Insurance data release

UK Insurance Sector: Solvency II Day 1 and Quarterly Returns as at 2016 Q4

The implementation of Solvency II on 1 January 2016 introduced a new regulatory regime for insurers, including comprehensive annual and quarterly reporting requirements for firms.

The Prudential Regulation Authority's Insurance Supervision Directorate has developed tools to analyse the data submitted by firms to identify key issues and emerging risks in the insurance market to support forward-looking judgement-based supervision. This release shares some headline outputs from our high level analysis.

This release presents a number of metrics over 2016 using data from the quarterly reporting templates only. It does not comment on the data or seek to provide any explanation of observed trends. Any discrepancies or indicators of risk will be managed on an individual firm basis.

There is value in setting out this data: (i) so that firms can get a view of how they compare with industry averages and sense check whether this accords with their internal views; and (ii) for the purpose of transparency, so that firms are aware of how we are reviewing the data submitted to us.

This release:

- Presents a number of metrics over 2016 from the quarterly reporting templates only.
- Contains metrics for two cohorts of firms, representative of the life and non-life markets respectively. Thirty solo reporting firms have been selected for each cohort based on the availability of data in each time period and their size (using total assets under management). For large composite firms, we have used judgement based on the size of their liabilities as to whether to include them in the life or non-life cohort. The thirty firms are consistent over each time period. This approach covers more than 90% of the UK insurance industry.
- Presents metrics for capital, assets, and those pertaining predominantly to the life industry and non-life industry respectively.
- Includes precise definitions of the metrics shown, and explanatory notes for each chart to aid understanding and interpretation.

We welcome comments on this release and encourage any proposals for our consideration to include in any future releases. Please provide this to InsuranceDataRelease@bankofengland.co.uk by 31 December 2017.

Capital

Chart 1: Solvency Capital Requirement (SCR) coverage over time as measured by the ratio of eligible own funds to meet SCR to SCR (by standard formula, partial internal model or full internal model). This is a weighted average calculation ie total eligible own funds of cohort divided by total SCR for cohort. Figures are post-Transitional Measures for Technical Provisions (TMTP) and hence impacted by any recalculations of TMTP during 2016.

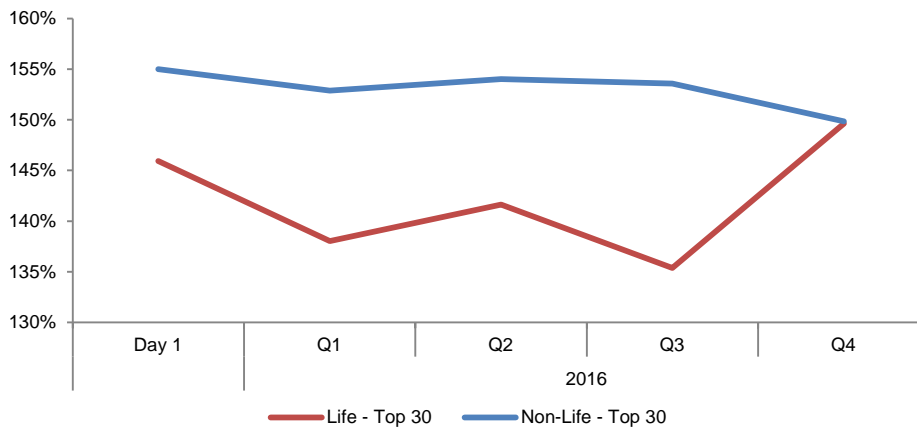|	Day 1	Q1	Q2	Q3	Q4
			2016		
		SCR coverage ratio (%)			
Life - Top 30	146	138	142	135	150
Non-Life - Top 30	155	153	154	154	150

Chart 2: Range of SCR coverage ratio, as measured in chart 1, in the life and non-life sectors. The boxes represent the range from the 25th, 50th to 75th percentiles. The red dot is the weighted average of SCR coverage ratios (total eligible own funds of cohort divided by total SCR of cohort).

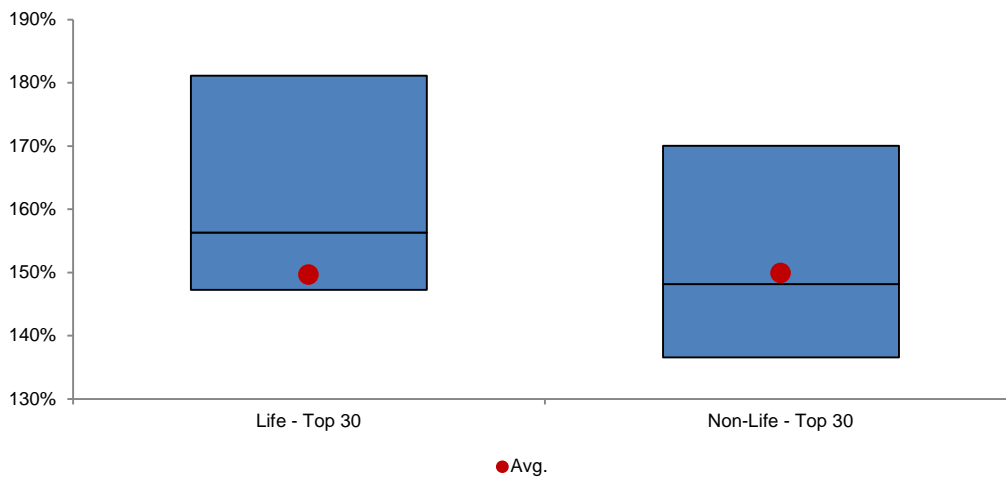|	Avg.	25th	50th	75th
		2016 Q4		
		SCR coverage ratio (%)		
Life - Top 30	150	147	156	181
Non-Life - Top 30	150	137	148	170

Chart 3: Breakdown of the eligible own funds into the various tiers for the life and non-life sectors showing how it has changed from day one to 2016 Q4**.**

