

# Solvency II Survey Findings

## ERM and Rating agencies in Solvency II world

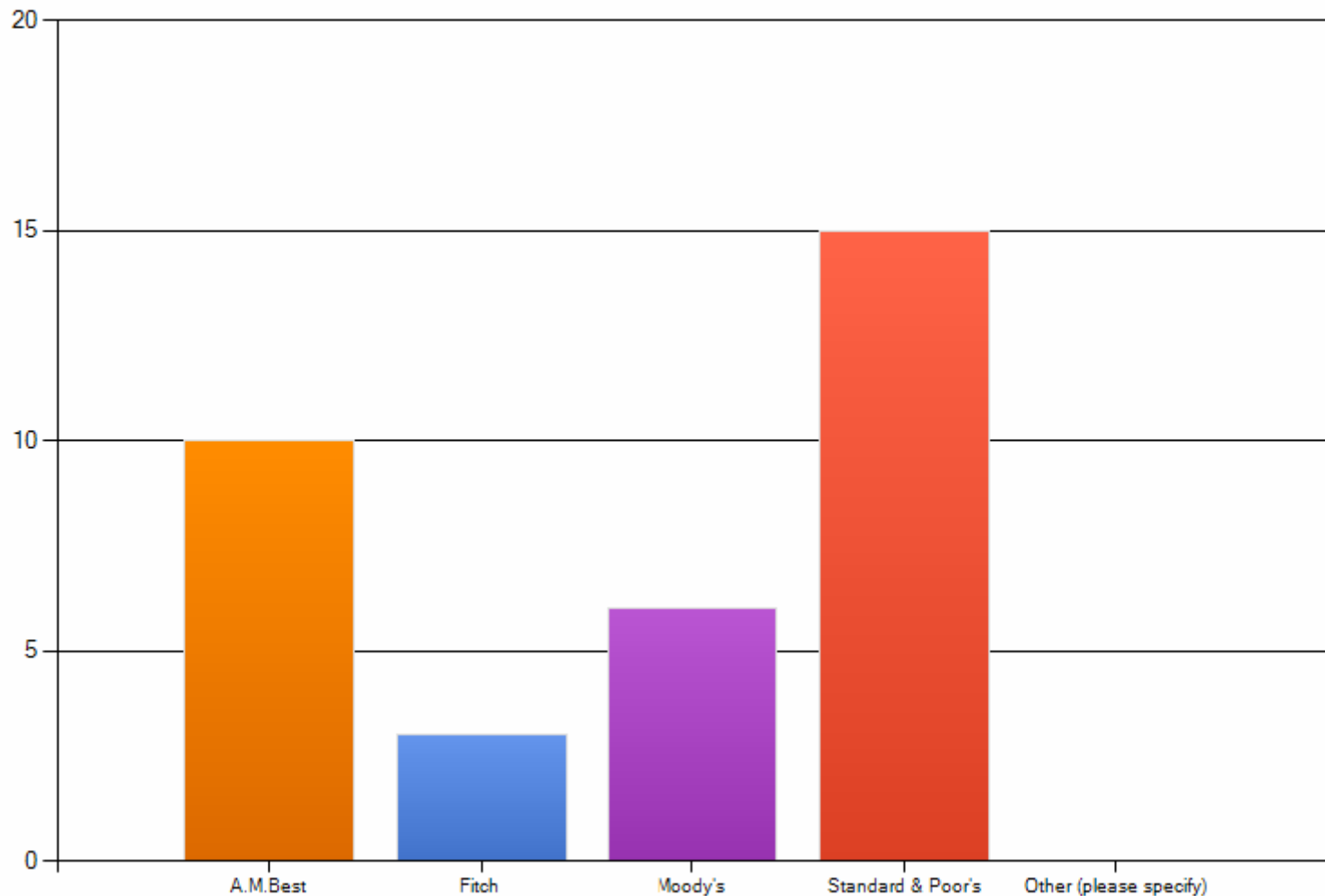
November 2010 SIG

(20 Participants)

