

The solution for demonstrating your Solvency II compliance

Solvency II is a day-to-day reality that insurance companies must comply with.

Solvency II has placed much more onerous requirements on insurance companies across their business activities, ranging from reserve calculations to governance frameworks to reporting requirements.

Companies spent a vast amount of time and resources preparing for and implementing Solvency II but, how can companies satisfy themselves that they are continuously compliant with the requirements? How does a company conduct an initial review, a quarterly assessment or an annual assessment? What happens when legislation is updated and the requirements change? How do team leaders, managers, Heads of Functions and the Board of Directors get satisfied with their company's compliance?

Creating a checklist no longer seems like an option, considering there are 2,390 pages of requirements, counting the Directive, Delegated Acts and Level Three Guidelines alone. That is not to mention the volume of other related material such as the technical standards, and reporting log files.

In addition, a checklist approach won't satisfy the need for records of all reviews, clear audit trails, a secure and reliable platform, automated workflows and a system for managing any necessary action items discovered.

The Milliman Solvency II Compliance Assessment Tool

We have used our Solvency II expertise to develop an intuitive and flexible tool to help companies assess how compliant they are with the Solvency II requirements. In developing this tool, we have partnered with ViClarity, a compliance software company to ensure that users will get the benefit of Milliman knowledge but also the functionality and platform that would be expected of a market leading compliance tool.

The Milliman Solvency II Compliance Assessment Tool distils the Solvency II requirements into easily digestible self-assessment questions. Assessing compliance across an entire organisation requires collaboration across all business operations and departments. The Milliman Solvency II Compliance Assessment Tool is based in an easy-to-use cloud based platform facilitating the gathering of all necessary information across the whole organisation.

This enables both life and non-life (re)insurance companies to easily monitor and assess their level of compliance across all three Pillars of Solvency II while simultaneously creating an audit trail of work done and a development plan for future actions.

Key features

EASY-TO-USE

- Easy-to-use tool with simple questions that are accessible for staff in all roles and departments

REPORTING FUNCTIONALITY

- System built reports showing the level of compliance in each area
- Can show all questions or non-compliant ones only
- Can show outstanding actions
- Data can be exported to Excel to allow further customisation of reports

WORKFLOW FUNCTIONALITY

- Allows the coordinator to delegate questions to selected individuals
- Questions can be scheduled for predefined intervals e.g. Pillar 1 questions quarterly; Solvency and Financial Condition Report annually etc.
- All responses from individuals are displayed in a single user friendly interface
- Approvals can be triggered based on completion of certain questions
- Email reminders to question holders where questions not yet completed
- Future tasks can be set up and tracked until completion

DETAILED ASSESSMENT

- Compliance based on the Solvency II regulations - including the consolidated Solvency II Directive, Delegated Acts, Implementing Technical Standards (ITS) and EIOPA Level 3 Guidelines

LINKS TO RELEVANT LEGISLATION

- The tool includes hyperlinks from each question to the relevant articles of the Solvency II regulations which provides an invaluable reference tool
- Users can see why each question is relevant and can get some context to the question being asked

LATEST UPDATES TO REGULATIONS

- Allow users to stay on top of the latest developments as the tool is updated to reflect any amendments to regulations

AUDIT FUNCTIONALITY

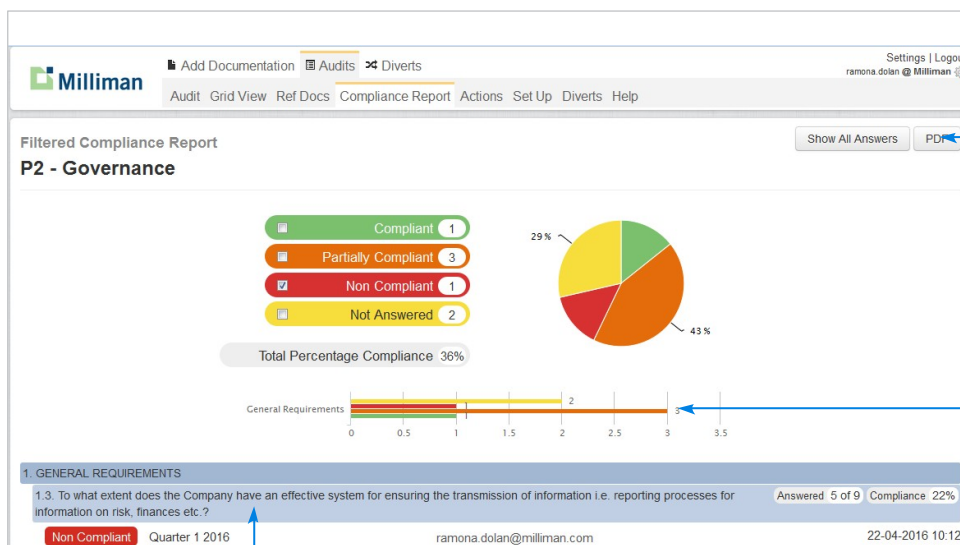
- Audit trail - who answered what and when
- Ability to upload supporting evidence

CLOUD BASED PLATFORM

- Cloud based platform supported by our partner ViClarity who specialise in compliance software

Compliance report

The compliance report provides a clear visual summary. At a glance, users can gauge their level of compliance across the various Solvency II requirements.



The report can be output to PDF in a single click.

Progress bars provide a breakdown of the level of compliance across all the questions whilst also highlighting any questions that have not been completed.