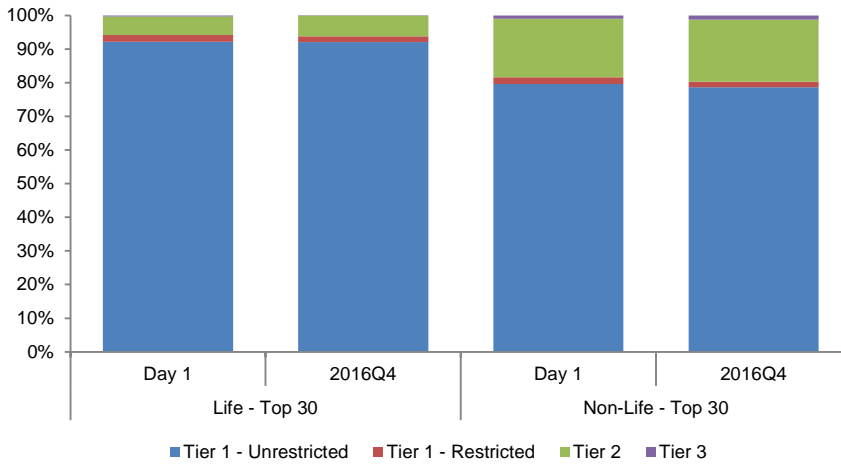|		Tier 1 - UnR	Tier 1 - R	Tier 2	Tier 3
		Proportion of capital (%)			
Life – Top 30	Day 1	92.2	1.9	5.5	0.3
	2016Q4	92.1	1.7	6.1	0.0
Non-Life – Top 30	Day 1	79.6	2.0	17.4	0.9
	2016Q4	78.7	1.6	18.5	1.2

Chart 4: Breakdown of movements in the balance sheet from day one to 2016 Q4 (see explanatory notes for definitions of the asset and liability categories used). Life and non-life cohorts are presented separately.

Non-life sector (£ billion)

Life sector (£ billion)

3
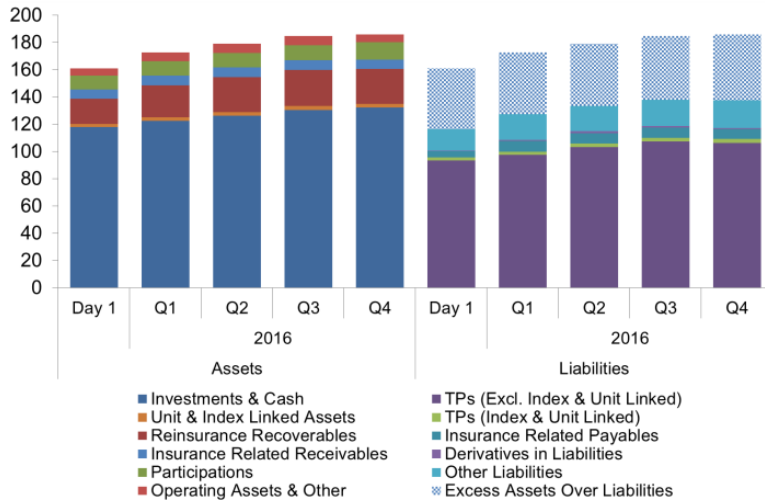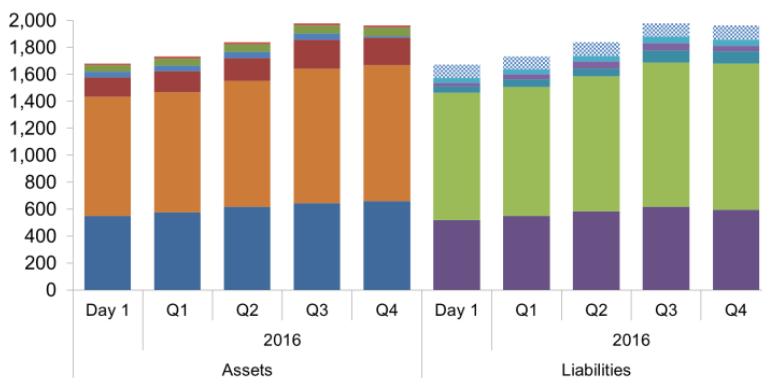
Invested Assets

Chart 5: Amount and proportion of assets in the life and non-life sectors as at 2016 Q4. This includes all assets on the Solvency II balance sheet comprising investments (both unit linked and non-unit linked), deferred tax assets, loans and mortgages, and reinsurance recoverables etc.

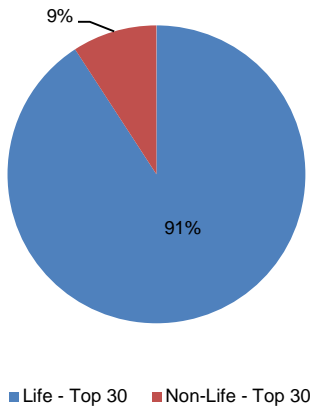|	2016Q4
	Total Assets (£bn)
Life - Top 30	1,965
Non-Life - Top 30	199

Chart 6: Proportion of investments (other than assets held for index-linked and unit-linked contracts) by investment category (includes participations and cash & cash equivalents) as at 2016 Q1 compared to 2016 Q4 in the life and non-life cohorts. Information is derived from the list of assets data and was not collected at day one.

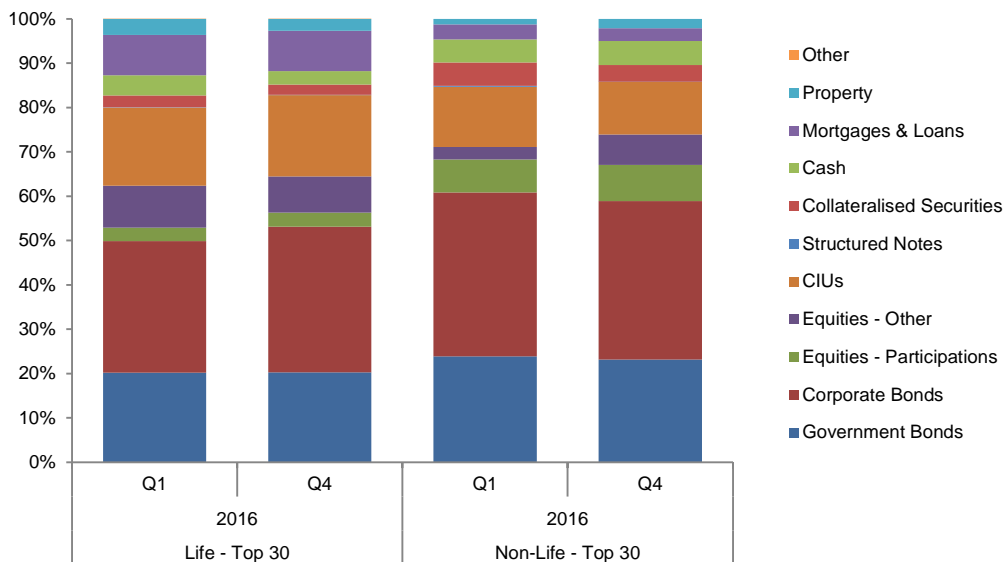|		GB	CB	Eq (inc. par)	CIU	SN	CS	Ca	ML	Pr	Ot
	2016	Asset breakdown by type of asset (%)									
L	Q1	20.2	29.6	12.5	17.6	0.1	2.7	4.6	9.0	3.7	0.0
	Q4	20.3	32.8	11.3	18.4	0.0	2.3	3.1	9.1	2.7	0.0
NL	Q1	23.9	37.0	10.3	13.5	0.3	5.2	5.2	3.4	1.3	0.0
	Q4	23.2	35.7	15.1	11.9	0.0	3.8	5.4	2.9	2.1	0.0

