

Solvency II Survey Findings

Group Supervision

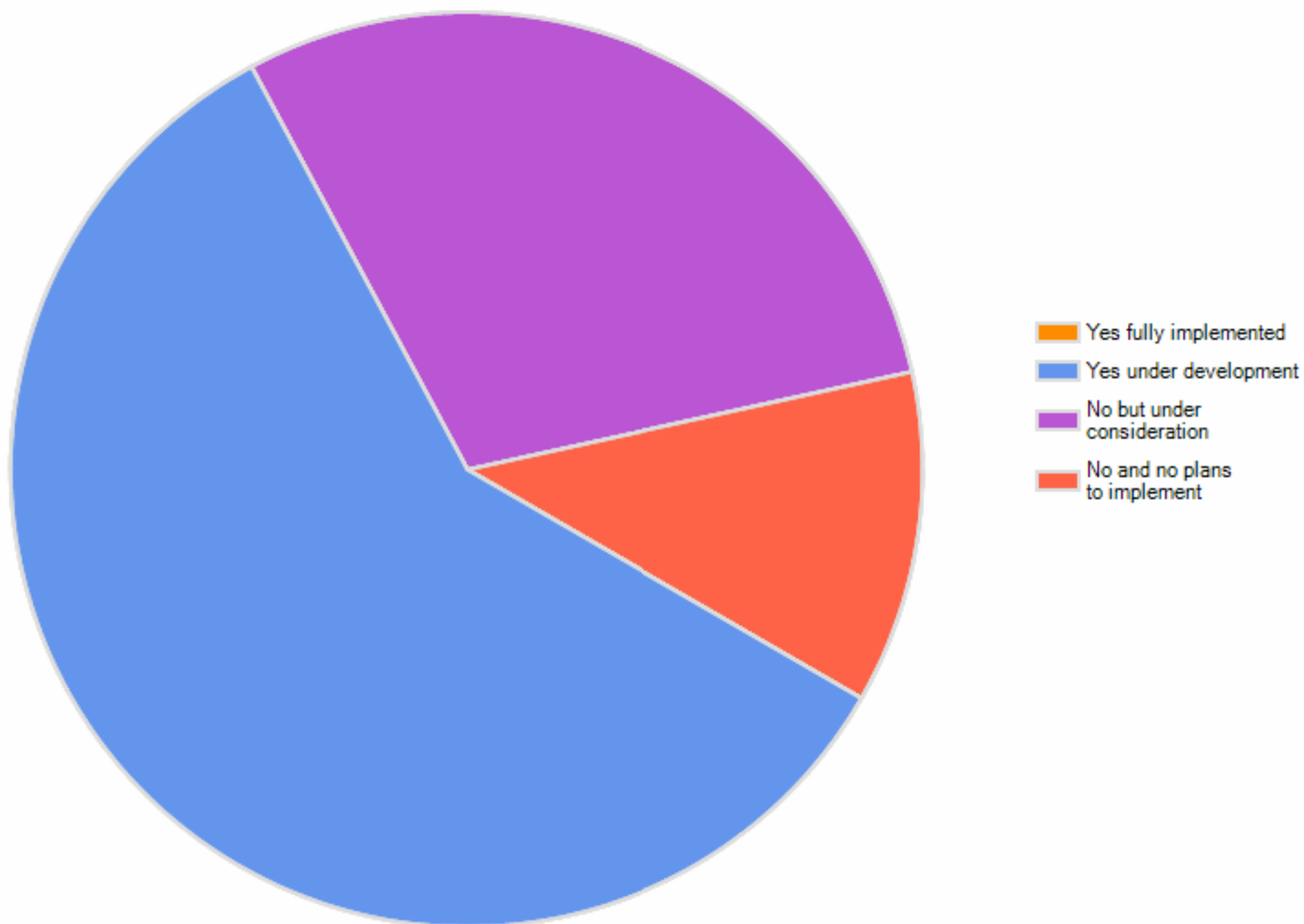
December 2010 SIG

(17 Participants)

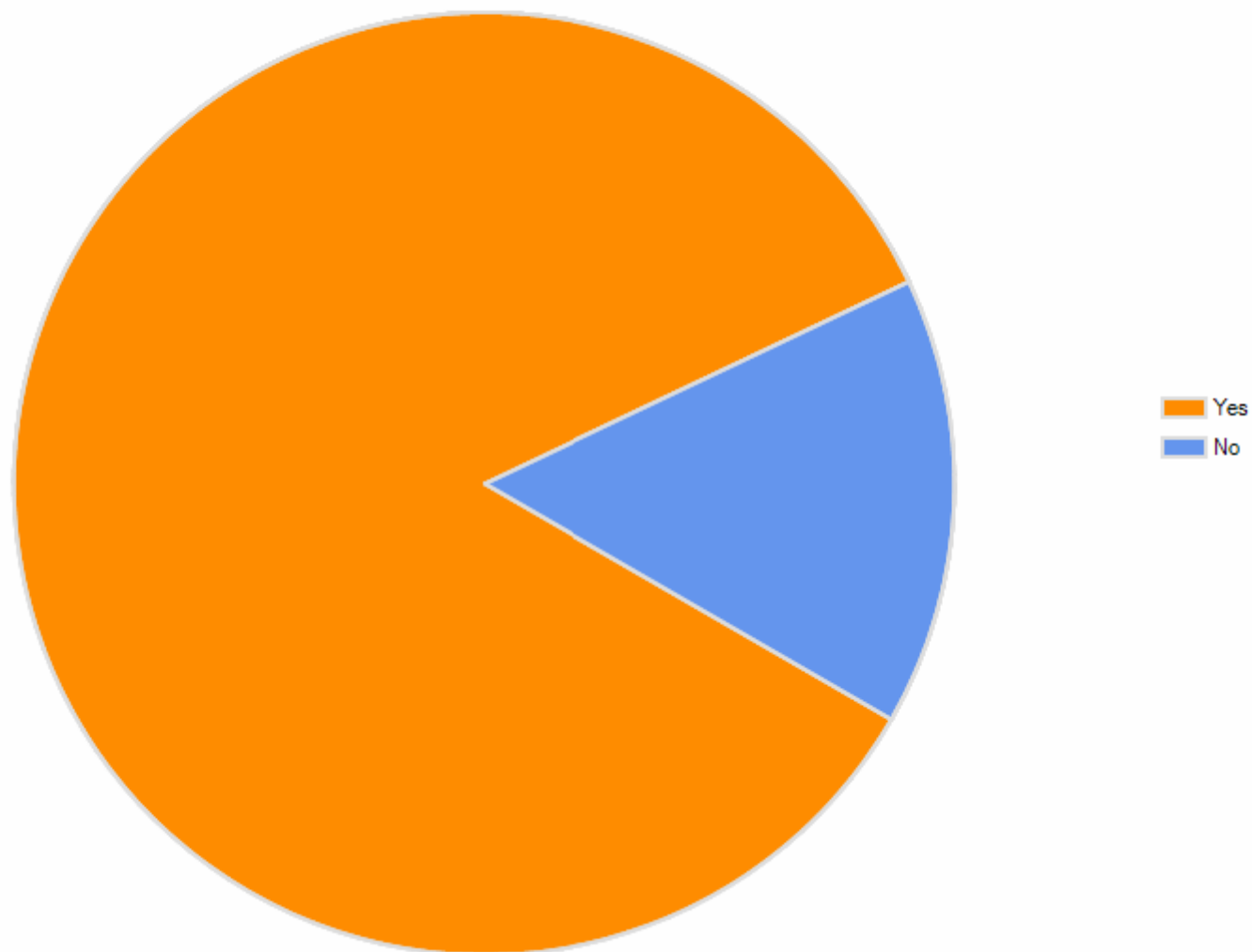
Summary

- IRM Solvency II SIG completed an online survey on the preparedness of organisations to address Group Supervision as an issues and the key challenges
- Key aspects considered included
 - Strategies adopted
 - Impact anticipated
 - Work done to date
 - Board engagement in the issue
 - Clarity on who group supervisors may be
 - Challenges faced in addressing the issue as a whole
- With thanks to KPMG for their assistance in constructing this survey

