

# Finansinspektionen's Regulatory Code

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**FFFS 2011:33**

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## **Regulations**

### **amending Finansinspektionen's regulations (FFFS 2008:21) regarding Swedish non-life insurance companies' obligation to report data from the annual report;**

decided on 17 March 2011.

Finansinspektionen prescribes pursuant to Chapter 7, section 2 of the Insurance Business Ordinance (2011:257) and section 5 of the Official Statistics Ordinance (2001:100) in respect of Finansinspektionen's regulations (FFFS 2008:21) regarding Swedish life insurance companies' obligation to report data from the annual report

*in part* that the word "non-life insurance companies" shall be replaced with "non-life insurance undertakings",

*in part* that the word "company" shall be replaced by "undertaking", but that the designations "local companies" and "mutual insurance companies" shall remain unchanged,

*in part* that the title of Finansinspektionen's regulations (FFFS 2008:21) regarding Swedish non-life insurance companies' obligation to report data from the annual report, Chapter 1, section 1 and Chapter 2, section 2 of the regulations shall have the following wording, and

*in part* that tabs B and F in Appendix 1 and Appendix 2 shall have the following wording.

### **Finansinspektionen's regulations regarding Swedish non-life insurance undertakings' obligation to report data from the annual report**

#### **Chapter 1**

**Section 1** These regulations apply to the following Swedish non-life insurance undertakings:

- national companies,
- insurance associations,
- local companies whose balance sheet total in accordance with the balance sheets for the previous two financial years is equal to or greater than 1,000 basic amounts for each financial year pursuant to the Social Insurance Implementation Act (2010:111).

#### **Chapter 2**

**Section 2** A non-life insurance undertaking shall submit a declaration on the undertaking's solvency at the balance sheet date. The declaration shall include information on the available solvency margin, the solvency margin and guarantee amounts pursuant to Chapter 7, sections 2-20 of the Insurance Business Act (2010:2043).

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These regulations shall enter into force on 1 May 2011 and are applied to information relating to financial years commencing after 31 December 2010.

MARTIN ANDERSSON

Joakim Ström

## ANNUAL REPORT NON-LIFE INSURANCE UNDERTAKINGS

INSTITUTION		PERIOD	INSTITUTION NUMBER
HANDLED BY	TELEPHONE NUMBER		COMP. REG. NO.

Amounts indicated in SEK thousand without decimals

### B. BALANCE SHEET

#### Assets

<b>B1</b>	Subscribed capital unpaid			
<b>B2</b>	Goodwill			
<b>B3</b>	Other intangible assets			
<b>B4</b>	<b>Total Intangible assets (B2 : B3)</b>	=		
<b>B5</b>	Investment assets	[Link from E13]		
<b>B6</b>	Unearned premiums and outstanding risks	[Link from C10 col 1]		
<b>B7</b>	Outstanding claims	[Link from C47 col 1]		
<b>B8</b>	Bonuses and discounts			
<b>B9</b>	Other technical provisions			
<b>B10</b>	<b>Total Reinsurers' share of technical provisions (B6 : B9)</b>	=		
<b>B11</b>	Claims related to direct insurance			
<b>B12</b>	Reinsurance receivables			
<b>B13</b>	Other receivables			
<b>B14</b>	<b>Total Receivables (B11 : B13)</b>	=		
<b>B15</b>	Property, plant and equipment and inventory			
<b>B16</b>	Cash and bank balances			
<b>B17</b>	Own shares			
<b>B18</b>	Other assets			
<b>B19</b>	<b>Total Other assets (B15 : B18)</b>	=		
<b>B20</b>	Accrued interest and lease income			
<b>B21</b>	Deferred acquisition costs			
<b>B22</b>	Other deferred costs and accrued income			
<b>B23</b>	<b>Total Deferred costs and accrued income (B20 : B22)</b>	=		
<b>B24</b>	<b>Total Assets (B1+B4+B5+B10+B14+B19+B23)</b>	[Check against B49]	=	

## ANNUAL REPORT NON-LIFE INSURANCE UNDERTAKINGS

INSTITUTION		PERIOD	INSTITUTION NUMBER
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### B. BALANCE SHEET

#### Equity, provisions and liabilities

<b>B25</b> Share capital or Guarantee capital		
<b>B26</b> Operating capital		
<b>B27</b> Non-voting equity		
<b>B28</b> Share premium account		
<b>B29</b> Revaluation reserve		
<b>B30</b> Reserve fund		
<b>B31</b> Fair value fund		
<b>B32</b> Other funds		
<b>B33</b> Equity loans or convertible participation certificates		
<b>B34</b> Profit/loss brought forward		
<b>B35</b> Profit/loss for the year	[Check against A43 and E35]	
<b>B36</b> <b>Equity</b> (B25 : B35)	Link from E36	=
<b>B37</b> <b>Untaxed reserves</b>	[Link from E42]	
<b>B38</b> <b>Subordinated liabilities</b>	[Link from E46]	
<b>B39</b> Unearned premiums and outstanding risks (C7 col 1+C8 col 1)		
<b>B40</b> Outstanding claims (C42 col 1+C43 col 1+C44 col 1+C45 col 1)		
<b>B41</b> Bonuses and discounts		
<b>B42</b> Equalisation provision		
<b>B43</b> Other technical provisions		
<b>B44</b> <b>Technical provisions (before reinsurance cessions)</b> (B39 : B43)		=
<b>B45</b> Provisions for other risks and expenses		
<b>B46</b> Deposits from reinsurers		
<b>B47</b> Liabilities		
<b>B48</b> <b>Accrued expenses and deferred income</b>	[Link from E49]	
<b>B49</b> <b>Total Equity, provisions and liabilities</b> (B36+B37+B38+B44+B45+B46+B47+B48)	[Check against B24]	

# ANNUAL REPORT NON-LIFE INSURANCE UNDERTAKINGS

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## B. BALANCE SHEET

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**B50** COMMENTS (maximum 2,000 characters)

**B51** HANDLED BY

TELEPHONE NUMBER

E-MAIL ADDRESS

## ANNUAL REPORT NON-LIFE INSURANCE UNDERTAKINGS

INSTITUTION	PERIOD	INSTITUTION NUMBER
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### F. SOLVENCY DECLARATION FOR UNDERTAKINGS EXCLUSIVELY CONDUCTING NON-LIFE INSURANCE BUSINESS

