National specific template Log NS.11 – non-life claim development information (general liability sub-classes)

General Comment

Monetary amounts should be reported in units with no decimals consistent with Commission Implementing Regulations (EU) 2015/2450 article 2 and in the Solvency II reporting currency as defined in Supervisory Statement SS40/15 "Solvency II: reporting and public disclosure - options provided to supervisory authorities".

This template must be submitted by all insurance and reinsurance firms that carry on any of the following classes of non-life insurance business:

Employers Liability – defined as:

Contracts of insurance <u>and accepted proportional</u> (other than reinsurance contracts) against the risks of the persons insured incurring liabilities to their employees for injury, illness or death arising out of their employment during the course of business. (Includes these risks covered under "Mixed commercial package" policies.)

Public & Products Liability – defined as:

Contracts of insurance <u>and accepted proportional</u> (other than reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties for damage to property, injury, illness or death, arising in the course of the insured's business. (Includes these risks covered under "Mixed Commercial Package" policies)

Professional Indemnity – defined as:

Contracts of insurance <u>and accepted proportional</u> (other than reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties arising from wrongful acts (such as breach of duty, breach of trust, negligence, error or omissions) by professionals, named individuals or businesses occurring in the course of the insured's professional activities. (Includes directors' and officers' liability and errors and omissions liability)

Reporting Thresholds

A separate template must be completed for each of the above classes of business split by the original currency (i.e. one template for each class and currency combination) subject to the following materiality thresholds:

<u>If the total gross best estimate for one of the above classes of business represents more than 3% of the total gross undiscounted best estimate of the claims provision the information shall be reported with the following split by currencies in addition to the total for the class of business:</u>

a) <u>Amounts in the reporting currency;</u>

b) <u>Amounts for any currency that represents more than 25% of the gross undiscounted best estimate of the claims provisions from that class of business; or</u>

c) Amounts for any currency that represents less than 25% of the gross undiscounted best estimate of the claims provisions from that class of business but more than 5% of total gross undiscounted best estimate of the claims provisions.

If the total gross best estimate for one non–life line of business represents less than 3% of the total gross undiscounted best estimate of the claims provision no currency split is required, only the total for the line of business shall be reported.

The information by currency shall be reported in the original currency of the contracts.

1. If the undiscounted best estimate gross claim provision for future benefits for the class of business in question at the reference date is less than:
  - 5.0% of the firm's total undiscounted best estimate gross claim provision for future benefits (i.e. 5.0% of the sum of column C0050 (Best estimate claim provision gross / cash out-flows / future benefits) reported in Implementing Technical Standard Reporting template S.18.01.01, and
  - £100m (if applicable converted to GBP at exchange rates applicable on the reference date)
  then the template is not required to be completed for that class.
2. If an NS.11 class of business (i.e. Employers' Liability, public and products liability or professional indemnity) reaches the reporting threshold set out in the instructions, the template should be completed for each original currency in that class until 80% of the gross undiscounted best estimate claim provision for future benefits for the class of business in question at the reference date in the reporting currency has been reported.

  For example, If the reporting currency is GBP and the gross undiscounted best estimate claim provision for a class is £100m and the claims provisions in GBP and USD original currencies are £30m and $50m respectively and the exchange rate at the reference date is £1=$1.3, then the GBP and USD original currencies comprise £(30+50/1.3) = £68.5m of gross claim provision in the reporting currency. Thus GBP and USD original currencies comprise 68.5% of the 80% threshold.

3. If the firm, for the purpose of calculating its claim provision, converts some currencies into GBP or includes with GBP other currencies converted to GBP, the 'converted to GBP' or 'GBP plus converted to GBP' are to be considered as individual currencies for the purpose of applying (2) above. This principle applies if the firm converts currencies to USD or any other 'major' currency.

Latent claims and annuities stemming from non-life insurance obligations are to be excluded from this template. This relates to latent claims for which payments to policyholders are reported in the national specific template NS.10 - projection of future cash flows (best estimate – non-life: liability claim types) and to non-life annuity claims reported to Solvency II Reporting template S.16.01.01. However, bodily injury claims (excluding that part settled by annuity) reported on NS.10 should be reported on this template.

This template requires (re)insurance firms to report the following development triangles gross of reinsurance for the classes (split by currency) referred to above. Each triangle is by origin year and development year, and for 15 years of development:

- Gross claims paid;
- Best estimate claims provisions (i.e. estimated future gross payments for all claims);

- Reported but not settled (RBNS) claims; and

- Gross estimated ultimate premium.

