

To: Solvency II WG
From: Prudential Team
Date: 11-10-2023
Reference: ECO-SLV-23-165

Subject: Reporting list of questions and inconsistencies identified following survey

Summary

The following document contains an overview with:

- the questions and requests for clarification
- the list of inconsistencies identified.

These were identified in the context of an Insurance Europe member survey on the implementation of the amended ITS on reporting and disclosure and Taxonomy 2.8.0.

A copy of this document will also be shared with EIOPA as agreed in the SII WG of 20 September and as a follow up to the industry presentation on the EIOPA reporting event of 10 October.

List of questions and requests for clarification

- General
 - EIOPA requires a 4-digit NACE code for taxonomy 2.8.0. Data suppliers such as Bloomberg will not change the NACE code, which currently has two digits, to four digits. How should insurers deal with this?

EIOPA: to our knowledge, data such as Bloomberg provide the 4-digit code as well. Undertakings need to contact data providers with such information.

- S.02.01
 - General: Until Dec. 31, 2022, at Group level the Annual Report S.02.01 was compiled according to IFRS4 principles following timelines for annual Group QRT for Financial Stability purposes. In the quarterly QRT S.02.02, the new taxonomy introduces the "Statutory account" column within the QRTs for Financial Stability, where it would appear that values according to IFRS17 are required. It should be noted that timelines for producing and approving IFRS17 financial statements are not aligned with those required for producing the quarterly Financial Stability QRT, particularly for quarterly reporting.

EIOPA: The statutory accounts in template S.02.01 (Balance sheet) for Financial Stability purposes shall be reported with an annual frequency and not quarterly. To clarify the frequency of the reporting, Guidelines will be updated in the next amendments. Furthermore, reporting of data as used in the financial statement is regarded as appropriate under the best effort principle.

- S.04.05
 - Clarification is requested if the location of the risk depends on the habitual residence of the insured (when different because it has been changed during the policy term). Is the residence to be considered on the reporting date the existing residence or should it remain the residence signalled at the time of the signing of the contract?

EIOPA: It shall be the country where the policy holder took out the policy in the case of policies of a duration of four months or less covering travel or holiday risks, whatever the class concerned. For other policies it shall be the existing residence.

■ S.05.01

- Premiums written – Gross – Direct Business - C0010–C0120/ R0110 Clarification is requested on the definition of "charges levied." Question applicable to all fields referring to premiums (written and earned).

EIOPA: In some countries, insurance and reinsurance undertakings collect with premiums, on top of taxes, other mandatory fees that are usually latter transferred to the relevant public organisation. These charges/fees should not be included in S.05.01.

■ S.06.04

- General- Can EIOPA provide further instructions for completing the new QRT S.06.04?

EIOPA: To implement this first reporting in a proportionate manner, EIOPA allows undertakings to apply their own methodologies to perform the risk assessment and report the KPIs. As methodologies evolve, good practices are expected to emerge to improve comparability of reporting for future reporting.

- Climate change-related transition risk – KPI- R0010/C0010 and Climate change-related physical risk – KPI - R0020/C0010: Clarification is requested on possible methodologies to be followed for the calculation of KPIs related to physical risk and transition risk.

EIOPA: For possible methodologies to perform risk assessment to physical and transition risk exposure, see [Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA \(europa.eu\)](#)

- Climate change-related transition risk – KPI- R0010/C0010: The EIOPA instructions for calculating the KPI on physical risk indicate as follows: "Proportion of Solvency II value of properties exposed to physical risk, compared to total properties. Companies may use their own methodology to calculate the KPI. The identification of properties exposed to physical risk should be coherent with the identification made in C0190 item in S.06.02." In addition, EIOPA clarified in a Q&A: "The KPI on physical risk is to be calculated as a proportion of the Solvency II value of property exposed to physical risk, in relation to total of property. Both S.02.01 and S.06.02 are to be used." Following this approach, the calculation would be: (SII value of properties identified with the zip code in field C0190 S.06.02) / (total properties in S.02.01 R0060 and R0080). Please confirm whether this approach is correct.

EIOPA: This approach is correct. We clarified via Q&As (2679, 2611) that the physical risk KPI shall be computed as the proportion of the Solvency II value of property exposed to physical risk, in relation to total of property. PPE and lease contracts are included (Q2553, Q2611, Q2782).

■ S.14.01

- On S.14.01, logs are confused, for example, on the average age to consider for "remaining contractual maturity."

Remaining contractual maturity - C0142 - Confirmation is requested that in cases where there is no predefined contract maturity, the "average remaining life expectancy" corresponds to the average life expectancy of the insured calculated according to the age at the valuation date (e.g., in the case of a 65-year-old person, the average remaining life expectancy is 24 years (5: $x > 20$ years) while for an 85-year-old person it is 7.5 years (2: $5 \leq x < 10$)).

If this interpretation is confirmed, it is requested to clarify the cases in which the option "6 - for life" should be used.

