**~~Annex II~~ Chapter 10**

**Instructions regarding reporting templates for individual undertakings**

**S.16.01 — Information on annuities stemming from Non–Life Insurance obligations**

General comments:

This section relates to annual submission of information for individual entities ~~undertakings~~.

This template shall not be reported for accepted reinsurance business.

This template shall be reported only for annuities formally settled stemming from non–life contracts and relating to health insurance obligations and relating to insurance obligations other than health insurance obligations.

~~Reinsurance undertakings (ie excluding those who write direct business) are exempt from reporting this template.~~

Formally settled as an annuity means that a legal process has ordered that the beneficiary is to receive payments as an annuity.

In the event that after an obligation has been formally settled as an annuity some of that obligation subsequently ends up being settled via a lump sum payment that was not in the original annuity payment order, that lump sum would be recorded as a payment in template S.16.01; ie there is no movement of claims data out of template S.16.01 and into S.19.01.

For the purpose of this template ‘allocated loss adjustment expenses (ALAE)’ means: the costs ofprocessing and resolving claims that could be assignable to individual claim (eg legal and adjuster’s fees).

Firms ~~Undertakings~~ ~~are required to report data on an accident year or underwriting year basis, in accordance with any requirements of the National Supervisory Authority. If the National Supervisory Authority has not stipulated which to use then the undertaking~~ may use accident or underwriting year according to how they manage each line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, provided that they use the same year consistently, year on year.

This template shall be reported by non–life line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, originating the annuity and by currency, considering the following specifications:

i. If the best estimate for the annuity claims provisions on a discounted basis from one non–life line of business represents more than 3% of the total best estimate for all annuity claims provisions the information shall be reported with the following split by currencies in addition to the total for the line of business:

a) ~~Amounts for the reporting currency; b)~~ Amounts for any currency that represents more than 25 % of the best estimate for the annuity claims provisions on a discounted basis from that non–life line of business; or

b~~c~~) Amounts for any currency that represents less than 25 % of the best estimate for the annuity claims provisions (discounted basis) from that non–life line of business but more than 5 % of total best estimate for all annuity claims provisions.

ii. If the best estimate for the annuity claims provisions on a discounted basis from one non–life line of business represents less than 3 % of the total best estimate for all annuity claims provisions no currency split is required, only the total for the line of business shall be reported;

iii. The information shall be reported in the original currency of the contracts unless otherwise specified.

As already specified above, ~~T~~this template is interlinked with the non–Life template S.19.01. The sum of technical provisions in templates S.16.01 and S.19.01 for one non–life line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35, represents the total claims best estimate originating from this line of business (also refer log to template S.19.01).

All or part of an obligation moves from S.19.01 into S.16.01, when both of the below conditions ~~below~~ are met:

i. All or part of the obligation has been formally settled as an annuity; and

ii. a best estimate of an obligation formally settled as an annuity can be established using life techniques.

~~Formally settled as an annuity typically means that a legal process has ordered that the beneficiary is to receive payments as an annuity.~~

~~In the event that after an obligation has been formally settled as an annuity some of that obligation subsequently ends up being settled via a lump sum payment that was not in the original annuity payment order, that lump sum would be recorded as a payment in template S.16.01; i.e. there is no movement of claims data out of template S.16.01 and into S.19.01.~~

Year N is the reporting year.

