The solution for monitoring and demonstrating compliance when Outsourcing

Outsourcing supports insurers in a wide range of ways, performing many back-office functions, but insurers are required to ensure that outsourcing will not impair their systems of governance.

Outsourcing is an area of increased focus across financial services industries with regulators applying pressure to ensure companies have proper systems in place to monitor these outsourcing arrangements.

Using an outsourced model is a valuable option to access specialist knowledge and services whilst keeping costs low. That said monitoring the outsourced providers and ensuring proper systems of controls is a necessity.

The Milliman Outsourcing Compliance Tool provides a simple and cost effective way to help companies stay on top of their outsourcing arrangements, and to evidence this to key stakeholders including auditors and regulators.

REGULATORY REQUIREMENTS

The requirements for companies in relation to outsourcing are spread across many sources. This tool brings requirements from a range of different sources together in one place to ensure a robust assessment is performed.

The information demanded by the requirements is supplemented with questions based on industry best practice.

Sources captured include;

- Solvency II Directive (and SI 485 of 2015 – the Irish Transposition of SII Directive)
- Solvency II Delegated Regulations
- EIOPA Guidelines on System of Governance
- Central Bank of Ireland Notification Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Functions or Activities under Solvency II
- Central Bank of Ireland Cross Industry Guidance in respect of Information Technology and Cybersecurity Risks
- Central Bank of Ireland Guidance on Fitness and Probity Standards 2018
- Central Bank of Ireland Guidance for (Re) Insurance Undertakings on the Fitness and Probity Amendments 2015

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Key features

EASY-TO-USE

- Easy-to-use tool with simple questions that are accessible for staff in all roles and departments
- Assessments conducted for each outsourcing arrangement
- Information on all outsourcing arrangements can be displayed in one place
- Builds on our Solvency II Compliance Assessment Tool so will be familiar to our current clients and users.

PROPORTIONALITY

- Not all outsourcing is the same and therefore a basic or a detailed assessment can be conducted for each service provider.

AUDIT FUNCTIONALITY

- Audit trail - who answered what and when

WORKFLOW FUNCTIONALITY

- Allows the coordinator to delegate questions to selected individuals, or the supplier themselves
- Questions can be scheduled for predefined intervals
- All responses from individuals are displayed in a single user friendly interface
- Email reminders to question holders where questions not yet completed
- Future tasks can be set up and tracked until completion

LINKS TO RELEVANT LEGISLATION

- The tool includes hyperlinks from each question to the relevant articles of the regulations which provides an invaluable reference tool
- Users can see why each question is relevant and can get some context to the question being asked

LATEST UPDATES TO REGULATIONS

- Allow users to stay on top of the latest developments as the tool is updated to reflect any amendments to regulations
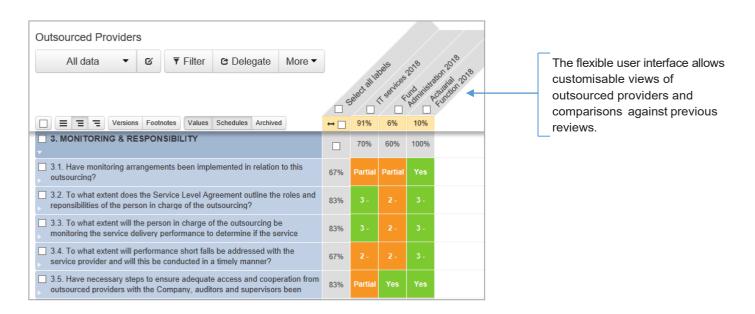
CLOUD BASED PLATFORM

- Cloud based platform supported by our partner ViClarity who specialise in compliance software
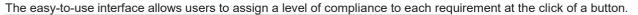
REPORTING FUNCTIONALITY

- System built reports showing the level of compliance for each instance of outsourcing
- Can show all questions or non-compliant ones only
- Data can be exported to Excel to allow further customisation of reports

