



The Actuarial Profession

making financial sense of the future

Life Conference 2012 – Thinking Beyond Boundaries

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Session B2: Solvency II across Europe

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The Solvency II discussion panel

- John Jenkins, Chairman
- Steven Simon, Belgium
- Hanno Reich, Germany
- Ad Kok, Netherlands
- Michael Rallings, UK

For this pre-convention submission, we have not populated the answers to the questions on the following pages as the speakers wish to ensure that their remarks are fully up to date. During the presentation, each of the four speakers will cover the current position on Solvency II in their country using the framework of the questions set out on the following pages. We will provide an updated pack populated with the answers and comments immediately following the convention.

Questions

Standard Formula

Question	Answer
What proportion of companies are doing a Standard Formula approach as opposed to an Internal Model?	
Is there any pattern to this and has there been any switching from one to the other?	
Do companies using the Standard Formula think that it is conceptually correct and fit for purpose? <ul style="list-style-type: none">- Risks covered- Methodologies- Risk aggregation- Is it practicable to evaluate?- Are they getting a sensible answer?	
Are companies being challenged by the regulator as to whether the Standard Formula is appropriate for them or not?	
What are the biggest challenges companies face in applying the Standard Formula?	

Questions

Internal Model

Question	Answer
How are companies finding interaction with their regulator in relation to internal models generally and the approval process?	
What level of detail are companies required to submit to the regulator to obtain approval?	
What sort of progress has been made at present towards internal model approval? What are the main challenges being faced?	
Has the internal model approval process been significantly more or less onerous than expected?	
Have the questions posed so far by the regulator been of a more quantitative nature or a more qualitative nature? Is the regulator being reasonable?	

Questions

The wider balance sheet

Question	Answer
What are the most controversial areas of the Technical Provision calculation?	
What are the main areas of difficulty in the overall balance sheet calculation?	
How do Technical Provisions under Solvency II compare with those under Solvency I?	
How challenging are companies finding the Risk Margin calculation in practice?	

Questions

General discussion points

Question	Answer
Have companies done dry runs? Generally , to what extent and how detailed have these been?	
On a scale of 1 – 10, how far along the approval/completion process are companies?	
Are companies still enthusiastic about Solvency II? What do they think about the delays to implementation?	
Have companies transitioned Solvency II to a business as usual environment yet or are they still in a project environment?	
Are there any other thoughts or issues outside of those discussed above?	

Questions or comments?

Expressions of individual views by members of The Actuarial Profession and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

