

Solvency II Reporting: Year End 2022 and beyond

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We have prepared a timeline overleaf summarising the reporting requirements in 2023 for both solo entities and groups (assuming a year-end reporting date of 31 December).

The deadline for submission of the annual reporting requirements is unchanged from last year at 14 weeks for solo undertakings, with a submission date of Saturday 8 April 2023. The deadline for submission of the 2023 quarterly Quantitative Reporting Templates (QRTs) is also unchanged from the equivalent deadlines in 2022, at 5 weeks for solo undertakings.

Annual reporting

Year-end 2022 narrative reports (Solvency and Financial Condition Report (SFCR) and Regular Supervisory Report (RSR)) and QRTs need to be submitted to the regulator by 8 April 2023 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 at least every three years. For undertakings who submitted the full RSR for year-end 2019, the next full RSR will be required this year. The narrative reports and QRTs typically need to be drafted well in advance of the reporting deadlines, as they must be approved by the Board before publication / submission to the regulator. As part of this approval process, directors of Irish (re)insurers must submit accuracy statements¹ to the Central Bank of Ireland (CBI) as part of the submission on 8 April. 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 to be completed on the reporting date.

Changes to the QRTs

The new QRT Taxonomy 2.7.0 is applicable from Q4 2022 onwards. Amendments to the Implementing Technical Standards (ITS) relating to the public disclosure QRTs and to the supervisory reporting QRTs can be found on EIOPA's website. These set out the changes to the QRTs. Most of the amendments relate to the introduction of Pan-European Personal Pension Products (PEPPs). No new log files are issued for 2022 and there are no changes to the CBI's National Specific Templates (NSTs)² for 2022 announced on their website. The 2.8.0 Taxonomy will become applicable from Q4 2023 for Solvency II. The proposed future taxonomies are discussed in [a separate Milliman briefing note](#).

¹ For more information on Solvency II directors' certificates please see [our briefing note](#) from November 2016.

² National Specific Templates | Central Bank of Ireland

Future changes to reporting requirements

New guidelines were published by EIOPA in April 2022 in relation to the valuation of technical provisions and contract boundaries across Europe. These new guidelines, which will apply from 1st January 2023, include the following changes:

- Explicit consideration of the proportionality principle in the valuation of SII technical provisions (TPs);
- Using quantitative and qualitative indicators to assess materiality in assumption setting and enhanced governance, communication, documentation and validation in the assumption setting process;
- Clarification that investment management expenses included in the TPs should be based only on the investments required to service the insurance contracts;
- New guidelines in relation to the treatment of financial guarantees and options;
- A "comprehensive management plan" listing all assumptions relating to future management actions used on the best estimate calculation should be prepared;
- Review calculation and governance in the Expected Profit in Future Premium (EPIFP).

Guidelines relating to contract boundaries are intended to provide clarification rather than changing the underlying criteria for determining contract boundaries and so should not result in a material change across the industry.

These guidelines are discussed in detail in [a separate Milliman briefing note](#).

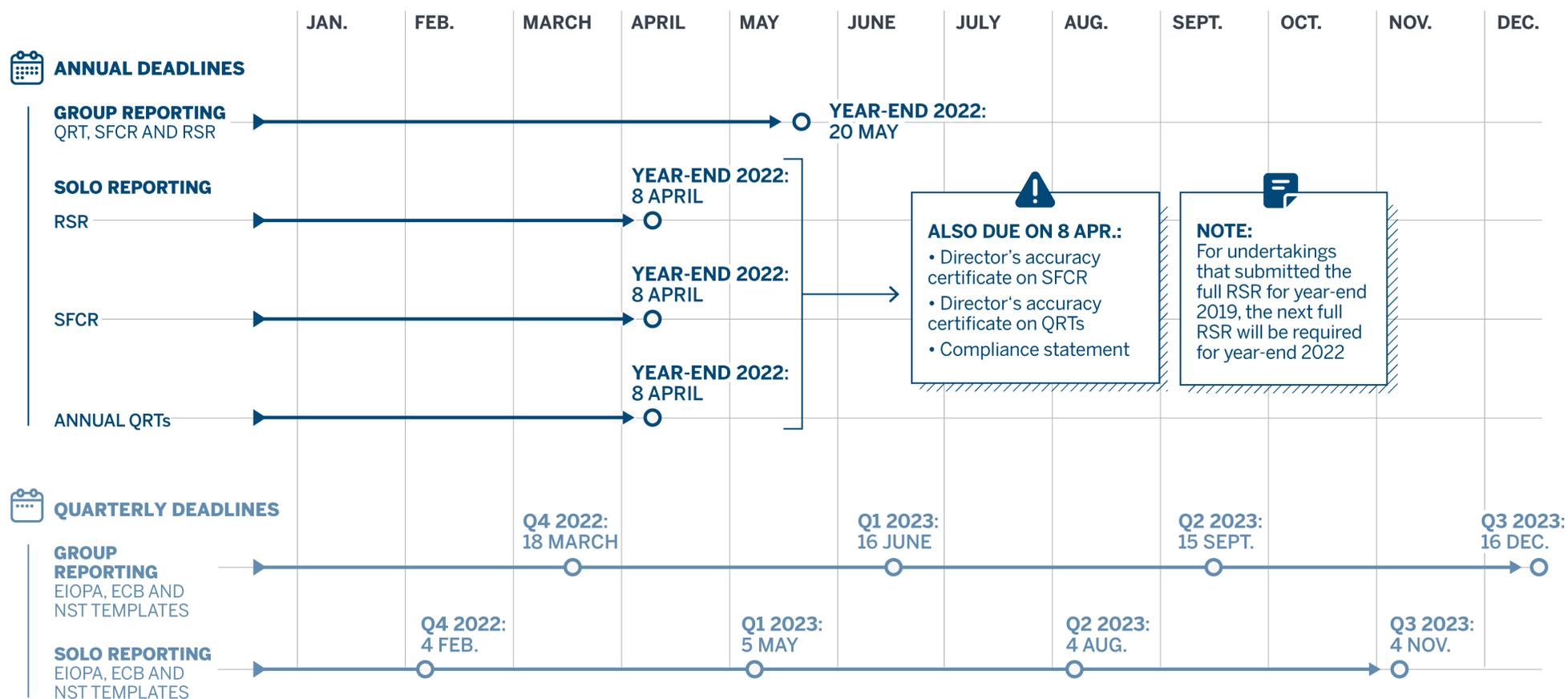
How Milliman Can Help

Our consultants have been advising clients on Solvency II since its inception. 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.

We have also assisted companies perform internal audits on reporting processes as well as undertaking exercises to improve automation, documentation, governance and controls surrounding their reporting.

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.

SOLVENCY II REPORTING TIMELINES 2022



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