

## Industry preliminary suggestions regarding the QRT simplifications in line with EC reduction objective

### **Please note:**

- This paper compiles a preliminary set of suggestions for EIOPA's consideration.
- Due to the timing constraints this is a preliminary overview, the secretariat will look into further refining these examples.
- The industry is happy to clarify and follow up on any requests.
- We emphasize the critical importance of avoiding an increased regulatory burden when implementing changes.
- NSAs should also be encouraged to align with EIOPA's intent to reduce the burden and avoid unintentionally increasing it.

### General comments

- The industry welcomes and supports the ongoing efforts to streamline reporting obligations under Solvency II. We appreciate the focus on addressing the administrative burden and are ready to contribute further insights and collaborate with stakeholders to ensure the effectiveness of these initiatives.
- Simplification efforts should prioritise achieving core objectives, avoid duplication (adhering to once-only principle), and focus on materiality.
  - QRTs should be reviewed to reduce their number and volume, focusing on those most relevant to insurers' core operations. EIOPA is well-positioned to identify less critical templates and data.
  - Reporting should concentrate on key areas such as technical provisions, own funds, assets, and SCR/MCR calculations.
  - The SFCR should be streamlined by eliminating redundancies with QRTs, such as for example between S.23.01 and S.12.01.
  - The templates that replicate data from the annual report, such as S.03.01 and S.39.01 should be discontinued.
- The revision of the ITS on supervisory reporting in the current review of Solvency II, particularly taxonomy 2.10.0, should aim to reduce the reporting burden and avoid introducing new templates and/or datapoints. Changes to existing templates should be minimised unless they significantly reduce the reporting burden. Introducing new templates or data points increases the administrative workload and raises costs associated with data production, quality checks, and reporting. For instance, the introduction of taxonomy 2.8.0 has increased the reporting burden rather than alleviating it.
- Providing documentation that outlines the purpose of every template, including why it is necessary and how EIOPA or NSAs utilise the data would enhance transparency and prioritisation, fostering greater understanding and alignment among stakeholders.
- Modifications to the content of reports (including S.29 reports) should be minimised. Many reporting processes are now automated and altering the QRT content can result in additional workload and system adjustments.
- Monthly reporting, as is potentially envisaged for ECB Securities Holdings Statistics reporting should be avoided as it contradicts the objective of reducing reporting obligations. Instead, the required request from ECB should be limited to already available information and the reporting frequency should be maintained.

When proposing “simplifications,” supervisory authorities should carefully evaluate whether these changes genuinely reduce the workload for QRT creators. Altering QRT structures often increases complexity and necessitates adaptations to existing processes and systems. A thorough assessment should favour the deletion of QRTs over changes to templates.

## 1. Template reduction and elimination

To streamline regulatory reporting and reduce unnecessary burdens, this section outlines targeted measures for the reduction and elimination of redundant, overlapping, and non-core templates, while proposing adjustments to quarterly reporting practices for enhanced efficiency.

### Quarterly reporting

- **Abolish Q4 Reporting:**
  - Q4 reporting should be stopped, it places a major reporting burden on companies at a busy time of the year which is unnecessary and disproportionate given the information which becomes available from the annual reporting.
    - The Q4 reporting cycle heavily overlaps with year-end reporting templates, such as S.02.01 (Balance Sheet), S.23.01 (Own Funds), and S.27/S.28.01 (SCR/MCR) and places undue pressure due to the tight deadlines, the parallelism with the annual financial statements and the fact that all stakeholders are focussing more on year-end reporting
  - Removing Q4 reporting would reduce unnecessary burdens during the resource-intensive year-end period without compromising the sector’s ability to monitor risks.
  - Alternatively, a reduction of the Q4 reports to asset data could be considered, as it is understood that the ECB is primarily interested in this information.
- **Where possible move from quarterly to annual reporting and focus quarterly reporting on core elements:**
  - *To enhance efficiency, we recommend reducing the duplication of reporting the same data in both quarterly and yearly templates*
    - For instance, the S.02 template requires identical Solvency II values in column C0010 for both Q and YE QRTs. For example, yearly QRTs could focus on additional data not already included in quarterly templates. However, care should be taken to ensure that such simplifications do not disrupt year-end validations or cross-checks, which depend on consistent data availability. This balanced approach would help minimize potential challenges while effectively reducing unnecessary redundancy.
  - Limit quarterly reporting to key solvency data, such as S.28 (MCR) and S.23 (Own Funds).
  - Templates like S.04.01 (Premiums, Claims, and Expenses), S.05.01 (Premiums, Claims, and Expenses by LoB), S.06.02 (List of assets), and S.06.03 (Collective investment undertakings - look-through approach) should be transitioned to annual reporting to reduce frequency and complexity.
  - Make financial stability reporting annual - Additionally, duplications between Financial Stability and Solvency II reporting should be avoided: currently, identical QRTs (e.g., QRT S.02, S.06.02, S.23) are requested at different times.
  - Reporting full details for every asset in the investment portfolio each quarter is excessive. Instead, prices for existing assets should be updated quarterly, and full details should only be provided for new additions during the reporting period. Alternatively, if the complete set of details for every asset is deemed necessary on a more frequent than annual basis, a semi-annual frequency would partially alleviate the reporting burden currently experienced when populating the S.06.02 template on a quarterly basis.

### Redundant templates

- **Remove templates replicating annual report data**
  - Templates such as S.03.01 (Off-balance sheet items - general) and S.39.01 (Profit and Loss - Other assets) provide data already covered in annual reports and should be eliminated to avoid duplication. Furthermore, redundant fields in QRTs should also be avoided, meaning redundant submission data should be eliminated.
- **Remove overlapping templates**
  - Templates like S.23.03 (Annual movements on own funds) and S.23.04 (List of items on own funds) overlap significantly with existing templates on own funds and tier classifications (S.23.01 and S.23.02). Eliminating these redundancies will streamline reporting processes.
- **Simplify non-core reporting**
  - "Non-core" templates or stable data should only be reported when there are material changes, such as updates to company details. For instance, QRT S.01.02.01 (Basic Information – General) should only require updates under specific conditions.
- **Align Group and Solo templates**
  - Group QRTs and solo QRTs that capture nearly identical data should be harmonised to minimise duplication, fostering consistency and efficiency.
- **Reduction or removal of redundant QRTs**
  - Reduction of and in some cases deletion of QRTs: S.36.01 (group); S.36.02 (group); S.36.05 (group); S.36.06 (group); S.36.07 (group).

## 2. Granularity and proportionality

To enhance efficiency and reduce unnecessary burdens in regulatory reporting, this section emphasises the importance of focusing on material data and applying proportionality principles. By reducing excessive granularity and revising materiality thresholds, insurers can streamline their reporting processes while maintaining meaningful oversight.

### Avoid excessive detail

- Reduce Granularity:
  - Templates such as **S.36.01** (Intragroup Transactions - Equity-type transactions, debt, and asset transfer) and **S.37.01** (Risk concentration) require reporting at a highly granular level. These should be revised to focus on material data only, avoiding unnecessary detail.
  - Focus the reports on relevant lines of business to avoid unnecessary details.
- Proportionality for small entities:
  - Introduce thresholds to exempt small or immaterial entities from detailed reporting. For example, non-material participations in group-level templates could be consolidated.
  - SNCU firms should have the option to limit their QRT submissions to those included in current SFCR templates, with the addition of specific asset look-through and intercompany templates where outsourcing arrangements are utilised.
- Homogeneous Risk Group (HRG) reporting
  - Require justifications for HRG-specific reporting only when the Best Estimate (BE) for an HRG exceeds specific thresholds (e.g., below **x%** of total BE or does not exceed **y EUR**). This approach can eliminate unnecessary templates where HRG reporting is less material.

### Materiality thresholds

- Revise thresholds upwards:
  - Materiality levels in templates such as **S.02.01** (Balance Sheet) and **S.17.01** (Non-Life Technical Provisions), **S.12.01** (Life Technical Provisions by LoB), and **S.26.01** (SCR -

Market Risk), should be increased to exclude insignificant data points, ensuring that reporting focuses on impactful information. **S.02.01** (Balance Sheet).

- Optional thresholds for exemption:
  - New thresholds should allow full exemption from reporting certain templates rather than partial exemptions, which add unnecessary complexity. Optionality should be preserved to avoid costly IT and reporting system changes for insurers, and any retrospective thresholds must remain voluntary to ensure flexibility.

#### **Standard Formula for Internal model companies:**

- The biennial reporting of a standard formula estimate for internal model firms should be implemented through existing, locally determined, standard formula reporting processes for IM firms. It must not result in internal model firms having to set up new and disproportionate processes for Solvency II standard formula QRTs.
- Any changes should not lead to imposing additional data demands.

### 3. Avoidance of duplication

To enhance efficiency and reduce unnecessary workload, this section identifies key areas where duplicate data points across templates and reports can be eliminated. By consolidating data and aligning requirements, insurers can streamline reporting processes while maintaining robust oversight.

