



# SAM QRT Workshop

Light Parallel Run Quarterly Quantitative Reporting Templates

June 2014



# Agenda

- Welcome and introduction
- Light Parallel Run: Technical Specifications
- Light Parallel Run QRT's:
  - LPR Quarterly Quantitative Reporting Template
  - LPR Group Quarterly Quantitative Reporting Template
  - LPR Log Files
- Questions



# LPR Technical Specifications

# Components

- Technical Specification
- Solo template
- Groups template
- Log files



# Timelines for reporting

Light Parallel Run				
Financial Year End	Quarterly reporting			
	Reporting date	Submission date	Reporting date	Submission date
31- Jan	31- Jul- 14	30- Sep- 14	31- Oct- 14	31- Dec- 14
28- Feb	31- May- 14	31- Aug- 14	31- Aug- 14	31- Oct- 14
31- Mar	30- Jun- 14	31- Aug- 14	30- Sep- 14	30- Nov- 14
30- Apr	31- Jul- 14	30- Sep- 14	31- Oct- 14	31- Dec- 14
31- May	31- May- 14	31- Aug- 14	31- Aug- 14	31- Oct- 14
30- Jun	30- Jun- 14	31- Aug- 14	30- Sep- 14	30- Nov- 14
31- Jul	31- Jul- 14	30- Sep- 14	31- Oct- 14	31- Dec- 14
31- Aug	31- May- 14	31- Aug- 14	31- Aug- 14	31- Oct- 14
30- Sep	30- Jun- 14	31- Aug- 14	30- Sep- 14	30- Nov- 14
31- Oct	31- Jul- 14	30- Sep- 14	31- Oct- 14	31- Dec- 14
30- Nov	31- May- 14	31- Aug- 14	31- Aug- 14	31- Oct- 14
31- Dec	30- Jun- 14	31- Aug- 14	30- Sep- 14	30- Nov- 14

## Financial Quarter end

Q1
Q2
Q3
Q4

# Solo template – general

- Use SA QIS3 specifications
- Only use the default calculation – no options
- Segmentation
  - None for 1st calculation
  - SAM segmentation for 2nd calculation
- Quarter on quarter basis
- Comparatives – use SA QIS3 or later calculation

# Solo template – SCR simplifications



- Simplification will be up to insurer
- Potential simplifications
  - Use previous SCR
  - Key risk driver
  - Multiple risk drivers
  - Manual Adjustment(s)
  - Proxy models
- Similar simplifications in order to obtain SCR for risk margin purposes

# Groups template

- Template similar to SA QIS3 return
- Calculation similar to SA QIS3, with removal of
  - Current method
  - Accounting consolidation approach
- Only required for specified “large” groups
- Template to be returned 3 months after relevant reporting period



# LPR Quarterly Quantitative Reporting Templates

# LPR Quarterly Quantitative Reporting Templates



General	Introduction	Index
	Company Information	Metadata
Own Funds	OF1	OF2
	OF3	OF4
	OF4.3S	
Assets	D1 - Assets	
ST Technical Provisions	TP1S	
	TP5.1S	TP5.2S
LT Technical Provisions	TP1	
	TP3.1	TP3.2
Capital Requirements	SCR	
	MCR	

# LPR Quarterly Quantitative Reporting Templates



## General

### Introduction

Insurers need to select their name from a dropdown box on this tab. It also includes important information on conventions, and key activities to be undertaken throughout the quantitative reporting process.

### Index

Provides an overview of each tab in the quantitative reporting workbook

### Company Information

This tab gathers information about the company submitting, and is also used to, where possible, hide sections of the workbook which are not relevant to the insurer based on their answers. Giving the correct answers here is therefore critical.

### Metadata

This tab is purely for storing the lists used in the workbook. This tab can be fully ignored, and is only made visible so that the user can observe this information if desired.

# LPR Quarterly Quantitative Reporting Templates

## Own Funds



OF1

This template provides a high level summary of the solvency position of the insurer as at the current and previous valuation dates. It compares the eligible own funds to meet the SCR and MCR to these respective requirements.

