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# Press Release

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## **New SimCorp StrategyLab white paper authored by Celent explores Solvency II preparedness**

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**Using European insurers complying with Solvency II as a backdrop, new paper offers considerations for global financial organisations confronting increased regulation**

[SimCorp StrategyLab](#), an independent research institution sponsored by SimCorp, has released a white paper entitled: "Preparing for Solvency II: Three key questions insurers need to address early." The paper outlines how insurers can prepare for Solvency II and what key steps need to be taken by firms to audit their infrastructure and move towards preparedness and compliance.

Authored by Nicolas Michellod, Senior Analyst at Celent, the paper states that Solvency II remains a highly political work in progress, creating challenges for European insurers who are looking to prepare for and comply with the raft of new regulations. The paper outlines the process insurers should undertake to examine whether their infrastructure is well-positioned for Solvency II compliance. Firms should consider the benefits of choosing a best-in-class solution, the pros and cons of insourcing versus outsourcing, and how to leverage existing investments and resources.

Michellod points to the potential benefits of working with a best-in-class provider with expertise and understanding of the regulatory environment and risk management: "Maximising existing hardware and software is an advantage of the build approach, but doing so may well encourage suboptimal decisions in the design of the application. Experience shows that a customised solution typically has a longer implementation time, greater risk of failure and is unable to benefit from innovation driven by a vendor."

The paper highlights the ongoing struggle for insurers with regulatory constraints, the ever-changing Solvency II roadmap and the data management complexity of monitoring all risk categories. Insurance companies can look to external support, including experienced solution providers, to navigate these issues.

The paper concludes by recommending that insurers seek IT vendors that demonstrate:

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- Capability in understanding insurers' preoccupations and feedback
- Ability to quickly adjust their Solvency II solution
- Ability to implement new releases

Lars Falkenberg, Assistant Director of SimCorp StrategyLab, explains, "Complying with Solvency II is crucial for insurers, but they are not alone in facing an increasingly constrained regulatory environment. Beyond insurers, asset managers, pension funds and more are dealing with global compliance challenges. Internal IT infrastructures may work, but these organizations need to ask themselves the hard questions in determining whether these solutions can truly keep them ahead of the regulatory curve in this ever-changing environment."

To download a copy of "*Preparing for Solvency II: Three key questions insurers need to address early*," please visit <http://www.simcorp.com/Knowledge/White-papers/Solvency-II-white-paper>.

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**About SimCorp StrategyLab**

SimCorp StrategyLab, an independent research institution sponsored by SimCorp, carries out extensive research in the investment management industry to identify and suggest ways to meet challenges within risk management, cost control and growth opportunities and to share best practices. The research programme is carried out in close collaboration with internationally recognised academics and established industry experts. More can be learned about SimCorp StrategyLab at [www.simcorpstrategylab.com](http://www.simcorpstrategylab.com).