



Taking stock of where we are in the SAM process

**Presentation for:
2016 SAM Workshop**

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Agenda

What we have achieved to date

- SAM Framework Development
- Other SAM initiatives
- Comprehensive Parallel Run (CPR)

Where we are going in 2017

- Enhanced Comprehensive Parallel Run (CPR)
- FSB transition



WHAT WE HAVE ACHIEVED TO DATE



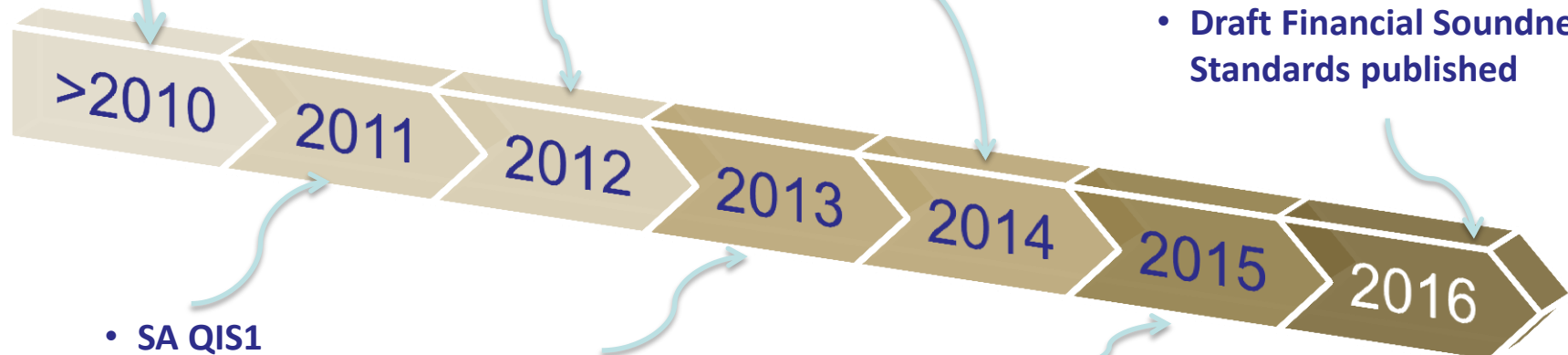
The SAM journey so far ...

- 1st SAM Steering Committee meeting
- Formation of SAM Governance structures
- High-level SAM project timetable
- SAM Roadmap published

- Pillar II Readiness Follow-up
- Comprehensive Parallel Run (CPR)

- Pillar II Readiness Review
- SA QIS2
- IMAP review guidelines

- Insurance Bill tabled in Parliament, Jan 2016
- Reinsurance Review Policy Paper
- Draft Financial Soundness Standards published



- SA QIS1
- IMAP Guide

- SA QIS2 Report
- SA QIS3

- SAM Economic Impact Study
- SA QIS3 Report
- Reinsurance Review published for comment
- Expense Review Report



SAM Framework Development

Insurance Bill

- Bill tabled in Parliament on 27 January 2016
- Awaiting publication by Parliament for comment

Insurance Prudential Standards

- Financial Soundness Standards published on 4 November 2016 for comment by end-January 2017
 - Financial Soundness Standards for Insurers (FSI), Insurance Groups (FSG), Microinsurers (FSM), Lloyd's (FSL), Branches of Foreign Reinsurers (FSB)
- Governance and General Standards
 - To be issued for public comment before end 2016



Other SAM Initiatives

- Reinsurance Regulatory Review Policy Paper
 - Published on 9 September 2016
- Targeted QIS on credit and spread risk
 - Included in PP111
- Linked Insurance Thematic Review



Comprehensive Parallel Run

- All 4 quarter solo submissions
 - Q1 & Q2 (CPR Tech Spec dated 31 March 2016)
 - Q3 onwards (FSI)
- Annual solo submissions (QRT & QRR) - 2016 year-ends audited
 - March 2016 – June 2016 year-ends (CPR Tech Spec dated 31 March 2016)
 - September 2016 onwards (FSI)



Comprehensive Parallel Run

- Insurance Group submissions

- Large groups – bi-annual
- Small groups – annual

March 2016 – June 2016 reporting periods (CPR Tech Spec dated 31 March 2016)

September 2016 reporting periods and onwards (FSG)

- Mock ORSAs
- Current statutory reporting basis continues on reduced basis



WHERE ARE WE GOING IN 2017



SAM Framework Development

Insurance Bill

- Parliamentary process to follow FSR Bill
- SAM implementation date... no sooner than 1 July 2017

Insurance Prudential Standards

- Public comments by Jan/Feb 2017
- Revise in line with comments
- Formal consultation in terms of provisions of FSR Bill



SAM Framework Development

- FSB Paper to provide further context on certain aspects of SAM Framework policy steer
- List of areas in which further SAM guidance is required
- List of areas in which SAM Framework will be further developed in a subsequent phase (post SAM live date)
- Report on Linked Insurance Thematic Review
- Discussion Document on outsourcing of Senior Management
- Third-party Cell Captive Insurance Policy Paper



Enhanced CPR

- Q3 (2016) solo submission based on FSI – extended deadline to end-January 2017
- Q4 (2016) onwards – solo submissions within 5 months
- Annual solo submissions (QRT & QRR) based on FSI – audited (no extended deadline for end-Sept 2016 fin year ends)
- Group submissions based on FSG (no audit requirement) (extended deadline for end-Sept 2016 reporting until end February 2017)
- Current statutory basis reporting continues (reduced)



SAM Framework Implementation

- Development of all application /notification forms
 - Consultation on forms during Q1 2017
 - Open the process for applications in Q2 2017
- Outsourcing data base and follow-up
- Continuous engagements with insurers and groups
- Supervisory activities based on SAM results
- Feedback on 2016 Mock ORSA reports



FSB Transition

MARKET CONDUCT

Conduct of Business

Market Integrity

Consumer Education

FSCA

PRUDENTIAL

Banking

Insurance

Financial
Conglomerates

PA

FINANCIAL STABILITY

Financial Stability
Oversight Committee

Financial Market
Infrastructure

Resolution Authority

SARB





FSB Transition

- PA organisational structure finalised
 - Financial Conglomerate Supervision Department
 - Banking, Insurance and Financial Markets Infrastructure Supervision Department
 - Risk Support Department
 - Policy, Statistics and Industry Support Department
- All 4 Heads of Department already appointed
- Recruitment process has begun for new/vacant positions
- PA Management Committee established
 - Supervisory blueprint
 - Financial conglomerate supervision
 - Regulatory strategy
 - Culture and change management



Questions?