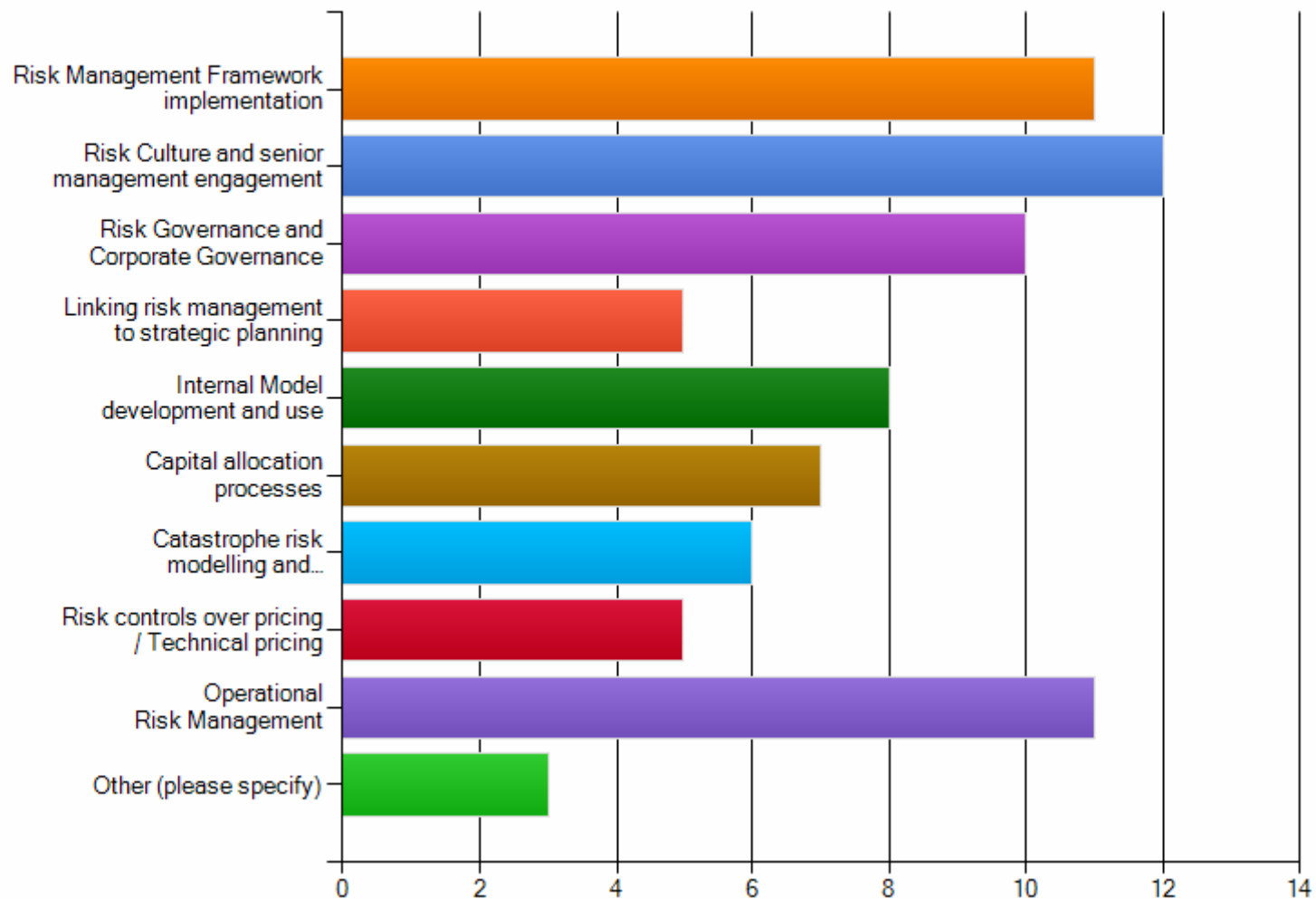
# Summary

- IRM Solvency II SIG completed an online survey of perceptions of rating agency evaluation of ERM in the Insurance sector given the context of Solvency II
- Key aspects considered included
  - Aspects presented to rating agencies
  - Key areas of focus of agencies
  - Strategies adopted to influence rating agencies
  - Value of guidance provided by agencies
  - Calibre of consultants deployed by agencies

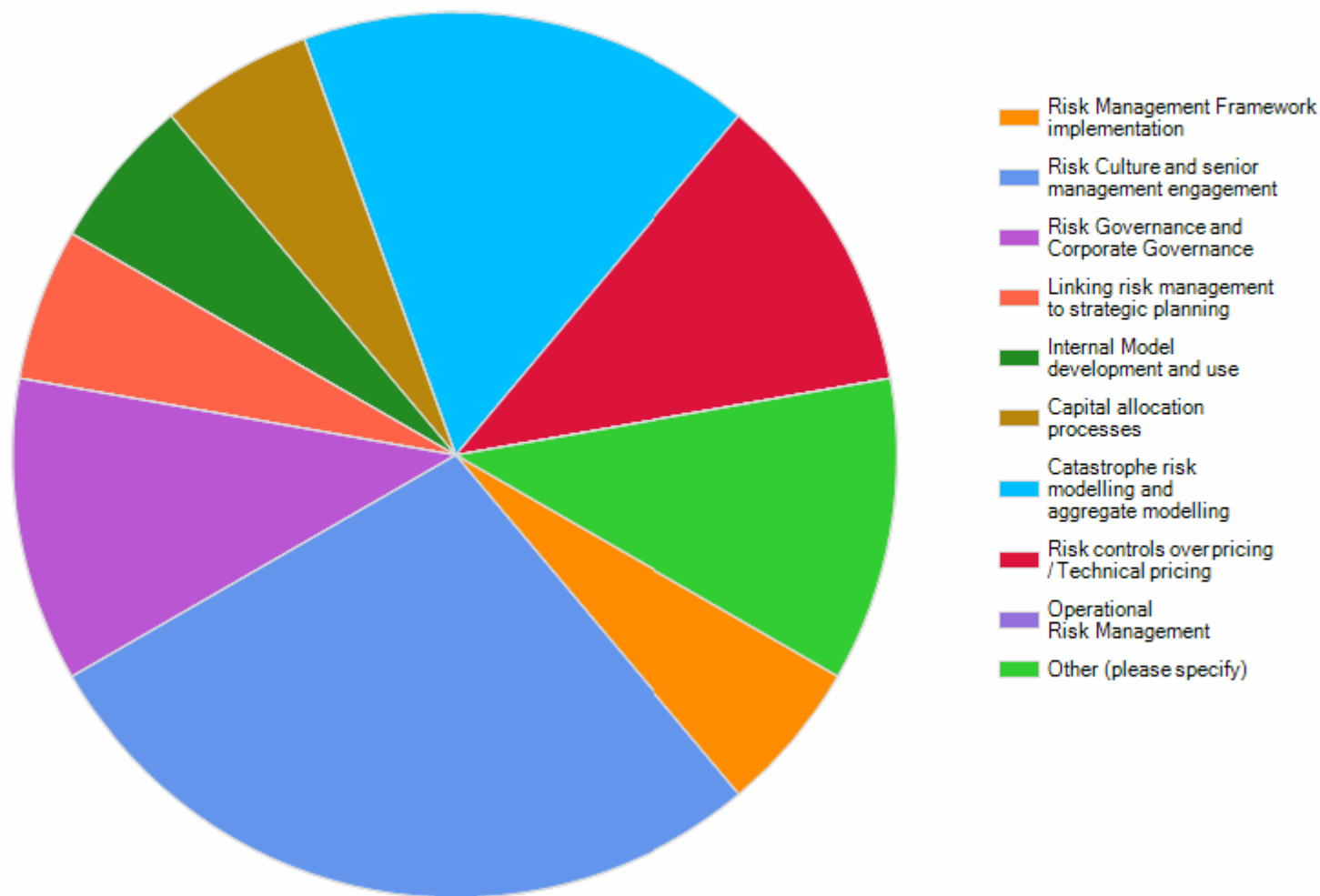
**Which rating agencies does your organisation have a rating from? PICK AS MANY AS RELEVANT**



