

Chapter 10

Instructions regarding reporting templates

IR.05.03 – Life income and expenditure

General comments

This section relates to quarterly and annual submission of information for individual entities, groups, third country branches, ring-fenced funds, and remaining part. In this template figures for the remaining part incorporate any embedded matching adjustment portfolios.

Items in this template are to be reported using financial accounting conventions, unless these instructions state that an item is to be reported on a Solvency II basis.

For items reported using financial accounting conventions:

1. In the event of any inconsistency or contradiction between the instructions in this document and the accounting standard reported at {basic information – general IR.01.02, row R0120, firms are to follow the instructions in this document.
2. Subject to following the instructions in this document, firms shall follow:
 - a. the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required, and
 - b. the accounting standard reported at {basic information – general IR.01.02, row R0120 to the extent practical.

The template is based on a year-to-date basis.

Insurance and reinsurance firms shall report written premiums as defined in the Glossary regardless of the accounting standard used. Other rows should be reported in a way that avoids inconsistency with the reporting of written premiums. This template shall include all insurance business regardless of the possible different classification between investment contracts and insurance contracts applicable in the financial statements.

Claims incurred shall comprise all claim payments paid in the reporting period plus change in provision for claims outstanding.

For quarterly reporting by individual entities, quarterly reporting by groups and annual reporting by groups only rows R0010 – R0050, R0110-R0200, R0300 and R0440 should be completed.

Items R0060 and R0070 are only required for C0020 and C0070. R0080-R0090, R0280-R0440 are only required for the total business (C0070).

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	ITEM	INSTRUCTIONS
Z0020	Ring-fenced fund or remaining part	<p>Identifies whether the reported figures are with regard to a RFF or to the remaining part. One of the options in the following closed list shall be used:</p> <p>1 – RFF</p> <p>2 – Remaining part</p> <p>In this template figures for the remaining part incorporate any embedded matching adjustment portfolios.</p>
Z0030	Fund number	<p>When item Z0020 = 1, this is a unique number of fund, as attributed by the undertaking. It shall remain unvarying over time. It shall not be re-used for any other fund.</p> <p>The number shall be used consistently across all templates, where relevant, to identify that fund.</p>

Column definitions

C0010	Insurance with profit participation	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0020	Index-linked and unit-linked insurance	Corresponds to the line of business defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0030	Life annuities	Annuities and deferred annuities which would be included in the line of business ‘other life insurance’ defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0040	Annuities stemming from non-life insurance contracts	Only non-life annuity obligations accounted for on the basis used for life insurance (claims incurred based on amounts due during the reporting period) should be reported in IR.05.03. Non-life annuity obligations accounted for on the basis used for non-life insurance should be reported in IR.05.04. Corresponds to the sum of the lines of business ‘annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations’ and ‘annuities stemming from non-life insurance contracts and relating to health insurance obligations’ defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of ‘reinsurance accepted’.
C0050	Other life insurance	Corresponds to the sum of the lines of business

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		'other life insurance' excluding annuities and deferred annuities defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted'.
C0060	Health insurance	Corresponds to the line of business 'health insurance' defined in Technical Provisions – Further Requirements Annex 1 and the corresponding part of 'reinsurance accepted'.
C0070	Total life and health	The total for the firm. For premiums (R0010-R0050), claims (R0110-R0150) and expenses (R0160-R0270) this is the sum of all the preceding columns.

R0010	Premiums written – Gross direct business	Gross written premiums for direct business
R0020	Premiums written – Gross reinsurance accepted	Gross written premiums for reinsurance accepted
R0030	Premiums written – Gross	Gross written premiums for direct business and reinsurance accepted
R0040	Premiums written – Reinsurers' share	Reinsurers' share of gross written premiums
R0050	Premiums written – Net	Gross written premiums reduced by the amount ceded to reinsurance undertakings
R0060 (C0020 and C0070 only)	Investment income	Investment income before tax. Composite insurers should apportion investment income using their internal basis. Firms are not required to attribute investment income between lines of business other than to index-linked and unit-linked.
R0070 (C0020 and C0070 only)	Realised and unrealised gains / (losses)	Realised and unrealised gains (losses) on assets. Composite insurers should apportion gains / (losses) using their internal basis. Firms are not required to attribute realised and unrealised gains / (losses) between lines of business other than to index-linked and unit-linked.
R0080	Other income	Any item of income which cannot properly be attributed to R0010 - R0250.
R0090	Total income	Total income net of reinsurance (sum of R0050-R0080)
R0110	Claims incurred – Gross direct business	Gross claims incurred for direct business
R0120	Claims incurred – Gross reinsurance accepted	Gross claims incurred for reinsurance accepted
R0130	Claims incurred – Gross	Gross claims incurred for direct business and reinsurance accepted
R0140	Claims incurred – Reinsurers' share	Reinsurers' share of gross claims incurred