Chart 7: Proportion of bonds with each credit rating as at 2016Q1 compared to 2016 Q4. This covers government and corporate bonds only (ie the total of the bonds covered here equals the corporate and government bonds defined in chart 6). Excludes unit linked and index linked assets.

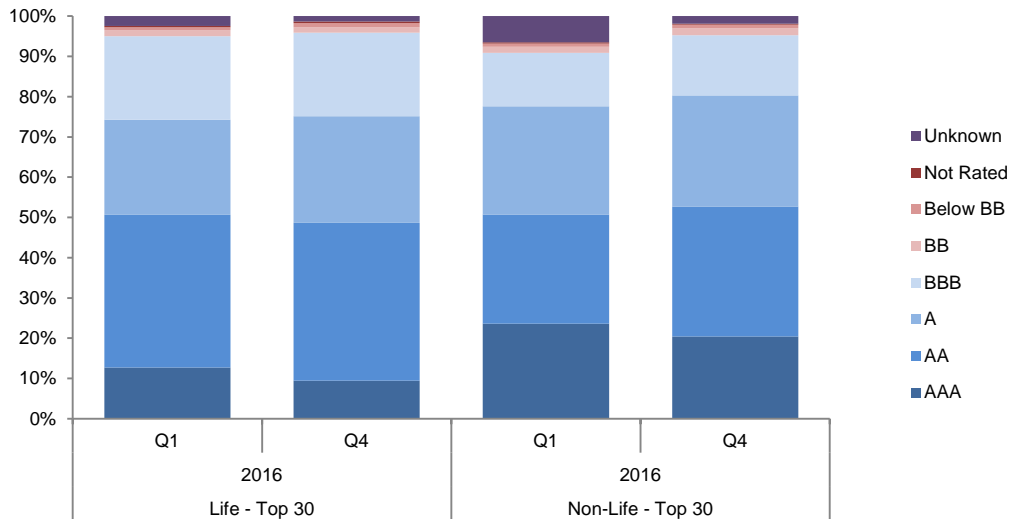| 2016		AAA	AA	A	BBB	BB	Below BB	NR	Unk
		Breakdown by credit rating (%)							
L	Q1	12.7	38.0	23.7	20.7	1.5	0.7	0.3	2.5
	Q4	9.5	39.2	26.5	20.7	1.3	1.1	0.4	1.3
NL	Q1	23.6	27.1	26.8	13.3	1.5	0.9	0.3	6.5
	Q4	20.4	32.3	27.6	15.0	1.8	0.9	0.2	1.9

Chart 8: Proportion of bonds that fall into each year to maturity bucket as at 2016Q1 compared to 2016 Q4. This covers government and corporate bonds only and excludes unit linked and index linked assets (as for chart 7).

2016		<1	1-3	3-5	5-9	10-15	15-20	>20	Unk
		Breakdown by years to maturity (%)							
L	Q1	5.1	7.6	7.8	18.1	14.2	12.3	34.7	0.2
	Q4	4.8	6.6	7.6	17.0	14.0	12.4	37.4	0.1
NL	Q1	18.2	31.2	21.4	21.5	2.7	0.9	4.0	0.0
	Q4	19.3	28.9	20.5	21.3	3.2	1.5	5.3	0.0
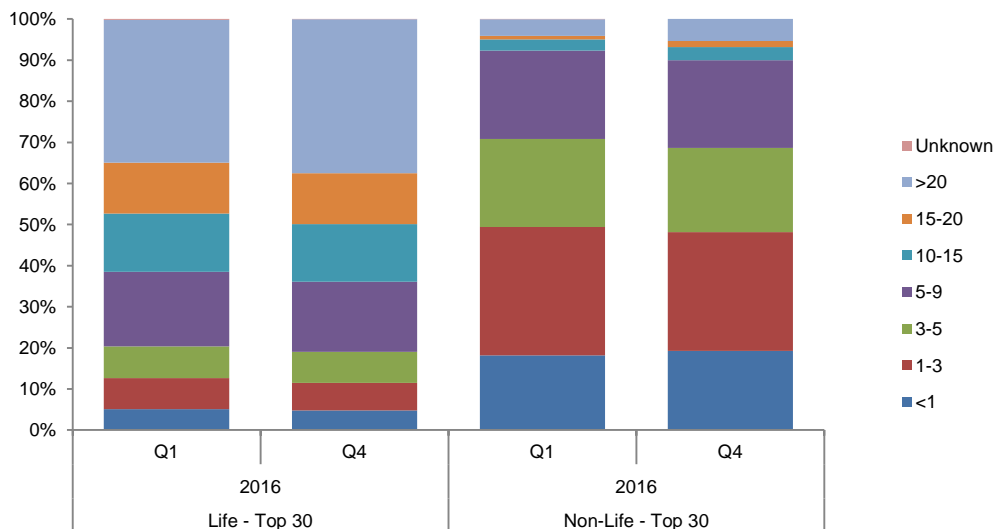
Focus on Life Insurance

The metrics in this section have been produced for the top 30 life insurance solos only (the same as the life cohort defined in the previous sections).

