

Solvency II / Human Capital



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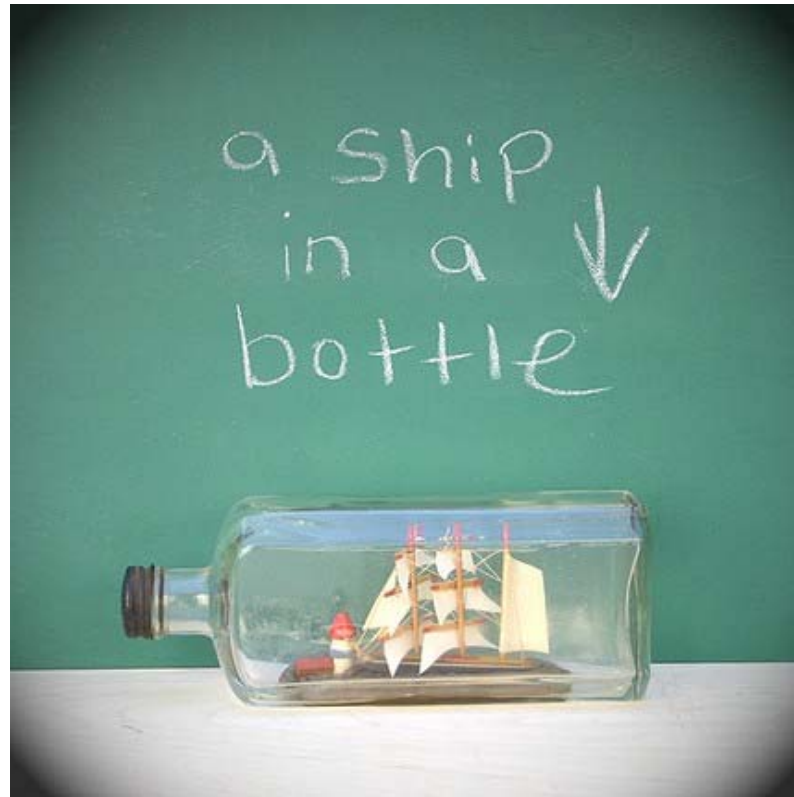


Agenda

- Challenges facing the market
- Overcoming the Recruitment Bottleneck
- Q&A



Challenges facing the Market



Options

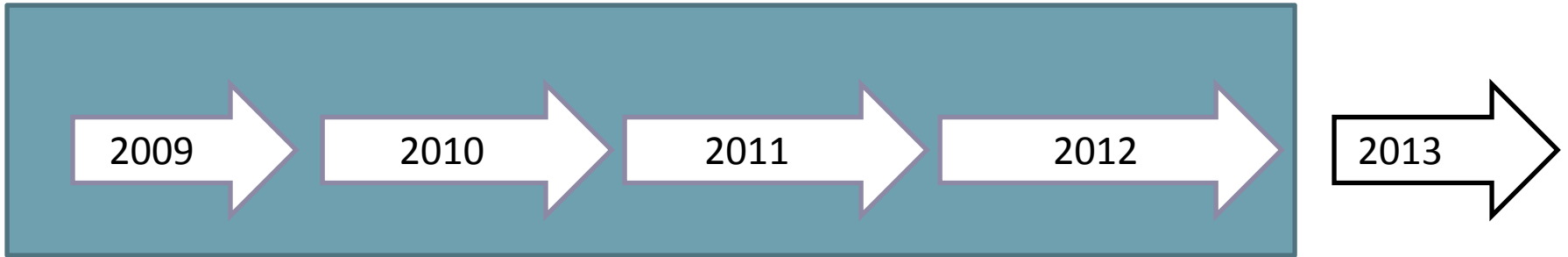
- October 2011 Submissions (Most of the Market)
- **97** Companies developing Advanced Internal Model mostly the larger Blue chip Insurers

More resource to draw upon but more at stake

- 2009 – 2010 : Quantitative
- Actuaries / Programme Management
- 2010 – 2012 : Qualitative
- ERM & Operational Integration



(2011) Submission Timeline



Solvency 2 Phases



Pillar I

Finance Risk

Underwriting

Market

Liquidity

Capital

Credit

Pillar II

Operational Risk

Compliance

Legal

Third Party

Fraud / AML

HR

Process

Strategic Risk

Reputational /
Brand

M&A

Technology

Data management

IT Security

BCM / DR

Guide to Bottle Neck Pricing

Permanent	2009	2010	Differential
Risk Manager	£65K	£80k	25%
Head of Risk	£80/90K	£110k	30%
CRO	£100 / 250K	£140 / £250K	40%
Interim			
S2 RM	£450 pd	£750 pd	65%
S2 PMO	£500 pd	£800 pd	60%
Doc / Audit	£400pd	£600 pd	50%

Compare the Meerkat

Permanent	Retail FS	Investment Banking	AFM
Risk Manager	£65K	From £90k	£75K
Head of Risk	£80 / 90K	£110k +	£100K
CRO	From £100K	£200K / £500K	From £140k
Interim			
Ops Risk	£500 pd	£500 pd	£500 pd
Basel PMO	£650 pd	£700 pd	-
Doc / Audit	£400pd	£500 pd	£400 pd

Utilise Internal Resource for Pillar II



Summary:

1. The Bottleneck is avoidable.
2. Lower the cost and increase reliability by considering generic expertise rather than Just Insurance industry S2 experience.
3. Don't forget Basel II / SOX 404 / MIFID
4. Human Capital / Invest to Succeed
5. Only Hire Bonfide Career Interims (**Don't forget Sarbanes Oxley**)
6. Consider the wider ERM structure not just capital activity.
7. If the answer to Life the universe and everything really is 42, is there any one who can demonstrate how you got to this number?



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