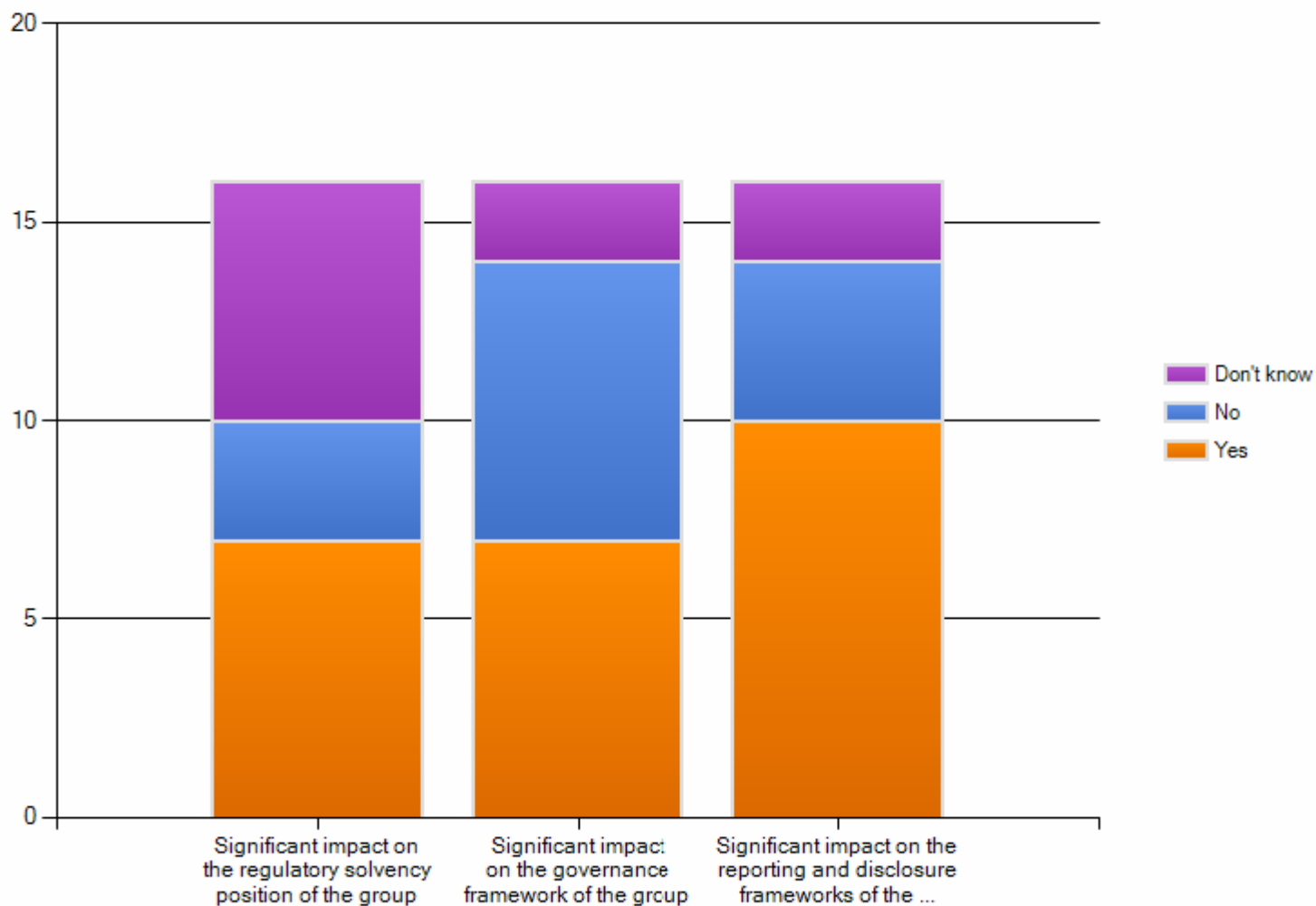
1(a) Do you have a clear strategy for addressing Group Supervision under Solvency II?



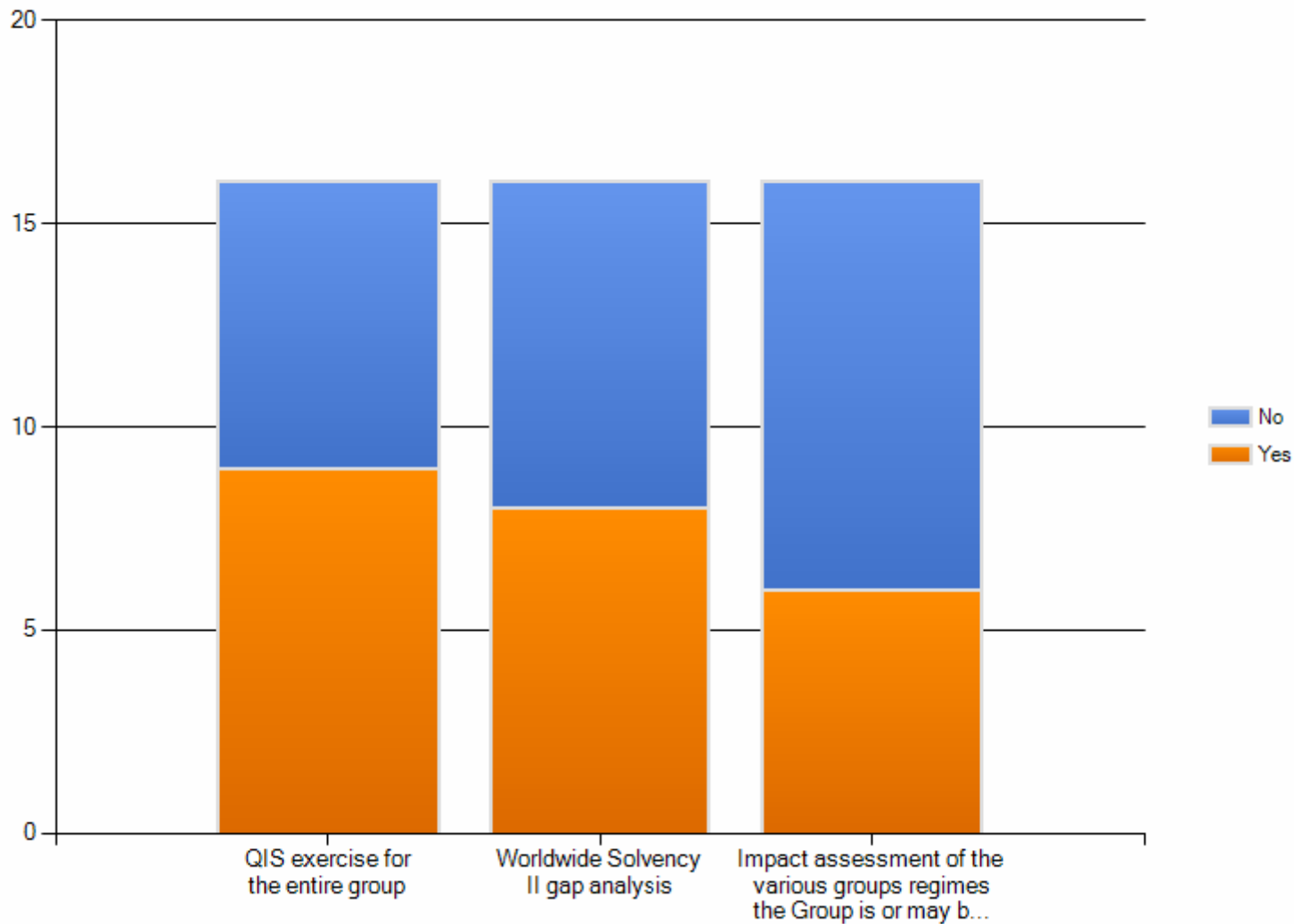
1(b) If so, for non EEA head quartered groups, does this strategy cover EEA sub group and the approach to the worldwide group supervision aspects?



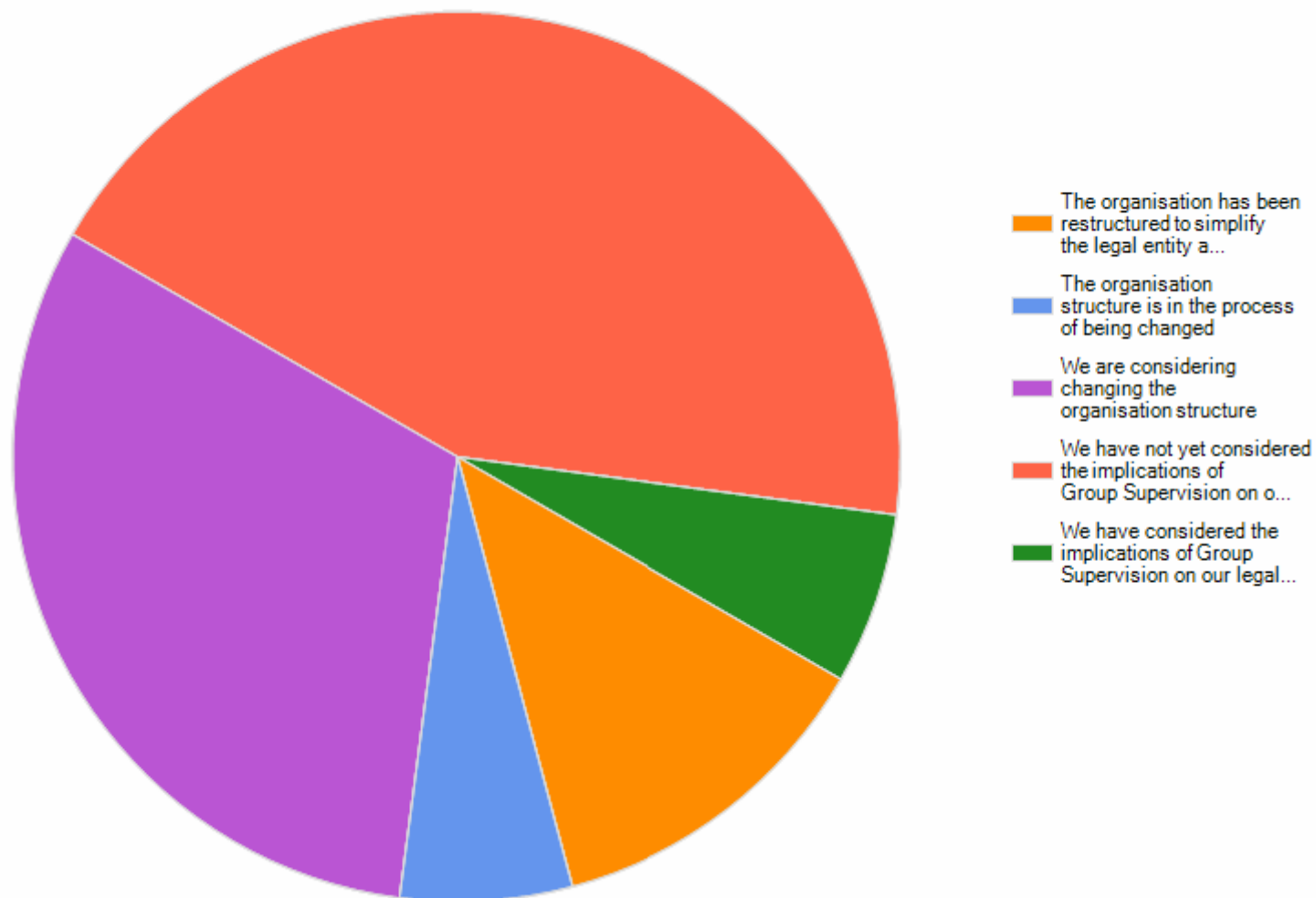
2(a) What is the impact of Group Supervision under Solvency II on your organisation?