#### AVAILABLE SOLVENCY MARGIN

##### A-items

<b>F1</b>	Paid in share capital, guarantee capital operating capital (B25+B26-B1)	
<b>F2</b>	Statutory reserves required by law (B28+B29+B30)	
<b>F3</b>	Non-restricted reserves	
<b>F4</b>	Accumulated profit/loss	
<b>F5</b>	Profit/loss for the year after AGM appropriations	
<b>F6</b>	Subordinated loans, up to a maximum of 25 per cent (fixed maturity) or 50 per cent of the required solvency margin	
<b>F7</b>	Openly reported surplus values (net) in assets	
<b>F8</b>	<b>Total available solvency margin before deductions (F1 : F7)</b>	=
<b>F9</b>	of which conversion adjustment	
<b>Deductions</b>		
<b>F10</b>	Intangible items in the balance sheet	
<b>F11</b>	Difference between undiscounted and discounted provisions for outstanding claims	
<b>F12</b>	Cash flow hedge adjustment	
<b>F13</b>	Reclassified items	
<b>F14</b>	Unrealised changes in value of financial liabilities due to changes in own creditworthiness	
<b>F15</b>	Plan assets and unreported pension liabilities	
<b>F16</b>	Other deductions	
<b>F17</b>	<b>Total Available solvency margin (F8-F10-F11-F12-F13-F14-F15)</b> <small>[Link to F84, F88]</small>	=

#### Adjusted available solvency margin = total of items for which consent is not needed

<b>F18</b>	Available solvency margin less A-items F6 and F7 <sup>1)</sup> (F17-F6-F7)	
<b>F19</b>	Openly reported surplus values (net) in assets	
<b>F20</b>	<b>Adjusted available solvency margin in openly reported surplus values (net) in assets</b> <small>[Link to F85]</small>	=

Filled in by

Finansinspektionen

##### B-items

<b>F21</b>	Non-openly reported surplus values that originate from undervalued assets	
<b>F22</b>	Half of as yet unpaid share capital or guarantee capital	
<b>F23</b>	Half of unused distribution right; up to 50 per cent of required solvency margin	

Filled in by

Finansinspektionen

<b>F24</b>	Raised available solvency margin (F17+F21+F22+F23) <small>[Link to F87]</small>	=
<b>F25</b>	-of which B-items in per cent represent ((F21+F22+F23)/F24*100)	

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### F. SOLVENCY DECLARATION FOR UNDERTAKINGS EXCLUSIVELY CONDUCTING NON-LIFE INSURANCE BUSINESS

#### REQUIRED SOLVENCY MARGIN

##### First result

<b>F26</b>	Premium income before reinsurance cessions (gross) for direct insurance and accepted reinsurance, excluding classes 11–13		
<b>F27</b>	Premium income before reinsurance cessions (gross) for direct insurance and accepted reinsurance, classes 11–13		
<b>F28</b>	F27 x 1.50	=	
<b>F29</b>	Premiums in F26 and F27 above that were cancelled (and taxes and fees)		
<b>F30</b>	Adjusted premium income (F26+F28-F29)	=	
<b>F31</b>	Gross value of earned premiums, excluding classes 11-13		
<b>F32</b>	Gross value of earned premiums for classes 11-13		
<b>F33</b>	F32 x 1.50	=	
<b>F34</b>	Adjusted gross value of earned premiums (F31+F33)	=	
<b>F35</b>	The larger of F30 Adjusted premium income and F34 Adjusted gross value		
<b>F36</b>	the portion of F35 less than EU Threshold Value 1 multiplied by 0.18 <sup>2)</sup>	=	
<b>F37</b>	the portion of F35 exceeding EU Threshold Value 1 multiplied by 0.16 <sup>2)</sup>	=	
<b>F38</b>	<b>Total = (F36 + F37) premium basis</b>	=	
<b>F39</b>	Insurance compensations after reinsurance cessions (o.o.a.) for the preceding three financial years	[Link to F61]	
<b>F40</b>	Insurance compensations before reinsurance cessions (gross) for the preceding three financial years	[Link to F62]	
<b>F41</b>	Ratio between insurance compensations o.o.a. and insurance compensations, gross (F39/F40)	[Link to F63]	=
<b>F42</b>	The higher of F41 and 0.50	[Link to F64]	=
<b>F43</b>	<b>First result (adjusted premium basis) (F38 x F42)</b>	[Link to F66]	=

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### F. SOLVENCY DECLARATION FOR UNDERTAKINGS EXCLUSIVELY CONDUCTING NON-LIFE INSURANCE BUSINESS

#### Second result

<b>F44</b>	Paid insurance compensations for direct insurance and accepted reinsurance during the reference period <sup>3)</sup> excluding classes 11-13	
<b>F45</b>	Paid insurance compensations for direct insurance and accepted reinsurance during the reference period <sup>3)</sup> for classes 11-13	
<b>F46</b>	F45 x 1.50	=
<b>F47</b>	Provision for outstanding claims for direct insurance and accepted reinsurance, excluding classes 11–13, at the end of the reference period	
<b>F48</b>	Provision for outstanding claims for direct insurance and accepted reinsurance for classes 11-13 at the end of the reference period	
<b>F49</b>	F48 x 1.50	=
<b>F50</b>	Recovered amounts excluding classes 11-13	
<b>F51</b>	Recovered amounts for classes 11-13	
<b>F52</b>	F51 x 1.50	=
<b>F53</b>	Provision for outstanding claims for direct insurance and accepted reinsurance, excluding classes 11–13, at the beginning of the reference period	
<b>F54</b>	Provision for outstanding claims for direct insurance and accepted reinsurance for classes 11-13 at the beginning of the reference period	
<b>F55</b>	F54 x 1.50	=
<b>F56</b>	<b>Total for the reference period</b> (F44+F46+F47+F49-F50-F52-F53-F55)	=
<b>F57</b>	Total insurance compensations divided by the number of years in the reference period	=
<b>F58</b>	the portion of F57 less than EU Threshold Value 2 multiplied by 0.26 <sup>2)</sup>	=
<b>F59</b>	the portion of F57 exceeding EU Threshold Value 2 multiplied by 0.23 <sup>2)</sup>	=
<b>F60</b>	<b>Total (F58+F59) claims basis</b>	=
<b>F61</b>	Insurance compensations after reinsurance cessions (o.o.a.) for the three preceding financial years	[Link from F39]
<b>F62</b>	Insurance compensations before reinsurance cessions (gross) for the three preceding financial years	[Link from F40]
<b>F63</b>	Ratio between F61 and F62	[Link from F41]
<b>F64</b>	The higher of F63 and 0.50	[Link from F42]
<b>F65</b>	<b>Second result (adjusted claims basis)</b> (F60 x F64)	[Link to F67]



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### F. SOLVENCY DECLARATION FOR UNDERTAKINGS EXCLUSIVELY CONDUCTING NON-LIFE INSURANCE BUSINESS