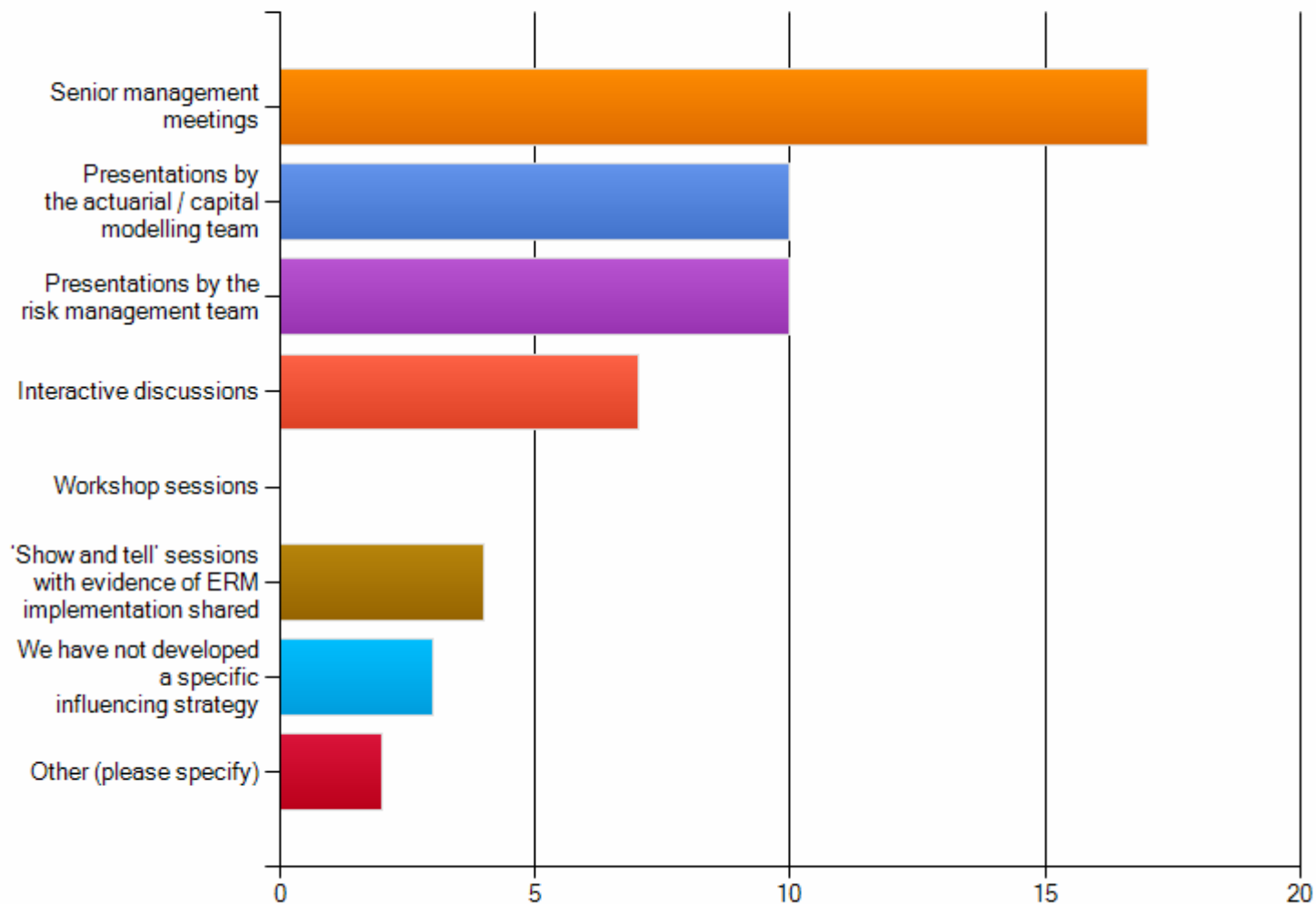
**What aspects of Enterprise Risk Management have rating agencies discussed during your recent review meetings? PICK AS MANY AS RELEVANT**



