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Monitor Insurance Identify
Analyse Identify Financial
Operations Enterprise Identify
Transfer Reputation Business Transfer
Regulation Financial
Analyse Financial Reputation
Transfer Reputation
Risk Reputation Operations
Operations Financial Identify
Risk Reputation Cyber
Analyse Reputation Reputation
Enterprise Management
Insurance Financial
Identify Insurance Monitor
Operations Reputation Operations
Financial Risk Operations
Regulation Risk Insurance
Identify Financial Management
Regulation Transfer Reputation Management

Cyber Management Reputation
Cyber Financial Management Regulation
Enterprise Analyse
Identify Enterprise Regulation
Insurance Analyse
Business Reputation
Reputation Monitor
Enterprise Monitor
Business Enterprise
Monitor Enterprise
Risk Identify Operations Cyber
Risk Identify Operations Cyber
Management Enterprise
Business Risk Management
Management Transfer
Enterprise Insurance
Risk Reputation Risk
Business Management Reputation
Analyse Risk
Financial Risk
Cyber Operations Cyber Business
Reputation Insurance
Analyse Insurance

Management Identify Transfer
Risk Enterprise
Regulation Analyse
Cyber Transfer Enterprise
Business Analyse
Insurance Regulation Financial
Risk Insurance Operations
Cyber Enterprise Insurance
Insurance Financial
Analyse Insurance
Monitor Risk
Identify Transfer
Monitor Risk
Cyber Business
Risk Monitor
Identify Management
Regulation Analyse Financial
Monitor Analyse

Reputation Analyse Monitor
Identify Cost Monitor
Management Regulation
Transfer Insurance Monitor
Financial Loss Cyber
Enterprise Identify Monitor
Risk Insurance
Identify Regulation
Business Monitor
Analyse Transfer
Business Monitor
Cyber Monitor
Enterprise Transfer
Operations Reputation
Regulation Business
Risk Regulation Business
Cyber Enterprise
Risk Financial
Operations Management
Enterprise Identify
Operations

ERM Conference 2016

The Compass for the Evolving Risk Frontier in Asia

27th - 28th September 2016

Regent Singapore, Orchard



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Day One – 27th September 2016

Time	Topic	Name	Company
08:30	Registration		
09:00	Introduction	Raymond Cheung	SAS
09:10	Panel Discussion 1: RBC2	Raymond Cheung	SAS, Facilitator
		Chi Cheng Hock	RBC2 Task force
		Lim Siang Thnia	PwC
		Julien Parasie	SCOR
10:20		Tea Break	
10:40	A Change of Paradigm for the Insurance Industry	Michel Dacorogna	DEAR Consulting
11:10	Validation of Risk Models	Marie Kratz	ESSEC Business School
11:40	Cyber Risk Modeling	Jade Nie	Nanyang Technological University
12:10	Q & A		
12:30		Lunch	
14:00	Panel Discussion 2: Synergies Education/Industry/Association	Raymond Cheung	SAS, Facilitator
		Michel Dacorogna	DEAR Consulting
		Marie Kratz	ESSEC Business School
		Derek Cribb	IFoA
15:30		Tea Break	
15:50	ERM as a Business Enabler	Nico Snyman	Crest Advisory Africa
16:30	Risk Management in Government	Colin Wilson	IFoA
17:10	IFoA - CERA Updates	Colin Wilson	IFoA
17:30	Recreational Tour - Gardens by the Bay		



