

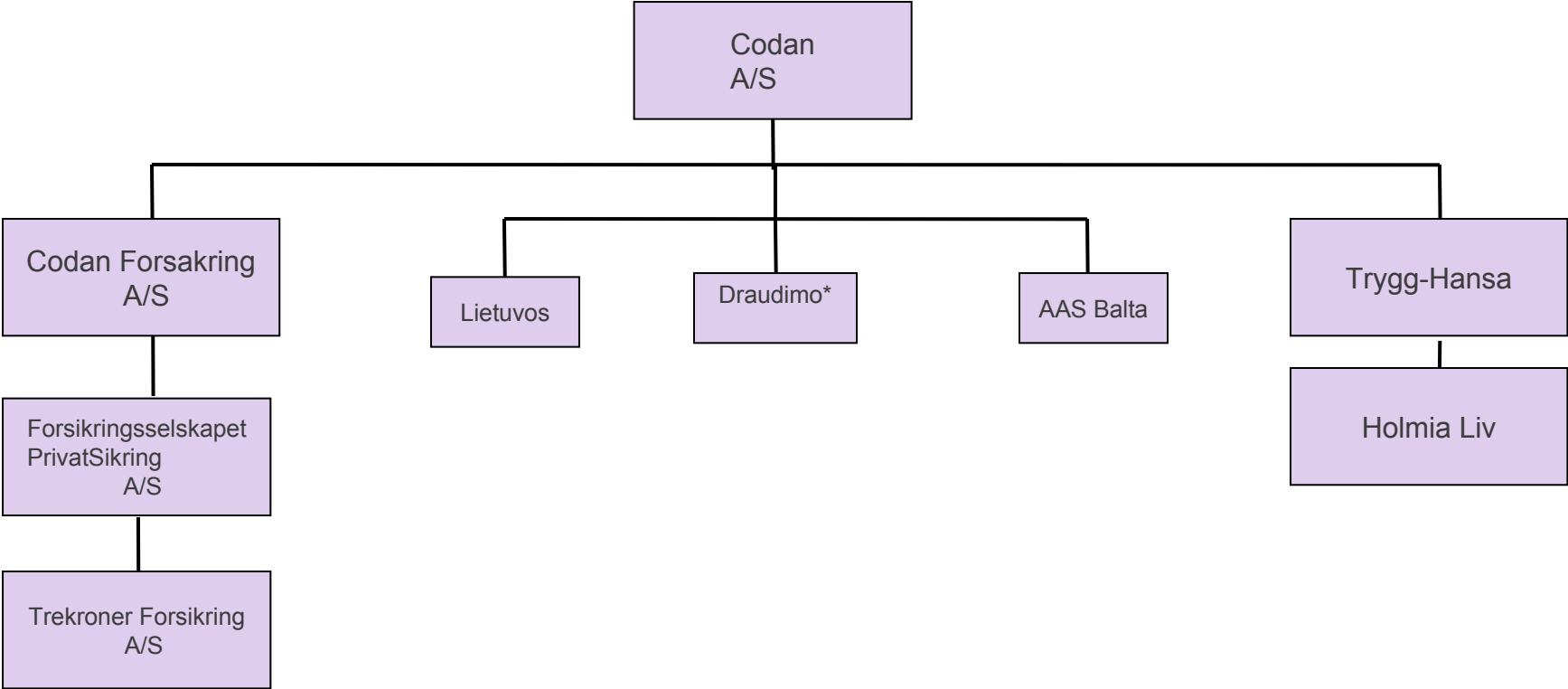
# **Solvency II & Datakvalitet V3**

**Ett skadebolags förberedelser inför Solvens II**

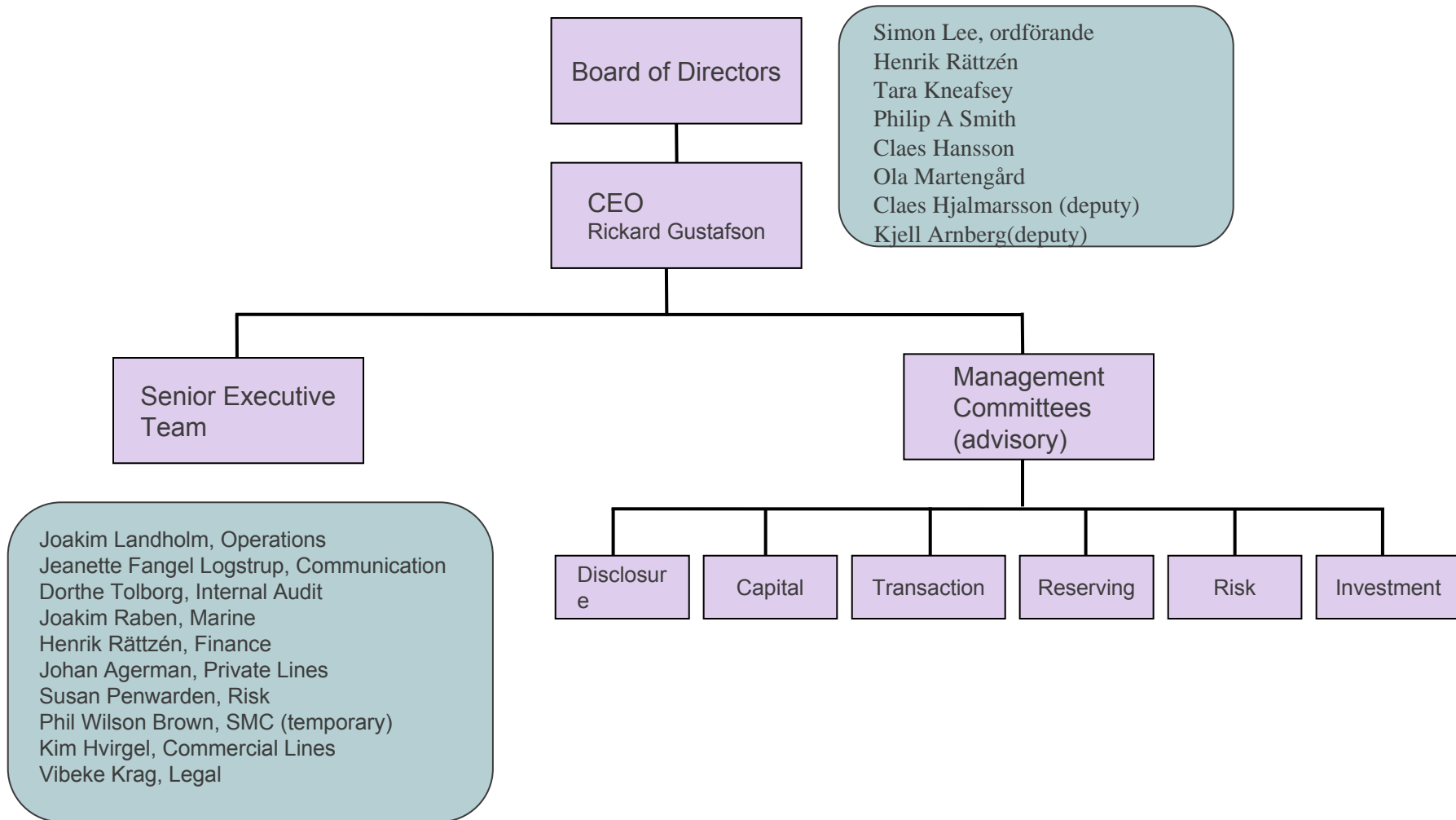
