

# Solvency II Reporting: Year End 2017 and beyond

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This year saw a flurry of activity in May with the Solvency II annual Quantitative Reporting Templates (**QRTs**), Solvency and Financial Condition Report (**SFCR**) and Regular Supervisory Report (**RSR**) required for the first time.

This year, the deadline for submission of the 2018 quarterly QRTs is a week earlier than the equivalent deadline in 2017 and the deadline for submission of the annual reporting requirements is 2 weeks earlier. We have prepared the timeline overleaf summarising the reporting requirements in 2018 for both solo entities and groups (assuming a year end reporting date of 31 December)<sup>1</sup>.

## Changes compared to last year

### ANNUAL REPORTING

The final deadline for annual reporting is Sunday 6<sup>th</sup> May 2018. Narrative reports and QRTs need to be submitted to the regulator by this date 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 only at least every three years so it will not be required this year, unless specifically requested by the regulator. However, where there is no requirement for a full RSR, undertakings must submit to supervisors a concise report on any material changes over the financial year<sup>2</sup>.

The narrative reports and QRTs typically need to be drafted well in advance of the reporting as they must be approved by the Board in advance of publication / submission to the regulator. As part of this approval process, directors of Irish (re)insurers must submit accuracy statements<sup>3</sup> to the CBI as part of the submission on 6<sup>th</sup> May. 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 on the reporting date.

At a recent Pillar 3 workshop hosted by the Central Bank of Ireland (**CBI**), the CBI stated that they have taken a pragmatic approach to reporting errors so far, but from next year on they will start to take a harder line, in particular, where companies do not respond to queries promptly. Specifically pointing to the Directors' Accuracy Certificate, the CBI stated that in cases of persistent errors, they intend to directly contact signing directors in respect of governance processes.

<sup>1</sup> Note that some of the reporting dates fall on weekends.

<sup>2</sup> Article 312 of Delegated Regulation 2015/35

<sup>3</sup> For more information on Solvency II directors' certificates please see [our briefing note](#) from November 2016.

<sup>4</sup> Commission Implementing Regulation (EU) 2017/2190 of 24 November 2017 amending and correcting Implementing Regulation (EU) 2015/2452

### CHANGES TO THE QRTS

The new QRT Taxonomy 2.2.0 is to be applied from Q4 2017 onwards. Amendments to the Implementing Technical Standards (**ITS**) relating to the public disclosure QRTs<sup>4</sup> and to the supervisory reporting QRTs<sup>5</sup> published by the European Commission will also be effective from December. These lay out the changes to the QRTs and also corrections and amendments to the log files. EIOPA also published errata on reporting for Financial Stability Purposes<sup>6</sup> and on the supervision of third country branches<sup>7</sup>.

In addition, the variation analysis QRTs are required for the first time for year end 2017. We plan to publish a detailed briefing note on the variation analysis QRTs in the new year.

The CBI has also released some updates to the National Specific Templates (**NSTs**)<sup>8</sup> with the biggest changes occurring in NST.03.01, NST.04.01 and NST.07.01 where 'Other Motor Insurance' has been split by out further.

### CHANGES TO SFCRS

EIOPA held an industry stakeholder meeting in October focusing on SFCRs. Following this, EIOPA indicated that it would issue a non-binding "supervisory statement" by the end of 2017 addressing the main feedback from its review of the 2017 SFCRs. Following this, there may be further revisions to the ITS.

The CBI has also issued feedback to some Irish insurers on a one-to-one basis highlighting areas for improvement in their SFCRs.

## How Milliman Can Help

Our consultants have been advising clients on Solvency II since its inception. In particular, in relation to Pillar 3 our services include preparation and independent review of SFCRs, RSRs and QRTs and Pillar 3 training on narrative reports and QRTs.

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.

In addition, Vega® is an automated Pillar 3 reporting and standard formula aggregation tool ([link](#)) that also facilitates internal reporting and analysis.