Chart 9: Average and range of the ratio of assets to liabilities over time. Assets and liabilities here are defined as those on the Solvency II balance sheet excluding those related to unit linked and indexed linked business. They are a subset of the assets in chart 5. The boxes represent the range from the 25th, 50th to 75th percentiles. The red line is the weighted average of assets over liabilities (total assets divided by total liabilities).

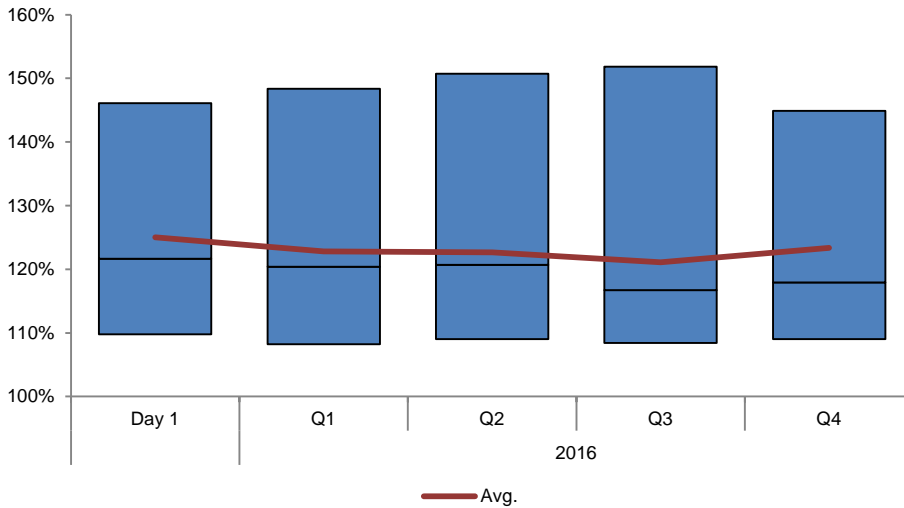|		Avg.	25th	50th	75th
		Asset-liability ratio (%)			
Day 1		125.0	109.8	121.6	146.1
2016	Q1	122.8	108.2	120.4	148.4
	Q2	122.7	109.0	120.7	150.7
	Q3	121.1	108.4	116.7	151.8
	Q4	123.4	109.0	117.9	144.9

Chart 10: Implied impact of TMTP by calculating a reduction in SCR coverage (as defined in chart 1) based on the removal of life-TMTP benefit over time. It ignores the impact on some firms caused by allocation of a portion of the TMTP to ring-fenced funds.

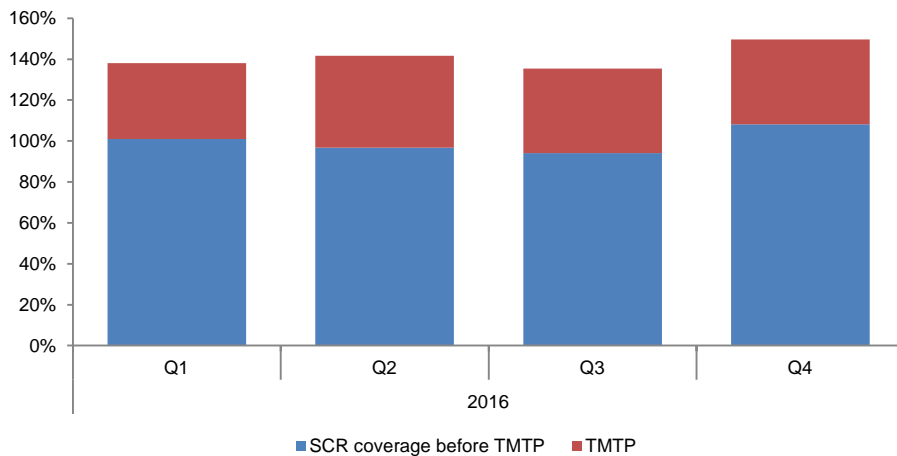|	2016			
	Q1	Q2	Q3	Q4
SCR coverage after TMTP (%)	138	142	135	150
SCR coverage before TMTP (%)	101	97	94	108
TMTP (%)	37	45	41	41

■ SCR coverage before TMTP   ■ TMTP

Chart 11: Average and range of the ratio of risk margin to SCR (as determined by standard formula, partial internal model or full internal model) over time. Figures are pre-application of TMTP. The boxes represent the range from the 25th, 50th to 75th percentiles. The red line is the weighted average risk margin to SCR (total risk margin divided by total SCR for the cohort).

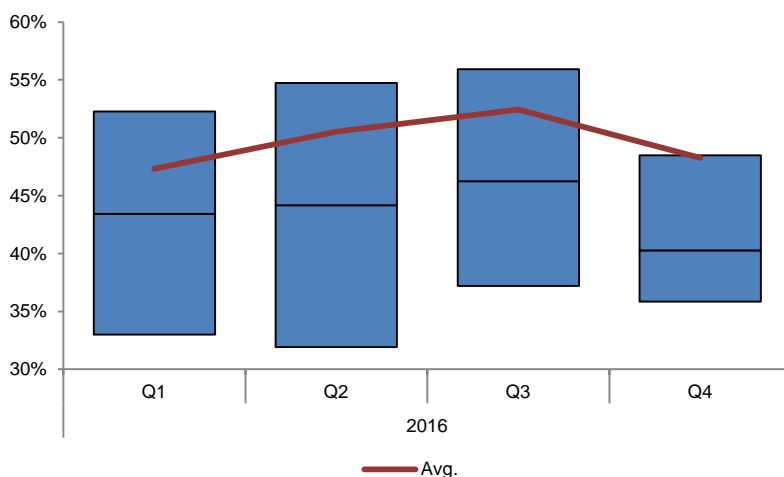|		Avg.	25th	50th	75th
		Risk margin / SCR (%)			
	Q1	47.3	33.0	43.4	52.3
	Q2	50.5	31.9	44.2	54.7
2016	Q3	52.4	37.2	46.3	55.9
	Q4	48.3	35.9	40.3	48.5

━ Avg.

