
DIRECTION

To: Zurich Insurance Company Limited (FRN 959113) ("the firm")

Of: 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ

Ref: 00005557

Date: 1 November 2022

Handbook Version as in force at the date this Direction takes effect

Power

1. This direction is given by the PRA under section 138A of the Financial Services and Markets Act 2000.

Duration

2. This direction takes effect on 1 January 2023
3. This Direction shall end on the earlier of:
 - (a) The date that the relevant rules are revoked or no longer apply to the firm; or
 - (b) The date that this Direction is revoked, varied or superseded by a further direction that applies to the firm relating to the same subject matter.

Rules Waived

4. The PRA directs that the rules listed below in the Non-Solvency II Part of the PRA Rulebook are waived for the firm. These rules do not apply to the firm.



Rule	Waived
Insurance Company – Reporting	Rules 3.2, 3.4 to 3.6, 3.8 to 3.11, 4.1, 4.3, 4.5 to 4.29, 6.16 to 6.18, 6.20, and 12
Insurance Company – Exposure Limits	Rules 1 to 10

Conditions

5. The PRA directs that the rules of the Insurance Company – Reporting Part of the PRA Rulebook apply to the firm with the modifications shown below (new text underlined).

Rule	Modification
3.7	<u>With the modifications set out in Part 3 of Annex 1</u>, Form 15 must be completed by every firm except a firm not trading for profit which carried on only long-term insurance business during the relevant financial year. <u>3.7A A firm must fulfil the requirements laid down in Reporting 2.1 to 2.5 as modified by 3.7B.</u> <u>3.7B A firm must fulfil the requirements referred to in 3.7A by:</u> <u>(1) submitting to the PRA the templates provided in Part 1 and Part 2 of Annex 1, with the modifications set out in Part 1 and Part 2 of Annex 1 where applicable, and with values measured in accordance with the accounting principles; and</u> <u>(2) taking account only of matters relevant to the operations effected by a branch in the UK of a Swiss general insurer.</u>
4.4	A firm must complete, <u>with the modifications set out in Part 3 of Annex 1</u> , Form 20A in respect of the whole general insurance business carried on by it.
6.1	<u>With the exception of the templates set out in in Part 1 and Part 2 of Annex 1</u> , a A firm must prepare every document and Form required pursuant to these rules in the manner set out by the PRA and must fairly state the information provided on the basis required by this Part.

Rule	Modification
6.2	<u>With the exception of the templates set out in Part 1 and Part 2 of Annex 1</u> , where a Form is referred to, a firm must submit the relevant data in that form.

Interpretation

- Interpretative provisions (including definitions) of the *PRA Rulebook* apply to this direction in the same way they apply to the *PRA Rulebook*.

Patrick Connolly
Head of Division
For and on behalf of the Prudential Regulation Authority

Annex 1

Part 1: Solvency II Templates

For each Solvency II template listed in Part 1 of Annex 1, the *Solvency II Regulations* and, where applicable, the EIOPA Guidelines on the supervision of branches of third-country insurance undertakings apply, with the exception that all values are to be measured in accordance with the *accounting principles*.

Template code	Template title	Annual	Quarterly	Modifications
S.01.01	Content of the submission	S.01.01.07	S.01.01.08	
S.01.02	Basic Information - General	S.01.02.07	S.01.02.07	Columns C0020, C0030, C0040 need not be reported
S.01.03	Basic Information - RFF and matching adjustment portfolios	S.01.03.01	N/A	
S.02.01	Balance sheet	S.02.01.07	S.02.01.08	In S.02.01.07 - asset side - column C0010 is to include only those assets that would be included in {NDF.F10.Other than long term business admissible assets}. {S.02.01.07, Reinsurance recoverables (R0270), C0010} is to be the same measure that a non-Solvency II firm is required to report in {NDF.F13.Reinsurers share of technical provisions (L60+L61+L62+L63)}. In S.02.01.07 - asset side - column C0020 is to include all assets that are under the control of the UK branch of ZIC. {S.02.01.07, R0510, C0010} plus technical provisions for non-life annuities included in {S.02.01.07, R0600, C0010} is to be the same measure that a non-Solvency II firms is required to report in {NDF.F15.L(12+16)} plus technical provisions for non-life annuities included in {NDF.F14.L11}. The modifications set out above for {S.02.01.07, C0010} is S.02.01.08 (notwithstanding that NDF.F10, NDF.F13 and NDF.F15 are reported annually only).
S.02.02	Assets and liabilities by currency	S.02.02.01	N/A	Assets and liabilities reported on a basis consistent with {S.02.01.07*, C0010}.
S.02.03	Additional branch balance sheet information	S.02.03.07	N/A	Information reported on a basis consistent with {S.02.01.07, C0010}.
S.03.01	Off-balance sheet items - general	S.03.01.01	N/A	Only row R0120 'Assets pledged by reinsurers for ceded technical provisions' need be reported
S.03.02	Off-balance sheet items - List of unlimited guarantees received by the undertaking	S.03.02.01	N/A	Only guarantees received under the control of the management of the branch need be reported

