

## Preparing for the Solvency II Directive of the European Union

<b>Date:</b>	November 17-19, 2010	<b>Duration:</b>	3 Days (9am to 5pm)
<b>Venue:</b>	Level 33, 25 Canada Square Canary Wharf, London	<b>Accreditation:</b>	Certified Solvency II Professional (CSiiP) <sup>™</sup> Issued by the Solvency II Association
<b>Fee:</b>	€ 2,495.00 EUR	<b>CPD:</b>	Total of 24 Hours

### OVERVIEW

A three-day practical training programme designed to provide delegates with the knowledge and skills needed to understand and support:

- Compliance with the Solvency II & Reinsurance Directives of the EU
- Promote Best Practice & International Standards that align with Business & Regulatory Standards

### COURSE SYNOPSIS

#### Introduction

- The European Union's Legislative Process. Directives and Regulations
- The Financial Services Action Plan (FSAP) of the European Union
- Solvency II and the Lamfalussy Process
- Level 1: Framework Principles
- Level 2: Implementation of Principles. Detailed Technical Measures
- Level 3: Strengthening Cooperation Among Regulators
- Level 4: Enforcement
- Overview of the Solvency I Framework
- From Solvency I to Solvency II
- Solvency II Key Players
- Committee of European Insurance and Occupational Pension Supervisors (CEIOPS)
- European Insurance and Pension Committee (EIOPC)
- CEA (Comité Européen des Assurances) – the European Insurance and Reinsurance Federation
- The International Association of Insurance Supervisors (IAIS)

#### Overview of the Solvency II Directive

- Solvency II: An Overview
- A Risk Based Approach
- A Unified Legislative Basis for Prudential Regulation of Insurers and Reinsurer
- Risk-Based Capital Allocation

#### Pillar 1: The Financial Resources Needed to be Considered Solvent

- The Solvency Capital Requirement (SCR)
- The Standard Approach
- The Internal Model
- The Collection of Additional Historical Data
- External Data
- The IT Challenge
- The Minimum Capital Requirement (MCR)

## **Pillar 2 and the Supervisory Review Process Own Risk and Solvency Assessment (ORSA)**

- ORSA as an Internal Assessment Process
- ORSA as a Supervisory Tool
- The role of the ORSA - Not a Third Solvency Capital Requirement

## **Pillar 3 and Risk Disclosure Requirements**

### **Solvency and Financial Condition Report**

### **The Solvency II Directive**

- Scope of the Application
- Authorisation
- Important Definitions

### **General Principles of Supervision**

- Home vs. Host Country
- Information to be provided for Supervisory Purposes
- Capital Add-on

### **System of Governance**

- General Governance Requirements
- Risk Management
- Internal Controls
- Internal Audit
- Actuarial Function
- Outsourcing
- Own Risk and Solvency Assessment
- Own Risk and Solvency Assessment and CEIOPS

### **Public Disclosure**

- Professional Secrecy and Exchanges of Information
- Agreement with Third Countries

## **Rules Relating to the Valuation of Assets and Liabilities, Technical Provisions, Own Funds, Solvency Capital Requirement, Minimum Capital Requirement and Investment Rules**

- Valuation of Assets and Liabilities
- Calculation of Technical Provisions
- Recoverables from Reinsurance Contracts and Special Purpose Vehicles
- Own Funds
- Determination, Classification, Eligibility of Own Funds

## Solvency Capital Requirement

- Requirement Using the Standard Formula or an Internal Model
- Value-at-Risk
- The SCR and the Value-at-Risk Measure Calibrated to a 99.5% Confidence Level over a 1-year Time Horizon
- Calculation of the Solvency Capital Requirement
- Structure of the Standard Formula
- Design of the Basic Solvency Capital Requirement
- Capital Requirement for Operational Risk

