

# era

KAIROS

methodware



*Solvency II is coming - are you ready?*

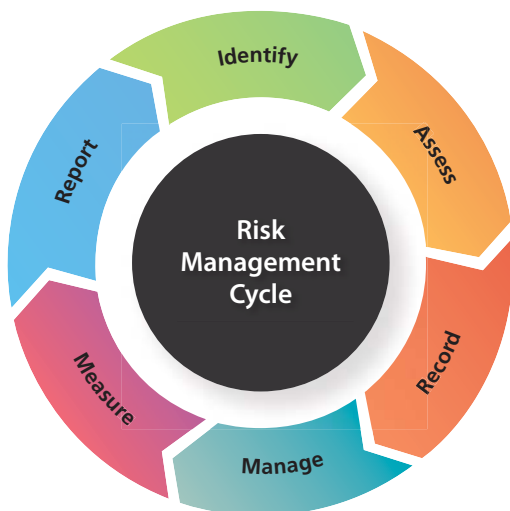
## ERA Kairos for Solvency II

Solvency II, Europe's largest regulatory overhaul for insurers and reinsurers, is on the way. You need to be compliant by the end of 2012. What's happening and what do you need to do?

Compliance with Solvency II means that every organisation must have a demonstrable and effective approach to enterprise risk management. This requires a system that operates at all levels, from strategic decision-making to everyday operations. Compliance needs to play an integral part in the life of the company – and the regulator will want proof that it does.

Risk is being placed at the centre of good corporate governance. Good corporate governance is at the centre of Solvency II. Having learnt lessons from the implementation of Basel II in the banking world, Solvency II seeks to instil a level of governance unprecedented in financial services.

Pillar II, the qualitative element of Solvency II, requires businesses to demonstrate not only the measurement of risk but also how they manage risk across the business. >>



ERA Kairos ensures the right level of risk management

Solvency II requirements	ERA Kairos
Risk register for all risk categories	✓
Record and quantify gross risk	✓
Record and quantify inherent risk	✓
Document controls and record assessment of effectiveness	✓
Link to risk appetite	✓
Record causes and link to control weakness	✓
Record losses, both internal and external (ORIC), and link to risks and causes	✓
Record scenarios re-usable for ORSA stress testing	✓
Downloadable to actuarial model	✓
Multi-level controlled access	✓
Current and predictive risk reporting	✓

visit [methodware.com/solvency-ii](http://methodware.com/solvency-ii)



## Can you:

- Show a complete risk register (qualitative and quantitative) and repeatable risk management process as well as meet the standards required in ORSA?
- Host a single database for key risks that can be linked to scenario assessment and internal model calculations when required?
- Show your strategy for risk appetite, track changes and feed back into your capital model to satisfy the regulator?
- Link risks and losses, instantly capture loss events and instigate effective causal analysis?
- Perform any-time risk and control self-assessment and ORSA to the regulator's standard?
- Identify your Key Risk Indicators and work on an ongoing basis to mitigate that risk?
- Provide action management and a full audit trail of all changes on demand?
- Minimise manual activities and re-keying of data in your Solvency II compliance process, and proactively manage data quality?

## ERA Kairos can.

## As easy as I-II-III: How ERA Kairos can support your governance activity

ERA Kairos interfaces directly and automatically with your Pillar I work. The software covers the regulator's demands of Pillar II completely in a single, integrated, intuitive risk-management system. The decisions made and mechanisms used for calculating Pillar I components can be recorded and demonstrated as repeatable to the regulator as an end-to-end and auditable cycle in one system of record.

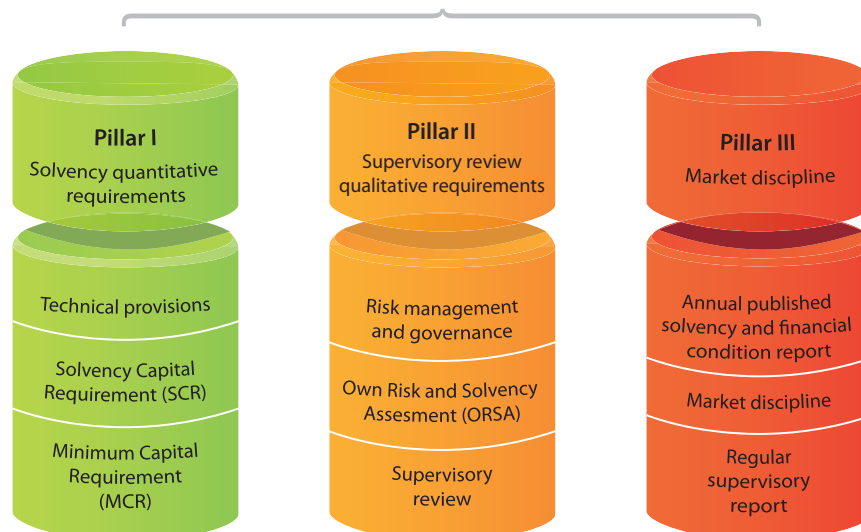
What's more, you can implement the system simply and effectively across your organisation with minimal impact on your staff because Methodware personalises each user's experience: users only do and see what is necessary for their role. The results feed into Pillar III, supporting you in achieving Solvency II compliance from start to finish.

