

Solvency II Reporting: Year End 2021 and beyond

Pauric Mullan, BSc
Patrick Meghen, FSAI, CERA, QFA



With Solvency II reporting becoming routine for companies, the focus now shifts to improving regulatory reporting processes and an increased focus on governance and controls in meeting the reporting deadlines.

The deadline for submission of the annual reporting requirements is unchanged from last year at 14 weeks for solo undertakings, with a submission date of Friday 8 April 2022. The deadline for submission of the 2022 quarterly Quantitative Reporting Templates (QRTs) is also unchanged from the equivalent deadlines in 2021, at 5 weeks for solo undertakings. We have prepared the timeline overleaf summarising the reporting requirements in 2022 for both solo entities and groups (assuming a year-end reporting date of 31 December).

Annual reporting

Year-end 2021 narrative reports (Solvency and Financial Condition Report (SFCR) and Regular Supervisory Report (RSR)) and QRTs need to be submitted to the regulator by 8 April 2022 and the SFCR needs to be available on the company's website, or via an alternative means of publication, on this date.

The full RSR is required at least every three years. For undertakings who submitted the full RSR for year-end 2018, the next full RSR will be required this year. The narrative reports and QRTs typically need to be drafted well in advance of the reporting deadlines, as they must be approved by the Board before publication / submission to the regulator. As part of this approval process, directors of Irish (re)insurers must submit accuracy statements¹ to the Central Bank of Ireland (CBI) as part of the submission on 8 April. The directors' compliance statement is also due at this time. In addition, some aspects of the narrative reports and QRTs are subject to external audit in Ireland and the audit report is also due to be completed on the reporting date.

Changes to the QRTs

The new QRT Taxonomy 2.6.0 is applicable from Q4 2021 onwards. Amendments to the Implementing Technical Standards (ITS) relating to the public disclosure QRTs and to the supervisory reporting QRTs can be found on [EIOPA's website](#). These set out the changes to the QRTs. Most of the amendments relate to formatting and labelling, as well as additional consideration for Brexit.

There are no major changes, so no new log files are issued for 2021.

There are no changes to CBI National Specific Templates (NSTs)² for 2021 announced on their website.

Future changes to reporting requirements

In relation to the Solvency II 2020 review, the European Commission published its proposals in respect of the Directive³ in September 2021. In relation to Pillar 3 reporting requirements, the proposal includes:

- External audit of the SFCR (this is already a CBI requirement)
- Increase deadline for solo SFCR and RSR from 14 weeks to 18 weeks (to allow for new audit requirement). Increase deadline for group SFCR from 20 weeks to 24 weeks.
- Splitting the SFCR structure into 2 parts: one part addressed to policyholders (not required for reinsurers or captives) and the other part addressed to professional users
- Undertakings in scope for financial stability QRTs are required to include sensitivities in the SFCR

EIOPA has already released a consultation⁴ on the amendments of supervisory reporting and disclosure requirements. This includes draft amendments to ITS and annotated templates for QRTs. The updated templates are likely to be captured in the new taxonomy for year-end 2022 reporting.

How Milliman Can Help

Our consultants have been advising clients on Solvency II since its inception. In relation to Pillar 3 our services include preparation and independent review of SFCRs, RSRs and QRTs, and Pillar 3 training (including company-specific training for Board members) on narrative reports and QRTs.

We have also assisted companies perform internal audits on reporting processes as well as undertaking exercises to improve automation, documentation, governance and controls surrounding their reporting.

Milliman has developed a Solvency II Compliance Assessment Tool ([link](#)). The tool 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 and is updated regularly for changes to Solvency II requirements.

