

Directive 2009/138/EC of the European Parliament and of the Council
of 25 November 2009 on the taking-up and pursuit of the business of
Insurance and Reinsurance (Solvency II) (recast) (Text with EEA relevance)

Status: EU Directives are being published on this site to aid cross referencing from UK legislation. After IP completion day (31 December 2020 11pm) no further amendments will be applied to this version.

ANNEX IV

SOLVENCY CAPITAL REQUIREMENT (SCR) STANDARD FORMULA

3. Calculation of the life underwriting risk module

The life underwriting risk module set out in Article 105(3) shall be equal to the following:

$$SCR_{life} = \sqrt{\sum_{i,j} Corr_{i,j} \times SCR_i \times SCR_j}$$

where SCR_i denotes the sub-module i and SCR_j denotes the sub-module j , and where ‘ i,j ’ means that the sum of the different terms should cover all possible combinations of i and j . In the calculation, SCR_i and SCR_j are replaced by the following:

- $SCR_{mortality}$ denotes the mortality risk sub-module,
- $SCR_{longevity}$ denotes the longevity risk sub-module,
- $SCR_{disability}$ denotes the disability – morbidity risk sub-module,
- $SCR_{life\ expense}$ denotes the life expense risk sub-module,
- $SCR_{revision}$ denotes the revision risk sub-module,
- SCR_{lapse} denotes the lapse risk sub-module,
- $SCR_{life\ catastrophe}$ denotes the life catastrophe risk sub-module,