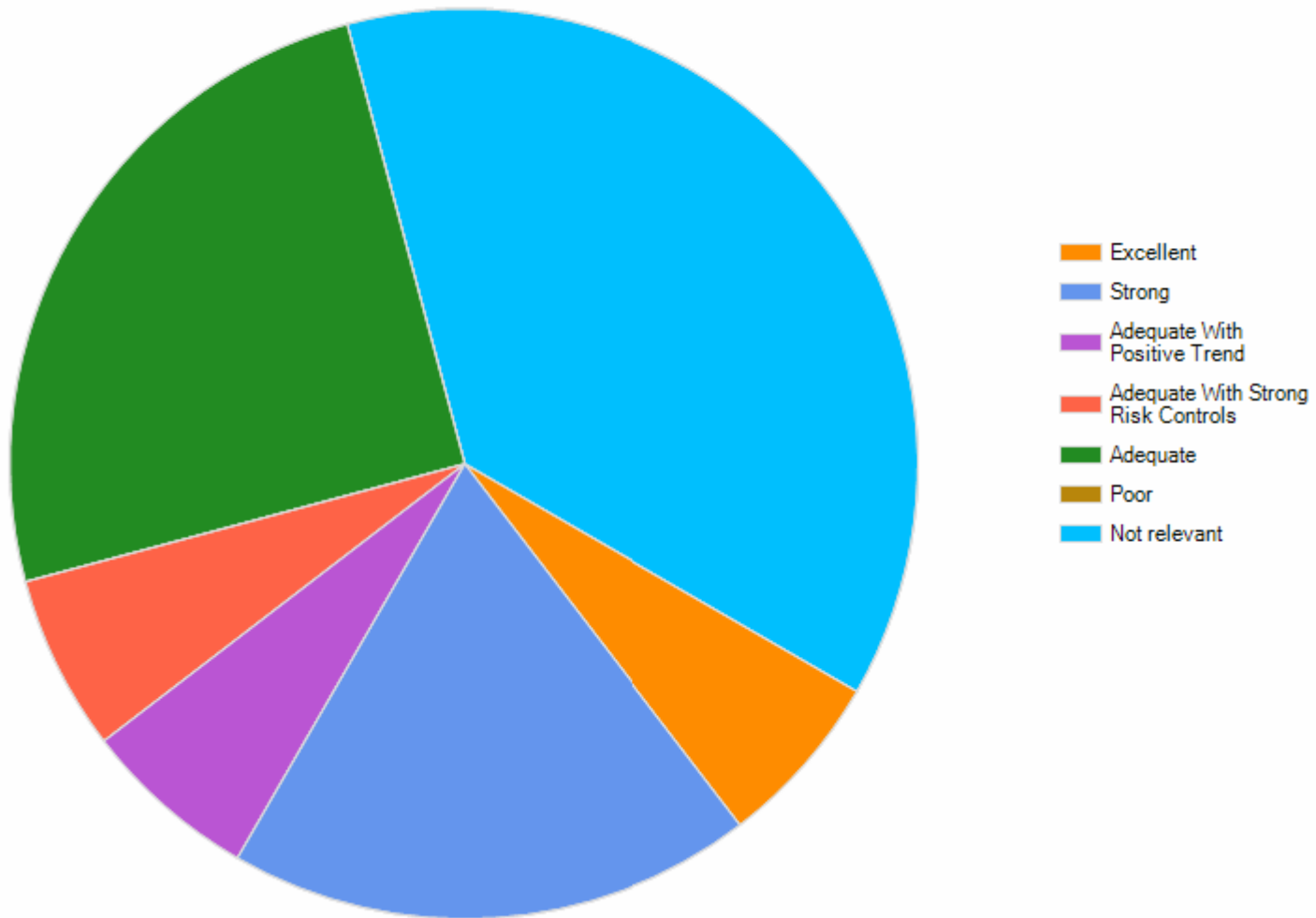
Which aspect of Enterprise Risk Management were the rating agencies most focused on during your recent review meetings?  
PICK ONE



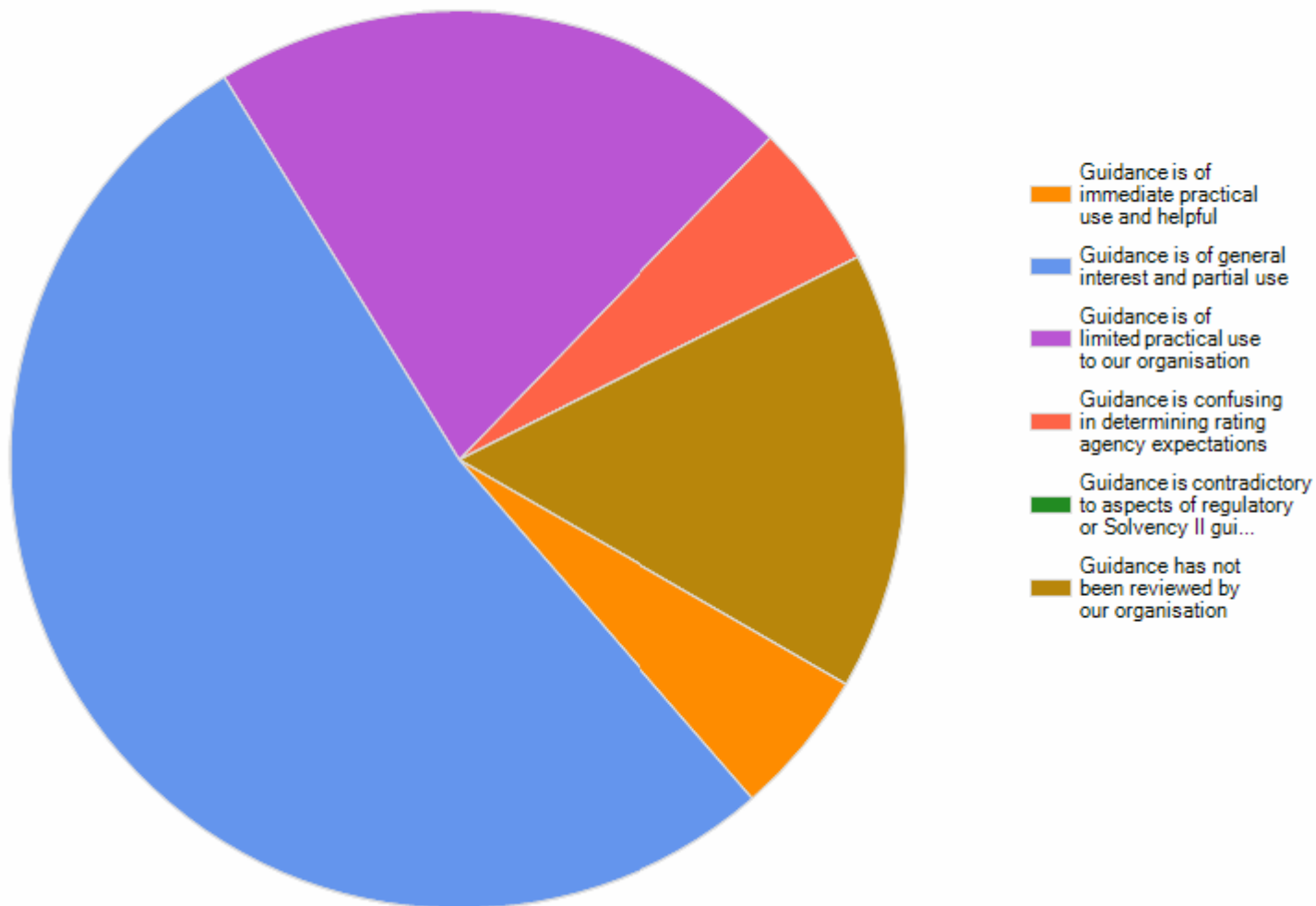
**How has your organisation sought to influence rating agency perceptions of your organisation's enterprise risk management? PICK AS MANY AS RELEVANT**



