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Consultant:
John Walton

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Preface

About this manual.....

The methodological manual for Insurance Services Statistics was the first manual in a series of sectoral manuals on statistics on services enterprises to be published. It is part of the Eurostat Manual of Business Statistics (EMBS). The EMBS is a compilation of methodological texts created by, or on behalf of Eurostat. The EMBS ensures consistency of structure and content throughout as it unites texts within a single coherent framework. Owing to its size, the EMBS only exists in electronic format, but paper copies of individual sections or sub-sections are made available when required.

About Eurostat and the work undertaken on Insurance Services Statistics.....

Work on Insurance Services Statistics is carried out on the initiative of the European Commission, in particular of the Statistical Office of the European Communities (Eurostat) and of Directorate-General MARKT (responsible for the Internal Market and Financial Services).

Based on the principal aim of the European Single Act, the European single market in insurance was built progressively. With the coming into force of the third generation of EU insurance directives in July 1994, considerable deregulation and harmonisation was achieved. In order to take advantage hereof it is more and more important to get sufficient information on the EEA insurance markets, i.e. to make use of the comprehensive and harmonised EEA Insurance Services Statistics.

The manual takes into account of the latest conclusions made in the Insurance Services Working Group. As the insurance services statistical system is largely based on existing directives in the insurance area (especially the Directive 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings), overwhelming agreement was reached on the main components of these statistics, and especially on the variables to be collected.

A legal base for Insurance Services Statistics has been developed. Indeed these statistics have been integrated in an additional annex in the Council Regulation 58/97 of 20 December 1996 concerning Structural Business Statistics. Commission's Regulation regarding the implementation of derogations to be granted, definitions of characteristics, series of data to be produced as well as regarding the technical format for the transmission of Insurance Services Statistics have also been adopted.

Target readership and data quality.....

This manual provides a common methodological framework for anyone working on the collection, compilation, transmission and analysis of data on Insurance Services Statistics. As such, it makes significant contributions to data quality and comparability.

As well as assisting those working within the EEA, it will also have implications for analysts in countries outside the EEA, especially those belonging to the OECD, given the nature and structure of these economies. It is hoped that it will prove a useful tool for both professional statisticians and anyone involved in the collection and analysis of insurance business statistics.
The structure of this manual…..

The main chapters of this manual contain:

- The appropriate statistical units and nomenclatures,
- The variables to be collected from the relevant national authorities and other variables under study,
- The production account for insurance enterprises providing the link to national accounts, and
- An extensive chapter on the secondary use of Insurance Services Statistics.

Major proposed legislation in the field of Insurance Services Statistics are annexed to the manual.

Finally, this publication provides a dictionary of terms in three languages (English, German and French).

Since the adoption of the detailed module for Structural Statistics in Insurance to the Council Regulation 58/97 the contents of this manual (e.g. the variables to be collected and their definitions) are legally binding.

Finding your way around this manual…..

The manual begins with a table of contents which gives page references of subject headings. An index of variables is also given sorted out by codes, with corresponding titles and page references.

Eurostat sincerely hopes that this methodological manual for the EEA Insurance Services Statistics will become the basic tool for all statisticians and professionals working with enterprise statistics in the field of insurance. Moreover it will also serve as a basic reference document for the general public wishing to analyse and evaluate insurance data.
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CHAPTER 1

INTRODUCTION
Chapter 1. Introduction

1.1. AIMS AND OBJECTIVES

This manual aims to include all the necessary information for the collection and compilation of business statistics on Insurance Services Statistics. In terms of the NACE Rev. 1 classification system, this covers all activities allocated in the NACE classes 66.01, 66.03 and 66.04. Member States of the European Union are required to provide Eurostat with information according to the definitions in the relevant parts of this manual. The target audience for this manual will be specialist producers and users of Insurance Services Statistics, including statisticians in National Statistical Institutes, National Supervisory Authorities, Eurostat and other international organisations.

1.2. GENERAL DESCRIPTION OF THE INSURANCE SECTOR

Two elements characterize the activities of insurance enterprises. At first they pool the risks of the insured. Secondly they collect funds through insurance premiums they receive and invest these funds on the financial markets.

The main economic function is to transfer risks to specialized enterprises which assure risks to a certain amount through the collection of premiums. However some differences between the categories of insurance enterprises exist. The basic underlying principle of non-life insurance is the mutualisation of risks transferred by a wide range of insured persons or enterprises. In life insurance the mutualisation of risks and financial intermediation (the management and investment of savings) often are combined. Reinsurance enterprises act as the insurance enterprises of direct insurers or reinsurers.

Insurance enterprises also play an important role in the allocation of resources. The large amounts of money regularly received as premiums have to be properly invested in various types of assets to ensure the solvency and liquidity necessary to meet claims. The insurance sector is also subject to supervision which largely focuses on financial aspects. Within the EEA, the supervision of the insurance industry is harmonized to a large extent.

1.3. INSURANCE SERVICES STATISTICS

Step by step, the European internal market for insurance services has been created. The first and second generation of EU Insurance Directives on life and non-life insurance business were followed by the third Directive which allow considerable deregulation of the European insurance sector and thus almost complete the internal market in this services sector.

In order to make increasing use of liberalisation and deregulation, it is essential for the market participants to have a certain amount of information. As regards the national insurance markets and the broad range of potential users, this information should be as homogeneous as possible.

Given the likely developments portrayed, Eurostat (Unit D 2 — business statistics in the services sector) began as early as 1991 to create a European statistical system in the insurance sector, the Insurance Services Statistics. The main objectives of the project were:

a) for data on insurance undertakings to be submitted to Eurostat annually by the relevant national authorities (insurance supervisory authorities or statistical institutes);
b) for Eurostat to produce annual and ad-hoc publications on the basis of these data in order to provide an overall view of the European insurance markets;

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c) for the data collected to be used for secondary purposes such as national accounts or balance of payments statistics.

1.4. THE MAIN COMPONENTS OF THE PROJECT

The project consists of the following main components:

An activity classification (NACE Rev. 1) and a classification of products according to activities (= CPA)

The Insurance Services Statistics will be compiled for all activities within the scope of NACE Rev.1 classes 66.01 and 66.03. For reinsurance services an additional activity class (= 66.04) will be added to the NACE Rev. 1 nomenclature at the earliest opportunity (depending on the integration of this class to the corresponding ISIC classification). NACE class 66.02: pension funding is not covered by the Insurance Services Statistics.

The CPA is the basic statistical tool for establishing statistics by product. The existing Regulation on the CPA (Council Regulation 3696/93 from 29 October 1993) does not give a detailed breakdown on life insurance, pension funds and non-life insurance services.

So the aim of Eurostat's work was to fill in the existing structure of the CPA with a more detailed classification of insurance products. Depending on the progress on the amendment of the NACE Rev.1 classification an intermediate solution for incorporating the reinsurance products has to be accepted. The CPA already has its practical use as some by-product variables are part of the variables to be collected from Member States. For more details on the activity and product classifications refer to section 3 and annex 5.

List of sector specific variables (to be collected by Eurostat from the relevant national authorities)

The main component of the project is a list of variables that Eurostat collects from the relevant national authorities. All these variables are transferred to Eurostat annually. Data are obtained from life, non-life and specialist reinsurance enterprises. Most of the variables are already part of existing reporting circuits from enterprises to national authorities.

The most important sections of the list concern accounting data such as balance sheet or profit and loss account data mainly based on Directive 91/674/EEC for the annual and consolidated accounts of insurance undertakings (“Accounting Directive”). The key data of the profit and loss account (such as premiums) are also broken down by product (using the CPA). Other sections of the list refer to structural variables, the internationalisation or employment of the undertakings. All variables are graded at different levels of priority. These determine the time schedule for the first delivery of data to Eurostat, according to Annex 5 to the SBS Regulation. For more details on the list of insurance variables, refer to section 4 and annexes 1, 2 and 3.

Additional macroeconomic variables are also collected (as well determined by the Council Regulation concerning Structural Business Statistics). These variables (e.g. value of production, gross value added) can be derived from the sector specific insurance data in defining the production account for insurance undertakings. This enables the business statistics to satisfy also the needs of macroeconomic statistics such as national accounts or balance of payments statistics. For more details refer to section 4.2.

As for some of the sector specific data Eurostat undertakes some consistency checks.

Moreover this manual deals with the relation between the sector specific insurance statistics and the variables common to all services sectors. Some of these common variables, which are basic for many other services sectors, are not applicable for the insurance sector (e.g. number of local units). For more details refer to section 4 and annex 3.

Insurance Services Statistics in the frame of the Council Regulation concerning structural business statistics

Insurance Services Statistics have been incorporated in the Council Regulation on structural business statistics, which covers business statistics on a large range of services and other sectors.
The Regulation is broken down into a main part containing basic provisions regarding all sectors covered, an annex 1 embracing the general 'module' for all sectors (including the data to be collected in all areas) and sector specific annexes. The specific annexes also contain the sector related variables. Annex 1 of the Regulation represents the horizontal perspective of statistics on services and non-services enterprises while the Annexes 2, 3 and 4 reflect the vertical perspective of sector specific statistical systems: namely industry, distributive trades and construction.

The module for producing harmonized Structural Statistics in Insurance has been adopted as Annex 5 to the Regulation. As for the other annexes, the list of sector specific variables has been wholly incorporated. The reference years for the statistics to be provided are the calendar years 1996 and 2000 depending on the two lists A and B, it also includes a small number of optional characteristics. Transition periods have been allowed for each list of characteristic. The relevant national authorities are required to submit the data to Eurostat 12 months after the end of the accounting year for direct insurance companies and 18 months in the case of specialist reinsurance enterprises. For more details refer to annexes 1 and 2.

1.5. SOURCES OF INFORMATION

The original data sources are — of course — the insurance enterprises. Insurance enterprises usually are authorized and registered by the relevant national insurance supervisory authority (except reinsurance enterprises in some cases). In the frame of insurance supervision the enterprises concerned are required to submit comprehensive sets of published and non-published data to the supervisory authorities.

The Insurance Services Statistics are largely based on existing registers and on data already provided by the insurance enterprises to the relevant national authorities. In many Member States the additional burden on enterprises caused by the Insurance Services Statistics is therefore — if it exists at all — very low. Existing data circuits are used as far as possible.

In many Member States the relevant insurance supervisory authority also assumes the statistical function of compiling aggregated data on insurance enterprises and analyses the national insurance market. In some other countries this role is taken over by the national statistical institute.

The coverage of the statistics follows the regulatory framework. All authorized enterprises are therefore normally covered by the Insurance Services Statistics. An exclusion of some enterprises of minor importance is possible. For more details refer to the detailed module for structural statistics on insurance in annex 2.
CHAPTER 2

THE STATISTICAL UNITS
The Council Regulation (EEC) n° 696/93 on the statistical units for the observation and analysis of the production system in the Community identifies eight types of statistical units: the enterprise, the institutional unit, the enterprise group, the kind-of-activity unit (KAU), the unit of homogeneous production (UHP), the local unit, the local kind-of-activity-unit (local KAU), the local unit of homogeneous production (local UHP).

The only statistical unit of significance in Insurance Services Statistics is the enterprise.

   The enterprise is defined as:

   'the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole local unit.'

As the Insurance Services Statistics are largely based on the framework of enterprises' supervision the statistical unit 'enterprise' is — in general — equivalent to the legal unit. The legal unit 'insurance enterprise' is authorized and registered by the relevant national authority (not in general applicable for specialist reinsurance enterprises). The enterprise is required to keep a separate and complete set of accounts. It reports to the public and — on a confidential base — to the relevant national authority.

Other statistical units like the enterprise group or the local unit are not considered within Insurance Services Statistics because of lack of practicability and data availability.

EEA branches abroad are treated according to the principles of 'home country control' and 'single licensing' created by the Third life and Non-life Insurance Directives (92/96/EEC and 92/49/EEC). EEA branches abroad are therefore observed from the point of view of the country where the head office of the enterprise is situated. Certain key data on those branches abroad are asked from the home country authorities. In reallocating this key data the complete picture of the national insurance markets can be re-established. Branches of enterprises with head office outside the EEA are treated as normal resident enterprises. For specialist reinsurance enterprises the branches abroad are not recorded at all.

As subsidiaries of insurance enterprises are registered and authorized separately these are treated as normal resident or non-resident enterprises.
CHAPTER 3

THE ACTIVITY AND PRODUCT CLASSIFICATIONS
Chapter 3. The activity and product classifications

3.1. General Aspects

Two relevant classification systems with different aims exist at the European level:

- the classification of economic activities NACE Rev. 1, and
- the classification of products according to activities CPA.

The classification of economic activities NACE Rev. 1 allocates the statistical units (i.e., in the case of insurance the enterprises) to the classes where the units have their principal activity. Life, non-life and specialist reinsurance enterprises will hence be recorded where they carry out the main part of their business. As the basic insurance directives define a certain pureness of activity, allocation in the different NACE classes is in most cases clear.

The classification of CPA products is the basic statistical tool for establishing statistics by products.

Both classifications have an equivalent on world-wide level: the activity classification ISIC and the product classification CPC.

3.2. The Classification of Economic Activities NACE Rev. 1


- NACE class 66.01 Life insurance
- NACE class 66.03 Non-life insurance

In addition Eurostat aims at including the following class in the NACE Rev.1 classification at the earliest opportunity:

- NACE class 66.04 Reinsurance

However, following discussions within Eurostat and in order to keep consistency with the ISIC, it was decided that in division 66 there would be no change to NACE Rev.1 in 2002. Eurostat will work together with the United Nations to have a separate item integrated in ISIC/NACE in 2007.

The following enterprise categories are covered by these activity classes:

Life insurance enterprises, non-life insurance enterprises, composite insurance enterprises (carrying out life and non-life insurance business), specialist reinsurance enterprises and Lloyd's underwriters. Branches of life, non-life and composite insurance enterprises whose head offices are outside the EEA and whose activity falls within the NACE classes 66.01 and 66.03 are assimilated to the enterprises mentioned before.
3.3. **The classification of products according to activities CPA**

The Council Regulation 3696/93/EEC of 29 October 1993 on the statistical classification of products by activity (CPA) in the European Economic Community includes the following details on insurance and pension funding services:

- Category 66.01 Life insurance services
- Category 66.02 Pension funding services
- Category 66.03 Non-life insurance services

Eurostat elaborated a detailed structure of insurance and pension funding products with the aim of incorporating it in the relevant CPA Regulation as soon as possible.

In accordance with NACE Rev. 1 classification the new classification would show four categories for insurance and pension funding services:

- Category 66.01 Life insurance services
- Category 66.02 Pension funding services
- Category 66.03 Non-life insurance services
- Category 66.04 Reinsurance services

The detailed breakdown of these categories (including the explanatory notes) has been drafted and it follows — as far as possible — the structure provided by the basic insurance directives, i.e. the Accounting Directive, 91/674/EEC and the Third Life and Non-life Directives, 92/96/EEC and 92/49/EEC.