RBC2 Updates

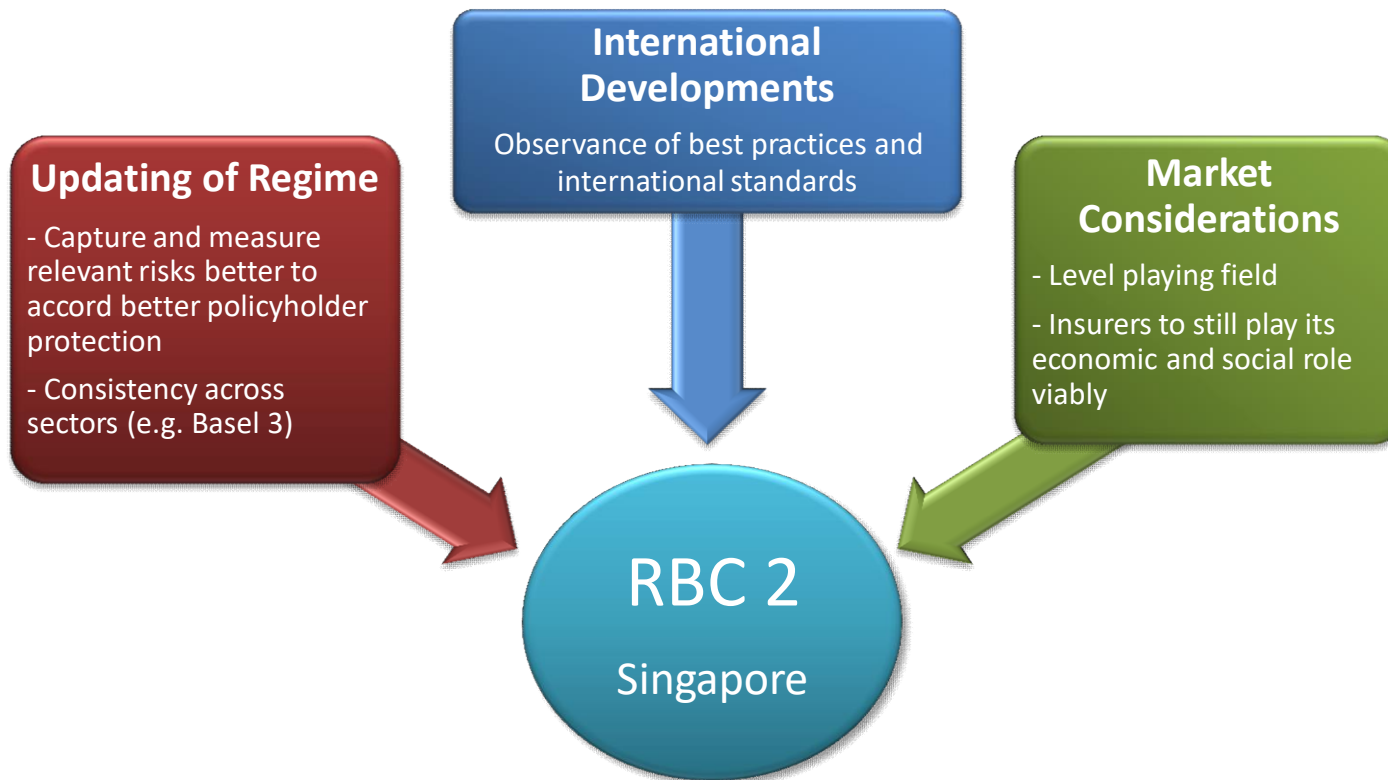
Enterprise Risk Management Conference

27th September 2016

Raymond Cheung
SAS RBC2 Taskforce



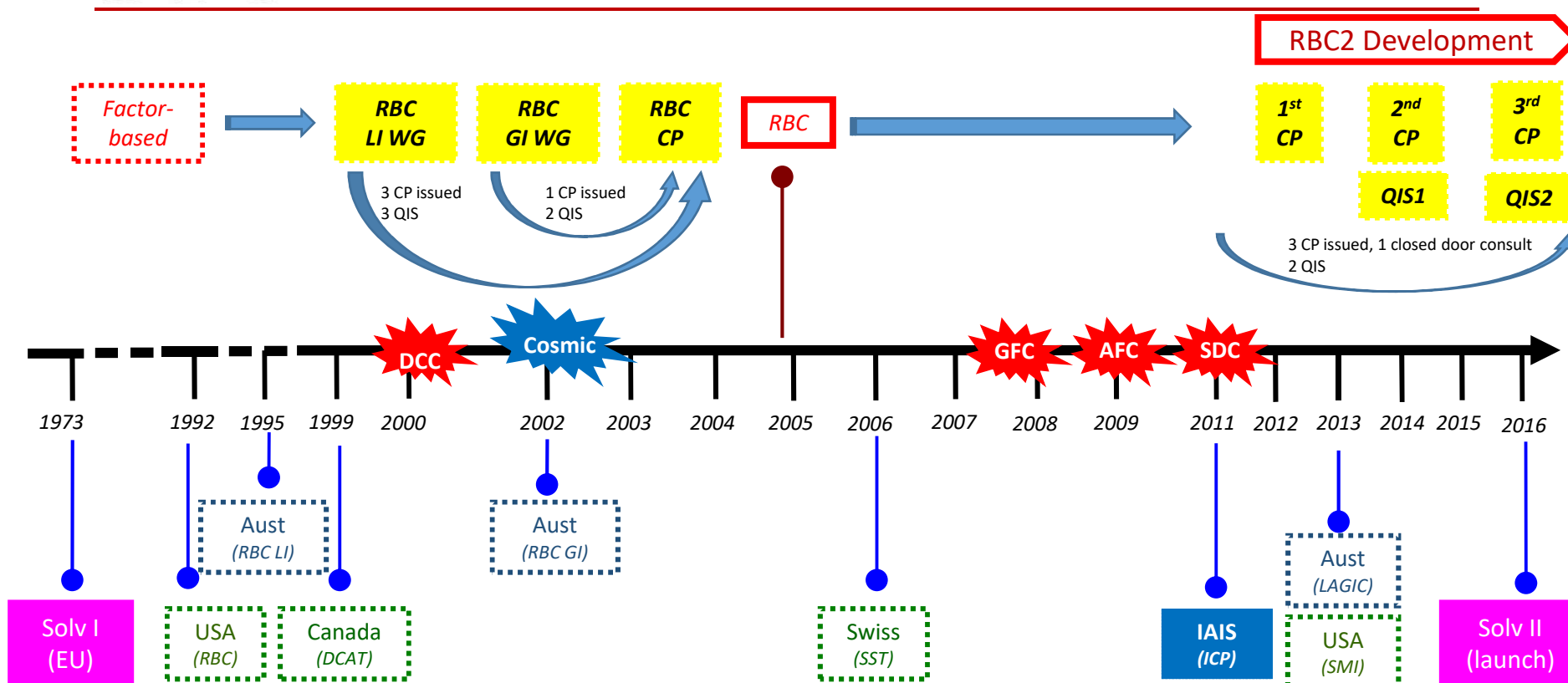
RBC2 – Drivers & Considerations



RBC2 Review is not expected to result in a significant overhaul to the current framework. It was not triggered due to concerns with the level of capital held by the insurers under current RBC. Instead it aims to improve the comprehensiveness of risk coverage and risk sensitivity of the existing framework.



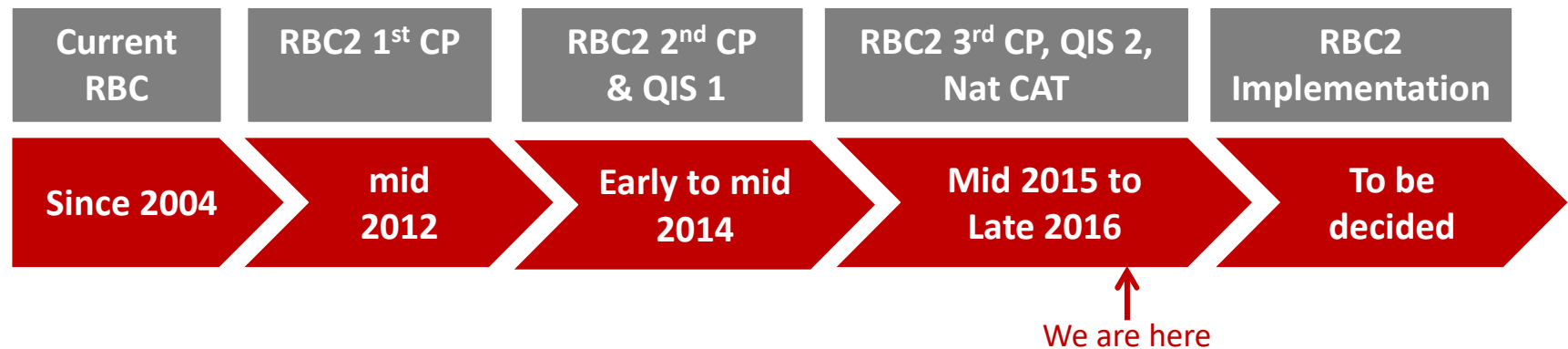
Singapore RBC Development Process and Timeline



Singapore RBC framework has served the Singapore insurance industry well, with insurers largely weathered through major financial crises over time



RBC2 – Progress to date



- MAS conducted closed door consultation in **March 2016** with industry associations (SAS, LIA, GIA, SRA) to fine-tune risk charges
- 3rd CP together with QIS2 was issued on **15 July 2016 (Friday)**, with the implementation date **to be decided** later after finalisation of main features
- For GI insurers, another consultation on 'CAT' risk charge and calibration of GI risks will be undertaken at a later date
- MAS will issue formal sharing of ORSA observations in **2016**



Key RBC2 Features

Required Capital (Risk Requirements)

Introduction & Reorganisation of Risks
(e.g. insurance catastrophe, operational and spread risks)

Recalibration of Risk Requirements to 99.5% VaR over one year

Allowance for diversification benefits in aggregating risk requirements

Available Capital (Financial Resources)

Incorporation of useful and appropriate features from Basel 3

Changes to Reinsurance Adjustment e.g. not to take into account of licensing status