Furthermore, because ERA Kairos is both feature-rich and so easily configured, you can be confident of maintaining your Solvency II compliance efforts in line with changing requirements from the regulator, cost-effectively and intuitively.

## Best practice, every day

To get the best from Solvency II, you need to align your risk profile with your risk appetite, and your risk appetite with your business strategy: Solvency II really is involved >>

## The Three Pillars of Solvency II





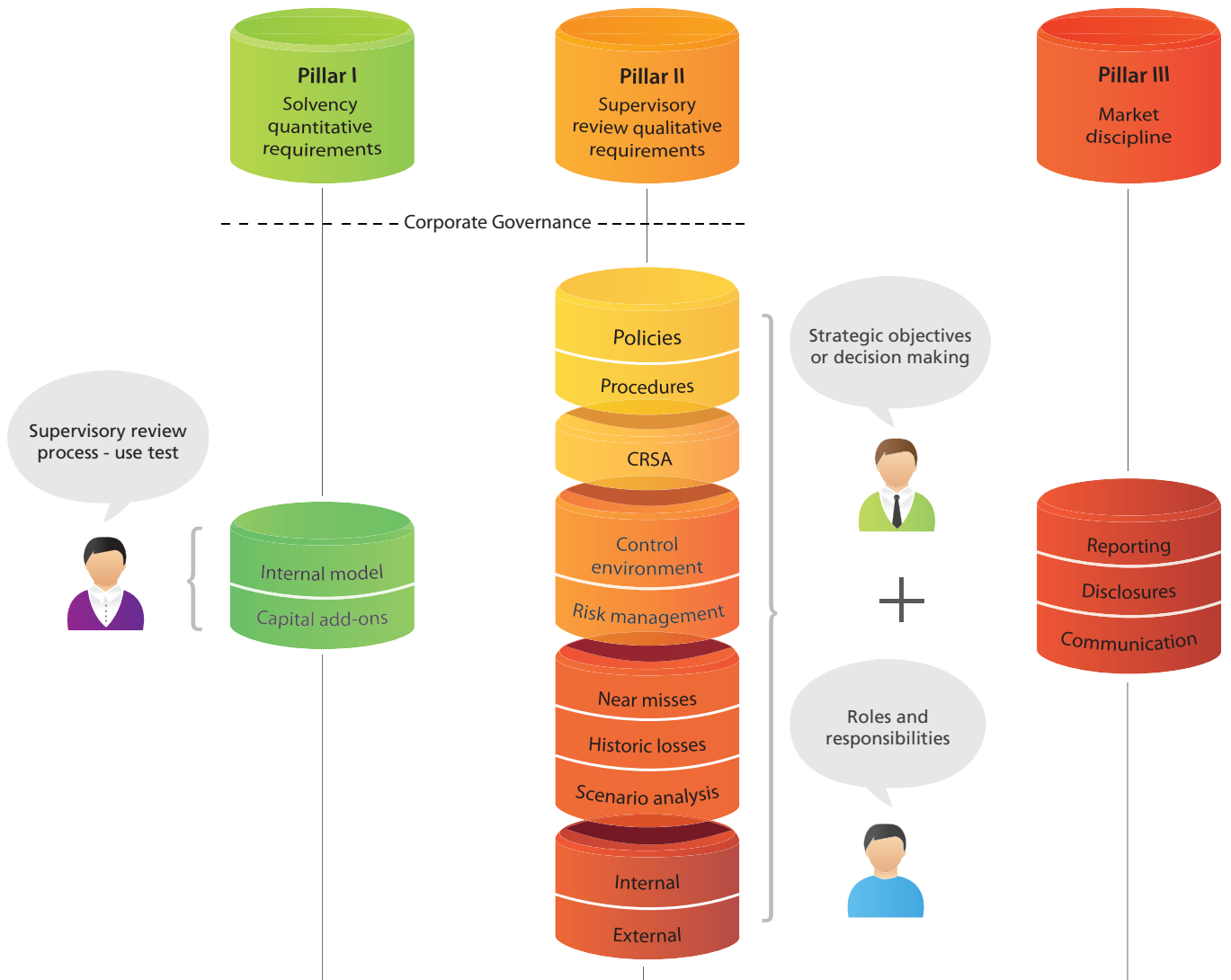
every step of the way. ERA Kairos works with you on Solvency II to bring together all departments, whatever they do and wherever they are, giving you one compliant end result. Operational decision-making will be recorded, reportable, in line with your corporate strategy and visible from the top down. Everyone will be involved, with a personalised user experience for each member of staff so you get best practice every day.