EIOPA: Agree that whereas the field is labelled as "remaining contractual maturity", seemingly supporting the interpretation as an average remaining maturity (as indicated in your draft answer), the example provided in the log is clearly contradictory to such an interpretation and seems to indicate that the average time period of the contracts (instead of the remaining contractual maturity) should be used. Please report the "remaining contractual maturity". The log will be clarified in the future ITS amendment. In such a case, the "Lifelong" option should be reported. Note that the log file specifies that the determination is based on the assumptions that the contract does not end due to the realisation of a biometrical risk.

- In addition, clarification and examples are requested on the calculation of this field for: i) products containing both deferred and in pay-out phase annuities (EIOPA: Note that the log file specifies that the determination is based on the assumptions that the contract does not end due to the realisation of a biometrical risk, and that, for the case of an endowment policy this would for example mean that the insured person does not die and the policyholder does not cancel the contract. Hence for these products, the "Lifelong" option should be chosen.); ii) policies with automatic renewal (EIOPA: Note that the log file clearly specifies that the policyholder does not exercise any surrender/cancellation option and exercises all renewal options, and the insurance or reinsurance undertaking does not exercise any option to terminate the contract and exercises all renewal options.). We also ask if, in correspondence, of run-off contracts (as per the Closed List provided in the column 'Product still commercialized? - C0130) we are supposed to leave the cell blank.

EIOPA: Run-off portfolio still have a valid maturity so they should be reported.

Finally, clarification is requested on the interpretation of intervals (e.g., should products with a contractual term of 10 years be classified as 2 or 3?).

EIOPA: Where the remaining maturity is, without any rounding, exactly 10 years, the undertaking can decide to choose option 2 or 3. The same applies to exactly 15 years, where 3 or 4 could be selected.

- Total amount of commissions paid during year - C0071: Clarification and examples are requested on the types of commissions to be considered (purchase/revenue commissions, retention commissions, both types, other).

EIOPA: All types of commissions paid during the year including trail commissions to distributors and not just the upfront commissions.

- C0270 Exit conditions at reporting date - We ask to clarify the meaning of the expression "notice required".

EIOPA: Notice required referred to whether there is a lag of time between the request from the policyholders to surrender and the actual pay out.

- Amount on which interest rate is guaranteed - C0280: Clarification is requested as to what is intended with "monetary value at the reference date", especially regarding the amount to which the guaranteed interest rate is to be applied (insured benefit, mathematical reserve, other?).

EIOPA: The value provided in C0280 need to be linked to the guaranteed rate in C0261. The monetary value is therefore the value to which the guaranteed rate is applied. Conceptually, the percentage in C0261 multiplied with the value in C0280 is the amount that the undertaking needs to allocate to the product in the next year to fulfil its guaranteed interest.

- Product ID code - C0010:

Clarification is requested on how this field is to be filled in and whether, in continuity with the submissions made for 2022, a field constructed as follows is intended:

{ACTE code}_{Product code}_{tariff code}/+/{version number}{letter}.

For example:

- A_19003_9999/+/1b1 - Class III product marketed by the company before December 21, 2012, in a single version, bound by an internal fund
- C_46_3057/+/1c306 - Class III product marketed by the enterprise after December 21, 2012, in a single version, bound by an external fund

- C_27_3037/+/1a1- Class I product marketed by the enterprise after December 21, 2012, in a single version, linked by a separate management

EIOPA: Please note that, in cases where the same product needs to be reported in more than one row the content of C0010 (and C0090) shall follow the specific pattern: `{ID code of product}/ + /{number of version}`. This means that, after the last slash, the number of the version (1, 2, ...) should be provided. In the examples that are provided in the question, the last slash is instead followed by a mixture of numbers and letters, which would not be consistent with the instructions for this field.

- Fiscal treatment of the products - C0055: More interpretative details are requested on the options provided by the field. In particular, confirmation is requested on the following classification: i) all pension products in category 2 ("In case of lapse/surrender past or future tax benefits or other subsidies are lost"); ii) financial products in category 3 ("Other tax related losses not covered above"); iii) Term-life insurance and LTC in category 4 ("not applicable").

EIOPA: For the purposes of this field, no general classification can be provided. Instead, the classification of a contract will generally depend on the tax regime and on the specifics of the contractual arrangements.

■ S.14.02

- General - Does the requested granularity refer to the individual "product" or to the LOB Solvency, except in the case where it is requested to specify particular products (i.e. fire, assistance, pecuniary losses), which in any case should be shown for their total amount and not individually?

EIOPA: The reporting should be for all the products falling under the relevant LOB – all together under one line – unless the product fall under a specific product category under C0020. If the product falls under multiple LOB the reporting should be done under the main LOB relating to the risks covered by the product.