#### Comparison with preceding year's solvency margin

<b>F66</b>	First result (adjusted premium basis)	[Link from F43]	=	
<b>F67</b>	Second result (adjusted claims basis)	[Link from F65]	=	
<b>F68</b>	The higher of F66 and F67			
<b>F69</b>	The higher of the preceding year's first and second result			
<b>F70</b>	<b>If F68 is greater than F69:</b> Solvency margin the greater of F66 and F67 (F68)	[To F77]		
<b>F71</b>	<b>If F69 is greater than F68:</b> Closing provision for outstanding claims on own account			
<b>F72</b>	Opening provision for outstanding claims on own account			
<b>F73</b>	Ratio between closing and opening provisions for outstanding claims o.o.a. (F71/F72)		=	
<b>F74</b>	<b>Solvency margin</b> : Preceding year's solvency margin multiplied by the ratio between closing and opening provisions for outstanding claims o.o.a. (F69 x F73)	[To F77]		

#### Guarantee amount

<b>F75</b>	The undertaking's statutory guarantee amount, in accordance with Chapter 7, sections 17-19 of the Insurance Act expressed in EUR <sup>5)</sup>		=	
<b>F76</b>	Guarantee amount converted to SEK thousands (F75 x F91)	[Link to F78, F82]	=	

#### SUMMARY

<b>F77</b>	Solvency margin, see Comparison with preceding year's solvency margin	[F70 or F74]		
<b>F78</b>	Guarantee amount	[Link from F76]		
<b>F79</b>	<b>Required solvency margin = the greater of F77 and F78</b>	[Link to F80, F89]	=	

#### Requirement for size of the available solvency margin

<b>F80</b>	Required solvency margin	[Link from F79]		
<b>F81</b>	One-third of the required solvency margin (E79 / 3)		=	
<b>F82</b>	Guarantee amount	[Link from F76]		
<b>F83</b>	Minimum requirement for adjusted available solvency margin = the greater of F81 and F82			

#### Available solvency margin

<b>F84</b>	Total available solvency margin	[Link from F17]		
<b>F85</b>	Adjusted available solvency margin	[Link from F20]		
<b>F86</b>	B-items (F21+F22+F23)			
<b>F87</b>	Raised available solvency margin	[Link from F24]		
<b>F88</b>	<b>At the end of the financial year, the available solvency margin and the required solvency margin</b>	[Link from F17]		
<b>F89</b>		[Link from F79]		
<b>F90</b>	Surplus/deficit (F88 - F89)		=	
<b>F91</b>	Euro rate in SEK for the financial year		=	

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## F. SOLVENCY DECLARATION FOR UNDERTAKINGS EXCLUSIVELY CONDUCTING NON-LIFE INSURANCE BUSINESS

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### Footnotes

- 1 This value shall fulfil the requirements set out in Chapter 7, sections 17-19 of the Insurance Business Act that the available solvency margin the solvency margin or entire guarantee amount shall consist of certain items
- 2 If the amount announced by the European Community's Commission for the year is higher, this amount should be used as the threshold value. Information about the most recent amount is available at [www.fi.se](http://www.fi.se).
- 3 In general, the reference period consists of the three most recent preceding years, although for undertakings that primarily underwrite credit insurance or insurance for at least one of storm, hail or frost insurance it shall consist of the seven most recent preceding :
- 4 Use the number of years, three or seven, that corresponds to the length of the reference period
- 5 If the amount announced by the European Community's Commission for the year is higher, this amount should be used as the guarantee amount Information about the most recent amount is available at [www.fi.se](http://www.fi.se).

COMMENTS (maximum 2,000 characters)

F92

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HANDLED BY

F93

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TELEPHONE NUMBER

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E-MAIL ADDRESS

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*Appendix 2***Instructions for the form Annual Report for Non-life Insurance Undertakings**

Specify all amounts in SEK thousand without a decimal point and round in accordance with applicable rules. Amounts below SEK 500 are reported as 0.

Some information is changed each year, for example the Euro rate to be applied for the financial year. For current values, see Finansinspektionen's website, [www.fi.se](http://www.fi.se).

Explanatory notes on the information supplied may be included in the Comments section in each section of the form. The administrator's name, telephone number and e-mail address should also be given in this section to enable Finansinspektionen to contact the undertaking if any questions arise.

The undertaking's actuary should check the information before it is submitted to Finansinspektionen. The actuary, along with the MD, is responsible for certifying that the information is accurate. However, as far as the actuary is concerned, this responsibility only relates to information on solvency and technical provisions.

Terms and expressions in the forms and in these instructions have the meaning given in the Annual Reports at Insurance Companies Act (1995:1560) and Finansinspektionen's regulations and general guidelines (FFFS 2008:26) regarding annual reports for insurance undertakings, unless otherwise stated. Nevertheless, in the forms, certain information shall be divided up and specified in more detail in comparison with the annual accounts.

In forms A, C and D costs shall be given as a negative figure with a minus sign (including in specifications of pure cost items). Accepted life and non-life reinsurance shall be reported together.

**Reporting of data from the annual report, etc.**

Report information in sections A–K of the form:

1. Income statement (A)
2. Balance sheet (B)
3. Specifications of income statement and balance sheet items (C–E)
4. Solvency declaration (F)
5. Cross-border business per country (G)
6. Profitability of Swedish risks per risk year (H)
7. Third party motor vehicle (I)
8. Third party motor vehicle, processing times (J)
9. Report on non-life life annuities (K)

**A. Income statement**

Premium income o.o.a., insurance compensations o.o.a. and operating expenses are obtained from Specifications: Income Statement

The specification of returns on capital shall relate to the total returns on capital, in other words the sum of the returns on capital in the insurance business and the

finance business. However, there is no total of returns on capital. Instead, there are only a number of items to be filled in.

### **B. Balance sheet**

Investment assets, debts relating to direct insurance, fair value funds, untaxed reserves, subordinated liabilities, provisions for other risks and expenses, liabilities and accrued costs and deferred income are reported in this section. The information is obtained from Specifications: Balance Sheet. Unearned premiums and outstanding risks, outstanding claims and the reinsurers' share of these items are obtained from Specifications: Income Statement.

### **C. Specifications: Income Statement**

For outgoing provision for insurance claims arising and reported and for outgoing provision for insurance claims arising but not reported, excluding provision for claims adjustment costs, an amount before any discounts is given (rows C40 and C42 and corresponding rows). The total discount deduction, if any has been made, is given in row C41 and corresponding rows. Outgoing provision for claims adjustment costs is reported separately.

Reinsurers' share in ingoing/outgoing provisions for unearned premiums and outstanding risks does not mean a consumed share of ingoing/outgoing provisions for reinsurance premiums.

The specification of the operating expenses is more detailed than in the annual accounts. The acquisition costs are divided into commission costs and other acquisition costs. The commission costs include commissions to own personnel.

State the number of employees in the information about the undertaking using the same number as that stated in the annual report.