#### **Duplicate datapoints across templates**

- Reinsurance related datapoints:
  - Avoid duplicate reporting of reinsurance data across templates like **S.30.01** (Facultative covers for non-life and life business basic data) and **S.31.01** (Share of reinsurers, including Finite Reinsurance and SPVs). Consolidating this information will reduce redundancy.
- Collateral datapoints:
  - Consolidate collateral reporting between **S.03.01** (Off-balance sheet items - general) and **S.31.01** (Share of reinsurers, including Finite Reinsurance and SPVs) to streamline data collection and improve efficiency.
- Financial stability and prudential reporting:
  - Align deadlines and data requests between Financial stability reporting and QRTs such as, **S.02.01** (Balance Sheet), **S.05.01** (Premiums, Claims and expenses by LoB), **S.06.02** (List of assets), **S.23.01** (Own Funds).
- In addition, there is duplicate data collection due to redundant fields in S.36.01 and S.36.05, as well as in ESG-related topics (e.g., climate risks in S.06.04).

#### **SFCR, RSR, and ORSA reports**

- Companies are encouraged to streamline their **SFCR** (in line with Dir Art 51(1), **RSR**, and **ORSA** reports by utilising **cross-references** for overlapping content second paragraph), such as Reserve Risks (C.1.2), Default Risk (C.3), and Operational Risk (C.5), where appropriate. While the use of cross-references is optional, it is a useful tool to avoid duplication and enhance clarity.
- Further examples:
  - Some content is identical to the opportunity and risk report (part of the annual report), such as the content from the section on material external factors or principles of the risk management system

#### 4. Technical adjustment

This section highlights key technical adjustments aimed at improving the efficiency and accuracy of reporting processes, reducing unnecessary manual effort, and addressing issues with taxonomy implementation.

- **Simplify reporting units:**
  - Report in thousands of € instead of cents to reduce manual reprocessing.
- **Adjust validation tolerances:**
  - Establish tolerances at the XBRL level to account for rounding effects.
    - For example, allow deviations of a few euros when reporting in cents or a few thousand euros when reporting in thousands. This would eliminate the need for manual adjustments caused by discrepancies where totals rounded to euro cents differ from the sum of individual amounts rounded to the same precision.
  - For some cross-checks, e.g. between the solvency overview S.02.01 and the asset list S.06.02, there are sometimes quite low tolerances for differences in value; sometimes the values have to match exactly to the euro.
  - Increase tolerances for cross-checks: Raise materiality thresholds for discrepancies between the solvency overview and the asset list.
  - Introduce acceptable thresholds to account for rounding discrepancies:
    - **S.02.01** (Balance Sheet) vs. **S.17.01** (Non-Life Technical Provisions)
    - **S.02.01** (Balance Sheet) vs. **S.06.02** (List of assets).
- **Taxonomy updates**
  - Extend deadlines:
    - Finalise taxonomy documents well in advance of implementation deadlines.
  - Quality assurance:
    - Address translation errors and inconsistencies in taxonomy updates (e.g., Taxonomy 2.8.0) to ensure accuracy and clarity in reporting requirements.

#### 5. Alignment with industry practices

To ensure consistency and reduce duplicative efforts, this section outlines measures to streamline group-level reporting.

- Introduce an option to integrate IFRS 17 in certain reporting templates (e.g. QRTs S.04 and S.05)
  - For groups whose basis for the Solvency II reporting is local statutory requirements that apply national GAAP (at solo and/or group level) - which still includes the concept of premiums - should continue reporting gross and net premiums
  - With the introduction of IFRS 17, the premium measure is no longer available to insurers applying the new standard. Continued reporting of gross and net premiums for QRTs S.04 and S.05 would result in high costs. An option for groups applying IFRS 17 to change over to the new key figure "Insurance Revenue" in the QRTs would therefore be highly desirable
- Group reporting
 

Further reports at group level should only be collected where this is motivated by the complexity of the group and its constituent undertakings.

  - Simplify consolidation:
    - Relax full consolidation requirements for non-material participations to reduce unnecessary reporting burdens.
  - Targeted reporting:

- Limit group-level QRT submissions to scenarios where they are justified by the group's complexity and risk profile, ensuring proportionality in reporting.

## 6. Additional recommendations

To further reduce reporting burdens and improve efficiency, this section outlines additional recommendations addressing the need for alignment, improved communication, flexibility in reporting, and proportionality in data requirements. These measures aim to strike a balance between regulatory oversight and practical implementation for insurers.

- **Extend the EC's 25% reduction objective:**  
Apply the 25% reduction target to other quantitative reporting templates, particularly where national specificities have been introduced, to ensure a consistent approach to burden reduction.
- **Improved communication**
  - Provide clear justifications for the inclusion of each template to improve transparency
  - Regularly update logfiles to reflect changes in taxonomy and simplify implementation.
- **Flexibility in reporting**
  - Some data is not necessarily better collected using harmonised templates, therefore insurers should be allowed to use free-format reporting for certain templates, such as:
    - S.36.01 (Intragroup Transactions - Equity-type transactions, debt, and asset transfer).
    - S.37.01 (Risk concentration).
- **Learning from past changes**
  - Minimise structural changes by avoiding introducing new templates unless they significantly reduce reporting burdens

## Comments per template

### 1. Individual templates

#### S.01.02 – Basic Information - General

- **Issues:**
  - Reporting includes static data that rarely changes between reporting periods, adding unnecessary workload.
  - The requirement to indicate which templates are reported in a given quarter may not be necessary, as this should be self-evident based on submitted data.
  - Significant manual effort is required to update the template for entities within groups, despite minimal changes in underlying data.
- **Proposals:**
  - Limit updates to the template to instances where there are material changes (e.g., new entities, major changes in structure).
  - Change the requirement to specify which templates are reported each quarter to optional.
  - Allow exemptions for group entities where data remains consistent with previous submissions. In Template S.01.02, the SFCR links (R0255 and R0260) must only be provided in the annual report, not in quarterly reports.

#### S.02.01 – Balance Sheet

- **Issues:**
  - Stringent cross-checks with **S.06.02** (List of assets) have very low tolerance levels for discrepancies, requiring exact matches to the euro.
  - Time-consuming reconciliation between S.02.01 and technical provisions in other QRTs.
  - Validation between tables at different granularity levels (e.g., technical provisions vs. total provisions) is time-consuming.
  - Double reporting, reported already in Financial Stability reporting
  - For example: *time to complete the reporting for the biggest entity of the Group (with reconciliation SII -local GAAP): 4,5 days and Time to complete the reporting for the whole Group: 8.5 days*
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- **Proposals:**
  - Increase materiality thresholds for cross-checks to account for rounding differences.
  - Simplify reconciliation processes by allowing a degree of variance.
  - Reporting thresholds for immaterial participations in group balance sheets to reduce burden.
  - Should only be submitted annually.
  - Waiver of the audit requirement.

#### S.02.02 - Assets and liabilities by currency

- **Issues:**
  - Of limited use to companies
- **Proposals:**
  - Recommend removal

#### S.03.01 – Off-Balance Sheet Items - general

- **Issues:**
  - Provides limited value; the relevant part of information is already disclosed in financial statements.
  - Reporting often involves immaterial amounts that add no supervisory insight.

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- **Proposals:**
  - Remove this template entirely, as many times the reporting requirements lead to the reporting of very immaterial amounts.
  - Introduce optional thresholds to reduce unnecessary reporting.

#### **S.04.01–S.04.05 – Activity by Country**

- **Issues:**
  - High effort required for disaggregation of data by country. Specifically, the QRTs with a breakdown by line of business or country are very complex in parts and difficult to follow or verify due to their presentation, which includes a large number of individual spreadsheets.
  - Information regarding the risk location is often not available. Some simplifications are consequently used.
  - Templates do not provide relevant information for the insurer's solvency position. The reporting of this data does not provide additional information to the supervisory authorities as insurers are already required to produce financial statements based on local GAAP or IFRS.
  - Duplication of data reported in **S.05.01** and **S.05.02**.
  - It is not clear what the benefit is of this template for EIOPA and NSAs, since it does not provide significant additional information about the company's risk profile.
  - When company's cross border activity is insignificant (e.g. around 99% total gross written premiums in home country), this QRT requires to complete and then provide quality assurance for around 50 tabs.
  - S.04.04 and S.04.05 - There seem to be similar definitions of reported countries in both reports taking into consideration EIOPA's Q&A 1595, 3104 (in case of underwriting country => the reported country should be: the country in which the risk is situated (defined in article 13(13) of Directive) – in case of non-life insurance policy).
  - Classification by location of risk provides limited added value compared to TPs by country and SCR calculations.
- **Proposals:**
  - Introduce materiality thresholds for splitting data by country. In particular for S.04.04 a similar threshold as in QRT S.05.02 or in S.04.05 could be introduced.
  - S.04.04 and S.04.05 This template is not due when the home country represents 90% or more of the total gross written premiums
  - Remove rows or data points with low supervisory value (e.g., Row R0050).
  - This template can be removed.
  - Examining the possibility of merging with S.04 QRTs for the purpose of annual reporting.