- Line of Business (1 to 12) - C0010/Number of contracts at the end of the year - C0050/Number of new contracts during year - C0060: Clarification is requested on the definition of a modular product and the consequent way of unbundling premiums and managing the disclosure of the number of contracts following the instructions of the EIOPA Log.

EIOPA: Modular products are products which are bundled and sold together – e.g., household coverage which has the option to have basic coverage or add theft and other coverages such as cyber coverage. They should be unbundled, and the number of contracts should be reported accordingly. In order for the product to be considered modular the difference coverages should also be able to be bought separately.

In particular, it is requested if products that have a main guarantee and additional guarantees (that can be activated or not) should be considered as modular product or not, i.e. a home product, with the additional guarantee Private Life Liability, is attributable to LOB SII 07 only?

EIOPA: If these products which allow consumers to buy different guarantees separately they should be considered modular.

- Number of contracts at the end of the year - C0050:
 - 1) When counting the number of contracts, for a contract with guarantees that fall under two different LOBs, is the contract counted in both LOBs?

EIOPA: No, only under the main LOB.

- 2) Should only existing contracts as of 12/31 of the fiscal year be reported, or should contracts that had at least one day of validity in the current fiscal year also be reported?

EIOPA: Only existing contract.

- 3) Should premiums settled in the year following the year of contract conclusion (example: contract concluded and not renewed on 12/31/2022 and settled in January 2023) be counted with reference to the current year?

EIOPA: Only the existing contract at the end of the year should be counted.

- which Product category - C0020: Clarification and examples are requested on the level of details for each of the required LoB (7, 11 and 12).

Specifically, confirmation is requested as to if rows should also be entered for the entire LoBs 7, 11 and 12 or only for the detail items (7.1, 11.1, etc.).

EIOPA: A separate row should be reported if there are products which fall under the specific product category. In summary, if there are products which fall under the LOB but not under the product category (one row should be reported) and if there are products which fall under the product category two rows for LOB 7 and 11 (and three for 12) should be reported.

- Number of new contracts during year - C0060:

Counting the number of contracts: for a contract with guarantees that fall under two different LOBs, is the contract counted in both LOBs?

EIOPA: See above for C0050. If modular it should be unbundled and the contract be reported under both LOBs.

Should only existing contracts as of 12/31 of the fiscal year be reported, or should contracts that had at least one day of validity in the current fiscal year also be reported?

EIOPA: All new contracts during the year including those not in-being at the end of the year.

- Total amount of commissions paid during year - C0100: We request confirmation on reporting the commission figures only for written premiums (with reference to the figure reported on column C0090 - Total amount of Gross Written premiums - written via insurance distributors other than credit institutions).

EIOPA: This should be all commissions paid during the year.

- Total amount of claims paid during the year - C0110:

It is requested if "paid claims" includes or excludes recoveries.

EIOPA: Includes recoveries.

It is requested if in "claims paid" both claims occurred in the current year and claims occurred in previous years should be considered.

EIOPA: Yes, it is correct both types of claims should be considered if paid during the year.

For example, in the case of motor liability policy not further in place in 2023 which generated a claim in 2022 and paid in 2023, it is requested if the amount related to the payment of that claim should be considered.

- Number of insured at the end of the year - C0130 - It is asked if it is correct to count an insured person multiple times if the product is reported on different lines because it has multiple LoB (for example, in the case where there are guarantees).

EIOPA: Yes, it is correct. However, only if the product is a modular product because if not a modular product the product should be reported under one LOB.

- For the products commercialised under this product category/LOB, which proportion (measured by gross written premiums) covers climate related perils? (0-100) - C0030:

- Clarification and examples are requested for the purpose of identifying the scope of analysis and on the definition of "climate-related perils".

Specifically, we request:

- if (1) products impacted by the consequences of climate change, (2) products that impact climate change, or (3) both should be considered;

EIOPA: Should be if they cover risks which can be impacted by climate change.

- if there is an exhaustive list of climate-related risks to be considered for populating this field or if it is left to the company to choose which risks to consider;

EIOPA: It is up to the company to choose risks.

- clarification on the methodologies for calculating the required value (percentage of products).

EIOPA: It should be the percentage of the products being reported under the LOB.

- if there is a materiality threshold to be taken into account.

EIOPA: There is no threshold.

■ S.14.03

- General: Confirmation is requested if this QRT should be compiled only if certain conditions are verified (such as premiums > 5 mln or 5% of total business or if the number of contracts > 3% of the total number of non-life business contracts).

EIOPA: It is correct. The template shall be subject to the application of a threshold based on the following:

— The sum of premiums earned for standalone cyber policies and policies with cyber as add-on coverage (where only the (estimated) premiums earned for cyber risk should be taken into account) is greater than 5 % of the overall non- life business pursued by the undertaking or greater than 5 million EUR
OR

— Number of policies that include cyber coverage (i.e. standalone cyber and/or cyber ad add-on policy) represent more than 3 % of the total number of policies of the non-life business)."