Chart 12: Range of risk margin to net best estimate liabilities (includes technical provisions as a whole) for different lines of business as at 2016 Q4. Figures are pre-application of TMTP. The boxes represent the range from the 25th, 50th to 75th percentiles. The red dot is the weighted average risk margin to net best estimate liabilities (total risk margin divided by total net best estimate liabilities for the cohort).

	2016Q4			
	Avg.	25th	50th	75th
	Risk margin / net best estimate (%)			
Index Linked & Unit Linked	0.5	0.2	0.5	1.1
With Profit	1.7	0.8	1.2	2.9
Life Reinsurance	2.6	0.3	2.2	8.0
Life Other	9.3	6.4	8.8	12.6
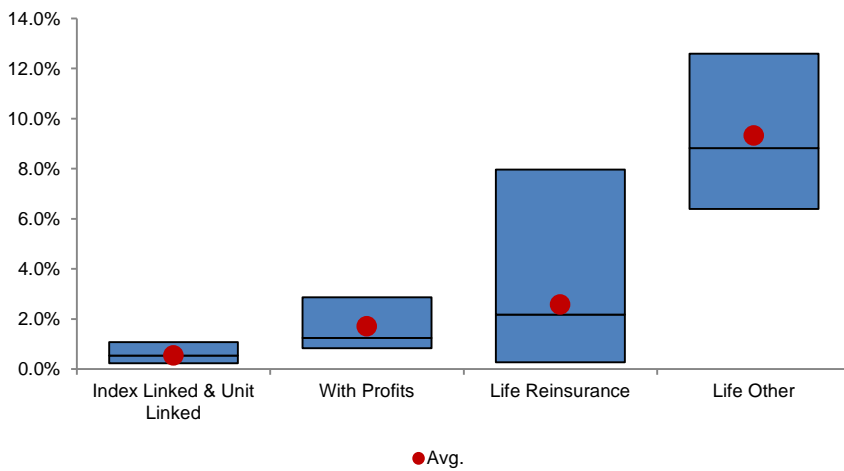
Focus on Non-Life Insurance

The metrics in this section have been produced for the top 30 non-life insurance solos only (the same as the non-life cohort defined in the first two sections of analysis).Figures were extracted as at 22 May 2017 – if a firm resubmitted information to allow for the change in the Ogden discount rate – this will be reflected in the data.

Chart 13: Performance metrics for key lines of business over time. Net written premium (NWP) is a 12 month rolling premium. Loss ratio is net claims incurred as a percentage of net earned premium year to date (NEP YTD). Expense ratio is expenses incurred as a percentage of NEP YTD. Total expenses include other expenses. The combined ratio adds together the net incurred claims ratio and the expenses ratio.

| | 2016 | | | | 2016 | | | | 2016 | | | | 2016 | | | | 2016 | | | |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
	Total				General Liability				Property				Motor Liability				Motor Other			
NWP 12m rolling(£bn)	48.2	49.7	50.0	50.7	8.9	9.3	9.8	10.2	13.4	13.9	14.0	14.1	5.7	5.8	5.6	5.6	2.2	2.2	2.3	2.3
Loss Ratio (%)	49	54	55	56	45	55	55	55	45	53	50	53	54	55	65	73	50	63	69	66
Expense Ratio (%)	48	43	40	42	43	41	38	42	47	45	44	45	94	48	40	38	56	42	38	37
Combined Ratio (%)	97	97	95	99	88	96	94	96	92	99	93	98	149	104	105	111	106	105	107	103
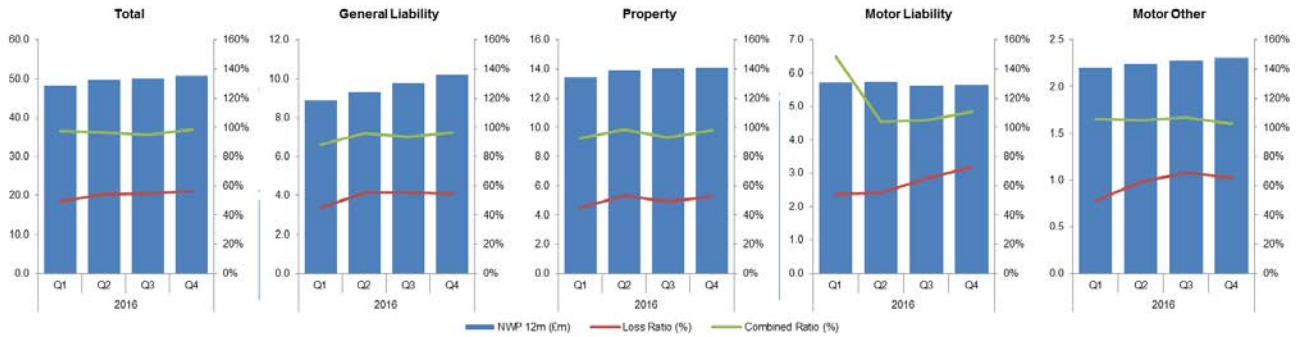
Chart 14: Breakdown of the best estimate liabilities into claims provisions and premium provisions, net .
and gross for key lines of business as at 2016Q1 compared to 2016Q4.