The implementation Regulations concerning Annex 5 of the SBS have been drafted as if the 66.04 reinsurance services class existed. However, as an immediate incorporation of the NACE Rev. 1 class 66.04 on reinsurance is not possible, an intermediate proposal has been elaborated for submission to the NACE/CPA Working Group for inclusion in the CPA 2002 (refer to annex 5).
CHAPTER 4

SECTOR SPECIFIC
AND MACRO-ECONOMIC
VARIABLES
Chapter 4. Sector specific and macroeconomic variables

4.1. LIST OF A, B, AND D VARIABLES

Priority levels of the variables:

♦ List A: The variables/breakdowns are normally directly based on the relevant insurance directives. The first reference year for compilation is the year 1996. These variables are listed in Annex 5 of the SBS Regulation, section 4, paragraph 3.

♦ List B: The variables/breakdowns are based on national law or other national sources and available in some Member States. The first year for compilation is the year 2000. These variables are listed in Annex 5 of the SBS Regulation, section 4, paragraph 4.

♦ Level D: It is not intended to collect these variables/breakdowns from the Member States for two reasons: the variables are based on national law or other sources, or they can be calculated on the base of other data delivered. These variables can nevertheless be forwarded from the Member States on a voluntary basis.

♦ Optional These variables are listed in Annex 5 of the SBS Regulation, section 4, paragraph 4, but have been put on an optional level.

Categories of enterprise businesses covered:

1 = Life insurance enterprises
2 = Non-life insurance enterprises
3 = Composite insurance enterprises
4 = Specialist reinsurance enterprises
5 = Life insurance business of composite insurance enterprises
6 = Non-life insurance business of composite insurance enterprises (including business accepted)
4.1.1. **Structural variables**

**Code:** 11 11 0  
**Regulation:** [Annex 1, 11 11 0] [Annex 5, section 4, paragraph 3]  
**Name:** Number of enterprises  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** The number of enterprises is defined in the annex of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics (2).  
**Comments:** All enterprises authorised at the end of the reference period are included. Enterprises wound up or being in the run-off are excluded (enterprises in the run-off should be excluded if their investments/provisions are small, while large enterprises in the run-off have to be accounted for). Branches of enterprises with head office in non EEA countries are covered.

**Code:** 11 11 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Number of enterprises broken down by legal status  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** The number of enterprises (see variable 11 11 0) is broken down by legal status as follows: incorporated enterprises limited by shares, mutual enterprises, branches of insurance enterprises with head office in non EEA Member States, others.  
**Comments:** For reinsurance enterprises no branches of enterprises with head office in non EEA countries are recorded.  
**Link to other variables:** Number of enterprises broken down by legal status is a further breakdown of the number of enterprises (11 11 0).

**Code:** 11 11 2  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Number of enterprises broken down by size class of gross premiums written  
**Coverage:** (1,2,3)  
**Priority:** List A  
**Definition:** The number of enterprises (see variable 11 11 0) broken down by size classes of gross premiums written.  
**Comments:** Six size classes (in Million EURO) are defined as follows: more than 1 000, 501-1 000, 251-500, 51-250, 5-50 and less than 5.  
**Link to other variables:** Number of enterprises broken down by size class of gross premiums written is a further breakdown of the number of enterprises (11 11 0).

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Code: 11113
Regulation: [Annex 5, section 4, paragraph 3]
Name: Number of enterprises broken down by size class of gross technical provisions
Coverage: (1)
Priority: List A
Definition: The number of enterprises (see variable 11110) broken down by size classes of gross technical provisions.
Comments: Six size classes (in Million EURO) are defined as follows: more than 10 000, 5 001-10 000, 2 501-5 000, 501-2 500, 50-500 and less than 50.
Link to other variables: Number of enterprises broken down by size class of gross technical provisions is a further breakdown of the number of enterprises (11110).

Code: 11115
Regulation: [Annex 5, section 4, paragraph 3]
Name: Number of enterprises broken down by country of residence of the parent enterprise
Coverage: (1,2,3,4)
Priority: List A
Definition: Parent enterprise shall mean a parent undertaking within the meaning of Article 1 (1) of Council Directive 83/349/EEC of 13 June 1983 based on the Article 54 (3) (g) on the Treaty on consolidated accounts [3], and any undertaking which, in the opinion of the relevant supervisory authority, effectively exercises a dominant influence over the insurance enterprise.

The following geographical breakdown of parent enterprises has to be used: parent enterprise situated in the home Member State (the observed enterprise can be regarded as domestic controlled), parent enterprise situated in other countries (the observed enterprise can be regarded as foreign controlled). As mutual enterprises and branches of insurance enterprises with head office in non EEA countries do not have any parent enterprise, these enterprises are not considered here. The ultimate beneficiary ownership is the concept preferred which should as far as possible be followed.

Comments: For practical reasons Member States have the choice to deliver this variable only for those insurance enterprises which are — as regards their gross premiums written — under the top 90 % of the life insurance, non-life insurance, composite insurance and specialist reinsurance markets. If Member States follow this alleviation it has to be indicated.
Link to other variables: Number of enterprises by residence of the parent enterprise is a further breakdown of the number of enterprises (11110).

Code: 11410
Regulation: [Annex 5, section 4, paragraph 3]
Name: Total number and location of branches in other countries
Coverage: (1,2,3)
Priority: List A
Comments: Enterprises wound up or being in the run-off or enterprises without a large amount of investments or provisions are excluded. All branches established abroad by an insurance enterprise which is registered in the home Member State are covered.

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4.1.2. Accounting variables

Note for the presentation of profit and loss account data:

The only data which should be provided with an algebraical sign are the variables for which values are likely to be either positive or negative depending on the business.

For the variables which amounts are always positive or always negative, no algebraical sign should be provided.

In the following, the variables which algebraical sign is not constant are marked: (+/-)

IMPORTANT: an increase in a provision leads to an expenditure (e.g. an increase in the provision for unearned premiums leads to lower premiums earned compared to premiums written), the corresponding variable (e.g. change in the provision for unearned premiums) should therefore be reported with a MINUS sign. Inversely a drop in a provision leads to an income (e.g. a decrease in the provision for unearned premiums means an higher premiums earned compared to premiums written) the corresponding variable should therefore be reported with a PLUS sign.

TECHNICAL PART OF THE PROFIT AND LOSS ACCOUNT

Code: 32 11 0
Regulation: [Not included in Annex 5]
Name: Gross premiums earned
Coverage: (1,2,4,5,6)
Priority: Level D
Definition: This variable is the sum of the gross direct premiums written (12 11 1), the gross reinsurance premiums accepted, written premiums (12 11 2) and the gross change in the provision for unearned premiums (32 11 2).
Comments: -.

Code: 12 11 0
Regulation: [Annex 1, 12 11 0] [Annex 5, section 4, paragraph 3]
Name: Turnover (Gross premiums written)
Coverage: (1,2,4,5,6)
Priority: List A
Link to other variables: Gross premiums written (12 11 0) is based on:
- Gross direct premiums written (12 11 1)
+ Gross reinsurance premiums accepted, written premiums (12 11 2)
Gross premiums written is used in the calculation of Gross premiums earned and other aggregates and balances.
Code: 32 11 4
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross premiums written broken down by legal status
Coverage: (1,2,4,5,6)
Priority: List A
Definition: The gross premiums written (see variable 12 11 0) are broken down by legal status as follows: incorporated enterprises limited by shares, mutual enterprises, branches of insurance enterprises with head office in non EEA Member States, others.
Comments: For reinsurance enterprises no branches of enterprises with head office in non EEA countries are recorded.
Link to other variables: Gross premiums written broken down by legal status is a further breakdown of the gross premiums written (12 11 0).

Code: 12 11 1
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross direct premiums written
Coverage: (1,2,5,6)
Priority: List A
Link to other variables: Gross direct premiums written (12 11 1) + Gross reinsurance premiums accepted, written premiums (12 11 2) = Gross premiums written (12 11 0)

Code: 32 11 5
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross direct premiums written broken down according to the country of residence of the parent enterprise
Coverage: (1,2,5,6)
Priority: List A
Definition: In accordance with the breakdown of variable 11 11 5 the gross direct premiums written are broken down into a share related to domestic controlled enterprises and a share related to foreign controlled enterprises.
Code: 12 11 3  
Regulation: [Annex 5, section 4, paragraph 3]  
Name: Gross direct premiums written, individual premiums  
Coverage: (1,5)  
Priority: List A  
Comments: For the breakdown individual premiums: Article 63 of Council Directive 91/674/EEC.  
Link to other variables:  
\[ \text{Gross direct premiums written, individual premiums (12 11 3)} \]  
\[ + \text{Gross direct premiums written, premiums under group contracts (12 11 4)} \]  
\[ = \text{Gross direct premiums written (12 11 1)} \]

Code: 12 11 4  
Regulation: [Annex 5, section 4, paragraph 3]  
Name: Gross direct premiums written, premiums under group contracts  
Coverage: (1,5)  
Priority: List A  
Comments: For the breakdown premiums under group contracts: Article 63 of Council Directive 91/674/EEC.  
Link to other variables:  
\[ \text{Gross direct premiums written, individual premiums (12 11 3)} \]  
\[ + \text{Gross direct premiums written, premiums under group contracts (12 11 4)} \]  
\[ = \text{Gross direct premiums written (12 11 1)} \]

Code: 12 11 5  
Regulation: [Annex 5, section 4, paragraph 3]  
Name: Gross direct premiums written, periodic premiums  
Coverage: (1,5)  
Priority: List A  
Link to other variables:  
\[ \text{Gross direct premiums written, periodic premiums (12 11 5)} \]  
\[ + \text{Gross direct premiums written, single premiums (12 11 6)} \]  
\[ = \text{Gross direct premiums written (12 11 1)} \]
Sector specific and macroeconomic variables

Code: 12 11 6
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross direct premiums written, single premiums
Coverage: (1,5)
Priority: List A
Link to other variables:

Gross direct premiums written, periodic premiums (12 11 5)
+ Gross direct premiums written, single premiums (12 11 6)
= Gross direct premiums written (12 11 1)

Code: 12 11 7
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross direct premiums written, premiums from non-bonus contracts
Coverage: (1,5)
Priority: List A
Comments: For the breakdown premiums from non-bonus contracts: Article 63 of Council Directive 91/674/EEC.
Link to other variables:

Gross direct premiums written, premiums from non-bonus contracts (12 11 7)
+ Gross direct premiums written, premiums from bonus contracts (12 11 8)
+ Gross direct premiums written, premiums from contracts where the investment risk is borne by policyholders (12 11 9)
= Gross direct premiums written (12 11 1)

Code: 12 11 8
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross direct premiums written, premiums from bonus contracts
Coverage: (1,5)
Priority: List A
Comments: For the breakdown premiums from bonus contracts: Article 63 of Council Directive 91/674/EEC.
Link to other variables:

Gross direct premiums written, premiums from non-bonus contracts (12 11 7)
+ Gross direct premiums written, premiums from bonus contracts (12 11 8)
+ Gross direct premiums written, premiums from contracts where the investment risk is borne by policyholders (12 11 9)
= Gross direct premiums written (12 11 1)
**Code:** 12 11 9  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross direct premiums written, premiums from contracts where the investment risk is borne by policyholders  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 35 of Council Directive 91/674/EEC.  
**Comments:** For the breakdown premiums from contracts where the investment risk is borne by policyholders: Article 63 of Council Directive 91/674/EEC.  
**Link to other variables:**  
- Gross direct premiums written, premiums from non-bonus contracts (12 11 7)  
- Gross direct premiums written, premiums from bonus contracts (12 11 8)  
- Gross direct premiums written, premiums from contracts where the investment risk is borne by policyholders (12 11 9)  
\[ \text{Gross direct premiums written (12 11 1)} \]

**Code:** 12 11 2  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross reinsurance premiums accepted, written premiums  
**Coverage:** (1,2,4,5,6)  
**Priority:** List A  
**Definition:** Article 35 of Council Directive 91/674/EEC. Only written premiums of the business accepted are covered.  
**Link to other variables:**  
- Gross direct premiums written (12 11 1)  
\[ + \text{Gross reinsurance premiums accepted, written premiums (12 11 2)} \]  
\[ = \text{Gross premiums written (12 11 0)} \]

**Code:** 32 11 6  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross reinsurance premiums accepted, written premiums broken down according to the country of residence of the parent enterprise  
**Coverage:** (1,2,4,6)  
**Priority:** List A  
**Definition:** In accordance with the breakdown of variable 11 11 5 the gross reinsurance premiums accepted, written premiums are broken down into a share related to domestic controlled enterprises and a share related to foreign controlled enterprises.
**Sector specific and macroeconomic variables**

**Accounting variables**

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**Code:** 32 11 2  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross change in the provision for unearned premiums (+/-)  
**Coverage:** (1,2,4,5,6)  
**Priority:** List A  
**Definition:** Article 25 and 37 of Council Directive 91/674/EEC.  
The possibilities of choice provided by Article 25 are still open to the Member States; in any case the detailed breakdown of this variable should be clarified.  
**Link to other variables:** Gross change in the provision for unearned premiums is used in the calculation of gross premiums earned as well as in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.

---

**Code:** 32 12 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Allocated investment return transferred from the non-technical account  
**Coverage:** (2,4,6)  
**Priority:** List A  
**Definition:** Article 42 and 43 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account: Article 34, I 2 of Council Directive 91/674/EEC.  
This data will be collected according to the different methods of allocating the investment income in the technical and non-technical account. For the countries which are using the possibilities permitted by Article 42 paragraph 4 of Council Directive 91/674/EEC this item can be replaced by other items based on the choices created by this article.  
**Link to other variables:** Allocated investment return transferred from the non-technical account is used in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.

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**Code:** 32 13 0  
**Regulation:** [Not included in Annex 5]  
**Name:** Gross claims incurred  
**Coverage:** (1,2,4,5,6)  
**Priority:** Level D  
**Definition:** Article 38 of Directive 91/674/EEC. This variable is the sum of Gross claims payments (32 13 1) and Gross change in the provision for outstanding claims (32 13 4).  
Code: 32 13 1
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross claims payments
Coverage: (1,2,4,5,6)
Priority: List A
   All gross payments on claims made during the financial year are covered.
Link to other variables: Gross claims payments are used in the calculation of Gross claims incurred as well as in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.

Code: 32 13 2
Regulation: [Annex 5, section 4, paragraph 4]
Name: Gross payments in respect of claims incurred in the current accounting year
Coverage: (2,4,6)
Priority: List B
Comments: All gross payments on claims made during the financial year which are referring to claims incurred in the current accounting year are covered.
Link to other variables: Gross payments in respect of claims incurred in the current accounting year are part of the variable Gross claims payments (32 13 1).

