

Finansinspektionen's Regulatory Code

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FFFS 2016:4

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Regulations

amending Finansinspektionen's regulations and general guidelines (FFFS 2015:13) regarding supervisory reporting for insurance business;

decided on 18 January 2016.

Finansinspektionen prescribes pursuant to Chapter 7, section 2 of the Insurance Business Ordinance (2011:257) and section 15 of the Official Statistics Ordinance (2001:100) in respect of Finansinspektionen's regulations and general guidelines (FFFS 2015:13) regarding supervisory reporting for insurance business

in part that current Chapter 3, sections 5 and 6 shall be designated Chapter 3, sections 8 and 9 and that current Chapter 5, sections 14–24 shall be designated Chapter 5, sections 15–25,

in part that Chapter 1, sections 1–3, Chapter 3, sections 1, 3, 4, 8 and 9, Chapter 5, section 25, Section I of Appendix 3, Section E and I of Appendix 5 and Appendix 7 shall have the following wording,

in part that the heading immediately preceding current Chapter 3, section 6, shall be placed before Chapter 3, section 9 and that the heading immediately preceding current Chapter 5, section 14 shall be placed before Chapter 5, section 15, and

in part that five new sections, Chapter 3, sections 5–7 and Chapter 5, sections 14 and 26 shall have the following wording.

Chapter 1

Section 1 These regulations contain provisions regarding insurance business that supplement the Insurance Business Act (2010:2043), Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates and structure of the disclosure of specific information by supervisory authorities in accordance with Directive 2009/138/EC of the European Parliament and of the Council and Commission Implementing Regulation (EU) 2015/462 of 19 March 2015 laying down implementing technical standards with regard to the procedures for supervisory approval to establish special purpose vehicles, for the cooperation and exchange of information between supervisory authorities regarding special purpose vehicles as well as to set out formats and templates for information to be reported by special purpose vehicles in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

Section 2 These regulations apply to

1. insurance companies,

2. mutual insurance companies,
3. insurance associations, and
4. special purpose vehicles.

Special purpose vehicles are governed only by Chapter 3, section 9.

The regulations also apply to the appropriate extent at group level for such a group as referred to in Chapter 19 of the Insurance Act (2010:2043).

Section 3 Terms and expressions in these regulations shall have the same meaning as in the Insurance Business Act (2010:2043), Commission Implementing Regulation (EU) 2015/2450 and Commission Implementing Regulation (EU) 2015/462 unless otherwise specified.

Chapter 3

Section 1 Provisions regarding submission of information are set out in Chapters 17 and 19 of the Insurance Business Act (2010:2043), Title I, chapter XIII and Title II, chapter VI of Commission Delegated Regulation (EU) 2015/35 and Commission Implementing Regulation (EU) 2015/2450.

General guidelines

When an insurance undertaking submits information, *Annex 1* should be used to break down insurance obligations pursuant to Commission Delegated Regulation (EU) 2015/35.

Section 3 The information that an insurance undertaking must submit to Finansinspektionen each quarter pursuant to Commission Delegated Regulation (EU) 2015/35 and Commission Implementing Regulation (EU) 2015/2450 shall relate to circumstances at the balance sheet dates 31 March, 30 June, 30 September and 31 December.

Section 4 The information that an insurance undertaking shall submit to Finansinspektionen annually pursuant to Commission Delegated Regulation (EU) 2015/35 and Commission Implementing Regulation (EU) 2015/2450 shall relate to circumstances at the balance sheet date 31 December.

Section 5 An insurance undertaking shall state for direct insurance the accident year when reporting technical provisions pursuant to Commission Implementing Regulation (EU) 2015/2450.

Section 6 When reporting lines of business on template S.21.03.01 pursuant to Commission Implementing Regulation (EU) 2015/2450, an insurance undertaking does not need to submit information about lines of business 1–4, 8 or 10–12 pursuant to Annex I of Commission Delegated Regulation (EU) 2015/35.