### **D. Specifications: Direct non-life insurance specified**

All direct insurance (Swedish and foreign) is specified in insurance classes in accordance with Chapter 5, section 5 of the Annual Reports at Insurance Companies Act. This form shall only be filled in by undertakings contemplated in Chapter 1, section 2 of the regulations.

### **E. Specifications: Balance Sheet**

The investment assets (item C) shall be assigned to a type and both the fair value and the book value (the value in the balance sheet) shall be specified.

### **F. Solvency declaration for undertakings only conducting non-life insurance business**

State the financial year to which the information relates on each page of the form. The Euro exchange rate for the financial year is stated in Finansinspektionen's regulations on the Euro exchange rate.

The following data is required in order to complete the form:

1. If the undertaking is *a mutual company* and
  - a) mainly provides credit insurance or insurance that covers one or more of the risks of storm, hail or frost: the undertaking's annual accounts for the past seven years and the articles of association (the reference period is seven years),
  - b) mainly provides insurance other than the insurance specified in point a: the undertaking's annual accounts for the past three years and the articles of association (the reference period is three years).

2. If the undertaking is *a limited liability company* and
  - a) mainly provides credit insurance or insurance that covers one or more of the risks of storm, hail or frost: the undertaking's annual accounts for the past seven years (the reference period is seven years),
  - b) provides insurance other than the insurance specified in paragraph a: the undertaking's annual accounts for the past three years (the reference period is three years).

For new start-ups, the above only applies insofar as it is applicable. Undertakings which have carried on business for a period of less than three (seven) years are subject to a proportionately shorter reference period. Undertakings which have an abbreviated or extended financial year should contact Finansinspektionen before completing the forms.

In the case of solvency reports, it should be taken into account that the rules contained in the Insurance Business Act apply to both the classification and valuation of technical provisions and the assessment of what constitutes an insurance contract. This applies regardless of what accounting rules are applied by the undertaking when determining both the required and available solvency margins.

### **Available solvency margin**

Information is obtained from the balance sheet in the most recent annual accounts and, in the case of mutual companies, from the articles of association.

The items in the available solvency margin shall be stated net appropriations in accordance with the appropriations proposed at the annual general meeting as stated in the annual accounts.

#### *A-items*

#### **F1 Paid in share capital, guarantee capital or operating capital**

This item relates to fully paid in start-up capital and any capital contributions.

Finansinspektionen may, upon application, allow half of the as yet unpaid equity share or guarantee capital to be included in the available solvency margin, see the note to F22.

#### **F2 Reserves required by law**

A share premium reserve, revaluations reserve and statutory reserve, i.e. the sum of items AA.II, AA.III and AA.V(1) on the liabilities side of the balance sheet, are stated here. However, the fair value fund is equated with the surplus in this context and reported in F7. Provision for credit insurance (equalisation reserve) may not be included in the available solvency margin. Any surplus provisions for credit insurance are reported in F4.

#### **F3 Non-restricted reserves**

Security reserves and other untaxed reserves are stated here, though not surplus provisions for credit insurance that are reported in F4 or equalisation reserves for credit insurance which may not be included in the available solvency margin. The information should be consistent with item BB on the liabilities side of the balance sheet, unless the undertaking reports surplus provisions for credit insurance there. In such cases, the surplus provisions are deducted before the information is reported in the form.

**F4 Accumulated profit/loss**

This item relates to the sum of the items Other funds and Profit or loss brought forward after appropriations (AA.V(4) and AA.VI on the liabilities side of the balance sheet, increased or

reduced by the appropriations for the year by the Annual General Meeting). The adjustment made to the annual accounts item Profit or loss brought forward as a consequence of the application of fair value as a valuation principle is included here. The part of the profit or loss for the year brought forward in new accounts is stated beside the profit or loss for the year in F5. Any part of an equalisation provision for credit insurance that exceeds the statutory amount contemplated in Chapter 5, sections 10 and 11 of the Insurance Business Act is included here.

**F5 Profit/loss for the year after appropriations by the Annual General Meeting**

This item relates to the profit or loss for the year, including any unrealised profit or loss (AA.VII on the liabilities side of the balance sheet) with a deduction for any appropriations by the Annual General Meeting such as a dividend to the shareholders.

**F6 Subordinated loans up to a maximum of 25 per cent (fixed term) or 50 per cent of the required solvency margin**

Only subordinated loans that Finansinspektionen has permitted in response to an application are reported here. The loans are associated with certain conditions which are set out in Finansinspektionen's regulations regarding subordinated loans in insurance undertakings' available solvency margins. The regulations state that the available solvency margin may include both subordinated loans with no fixed term (so-called perpetual subordinated loans) and certain subordinated loans with fixed terms.

A subordinated loan may amount to a maximum of 50 per cent of the available or required solvency margin, whichever is the lower, though up to a maximum of 25 per cent in the case of a subordinated loan with a fixed term. Under normal circumstances the required solvency margin is lower than the available solvency margin. Therefore, the required solvency margin should be calculated first in order to be able to fill in the amount that may be included in the available solvency margin. The required solvency margin consists of the solvency margin and the guarantee amount in accordance with F81, whichever is the higher.

**F7 Openly reported surplus values (net) in assets**

In accordance with Chapter 7, section 3 of the Insurance Business Act (2010:2043), Finansinspektionen may grant approval for items in addition to those contemplated in the Act to be included in an insurance undertaking's available solvency margin. Finansinspektionen may therefore permit an undertaking, on application, to include surplus values (net) in its assets, provided that these surplus values are recognised in the undertaking's annual accounts. Equated with surplus values in this context are surplus values in a fair value fund relating to available-for-sale financial assets and fixed assets. Surplus values other than a fair value fund should be stated in the notes or the directors' report to be taken into account.

The undertaking applies for permission to include assets in its available solvency margin by reporting the assets in the form. No additional application is required. If Finansinspektionen does not grant approval, the undertaking is notified of the decision separately.

Net surplus values and deficit values in assets shall be included in this item, where applicable. Surplus values and deficit values in a fair value fund are taken into account before any deferred tax. Deferred tax on unrealised profits that were previously booked against a fund for unrealised profits may also be included in F7.

If a net amount for openly reported assets thus calculated shows a deficit value, a deduction is made from the available solvency margin under deduction item F16.

#### **F9 Of which conversion adjustment**

The total adjustment of opening balances in items under equity as a consequence of the undertaking's first application of new or amended international accounting standards in accordance with Finansinspektionen's regulations and general guidelines regarding annual reports at insurance undertakings or Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards shall be stated on the "Of which conversion adjustment" line.

#### **F10 Intangible items in the balance sheet**

Regardless of which accounting rules are applied, deductions for any intangible assets that may relate to item B are stated here. Intangible assets in the balance sheet in accordance with Appendix 1 of Annual Reports at Insurance Companies Act (1995:1560) are reported in this section.

