

Preparing for Equivalence with the Solvency II Directive of the EU

Date:	December 15-17, 2010	Duration:	3 Days (9am to 5pm)
Venue:	Elbow Beach Hotel Bermuda	Accreditation:	Certified Solvency II Equivalence Professional (CSiiEP) [™] by the Solvency II Association
Fee:	€ 2,495.00 EUR	CPD:	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 Preparations for both, the Solvency II & Reinsurance Directive
- Compliance with the Equivalent Laws and Regulations that ensure Non-EU Countries achieve recognition as having Equivalent Regulatory standards to those in Europe's Solvency II Directive

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 Reinsurers
- 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 the 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

Solvency II, Group Supervision & 3rd Countries

- 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
- Choice of Method
- 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
- The International Association of Insurance Supervisors (IAIS) Defines a (Similar to Solvency II), 3 Pillar Approach to Supervision
- The Swiss Solvency Test (SST) and Solvency II: The basic principles are identical
- Solvency II, the Reinsurance Directive and the Offshore Financial Centers (OFCs)
- Case Studies
- Solvency II, the Reinsurance Directive & the USA
- The US National Association of Insurance Commissioners (NAIC) - the Organization of State Insurance Regulators and Solvency II
- Solvency II and Regulatory Arbitrage

Closing

- The Impact of Solvency II Outside the EEA
- The Risk for Major Offshore Financial Centers – for the Countries and the Firms
- The Risk for Third Country Reinsurance Undertakings, Captives and Holding Companies
- Providing Insurance Services to the European Client
- The Level 2 – Technical Measures
- Solvency II: A Risk that can become an Opportunity



REGISTRATION FORM

Course Information

Course Title: Preparing for Equivalence with the Solvency II Directive of the European Union
Course Date: Wednesday 15, Thursday 16, Friday 17, December 2010
Course Venue: Elbow Beach Hotel, Bermuda
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=119
- Email Scanned Copy to: 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
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 Sort: 40-18-51
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