FirmsUndertakings are required to report data by accident year or underwriting year basis, according to how they manage each line of business. This shall be applied consistently over time.

Historical data, starting from the first time of application of Solvency II, are is required for claims paid and RBNS claims. but not fFor Best Estimates of Claims Provisions data is required from the first time of application of Solvency II.

In the case of a firm accepting business via a transfer-in of a portfolio or other merger and acquisition operations, undertakings are required to restate the historical data submitted in from the first reporting date after the transfer/M&A in order to present consistent data the firm is required to submit data on this template as if it had always carried on the business transferred-in (ie historical data is to be restated). In the case of a form discharging obligations via a transfer-out of a portfolio from the first reporting date after the transfer the is required to submit data on this template as if it never had the business transferred-out (ie historical business is to be re-stated).

CELL(S)	ITEM	DEFINITION
Z0010	Line of Business	One of the options from the following closed list shall be used: • Employers Liability [direct business] • Public and Products [direct business] • Professional Indemnity [direct business] as defined under General Comments above. The template must be completed for each of the above classes that meet the threshold set out under General Comments above.
Z0020	Reporting basis	One of the options from the following closed list shall be used: 1 – Accident year 2 – Underwriting year to report the basis used by the firm for reporting of claims development, i.e. accident year (AY) or underwriting year (UWY). Firms can choose whether the origin year is accident or underwriting year, but subject to agreement by the supervisor, especially where a change of basis is proposed.
Z0030	Currency	Identify the ISO 4217 alphabetic code of the currency of the monetary amounts used.
Z0040	Currency Conversion	One of the options from the following closed list shall be used: • Not applicable / Expressed in (converted to) reporting currency • Expressed in currency of denomination (not converted to reporting currency)

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		to specify if the amounts are expressed in the currency of denomination or converted to the reporting currency.
R0100: R0260	**Gross Claim triangles and vectors**	
{ (R0120 to R0260), (C0110 to C0250) } (upper triangle); {R0110, C0260} R0100 / C0160, C0010 to C0150 / R0110 to R0250	Gross Claims Paid (non-cumulative) - triangle	The ~~Gross Claims Paid triangle reports shows the~~ Gross Claims Paid, net of salvage and subrogation, excluding expenses, in a triangle showing the developments of the gross claims payment already made: for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to – including - N (last reporting year) ~~report the payments already made corresponding~~ at each development year (which is the delay between the accident/underwriting date and the payment date). The data are in absolute amount, non-cumulative and undiscounted. ~~A single figure, reported at R0110C0260 shows payments in the most recent reporting year in respect of years N-15 and earlier.~~ The amount includes all the elements that comprise the claim itself but excludes any expenses.
{ (R0110 to R0260), C0270} C0170 / R0100 to R0260	Gross Claims Paid (non-cumulative) in current year - ~~vector~~	Total "Current year" reflects ~~contains the sum of~~ the last diagonal (all data referred to last reporting year) from R0100 to R0250~~, including total~~. ~~This column repeats the last diagonal of the Gross Claims Paid (non-cumulative) triangle. So its total represents all claims paid during most recent reporting year.~~ R0260 is the total of R0100 to R0250.
~~{R0270, C0270}~~	~~Gross claims paid in current year - total~~	~~The sum of rows R0110 to R0260 at column C0270~~
{ (R0120 to R0260), C0290} C0180 / R0110 to R0250	Gross Claims Paid – Sum of years (cumulative) ~~- vector~~	Total "Sum of years" contains the sum of all data in rows (sum of all payments referred to the accident/underwriting year)~~, including total~~. ~~This column contains the sum of all data in each row and so shows the cumulative amount paid to date for each accident/underwriting year.~~
{ (R0120 to R0260), } (C0410 to C0550) }	Gross undiscounted Best Estimate Claims Provisions - Triangle	~~The Gross undiscounted Best Estimate of Claims Provisions~~ tTriangles of ~~reports~~ undiscounted best estimate of claims provisions, gross of reinsurance for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to – including - N (last reporting year). The best estimate for claims provision relates to claims events