Code: 32 13 3
Regulation: [Not included in Annex 5]
Name: Gross payments in respect of claims incurred in the previous accounting years
Coverage: (2,4,6)
Priority: Level D
Definition: Article 38 of Directive 91/674/EEC.
Comments: All gross payments on claims made during the financial year which are referring to claims incurred in the previous accounting years are covered. It is not intended to collect this variable separately.
Link to other variables: Gross payments in respect of claims incurred in the previous accounting years is the result of the variable Gross claims payments (32 13 1) less the variable Gross payments in respect of claims incurred in the current accounting year (32 13 2).
<table>
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<tr>
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<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
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<tr>
<td>Name:</td>
<td>Gross change in the provision for outstanding claims (+/-)</td>
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<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
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<tr>
<td>Link to other variables:</td>
<td>Gross change in the provision for outstanding claims is used in the calculation of the variable Gross claims incurred as well as in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances</td>
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<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
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<tr>
<td>Name:</td>
<td>Gross operating expenses</td>
</tr>
<tr>
<td>Coverage:</td>
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<td>Priority:</td>
<td>List A</td>
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<tr>
<td>Definition:</td>
<td>This variable is the sum of acquisition costs, change in deferred acquisition costs and administrative expenses.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross operating expenses are used in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.</td>
</tr>
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<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
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<tr>
<td>Name:</td>
<td>Change in the equalisation provision (+/-)</td>
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<tr>
<td>Coverage:</td>
<td>(2,4,6)</td>
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<tr>
<td>Priority:</td>
<td>List A</td>
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<td>Link to other variables:</td>
<td>Change in the equalisation provision is used in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.</td>
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Code: 32 16 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Other items in the technical account, gross amount (+/−)
Coverage: (1,2,4,5,6)
Priority: List A
Definition: This variable is the balance of the other technical income, gross amount, the gross changes in other technical provisions, not shown under other headings, bonuses and rebates, gross amount and the other technical charges, gross amount.

If the difference between the gross amount and the net amount of this item is of minor importance, this item can be replaced by 'other items in the technical account, net amount'. In this case this variable is the balance of the other technical income, net amount (32 16 1), the net changes in other technical provisions, not shown under other headings (32 16 2), bonuses and rebates, net amount (32 16 3) and the other technical charges, net amount (32 16 4). If Member States use the net amount it has to be indicated.

Link to other variables: Other items in the technical account, gross amount is used in the calculation of the gross balance of the technical account (32 17 0) and other aggregates and balances.

Code: 32 16 1
Regulation: [Annex 5, section 4, paragraph 4]
Name: Other technical income, net amount
Coverage: (1,2,4,5,6)
Priority: List B
Definition: Net technical income, not shown under other headings.


Link to other variables: The Other technical income, net amount is used in the calculation of Other items in the technical account, gross amount (32 16 0).

Code: 32 16 2
Regulation: [Annex 5, section 4, paragraph 4]
Name: Net changes in other technical provisions, not shown under other headings (+/−)
Coverage: (1,2,4,5,6)
Priority: List B


Link to other variables: The Net changes in other technical provisions, not shown under other headings is used in the calculation of Other items in the technical account, gross amount (32 16 0).
Sector specific and macroeconomic variables
– Accounting variables –

Code: 32 16 3
Regulation: [Annex 5, section 4, paragraph 4]
Name: Bonuses and rebates, net amount
Coverage: (1,2,4,5,6)
Priority: List B
Link to other variables: The Bonuses and rebates, net amount is used in the calculation of Other items in the technical account, gross amount (32 16 0).

Code: 32 16 4
Regulation: [Annex 5, section 4, paragraph 4]
Name: Other technical charges, net amount
Coverage: (1,2,4,5,6)
Priority: List B
Definition: Net technical charges, not shown under other headings.
Link to other variables: The Other technical charges, net amount is used in the calculation of Other items in the technical account, gross amount (32 16 0).

Code: 32 22 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Investment income
Coverage: (1,5)
Priority: List A
This variable is collected according to the different methods of allocating the investment income in the technical and non-technical account.
Link to other variables: The Investment income is used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).
**Code:** 32 23 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Unrealised gains on investments  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 44 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account (technical account): Article 34, II 3 of Council Directive 91/674/EEC for life insurance business.  
**Link to other variables:** The Unrealized gains on investments are used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).

**Code:** 32 25 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross change in life insurance provision (+/-)  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 27 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account (technical account): Article 34, II 6a, aa of Council Directive 91/674/EEC for life insurance business.  
**Link to other variables:** The Gross change in life insurance provision is used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).

**Code:** 32 27 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Investment charges  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 42 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account (technical account): Article 34, II 9 of Council Directive 91/674/EEC for life insurance business.  
This variable is collected according to the different methods of allocating the investment income in the technical and non-technical account.  
**Link to other variables:** The Investment charges are used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).
### Unrealised losses on investments

**Code:** 32 28 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Unrealised losses on investments  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 44 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account: Article 34, II 10 of Council Directive 91/674/EEC.  
**Link to other variables:** The Unrealized losses on investments is used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).

### Allocated investment return transferred to the non-technical account

**Code:** 32 29 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Allocated investment return transferred to the non-technical account  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 43 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account: Article 34, II 12 of Council Directive 91/674/EEC.  
This variable is collected according to the different methods of allocating the investment income in the technical and non-technical account.  
**Link to other variables:** The Allocated investment return transferred to the non-technical account is used in the calculation of the Sub-total I (= gross balance of the technical account) (32 17 0).
Code: 32 17 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Sub-total I (= gross balance of the technical account) (+/-)
Coverage: (1,2,4,5,6)
Priority: List A
Definition: Gross balance of the technical account of the profit and loss account.
If the 'other items in the technical account' (32 16 0) are recorded on net base only this net amount is considered in the calculation of the sub-total I: gross balance of the technical account.

Link to other variables: Sub-total I is calculated as follows for non-life insurance business:

Gross premiums earned [12 11 0 + 32 11 2 (+/-)]
+ Allocated investment return transferred from the non-technical account (32 12 0)
- Gross claims incurred [32 13 1 + 32 13 4 (+/-)]
- Gross operating expenses (32 14 0)
+ Change in equalisation provision (32 15 0) (+/-)
+ Other items in the technical account, gross amount (32 16 0) (+/-).

Sub-total I is calculated as follows for life insurance business:

Gross premiums earned [12 11 0 + 32 11 2 (+/-)]
+ Investment income (32 22 0)
+ Unrealised gains on investments (32 23 0)
- Gross claims incurred [32 13 1 + 32 13 4 (+/-)]
+ Gross change in life insurance provision (32 25 0) (+/-)
- Gross operating expenses (32 14 0)
- Investment charges (32 27 0)
- Unrealized losses on investments (32 28 0)
- Allocated investment return transferred to the non-technical account (32 29 0)
+ Other items in the technical account, gross amount (32 16 0) (+/-).

The Sub-total I (= gross balance of the technical account) is used in the calculation of the Sub-total II (= net balance of the technical account) (32 19 0).
**Reinsurance balance (+/-)**

*Regulation:* [Annex 5, section 4, paragraph 3]

*Name:* Reinsurance balance (+/-)  
*C覆盖:* (1,2,4,5,6)  
*优先权:* List A  
*定义:* Reinsurance balance of the technical account of the profit and loss account.  
*链接到其他变量:* This variable is calculated as follows:  

\[
\text{Reinsurers share of gross premiums written (32 18 1)}
+ \text{Reinsurers share of the gross change in the provision for unearned premiums (32 18 3) (+/-)}
- \text{Reinsurers share of gross claims incurred [32 18 5 + 32 18 6 (+/-)]}
- \text{Reinsurance commissions and profit participations (32 18 7)}
+ \text{Reinsurers share of the gross amount of other items in the technical account (32 18 8) (+/-)}
+ \text{Reinsurers share of gross change in life insurance provision (32 33 4) (+/-)}
\]

The Reinsurance balance is used in the calculation of the Sub-total II (= net balance of the technical account) (32 19 0) (+/-).

---

**Reinsurers share of gross premiums written**

*Regulation:* [Annex 5, section 4, paragraph 3]

*Name:* Reinsurers share of gross premiums written  
*C覆盖:* (1,2,4,5,6)  
*优先权:* List A  
*链接到其他变量:* Reinsurers share of gross premiums written is part of the Reinsurance balance (32 18 0)

---

**Reinsurers share of gross premiums written broken down according to the country of residence of the parent enterprise**

*Regulation:* [Annex 5, section 4, paragraph 3]

*Name:* Reinsurers share of gross premiums written broken down according to the country of residence of the parent enterprise  
*C覆盖:* (1,2,4,5,6)  
*优先权:* List A  
*定义:* In accordance with the breakdown of variable 11 11 5 the reinsurers share of gross premiums written is broken down into a share related to domestic controlled enterprises and a share related to foreign controlled enterprises.
<table>
<thead>
<tr>
<th>Code:</th>
<th>32 18 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of the gross change in the provision for unearned premiums (+/-)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>The Reinsurers share of the gross change in the provision for unearned premiums is part of the Reinsurance balance (32 18 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>32 18 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Not included in Annex 5]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of gross claims incurred</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>Level D</td>
</tr>
<tr>
<td>Definition:</td>
<td>Article 38 of Council Directive 91/674/EEC. This variable is the sum of Reinsurers share of gross claims payments (32 18 5) and Reinsurers share of gross change in the provision for outstanding claims (32 18 6).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>32 18 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of gross claims payments</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>The Reinsurers share of gross claims payments is part of the Reinsurance balance (32 18 0). The Reinsurers share of gross claims payments is part of variable Reinsurers share of gross claims incurred (32 18 4).</td>
</tr>
<tr>
<td>Code:</td>
<td>32 18 6</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of gross change in the provision for outstanding claims (+/-)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>The Reinsurers share of gross change in the provision for outstanding claims is part of the Reinsurance balance (32 18 0). The Reinsurers share of gross change in the provision for outstanding claims is part of variable Reinsurers share of gross claims incurred (32 18 4).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>32 18 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurance commissions and profit participations</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Reinsurance commissions and profit participations received for the business ceded.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Reinsurance commissions and profit participations are part of the Reinsurance balance (32 18 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>32 18 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of the gross amount of other items in the technical account (+/-)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>This variable is the reinsurers share corresponding to variable 32 16 0 (covering the following components: other technical income; changes in other technical provisions, not shown under other headings; bonuses and rebates; other technical charges).</td>
</tr>
<tr>
<td>Comments:</td>
<td>If the 'other items in the technical account' (32 16 0) are recorded on net base only, this variable does not have to be delivered.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>The Reinsurers share of the gross amount of other items in the technical account is part of the Reinsurance balance (32 18 0).</td>
</tr>
</tbody>
</table>
**Sector specific and macroeconomic variables**

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**Code:** 32 33 4  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Reinsurers share of gross change in life insurance provision (+/-)  
**Coverage:** (1,5)  
**Priority:** List A  
**Definition:** Article 27 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account: Article 34, II 6a, bb of Council Directive 91/674/EEC.  
**Link to other variables:** The Reinsurers share of gross change in life insurance provision is part of the Reinsurance balance (32 18 0).

---

**Code:** 32 19 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Sub-total II (= net balance of the technical account) (+/-)  
**Coverage:** (1,2,3,4,5,6)  
**Priority:** List A  
**Definition:** Net balance of the technical account of the profit and loss account — net of reinsurance —.  
**Link to other variables:** This variable is calculated as follows:  
\[ \text{Gross balance of the technical account (32 17 0) (+/-) - Reinsurance balance (32 18 0) (+/-).} \]

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**NON TECHNICAL PART OF THE PROFIT AND LOSS ACCOUNT**

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**Code:** 32 42 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Investment income  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Article 42 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 3 of Council Directive 91/674/EEC.  
This variable is collected according to the different methods of allocating the investment income in the technical and non-technical account.
Sector specific and macroeconomic variables
– Accounting variables –

Code: 32430
Regulation: [Annex 5, section 4, paragraph 3]
Name: Allocated investment return transferred from the life-assurance technical account
Coverage: (1,3)
Priority: List A
Comments: For the layout of the profit and loss account (non-technical account): Article 34, III 4 of Council Directive 91/674/EEC. This data will be collected according to the different methods of allocating the investment income in the technical and non-technical account.

Code: 32440
Regulation: [Annex 5, section 4, paragraph 3]
Name: Investment charges
Coverage: (1,2,3,4)
Priority: List A
Comments: For the layout of the profit and loss account (non-technical account): Article 34, III 5 of Council Directive 91/674/EEC. This data will be collected according to the different methods of allocating the investment income in the technical and non-technical account.

Code: 32450
Regulation: [Annex 5, section 4, paragraph 3]
Name: Allocated investment return transferred to the non-life insurance technical account
Coverage: (2,3,4)
Priority: List A
Comments: For the layout of the profit and loss account (non-technical account): Article 34, III 6 of Council Directive 91/674/EEC. This data will be collected according to the different methods of allocating the investment income in the technical and non-technical account.

Code: 32460
Regulation: [Annex 5, section 4, paragraph 3]
Name: Other income
Coverage: (1,2,3,4)
Priority: List A
Definition: Other income, not shown under other headings.
**Code:** 32 47 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Other charges, including value adjustments  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Other charges, not shown under other headings (including value adjustments).  
**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 8 of Council Directive 91/674/EEC.

**Code:** 32 48 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Profit or loss on ordinary activities (+/-)  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 22 and following of Council Directive 78/660/EEC.  
**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 9 and 10 of Council Directive 91/674/EEC.

**Code:** 32 49 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Extraordinary profit or loss (+/-)  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 22 and following of Council Directive 78/660/EEC.  
**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 13 of Council Directive 91/674/EEC.

**Code:** 32 50 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** All taxes (tax on profit or loss on ordinary activities, tax on extraordinary profit or loss, other taxes)  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 22 and following of Council Directive 78/660/EEC.  
**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 9, 14 and 15 of Council Directive 91/674/EEC.
**Sector specific and macroeconomic variables**

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**Accounting variables**

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### Code: 32510

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Profit or loss for the financial year (+/-)

**Coverage:** (1,2,3,4)

**Priority:** List A

**Definition:** Some information in Article 22 and following of Council Directive 78/660/EEC.

**Comments:** For the layout of the profit and loss account (non-technical account): Article 34, III 16 of Council Directive 91/674/EEC.

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**ADDITIONAL VARIABLES RELATED TO THE PROFIT AND LOSS ACCOUNT**

### Code: 32610

**Regulation:** [Not included in Annex 5]

**Name:** Total of commissions, external expenditure on goods and services and personnel costs

**Coverage:** (1,2,3,4)

**Priority:** Level D

**Definition:** This variable is the sum of Commissions for total insurance business (32 61 1), External expenses on goods and services (32 61 4) and Personnel costs (13 31 0).

**Comments:** -.

### Code: 32611

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Commissions for total insurance business

**Coverage:** (1,2,3,4)

**Priority:** List A

**Definition:** This variable is the sum of commissions for the direct insurance business (32 61 2) and the business accepted (see also Article 64 of Council Directive 91/674/EEC).

