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From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 8 March 2019

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: C(2019) 1900 final

Subject: ANNEXES 1 to 12 to the Commission Delegated Regulation amending
Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC
of the European Parliament and of the Council on the taking-up and pursuit
of the business of Insurance and Reinsurance (Solvency II)

Delegations will find attached document C(2019) 1900 final.

Encl.: C(2019) 1900 final



EUROPEAN
COMMISSION

Brussels, 8.3.2019
C(2019) 1900 final

ANNEXES 1 to 12

ANNEXES

to the

Commission Delegated Regulation

amending Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

ANNEX I

'ANNEX II

SEGMENTATION OF NON-LIFE INSURANCE AND REINSURANCE OBLIGATIONS AND STANDARD DEVIATIONS FOR THE NON-LIFE PREMIUM AND RESERVE RISK SUB-MODULE

	Segment	Lines of business, as set out in Annex I, that the segment consists of	Standard deviation for gross premium risk of the segment	Standard deviation for reserve risk of the segment
1	Motor vehicle liability insurance and proportional reinsurance	4 and 16	10%	9%
2	Other motor insurance and proportional reinsurance	5 and 17	8%	8%
3	Marine, aviation and transport insurance and proportional reinsurance	6 and 18	15%	11%
4	Fire and other damage to property insurance and proportional reinsurance	7 and 19	8%	10%
5	General liability insurance and proportional reinsurance	8 and 20	14%	11%
6	Credit and suretyship insurance and proportional reinsurance	9 and 21	19%	17.2%
7	Legal expenses insurance and proportional reinsurance	10 and 22	8.3%	5.5%
8	Assistance and its proportional reinsurance	11 and 23	6.4%	22%
9	Miscellaneous financial loss insurance and proportional reinsurance	12 and 24	13%	20%
10	Non-proportional casualty reinsurance	26	17%	20%
11	Non-proportional marine, aviation and transport reinsurance	27	17%	20%

12	Non-proportional property reinsurance	28	17%	20%
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ANNEX II

Point 8 of Annex III is amended as follows:

- (1) 'Puerto Rico' is deleted from the list of territories that region 16 (South-east United States of America) consists of;
- (2) in the list of territories that region 16 (South-east United States of America) consists of, 'Georgia' is replaced by 'Georgia (US)'.

ANNEX III

'ANNEX V

PARAMETERS FOR THE WINDSTORM RISK SUB-MODULE

Regions and windstorm risk factors

Abbreviation of region r	Region r	Windstorm risk factor $Q(\text{windstorm},r)$
AT	Republic of Austria	0.06 %
BE	Kingdom of Belgium	0.16 %
CZ	Czech Republic	0.04 %
CH	Swiss Confederation; Principality of Lichtenstein	0.09 %
DK	Kingdom of Denmark	0.25 %
FI	Republic of Finland	0.04 %
FR	French Republic ¹ ; Principality of Monaco; Principality of Andorra	0.12 %
DE	Federal Republic of Germany	0.07 %
HU	Republic of Hungary	0.02 %
IS	Republic of Iceland	0.03 %
IE	Ireland	0.22 %
LU	Grand Duchy of Luxemburg	0.12 %
NL	Kingdom of the Netherlands	0.18 %
NO	Kingdom of Norway	0.08 %
PL	Republic of Poland	0.04 %
SI	Republic of Slovenia	0.04 %
ES	Kingdom of Spain	0.01 %
SE	Kingdom of Sweden	0.085 %
UK	United Kingdom of Great Britain and Northern Ireland	0.17 %
GU	Guadeloupe	2.74 %

¹ except Guadeloupe, Martinique, the Collectivity of Saint Martin and Réunion

MA	Martinique	3.19 %
SM	Collectivity of Saint Martin	5.16 %
RE	Réunion	2.50 %

WINDSTORM RISK CORRELATION COEFFICIENTS FOR REGIONS

	AT	BE	CH	CZ	DE	DK	ES	FI	FR	UK	HU	IE	IS	LU	NL	NO	PL	SE	SI	GU	MA	SM	RE	
AT	1.00	0.25	0.50	0.25	0.25	0.00	0.00	0.00	0.25	0.00	0.50	0.00	0.00	0.25	0.25	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	
BE	0.25	1.00	0.25	0.25	0.50	0.25	0.00	0.00	0.50	0.50	0.00	0.25	0.00	0.75	0.75	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CH	0.50	0.25	1.00	0.25	0.25	0.00	0.25	0.00	0.50	0.00	0.25	0.00	0.00	0.25	0.25	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00
CZ	0.25	0.25	0.25	1.00	0.25	0.00	0.00	0.00	0.25	0.00	0.25	0.00	0.00	0.25	0.25	0.00	0.25	0.00	0.25	0.00	0.00	0.00	0.00	0.00
DE	0.25	0.50	0.25	0.25	1.00	0.50	0.00	0.00	0.50	0.25	0.00	0.25	0.00	0.50	0.50	0.25	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DK	0.00	0.25	0.00	0.00	0.50	1.00	0.00	0.00	0.25	0.25	0.00	0.00	0.00	0.25	0.50	0.50	0.25	0.50	0.00	0.00	0.00	0.00	0.00	0.00
ES	0.00	0.00	0.25	0.00	0.00	0.00	1.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00
FR	0.25	0.50	0.50	0.25	0.50	0.25	0.25	0.00	1.00	0.25	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UK	0.00	0.50	0.00	0.00	0.25	0.25	0.00	0.00	0.25	1.00	0.00	0.50	0.00	0.25	0.50	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HU	0.50	0.00	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00
IE	0.00	0.25	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.50	0.00	1.00	0.00	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LU	0.25	0.75	0.25	0.25	0.50	0.25	0.00	0.00	0.50	0.25	0.00	0.25	0.00	1.00	0.50	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NL	0.25	0.75	0.25	0.25	0.50	0.50	0.00	0.00	0.50	0.50	0.00	0.25	0.00	0.50	1.00	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NO	0.00	0.00	0.00	0.00	0.25	0.50	0.00	0.25	0.00	0.25	0.00	0.00	0.00	0.25	0.25	1.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
PL	0.00	0.25	0.00	0.25	0.50	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SE	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
SI	0.50	0.00	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
GU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00
MA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00
SM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00
RE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

