SOLVENCY II & RISK-BASED CAPITAL (RBC)



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Introduction

Solvency II & Risk-Based Capital (RBC) Training Course prepares insurance and risk professionals to work confidently within risk-based capital regimes. Participants work through the Solvency II architecture and its three pillars, the SCR and MCR calculation approaches, the standard formula and internal models, technical provisions and valuation, the ORSA and governance requirements, and reporting, disclosure, and supervisory review as one connected framework. The programme links the capital an insurer must hold with the risks that drive that requirement. As a result, learners gain a practical method for applying risk-based capital rules. Furthermore, the course strengthens risk quantification judgement, regulatory literacy, and capital governance.

Solvency II & Risk-Based Capital (RBC) Course Objectives

- Explain the Solvency II architecture and its three pillars.
- Distinguish SCR, MCR, and own funds in capital adequacy.
- Apply the standard formula modules and correlation structure.
- Explain internal model approval and use test requirements.
- Apply technical provisions, best estimate, and risk margin valuation.
- Apply the ORSA process and own risk assessment.
- Apply governance, risk management, and the actuarial function.
- Apply Pillar 3 reporting, QRTs, and public disclosure.
- Apply risk-based capital concepts beyond Solvency II, including RBC regimes.
- Apply supervisory review, model governance, and capital planning.

Course Methodology

- Interactive sessions built on insurer capital and regulatory cases.

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- Workshops on SCR calculation, standard formula modules, and technical provisions.
- Group exercises on ORSA scenarios, capital planning, and model validation.
- Hands-on practice with QRT structures, risk registers, and capital dashboards.
- Simulation of an ORSA review and a supervisory challenge session.
- Facilitator coaching and peer review on personal capital work plans.

Who Should Take This Course

- Insurance risk, actuarial, and capital management professionals.
- Finance and finance reporting staff in insurance entities.
- Compliance and regulatory affairs officers in insurance.
- Internal auditors covering insurance risk and capital.
- Consultants advising on Solvency II and RBC implementation.
- Reinsurance and actuarial analysts working with capital models.

Solvency II & Risk-Based Capital (RBC) Course Outlines

Day 1: Solvency II Architecture and Principles

- Origins, objectives, and scope of Solvency II.
- The three pillars and their interaction.
- Risk-based capital versus fixed capital requirements.
- Own funds: tiers, eligibility, and quality.
- MCR, SCR, and the solvency capital ratio.
- Proportionality, groups, and equivalence.
- Case discussion: a capital ratio that missed the real risk.

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Day 2: SCR, Standard Formula, and Internal Models

- SCR calculation approaches and the standard formula.
- Sub-modules: market, counterparty, life, health, non-life.
- Correlation matrices and aggregation.
- Simplifications, undertaking-specific parameters, and USP.
- Internal models, approval, and the use test.
- Model validation, documentation, and change control.
- Workshop: calculating an SCR with the standard formula.

Day 3: Technical Provisions and Valuation

- Best estimate of liabilities and cash flow projection.
- The risk margin and cost-of-capital calculation.
- Valuation of assets and the balance sheet under Solvency II.
- Contract boundaries and recognition criteria.
- Reinsurance and risk mitigation effects.
- Data quality, assumptions, and expert judgement.
- Exercise: building a technical provisions summary.

Day 4: ORSA, Governance, and Risk Management

- The ORSA process and its business uses.
- Own risk assessment and overall solvency needs.
- Risk appetite, limits, and capital planning.
- Governance, the risk management function, and fit and proper.
- The actuarial function and its duties.

- ORSA report writing and documentation.
- Simulation: running an ORSA review and capital planning session.

Day 5: Reporting, Supervision, and Capital Planning

- Pillar 3 reporting: QRTs, narrative reports, and disclosure.
- Supervisory review process and intervention powers.
- Model governance, change, and ongoing validation.
- Capital planning, dividends, and business strategy.
- Risk-based capital regimes beyond Solvency II.
- Stress testing and reverse stress testing.
- Capstone: presenting a risk-based capital assessment.

Conclusion

By successfully completing Solvency II & Risk-Based Capital (RBC), participants will gain a practical command of the Solvency II three-pillar architecture, SCR, MCR and own funds, the standard formula and internal models, technical provisions and valuation, the ORSA and governance requirements, and Pillar 3 reporting and supervisory review. They will acquire skills in capital requirement calculation, technical provisions assessment, ORSA preparation, and regulatory reporting that support sound risk-based capital decisions. Gentex Training Center designs the programme to help professionals apply risk-based capital rules with confidence.

FAQs for the Solvency II & Risk-Based Capital (RBC) course

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Q1 What is the "Solvency II & Risk-Based Capital (RBC)" course about?

It prepares insurance and risk professionals to work confidently within risk-based capital regimes. The course spans the Solvency II architecture and three pillars, SCR, standard formula and internal models, technical provisions and valuation, the ORSA and governance, and reporting, supervision and capital planning.

Q2 What are the key benefits of the "Solvency II & Risk-Based Capital (RBC)" course?

You gain a practical method for applying risk-based capital rules that links the capital an insurer must hold with the risks that drive that requirement. The course improves SCR calculation and model understanding, strengthens technical provisions assessment, sharpens ORSA preparation and governance practice, and gives you Pillar 3 reporting and supervisory review insight that supports better capital decisions.

Q3 What skills will I gain from the "Solvency II & Risk-Based Capital (RBC)" course?

You will develop four core skills: Solvency II three-pillar framework application, SCR, standard formula and internal model interpretation, technical provisions and valuation assessment, and ORSA, governance and Pillar 3 reporting practice.

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Q4 What tools, methods, or standards are covered in the "Solvency II & Risk-Based Capital (RBC)" course?

The course covers the origins, objectives and scope of Solvency II, the three pillars and their interaction, risk-based capital versus fixed capital requirements, own funds tiers, eligibility and quality, MCR, SCR and the solvency capital ratio, proportionality, groups and equivalence, SCR calculation approaches and the standard formula, sub-modules across market, counterparty, life, health and non-life, correlation matrices and aggregation, simplifications, undertaking-specific parameters and USP, internal models, approval and the use test, model validation, documentation and change control, best estimate of liabilities and cash flow projection, the risk margin and cost-of-capital calculation, valuation of assets and the balance sheet, contract boundaries and recognition criteria, reinsurance and risk mitigation effects, data quality, assumptions and expert judgement, the ORSA process and its business uses, own risk assessment and overall solvency needs, risk appetite, limits and capital planning, governance, the risk management function and fit and proper requirements, the actuarial function and its duties, ORSA report writing and documentation, Pillar 3 reporting across QRTs, narrative reports and disclosure, the supervisory review process and intervention powers, model governance, change and ongoing validation, capital planning, dividends and business strategy, risk-based capital regimes beyond Solvency II, and stress testing and reverse stress testing.

Q5 How is the "Solvency II & Risk-Based Capital (RBC)" course applied in real-world practice?

Participants apply it to real work such as calculating an SCR with the standard formula, building a technical provisions summary, running an ORSA review and capital planning session, preparing QRT and narrative reporting inputs, testing model assumptions and validating changes, and presenting a risk-based capital assessment to management. The same methods support supervisory review responses and dividend and strategy planning.

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