



**PENHALLOW ASSOCIATES LIMITED**  
A Financial Knowledge Company



## **Solvency II Insurance Regulation Post Brexit Changes**

**Virtual Learning or Classroom Training**

**Duration 3 Hours**

**Course Price: On Request**

**Location: (UK) For Virtual Learning Live Environment via Video  
Communication. *To book, or, require more information. Please contact  
Alan Penhallow;***

***e-mail: [alanp@penassco.co.uk](mailto:alanp@penassco.co.uk)***

***Mobile: +44 (0) 7712086934***

***This programme may be of interest to your colleagues.***

**[www.penassco.co.uk](http://www.penassco.co.uk)**

## **Introduction**

This course provides an overview to the implementation of the Solvency II Directive in Europe. The United Kingdom's departure from Europe will have a profound impact on how insurance companies operating in the UK comply with the regulation, particularly as UK regulators now have more flexibility with the solvency rules.

The Bank of England has recently advised the government that regulatory reforms may increase the risk of an insurance company collapsing. This will have an impact on whether insurance companies must hold capital above regulatory requirements.

Solvency II like Basel II and III is part of UK and European Union law for insurance businesses by setting out capital and other requirements. The rules will change the way that companies set their objectives and strategic plans and will involve a lot of regulatory intervention.

## **Agenda**

### **Risks**

- Operational
- Liquidity
- Market
- Credit
- Insurance risk

### **Overview Solvency 2**

- Bank of England review on solvency risk
- Timetable for introduction and Financial Regulator adoption requirements
- Role of CEIOPS/Establishment of EIOPA
- Prudential Regulatory Authority guidelines and implementation requirements.
- Role of the group supervisor
- Use and approval of internal model

### **Objective of Solvency 2**

- Objectives of Solvency 2
- Life Assurance - Valuation process, Cash flow projections, Life contracts Non-life contracts, Options guarantees and policy holder actions
- Risk Free interest term structure - Government bond rates, Adjustment, Swap Rates, Currency Rates

*Case study lessons from Prudential & Equitable Life*

## **Risks Profits and Margin Calculations**

- Residential Margin
- Day One Profit
- Calculation OF Residual Margin
- Risk Capital Margin
- Customer Participation agreements and capital requirements
- Contract Border

## **Solvency 2 and Financial Reporting**

- Interaction between Solvency and International Financial Reporting Standards
- Expected Profit in Future Premiums Value in Force
- Contract Boundary
- Tier Structures of Solvency 2

## **Who Should Attend**

This course is suitable for anyone involved in compliance for the insurance sector. It will also appeal to senior managers involved in strategic planning and wish to know how Solvency 2 will shape the insurance sector in the UK and Europe, particularly post Brexit.

## **Approach**

Each topic will be expanded and explained to the delegates in a structured manner, developing their knowledge through diagrams, 'live' drawings and on-the-spot explanations. Active participation of the delegates will be encouraged, and exercises will be introduced at frequent and appropriate points.

## Trainer Profile



**Cormac Butler** is currently an active equity and options trader and a former consultant with Lombard Risk Systems London and has also worked with Peat Marwick and PricewaterhouseCoopers.

He has considerable international experience as a training consultant in derivative accounting, Corporate Finance and Derivative Mathematics, working with major banks including Banquet BNP Paribas.

He has conducted in-house courses Morgan Stanley, PriceWaterhouseCoopers (Holland), Investec (South Africa) and ABB Switzerland and Asian Development Bank. In addition, he has worked for IIR and Euromoney in Singapore, Hong Kong, Thailand, America and Saudi Arabia.

Cormac graduated from the University of Limerick, Ireland with a degree in Finance He has recently published Mastering Value at Risk (Financial Times Pitman) which is currently on the best sellers list (for Risk Management books) with Amazon.com, Gloriamundi.org and Financial World Bookshop (London). He has also published Accounting for Financial Instruments by Wiley.

**© Copyright 2023. Disclaimer: Statements pertaining to this course are for training purposes only.  
Company Number 12132522  
VAT No. 393 3473 73**