#### **S.05.01 & S.05.02 – Premiums, Claims, and Expenses**

- **Issues:**
  - Significant overlap with **Financial Stability Reporting (FS)** and national supervisory reporting. Overlap with Financial Stability Reporting requirements, in particular for S.05.01.02
  - Information is requested in both local GAAP and IFRS. New IFRS 17 standards make it challenging to provide required values for those companies applying this new standard (e.g., premiums earned or granular expense data). The data is therefore not meaningful, as the remaining amount cannot be fully reconciled.
  - One of the major principles within Solvency II is the economic view and S.05 templates do not provide relevant information for the insurer's solvency position. The reporting of this data does not provide additional information to the supervisory authorities as insurers are already required to produce financial statements based on local GAAP or IFRS.
  - In addition, it includes data from different reporting regimes, especially for entities with statutory reporting under IFRS, i.e. it is combining in one form the premiums written and earned premiums in

accordance with IFRS 4/Delegated regulation and expenses in accordance with IFRS 17 and moreover, revenues and expenses for investment contracts, which are not recognized as insurance contracts according to IFRS.

- Data flows by accepted proportional reinsurance are complex and add little value.
- EIOPA guidelines states: *"This template shall be reported from a consolidated accounting perspective, i.e.: Local GAAP or IFRS if accepted as local GAAP but using Solvency II lines of business."*
- S.05.02 – moreover this QRT was removed from solo reporting but not from group reporting therefore undertakings are still obliged to prepare it for consolidation purposes which is an additional burden for undertakings.

- **Proposals:**

- Eliminate or foresee the option for compatibility with IFRS 17 reporting standards, as since IFRS17 came into force, information requested is no longer available for those companies applying the new reporting standards (e.g. premiums earned) or not available at such granularity (e.g. expenses).
- Insurers not applying IFRS 17 should still be allowed to base this QRT on their local reporting.
- Allow immaterial lines of business to be excluded from reporting/GAAP (proposal to insert an 'Other' column in the QRT to have a total consistent with the other reports).
- Keep only a presentation of earned **or** written premiums.
- Group: This information can be collected from the solo reporting and, therefore, this template should be deleted from the group requirement. Alternatively, a group version of S.04.05 can be introduced based on the same information already reported at solo level.
- Should only be submitted annually.

#### **S.06.02 – List of Assets**

- **Issues:**

- High level of detail required for each asset, making reporting burdensome, and time consuming especially for small and low-risk firms.
- Overlap with Financial Stability Reporting requirements, in particular for S.06.01.04

- **Proposals:**

- Reduce granularity by requiring only key data points: identifier, asset name, currency, and values and the external reference ID (ISIN or other relevant identifiers used). This can be especially the case for low risk, small to medium sized companies, and companies in run-off. The frequency of the reporting should be determined by the risk and size of the company and tailored.
- And exclude static data that rarely changes.
- Decrease reporting frequency to annual.
- Remove reporting in cases where supervisory needs are already covered by other reports.
- Issuer Name (C0200) & Issuer Group (C0240) should be optional if Issuer Code and Issuer Group Code are of the LEI type.
- Transferring the Unit Solvency II price (C0370) and Unit percentage of par amount Solvency II price (C0380) fields from form S.06.02.01.02 to form S.06.02.01.01. This seems to be a more practical approach, as the data used to calculate the indicated values are in form S.06.02.01.01.
  - Proposal to delete the columns (Removing post-depository presentations will significantly reduce the number of lines in the template):
    - C0080 Matching portfolio number
    - C0110 Country of custody
    - C0120 Custodian
    - C0121 Custodian code and Type of code
    - C0122 Type of code of custodian
    - C0240 Issuer Group (LEI code for the issuer reported in QRT S.06.02 is sufficient to identify the Group Issuer. All mentioned above positions are

- already available in LEI database, there is no need to copy that into financial statement).
- C0250 Issuer Group Code
  - C0260 Type of issuer group code
  - Proposal to delete the columns (Gathering this data requires using many different data sources what cause a lot of effort and increase the risk of mistake. Such many columns in this the template cause that it is very granular and it is not clear whether the reporting burden is commensurate to the supervisory benefit):
    - C0145 Long-term equity investment
    - C0293 Bail-in rules (Bail-in-rules (C0293) - the field does not provide any information improving knowledge level regarding financial and Solvency situation of the company. The verification of entities in this respect is a complicated process due to difficult data access)
    - C0294 Regional Governments and Local Authorities (RGLA)
    - C0295 Crypto-assets
    - C0296 Property type
    - C0297 Property location
    - C0300 Infrastructure investment
    - C0350 Internal Rating
    - C0360 Duration
  - Proposal to modify the column C0230 Issuer Sector: A change consisting in the presentation of the NACE code only at the level of letters denoting the section and not using full NACE code. For some entities, a more detailed classification is difficult to find because there is no one available source for NACE cods worldwide (such agencies like Bloomberg in many cases are not provided full NACE code) and manual searching of them is great effort. "
  - **Templates S.06.02, S.08.01**
    - Modification of guidelines for the columns:
      - C0200 Issuer Name,
      - C0240 Issuer Group,
      - C0260 Counterparty Name,
      - C0330 Counterparty Group
    - Allowing the use of issuer names that are used in the entity's systems (not from the GLEIF database). The issuer should be identified by its LEI code and using issuer name according to GLEIF is unnecessary which is also due to the fact that issuer names are often changed in the GLEIF database (sometimes it is only slightly change as for example adding a comma or a capital letter).
    - Proposal of forms modification: Presenting both parts of these forms in one table will significantly facilitate verification and readability of the data.

### **S.06.03 – Collective investment undertakings - look-through approach**

- **Issues:**
  - Significant burden to obtain look-through data, particularly for unit-linked funds where risks are borne by policyholders.
  - High cost of compliance for small and medium-sized entities.
  - The value of this template is questioned, and it appears EIOPA should be able to gather this information based on the ISIN codes provided in S.06.02.
  - Ready-made data in form format is not generally available on fund websites or information services. Preparing the form requires collecting and meticulously processing a very large amount of data on the composition of individual funds' portfolios.
- **Proposals:**
  - Public funds in unit-linked life insurance should be excluded from reporting
  - Allow centralised reporting by fund managers instead of individual insurers.
    - The responsibility for delivering the FLT (S.06.03) should be assigned to fund managers instead of individual insurers, preferably using the TPT format commonly employed by investment companies, with exceptions allowed if necessary. Individual insurers should continue reporting their investments in specific funds through QRT S.06.02. A

centralised system would enable insurers to download figures, including additional information not currently provided in QRTs, streamlining the process by centralising FLT delivery and assigning execution to fund managers instead of insurers. If EIOPA insists on maintaining the prudent principle, insurers could use a newly developed central tool to upload the current S.06.03 template into the XBRL system, balancing regulatory compliance with operational efficiency.

- Reduce frequency to annual reporting: This would lead to a significant reduction in workload and costs, and in our view, it would have only a minor impact on the regulatory benefits.
- Introduce thresholds to exempt small exposures from reporting - For low risk, small to medium sized companies, and companies in run-off, this requirement should be removed. There is a significant financial cost burden to companies obtaining asset look-through data that is not commensurate with their size, risk, and status.
- Allow data groupings
- Simplify the current description of the QRT regarding the procedure for selecting funds that are to be covered by look-through.

#### **S.06.04 – Sustainable investments and Climate Change-Related Risks to Investments**

- **Issues:**

- Sustainability matters, including climate-related risks, are already comprehensively addressed through other regulatory frameworks, such as CSRD and Taxonomy Regulation, which require reporting on significant qualitative and quantitative KPIs.
- The template duplicates information requested in these other frameworks, leading to redundant efforts.
- Reporting requirements in this template are burdensome, with limited added value for supervisory purposes, since the new reporting requirement for S.06.04 does not represent a meaningful breakdown. In principle, every asset is subject to transition risks, and the benefit of this artificial division remains unclear.

- **Proposals:**

- Delete S.06.04 entirely, as its objectives are adequately covered by other sustainability-related regulations.
- Alternatively, reduce the scope of undertakings required to report this template, i.e., by making it applicable only to undertakings whose risks are in excess of a sufficiently high optional threshold to avoid unnecessary annual reporting.

#### **S.08.01 – Open Derivatives**

- **Issues:**

- Poor alignment with asset management systems; data granularity often exceeds supervisory needs.
  - For example, in the case of an FX forward, which involves the exchange of two currencies, both notional amounts and both currencies should be requested to provide complete and relevant information to the regulator. Currently, the approach generates unnecessary TV1002 error messages. Additionally, the trigger value is requested, which varies depending on the type of instrument, creating inconsistencies. Instead of such fragmented requests, the template should simply ask for the necessary information, using multiple columns tailored to each instrument type to ensure clarity and relevance.
- Gathering this data requires using many different data sources what cause a lot of effort and increase the risk of mistake. Such many columns in this the template cause that it is very granular, and it is not clear whether the reporting burden is commensurate to the supervisory benefit.