■ S.14.04/05

- General:

Clarification is requested:

- On the granularity to be used in compiling the QRT (by Company, by product or family of products, etc.).
- On the frequency of compilation
- On any materiality thresholds to be taken into account.
- Confirmation is also requested if the frequency of QRTs required for Financial Stability is semi-annual.

EIOPA: The information in S.14.04 template can be aggregated for products with similar characteristics in terms of fiscal treatment and exit conditions. For the reporting of C0180 Best Estimate, it is accepted to use the computation by LoB and to apply approximations / allocation keys for reporting purposes.

Templates shall be reported with a semi-annual frequency, i.e. with reference to Q2 and Q4 and no materiality thresholds are considered.

- On S.14.04, it is required to specify quantitative data at a level composed of several variables, including fiscal treatment. In France, fiscal treatment may depend on several parameters (age of contract, date of payments, date of subscription, etc.). In fact, most of our contracts are under delegated management. As a result, the data we handle on our side is at an aggregate level (the "code produit comptable"), which is generally associated with a generation of contracts. However, for the same "code produit comptable," there may be several generations of contracts. The same "code produit comptable" may straddle two categories of subscription dates and therefore have two different fiscal treatments, for example. Could you please give us some pointers on how to deal with this?

EIOPA: The information under S.14.04 shall be reported on a best effort basis.

- The log concerning the templates S.14.04 & S.14.05 remains insufficient to understand what is expected at a group level. These templates should not be reported by reinsurance companies, but the log does not explicitly explain what happens at a group level when the group owns a reinsurance company without being a reinsurance group.

EIOPA: S.14.04 & S.14.05 at group level shall be reported incl. reinsurance transactions conducted outside the perimeter of the group (i.e. excluding intragroup transactions).

- S.14.04: C0230 Line identification: What is the definition of this item?

EIOPA: For the S.14.04 template, information can be aggregated for products with similar characteristics in terms of fiscal treatment and exit conditions, with the internal portfolio ID, used by the undertaking, to be reported in C0240 column.

- S.14.04: C0074 Administrative expenses: What is the definition of Administrative expenses? Is the definition the same as that of the Administrative expenses in the S.05.01/R1910?

EIOPA: C0074 – In the Administrative expenses in S.14.04 shall be reported not only the administrative expenses directly related to insurance activities but also other overhead costs.

- S.14.04: C0300 Net Reinsurance flows (receivables - payable) of the period (year to date): Should we report S.02.01 R0270 reporting period -/- S.02.01 R0270 year-end last year? If so, why is EIOPA

interested in these figures? In practice, this could mean that we have to report the accrued reinsurance premiums and claims year-end + the reported reinsurance premiums and claims (year to date) which has not been paid to/received by the reinsurer.

EIOPA: Consistently with the figures on claims paid and premia cashed in to date, the net reinsurance shall contain the net reinsurance flows cashed to date.

- Line identification - C0230/Line identification (internal portfolio ID) - C0240: Clarification is requested on the content of these fields as they are not included in the descriptive table of individual items related to this QRT.

EIOPA: For the S.14.04 template, information can be aggregated for products with similar characteristics in terms of fiscal treatment and exit conditions, with the internal portfolio ID, used by the undertaking, to be reported in C0240 column.

Furthermore, to provide a link between .01 and .02 tables, column C0240 was introduced to both tables as C0240 (Line identification (internal portfolio ID)).

- S.14.04 - Cashed Premium - gross (year to date) - C0290: Clarification is requested on the content of the field since the field title (cashed premiums - gross) would seem to require gross premiums, while the LOG describes data net of reinsurance.

EIOPA: S.14.04 - Cashed Premium - gross (year to date) - C0290 shall be reported on a gross basis. Guidelines will be adjusted accordingly in the next amendments.

- S.14.05 - Best Estimate - C0180: Clarification is requested on the content of this field and if, as for item C0290 (Cashed Premiums - gross), the value is requested net or gross of reinsurance.

EIOPA: S.14.05 - Best Estimate - C0180 shall be reported on a gross basis.

- S.14.05 - Unearned premium (year to date) - C0310: Clarification is requested regarding the content of this field and, similar to items C0290 and C0180 if it is to be considered net or gross of reinsurance.

Please refer to Q&A 2849 currently under internal review.

■ SE.17.01

- Gross claims paid in the current quarter relating to risks covered before the current reporting period - ER0421/Gross claims paid in the current quarter relating to risks covered in the current reporting period - ER0422: Clarification is requested on the content of the field.

Specifically, it is requested if it is required to differentiate payments on the basis of policy underwriting date, and if this should be applied also on the basis of renewals and new business.

EIOPA: The instructions have been changed to say that the cells refer to ER0421 Gross claims paid in the current financial year relating to claims incurred before the current financial year and ER0422 Gross claims paid in the current financial year relating to claims incurred in the current financial year. The policy underwriting date is thus irrelevant for the reporting of these ECB Add-ons but rather whether the claims incurred in the current or the previous financial year.