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R0150	Claims incurred – Net	Gross claims incurred reduced by the amount ceded to reinsurance undertakings
R0160 – R0200	Expenses incurred	All technical expenses incurred by the undertaking during the reporting period, on accrual basis and excluding other technical expenses not allocated to lines of business reported in R0300.
R0160	Expenses incurred – Gross direct business	Gross expenses incurred for direct business
R0170	Expenses incurred – Gross reinsurance accepted	Gross expenses incurred for reinsurance accepted
R0180	Expenses incurred – Gross	Gross expenses incurred for direct business and reinsurance accepted
R0190	Expenses incurred – Reinsurers' share	Reinsurers' share of Gross expenses incurred
R0200	Expenses incurred – Net	Gross expenses incurred reduced by the amount ceded to reinsurance undertakings
R0210-R0270		Analysis of gross expenses incurred – the sum of R0210-R0270 equals R0180
R0210	Acquisition commission	Commission paid on acquisition of business
R0220	Acquisition costs - other	Acquisition management expenses includes all expenses excluding commission which can be identified at the level of individual insurance contract and have been incurred because the undertaking has issued that particular contract. These are costs of selling, underwriting and initiating an insurance contract that has been issued. It includes movements in deferred acquisition costs. For reinsurance undertaking definition shall be applied mutatis mutandis.
R0230	Renewal commission	Commission paid on renewal of business
R0240	Administrative expenses	Administrative expenses incurred by the undertaking during the reporting period, on accrual basis are expenses which are connected with policy administration including expenses in respect of reinsurance contracts and special purpose vehicles. Some administrative expenses relate directly to activity regarding a specific insurance contract (e.g., maintenance cost) such as cost of premium billing, cost of sending regular information to policyholders and cost of handling policy changes (e.g., conversions and reinstatements). Other administrative expenses relate directly to insurance activity but are a result of activities that cover more than one policy such as salaries of staff responsible for policy administration.
R0250	Investment management	Investment management expenses are usually not allocated on a policy-by-policy basis but at

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	expenses	the level of a portfolio of insurance contracts. Investment management expenses could include expenses of recordkeeping of the investments' portfolio, salaries of staff responsible for investment, remunerations of external advisers, expenses connected with investment trading activity (i.e., buying and selling of the portfolio securities) and in some cases also remuneration for custodial services.
R0260	Claims management expenses	Claims management expenses are expenses that will be incurred in processing and resolving claims, including legal and adjuster's fees and internal costs of processing claims payments. Some of these expenses could be assignable to individual claim (e.g., legal and adjuster's fees), others are a result of activities that cover more than one claim (e.g., salaries of staff of claims handling department). This shall include the movement in provisions in claims management expenses.
R0270	Overhead expenses	Overhead expenses include salaries to general managers, auditing costs and regular day-to-day costs i.e., electricity bill, rent for accommodations, IT costs. These overhead expenses also include expenses related to the development of new insurance and reinsurance business, advertising insurance products, improvement of the internal processes such as investment in system required to support insurance and reinsurance business (e.g., buying new IT system and developing new software).
R0280	Interest payable	Interest payable before deduction of tax
R0290	Taxation	Amount of tax incurred (may be negative)
R0300	Other expenses	Other technical expenses including non-capitalised costs excluded from R0210-R0270 and non-technical expenses other than interest payable and taxation.
R0310	Total expenditure	Total expenditure net of reinsurance (sum of R0150, R0200, R0280-R0300).
R0410	Business transfers-in	Amounts received on transfer in; where this template is for only part of the business this amount includes transfers from other funds. For the firm itself, total inter-fund transfers are excluded. IRR.05.03 includes internal transfers.
R0420	Business transfers-out	Amounts paid on transfers out; where this template is for only part of the business this amount includes transfers from other funds. For the firm total inter-fund transfers are excluded. IRR.05.03 includes internal transfers.
R0430	Transfers to (from) other funds	Shareholder transfers arising from with-profits business, transfers of unit management charges and capital movements between funds. This

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		item only applies to IRR.05.03.01.
R0440	Dividends paid	<p>Dividends paid during the period, including foreseeable dividends (IR.23) at the end of the previous period and excluding foreseeable dividends at the end of the current period.</p> <p>Where firms report both IR.05.03 and IR.05.04, dividends paid should only be reported once.</p> <p>Firms should select the template which they regard as representing the larger part of the business.</p>