



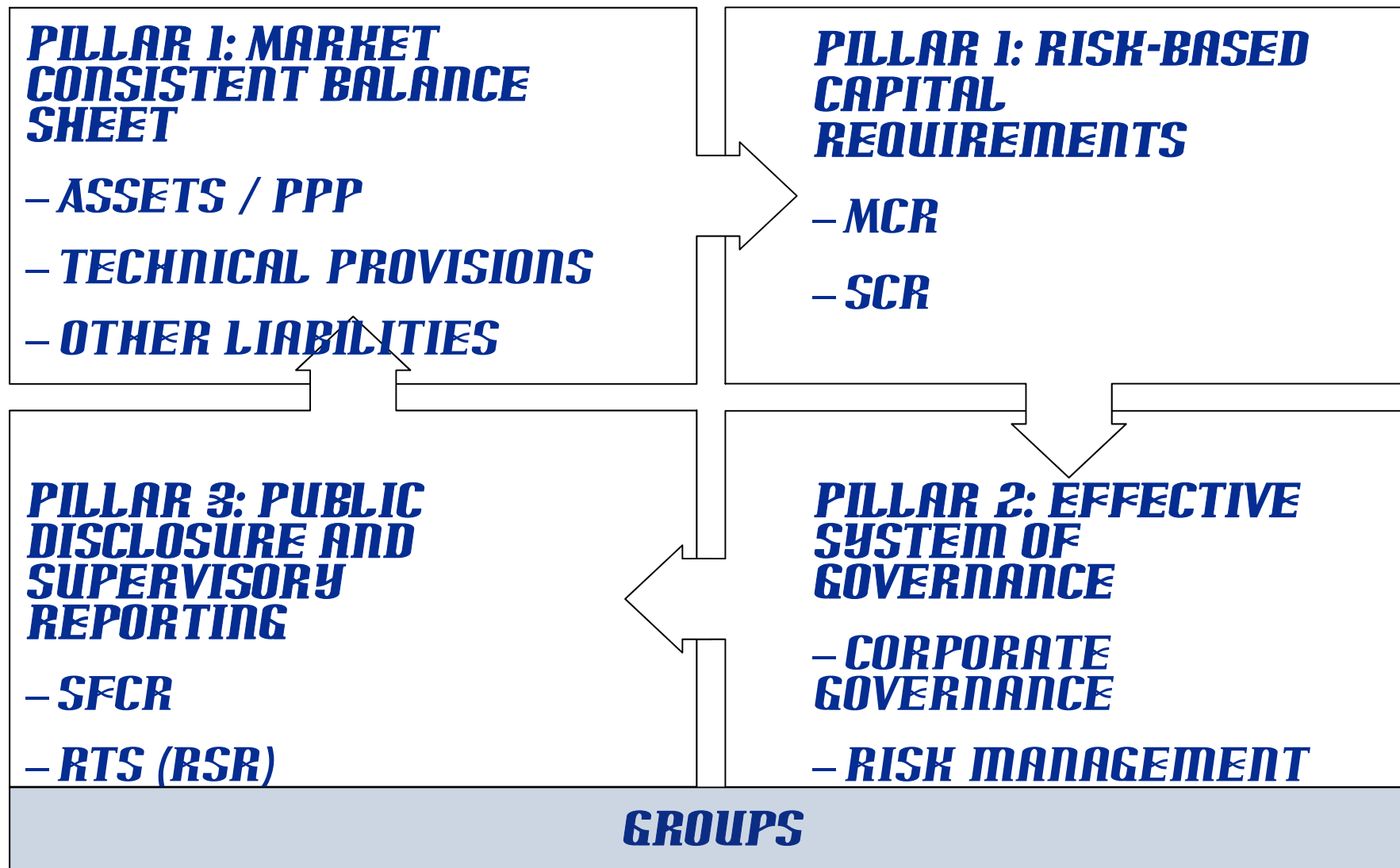
STATE OF THE MARKET VERSUS SOLVENCY 2 PREPAREDNESS

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- **STATE OF THE MARKET**
 - **CURRENT ACTIVITIES AND VIEW ON PREPAREDNESS**
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Solvency 2 – Key Principles



State of the Market

WORKSTREAM	LEVEL OF ACTIVITY
PILLAR 1 / QISS	DELIVERY / IMPLEMENTATION
IMAP / INTERNAL MODEL	PLANNING DELIVERY / DESIGN / DEVELOPMENT
PILLAR 2	PLANNING / DESIGN
PILLAR 3	PLANNING
GROUPS	PLANNING / DESIGN

State of the Market

WORKSTREAM	RISK MANAGEMENT INVOLVEMENT
PILLAR 1 / QIS5	<ul style="list-style-type: none"> • THINK BEYOND THE NUMBERS • UNDERSTAND THE BUSINESS “UNDER S2”
IMAP / INTERNAL MODEL	<ul style="list-style-type: none"> • OWNERS OF A NUMBER OF INTERNAL MODEL AREAS - KEY ROLE
PILLAR 2	<ul style="list-style-type: none"> • RISK MANAGEMENT • ORSA
PILLAR 3	<ul style="list-style-type: none"> • SIGNIFICANT ANNUAL PILLAR 2 DISCLOSURES ESPECIALLY AROUND RISK
GROUPS	<ul style="list-style-type: none"> • “SOLVENCY II REFINANCING” RISK PROFILE AND GROUP-WIDE RISKS

Current Issues

- **CULTURE**
- **CORPORATE GOVERNANCE AND RISK MANAGEMENT**
- **ORSA**
- **BREAKING DOWN SILOS**
- **DOCUMENTATION / POLICIES**
- **EMBEDDING / USE TEST**
- **CONSISTENT APPLICATION OF PILLAR 2 GROUP-WIDE**
- **MEETING REPORTING DEADLINES**
- **WORKING WITH THE REGULATORS**

Supervisory Expectation

- **RISK MANAGEMENT AT THE HEART OF THE BUSINESS**
- **FIRMS HAVE A CLEAR UNDERSTANDING OF THEIR RISKS AND CAN DERIVE AN APPROPRIATE RISK-BASED CAPITAL REQUIREMENT**
- **ORSA IS A 'VIEW FROM THE TOP'**
- **INTERNAL MODEL IS MORE THAN A 'CALCULATION KERNEL'**
- **ABILITY TO WITHSTAND POSSIBLE EVENTS OR FUTURE CHANGES IN ECONOMIC CONDITIONS**

- **COMPLIANCE WITH THE REQUIREMENTS...BUT FUNDAMENTALLY MORE THAN THIS AS LINKS TO BEHAVIOURS**

Questions

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