claim Provisions revalued on the basis of severity (b) Premium Provisions impacted by frequency and severity
- **Liquidity** component: The entity shall project the increased payments (due to severity and frequency) that take place during the 90-day time horizon

Line of Business ³⁷	Shock to frequency	Shock to severity (claims inflation)
Direct Business (including accepted proportional reinsurance)		
- Medical expense insurance	K	Y
- Income protection insurance	X	Y
- Workers' compensation insurance	-	Y
- Motor vehicle liability insurance	-	Y
- Marine, aviation and transport insurance	-	Y
- Fire and other damage to property insurance	-	Y
- General liability insurance	W	Y
- Credit and suretyship insurance	Z	Y
- Legal expenses insurance	Q	Y
- Assistance	-	Y
- Miscellaneous financial loss	S	Y
Accepted non-proportional reinsurance		
- Non-proportional health reinsurance	A	Y
- Non-proportional casualty reinsurance	-	Y
- Non-proportional marine, aviation and transport reinsurance	-	Y
- Non-proportional property reinsurance	I	Y

Insurance specific shocks

Details 2/5

Pandemic morbidity shock

- The scenario assumes an **instantaneous increase** in **medical expenses** and **income protection** claims due to Covid-19
- It is **applied** to all in force **life** and **non-life** insurances **offering such health coverages**
- **For both life and non-life**, the **increase of morbidity** is supposed to **impact** the **frequency** and the **severity** of the related claims
- **...hence the shocks** and **their application** will be **embedded in the shocks** prescribed in the **increase of cost of claims**

Reinsurance recoverables shock

- The **general economic environment** and its **impact** on **corporate sector** is also reflected to deterioration of the **credit worthiness of reinsurers**. In order to **reflect** this effect on the **asset side of insurers**, the amount of **recoverables** and **receivables** shall be shocked based on what provided in the figure
- **Capital** component: only the asset side of insurers
- **Liquidity** component: haircut shall be applied to the in-flows (e.g. reinsurers' share of claims incurred) related to in-force reinsurance treaties in place at the reference date for the 90-day time horizon

CQS	0	1	2	3	4	5	6	Not Rated
Haircut	X%	Y%	Z%	Q%	R%	V%	P%	T%

Insurance specific shocks

Details 3/5



Reduction in written premia

- The **scenario** assumes a **decrease** by the **X%** of the **total cash-in premiums** with respect to the **baseline figures for all new business** (both **life** and **non-life**)
- **Capital** component: Given that the reduction of premia due to the lapse and mortality shocks is already captured in the recalculation of the life technical provisions and that the shock related to the new business is marginally captured by the Solvency II framework, for the sake of simplicity the impact of the shock on the capital component could be neglected
- **Liquidity** component: The cash-in flows related to premiums, in the stressed scenario, shall reflect the decrease of the written premia received in the 90-day time horizon for the new business.

Insurance specific shocks

Details 4/5

Type of product	Applicable	Instantaneous discontinuance
Term insurance	Yes	Q%
Endowments	Yes	X%
Annuities in deferral phase	-	-
Annuities in pay-out phase	-	-
Pure unit-linked contracts (without financial guarantees)	Yes	Z%
Unit-linked contracts with financial guarantees	Yes	W%
Disability	Yes	P%
Health	-	-

Lapse shock

- The shock reflects the **adverse macroeconomic environment impact on aggregate demand** and is **applied to Life business**
- **Sudden non-permanent discontinuance** of the in force insurance policies, **subject to the table above. No mitigation effects** e.g. temporary suspension of redemptions rights
- “lapse” refers to **any kind of policyholder lapse options**
- **Capital** component: the impact shall be reflected only in an **increase of the technical provisions** with **no impact on asset side**
- **Liquidity** component: all **payments** resulting from the discontinuance of the policies are supposed to **be paid within 90 days**

Insurance specific shocks

Details 5/5



Mortality shock

- In the absence of a second generic lockdown, **more policyholders than anticipated** are facing the risk of **mortality**, in particular, **peaking** during the first **three months following the reference date**
- It is **applied** to all **Life** and **Health SLT** lines of business
- The **annual mortality rates** shall be increased by $X\%$ using the formula $q_x * (1 + X\%) = q'_x$, where q_x is the annual baseline mortality rate for age x
- The **increase** of $q'_x - q_x$ shall be applied **instantaneously** to the mortality rates (expressed as percentages) which are used in the calculation of technical provisions to reflect the mortality experience in the following 12 months
- **No mitigation effects** stemming from uncertainty regarding exclusion clauses
- **Capital** component: the impact shall be reflected only in an **increase of the technical provisions** with **no impact on asset** side
- **Liquidity** component: increase/decrease in payments resulting from the mortality shocks are assumed to take place within 90 days



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Templates

- Templates are split according to the **purpose** of the information collected into **reporting and validation**
- The information collected in the reporting templates will be **published in the report** based on aggregated data covering both the capital and the liquidity component according to the disclosure chapter
- For the purpose of having a **sound understanding** of the stress test, results and the allowance for a proper data quality assurance process, participating entities are requested to submit additional information (validation templates)
- The reporting templates refer to the:
 - **Capital** component
 - **Liquidity** component

