

S.26.08 – Solvency Capital Requirement - for groups using an internal model (partial or full)

General comments:

This section relates to the annual submission of information for groups, ring fenced-funds, matching adjustment portfolios and remaining part.

This template shall be reported based on availability according to the internal model architecture and risk profile when possible with reasonable effort. The data to be reported shall be agreed between national supervisory authorities and groups.

The purpose of this template is to collect data on an aggregate level and show diversification benefits between separate risk modules. Some entries are taken from other templates but are indicated below. From a technical perspective these are not duplicated as they are essentially the same datapoints. Therefore, by filling data in one template it automatically appears in the other one.

Partial internal models:

All rows for C0010 refer to the amount of the capital charge for each component regardless of the method of calculation (either standard formula or partial internal model), after the adjustments for loss-absorbing capacity of technical provision and/or deferred taxes when they are embedded in the component calculation.

For the components Loss absorbing capacity of technical provisions and/or deferred taxes when reported as a separate component it should be the amount of the loss-absorbing capacity (these amounts should be reported as negative values)

For components calculated using the standard formula this cell represents the gross nSCR. For components calculated using the partial internal model, this represents the value considering the future management actions which are embedded in the calculation, but not those which are modelled as a separate component.

These amounts shall fully consider diversification effects according to Article 304 of Directive 2009/138/EC where applicable.

When applicable, these cells do not include the allocation of the adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level.

Template SR.26.08 shall be reported by ring-fenced fund, matching adjustment portfolio and the remaining part for every undertaking under an internal model. For partial internal models, this includes undertakings where a partial internal model is applied to a full ring-fenced fund and/or matching adjustment portfolio while the other ring-fenced funds and/or matching adjustment portfolios are under the standard formula. This template should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

The template is applicable in relation to RFF/MAP from undertakings consolidated according to Article 335, paragraph 1, (a) and (c) of Delegated Regulation (EU) 2015/35, when method 1 (Accounting consolidation-based method) is used, either exclusively or in combination with method 2 (Deduction and aggregation method).

For those undertakings under a partial internal model to which the adjustment due to the aggregation of the nSCR of RFF/MAP is applicable, where the entity has MAP or RFF (except those under the scope of Article 304 of Directive 2009/138/EC) when reporting at the level of the whole undertaking, the nSCR at risk module level and the loss-absorbing capacity (LAC) of technical provisions and deferred taxes to be reported shall be calculated as follows:



- Where the undertaking applies the full adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level: the nSCR is calculated as if no RFF and the LAC shall be calculated as the sum of the LAC across all RFF/MAP and remaining part,
- Where the undertaking applies the Simplification at risk sub-module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at sub-module level method,
- Where the undertaking applies the Simplification at risk module level to aggregate the nSCR of the RFF/MAP at entity level the nSCR and LAC are calculated considering a direct summation at module level method.

The adjustment due to the aggregation of the nSCR of the RFF/MAP at entity level shall be allocated (C0060) to the relevant risk modules (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk) when calculated according to the standard formula. The amount to be allocated to each relevant risk module shall be calculated as follows:

- Calculation of “q factor” = $\frac{adjustment}{BSCR' - nSCR_{int}}$, where
 - o *adjustment* = Adjustment calculated according to one of the three methods referred above
 - o *BSCR'* = Basic solvency capital requirement calculated according to the information reported in this template
 - o *nSCR_{int}* = nSCR for intangible assets risk according to the information reported in this template
- Multiplication of this “q factor” by the nSCR of each relevant risk module (i.e. market risk, counterparty default risk, life underwriting risk, health underwriting risk and non-life underwriting risk)

Full internal models:

Template SR.26.08 has to be filled in for each ring-fenced fund (RFF), each matching adjustment portfolio (MAP) and for the remaining part for every undertaking under a full internal model. However, where an RFF/MAP includes a MAP/RFF embedded, the fund should be treated as different funds. This template should be reported for all sub-funds of a material RFF/MAP as identified in the second table of S.01.03.

CODE	ITEM	INSTRUCTIONS
<i>Aggregation</i>		
Z0020	Ring-fenced fund, matching adjustment portfolio or Remaining Part	Identifies whether the reported figures are with regard to a RFF, matching adjustment portfolio or to the remaining part. One of the options in the following closed list shall be used: 1 – RFF/MAP 2 – Remaining part
Z0030	Fund/Portfolio number	When item Z0020 = 1, identification number for a ring-fenced fund or matching adjustment portfolio. This number is attributed by the



