4D Training

Solvency II Introduction

Since the 1st January 2016, Solvency II has been the basis of insurer prudential governance. Capital adequacy is only one of the three elements: the capital adequacy figure is only valid provided that effective governance is in place and risk management is embedded in the firm's strategy and operations.

Who would benefit?

This course is designed for insurance professionals who are not in specific actuarial or risk management roles, but who will be affected by a greater and more granular application of risk-based capital management, and the enhanced governance that accompanies it. Solvency II is just one driver that is forcing cost of capital and return on capital on to the underwriting agenda, and portfolio decision making.
This introductory course is designed for Approved Persons, compliance officers and technical staff, especially when identified as a Key Function Holder or to give 'lay users' a broad understanding of Solvency II, its language and jargon and how it affects day-to day operation.

Objective

The aim of this course is to enable delegates to:

- Understand what Solvency II is, the objectives and the reasons for its adoption
- Describe the component parts using the language of Solvency II
- Summarise the essentials of probabilistic capital modelling
- Explore the key role of the capital in the choice between the standard formula or internal formula
- Explain the risk management and governance requirements
- Summarise the data and reporting requirements
- Explore the implications of a focus on risk based capital

Content

- The background to Solvency II and its purpose
- The three Solvency II pillars
- An insurers risk universe from the perspective of the Solvency II balance sheet
- Capital modelling, and a comparison between the standard formula and the internal model (including the "Use Test")
- Governance, risk management and the Own Risk and Solvency Assessment.
- Data management and reporting

Duration

One day or half day abridged refresher version