|  | **ITEM** | **INSTRUCTIONS** |
| --- | --- | --- |
| Z0010 | The related non–life line of business  | Name of the line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35. The origin of the liability (medical expense, income protection, workers' comp, motor liability etc.). All the figures in the template are stemming from the related line of business. The following close list shall be used: 1 — ~~1 and 13~~ Medical expense insurance 2 — ~~2 and 14~~ Income protection insurance 3 — ~~3 and 15~~ Workers' compensation insurance 4 — ~~4 and 16~~ Motor vehicle liability insurance 5 — ~~5 and 17~~ Other motor insurance 6 — ~~6 and 18~~ Marine, aviation, and transport insurance 7 — ~~7 and 19~~ Fire and other damage to property insurance 8 — ~~8 and 20~~ General liability insurance 9 — ~~9 and 21~~ Credit and suretyship insurance 10 — ~~10 and 22~~ Legal expenses insurance 11 — ~~11 and 23~~ Assistance 12 — ~~12 and 24~~ Miscellaneous financial loss ~~25 — Non–proportional health reinsurance~~ ~~26 — Non–proportional casualty reinsurance~~ ~~27 — Non–proportional marine, aviation and transport reinsurance~~ ~~28 — Non–proportional property reinsurance~~  |
| Z0020 | Accident year/Underwriting year  | Report the standard used by the undertakings for reporting of claims development. The following close list shall be used: 1 — Accident year 2 — Underwriting year  |
| Z0030 | Currency  | Identify the ISO 4217 alphabetic code of the settlement currency of the obligation. All amounts, not reported by currency, are reported in the undertaking's reporting currency. This item shall be filled in with ‘Total’ when reporting the total for the line of business, as defined in Annex I to Delegated Regulation (EU) 2015/35.  |
| Z0040 | Currency conversion | Identify if the information reported by currency is being reported in the original currency (default) or in the reporting currency (otherwise specified). The following close list shall be used: 1 — Original currency 2 — Reporting currency Only applicable when reporting by currency.  |
|  | Information on year N:  |
| C0010 / R0010 | The average interest rate  | The average interest rate used in percentage (as a decimal) for the end of year N  |
| C0010 / R0020 | The average duration of the obligations  | Average duration in years on total obligations basis for the end of the year N  |
| C0010 / R0030 | The weighted average age of the beneficiaries | The weight shall be the Best Estimate for annuity claims provisions at the end of year N. Age of beneficiaries calculated on a weighted average for total obligations. The beneficiary is the person to whom the payments are reverting to, following the occurrence of a claim (that affects the insured person) which originates this type of payment. Information should be considered gross of reinsurance.  |
|  | Annuities information: |
| C0013/R0040–R0190 | RBNS prior to claim being designated a non-life annuity claim | The reported but not settled (RBNS) amount for the claim at the last quarter-end when the claim was allocated to the line of business reported in Z0010 (ie the last quarter end prior to the claim being designated a non-life annuity claim. Eg suppose a firm has a 31 December year-end and the firm designated a non-life claim to be a non-life annuity claim on 29 August in a particular calendar year, the RBNS amount for this is to be the RBNS at 30 June in that calendar year. This RBNS amount is to include ‘allocated loss adjustment expenses’. |
| C0014/R0040–R0190 | Lump sum paid when claim was designated a non-life annuity claim  | Amount of any lump sum that the firm paid or agreed to pay on the date when the claim was designated a non-life annuity claim. |
| C0015/R0040–R0190 | Undiscounted claims provisions established when claim was designated a non-life annuity claim  | The undiscounted claims provision established on the date that the claim was designated a non-life annuity claim.This amount is to include any provision for ‘allocated loss adjustment expenses’. |
| C0016/R0040–R0190 | Best Estimate (discounted basis) when claim was designated a non-life annuity claim  | The discounted amount of the provision reported in column C0015 |
| C0017/R0040–R0190 | Amounts paid from when claim was designated a non-life annuity claim until start of year N | The amount paid between the date when the claim was designated a non-life annuity claim and the start of year N.This amount includes annuity benefit payments and ‘allocated loss adjustment expenses’. |
| C0020/R0040–R0190 | Undiscounted annuity claims provisions at the start of year N | Amount of annuity claims best estimate stemming from non–life Insurance obligations at beginning of year N.  |
| C0030/R0040–R0190 | Undiscounted annuity claims provisions set up during year N | Total amount of annuity claims provisions stemming from non–life insurance obligations set up during year N as at the moment they were first set up (ie, where assumptions used were for the first time based on life techniques) This is a part of technical provisions set up during year N (Net movements between new reserves during year N/release of reserves during year N).  |
| C0040/R0040–R0190 | Annuity payments paid during year N | Total amount of annuity payments stemming from non–life insurance obligations made during the calendar year N. |
| C0050/R0040–R0190 | Undiscounted annuity claims provisions at the end of year N | Total amount of annuity claims provisions stemming from non–life insurance obligations at end of year N. |
| C0060/R0040–R0190 | Number of annuities obligations at the end of year N | Number of non–life insurance annuity obligations. |
| C0070/R0040–R0190 | Best Estimate for annuity claims provisions at the end of year N (discounted basis) | Best estimate covering annuities stemming from non–life insurance obligations at the end of calendar year N. Information should be considered gross of reinsurance. |
| ~~C0080/R0040–R0190~~ | ~~Undiscounted development result~~ | ~~Undiscounted development result calculated as the undiscounted annuity claims provisions at the start of year N, minus annuity payments paid during year N and minus undiscounted annuity claims provisions at the end of year N.~~ |
| ~~C0020–C0080/R0200~~ | ~~Total~~ | ~~Total amount of the undiscounted development result for all accident/underwriting years.~~ |