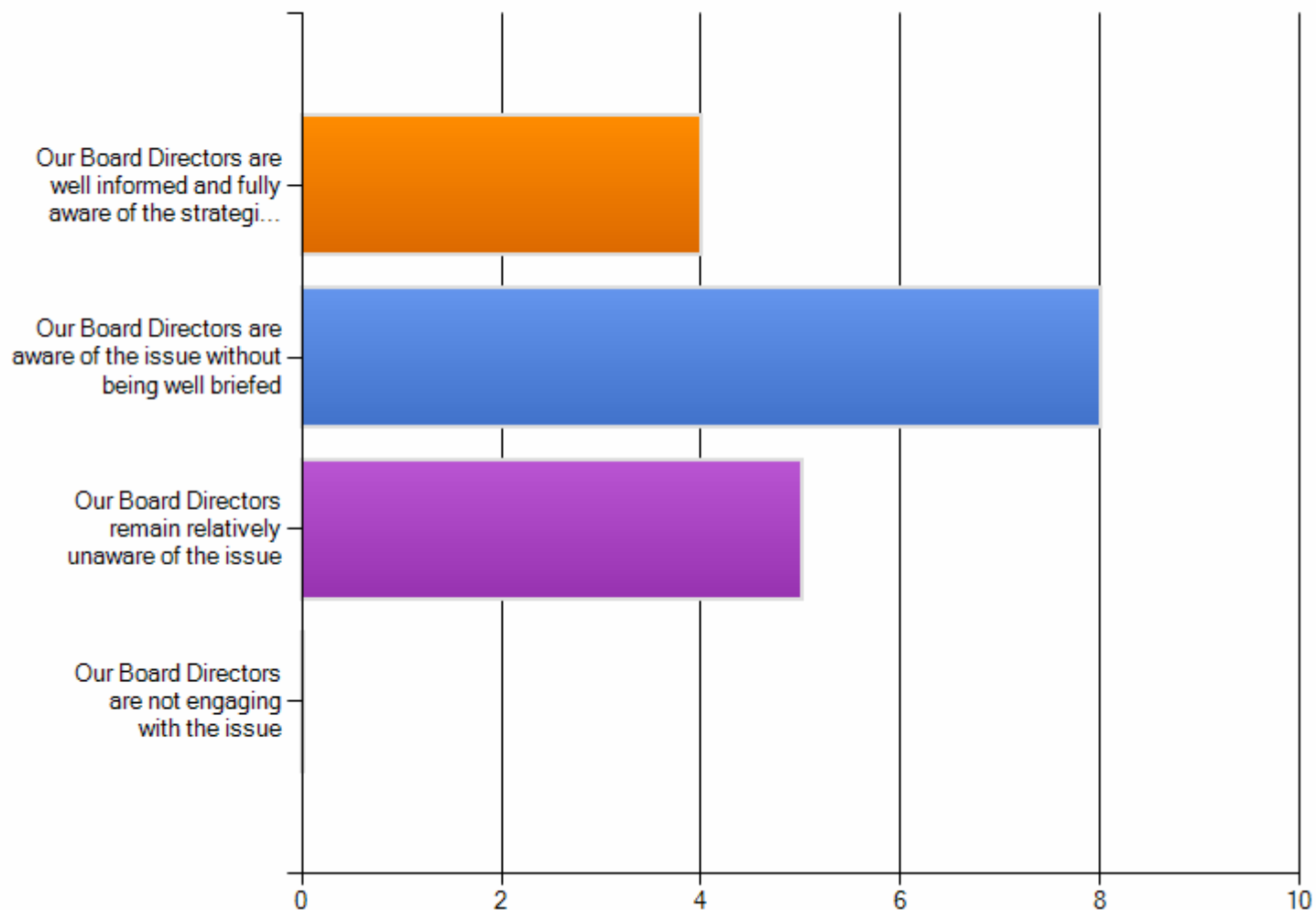
2(b) What work has the group done to assess the impact?



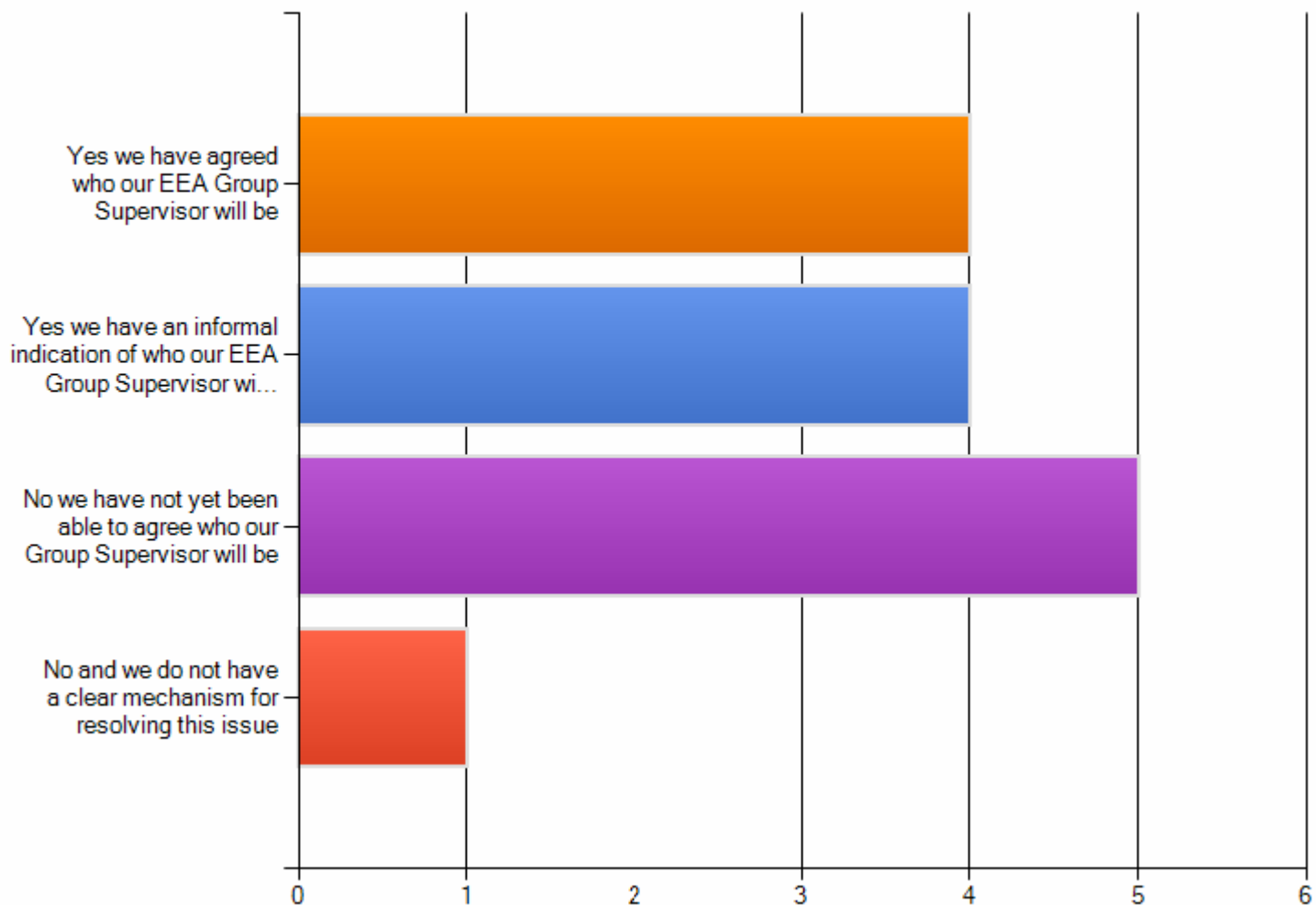
3. To what extent has your organisation pro-actively addressed the potential challenges of Group Supervision by reviewing and changing legal entity, holding company, capital and operational structures?



