

FiSer Regulatory Roadmap – Solvency II

Regulation	Details	Key elements and impacts
Solvency II	<p>The new, risk-based supervisory framework for the insurance sector came into effect on 1 January 2016. Solvency II is based on three interconnected pillars:</p> <ul style="list-style-type: none">i) Pillar 1 focusing on quantifiable risks and related provisions and capital requirements;ii) Pillar 2 focusing on risk management and operational management of insurance companies;iii) Pillar 3 focusing on the requirements applying to the public disclosure of information and supervisory reporting.	<p>The framework is likely to make insurers critically assess their strategy and capital position, product development and distribution reach. The framework is not yet completely comprehensive as treatment of certain components is not fully firmed up. As these treatments are formalised it will no doubt create some further challenges for the insurance industry.</p>