**Peter Fredby, Capital Manager, Codan/Trygg-Hansa**

**Ulf Holmström, IT-specialist, Trygg-Hansa**

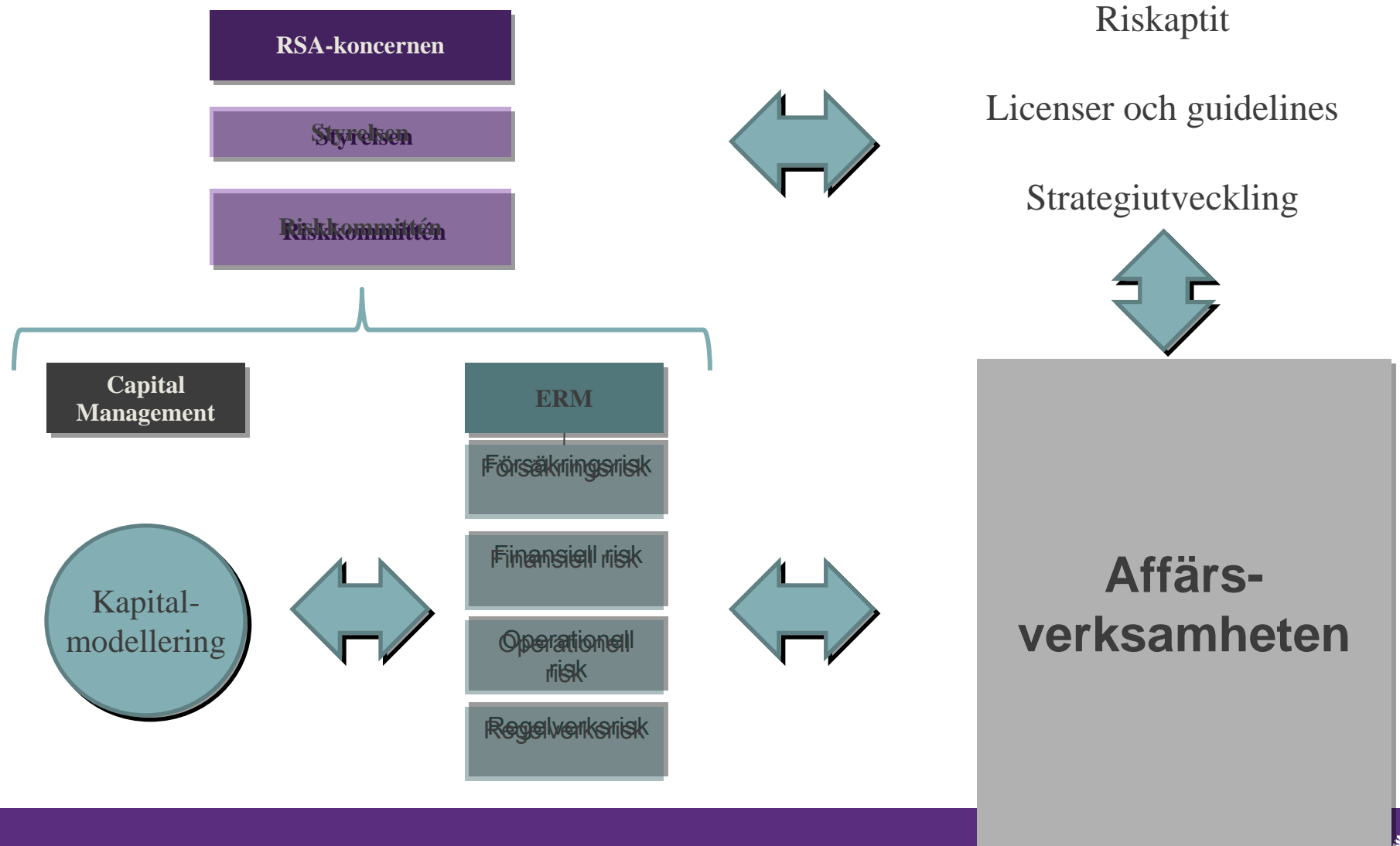
# Codangruppen (icke-försäkringsföretag och filialer uteslutna)