#### **F11 Difference between undiscounted and discounted provisions for outstanding claims**

Provision for outstanding claims may be discounted if the undertaking fulfils the requirements set out in Finansinspektionen's accounting regulations. In accordance with the regulations, undertakings which discount a provision for outstanding claims shall state the undiscounted value of the provision in a note to the annual accounts.

A deduction is made from the available solvency margin for the difference between undiscounted provisions and discounted provisions for outstanding claims for such insurance policies as contemplated in Chapter 2, section 11, first paragraph of the Insurance Business Act, classes 3–18.

This calculation shall not be affected by annuities and life annuities in non-life insurance.

#### **F12 Cash flow hedge adjustment**

The available solvency margin shall be adjusted for reported changes in values under equity if these relate to derivative instruments which are included in cash flow hedges for assets and liabilities.

#### **F13 Reclassified items**

The available solvency margin may include items which according to older accounting rules would have been classified as equity, but which under IFRS-adapted accounting rules are classified as liabilities.

The available solvency margin may not include items which according to older accounting rules would have been classified as liabilities, but which under IFRS-adapted accounting rules are classified as equity.

IFRS-adapted accounting rules mean

1. Finansinspektionen's regulations and general guidelines regarding annual reports for insurance undertakings or accounting regulations replacing these regulations, and
2. Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

“Older accounting rules” means Finansinspektionen's regulations and general guidelines (FFFS 2003:13) regarding annual reports for insurance undertakings with restrictions and supplements in accordance with the regulations and general guidelines contained in points 4 and 5 of the transitional rules of Finansinspektionen's regulations and general guidelines (FFFS 2005:34) regarding annual reports for insurance undertakings.

Examples of items that may be reclassified include:

1. Preference shares classified as equity according to older accounting rules, but which may be classified as liabilities according to IFRS-adapted accounting rules.
2. An embedded derivative which according to older accounting rules was reported as part of an instrument classified as a liability, but which according to IFRS-adapted accounting rules may be classified as equity.

#### **F14 Unrealised changes in value of financial liabilities due to changes in own creditworthiness**

If financial liabilities which are not held for trade or are the subject of an effective and documented fair value hedge, are measured at fair value in the accounts, the size of the available solvency margin shall not be affected by accumulated value changes attributable to a change in own creditworthiness. This relates to financial liabilities valued at fair value on the basis of the so-called “fair value option” in IAS 39 Financial Instruments: Recognition and Measurement.

#### **F15 Plan assets and unreported pension liabilities**

If plan assets, or equivalent rights to payment, are valued in the balance sheet at an amount which exceeds pension liabilities or other payments to employees related thereto, the difference shall be deducted from the available solvency margin after taking into account deferred taxes. However, this does not apply to surpluses in pension foundations that can be appropriated through reimbursements in accordance with the Safeguarding of Pension Commitments etc. Act (1967:531).

The available solvency margin shall also be reduced by a negative net of actuarial gains and losses estimated in accordance with applied accounting principles and other calculated increases in liabilities for payments to employees which are not reported directly on the balance sheet or covered by related plan assets or corresponding payments in accordance with insurance policies. However, this does not apply if liabilities for pensions or other payments to employees are reported on the balance sheet at an amount of at least that which would have been reported had the undertaking applied calculation models in accordance with the Safeguarding of Pension Commitments Act etc. or the equivalent foreign rules on the safeguarding of pension commitments. This exemption applies on condition that the undertaking's external auditors have verified the amounts.

#### **F16 Other deductions**

Deductions in accordance with Chapter 7, sections 4 and 5 of the Insurance Business Act for the book value of shares and contributions in certain undertakings, for example, are reported in F16. Deductions for a calculated deficit value (net) of openly reported assets in accordance with the instructions for F7 are



also reported under F16. An equalisation reserve for credit insurance may not be included in the available solvency margin. Where an equalisation reserve for credit insurance is included in the Total available solvency margin before deduction items (F8), a deduction for that reserve shall be made under F16.

*Adjusted available solvency margin = Total items for which consent is not required*

The total is calculated by reducing the available solvency margin by the items which require approval from Finansinspektionen, i.e. F6 and F7. The total shall fulfil the minimum requirement that it corresponds to one-third of the solvency margin and the guarantee amount in accordance with Chapter 7, section 17, second paragraph of the Insurance Business Act.

Finansinspektionen's approval is required if the undertaking also wishes to include openly reported surpluses (F7) in order to fulfil this requirement. An undertaking that reports such assets here has thereby applied for approval to include them. In such cases, the adjusted available solvency margin including openly reported surplus values is stated as adjusted available solvency margin on the last page of the form. Where Finansinspektionen does not grant approval to include the surplus values in the available solvency margin, the undertaking is notified of the decision separately.

#### *B-items*

Information for the B-items is processed separately after the undertaking has applied for approval to include one or more of them in its available solvency margin. If Finansinspektionen grants approval for the items to be included in the available solvency margin, Finansinspektionen also fills in the information on the form and notifies the undertaking of the size of the adjusted available solvency margin.

#### **F21 Non-openly reported surplus values deriving from undervaluation of assets**

A Swedish insurance undertaking normally owns no non-openly reported surplus values because all surplus values are by definition openly reported in the balance sheet and/or in the director's report.

#### **F22 Half of the as yet unpaid share capital or guarantee capital**

*For a joint-stock company*, unpaid share capital can only occur via a new issue.

*For a mutual company*, unpaid guarantee capital can only occur in the case of a contribution of guarantee capital in the course of the business.

Because the provisions for annual accounts involve the reporting of gross figures, guarantee capital, like shareholders' contributions as a consequence of a new issue, shall be reported on the liabilities side of the balance sheet as though it were fully paid in. Claims on amounts not paid in full shall also be reported as a specific main item on the assets side of the balance sheet. Half of the amount in this item may, with Finansinspektionen's approval, be included in the available solvency margin.

The item may account for a maximum of 50 per cent of the available or the required solvency margin, whichever is lower.

#### **F23 Half of the unused distribution right up to 50 per cent of the required solvency margin**

This information applies only to a mutual non-life insurance undertaking. Non-life insurance undertakings' distribution right is regulated in Chapter 12, section 2 and Chapter 13, section 4 of the Insurance Business Act. The articles of association state whether the distribution right is limited and, in which case, to what amount.

The distribution right item may account for a maximum of 50 per cent of the available or required solvency margin, whichever is the lower. Under normal circumstances the required solvency margin is lower than the available solvency margin. Therefore the required solvency margin should be calculated first in order to obtain the amount that may be included in the available solvency margin subject to approval by Finansinspektionen. The required solvency margin consists of the solvency margin and the guarantee amount in accordance with F81, whichever is the higher.

