Changes to legislation: Commission Delegated Regulation (EU) 2015/35, Article 252 is up to date with all changes known to be in force on or before 30 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

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 VII

MINIMUM CAPITAL REQUIREMENT

Article 252

Minimum Capital Requirement: composite insurance undertakings

1   The notional life Minimum Capital Requirement and the notional non-life Minimum Capital Requirement referred to in Article 74(2) of Directive 2009/138/EC shall be calculated in accordance with paragraphs 2 to 11 of this Article.

2   The notional non-life Minimum Capital Requirement shall be equal to the following:

$$NMCR_{nl} = \max \left(NMCR_{(combined,nl)}; AMCR_{nl} \right)$$

where:

(a) $NMCR_{(combined,nl)}$ denotes the notional combined non-life Minimum Capital Requirement;

(b) $AMCR_{nl}$ denotes the absolute floor prescribed in Article 129(1)(d)(i) of Directive 2009/138/EC and in Article 253 of this Regulation.

3   The notional combined non-life Minimum Capital Requirement shall be equal to the following:

$$NMCR_{(combined,nl)} = \min \left(\max \left(NMCR_{(linear,nl)}; 0{,}25 \times (NSCR_{nl} + Addon_{nl}) \right); 0{,}45 \times (NSCR_{nl} + Addon_{nl}) \right)$$

where:

(a) $NMCR_{(linear,nl)}$ denotes the notional linear Minimum Capital Requirement for non-life insurance or reinsurance activity;

(b) $NSCR_{nl}$ denotes the notional Solvency Capital Requirement for non-life insurance or reinsurance activity;

(c) $Addon_{nl}$ denotes the part of the capital add-ons, set by the supervisory authority **F1**..., which has been apportioned by that supervisory authority to the non-life insurance or reinsurance activity of the insurance or reinsurance undertaking.

4   The notional linear Minimum Capital Requirement for non-life insurance or reinsurance activity shall be equal to the following:

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$$NMCR_{(linear,nl)} = MCR_{(nl,nl)} + MCR_{(l,nl)}$$

where:

(a) $MCR_{(nl,nl)}$ denotes the linear formula component for non-life insurance and reinsurance obligations relating to non-life insurance or reinsurance activity;

(b) $MCR_{(l,nl)}$ denotes the linear formula component for life insurance and reinsurance obligations relating to non-life insurance or reinsurance activity.

5       $MCR_{(nl,nl)}$ and $MCR_{(l,nl)}$ shall be calculated in the same way as $MCR_{(linear,nl)}$ and $MCR_{(linear,l)}$ referred to in Articles 250 and 251 of this Regulation respectively, but the technical provisions or premiums written used in the calculation shall only relate to the insurance and reinsurance obligations of non-life insurance or reinsurance activity in the classes of non-life insurance referred to in Annex I of Directive 2009/138/EC.

6   The notional Solvency Capital Requirement for non-life insurance or reinsurance activity shall be equal to the following:

$$NSCR_{nl} = \frac{NMCR_{(linear,nl)}}{NMCR_{(linear,nl)} + NMCR_{(linear,l)}} \times SCR$$

where:

(a)   *SCR* denotes the Solvency Capital Requirement calculated in accordance with Title I, Chapter VI, Section 4, Subsection 2 of Directive 2009/138/EC or with Title I, Chapter VI, Section 4, Subsection 3 of Directive 2009/138/EC, which shall for the purposes of this Article exclude any capital add-on imposed [F2]...;

(b) $NMCR_{(linear,nl)}$ denotes the notional linear non-life Minimum Capital Requirement for non-life insurance or reinsurance activity;

(c) $NMCR_{(linear,l)}$ denotes the notional linear Minimum Capital Requirement for life insurance or reinsurance activity.

7   The notional life Minimum Capital Requirement shall be equal to the following:

$$NMCR_l = \max \left(NMCR_{(combined,l)}; AMCR_l \right)$$

where:

(a) $NMCR_{(combined,l)}$ denotes the notional combined life Minimum Capital Requirement;

(b) $AMCR_l$ denotes the absolute floor prescribed in Article 129(1)(d)(ii) of Directive 2009/138/EC.

8   The notional combined life Minimum Capital Requirement shall be equal to the following:

$$NMCR_{(combined,l)} = \min \left(\max \left(NMCR_{(linear,l)}; 0{,}25 \times (NSCR_l + Addon_l) \right); 0{,}45 \times (NSCR_l + Addon_l) \right)$$

where:

(a) $NMCR_{(linear,l)}$ denotes the notional linear Minimum Capital Requirement for life insurance or reinsurance activity;

(b) $NSCR_l$ denotes the notional Solvency Capital Requirement for life insurance or reinsurance activity;

(c) $Addon_l$ denotes the part of the capital add-ons, set by the supervisory authority [F3]..., which has been apportioned by that supervisory authority to the life insurance or reinsurance activity of the insurance or reinsurance undertaking.

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9   The notional linear Minimum Capital Requirement for life insurance or reinsurance activity shall be equal to the following:

$$NMCR_{(linear,l)} = MCR_{(nl,l)} + MCR_{(l,l)}$$

where:

(a) $MCR_{(nl,l)}$ denotes the linear formula component for non-life insurance and reinsurance obligations relating to life insurance or reinsurance activity;

(b) $MCR_{(l,l)}$ denotes the linear formula component for life insurance and reinsurance obligations relating to life insurance or reinsurance activity.

10       $MCR_{(nl,l)}$ and $MCR_{(l,l)}$ shall be calculated in the same way as $MCR_{(linear,nl)}$ and $MCR_{(linear,l)}$ referred to in Article 250 and 251 of this Regulation respectively, but the technical provisions or premiums written used in the calculation shall only relate to the insurance and reinsurance obligations of life insurance or reinsurance activity in the classes of life insurance referred to in Annex II of Directive 2009/138/EC.

11   The notional Solvency Capital Requirement for life insurance or reinsurance activity shall be equal to the following:

$$NSCR_l = \frac{NMCR_{(linear,l)}}{NMCR_{(linear,nl)} + NMCR_{(linear,l)}} \times SCR$$

where:

(a) SCR denotes the Solvency Capital Requirement calculated in accordance with Title I, Chapter VI, Section 4, Subsection 2 of Directive 2009/138/EC or with Title I, Chapter VI, Section 4, Subsection 3 of Directive 2009/138/EC, which shall for the purposes of this Article exclude any capital add-on imposed [F4]...;

(b) $NMCR_{(linear,nl)}$ denotes the notional linear non-life Minimum Capital Requirement for non-life insurance or reinsurance activity;

(c) $NMCR_{(linear,l)}$ denotes the notional linear Minimum Capital Requirement for life insurance or reinsurance activity.

Textual Amendments

F1   Words in Art. 252(3)(c) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **11(38)(a)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2) and with savings in S.I. 2019/680, reg. 11)

F2   Words in Art. 252(6)(a) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **11(38)(b)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2) and with savings in S.I. 2019/680, reg. 11)

F3   Words in Art. 252(8)(c) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **11(38)(a)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2) and with savings in S.I. 2019/680, reg. 11)

F4   Words in Art. 252(11)(a) omitted (31.12.2020) by virtue of The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **11(38)(b)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2) and with savings in S.I. 2019/680, reg. 11)

Changes to legislation:
Commission Delegated Regulation (EU) 2015/35, Article 252 is up to date with all changes known to be in force on or before 30 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.
View outstanding changes

Changes and effects yet to be applied to :
–   Recital 53 Sentence 1 replacement by EUR 2016/2283 Regulation

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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)