# Struktur för verksamhetsstyrning



# Bolags- & verksamhetsstyrning



# Nuvarande process för modellering av kapitalkrav

## • Kapitalmodell

- Codan och TryggHansa har separata modeller med "lokala parametrar." Resultatet konsolideras.
- Utgör en del av UK ICA, DK ISR och används internt i TH för "performance management"

## • Team – modelleringskompetens

- Svensk aktuarie hanterar den svenska modellen ; Niklas Gunnarsson (5 års erfarenhet och FI-kontakt), Johan Bergstrøm (1 års erfarenhet). Del av Nordic Capital Model Team som leds av Pernille Overby (10 års erfarenhet)
- Arbetet planeras och utförs under överinseende av den svenske chefsaktuarien Lars Klingberg (15 års erfarenhet)

	2004	2006	2007	2008	2009	2010
Contrib. to UK ICA	2012 <sub>oct</sub> Internal model estab. Annual submission five months after YE.				More frequent reporting expected	TH int. model is part of UK ICA submission
Codan/ Danish ISR	Internal model as part of UK ICA	Internal model adapted to Danish ISR	First Bi-annual Rept	Quarterly Submission after 20WD.	Upd instruction from FT expected	DK preparing for Solvency II from mid 2007
TryggHansa	Internal model as part of UK ICA			Decision to to full run quarterly in TryggHansa		TH running internal model on same level as UK ICA&DK ISR
QIS Participation		QIS -3 Participation	QIS -4 Participation		QIS -5 Participation	Fully Committed to any future QIS

# Individual Solvency Requirement (ISR)

- Lagstiftningen trädde ikraft 1 juli 2007
- Krav:
  - Alla risker måste identifieras och hanteras, dvs. det fordras en effektiv riskhantering och det måste finnas en process på plats
  - Kraven för processer med ledning har funnits sedan flera år
  - Beräkningarna görs varje kvartal
  - Potentiella svagheter i processerna eller hanteringen kan resultera i att ledningen bestämmer “capital add on”
- En bra grund för SII:
  - Kärnan i ISR är densamma som i Pelare I&II i SII

## Individuelle solvensbehov

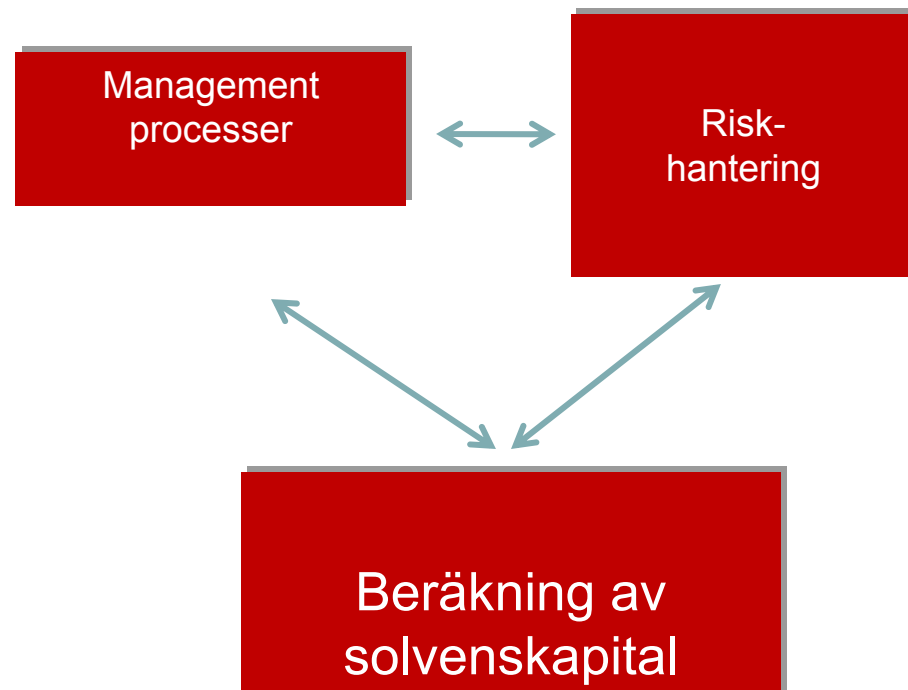
§ 16. Virksomhedens bestyrelse og direktion skal opgøre virksomhedens individuelle solvensbehov. Ved opgørelsen skal virksomheden tage hensyn til de forhold, der er beskrevet i vejledning om tilstrækkelig basiskapital og individuelt solvensbehov.