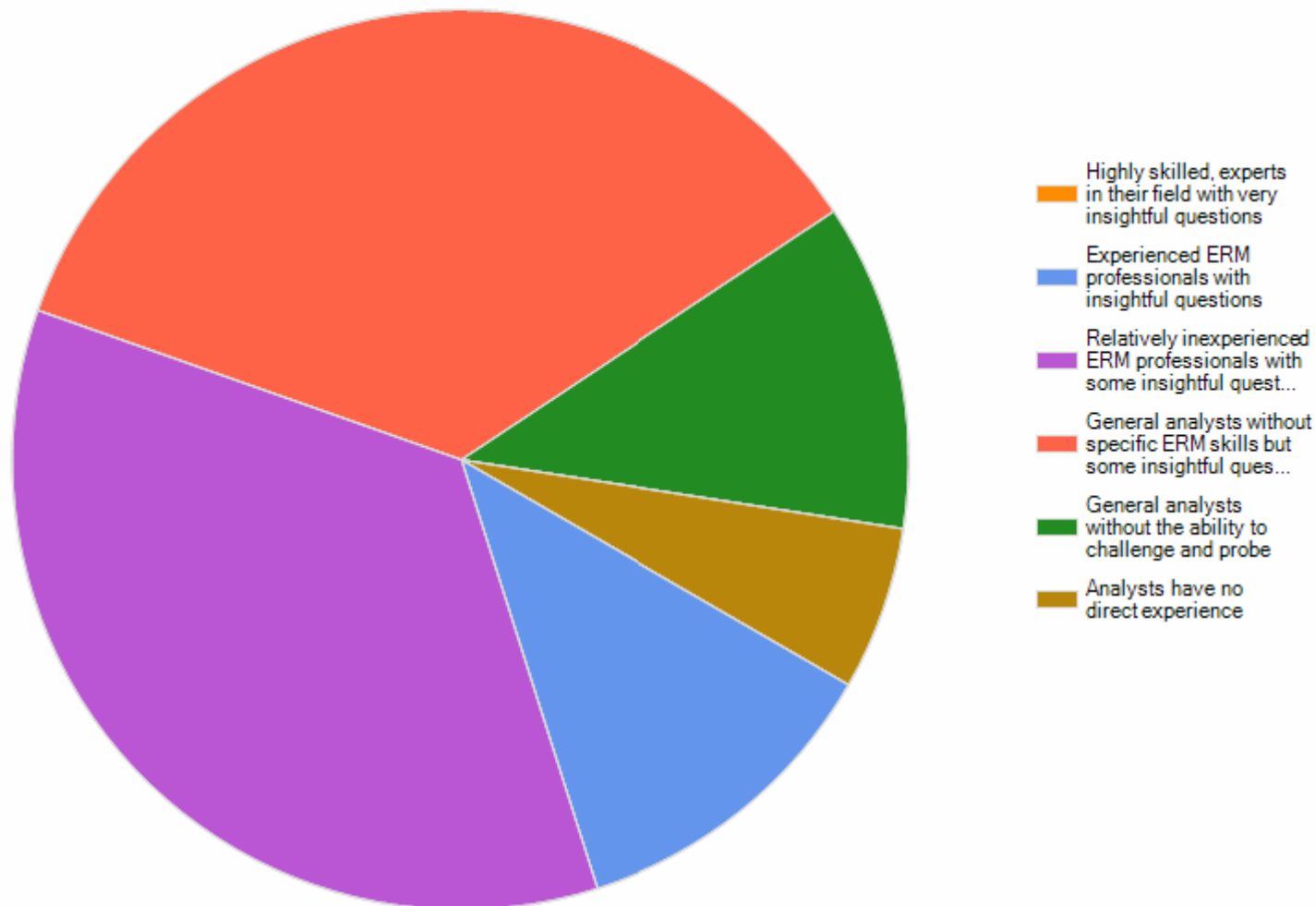
**If your organisation has a rating from Standard and Poor's what classification was your enterprise risk management given at the last review?**