		undertaking and must be consistent over time and with the fund/portfolio number reported in other templates. When item Z0020 = 2, then report “0”
C0010/R0010	Total stand-alone risk	Sum of diversified capital charges for each risk module. Diversification between risk modules is not included. S.26.09.04 C0020/R0020 + S.26.11.04 C0110/R0210 + S.26.12.01 C0070/R0220 + S.26.13.01 C0450/R2120 + S.26.13.01 C0150/R1210 + S.26.14.01 C0320/R0630 + S.26.15.01 C0220/R0070 + the part calculated using the Standard formula for groups using a partial internal model where relevant
C0010/R0020	Total diversification	Amount of the diversification effects between risk modules. This amount should be reported as a negative value.
C0010/R0030	Total diversified risk before tax	Amount of diversified capital charges before tax.
C0010/R0040	Total diversified risk after tax	Amount of diversified capital charges after tax.
C0010/R0050	Loss absorbing capacity of deferred taxes	Amount of the adjustment for loss-absorbing capacity of deferred taxes. This amount should be reported as a negative value.
C0010/R0060	Loss absorbing capacity of technical provisions	Amount of the adjustment for loss-absorbing capacity of technical provisions. This amount should be reported as a negative value.
C0010/R0070	Total market & credit risk	Same as S.26.09.04 C0020/R0010 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0080	Market & Credit risk - diversified	S.26.08.01 C0010/R0070 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus part of total diversification allocated to

		Market & Credit risk by the undertaking's algorithm.
C0010/R0090	Interest rate risk	Same as S.26.09.04 C0020/R0060 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0100	Interest rate volatility risk	Same as S.26.09.04 C0020/R0070 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0110	Inflation risk	Same as S.26.09.04 C0020/R0080 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0120	Equity risk	Same as S.26.09.04 C0020/R0110 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0130	Equity volatility risk	Same as S.26.09.04 C0020/R0120 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0140	Property risk	Same as S.26.09.04 C0020/R0130 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0150	Currency risk	Same as S.26.09.04 C0020/R0140 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0160	Credit spread risk	Same as S.26.09.04 C0020/R0180 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0170	Credit event risk (migration & default)	Same as S.26.09.04 C0020/R0170 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.

C0010/R0180	Credit risk sum (spread, migration & default)	Same as S.26.09.04 C0020/R0150 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0190	Credit event risk not covered in market & credit risk	SCR allocated to credit event risk that is not covered by the market & credit risk module.
C0010/R0200	Credit event risk not covered in market & credit risk - diversified	S.26.08.04 C0010/R0190 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus diversification allocated to credit event risk that is not covered by the market & credit risk module.
C0010/R0210	Basis risk financial instruments	Capital charge allocated to basis risk for financial instruments (risk of imperfect hedges. Sum of price differences between asset and hedging instrument). To be reported only if undertaking models this explicitly in its own module and has indicated so in C0140/R0760.
C0010/R0220	Derivatives risk	Capital charge allocated to derivatives risk (all derivatives not used for hedging purposes). To be reported only if undertaking models this explicitly in its own module and has indicated so in C0140/R0770.
C0010/R0230	Participations	Capital charge allocated to participations. To be reported only if undertaking models this explicitly in its own module and has indicated so in C0140/R0720.
C0010/R0240	Liquidity risk	Capital charge allocated to liquidity risk. To be reported only if undertaking models this explicitly in its own module and has indicated so in C0140/R0730.
C0010/R0250	Pension risk	Capital charge allocated to pension risk. To be reported only if undertaking models this explicitly in its own module and has indicated so in C0140/R0740.



C0010/R0260	Concentration risk	Capital charge allocated to concentration risk. For undertakings using a full internal model this shall be reported only if the undertaking models this explicitly in its own module and has indicated so in C0140/R0750.
C0010/R0270	Total Business risk	Capital charge allocated to business risk. To be reported only if undertaking models this explicitly in its own module.
C0010/R0280	Total Business risk - diversified	S.26.08.04 C0010/R0240 minus part of total diversification allocated to Business risk by the undertaking's algorithm.
C0010/R0290	Total underwriting risk	S.26.08.04 C0010/R0310 + S.26.08.04 C0010/R0400 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0300	Total underwriting risk - diversified	S.26.08.04 C0010/R0290 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus part of total diversification allocated to underwriting risk by the undertaking's algorithm.
C0010/R0310	Total Net Non-life underwriting risk	Sum of S.26.08.04 C0010/R0360, R0370, R0380 + R0390 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0320	Total Net Non-life underwriting risk - diversified	S.26.08.04 C0010/R0310 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus part of total diversification allocated to Non-Life underwriting risk by the undertaking's algorithm.
C0010/R0330	Net Nat-cat risk	S.26.13.04 C0430/R1690 + S.26.13.04 C0430/R1700 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0340	Net Man-made risk	S.26.13.04 C0430/R1710 + S.26.13.04 C0430/R1720 + the part calculated using the