Stk. 2. Det individuelle solvensbehov opgøres som et beløb.

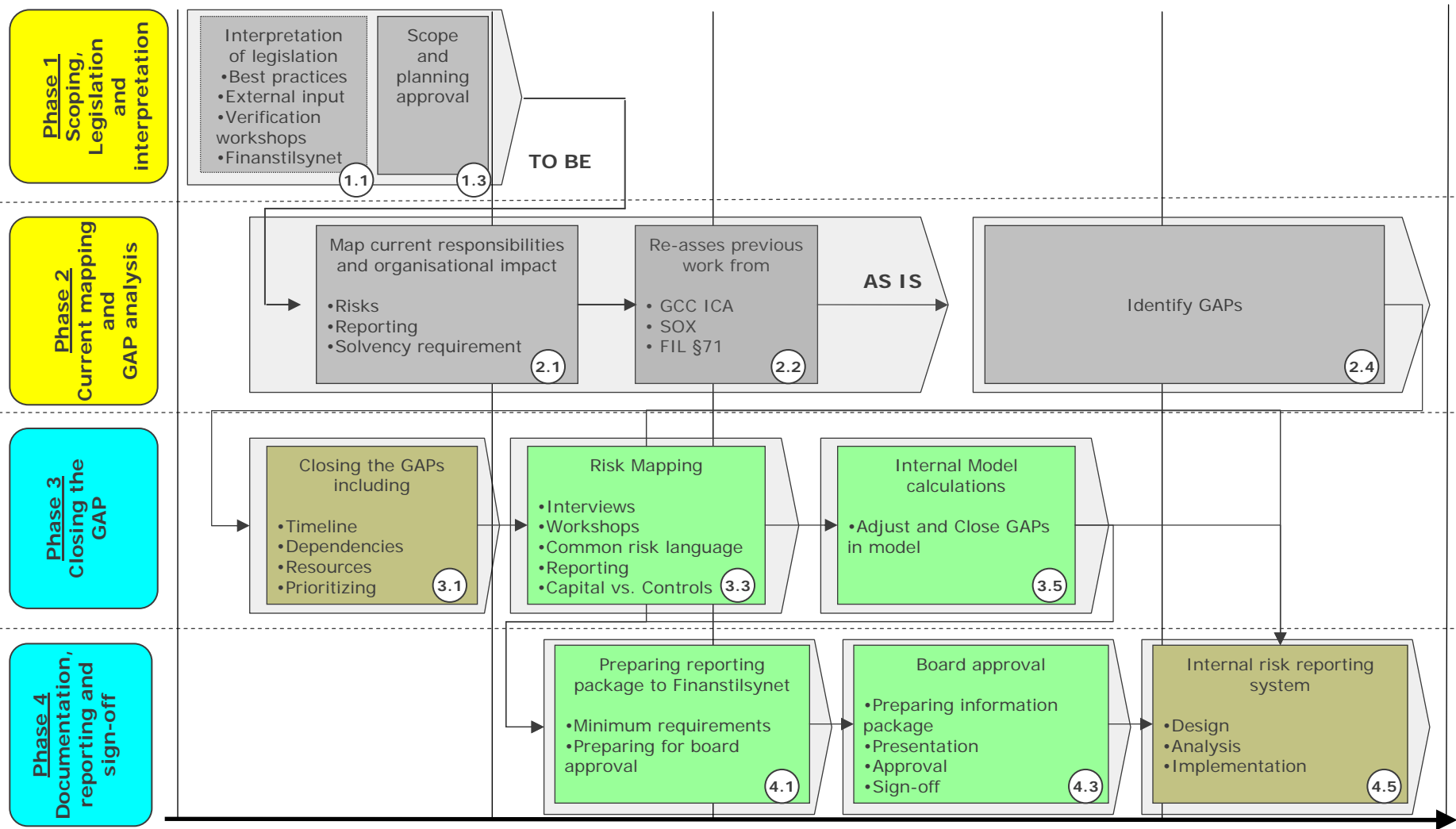
Stk. 3. Det individuelle solvensbehov skal indberettes til Finanstilsynet.