- **Proposals:**

- Move reporting frequency to annual, since the reported information already exists in QRT S.06.01.

- Simplify reporting by limiting data to critical fields (e.g., notional amounts and currencies).
- Counterparty Name (C0260) & Counterparty Group (C0330) should be optional if Counterparty Code and Counterparty Group Code are of the LEI type.
- See also detailed proposals for S.06.03
- Proposal to delete the columns:
  - C0041 Unique Transactions Identifier
  - C0120 Delta
  - C0320 Internal rating
  - C0371 Currency of price
  - C0440 Swap delivered
  - C0450 Swap received
  - C0390 Trigger value
  - C0400 Unwind trigger of contract

#### **S.09.01 – Income/Gains and Losses in the period**

- **Issues:**

- Excessive workload due to high granularity of requested information, since it requires cash flows over a period and not just a single point in time. This means more data sources and more complicated data combinations.
- Most of the information required is already available in the IFRS Financial Statements.
- This form requires a lot of work and does not provide relevant information for the insurer's solvency position. The data from this template is not necessary for capital requirement calculating. Solvency II is a prudential regime, and it does not have a "profit or loss account.
- Significant overlap with other templates (e.g., **S.29.02**).

- **Proposals:**

- Delete this template (both solo and group) entirely or integrate with **S.29** templates or in S.05, where a less granular approach is taken.
- Simplify data requirements to focus only on items not covered by IFRS financial statements.
- Reduce level of granularity in this template/introduce a threshold.

#### **S.10.01 – Securities lending and repos**

- **Issues:**

- Completing the template is particularly heavy and time-consuming, *requiring 6 days for the largest entity in the group and 6 days for the entire group.*
- Numerous difficulties reconciling the information with other reporting: The template requires significant manual adjustments, *with 445 lines manually processed for the largest entity*, leading to inefficiencies.
- The template requires reporting both outstanding transactions and those that matured during the year, which adds unnecessary duplication.
- Reporting "near leg amount" and collateral values at inception adds excessive burden without providing significant supervisory insights.
- Daily tracking of received collateral values at inception is not aligned with operational needs or supervisory relevance.
- Securities lending contracts, which can be terminated daily, render the reporting of future market values immaterial.
- The current 5% threshold for reporting is too low for practical use in some areas, such as asset lending.
- The template requires data reconciliation with other QRTs, which is complex and prone to errors.

- The data from this template is not necessary for capital requirement calculating. The template is very granular, and it is not clear whether the reporting burden is commensurate to the supervisory benefit.
- **Proposals:**
  - Increase the materiality threshold of 5%, to reduce unnecessary reporting for minor exposures.
  - Asset lending could be excluded.
  - Eliminate the requirement to report matured transactions during the year, focusing solely on outstanding transactions.
  - Integrate relevant information into S.06.02 and S.11.01, allowing the S.10.01 template to be eliminated as a separate report.
    - In several Q&A responses, the Solvency II value is described as the value of the contract rather than the market value of the outstanding securities. However, since securities lending contracts can be terminated daily, the future market value becomes immaterial. A more logical approach would be to request the outstanding value instead. Alternatively, the S.06.02 template could be updated by adding an option for "securities lending" in the column for assets pledged as collateral (in addition to "securities borrowing"). Correspondingly, the S.11.01 template could be used to report the received collateral for securities lending, allowing for the complete removal of S.10.01 as a separate template.
  - Limit reporting to critical data points, such as outstanding values, and avoid immaterial requirements like future market values for securities lending.
  - Streamline data fields to minimise manual effort and align reporting requirements with automated processes.
  - Change the collateral reporting requirement to reflect values as of the reporting date instead of at inception. While the value of the amount of the received collateral is known at inception this information is not required for any other reporting and there is no need to store this information on a daily basis.

#### **S.11.01 – Asset held as collateral**

- **Issues:**
  - Completing the template takes 3 days for the entire group, adding significant administrative burden.
  - Reporting detailed information on asset pledging for each subsidiary is particularly time-consuming.
  - The template's focus on geographic exposure includes immaterial data, leading to disproportionate reporting requirements for entities with minimal cross-border activities.
  - The data from this template is not necessary for capital requirement calculating. The template is very granular, and it is not clear whether the reporting burden is commensurate to the supervisory benefit.
- **Proposals:**
  - Simplify the reporting requirements by introducing higher materiality thresholds, ensuring that only material cross-border activities are reported.
  - Allow reporting at an aggregated group level instead of requiring detailed subsidiary-level information.
  - Reduce the reporting frequency to annual instead of quarterly for non-material activities or exposures.
  - Focus the reporting on jurisdictions with significant geographic exposure, excluding minor or negligible activities.

#### **S.12.01 – Life and Health SLT Technical Provisions**

- **Issues:**
  - The value for Expected Profit in Future Premiums (EPIFP) is currently reported at the granularity of individual Lines of Business. However, this level of detail is not particularly meaningful, as the EPIFP is either calculated at an aggregate level and then allocated to each Line of Business based on certain drivers, or it is calculated at the Line of Business level, which fails to account for interactions between sub-portfolios within the valuation model.
- **Proposals:**
  - Streamline reporting to aggregate EPIFP at a total portfolio level only.
  - Should only be submitted annually.
  - Allow immaterial lines of business not to be reported.

#### **S.13.01 – Projection of future gross Cash Flows**

- **Issues:**
  - The undiscounted cashflows are usually not used for analysis purposes and could be deleted.
  - Giving this information for each projection year is particularly heavy.
  - Requires significant manual effort to convert reserves into cash flows by line of business.
- **Proposals:**
  - Simplify reporting requirements or reduce frequency. It would seem more appropriate for the supervisor to request these items on an as-needed basis, rather than on a regular basis.
  - Suppress the undiscounted cashflows.
  - Allow immaterial lines of business to be excluded.
  - Remove the template

#### **S.14.01 & S.14.02 – Life Obligation Analysis & Non-life business - policy and customer information**

- **Issues:**
  - The effort to produce this QRT is immense because the required data is not readily available and has to be created artificially for this QRT as the individual products differ substantially, the QRTs would not allow conclusions regarding the risks for the undertaking or the usefulness for policyholders. It is unclear what risks specifically are being addressed with these templates.
  - Excessive granularity, including duplication with **S.05.01**. Granularity is not required for any other reporting templates in this manner.
  - Fields like fiscal treatment, distribution channels, and number of insured provide little value.
  - S.14.01:
    - This QRT aims to identify income-generating products; however, for this type of annuity, there are no specific products dedicated solely to annuities. These are non-life contracts already detailed in other QRTs that generate these annuities. Consequently, the logic of this QRT appears to be ill-suited to rents derived from non-life contracts.
    - There are several instances where double reporting occurs, e.g., information submitted in QRT S.14.01 and S.05.01. In many respects, the same type of data is also collected at national level, by the national supervisory authority's own reporting, e.g., information regarding Premiums, Claims payments and statistics regarding insurance capital transfers and surrenders.
  - The new S.14.02 has many of the same problems as S.14.01
  - In parallel, clearer and more detailed instruction to complete them would be appreciated.
- **Proposals:**
  - Remove:
    - **S.14.01:**

- **Remove fields from S.14.01.01.01 Fiscal** treatment, number of contracts surrendered, number of insured at the end of the year.
  - **Remove fields from S.14.01.01.02 Type** of product, remaining contractual maturity.
  - **Remove fields from S.14.01.01.05 Total** amount of claims paid during the year, exit conditions at reporting date, amount on which interest rate is guaranteed. Since, unlike the asset side, the insurance company cannot actively influence this: It is not efficient to excessively measure factors that are beyond a company's control.
  - Remove columns C0061-C0063 (life obligation analysis). The break down doesn't add any value from solvency point of view. Difficult to produce because the data is not readily available
  - Remove column C0070 (Total amount of claims paid during year). There is some duplication of information with QRT s.05.01 on item "Claims Incurred: R1610 - R1700"
  - Remove columns C0075, C0077, C0180 and C0200 (Expected future premiums, expected future commissions, Best Estimate and Technical Provisions as a whole, Surrender value). Created additional effort, reports are not needed.
  - Delete the S.14.01.01 (Annuity Detail) at a minimum for annuities arising from non-life insurance contracts of the state.
  - Alternatively, it could be considered to reducing the granularity of reporting to the LoB level.
- **S.14.02:**
    - **Remove fields** - Distribution channels, list of countries. Remove columns C0070-C0090. Separating premiums based on distribution channel doesn't add any value from solvency point of view:
      - C0070 Total amount of Gross Written premiums - written directly by the insurance undertaking
      - C0080 Total amount of Gross Written premiums - written via credit institutions
      - C0090 Total amount of Gross Written premiums - written via insurance distributors other than credit institutions
    - Remove the columns:
      - C0100 Total amount of commissions paid during year
      - C0100s Total amount of claims paid during the year
    - The aforementioned selected columns, which require division of data into different types of distributors of insurance policies, do not provide additional information for insurer's solvency position. "
    - Remove column C0120. List of countries doesn't add any value from solvency point of view.
    - Remove columns C0130-C0140. Information on number of insured doesn't add any value from solvency point of view.