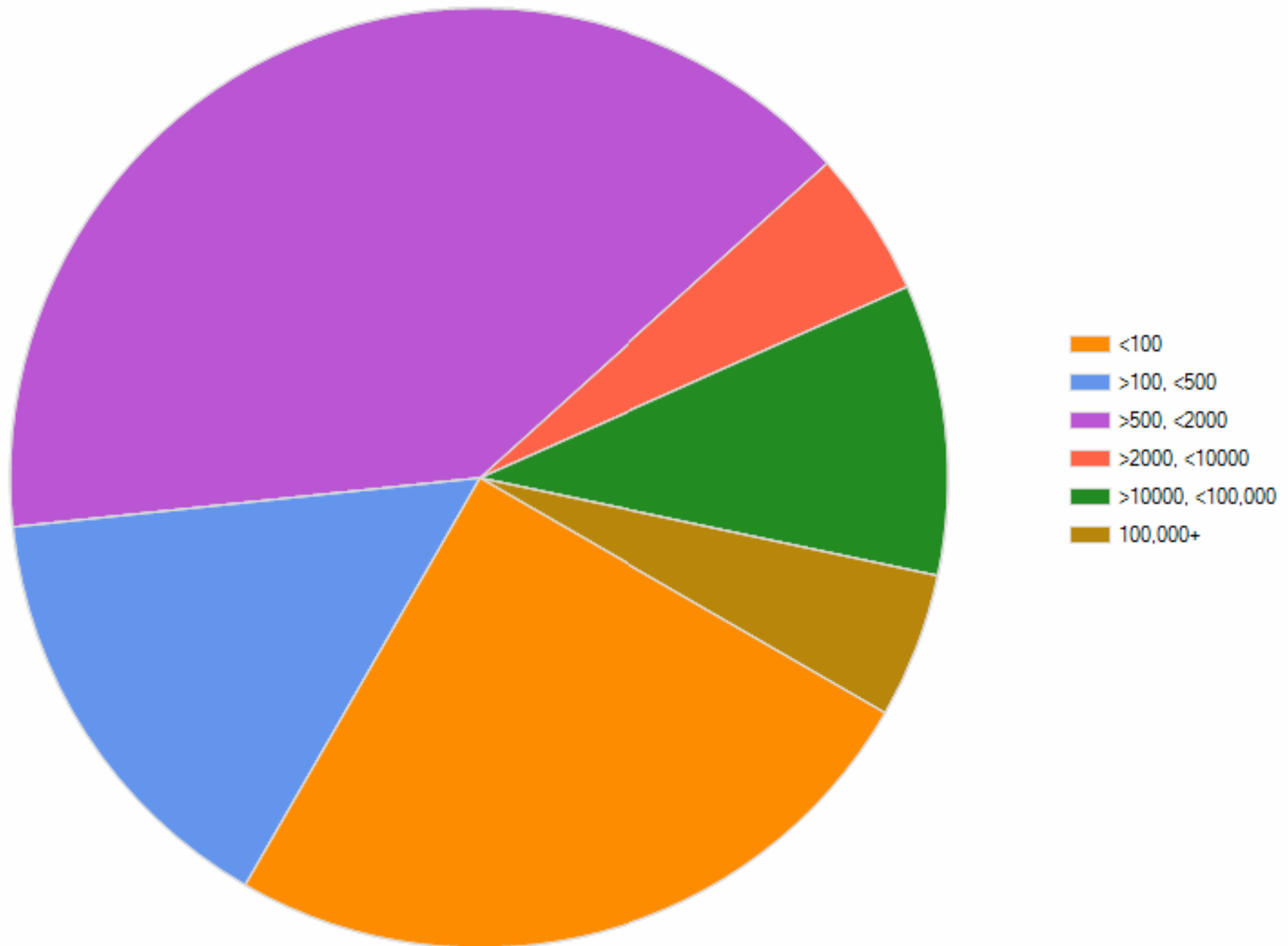
**How valuable has your organisation found the guidance notes and papers issued recently by Rating Agencies in understanding their expectations and shaping your organisation's approach?**