Stk. 4. Basiskapitalen skal mindst udgøre det største af det individuelle solvensbehov og kapitalkravet, jf. § 127 i lov om finansiel virksomhed.

Stk. 5. Virksomheden skal straks indberette til Finanstilsynet, hvis virksomheden ikke opfylder det af ledelsen opgjorte individuelle solvensbehov.



# SII-metodiken liknar implementeringen av ISR i Danmark



GAP analys => Compliant implementering

Alla "stakeholders" involveras

Ledningen är mycket engagerad

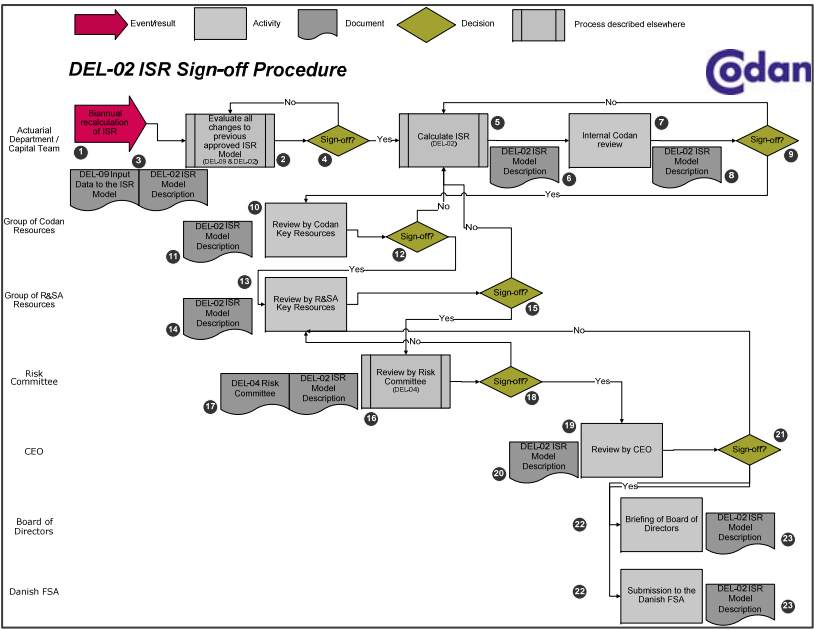
# Metodiken bygger Codans erfarenhet av att implementera ISR

## Processes needed for compliance

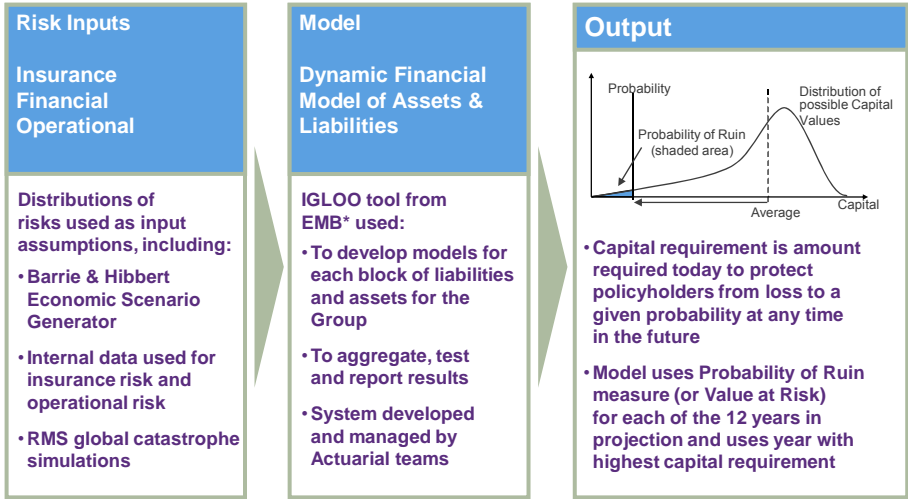
- Risk management universe
- Sign off on Inputs
- Sign off Results / Submission
- Recalculation/Trigger
- Independent Review
- Communication

## Model

- Fully Stochastic Model
- P&L, Balance Sheet Model
- An adaption of our existing model used also for UK ICA submissions.



## Economic capital requirement – how we model it



\* EMB are English, Matthews and Brockman. A leading provider of General Insurance Actuarial Software and Actuarial consultancy

Industry standard approaches have been applied

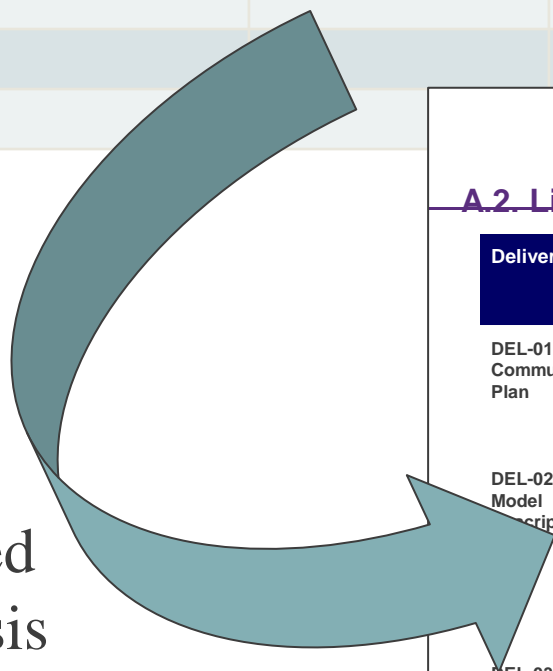




# Regelverksefterlevnad kräver en strukturerad ansats

## GAP Analysis

Reference to "vejledning"	Interpretation = Delivery	AS-IS	GAP = To Do
§1: ...			
§2			
§3			
...			