ANNEX IV

In Annex VI, the section “Regions and earthquake risk factors” is replaced by the following:

'Regions and earthquake risk factors

Abbreviation of region <i>r</i>	Region <i>r</i>	Earthquake risk factor $Q_{(earthquake,r)}$
AT	Republic of Austria	0.10 %
BE	Kingdom of Belgium	0.02 %
BG	Republic of Bulgaria	1.60 %
CR	Republic of Croatia	1.60 %
CY	Republic of Cyprus	2.12 %
CZ	Czech Republic	0.10 %
CH	Swiss Confederation; Principality of Lichtenstein	0.25 %
FR	French Republic ² ; Principality of Monaco; Principality of Andorra	0.06 %
DE	Federal Republic of Germany	0.10 %
HE	Hellenic Republic	1.75 %
HU	Republic of Hungary	0.20 %
IT	Italian Republic; Republic of San Marino; Vatican City State	0.77 %
MT	Republic of Malta	1.00 %
PT	Portuguese Republic	1.20 %
RO	Romania	1.70 %
SK	Slovak Republic	0.16 %
SI	Republic of Slovenia	1.00 %
GU	Guadeloupe	4.09 %
MA	Martinique	4.71 %
SM	Collectivity of Saint Martin	5.00 %

² except Guadeloupe, Martinique, the Collectivity of Saint Martin and Réunion

ANNEX V

In Annex VII, the section “Regions and flood risk factors” is replaced by the following:

'Regions and flood risk factors

Abbreviation of region <i>r</i>	Region <i>r</i>	Flood risk factor $Q_{(flood,r)}$
AT	Republic of Austria	0.13 %
BE	Kingdom of Belgium	0.10 %
BG	Republic of Bulgaria	0.15 %
CZ	Czech Republic	0.30 %
CH	Swiss Confederation; Principality of Lichtenstein	0.30 %
FR	French Republic ³ ; Principality of Monaco; Principality of Andorra	0.12 %
DE	Federal Republic of Germany	0.20 %
HU	Republic of Hungary	0.25 %
IT	Italian Republic; Republic of San Marino; Vatican City State	0.15 %
PL	Republic of Poland	0.16 %
RO	Romania	0.30 %
SK	Slovak Republic	0.35 %
SI	Republic of Slovenia	0.30 %
UK	United Kingdom of Great Britain and Northern Ireland	0.12 %

³ except Guadeloupe, Martinique, the Collectivity of Saint Martin and Réunion

ANNEX VI
'ANNEX VIII
PARAMETERS FOR THE HAIL RISK SUB-MODULE
Regions and hail risk factors

Abbreviation of region r	Region r	Hail risk factor $Q_{(hail,r)}$
AT	Republic of Austria	0.08 %
BE	Kingdom of Belgium	0.03 %
CZ	Czech Republic	0.045 %
CH	Swiss Confederation; Principality of Lichtenstein	0.06 %
FR	French Republic ⁴ ; Principality of Monaco; Principality of Andorra	0.01 %
DE	Federal Republic of Germany	0.02 %
IT	Italian Republic; Republic of San Marino; Vatican City State	0.05 %
LU	Grand Duchy of Luxemburg	0.03 %
NL	Kingdom of the Netherlands	0.02 %
ES	Kingdom of Spain	0.01 %
SI	Republic of Slovenia	0.08 %

⁴ except Guadeloupe, Martinique, the Collectivity of Saint Martin and Réunion

Hail risk correlation coefficients for regions

	AT	BE	CZ	FR	DE	IT	LU	NL	CH	SI	ES
AT	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BE	0.00	1.00	0.00	0.00	0.00	0.00	0.25	0.25	0.00	0.00	0.00
CZ	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FR	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DE	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
IT	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
LU	0.00	0.25	0.00	0.00	0.00	0.00	1.00	0.25	0.00	0.00	0.00
NL	0.00	0.25	0.00	0.00	0.00	0.00	0.25	1.00	0.00	0.00	0.00
CH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00
SI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
ES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

ANNEX VII

Annex IX is amended as follows:

- (1) the title is replaced by the following:

‘THE GEOGRAPHICAL DIVISION OF REGIONS SET OUT IN ANNEXES V-VIII INTO RISK ZONES’;

- (2) the first sentence is replaced by the following:

‘The risk zones of regions set out in annexes V-VIII as referred to in annexes X-XIII shall be equal to the postal code areas or administrative units in the following tables.’;

- (3) point 1 in the section ‘Mappings of risk zones for regions where the zonation is based on postal codes’ is replaced by the following:

‘The mapping of risk zones for the regions AT, CZ, CH, DE, HE, IT, NL, NO, PL, PT, ES and SK shall be based on the first 2 digits of the postal code;’;

- (4) the section “Mappings of risk zones for regions where the zonation is based on administrative units — part 2” is replaced by the following:

**‘Mappings of risk zones for regions where the zonation is based on administrative units
— part 2**

The mapping of risk zones for the region SE shall be based on the numbers assigned to counties.

Region/ Risk Zone	CH	CY	IE	NO	SE
1	1	1	CE	01	1
2	2	2	CK	02	3
3	3	3	CN	03	4
4	4	4	CW	04	5
5	5	5	DL	05	6
6	6	6	DN	06	7
7	7		GY	07	8
8	8		KE	08	9
9	9		KK	09	10
10	10		KY	10	12
11	11		LD	11	13
12	12		LH	12	14
13	13		LK	14	17
14	14		LM	15	18
15	15		LS	16	19
16	16		MH	17	20
17	17		MN	18	21
18	18		MO	19	22
19	19		OY	20	23
20	20		RN		24
21	21		SO		25
22	22		TY		

23	23		WD		
24	24		WH		
25	25		WW		
26	26		WX		

;

(5) the following section is added:

'Mapping of risk zones for the Republic of Finland

The mapping of risk zones for the region FI shall be based on the first 2 digits of the postal code.

