

# Solvency II Reporting: Year End 2019 and beyond

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

The deadline for submission of the annual reporting requirements is 2 weeks earlier this year, with a submission date of Tuesday 7<sup>th</sup> April 2020. The deadline for submission of the 2020 quarterly Quantitative Reporting Templates (**QRTs**) is unchanged from the equivalent deadline in 2019. We have prepared the timeline overleaf summarising the reporting requirements in 2020 for both solo entities and groups (assuming a year-end reporting date of 31 December).

## Annual reporting

Year-end 2019 Narrative reports and QRTs need to be submitted to the regulator by Tuesday 7<sup>th</sup> April 2020 and the Solvency and Financial Condition Report (**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 in 2016, 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<sup>1</sup> to the Central Bank of Ireland (**CBI**) as part of the submission on 7<sup>th</sup> 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 on the reporting date.

## Changes to the QRTs

The new QRT Taxonomy 2.4.0 is largely applicable from Q4 2019 onwards. Some amendments in relation to the loss absorbing capacity of deferred taxes are voluntary for Q4 and year-end 2019 but will be compulsory from 1 January 2020. Amendments to the Implementing Technical Standards 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 and also corrections and amendments to the log files. Most of the amendments relate to changes introduced as part of the Solvency II 2018 interim review which is discussed in more detail in [a separate Milliman briefing note](#).

The CBI has also released some updates to the National Specific Templates (**NSTs**)<sup>2</sup>. "NST.14 – Non-Life Policy &

Customer Information", was required from non-life undertakings for the first time at Q3 2019. Going forward, it will be required at Q2 and Q4.

## Future changes to reporting requirements

As part of the Solvency II 2020 review, EIOPA has been asked to review the supervisory reporting and public disclosure requirements. Consultation papers on the QRTs and Narrative reports<sup>3</sup> were issued in June 2019.

The consultation paper proposed changes to the majority of QRTs. These proposals include:

- The replacement of the cross-border activity templates with three new templates;
- A new asset template which will require more detailed information than the current template;
- Changes to the applicability thresholds on a number of templates; and
- New variation analysis templates requiring a granular analysis of the change in technical provisions.

The proposed changes to the QRTs are discussed in detail in [a separate Milliman briefing note](#).

The key change proposed to the SFCR is to split it into two sections, one aimed at policyholders and one aimed at more technical users (e.g. analysts, rating agencies and investors). The proposed changes to the SFCR are discussed in detail in [a separate Milliman briefing note](#).

As part of the review, EIOPA has proposed to extend the annual reporting deadline by two weeks. However, the 2020 review proposals do not impact the year-end 2019 deadlines and so, the existing deadline of 14 weeks is unchanged for year-end 2019.

The proposed changes are a significant overhaul of the reporting requirements. If accepted, these changes are expected to be implemented by year-end 2020.

## 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.

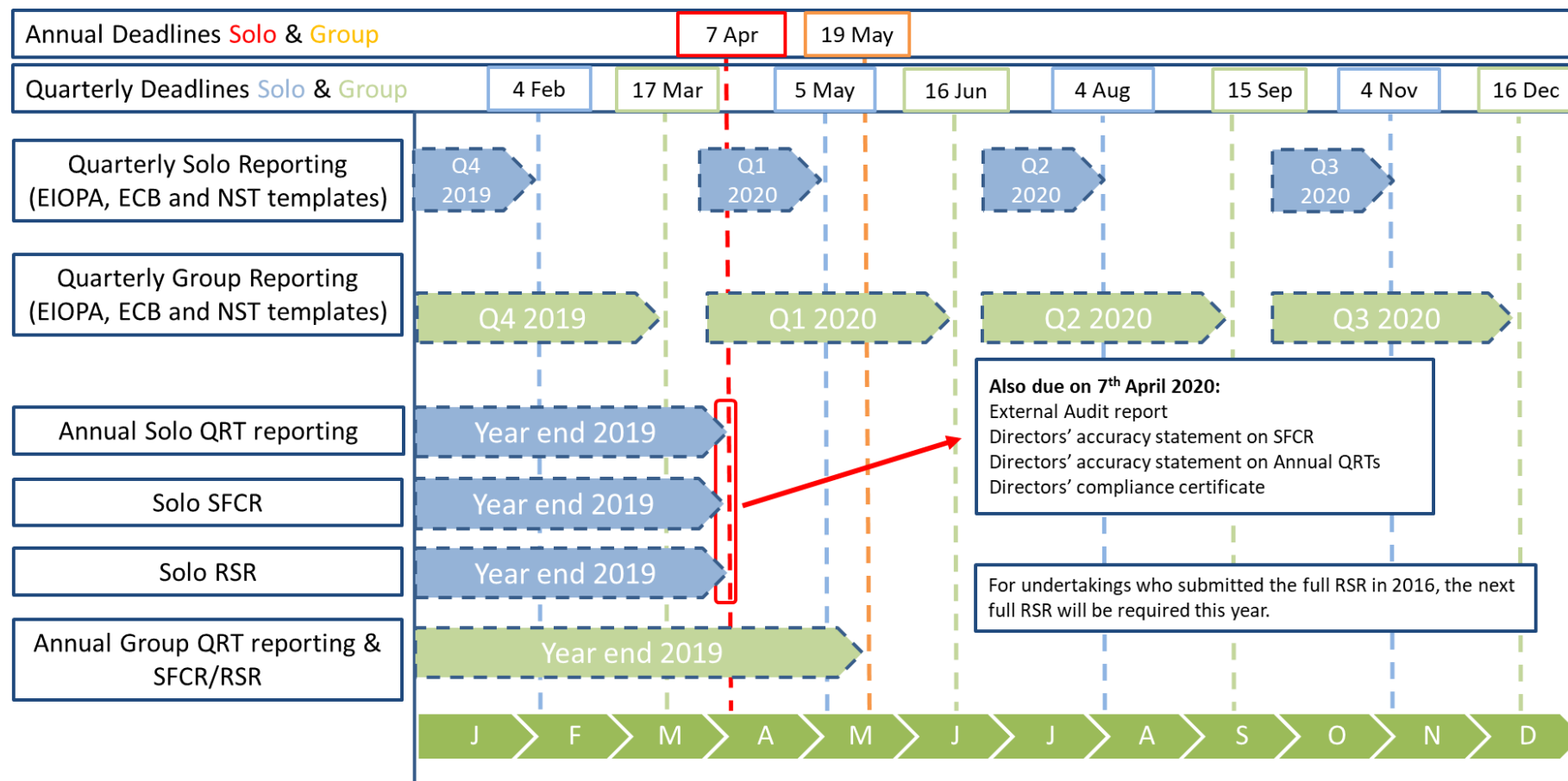
Milliman has developed a Solvency II Compliance Assessment Tool ([link](#)). The tool enables both life and non-life (re)insurance companies to easily monitor and assess their level of compliance across all three pillars of Solvency II and is updated regularly for changes to Solvency II requirements. .

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

<sup>2</sup> National Specific Templates | Central Bank of Ireland

<sup>3</sup> Consultation on supervisory reporting and public disclosure

**SOLVENCY II REPORTING TIMELINES 2020**



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