Consolidated  
GAP analysis  
into 11 projects

### A.2. List of ISR deliverables

Deliverable	Estimated project time	Deadline	Covered legislation (by paragraph no.)	Purpose
<b>DEL-01 Communication Plan</b>	9 working days	2007-12-31	1, 2, 3	To ensure that ISR/Solvency is being broadly understood in Codan not only at the executive level (cf. the board), but throughout the Codan organization. The increased communication will ensure, that the solvency consequences of risks taken will be evident.
<b>DEL-02 ICA Model Description</b>	20 working days	2007-10-18	5, 9, 18, 20, 21, 22, 23, 27, 30, 31, 32, 35, 36a, 36c, 36f, 38, 39, 42, 44, 45, 46, 48, 50, 51a, 51b, 51c, 51d, 51e, 54, 55, 57, 58, 59, 60, 61, 63, 64, 70	Firstly to ensure that the local FSA is provided with an in depth description of the ICA Capital Model, secondly that the Board is provided with an easy-to-read introduction to the Capital Model as well as an Executive Summary of the main results of the Solvency calculations (and explanations hereof) (thirdly). All three part deliverables conducted on a yearly basis.
<b>DEL-03 Risk Mapping</b>	9 working days	2007-11-12	4, 9, 20, 25, 36d, 36e, 38, 41, 50, 51a, 51b, 51c, 51d, 51e, 52, 53, 54, 55, 59, 60, 61, 67, 68, 69, 70	To ensure that all risks in Codan are being discussed (identified, monitored, administered and reported) and appropriate actions are taken in order to mitigate the risks (through capital, mitigating actions or both).

# Viktigt att identifiera konkreta leverabler utifrån regelverket

ID	Action	Status	Remarks
1	02. No action	02. Completed	No deliverable
2	02. No action	02. Completed	No deliverable
3	02. No action	02. Completed	No deliverable
4	02. No action	02. Completed	No deliverable
5	02. No action	02. Completed	No deliverable
6	02. No action	02. Completed	No deliverable
7	01. Action	01. Planned	
8	01. Action	01. Planned	
9	01. Action	01. Planned	
10	01. Action	01. Planned	
11	01. Action	01. Planned	
12	02. No action	02. Completed	
13	01. Action	01. Planned	
14	01. Action	01. Planned	
15	01. Action	01. Planned	
16	02. No action	02. Completed	
17	01. Action	01. Planned	
18	01. Action	01. Planned	
19	01. Action	01. Planned	

ID	Action	Status	Remarks
1	02. No action	01. Planned	No deliverable
2	02. No action	02. Completed	No deliverable
3	02. No action	02. Completed	No deliverable
4	02. No action	02. Completed	No deliverable
5	02. No action	02. Completed	No deliverable
6	02. No action	02. Completed	No deliverable
12	02. No action	02. Completed	
16	02. No action	02. Completed	
24	02. No action	02. Completed	
26	02. No action	01. Planned	
27	02. No action	01. Planned	
28	02. No action	01. Planned	
29	02. No action	01. Planned	
30	02. No action	01. Planned	
31	02. No action	01. Planned	
32	02. No action	01. Planned	
33	02. No action	01. Planned	
34	02. No action	01. Planned	
35	02. No action	01. Planned	

ID	Action	Status	Remarks
7	01. Action	01. Planned	
8	01. Action	01. Planned	
9	01. Action	01. Planned	
10	01. Action	01. Planned	
11	01. Action	01. Planned	
13	01. Action	01. Planned	
14	01. Action	01. Planned	
15	01. Action	01. Planned	
17	01. Action	01. Planned	
18	01. Action	01. Planned	
19	01. Action	01. Planned	
20	01. Action	01. Planned	
21	01. Action	01. Planned	
22	01. Action	01. Planned	
23	01. Action	01. Planned	
25	01. Action	01. Planned	
73	01. Action	01. Planned	
75	01. Action	01. Planned	
76	01. Action	01. Planned	

## Exempel på leverabler som säkerställer regelverksefterlevnad

Deliverable	Estimated project time	Deadline	Covered legislation (by paragraph no.)	Purpose
<b>DEL-01 Communication Plan</b>	9 working days	2007-12-31	1, 2, 3	To ensure that ISR/Solvency is being broadly understood in Codan not only at the executive level (cf. the board), but throughout the Codan organization. The increased communication will ensure, that the solvency consequences of risks taken will be evident.
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# Arbetsgrupper för SII