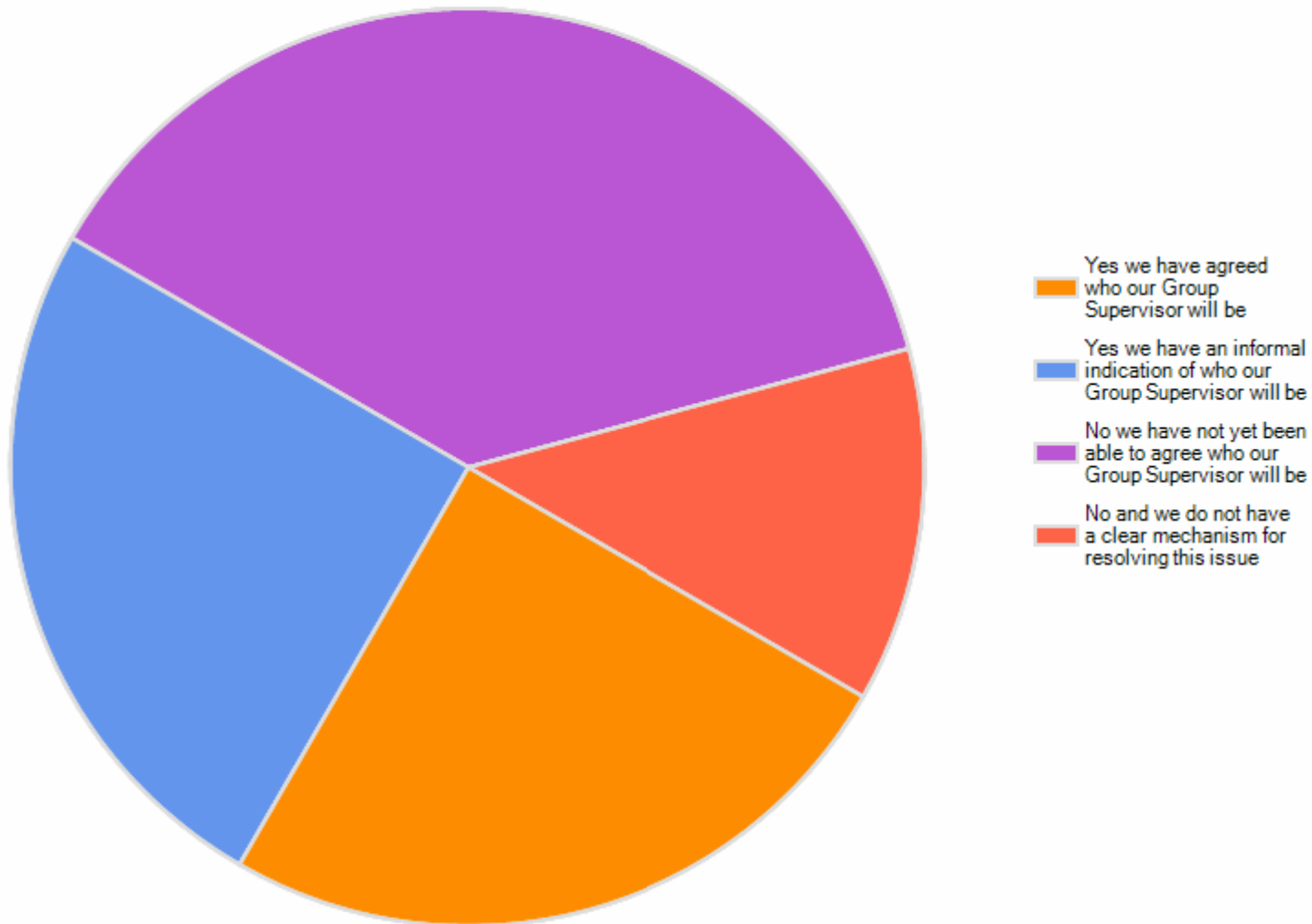
4. Do you believe your main / group Board Directors have an adequate understanding of the implications of Group Supervision?



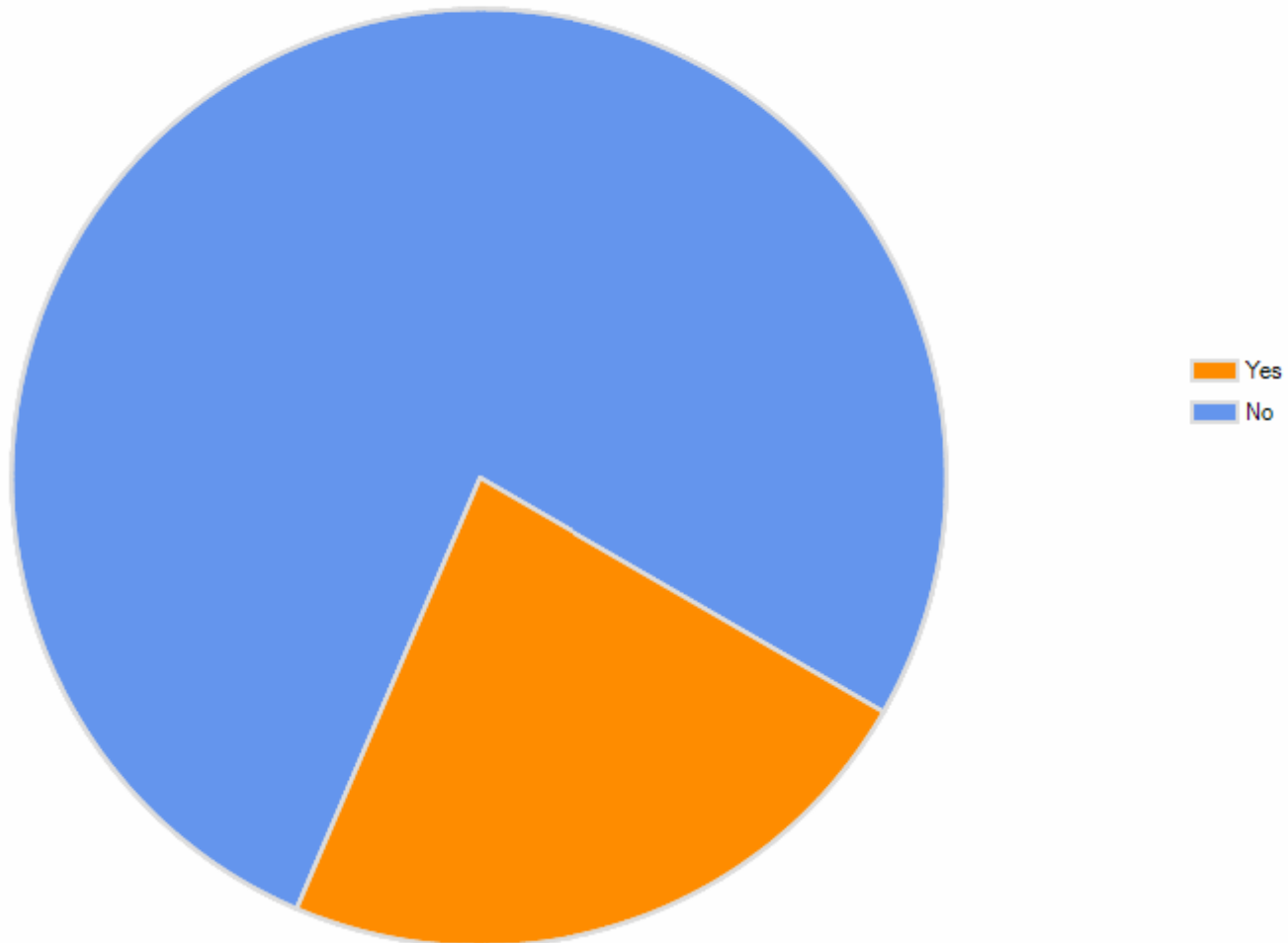
5(a) Do you have clarity as to which regulator will be your Group Supervisor in the EEA under Solvency II?