Section 7 When an insurance undertaking submits information pursuant to Commission Implementing Regulation (EU) 2015/2450, it shall use an identification code, known as an LEI code (Legal Entity Identifier), to identify itself.

Section 8 Finansinspektionen may decide to exempt an insurance undertaking from submitting:

1. information each quarter pursuant to section 1, and
2. information on assets that is submitted item by item pursuant to the Commission Implementing Regulation (EU) 2015/2450.

Section 9 The information that a special purpose vehicle shall submit to Finansinspektionen annually pursuant to Commission Delegated Regulation (EU) 2015/35 and Commission Implementing Regulation (EU) 2015/462 shall relate to circumstances at the balance sheet date 31 December.

Chapter 5

Section 14 Transitional provisions with special deadlines for reporting in accordance with section 13 are set out in Chapter 6, section 4 of Finansinspektionen's regulations (FFFS 2015:21) regarding transition rules for insurance business.

Section 25 The information that an insurance undertaking shall submit annually pursuant to sections 15–24 shall relate to circumstances at the balance sheet date 31 December and shall have been received by Finansinspektionen no later than 14 weeks after 31 December of the financial year in question.

Section 26 Transitional provisions with special deadlines for reporting in accordance with section 25 are set out in Chapter 6, section 1 of Finansinspektionen's regulations (FFFS 2015:21) regarding transition rules for insurance business.

These regulations shall enter into force on 1 February 2016 and are applied for the first time to information relating to financial years commencing after 31 December 2015. Older regulations apply to information regarding previous financial years.

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Appendix 3

I. Cross-border business, year

This section aims to facilitate the monitoring of Swedish life insurance undertakings' cross-border business, i.e. a Swedish insurance provider that provides insurance within the EEA without a permanent establishment in that country, broken down by EEA country and line of business. This information complements template S.04.01.01 of Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

Information for secondary establishments (branch, agency or similar establishment in another EEA country) and premiums for a Swedish insurance provider that provides insurance within the EEA without a permanent establishment in that country are reported for each establishment in the EU supervisory reporting.

*Appendix 5***E. Specification of earnings information, annual**

Some of the information in the P&L is reported in this section. The specifications are in some case more detailed than in the annual report's specifications.

Premium revenue (after ceded reinsurance), insurance claims (after ceded reinsurance) and operating costs are reported for direct insurance and accepted reinsurance. The breakdown of direct insurance into Swedish and foreign risks is done here. Accepted reinsurance from foreign undertakings is reported separately. Capital yield is also specified.

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

For outgoing provision for occurred and reported insurance claims and for outgoing provision for occurred but not reported insurance claims, excluding provision for claims adjustment costs, state the amount prior to any discounts (items E19 and E20). The total discount deduction, if any has been made, is stated in E23. Outgoing provision for claims adjustment costs are reported separately.

Agreed annuities are transferred to separate reporting of annuities (E17) and shall be excluded from E12 Paid insurance claims.

When dividing the acquisition costs into commission costs and other costs, commissions to the undertaking's own personnel is included in commission costs. Personnel costs refer to salaries, social security expenses, pensions and fees, etc.

The number of employees corresponds to the information submitted in the annual report.

I. Cross-border business, annual

This section aims to facilitate the monitoring of Swedish non-life insurance undertakings' cross-border business, i.e. a Swedish insurance provider that provides insurance within the EEA without a permanent establishment in that country, broken down by EEA country and line of business. This information supplements template S.04.01.01 of Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

Information for secondary establishments (branch, agency or similar establishment in another EEA country) and premiums for a Swedish insurance provider that provides insurance within the EEA without a permanent establishment in that country are reported for each establishment in the EU supervisory reporting.

Appendix 7

Instructions for template Complementary Supervisory Reporting – ECB Add-ons

Terms and expressions in the form and these instructions have the same meaning as in the Annual Reports at Insurance Undertakings Act (1995:1560) and Finansinspektionen's regulations and general guidelines (FFFS 2015:12) regarding annual reports for insurance companies, unless otherwise stated.