Risk Zone	Postal Code Zone										
	00	01	02	03	04	05	06	07	08	09	10
1	00	01	02	03	04	05	06	07	08	09	10
2	20	21	23	24	25						
3	26	27	28	29	32	38					
4	11	12	13	14	30	31					
5	33	34	35	36	37	39					
6	15	16	17	18	19						
7	45	46	47	48	49						
8	53	54	55	56	59						
9	50	51	52	57	58	76					
10	70	71	72	73	74	77	78	79			
11	75	80	81	82	83						
12	40	41	42	43	44						
13	60	61	62	63							
14	64	65	66	68							
15	67	69									
16	84	85	86	90	91	92	93				
17	87	88	89								
18	94	95	96	97	98	99					
19	22										

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ANNEX VIII

Annex X is amended as follows:

- (1) the section “Risk weights for windstorm risk” is replaced by the following:

'Risk weights for windstorm risk

Zone/ Region	AT	BE	CH	CZ	DE	DK	ES	FI	FR	HU	IE	NL	NO	PL	SE	SI	UK
1	0.6	0.9	1.4	1.2	0.9	1.1	2.3	0.8	1.0	0.5	1.4	0.9	1.4	0.6	0.2	0.9	0.9
2	0.7	1.0	1.1	1.0	0.8	1.6	0.8	1.2	2.0	2.0	1.1	1.0	0.7	0.6	0.3	0.9	1.1
3	0.9	0.9	1.5	1.0	0.8	0.9	0.6	3.6	1.7	0.6	1.5	1.0	0.5	0.6	0.3	1.4	0.7
4	1.5	0.9	1.3	1.0	1.2	2.0	0.6	1.1	0.8	1.7	1.3	1.1	0.8	0.6	0.8	1.4	1.5
5	1.6	1.0	1.5	1.2	1.3	1.3	1.5	1.4	1.5	1.6	1.5	1.5	1.2	0.6	0.5	0.9	1.1
6	1.4	1.0	0.7	1.2	1.1	1.4	1.1	0.8	0.6	1.8	0.7	1.2	0.8	0.6	0.7	1.4	0.9
7	1.5	1.2	1.5	1.2	1.0	1.4	0.2	0.3	0.7	2.2	1.5	1.6	1.0	0.8	0.8	1.4	1.5
8	1.1	1.6	1.1	1.0	1.1	1.6	1.3	0.5	1.7	1.5	1.1	1.9	0.9	0.7	2.2	0.7	0.9
9	1.4	1.1	1.1	1.2	0.5	0.9	2.3	0.8	1.2	2.2	1.1	1.4	1.0	0.6	1.6	0.9	1.9
10	1.1		1.6	1.2	0.7	0.6	1.5	1.2	1.7	2.1	1.6	1.4	1.5	0.9	3.5	0.9	0.7
11	1.1		1.8	1.4	0.7	1.8	1.5	0.8	0.9	1.5	1.8	0.9	2.8	1.0	5.2	0.7	1.3
12	1.1		0.9	1.5	1.0		1.1	1.0	1.2	1.4	0.9	1.4	2.6	0.9	2.4		1.2
13	1.2		1.1	1.5	1.1		0.8	2.9	0.8	1.3	1.1	1.7	3.6	0.8	0.6		1.6
14	1.1		2.0	1.3	1.3		1.1	3.7	3.3	1.4	2.0	1.3	2.9	1.0	0.4		1.5
15	1.2		1.2	1.4	1.6		2.5	7.9	1.6	2.0	1.2	1.4	1.4	1.2	0.3		1.5
16	1.5		1.2	1.6	2.1		1.3	7.0	1.6	1.2	1.2	1.2	1.7	0.5	0.4		1.3
17	1.6		1.3	1.6	1.9		1.7	2.7	3.0	0.3	1.3	1.5	1.3	0.6	0.5		2.4
18	1.3		1.4	1.6	1.4		0.8	1.2	1.8	1.9	1.4	1.3	0.7	0.5	0.4		3.2
19	1.5		1.3	1.6	1.7		1.5	3.8	1.2	2.0	1.3	1.1	0.2	0.6	1.0		0.7
20	1.5		1.4	1.7	1.1		2.5		1.3	2.1	1.4	1.0		0.7	0.6		2.0
21	1.8		1.5	1.9	2.0		1.3		1.1	1.1	1.5	0.9		0.5	0.6		1.2
22	2.0		1.1	1.8	1.9		2.1		2.9	2.0	1.1	1.5		0.5			1.3
23	2.0		1.2	1.2	2.9		0.8		1.8	0.3	1.2	1.7		0.4			2.3
24	1.3		1.2	1.4	2.7		2.3		1.3	2.2	1.2	1.2		0.4			1.2
25	2.1		0.9	1.3	2.2		1.9		0.8		0.9	1.1		0.5			1.3
26	1.8		1.3	1.6	1.5		1.5		0.8		1.3	0.9		0.6			1.6
27	1.8			1.6	1.6		2.5		2.2			1.3		0.6			0.9
28	1.5			1.7	1.6		1.1		2.3			0.9		0.5			1.1
29	1.5			1.7	1.8		1.3		3.4			0.9		0.5			3.8
30	1.7			1.4	1.8		0.6		0.6			0.9		0.7			2.2
31	3.2			1.5	1.7		2.3		1.0			1.0		0.6			0.8
32	1.6			1.2	1.3		2.5		1.6			1.1		0.5			0.6
33	3.1			1.1	1.1		2.5		1.3			1.4		0.5			0.4
34	1.4			1.1	1.2		2.3		0.7			2.0		0.4			0.8
35	2.4			1.1	1.4		0.0		2.5			1.7		0.5			0.8
36	2.3			1.1	1.5		2.5		1.7			1.3		0.4			1.9
37	1.8			0.9	1.7		1.7		1.8			1.6		0.4			1.1
38	1.6			0.9	1.5		0.0		0.8			1.1		0.4			2.4