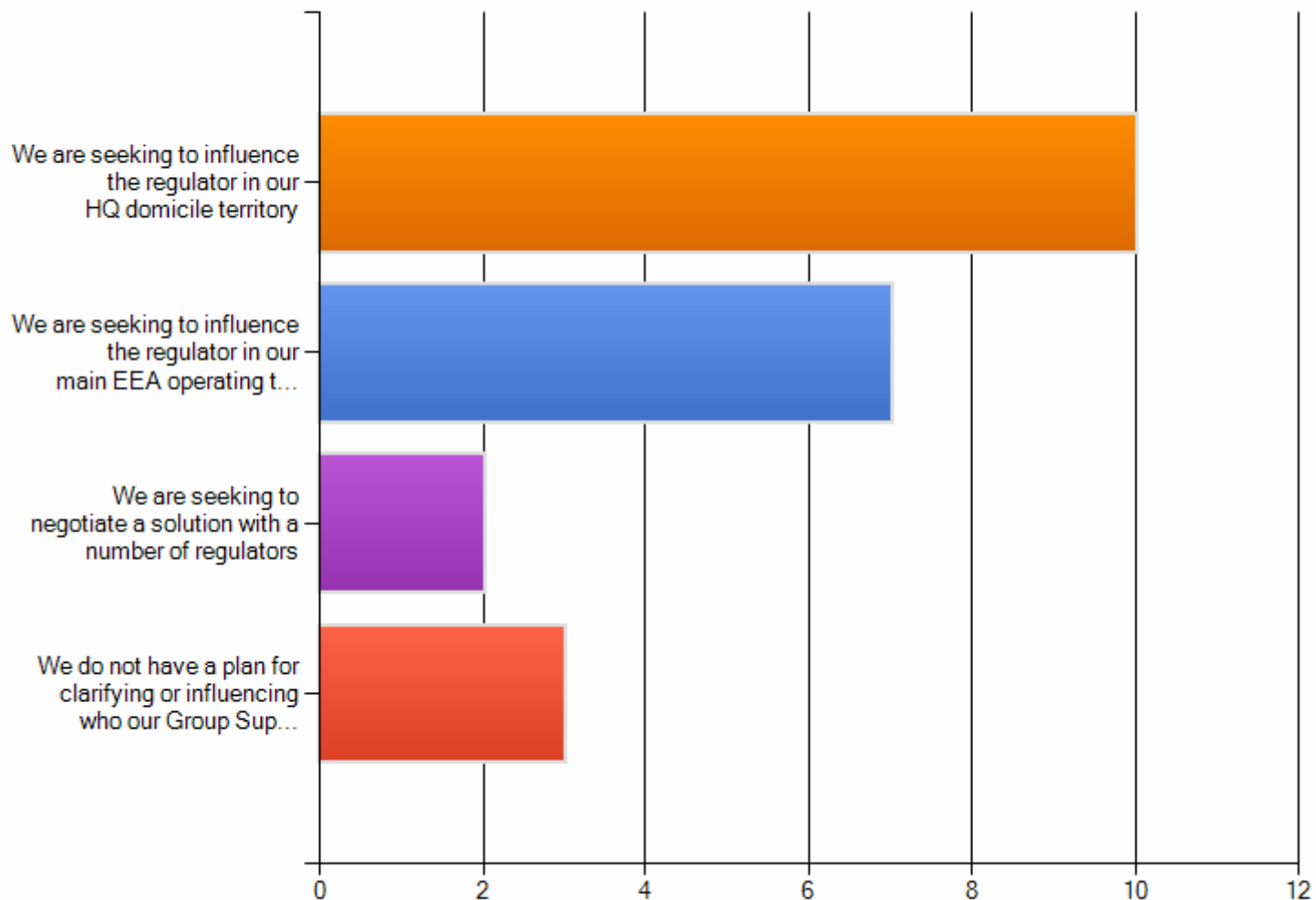
5(b) (For non EEA groups) Do you have clarity as to who will be your worldwide group supervisor outside the EEA?



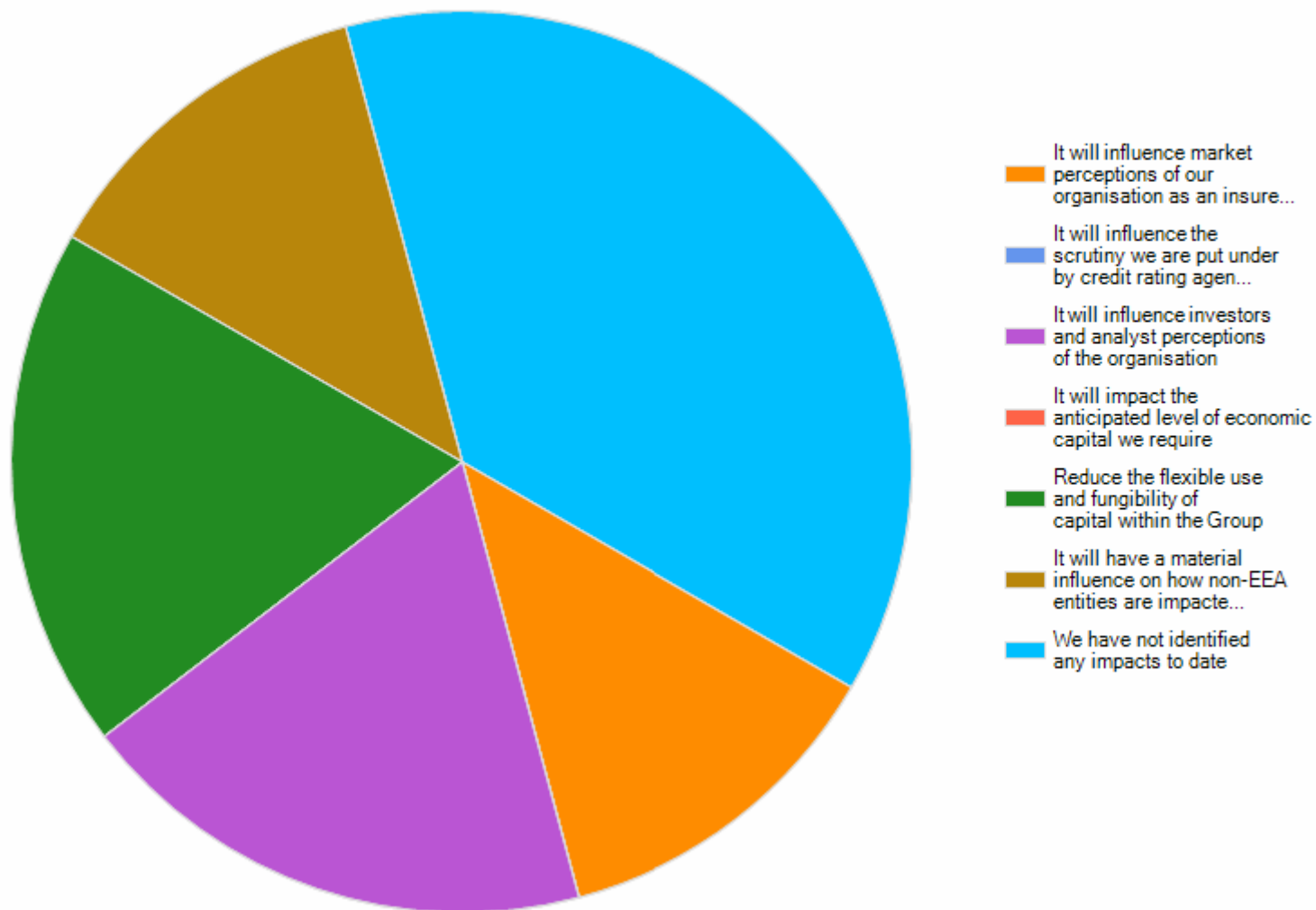
5(c) Have you established with the EEA Group supervisor what will be the approach to assessing worldwide group risk on the EEA operations ie whether the EEA supervisor will seek to enforce the full ambit of Solvency II to the worldwide group under Article 262, in the absence of equivalence, or to adopt "other methods" in order to make this assessment?