Other Elements

Two explicit levels of solvency intervention – Prescribed Capital Requirement (PCR) & Minimum Capital Requirement (MCR)

To take into account of the illiquid nature of long-term insurance liabilities in the valuation (e.g. matching adjustment concept)

Introduction of ERM (with ORSA)

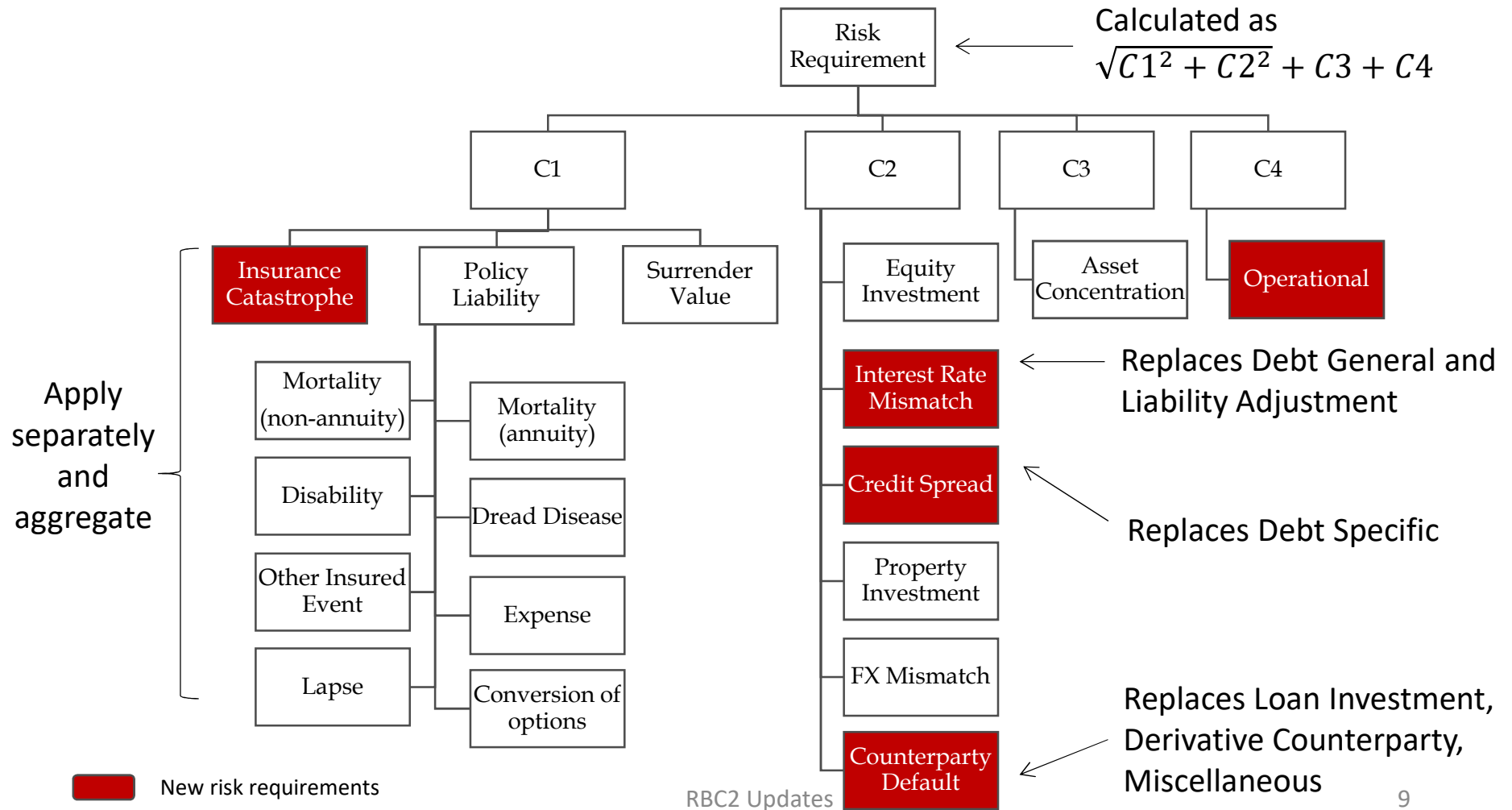
Source: MAS closed door consult presentation

RBC2 Updates

ERM and Public Disclosure requirements were rolled out in 2014



RBC2 – Risk Requirements





What do we expect from regulators in future?

Supervision

Have you done this?

Follow the law...

(Do not speed...)

Commandment

(Thou shall not...)

Basic practice

(this is right thing to do...)

Police

Set rules

Now and present



Surveillance

What have you done?

Follow the principle...

