

2015

# Insurance Statistics

Q&A Document for Insurance Corporations

Version 2.0



## Q&A – Insurance Statistics

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## Introduction

This document is intended as a source of explanatory information for insurance corporations on provision of statistical data under the ECB Regulations concerning statistics on holdings of securities (ECB/2012/24) and on statistical reporting requirements for insurance corporations (ECB/2014/50), in accordance with the International Statistical Manuals (European System of Accounts 2010 and Balance of Payments Manual 6) for macroeconomic analysis. The questions and answers are based upon the initial feedback we have received from industry.

This document will be continually updated to respond to questions raised by insurance corporations as preparatory work progresses. Questions can be submitted at the following Insurance Statistics Mailbox: [insurance.statistics@Centralbank.ie](mailto:insurance.statistics@Centralbank.ie).

The information provided in this document in relation to the provision of statistical data to Insurance Statistics is intended for general information purposes only for insurance corporations and should not be considered a legal document.

The Q&A Document will begin with general National Specific Template (NST) reporting queries, covering all three Statistics NSTs (NST.12, NST.13 and SNST.1). The following sections provide further detail on the NST.12 and NST.13 templates. Reporting queries and specific items relating to SNST.1 are detailed at the end of the document.

## Statistical Reporting

In order to meet the requirements of Regulation ECB/2014/50, the Central Bank of Ireland could either use data collected under Directive 2009/138/EC (Solvency II), as the primary source of statistical data, or collect a separate statistical return for all requirements. The decision to use Solvency II as the primary source of statistical data was taken to reduce the burden on reporters.

However, there are difficulties in reconciling Statistical and Supervisory data as they differ in a number of fundamental ways. The most obvious difference is the residency basis for Statistics versus the group concept for Supervision. Therefore, the Central Bank of Ireland is using the Statistics National Specific Templates to address a number of Statistical requirements, including Securities Holdings Statistics.

## General Statistics NST Queries

### Reporting Population & purpose of each Statistics National Specific Template (NST)

- **Who should report NST.12?**

Any insurance corporation that is a head office/subsidiary in Ireland, and regulated by the Central Bank of Ireland should report NST.12 (Solvency II reporting population). The head office/subsidiary should complete this return for both the head office ('H'), and each of their non-resident branches ('N').

- **What is the purpose of the NST.12 return?**

The Balance Sheet information reported in the Solvency II QRTs it is not divided out between head office/subsidiary activity and non-resident branch activity. These values are consolidated, which is not sufficient for Central Bank of Ireland Statistics. NST.12 enables these figures to be broken down further, dis-aggregating the values into business written by the head office/subsidiary insurance corporation, and each of the non-resident branches, in order to remove the non-resident branch activity from the insurance corporations balance sheet (derive the host approach).

A list of definitions for each Financial Instrument in NST.12 is detailed in the accompanying document: *'Notes on Compilation – NST.12'*. This also includes an example of a NST.12 submission.

- **Who should report NST.13?**

Any insurance corporation that is a head office/subsidiary resident in Ireland, and regulated by the Central Bank of Ireland should report NST. 13 (Solvency II reporting population). The head office/subsidiary should complete this return for both the head office ('H'), and non-resident branches ('N').

- **What is the purpose of the NST.13 return?**

The data in NST.13 is required for a reconciliation between supervisory reporting (on which Solvency II is based) and statistical reporting in order to meet the requirements set out in ECB Regulation concerning statistics on holdings of securities (ECB/2012/24).

A list of definitions for each field in NST.13 is detailed in the accompanying document: *'Notes on Compilation – NST.13'*. This also includes example NST.13 submissions.

- **Who should report SNST.1?**

Any Irish resident branch of an insurance corporation with their head office resident in another EEA country should complete the SNST.1 return.

**Note:** *As the Central Bank of Ireland has chosen to meet the ECB requirements by the Solvency II data collection, the Irish resident branches will not be listed as part of the reporting population for the core returns detailed in the ECB Regulation (ECB/2014/50).*

- **What is the purpose of the SNST.1 return?**

In completing SNST.1, the Central Bank of Ireland requires an aggregate breakdown of the Financial Instruments listed in this template for Irish-resident branches of insurance corporations with their head office resident in the EEA.

The Central Bank of Ireland needs to understand all the economic activity within Ireland including resident branches of insurance companies with their head office in other EEA countries. This data from branches collected in the SNST.1 will be used to facilitate the translation of the supervisory based data into macro-economic statistical concepts for a broad range of uses.

A list of definitions for each Financial Instrument in SNST.1 is detailed in the accompanying document: *'Notes on Compilation – SNST.1'*. This also includes example SNST.1 submissions.

## Reporting Requirement

- **How are the Statistics NSTs different to the Prudential NSTs?**

The Solvency II reporting framework and Insurance National Specific Templates (NST.1 – NST.11) are collected for supervisory and regulatory purposes to meet the mandatory Solvency II supervisory regime and requirements of the Insurance division of the Central Bank of Ireland. In addition, the Central Bank of Ireland requires statistical information in accordance with the International Statistical Manuals (European System of Accounts 2010 and Balance of Payments Manual 6) for macroeconomic analysis (NST.12, NST.13, and SNST.1).