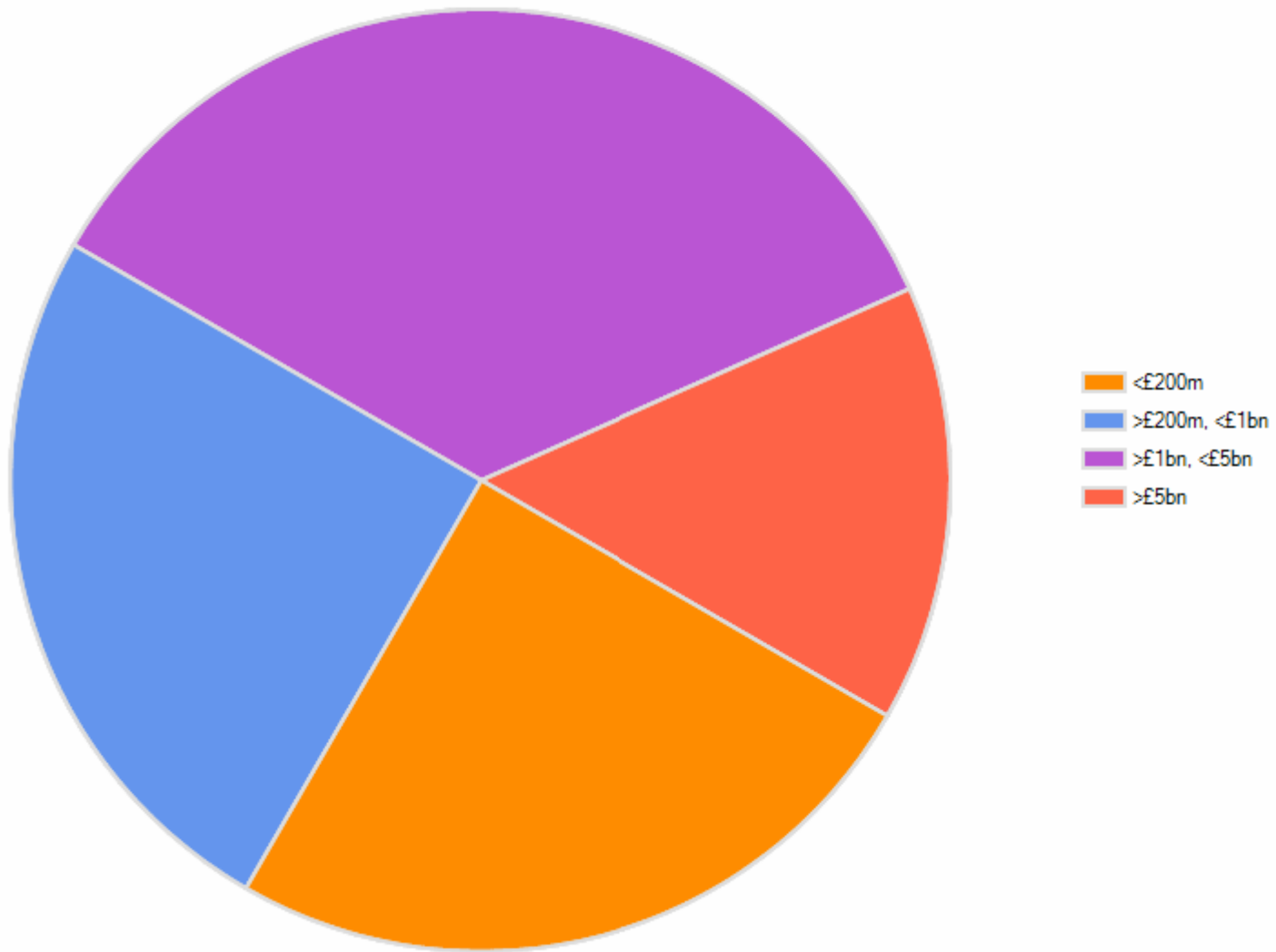
**How would you describe the calibre and expertise of the Rating Agency staff assigned to evaluate your organisation's enterprise risk management?**