S.03.03	Off-balance sheet items - List of unlimited guarantees provided by the undertaking	S.03.03.01	N/A	Only guarantees provided under the control of the management of the branch need be reported
S.05.01	Premiums, claims and expenses by line of business	S.05.01.01	S.05.01.02	
S.05.02	Premiums, claims and expenses by country	S.05.02.01	N/A	
S.06.02	List of assets	S.06.02.07	S.06.02.07	For annual reporting, the assets reported are those included in {S.02.01.07, C0010} plus any other assets included in {S02.01.07, C0020}, as modified above. For reporting that is more frequent than annual, the assets reported are those included in {S.02.01.08, C0010}, as modified above. {S.06.02.07, C0170} is to be the value of the asset(s) in question in accordance with the accounting principles. Column 'SCR calculation approach for CIU' (C0292) need not be reported. Columns C0400 (Deposit lodged as security in accordance with Article 162 (2)(e)) and C0410 (Confirmation that there are no rights of set off) need not be reported
S.06.03	Collective investment undertakings – look-through approach	S.06.03.01	S.06.03.01	For annual reporting, the CIUs included are those included in {S.02.01.07, C0010} plus any other CIUs included in {S.02.01.07, C0020}, as modified above. For quarterly reporting, the CIUs included are those included in {S.02.01.08, C0010}, as modified above.
S.07.01	Structured products	S.07.01.01	N/A	The structured products included are those included in {S.02.01.07, C0010} plus any others included in {S02.01.07, C0020}, as modified above.
S.08.01	Open derivatives	S.08.01.01	S.08.01.01	For annual reporting, the derivatives included are those included in {S.02.01.07, C0010} plus any other derivatives included in {S02.01.07, C0020}, as modified above. For quarterly reporting, the derivatives included are those included in {S.02.01.08, C0010}, as modified above. {S.08.01.01, C0240} is to be the value of the derivative(s) in question in accordance with the accounting principles.
S.08.02	Derivatives Transactions	S.08.02.01	S.08.02.01	For annual reporting, the derivatives included are those that would have been included in {S.02.01.07, C0010} plus any other derivatives that would have been included in {S02.01.07, C0020}, as modified above, had the derivatives been on the balance at the reporting reference date. For quarterly reporting, the derivatives included are those included in {S.02.01.08, C0010}, as modified above, had the derivatives been on the balance at the reporting reference date. {S.08.02.01, C0230} is to be the value of the derivative(s) in question in accordance with the accounting principles.

S.09.01	Income/gains and losses in the period	S.09.01.01	N/A	The income gains and losses relate only to assets included in {S.02.01.07, C0010} plus any other assets included in {S02.01.07, C0020}, as modified above.
S.10.01	Securities lending and repos	S.10.01.01	N/A	The securities lending transactions and repurchase agreements included are those included in {S.02.01.07, C0010} plus any others included in {S02.01.07, C0020}, as modified above. {S.10.01.01, C0170} is to be the value in accordance with the accounting principles .
S.11.01	Assets held as collateral	S.11.01.01	N/A	The list is to include only assets held as collateral covering assets held that are included in {S.02.01.07, C0010} plus any others included in {S02.01.07, C0020}, as modified above.
S.12.01	Life Technical Provisions	S.12.01.01	S.12.01.02	Only the following rows need be reported: • Gross Best Estimate (row R0030). • Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default (row R0040). • Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses (row R0050). • Recoverables from SPV before adjustment for expected losses (row R0060). • Recoverables from Finite Re before adjustment for expected losses (row R0070).
S.13.01	Projection of future gross cash flows	S.13.01.01	N/A	Cash flows for non-life annuities columns C0130 to C0160 and R0290 are to be cash flows used in determining the value reported in {S.02.01.07, R0600, C0010} and {S.02.01.07, R0280, C0110}, as modified above.
S.14.01	Life obligations analysis	S.14.01.01	N/A	
S.16.01	Information on annuities stemming from Non-Life Insurance obligations	S.16.01.01	N/A	'Best Estimate for annuity claims provisions' in column C0070 to be the amounts included in {S.02.01.07, R0600, C0010}, as modified above.
S.17.01	Non-Life Technical Provisions	S.17.01.01	S.17.01.02	In S.17.01 only the following rows need be reported: • Row R0060 – in this row the sum of the amounts reported in columns C0020 to C0170 and the amount reported in column C0180 are to be the provisions for unearned premium plus provision for unexpired risk that would have been reported in Form 15 line 11 plus line 13 but for the modification to PRA Rulebook / non-SII firms / Insurance Company – Reporting / Rule 3.7; • Row R0070 – the amounts to be reported in this row are the part of the amounts reported in row R0060 that relate to insurance (aka direct) business; • Row R0080– the amounts to be reported in this row are the part of the amounts reported in row R0060 that relate to accepted proportional reinsurance business;