OF2

This template provides a statement of the assets, liabilities and excess assets/Basic Own Funds at the current and previous valuation dates. This is done on both SAM and IFRS bases.

OF3

This template deals with the calculation of Own Funds available to meet the capital requirements on a SAM basis. It calculates Basic Own Funds, Ancillary Own Funds and total available Own Funds to meet the SCR and MCR after eligibility criteria.

OF4

This template serves as a revenue account under the SAM basis for Life insurers over the period.

OF4.3S

This template serves as a revenue account under the SAM basis for Non-Life insurers over the period.

# LPR Quarterly Quantitative Reporting Templates

Assets



D1 - Assets

The template integrate all relevant fields for supervisory needs in a detailed list of assets. The templates are aligned according to the CIC table categories.

# LPR Quarterly Quantitative Reporting Templates

ST Technical Provisions



TP1S

This template provides a breakdown of the technical provisions calculated in the valuation, split between best estimate liabilities (BEL), the risk margin (RM) and technical provisions as whole. The template also includes an undiscounted view of total technical provisions.

TP5.1S

This template provides details of the movement in policy numbers and premiums. Insurance providers writing direct business should fill in this template.

TP5.2S

This template provides details of the movement in reinsurance contract numbers and premiums. Only the reinsurance providers need to fill in this template.

# LPR Quarterly Quantitative Reporting Templates

LT Technical Provisions



TP1

This template provides a breakdown of the technical provisions calculated in the valuation, split between best estimate liabilities (BEL), the risk margin (RM) and technical provisions as whole.

TP3.1

This template reflects an analysis of movements in policies and premium levels for individual business.

TP3.2

This template reflects an analysis of movements in schemes and premium levels for group business.

# LPR Quarterly Quantitative Reporting Templates

## Capital Requirements



SCR

This template calculates the SCR for each risk type based on inputs for the SCR sub-risk types. Breakdowns are required for each of the risk modules and sub-modules, showing the effects of diversification. The results are aggregated into the overall BSCR and ultimately the SCR.

MCR

This template calculates the Minimum Capital Requirement. The calculation of the MCR combines a linear formula with a floor of 25% and a cap of 45% of the SCR (whether calculated using the standard formula or an internal model). The MCR is subject to an absolute floor, expressed in Rands, depending on the nature of the insurer and also includes an allowance for operating expenses.



# LPR Group Quarterly Quantitative Reporting Templates

# LPR Group Quarterly Quantitative Reporting Templates



General

Introduction

Index

Instructions

Metadata

Group Structure

Intragroup Transactions

Group Solvency

Group Solvency - Details

# LPR Group Quarterly Quantitative Templates

General



## Introduction

Groups need to enter their name in this tab. It also includes important information on conventions, and key activities to be undertaken throughout the completion and submission process.

## Index

This tab provides an overview of all the tabs in this workbook, and shows the links between the tabs.

## Instructions

This tab provides instructions on how to complete this workbook. Only instructions for tabs with user inputs have been described.

## Metadata

This tab is purely for storing the lists used in the workbook. This tab can be fully ignored, and is only made visible so that the user can observe this information if desired.

# LPR Group Quarterly Quantitative Templates



## Group Structure

Groups are required to set out their group structure in this tab. The tab includes a section setting out which entities defined in the group structure are then included in the group calculation.

## Intragroup Transactions

"This tab collects information of the various intragroup positions within the group. The results in this tab are not used in the calculations, but is merely there to provide information. The data in this tab consists of two sections: - Transactions between entities in the Group Structure - Transactions between an entity in the Group Structure and an entity in the wider group not included in the scope of the calculation."

# LPR Group Quarterly Quantitative Templates



## Group Solvency

This tab calculates the solvency position of the group using a Deduction & Aggregation methodology based on the SA QIS3 Technical Specifications.

## Group Solvency - Details

This tab is purely for disclosure purposes. Values of the components of the assets, liabilities and own funds before intragroup adjustments under the Group Solvency calculation must be entered per entity in this tab.

# QUESTIONS