Reporting quarterly and annual information

Information is submitted in accordance with sections A–H of the template:

- A. Balance sheet – quarter (SE.02.01.17)
- B. Balance sheet – annual (SE.02.01.16)
- C. Information on assets – quarter (SE.06.02.16)
- D. Information on assets – annual (SE.06.02.16)
- E. Deposits to cedants – quarter (E.01.01.16)
- F. Deposits to cedants – annual (E.01.01.16)
- G. Analysis of life insurance obligations – pension insurance – annual (E.02.01.16)
- H. Technical provisions for non-life insurance for accepted reinsurance and broken down by country – annual (E.03.01.16)

The designations SE and E above refer to additional information in accordance with the templates in the EU supervisory reporting.

Additional information

Only brief information is provided here about the sections above that were submitted in the templates. Information is submitted in accordance with the templates. An overview of submitted information SE.01.01.16 or SE.01.01.17 and only the following alternatives can be selected to be stated in the template:

- 1 – Reported
- 2 – Not reported when there is no life insurance and illness insurance business/
non-life insurance business
- 3 – Not applicable in accordance with instructions in the sections
- 6 – Exemptions according to Article 35, points 6 to 8 of Directive 2009/138/EC of the European Parliament and
of the Council
- 7 – Not applicable when no material changes occurred since
the quarterly reporting (only applicable to annual reporting)
- 0 – Not reported (requires special explanation)

Reported information and reporting format

The additional information, called ECB add-ons, is included in the data point model and taxonomy that the European Insurance and Occupational Pensions

Authority (EIOPA) has developed and is based on Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

Data points and currency codes are submitted in accordance with the requirements in Commission Implementing Regulation (EU) 2015/2450.

Measurement

Information submitted according to the template is measured pursuant to Chapter 5 of the Insurance Business Act (2010:2043).

A. and B. Balance sheet – quarter/annual (SE.02.01.16/17)

The information reported in this section is an addition to template S.02.01 of Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

Reclassification

Information on reclassification is reported when the reclassification of financial instruments has changed compared to the previous reporting period. The reclassification refers to the change in value that arises when the instrument classification has been modified. If no incorrect classifications occurred, no information is reported.

Liabilities to credit institutions and financial liabilities other than liabilities to credit institutions

The information reported is a specification of the information submitted in the EU supervisory reporting for liabilities to credit institutions and financial liabilities other than liabilities to credit institutions.

Liabilities to credit institutions are divided into credit institutions in Sweden (including foreign credit institutions' Swedish branches), credit institutions in the EEA and the rest of the world. This information does not include bonds and other interest bearing securities.

Liabilities to counterparties other than credit institutions are divided into counterparties in Sweden, the EEA and the rest of the world. This information does not include bonds and other interest-bearing securities.

Issued bonds and other interest-bearing securities are reported under other financial liabilities.

C. and D. Information on assets – quarter/year (SE.06.02.16)

The information reported in this section is an addition to template S.02.01 of Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council and is reported item-by-item.

CIC categories refer to complementary identification codes that are found in the EU supervisory reporting, Appendix VI – CIC Table of Commission Implementing Regulation EU 2015/2450.

Information on position – Amortisation and impairment of loans

Information is reported on a reduction in the nominal value of a loan as a result of amortisation and impairment made since the previous annual or quarterly reporting. An impairment is reported as a positive value. A write-up of a previous amortisation or impairment is reported as a negative value. Amortisation and impairment are reported net. The information on position is applied only to mortgages and loans (CIC 8).

Information on assets.

The following information supplements the asset items in the EU supervisory reporting:

- The issuer’s sector according to ESA 2010
- Country of registration for UCITS and non-UCITS
- The instrument classification according to ESA 2010
- Date of issue.