■ S.21.01/03

- The following paragraph is a significant concern for us: This template shall be reported for each material non-life line of Business for direct business, as defined in Annex I to Delegated Regulation (EU) 2015/35, representing a coverage of 90% of the non-life technical provisions. Line of business shall be reported in accordance with the amount of technical provisions, i.e., the line of business with the highest amount of technical provisions.

We were wondering where the 90% threshold was supposed to be applied. On companies with several LoBs, should we report LoBs until we reach a representation of 90% of technical provisions? Is the threshold applied within the reported LoBs, meaning we only have to report the 4 mandatory LoBs?

Our interpretation was the 1st one I mentioned, so we opted for complete reporting (all the NL direct insurance LoBs). Yet, we found this Q&A that was supposed to answer our question but only raises more questions ([here](#)).

The 90% is determined including the accepted reinsurance, so in the case of some direct insurance companies that also run some reinsurance activities, there's no way to reach the 90% threshold with only our NL direct insurance LoBs.

Another issue with the paragraph I quoted before is that the first sentence lets us think we need to report one or several LoBs; but the second sentence implies, the way it's formulated, that we should only report the most important one.

EIOPA: The Q&A mentioned is being revised. The scope of the templates is only direct business, and therefore the base of the threshold is only direct business LoBs. If in some Member States some direct business LoBs are excluded from the scope of S.21.03, then the threshold should be applied only considering the LoBs within the scope of the template (e.g., in some Member States, only the 4 mandatory LoBs). The threshold is used to determine the LoBs included in the scope of the template, so immaterial LoBs are not reported at all, but material LoBs (i.e., up to ensure a 90% coverage in terms of TPs) are fully reported. The last sentence, which should refer to "lines of business" in plural, means that the LoBs included to reach the 90% threshold should be the most material ones in terms of technical provisions.

■ S.29.01

- Total technical flows on gross Technical Provisions - C0100 - C0110/R0340: Clarification is requested on which cash-flows are to be considered (cash-flow of entire period, projection year between opening/closing, discounted/undiscounted cash-flow, total or only outflow)

EIOPA: Question in relation to 29.03, repeated there.

- Variation in Excess of Assets over Liabilities explained by Technical provisions management – Gross Technical Provisions - C0120 - C0130/R0360: Confirmation is requested that the formula to be used is as follows: TP end - TP start + item R0340 . Please advise differently if needed.

EIOPA: Question in relation to 29.03, repeated there.

■ S.29.03

- Total technical flows on gross Technical Provisions - C0100 - C0110/R0340: Clarification is requested on which cash-flows are to be considered (cash-flow of entire period, projection year between opening/closing, discounted/undiscounted cash-flow, total or only outflow)

EIOPA: It is the total for the elements reported in R0310, R0320 and R0330.

- Variation in Excess of Assets over Liabilities explained by Technical provisions management – Gross Technical Provisions - C0120 - C0130/R0360: Confirmation is requested that the formula to be used is as follows: TP end - TP start + item R0340 . Please advise differently if needed.

EIOPA: Correct.

■ S.30.01

- Line of business for non-life - C0041: Confirmation is requested if for the LoB referring to reinsurance the numbers to be considered are from 13 to 28.

EIOPA: C0041 refers to the LoB of the risk transferred. Therefore, using reinsurance LoBs, i.e., from 13 to 28, would imply it is a retrocession.

■ S.30.03

- Minimum commission - C0420/Maximum commission- C0430/Expected commission - C0440: Clarification is requested if the commissions (minimum, maximum and expected) requested in the new version of the QRT include only "reinsurance commission" or if they are the sum of the three components provided in the old template (reinsurance, overriding and profit commission).

EIOPA: These three fields should include all commissions within the treaty.

- Coverage of a layer covered by reinsurance - C0245: Clarification is requested regarding what is meant by "amount of maximum coverage for a layer of a treaty" as the scope of the layer is reported in field C0210: Limit (The amount specified as the limit in the reinsurance treaty)

EIOPA: In some non-proportional treaties, the excess is only partially covered. For example, an XL treaty may cover up to 200 in excess of 150, but providing a limited coverage of the excess, e.g., 80%. Therefore, C0210 would be 200, but C0245 would be $80\% * 200 = 160$.

■ S.30.01/S.30.02/S.30.03/S.30.04

- General: Clarification is requested regarding criteria/thresholds for compiling the indicated QRT. It is also requested, with reference to the sentence "This model should be reported only if the amounts recoverable from reinsurance are greater than 10% of the Best Estimate calculated separately for life and non-life insurance business.", if the 10% refers to Best Estimates by treaty or if it refers to the total amount of recoverables out of the total Best Estimates.

EIOPA: It is a global threshold determining whether the template should be reported or not. Therefore, the calculation should not be at treaty level, but at total life/non-life level.