39	2.2			1.1	1.8		2.5		1.0			0.8		0.4			0.8
40	2.0			1.0	1.2		1.7		1.5			1.1		0.4			1.4
41	1.9			0.8	1.1		1.3		1.7			0.7		0.6			1.0
42	1.6			0.8	1.2		1.9		1.0			1.0		0.7			3.1
43	2.0			0.8	1.8		1.5		1.3			0.9		0.7			0.6
44	2.1			0.9	1.7		1.3		2.7			1.0		0.7			1.0
45	2.0			0.8	2.1		1.3		1.7			0.7		0.7			1.2
46	2.2			0.9	2.0		0.8		1.0			0.7		0.9			1.2
47	2.4			0.9	1.3		1.9		1.3			0.6		1.0			1.4
48	2.6			0.7	1.2		2.5		1.3			0.7		0.8			1.6
49	2.2			0.7	1.5		2.1		2.3			0.8		0.9			1.9
50	2.1			0.5	1.3		1.9		4.8			1.0		1.0			1.0
51	2.7			0.5	1.3				1.6			0.9		1.2			0.7
52	1.6			0.5	1.2				1.4			0.7		1.2			1.8
53	1.9			0.4	1.2				3.1			0.8		1.2			1.9
54	1.2			0.6	1.0				1.1			0.7		1.2			1.0
55	1.3			0.6	1.1				1.4			0.7		1.2			2.5
56	1.3			0.6	1.7				3.3			0.8		1.2			1.6
57	1.6			0.7	0.8				1.1			1.1		1.3			0.7
58	1.1			0.8	1.3				1.7			0.8		1.1			1.4
59	1.4			0.8	0.9				1.6			0.8		1.3			1.2
60	1.5				1.1				1.9			0.9		1.7			1.1
61	1.6				1.1				3.2			0.8		1.7			1.7
62	1.7				1.1				2.2			0.9		1.6			2.2
63	1.6				1.1				1.2			0.8		1.4			1.3
64	1.1				1.0				1.3			0.6		1.3			1.9
65	1.4				0.9				1.5			0.8		2.0			3.2
66	2.3				0.7				0.8			0.7		1.8			0.7
67	1.7				0.9				0.9			0.9		2.3			1.2
68	1.9				0.8				0.7			1.0		1.6			0.6
69	2.1				0.8				0.7			1.2		1.7			6.1
70	2.2				1.0				1.0			1.1		2.3			1.3
71	1.9				0.8				1.3			1.1		3.4			1.1
72	1.9				0.9				2.4			0.9		3.6			0.5
73	1.9				0.9				1.1			1.3		3.6			0.7
74	1.8				0.9				0.9			1.8		2.9			1.2
75	1.7				0.9				0.6			1.2		3.0			1.4
76	1.8				0.9				2.5			1.6		3.3			1.4
77	2.1				0.8				1.3			1.5		3.2			1.5
78					0.9				1.3			1.8		2.6			0.5
79					0.9				2.2			1.8		3.0			0.8
80					0.8				2.4			1.1		1.9			1.6
81					0.8				1.1			1.4		2.7			1.3
82					0.8				1.2			1.4		1.4			3.2

83					1.0				0.8			1.2		1.8			1.4
84					1.0				0.5			1.2		2.9			2.1
85					0.8				3.4			0.8		1.5			1.7
86					0.8				1.8			1.0		1.5			1.5
87					0.9				1.5			1.0		1.2			1.2
88					0.7				1.0			1.0		1.4			1.0
89					0.8				1.7			1.4		1.9			1.1
90					0.8				0.6			1.4		0.8			0.9
91					0.9				1.1					0.8			2.1
92					0.9				0.6					0.8			0.6
93					1.1				0.6					0.8			1.4
94					1.0				0.7					0.8			0.9
95					1.4				1.0					0.8			1.0
96														0.7			0.6
97														0.7			1.5
98														0.9			1.1
99														0.9			1.6
100																	0.8
101																	4.8
102																	1.2
103																	0.5
104																	1.8
105																	1.6
106																	1.3
107																	1.2
108																	1.3
109																	1.7
110																	2.4
111																	0.8
112																	0.8
113																	0.8
114																	0.4
115																	1.1
116																	0.4
117																	0.9
118																	1.0
119																	1.1
120																	1.4
121																	0.8
122																	0.8
123																	2.0
124																	1.5

(2) the section “Risk weights for earthquake risk” is replaced by the following:

Risk weights for earthquake risk

Zone/ Region	AT	BE	BG	CZ	CH	CR	CY	DE	FR	HE	HU	IT	PT	RO	SI	SK
1	3.5	0.8	1.5	0.1	1.1	0.8	0.6	0.1	1.4	2.2	2.6	4.3	1.7	0.0	1.4	1.8
2	3.1	0.4	0.3	0.1	1.3	1.3	1.9	0.2	0.1	1.8	0.4	2.0	2.3	0.1	0.8	0.8
3	3.2	1.7	0.5	0.1	1.8	0.1	1.3	0.2	0.3	2.5	0.0	6.8	1.9	0.8	0.7	1.3
4	4.0	1.8	0.3	0.1	3.1	0.7	2.0	1.1	3.1	2.7	0.8	6.0	1.2	2.0	1.4	0.6
5	0.9	1.1	0.6	0.1	3.8	1.0	0.4	0.7	1.0	2.0	1.6	3.2	1.4	0.0	0.7	0.6
6	1.6	2.4	0.4	0.1	1.4	0.5	0.2	1.5	4.1	2.1	1.0	5.0	3.6	0.0	0.4	0.6
7	2.4	3.3	0.1	0.1	1.5	0.3		2.7	1.1	1.8	0.6	4.7	2.4	0.0	0.2	0.6
8	3.4	0.7	0.7	0.1	1.0	0.8		0.6	0.1	2.2	1.0	0.0	2.1	0.9	0.2	1.1
9	3.2	0.5	0.1	0.1	2.1	0.4		0.1	4.9	2.1	0.6	0.0	3.4	0.2	1.7	1.0
10	3.8		0.3	0.1	1.2	0.2		0.1	0.1	2.9	0.0	0.0	2.0	4.0	1.3	3.2
11	3.6		0.1	0.1	1.7	0.3		0.1	2.9	3.5	0.4	1.9	1.6	0.1	1.0	2.9
12	3.8		0.1	0.1	1.5	0.3		0.2	0.1	3.2	0.0	1.8	1.5	2.2		3.2
13	2.5		0.2	0.1	0.7	0.6		0.2	2.7	3.1	0.5	1.4	0.6	0.0		3.2
14	1.9		0.1	0.1	2.5	0.3		0.2	0.2	3.2	1.7	1.3	1.3	0.0		2.6
15	1.2		0.5	0.1	2.3	1.8		0.1	0.2	2.6	0.1	0.8	0.6	1.5		1.6
16	0.6		0.6	0.1	0.6	0.3		0.1	0.6	2.6	0.0	1.6	0.8	1.3		2.2
17	0.2		0.5	0.1	1.7	0.6		0.2	0.7	3.8	0.0	1.2	2.0	0.2		1.9
18	1.7		0.7	0.1	1.7	0.6		0.1	0.1	3.1	1.8	1.8	1.6	1.3		1.1
19	0.2		0.5	0.6	1.4	0.8		0.2	0.1	7.2	0.7	3.2	2.6	0.9		1.8
20	0.1		0.3	0.6	0.5	0.3		0.1	0.2	2.8	0.0	4.0	1.8	0.3		1.9
21	0.4		0.4	2.5	0.9	1.3		0.1	0.3	4.8	0.2	1.5	0.4	0.0		0.6
22	0.0		0.2	1.5	2.1			0.1	0.2	6.8	0.0	0.8	0.6	0.0		2.2
23	0.0		0.1	0.1	1.4			0.1	0.2	2.7	0.0	1.4	0.3	2.0		0.2
24	0.0		0.1	0.1	2.6			0.1	0.1	2.6	0.1	1.8	0.2	0.3		1.6
25	0.0		0.1	0.1	0.8			0.1	2.0	1.6		4.3	0.1	0.1		
26	0.0		0.2	0.1	1.3			0.2	2.5	3.1		4.5	0.1	0.3		
27	0.0		0.1	0.1				0.2	0.1	3.4		3.1	0.1	0.0		
28	0.0		0.0	1.1				0.1	0.1	3.3		1.9	0.1	0.5		
29	0.0			0.9				0.1	0.2	3.6		1.1	0.3	0.4		
30	0.0			0.1				0.1	1.4	1.9		3.2	0.3	2.1		
31	0.0			0.1				0.1	1.4	3.1		3.0	0.3	0.0		
32	0.1			0.7				0.2	2.6	2.0		8.0	0.2	0.2		
33	0.0			1.3				0.4	0.1	4.8		5.3	0.2	0.1		
34	0.4			0.1				0.9	0.6	1.7		4.3	0.2	0.0		
35	0.1			1.5				0.2	0.2	1.9		3.4	0.1	0.4		
36	0.1			1.5				0.1	0.5	2.2		3.0	0.2	0.2		
37	0.2			0.1				0.3	0.5	1.8		6.5	0.2	0.1		
38	0.4			0.1				1.9	3.0	4.1		5.0	0.1	1.0		
39	0.5			0.1				6.4	0.8	1.9		2.5	0.3	0.6		
40	0.5			0.1				0.2	5.5	0.5		1.2	0.2	5.2		
41	1.0			0.1				0.1	0.2	1.1		5.9	0.1	2.5		
42	2.4			0.1				0.2	0.3	1.3		6.1	0.2			

43	1.8			0.1				0.3	0.2	1.0		6.0	0.1			
44	1.7			0.1				1.6	0.5	0.6		5.1	0.1			
45	1.1			0.1				0.1	0.1	0.5		5.5	0.1			
46	1.8			0.1				0.1	0.1	0.6		2.3	0.3			
47	1.0			0.1				5.8	0.1	0.6		3.6	0.1			
48	2.0			7.6				2.1	0.2	0.6		6.4	0.1			
49	1.4			8.8				8.1	0.5	0.5		6.4	0.1			
50	1.8			10.5				3.4	0.4	0.6		5.5	0.8			
51	1.2			11.0				0.2	0.1	0.4		6.3	0.4			
52	3.1			10.5				1.9	0.1	1.0		4.2	0.5			
53	1.7			11.3				2.0	0.2	0.7		3.2	0.1			
54	3.4			9.5				0.2	0.1	1.1		5.9	0.5			
55	1.4			0.1				0.1	0.1	0.9		5.1	1.3			
56	0.9			0.1				0.1	0.3	1.0		4.2	0.9			
57	0.4			0.1				2.2	0.1	0.6		3.0	0.6			
58	0.7			0.1				1.4	0.1	1.0		1.9	0.3			
59	1.1			6.6				1.1	1.8	0.6		6.7	0.7			
60	1.0							2.0	0.1	3.1		5.3	2.9			
61	0.3							2.2	0.2	3.1		5.0	1.4			
62	0.3							0.1	0.9	2.5		5.7	3.1			
63	0.6							2.5	0.4	2.6		6.0	1.9			
64	2.2							2.7	16.5	2.5		5.9	1.9			
65	1.1							2.0	23.4	0.9		5.4	1.3			
66	0.8							3.1	13.5	1.5		3.7	1.4			
67	0.2							3.4	5.0	2.6		10.9	4.6			
68	0.7							6.4	10.4	0.9		1.4	1.2			
69	0.7							2.3	0.5	1.2		5.5	1.3			
70	0.5							1.7	0.8	2.3		0.5	0.2			
71	0.6							2.8	0.4			1.0	0.3			
72	0.6							5.0	0.3			1.4	0.1			
73	0.9							6.1	4.5			3.1	0.1			
74	1.6							3.4	7.2			3.7	0.3			
75	1.2							7.1	0.2			3.1	0.8			
76	1.0							0.2	0.1			7.0	1.0			
77	0.8							0.2	0.1			6.3	1.4			
78								1.1	0.1			2.8	2.1			
79								2.3	0.7			5.3	1.7			
80								0.2	0.1			6.6				
81								0.4	0.2			9.1				
82								0.7	0.1			7.9				
83								4.0	0.5			10.5				
84								3.6	3.5			6.3				
85								2.2	0.6			2.5				
86								0.1	0.7			2.1				

87								0.1	0.2			3.6			
88								0.2	0.5			5.3			
89								0.2	0.1			8.4			
90								0.1	4.1			7.7			
91								0.4	0.1			6.3			
92								0.2	0.2			10.1			
93								0.1	0.1						
94								0.3	0.2						
95								0.3	0.1						

(3) the section “Risk weights for flood risk” is replaced by the following:

'Risk weights for flood risk

Zone/ Region	AT	BE	BG	CH	CZ	DE	FR	IT	HU	PL	RO	SI	SK	UK
1	0.1	0.3	1.3	2.0	0.6	1.5	1.9	8.0	0.6	0.4	1.3	1.3	1.5	1.3
2	0.1	1.0	2.8	1.8	1.6	0.8	1.1	2.4	4.2	0.1	2.0	1.2	1.0	0.5
3	0.5	0.5	0.0	1.8	0.5	0.5	1.1	1.2	4.9	0.1	1.3	0.8	0.8	1.5
4	0.0	3.5	2.6	1.8	0.4	1.5	0.5	0.8	0.5	1.7	2.6	2.7	3.8	7.8
5	0.9	3.8	0.2	1.8	0.9	2.5	0.3	1.6	0.3	0.8	2.0	0.6	0.2	10.5
6	4.0	0.5	0.1	3.3	1.5	1.3	0.2	2.0	0.1	0.7	0.7	1.1	0.3	5.8
7	0.4	0.5	0.1	1.3	1.4	0.5	0.7	4.8	0.3	2.4	0.7	1.8	1.5	1.3
8	0.2	1.0	0.5	1.3	1.6	0.3	1.3	0.0	1.0	1.0	11.9	1.5	1.5	3.3
9	0.5	2.8	0.3	4.2	1.7	1.0	0.6	0.0	1.2	0.8	0.7	0.9	1.5	1.3
10	1.0		0.8	3.0	0.5	1.3	1.3	0.0	3.4	2.5	0.7	0.1	0.0	2.3
11	0.2		0.1	3.0	1.1	1.8	1.4	4.8	0.8	1.0	2.0	1.7	0.0	6.0
12	0.3		0.7	3.0	1.6	2.0	0.4	0.0	0.1	2.0	3.3		0.0	0.0
13	0.3		0.4	1.5	1.6	0.8	6.1	2.4	0.2	2.6	2.0		0.5	4.3
14	0.5		0.2	3.8	1.5	0.8	1.1	0.4	1.4	2.2	2.0		0.0	2.8
15	0.9		0.2	4.5	2.7	0.3	0.3	2.0	3.2	1.2	1.3		0.2	7.0
16	0.4		0.0	1.3	2.5	0.3	1.1	2.4	2.3	0.0	2.0		2.1	2.0
17	1.4		0.1	2.8	4.5	1.3	2.2	0.0	0.4	1.8	3.3		1.1	1.5
18	2.6		2.5	1.8	1.1	2.3	1.3	0.8	0.6	1.3	4.0		1.3	1.5
19	3.6		0.8	2.5	1.8	4.5	0.4	0.8	4.9	1.4	3.3		0.9	2.0
20	2.2		0.9	2.0	2.3	2.0	0.0	0.0	4.8	1.8	0.7		0.3	2.8
21	0.5		7.5	2.0	1.7	0.8	1.6	3.2	3.1	0.0	0.7		2.8	3.0
22	1.6		4.2	5.0	1.5	0.3	0.3	0.0	2.8	1.3	3.3		2.7	2.5
23	1.0		0.8	1.5	1.6	0.5	0.3	1.6	0.3	0.7	4.6		0.1	3.3
24	3.6		0.8	3.3	2.1	2.0	1.0	1.6	4.0	1.4	2.0		0.0	1.3
25	1.8		7.5	1.5	2.0	2.3	0.7	3.2		3.1	3.3			4.0
26	0.8		5.8	1.8	2.2	2.5	1.1	1.6		0.2	2.0			5.5
27	2.0		3.3		3.1	4.3	1.2	3.2		0.8	1.3			8.5
28	2.4		2.5		1.1	2.8	0.5	3.2		3.6	2.0			3.0
29	0.7		3.3		2.9	2.3	0.3	0.0		5.9	4.0			1.3
30	4.4				1.7	0.8	3.0	0.8		0.8	0.7			1.3

31	2.0				1.3	0.3	1.6	4.8		0.6	3.3			2.0
32	3.3				1.1	1.8	1.3	4.8		0.1	2.6			2.5
33	0.9				2.0	1.0	2.8	1.6		5.9	1.3			0.3
34	4.6				2.2	0.3	1.7	2.4		9.8	1.3			3.5
35	1.5				1.4	3.0	0.7	0.0		7.3	4.6			3.0
36	0.3				1.8	2.3	0.7	2.4		0.5	2.0			2.8
37	0.4				2.6	2.5	2.0	1.2		2.2	7.9			2.8
38	4.4				2.6	3.3	1.4	6.4		7.3	2.0			3.3
39	1.2				0.8	1.0	1.7	2.4		10.6	1.3			3.5
40	0.4				1.0	0.8	1.7	1.2		5.4	2.6			1.8
41	0.2				3.9	0.3	1.4	6.4		0.0	1.3			2.5
42	0.3				4.2	0.3	0.7	1.2		0.7				0.0
43	0.1				1.2	2.0	0.4	0.8		1.7				3.0
44	0.2				1.5	3.8	1.9	0.8		3.1				7.5
45	0.6				0.8	3.5	1.7	1.6		0.3				2.8
46	0.1				1.1	2.0	0.8	4.8		2.8				1.0
47	0.1				0.7	4.5	2.3	3.2		1.1				19.5
48	1.5				3.6	2.5	0.2	0.4		5.6				0.5
49	0.1				2.1	0.3	2.5	1.6		2.2				3.0
50	2.4				1.9	3.3	0.9	3.6		3.0				5.8
51	2.8				1.0	2.0	1.1	0.8		1.1				3.3
52	0.4				2.2	4.3	0.6	3.2		2.1				0.0
53	0.3				1.2	6.0	0.4	0.4		0.3				2.0
54	0.0				2.8	0.3	1.0	0.0		0.1				2.5
55	0.1				3.5	1.0	1.2	0.8		0.2				0.0
56	0.1				1.9	0.8	0.7	4.8		4.9				4.0
57	0.1				4.8	1.5	1.0	0.0		4.9				3.8
58	0.3				3.3	0.3	1.3	0.0		2.3				1.0
59	0.9				2.4	3.8	0.9	0.8		4.6				1.8
60	0.1					1.3	1.0	0.0		7.0				2.0
61	0.1					3.3	0.5	0.4		0.1				10.0
62	0.1					2.3	0.8	0.8		0.9				13.3
63	0.1					4.0	0.7	0.0		0.9				2.8
64	0.4					3.0	0.9	0.8		1.7				2.8
65	1.1					1.5	1.2	4.0		3.0				0.8
66	0.5					0.5	0.8	1.6		0.1				8.5
67	0.9					0.3	4.3	2.4		2.9				1.0
68	0.0					1.5	2.9	3.2		4.6				6.0
69	0.0					0.5	1.6	1.2		4.6				4.3
70	0.0					1.3	1.5	0.8		8.8				3.3
71	0.0					0.8	1.9	0.0		1.9				2.0
72	0.0					3.5	1.4	1.6		1.2				2.0
73	0.0					1.0	0.9	1.2		2.2				2.0
74	0.0					0.5	0.5	3.2		1.6				6.8

