

Commission Delegated Regulation (EU) 2015/35 of 10 October 2014
supplementing Directive 2009/138/EC of the European Parliament
and of the Council on the taking-up and pursuit of the business of
Insurance and Reinsurance (Solvency II) (Text with EEA relevance)

TITLE I

[^{XI}VALUATION AND RISK-BASED CAPITAL REQUIREMENTS
(PILLAR I), ENHANCED GOVERNANCE (PILLAR II)
AND INCREASED TRANSPARENCY (PILLAR III)]

CHAPTER V

SOLVENCY CAPITAL REQUIREMENT STANDARD FORMULA

SECTION 5

Market risk module

Subsection 6

Market risk concentrations sub-module

Article 182

Single name exposure

1 The capital requirement for market risk concentration shall be calculated on the basis of single name exposures. For this purpose exposures to undertakings which belong to the same corporate group shall be treated as a single name exposure. Similarly, immovable properties which are located in the same building shall be considered as a single immovable property.

2 The exposure at default to a counterparty shall be the sum of the exposures to this counterparty.

3 The exposure at default to a single name exposure shall be the sum of the exposures at default to all counterparties that belong to the single name exposure.

4 The weighted average credit quality step on a single name exposure shall be equal to the rounded-up average of the credit quality steps of all exposures to all counterparties that belong to the single name exposure, weighted by the value of each exposure.

5 For the purposes of paragraph 4, exposures for which a credit assessment by a nominated ECAI is available, shall be assigned a credit quality step in accordance with Chapter 1 Section 2 of this Title. [^{F1}Exposures for which a credit assessment by a nominated ECAI is not available shall be assigned to credit quality step 5.]

Changes to legislation: Commission Delegated Regulation (EU) 2015/35, Article 182 is up to date with all changes known to be in force on or before 11 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F26} For the purposes of paragraph 4, exposures to an insurance or reinsurance undertaking for which a credit assessment by a nominated ECAI is not available and where the undertaking meets its Minimum Capital Requirement shall be assigned to a credit quality step depending on the undertaking's solvency ratio using the following mapping between solvency ratios and credit quality steps:

Solvency Ratio	196 %	175 %	122 %	100 %	95 %
Credit quality step	1	2	3	3,82	5

Where the solvency ratio falls in between the solvency ratios set out in the table above, the credit quality step shall be linearly interpolated from the closest credit quality steps corresponding to the closest solvency ratios set out in the table above. Where the solvency ratio is lower than 95 %, the credit quality step shall be 5. Where the solvency ratio is higher than 196 %, the credit quality step shall be 1.

For the purposes of this paragraph, ‘ solvency ratio ’ denotes the ratio of the eligible amount of own funds to cover the Solvency Capital Requirement and the Solvency Capital Requirement, using the latest available values.

7 For the purposes of paragraph 4, exposures to an insurance or reinsurance undertaking for which a credit assessment by a nominated ECAI is not available and where the undertaking does not meet its Minimum Capital Requirement shall be assigned to credit quality step 6.

8 Paragraphs 6 and 7 of this Article shall only apply as of the first date of public disclosure, by the undertaking corresponding to the exposure, of the report on its solvency and financial condition [^{F3}report]. Before that date, the exposures shall be assigned to credit quality step 3,82.

9 For the purposes of paragraph 4, exposures to a third country insurance or reinsurance undertaking for which a credit assessment by a nominated ECAI is not available, situated in a country whose solvency regime is [^{F4}determined to be equivalent] in accordance with [^{F5}Article 379A of this Regulation], and which complies with the solvency requirements of that third country, shall be assigned to credit quality step 3,82.

10 For the purposes of paragraph 4, exposures to credit institutions and financial institutions, within the meaning of points (1) and (26) of Article 4(1) of Regulation (EU) No 575/2013 which comply with the solvency requirements set out in Directive 2013/36/EU and Regulation (EU) No 575/2013, for which a credit assessment by a nominated ECAI is not available, shall be assigned to credit quality step 3,82.

11 Exposures other than those to which a credit quality step is assigned under paragraphs 5 to 10 shall, for the purpose of paragraph 4, be assigned to credit quality step 5.]

Textual Amendments

- F1** Deleted by [Commission Delegated Regulation \(EU\) 2019/981 of 8 March 2019 amending Delegated Regulation \(EU\) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance \(Solvency II\) \(Text with EEA relevance\).](#)
- F2** Inserted by [Commission Delegated Regulation \(EU\) 2019/981 of 8 March 2019 amending Delegated Regulation \(EU\) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the](#)

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Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (Text with EEA relevance).

- F3** Word in Art. 182(8) substituted (31.12.2020) by [The Risk Transformation and Solvency 2 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1233\)](#), regs. 1(4), **6(10)(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F4** Words in Art. 182(9) substituted (31.12.2020) by [The Risk Transformation and Solvency 2 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1233\)](#), regs. 1(4), **6(10)(b)(i)**; 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in Art. 182(9) substituted (31.12.2020) by [The Risk Transformation and Solvency 2 \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1233\)](#), regs. 1(4), **6(10)(b)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)
- Recital 53 Sentence 1 replacement by [EUR 2016/2283](#) Regulation

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 177(2)(b) words omitted by [S.I. 2019/407 reg. 11\(25\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(h)(i) words omitted by [S.I. 2019/407 reg. 11\(25\)\(b\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(h)(i) words substituted by [S.I. 2019/407 reg. 11\(25\)\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(r) words substituted by [S.I. 2019/407 reg. 11\(25\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(s) words substituted by [S.I. 2019/407 reg. 11\(25\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(t) words substituted by [S.I. 2019/407 reg. 11\(25\)\(d\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(5)(a) words substituted by [S.I. 2019/407 reg. 11\(25\)\(f\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(5)(c) words substituted by [S.I. 2019/407 reg. 11\(25\)\(f\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)