## Full and Partial Internal Models

- Calculation of the Minimum Capital Requirement
- Insurance and Reinsurance Undertakings in Difficulty or in an Irregular Situation
- Identification and Notification of Deteriorating Financial Conditions by the Insurance and Reinsurance Undertaking
- Non-Compliance with the Solvency Capital Requirement
- Non-Compliance with the Minimum Capital Requirement
- Supervisory Powers in Deteriorating Financial Conditions
- Withdrawal of Authorisation

## Right of Establishment & Freedom to Provide Services

- Conditions for Branch Establishment
- Branches Established within the Community and Belonging to Insurance or Reinsurance Undertakings whose Head Offices are Outside the Community
- Principles and Conditions of Authorisation
- Equivalence
- Subsidiaries of Insurance and Reinsurance Undertakings Governed by the Laws of a Third Country and Acquisitions of Holdings by such Undertakings
- Third-Country Treatment of Community Insurance and Reinsurance Undertakings

## Supervision of Insurance and Reinsurance Undertakings in a Group

- Group Supervision: Definitions, Cases of Application, Scope and Levels
- Supervision of Group Solvency
- Choice of Calculation Method and General Principles
- Related Insurance and Reinsurance Undertakings
- Intermediate Insurance Holding Companies
- Related Third-Country Insurance and Reinsurance Undertakings
- Related Credit Institutions, Investment Firms and Financial Institutions

## Calculation Methods

- Method 1 (Default method): Accounting Consolidation-Based Method
- Group Internal Model
- Method 2 (Alternative method): Deduction and Aggregation

## Third Countries

- Parent Undertakings Outside the Community - Verification of Equivalence
- Parent Undertakings Outside the Community - Absence of Equivalence
- Parent Undertakings Outside the Community - Levels
- Cooperation with Third Countries Supervisory Authorities

## The Reinsurance Directive

- Directive 2005/68/EC of 16 November 2005 on Reinsurance
- Reinsurance, Captive Reinsurance Undertakings, Finite Reinsurance
- Authorisation
- Principles and Methods of Financial Supervision
- Supervision of Branches Established in Another Member State
- Special Purpose Vehicles (SPV's)
- Third Countries
- Transposition

## The Solvency II Directive & Non-EEA Countries

- Solvency II, the Reinsurance Directive and Countries Outside of the European Economic Area

## Closing

- The Impact of Solvency II
- Translating Complex Rules Into Daily Activities
- Comparing and Contrasting Basel II & Solvency II
- The Differences
- What is Next: The Level 2 – Technical Measures
- Solvency II: A Risk that can become an Opportunity



## REGISTRATION FORM

### Course Information

**Course Title:** Preparing for the Solvency II Directive of the European Union  
**Course Date:** Wednesday 17, Thursday 18, Friday 19, November 2010  
**Course Venue:** Level 33, 25 Canada Square, Canary Wharf, London, E14 5LQ  
**Course Fee:** € 2,495.00 EUR Per Delegate  
**Includes:** Comprehensive Solvency II Training Manual, Study Material, Handouts, Solvency II Information on USB device, Certificate of Attendance, Breakfast, Lunch & Refreshments, 5 Star Facilities.

### Ways to Register

- Register Online: [https://www.solvencyiitraining.eu/book\\_course.php?InstanceID=117](https://www.solvencyiitraining.eu/book_course.php?InstanceID=117)
- Email Scanned Copy to: [register@solvencyiitraining.eu](mailto:register@solvencyiitraining.eu)
- Fax Completed Form to: + 44 207 681 3317

### Delegate Information

Mr.  Mrs.  Ms.  Dr.  Prof.

**First Name:** \_\_\_\_\_ **Last Name:** \_\_\_\_\_

**Company:** \_\_\_\_\_ **Position:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_ **City:** \_\_\_\_\_

\_\_\_\_\_ **Post Code:** \_\_\_\_\_

### Payment Methods

- Direct Transfer – EUR or GBP accepted**  
 Beneficiary: Solvency II Training Limited  
 Bank: HSBC Bank Plc  
 Sort: 40-18-51  
 A/C: 71363204  
 IBAN: GB38MIDL40185171363204  
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