

# Solvency II QRTs – EIOPA taxonomy updates



This paper summarises the taxonomy update released by EIOPA to apply for reporting from 31 December 2023. This briefing note summarises the key changes in the taxonomy.

## Introduction

European (re)insurance entities have been meeting their quarterly and annual reporting requirements using Quantitative Reporting Templates (QRTs) since the introduction of Solvency II. The European Insurance and Occupational Pensions Authority (EIOPA) continues to release annual updates related to QRTs which have become applicable from reporting dates as at 31 December each year.

In March 2023, EIOPA released the final version of Solvency II data point model (DPM) and Taxonomy 2.8.0.

The release is in line with the EIOPA Taxonomy roadmap,<sup>1</sup> as shown circled in orange in Figure 1.

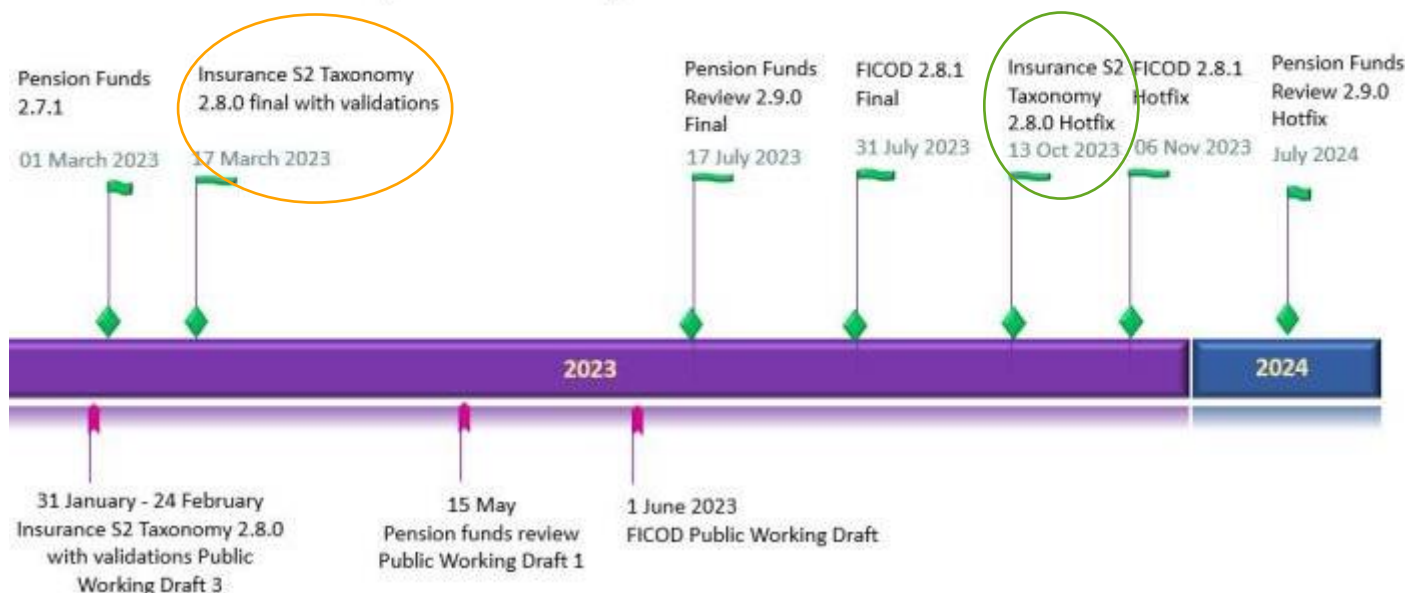
In general, EIOPA releases one taxonomy publication per year. Should a corrective release be needed, a “Hotfix” release will be issued (circled in green below).

Taxonomy 2.8.0 includes many new templates and changes to existing templates, as well as the removal of certain templates. The final version was released well in advance of the date for application due to the large scale of the changes following EIOPA’s opinion on the Solvency II 2020 review.<sup>2</sup>

In the following sections we will outline the key changes in the taxonomy.

