

Bank of England PRA

Solvency II: reporting and disclosure

Supervisory statement | SS40/15

December 2024

Effective from 31 December 2024



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December 2024 (updating December 2021)

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1: Introduction

1.1 This supervisory statement is of interest to all UK insurance firms and groups within the scope of Solvency II, the Society of Lloyd's and, where applicable, to third country branches (excluding branches of Swiss general insurers). For third country branches it should be read alongside the Prudential Regulation Authority's (PRA's) Rules for Third Country Branch undertakings and SS44/15: 'Solvency II: third – country insurance and pure reinsurance branches'.¹

1.2 This supervisory statement sets out the PRA's expectations of firms in relation to the supervisory reporting set out in Chapter 2A of the Reporting Part of the PRA Rulebook and Chapter 3A of the Reporting Part of the PRA Rulebook, or in areas that require the PRA to issue additional instruction. This supervisory statement sets out the PRA's expectations of how firms are to comply with the options contained in the Reporting Part of the PRA Rulebook in the following areas:

- Accident or underwriting year reporting
- Reporting of annuities stemming from non-life obligations by currency.
- Development of the distribution of reported but not settled (RBNS) claims - reporting number of claims.
- Group reporting where the PRA is the group supervisor and there are no consolidated financial statements at the UK holding company which is at the head of the insurance or reinsurance group.

1.3 [Deleted].

1.4 Firms should also refer to:

- Bank of England and PRA Statement of Policy 'Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU';²
- Supervisory Statement (SS) 1/19 'Non-binding materials: The PRA's approach after the UK's withdrawal from the EU';³ and

1 SS44/15 'Solvency II third country branches', [December 2024: https://www.bankofengland.co.uk/prudential-regulation/publication/2015/solvency2-third-country-insurance-and-pure-reinsurance-branches-ss](https://www.bankofengland.co.uk/prudential-regulation/publication/2015/solvency2-third-country-insurance-and-pure-reinsurance-branches-ss).

2 December 2020: SoP - [Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU](#).

3 December 2020: SS1/19 – [Non-binding PRA materials: The PRA's approach after the UK's withdrawal from the EU](#).

- Supervisory Statement (SS) 2/19 ‘PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after EU withdrawal’.⁴

1.5 Any reference to any provision of direct EU legislation is a reference to it as it forms part of retained EU law.

2: [Deleted]

This chapter has been deleted.

3: [Deleted]

This chapter has been deleted.

4: Accident or underwriting year reporting

4.1 Article 11 of Chapter 2A of the Reporting Part of the PRA Rulebook requires firms to submit claims information in templates IR.16.01.01, IR.19.01.01, and IR.20.01.01 of Chapter 9 of the Reporting Part of the PRA Rulebook following instructions set out in IR.16.01, IR.19.01 and IR.20.01 of Chapter 10 of the Reporting Part of the PRA Rulebook respectively. Article 4 of Chapter 3A of the Reporting Part of the PRA Rulebook requires firms to disclose claims information in IR.19.01.21 of Chapter 9A of the Reporting Part of the PRA Rulebook following the instruction set out in IR.19.01 of Chapter 10A of the Reporting Part of the PRA Rulebook.

4.2 For the supervisory reporting templates referred to in 4.1 above, the information is to be reported by accident year (ie the information is aggregated by the year the claim event occurred) or reported by underwriting year (ie the information is aggregated by the year the insurance or reinsurance obligations were recognised), and whether the information is to be disclosed by accident year or by underwriting year.

4.3 If the PRA does not stipulate that a firm is required to report data on an accident year or underwriting year basis (in accordance with any requirements), the firm can choose whether to report all information for line of business (LoB) as described in the relevant instructions, by

⁴ December 2020: SS2/19 – [PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after the UK’s withdrawal from the EU.](#)

accident year or by underwriting year. Once a choice of reporting basis is made, the PRA expects that choice to be applied for future reporting periods.

4.4 The PRA expects a firm's choice to report a LoB, as described in the relevant instructions, by accident or underwriting year to be consistent with how the firm manages its business and reports data internally. In cases where a firm manages part of a LoB on an accident year basis and the other part on an underwriting year basis, it is for the firm to decide which of accident or underwriting year is the more appropriate for reporting that LoB.