**Link to other variables:** Commissions for total insurance business are used in the calculation of the variable External expenses on goods and services (32 61 4).

### Code: 32612

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Commissions for direct insurance business

**Coverage:** (1,2,3)

**Priority:** List A

**Definition:** Article 64 of Council Directive 91/674/EEC. This variable includes the total amount of commissions for the direct insurance business.

**Link to other variables:** Commissions for direct insurance business are part of the variable Commissions for total insurance business (32 61 1).
**Code:** 32 61 3  
**Regulation:** [Not included in Annex 5]  
**Name:** Commissions for business accepted  
**Coverage:** (1,2,3,4)  
**Priority:** Level D  
**Definition:** This variable includes the total amount of commissions for the business accepted. This variable is calculated as follows: Commissions for total insurance business (32 61 1) – Commissions for direct insurance business (32 61 2) (see also Article 64 of Council Directive 91/674/EEC).  
**Comments:** -.  

**Code:** 32 61 4  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** External expenses on goods and services  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Total purchases of goods and services (variable 13 11 0 of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics) less commissions for total insurance business (variable 32 61 1).  
**Comments:** Allocation on enterprise level has to be assured by means of a distribution key in the case of enterprise groups.  

**Code:** 13 31 0  
**Regulation:** [Annex 1, 13 31 0] [Annex 5, section 4, paragraph 3]  
**Name:** Personnel costs  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** The personnel costs are defined in the Annex of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics.  
**Comments:** Allocation on enterprise level has to be assured by means of a distribution key in the case of enterprise groups.
**Sector specific and macroeconomic variables**

**Accounting variables**

<table>
<thead>
<tr>
<th>Code</th>
<th>Regulation</th>
<th>Name</th>
<th>Coverage</th>
<th>Priority</th>
<th>Definition</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 32 0</td>
<td>[Annex 1, 13 32 0]</td>
<td>Gross wages and salaries</td>
<td>(1,2,3,4)</td>
<td>Level D</td>
<td>Wages and salaries are defined in the Annex of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics.</td>
<td>Allocation on enterprise level has to be assured by means of a distribution key in the case of enterprise groups.</td>
</tr>
<tr>
<td>13 33 0</td>
<td>[Annex 1, 13 33 0]</td>
<td>Social security costs</td>
<td>(1,2,3,4)</td>
<td>Level D</td>
<td>Social security costs are defined in the Annex of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics.</td>
<td>Allocation on enterprise level has to be assured by means of a distribution key in the case of enterprise groups.</td>
</tr>
<tr>
<td>32 61 5</td>
<td>[Annex 5, section 4, paragraph 3]</td>
<td>External and internal claims management expenses</td>
<td>(1,2,4,5,6)</td>
<td>List A</td>
<td>External and internal claims management expenses.</td>
<td>The total of commissions, external expenditure on goods and services and personnel costs (32 61 1 + 32 61 4 + 13 31 0) is to be allocated by function. It has therefore to be broken down in the variables 32 61 5, 32 61 6, 32 61 7, 32 61 8 and 32 61 9 (see also Article 38 of Council Directive 91/674/EEC).</td>
</tr>
</tbody>
</table>
The total of commissions, external expenditure on goods and services and personnel costs (32 61 1 + 32 61 4 + 13 31 0) is to be allocated by function and has therefore to be broken down in the variables 32 61 5, 32 61 6, 32 61 7, 32 61 8 and 32 61 9.

For the layout of the profit and loss account (technical account): Article 34, I 7a and II 8a of Council Directive 91/674/EEC respectively for the non-life insurance business and the life insurance business.

Link to other variables: Acquisition costs are part of the variable Total of commissions, external expenditure on goods and services and personnel costs (32 61 0).

Code: 32 61 7
Regulation: [Annex 5, section 4, paragraph 3]
Name: Administrative expenses
Coverage: (1,2,4,5,6)
Priority: List A
Comments: The total of commissions, external expenditure on goods and services and personnel costs (32 61 1 + 32 61 4 + 13 31 0) is to be allocated by function and has therefore to be broken down in the variables 32 61 5, 32 61 6, 32 61 7, 32 61 8 and 32 61 9.


Link to other variables: Administrative expenses are part of the variable Total of commissions, external expenditure on goods and services and personnel costs (32 61 0).

Code: 32 61 8
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross other technical charges
Coverage: (1,2,4,5,6)
Priority: List A
Definition: Gross other technical charges.
Comments: The total of commissions, external expenditure on goods and services and personnel costs (32 61 1 + 32 61 4 + 13 31 0) is to be allocated by function and has therefore to be broken down in the variables 32 61 5, 32 61 6, 32 61 7, 32 61 8 and 32 61 9.


Link to other variables: Gross other technical charges are part of the variable Total of commissions, external expenditure on goods and services and personnel costs (32. 61 0)
**Code:** 32 61 9  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Investment management charges  
**Coverage:** (1,2,4,5,6)  
**Priority:** List A  
**Definition:** Article 42 of Council Directive 91/674/EEC.  
**Comments:** The total of commissions, external expenditure on goods and services and personnel (32 61 1 + 32 61 4 + 13 31 0) is to be allocated by function and has therefore to be broken down in the variables 32 61 5, 32 61 6, 32 61 7, 32 61 8 and 32 61 9.  
**Link to other variables:** Investment management charges are part of the variable Total of commissions, external expenditure on goods and services and personnel costs (32 61 0).

**Code:** 32 71 0  
**Regulation:** [Not included in Annex 5]  
**Name:** Investment income  
**Coverage:** (1,2,4,5,6)  
**Priority:** Level D  
**Definition:** Article 42 of Council Directive 91/674/EEC. This variable is the sum of Income from participating interests (32 71 1), Income from other investments (32 71 2), Value re-adjustments on investments (32 71 5) and Gains on the realisation on investments (32 71 6).  
**Comments:** Article 34, II 2 and III 3 of Council Directive 91/674/EEC.

**Code:** 32 71 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Income from participating interests  
**Coverage:** (1,2,4,5,6)  
**Priority:** List A  
**Definition:** Article 42 of Council Directive 91/674/EEC.  
**Comments:** For the layout of the profit and loss account: Article 34, II 2a for the life insurance business (technical account) and III 3a of Council Directive 91/674/EEC (non-technical account).  
**Link to other variables:** Income from participating interests is used in the calculation of the variable Investment income (32 71 0).
Code: 32712
Regulation: [Not included in Annex 5]
Name: Income from other investments
Coverage: (1,2,4,5,6)
Priority: Level D
Definition: Article 42 of Council Directive 91/674/EEC. This variable is the sum of Income from land and buildings (32713) and Income from other investments (32714).
Comments: Article 34, II 2b and III 3b of Council Directive 91/674/EEC.

Code: 32713
Regulation: [Annex 5, section 4, paragraph 3]
Name: Income from land and buildings
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 2b, aa for the life insurance business (technical account) and III 3b, aa of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Income from land and buildings is used in the calculation of the variable Investment income (32710) and Income from other investments (32712).

Code: 32714
Regulation: [Annex 5, section 4, paragraph 3]
Name: Income from other investments
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 2b, bb for the life insurance business (technical account) and III 3b, bb of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Income from other investments is used in the calculation of the variable Investment income (32710) and Income from other investments (32712).

Code: 32715
Regulation: [Annex 5, section 4, paragraph 3]
Name: Value re-adjustments on investments
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 2c for the life insurance business (technical account) and III 3c of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Value re-adjustments on investments are used in the calculation of the variable Investment income (32710).
Sector specific and macroeconomic variables

Accounting variables

Code: 32 71 6
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gains on the realisation on investments
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 2d for the life insurance business (technical account) and III 3d of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Gains on the realization on investments are used in the calculation of the variable Investment income (32 71 0).

Code: 32 72 0
Regulation: [Not included in Annex 5]
Name: Investment charges
Coverage: (1,2,4,5,6)
Priority: Level D
Definition: Article 42 of Council Directive 91/674/EEC. This variable is the sum of Investment management charges, including interests (32 72 1), Value adjustments on investments (32 72 2) and Losses on the realisation on investments (32 72 3).
Comments: Article 34, II 9 and III 5 of Council Directive 91/674/EEC.

Code: 32 72 1
Regulation: [Annex 5, section 4, paragraph 3]
Name: Investment management charges, including interest
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 9a for the life insurance business (technical account) and III 5a of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Investment management charges, including interest are used in the calculation of the variable Investment charges (32 72 0).

Code: 32 72 2
Regulation: [Annex 5, section 4, paragraph 3]
Name: Value adjustments on investments
Coverage: (1,2,4,5,6)
Priority: List A
Comments: For the layout of the profit and loss account: Article 34, II 9b for the life insurance business (technical account) and III 5b of Council Directive 91/674/EEC (non-technical account).
Link to other variables: Value adjustments on investments are used in the calculation of the variable Investment charges (32 72 0).
<table>
<thead>
<tr>
<th>Code:</th>
<th>32 72 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Losses on the realisation on investments</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Comments:</td>
<td>For the layout of the profit and loss account: Article 34, II 9c for the life insurance business (technical account) and III 5c of Council Directive 91/674/EEC (non-technical account).</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Losses on the realization on investments are used in the calculation of the variable Investment charges (32 72 0).</td>
</tr>
</tbody>
</table>
4.1.3.  Variables by product

**Code:** 33 11 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Gross premiums written in direct business by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22)  
**Coverage:** (1,2,5,6)  
**Priority:** List A  
**Definition:** Article 35 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21, 66.03.22.  
**Comments:** For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.  
**Link to other variables:** Gross premiums written in direct business by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22) is a further breakdown of variable Gross direct premiums written (12 11 1).

**Code:** 33 11 2  
**Regulation:** [Annex 5, section 4 paragraph 3]  
**Name:** Gross reinsurance premiums accepted, premiums written by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22)  
**Coverage:** (1,2,4,5,6)  
**Priority:** Level D  
**Definition:** Article 35 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21, 66.03.22.  
**Comments:** For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.  
**Link to other variables:** Gross reinsurance premiums accepted, premiums written by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22) is a further breakdown of variable Gross reinsurance premiums accepted, written premiums (12 11 2).

**Code:** 33 12 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Reinsurers share of gross direct premiums written by (sub)categories of the CPA (5-digit level, subcategories 66.03.21 and 66.03.22)  
**Coverage:** (1,2,5,6)  
**Priority:** List A  
**Definition:** Article 35 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21 and 66.03.22.  
**Comments:** For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.  
**Link to other variables:** Reinsurers share of gross direct premiums written by (sub)categories of the CPA (5-digit level, subcategories 66.03.21 and 66.03.22) is a further breakdown of part of variable Reinsurers share of gross premiums written (32 18 1).
<table>
<thead>
<tr>
<th>Code:</th>
<th>33 12 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4 paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Reinsurers share of gross reinsurance premiums accepted, premiums written by (sub)categories of the CPA (5-digit level, subcategories 66.03.21 and 66.03.22)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>Level D</td>
</tr>
<tr>
<td>Definition:</td>
<td>Article 35 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21 and 66.03.22.</td>
</tr>
<tr>
<td>Comments:</td>
<td>For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Reinsurers share of gross reinsurance premiums accepted, premiums written by (sub)categories of the CPA (5-digit level, subcategories 66.03.21 and 66.03.22) is a further breakdown of part of variable Reinsurers share of gross premiums written (32 18 1).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>33 13 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross claims incurred, direct business by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Article 38 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21 and 66.03.22.</td>
</tr>
<tr>
<td>Comments:</td>
<td>For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross claims incurred, direct business by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22) is a further breakdown of part of variable Gross claims incurred (32 13 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>33 14 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross operating expenses, direct business, by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22)</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Articles 40 and 41 of Council Directive 91/674/EEC and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21 and 66.03.22.</td>
</tr>
<tr>
<td>Comments:</td>
<td>For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross operating expenses, direct business, by (sub)categories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22) is a further breakdown of part of variable Gross operating expenses (32 14 0).</td>
</tr>
</tbody>
</table>
Code: 33 15 1
Regulation: [Annex 5, section 4, paragraph 3]
Name: Reinsurance balance, direct business, by (sub)c�태egories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22)
Coverage: (2,6)
Priority: List A
Definition: See variable 32 18 0 and classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21 and 66.03.22.
Comments: For the breakdown in products refer to Article 63, I of Council Directive 91/674/EEC.
Link to other variables: Reinsurance balance, direct business, by (sub)c�태egories of the CPA (5-digit level and subcategories 66.03.21, 66.03.22) is a further breakdown of part of variable Reinsurance balance (32 18 0).
4.1.4. **Variables on internationalisation**

**GEOGRAPHICAL BREAKDOWN IN GENERAL**

**Code:** 34110  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Geographical breakdown — in general — of gross direct premiums written  
**Coverage:** (1,2,5,6)  
**Priority:** List B  
**Definition:** Article 35 of Council Directive 91/674/EEC. From the perspective of the home Member State the gross premiums written are broken down as follows: Member State of the head office, other Member States, other EEA countries, Switzerland, USA, Japan, other third countries (rest of the world).  
**Comments:** For the geographical breakdown reference is made to Article 63 IV of Council Directive 91/674/EEC.  
**Link to other variables:** Geographical breakdown — in general — of gross direct premiums written is a further breakdown of variable Gross direct premiums written (12 11 1).

**Code:** 34120  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Geographical breakdown — in general — of gross reinsurance premiums accepted, premiums written  
**Coverage:** (1,2,4,5,6)  
**Priority:** List B  
**Definition:** Article 35 of Council Directive 91/674/EEC. From the perspective of the home Member State the gross reinsurance premiums accepted, premiums written are broken down as follows: Member State of the head office, other Member States, other EEA countries, Switzerland, USA, Japan, other third countries (rest of the world).  
**Comments:** The breakdown considers the geographical allocation of the ceding insurer.  
**Link to other variables:** Geographical breakdown — in general — of gross reinsurance premiums accepted, premiums written is a further breakdown of variable Gross reinsurance premiums accepted, premiums written (12 11 2).