*Undertakings with no rules on limitation*

If there are no rules on limitation in the articles of association, no deduction needs to be made for any distribution carried out for the financial year.

*Undertakings with rules on limitation*

The undertaking shall calculate, with the aid of its rules on limitation, the maximum combined amount that could have been distributed to the members during the financial year. The amount actually distributed for the current financial year is then deducted from that value. The remaining amount shall be halved, i.e. divided by two. This amount is then compared to the amount of 50 per cent of the required solvency margin. The lower of these amounts is the amount that may be included in the available solvency margin subject to approval by Finansinspektionen.

**Required solvency margin**

Information is obtained from the income statement, with associated notes, in the most recent annual accounts.

In the calculation, the amounts for premiums, insurance compensations, technical provisions and the claim recourse amount for claims settled for insurance classes 11–13 in Chapter 2, section 11, first paragraph of the Insurance Business Act shall be increased by 50 per cent. Finansinspektionen may, on application, allow statistical methods to be used to determine the share of premiums, insurance compensations, technical provisions and claims paid that relate to these classes.

When calculating the required solvency margin, reinsurance cession is taken into account to a certain extent through the calculation of a retention ratio. Finansinspektionen may decide, in accordance with Chapter 7, section 15 of the Insurance Business Act, that the deduction due to reinsurance cessions should be reduced

- if the reinsurance agreement has substantially worsened since the previous financial year, or
- if the contracts lead only to insignificant transfer of risk.

Finansinspektionen may, upon application, grant approval for the required solvency margin to be reduced by an amount that may be recovered from a special-purpose entity<sup>1</sup>.

In such cases, the undertaking is notified of the decision separately.

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<sup>1</sup> An undertaking in accordance with Chapter 1, section 12, point 4 of the Insurance Business Act.

*First result***F26 Premium income before reinsurance cessions (gross) for direct insurance and accepted reinsurance excluding classes 11–13**

This relates to income which is not allocated to periods. Lump-sum premiums for insurance policies with terms of more than one year are therefore included in their entirety. If another insurance undertaking purchased a non-life disability annuity in the reporting undertaking, the transaction shall be clearly stated in the income statement. The compensation received by the undertaking for the disability annuity shall also be regarded as premium income and included in item F26.

Premium income for insurance classes 11–13 is reported in F27.

**F27 Premium income before reinsurance cessions (gross) for direct insurance and accepted reinsurance, classes 11–13**

Premium income for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act, is stated in this section. The amount for premium income for these insurance classes shall be increased by 50 per cent and the total shall be stated in F28.

**F29 Cancelled premiums**

An adjustment is made here if F26 and possibly F27 have been reported without a deduction for cancelled premiums (e.g. third party motor insurance premiums for cars which are scrapped or sold).

If premiums for classes 11–13 (F27) have been reported without a deduction for cancelled premiums, an adjustment is also made to compensate for the fact that the premiums in these classes in the calculation supporting data have increased by 50 per cent.

However, the item can be established at a zero value if its size is of minor importance and it is difficult and costly to obtain information on cancelled premiums.

**F31–F32 Gross value of the earned premiums**

The item corresponds to gross premium income (before reinsurance cessions) i.e. items I.1.a and I.1.c in the income statement.

Premium income for insurance classes 11–13 shall also be increased by 50 per cent in this section and then added to premium income for other classes of non-life insurance.

**F36–F37**

The amount of the adjusted premium income or the adjusted gross value of the earned premiums, whichever is the higher, is stated here. The part which is equal to or below the SEK equivalent of EU Threshold Value 1 is multiplied by 0.18 and reported in F36.

When the adjusted total premium income (F30) or the adjusted gross value of the earned premiums (F345), whichever is the higher, exceeds the SEK equivalent of EU Threshold Value 1, the surplus amount is multiplied by 0.16 and reported in F37.

Amounts expressed in EUR are revised on an annual basis by the European Commission so that they reflect changes in the European consumer price index. The most recent change in the threshold value when calculating the premium basis (EU Threshold Value 1) entered into force on 1 January 2010. Information on the amount is available at [www.fi.se](http://www.fi.se).

The Euro exchange rate used in the conversion to SEK is stated in Finansinspektionen's regulations (FFFS 2010:8) regarding the Euro exchange rate.

**F39 Insurance compensations after reinsurance cessions (o.o.a.) for the preceding three financial years**

State insurance compensations (after reinsurance cessions) for the preceding three financial years here. The information to which this relates is therefore the part that does not fall on the undertaking's reinsurer.

**F40 Insurance compensations before reinsurance cessions**

The insurance compensations (before reinsurance cessions) should be calculated for the preceding three financial years for all direct business and accepted reinsurance, i.e. the same information as in F39 but with no deduction for the reinsurers' share.

**F41** The ratio F39/F40. If F40 is zero (0), the ratio is set to one (1).

**F42** If F41 is greater than 0.50, F41 is implemented – otherwise F42 is fixed at a value of 0.50.

**F43 First result (adjusted premium base)** s obtained by multiplying the values in F38 and F42.

*Second result*

The information in F44–F56 aims to produce a basis for calculating the average value during the reference period of insurance compensations (gross) for all direct and indirect non-life insurance. The use of moving average values rather than insurance compensations for an individual year gives rise to greater stability in the required solvency margin.

The period (reference period) to which the average value relates is three years for most non-life insurance undertakings. However, undertakings that mainly provide credit insurance or insurance for one or more of the risks of storm, hail or frost, have a reference period of seven years. The average value shall therefore, if possible, be calculated on the past seven years' information on insurance compensations.

Note that the undertaking can in principle calculate F56 by obtaining information on insurance compensations from each of the last three (seven) years' income statements. The information requested in F56 can be obtained by adding together the figures for the three (seven) years and then dividing by three (seven) (though see below on amounts relating to classes 11–13). However, this method does not work when an assignment of stock which took place during the reference period is entered directly into the balance accounts. This is because the outgoing provision for outstanding claims for one year is not then exactly the same amount as the ingoing provision for the following year. The method may not be used by an insurance undertaking that carried out an assignment of stock. However, no problem arises if another insurance undertaking purchased a non-life disability annuity in the undertaking because such transactions will be reported in the income

statement. The size of the two items of premium income and insurance compensations hereby increases, which here is a measure of the risks in a non-life insurance undertaking.

Note also that if the undertaking has insurance compensations and/or technical provisions relating to insurance classes 11–13 in Chapter 2, section 11, first paragraph of the Insurance Business Agreement, that amount shall be increased by 50 per cent.

**F44 Insurance compensations relating to direct insurance and accepted reinsurance during the reference period excluding classes 11–13**

Give insurance compensations before reinsurance cessions (gross) for both direct insurance and accepted reinsurance during the last three (or seven) financial years here.

