

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

[^{X1}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 3

Life underwriting risk module

Article 136

Correlation coefficients

- 1 The life underwriting risk module shall consist of all of the following sub-modules:
 - a the mortality risk sub-module referred to in point (a) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - b the longevity risk sub-module referred to in point (b) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - c the disability-morbidity risk sub-module referred to in point (c) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - d the life-expense risk sub-module referred to in point (d) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - e the revision risk sub-module referred to in point (e) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - f the lapse risk sub-module referred to in point (f) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC;
 - g the life-catastrophe risk sub-module referred to in point (g) of subparagraph 2 of Article 105(3) of Directive 2009/138/EC.
- 2 The capital requirement for life underwriting risk shall be equal to the following:

$$SCR_{life} = \sqrt{\sum_{i,j} CorrNL_{(i,j)} \times SCR_i \times SCR_j}$$

where:

- (a) the sum covers all possible combinations (i,j) of the sub-modules set out in paragraph 1;

Changes to legislation: Commission Delegated Regulation (EU) 2015/35, Article 136 is up to date with all changes known to be in force on or before 27 July 2024. 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

(b) $CorrNL_{(i,j)}$ denotes the correlation parameter for life underwriting risk for sub-modules i and j ;

(c) SCR_i and SCR_j denote the capital requirements for risk sub-module i and j respectively.

3 The correlation coefficient $Corr_{ij}$ referred to in point 3 of Annex IV of Directive 2009/138/EC shall be equal to the item set out in row i and in column j of the following correlation matrix:

$j \ i$	Mortality	Longevity	Disability	Life expense	Revision	Lapse	Life catastrophe
Mortality	1	- 0,25	0,25	0,25	0	0	0,25
Longevity	- 0,25	1	0	0,25	0,25	0,25	0
Disability	0,25	0	1	0,5	0	0	0,25
Life expense	0,25	0,25	0,5	1	0,5	0,5	0,25
Revision	0	0,25	0	0,5	1	0	0
Lapse	0	0,25	0	0,5	0	1	0,25
Life catastrophe	0,25	0	0,25	0,25	0	0,25	1

Modifications etc. (not altering text)

C1 Art. 136(3): power to amend and revoke conferred (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), 4, **Sch. 3** (as amended by [S.I. 2020/1301](#), regs. 1, 3, Sch. para. 27(a) and [S.I. 2020/1385](#), regs. 1(2), 54(2))

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Changes and effects yet to be applied to :

- [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. 1\(18a\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(a\)](#)
- [Art. 1\(18b\)\(a\) substituted by S.I. 2024/705 Sch. 2 para. 27\(b\)\(i\)](#)
- [Art. 1\(18b\)\(a\) word omitted by S.I. 2024/705 Sch. 2 para. 27\(b\)\(ii\)](#)
- [Art. 1\(18b\)\(c\) and word inserted by S.I. 2024/705 Sch. 2 para. 27\(b\)\(iii\)](#)
- [Art. 1\(19\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(c\)](#)
- [Art. 1\(20\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(d\)](#)
- [Art. 1\(21\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(e\)](#)
- [Art. 1\(22\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(f\)](#)
- [Art. 1\(23\) words substituted by S.I. 2024/705 Sch. 2 para. 27\(g\)](#)
- [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\)](#)
- [Art. 257\(1A\) inserted by S.I. 2024/705 Sch. 2 para. 28\(3\)](#)
- [Art. 257\(6\) inserted by S.I. 2024/705 Sch. 2 para. 28\(7\)](#)