Figure 1: EIOPA Taxonomy Road Map

## EIOPA Taxonomy Roadmap



<sup>1</sup> EIOPA. Supervisory Reporting – DPM and XBRL. Retrieved 26 September 2023 from [https://www.eiopa.europa.eu/tools-and-data/supervisory-reporting-dpm-and-xbrl\\_en](https://www.eiopa.europa.eu/tools-and-data/supervisory-reporting-dpm-and-xbrl_en).

<sup>2</sup> EIOPA. 2020 Review of Solvency II. Retrieved 6 September 2023 from [Opinion on the 2020 review of Solvency II \(europa.eu\)](https://www.eiopa.europa.eu/opinion-on-the-2020-review-of-solvency-ii)

## Solvency II Taxonomy 2.8.0

Following the consultation as part of the Solvency II 2020 review, in March 2022 EIOPA submitted to the European Commission the draft amendments to the Implementing Technical Standards on supervisory reporting and disclosure requirements under Solvency II.

In March 2023, EIOPA released the final version of Solvency II Taxonomy 2.8.0 which will be applicable for Q4 2023 reporting.

Figure 2 summarises all template changes proposed under Taxonomy 2.8.0 in comparison to the Taxonomy 2.7.0 applicable from Q4 2022.

**Figure 2: Summary of Changes**

Template Changes (count)	QRTs - Solo Annual	QRTs - Solo Quarterly	QRTs - Group Annual	QRTs - Group Quarterly	ECB Reporting - Solo Annual	ECB Reporting - Solo Quarterly	Financial Stability Reporting - Solo Annual	Financial Stability Reporting - Solo Quarterly	Financial Stability Reporting - Group Annual	Financial Stability Reporting - Group Quarterly
Removed	15	2	14	2	16	3	5	0	4	0
Edited*	41	7	27	5	42	7	N/A	3	N/A	5
New	22	1	19	1	23	3	0	3	0	3

\* Includes change in modelling, remodelling of particular column or row of existing table, change in drop-down item labels, deletion of a section of template.

### SOLVENCY II REPORTING – SOLO

Some key changes (from the current Taxonomy 2.7.0 applicable from Q4 2022) are outlined below.

#### Templates removed

Figure 3 shows the templates that have been removed.

**Figure 3: Templates Removed**

<b>S.03.02</b> [annual] Off-balance sheet items - List of unlimited guarantees received by the undertaking	<b>S.03.03</b> [annual] Off-balance sheet items - List of unlimited guarantees provided by the undertaking
<b>S.04.01</b> [annual] Activity by country	<b>S.05.02</b> [annual] Premiums, claims and expenses by country
<b>S.06.01</b> [annual] Summary of assets	<b>S.08.02</b> [quarterly] Derivatives Transactions
<b>S.15.01</b> [annual] Description of the guarantees of variable annuities	<b>S.15.02</b> [annual] Hedging of guarantees of variable annuities

<b>S.17.02</b> [annual] Non-Life Technical Provisions - By country	<b>S.25.02</b> [annual] SCR - for undertakings using the standard formula and partial internal model
<b>S.25.03</b> [annual] SCR - for undertakings on Full Internal Models	<b>S.36.03</b> [annual] IGT - Internal reinsurance
<b>S.36.04</b> [annual] IGT - Cost Sharing, contingent liabilities, off BS and other items	<b>SR.25.02</b> [annual] SCR - for undertakings using the standard formula and partial internal model
<b>SR.25.03</b> [annual] SCR - for undertakings on Full Internal Models [RFF/MP/RM]	

#### Templates recoded

The following templates have been recoded (to follow a different numbering convention):

- **S.17.02 Non-Life Technical Provisions (TP) – By country** is removed and coded as S.17.03 with additional information for reinsurance business (annual).
- **S.25.02 Solvency Capital Requirement – For undertakings using the standard formula and partial internal model** is coded as *S.25.05 Solvency Capital Requirement – For undertakings using an internal model (partial or full)* (annual). The new template has specified component-specific information, including an additional split for “Credit event risk not covered in market and credit risk,” as well as a split of capital add-ons by type.

