

Institute of Risk Management

First Meeting of the Solvency II Special Interest Group

6th October 2009 10am-12pm, IRM Conference Room

Item	Details discussed and agreed
1	<p>The meeting was opened by Carolyn Williams of the IRM who welcomed members and non-members to the IRM and encouraged all to join the IRM.</p> <p>Philip Whittingham took the chair. There were 22 people in attendance and introductions were made. Each person noted their interest in Solvency II and these are listed in Appendix 1.</p>
2	<p>Philip Whittingham introduced the case for a Special Interest Group focused specifically on Solvency II over the next 2-3 years. It was agreed that the Group had a specific purpose to deliver over the next 2-3 years as a project-related activity.</p>
3	<p>The Terms of Reference of the Group were discussed in detail and a number of amendments noted. These include:</p> <ul style="list-style-type: none">- More emphasis on network and sharing insights- Less emphasis on responding to regularly papers- Ensure the opportunity or benefits side of Solvency II is brought out- Consider specifically the impact on the capabilities and competencies required in the future of risk professionals, risk teams and Chief Risk Officers- Allow for non-European Solvency II-equivalent regulations (such as Bermuda)- Ensure a wide community of interest within insurance sector are represented- Meetings should be more regular, potentially every 2 months. However the first three meetings would be held at monthly intervals because of the high level of interest and the number of issues to be discussed.- Meetings would predominantly be face-to-face in nature, would last 1 to 2 hours depending on the topic. Ideally these would be held in the IRM Conference Room.- Remote members would be provided with a dial-in-number to listen to the debate. It was agreed it would be impractical for them to take part in debates. <p>The finalised Terms of Reference taking these comments into consideration are attached in Appendix 2.</p>

4.	The SIG Committee was confirmed as Philip Whittingham (Chairman), Alex Hindson (Secretary) and Jonathan Groves. Others were encouraged to offer this team support on an ad hoc basis to support the programme of events agreed, especially securing speakers.
5.	The Group split into two workshop sessions to discuss and debate topics that the SIG would wish to cover in forthcoming events. The total list of topics discussed is listed in Appendix 3. The Group reformed and agreed a set of priorities for meetings over the coming months. These are listed in Appendix 4 in the order to be discussed.

Minutes taken by Alex Hindson
October 2009

Appendix 1

Reasons why people attended and what they want from a SIG

- Networking and comparing notes
- Project management structures
- Governance processes
- Impact on Captives
- Importance of software systems
- It's my life for next 3 years
- Impact on capital management
- Impact on start up organisations
- Impact on risk management
- Impact on risk professionals / managers
- How this might change behaviours within insurers
- Finding talent
- Educating a US parent company
- Looking across and beyond Lloyd's market
- Golden nuggets
- Key insights

Appendix 3

Topics raised for discussion included:

- ORSA
- Use Test
- Opportunity side of Solvency II and selling benefits
- Stakeholder management and internal communications
- Systems and data
- Future role of the CRO and the risk function (survey)
- Changing skill set of risk manager (survey)
- Access to talent and where to find talent in limited insurance pool?
- How to hold onto Solvency II talent for next 2 years?
- Risk strategy and appetite
- Linking Solvency II to HR processes such as Performance Management and Reward
- Aggregation of risk
- Linking risk registers to Internal Models
- Learning from Basel II
- Breaking down functional risk silos (eg/ operational, credit, underwriting risk)
- Linking Solvency II to IFRS
- Project structures and resource levels (survey)
- How to cope with a start-up between now and 2012 or an acquisition?
- Cascading risk tolerances
- Disclosures – what is being done?
- Scale, nature and complexity of Solvency II
- How to define an Internal Model and what documentation is needed?
- What are the implications of working in other jurisdictions
- Risk event reporting
- Operational Risk Modelling and access to data/ databases
- Embedding a risk culture
- What to prioritise?
- Sources of best practice?
- Holding a joint meeting with the ERM SIG

Appendix 4

Priority topics for meetings identified as follows

Priority	Topic and areas to cover	Timing and format
1	<p>The Use Test and deriving value / opportunities from the Solvency II programme</p> <p>What are the key areas of focus for risk professionals in terms of demonstrating 'Use' and selling benefits?</p>	<p>November 2009</p> <p>One or two speakers followed by group discussion</p> <p>Survey to be carried out in advance on areas being invested in and benefits being identified</p>
2	<p>What will the future shape of a risk function be and hence the role of a CRO within it?</p> <p>How are organisations Resourcing Solvency II project teams and what are the implications for risk professionals?</p>	<p>December 2009</p> <p>One or more CROs on a panel discussion. HR / recruitment input if possible.</p> <p>Survey to be carried out in advance on shape of functions and project teams and skill sets identified.</p>
3	<p>What can Solvency II projects learn from Basel II?</p>	<p>January 2010</p> <p>Speakers from Banks and regulators</p>
4	<p>ORSA – shape, structure and approach</p>	<p>February 2010</p> <p>Panel discussion – mixture of regulators, consultants and risk practitioners</p>
5	<p>Operational Risk Modelling and access to data. Value of external databases.</p>	<p>TBA</p>
6	<p>To be agreed</p>	

Meeting dates will be determined by availability of speakers, committee and a venue. As many meeting dates as possible will be fixed initially. Peak holiday season will be avoided. Maximum notice will be provided although it is recognised it is impossible to please everyone.