**Code:** 34130  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Geographical breakdown — in general — of reinsurers’ share of gross premiums written  
**Coverage:** (1,2,4,5,6)  
**Priority:** List B  
**Definition:** Article 36 of Council Directive 91/674/EEC. From the perspective of the home Member State the reinsurers’ share of gross premiums written is broken down as follows: Member State of the head office, other Member States, other EEA countries, Switzerland, USA, Japan, other third countries (rest of the world).  
**Comments:** The breakdown considers the geographical allocation of the accepting insurance or reinsurance enterprise.  
**Link to other variables:** Geographical breakdown — in general — of reinsurers’ share of gross premiums written is a further breakdown of variable Reinsurers’ share of gross premiums written(32 18 1).
### GEOGRAPHICAL BREAKDOWN OF DIRECT BUSINESS WRITTEN IN OTHER MEMBER STATES

<table>
<thead>
<tr>
<th>Code:</th>
<th>34 31 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross direct premiums written by CPA category (5-digit level) and by Member State, geographical breakdown of the business written under the right of establishment</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Article 35 of Council Directive 91/674/EEC. From the perspective of the home Member State (= Member State where the head office is situated) the gross premiums written of branches in other Member States are broken down into each other single EEA Member State and into the classification of products according to activities for insurance and pension funding services: 5-digit level.</td>
</tr>
<tr>
<td>Comments:</td>
<td>Reference to Article 43 of the Third Life Assurance Directive and Article 44 of the Third Non-life Insurance Directive. The matrix created using the combination of the CPA categories and the Member States abroad permits recreating the scope of each national insurance market for direct business.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross direct premiums written by CPA category (5-digit level) and by Member State, geographical breakdown of the business written under the right of establishment is part of variable gross direct premiums written (12 11 1).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>34 32 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross direct premiums written by CPA category (5-digit level) and by Member State, geographical breakdown of the business written under the right of freedom to provide services</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Article 35 of Council Directive 91/674/EEC. From the perspective of the home Member State (= Member State where the head office is situated) the gross premiums written under the right of freedom to provide services in other Member States are broken down into each other single EEA Member State and into the classification of products according to activities for insurance and pension funding services: 5-digit level.</td>
</tr>
<tr>
<td>Comments:</td>
<td>Reference to Article 44 of the Third Non-life Insurance Directive and Article 43 of the Third Life Insurance Directive. The matrix created using the combination of the CPA categories and the Member States abroad permits recreating the scope of each national insurance market for direct business.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross direct premiums written by CPA category (5-digit level) and by Member State, geographical breakdown of the business written under the right of freedom to provide services is part of variable gross direct premiums written (12 11 1).</td>
</tr>
</tbody>
</table>
### 4.1.5. Variables on employment

<table>
<thead>
<tr>
<th>Code:</th>
<th>16 11 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 1, 16 11 0] [Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Number of persons employed</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,3,4)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>The number of persons employed are defined in the Annex of Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics.</td>
</tr>
<tr>
<td>Comments:</td>
<td>The allocation on enterprise level has to be assured by means of a distribution key in the case of enterprise groups.</td>
</tr>
</tbody>
</table>
4.1.6. Variables on the balance sheet: Assets

**Code:** 36 10 0  
**Regulation:** [Not included in Annex 5]  
**Name:** Total of investments  
**Coverage:** (1,2,3,4)  
**Priority:** Level D  
**Definition:** This variable is the sum of Land and buildings (36 11 0), Investments in affiliated enterprises and participating interests (36 12 0), Other financial investments (36 13 0) and Deposits with ceding enterprises (36 14 0).  
**Comments:** -.

**Code:** 36 11 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Land and buildings  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 8 and following of Council Directive 78/660/EEC of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies.  
**Comments:** For the layout of the balance sheet: Article 6 (assets) C I of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
**Link to other variables:** Land and buildings are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

**Code:** 36 11 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Land and buildings occupied by an insurance enterprise for its own activities  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** This variable is part of variable 36 110. Only those land and buildings which are occupied by an insurance enterprise for its own activities are included here.  
**Comments:** For the layout of the balance sheet: Article 6 (assets) C I of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
**Link to other variables:** Land and buildings occupied by an insurance enterprise for its own activities are part of the variable Land and buildings (36 110).

---

**Code:** 36 11 2  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Land and buildings (current value)  
**Coverage:** (1,2,3,4)  
**Priority:** List B  
**Definition:** Article 45 and the following of Council Directive 91/674/EEC (according to these articles the purchase price principle and the current value principle can be used for the valuation of the investments).  
**Comments:** This data has only to be delivered if variable 36 110 shows land and buildings according to their book values.

**Code:** 36 12 0  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Investments in affiliated enterprises and participating interests  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 8 and following of Council Directive 78/660/EEC. This variable is the sum of variables 36 121 and 36 122.  
**Comments:** For the layout of the balance sheet: Article 6 (assets) C II of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
**Link to other variables:** Investments in affiliated enterprises and participating interests are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

**Code:** 36 12 1  
**Regulation:** [Annex 5, section 4, paragraph 3]  
**Name:** Shares in affiliated enterprises and participating interest  
**Coverage:** (1,2,3,4)  
**Priority:** List A  
**Definition:** Some information in Article 8 and following of Council Directive 78/660/EEC.  
**Comments:** Reference to Article 6 (assets) C II 1 and C II 3 of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
**Link to other variables:** Shares in affiliated enterprises and participating interest are used in the calculation of the variable Investments in affiliated enterprises and participating interests (36 12 0).
Code: 36 12 2  
Regulation: [Annex 5, section 4, paragraph 3]  
Name: Debt securities issued by, and loans to, affiliated enterprises and to enterprises with which an insurance enterprise is linked by the virtue of a participating interest  
Coverage: (1,2,3,4)  
Priority: List A  
Definition: Some information in Article 8 and following of Council Directive 78/660/EEC.  
Comments: For the layout of the balance sheet: Article 6 (assets) C II 2 and C II 4 of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
Link to other variables: Debt securities issued by, and loans to, affiliated enterprises and to enterprises with which an insurance enterprise is linked by the virtue of a participating interest are used in the calculation of the variable Investments in affiliated enterprises and participating interests (36 12 0).  

Code: 36 12 3  
Regulation: [Annex 5, section 4, paragraph 4]  
Name: Investments in affiliated enterprises and participating interests (current value)  
Coverage: (1,2,3,4)  
Priority: List B  
Definition: Article 45 and the following of Council Directive 91/674/EEC (according to these articles the purchase price principle and the current value principle can be used for the valuation of the investments).  
Comments: This data has only to be delivered if variable 36 12 0 shows the investments in affiliated enterprises and participating interests according to their book values.  

Code: 36 13 0  
Regulation: [Annex 5, section 4, paragraph 3]  
Name: Other financial investments  
Coverage: (1,2,3,4)  
Priority: List A  
Definition: This variable is the sum of variables 36 13 1, 36 13 2, 36 13 3, 36 13 4, 36 13 5, 36 13 6.  
Comments: For the layout of the balance sheet: Article 6 (assets) C III of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.  
Link to other variables: Other financial investments are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).
**Sector specific and macroeconomic variables**

---

**Code:** 36 13 1

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Shares and other variable-yield securities and units in unit trusts

**Coverage:** (1,2,3,4)

**Priority:** List A

**Definition:** Some information in Article 8 and following of Council Directive 78/660/EEC.

**Comments:**

For the layout of the balance sheet: Article 6 (assets) C III 1 of Council Directive 91/674/EEC.

According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

**Link to other variables:** Shares and other variable-yield securities and units in unit trusts are part of the variable Other financial investments (36 13 0).

Shares and other variable-yield securities and units in unit trusts are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

---

**Code:** 36 13 2

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Debt securities and other fixed-income securities

**Coverage:** (1,2,3,4)

**Priority:** List A

**Definition:** Article 9 of Council Directive 91/674/EEC.

**Comments:**


According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

**Link to other variables:** Debt securities and other fixed-income securities are part of the variable Other financial investments (36 13 0).

Debt securities and other fixed-income securities are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

---

**Code:** 36 13 3

**Regulation:** [Annex 5, section 4, paragraph 3]

**Name:** Participation in investment pools

**Coverage:** (1,2,3,4)

**Priority:** List A

**Definition:** Article 10 of Council Directive 91/674/EEC.

**Comments:**


According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.
Link to other variables: Participation in investment pools are part of the variable Other financial investments (36 13 0). Participation in investment pools are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

Code: 36 13 4
Regulation: [Annex 5, section 4, paragraph 3]
Name: Loans guaranteed by mortgages
Coverage: (1,2,3,4)
Priority: List A
Comments: For the layout of the balance sheet: Article 6 (assets) C III 4 of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

Link to other variables: Loans guaranteed by mortgages are part of the variable Other financial investments (36 13 0). Loans guaranteed by mortgages are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

Code: 36 13 5
Regulation: [Annex 5, section 4, paragraph 3]
Name: Other loans
Coverage: (1,2,3,4)
Priority: List A
Comments: For the layout of the balance sheet: Article 6 (assets) C III 5 of Council Directive 91/674/EEC. According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

Link to other variables: Other loans are part of the variable Other financial investments (36 13 0). Other loans are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).
Code: 36 13 6
Regulation: [Annex 5, section 4, paragraph 3]
Name: Other (including deposits with credit institutions)
Coverage: (1,2,3,4)
Priority: List A

According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

Link to other variables: Other (including deposits with credit institutions) are part of the variable Other financial investments (36 13 0)
Other (including deposits with credit institutions) are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).

Code: 36 13 8
Regulation: [Annex 5, section 4, paragraph 4]
Name: Other financial investments (current value)
Coverage: (1,2,3,4)
Priority: List B
Definition: Article 45 and the following of Council Directive 91/674/EEC (according to these articles the purchase price principle and the current value principle can be used for the valuation of the investments).
Comments: This data has only to be delivered if variable 36 13 0 shows other financial investments according to their book values.

Code: 36 14 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Deposits with ceding enterprises
Coverage: (1,2,3,4)
Priority: List A

According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

Link to other variables: Deposits with ceding enterprises are used in the calculation of the variable Total of investments (36 11 0 + 36 12 0 + 36 13 0 + 36 14 0).
Code: 36200
Regulation: [Annex 5, section 4, paragraph 3]
Name: Investments for the benefit of life-assurance policyholders who bear the investment risk
Coverage: (1,3)
Priority: List A
According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.

Code: 36210
Regulation: [Annex 5, section 4, paragraph 4]
Name: Investments for the benefit of life-assurance policyholders who bear the investment risk — land and buildings
Coverage: (1,3)
Priority: List B
Definition: Some information in Article 8 and following of Council Directive 78/660/EEC. This variable is part of variable 36 20 0.
Comments: The amount corresponding to the variable 36 11 0 has to be shown here.
According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.
Link to other variables: Investments for the benefit of life-assurance policyholders who bear the investment risk, Land and buildings are part of the variable Investments for the benefit of life-assurance policyholders who bear the investment risk (36 20 0).

Code: 36220
Regulation: [Annex 5, section 4, paragraph 4]
Name: Investments for the benefit of life-assurance policyholders who bear the investment risk — other financial investments
Coverage: (1,3)
Priority: List B
Definition: This variable is part of variable 36 20 0.
Comments: The amount corresponding to the variable 36 13 0 is shown here.
According to the valuation rules of Council Directive 91/674/EEC the valuation of the investments can be based on the purchase price principle or the current value principle. For each Member State the valuation rule applied has to be indicated.
Link to other variables: Investments for the benefit of life-assurance policyholders who bear the investment risk, Other financial investments are part of the variable Investments for the benefit of life-assurance policyholders who bear the investment risk (36 20 0).
4.1.7. Variables on the balance sheet: Liabilities

Code: 36 30 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Balance sheet total
Coverage: (1,2,3,4)
Priority: List A
Definition: This variable consists of the sum of the items A, B, C, D, E, F, G and H of the asset side of the balance sheet or of the sum of the items A, B, C, D, E, F, G, H and I of the liability side of the balance sheet of Article 6 of Council Directive 91/674/EEC. In any case it has to be indicated if the loss for the financial year is shown on the asset side or on the liability side of the balance sheet.
Comments: -.

Code: 37 10 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Total capital and reserves
Coverage: (1,2,3,4)
Priority: List A
Definition: Here the total of all parts of capital and reserves (= item A of the liability side of the balance sheet of Article 6 of Council Directive 91/674/EEC) is recorded. The loss for the financial year ought to be included here (if this is not the case it has to be indicated).

Code: 37 10 1
Regulation: [Annex 5, section 4, paragraph 4]
Name: Total capital and reserves, broken down by legal status
Coverage: (1,2,3,4)
Priority: List B
Definition: The total capital and reserves (see variable 37 10 0) are broken down by legal status as follows: incorporated enterprises limited by shares, mutual enterprises, branches of insurance enterprises with head office in non EEA Member States, others.
Link to other variables: Total capital and reserves broken down by legal status is a further breakdown of the total capital and reserves (37 10 0)
Code: 37 11 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Subscribed capital or equivalent funds
Coverage: (1,2,3,4)
Priority: List A
Definition: Article 19 of Directive 91/674/EEC.
Link to other variables: Subscribed capital or equivalent funds is part of the variable Total capital and reserves (37 10 0).

Code: 37 12 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Share premium account, revaluation reserve, reserve
Coverage: (1,2,3,4)
Priority: List A
Definition: Some information in Article 8 and following of Council Directive 78/660/EEC.
Link to other variables: Share premium account, revaluation reserve, reserve is part of the variable Total capital and reserves (37 10 0).

Code: 37 20 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Subordinated liabilities
Coverage: (1,2,3,4)
Priority: List A

Code: 37 30 0
Regulation: [Not included in Annex 5]
Name: Total gross technical provisions
Coverage: (1,2,3,4)
Priority: Level D
Definition: This variable is the sum of variables Gross provision for unearned premiums (37 31 0), Gross life assurance provision (37 32 0), Gross provision for outstanding claims (37 33 0), Gross provision for bonuses and rebates (37 34 0), Equalisation provision (37 35 0), Gross other technical provisions (37 36 0) and Gross technical provisions for life-assurance policies where the investment risk is borne by the policyholders (37 37 0).
Comments: -.
### Sector specific and macroeconomic variables

- **Code:** 37 30 1  
  **Regulation:** [Annex 5, section 4, paragraph 3]  
  **Name:** Total net technical provisions  
  **Coverage:** (1,2,3,4)  
  **Priority:** List A  
  **Definition:** This variable is the sum of variables 37 31 0, 37 32 0, 37 33 0, 37 34 0, 37 35 0, 37 36 0 and 37 37 0 on net basis (= after deduction of the reinsurers part).  
  **Comments:** This variable is needed for the detailed calculations of the macro-economic variables within the production account.

- **Code:** 37 31 0  
  **Regulation:** [Annex 5, section 4, paragraph 3]  
  **Name:** Gross provision for unearned premiums  
  **Coverage:** (1,2,4,5,6)  
  **Priority:** List A  
  **Definition:** Article 25 of Council Directive 91/674/EEC.  
  **Comments:** For the layout of the balance sheet: Article 6 (liabilities) C 1a of Council Directive 91/674/EEC.  
  **Link to other variables:** Gross provision for unearned premiums is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).