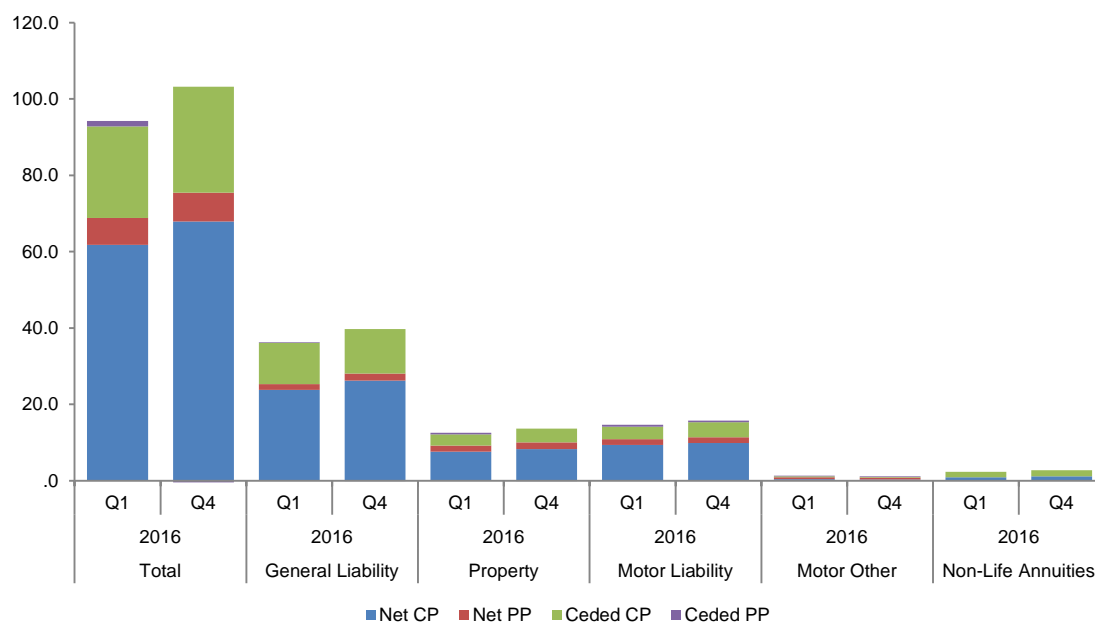|		Net CP	Net PP	Gross CP	Gross PP	Gross BELs
		Best estimate liabilities (£bn)				
Total Non-Life	Q1	60.8	7.0	22.6	1.4	91.9
	Q4	66.8	7.5	26.2	-0.5	100.0
General Liability	Q1	23.8	1.5	10.8	0.2	36.3
	Q4	26.2	1.9	11.7	-0.1	39.6
Property	Q1	7.6	1.6	3.0	0.4	12.6
	Q4	8.3	1.8	3.6	-0.1	13.6
Motor Liability	Q1	9.4	1.5	3.3	0.5	14.6
	Q4	9.9	1.4	4.0	0.5	15.8
Motor Other	Q1	0.4	0.5	0.3	0.2	1.3
	Q4	0.3	0.5	0.2	0.2	1.1
Non-Life Annuities	Q1	0.9	0.0	1.4	0.0	2.3
	Q4	1.2	0.0	1.6	0.0	2.8

Chart 15: Range of risk margin to net best estimate liabilities for key lines of business as at 2016Q4. The boxes represent the range from the 25th, 50th to 75th percentiles. The red dot is the weighted average risk margin to net best estimate liabilities (total risk margin divided by total net best estimate liabilities for the cohort). Non-life annuities are not represented on the graph.

		2016Q4		
	Avg.	25th	50th	75th
	Risk margin / net best estimate (%)			
Total Non-Life	9.3	6.9	9.0	14.0
General Liability	10.7	6.0	8.9	13.0
Property	7.5	5.2	7.5	14.3
Motor Liability	7.0	4.5	7.4	11.3
Motor Other	7.1	2.2	6.2	11.3
Non- Life Annuities	43.0	16.3	39.7	118.6
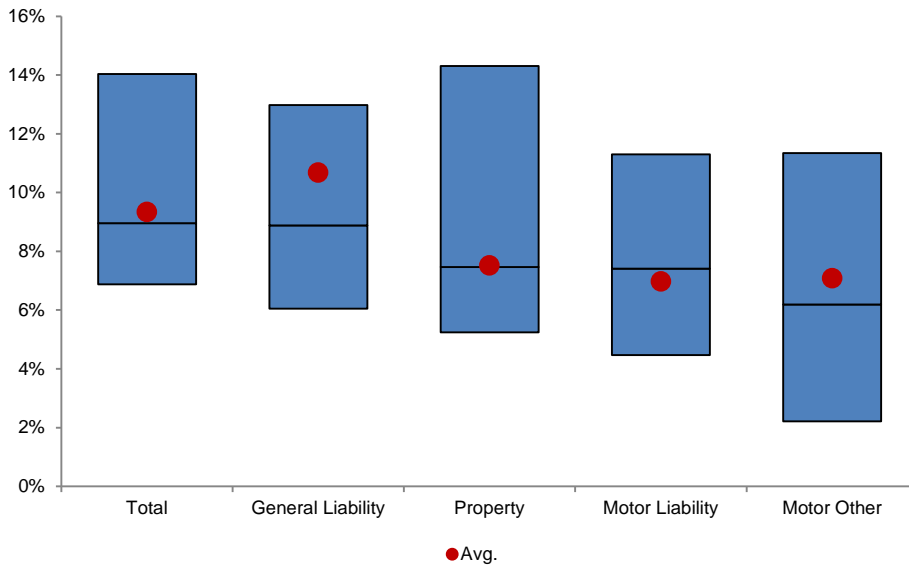
Explanatory notes

Cohorts: A description of the cohorts is contained in the introduction.

Data points: The time series includes day one, 2016 Q1, 2016 Q2, 2016 Q3 and 2016 Q4 returns.

Metrics: To assist in understanding the metrics included in this paper we have included descriptions of the metrics below along with references to the return forms.

Chart 1: Capital coverage ratio for the UK insurance sector

This chart shows the capital coverage of the life and non-life insurance sectors over time.

Capital coverage = Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010:R0540) / Total SCR for selected cohort (S23.01:C0010:R0580).

TMTP: The transitional measures on technical provisions. (i.e. the transitional deduction to technical provisions reported in templates S.12.01 at rows R0110 to R0130 and S.17.01 at rows R0290 to R0310). NB the TMTP does not include any volatility adjustment, matching adjustment or transitional adjustment to the relevant risk-free interest rate term structure.

Chart 2: Range of capital coverage ratios

This chart shows the range of SCR coverage ratios in the life and non-life insurance sectors. The SCR is measured by standard formula, partial internal model or full internal model.

The avg. is the weighted average of the cohort as described in the SCR coverage calculation in Chart 1. The total eligible own funds to meet SCR is divided by the total SCR for that cohort. The range box shows the 25th, 50th and 75th percentiles of SCR coverage for the selected cohort.

Capital coverage for a solo = Eligible own funds to meet SCR (S.23.01:C0010:R0540) / SCR (S23.01:C0010:R0580).

Chart 3: Quality of capital

This chart shows a breakdown of the quality of capital for the life and non-life sectors and how it has changed from day one to 2016Q4. The breakdown is into the relevant tiers reported for eligible own funds.

Key: Tier 1: UnR = unrestricted tier 1 capital; Tier 1 R: restricted tier 1 capital.