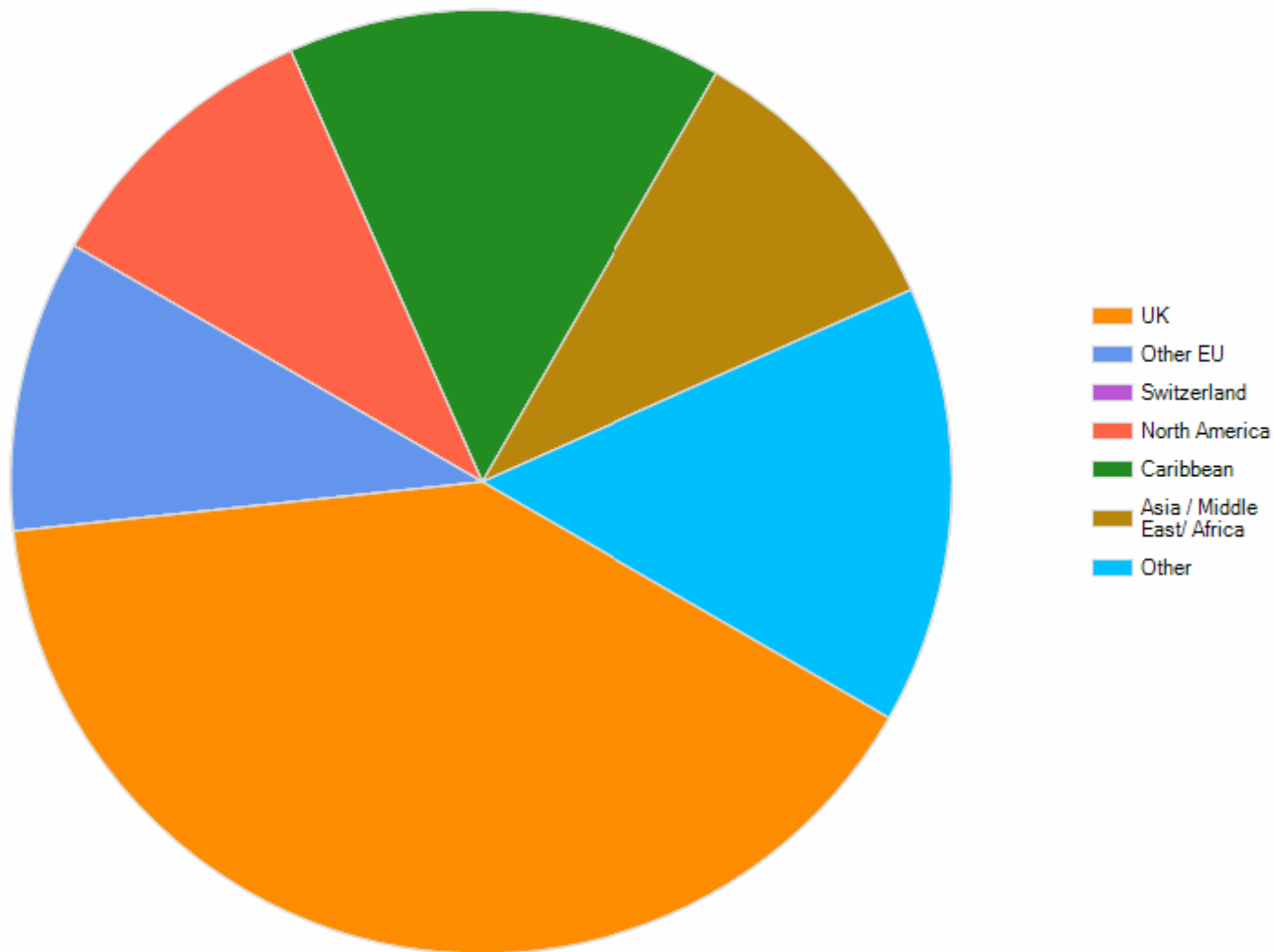
Organisation headcount



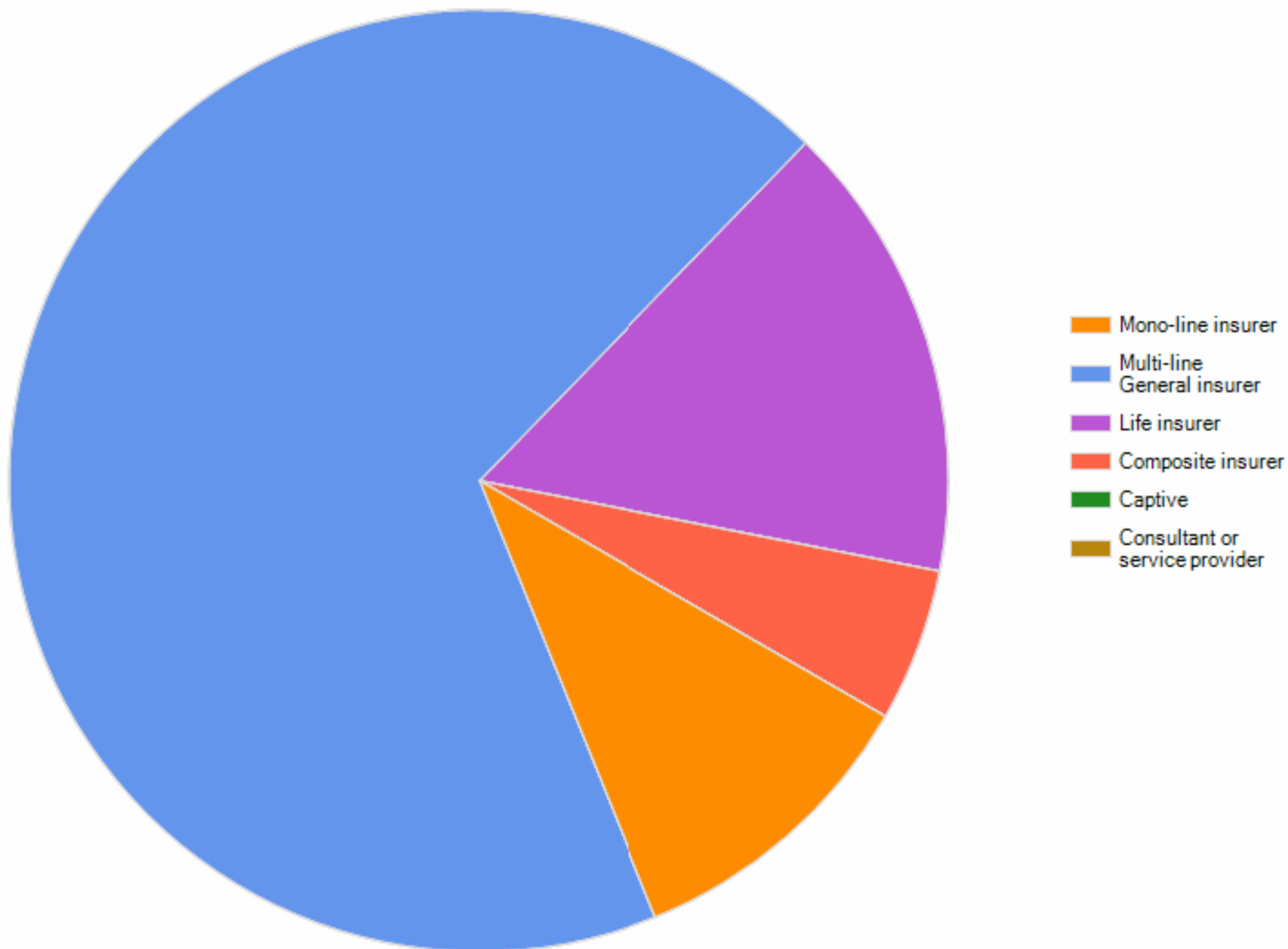
### Organisation turnover



Domicile of organisation's overall Headquarters



Primary type of business



# Conclusions

- 75% of the respondents had an S&P ERM rating
  - If those prepared to reply 40% rated Strong/Excellent & 60% Adequate
- The main areas of interest to agencies were
  - Risk culture
  - Risk governance
  - Catastrophe Modelling
- The main communication techniques used were
  - Senior management meetings
  - Risk and actuarial presentations
- Rating agency guidance
  - Seen as very useful by 5%, partially useful by 50%, not reviewed at all by 15%!
- Rating agency consultants
  - Seen as sufficiently experienced to challenge by 11%, relatively able by 35% and too inexperienced by 35%