S.26.14 – Internal model: Life and Health underwriting risk

General comments:

This section relates to the annual submission of information for groups.

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.

In this template, the results of internal models for Life and Health SLT underwriting risk are reported. If insurers also integrate Health NSLT underwriting risk in the Life + Health SLT underwriting risk model structure, the results of the Health NSLT model should also be reported in this template.

Depending on the structure of Life and Health SLT underwriting risk modelling, one of the two blocks for longevity and mortality risk should be used. If the internal model structure is such that Mortality and Longevity risks are modelled together, then for these risks only R0270 where these risks are combined, shall be reported.

In general, if cells cannot be sensibly reported an alternative should be selected. For example, if an undertaking cannot separate trend, level or volatility modelling within a submodule, then information should be provided at the corresponding aggregate level.

CODE	**ITEM**	**INSTRUCTIONS**
OPTION 1 – LIFE RISK		
C0010/R0010, R0060, R0250, R0270 C0030-C0040/R0110	Net Best Estimate liability + Technical provisions calculated as a whole	Best estimate shall be reported net of reinsurance and refers to the products of the life insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well. The split for disability-morbidity risk aggregate refers to annuities paid out (“APO”) or not (“ANPO”).
C0050/R0010, R0060, R0110, R0250, R0270	Net Written Premiums	The total of the written premiums net of reinsurance shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category.
C0060/R0010, R0060, R0110, R0250, R0270	Sum insured	The total sum insured shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category.
C0070/R0010-R0270	Solvency Capital Requirements	The SCR for the relevant risk category, net of reinsurance.

		The following explanations apply for C0070 – C0260: For the aggregate risks, the SCR after aggregation over the underlying sub-risks should be reported. For lapse risk the following applies: - ‘Lapse’ covers exercising contractual options in a general sense. - Risk of increase in lapse rates (R0170) and decrease of lapse rates (R0180) are lapse risks other than mass lapse risk, where R0170 (R0180) covers the part of the business leading to a loss if lapse rates increase (decrease) as defined in the internal model. - Risk of mass lapse (R0190) is risk of accumulation or catastrophe risk for lapse as defined in the internal model. - ‘Lapse type split (other than mass lapse)’ covers non-mass lapse risk if a split in increase / decrease is not available and offers a split in three rough categories: ‘full surrender’, i.e. termination of the contract, ‘partial surrender’ and ‘other’ exercising of contractual options or ‘Policyholder behaviour’.
C0080/R0010-R0270	Mean	The mean of the probability distribution of the net SCR
C0090/R0010-R0270	Standard deviation	The Standard deviation of the probability distribution of the net SCR
C0100-C0310/R0010-R0270	Percentiles from 0.001 to 0.999	It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis).
OPTION 2 – LIFE RISK		

To be completed if the internal model only has a split between Trend and Level risk. In that case the following template (S.26.14.01.02) replaces the template above (S.26.14.01.01).		
C0010/R0300	Net Best Estimate liability + Technical provisions calculated as a whole	Catastrophe risk best estimate shall be reported net of reinsurance and refers to the products of the life insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well.
C0050/R0300	Net Written Premiums	The total of the net written premiums for catastrophe risk shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category.
C0060/R0300	Sum insured	The total sum insured for catastrophe risk shall be reported for the products of the life insurance portfolio that are sensitive to the relevant risk category.
C0070/R0280-R0300	Solvency Capital Requirements	The SCR for the relevant risk category, net of reinsurance. For the aggregate risks, the net SCR after aggregation over the underlying submodules should be reported.
C0080/R0280-R0300	Mean	The mean of the probability distribution of the SCR
C0090/R0280-R0300	Standard deviation	The Standard deviation of the probability distribution of the net SCR
C0100-C0310/R0280-R0300	Percentiles from 0.001 to 0.999	It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis).
OPTION 1 – HEALTH RISK		
Z0010	Type of Health risk modelled in Life & Health?	In the closed list there are 3 options: SLT, NSLT and SLT+NSLT
C0010/R0310, R0360, R0560	Net Best Estimate liability + Technical	Best estimate shall be reported net of reinsurance and refers to the products of the health insurance portfolio that are sensitive to