### **S.14.03 – Cyber risk**

- **Issues:**
  - The share of cyber insurance in the overall business portfolio of undertakings is generally small.

- The reporting burden for this template is disproportionate given the limited exposure and relevance of cyber insurance to most insurers' portfolios.
- Data collection for this template requires considerable effort, which is not justified by the supervisory value of the information provided.
- The Template does not provide relevant information for the insurer's solvency position. The reporting of this data does not provide additional information to the supervisory authorities as insurers are already required to produce financial statements based on local GAAP or IFRS. "
- **Proposals:**
  - Eliminate the reporting requirement for S.14.03 due to its low materiality for most insurers.
  - Alternatively, restrict this reporting template to undertakings with a material share of cyber insurance in their business portfolio, using predefined thresholds.
  - Allow aggregated reporting of cyber insurance data to reduce unnecessary granularity.

#### **S.14.04–S.14.05 – Liquidity Risks for life and non-life business**

- **Issues:**
  - Reporting requirements for liquidity risks are questioned since no SCRs are calculated for these risks.
  - The supervisory value of these templates is unclear, particularly when considering the effort involved in preparing them.
  - Some stakeholders suggest that the templates are not well-suited for monitoring liquidity risks effectively.
  - Data requirements overlap with information provided in other templates or reports, leading to duplication.
  - Templates include qualitative elements that are already covered in other reports such as the ORSA.
- **Proposals:**
  - Move these templates from quarterly to annual submission to reduce the reporting burden.
  - Introduce materiality thresholds to exempt undertakings with low liquidity risks.
  - Review the utility of these templates with supervisory authorities to determine if they are effectively used for assessing liquidity risks.
  - Simplify the granularity of data required, focusing on high-level metrics that provide actionable insights.
  - Investigate whether liquidity risk monitoring can be integrated into existing templates or qualitative reports rather than maintaining separate QRTs.
  - It is proposed discontinuing the completion of QRTs S.14.04 and S.14.05 for reinsurance receivables, as this data is already presented annually in QRT S.31. Reporting in this way leads to duplication and is unnecessarily time-consuming. Additionally, portions of the data are already included in the annual QRTs S.14.01 and S.14.02. Simplifying the process by removing these duplicative requirements will enhance efficiency without compromising data quality.
  - It maintained, clearer and more detailed instruction to complete these templates would be appreciated

#### **S.17.03 – Non-Life Technical Provisions**

- **Issues:**
  - The template requires detailed reporting of technical provisions, including immaterial lines of business, leading to a disproportionate burden for entities with minimal exposure.
  - The granularity of the data, such as the number of homogeneous risk groups (rows R0350-R0360), adds limited value to supervisory analysis but significantly increases reporting effort.
  - There is duplication of information between S.17.01 and other templates, such as S.02.01, complicating reconciliation and increasing workload or the S.19.

- Data presentation inconsistencies, such as differences in granularity across related templates, can lead to errors and delays.
- S.17.01 - The template is currently required for both annual and quarterly submissions, which is excessive and increases the reporting burden without adding significant value.
- Currently, Template S.17.03.01 is not required when the home country represents 100% of the sum of technical provisions calculated as a whole and the gross best estimate (BE). However, for cases where the home country accounts for 99% of the technical provisions and less than 1% pertains to other countries, reporting Gross TP and BE by country is unnecessarily burdensome given the limited informational value.
- **Proposals:**
  - Allow entities to exclude immaterial lines of business from reporting, at least for quarterly submissions.
  - To reduce the labor-intensive nature of dividing technical provisions by country, which requires significant effort, it is recommended lowering the threshold to **90%-95%**. This adjustment would still ensure that meaningful data is reported while alleviating the excessive workload associated with the process. Reporting in cases where the home country represents 90%-95% of the sum of technical provisions calculated as a whole and Gross BE will streamline reporting without compromising the materiality of the information provided.
  - Remove rows R0350-R0360, as the number of homogeneous risk groups does not significantly contribute to solvency risk assessment.
  - Simplify the template by consolidating overlapping data with related templates, such as S.02.01, to avoid duplication.
  - Introduce materiality thresholds to exempt minor exposures and focus on data relevant to the overall risk profile.
  - Limit reporting frequency to annual submissions only, eliminating the requirement for quarterly reporting.
  - If maintained, clearer and more detailed instruction to complete them would be appreciated

#### **Template S.18.01 – Projection of future cash flows (Best Estimate - Non Life)**

- **Issues:**
  - Reporting requirements do not differentiate between material and immaterial lines of business, leading to unnecessary reporting efforts for non-material data.
  - The forecasts in S.18.01 for future claims developments are very intensive to prepare. However, since they are only forecasts, there appears to be little or no value in collecting these inherently uncertain data.
- **Proposals:**
  - Allow immaterial lines of business to be excluded from reporting or aggregated into higher-level categories to simplify the process.
  - Request these items on an as-needed basis, rather than on a regular basis.
  - Remove open string from C1000/R1000. Material NL LOBs are described and available in SFCR. This is not a quantitative information.

#### **S.19.01 – Non-Life Insurance Claims**

- **Issues:**
  - This QRT provides little value to the public as it is merely a summary of all Lines of Business (LoBs).
  - Overly detailed triangles (e.g., gross, ceded, net claims).
  - Confusion arises due to mixed presentation of discounted and cumulative data.

- **Proposals:**

- Given the already very low number of views for the SFCR, this QRT could potentially be eliminated altogether.
- Simplify template by reducing (triangle) granularity.
- Allow exclusion of immaterial lines of business.
- Remove columns C0400-C0560, C1000-C1160, C1600-C1760 (triangles). Hard to separate IBNR and RBNS in collective claims reserves.
- Also consider whether S.20 - S.21.03 do not largely cover the same/similar information needs as S.19 (in which case the templates should be removed from the regular reporting)
- Remove open string from C2200/R0760 approaches to inflation rate are available in SFCR. This is not a quantitative datapoint.
- In parallel, clearer and more detailed instruction to complete them would be appreciated

#### **Template S.20.01 - Development of the distribution of the claims incurred**

- **Issues:**

- The template is particularly burdensome to produce and provides limited supervisory value.
- The required data on the state of claims (e.g., closed, reopened) is often unreliable and difficult to report accurately.
- The level of granularity requested is disproportionate to the utility of the information provided.

- **Proposals:**

- Should be removed since it provides no value and is very heavy to generate. In line with the request in the general messages, EIOPA should at least prove if they have any use of this information and what outcomes have been produced on its basis.
- Allow immaterial lines of business not to be reported.
- QRT S.19 should be sufficient for the required insight
- If maintained, clearer and more detailed instruction to complete them would be appreciated

#### **Template S.21.01 – Loss distribution risk profile**

- **Issues:**

- Reporting requirements include immaterial lines of business, leading to unnecessary reporting efforts for data that does not significantly impact solvency risk.
- It requires a lot of effort to produce this QRT whilst its form and content is not used internally by the company.
- 

- **Proposals:**

- Allow immaterial lines of business to be excluded from reporting, focusing only on material exposures.
- QRT S.19 should be sufficient for the required insight
- In addition, clearer and more detailed instruction to complete them would be appreciated

#### **S.21.02 – Underwriting risks non-life**

- **Issues:**

- The template requires reporting a large number of risks, including minor risks, which are often insignificant and disproportionately burdensome to report.
  - The additional reporting of the two biggest single underwriting risks per line of business adds minimal value but increases complexity.
  - The level of detail required in this template is excessive and does not align with the principle of proportionality.
  - Collecting and reconciling this data across multiple lines of business is time-consuming and challenging.
- **Proposals:**
    - Remove the template
    - Limit the reporting scope to the 20 largest underwriting risks based on net retention, excluding smaller or insignificant risks.
    - Remove the requirement to report the two biggest underwriting risks for every line of business if they are not part of the largest 20 overall.
    - Limit this template to truly big risks or sums assured (e.g. 100 million €, or 10% of own funds).
    - Introduce higher materiality thresholds to reduce the reporting burden for minor underwriting risks.
    - Simplify the template by consolidating similar reporting requirements into a single, aggregated view.
    - Align the level of detail with proportionality principles, focusing only on material risks that significantly impact the risk profile.
    - QRT S30 should be sufficient for the required insight
    - In parallel, clearer and more detailed instruction to complete them would be appreciated

#### **Template S.21.03 – Non-Life distribution of underwriting risks - by sum insured**

- **Issues:**
  - Reporting requirements mandate inclusion of immaterial lines of business, leading to unnecessary reporting efforts for data that does not significantly impact solvency risk.
  - High labor intensity, involvement of a large number of organizational units, including business units.
  - The analysis has no impact on business decisions.
  - The granularity of data by region is burdensome, particularly for smaller entities or those with limited regional exposure.
  - It takes much effort to produce this QRT whilst its form and content is not used internally by the company.
  - The ranges of this QRT are determined by the entity, so its interest appears limited.
- **Proposals:**
  - Allow immaterial lines of business to be excluded from reporting, focusing on material regional exposures.
  - Simplify the template by reducing the granularity of regional data to key areas of risk.
  - In parallel, clearer and more detailed instruction to complete them would be appreciated

#### **S.22.06 – Best estimate subject to volatility adjustment by country and currency**

- **Issues:**
  - The reporting requirement applies regardless of materiality, leading to disproportionate effort for firms where currency mismatches are insignificant.
  - In cases where 100% of the Best Estimate pertains to a single country and a single currency, this template provides little additional supervisory value.