The information supplements the following asset items:

- Government bonds – (CIC 1)
- Corporate bonds – (CIC 2)
- Equity – (CIC 3)
- Collective Investment Undertakings – (CIC 4)
- Structured notes – (CIC 5)
- Collateralised securities – (CIC 6)
- Mortgages and loans – (CIC 8).

The issuer’s sector according to ESA 2010

The issuer’s sector according to ESA 2010 refers to the institution sector classifications in the European System of Accounts (ESA 2010). Sector refers to the issuer of the security or loan. Sector according to EAS does not correspond to the industry classification that is used in Commission Implementing Regulation (EU) 2015/2450 and that is designated “Issuer Sector”.

The Swedish implementation of EAS 2010 requires Statistic Sweden’s Standard Classification by Institutional Sector for 2014 (INSEKT 2014).

A list of the institutions in Sweden that are monetary financial institutions is published by the Riksbank. The European Central Bank publishes a list of monetary financial institutions, collective investment undertakings and securitisation institutions based within the EEA or the EU.

The sector classification follows the Standard Classification by Institutional Sector for 2014 (INSEKT 2014). The standard is published on Statistics Sweden's website and rapporteurs can gain access to the information from Statistics Sweden's Business Register as support for classification of Swedish counterparties.

The sectors that may occur in the section are (the sector codes according to INSEKT 2014 for Swedish counterparties are provided in brackets):

1. Central banks [121000]
2. Monetary financial institutions (MFI) but not central banks and money market funds [122100 + 122200 + 122300 + 122400 + 122500 + 122900]
3. Money market funds [123000]
4. Investment funds but not money market funds [124000]
5. Other financial intermediaries [125200 + 125300 + 125400 + 125900 + 126100 + 126200 + 127000]
6. Securitisation institutions [125100]
7. Insurance undertakings [128100 + 128200 + 128300]
8. Pension institutions [129100 + 129200 + 129300 + 129400]
9. Non-financial corporations [111000 + 112000 + 113000 + 114000]
10. Public administration [131110 + 131120 + 131130 + 131200 + 131311 + 131312 + 131313 + 131321 + 131322 + 131323 + 131400]
11. Households including non-profit organisations [141000 + 142000 + 143000 + 144100 + 144200 + 144300 + 151000 + 152100 + 152200]

Depository receipts are broken down by counterparty based on the undertaking that issued the underlying shares.

The issuer's sector according to ESA 2010 is reported for the assets that are reported without ISIN codes (International Securities Identification Number) for the CIC categories 1–3 and 5–6 as well as for mortgages and loans (CIC 8). Assets reported with another international identifier, such as CUSIP or SEDOL, are considered not to have an ISIN code.

Country of registration for UCITS and non-UCITS

The fund's country of registration is only reported for collective investment units (CIC 4). This specifies where the fund, and not the manager, is registered. For example, if a Swedish securities company manages a fund registered in Luxembourg, Luxembourg is reported as the fund's country of registration.

The country of registration for UCITS and non-UCITS is reported only for funds without an ISIN code.

Instrument classification according to ESA 2010

For certain types of instruments, the classification between securities, shares and loans can vary between the EU supervisory reporting and the reporting of data to the ECB. The instrument classification is therefore submitted in accordance with the CIC categories:

Category 1 – The instrument is a simple debt instrument, non-transferable interest-bearing security or non-transferable money market instrument, e.g. a reverse repurchase agreement/reverse repo

Category 2 – The instrument is a registered bond (the issuer keeps information about the holder)

Category 3 – The instrument is a registered participation certificate or subscription right

Category 9 – Other instruments

Instrument classification according to ESA 2010 is reported for all assets, with or without ISIN for the CIC categories 1–3 and 5–6.

Date of issue

The date of issue corresponds to the original date when the instrument was issued and not when the asset was purchased.

For reverse repurchase agreements/reverse repos, the date of the transaction is used, not the date of issue for the received asset.