■ S.36.01

- S.36.01: Issue with the interpretation of EIOPA definitions, like indirect transactions/single economic operation.

EIOPA: Thank you for your comment, please let us know in case of specific questions.

■ S.36.03/04

- S.36.03 changed to S.36.07 with no updated ITS from EIOPA: Issue with the interpretation of EIOPA definitions.

EIOPA: Thank you for your comment, we are aware of the misalignment and will adjust it during the next ITS amendments.

- S.36.04 changed to S.36.06 with no updated ITS from EIOPA: Issue with the interpretation of EIOPA definitions. Next to this, the inclusion of off-balance sheet items and the link with another off-balance QRT causes confusion.

EIOPA: Thank you for your comment, we are aware of the misalignment and will adjust it during the next ITS amendments. Please let us know in case of specific questions.

- Mismatches between logs and annotated templates on QRT identification (S.36.03...) are confusing.

EIOPA: Thank you for your comment, we are aware of the misalignment and will adjust it during the next ITS amendments.

■ S.37

- S.37 – There are two "Others" (C0220 Other investments/C0270 Others direct exposures). The descriptions for these could be clearer. C280 Description of others refers to C0200 and that is confusing.

EIOPA: Thank you for your comment, we are aware of the wrong column reference, and we will adjust it during the next ITS amendments. Please let us know in case of specific questions.

- We have struggled with understanding the new dimension of the data to be reported and which of the group's companies should be included.

EIOPA: Thank you for your comment, please let us know in case of specific questions.

- S.37.01 - Insurance policies - C0250/Credit or insurance risk mitigation technique - C0310/Amount of the exposures after Credit or insurance risk mitigation technique and exemptions - C0330:

- Interpreting the Regulation literally, each Insurance Group would have to total the exposures to all counterparties belonging to the same Group (in the case of a Bank, the Group might have invested in bonds issued by the credit institution, have a current account balance with the Bank, and also have the Bank as an insurance customer); the new rules seem particularly complex for insurance companies since these would have to total the sums insured indicated in the policies in place with the Client Group, indicate mitigation in column C0310 (e.g: an Excess Claims contract might have a scope of X million, which would have to be allocated to all potential claimants), and then indicate the net exposure in column C0330.

A particular complexity is noted in having these numbers heterogeneous in nature (current accounts, bonds, insurance coverage, any off-balance sheet transactions such as

guarantees granted) taking into account all the exposures of all entities in the Insurance Group to all entities in the "client" Group.

In addition, it is unclear how policies with unlimited limits can be handled: in the case of 50/100,000 motor liability contracts with unlimited limits, is it correct to interpret that a QRT with tens of thousands of records should be sent?

Some policies may cover "fleets" of insured objects (vehicles), for which the sum of exposures may exceed the significance threshold. In cases where these are located in different countries, it makes sense to list the exposure in a dedicated Risk Concentration QRT.

EIOPA: Thank you for your question. As the answer will take time and will require involvement of different experts, we would like to ask you to submit it officially using EIOPA's Q&A tool available on EIOPA's page.

■ S.37.

- Confirmation is requested as to if the exposures to be reported are only those related to assets on the balance sheet similar to what is specified for QRT S.37.03 or if liabilities should also be considered.
- Clarification is requested regarding the following specification in the regulation "The tables are based on all exposures (full balance sheet) after credit risk mitigation technique or insurance and exemptions (net amount)."

EIOPA: All balance sheet items are to be included that could expose the undertakings of the group to a loss caused by a risk (e.g. counterparty, investment risk, insurance risk, market risk etc.) are to be included in the tables per currency, sector and country, without any thresholds. The amount should be net of any risk mitigation technique or exemption if applicable.

■ S.37.02/03

- General - Confirmation is requested that the exposures to be reported include all balance sheet items (including, for example, loans, receivables, etc.).
Clarification is also requested on the following:
 - (i) inclusion of unit-linked policies;
 - (ii) application of the look-through criterion for indirect exposures (through OICRs) and subsequent aggregation of the values obtained with direct exposures.
 - (ii) existence of materiality thresholds to be taken into account (in terms of currency, sector or country).
- S.37.02 - C0040/S.37.03 - C0020 - R0020/ R0070: It is requested if this percentage should be calculated by considering total assets or bonds as the denominator.

EIOPA: All balance sheet items are to be included that could expose the undertakings of the group to a loss caused by a risk (e.g. counterparty, investment risk, insurance risk, market risk etc.).

- i) Yes they should be included
- ii) Yes on a best effort basis
- iii) No thresholds are applicable

Total assets should be used as a denominator.

■ S.38.01.11

- General: Confirmation is requested if the frequency of QRT required for Financial Stability is semi-annual

EIOPA: S.38.01.11 shall be reported on a semi-annual frequency.