4.5 For the disclosure template referred to in 4.1 above (where information is required to be at undertaking level of granularity), firms have the choice of whether to disclose the information by accident year or by underwriting year. Once a choice of disclosure basis is made, the PRA expects that choice to be applied for future periods.

4.6 Firms are expected to discuss any change to whether information is reported or disclosed by accident year or underwriting year with their usual supervisory contact prior to making a change.

5: [Deleted]

This chapter has been deleted.

6: [Deleted]

This chapter has been deleted.

7: [Deleted]

This chapter has been deleted.

8: Reporting of annuities stemming from non-life obligations by currency

8.1 Article 11(1)(g) of Chapter 2A of the Reporting Part of the PRA Rulebook requires firms to submit information on annuities stemming from non-life obligations in template IR.16.01.01 of Chapter 9 of the Reporting Part of the PRA Rulebook following the instructions set out in S.16.01 of Chapter 10 of the Reporting Part of the PRA Rulebook.

8.2 The PRA expects firms to report the information on template IR.16.01.01 in the original currency of the contracts, unless otherwise specified by the PRA.

9: Development of the distribution of reported but not settled (RBNS) claims – reporting number of claims

9.1 Article 11(1)(l) of Chapter 2A of the Reporting Part of the PRA Rulebook requires firms to submit information on RBNS claims in template IR.20.01.01 of Chapter 9 following the instructions set out in IR.20.01 of Chapter 10.

9.2 The PRA expects firms to use their own definition for number of claims at items C0020, C0060, C0090, C0110, C0140, C0170 and C0200 in template IR.20.01.01. However, where an insurance and reinsurance contract cover risks across lines of business and the firm has unbundled the obligations relating to that contract into the appropriate LoBs for the purpose reporting template IR.17.01.01, then the PRA expects a firms definition of number claims reported on template IR.20.01.01 to be consistent with this unbundling. In particular, any obligation for which gross RBNS or gross payments made to date are included in template IR.20.01.01 for a LoB should have a corresponding claim count for that LoB.

9.3 An example of how 9.2 might be applied is shown in Appendix 2 of this supervisory statement.

10: [Deleted]

This chapter has been deleted.

11: Group reporting where the PRA is the group supervisor and there are no consolidated financial statements at the UK holding company which is at the head of the insurance or reinsurance group

11.1 Chapter 2A and Chapter 3A of the Reporting Part of the PRA Rulebook contain references to a group's consolidated financial statements. The PRA is aware that in some cases consolidated financial statements are not produced at the same level at which the PRA exercises group supervision under Solvency II. Where this is the case, the PRA expects a firm to discuss and agree with its usual supervisory contact how best to provide meaningful information for inclusion in the reporting and disclosure templates. This discussion should include the agreement of the reporting currency and exchange rates to be used for its reporting and disclosure.

11.2 The PRA expects firms to consider at least sections 11.3 to 11.5 below before discussing the information to be reported and disclosed with their usual supervisory contact. Sections 11.3 to 11.5 are a non-exhaustive list.

11.3 Firms should analyse which templates may be impacted by not having consolidated financial statements at the level of the Solvency II reporting group. These will include:

- the balance sheet reporting template IR.02.01.01 as required under Article 26(1)(a) of Chapter 2A of the Reporting Part of the PRA Rulebook. The "statutory accounts value" column in the template relates to financial statements produced by the group;
- the premiums claims and expenses reported in IR.05.03.02, IR.05.05.02 and IR.05.02.01 as required under Article 26 of Chapter 2A of the Reporting Part of the PRA Rulebook;
- the premiums claims and expenses disclosed in IR.05.03.02, IR.05.05.02 and IR.05.02.01 as required under Articles 5 of Chapter 2A of the Reporting Part of the PRA Rulebook;
- own funds reporting template IR.23.01.04 as required under Article 30 of Chapter 2A of the Reporting Part of the PRA Rulebook. The item at row R0220 relates to own funds from the financial statements;

- own funds disclosure template IR.23.01.22 as required under Article 5 of Chapter 3A of the Reporting Part of the PRA Rulebook. The item at row R0220 relates to own funds from the financial statements; and
- own funds by tiers reporting template IR.23.02.04 as required under Article 30 of Chapter 2A of the Reporting Part of the PRA Rulebook. The items at rows R0630 to R0650 relate to reserves from the financial statements.