## Changes in existing templates

The following templates have been updated:

- **S.01.02 Basic information – General** (quarterly): New rows to flag if the undertaking is captive business; run-off business; any mergers and acquisitions (M&A) during the period. There is also a requirement to provide a direct link to the webpage where the Solvency and Financial Condition Report is disclosed.
- **S.02.02 Liabilities by currency** (annual): Removal of rows for split of assets by currencies.
- **S.03.01 Off-balance sheet items – General** (annual): New section to disclose unlimited guarantees.
- **S.05.01 Premiums, claims and expenses by line of business** (quarterly): Removal of rows for changes in other technical provisions.
- **S.06.02 List of assets** (quarterly): New columns to flag additional asset information, including long-term equity investment, crypto assets and property type.
- **S.08.01 Open derivatives** (quarterly): New columns to disclose additional derivatives information, including swap delivered and swap received.
- **S.12.01 Life and health SLT technical provisions** (quarterly): New row for expected profits included in future premiums (EPIFP) for contracts written on a technical basis similar to life insurance (SLT).
- **S.12.02 Life and health SLT technical provisions – by country** (annual): Removal of total columns.
- **S.13.01 Projection of future gross cash flows** (annual): New columns to split future benefits by guaranteed and discretionary amounts.
- **S.14.01 Life obligations analysis** (annual): New columns to disclose various information, including split of premium written by source, surrender options, commission and guaranteed interest rates.
- **S.17.01 Non-life technical provisions** (quarterly): New row for EPIFP.
- **S.18.01 Projection of future cash flows (best estimate – non-life)** (annual): The template now considers reporting for material lines of business only.
- **S.22.01 Impact of long-term guarantees measures and transitionals** (annual): New rows to disclose Solvency Capital Requirement (SCR) ratio and Minimum Capital Requirement (MCR) ratio.
- **S.23.02 Detailed information by tiers on own funds** (annual): Removal of sections for “Excess of assets over liabilities – attribution of valuation differences.”
- **S.25.01 Solvency Capital Requirement – For undertakings on Standard Formula** (annual): New rows to split capital add-ons by type.
- **S.26.07 Solvency Capital Requirement – Simplifications** (annual): Removal of the column “Risk weight that was

chosen” under the natural catastrophe (NAT CAT) Simplifications section.

- **S.30.01 Facultative covers for non-life and life business basic data** (annual): New columns to disclose line of business and indication of belonging to the 20 largest exposures.
- **S.30.02 Facultative covers for non-life and life business shares data** (annual): New columns to disclose line of business and indication of belonging to the 20 largest exposures.
- **S.30.03 Outgoing reinsurance program basic data** (annual): New columns to disclose commission information.
- **S.30.04 Outgoing reinsurance program shares data** (annual): Removal of section for broker-specific information.
- **S.31.01 Share of reinsurers, including finite reinsurance and special purpose vehicles (SPVs)**, (annual): New column to disclose currency of reinsurance recoverables.
- **S.36.01 IGT – Equity-type transactions, debt and asset transfer** (annual): New columns to disclose sectors of the parties involved in intra-group transactions (IGTs), indirect transactions and single economic operations.
- **S.36.02 IGT – Derivatives** (annual): New columns to disclose sectors of the parties involved and revenues stemming from derivatives.

## New templates

The templates shown in Figure 4 have been added.

Figure 4: New Templates



S.23.01 Own Funds [Quarterly]	S.26.08 Solvency Capital Requirement - for undertakings using an internal model (partial or full) [annual]
S.26.09 Internal model: Market and Credit risk - for financial instruments [annual]	S.26.10 Internal model - Credit event risk Portfolio view details [annual]
S.26.11 Internal model - Credit risk details for financial instruments [annual]	S.26.12 Internal model - Credit risk Non-Financial Instruments [annual]
S.26.13 Internal model - Non-life & Health NSLT Underwriting risk [annual]	S.26.14 Internal model - Life and Health underwriting risk [annual]
S.26.15 Internal model - Operational risk [annual]	S.26.16 Internal model - Model Changes [annual]
S.36.05 IGT - P&L [annual]	S.36.06 IGT - Off-balance sheet and contingent liabilities [annual]
S.36.07 IGT - Insurance and reinsurance [annual]	

## SOLVENCY II REPORTING – GROUP

Most of the changes in solo reporting apply also to group reporting. Additional changes that apply to group templates include:

- **S.05.02 Premiums, claims and expenses by country** (annual): Removal of rows for changes in other technical provisions.
- **S.23.01 Own Funds** (annual): New rows added to break down the eligible own funds from other financial sectors and

undertakings included via Deduction and Aggregation (D&A) method.