Capital component Template



- The set of templates to report the results under baseline and stressed scenarios are **broadly based on the Solvency II QRT** reporting. Guidance on the content of the templates can be retrieved from the Supervisory Reporting Annex II
- The reporting templates are structured in three sections:
 - **Baseline** scenario
 - **Stress** scenario
 - **Stress** scenario **with reactive management actions**
- Templates for reporting and validation purposes (**provisional**):
 - Balance sheet template (S.02.01.02.01)
 - Own funds details (S.23.01.04.01 and S.23.01.04.02)
 - Capital requirements, reporting sheets are to be filled in depending on the use of an (partial) internal model (S.25.0X.04.01 and S.25.0X.04.02)
 - Impact of the long term guarantees measures and transitional measures (S.22.01.04.01)
 - Duration of technical provisions (S.38.01.10)
 - Asset Characteristics - Participating entities are requested to provide a breakdown of their asset allocation under the baseline and the two market scenarios
 - Aggregated marginal impact of insurance specific shocks
 - Liability characteristics (S.12 and S.17)

- **Aim:** provide additional insights on the drivers of the impact of the stress test and should address the 'story behind the figures' (similar to 2018 expl. note)
- **Covers the use of simplifications and approximations** for the calculation of the post stress figures, especially for the post stress SCR calculation
- **Distinct part** of the questionnaire **refers** to the **reactive management actions** and it aims to provide the further insights and comprehensive understanding on the selection and application of the actions
- **Structure:**
 - o The first two sections refer to qualitative information regarding the **process and post stress impact** on the key metrics under the **fixed balance sheet** approach
 - o The third section focuses on identifying insights related to **the reactive management actions** (e.g. identifying the management actions and their triggering shocks, underlying rationale for participating entities to select them)
 - o Finally, further information in terms of the **internal governance** to take and implement the actions is requested, accompanied with an estimation of time, steps and potential additional expenses

Liquidity component

Templates & Questionnaires



- The **reporting templates** are structured in three sections:
 - **Flows** template (baseline and stressed scenarios results)
 - **Stocks** template (baseline and stressed scenarios results)
 - **Questionnaire** template for liquidity component
- Templates for reporting and validation purposes (**provisional**)
 - The **flows template** collects a set of information on the **net cash position** of the undertakings over 90-day time horizon starting from QRT S.05.01 focusing on the inflows and outflows stemming from:
 - life business (excluding UL/IL business)
 - UL/IL business
 - non-life business
 - investments
 - other flows
 - The **stock templates** are based on the QRT S.06.02 and S.03.01.01.01 and contain detailed information on the assets and their relative movements for life, non-life and UL/IL business. This will be used also to assess the impact of the management actions

Liquidity component

Questionnaire



- **Aim:** provide information on **potential the spill-over** stemming from the reactive management actions taken by insurers against the prescribed liquidity shocks with specific reference to:
 - o the disinvestment strategy:
 - type and amount of security sold
 - sequence and timing of the sale of the securities
 - channels (primary, secondary, intra-group)
 - o cash management
 - o liquidity governance
 - o nature and quantity of additional liquidity sources which could be used in case of a stress (e.g. credit lines with banks,...)
 - o if the liquidity is not managed centrally and therefore the scope is related to solo-entities, the level of intra-group support (if any) post stress
- Information on the existence (plus short description) of a **contingency funding plan** and at which level it is set up (undertaking/group) could be asked.



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15 minutes break



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Open points

Q1: In case of liquidity managed at solo level, between the top-down and bottom-up approach in the selection of the entities, what is in your opinion the most viable solution?

Q2: Please provide your view on the proposed criteria for the identification of the solos

- **Bottom-up seems the most viable solutions.** Concerns on the bias in the selection comparability are flagged
- The **threshold** of 80% of TA is considered too high. Additionally the TA is **not a risk based criteria**

Questions

Simplifications/Approximations



Q3: Do you have suggestions on alternative approaches to the calculation of the post-stress DTA/DTL which simplify the process and at the same time preserve the level playing field of the exercise and the comparability of the results?

- **No simplification** with respect to the standard calculation is the preferred option
- The most burdensome elements of calculating the DTA/DTL is actually the **classification of the DTA** based on the enacted **tax regime** and to assess the **changed recoverability**
- If they can demonstrate that on average the stresses used are **less than the 1:200** (the current level assumed to apply for the normal LACDT-stress), the conclusions from the **LACDT can apply**

Questions

Application of the shocks



Q4: Do you agree to apply the mortality shocks also in the Health Similar to Life business also in consideration of the additional burden?

Q5: Based on your experience, is the General liability insurance materially affected by the current crisis?

Q6: On the application of the shock to frequency, what is your preferred option between additive and multiplicative?