Insurance compensations for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act are reported separately in F45.

**F45 Insurance compensations relating to direct insurance and accepted reinsurance during the reference period for classes 11–13**

Insurance compensations for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act are stated here. The amount for insurance compensations for these classes shall be increased by 50 per cent and the total shall be entered in F46.

**F47 Provision for outstanding claims relating to direct insurance and accepted reinsurance excluding classes 11–13 at the end of the reference period**

State the provision for outstanding claims (item DD.3 on the liabilities side of the balance sheet) at the end of the last financial year. If another insurance undertaking has purchased a non-life disability annuity in the undertaking during the year, the provision for this shall be reported in the income statement and it shall be included in a closing provision for outstanding claims.

Note that provision for outstanding claims for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act are reported separately in F48.

**F48 Provision for outstanding claims relating to direct insurance and accepted reinsurance for classes 11–13 at the end of the reference period**

Closing provisions for outstanding claims at the end of the reference period for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act are stated here. The amount for provisions for outstanding claims for these classes shall be increased by 50 per cent and the total shall be entered in F49.

**F50 Recovered amounts excluding classes 11–13**

State only any realised claims paid and amounts recovered that have not already been taken into account when calculating F44.

**F51 Recovered amounts in classes 11–13**

Claims settled and amounts recovered for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act are specifically stated in item F51. The amount for claims settled and amounts recovered for these insurance classes shall be increased by 50 per cent and the total shall be stated in F52.

**E53 Provisions for outstanding claims relating to direct insurance and accepted reinsurance excluding classes 11–13 at the beginning of the reference period**

State opening provision for outstanding claims for the first year of the reference - period. The provision for outstanding claims shall therefore include provision for stocks that were assigned to the undertaking at the beginning of the reference period.

**F54 Provision for outstanding claims relating to direct insurance and accepted reinsurance for classes 11–13 at the beginning of the reference period**

State the opening provision for outstanding claims at the beginning of the reference period for insurance classes 11–13 in accordance with Chapter 2, section 11, first paragraph of the Insurance Business Act in this section. The amount for provisions for outstanding claims for the classes shall be increased by 50 per cent and the total shall be stated in F57.

**F57 Total insurance compensations divided by the number of years in the reference period**

The result of the calculation is the average value (per year) of the insurance compensations during the reference period, three or seven years, with an adjustment for classes 11–13.

**F58 and F59**

The total of F56 for the reference period divided by the number of years in the reference period forms the basis for the calculation of items F58 and F59.

The part which is equal to or below the equivalent of EU Threshold Value 2 is multiplied by 0.26 and reported in F58.

When the basis is greater than the SEK equivalent of EU Threshold Value 2, the surplus amount is multiplied by 0.23 and reported *in* F59.

Amounts expressed in EUR are revised on an annual basis by the European Commission so that they reflect changes in the European consumer price index. The most recent change in the threshold value when calculating the claims basis (EU Threshold Value 2) entered into force on 1 January 2010. Information on the amount is available at [www.fi.se](http://www.fi.se).

The Euro exchange rate used in the conversion to SEK is stated in Finansinspektionen's regulations regarding the Euro exchange rate.

**F61** The value is equal to F39.

**F62** The value is equal to F40.

**F63** The value is equal to F41.

**F64** The ratio in F63 is used if it is greater than 0.50. Otherwise, 0.50 is used.

**F65 Second result (adjusted claims basis)** is calculated by multiplying the values for F60 and F64.

**F66–F74 Required solvency margin – Comparison with the previous year's solvency margin**

A comparison is made between the solvency margin calculated for the year, i.e. the adjusted premium or adjusted claims basis, whichever is the higher, and the solvency margin for the previous year.

If the solvency margin calculated for the year is higher than the previous year's solvency margin, it is stated in F70 and reported as a solvency margin in F77 in the summary.

If the solvency margin calculated for the year is lower than the previous year's solvency margin, the solvency margin for the year is determined by multiplying the previous year's solvency margin by the ratio between closing and opening provisions for the undertaking's outstanding claims on own account. This amount is entered as the solvency margin in F77 in the summary. The ratio in F73 may not exceed 1.0 pursuant to Chapter 7, section 11 of the Insurance Business Act.

#### *Guarantee amount*

##### **F75 The guarantee amount in Euro**

The guarantee amount in Euro which applies to the undertaking is stated in Chapter 7, sections 17–19 of the Insurance Business Act. The size of the guarantee amount depends on the insurance classes the business is included in and the size of the reinsurance. For insurance undertakings which only conduct direct non-life insurance business, the guarantee amount is EU Guarantee Amount 1 or EU Guarantee Amount 2 (any of the classes 10-15). For an insurance undertaking which only conducts reinsurance business (non-life and/or life), the guarantee amount is EU Guarantee Amount 2. For an insurance undertaking conducting both direct non-life insurance business and reinsurance business, the guarantee amount is EU Guarantee Amount 1 or 2.

Amounts expressed in EUR are revised on an annual basis by the European Commission so that they reflect changes in the European consumer price index. The supervision of the guarantee amount for direct insurance and reinsurance may take place at different times. The latest change in the guarantee amount for direct insurance entered into force on 1 January 2010. Information on the amount is available at [www.fi.se](http://www.fi.se).

The Euro exchange rate used in the conversion to SEK is stated in Finansinspektionen's regulations regarding the Euro exchange rate.

##### **F76 The guarantee amount converted to SEK thousand**

The undertaking's available solvency margin must always at least equal the guarantee amount. In order to be able to compare the two figures, the guarantee amount must be converted to SEK. The Euro exchange rate used in the conversion to SEK in the solvency calculations is stated in Finansinspektionen's regulations regarding the Euro exchange rate.

In some cases, the guarantee amount for a smaller undertaking is much higher than the required solvency margin applying to the undertaking at a particular time (which is calculated with the aid of the form). However, the undertaking's available solvency margin (in SEK thousand) must at least equal the guarantee amount (in SEK thousand).

Where special grounds exist, Finansinspektionen may allow the guarantee amount for a mutual insurance company to be reduced by a maximum of one-fourth. A specific application is required for this. Subject to a decision by

Finansinspektionen, the lower guarantee amount is stated on the last page of the form.

## **G. Cross-border business**

This report aims to monitor Swedish non-life insurance undertakings' cross-border business distributed among EEA countries, whereas the information for secondary establishments (a branch, an agent or a similar place of business in another EEA country) is submitted for each establishment on a separate form (appendix 3). Gross premium income and gross insurance compensations and commissions are normally reported as positive amounts.

The following information is submitted for motor vehicle liability, excluding freight carriers' liability.

### **Number of insurance years**

Average stock (average stock, number of insurance policies earned) during the year. For example, an insurance policy that has been in effect for three months is counted as 0.25 insurance years.

