

CLIENT SPOTLIGHT:

Leading French Insurer Leverages Moody's Analytics for Solvency II Compliance

Benefit from Moody's Analytics Solvency II Solution to:

- » Improve Regulatory Calculation and Reporting Accuracy
- » Manage Group and Solo Entity Compliance
- » Reduce Operational Risk
- » Increase Operational Effectiveness
- » Streamline Regulatory Processes
- » Align investment and risk strategy
- » Inform internal and external stakeholders

Please visit:

moodysanalytics.com/riskintegrity for more information.

About the Company

A French insurance company that insures one in four French households and has nearly 20% of the market share in property and liability insurance has implemented the Moody's Analytics Solvency II Compliance Solution. The firm is global in scope, including operations in France, Spain, the United Kingdom and North America.

Preparing the Organization for Solvency II

With the Solvency II implementation date fast approaching, this firm wanted to stay ahead of the dynamic regulatory framework. It realized early on that it wanted to add greater automation and control to its Solvency II calculation and reporting activities while at the same time improving its enterprise-wide risk management. In 2011, it turned to Moody's Analytics for help with:

CALCULATING ITS SOLVENCY CAPITAL REQUIREMENT

A decision had been made to calculate the firm's Solvency Capital Requirement (SCR) using the standard formula. The firm's leadership team wanted a solution with the defined regulatory formulas built-in, that could handle large volumes of data and could manage group and subsidiary level calculations within the same platform. They also required the solution to be flexible enough to work seamlessly with existing source systems.

STREAMLINING THE REGULATORY REPORTING PROCESS

Creating, validating and delivering all of the required Quantitative Reporting Templates (QRTs) presented a major challenge for the client. The increased quantity and quality of data required to create the reports, on an ongoing quarterly basis would put tremendous pressure on existing human resources and outdated infrastructure. The leadership team wanted a solution that delivered the reports in a consistent, streamlined and effective way, while reducing dependency on outdated technology and manual processes.

IMPROVING DATA QUALITY AND CALCULATION ACCURACY

To achieve more accurate Solvency II calculations and reports, the firm would need better quality data. The leadership team wanted to leverage a solution that consolidated all of its relevant data in one place so all of the regulatory calculations were leveraging the same data source. They also wanted to improve data accuracy.

GROUP AND SUBSIDIARY MANAGEMENT

Having many subsidiaries across Europe meant they needed a system capable of managing calculations at the group and solo entity level. To achieve this objective, they would need access to all their data and to be able to manage intra group transactions.

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UNDERSTANDING ITS ENTERPRISE-WIDE RISKS

Finally, the leadership team wanted greater insight into the keys sources of their enterprise wide risks and how these were contributing to the firm's capital requirement. Various stakeholders across the organization needed access to this information, including risk managers, the Board, Chief Risk Officer (CRO), Finance managers and actuarial teams. Having this information in a single place and easily accessible would help overcome this challenge.

Moody's Analytics Solution

After an extensive vendor selection process, the leadership team chose Moody's Analytics Solvency II solution because of its flexibility, openness and comprehensive capabilities for streamlined and integrated Solvency II compliance.

Moody's Analytics solution calculates, aggregates and reports an organization's life and non-life insurance regulatory capital. It offers a modular and comprehensive solution – from centralized data management, solvency capital requirement calculations, risk type aggregation and integrated regulatory and business reporting.

Leveraging over 15 years of regulatory project experience, the solution streamlines the regulatory capital calculation and reporting process, reduces operational risk and provides deep insight into the firm's cost of capital. The solution is backed up with a dedicated team to deliver, install, train and deploy the solution across the organization. This team includes financial experts, project managers, economists, mathematicians and actuaries.

The Benefits of Partnering with Moody's Analytics

The client is realizing many benefits from partnering with Moody's Analytics. These include:

- » Streamlined Solvency II compliance – integrated data consolidation, capital calculations and regulatory reporting from a single solution
- » Increased operational effectiveness – the solution allows multiple stakeholders across the organization to access the same data and results thus streamlining the process and improving operational effectiveness
- » Reduced operational risk – greater use of automation is reducing manual errors and potential for operational risk
- » Improved data quality – over 3000 built-in data quality checks facilitate improved data accuracy
- » Greater insight into capital structure – users can access detailed results for each of the defined risk modules: life, non-life, health, operational, intangibles and default. Users can also drill down into the information to assess the detail behind the headline numbers.

ABOUT MOODY'S ANALYTICS

Moody's Analytics, a unit of Moody's Corporation, helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By offering leading-edge software and advisory services, as well as the proprietary credit research produced by Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

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