		Standard formula for undertakings using a partial internal model where relevant
C0010/R0350	Gross reserve risk	Same as S.26.13.04 C0050/R0090 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0360	Gross premium risk	Same as S.26.13.04 C0080/R0540 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0370	Total Life & Health underwriting risk	Sum of S.26.08.04 C0010/R0420-R0480 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant or sum of S.26.08.04 C0010/R0480-R0500 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0380	Total Life & Health underwriting risk - diversified	S.26.08.04 C0010/R0400 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus part of total diversification allocated to Life & Health risk by the undertaking's algorithm.
C0010/R0390	Mortality risk	S.26.14.04 C0070/R0010 + S.26.14.04 C0070/R0310 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0400	Longevity risk	S.26.14.04 C0070/R0050 + S.26.14.04 C0070/R0360 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0410	Disability-Morbidity risk	S.26.14.04 C0070/R0110 + S.26.14.04 C0070/R0410 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0420	Lapse	S.26.14.04 C0070/R0160 + S.26.14.04 C0070/R0470 + the part calculated using the

		Standard formula for undertakings using a partial internal model where relevant
C0010/R0430	Expense risk	S.26.14.04 C0070/R0240 + S.26.14.04 C0070/R0550 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0440	Revision risk	S.26.14.04 C0070/R0260 + S.26.14.04 C0070/R0570 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant
C0010/R0450	Catastrophe risk	Same as S.26.14.04 C0070/R0250 + S.26.14.04 C0070/R0560 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant or S.26.14.04 C0070/R0300 + S.26.14.04 C0070/R0600 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant depending on the model structure.
C0010/R0460	Trend risk	Same as S.26.14.04 C0070/R0280 + S.26.14.04 C0070/R0580.
C0010/R0470	Level risk	Same as S.26.14.04 C0070/R0290 + S.26.14.04 C0070/R0590.
C0010/R0480	Total Operational risk	Same as S.26.15.04 C0220/R0070 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0010/R0490	Total Operational risk - diversified	S.26.08.04 C0010/R0510 + the part calculated using the Standard formula for undertakings using a partial internal model where relevant minus part of total diversification allocated to Operational risk by the undertaking's algorithm.
C0010/R0500	Other risk	Capital charge not allocated to the categories listed here + the part calculated using the Standard formula for undertakings using a partial internal model where relevant.
C0050/R0010-R0500	Allocation from adjustments due to	Where applicable, part of the adjustment allocated to each risk module according to the

	RFF and Matching adjustment portfolios	procedure described in the general comments. This amount shall be positive.
C0060/R0010-R0500	Consideration of the future management actions regarding technical provisions and/or deferred taxes	To identify if the future management actions relating to the loss absorbing capacity of technical provisions and/or deferred taxes are embedded in the calculation, the following closed list of options shall be used: 1 - Future management actions regarding the loss-absorbing capacity of technical provisions embedded within the component 2 - Future management actions regarding the loss-absorbing capacity of deferred taxes embedded within the component 3 - Future management actions regarding the loss-absorbing capacity of technical provisions and deferred taxes embedded within the component 4 - No embedded consideration of future management actions.
C0070/R0010-R0500	Amount modelled	For each component this cell represents the amount calculated according to the partial internal model.
C0080/R0510	Memorandum item: Other risk description	Description of what is included in the capital charge of C0010/R0530
Modelled Specific Risks – Multiple ‘Modelled’ are allowed for columns in each row if C0140 is ‘Not modelled’.		
R0700-R0820/C0140	Modelled explicitly in its own module	One of the options in the following closed list shall be used: 1 – Modelled 2 – Not modelled If answer is ‘Modelled’ then refer to table at the beginning of the LOG file to see what shall be completed. If the answer is ‘Not modelled’ then C0150 to C0190 must be completed for each row depending on where this risk is covered. If it is not covered then all codes in the same row should be ‘Not modelled’.

R0700-R0770/C0150	Market and Credit	One of the options in the following closed list shall be used: 1 – Modelled 2 – Not modelled If the answer in C0140 is ‘Modelled’ then this must be set to ‘Not modelled’. Otherwise it should be set to ‘Modelled’ if the specified risk in each row is covered in the Market & Credit risk module.
R0700-R0770/C0160	Non-life	One of the options in the following closed list shall be used: 1 – Modelled 2 – Not modelled If the answer in C0140 is ‘Modelled’ then this must be set to ‘Not modelled’. Otherwise it should be set to ‘Modelled’ if the specified risk in each row is covered in the Non-Life risk module.
R0700-R0770/C0170	Life & Health	One of the options in the following closed list shall be used: 1 – Modelled 2 – Not modelled If the answer in C0140 is ‘Modelled’ then this must be set to ‘Not modelled’. Otherwise it should be set to ‘Modelled’ if the specified risk in each row is covered in the Life & Health risk module.
R0700-R0770/C0180	Operational	One of the options in the following closed list shall be used: 1 – Modelled 2 – Not modelled If the answer in C0140 is ‘Modelled’ then this must be set to ‘Not modelled’. Otherwise it should be set to ‘Modelled’ if the specified risk in each row is covered in the Operational risk module.
R0700-R0770/C0190	Other	One of the options in the following closed list shall be used:

		1 – Modelled 2 – Not modelled If the answer in C0140 is ‘Modelled’ then this must be set to ‘Not modelled’. Otherwise it should be set to ‘Modelled’ if the specified risk in each row is covered in another risk module not mentioned here.
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