■ E.04.01.16

- E.04.01.16 – We are waiting for further guidance from the ECB on how to report data "attributed to policyholders."

EIOPA: The [LOG files](#) were updated in August 2023 with issued raised through EIOPA's Q&As and again in October 2023 to clarify issues during the public event. If further questions arise, please contact your NCB for instructions.

- Investment revenues and expenses - part of excess of assets over liabilities - E.04.01.16.03: Clarification is requested regarding criteria/thresholds for completing the QRT. Specifically, it is requested if the part identified with E.04.01.16.03 is to be filled out only by companies that sell products outside the home country or by all companies.

EIOPA: The template E.04.01 should always be reported, even if all business is in the home country. In E.04.01.16.03 ER0050 all business has to be reported, without a country breakdown.

- EC0060 - Investment revenues: Confirmation is requested on the criteria for calculating the amounts to be included, particularly if the "attributed to policyholder" part refers only to projected investment earnings and expenses in the BEL.

EIOPA: Yes, attributed to policyholder (E.04.01.16.01 and E.04.01.16.02) refers to all investment revenues and expenses that are part of TP.

List of inconsistencies/performance issues

- General - It would be helpful if the abbreviations and terms used in the log files would be consistent through both QRT, Financial stability and ECB-templates.

EIOPA: Thank you very much for the feedback. While we will try to minimise any inconsistencies between QRTs and LOG files, we would also appreciate if you could provide more details on the specific issues.

- QRTs S.06.02./S.06.03/S.07.01/S.08.01 – Validations Open issues (further information will be provided if needed)

EIOPA: Issue is not clear. We would appreciate a clarification.

- Performance issue

- QRTs S.04.04/.05; S.19.01; S.26.13 – ATOME output and performance issue: In this QRTs, certain specifications/inputs create a very high number of excel sheets and workbooks within the excel report. For instance, the QRTs. S.19.01 and S.04.04/.05 produce separate sheets for each reported currency/country/LoB. As a result, these QRTs will consist of up to 300 sheets, leading to significant performance issues. We experience the same issue with S.26.13.

EIOPA: Thank you very much for the information. While no such feedback was reported for previous releases, also using same layout, EIOPA considers possible solutions to this issue.

- S.12.01.02

- Expected profits included in future premiums (EPIFP) - R0370: The version of QRT Public Disclosure S.12.01.02 contained in the Business Package published by EIOPA on 17/03/2023 is different from the version, from the same period, contained in the Solvency 2 Annotated Templates. Specifically, the QRT contained in the Business Package requires Expected profits included in future premiums (EPIFP) - row R0370 only for some LoBs, columns C0020 to C0050, while the QRT of the Annotated Templates does not require EPIFPs. It is requested to confirm which version is correct.

EIOPA: We can confirm the inconsistency. Please note, that the business package provided for the Hotfix release includes published Commission Implementing regulation (EU) 2023/895. As provided by the instructions in the Annex II, EPIFP is not required for this template. However, we would like to acknowledge the discrepancy between the Annex II and business templates (which still erroneously contain R0370).

- QRT S.26.08. – Discrepancy between dictionary and reporting instructions

- Logfile displays for row C0140 (e.g. R0700-R0820/C0140) the following two options to report:
 - 1 – Modelled
 - 2 – Not modelled

- The two options do not match the characteristics that are provided in the EIOPA_DPM_Dictionary_2.8.0.PWD3(ATOME_output):

- 1 - Reported

- 0 - Not reported (in this case special justification is needed)

EIOPA: We can confirm the inconsistency. Please note, that the hierarchies, as described in the DPM Documentation, can reuse domain members with unique hierarchy node labels providing labels that should be used when particular hierarchy is referenced as a dropdown list. (https://dev.eiopa.europa.eu/Taxonomy/Full/2.8.0_hotfix/Common/EIOPA_DPM_Documentation_2.8.0_hotfix.pdf). For example, domain member s2c_CN:x0 refers to '0 - Not reported (as not requested by the NCA)' in hierarchy CN_508, while for CN_1 it is '0 - Not reported (in this case special justification is needed)'. In case of dropdown provided in S.26.08 for column C0140 the mapping between options should be as follows:

1 - Modelled => 1 - Reported

2 - Not modelled => 0 - Not reported (in this case special justification is needed)

EIOPA considers aligning the QRT with the Logfile in the next taxonomy release.

- S.26.10/11

- Inconsistent asset class categorisation in Credit QRTs (26.10 and 26.11)

Can you please provide details as the issue is not clear.

- QRT S.30.03 / C0245 – Discrepancy between QRT documentation and Logfile: The amount of maximum cover for a layer of a treaty. In the case of unlimited cover '1' is to be reported. For XL or SL treaties the initial capacity has to be indicated (e.g. annual aggregate limits). In case the treaty only includes one layer, this cell will be equal to C0250. We would have expected that rather C0240 should apply here. EIOPA: Agree, the issue has been identified and will be revised in the next ITS review.

