

Milliman Solvency II Compliance Assessment Tool Seminar

4 DECEMBER 2024



Agenda

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Welcome &
Introduction
Mike Claffey

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S2CAT updates
Rebecca
O'Mahoney

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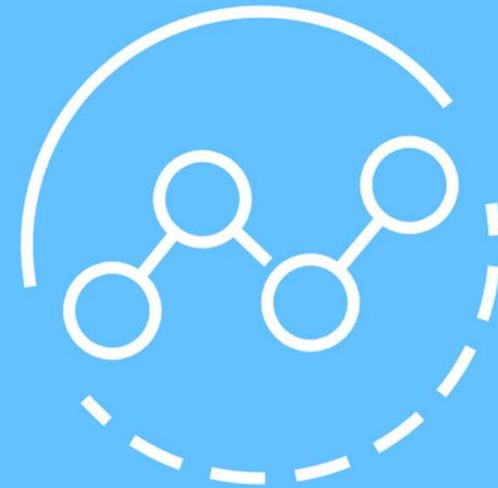
Tool Demo
Aoibhín Wood

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Solvency II
Review
Aisling Barrett

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ViClarity
Update
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S2CAT updates

Rebecca O'Mahoney

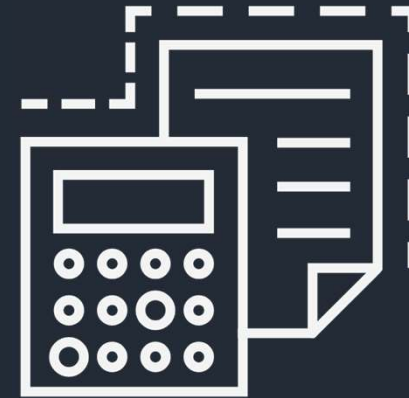
4 DECEMBER 2024



Solvency II DPM and Taxonomy 2.8.2

- Taxonomy 2.8.2 released in October 2024.
- Changes applicable for Q4 2024 reporting.
- Minor changes to existing templates – contents largely unchanged.
- New ECB and Financial Stability Reporting log files with minor updates.

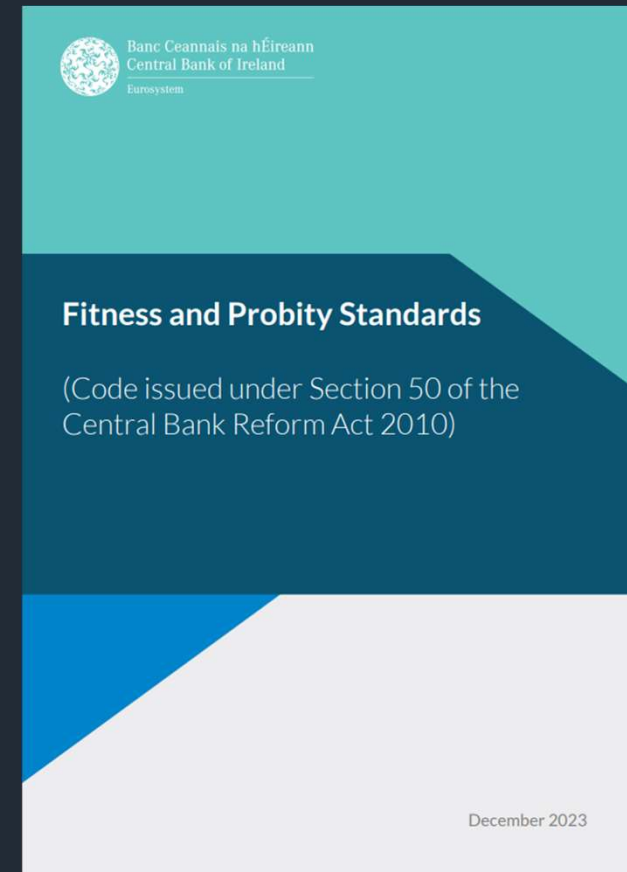
Tool Updates: Various Questions in
Pillar 3 – QRT Annual and QRT
Quarterly