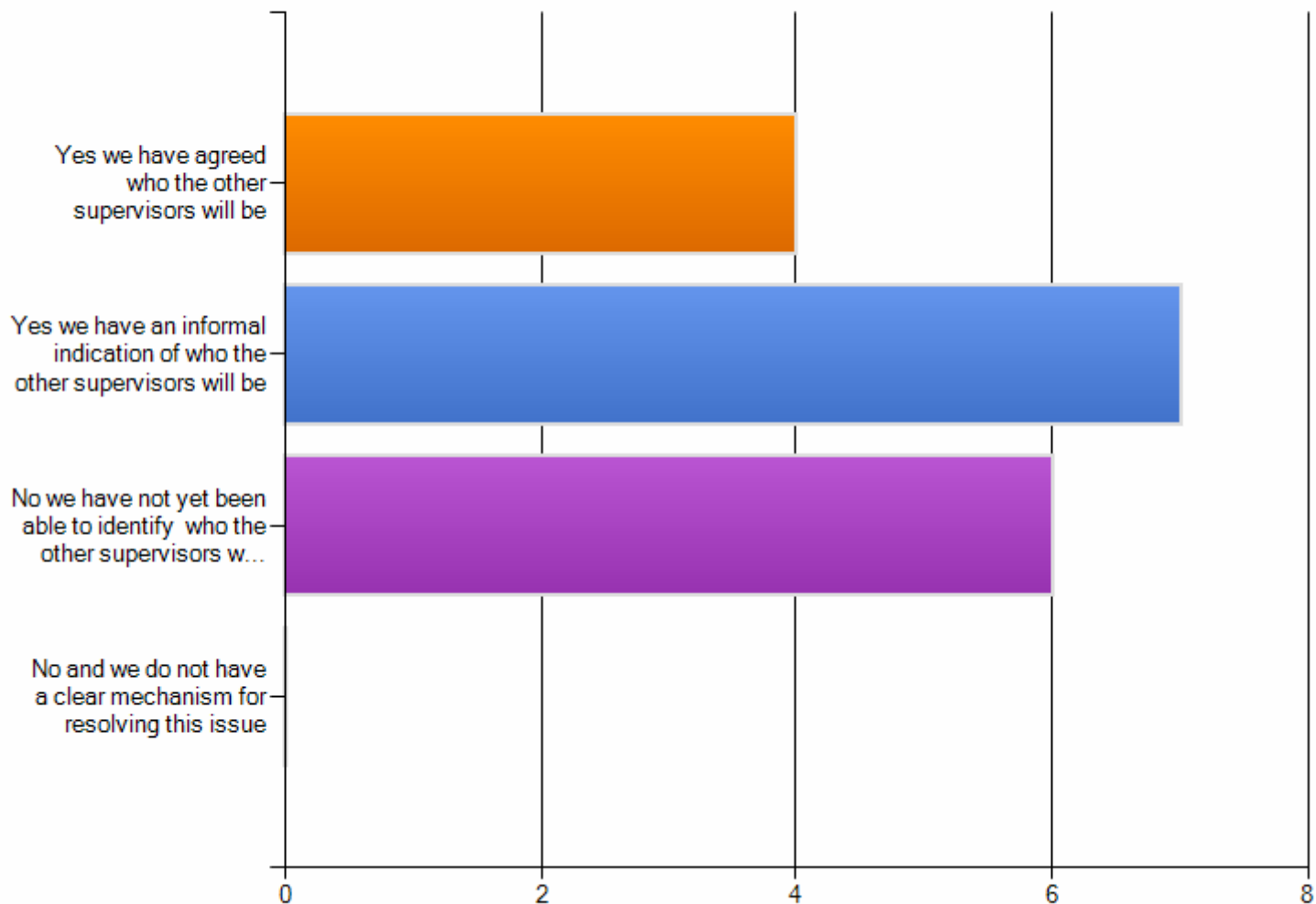
**5(d)How are you planning to go about clarifying who will be your Group Supervisor?
PICK AS MANY AS RELEVANT**



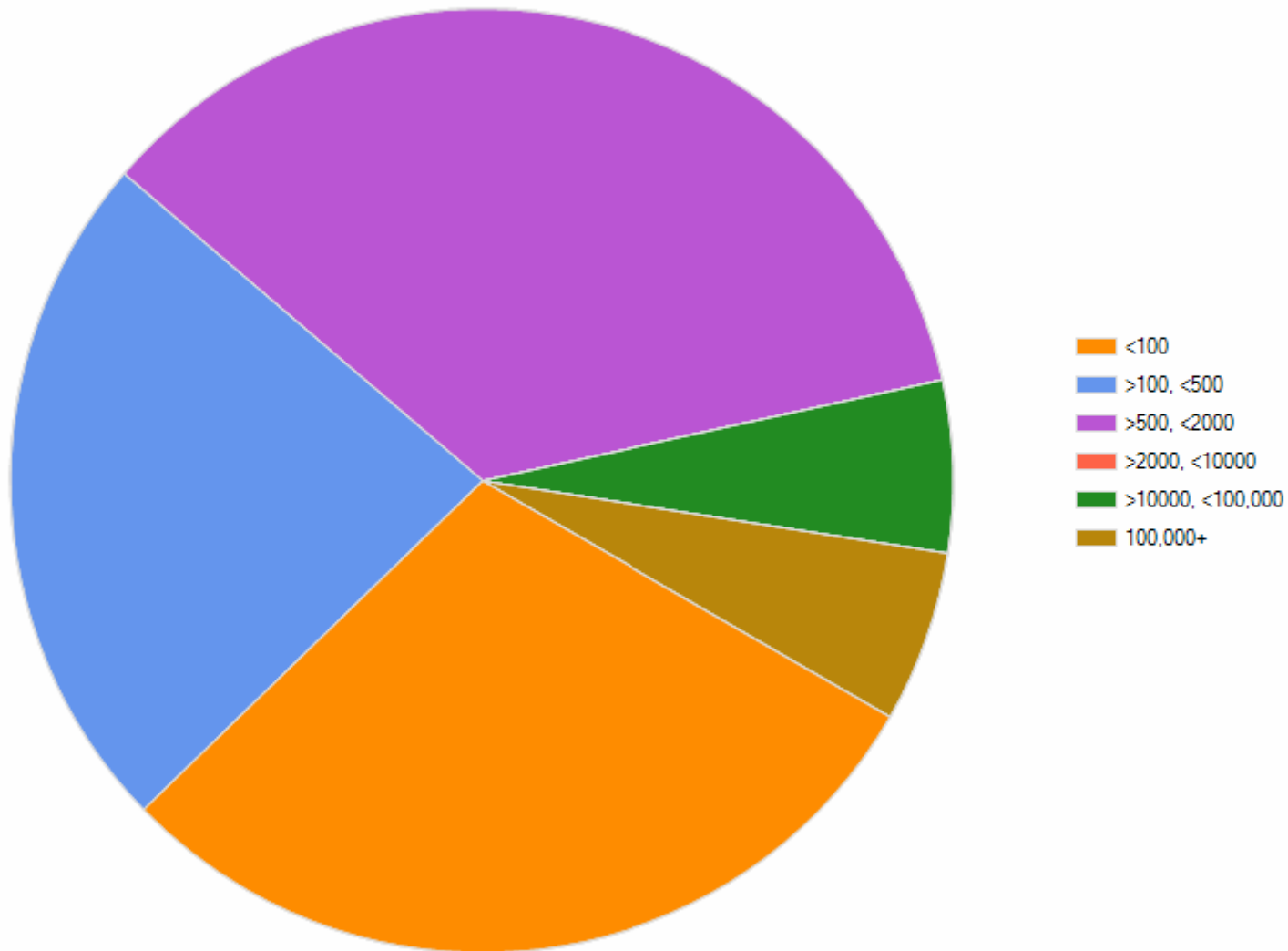
6. What does your organisation perceive is the impact on your organisation of who your Group Supervisor will be?



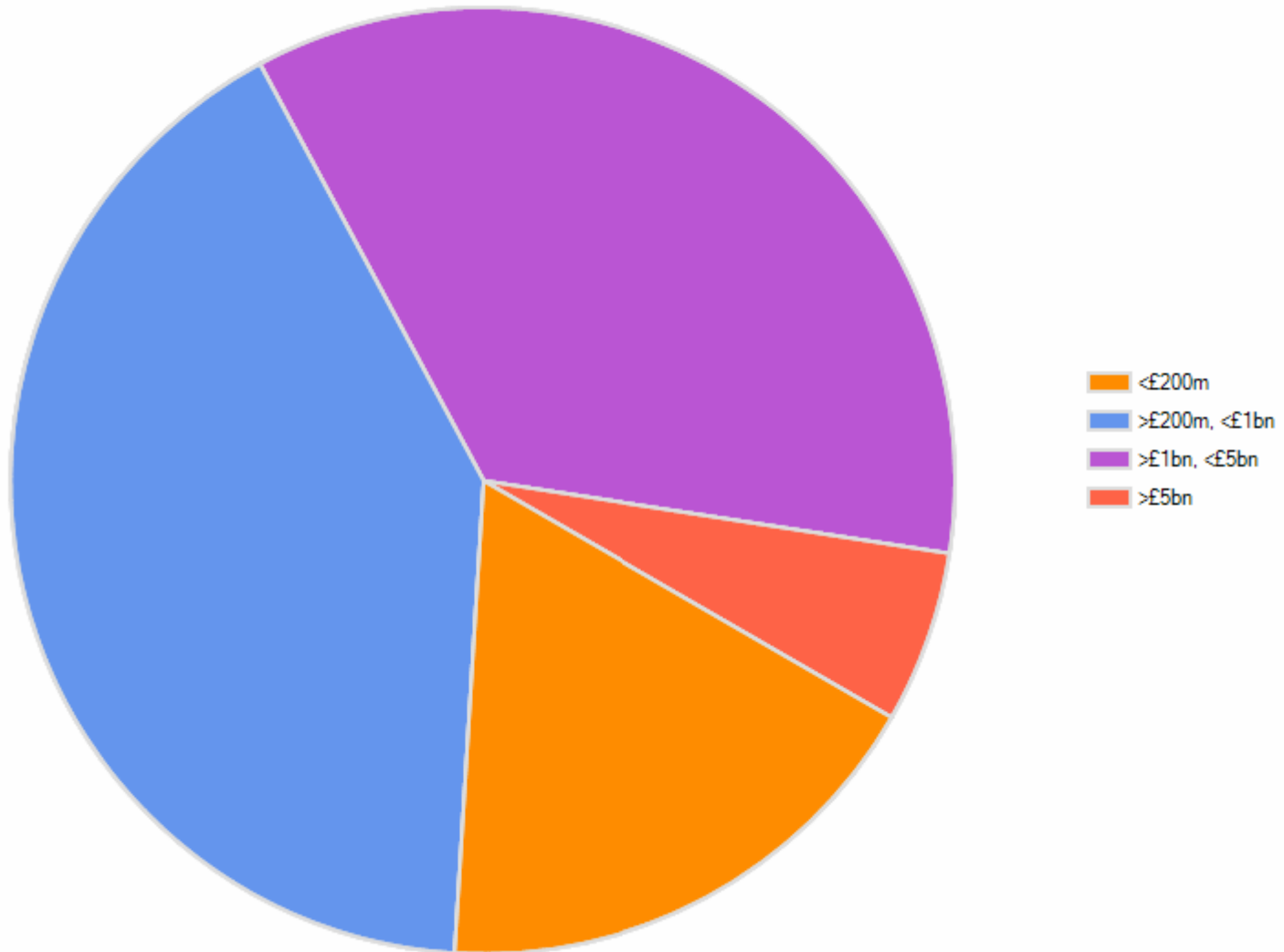
7. Do you have clarity on how many other supervisors you will need to engage with under Solvency II?