All questions can be displayed beneath the summary with the option to select particular categories of questions based on their level of compliance.

Easy-to-use interface

The easy-to-use interface allows users to assign a level of compliance to each Solvency II requirement at the click of a button.

Quarter 1 2016 ramona.dolan@milliman.com

1.2. To what extent does the Company have an adequate transparent organisational structure with a clear allocation and appropriate segregation of responsibilities?

Relevant Files: P2 - Governance » P2 - Governance - Q1 2

Level 1 Directive: Article 41 (1)

Level 2 Delegated Acts: Article 258 (1), Article 268 (1)

Level 3 Guidelines: BoS-14-253 - Guideline 2, BoS-14-253 - Guideline 5

1 - No progress has been made
 2 - Some progress has been made but a lot of work still required
 3 - Partly progressed
 4 - Significant progress however some minor work still required
 5 - Fully implemented to meet all requirements
 N/A - Not applicable

Submit and next

1.1. To what extent does the company have in place an effective System of Governance, which provides for the sound and prudent management of the	75%	4	5	5	4
1.2. To what extent does the Company have an adequate transparent organisational structure with a clear allocation and appropriate segregation of responsibilities?	75%	5	5	5	
1.3. To what extent does the Company have an effective system for ensuring the transmission of information i.e. reporting processes for information on					
1.4. To what extent is there a regular review of the System of Governance?					
1.5. To what extent is decision making within the company aligned with the relevant requirements?					
1.6. To what extent are there processes in place to identify conflicts of interest and strategies to address these issues should they arise?					
1.7. To what extent has the Company's System of Governance been challenged and approved by the Board?					

The requirements are clearly set out with links to the relevant sources to allow users to easily access the more detailed requirements if desired.

The assigned scores can be supplemented by supporting comments and by the facility to upload supporting documents to allow other users and reviewers better understand the company's level of compliance for each requirement.

Administrators get a clear overview of the current review's status in real time.

Audit - Grid View - Ref Docs - Compliance Report - Actions - Set Up - Diverts - Help

P2 - Governance

All data Filter Delegate More

Quarter 2 2016 60% 80% 97%

Quarter 3 2016

Quarter 4 2016

		60%	80%	97%
1. GENERAL REQUIREMENTS		57%	93%	100%
1.1. To what extent does the company have in place an effective System of Governance, which provides for the sound and prudent management of the	83%	3	5	5
1.2. To what extent does the Company have an adequate transparent organisational structure with a clear allocation and appropriate segregation	83%	3	5	5
1.3. To what extent does the Company have an effective system for ensuring the transmission of information i.e. reporting processes for information on	50%	2	4	5
1.4. To what extent is there a regular review of the System of Governance?	100%	5	5	5
1.5. To what extent is decision making within the company aligned with the relevant requirements?	83%	4	5	5
1.6. To what extent are there processes in place to identify conflicts of interest and strategies to address these issues should they arise?	83%	4	5	5
1.7. To what extent has the Company's System of Governance been challenged and approved by the Board?	100%	5	5	5
2. POLICY		33%	42%	92%
2.1. To what extent has the Company developed and implemented a written Risk Management policy that meets the relevant requirements?	33%	5	5	5
2.2. To what extent has the Company developed and implemented a written Internal Control policy that meets the relevant requirements?	100%	5	5	5
2.3. To what extent has the Company developed and implemented a written Internal Audit policy that meets the relevant requirements?	17%	1 - No	3	4
2.4. To what extent has the Company developed and implemented a written Remuneration policy that meets the relevant requirements?	100%	5	5	5
2.5. To what extent has the Company developed and implemented a written Compliance policy that meets the relevant requirements?	33%	3	4	5
2.6. To what extent does the Company have a business continuity and	50%	3	4	5

The flexible user interface allows customisable comparisons against previous reviews.



ABOUT MILLIMAN

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

MILLIMAN IN EUROPE

Milliman maintains a strong and growing presence in Europe with more than 250 professional consultants serving clients from offices in Amsterdam, Brussels, Bucharest, Dublin, Dusseldorf, Isle of Man, London, Madrid, Milan, Paris, Stockholm, Warsaw, and Zurich.



OUR EXPERIENCE

We have been advising our clients on their migration towards Solvency II since its conception and have in depth knowledge of all areas of Solvency II legislation. We first developed the Milliman Solvency II Readiness Assessment Tool in 2013 to help clients assess their preparedness for Solvency II and this tool was updated and used extensively throughout the preparatory phases. Having acquired this considerable experience of the regulations, we are optimally placed to help companies ensure they are compliant through the new enhanced Milliman Solvency II Compliance Assessment Tool.

We perform the role of Actuarial Function and Risk Function on an on-going basis for many clients giving us in depth expertise across all three pillars of Solvency II.

CONTACT

If you would like to arrange a free demonstration of the Solvency II Compliance Assessment Tool please contact Patrick Meghen, or your usual Milliman consultant.

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ABOUT VICLARITY

ViClarity is an award winning provider of Audit, Risk & Compliance management solutions to the Financial and Healthcare sectors. ViClarity is a global organisation with offices in Ireland, UK and Boston, Massachusetts. Since our foundation in 2008 ViClarity have gained a large global client base of organizations of all sizes including Investment/Fund Management, Insurance, Banks and Credit Union clients.

Our approach is to provide organizations with a strong culture of Risk and Compliance while reducing the burden of manual based processes. The solution is designed to provide a centralized platform for Risk and Compliance and enables organizations to have real time access to data at all times.

ViClarity

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