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**Key foundations for high-quality reporting: Good practices  
of monitoring and enforcement, and compliance**

Presented by

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# REPORTING & COMPLIANCE

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# AZN

- separate insurance supervisor
- good track record
- both prudential and market conduct supervisor
- transition to risk based supervision

# REPORTING

- key supervisory tool
- need to avoid duplication
- how to use & monitor the reports
- reporting as part of overall supervisory process

# MC v. PRUDENTIAL

Reporting plays part in market conduct,  
prudential and macro supervision  
Market risks example.

# REGULAR/EXTRAORDINARY REPORTING

- both part of supervisory process
- one complements the other
- the supervisor needs appropriate powers for extraordinary reporting
- where are the limits of extraordinary reporting?

# WHO IS RESPONSIBLE FOR REPORTING

- ultimate responsibility lies with the management of the company
- within S1 it was the management who has been responsible for assigning the reporting duty to the staff
- S2 introduces four key functions

# 4 KEY FUNCTIONS

- actuarial function
- risk management function
- internal audit
- compliance function

4 key functions complement each other



# COMPLIANCE FUNCTION

- key for reporting process
- will be introduced formally with s2
- box ticking/contents dilemma
- proportionality

# INDEPENDENCE

The system must ensure the independence of key functions.

- sufficient material and personell means
- direct access to the non-executive part of the board/supervisory board
- direct access to the supervisory authority
- managing the conflict of interest

# KEY CHALLENGES FOR THE FUTURE

- reporting is essential part of business process
- reporting is essential for all stakeholders, i.e. policyholders, investors, supervisors, and public at large
- non compliance with reporting requirements presents a risk for the policyholders directly, for the insurance company and potentially also a systemic risk

- the management should recognise as such
- the management should be aware of the risks arising out of reporting process and should properly manage them
- the responsibility for contents of reports and reporting in a timely manner should be properly allocated
- management is ultimately responsible for reports

**THANK YOU**