

Solvency II Reporting: Year End 2018 and beyond

Patrick Meghen, FSAI
Ellen Matthews, BAFS



With Solvency II Reporting becoming routine for companies, the focus now shifts to improving regulatory reporting processes and meeting the earlier deadlines.

This year, the deadline for submission of the 2019 quarterly QRTs is a week earlier than the equivalent deadline in 2018 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 2019 for both solo entities and groups (assuming a year-end reporting date of 31 December)¹.

Changes compared to last year

ANNUAL REPORTING

The final deadline for annual reporting is Monday 22nd April 2019. 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 year². The Central Bank of Ireland (CBI) previously sent a letter to CEOs³ with feedback on RSRs.

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 statements⁴ to the CBI as part of the submission on 22nd April (noting this is a Bank Holiday in Ireland). 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.

Following the thematic inspections on regulatory reporting, the CBI sent a letter in April 2018 to CEOs⁵ detailing the good and poor practices they observed. The CBI expects companies to have a robust and documented control framework, and an understanding of the importance of the 2nd and 3rd Lines of Defence involvement in the reporting process. At their

¹ Note that some of the reporting dates fall on weekends.

² Article 312 of Delegated Regulation 2015/35

³ Dear CEO letter – Regular Supervisory Reports

⁴ For more information on Solvency II directors' certificates please see [our briefing note](#) from November 2016.

⁵ Dear CEO letter - Solvency II Regulatory Reporting

Solvency II Reporting workshop in November 2018, the CBI reiterated that Directors who sign the Accuracy Certificate are attesting to the accuracy of all information provided. Last year, they stated that they would directly contact signing directors in cases of persistent errors, and we believe they have done so throughout 2018.

CHANGES TO THE QRTS

The new QRT Taxonomy 2.4.0 is applicable from Q4 2018 onwards. Amendments to the Implementing Technical Standards (ITS) relating to the public disclosure QRTs⁶ and to the supervisory reporting QRTs⁷ 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 Purposes⁸ and on the supervision of third country branches⁹.

The CBI has also released some updates to the National Specific Templates (NSTs)¹⁰. A new template, "NST.14 – Non-Life Policy & Customer Information", will be required from non-life undertakings at Q4 2018.

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 (including company specific training for Board members) 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.

⁶ Commission Implementing Regulation (EU) 2018/1843 of 23 November 2018 amending Implementing Regulation (EU) 2015/2452

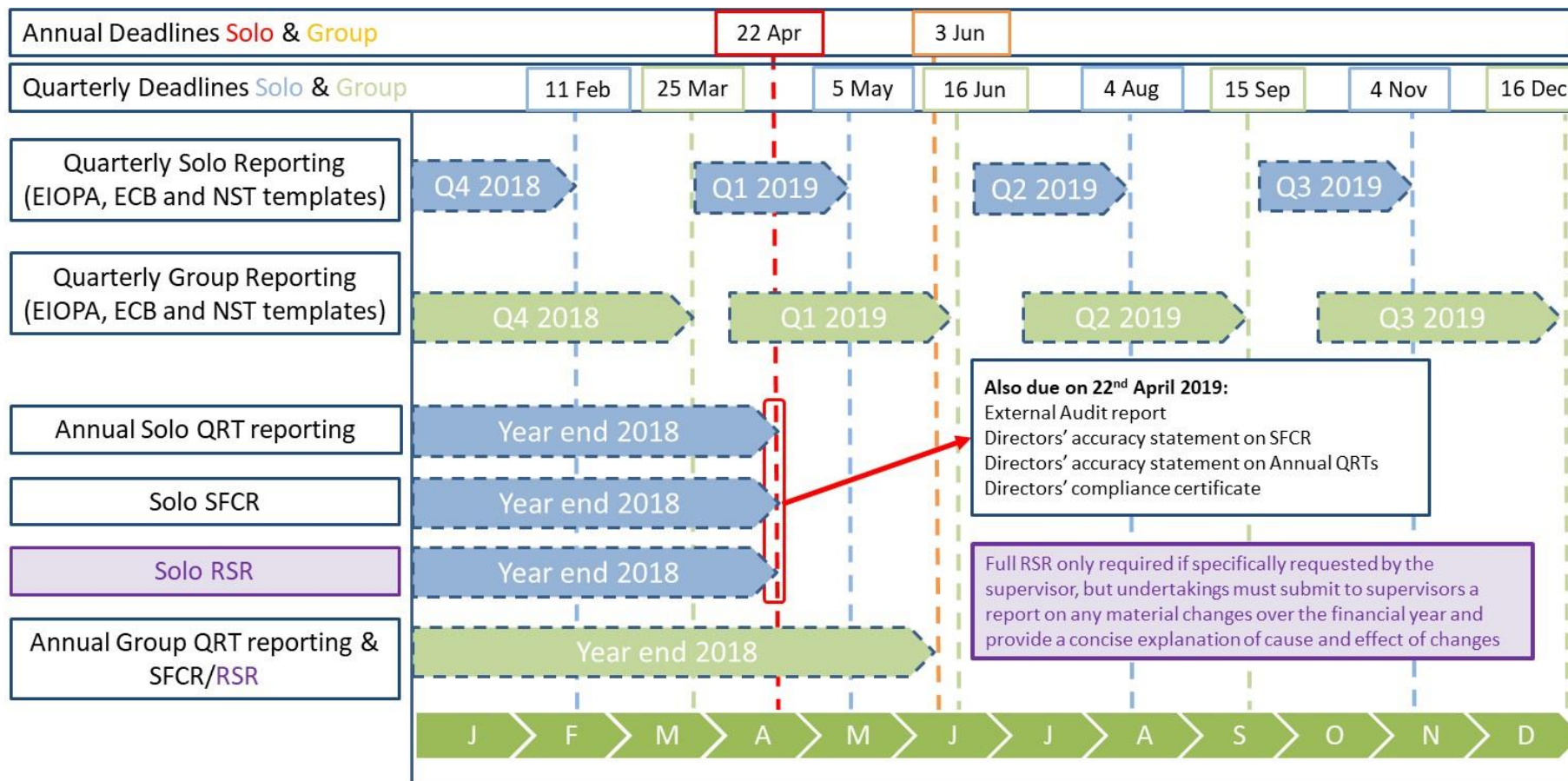
⁷ Commission Implementing Regulation (EU) 2018/1844 of 23 November 2018 amending and correcting Implementing Regulation (EU) 2015/2450

⁸ Errata: Guidelines on reporting for Financial Stability Purposes

⁹ Errata: Guidelines on the supervision of branches of third country insurance undertakings

¹⁰ National Specific Templates ; Central Bank of Ireland

SOLVENCY II REPORTING TIMELINES 2019



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CONTACT

Patrick Meghen
patrick.meghen@milliman.com

Ellen Matthews
ellen.matthews@milliman.com



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