				• Row R0090– the amounts to be reported in this row are the part of the amounts reported in row R0060 that relate to accepted non-proportional reinsurance business; • Row R0100 – in this row the sum of the amounts reported in columns C0020 to C0170 and the amount reported in column C0180 are to be the reinsurers’ share of provisions for unearned premium plus reinsurers’ share of provision for unexpired risk that would have been reported in Form 13 line 60 plus line 62 but for the waiver to PRA Rulebook / non-SII firms / Insurance Company – Reporting / Rule 3.5; • Row R0110 - the amounts to be reported in this row are the part of the amounts reported in row R0100 that are attributed to recoverables from reinsurance (except SPV and Finite Reinsurance); • Row R0120 - the amounts to be reported in this row are the part of the amounts reported in row R0100 that are attributed to recoverables from SPVs; • Row R0130 - the amounts to be reported in this row are the part of the amounts reported in row R0100 that are attributed to recoverables from Finite Reinsurance; • Row R0160 - In this row the sum of the amounts reported in columns C0020 to C0170 and the amount reported in column C0180 are to be the claims outstanding that would have been reported in Form 15 line 12 but for the modification to PRA Rulebook / non-SII firms / Insurance Company – Reporting / Rule 3.7; • Row R0170 – the amounts to be reported in this row are the part of the amounts reported in row R0160 that relate to insurance (aka direct) business ; • Row R0180 – the amounts to be reported in this row are the part of the amounts reported in row R0160 that relate to accepted proportional reinsurance business ; • Row R0190 – the amounts to be reported in this row are the part of the amounts reported in row R0160 that relate to accepted non-proportional reinsurance business ; • Row R0200 – In this row the sum of the amounts reported in columns C0020 to C0170 and the amount reported in column C0180 are to be the reinsurers’ share of claims outstanding that would have been reported in Form 13 line 61 but for the waiver to PRA Rulebook / non-SII firms / Insurance Company – Reporting / Rule 3.5; • Row R0210 - the amounts to be reported in this row are the part of the amounts reported in row R0200
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				that are attributed to recoverables from reinsurance (except SPV and Finite Reinsurance); • Row R0220 - the amounts to be reported in this row are the part of the amounts reported in row R0200 that are attributed to recoverables from SPVs ; • Row R0230 - the amounts to be reported in this row are the part of the amounts reported in row R0200 that are attributed to recoverables from Finite Reinsurance ; • Row R0410 - Cash-flows of the gross claims provisions reported in R0160 : Cash out-flows : Future benefits and claims (row R0410); • Row R0420 - Cash-flows of the gross claims provisions reported in R0160 : Cash out-flows : Future expenses and other cash-out flows; • Row R0430 - Cash-flows of the gross claims provisions reported in R0160 : Cash in-flows : Future premiums; • Row R0440 - Cash-flows of the gross claims provisions reported in R0160: Cash in-flows: Other cash-in flows (incl. Recoverable from salvages and subrogations). The amounts in the claim provision rows (R0160 to R0190) are to be the amounts used to derive claims incurred reported in S.05.01 In S.17.01.01 the Solvency II counterparty default adjustment would be ignored, reinsurance recoverables on claims provision before adjustment (row R0200) would be the same as reinsurance recoverables on claims provision after adjustment (row R0240).
S.18.01	Projection of future cash flows (Best Estimate – Non Life)	S.18.01.01	N/A	The premium provision columns need not be reported (ie only columns C0050 to C0090 need be reported). Cash flows reported in columns C0050 to C0080 to be the cash flows used to drive the amount reported in {S.17.01.01, R0160, C0180}, as modified above Column C0090 to be the cash flows used to derive the amount reported in {S.17.01.01, R0200, C.018}, as modified above.
S.19.01	Non-life insurance claims	S.19.01.01	N/A	Claims paid and RBNS claims triangles can include the historical information relating to claims of UK branch of Zurich Insurance plc (ZIP) that will not be carried by the branch of Zurich Insurance Company (ZIC). Gross, reinsurance, and net undiscounted Best Estimate Claims Provisions triangles need only include the cash out-flows for Future benefits and claims. Therefore the gross triangle should reconcile to the amounts reported in {S.18.01.01 column C0050}, as modified above. Gross undiscounted Best Estimate Claims Provisions only need include diagonals relating to financial years from first year of