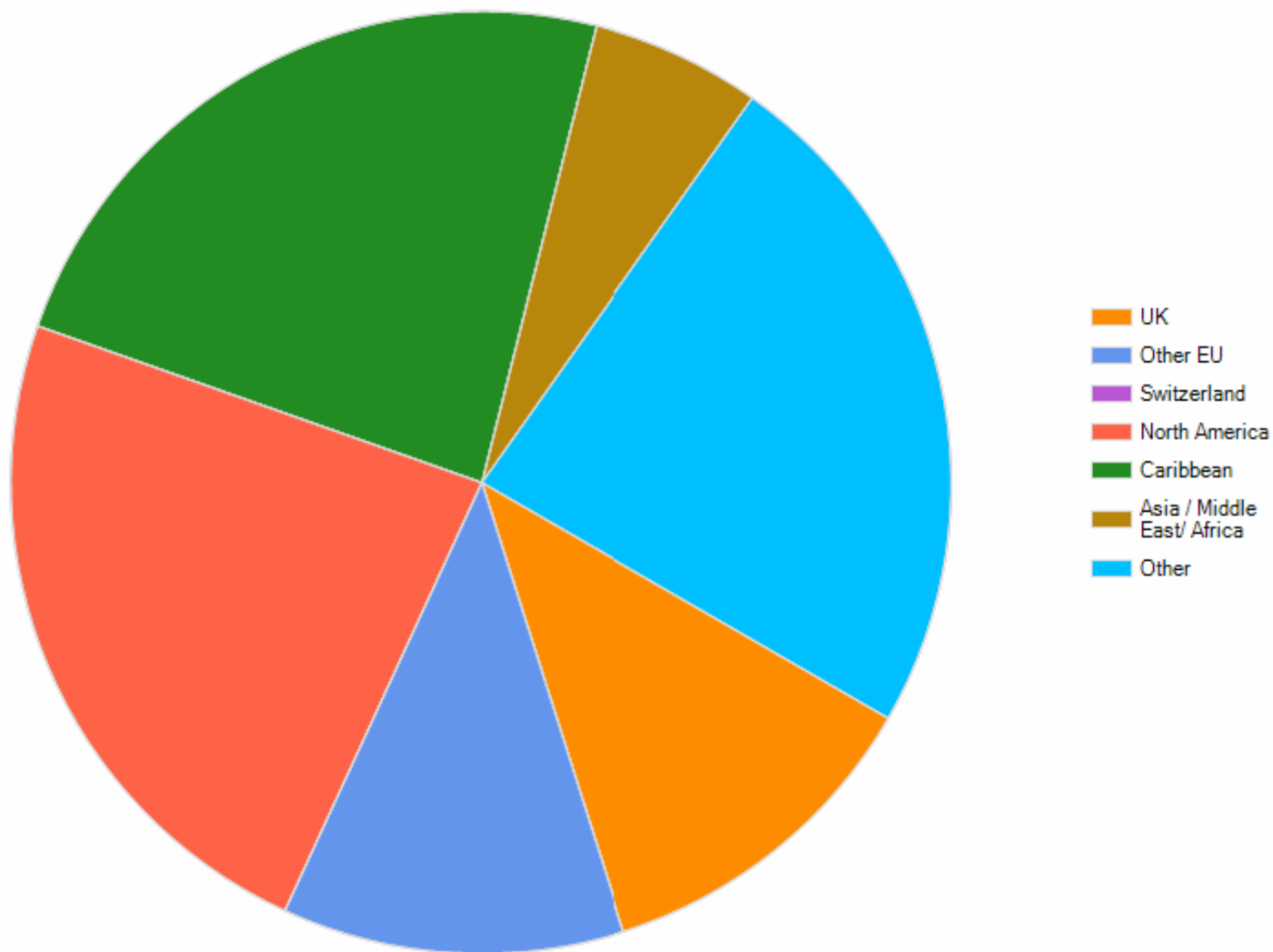
8. Organisation headcount



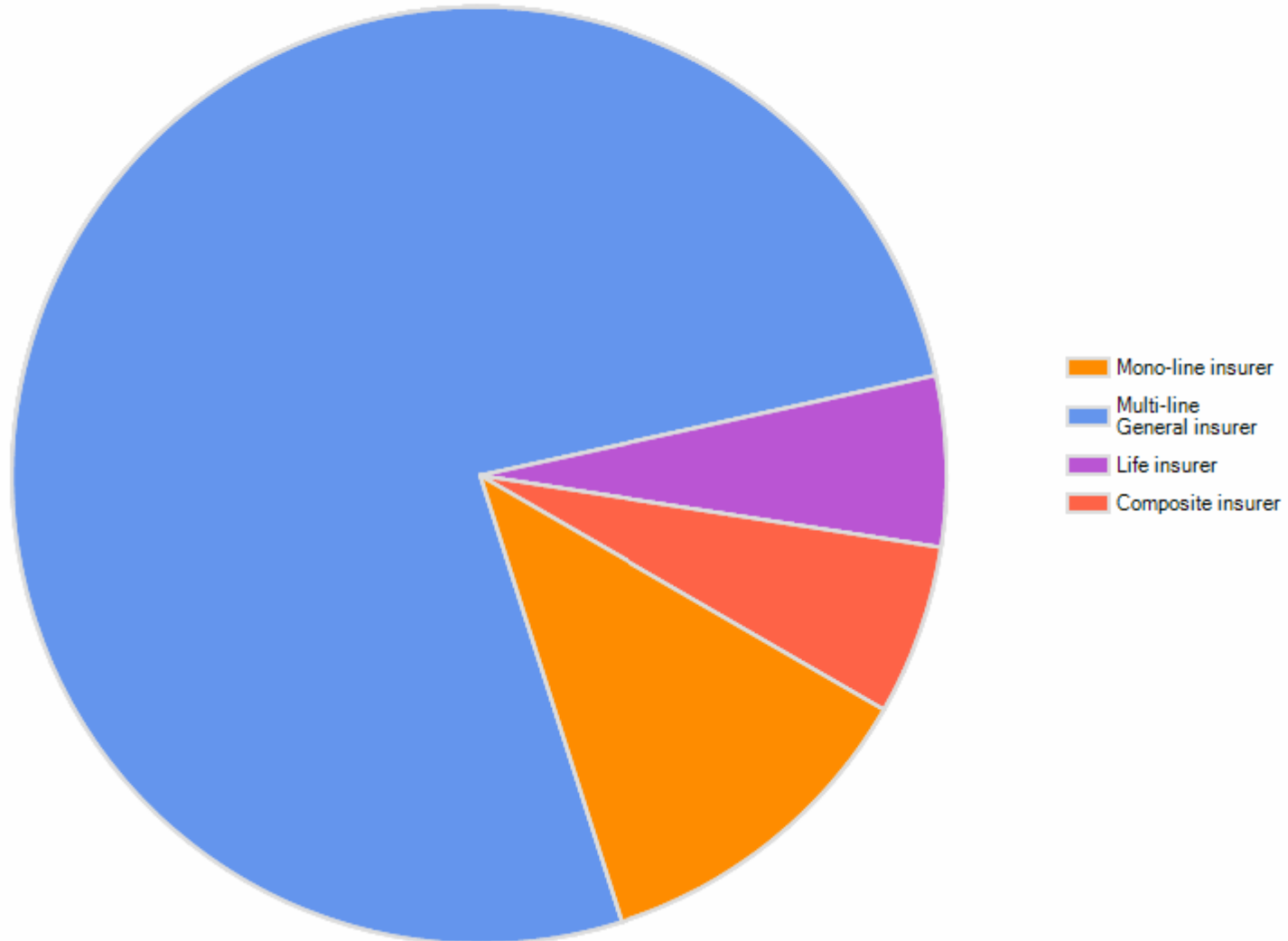
9. Organisation turnover



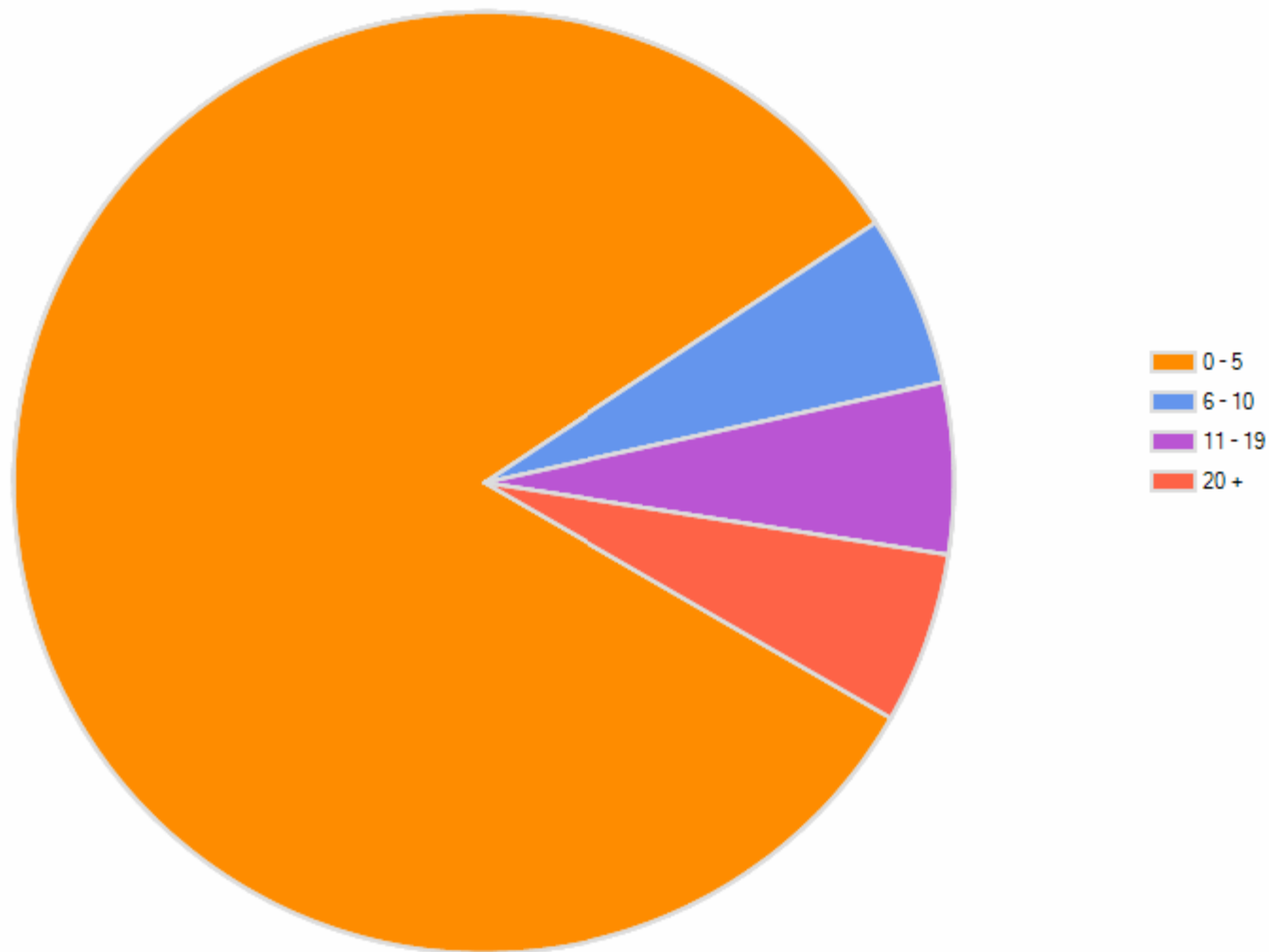
10. Domicile of organisation's overall Headquarters



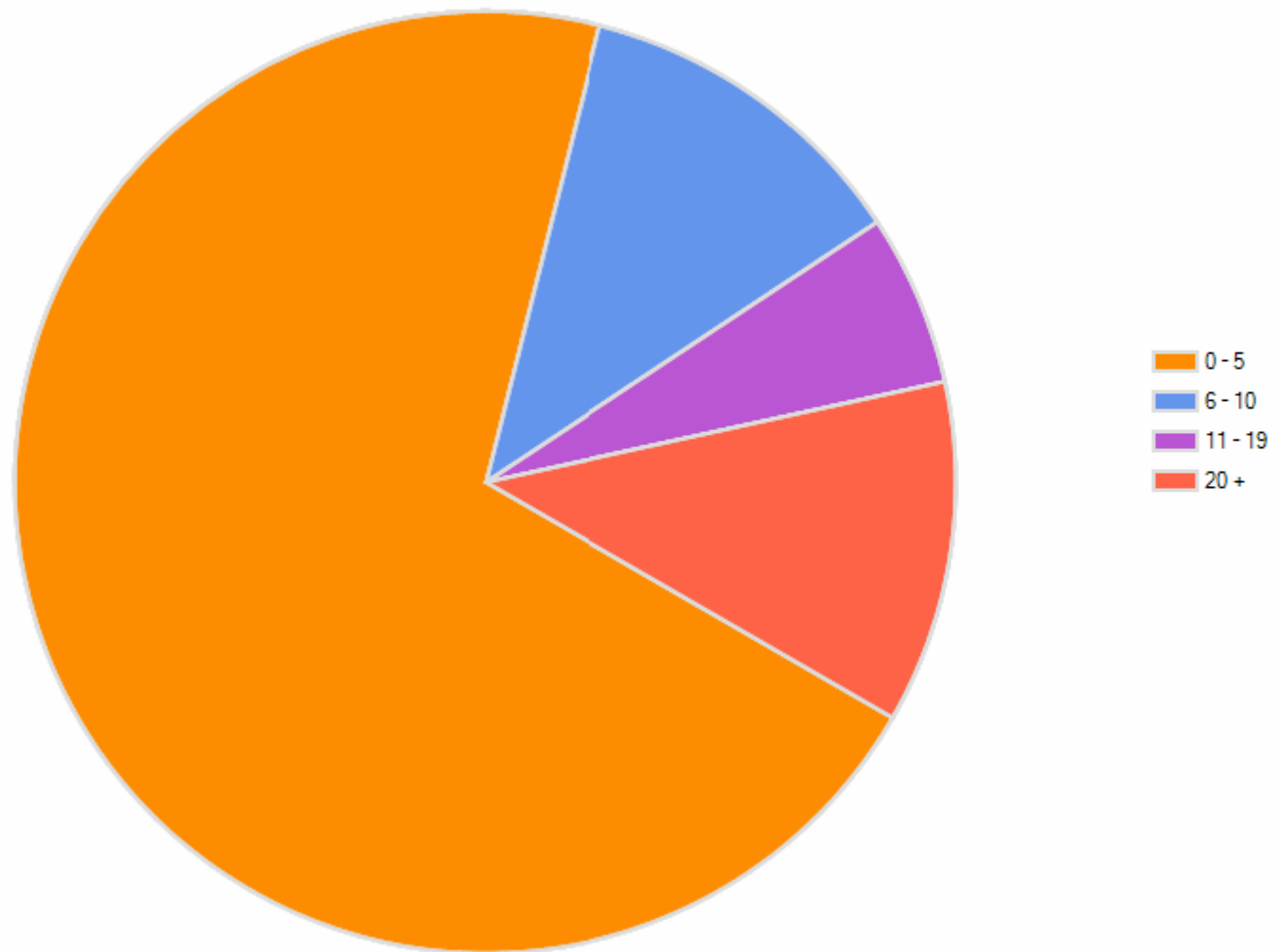
11. Primary type of business



12. Number of regulated insurance and reinsurance companies within the EEA



13. Number of regulated insuranceers and reinsurance companies outside the EEA



Conclusions

- Overall conclusion – there is much to do and not much time to address it, organisations impacted by this issue need to do more
- Strategies for addressing group supervision are ‘work in progress’
- Biggest impact is seen to be on regulatory reporting
- Main work done to date involve QIS5 and gap analyses
- Only 18% of the survey have or are changing their legal structure to address this issue. For most this remains in the ‘in tray’
- Most Boards appear to be aware of the issue without necessarily being fully brief and ready to respond
- The sample is evenly split between those who know who their Group Supervisor will be, those with an informal indication and those not at all clear
- 59% wish to influence their choice of supervisor
- 19% see an impact on investor perceptions and fungibility of capital, but 38% still do not fully understand the impact of choice of Supervisor on their business