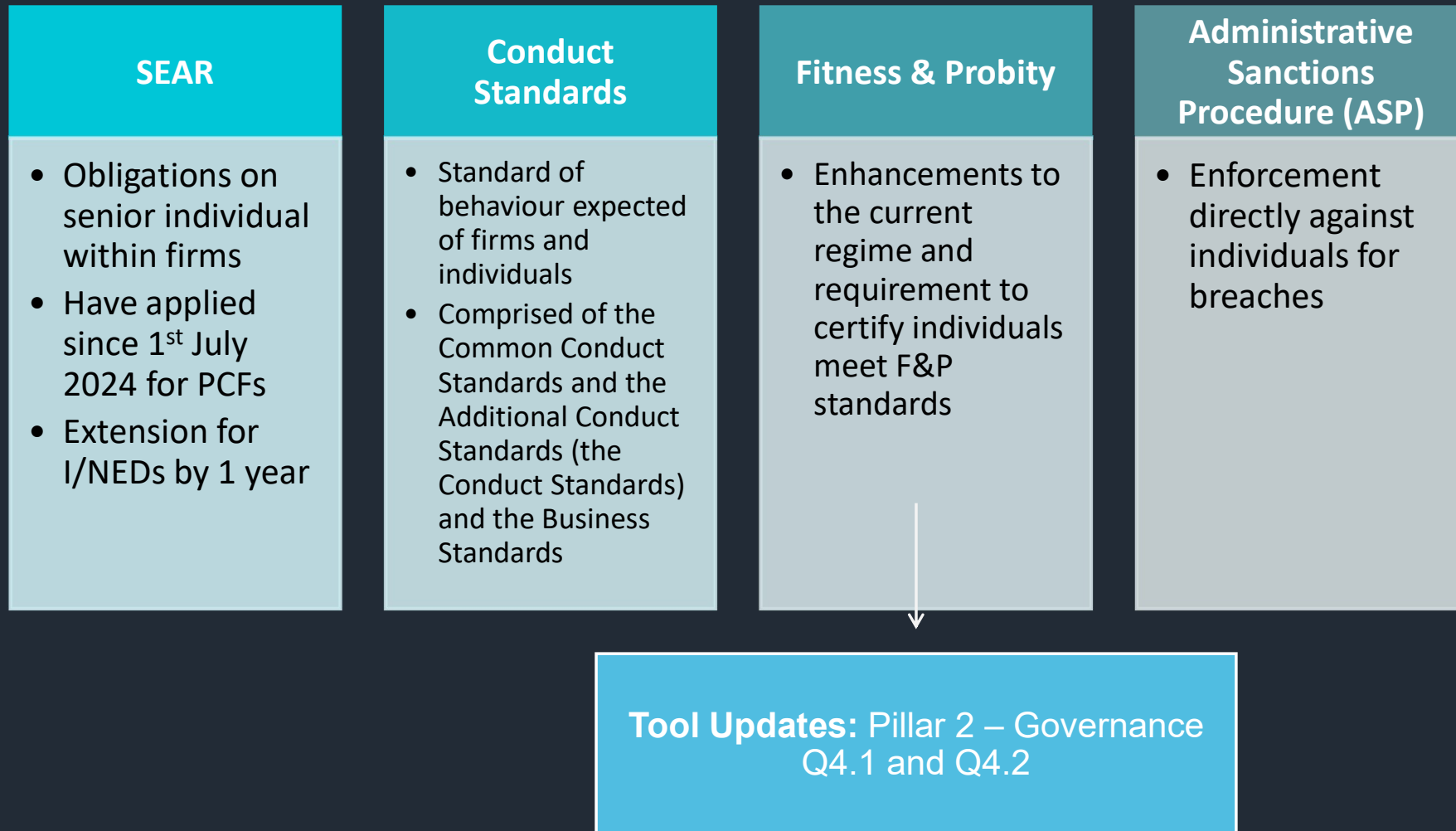
Fitness & Probity

- Refresh Fitness and Probity Standards released December 2023.
- Updated for inclusion of holding companies and section 4.