Sponsor	Arbetsgrupp	Lead	Roll
	Use test		Förstå kraven för use-test och säkerställa att dessa uppfylls. Utforma ORSA.
	Governance		Bl.a. utveckla och skapa styrningsfunktioner, processer och policies.
	Data		Förstå datakrav , bygga data arkitektur, GAP-analys, 'data governance model'. Systemförändringar, datafångst, datalagring och "tvätt" av data
	Riskhanteringsfunktionen		Tillse att RMF lever upp till SII. Utveckla och implementera för standardisering av riskpolicies, procedurer och kontroller i gruppern. Integrera RM in IM.
	Intra-gruppavtal		Utvecklar och implementera avtal för intra-grupp tjänster
	MCR		Definiera och implementera beräkningsprocessen för MCR. Tillse att finansieringsinstrument får ingå i kapitalbasen.
	Calculation Kernel		Bygger beräkningsverktyget
	Aktuariefunktionen rapporter		Bygger funktionens rapporter och driver nödvändiga förändringar i funktionen
	Försäkringstekniska avsättningar		Utformar och testar metoder för beräkning av FTA samt tillser att dessa överensstämmer med och är inkluderade i beräkningsverktyget
	SII - Policyfrågor		Tolkar SII när det är otydligt eller fordras tolkning. Hanterar, konsoliderar och dokumenterar tekniska policies.
	Upplysningar		Utformar och producerar rapporter , inkluderandes: Solvency Financial Condition Report (SFCR,) Report to Supervisor (RTS), Rapporter enligt standardsmodellen (övergångsvis), SII balansräkning, Avstämning mot IFRS, Rapportfrekvens

# **Solvency II & Datakvalitet V3**

**Ett skadebolags förberedelser inför Solvens II**

# Solvency II

- **Appropriate**

- it is suitable for the intended purpose
- relevant to the portfolio of risks being analysed