The date of issue is reported for assets without an ISIN code for the CIC categories 1–2 and 5–6. The date of issue is also reported for all mortgages and other loans (CIC 8). Where relevant, the date of issue is reported for loans to households as a weighted average based on the loan volume when mortgage loans and other loans to natural persons are aggregated in the EU supervisory reporting.

E. and F. Custodial accounts at insurance undertakings that have ceded reinsurance – quarter/annual (E.01.01.16)

In Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council, custodial accounts at insurance undertakings that have ceded reinsurance are reported with CIC code 75 but without breakdown by country. In this part, deposits to cedants are broken down by country.

The information in this part is in addition to template S.06.02 of Commission Implementing Regulation (EU) 2015/2450.

Information code

The code to identify the information is reported here.

Issuer's country

The country in which the insurance undertaking's reinsurer is domiciled is reported here.

Currency

The currency for the custodial account is stated in accordance with ISO 4217.

Total Solvency II amounts

The value of the custodial account is reported here.

Accrued interest

Accrued interest on the custodial account is reported here. Accrued interest is also included in the total Solvency II amount.

Nominal amount

The capital value of the claim is reported here as a nominal amount.

G. Pension insurance commitments year (E.02.01.16)

This part contains information for statistical purposes regarding pension insurance commitments (that are identified in S.14.01, C0100 classified as "4" in Commission Implementing Regulation (EU) 2015/2450 of 2 December 2015 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council).

Pension insurance

The information about pension insurance that is reported corresponds to technical provisions calculated as a whole gross and best estimate gross. Pension insurance includes both private pension insurance and occupational pension insurance.

of which: Occupational pension insurance

An of-which item for pension insurance that refers to information about occupational pension is reported here.

Defined-benefit occupational pension

Defined-benefit occupational insurance refers to insurance contracts for which the benefit is determined e.g. as a fixed period amount or a certain percentage of salary.

Technical provisions calculated as a whole gross and best estimate gross of the commitments within defined-benefit occupational pension correspond to the present value of the actual promised benefit.

Defined-contribution occupational pension

Defined-contribution occupational insurance refers to insurance contracts for which the fee (the premium) e.g. is determined as a fixed periodic amount or a certain percentage of salary.

In unit-linked insurance, the size of the commitment through this is dependent on the change in value of the assets that are linked to the insurance.

Technical provisions calculated as a whole gross and best estimate gross of the commitment within defined-contribution occupational pension correspond to the present value of the actual promised benefit and are based on the premiums paid to date.

Combined defined-benefit/contribution (hybrid) occupational pension

Combined defined-benefit/contribution (hybrid) occupational pension refers to technical provisions calculated as a whole gross and best estimate gross of commitments according to contracts that combine defined-benefit and defined-contributed occupational pension insurance. Pension plans that contain elements of both defined-benefit and defined-contribution occupational pensions (e.g. ITPK within ITP2 within ITP) are considered to be separate defined-benefit and defined-contribution insurance contracts.

H. Technical provisions for non-life insurance – accepted reinsurance – broken down by country per year (E.03.01.16)

The information that is reported refers to the total technical provisions (TP) for accepted reinsurance, gross broken down by geographical area and country. Both proportional and non-proportional reinsurance are included.

Distribution keys may be used for breakdowns by country.

Geographic area

Sweden (home country) refers to TP for accepted reinsurance, accepted from Swedish insurance undertakings. Regardless of the size TP is always reported for Sweden.

EEA countries outside the threshold refer to TP for accepted reinsurance, accepted from reinsurers in countries within the EEA (excluding Sweden) that have not been reported separately by country.

Non-EEA countries outside the threshold refer to TP for accepted reinsurance, accepted from reinsurers in countries outside the EEA and that have not been reported separately by country.

By country

A separate report by country for up to 90 per cent of the total share of TP for accepted reinsurance including Sweden (home country) is entered here. Breakdown by country is based on the reinsurer's domicile. Sweden (home country) is only reported under geographical area.