- **Proposals:**

- This template could be deleted
- Introduce an exemption for reporting S.22.06 where 100% of the Best Estimate liabilities are denominated in a single currency.
- Apply materiality thresholds to exclude undertakings with minimal currency exposure from reporting this template.
- Streamline the template by focusing on material currencies only, avoiding reporting for minor or insignificant currencies.

### Template S.23 – Own Funds

- **Issues:**

- Reporting requirements are overly detailed, leading to significant administrative burdens.
- Redundancies exist between S.23 templates and other QRTs (e.g., annual movements and tiering information).
- Certain templates, such as S.23.03.01.03 and S.23.03.01.06, duplicate data that can already be collected from previous reporting periods.
- Templates are required to be updated even when no material changes have occurred, resulting in unnecessary work.

- **Proposals:**

- Delete templates S.23.02 – S.23.04, for example, template S.23.03.01.03 and S.23.03.01.06 can be collected from reporting from previous periods.
- Alternatively, retain these templates but require updates only if there are material changes compared to the previous reporting period.
- Streamline the template by consolidating sections that overlap with other QRTs, or potential to group these templates.
- Introduce materiality thresholds to focus on significant changes or items that impact solvency.
- Simplify the reporting of tiering and annual movements by aligning these requirements with other existing templates.

### Template S.24 – Participations held

- **Issues:**

- The S.24.01 template provides minimal added value.
- The template provides limited supervisory value and duplicates information available in other QRTs, e.g. S.06.02.

- **Proposals:**

- S.24.01: remove template. The information on the classification of participations could instead be requested within the S.06.02 template under column C0310 (Holdings in related undertakings, including participations)
- Solo templates: Delete the template entirely.

### S.25.05 – Solvency Capital Requirement - for undertakings using an internal model (partial or full)

- **Issues:**

- **Lack of consistency between SCR figures in this template, the annual report, and ORSA.** - The updated QRT **S.25.05.22** "Solvency II Capital Requirement" used in the group SFCR produces insufficiently diversified risk capital figures at the individual risk category level for groups with both internal and standard model entities. This does not align with the SCR values presented in the annual report and the ORSA.

- **Proposals:**

- S.25.05.22:
  - Update template S.25.05.22 to ensure that the SCR reporting in the group SFCR is consistent with its use in the annual report and the ORSA, and allows for further consistent granularity (in both the RSR and the ORSA).
  - Remove the templates S25.05.22/.21 and request the information on USP and simplifications towards the S.25.05.04/.01, given that most of the information reported in the S.25.05.22/.21 is already part of the S. 25.05.04.01
- Remove duplicated fields already covered in **S.25.04.01**.

### **Template S.27 – SCR - Non-life and Health Catastrophe Risk**

#### **Issues:**

- The template is excessively detailed, requiring granular information that is not always relevant for all undertakings.
  - Reporting is mandatory even when catastrophe risks are immaterial, leading to unnecessary workload.
  - The current design lacks proportionality, imposing the same requirements on entities with minimal exposure to catastrophe risks.
  - Information could be requested ad hoc when needed, rather than as part of routine submissions.
  - Except for the first table, the other ones are not very relevant.
- **Proposals:**
    - Reduce the level of detail required, focusing on aggregated data rather than granular inputs.
    - Limit mandatory reporting to entities with significant catastrophe risk exposure, introducing materiality thresholds to exclude immaterial risks.
    - Require submission of this template only when specific supervisory concerns or significant changes to catastrophe risk profiles arise.
    - In parallel, clearer and more detailed instruction to complete them would be appreciated

### **S.28 – MCR**

#### **Proposals:**

- It seems that this one is redundant with the S.23.

### **S.29.01–S.29.04 – Variation Analysis**

#### **Issues:**

- Cost of form preparation significantly exceeds benefits of information provided.
- Extremely burdensome to produce due to additional calculations required solely for these templates. For some undertakings it can take half of the total time of making the reports.
- The QRT S.29.02 is reported annually and represents a kind of economic profit and loss statement based on CIC categories. In our view, the informational value of these QRTs is relatively limited, as similar information can be derived from the annual financial statements.
- S.29.04: actual figures for premiums, expenses, and claims are requested, split between in-force business and new business. While this breakdown is available for premiums, it is either extremely burdensome or sometimes not feasible for expenses and claims. In such cases, the split between in-force and new business is done using approximations based on the projection software.

#### **Proposals:**

- Delete these templates, in particular S.29.01-S.29.03 – as the data provided do not have the desired informative value.
- Abolition of the annual QRT S.29.04 for life insurance.
- S.29.02: This information can be collected from S.09.01 and therefore this template should be deleted.
- Alternatively, significantly simplify data requirements.
- S.29.04: replace the split of premiums, expenses, and claims in QRT between in-force and new business with the corresponding total values for the entire portfolio, without a split.

### **S.30 – Facultative covers for non-life and life business basic data**

- **Issues:**

- Excessive detail required for each reinsurance contract.
- High labor intensity, involvement of a large number of organizational units, a lot of manual work required, with a low added value for the company.
- 

- **Proposals:**

- Propose a modification of the threshold for this group of templates, proposing a global threshold at company level (not separated by life and non-life activity).
- Limit these templates to truly big risks or ceded sums (e.g. 100 million €, or 10% of own funds).
- Merge similar templates (**S.30.01–S.30.04**) to avoid duplication.
- Templates may be simplified, as they require too much detail of every single contract, with new fields implemented from last year. It would be needed a fixed structure to be able to automate the process.
- S.30.01.01.02 - Facultative covers life (overall 20 largest facultative reinsurance exposures plus the largest two in each line of business if not covered by the largest 20) should be replaced with the previous version of the template (i.e. S.30.01.01.02 - Facultative covers life (10 most important risks in terms of reinsured exposure)). Analogously in other templates of this type.
- What needs to be verified is the validity of obtaining and presenting information about the rating address/credit quality step of a given agency. It would be enough to provide the name of the agency, e.g. S&P, from which the rating/ credit quality step was downloaded. Information about the address of the rating agency should be obtained from the company applying for a given rating, because it is the owner of the data and its reliable supplier. We recommend presenting only the LEI Code number.
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### **Template S.31 – Share of reinsurers (including Finite Reinsurance and SPV's)**

- **Issues:**

- The current reporting requirements do not include thresholds, leading to excessive reporting burdens for small or low-impact reinsurance exposures.
- The QRT is complex and time-consuming, and the requested information is rarely used for internal purposes.
- The information required is also very granular and could be simplified.

- **Proposals:**

- Introduce sufficiently high optional thresholds, similar to those in S.30, to reduce the reporting burden and focus on material reinsurance exposures.
- Alternatively, the template could be simplified by reducing the level of detail:

**Templates S.32.01 Undertakings in the Scope of the Group, S.33.01 Insurance and Reinsurance individual requirements and S.34.01 Other regulated and non-regulated financial undertakings including insurance holding companies and mixed financial holding company individual requirements**

- **Proposals:**

- Delete these templates, as the corresponding information is already retrieved at group level via S.32.
- Alternatively, explore the option of consolidating **S.32.01**, **S.33.01**, and **S.34.01** into a single template to streamline reporting and avoid duplication.
- S.32.01 Remove “%” from the header label for C0180, C0190, C0200 to be consistent with the “Metric:Pure” and C0230. End users assume that it is to be provided in percentage points rather than pure values.

### **S.36 – Intragroup Transactions**

- **Issues:**

- The QRT requires an excessive workload non proportional to the intended risk to be mitigated. The oversight of the consolidated view after the elimination of internal transactions combined with the SII requirements around availability and fungibility of capital are sufficient to monitor the risks that insurance players are representing for the market.
- Overlapping information is reported across multiple templates (e.g., **S.36.01** and **S.36.05**), leading to duplication of effort.
- Unclear instructions for these templates increase the workload for preparers.
- Current reporting requirements include all transactions during the reporting period, even those that have matured or expired, adding unnecessary complexity and effort.
- The absence of clear materiality thresholds results in reporting of insignificant intragroup transactions, further increasing the burden.
- Reporting is required per transaction rather than on an aggregated basis, leading to excessive complexity and granularity.
- Changes introduced in taxonomy 2.8.0, such as new columns for indirect transactions and single economic operations, have added to the complexity of reporting without proportional benefits.
- Specific requirements, such as reporting the initial value of an intragroup position rather than focusing on movements during the year, are unnecessarily burdensome and do not add supervisory value.