75	0.0					1.0	6.2	6.4		8.8				1.5
76	0.0					0.8	1.1	1.2		0.1				4.5
77	0.1					0.5	1.3	2.4		0.3				1.3
78						1.0	1.2	1.6		0.6				2.0
79						3.0	0.7	1.6		1.6				3.8
80						2.3	0.8	0.8		1.5				2.5
81						2.3	0.5	1.2		0.1				2.8
82						3.0	2.5	0.0		12.6				2.0
83						1.3	0.7	0.0		3.9				5.5
84						0.5	2.7	3.2		0.1				0.8
85						1.3	2.0	0.0		0.8				1.3
86						0.3	0.8	0.8		2.1				2.5
87						1.0	0.3	1.2		0.9				2.0
88						0.8	0.6	0.8		2.4				2.8
89						1.5	0.9	1.6		1.9				1.5
90						2.3	0.8	0.0		0.1				4.5
91						0.5	1.0	0.0		0.2				6.5
92						2.5	6.1	1.2		0.1				1.5
93						5.0	1.4			0.2				1.5
94						0.8	5.0			0.1				3.5
95						2.0	1.1			1.2				2.8
96										0.8				1.0
97										0.8				2.5
98										1.3				1.8
99										2.1				2.0
100														1.0
101														1.5
102														1.0
103														1.5
104														3.5
105														3.0
106														13.3
107														1.0
108														3.0
109														3.8
110														0.8
111														3.8
112														2.8
113														1.5
114														1.3
115														6.8
116														0.3
117														0.3
118														5.0

35	2.7			2.8	1.7	2.1	0.2	3.3	3.2	
36	14.1			4.3	10.0	2.2	1.3	3.3	0.2	
37	0.4			2.9	2.5	6.1	7.6	3.3	10.6	
38	3.5			4.1	0.0	19.7	10.6	3.3	3.4	
39	6.1			3.0	2.5	5.4	11.6	3.3	3.1	
40	3.1			3.7	7.5	7.9	2.8	3.3	0.2	
41	10.4			4.8	2.5	3.7	2.3	7.5	5.9	
42	5.4			4.6	3.3	3.5	10.4	7.5	7.2	
43	1.1			4.2	6.7	3.0	4.8	7.5	3.8	
44	5.9			3.8	3.3	9.8	0.1	7.5	3.5	
45	11.3			5.0	12.5	3.4	3.4	7.5	3.9	
46	4.5			3.2	1.7	2.7	12.2	3.3	3.2	
47	0.3			2.3	6.7	13.2	18.1	7.5	1.2	
48	3.3			2.8	0.1	11.9	13.7	7.5	2.5	
49	1.3			2.7	0.5	8.7	2.1	7.5	0.6	
50	2.1			4.0	1.2	13.9	1.9	3.7	4.7	
51	11.4			4.5		11.2	6.4	3.7	2.9	
52	2.7			5.0		2.1	10.9	3.7	4.6	
53	0.2			3.0		6.0	4.7	3.7	0.3	
54	0.4			3.2		5.0	2.0	3.7	2.4	
55	7.9			3.0		3.3	0.8	3.7	5.8	
56	0.4			3.0		11.2	0.1	3.7	2.4	
57	0.2			4.1		0.3	2.7	3.7	5.2	
58	8.2			2.8		4.3	19.9	3.7	2.1	
59	3.6			2.7		2.4	1.9	3.7	8.5	
60	4.7					3.0	1.9	0.8	9.7	
61	1.5					0.7	16.1	0.8	8.9	
62	3.9					18.2	1.4	0.8	0.1	
63	2.6					5.3	2.6	0.8	0.1	
64	2.4					4.9	15.3	0.8	7.4	
65	4.8					0.3	20.0	0.8	4.1	
66	0.8					8.0	2.0	0.8	0.8	
67	1.2					15.3	4.6	0.8	0.3	
68	0.4					11.7	12.1	0.0	3.2	
69	10.7					7.7	17.1	0.0	1.5	
70	1.3					1.7	13.6	0.0	1.6	
71	4.5					6.4	12.1	0.0	2.9	
72	15.0					5.6	0.7	0.0	7.1	
73	0.3					5.0	15.3	0.0	4.1	
74	1.2					7.8	9.5	0.0	1.6	
75	1.3					8.0	6.2	0.0	1.4	
76	0.2					55.9	0.7	0.0	0.1	
77	4.2					41.6	1.9	0.0	0.4	
78						7.9	1.7	0.0	0.3	

79						10.7	1.1	0.0	0.0	
80						8.7	4.6	0.8	5.1	
81						7.8	3.7	0.0	0.7	
82						15.8	20.4	0.0	0.3	
83						5.2	0.6	0.0	1.0	
84						3.2	0.6	0.0	1.1	
85						12.4	1.3	0.0	5.1	
86						9.1	1.3	0.0	2.5	
87						4.2	1.7	0.0	1.8	
88						8.5	3.2	0.0	0.3	
89						3.9	3.3	0.0	4.4	
90						6.4	6.0	0.0	3.0	
91						2.7	2.3	0.0		
92						3.0	1.0	0.0		
93						2.5	4.0			
94						2.5	0.7			
95						1.4	2.3			

!