Tool Updates: Pillar 2 – Governance
Q3.10, Q3.11, Q4.1 and Q4.2



Individual Accountability Framework (IAF)





Thank you

Rebecca O'Mahoney

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Demo of the Tool

Aoibhín Wood

4 DECEMBER 2024



Q&A



Solvency II Review

Latest Update

4 December 2024

Aisling Barrett

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Timeline

Hasn't this been going on for a while now?



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Legislation

Level	Description	Purpose	Responsibility of
1	Directive	Sets out overall framework	Council and Parliament
2	Delegated Regulation	Supplement the Directive (with further details)	Prepared and adopted by the European Commission (with advice from EIOPA); Council and Parliament scrutinise and have the right to object.
2.5	Technical Standards	Conditions of application of Delegated Regulation	European Commission Drafted by EIOPA
3	Guidelines	EU-wide regulatory guidelines to ensure consistency	EIOPA

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Areas impacted

Original EIOPA consultation

LTG measures

- Extrapolation
- Volatility adjustment
- Matching adjustment



Technical Provisions

- Risk margin
- Expenses in BEL
- Contract boundaries
- EPIFP



SCR

- Interest rate risk
- Correlations
- Symmetric adjustment
- Eligibility for LT equities



Proportionality

- Thresholds
- Low risk profile undertakings
- Proportionality Measures



Pillar 2

- Macroprudential considerations
- Liquidity risk
- Sustainability
- Systemic Risk Management Plans



Pillar 3

- SFCR
- QRTs



Recovery & Resolution plans



Insurance Guarantee Schemes



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In the meantime...

We can expect the European Commission & EIOPA to progress the following...

Immediate Commission responsibilities:

- Details of extrapolation
- Lambda factor in risk margin
- Term dependent floor on interest rate risk capital
- Matching adjustment criteria for eligibility of assets

Future Commission responsibilities:

- Review cost of capital in risk margin after 5 years (within 4% - 5% corridor)

Recently closed EIOPA consultations (following Commission requests for advice):

- Implementation of new proportionality framework
- Classification & reporting of crypto assets
- Prudential treatment of sustainability risks
- Assessment of natural catastrophe risk in the standard formula

Open EIOPA consultations (published Oct 24):

- Methodology for scenarios for prudent deterministic scenarios
- Identifying undertakings under dominant influence and undertakings managed on a unified basis
- Liquidity risk management plans
- Criteria for exceptional sector-wide shocks
- Macroprudential analysis in ORSA and PPP

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Timeline to implementation



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EIOPA consultations 2024

Closed consultations

Consultation Title	Launched	Closed	Applies to
Prudential Treatment of Sustainability Risks	13-Dec-23	22-Mar-24	All
Draft Guidelines on templates for explanations and opinions, and the standardised test for the classification of crypto assets	12-Jul-24	12-Oct-24	All
(Re)assessment of natural catastrophe risk in the standard formula	31-Jul-24	23-Oct-24	General Insurers
Standard formula capital requirements for insurers' direct exposures to qualifying central counterparties	31-Jul-24	23-Oct-24	All
Implementation of the new proportionality framework under Solvency II	02-Aug-24	25-Oct-24	All

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EIOPA consultations 2024

Open consultations

Consultation Title	Launched	Closed	Applies to
Supervising the liquidity risk management of IORPs	26-Sep-24	20-Dec-24	IORPs
Liquidity risk management plans	01-Oct-24	02-Jan-25	All
Criteria for the identification of exceptional sector-wide shocks	01-Oct-24	02-Jan-25	Supervisors
Undertakings under dominant/significant influence or managed on a unified basis	01-Oct-24	02-Jan-25	Supervisors
Scenarios for best-estimate valuations for life insurance obligations	01-Oct-24	02-Jan-25	Life Insurers
Relevant insurance and reinsurance undertakings with respect to the host Member State's market	01-Oct-24	02-Jan-25	Supervisors
Draft RTS on applicability criteria for macroprudential analysis in ORSA and PPP	17-Oct-24	09-Jan-25	All
Technical advice on standard formula capital requirements for investments in crypto assets	24-Oct-24	16-Jan-25	All
The use of risk mitigation techniques by insurance undertakings: mass-lapse reinsurance and reinsurance agreements' termination clauses	08-Nov-24	07-Feb-25	All