- **Proposals:**

- Reduction or in some cases deletion of QRTs:S.36.01 (group); S.36.02 (group); S.36.05 (group); S.36.06 (group); S.36.07 (group).
- Or at least limit reporting to transactions that are outstanding at the reporting date.
- Alternatively, simplify oversight by relying on the consolidated view after eliminating internal transactions, which is sufficient when combined with Solvency II requirements for capital availability and fungibility.
- Group supervisor sets threshold for a significant and therefore reportable intra group transaction. A strict quantitative limit should be imposed rather than a combination of a threshold and requiring a certain number of IGTs to be reported in any case, even when all of them fall below the limit.
- Allow the group supervisor to set thresholds based on proportionality and materiality to determine significant transactions.
- Consolidate templates into fewer reports, focusing on outstanding transactions at the reporting date to reduce duplication and workload.
- Allow information to be delivered at an aggregated level, focusing on key balance sheet items such as the beginning and end-of-period balances, investments, divestments, and revaluations, rather than transaction-level reporting.

- Permit positions that can change from asset to liability to always be reported as an asset, even when the position is negative, to account for potential shifts during the year.
- Remove columns introduced in taxonomy 2.8.0 for indirect transactions and single economic operations to reduce unnecessary complexity.
- Enrich S.36.02 with the ability to report multiple notionals in a single line to simplify reporting, and require consistent reporting of currency received/delivered across all multi-currency instruments, not just currency swaps.
- Remove **S.36.05**, as it essentially replicates P&L information already included in other **S.36** templates.

### S.37 – Risk Concentration

- **Issues:**

- The template requires the collection of a very large amount of data, which means long processing times. The introduction of taxonomy 2.8.0 saw the appearance of templates S.37.02.04 and S.37.03.04, as well as the addition of new columns in template S.37.01.04 requesting more details on exposures by instrument type. These elements did not exist before, and therefore increase the reporting burden.
- Significant duplication of data already available in other templates (e.g **S.02.02**, **S.06.02**, **S.31.01**, **S.21.02**, and **S.21.03**) increases inefficiencies.
- High level of granularity required for exposures by currency, sector, and asset class in **S.37.01**, **S.37.02**, and **S.37.03** is burdensome and not proportional to its supervisory value.
- In particular for S.37.02 and S.37.03 information is refactored content of other QRTs and provides limited added value. We believe that it could be removed without impacting NSA information basis
- Inclusion of insurance policy exposures, particularly unit-linked products, is questionable, as the associated risks are typically borne by policyholders, not the undertaking.
- Some requested data, such as risk concentration information for insurance policies, is not commonly collected, requiring significant effort to prepare new data.
- The “total balance sheet approach” in **S.37.02** requires analysis of all exposures, including immaterial ones, which is excessively granular and adds to the reporting burden.
- Redundant reporting of insurance risk exposures, already addressed in templates like **S.21.02.01** and **S.21.03.01**, adds unnecessary complexity.
- Current instructions for completing these templates are unclear, further complicating the reporting process.

- **Proposals:**

- **S.37.02 – S.37.03** - Due to the duplication of reporting, it would be desirable to eliminate these QRTs.
- Limit the scope of S.37.01, S.37.02, and S.37.03 to financial assets and liabilities, excluding reinsurance and insurance policy exposures.
- A return to the previous version of this template or another type of simplification could be a possibility.
- Remove unit-linked insurance assets and exposures from these templates unless clearly justified.
- Introduce clear materiality thresholds for reporting, focusing only on significant exposures to reduce the reporting burden.
- Use data already collected in other templates (e.g., S.02.02, S.06.02, S.08.01, S.21.02, S.21.03) for analysis in S.37.02 and S.37.03, rather than duplicating reporting requirements.

- Simplify the granularity of S.37.02 by removing the requirement for a “total balance sheet approach” and focusing on material exposures.
- Reduce the mandatory reporting scope of S.37.03, basing analysis on existing group-level data instead of requiring separate reporting.
- Improve instructions and guidance for completing S.37 templates to reduce misinterpretation and associated workload.
- Proposal to modification of guidelines for the column C0050 Sector
  - Regarding EIOPA Q&A 3095 and plans for introducing full four-digit reporting of the NACE codes in the form S.37.02 recommend not to introduce this change as it will cause additional burden for insurers. For a big capital groups with a lot number of investment funds it is great effort to find for all issuers full NACE code as for a large number of cases full NACE codes are not provided by such agencies like Bloomberg. More detailed classification is difficult to find and manual searching them for a lot number of financial instruments is great effort.

### **S.38 – Duration of technical provisions**

- **Issues:**

- The reporting requirements for S.38 are burdensome and time-consuming, particularly due to the granularity of the information requested.
- The template duplicates information already available in other templates and regulatory frameworks, such as those addressing financial stability and liquidity risks.
- Reporting liquidity risks at the current level of detail does not align with the proportionality principle for undertakings with minimal liquidity risk exposure.
- The calculation of effective duration in sub-template **S.38.01.11.02** requires additional launches of the flow projection model, which significantly slows down the reporting process and increases the burden.

- **Proposals:**

- Move the reporting frequency from quarterly to annual, reducing the burden while maintaining the availability of critical data.
- Introduce materiality thresholds to ensure only entities with significant liquidity risk exposure are required to report.
- Simplify the template by reducing the granularity of the information required, focusing on high-level liquidity indicators.
- Delete sub-template **S.38.01.11.02** relating to the calculation of effective duration, as it requires additional and unnecessary computational effort.
- Eliminate the template entirely if supervisors find limited value in analysing liquidity positions through S.38.
- Consolidate liquidity risk reporting with other templates or frameworks to avoid duplication and streamline data collection.

### **S.41.01 – Lapses**

- **Issues:**

- High reporting frequency and level of detail.

- **Proposals:**

- Move to annual submission.
- Reduce granularity to key data points.

### **E.04 – Investment revenues and expenses (part of TP and excess of assets over liabilities)**

- **Issues:**

- **E.04.01.16**, included as part of the annual reporting package, duplicates information already provided in **S.09.01.01**, leading to redundancy and unnecessary workload.
- **Proposals:**
  - Integrate the analysis into **S.29**, reducing the number of separate templates while maintaining critical insights.
  - Limit the scope of **E.04.01** to life insurance, as the value of this information is negligible for non-life insurance business.
  - Exclude **E.04.01.16** from the reporting requirements to avoid duplication with **S.09.01.01**.

**Template SE.06.02.16.02 List of assets. Information on assets**

- **Proposals:**
  - Unit Solvency II price C0370 in this template is unnecessary as this field is derived from part 01.
  - Unit percentage of par amount Solvency II price C0380 in this template is unnecessary as this field is derived from part 01.
  - Issuer Sector according to ESA 2010 EC0231 as Issuer Sector is already provided. Alignment between these two should be made.
  - The granularity required in this template could be reduced by deleting irrelevant columns.

## 2. Groups of templates

**Internal Model Templates (S.26.x)**

- **Issues:**
  - Excessive detail and reporting.
  - Does EIOPA use all the information provided as part of QRTs S26 equally?
- **Proposals:**
  - Consider requiring this level of detail for the SCR calculations in the annual reporting (i.e. more granular than the S.25 level of detail) only when certain thresholds are met, e.g., where a sub-module does not represent more than 5% BSCR or sub-modules collectively do not represent more than 10% of BSCR, these reports should only be submitted every three years as they could be considered as immaterial
  - Alternatively, only consider requiring the level of detail in S.26 in the annual reporting, if the SCR sub-modules covered change with +/-5% when compared to last year
  - Move to triennial reporting for immaterial sub-modules.
  - The new internal model reporting templates (26.08 to 26.16) must be implemented consistently with the regulation in respect of these templates, which states that the provision of the information in these templates is subject to agreement between the undertaking and its supervisor and that only information consistent with the internal model architecture be provided. Internal model reporting should not be extended beyond this.
  - It is highlighted that the PRA has released a consultation paper proposing the removal of the requirement for life insurers with internal model permissions to submit the SF.01 template annually. This template currently contains SCR information calculated using the Standard Formula. The industry recommends that EIOPA adopt a similar approach. *(The PRA considers that the SF SCR may be less effective in detecting model drift in internal models for life insurance firms. The PRA considers that the changes proposed in this CP would lower the reporting cost on IM life insurance firms, while not negatively impacting the PRA's ability to advance its primary objectives of safety and soundness and policyholder protection).*

#### **S.26.04 – NSLT Health**

- **Proposals:**
  - clearer and more detailed instruction to complete them would be appreciated

#### **S.26.08.01 - Solvency Capital Requirement - for undertakings using an internal model (partial or full)**

- **Issues:**
  - Most information in these tables is repeated from S.25.05 or is redundant.
- **Proposals:**
  - All tables including both net and gross figures for Underwriting Risk could be limited to net values, as there are already a great amount of data and only net figures are final. Gross values are just a step in the calculation.