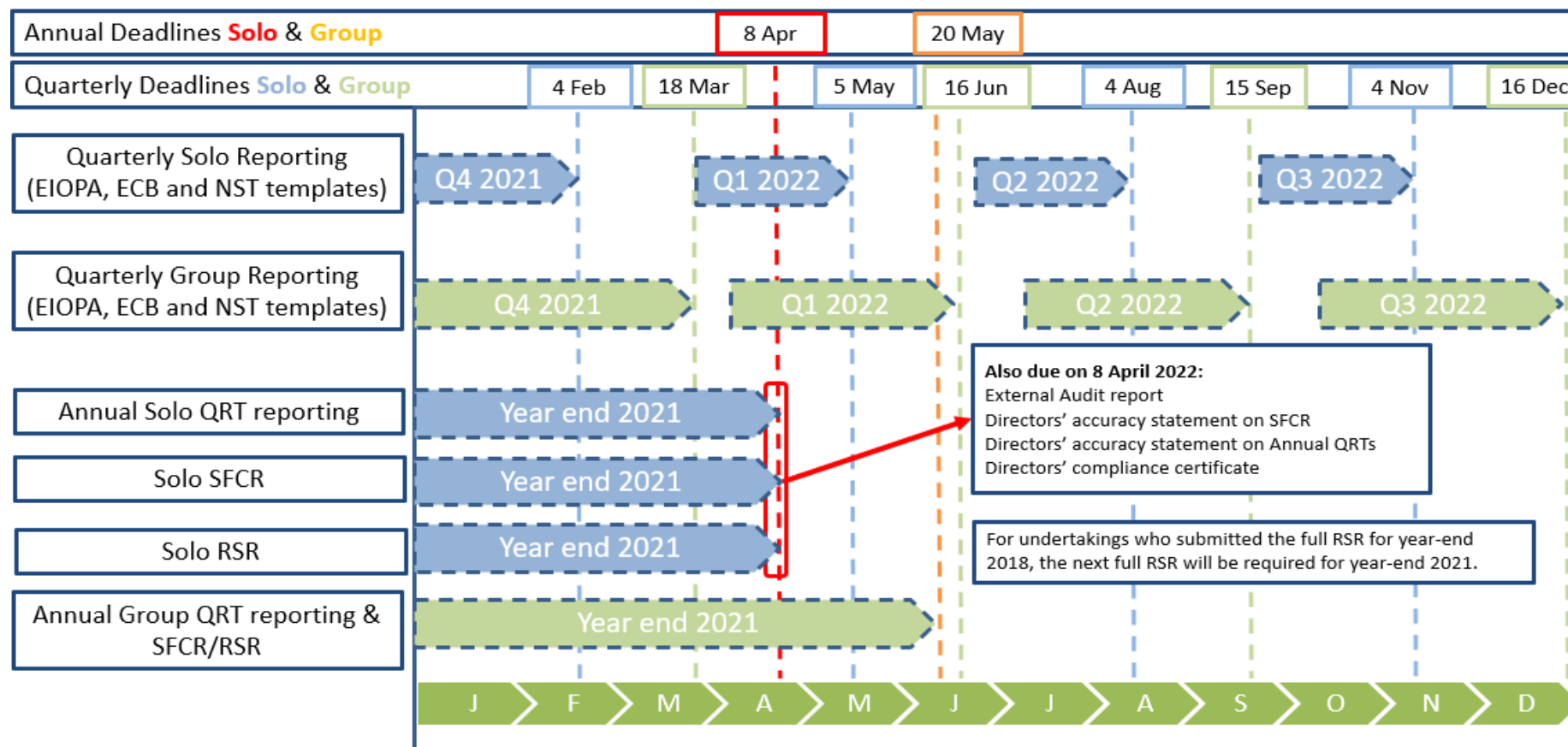
¹ For more information on Solvency II directors' certificates please see [our briefing note](#) from November 2016.

² [National Specific Templates | Central Bank of Ireland](#)

³ [European Commission - Reviewing EU insurance rules](#)

⁴ [EIOPA consults on the amendments of supervisory reporting and disclosure requirements](#)

SOLVENCY II REPORTING TIMELINES 2022



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.com

© 2022 Milliman, Inc. All Rights Reserved. The materials in this document represent the opinion of the authors and are not representative of the views of Milliman, Inc. Milliman does not certify the information, nor does it guarantee the accuracy and completeness of such information. Use of such information is voluntary and should not be relied upon unless an independent review of its accuracy and completeness has been performed. Materials may not be reproduced without the express consent of Milliman.

CONTACT

Patrick Meghen
patrick.meghen@milliman.com

Pauric Mullan
pauric.mullan@milliman.com



Follow our 'Milliman Ireland' page:
<http://www.linkedin.com/company/milliman-ireland>