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The Geneva Association - General Secretariat - 53, route de Malagnou - CH-1208 Geneva
Tel.: +41-22-707 66 00 - Fax: +41-22-736 75 36 - secretariat@genevaassociation.org - www.genevaassociation.org

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Layout & Distribution: Valéria Kozakova

Introductory Remarks to Session 4 - Solvency 2 and 2nd Generation of International Risk- Based Solvency Systems

Denis Duverne

Speaker Panel

- Thomas Steffen, Chairman, Committee of European Insurance and Pensions Supervisors (CEIOPS) and Director of Insurance Supervision, BaFIN, Germany
- Tom Wilson, Chief Risk Officer Insurance, ING and Chairman, Chief Risk Officers Forum
- Gideon Pell, Chief Risk Officer, New York Life



Solvency 2 process

- The Solvency 2 process is moving along at an accelerated pace

2001	Nov 2003	Oct 2005	March 2006	May 2006	July 2007	Nov 2007	End 2008	2009?	2012 ?
Sharma Report	CEIOPS set-up	QIS1 launch	QIS1 results	QIS2 results	Solvency 2 Draft Directive published by European Commission	QIS3 results	QIS4 results	Solvency 2 Directive finalized	Implementation of Solvency 2 across Europe

- So far, excellent cooperation between regulators, supervisors and the Industry (notably CEA and CRO Forum) in spite of the large number of constituencies involved in 27 countries
- Solvency 2 will be a modern, risk-based, economically well-grounded Solvency framework
- Solvency 2 takes into account the evolution of the Industry (existence of multi-national groups) and of its risk management (sophisticated modeling of risks)
- Appropriate field testing will have taken place, with the QISs, before the Directive is implemented.



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We will try to address five questions

1. Are you happy with the progress made so far on Solvency 2 ?
What issues remain outstanding from your perspective ?
(*Thomas Steffen, Tom Wilson*)
2. What are the early lessons of the application of internal models to banks under Basel 2 ? What are the implications for insurers ?
(*Thomas Steffen*)
3. In the internal preparation of companies, such as yours, for Solvency 2, what do you see as the biggest challenges ?
(*Tom Wilson, Gideon Pell*)
4. Is Solvency 2 likely to change the competitive landscape in Europe and more globally ? Is this going to be beneficial to the economy and the consumers ? (*Gideon Pell, Thomas Steffen, Tom Wilson*)
5. Do you expect the NAIC to move toward a Solvency 2 like regime and would you favour that evolution ?
(*Gideon Pell, Thomas Steffen*)



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