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~~(upper triangle); (R0110, C0560)~~ R0100 / C0350, C0200 to C0340 / R0110 to R0250		occurred before or at the valuation date, whether the claims arising from these events have been reported or not. The data are in absolute amount, non-cumulative and undiscounted. ~~A single figure, reported at R0110C0560 shows the gross undiscounted best estimate claim provision at the reference date in respect of years N-15 and earlier.~~
~~{ (R0110 to R0260), C0570}~~ C0360 / R0100 to R0260	Gross Best Estimate Claims Provisions – Year end (discounted data)	Total "Year-end" <u>reflects the last diagonal but</u> ~~for each year,~~ on <u>a</u> discounted basis <u>(all data referred to last reporting year)</u> from R0100 to R0250. <u>R0260 is the total of R0100 to R0250</u>
~~{R0270, C0570}~~	~~Total Estimated Claims Provisions – Year end (discounted data)~~	~~The sum of rows R0110 to R0260 at column C0570~~
~~{ (R0120 to R0260), (C0710 to C0850) (upper triangle); (R0110, C0860)~~ R0100 / C0550, C0400 to C0540 / R0110 to R0250	Gross Reported but not Settled Claims (RBNS) - Triangle	~~The Gross Reported but not Settled Claims t~~<u>T</u>riangle<u>s</u> ~~reports~~ for each of the accident/underwriting years from N-14 (and prior) and all previous reporting periods to – including - N (last reporting year) of provisions in respect of claim events that have happened and been reported to the insurer, but have not yet been settled, excluding incurred but not reported claims ("IBNR"). These may be case-by-case reserves estimated by claim handlers and do not need to be on a best estimate Solvency II basis. The <u>reported but not settled claims ("RBNS")</u> shall be measured using consistent reserve strength over time. The data are in absolute amount, non-cumulative and undiscounted. ~~A single figure, reported at R0110C0860 shows the provision gross RBNS claims at the reference date in respect of years N-15 and earlier.~~ <u>The amount includes all elements that comprise the claim itself but excludes any expenses.</u>
~~{ (R0110 to R0260), C0870}~~ C0560/ R0100 to	Gross Reported but not Settled Claims (RBNS) – Year end (discounted data)	Total "Year-end" <u>reflects the last diagonal but on a discounted basis (all data referred to last reporting</u> ~~for each~~ year<u>)</u> <u>from R0100 to R0250.</u>

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R0260	– vector	R0260 is the total of R0100 to R0250
{R0270, C0870}	Total reported but not Settled Claims (RBNS) — Year end (discounted data)	The sum of rows R0110 to R0260 at column C0870
{ (R0120 to R0260), C1010} C0600 / R0110 to R0250	Gross Estimated Ultimate Premium	The Gross Estimated Ultimate Premium for each of the accident/underwriting years from N–14 to and including N (last reporting year) column shows the estimated ultimate premium at the reference date for each of the 15 origin years. The amount includes any commission or acquisition costs deducted before the insurer receives the premium. If the origin year is accident year then the premiums in this column should be gross earned premium for each of the 15 accident years in the template. If the origin year is underwriting year then the premiums in this column should be gross written premium for each of the 15 underwriting years in the template.
Rows R0310 to R0370	**Inflation rates (only in the case of using methods that take into account inflation to adjust data)**	
{R0310, (C1020 to C1160) }	Historic inflation rate – total	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report by year, and for the 15 years, historic inflation rate used to adjusted historical paid losses triangles.
{R0320, (C1020 to C1160) }	Historic inflation rate – external inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, historic external inflation: which is the "economic" or "general" inflation, i.e. the increase of the price of goods and services in an specific economy (e.g. Consumer Price Index, Producer Price Index, etc.
{R0330, (C1020 to C1160) }	Historic inflation rate – endogenous inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, historic endogenous inflation: which is an increase of claim costs specific of the line of business under consideration.
{R0340, (C1180 to	Expected inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report by year, and for

CELL(S)	ITEM	DEFINITION
C1310) }	rate – total	the 15 years, expected inflation rate used to adjusted historical paid losses triangles.
{R0350, (C1180 to C1310) }	Expected inflation rate – external inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, expected external inflation: which is the "economic" or "general" inflation, i.e. the increase of the price of goods and services in an specific economy (e.g. Consumer Price Index, Producer Price Index, etc.
{R0360, (C1180 to : C1310) }	Expected inflation rate – endogenous inflation	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report, by year, and for the 15 years, expected endogenous inflation: which is an increase of claim costs specific of the line of business under consideration.
{R0370, C1320}	Description of inflation rate used	In the case of use of run-off techniques that explicitly take into account inflation in order to adjust data report narrative description of inflation rate used.