C0030-C0040/R0410-R0460	provisions calculated as a whole	the relevant risk category. TPs calculated as a whole should be taken in as well. The split for disability-morbidity risk aggregate refers to annuities paid out ("APO") or not ("ANPO").
C0050/R0310, R0360, R0410-R0460, R0560	Net Written Premiums	The total of the net written premiums shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category.
C0060/R0310, R0360, R0410-R0460, R0560	Sum insured	The total sum insured shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category.
C0070/R0310-R0570	Solvency Capital Requirements	The SCR for the relevant risk category, net of reinsurance. The following explanations apply for C0070 – C0260: For the aggregate risks, the SCR after aggregation over the underlying submodules should be reported. For lapse risk the following applies: - 'Lapse' covers exercising contractual options in a general sense. - Risk of increase in lapse rates (R0480) and decrease of lapse rates (R0490) are lapse risks other than mass lapse risk, where R0480 (R0490) covers the part of the business leading to a loss if lapse rates increase (decrease) as defined in the internal model. - Risk of mass lapse (R0500) is risk of accumulation or catastrophe risk for lapse as defined in the internal model. 'Lapse type split (other than mass lapse)' covers non-mass lapse risk if a split in increase / decrease is not available and offers a split in three rough categories: 'full surrender', i.e. termination of the contract, 'partial surrender' and 'other' exercising of contractual options or 'Policyholder behaviour'.
C0080/R0310-R0570	Mean	The mean of the probability distribution of the net SCR

C0090/R0310-R0570	Standard deviation	The Standard deviation of the probability distribution of the net SCR
C0100-C0310/R0310-R0570	Percentiles from 0.001 to 0.999	It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis).
OPTION 2 – HEALTH RISK To be completed if the internal model only has a split between Trend and Level risk. In that case the following template (S.26.14.01.05) replaces the template above (S.26.14.01.03).		
C0010/R0600	Net Best Estimate liability + Technical provisions calculated as a whole	Best estimate shall be reported net of reinsurance and refers to the products of the health insurance portfolio that are sensitive to the relevant risk category. TPs calculated as a whole should be taken in as well. The split for disability-morbidity risk aggregate refers to annuities paid out ("APO") or not ("ANPO").
C0050/R0600	Net Written Premiums	The total of the net written premiums shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category.
C0060/R0600	Sum insured	The total sum insured shall be reported for the products of the health insurance portfolio that are sensitive to the relevant risk category.
C0070/R0580-R0600	Solvency Capital Requirements	The SCR for the relevant risk category, net of reinsurance. For the aggregate risks, the net SCR after aggregation over the underlying submodules should be reported.
C0080/R0580-R0600	Mean	The mean of the probability distribution of the net SCR
C0090/R0580-R0600	Standard deviation	The Standard deviation of the probability distribution of the net SCR
C0100-C0310/R0580-R0600	Percentiles from 0.001 to 0.999	It is expected that the insurance and reinsurance undertakings indicate the amounts of the percentiles required in the table related

		to the probability distribution obtained based on the simulation process (net of reinsurance and on discounted basis).
SOLVENCY CAPITAL REQUIREMENTS		
C0320/R0610	Total undiversified risk: Life underwriting, Health underwriting, Life and Health underwriting	The sum of all (sub-) SCRs. For lapse, please choose the sum as appropriate to the splits presented on the most granular level. Examples: (1) If lapse increase and lapse decrease and mass lapse are available please sum up these. Irrespectively if the lapse split is additionally available. (2) If mass lapse and lapse split are available and also lapse split sublevels, please take the sum of mass lapse and lapse split. If only sublevels of lapse split are available, please chose those.
C0320/R0620	Diversification: Life underwriting, Health underwriting, Life and Health underwriting	The diversification between the sub risks. This amount should be reported as a negative value.
C0320/R0630	Diversified risk: Life underwriting, Health underwriting, Life and Health underwriting	The aggregated SCR Life and Health risk after aggregating all sub risks.