

**The Actuarial Profession**  
making financial sense of the future

Solvency II Workshop  
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## Disclosure in the New World

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### Overview

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Reporting – Practical Considerations  
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# What is SII reporting trying to achieve?

## The purpose of SII reporting (External and Internal)

### External Reporting

- Enhanced disclosure requirements to increase market transparency
- Important source of information for supervisors to conduct the supervisory review process so risk profiles can be evaluated
- Harmonise reporting
- Provide clear insight into actual risk and return profile of an insurer

### Internal Reporting

- Act as a strong incentive to conduct business in a sound and efficient manner and maintain an adequate capital position
- Enable a more informed decision making process

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# External Reporting: Overview of the key requirements

## CEIOPS final advice on reporting and disclosure

Insurers will have to disclose private quantitative and narrative information to the supervisor and public quantitative and narrative information to the market.

Solvency and Financial Condition Report (SFCR)	Report to Supervisor (RTS)	Quantitative reporting templates (QRTs)	
	Regular Reporting		Event Driven Reporting
	Annual	Quarterly	As Required
Qualitative and quantitative information presented in an annual public report aiming to achieve market transparency and foster market discipline.	Qualitative and quantitative information presented a private report to the supervisor containing information not appropriate for public disclosure.	Quantitative data submitted quarterly and annually consisting of key financial and solvency information.	Updated information required by the supervisor upon occurrence of predefined events or during enquiries to assess a situation. The predefined events are those that can lead to material changes to an insurer's risk profile.

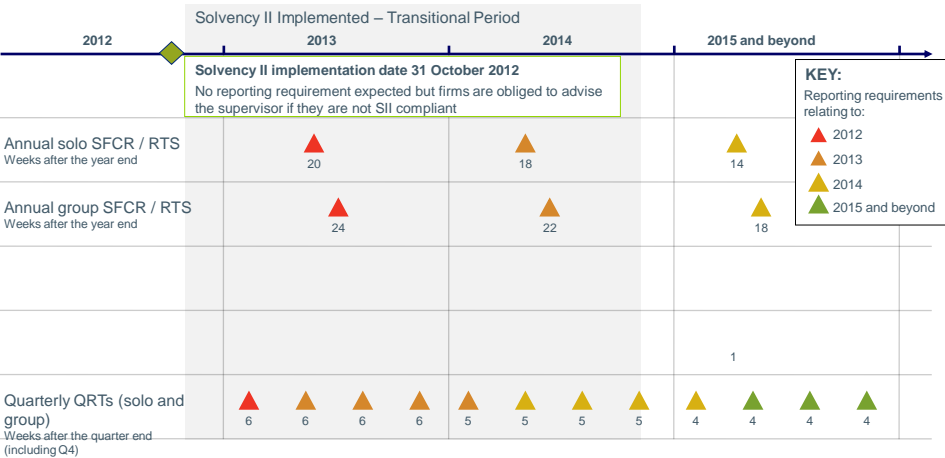
Information should:

- be relevant, reliable and comprehensible;
- reflect the nature scale and complexity of the business of the undertaking concerned; and
- be accessible, complete in all material respects comparable and consistent over time.

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# External Reporting: Timetable for the new reporting

## CEIOPS final advice on reporting and disclosure



Assumption: firm has a financial year end of 31 December

\* \* Note that there is a EU proposal which is being discussed to change the effective implementation date of Solvency II from 31 October 2012 to 1 January 2013 . This will have an impact on the timeline above

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# External Reporting: Content of the SFCR and RTS

## High level structure proposed by CEIOPS



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## Reporting – Practical Considerations

- Extensive disclosure
- Frequency and timing of reporting
- Dependent on Solvency II activities
- Impact on systems
- Sensitive information
- Senior management engagement
- Control, documentation and assurance
- Embed risk and capital management metrics and culture

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## Typical activities for SII Reporting Workstreams

### Activities

- Produce Internal and external reporting templates
- Produce business requirements
- Produce documented end to end financial reporting process
- Provide oversight of the end-to-end solution
- Support User Acceptance Testing (UAT) for automated reports
- Perform parallel runs

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## Typical activities for SII Reporting Workstreams

### Issues

- Resourcing and budget
- Scope and dependencies on other workstreams
- Interaction with other projects in place
- Interaction and synergies with other reporting bases (eg IFRS, MCEV, Group Reporting)
- Impact of financial reporting development (eg IFRS Phase II)
- Impact of IMAP process

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## Wrap Up

- Extensive but value added reporting
- Key deliverable - reporting brings all the SII activities together
- Practical considerations around SII Reporting activities and the integration with the wider programme

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## Questions and answers

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