ANNEX IX

'ANNEX XIV

**SEGMENTATION OF NSLT HEALTH INSURANCE AND REINSURANCE
OBLIGATIONS AND STANDARD DEVIATIONS FOR THE NSLT HEALTH PREMIUM
AND RESERVE RISK SUB-MODULE**

	Segment	Lines of business, as set out in Annex I, that the segment consists of	Standard deviation for gross premium risk of the segment	Standard deviation for reserve risk of the segment
1	Medical expense insurance and proportional reinsurance	1 and 13	5%	5.7%
2	Income protection insurance and proportional reinsurance	2 and 14	8.5%	14%
3	Workers' compensation insurance and proportional reinsurance	3 and 15	9.6%	11%
4	Non-proportional health reinsurance	25	17%	17%

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ANNEX X

In Annex XVI, the table 'DEFINITION OF EVENTS AND RISK FACTORS FOR THE MASS ACCIDENT RISK SUB-MODULE AND ACCIDENT CONCENTRATION RISK SUB-MODULE' is replaced by the following:

'DEFINITION OF EVENTS AND RISK FACTORS FOR THE MASS ACCIDENT RISK SUB-MODULE AND ACCIDENT CONCENTRATION RISK SUB-MODULE

Event type e	x_e — Ratio of persons which will be affected by event type e as the result of the accident
Death caused by an accident	10 %
Permanent disability caused by an accident	3,5%
Disability that lasts 12 months caused by an accident	16,5%
Medical treatment caused by an accident	30 %

ANNEX XI

Annex XVII is amended as follows:

- (1) the title of part F is replaced by the following:

'F1. Non-proportional reinsurance method 1';

- (2) the following part F.2 is added:

'F2. Non-proportional reinsurance method 2

Input data and method-specific data requirements

- (1) The data for estimating the undertaking-specific adjustment factor for non-proportional reinsurance shall consist of the aggregated annual losses of insurance and reinsurance claims that were reported to the insurance or reinsurance undertaking in segment *s* during the last financial years.
- (2) The following method-specific data requirements shall apply:
- (a) the data are representative for the premium risk that the insurance or reinsurance undertaking is exposed to during the following twelve months;
 - (b) the data do not indicate a higher premium risk than reflected in the standard deviation for premium risk used to calculate the Solvency Capital Requirement;
 - (c) the aggregated annual losses are estimated in the year the insurance and reinsurance claims were reported;
 - (d) data are available for at least five reporting years;
 - (e) where the recognisable stop loss reinsurance contract applies to gross claims, the aggregated annual losses are gross;
 - (f) where the recognisable stop loss reinsurance contract applies to claims after deduction of the recoverables from certain other reinsurance contracts and special purpose vehicles, the amounts receivable from those certain other reinsurance contracts and special purpose vehicles are deducted from the aggregated annual losses;
 - (g) the aggregated annual losses shall not include expenses incurred in servicing the insurance and reinsurance obligations;
 - (h) the data are consistent with the assumption that aggregated annual losses follow a lognormal distribution, including in the tail of the distribution.

Method specification

- (1) For the purpose of paragraphs 4-7, the following notation shall apply:
- (a) *n* denotes the number of financial years for which aggregated annual losses data is available;
 - (b) *Y_i* denotes the aggregated losses in financial year *i*;
 - (c) μ and ω denote the first and second moment, respectively, of the aggregated annual losses distribution, being equal to the following amounts:

$$\mu = \frac{1}{n} \sum_{i=1}^n Y_i \quad \text{and} \quad \omega = \frac{1}{n} \sum_{i=1}^n Y_i^2$$

- (d) b_1 denotes the amount of the retention of the recognisable stop loss reinsurance contract referred to in Article 218(2);
- (e) where the recognisable stop loss reinsurance contract referred to in Article 218(2) provides compensation only up to a specified limit, b_2 denotes the amount of that limit.
- (2) The undertaking-specific specific adjustment factor for non-proportional reinsurance shall be equal to the following:

$$NP_{USP} = c \cdot NP' + (1 - c) \cdot NP$$

where:

- (a) c denotes the credibility factor set out in section G;
- (b) NP' denotes the estimated adjustment factor for non-proportional reinsurance set out in paragraph 5;
- (c) NP denotes the adjustment factor for non-proportional reinsurance set out in Article 117(2).
- (3) The estimated adjustment factor for non-proportional reinsurance shall be equal to the following:

where the parameters μ_1 , μ_2 , ω_1 and ω_2 are set out in paragraph 6.

- (4) The parameters μ_1 , μ_2 , ω_1 and ω_2 shall be equal to the following:

$$\mu_2 = \mu \cdot N\left(\frac{\ln(b_2) - \theta}{\eta} - \eta\right) + b_2 \cdot N\left(-\frac{\ln(b_2) - \theta}{\eta}\right)$$

$$\omega_1 = \omega \cdot N\left(\frac{\ln(b_1) - \theta}{\eta} - 2 \cdot \eta\right) + b_1^2 \cdot N\left(-\frac{\ln(b_1) - \theta}{\eta}\right)$$

$$\omega_2 = \omega \cdot N\left(\frac{\ln(b_2) - \theta}{\eta} - 2 \cdot \eta\right) + b_2^2 \cdot N\left(-\frac{\ln(b_2) - \theta}{\eta}\right)$$

where:

- (a) N denotes the cumulative probability function of the normal distribution;
- (b) \ln denotes the natural logarithm;
- (c) the parameters θ and η are equal to the following:

$$\theta = 2 \ln \mu - \frac{1}{2} \ln \omega$$

$$\eta = \sqrt{\ln \omega - 2 \ln \mu}.$$

- (5) Notwithstanding paragraph 5, where non-proportional reinsurance covers homogeneous risk-groups within a segment, the estimated adjustment factor for non-proportional reinsurance shall be equal to the following:

$$NP' = \frac{\sum_h V_{(prem,h)} \cdot NP'_{(h)}}{\sum_h V_{(prem,h)}}$$

where:

- (a) $V_{(prem,h)}$ denotes the volume measure for premium risk of the homogeneous risk group h determined in accordance with paragraph 3 of Article 116;
- (b) $NP'_{(h)}$ denotes the estimated adjustment factor for non-proportional reinsurance of homogeneous risk group h determined in accordance with paragraph 5.!

ANNEX XII

Part B of Annex XXI is amended as follows:

(1) the following point (19) is added:

'(19) The number of applications submitted to the supervisory authority, in accordance with paragraph 10 of Article 71, to waive the application of the principal loss-absorbency mechanism referred to in point (e) of paragraph 1 of that Article, and how many were successful.';

(2) the last sentence of part B is replaced by the following:

'The information set out in paragraphs 2 to 19 shall be provided in relation to the last calendar year.'.