

How Aspen Used Collibra to meet the Solvency II Challenge.

Aspen Insurance is a leading insurance and reinsurance company with a global footprint. Like many such companies, a European presence means that Aspen has to comply with Solvency II requirements. Solvency II is a pan-European insurance regulatory initiative that is primarily focused on the capital that must be held to reduce the risk of insolvency. However, Solvency II goes beyond traditional regulatory approaches to mandate a great deal of specificity about data management practices. The reason is simple – the regulators want to be sure that the data provided to them can be relied on. This specificity posed a challenge to Aspen, which had to quickly move to mature its data management practices.

Collibra for Solvency II

Aspen began by hiring a team of management consultants to perform a 6-week review to provide an initial roadmap for Solvency II requirements – and also a preliminary framework for enterprise data management.

“Regulation can be difficult to deal with, but in our case Solvency II acted as a catalyst that we used to jump-start our new Data Steering Group, and bring Collibra in to support it.” Aspen CDM.

The consultants’ findings showed that Aspen would have to satisfy a range of specific requirements, including a data directory, data policies, and data credibility assessment. In thinking about how to select a tool supporting these requirements, Aspen placed a high value on standards. This led Aspen to the Object Management Group’s (OMG) standard Semantics for Business Vocabulary and Business Rules (SBVR) - and this in turn led to Collibra, which is based on SBVR, and which provides an out of the box software solution supporting Solvency II data management requirements.

Collibra as a Data Directory

With Collibra selected, Aspen quickly started to populate the Data Directory.

As Aspen is a global company, it appreciated the issues in capturing business semantics for Solvency II. For instance, Claim Made Date could mean different things for different products in different business units in different geographies.

Collibra’s built-in context management features provide a solution to this class of problem, and Collibra’s business-facing interfaces provided exactly the collaborative environment that Aspen was looking for to get inputs from all relevant stakeholders.

Aspen also used Collibra’s rich functionality to deal with data-centric definitions, as shown below. Aspen needed to capture what data exists in what data sets, be these files, table, views, etc. The open and flexible metadata management features of Collibra allowed Aspen to define precisely what information they needed to capture about data sets, and then use Collibra’s Data Governance Workflow features to get them populated.

“Companies sometimes come to Collibra with one or a few requirements. Aspen was wise to begin with a vision that spanned many dimensions of data management.” Felix Van de Maele, CEO, Collibra.

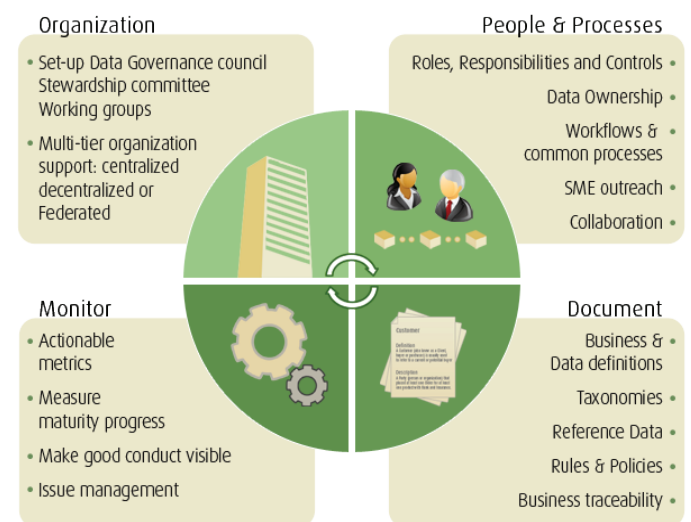


Figure 1: Entry in Data Directory

Regulator-friendly Reporting from Collibra

3.2.2.1. Inherent risks

Risk Ref	Definition	Description
Risk R0035	There is a risk that data is incorrectly updated, parameterization of the model is inappropriate, or model structure is inappropriate	Based on risk in OCP related to control ARS.1

3.2.2.2. Risk mitigation

Risk Ref	Control Ref	Definition	Description	Frequency	Performer
Risk R0035	Control C2208	Operational Control Policy ARS.1	ARS.1: The CTM prepares a summary on the analysis of change in capital since the previous run for asset risk. This is reviewed by the HOCM.	Quarterly	Capital Modeling Actuaries

Figure 2: Solvency II Data Policies Report

The Data Directory is only part of the data management requirements of Solvency II. Another important area is data policies. Aspen used Collibra to build on their data-centric information about datasets to show who has responsibilities and accountabilities for them. Then, using Collibra’s visualization tools, Aspen captured the lineage relationships between the datasets. All of this information was ultimately materialized in a report produced by Collibra that provides the regulators with what they need to know about Aspen’s data policies, including data quality controls, and the assurance that Aspen knows how the data flows across its production data landscape. Figure 2 gives a snapshot of the report.

While Solvency II has been a significant challenge for Aspen, their innovative use of Collibra has not only helped them to meet the challenge, but has put in place a solid foundation for overall data management at the company.

Making sense of the Regulatory Environment

Treating Solvency II as a one-time project is not advisable. Regulations are likely to change over time, and not necessarily only in regard to solvency. New insurance products, new markets, and new technologies are all likely to emerge in the coming years - and they will inevitably lead to a regulatory response. Insurers must be able to relate regulations to the data they manage to keep up to date in an effective manner. Regulation must be traceable to data, and data traceable to regulation.

For instance, a paragraph in CEIOPS-CP-43 might have a clarification in CEIOPS-SEC-106/09, which might be further elucidated by the FSA, and result in specific guidance by Lloyds to its Managing Partners. If any of this changes, how will the enterprise know what data is affected? Conversely, the enterprise might want to change, or eliminate, a particular data element. But how can the enterprise know if this data element is being used by Solvency II, and what its role is?

Traditionally, these kind of questions have been answered by “brute force analysis”, which involves tasking analysts to discover the relevant linkages. Such an approach is time-consuming, expensive, inherently inaccurate, and wasteful since no prior knowledge is reused. Collibra provides an alternative. It is a knowledge repository in which the relationships between regulation and data can be captured via the governance processes involved.

About Collibra

Collibra is a Data Governance software company bringing Business and IT together to govern data as an enterprise asset.

Collibra’s Business Semantics Glossary supports you in launching or maturing your Data Governance program.

Collibra provides a unique platform that allows the business to take charge of the data in their organization.

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