EMPOWER DEVELOPMENT

2 QUESTIONS

SOLVENCY

✓ Having more assets than liabilities

Assets **≥** Paid claims **+** Unpaid claims **+** Operating costs

SOLVENCY II

✓ Pillar 1 – Quantitative Requirements
✓ Pillar 2 – Supervisory Review
✓ Pillar 3 – Disclosure

RATING AGENCIES

✓ Standard & Poor's
✓ Fitch
✓ AM Best

LEARNING OUTCOME 4 Understand market security

BUSINESS RISKS FACED BY AN INSURER

✓ Credit/counter party risks
✓ Operational risks
✓ Market risks
✓ Liquidity risks
✓ Group and capital risks
✓ Enterprise risks

LLOYD'S CHAIN OF SECURITY

✓ Syndicate level assets
✓ Members' funds at Lloyds (FAL)
✓ Central assets

✓ European Insurance and Occupational Pensions Authority (EIOPA)
✓ Prudential Regulation Authority (PRA)

SOLVENCY II REGULATORS