Proportion of tier 1 unrestricted eligible own funds to meet SCR = Total tier 1 unrestricted eligible own funds to meet SCR for selected cohort (S.23.01:C0020:R0540) / Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010.R0540)

Proportion of tier 1 restricted eligible own funds to meet SCR = Total tier 1 restricted eligible own funds to meet SCR for selected cohort (S.23.01:C0030:R0540) / Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010.R0540)

Proportion of tier 2 restricted eligible own funds to meet SCR = Total tier 2 restricted eligible own funds to meet SCR for selected cohort (S.23.01:C0040:R0540) / Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010.R0540) Proportion of tier 3 restricted eligible own funds to meet SCR = Total tier 3 restricted eligible own funds to meet SCR for selected cohort (S.23.01:C0050:R0540) / Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010.R0540)

The proportion of tier 1 unrestricted capital has fallen in both the life and non-life cohorts when comparing 2016Q4 with day 1 returns.

Chart 4: Movements in the balance sheet from Day One to 2016Q4

This chart breaks down the movement in assets and liabilities. We have removed one firm from the sample here in the non-life sector – it did not submit information as at day one due to a different year end reporting date. Including the firm would have skewed the movements between day one and 2016Q4.

Assets =

Investment and cash excluding participations (S.02.01:C0010:[R0070-R0090+R0230+R0410])

Unit-linked and index-linked assets (S.02.01:C0010:R0220)

Reinsurance recoverables (S.02.01:C0010:R0270)

Insurance related payables (S.02.01:C0010:[R0350+R0360+R0370])

Participations (S.02.01:C0010:R0090)

Operating assets & other (S.02.01:C0010:[R0500-R0070-R0220-R0230-R0350-R0360-R0370-R0410])

Liabilities =

Technical Provisions (TPs) (excl. index & unit linked) (S.02.01:C0010:[R0510+R0600])

Technical Provisions (TPs) (Index Linked & Unit Linked) (S.02.01:C0010:R0690)

Insurance related payables (S.02.01:C0010:[R0770+R0820+R0830])

Derivatives in liabilities (S.02.01:C0010:R0790)

Other liabilities
(S.02.01:C0010:[R0900-R0510-R0600-R0690-R0770-R0790-R0820-R0830])

Excess Assets over Liabilities (S.02.01:C0010:R1000)

Chart 5: Amount of assets

This chart shows the amount and proportion of assets in the life and non-life sectors.

Proportion of assets in cohort = Total assets in cohort / (Total assets in life cohort + total assets in non-life cohort) (S.02.01:C0010:R0500)

Chart 6: Breakdown of assets by type

This chart shows the proportion of each type of asset as at 2016Q1 compared to 2016Q4. The information is based on the granular asset data set which has been subject to some data cleansing.

Key: L= Life – Top 30; NL= Non-Life – Top 30; GB= Government Bonds; CB= Corporate Bonds; Eq= Equity; CIU= Collective Investment Undertakings; SN= Structured Notes; CS= Collateralised Securities; Ca= Cash; ML= Mortgage and Loans; Pr= Property; Ot= Other.

Due to the way that participations are recorded and the amalgamation of individual solos to get a cohort figure, please note there is the possibility of double counting within this information.

Chart 7: Breakdown of bonds by credit rating

This chart shows the proportion of bonds with each credit rating as at 2016Q1 compared to 2016Q4. The information is based on the item-by-item asset data submitted in S.06.02 which has been subject to some data cleansing (because not all firms report ratings in the format shown in the chart).

Key: L= Life – Top 30; NL= Non-Life – Top 30; NR= Not rated; Unk= Unknown

Note: This information includes both government and corporate bonds.

Chart 8: Breakdown of bonds by years to maturity

This chart shows the proportion of bonds that fall into each duration bucket as at 2016Q1 compared to 2016Q4. The information is based on the item-by-item asset data submitted in S.06.02 which has been subject to some data cleansing (in order to derive years to maturity from the maturity date).

Key: L= Life – Top 30; NL= Non-Life – Top 30; Unk= Unknown.

Chart 9: Asset-liability ratio (for top 30 life solo (re)insurance undertakings)

This chart shows the average and range over time of the asset-liability ratio. It excludes unit linked and index linked assets and unit linked and index linked technical provisions.

The avg. is the weighted average of the ratio for the cohort. The range box shows the 25th, 50th and 75th percentiles of capital coverage for the selected cohort.

Asset-liability ratio = (Total assets - Assets held for index- and unit-linked contracts) / (Total liabilities – Technical provisions: Index and unit-linked) (S.02.01:C0010:[R0500-R0220]) / (S.02.01:C0010:[R0900:R0690])

Chart 10: Implied impact of TMTP (for top 30 life solo (re)insurance undertakings)

This chart shows the calculation of a simple reduction in SCR coverage based on the removal of life-TMTP benefit over time. It ignores the impact on some firms caused by allocation of a portion of the TMTP to ring-fenced funds.

SCR coverage after TMTP = Total eligible own funds to meet SCR for selected cohort (S.23.01:C0010:R0540) / Total SCR for selected cohort (S23.01:C0010:R0580).

SCR coverage before TMTP = (Total eligible own funds to meet SCR for selected cohort + TMTP) (S.23.01:C0010:R0540 + S.12.01:C0150:[R0110+R0120+R0130]) / Total SCR for selected cohort (S23.01:C0010:R0580).

TMTP (%) = SCR coverage after TMTP – SCR coverage before TMTP

Chart 11: Risk margin / SCR (for top 30 life solo (re)insurance undertakings)

This chart shows the average and range over time of the ratio of risk margin to SCR. Figures are pre any adjustments for transitional measures on technical provisions.

The avg. is the weighted average of the ratio (i.e. total risk margin for cohort / total SCR for cohort). The range box shows the 25th, 50th and 75th percentiles of capital coverage for the selected cohort.

Ratio = Risk margin (S12.01:[C0150 +C0210]:R0100) / SCR (S.23.01:C0010:R0580).

Note: This includes non-life annuities (in life firms)

Chart 12: Risk margin / net best estimate liabilities (for top 30 life solo (re)insurance undertakings)

This chart shows the range of the ratio of risk margin to net best estimate liabilities. Figures are pre any adjustments for transitional measures on technical provisions, and where technical provisions are calculated as a whole they are included in the net best estimate.

