

REPRINTED FROM

# InsuranceRisk

## AWARDS 2013

SOLVENCY II ■ CAPITAL ■ RISK MANAGEMENT

[www.risk.net/insurance-risk](http://www.risk.net/insurance-risk)  
December 2013/January 2014

BEST REGULATORY REPORTING SOFTWARE

BEST DATA MANAGEMENT SOFTWARE

MOODY'S ANALYTICS

**MOODY'S**  
ANALYTICS

**InsuranceRisk**  
AWARDS 2013  
WINNER Best regulatory  
reporting software

**InsuranceRisk**  
AWARDS 2013  
WINNER Best data management  
service provider

## Best regulatory reporting and best data management software: Moody's Analytics

**AUTOMATION** has been a central focus of Moody's Analytics work in relation to its data and reporting platforms over the past 12 months. This includes enhancing workflow and data quality management capabilities to ensure that data published to supervisors is "meaningful and clearly represented", according to Christophe Burckbuchler, senior director, product management at Moody's Analytics.

"[It has been about] removing the burden from the insurer, moving away from costly manual work. Making sure there is sufficient control and automation so that insurers focus on what they should be doing," he says. "This is about streamlining, gathering the data and improving the tools to make it more in line with the Solvency II process."

Developments of Moody's Analytic RiskIntegrity™ Reporting Module over the last 12 months have included implementing the latest European Insurance and Occupational Pensions Authority (Eiopa) quantitative reporting templates (QRTs), introducing new functionality to complete regulatory reports with group calculations and group information, and improving the workflow manager so that users can monitor more efficiently the regulatory cycle (data quality check, valuation, SCR calculation, reporting) at the group level.

A lot of time has been spent on group consolidation. "Group reporting has its own challenges – how to consolidate, aggregate and clean the data from a group perspective," Burckbuchler comments.

In relation to its RiskFoundation™ data management platform, the company has extended the general ledger reconciliation and data management functionality. For example, it has added Eiopa-compliant capability to calculate some risks at a more granular level and have a more precise calculation. It has also made performance and workflow improvements.

Andrew Waters, London-based regional practice leader at Moody's Analytics, says: "Solvency II is the impetus for the industrialisation of processes across the insurance industry. If we look at many of the manual processes that take place across a reporting cycle, there are a lot of inefficiencies.

He adds: "By introducing a framework that can remove manual interaction and human intervention, the operational efficiency of the calculations is greatly improved. With the ability to produce results and interrogate data, insurers can then start to make informed business decisions – that is when you start getting into the Own Risk and



*L-r: Christophe Burckbuchler and Andrew Waters, Moody's Analytics*

Solvency Assessment (ORSA) and the 'use test'. With an integrated solution insurers can get into the business and start preparing for potential shocks to the system."

A modular system is offered, which allows insurers to choose how and when they adopt Moody's Analytics' products. The key is being non-prescriptive, says Waters. "If clients are looking for some kind of foundation layer, we can provide that together with comprehensive workflow and data management capability. Equally, we can offer a modular approach that delivers an operationally efficient data management framework but also a calculation and reporting engine as well."

The company says its expertise, experience and focus on research set it apart from its competitors. "We have experts on regulation, actuarial science, research and software engineering. We are building our product out of this expertise to meet clients' expectations," says Burckbuchler.

The user interface, combined with the broad functionality of the RiskIntegrity™ solution has impressed clients. One client comments: "We have selected Moody's Analytics for our Solvency II solution because it is the most complete end-to-end software solution for insurance compliance. Thanks to this technology, we have been able to concentrate in one single repository all our Solvency II data, and automate the standard formula calculations."

Another says: "Moody's Analytics Solvency II software offers a single streamlined solution that will help us to meet regulatory requirements across all of our operations. We saw a distinct advantage in the solution's combination of robust data quality management with built-in SCR calculation and reporting capabilities."

Over the next year the company is focusing on expanding the RiskIntegrity™ suite of products. "We want to move from a regulatory focus to embed within a single, centralised platform all that is related to internal models, ORSA and risk-based decision-making. We are moving from a purely standardised approach to something that is more global," says Burckbuchler.

The aim, says Waters, is to provide senior management with the tools to improve business planning. "We believe that having decision-making dashboards will assist senior management in getting to the root of the issue, to really isolate where there are concentrations of risk or identify capital utilisation measures, as this will help to drive management actions. We want to make sure that the tools exist for the business to start having that discussion internally." <sup>IR</sup>