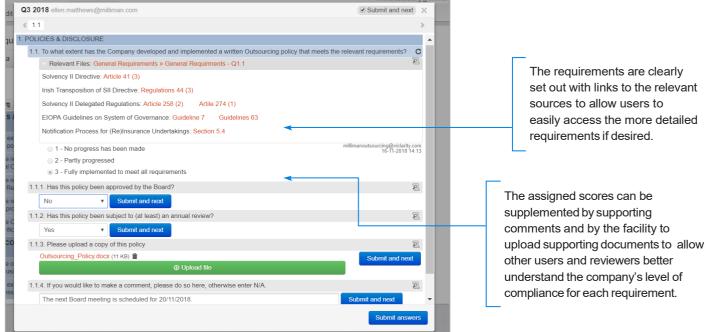# Outsourcing dashboard

Administrators get a clear overview of the current review's status across all outsourcers in real time.
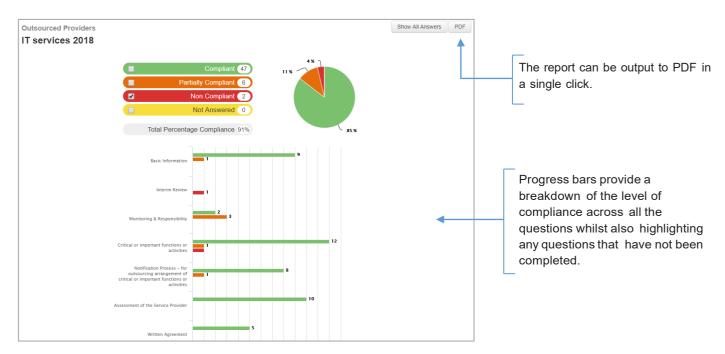

The flexible user interface allows customisable views of outsourced providers and comparisons against previous reviews.

Easy-to-use interface

The easy-to-use interface allows users to assign a level of compliance to each requirement at the click of a button.

The requirements are clearly set out with links to the relevant sources to allow users to easily access the more detailed requirements if desired.

The assigned scores can be supplemented by supporting comments and by the facility to upload supporting documents to allow other users and reviewers better understand the company's level of compliance for each requirement.

Compliance report

The compliance report provides a clear visual summary. At a glance, users can gauge their level of compliance across the various requirements.

The report can be output to PDF in a single click.

Progress bars provide a breakdown of the level of compliance across all the questions whilst also highlighting any questions that have not been completed.

All questions can be displayed beneath the summary with the option to select particular categories of questions based on their level of compliance.

ABOUT MILLIMAN

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

MILLIMAN IN EUROPE

Milliman maintains a strong and growing presence in Europe with more than 250 professional consultants serving clients from offices in Amsterdam, Brussels, Bucharest, Dublin, Dusseldorf, Istanbul, London, Luxemburg, Madrid, Milan, Paris, Stockholm, Warsaw, and Zurich.

OUR EXPERIENCE

We have a depth of experience advising our clients on risk management and systems of control. As an outsourced provider or risk and actuarial services we are keenly aware of the challenges for companies in monitoring outsourcing arrangements and evidencing this. To this end we were ideally placed to create a tool to help.

The platform and format used is similar to our Solvency II Compliance Assessment Tool which is used by insurance companies throughout Europe. Building upon this same concept, and having listened to demand, we have combined these two skillsets to create the Milliman Outsourcing Compliance Tool.

CONTACT

If you would like to arrange a free demonstration of the Milliman Outsourcing Compliance Tool please contact Patrick Meghen, or your usual Milliman consultant.

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ABOUT VICLARITY

ViClarity is an award winning provider of Audit, Risk & Compliance management solutions to the Financial and Healthcare sectors. ViClarity is a global organisation with offices in Ireland, UK and Boston, Massachusetts. Since our foundation in 2008 ViClarity have gained a large global client base of organizations of all sizes including Investment/Fund Management, Insurance, Banks and Credit Union clients.

Our approach is to provide organizations with a strong culture of Risk and Compliance while reducing the burden of manual based processes. The solution is designed to provide a centralized platform for Risk and Compliance and enables organizations to have real time access to data at all times.

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