The avg. is the weighted average for the line (i.e. total risk margin for cohort / [total net best estimate liabilities plus technical provisions calculated as a whole] for cohort). The range box shows the 25th, 50th and 75th percentiles of capital coverage for the line.

This ratio for each cohort is defined in the table below:

Cohort	Risk margin (numerator)	Net best estimate + technical provisions as a whole (denominator)
Index linked & unit linked	(S.12.01:C0030:R0100)	(S.12.01:[C0040+C0050]:R0090) + (S12.01:C0030:[R0010-R0020])
With profits	(S.12.01:C0020:R0100)	(S.12.01:C0020:R0090) + (S12.01:C0020:[R0010-R0020])
Life accepted reinsurance	(S.12.01:C0100:R0100)	(S.12.01:C0100:R0090) + (S12.01:C0100:[R0010-R0020])
Life other (includes health similar to life, non-life annuities)	(S.12.01:[C0150 +C0210 – C0030 –C0020 –C0100]:R0100)	(S.12.01:[C0150 +C0210 –C0030 –C0020 –C0100]:[R0090+R0010 –R0020])

Chart 13: Performance metrics over time by line of business (for top 30 non-life solo (re)insurance undertakings)

These charts show performance metrics over time for key lines of business. They show net written premiums in the last 12 months. Net incurred claims loss ratio and a combined operating ratio (the difference being the expenses ratio).

Loss ratio = Net claims incurred / Net earned premiums

Expenses ratio = Expenses incurred / Net earned premiums

Combined ratio = Loss ratio + Expenses ratio

Where:

Cohort*	Net written premium In last 12 months	Net claims incurred	Expenses incurred	Net earned premiums
		Year to date		
General liability	(S.28.01:C0030:R0090)	(S.05.01:C0080:R0400)	(S.05.01:C0080:R0550)	(S.05.01:C0080:R0300)
Property	(S.28.01:C0030:R0080)	(S.05.01:C0070:R0400)	(S.05.01:C0070:R0550)	(S.05.01:C0070:R0300)
Motor liability	(S.28.01:C0030:R0050)	(S.05.01:C0040:R0400)	(S.05.01:C0040:R0550)	(S.05.01:C0040:R0300)
Motor other	(S.28.01:C0030:R0060)	(S.05.01:C0050:R0400)	(S.05.01:C0050:R0550)	(S.05.01:C0050:R0300)
Total non-life	(S.28.01:C0030:[R0020 to R0170])	(S.05.01:C0200:R0400)	(S.05.01:C0200:R1300)	(S.05.01:C0200:R0300)

*all cohorts other than total non-life exclude non-proportional reinsurance

Chart 14: Best estimate liabilities breakdown (for top 30 non-life solo (re)insurance undertakings)

Breakdown of the best estimate liabilities into claims provisions and premium provisions, net and gross for key lines of business as at 2016Q1 compared to 2016Q4.

Gross claims provisions: Net claims provisions + Ceded claims provisions

Gross premium provisions: Net premium provisions + Ceded premium provisions

(Ceded provisions are after the adjustment for expected losses due to counterparty default.)

Where:

Cohort*	Net claims provisions	Ceded claims provisions	Net premium provisions	Ceded premium provisions
General liability	(S.17.01:C0090:R0250)	(S.17.01:C0090:R0240)	(S.17.01:C0090:R0150)	(S.17.01:C0090:R0140)
Property	(S.17.01:C0080:R0250)	(S.17.01:C0080:R0240)	(S.17.01:C0080:R0150)	(S.17.01:C0080:R0140)
Motor liability	(S.17.01:C0050:R0250)	(S.17.01:C0050:R0240)	(S.17.01:C0050:R0150)	(S.17.01:C0050:R0140)
Motor other	(S.17.01:C0060:R0250)	(S.17.01:C0060:R0240)	(S.17.01:C0060:R0150)	(S.17.01:C0060:R0140)
Total non-life (excluding non-life annuities)	(S.17.01:C0180:R0250)	(S.17.01:C0180:R0240)	(S.17.01:C0180:R0150)	(S.17.01:C0180:R0140)
Non-life annuities	(S.12.01:[C0090 +C0140 +C0190];[R0010 – R0020 +R0030 – R0080])	(S.12.01:[C0090 +C0140 +C0190];[R0020 +R0080])		

*all cohorts other than total non-life and non-life annuities exclude non-proportional reinsurance

Gross best estimate liabilities = gross claims provisions + gross premium provisions.

Key: CP = claims provisions; PP = premium provisions; BEL = best estimate liabilities.

Chart 15: Risk margin / net best estimate liabilities (for top 30 non-life solo (re)insurance undertakings)

This chart shows the range of the ratio of risk margin (post TMTP) to net best estimate liabilities.

The avg. is the weighted average for the line (i.e. total risk margin for cohort / total net best estimate liabilities for cohort). The range box shows the 25th, 50th and 75th percentiles of capital coverage for the line.

Ratio = Risk margin / net best estimate liabilities (including TPs calculated as a whole)

Cohort*	Risk Margin	Net best estimate (including TPs calculated as a whole)
General liability	(S.17.01:C0090:[R0280 +R0310])	(S.17.01:C0090:[R0050 +R0270 +R0290 +R0300])
Property	(S.17.01:C0080:[R0280 +R0310])	(S.17.01:C0080:[R0050 +R0270 +R0290 +R0300])
Motor liability	(S.17.01:C0050:[R0280 +R0310])	(S.17.01:C0050:[R0050 +R0270 +R0290 +R0300])
Motor other	(S.17.01:C0060:[R0280 +R0310])	(S.17.01:C0060:[R0050 +R0270 +R0290 +R0300])
Total non-life (excluding non-life annuities)	(S.17.01:C0180:[R0280 +R0310])	(S.17.01:C0180:[R0050 +R0270 +R0290 +R0300])
Non-life annuities	(S.12.01:[C0090 +C0140 +C0190]:R0100)	(S.12.01: [C0090 +C0140 +C0190]:[R0010 – R0020 +R0030 –R0080 +R0110 +R0120])

*all cohorts other than total non-life and non-life annuities exclude non-proportional reinsurance