



EIOPA-BoS-17/051
08 February 2017

Escalated Q&A for decision by the Board of Supervisors

No.2

Questions:

DOCUMENT	Final report on the ITS on the templates for the submission of information to the supervisory authorities (CP-14-052)
REFERENCE	Annex II - S.04.01, S.05.01, S.05.02
QUESTION	<p>Annex II of Implementing Regulation 2015/2450 states that "gross premiums written shall comprise all amounts due during the financial year in respect of insurance contracts" (cell R0020 S.04.01; C0210 to C0280/R1410 S.05.01; C0220 to C0280/R1410 S.05.02). We would be grateful if you could confirm that only premium written in respect of "insurance contracts" as defined by accounting standards must be reported in S.04.01, S.05.01, and S.05.02. That is, premium received in respect of insurance products classified as investment contracts must not be reported in those templates.</p>
QUESTION	<p>We note that the S.05.01 log states 'This template shall be reported from an accounting perspective, i.e.: Local GAAP or IFRS if accepted as local GAAP but using SII lines of business. Undertakings shall use the recognition and valuation basis as for the published financial statements, no new recognition or re-valuation is required'.</p> <p>On the Society's Financial statements (under FRS 102), amounts received in respect of Unit-linked investment contracts are accounted for using deposit accounting, under which amounts collected are credited directly to the balance sheet as an adjustment to the liability to the policyholder.</p> <p>Premiums and claims on Unit linked contracts are not recognised for the financial statements on the Statement of Comprehensive Income.</p> <p>Should we therefore report the premiums and claims on Unit linked business on the S.05.01 or should this be left blank to match the total amount of premiums and claims as reported in the Society's financial statements (Statement of Comprehensive Income)?</p>