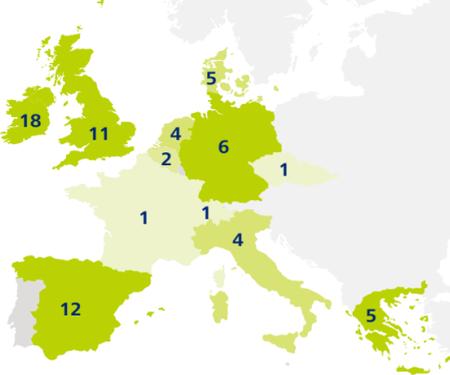


## Solvency II

## PILLAR 3

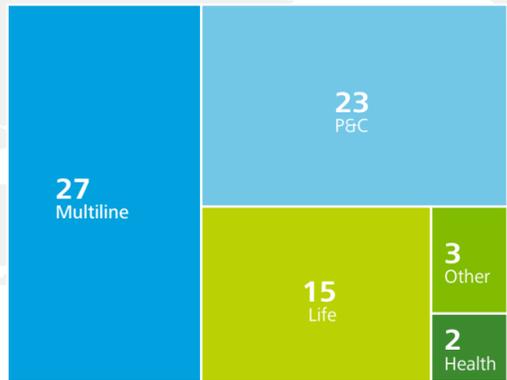
Deloitte's 2015 survey of Solvency II Pillar 3 readiness at 70 European Insurers reveals that whilst 60% of firms are 'on track' with their preparatory measures, less than 20% are close to achieving the optimal level of operational readiness, suggesting significant work remains.

### SURVEY PARTICIPANTS



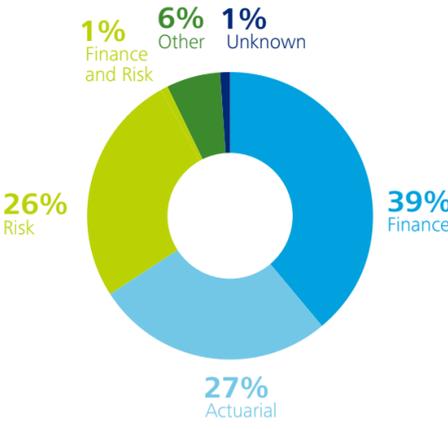
Deloitte's 2015 survey captured the current status of Solvency II Pillar 3 projects at 70 insurers from 13 countries.

Insurance companies from across all lines of business were represented in the survey.

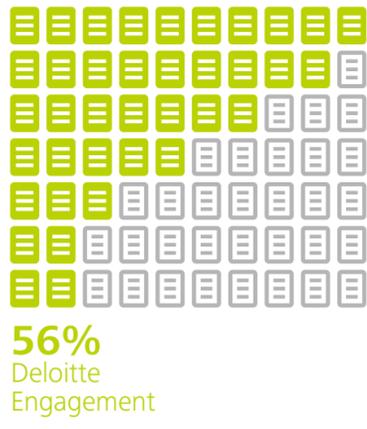


### PROJECT DELIVERY

Finance are the main sponsor of Pillar 3 projects followed equally by Actuarial and Risk functions.

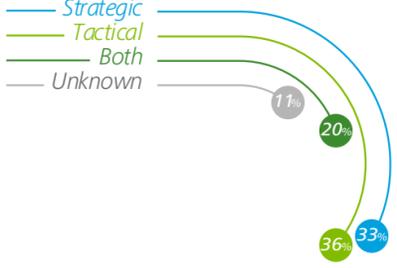


Deloitte are currently (or were previously) engaged on 56% (38 projects) of Pillar 3 projects in the survey.



#### Delivery Approach

About a third of insurers are adopting either a tactical or strategic approach to Pillar 3 compliance with a further 20% implementing both (tactical and strategic) in parallel.



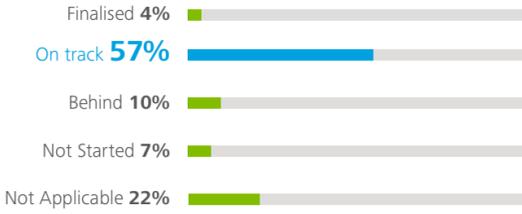
#### Project Status

21% of projects in our survey were at 'Implementation' stage, with a further 44% at 'Build' or 'Test'. Almost all of those at 'Not Started / Business Case' were from peripheral countries.



### OPERATIONAL READINESS

Over 60% of the firms surveyed were on track with their preparatory measures plan.



However very few firms (<20%) believe that their Pillar 3 solutions are close to being fully operational.



### BUDGET

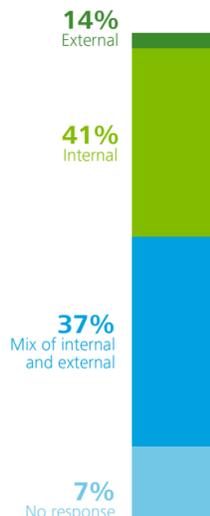
Not surprisingly, the Pillar 3 budget varied significantly in line with the size and scale of the Insurer's business.



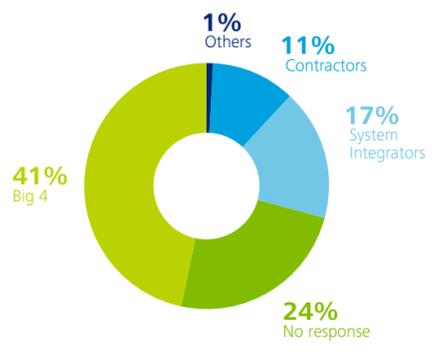
Typically small captives / reinsurers are looking to spend less than €100k, whereas the major multinational, multi-line businesses are looking at investing north of €5m.

### RESOURCE

The resource profile for project delivery varies significantly, with only a few projects delivered exclusively through external resources (14%). The majority are driven either by internal (41%) or a mix of internal and external resources (37%).



Of those firms who used external resources, 41% said they engaged Big 4 professional services, 17% used System Integrators and 11% used contractors



### IT SYSTEMS

The survey supports evidence from previous Deloitte sponsored surveys, where we differentiated between firms that select a fully integrated end to end solution from those that choose to integrate a specific Pillar 3 solution into the wider Solvency II IT architecture.



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