

SOLVENCY II SCORING - INTERNAL MODEL SCR: INSURANCE RISKS (IMSCR)

LLOYD'S

Timing		Q2 2011	Q3 2011	Q4 2011	By Q1 2012
Score	1	2-4 (design/evidence)	5-7 (evidence/build)	8-9 (testing/sign off)	10 (fully in use/BAU)
Progress	<ul style="list-style-type: none"> Agent demonstrates little understanding of requirements. Little or no progress made in design. Evidence available is insufficient to address any of key areas. 	<ul style="list-style-type: none"> Agent demonstrates a reasonable understanding of requirements. At least some of key areas addressed and evidenced. Platform to be used for internal model CCK has been agreed and decision process documented Agent has completed and submitted high level model questionnaire Approach to modelling premium risk, reserving risk and catastrophe risk agreed internally and documented Agent is in a position to complete high level model walkthrough on structure and materiality with Lloyd's and agree high level model schematic 	<ul style="list-style-type: none"> Agent demonstrates clear and detailed understanding of requirements. Premium risk, reserving risk and catastrophe risk fully incorporated in the internal model CCK and methodology discussed with / demonstrated to Lloyd's. Detailed risk group walkthroughs completed and any material feedback from Lloyd's has been addressed. Two interim best effort SCR submissions made (31 July and 16 September) with required breakdown of insurance risks 	<ul style="list-style-type: none"> Agents are close to finalising their requirements subject to testing / sign off approvals. Robust SCR covering insurance risks submitted to Lloyd's based on 2012 SBF and projected 31.12.2011 technical provisions. Comparison of modelled SCR output to standard formula SCR for premium risk, reserving risk and catastrophe risk. 	<ul style="list-style-type: none"> Agents have completed the design, build and test of the element above. Nothing further required to be done except follow process established for regular reviews (unless requirements change). Feedback issues on insurance risk components within SCR submission addressed. Overall approach is fully validated as part of the assurance process

Difference between scores in each band should reflect the number of key areas addressed and quality

BLANK PAGE

SOLVENCY II SCORING - INTERNAL MODEL SCR: OTHER RISKS (IMSCR)

LLOYD'S

Timing		Q2 2011	Q3 2011	Q4 2011	By Q1 2012
Score	1	2-4 (design/evidence)	5-7 (evidence/build)	8-9 (testing/sign off)	10 (fully in use/BAU)
Progress	<ul style="list-style-type: none"> Agent demonstrates little understanding of requirements Little or no progress made in design Evidence available is insufficient to address any of key areas 	<ul style="list-style-type: none"> Agent demonstrates a reasonable understanding of requirements At least some of key areas addressed and evidenced Platform to be used for internal model CCK has been agreed and decision process documented Agent has completed and submitted high level model questionnaire Approach to modelling market risk, operational risk and credit risk agreed internally and documented Agent is in a position to complete high level model walkthrough on structure and materiality with Lloyd's and agree high level model schematic 	<ul style="list-style-type: none"> Agent demonstrates clear and detailed understanding of requirements Market risk, operational risk and credit risk fully incorporated in the internal model CCK and methodology discussed with / demonstrated to Lloyd's. Detailed risk group walkthroughs completed and any material feedback from Lloyd's has been addressed. Two interim best effort SCR submissions made (31 July and 16 September) with required breakdown of non-insurance risks 	<ul style="list-style-type: none"> Agents are close to finalising their requirements subject to testing / sign off approvals. Robust SCR covering non-insurance risks submitted to Lloyd's based on 2012 SBF and projected 31.12.2011 technical provisions. Comparison of modelled SCR output to standard formula SCR for market risk, operational risk and credit risk 	<ul style="list-style-type: none"> Agents have completed the design, build and test of the element above. Nothing further required to be done except follow process established for regular reviews (unless requirements change). Feedback issues on non-insurance risks within SCR submission addressed. Overall approach is fully validated as part of the assurance process
<p><i>Difference between scores in each band should reflect the number of key areas addressed and quality</i></p>					

BLANK PAGE

SOLVENCY II SCORING - INTERNAL MODEL SCR: AGGREGATE SCR (IMSCR)

LLOYD'S

Timing		Q2 2011	Q3 2011	Q4 2011	By Q1 2012
Score	1	2-4 (design/evidence)	5-7 (evidence/build)	8-9 (testing/sign off)	10 (fully in use/BAU)
Progress	<ul style="list-style-type: none"> Agent demonstrates little understanding of requirements Little or no progress made in design Evidence available is insufficient to address any of key areas 	<ul style="list-style-type: none"> Agent demonstrates a reasonable understanding of requirements At least some of key areas addressed and evidenced Platform to be used for internal model CCK has been agreed and decision process documented Agent has completed and submitted high level model questionnaire Approach to modelling all risks and dependencies agreed internally and documented Agent is in a position to complete high level model walkthrough on structure and materiality with Lloyd's and agree high level model schematic 	<ul style="list-style-type: none"> Agent demonstrates clear and detailed understanding of requirements All risks and dependencies incorporated in the internal model CCK and methodology discussed with / demonstrated to Lloyd's. Detailed dependency walkthroughs completed and any material feedback from Lloyd's has been addressed. Two interim best effort SCR submissions made (31 July and 16 September) via Lloyd's Capital Return (LCR) at mean and 99.5th percentile on either 2011 or 2012 SBF 	<ul style="list-style-type: none"> Agents are close to finalising their requirements subject to testing / sign off approvals. Robust SCR submitted to Lloyd's based on 2012 SBF and projected 31.12.2011 technical provisions, modelled at mean, 99.5th percentile and intervening points in the distribution Comparison of modelled SCR output to standard formula SCR overall number 	<ul style="list-style-type: none"> Agents have completed the design, build and test of the element above. Nothing further required to be done except follow process established for regular reviews (unless requirements change). Feedback issues on aggregate SCR submission addressed. Internal model CCK capable of running robust aggregate SCR as frequently as required Overall approach is fully validated as part of the assurance process
<p><i>Difference between scores in each band should reflect the number of key areas addressed and quality</i></p>					

BLANK PAGE