- **Code:** 37 32 0  
  **Regulation:** [Annex 5, section 4, paragraph 3]  
  **Name:** Gross life assurance provision  
  **Coverage:** (1,2,4,5,6)  
  **Priority:** List A  
  **Definition:** Article 27 of Council Directive 91/674/EEC.  
  **Comments:** For the layout of the balance sheet: Article 6 (liabilities) C 2a of Council Directive 91/674/EEC.  
  **Link to other variables:** Gross life assurance provision is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).
## Sector specific and macroeconomic variables

### Variables on the balance sheet

<table>
<thead>
<tr>
<th>Code</th>
<th>37 33 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross provision for outstanding claims</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,4,5,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross provision for outstanding claims is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>37 33 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross provision for outstanding claims, related to direct business</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>This variable is part of variable 37 33 0 (see also Article 28 of Council Directive 91/674/EEC).</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross provision for outstanding claims, related to direct business is part of the variable Gross provision for outstanding claims (37 33 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>37 33 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross provision for outstanding claims, related to business accepted</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>Level D</td>
</tr>
<tr>
<td>Definition:</td>
<td>This variable is part of Gross provision for outstanding claims (37 33 0) (see also Article 28 of Council Directive 91/674/EEC).</td>
</tr>
<tr>
<td>Code:</td>
<td>37 33 3</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 4]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross provision for outstanding claims related to direct business, by (sub)category of the CPA (5-digit level) and subcategories 66.03.21, 66.03.22</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(2,6)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List B</td>
</tr>
<tr>
<td>Definition:</td>
<td>This is an additional breakdown of variable 37 33 1 (see also Article 28 of Council Directive 91/674/EEC). The gross provision for outstanding claims related to direct business is broken down according to the classification of products according to activities for insurance and pension funding services: 5-digit level and subcategories 66.03.21, 66.03.22.</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross provision for outstanding claims related to direct business, by (sub)category of the CPA (5-digit level) and subcategories 66.03.21, 66.03.22 is a further breakdown of the variable Gross provision for outstanding claims, related to direct business (37 33 1).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>37 34 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Gross provision for bonuses and rebates</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,3,4)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Gross provision for bonuses and rebates is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code:</th>
<th>37 35 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Equalisation provision</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,3,4)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Link to other variables:</td>
<td>Equalisation provision is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).</td>
</tr>
</tbody>
</table>
Sector specific and macroeconomic variables
– Variables on the balance sheet –

Code: 37 36 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross other technical provisions
Coverage: (1,2,3,4)
Priority: List A
Comments: For the layout of the balance sheet: Article 6 (liabilities) C 6a of Council Directive 91/674/EEC. The detailed breakdown of this variable has to be indicated.
Link to other variables: Gross other technical provisions is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).

Code: 37 37 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Gross technical provisions for life-assurance policies where the investment risk is borne by the policyholders
Coverage: (1,3,4)
Priority: List A
Link to other variables: Gross technical provisions for life-assurance policies where the investment risk is borne by the policyholders is used in the calculation of the variable Total gross technical provisions (37 30 0 = 37 31 0 + 37 32 0 + 37 33 0 + 37 34 0 + 37 35 0 + 37 36 0 + 37 37 0).

Code: 37 41 0
Regulation: [Annex 5, section 4, paragraph 3]
Name: Debenture loans
Coverage: (1,2,3,4)
Priority: List A
Definition: Some information in Article 8 and following of Council Directive 78/660/EEC.
<table>
<thead>
<tr>
<th>Code:</th>
<th>37 42 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation:</td>
<td>[Annex 5, section 4, paragraph 3]</td>
</tr>
<tr>
<td>Name:</td>
<td>Amounts owed to credit institutions</td>
</tr>
<tr>
<td>Coverage:</td>
<td>(1,2,3,4)</td>
</tr>
<tr>
<td>Priority:</td>
<td>List A</td>
</tr>
<tr>
<td>Definition:</td>
<td>Some information in Article 8 and following of Council Directive 78/660/EEC.</td>
</tr>
</tbody>
</table>
4.1.8. Residual variables

**Code:** 39 10 0  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Number of contracts outstanding at the end of the accounting year, relating to direct business for all individual life insurance contracts and for the following subcategories of the CPA: 66.01.1, 66.03.1, 66.03.4, 66.03.5.  
**Coverage:** (1,2,5,6)  
**Priority:** List B  
**Definition:** The number of contracts outstanding at the end of the accounting year related to direct insurance business is included here for all individual life insurance contracts and for the following subcategories of the classification of products according to activities for insurance and pension funding services: 66.01.1, 66.03.1, 66.03.4, 66.03.5.  
**Comments:** Only contracts still active at the end of the accounting year are taken into consideration.  
As regards individual life insurance contracts the data shown here corresponds to the contents of variable 12 113.

**Code:** 39 20 0  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Number of insured persons at the end of the accounting year, relating to direct business for all group life insurance contracts and for the following subcategory of the CPA: 66.03.1.  
**Coverage:** (1,2,5,6)  
**Priority:** List B  
**Definition:** The number of insured persons at the end of the accounting year related to direct business is included here for all group life insurance contracts and for the following subcategory of the classification of products according to activities for insurance and pension funding services: 66.03.1.  
**Comments:** Only persons whose contracts are still active at the end of the accounting year are taken into consideration.  
As regards group life insurance contracts the data shown here corresponds to the contents of variable 12 114.

**Code:** 39 30 0  
**Regulation:** [Annex 5, section 4, paragraph 4]  
**Name:** Number of insured vehicles at the end of the accounting year, relating to direct business, for the following subcategory of the CPA: 66.03.2.  
**Coverage:** (2,6)  
**Priority:** Optional  
**Definition:** The number of insured vehicles at the end of the accounting year related to direct business is included here for the following subcategory of the classification of products according to activities for insurance and pension funding services: 66.03.2.
Comments: Only vehicles still covered by active contracts at the end of the accounting year are taken into consideration. All single vehicles are counted also if covered by group contracts.

Code: 39 40 0
Regulation: [Annex 5, section 4, paragraph 4]
Name: Gross insured sum at the end of the accounting year, relating to direct business, for the following subcategories of the CPA: 66.01.1 and 66.01.4.
Coverage: (1,5)
Priority: Optional
Definition: The total of the gross insured sum at the end of the accounting year related to direct business is included here for the following subcategories of the classification of products according to activities for insurance and pension funding services: 66.01.1 and 66.01.4.
Comments: Only sums relating to contracts still active at the end of the accounting year are taken into consideration. For annuity contracts the national equivalents for the sum insured is applied.

Code: 39 50 0
Regulation: [Annex 5, section 4, paragraph 4]
Name: Number of claims incurred during the accounting year, relating to direct business, for the following subcategory of the CPA: 66.03.2.
Coverage: (2,6)
Priority: Optional
Definition: The total number of claims incurred during the accounting year related to direct business is shown for the following subcategory of the classification of products according to activities for insurance and pension funding services: 66.03.2.
Comments: Reference to Article 44 of Council Directive 92/49/EEC. The number of all incidents which have incurred and were reported during the accounting year and are giving the right to claim (estimated claims which are incurred but not reported are excluded) is taken into consideration.
4.2. **ADDITIONAL MACRO-ECONOMIC VARIABLES, INCLUDING THE PRODUCTION ACCOUNT**

4.2.1. **Production and generation of income accounts**

In the following, the outlines of the production and generation of income account are shown. The codes refer to variables set out in Annex 5 of the Regulation concerning Structural Business Statistics and to sector specific macro-economic insurance variables.

L = Life insurance, NL = Non-life insurance, R = Reinsurance

### A: Production account

<table>
<thead>
<tr>
<th>Codes/Items</th>
<th>Technical Account</th>
<th>Non-Technical Account</th>
<th>L</th>
<th>NL / R</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (+) Gross premiums earned</td>
<td></td>
<td></td>
<td>32110</td>
<td>32110</td>
</tr>
<tr>
<td>a. Gross premiums written</td>
<td>L/NL/R</td>
<td>--</td>
<td>12110</td>
<td>12110</td>
</tr>
<tr>
<td>b. Gross change in the provision for unearned premiums</td>
<td>L/NL/R</td>
<td>--</td>
<td>32112</td>
<td>32112</td>
</tr>
<tr>
<td>Calculation: gross premiums written (12110) + gross change in the provision for unearned premiums (32112)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. (+) Total portfolio investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Portfolio investment income</td>
<td>L</td>
<td>NL/R</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>b. Portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprise</td>
<td>L</td>
<td>NL/R</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>Calculation: For life insurance: portfolio investment income (102 = 32220 - 32715 - 32716 - 32711) + portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprises (103 = [(37300 - 37301) / 37301] x 102)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For non-life and reinsurance: portfolio investment income (102 = 32420 - 32715 - 32716 - 32711) + portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprises (103 = [(37300 - 37301) / 37301] x 102)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. (+) Other services produced</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Other technical income, net amount</td>
<td>L/NL/R</td>
<td>--</td>
<td>32161</td>
<td>32161</td>
</tr>
<tr>
<td>b. Income from affiliates for services rendered</td>
<td>--</td>
<td>L/NL/R</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>c. Income for other ancillary services</td>
<td>--</td>
<td>L/NL/R</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Calculation: Other technical income, net amount (32161) + other income, as far as income from affiliates for services rendered or income for other ancillary services is concerned (32460 = 110 + 111).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. (-) Gross claims incurred, excluding claims management expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>L/NL/R</th>
<th>104</th>
<th>104</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Gross claims payments</td>
<td>L/NL/R</td>
<td>32 13 1</td>
<td>32 13 1</td>
</tr>
<tr>
<td>b. Gross change in the provision for outstanding claims</td>
<td>L/NL/R</td>
<td>32 13 4</td>
<td>32 13 4</td>
</tr>
<tr>
<td>c. External and internal claims management expenses</td>
<td>L/NL/R</td>
<td>32 61 5</td>
<td>32 61 5</td>
</tr>
</tbody>
</table>

Calculation: Gross claims payments (32 13 1) + gross change in the provision for outstanding claims (32 13 4) - external and internal claims management expenses (32 61 5).

5. (+) Capital gains and provisions

<table>
<thead>
<tr>
<th>Description</th>
<th>L/NL/R</th>
<th>105</th>
<th>105</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Capital gains (net of losses), realised and unrealised</td>
<td>L/NL/R</td>
<td>32 25 0</td>
<td>--</td>
</tr>
<tr>
<td>b. Gross change in life insurance provision</td>
<td>L/NL/R</td>
<td>32 16 3</td>
<td>32 16 3</td>
</tr>
<tr>
<td>c. Bonuses and rebates, net amount</td>
<td>L/NL/R</td>
<td>32 16 0</td>
<td>--</td>
</tr>
<tr>
<td>d. Change in equalisation provision</td>
<td>L/NL/R</td>
<td>32 15 0</td>
<td>--</td>
</tr>
<tr>
<td>e. Change in fund for future appropriations</td>
<td>L/NL/R</td>
<td>32 16 0</td>
<td>--</td>
</tr>
<tr>
<td>f. Net changes in other technical provisions, not shown under other headings</td>
<td>L/NL/R</td>
<td>32 16 2</td>
<td>32 16 2</td>
</tr>
</tbody>
</table>

Calculation: For life insurance: capital gains (net of losses), realised and unrealised \(105 = 32 71 6 + 32 23 0 - 32 72 3 - 32 28 0\) - gross change in life insurance provision (32 25 0) - bonuses and rebates, net amount (32 16 3) - change in fund for future appropriations (part of 32 29 0) - net changes in other technical provisions, not shown under other headings (32 16 2).

For non-life and reinsurance: capital gains (net of losses), realised and unrealised \(105 = 32 71 6 - 32 72 3\) - bonuses and rebates, net amount (32 16 3) - change in the equalisation provision (32 15 0) - net changes in other technical provisions, not shown under other headings (32 16 2).

6. (=) Production value

<table>
<thead>
<tr>
<th>Description</th>
<th>12 12 0</th>
<th>12 12 0</th>
</tr>
</thead>
</table>

Calculation: Gross premiums earned (1) + total portfolio investment income (2) + other services produced (3) - gross claims incurred, excluding claims management expenses (4) + capital gains and provisions (5).
less Intermediate Consumption

|   | (-) Gross value of reinsurance services received |   |
|---|-----------------------------------------------|--|---|
| a. | Reinsurance balance                           | L/NL/R | -- | 32 18 0 | 32 18 0 |
| b. | Portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprise | L/NL/R | 103 | 103 |

Calculation: Reinsurance balance (32 18 0) + portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprises \(103 = [(37 30 0 - 37 30 1) : 37 30 1] \times 102\).

<table>
<thead>
<tr>
<th></th>
<th>(-) Other intermediate consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Commissions</td>
</tr>
<tr>
<td>b.</td>
<td>Other external expenditure on goods and services</td>
</tr>
</tbody>
</table>

Calculation: Commissions (32 61 1) + other external expenditure on goods and services \((108 = 32 61 4 - \text{depreciation on fixed assets for own use})\).

<table>
<thead>
<tr>
<th></th>
<th>(=) Value added at basic prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 14 0</td>
</tr>
</tbody>
</table>

Calculation: Production value (6) - gross value of reinsurance services received (7) - other intermediate consumption (8).
### B: Generation of income account

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Value added at basic prices</td>
<td>12 14 0</td>
<td>12 14 0</td>
</tr>
<tr>
<td>10</td>
<td>Personnel costs</td>
<td>L/NL/R</td>
<td>--</td>
</tr>
<tr>
<td>11</td>
<td>(=) Gross operating surplus</td>
<td>13 31 0</td>
<td>13 31 0</td>
</tr>
</tbody>
</table>

**Calculation:** Value added at basic prices (9) - personnel costs (13 31 0).

(The value added at basic prices and the operating surplus are calculated before deducting depreciation. As regards taxes on production, there are none. For "taxes and charges levied with premiums", refer to methodological note of Code 12 11 0).

#### Memorandum items

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Reinsurance balance</td>
<td>L/NL/R</td>
<td>32 18 0</td>
</tr>
<tr>
<td></td>
<td>a. Reinsurers share of gross premiums written</td>
<td>L/NL/R</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>b. Reinsurers share of the gross change in the provision for unearned premiums</td>
<td>L/NL/R</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>c. Reinsurers share of gross claims incurred</td>
<td>L/NL/R</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>d. Reinsurance commissions and profit participations</td>
<td>L/NL/R</td>
<td>32 18 7</td>
</tr>
<tr>
<td></td>
<td>e. Reinsurers share of gross change in life insurance provision</td>
<td>L</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>f. Reinsurers share of the gross amount of other items of the technical account</td>
<td>L/NL/R</td>
<td>--</td>
</tr>
</tbody>
</table>

**Calculation:** For life insurance: reinsurers share of gross premiums written (32 18 0) + reinsurers share of the gross change in the provision for unearned premiums (32 18 1) - reinsurers share of gross claims incurred (32 18 4) - reinsurance commissions and profit participations (32 18 7) - reinsurance share of gross change in life insurance provision (32 33 4) + reinsurers share of the gross amount of other items of the technical account (32 18 8).

For non-life and reinsurance: reinsurers share of gross premiums written (32 18 0) + reinsurers share of the gross change in the provision for unearned premiums (32 18 1) - reinsurers share of gross claims incurred (32 18 4) - reinsurance commissions and profit participations (32 18 7) + reinsurers share of the gross amount of other items of the technical account (32 18 8).