For information on the quarterly and annual requirements for the eleven prudential (Insurance) NSTs, please see Solvency II Matters publications:-

<http://www.centralbank.ie/regulation/industry-sectors/insurance-companies/solvency2/Pages/Publications.aspx>

- **The introduction of Statistics NSTs in addition to the Prudential NSTs and Solvency II reporting is very burdensome on Industry, are these required?**

The Central Bank of Ireland fully acknowledges the burden on respondents and, as such, has minimised the additional statistical templates as far as possible. The Central Bank of Ireland has decided to meet the ECB requirements by extracting data from the Solvency II data collection, with most of the statistical requirements being generated from Solvency II returns. However, given the difficulties in reconciling statistical and supervisory data, the Central Bank of Ireland must collect the Statistics National Specific Templates to address these issues. The alternative would have been to collect a separate statistical return for all requirements, which would be much more burdensome on industry.

- **What is the definition of ‘home’ approach and ‘host’ approach reporting?**

The ‘home’ approach reporting for Solvency II (supervisory data) consists of resident parent undertakings/subsidiaries, and non-resident branch activity. Alternatively, the ‘host’ approach for statistical reporting refers to resident parent undertakings/subsidiaries, and all resident branches irrespective of where the head is located.

- **Do the Statistics NSTs apply to groups or to solo undertakings?**

The Statistics NSTs do not apply to groups, and only to solo/individual undertakings.

- **What is the method of accounting standard to be used for Statistics NSTs?**

All values entered in the Statistics NSTs should be reported in accordance with the reporting rules from Solvency II Directive (2009/138/EC), or the reporting rules from your companies Statutory Financial Statements. The Central Bank of Ireland has preference for the use of the former valuation rules.

## Reporting Dates

- **What are the reporting dates for the Statistics NSTs?**

The reporting deadlines for the Statistics NSTs have been aligned to the Solvency II Quarterly Quantitative Reporting Templates (QRTs) deadlines for solo undertakings; First reporting is 26<sup>th</sup> May 2016, with reference to 31st March 2016. This enables the Central Bank of Ireland to successfully use the Statistics NSTs to derive the host approach from the Solvency II QRT data (as data is comparable), and successfully meet the requirements of ECB Regulation concerning statistics on holdings of securities (ECB/2012/24).

- **Should the Statistics NSTs be completed and submitted annually in addition to quarterly reporting?**

There are no annual Statistics NSTs.

- **What are the reporting deadlines for subsequent quarters? Do these also follow the same reporting dates as the Solvency II QRTs?**

Yes, the Statistics NSTs should **always** be reported on the same date the Solvency II QRTs.

First Submission Dates:

Reference quarters	Reporting agents to Central Bank of Ireland	Submission Deadline
	T + x weeks	Date
2016 Q1	8	26/05/2016
2016 Q2	8	25/08/2016
2016 Q3	8	25/11/2016
2016 Q4	8	24/02/2017
2017 Q1 – 2017 Q4	7	-
2018 Q1 – 2018 Q4	6	-
As of 2019 Q1	5	-

- **Given the reporting frequency and deadlines have been aligned to the Solvency II QRTs, this causes a period of significant activity requiring numerous reports to be submitted within the same deadlines, can the return deadlines be changed for the Statistics NSTs?**

Unfortunately, the reporting deadlines cannot be changed. The Statistics NSTs need to be reported on the same date as the Solvency II Quarterly Quantitative Reporting Templates (QRTs), to enable the Central Bank of Ireland to successfully use the Solvency II data collection to meet the ECB requirements, and derive the host approach

## NST.12 & NST.13 Reporting Queries

### Reporting Population

- **Our insurance corporation is a head office in Ireland, and is regulated by the Central Bank of Ireland, is NST.12 and NST.13 applicable to the company?**

Yes, both NST.12 and NST.13 are applicable to your insurance corporation.

**Note:** The reporting population for NST.12 and NST.13 is the same as the Solvency II reporting population.

- **Our insurance corporation is a subsidiary resident in Ireland and regulated by the Central Bank of Ireland, is NST.12 and NST.13 applicable to the company?**

Yes, both NST.12 and NST.13 are applicable to your insurance corporation.

**Note:** The reporting population for NST.12 and NST.13 is the same as the Solvency II reporting population.

- **Our head office/subsidiary resident in Ireland writes business in other EEA countries through FOS/FPS (Freedom of Services/Freedom to Provide Services), should this be included in our aggregate values entered in NST.12 and NST.13?**

Yes, all business written by the head office/subsidiary resident in Ireland, including FOS/FPS should be included in the aggregate values entered for your insurance corporation in NST.12 and NST.13.