11.4 The information groups propose to include in the templates, where consolidated financial statements are not available at the level at which the PRA exercises Solvency II group supervision, should:

- be a meaningful representation of the size and nature of the group in question; be consistent with the undertakings in the scope of the group as reported in template IR.32.01.04 be linked (by reconciliation) to the relevant information included in the Solvency II group;
- enable a meaningful comparison between the template in question and other templates in the Reporting Part of the PRA Rulebook; and
- in cases where only specific items of a template are impacted, be meaningful in the context of the rest of the template.

11.5 Firms should consider the impact on public disclosure information in the group solvency and financial condition report (for example, onshored Commission Delegated Regulation (EU) 2015/35 articles 293(2) to (4), 296(1)(b), 296(2)(c), and 296(3)(b) (as they form part of retained EU law) refer to financial statements). They should also consider the impact on the regular supervisory report (for example, onshored Commission Delegated Regulation (EU) 2015/35 Articles 307(2) and (3) (as they form part of retained EU law) refer to financial statements).

Appendices

Appendix 1: [Deleted]

Appendix 2: Examples of how the PRA's expectations relating to definition of number of claims (for the purpose of the RBNS claims reporting template IR.20.01.01) might be applied

An example of how definition of claims referred to in section 9.2 of the draft supervisory statement might be applied is where a motor insurance contract is unbundled into lines of business 4 (motor vehicle liability insurance) and 5 (other motor insurance). If obligations arise under the contract and firm allocates gross RBNS or gross payments made to both lines of business 4 and 5 then the PRA would expect:

- the number of claims reported on template IR.20.01.01 for LoB 4 to include the claim for gross RBNS or gross payments made allocated to LoB 4; and
- the number of claims reported on template IR.20.01.01 for LoB 5 to include the claim for gross RBNS or gross payments made allocated to LoB 5.

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Annex – SS40/15 updates

This annex details the changes that have been made to this SS following its initial publication in 2015:

2024

December 2024

Following publication of policy statement (PS) 3/24 –Review of Solvency II: Reporting (Phase 2) on Thursday 29 February 2024, this SS was updated to delete the following chapters:

- Solvency II reporting currency;
- Exchange rates;
- Claim size brackets for loss distribution risk profile;
- Sum insured size brackets for non-life distribution of underwriting risks by sum insured;
- Lines of business to be reported for non-life distribution of underwriting risks by sum insured;
- Reporting external credit ratings; and
- Appendix on examples of how the PRA's expectations relating to claim size brackets and sum insured size brackets might be applied.

Amendments were also made to Chapters 4, 8, 9 and 11 to update references to the relevant template names and associated references in the PRA Rulebook.

2021

December 2021

Following publication of Policy Statement (PS) 29/21 'Review of Solvency II: Reporting (Phase 1)' on Friday 17 December 2021, this SS was updated to include the following paragraphs:⁵

- 1.4 and 1.5 relating to the interpretation of the PRA reporting and disclosure requirements after EU withdrawal. Firms should refer to the referenced supervisory statements and statement of policy in light of the changes introduced to this statement.

The following paragraphs in the SS were amended:

⁵ December 2021: [PS29/21 – Review of Solvency II: Reporting \(Phase 1\)](#).

- 4.1 and 4.3 to reflect the deletion of the reporting requirements in relation to templates S.29.03; and
- throughout the documents to update referencing as a result of the UK's withdrawal from the EU.

The following paragraphs in the SS were deleted:

- 1.3 to reflect that the requirements on consultation have been updated and are not required to be included in the SS.

Further minor changes were also made to remove typographical errors, and improve readability and accessibility.

2016

July 2016

Chapter 4 of this statement was updated to address the options for supervisory authorities in accident or underwriting year reporting and disclosure. It also includes references to template S.29.03.01 (the instructions for template S.29.03 give supervisory authorities discretion to stipulate accident or underwriting year reporting).

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