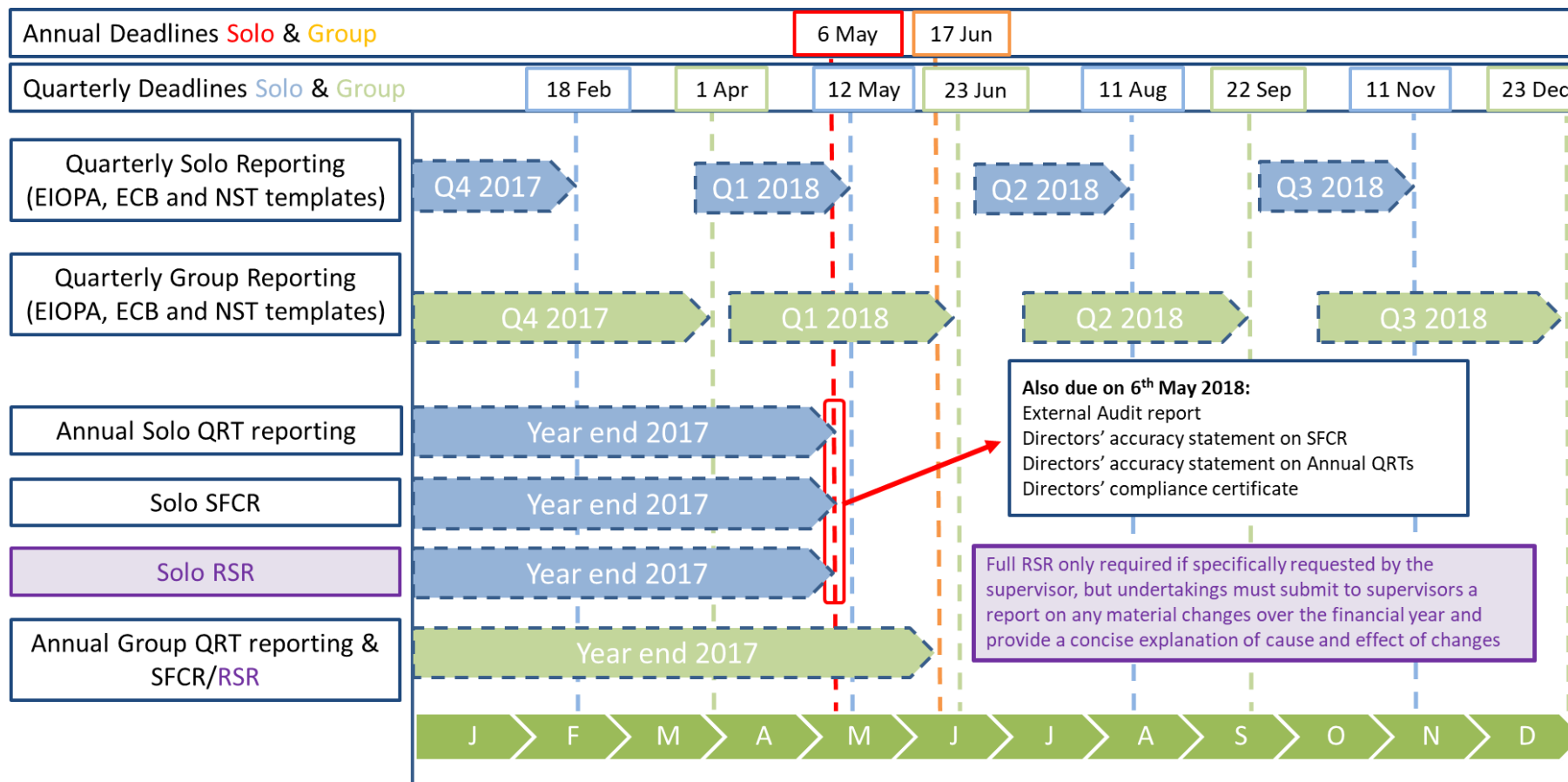
<sup>5</sup> Commission Implementing Regulation (EU) 2017/2189 of 24 November 2017 amending and correcting Implementing Regulation (EU) 2015/2450

<sup>6</sup> Errata: Guidelines on reporting for Financial Stability Purposes

<sup>7</sup> Errata: Guidelines on the supervision of branches of third country insurance undertakings

<sup>8</sup> National Specific Templates | Central Bank of Ireland

SOLVENCY II REPORTING TIMELINES 2018



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