Using the single, shared platform ERA Kairos provides, individual departments can also collaborate easily from

wherever they are and interact seamlessly to give you the streamlined approach your business needs to satisfy Solvency II. This means you no longer have to reconcile the multiple systems, manual processes and isolated deliverables in different parts of the organisation that can lead to mistakes, cost more to monitor and take time.

ERA Kairos removes those concerns and provides a pleasant, personalised user experience. When everyone appreciates using the software, compliance will become part of your company's everyday culture. >>

### Focus on the details of Pillar II





## How can you get started?

With nearly two decades of experience and customers already using Methodware software for Solvency II compliance, we know what you need. We've created an out-of-the-box starter pack especially for insurance companies to get you on track immediately for Solvency II, centred on this year's key focus: Pillar II and its interactions with Pillars I and III.

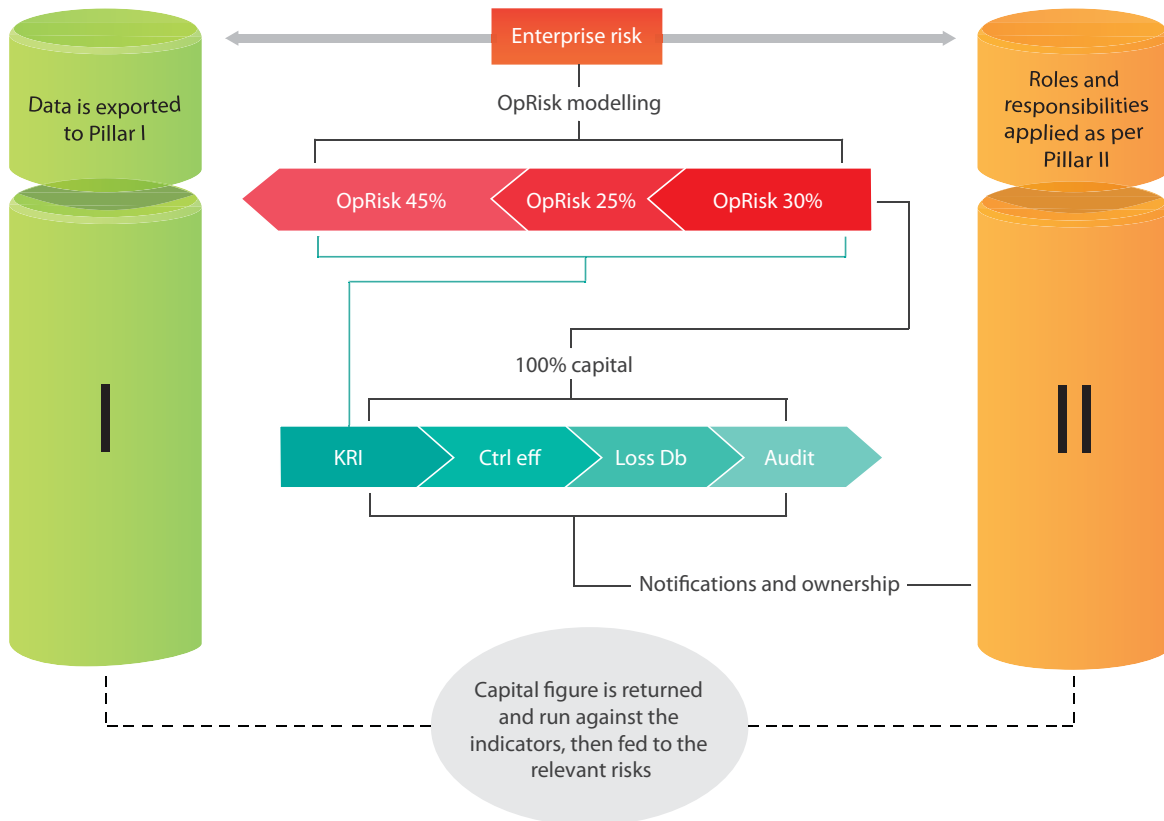
## Compliance isn't optional...

... but Solvency II challenges can be streamlined, costs reduced and end-user engagement revitalised with Methodware's approach to GRC and audit management.

## Benefit from:

- Automated links to your legacy capital model
- Scenario/statistical modelling
- Intuitive user experience
- Complete, integrated internal audit
- Flexible, user-created ad hoc and routine reports
- Personalised workflows adaptable for each role and user
- Repeatable, efficient, reportable, audit processes for compliance
- Web delivery with different user-defined access rights and data wizards
- Key experience gleaned from existing insurance customers

## ERA Kairos provides integrated Pillar II compliance



To contact our Solvency II team in London, phone **+44 20 7151 5050** or email **london@methodware.com**