(Do not speed, it is dangerous...)

Consultation

(Have you consider...)

Best practice

(this is good thing to do...)

Detective

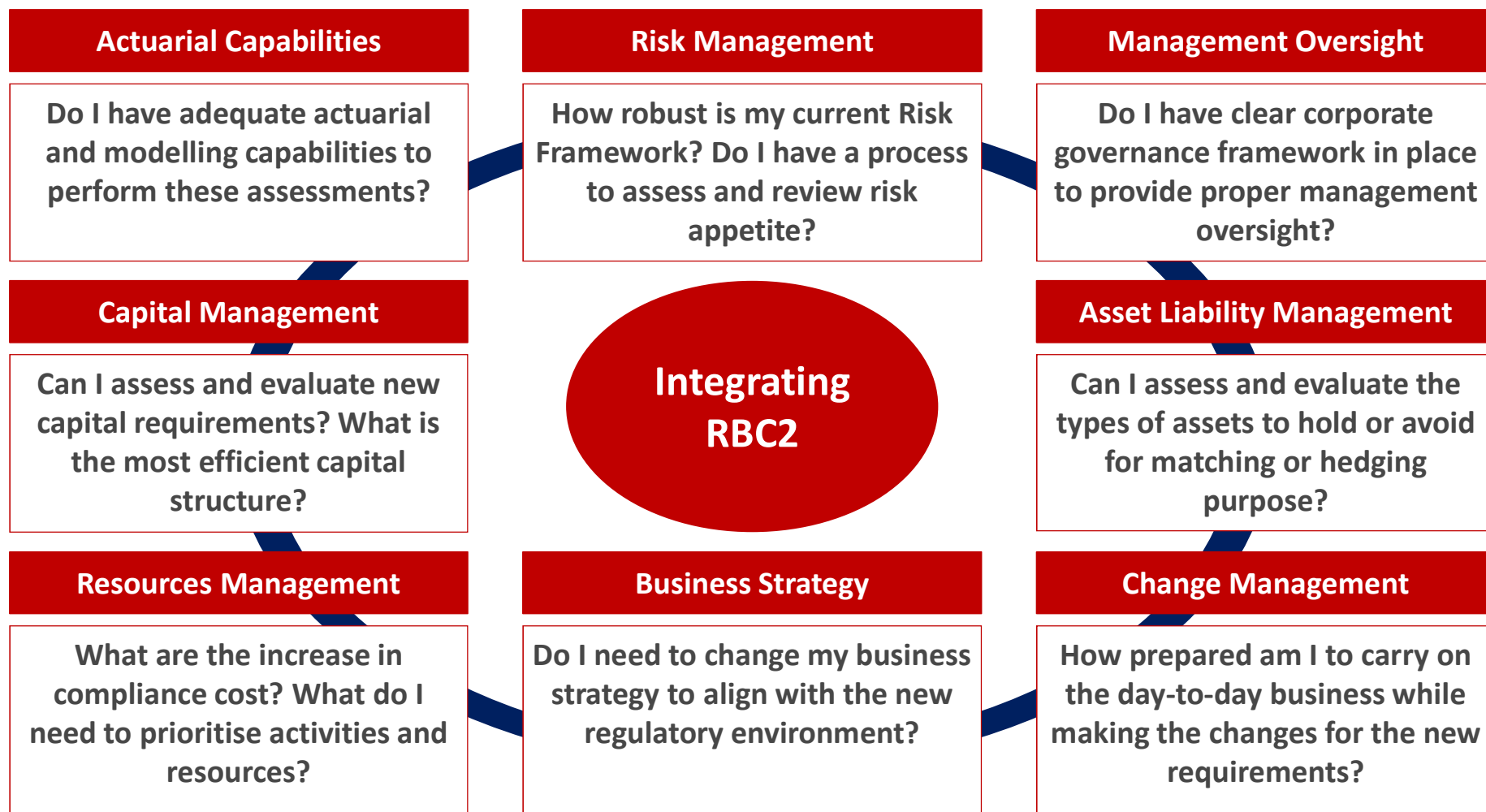
Set boundaries

Forward looking





RBC2 – Food for Thought





Thank you for your contribution SAS RBC2 Taskforce

- Raymond Cheung
- Lim Siang Thnia
- Bruno Pinson
- Cheung Kwok Kei
- Alex Lee
- Lee Wen Yee
- Raymond Chan
- Goh Siew Shin
- Matthew Maguire
- Esther Huang
- Chi Cheng Hock
- Darren Ma
- Hussain Ahmad
- Khoo Kay-Hwee
- Ernest
- Julien Parasie

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