#### **26.09.01 Internal model: Market and Credit risk - for financial instruments**

- Table: 26.09.01.03 Market & credit risk and sensitivities - sensitivities values
- **Provide one set of sensitivities for each risk factor:**
  - Interest Rate: only "+/-100" to be retained, instead of "+/-100 and +/-50" (remove R0240 and R0250)
  - Interest Rate Volatility: only "+/-25%" to be retained, instead of "+/-25% and +/-20bp" (remove R0430 and R0450)
  - Rationale: An approximation of the excluded sensitivities can be derived from the retained sensitivities if required.

#### **26.10.01 Internal model - Credit event risk Portfolio view details**

- For all tables across the QRT 26.10 where "Market value" and "Exposure of Default" are required:
- **Replace the two columns "Market Value" and "Exposure at Default" with a single column called "Exposure Measure" and add a table for the entity to describe which exposure measure is used.**
  - Rationale: This change will streamline the reporting, ensuring that the exposure measure that is used for the internal model calculation is aligned with the internal model QRTs.
- Table: 26.10.01.01 Internal model - Credit event risk Portfolio view details - Impact on SCR (group)
- & 26.10.01.02 Internal model - Credit event risk Portfolio view details - Impact on SCR (single)
  - **Exclude from reporting both tables listing the top 10 counterparties by "Impact on SCR".**
    - Rationale: The need to use approximations or the excessive computational effort required to populate these tables, as well as the sensitivity of the top list of counterparties, supports the removal of these tables.
- Table: 26.10.01.04 Internal model - credit event risk portfolio view details - market value (single)
- **Exclude the table from reporting.**

- Rationale: This information is largely repetitive of the information provided in the table using the Group view (26.10.03). Additionally, the Group-level view is more appropriate for risk monitoring as subsidiaries may rely on parent-company guarantees.
- Table: 26.10.01.05 Internal model - credit event risk portfolio view details - market value (group)
- **Align the split of "Bond and loans" subcategories with the split used in QRT 26.11.01.02.**
  - Rationale: The alignment of the subcategories will allow for reporting simplification, with only one mapping table to be maintained, and consistency of views between QRTs.

#### **QRT 26.11.01 Internal model - Credit risk details for financial instruments**

- Table: 26.11.01.01 Credit event risk for financial instruments - Exposure at Default
- **Change the basis for providing information in the template from "Exposure at Default" to "Exposure measure".**
  - Rationale: This change will streamline the reporting, ensuring that the exposure measure that is used for the internal model calculation is aligned with the internal model QRTs.
- Table: 26.11.01.02 Internal model - Credit risk details for financial instruments
- **Align the split of "Bond and loans" subcategories with the split used in QRT 26.10.01.05.**
  - Rationale: The alignment of the subcategories will allow for reporting simplification, with only one mapping table to be maintained, and consistency of views between QRTs.

#### **QRT 26.13.01 Internal model - Non-life & Health NSLT Underwriting risk**

- Table: 26.13.01.02 Non-life & health non-SLT - internal lob mapping
- Table: 26.13.01.04 Non-life & health non-SLT - reserve risk model data - SII lob
- Table: 26.13.01.07 Non-life & health non-SLT - premium risk model data - SII lob
- **Exclude all three tables from reporting.**
  - Rationale: Internal lines of business are the primary and fundamental dimensions for internal model reporting, being the only relevant dimensions for internal model QRTs. It is therefore redundant for companies using an internal model to map their internal lines of business to the Solvency II lines of business.
- Table: 26.13.01.10 Distribution of losses from catastrophe perils - vendor models - own lines
- **Remove "Total Sum Insured" from the table.**
  - Rationale: This change will streamline the reporting, ensuring that the exposure measure that is used for the internal model calculation is aligned with the internal model QRTs.
- Table: 26.13.01.11 Distribution of losses from Catastrophe Perils - Total (property and non-property) business - Own lines
- **Limit the reporting to the "Aggregate of all perils" level, removing further granularity (the "Aggregate of all NatCat" and "Aggregate of all man-made perils").**

- Rationale: Entities are given the flexibility to report the figures in this table on the basis of their own classes. Enforcing further granularity on internal dimensions creates unnecessary reporting burden.
- Table: 26.13.01.12 Distribution of losses from catastrophe perils - premium and sums insured data
- **Align the geographical split for Direct Insurance and Reinsurance by applying the Reinsurance categories to both (Europe, North America, Rest of World, Unallocated).**
  - Rationale: Simplification by mapping alignment.

#### **QRT 26.14.01 Internal model - Life and Health underwriting risk**

- Table: 26.14.01.01 Life and Health underwriting risk - Life SCR and percentiles
- Table: 26.14.01.03 Life and health underwriting risk - health SCR and percentiles
- **Limit the reporting to the aggregate level, alternatively delete this template.**
  - Rationale: Simplification by removing excessive granularity.

#### **QRT 26.16.01 Internal model - Model Changes**

- **Delete the entire template from reporting.**
  - Rationale: Internal model changes (minor and major) are subject to extensive reporting to the NSA, where detailed information is provided. This template is therefore entirely redundant to existing requirements.
  - It does not contain any quantitative datapoints of note. Model changes are extensively exchange with NCAs in other formats.

#### **Templates for the Non-Life Business**

**(S.14.02, S.14.05, S.16, S.17, S.18, S.19, S.20, S.21.01, S.21.02, S.21.03, S.26.04, S.27)**

- **Issues:**
  - Reporting requirements do not allow for exclusions of immaterial products, leading to unnecessary reporting efforts for non-material data.
  - The absence of materiality thresholds results in significant reporting burdens for non-life business that contributes minimally to solvency risk.
  - Some templates, such as **S.19**, **S.20**, and **S.21**, do not provide core Solvency II information, raising questions about their supervisory value.
  - New QRTs implemented from 4Q2023 lack clear instructions for completing fields, increasing complexity and reporting errors.
  - In case of quarterly frequency, the current reporting frequency, is excessive and adds to the workload unnecessarily.
- **Proposals:**
  - Allow immaterial products to be excluded from reporting or reported only in an aggregated format.
  - Introduce materiality thresholds for non-life business reporting to focus on significant exposures.
  - Simplify templates to reduce irrelevant information and workload, focusing on core solvency data.

- Ensure clearer and more comprehensive instructions for completing new QRTs, especially those implemented recently (e.g., from 4Q2023).
- Reduce the reporting frequency to once a year for all non-life templates to align with the proportionality principle.

### **Financial stability templates**

- **Issues:**

- The financial stability templates duplicate information already provided in supervisory QRTs, creating redundancy.
- Reporting requirements are excessively granular and burdensome, particularly for smaller entities with limited financial stability implications.
- The frequency of reporting (e.g., quarterly submissions) is disproportionate, especially given the overlap with annual supervisory reports.
- Templates lack materiality thresholds, requiring reporting of data that may have negligible impact on financial stability.
- Some templates, such as S.14.04, S.14.05, S.38, S.39, and S.41, provide limited added value for supervisors in their current format.
- Reporting for financial stability purposes (FS) is prepared in shorter terms than SII reporting

- **Proposals:**

- Delete financial stability templates entirely, as the necessary data can be sourced from existing supervisory QRTs, with aggregation handled by entities such as the ECB.
- If deletion is not feasible the following approaches could be considered:
  - Integrate essential financial stability data into regular supervisory templates, reducing duplication and ensuring consistency.
  - Introduce materiality thresholds to focus reporting on entities or exposures with significant financial stability implications.
  - Reduce the reporting frequency for financial stability templates from quarterly to annual, aligning with proportionality principles.
  - Simplify the templates by consolidating fields and aligning with other supervisory requirements to minimise reporting efforts.
  - Limit FS reporting to key reports as balance sheet or own funds. Such forms as S.06 or S.05 should be removed from FS as this information is sent as part of QRT solo reporting - 2 weeks before the FS and for the groups - 4 weeks after the FS.

### **Other aspects:**

#### **National Reporting Templates (CBI Templates NST.12 and NST.13)**

Avoid duplication of National Reporting Requirement, e.g., Irish CBI NST 12 and NST 13 are just re-formatting of data submitted as part of the QRTs.

#### **Template– Group reporting**

- Can consideration be given to reducing Group supervision reporting requirements? S.37 Risk Concentration in particular which consumes significant time given the look-through nature of it
- Can Group supervision regulators accept home country templates rather than EIOPA templates where Parent resides outside EU? E.g. PRA templates will diverge from CBI from YE 24.