- **S.23.04 List of items on own funds** (annual): Additional columns to disclose non-available own funds in the reconciliation reserve.
- **S.32.01 Undertakings in the scope of the group** (annual): New columns added to disclose the type of VA being used in the group internal model.
- **S.33.01 Insurance and Reinsurance individual requirements** (annual): New column added for contribution of solo SCR to the group SCR.
- **S.34.01 Other regulated and non-regulated financial undertakings including insurance holding companies and mixed financial holding company individual requirements** (annual): New column added for contribution of solo (notional) SCR to group SCR.
- **S.37.01 Risk concentration – Exposure to counterparties** (annual): Additional columns to split exposure by asset types.
- **S.37.02 Risk concentration – Exposure by currency, sector and country** (annual): New template to split exposure by currency, sector and country.
- **S.37.03 Risk concentration – Exposure by asset class and rating** (annual): New template to split exposure by asset class and rating.

## ECB REPORTING

Changes in Solvency II reporting also apply to European Central Bank (ECB) reporting.

ECB add-on template E.03.01 Non-life Technical Provisions - reinsurance policies [annual] is removed as reinsurance information is disclosed in S.17.03.

A new ECB add-on is E.04.01 – Investment revenues and expenses (part of TP and excess of assets over liabilities), which is reportable quarterly.

## FINANCIAL STABILITY REPORTING – SOLO

### Templates removed

Financial Stability Report (FSR) annual templates are removed under this proposal. Most annual templates are now reportable quarterly.

### Changes in existing templates

The following changes have been made to the quarterly templates:

- **S.01.02 Basic information – General** (quarterly): New rows to flag if the undertaking is captive business; run-off business; any M&A during the period.
- **S.39.01 Profit and loss** (quarterly): New section to disclose details of profit and loss (P&L).

## New templates

The templates shown in Figure 5 have been added.

**Figure 5: New Templates, Financial Stability Reporting**

S.14.04 Liquidity risk for life business [quarterly]	S.14.05 Liquidity risk for non-life business [quarterly]	S.38.01 Duration of technical provisions [quarterly]
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### FINANCIAL STABILITY REPORTING – GROUP

Most of the changes in solo Financial Stability Reports apply also to group reporting, including the removal of annual financial stability reporting.

An additional template for group reporting is the S.02.01 – Balance sheet (quarterly).

**S.05.01 Premiums, claims and expenses by line of business** (quarterly): New rows to disclose premiums earned.

**S.06.02 List of assets** (quarterly): New columns to flag additional asset information, including long-term equity investment, crypto assets and property type

### CONSIDERATION FOR THE UNITED KINGDOM

Separate to the EIOPA updates discussed in this publication, UK (re)insurers will need to consider requirements from the Prudential Regulation Authority (PRA).

Following the end of the Brexit transition period, from 1 January 2021, the PRA now has authority to make changes to the Solvency II-based insurance regulatory regime applying in the UK. Milliman has produced [this paper](#) detailing recent Solvency II QRT updates from the PRA.

## NST Taxonomy Update

The Central Bank of Ireland has also announced that it will release an NST taxonomy update in November 2023 to maintain alignment with EIOPA's QRT Taxonomy 2.8.0. The NST taxonomy will have an effective date of 31 December 2023.

## How Milliman can help

With these changes to QRTs coming in from 1 January, (Re)insurers need to make sure they are staying on top of the latest regulatory requirements for Solvency II.

Milliman's Solvency II Compliance Assessment Tool (S2CAT) distils the most up-to-date Solvency II requirements into easily digestible self-assessment questions and allows insurers to track and prove their compliance with all the requirements of Solvency II. It also provides a library of the regulations and all amendments, and the current and previous templates for NSTs and QRTs.

You can find out more [here](#).



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