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Profits receivable from direct investments in other countries</td>
<td>L</td>
<td>NL/R</td>
</tr>
</tbody>
</table>
Macro-economic variables to be collected from Member States

According to the Regulation concerning structural business statistics and according to the decision taken by the Working Group on Insurance Services Statistics the following macro-economic variables are collected from Member States:

<table>
<thead>
<tr>
<th>Code of the variable</th>
<th>Name of the variable</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 12 0</td>
<td>Production value</td>
<td>As calculated above</td>
</tr>
<tr>
<td>12 14 0</td>
<td>Value added at basic prices</td>
<td>As calculated above</td>
</tr>
<tr>
<td>12 15 0</td>
<td>Value added at factor costs</td>
<td>Identical to 12 14 0</td>
</tr>
<tr>
<td>13 11 0</td>
<td>Total purchases of goods and services</td>
<td>Gross value of reinsurance services received (code 7 above) + other intermediate consumption (code 8 above)</td>
</tr>
</tbody>
</table>

According to the Regulation concerning structural business statistics these variables are collected from 1996 onwards (level A variables).
4.2.2. **Macro-economic variables**

**Code:** 12 11 0

**Regulation:** [Annex 1, 12 11 0] [Annex 5, section 4, paragraph 3]

**Name:** Gross premiums written

**Coverage:** (1,2,4,5,6)

**Definition:** Article 35 of Directive 91/674/EEC.

**Comments:** Reference to Article 34, I 1a and II 1a of Directive 91/674/EEC.

Gross premiums written are taken as the measure of the turnover of the insurance industry and comprise gross direct premiums written and gross reinsurance premiums accepted. Premiums to funded pension schemes (individual and group schemes) are included, if these are part of the premiums of life insurance enterprises (see also Article 2.2 of Directive 91/674/EEC). Contributions to autonomous funded pension schemes and contributions to pension schemes for groups of employees funded through book reserves in the balance sheet of the employer are normally not included.

**Methodological notes:**

**General**

In the Commission Regulation (EC) 2700/98 concerning the definitions of characteristics for Structural Business Statistics, turnover is defined "net of reductions in prices, rebates and discounts". However, rebates in this sense are not the same as rebates in the sense used in Article 34 of Directive 91/674/EEC. In the Directive, "rebates" are returns of part of premiums, not at the outset of a policy year but at the end, depending on the claims experience in that year and in previous years, when the contract specifies this possibility. An ex-post rebate dependent on performance is something quite different from a reduction in price. In the Accounting Directive and in this manual, rebates are treated in a similar way to other deductions from turnover, such as claims and changes in technical provisions.

**Inter-relation with other economic statistics**

(a) Gross premiums written do not include taxes or charges levied with premiums, since these are excluded in the definition of Article 35 in Directive 91/674/EEC, being in a sense a substitute for VAT. In statistics for enterprises in other activity groups, however, turnover includes the rather different "taxes on production".

(b) The words "gross premium" mean the premium before any part is ceded to a reinsurer and "net premium" mean a premium after deducting the share ceded to a reinsurer. They do not have the same meaning as "net non-life insurance premiums" in the distributive transactions section of the ESA (4.109).

(c) In the ESA, the investment income of both non-life and life insurance enterprises is regarded as a "premium supplement" made on behalf of the policy-holders, to the extent that the income arises on the investment of technical provisions — which are liabilities to policy-holders. In macro-economic statistics "premium supplements" are regarded as having the same economic impact as premiums proper, but in this manual "portfolio investment income" (Codes 102 and 103), which is similar to premium supplements, is not regarded as part of turnover.

(d) Relations with NACE. This depends on the activity class of the enterprise writing a premium or pension contribution. Gross direct insurance premiums are written only by direct insurance enterprises (NACE classes 66.01 and 66.03). Reinsurances are accepted by enterprises in these two classes and by specialist reinsurance enterprises (future NACE class 66.04). Life insurance enterprises writing premiums for group pension schemes (product 66.02) remain — of course — in the NACE activity class 66.01.
Code: 101
Name: Investment income (excluding capital gains)
Coverage: (1,2,4,5,6)
Definition: Rent, interest and dividends receivable by an insurer. This variable is calculated as follows: for life insurance: $32\,22\,0 - 32\,71\,5 - 32\,71\,6$; for non-life and reinsurance: $32\,42\,0 - 32\,71\,5 - 32\,71\,6$.
Comments: Reference to Article 34, II 2a, b and III 3a, b of Directive 91/674/EEC. Investment income consists of rent, interest and dividends accruing to insurance enterprises as owners of assets. However, certain classes of assets, for instance tangible assets such as equipment and physical stocks, do not generate rent, interest or dividends. This variable does not include gains from the realisation of investments or value re-adjustments.

In the case of rent on land and buildings, there are two categories: those clearly held as part of an investment portfolio, and those occupied by an insurance enterprise for its own activities. The latter is shown separately as variable 36 11 1 (see also item C I in Article 6 of Directive 91/674/EEC). Actual or imputed rent on the second category may or may not be included in the profit and loss account.

The figures of investment income are gross of investment management charges, which are treated as an element of costs, and are also shown separately (see variables 32 61 9 and 32 72 1).

Methodological notes: According to Directive 91/674/EEC, investment income on life funds is in the first place credited to the life technical account. That on non-life funds is not credited in the first place to the non-life technical account but to the non-technical account. In each case there is provision, however, for part of the investment return (that is, including capital gains/losses and management charges) to be transferred to the other part of the account.

In macro-economic statistics, on the other hand, no distinction is made, as regards the treatment of investment income, between life and non-life assurance (ESA, 1996, 3.63). In so far as the investment income arises on the investment of technical provisions, it is in both cases credited to the production account.

To take advantage of simplicity and uniformity, and to maintain coherence with macro-economic statistics, all investment income and investment management charges are treated alike, whether they belong to life insurance enterprises or to non-life insurance enterprises.

Code: 102
Name: Portfolio investment income
Coverage: (1,2,4,5,6)
Definition: Rent, interest and dividends receivable on assets held by an insurer as part of his own investment portfolio. This variable is calculated as follows: code 101 – 32 71 1.
Comments: Reference to Article 34, II 2b and III 3b of Directive 91/674/EEC. Portfolio investment income is all investment income (refer to Code 101), other than the income arising on assets in the form of participating interests. Such assets are often called "direct investments". The distinction between the term "direct investment assets" and "portfolio investment assets" is given in the IMF's balance of payments Manual and UNSO's System of National Accounts, 1993 (7.119-7.122). However, in this manual and in Directive 91/674/EEC the undistributed profits of non-resident affiliates and other participating interests are not included.
Methodological notes: **Inter-relation with other economic statistics**

In the ESA, the definition of the output of insurance enterprises includes investment income to the extent that it arises on the investment of technical provisions. It is not yet clear whether the process of estimating this at macro-economic level will involve taking a view on which assets can appropriately be financed by liabilities to policy-holders (technical provisions), and which should be financed primarily from own funds or long-term borrowing from other parties. In the ESA, the term "premium supplements" is used (3.63). In this Manual, portfolio investment income is taken to be the nearest readily available equivalent, in enterprise statistics, to income arising on the investment of technical provisions.

In macro-economic statistics, a sharp distinction is drawn between investment income and capital gains or losses on portfolio investments. The latter are excluded from all accounts in the ESA showing income and, in the special case of insurance, from the production account (3.63).

In insurance enterprises' accounts, according to Directive 91/674/EEC, the profit and loss account includes all realised gains and losses on investments, and may also show unrealised gains and losses on investments. Other "Valuation adjustments" (downwards), e.g. to depreciating tangible assets, and the opposite "valuation re-adjustments" are also shown.

The way in which these items on the credit side of the profit and loss account (if gains) are offset on the debit side (either as provisions, or as payments, or as part of balances) is a highly complex matter. Refer also to annex 6 on the treatment of capital gains and losses in the production account.

In the layout of the production account for insurance enterprises, a gross treatment of capital gains/losses and the offsetting provisions etc. has been adopted. On the credit side of the account, the net amount of capital gains and losses is shown (refer to Code 105). The effect on balances, such as output and value added, is broadly the same as if a net treatment of capital gains had been adopted.

**Code:** 103  
**Name:** Portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprise  
**Coverage:** (1,2,4,5,6)  
**Definition:** The estimated portfolio investment income (refer to Code 102) of reinsurers on assets which they hold in respect of their share of the gross technical provisions of the direct insurer (representing a liability of reinsurers to direct insurers).

**Comments:** -

**Methodological notes:** General  
The amount can be calculated as follows:

\[
\text{[Gross technical provisions (37 30 0) – Net technical provisions (37 30 1)] \times Portfolio investment income (102)}
\]

This method unavoidably means making the assumption that the rate of return on the various reinsurers' portfolio assets is the same as that on the portfolio assets of the enterprise in question.
Inter-relation with other economic statistics

Using the gross treatment of reinsurance, which involves the separation of direct insurance and reinsurance, it is the gross portfolio investment income of the enterprise (the sum of Codes 102 and 103), rather than the net portfolio investment income (Code 102), which broadly corresponds to the ESA's concept of "premium supplements" (3.63). In other words, this is the total of the benefit obtained by the policy holder, effectively in the form of lower premiums, because of the investment of assets corresponding to technical provisions by both direct insurers and reinsurers.

The gross treatment of portfolio investment income ("premium supplements") is essential, so far as imports and exports of insurance services are concerned, to ensure correct routing of transactions between direct insurers and reinsurers in different countries (SNA 1993, Annex IV, paragraph 29). It also enables a full separation to be made between the insurances underwritten and the reinsurances received by resident insurers, without requiring both to be consolidated in aggregates for the resident economy (ESA, Annex 3, paragraph 40).

Code: 104
Name: Gross claims incurred, excluding claims management expenses
Coverage: (1,2,4,5,6)
Definition: Gross claims incurred (variables 32 13 1 and 32 13 4) less external and internal claims management expenses (variable 32 61 5).
Comments: As external and internal claims management expenses are covered by other codes (e.g. Code 108) those expenses have to be deduced from gross claims incurred. In economic terms, these expenses are costs of production, rather than transfers due to policyholders.
Methodological notes: -

Code: 105
Name: Capital gains (net of losses), realised and unrealised
Coverage: (1,2,4,5,6)
Definition: The net amount of all capital gains and losses, other than value adjustments and re-adjustments, which are included in the profit and loss account.
This code is calculated as follows: for life insurance 32 71 6 + 32 23 0 - 32 72 3 - 32 28 0; for non-life and reinsurance 32 71 6 - 32 72 3.
Comments: Reference to Article 34 of Directive 91/674/EEC.
Methodological notes: Refer to annex 6 on the treatment of capital gains and losses in the production account.
Value adjustments on investments (downwards) and re-adjustments (upwards) – items 32 71 5 and 32 72 2 – are excluded from this Code. They relate to amounts written-off or written-down on loans or other financial assets such as bonds, if these are carried into the profit and loss account. It is thought that their impact upon the balance of the profit and loss account is usually different from that of the other types of capital gains and losses (refer to annex 6, para. 14 and 15).
In insurance enterprises' accounts, depreciation on fixed assets should not be treated as a value adjustment but as part of administrative expenses, see Article 41 of Directive 91/674/EEC (also refer to the notes of Code 108).
Sector specific and macroeconomic variables

- Macroeconomic variables -

Code: 106
Name: Change in fund for future appropriations
Coverage: (1,5)
Definition: Transfers to or from a fund, the allocation of which either to policyholders or to shareholders has not been determined by the close of the financial year. This amount is normally included in variable 32 29 0.
Comments: Reference to Article 22 of Directive 91/674/EEC. It appears that this item, and the corresponding liability in the balance sheet, is mostly found (if at all) where assets are valued at current values, and then only when a Member State requires or permits variations in these values to be carried into the profit and loss account. (also refer to annex 6 on the treatment of capital gains and losses in the production account).
Methodological notes: 

Code: 107
Name: Gross value of reinsurance services received
Coverage: (1,2,4,5,6)
Definition: The reinsurance balance (item 32 18 0) plus portfolio investment income of reinsurers on their share of the gross technical provisions of the enterprise — a contra entry to the corresponding part of gross portfolio investment income (refer to Code 103).
Comments: The value of production (output) of a direct insurer includes the gross income on the portfolio investments held by both direct insurers and reinsurers (refer to Code 103). This involves adding, to the income received by the enterprise on its own portfolio assets, an estimate of the income of reinsurers on the investment of amounts ceded to them (Code 103).

For consistency with the method of determining the gross value of output of a reinsurer, the value of the services received by the direct insurer from the reinsurer, which is intermediate consumption of the direct insurer, includes this investment income. The same amount as is included in output is also included in intermediate consumption, so that value added is unaffected.
Methodological notes: General

Since the amount added to the reinsurance balance is a contra entry to Code 103, the amount is the same. For the method of calculation of that Code, refer to its Methodological Notes.

Inter-relation with other economic statistics

This provides a practical method of using enterprise-based statistics to implement ESA 1995 on a non-consolidated basis — see 3.63 and Annex 3, paragraphs 39 and 40.

Code: 108
Name: Other external expenditure on goods and services
Coverage: (1,2,3,4)
Definition: All kinds of costs other than commissions payable to agents (variable 32 61 1) and personnel costs (variable 13 31 0)
Comments: This item covers the variable 32 61 4 in the list of variables less depreciation on fixed assets for own use (which has to be estimated).
Methodological notes:  

**General**

This amount should be consistent with the balance of the costs allocated functionally: 
(claims management expenses + acquisition costs + change in deferred acquisition costs + 
administrative expenses + gross other technical expenses + investment management 
charges + other charges) minus (commissions payable to agents + personnel costs + 
depreciation on fixed assets for own use).

**Inter-relation with other economic statistics**

The value of reinsurance services purchased, commissions payable to agents, and other 
external expenditure on goods and services are all intermediate consumption (ESA 3.69). In 
the ESA, gross value added and gross operating surplus are defined before deducting the 
depreciation of fixed assets, and the corresponding net concepts are after deducting "capital 
consumption" which is at current (replacement) values, and is therefore different from the 
basis of depreciation, as usually included in enterprise accounts.

---

**Code:** 110  
**Name:** Income from affiliates for services rendered  
**Coverage:** (1,2,3,4)  
**Definition:** That part of other income allocated in the non-technical account representing income from affiliates for services rendered to them by the reporting enterprise (as parent, daughter or sister enterprise). This variable is part of variable 32 46 0.  
**Comments:** Reference to Article 34, III 7 of Directive 91/674/EEC (part of this item). This is likely to be an important part of the other technical income allocated in the non-technical account in the case when the reporting enterprise is part of an enterprise group. It also covers the value of headquarters services provided by a parent enterprise and charged to its affiliates. In countries which run statistical enquiries on direct investment transactions between the reporting country and other countries, that part of this item representing resident/non-resident transactions is likely to be covered and distinguished in the statistical enquiry.  
Taken together with Code 111, the total could be equivalent to the non-technical income in Article 34 of Directive 91/674/EEC and to item 32 46 0. In economic terms, this total represents the output of non-insurance goods and services (ancillary products).  