- **Our head office/subsidiary resident in Ireland writes business in other countries through branches/FOE (Freedom of Establishment) Licenses, should these be included in our aggregate values entered in NST.12 and NST.13?**

Yes, all business written by the head office/subsidiary resident in Ireland, including branch/FOE licenses should be included in the aggregate values entered in NST.12, and should be completed separately for each non-resident branch (see below for further details). In relation to NST.13, the head office/subsidiary aggregates should **not** include branch/FOE business in the aggregate values, these are reported on separate lines within this template.

**Note:** The definition of 'H' in NST.12 and NST.13 are different; the aggregate values included under 'H' in NST.12 are consolidated and should include business written by the head office/subsidiary, FOS/FPS, and branch/FOE business. The aggregate values included under 'H' in NST.13 should only include business written by the head office/subsidiary and FOS/FPS.

- **Our head office/subsidiary resident in Ireland writes business in other countries through branches/FOE (Freedom of Establishment) Licenses, is NST.12 and NST.13 applicable to these non-resident branches?**

Yes, NST.12 should be completed for **each** non-resident branch (irrespective of geographical location) where the head office resident in Ireland. For each branch 'N' should be entered for 'Reporting Entity' and the residency of this branch should be reported under 'Residency of reporting IC'.

All securities for the company are to be listed within NST.13.

- **Similar to NST.12, should NST.13 also be submitted multiple times for each non-resident branch?**

No, only one NST.13 needs to be completed for the reporting institution.

- **For FOE business operating outside the Euro Area (e.g. Northern Ireland), what is the reporting currency for that branch in NST. 12 and NST.13?**

All returns are to be submitted in the QRT reporting currency, in line with Solvency II.

Therefore, the reporting currency for the FOE business in Northern Ireland may be in Sterling or in Euro, depending on the submission of the QRTs.

- **The prudential NSTs are based on the Insurance Companies PRISM rating, is this also the case for NST.12 and NST.13?**

No, NST.12 and NST.13, together with the Solvency II QRTs, are to be submitted by all Insurance Companies (Life, Non-Life, Reinsurance, and Composite Insurance companies). Therefore, the reporting population of the Statistics NSTs is irrespective of the undertaking's PRISM rating.

## **NST.12 Completion**

- **Will the 'Residency of reporting IC' field always be 'IE' (Ireland) when 'H' (head office/subsidiary) is selected for 'Reporting Entity' in NST.12?**

Yes, given only head office/Subsidiaries resident in Ireland should complete this form, when 'H' is entered in 'Residency of reporting IC' field, the 'IE' (Ireland) should always be selected for the 'Reporting Entity' field.

- **Our non-resident branch writes business in other EEA countries through FOS/FPS (Freedom of Services/Freedom to Provide Services), should this be included in our aggregate values for that branch ('N') entered in NST.12?**

Yes, similar to the reporting of head office/Subsidiaries aggregate values, the non-resident branch (N) aggregates should also include FOS/FPS business written by that branch.

## NST.13 Completion

- **For NST. 13, is the requirement to report shareholder investments only, or should policyholder investments also be included?**

Both shareholder investments and policyholder investments should be included in the NST.13 return.

## Reporting Format

- **What format should the Statistics NSTs be submitted?**

Similar to the prudential NSTs, the only permitted format to submit the Statistics NSTs (NST.12 and NST.13) is XBRL. It will be submitted to the Central Bank of Ireland's online reporting system (ONR).

- **When is the XBRL being delivered for industry?**

The XBRL taxonomy is currently being developed. The current scheduled release date for the taxonomy is the end of November 2015 based on current timelines. This release date may be revised over next few weeks, but is unlikely to change substantially. We will communicate any change to this release date as soon as possible.

- **Will the Central Bank of Ireland's XBRL taxonomy mirror the taxonomy developed by EIOPA?**

The Central Bank of Ireland will be developing the NST taxonomy as an extension of the Full Solvency II taxonomy published by EIOPA. Therefore, we will be following the logical taxonomy architecture implemented by EIOPA. Please see documentation published on EIOPA's reporting formats page here:

<https://eiopa.europa.eu/regulation-supervision/insurance/reporting-format>

- **Will there be cross-check validations applied between the Statistics NSTs?**

No, there are no crosschecks being applied to the Statistics NSTs as part of the XBRL submission.

## SNST.1 Reporting Queries

### Reporting Population

- **What is the reporting population of the SNST.1 return?**

This return is to be completed by any Irish resident branch of an insurance corporation with their head office in another EEA country.

**Note:** The reporting population for SNST.1 is different from the Solvency II reporting population.

- **Our Irish resident branch writes business in other EEA countries through FOS/FPS (Freedom of Services/Freedom to Provide Services), should this be included in our aggregate values for the branch entered in SNST.1?**

Yes, the Irish resident branch aggregates should also include FOS/FPS business written by that branch in Ireland.

### SNST.1 Completion

- **This return refers to aggregate figures, what should this include?**

The aggregate figures refer to the aggregates of the Irish resident branch alone.

### Reporting Format

- **What format should SNST.1 be submitted?**

SNST.1 should be submitted in Excel format. It will be submitted to the Central Bank of Ireland's online reporting system (ONR) by the domestic branch.