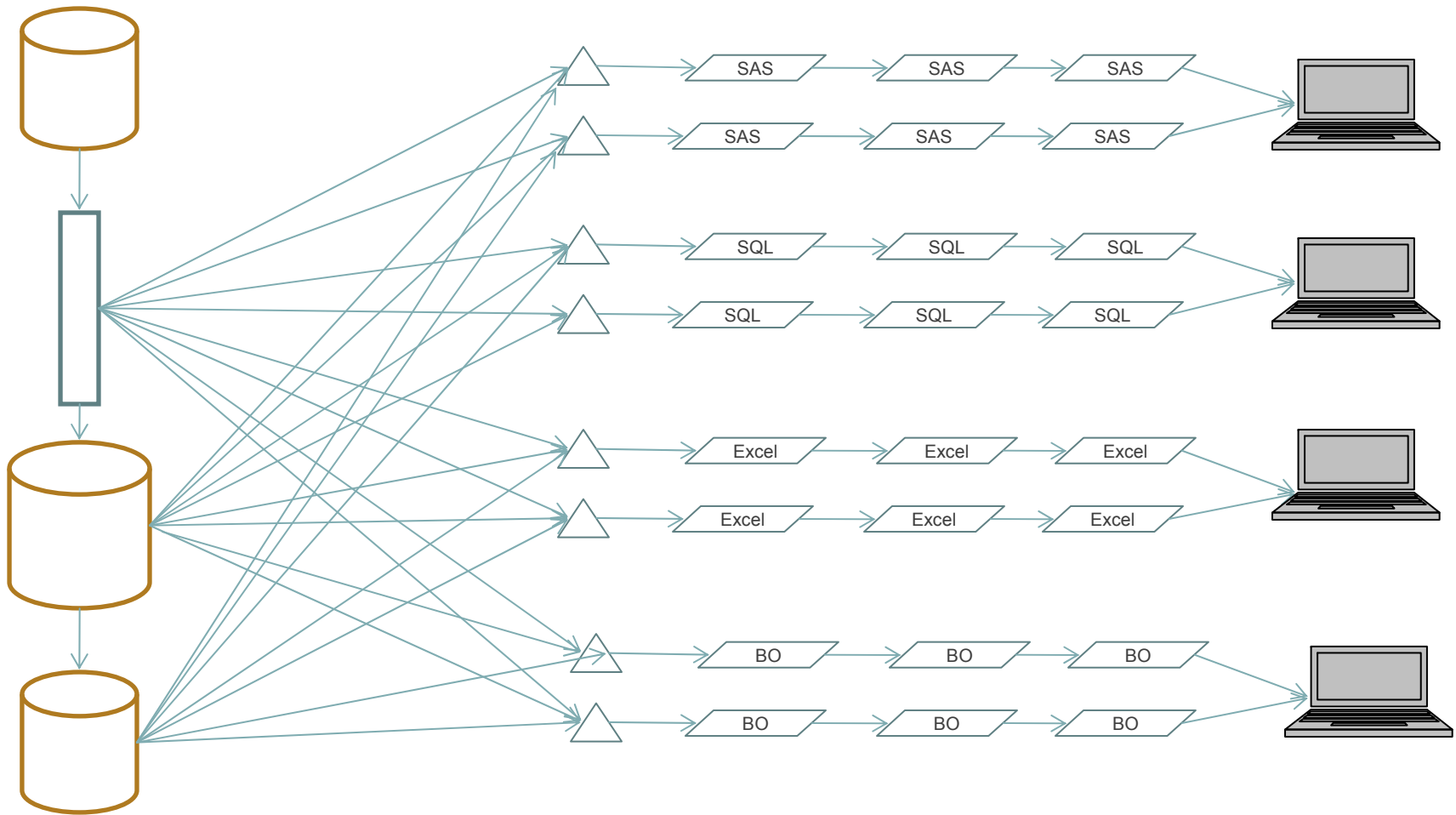
- **Complete**

- it allows for the recognition of all the main homogeneous risk groups
- sufficient granularity
- sufficient historical information

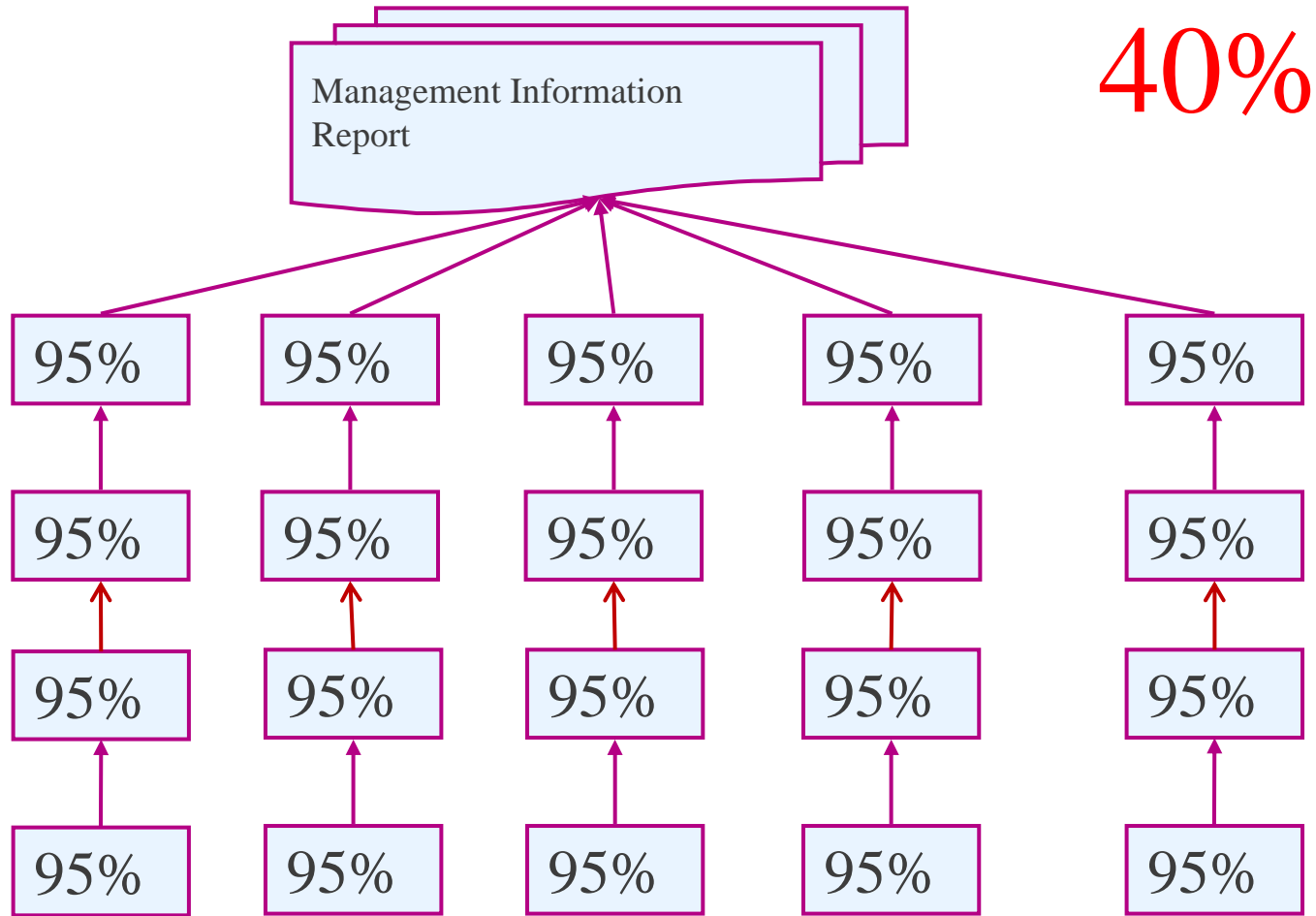
- **Accurate**

- free from material mistakes, errors and omissions
- the recording of information is adequate and is kept consistent across time
- The data is used throughout the undertakings operations and decision-making processes

# End User Computing – En fråga om förtroende



# En liten sannolikhetsberäkning





# Appropriate, Complete and Accurate

