



■ Business Impact

“Choosing SAS enabled us to convert our dispersed data into consistent and ready-to-use information, available for the implementation of Solvency II, as well as for improving our risk management framework.”

Raffaele Barbera
Chief Risk Officer,
P&V Group

■ Challenges

- **Executive-level understanding of risk.** Often, executives don't have a clear understanding of what major risks the insurer is facing and how risks are being managed.
- **Data availability/quality.** Due to disparate business units and multiple legacy systems, data integration typically accounts for up to 80 percent of a risk management project's costs.
- **Operational integration.** Solvency II solutions must be an integral part of an insurer's daily management operations.
- **System accuracy and control.** Insurance companies must recreate results for regulators and demonstrate control over system security, change management capabilities and audit trails.
- **Multiple jurisdictions.** Different languages, currencies and group supervision can present problems with regulatory requirements.

How can we ensure Solvency II compliance while reducing our risk and increasing stakeholder confidence?

THE ISSUE

When Solvency II becomes effective in 2015, it will be the biggest change ever to European insurance solvency regulations. Solvency II will, in effect, level the playing field in the EU insurance market by establishing a common set of capital requirements and risk management standards. Its ultimate goal is to ensure the financial soundness of insurance companies in order to better protect policyholders – as well as to increase competition in the EU insurance market. Preparing to meet Solvency II requirements has become one of the highest priorities for insurance companies in Europe.

Some insurance companies will view Solvency II as just another EU regulatory requirement. More progressive insurers, however, will see an opportunity to introduce risk management into daily business practices as a way to gain competitive advantage.

OUR APPROACH

Insurance companies that treat Solvency II purely as a compliance exercise will be making a mistake. Instead, insurers should focus on identifying the commonalities between business needs and compliance requirements. Doing so will create opportunities for improving overall business efficiency and strategic planning. SAS can help. We deliver software and services that will help you:

- **Ensure Solvency II compliance** by implementing a robust risk management framework that supports both standard and internal model approaches.
- **Easily meet Solvency II reporting requirements** with prebuilt risk reporting data marts and standard risk report templates.
- **Reduce the impact of risks** by using advanced analytics to identify and anticipate enterprise risks so you can initiate risk control measures to mitigate losses.
- **Lower your total cost of ownership** with a single, integrated solution that ranges from data management to enterprise risk analysis to reporting.
- **Ensure transparency and traceability across the entire process** so that you can track down anomalies and answer regulator inquiries on demand.

In addition, SAS can be installed alongside your existing risk software in a phased implementation approach that can bridge any disconnects between legacy systems, data stores and data models. And because the solution is modular, you can start with the components that address your most pressing concerns first and, if necessary, expand the solution over time as your needs change.



THE SAS® DIFFERENCE: Support for the entire Solvency II compliance process

Recognized as the industry leader in analytics, SAS provides capabilities to help insurers comply with the Solvency II regulations and beyond. With SAS you get:

- **A robust risk analytics framework** that calculates MCR and SCR for both standard and internal model approaches for Solvency II compliance.
- **A data repository and insurance-specific data model** that serves as a single source of information for an enterprise risk data warehouse.
- **Superior data management capabilities** for acquiring and consolidating historical data from internal and external sources for risk analysis and reporting.
- **Transparency and auditability** throughout the process to ease the pains associated with audits.

Unlike other solutions, SAS provides a single, integrated risk platform that supports the entire Solvency II compliance process – from source data extraction all the way through to analysis and reporting. In addition, you can save money and stay on the forefront competitively by using the same SAS solution for more advanced, nonregulatory measures, such as economic capital, and by fully integrating the solution into other areas, such as ratemaking and marketing systems.

CASE STUDY: P&V Group

■ Situation

P&V Group, a cooperative of six Belgian insurance companies, wanted to implement the Solvency II directive as well as embed risk assessment practices into the company's day-to-day activities.

■ Solution

SAS provided the company with a solution that included:

- A robust data management and reporting platform that includes an insurance-specific data model.
- A unique enterprise data warehouse for collecting, standardizing and consolidating all information relating to its insurance business.
- The ability to perform risk analysis and risk-based capital calculation.

■ Results

- Greater efficiency and more effective decision-making processes.
- The ability to meet Solvency II compliance requirements.
- Improved risk management.

■ What if you could ...

Be confident in the integrity of your data

What if your data was cleansed as part of the data management process so you could be confident in its integrity throughout your organization?

Evaluate your risk exposure

What if you could evaluate your risk exposure by performing scenario-based and stress testing to optimize capital allocation, minimize unwanted losses and maximize investment performance?

Reduce time spent with regulators and auditors

What if you could reduce the time you spend with regulators and auditors by providing them with a complete audit trail that traces risk measures from final reports back to the core system, with the ability to drill down interactively for more detail?

Automatically generate reports

What if your standard regulatory reports were produced automatically from a scheduled process and your risk analysts could generate further reports, make changes and rerun reports as needed for faster response to requests without undue burden on IT?

■ You can. SAS gives you The Power to Know®

SAS FACTS

- SAS was recognized by Chartis Research as a leader in the Market for Solvency II Technology 2011 Competitive Landscape.
- SAS was named Solvency II Services Firm of the Year 2012 by Reactions magazine.
- More than 1,200 insurance companies worldwide are SAS customers.

Learn more about SAS software and services for insurance at:
sas.com/industry/insurance



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