				reporting of UK branch of ZIC (i.e. from 2023YE). Gross discounted best estimate column need not be completed.
S.20.01	Development of the distribution of the claims incurred	S.20.01.01	N/A	'Beginning of year' information can include historical information relating to claims of UK branch of Zurich Insurance plc (ZIP) that will not be carried by the branch of Zurich Insurance Company (ZIC).
S.21.01	Loss distribution risk profile	S.21.01.01	N/A	Historical information can include claims of UK branch of Zurich Insurance plc (ZIP) that will not be carried by the branch of Zurich Insurance Company (ZIC).
S.21.02	Underwriting risks non-life	S.21.02.01	N/A	
S.21.03	Non-life distribution of underwriting risks – by sum insured	S.21.03.01	N/A	
S.24.01	Participations held	S.24.01.01	N/A	Only participations held under control of the management of the branch need be reported
S.30.01	Facultative covers for non-life and life business basic data	S.30.01.01	N/A	
S.30.02	Facultative covers for non-life and life business shares data	S.30.02.01	N/A	
S.30.03	Outgoing Reinsurance Program basic data	S.30.03.01	N/A	
S.30.04	Outgoing Reinsurance Program shares data	S.30.04.01	N/A	
S.31.01	Share of reinsurers [including Finite Reinsurance and SPV's]	S.31.01.01	N/A	Columns C0060, C0090, C0100 need not be completed. Column C0070 is to reconcile to that reported in {S.17.01.01, R0200, C0180}
S.31.02	Information on Special Purpose Vehicles	S.31.02.01	N/A	
SR.01.01	Content of the submission [RFF/MP/RM]	SR.01.01.01	N/A	
SR.02.01	Balance sheet [RFF/MP/RM]	SR.02.01.01	N/A	
SR.17.01	Non-Life Technical Provisions [RFF/MP/RM]	SR.17.01.01	N/A	Modifications for S.17.01.01 set out above apply here

Part 2: National Specific Template Templates

For each *national specific template* listed in Part 2 of Annex 1, the Reporting Part of the PRA Rulebook and the PRA's Supervisory Statement 6/18 applies, with the exception that all values are to be measured in accordance with the *accounting principles*.

Template code	Template title	Annual	Modifications
NS.00.01	Content of the submission	NS.00.01	
NS.00.02	Basic information	NS.00.02	
NS.01	With-profits value of bonus	NS.01	
NS.02	With-profits assets and liabilities	NS.02	
NS.03	Material pooling arrangements	NS.03	
NS.04	Assessable mutuals	NS.04	
NS.05	Revenue account (life)	NS.05	
NS.06	Business model analysis (life)	NS.06	

NS.07	Business model Analysis non-life	NS.07	Solvency II balance sheet, own funds and SCR information (rows 1910 to 2190) to be left blank, as these are Solvency II measures.
NS.08	Business model analysis - financial guarantee insurers	NS.08	
NS.09	Best estimate assumptions for life insurance risks	NS.09	
NS.10	Projection of future cash flows (best estimate - non-life: liability claim types)	NS.10	Future benefits and claims and future claims management expenses to be the amounts included in S.18.01, as modified above. Sum of discounted cash flows in columns C0150 and C0170 need be reported for only the claim types for which the technical provisions reported in NFD.F15 have been discounted.
NS.11	Non-life claim development information (general liability sub-classes)	NS.11	Claims paid and RBNS claims triangles can include the historical information relating to claims of UK branch of Zurich Insurance plc (ZIP) that will not be carried by the branch of Zurich Insurance Company (ZIC). Gross undiscounted Best Estimate Claims Provisions triangle to be the amounts included in {S.17.01, R0160}, as modified above. Gross undiscounted Best Estimate Claims Provisions only need include diagonals relating to financial years from first year of reporting of UK branch of ZIC. Gross discounted best estimate column need not be reported.

Part 3: Non-directive firm templates

For each non-directive firm template listed in Part 3 of Annex 1, the Insurance Company – Reporting Part of the PRA Rulebook applies, subject to the rule waivers and rule modifications specified in this Direction.

Template code	Template title	Annual	Modifications
F15	Liabilities (other than long term insurance business)	F15	Only lines 11 to 19 and column 1 need be reported. Line 12 is to include the technical provisions for non-life annuity obligations arising from direct (aka insurance) business and accepted reinsurance business.
F20A	General Insurance business – summary of business carried on	F20A	Only line 1 column 1 need be reported.