

Take a comprehensive approach to meeting insurance capital standards

Regulatory compliance and business optimization go hand in hand



Comprehensive approach to meeting insurance capital standards requirements



Single platform for risk and financial calculations and reporting



Gradual implementation, rapid results for processes and calculations

The Issue

Similar to Solvency II in the European Union, the global Insurance Capital Standards (ICS 2.0) establish a common language for supervisors to discuss the solvency of internationally active insurance groups (IAIGs). It also enhances global convergence among existing group capital standards. IAIGs are currently subject to different capital standards, making it difficult to compare their solvency positions. The goal of ICS 2.0 is to establish a single capital standard that includes a common methodology to achieve comparable outcomes across jurisdictions.

Meeting Solvency II requirements has been a complex endeavor, whether insurers relied on an internal capital model or the Solvency II standard formula. With ICS 2.0, IAIGs will face similar challenges. Insurers must embed a groupwide supervision framework with new solvency capital models, data management processes and reporting systems in their day-to-day operations - across multiple business lines and subsidiaries - accounting for governance requirements. Time is of the essence - insurers affected by this new regulatory framework need to have their ICS solutions in production by 2025.

The Challenge

Fragmented IT infrastructure. To produce the necessary risk insurance capital outputs, insurers must reduce the number of solutions and tools they use.

High volumes of data. Efficiently processing large volumes of financial data requires accessing, cleansing and integrating data from multiple sources.

Understanding two different valuation methods. For creating balance sheets and establishing capital requirements, insurers should clearly understand the impact of the market-adjusted valuation approach - in line with Solvency II - and the Generally Accepted Accounting Principles Plus.

Completing detailed reports. Knowing how to complete templates in accordance with specific guidelines and rules will be difficult, just as it was for Solvency II.

Meeting regulatory deadlines. Remaining organized, reducing processing times and following efficient procedures will be the decisive success factors for insurers facing multiple deadlines.

Minimizing operational risk. To reduce operational errors, insurers must maintain an organized and fully auditable process.

Our Approach

Addressing the challenges of ICS 2.0 requires a comprehensive approach - from data sources to reporting. SAS provides software and services to help you:

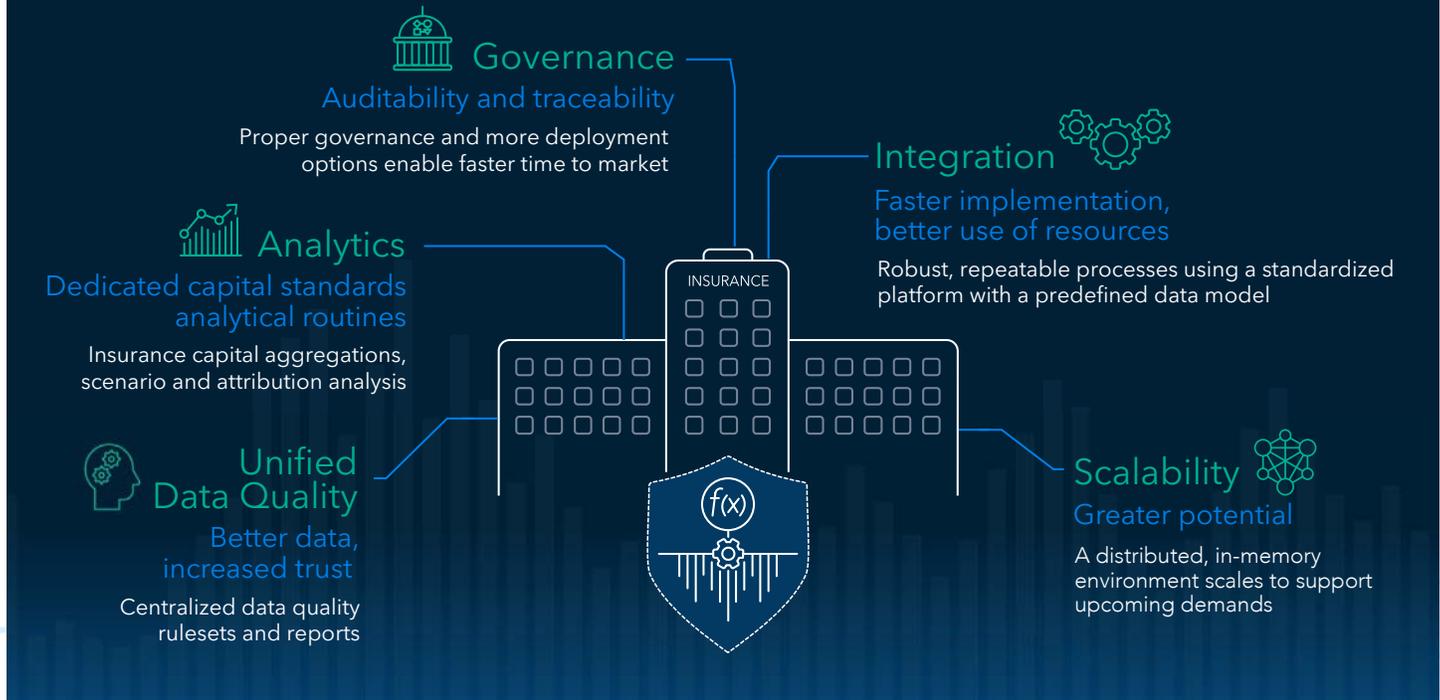
- **Meet the latest ICS requirements.** SAS provides predefined data models, data management capabilities, calculations based on the ICS 2.0 or Solvency II requirements, reporting tools, process management and governance.
- **Implement risk and finance calculations and reporting on one platform.** With SAS, you can use the same technology framework for multiple purposes, including ICS 2.0, IFRS 17 and IFRS 9. Our platform ensures consistent data, makes it easy to compare data and eases the reconciliation of results. This, in turn, promotes closer collaboration among actuaries, accounting staff and IT when reporting risk insurance capital metrics.
- **Implement gradually.** Start with a less mature process and model set and evolve to an advanced process and model set that applies to your entire portfolio of insurance liabilities.
- **Accelerate required calculations.** You can run processes and calculations drastically faster, thanks to parallel execution and the SAS in-memory architecture.

The SAS® Difference

With SAS, insurers can meet evolving risk analysis needs and stay up to date on regulatory requirements. We provide:

- **Business content for both Solvency II and ICS 2.0 calculations and reporting.** You'll have full access to all input data, intermediate results and output through the user interface or the visual analytics administration and reporting tool. All calculations are self-documented, and ongoing regulatory changes are included in our business content updates.
- **A flexible, extensible platform to address multiple needs.** Our platform improves scalability, shortens deployment time, simplifies configuration and delivers operational efficiencies. Use the same solution to track versioning and support long-term product strategy.
- **An open solution that works with third-party software.** Take advantage of prior investments by running SAS code in conjunction with open-source code like R, Python and more.
- **Better data quality due to fewer manual processes and data inconsistencies.** Our solution supports the entire regulatory reporting process with reliable data - from start to finish.

A COMPREHENSIVE SOLUTION FRAMEWORK



Learn more about [SAS Insurance Capital Management](#).

