

Solvency II reporting: Year-end 2023 and beyond

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We have prepared a timeline overleaf summarising the reporting requirements in 2024 for both solo entities and groups (assuming a year-end reporting date of 31 December 2023).

The deadline for submission of the annual reporting requirements is 14 weeks for solo undertakings, giving a submission date of 7 April 2024. The deadline for submission of the 2024 quarterly Quantitative Reporting Templates (QRTs) is five weeks for solo undertakings, with dates for each quarter shown in the timeline overleaf.

Annual reporting

Year-end 2023 narrative reports (Solvency and Financial Condition Report [SFCR] and Regular Supervisory Report [RSR]) and QRTs need to be submitted to the regulator by 7 April 2024, and the SFCR also 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 2020, 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 statements to the Central Bank of Ireland (CBI) as part of the submission on 7 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 2.8.0 is applicable from Q4 2023 onwards. Taxonomy 2.8.0 includes many new templates and changes to existing templates, as well as the removal of certain templates. The key changes are discussed in [a separate Milliman briefing note](#).

To maintain alignment with the changes to EIOPA's QRT Taxonomy 2.8.0, the CBI published an updated taxonomy for the National Specific Templates (NSTs) in November 2023. The NST taxonomy also has an effective date of 31 December 2023. NST.14.01.03 is no longer required. There are no other changes to the information collected within the NSTs, but a number of technical changes will apply to the underlying data dictionary.

Solvency II review

There were significant strides made in the Solvency II reforms during 2023. In July, the European Parliament Committee on Economic and Monetary Affairs (ECON) published its proposed amendments to the Solvency II Directive, following on from the European Commission's draft proposals from 2021.

Subsequently, the process transitioned into the 'trilogue' phase among the European Parliament, Council and Commission, with the aim of finding a compromise that is acceptable to all three institutions. In December 2023, ECON published a press release signalling an agreement between parties. You can find this press release [here](#).

The most notable change from a disclosure standpoint is the additional requirements concerning the disclosure of sustainability risk, which aims to improve policyholders' understanding of a firm's green credentials. Changes are also expected to the format of the SFCR, and deadlines for reporting submissions may also be extended.

Another notable change which will reduce capital for (re)insurers is the reduction in the risk margin cost of capital rate from 6% p.a. to 4.75% p.a.

This development marks a significant milestone, suggesting that an effective date of 1 January 2026 is possible. We anticipate that a lot more detail on the changes and implementation will be available soon.

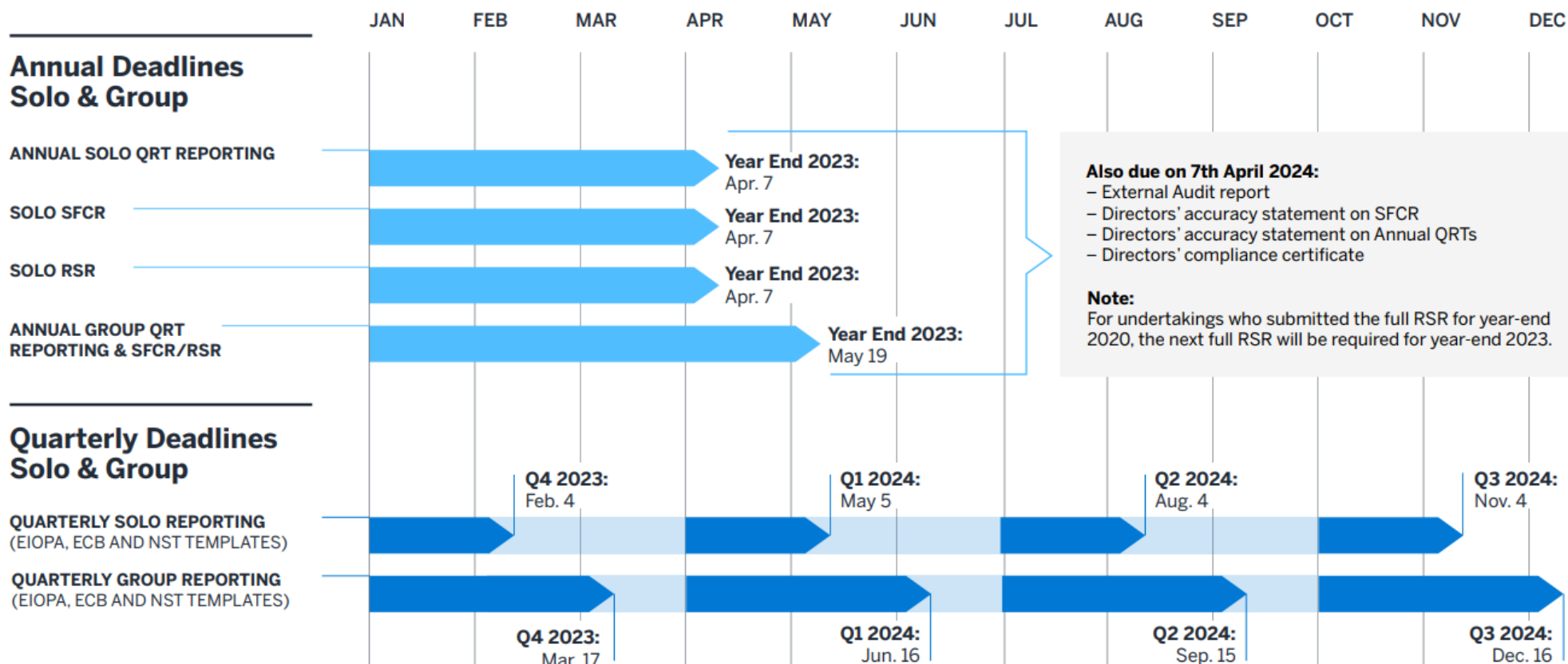
How Milliman can help

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 in performing 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](#). 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 IN 2024



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