- S.26.11 Wrong header in: " Overall Exposure at Default" instead of " Overall Probability of Default" in 26.11.01.02.

EIOPA: Many thanks for spotting this typo. Unfortunately the typo originated in the business table provided in the ITS on reporting and as such will be considered for amendment during future revision.

- QRT S.36.07.08 – Discrepancy between LoB numeration: In the LogFiles for S.36.04 (now S.36.07) for cell C0210 reference is made to the Annex I to Delegated Regulation (EU) 2015/35 with regard to the identification of the LoB, as well as the individual LOBs. However, from the 29th digit onwards, the order of the list has changed compared to Annex I and is therefore contradictory.

EIOPA: Many thanks. We will revise it in the next ITS amendments.

- ECB-QRT E.04.01 - requires information on the geographical breakdown of technical provisions in life insurance in respect of investment income and investment expenses attributable to individual policyholders and in respect of investment income and investment expenses in life and non-life insurance not attributable to individual policyholders. Reference is made to the information in QRT S.12.02, which is not reported by us, however, as the insurance business is conducted exclusively in Germany. In QRT SE.01.01 (Content ECB), there is unfortunately no option to indicate that there is no business outside the home country. Here, a short-term adjustment makes sense.

EIOPA: E.04.01 always has to be reported. If all business is in the home country, then only cells relating to home country thus ER0010 should be filled. If cross-border business exists, the same country breakdown as for S.12.02 should be reported. For the remaining investment income and expenses, not attributable to policyholders (ER0050) no country split is required but should be reported by all undertakings (also those who only do home business).

- Further inconsistencies:

S.06.02	C0140	Par amount	EIOPA says in the general comments that C0140 is not applicable for 09 but added 09 in the description of C0140.
---------	-------	------------	--

			EIOPA: The instructions of C0140 says that this item is not applicable for CIC09 and we believe this is consistent with the general instructions.
S.30.03	C245		total cover might also be the result of the information provided under C0250. C250 concerns the number of instatement, logfile should refer to C240 instead of C250. EIOPA: Agree, the issue has been identified and will be revised in the next ITS review.
S.30.02	C0050/C0051	Code and type of code of the reinsurer	The log file states two different cells C0050 Code reinsurer and C0051 Type of code reinsurer whereas the templates combines those (mismatch logfile vs template); no indication on how to combine the code and type of code. EIOPA: This inconsistency is intentional and follows the EIOPA DPM methodology and merging these columns using `code`/`type of code` pattern. The approach is described in detail in EIOPA DPM Documentations (section V.1.2 Using URIs, being combination of "code" and "type of code") https://dev.eiopa.europa.eu/Taxonomy/Full/2.8.0_hotfix/Common/EIOPA_DPM_Documentation_2.8.0_hotfix.pdf
S.30.04	C0050/C0060 and C180/C190	Code and type of code of the reinsurer	The log file states two different cells C0050/C180 Code reinsurer and C0060/C190 Type of code reinsurer whereas the templates combines those (mismatch logfile vs template); no indication on how to combine the code and type of code. EIOPA: This inconsistency is intentional and follows the EIOPA DPM methodology and merging these columns using `code`/`type of code` pattern. The approach is described in detail in EIOPA DPM Documentations (section V.1.2 Using URIs, being combination of "code" and "type of code") https://dev.eiopa.europa.eu/Taxonomy/Full/2.8.0_hotfix/Common/EIOPA_DPM_Documentation_2.8.0_hotfix.pdf
S.30.04	C140/150	Code and type of code of the collateral provider	The log file states two different cells C0140 Code collateral provider and C0150 Type of code collateral provider whereas the templates combines those (mismatch logfile vs template); no indication on how to combine the code and type of code. EIOPA: This inconsistency is intentional and follows the EIOPA DPM methodology and merging these columns using `code`/`type of code` pattern. The approach is described in detail in EIOPA DPM Documentations (section V.1.2 Using URIs, being combination of "code" and "type of code") https://dev.eiopa.europa.eu/Taxonomy/Full/2.8.0_hotfix/Common/EIOPA_DPM_Documentation_2.8.0_hotfix.pdf
S.31.01	C0040/C0050 and C0160/C0170	Code and type of code of the reinsurer	The log file states two different cells C0040/C0160 Code reinsurer and C0050/C0170 Type of code reinsurer whereas the templates combines those (mismatch logfile vs template); no indication on how to combine the code and type of code. EIOPA: This inconsistency is intentional and follows the EIOPA DPM methodology and merging these columns using `code`/`type of code` pattern. The approach is described in detail in EIOPA DPM Documentations (section V.1.2 Using URIs, being combination of "code" and "type of code") https://dev.eiopa.europa.eu/Taxonomy/Full/2.8.0_hotfix/Common/EIOPA_DPM_Documentation_2.8.0_hotfix.pdf