### **Number of claims filed during the year**

The number of claims filed during the year, regardless of the year of occurrence (claim year).

### **Claim cost including prior-year claims results**

The cost that the undertaking has estimated for claims that arose during the year, corrected by any prior-year settlement results, is equal to insurance compensations made plus provision for outstanding claims at the end of the year – provision for outstanding claims at the start of the year. The amount is stated without a minus sign unless the prior-year settlement profit is higher than the estimated cost for the claims for the year.

### **Claim frequency**

This relates to the number of claims/number of insurance years.

### **Average claim**

This relates to the claim cost/number of claims (stated in SEK).

## **H. Profitability of Swedish risks per risk year (SS)**

Finansinspektionen uses the report to analyse profitability per business branch and claim year (risk year) and, for certain selected insurance classes, to analyse the progress of payments and estimated costs per claim year (risk year). The first claim year that needs to be reported in both insurance class tables is 2008. The total for both insurance class tables does not need to coincide with the total for the claim information for the Home and Company and real estate branches, since these branches also contain claims from other classes. The information shall relate to direct insurance of Swedish risks. The report on reinsurance cessions does not need to be attached to SS if no substantial changes have occurred since the last report was submitted.

The premium information is submitted for the past three claim years. The information for F-2 and F-1 is the same as was submitted for the years in the previous year's report (though in rows F-1 and F). Column 3 – Unearned premiums at the end of the year – relates to the situation at the end of each claim year. The



amount shall be the total outgoing provisions for unearned premiums, even though some premiums (for agreements with terms of more than one year) were paid before the year in question.

The amounts are stated without a minus sign, including outgoing provisions and premiums for reinsurance cessions. The claims information relates to the situation at the end of the financial year. Therefore, accumulated paid amounts from the start of each claim year up to and including the end of the last financial year are reported in column 7 and remaining provisions for outstanding claims at the end of this year are reported in column 8 (gross, i.e.

before stated reinsurance) and the reinsurers' share thereof is reported in column 9 and column 10. The provisions shall be undiscounted even if the undertaking applies discounting in its accounts.

Amounts paid during the most recent financial year and provision for outstanding claims at the end of that year are stated in the boxes under the information distributed by claim year, combined for claim years which are older than the years reported separately. The gross amount and the reinsurers' share are also given for these items.

The information is normally provided in positive figures (without minus signs). Exceptions from this are cases in which, for example, a negative reserve is made due to expected payments.

### **I. Third party motor vehicle, payments and provisions**

This is a specific report for Third party motor vehicle insurance due to the great significance and special nature of the branch.

Claims information, payments and provisions are given gross (i.e. before reinsurance cessions) and classified as either personal injury claims or property damage claims (P claims or E claims) and according to claim year (risk year). For a claim involving compensation for both personal injury and property damage, the amounts are divided between the headings.

In I1–I19, “the undertaking’s own claims”, the following information is provided in the following columns:

- 1 and 4: up to and including the year before the last financial year, accumulated amounts paid (in the first row, which relates to all claim years older than those reported separately on the following rows, these columns shall not be filled in)
- 2 and 5: amounts paid during the last financial year
- 3 and 6: at the end of the most recent financial year, the remaining provision for outstanding claims (excluding claims adjustment costs).

In I20, “claims adjusted or distributed by Swedish Motor Insurers, a share of the cost of the adjustment according to the index for older third party motor vehicle life annuities and for claims caused by unknown and uninsured vehicles is reported, as appropriate.

Amounts paid out and provisions are normally given as positive amounts, therefore with no minus sign. Negative amounts are given if, for example, payments (reclaims) from other undertakings have been higher than the undertaking’s own payments.

## **J. Third party motor insurance, processing times**

The rate at which person injury claims are finally adjusted is stated in this part of the report. An account is drawn up per injured person (not per claim because these may include more than one injured person). The information shall relate to claims which have been processed by the undertaking even if the undertaking will seek recourse against another undertaking.

The number is divided into claims filed during the claim year (Y), filing year Y, or filed after the claim year, filing year >Y.

## **K. Report on decided life annuities**

### **Analysis of mortality assumptions**

#### **Comparison between the mortality assumptions in the technical provisions and actual outcomes**

This form is intended to give the result of an analysis of the actual outcome of longevity mortality compared to the mortality assumptions applied when calculating the technical provisions for the non-life life annuities, whose periodic amounts have been established by the undertaking. The life annuities shall be divided into motor vehicle non-life annuities and liability life annuities in relation to direct insurance of Swedish risks and to other non-life life annuities. These shall also be reported with a division in terms of gender.

Note in particular that both the total risk for the year and the risk premium in this context shall normally be given with a minus sign. The amounts are then added together taking the sign into account. Note therefore that if totals are calculated automatically, the cell contents will normally be added together. For that reason, please be careful that the sign is given for these values.

Special instructions for the Comments box:

If an undertaking is having difficulty following the instructions given below in their entirety, it may fill in information as far as it is able. In such cases, the undertaking must explain in Comments how the information has been reported and the difficulties that arose.

If the undertaking reported high negative results and/or considerably worse results (if any such comparison can be made with previous years), the undertaking shall report the reasons in the Comments section and state the measures that will be taken to eliminate the deficit.

The undertaking shall otherwise also include comments on the accounts if such are considered important to illustrate how the provisions or the results have been calculated or how a loss arose.

#### *K1, K6 Total sum at risk for the year*

Total sum at risk for the year means the insured parties' total average sum at risk during the financial year. For a non-life life annuity that could cease on death, the total for risk is equal to the negative value of the technical provisions. The total sum at risk for the year is therefore normally stated with a minus sign. The value given does not in itself affect the result.

*K2, K7 Risk premium*

Risk premium means the life annuities' combined average risk premium during the financial year. The risk premium (which for survival is normally represented as a calculated so-called inheritance profit) is the likelihood that a non-life life annuity will cease due to death multiplied by the total risk for the year of the life annuity. Risk premium is therefore normally entered with a minus sign (calculated cost for the undertaking).

*K3, K8 Sum at risk for mortalities arising*

Sums at risk released due to life annuity holders' mortality shall be reported. The sums at risk are normally entered with a plus sign (actual income for the undertaking).

*K4, K9 Adjustment item due to changed assumptions*

If provisions have changed due to changed calculation assumptions, such changes shall be reflected in the result. The undertakings which experience difficulty calculating risk premiums and sums at risk based on new assumptions may use this row to correct the result. The item is given with a minus or plus sign. If this adjustment item has been used, the reason and the contents shall be reported in the Comments section.

*K5, K10, K11 Result for mortality for life annuities*

The result for each type of non-life life annuity is calculated by columns through addition in accordance with the instructions for calculation in the form.