Methodological notes: -.

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**Code:** 111  
**Name:** Income from other ancillary services  
**Coverage:** (1,2,3,4)  
**Definition:** That part of other income of the non-technical account representing income from ancillary activities, other than income from affiliates for services rendered to them by the reporting enterprise (Code 110). This variable is part of variable 32 46 0.  
**Comments:** Reference to Article 34, III 7 of Directive 91/674/EEC (part of this item). Taken together with Code 110, the total could be equivalent to item 32 46 0. In economic terms, this total represents the output of non-insurance goods and services (ancillary products).  

Methodological notes: -.
**Code:** 112  
**Name:** Profits receivable from direct investments in other countries  
**Coverage:** (1,2,3,4)  
**Definition:** Dividends plus interest from affiliates plus participating interests, ("direct investments"), located in other countries (for preference also including their undistributed profits). This variable is part of variable 32 71 1.  
**Comments:** Reference to Article 34, II 2a and III 3a of Directive 91/674/EEC (part of this item). This information is required if "establishment trade" is to be well documented, including the effect of any shift from doing business through subsidiaries in other EEA countries, to doing business by direct exports. In the IMF balance of payments Manual, now followed by ESA/SNA, income from direct investments in other countries is defined inclusive of undistributed profits — the annual increase in the value of the parent's stake (excluding capital gains) in their non-resident affiliates. Income from non-resident branches is also included, but will not be separated in enterprise based statistics. Undistributed profits will only be known if a statistical survey on "outward" direct investment transactions is run for balance of payments purposes which distinguishes the activity class (i.e. insurance) of the reporting resident enterprises.  
**Methodological notes:** "Direct investment" is defined widely by the IMF, to go beyond both a majority shareholdings and the exercise of control by other means. The criterion is "effective voice in management", often taken to exist with a shareholding of only 10-20%. The closest parallel in EEA company law is the concept of "participating interests", income from which is used for item 32 71 1. There can also be income from affiliates which are not participating interests (sister and parent companies), but for reasons of simplicity this is not shown separately in Annex 5 of the Regulation, albeit distinguished in the profit and loss account according to Directive 91/647/EEC. Income from participating interests will include that from participating interests which are resident in the same country as the reporting enterprise, so this Code would involve a subdivision of item 32 71 1. Probably, if based solely on the profit and loss account according to Directive 91/674/EEC, it would also exclude the undistributed profits of the participating interests resident in other countries.
CHAPTER 5

QUALITY AND INSURANCE SERVICES STATISTICS
Chapter 5. Quality and Insurance Services Statistics

(to be drafted)
CHAPTER 6

SECONDARY USE OF INSURANCE SERVICES STATISTICS
Chapter 6. Secondary use of Insurance Services Statistics

6.1. INTRODUCTION

6.1.1. The Insurance Services Statistics are derived from the uniform format of the annual profit and loss account and balance sheet of insurance enterprises (refer to also to Directive 91/674/EEC). The annual accounts are of individual enterprises, thus enabling sub-divisions to be made according to type and size of enterprise. The main distinction by type is between direct life insurance enterprises, direct non-life insurance enterprises, composite and specialist reinsurance enterprises. The aggregates of the accounting data for individual insurance enterprises are evidently highly relevant for the compilation of macro-economic estimates in the National Accounts, in which life and non-life insurance are also distinguished.

6.1.2. However, a further part of this activity in the national accounts — pension funding — is covered in Insurance Services Statistics only in so far as pension products are sold by life insurance enterprises. Entities allocated at the NACE activity class 66.02: pension funds are subject to further work carried out at Eurostat for establishing EU statistics on pension funds (draft Annex 7 to the SBS Regulation).

6.1.3. The Insurance Services Statistics are also capable of providing the information necessary for the Balance of Payments Statistics (e.g. the exports of insurance services by resident insurance enterprises and the imports of reinsurance services from non-resident reinsurers). Certain information is also available on the imports of insurance services provided by non-resident insurers, when these are EEA insurers. Imports of insurance services from insurers located in non-EEA countries are normally not covered.

6.2. BUSINESS STATISTICS AND NATIONAL ACCOUNTS

6.2.1. In the case of direct non-life insurance and reinsurance, there is a subdivision in the national accounts between output, intermediate consumption, labour costs, property income attributed to insurance policy-holders and current transfers. Output (otherwise known as the service charge) is the amount earned by the insurance enterprise, after discharging its obligations to policy-holders, which is available to meet its labour and other operating costs, and to provide a profit (operating surplus in the national accounts). Current transfers are included for non-life insurance and for the ‘social insurance’ part of life insurance and pension funding.

6.2.2. National Accounts: The Production Account

For life insurance, non-life insurance and reinsurance, the output of insurance services (also known as the service charge component) is measured in ESA 1996 as follows:

\[ + \text{total actual premiums earned} \]
\[ + \text{total premium supplements (equal to the income from the investment of the insurance technical reserves)} \]
\[ - \text{the total claims due} \]
\[ - \text{the change in the actuarial reserves and reserves for with-profit insurance.} \]

Holding gains and losses are to be ignored in the measurement of the output of insurance services. They are not to be regarded as income from investing the insurance technical reserves (= provisions) and they are not to be considered as changes in the actuarial reserves and reserves for with-profit insurance.

(Notice that insurance technical reserves may be invested in secondary activities of the insurance company, e.g. the letting of dwellings or offices. In that case, the net operating surplus on these secondary activities is income from the investment of insurance technical reserves.)
This definition applies also to the measuring of the output of reinsurance services, whether as an additional activity of a direct insurance enterprise or carried out by a specialist reinsurance entity. As regards transactions between direct insurers and reinsurers, see also 6.2.5. below.

6.2.3. The definition of the output of insurance services in ESA 1996 differs from that in ESA 1979 in the following respects:

- The inclusion of investment income (= premium supplements) for both non-life and life insurance. The investment income on technical provisions (reserves) is regarded as being transferred by the insurance enterprise to the policy-holders (“property income attributed to insurance policy-holders” in the allocation of primary income account) and as being returned by the policy-holder as premium supplements. Those are treated, like actual premiums, as part of the operating revenue of insurance enterprises.

- There is now an identical definition of output for both life and non-life insurance enterprises.

- The gross treatment of reinsurance: now transactions between resident direct insurance enterprises and resident reinsurance enterprises are not consolidated any more (see ESA 1995, annex 3 on insurance, para. 40).

- In addition, by comparison to previous issues of the IMF Balance of Payments Manual and to the 1968 SNA, there is the following change: the adoption of an accruals basis of recording: thus the operating revenue reflects gross premiums earned (not premiums received) and gross claims incurred (not claims paid) (This is also the case for property income).

6.2.4. All the above features are found in the production account for insurance enterprises established within the Insurance Services Statistics (chapter 4.2.1.). The ESA 1996 does not specify how “premium supplements, equal to the income from the investment of the insurance technical reserves” are to be estimated, given that some investment income may be from the investment of own funds. In the enterprise-based Insurance Services Statistics, “ gross portfolio investment income” is taken as an approximation to the ESA definition, i.e. the total investment income excluding income from participating interests (Participating interests approximate to “direct investments” as understood in National Accounts and Balance of Payments Statistics). The production account within Insurance Services Statistics shows an adjustment to reallocate claims management expenses from claims incurred to intermediate consumption.

6.2.5. A consequence of the gross treatment of reinsurance is that the gross portfolio investment income of direct insurance enterprises includes portfolio investment income of reinsurers on their share of the gross technical provisions (Code 103), the same amount being added to the intermediate consumption of reinsurance services by the direct insurer. In this way, a correct routing and valuation of reinsurance transactions between individual enterprises and between countries is achieved.

5.2.6. Other elements of the production account — as outlined in chapter 4.2.1. — are not explicitly specified in the ESA 1996. These other elements, to be set against premium and premium supplements, include the changes in the equalisation provision and in the provision for unexpired risks. It is assured that these provisions are covered by the words ‘actuarial reserves’ as specified in the ESA definitions. On the other hand, the total output of insurance enterprises also includes non-insurance or ancillary output (refer to Codes 110 and 111 in chapter 4.2.1).

6.2.7. The ESA 1995 specifies a definition of output in which holding (capital) gains are excluded both from investment income and from technical provisions. In the Insurance Services Statistics a gross treatment of capital gains and provisions is adopted but the effect upon the estimate of output is much the same (refer also to annex 6).
6.2.8. As outlined in chapter 4.2.1., the intermediate consumption consists of the gross value of reinsurance services received (including the portfolio investment income of reinsurers on their share of the gross technical provisions), commissions payable to agents and one item representing all other external expenditure on goods and services. The latter normally includes the external elements of claims management expenses, of administrative and investment management expenses.

6.2.9. National Accounts: Allocation of primary income account

As mentioned in para. 6.2.3., ‘property income attributed to insurance policyholders’ is shown in this account as a use of insurance enterprises and as a resource of the institutional sectors containing the policyholders.

6.2.10. National Accounts: Secondary distribution of income account

For the group pension business written by life insurance enterprises (which enters into the ESA definition of “Social Insurance”, see annex 3 of the ESA 1995), the “employers’ actual social contributions” and “employees’ social contributions” are part of the gross premiums. The account includes, as uses, “private funded social benefits” which are part of claims for the business mentioned above. Life insurance premiums and claims referring to other life products do not enter this ESA account.

6.2.11. National Accounts: Secondary distribution of income account

For non-life insurance enterprises, both “net non-life insurance premiums” and “non-life insurance claims” are shown in the ESA’s secondary distribution of income account, as resources and uses, respectively, for financial corporations, and the reverse for the other institutional sectors. “Net” non-life insurance premiums mean:

\[
\text{premiums earned} + \text{premium supplements} - \text{output (or the service charge)}
\]

The gross recording in the ESA of these transfers enables the correct relations to be shown, though no guidance is offered on estimation methods. The counterpart institutional sectors, for net premiums, are those of the policy-holders. Information of this kind derived from insurance enterprises’ accounts is specified in the list of variables only with second priority. However, other sources show the institutional sectors paying the total premiums either explicitly (e.g. household budget surveys) or implicitly (e.g. as part of the costs of non-insurance enterprises). The Insurance Services Statistics will provide information on premiums received by resident non-life direct insurance enterprises from non-residents (where the service change element is an export of insurance services).

6.2.12. The allocation of non-life insurance claims to institutional sectors receiving them should be according to the ultimate beneficiary, that is by-passing the policy-holder when he is legally liable but is indemnified by the insurance enterprise. It is therefore inadequate to allocate aggregate claims to recipient sectors in the same way as the net premiums.

6.2.13. In the case of premiums, however, the Insurance Services Statistics offer an improved basis of identifying, by counterpart sector, the subdivision between the service charge element (entering output and hence GDP) and the transfer element (net-non-life insurance premiums). This is highly relevant to the balance of payments estimates (see section 6.4). The key to the process is identifying differences, according to products, in the ratio of the service charge (output) to total premiums earned. For some products, e.g. motor insurance, largely purchased by households, the service charge is a relatively high proportion of premiums. For other products, e.g. MAT insurance, the exported proportion is relatively high whilst the service charge element is relatively low.
6.3. **OUTPUT BY PRODUCT CLASS**

6.3.1. For direct non-life insurance business, a breakdown by 8 main products, as specified in Article 63 of the Accounting Directive 91/674/EEC or in the CPA for Insurance Services Statistics, is available for the following:

**Components of output**

- gross premiums earned
- gross charges for claims

**Components of intermediate consumption**

- gross operating expenses
- gross reinsurance balance

Estimates using other information could be made on the product breakdown of other components of output which are necessary for the calculation according to the top-down or bottom-up approach. In the case of portfolio investment income, this could be based on the product split of premiums or information from the balance sheet (e.g. on technical provisions). The top down approach is preferable to the bottom-up approach, as the latter requires an assumption about the allocation of the profit (operating surplus) by product.

6.3.2. The above estimates could be used to obtain ratios of the output / premium earned ratio for main products of direct non-life insurance. This could be combined with whatever information is available on the product breakdown of non-life premiums payable by the various institutional sectors (e.g. households, resident non-insurance enterprises, and all non-residents). In this way, better estimates could be obtained of the subdivision of premiums, payable by the various sectors, between the service charge element and ‘net non-life insurance premiums’.

6.4. **BUSINESS STATISTICS AND BALANCE OF PAYMENTS STATISTICS**

6.4.1. The balance of payments figures of insurance transactions are a special case of the general process of identifying the counterpart institutional sectors for the transactions of resident insurance enterprises with other insurance/reinsurance enterprises or with their clients. In addition, the balance of payments records the import of insurance services by resident households and non-insurance enterprises. In each case, the sequence of transactions is the same: output, intermediate consumption, property income attributed to insurance policyholders and, in the case of non-life insurance, current transfers (‘net non-life insurance premiums’ and claims incurred). The use of the Insurance Services Statistics (on the total business and the data by product) can improve the treatment of the insurance sector in the Balance of Payments Statistics in a similar way as described in section 6.3.

6.4.2. In general the approach shows two steps: first, the gross operating income (premiums) by product received by resident insurance enterprises from non residents and secondly the application of the appropriate service charge to these premiums by product.

6.4.3. In the case of exports of direct insurance services to other Member States under the right of freedom to provide services (FPS), a product and country breakdown of the gross premiums written is available in the Insurance Services Statistics (variable 34 32 1). For direct premiums written in non EEA countries only the total of premiums written (via FPS and via branches) is known (variable 34 11 0). No further product breakdown and only a very limited country breakdown is available.
6.4.4. In the second step the service charge ratio (service charges to gross premiums written) for the total business and for the appropriate product can then be applied. For the intra-EEA transactions the ratio of the exporting country seems relevant for the FPS business. The remainder of the gross premiums written for non residents represents ‘net non-life premiums’, recorded under current transfers for the Rest of the World institutional sector.

6.4.5. Only a very limited country breakdown of the gross premiums accepted from non residents is known in the Insurance Services Statistics (variable 34 12 0). However, a certain product breakdown of the total reinsurance premiums is covered by variable 33 11 2. Like above the service charge ratio of the exporting country seems the appropriate one.

6.4.6. The imports of reinsurance and direct insurance services — as the mirror picture — the information available from the Insurance Services Statistics is not as extensive. For the intra-EEA business under the freedom of providing services (FPS) exact recording is possible. In contrast, the imports from extra EEA-countries (via FPS) are not covered by the Insurance Services Statistics.

6.4.7. More details on the use of the Insurance Services Statistics for Balance of Payments Statistics (with all necessary technical aspects) are part of a separate report which is available at Eurostat on request.