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EIOPA consultations 2024

Upcoming and expected consultations

Consultation Title	Expected
Draft ITS on PHRSS methodology	Expected Oct 2024
Draft RTS on sustainability risk management and transition plans	Expected Dec 2024
Report on biodiversity	Expected Dec 2024
Guidelines on the notion of diversity	Expected Dec 2024
Draft ITS on the list of regional governments and local authorities	Expected Dec 2024
Guidelines on treatment of market and counterparty risk exposures in the standard formula	Expected Dec 2024
Guidelines on undertaking-specific parameters	Expected Dec 2024
Guidelines on supervisory review process	Expected Jan 2025
Guidelines on methods for determining the market share for reporting	Expected Feb 2025
Guidelines on exclusion of undertakings from the scope of group supervision	Expected Apr 2025
Guidelines on supervisory powers to remedy liquidity vulnerabilities	Expected Apr 2025
Draft ITS on procedures for the approval of the matching adjustment	Expected Apr 2025
Guidelines on treatment of related undertakings, including participations	Expected Apr 2025
Guidelines on reporting and disclosures	Expected Apr 2025
Guidelines on valuation of technical provisions	Expected Apr 2025
Guidelines on group solvency	Expected Apr 2025
Guidelines on ring fenced funds	Expected Apr 2025
Opinion on the supervisory assessment of internal models including a dynamic volatility adjustment	Expected Apr 2025

Consultation Title	Expected
Draft ITS on regular supervisory reporting	Expected Jun 2025
Draft ITS on public disclosure	Expected Jun 2025
Guidelines on financial stability reporting	Expected Jun 2025
Guidelines on supervision of branches of third-country insurance undertakings	Expected Jun 2025
Guidelines on exchange of information within colleges	Expected Jun 2025
Draft ITS on disclosure templates for supervisory authorities	Expected Jun 2025
Tool for the calculation of the volatility adjustment	Expected Jun 2025
Joint Guidelines on ESG stress testing	TBC
Report on integrated data collection	TBC
Report on composites	TBC

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Q&A



Aisling Barrett

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ViClarity

Ogie Sheehy

Business update – Milliman Dec 24

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Business update

- Company introduction
- Team updates Ireland / US
- Product updates
- Refresh of useful features

ViClarity 2.0

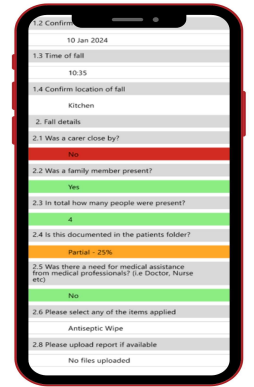
Enhanced reporting inside the application



UI/UX upgrade

Mobile App

Easier access for entering data on cell phones



Embedded reporting

API's / Inbound integrations

New integration capability for connections to other systems

Welcome S2CATHelpDesk

My Folders

- millimanirishdemo@victarity.com (1)
- P1 (7)**
- P2 (3)
- P3 (4)

P1 (7)

- Irish Demo - P1 - Own Funds
- Irish Demo - P1 - Assets and Liabilities
- Irish Demo - P1 - Data Quality (TPs)
- Irish Demo - P1 - Capital Requirements
- Irish Demo - P1 - Assumptions (TPs)**
- Irish Demo - P1 - Internal Models
- Irish Demo - P1 - Technical Provisions

Feature refresh:

- Quick search (User level)
- Excel Grid
- Client Zone
- Reassign tasks



ViClarity

Thank you