- **HSTL:** By a cost/benefit perspective the application of the mortality to the Health similar to life appears **not justified** and could **potentially lead to positive impacts**
- **General liabilities:** No current evidences on COVID related impacts, but the situation might evolve
- General support for the **multiplicative shock**

Other remarks

By argument



- **Narrative**

- o Reduction of savings not observed
- o Health coverages: postponement of regular activities against COVID

- **Scope**

- o Hybrid approach not mentioned

- **Methodology**

- o Post-stress SCR is neither necessary nor appropriate
- o Timing of the shocks: instantaneous or multi-period?
- o Inclusion of new business in the assessment
- o Participations and own equity: listed equity shock is not appropriate
- o Liquid assets: securities issued by financial institutions are excluded, properties and excluded, recoverables/receivables are excluded
- o Liquidity flows: elaborate more
- o Liability classification: economic penalties should include fiscal penalties?
- o Management actions: How to treat dividends

Other remarks

By argument



- **Shocks**
 - o Loans and mortgages: covered bonds are a better proxy
 - o Sovereign: remove the time dimension
 - o Health: deferred treatment due to COVID
 - o Claims on motor: back to normality
- **Templates**
 - o Streamline questionnaires / templates; includes Margin calls
- **Timeline**
 - o Distribute TS by early April and extend the calculation time to September
- **Individual public disclosure**
 - o Not necessary, counterproductive by a macroprudential perspective
 - o If pursued should remain at an undertaking's own volition



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Thank you!



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Annex

Liquidity component Flows Template



Cash and cash equivalent at the reference date

Life (excluding UL/IL) business
--

Premium (written)*
Claims and other technical outflows (excluding surrender)*
Surrender
Reinsurance inflows
Reinsurance outflows
Net Cash Flows

UL/IL

Premium (written)*
Claims and other technical outflows (excluding surrender)*
Surrender
Reinsurance inflows
Reinsurance outflows
Net Cash Flows

Non-Life business

Premium (written)*
Claims and other technical outflows
Reinsurance inflows
Reinsurance outflows
Net Cash Flows

Investments

Investment related income (e.g. coupons, dividends, fees)
Investment related income (e.g. coupons, dividends, fees) - Separate accounts
Investment related expenses (e.g. service fees, coupons paid, dividends paid)
Investment related expenses (e.g. service fees) - Separate accounts
Total Maturing fixed income assets**
Maturing fixed income assets - Separate accounts
Total Purchase of assets**
Purchase of assets - Separate accounts
Total Sales of assets**
Sales of assets - Separate accounts
Margin / collateral calls net flows (inflows-outflows)
Net cash flows

Other

Intragroup cash inflows for liquidity purposes
Intragroup cash outflows for liquidity purposes
Intragroup cash inflows for other purposes
Intragroup cash outflows for other purposes
Other liquidity related flows (e.g. repo agreement)
Funding emissions and costs (e.g. bonds, equity, coupons, dividends, fees)
Operational expenses (e.g. wages/salaries, rents, service providers)
Operational income (e.g. income from provision of services)
Other expected net cash flows (inflows - outflows) not elsewhere reported
Net Cash Flows

Net cashflow at the end of the period
--

Liquidity component

Stocks Template



Assets (excluding assets held for UL/IL)
Cash & Bank Deposits & Bank Commercial Paper/Certificates of Deposits
of which stemming from repo agreements
Government-Related Securities (Central governments & affiliates)
issued/guaranteed by EU member states (all CQSs) and issued by highly rated non-EU countries (CQS0/1)
issued or guaranteed by highly rated non-EU countries (CQS2/3)
Exposures to ECB, Central banks, multilateral development banks & international organisations
issued or guaranteed by ECB, EU central banks, supranational institutions (BIS, IMF, EC,...) or Multilateral Development Banks
issued or guaranteed by central banks of non-EU countries (CQS0/1)
High Quality Covered bonds
Extremely high quality covered bonds - CQS0/1
High quality covered bonds - CQS2
Corporate bonds not issued by a financial institution or its affiliate
Corporate debt securities (CQS0/1)
Corporate debt securities (CQS2/3)
Corporate bonds issued by a financial institution or its affiliate
Corporate debt securities (CQS0/1)
Corporate debt securities (CQS2/3)
Listed Equity not issued by a financial institution or its affiliate
Listed Equity issued by a financial institution or its affiliate
Collateralised securities (CQS0/1)
Collective Investment Undertakings
Off-balance sheet or contingent financial liabilities to third parties
Total Assets (excluding assets held for UL/IL)
Assets held for UL/IL
<i>1 to S.8): the items shall not include assets held in separate accounts, namely no assets backing UL/IL contract shall be included.</i>
Liabilities
Life (excluding UL/IL) business
Without surrender penalties
Surrender value equal to the 100% of best estimates/statutory reserves
Surrender value between 100% (exclusively) and 80% of the best estimates/statutory reserves
Surrender value lower than 80% of the best estimates/statutory reserves
Total
UL/IL
Without surrender penalties
Surrender value equal to the 100% of best estimates/statutory reserves
Surrender value between 100% (exclusively) and 80% of the best estimates/statutory reserves
Surrender value lower than 80% of the best estimates/statutory reserves
Total
Liabilities
Non-life business