



Life Board and Life Research Committee

Life and Health Reinsurance Working Party

The Life and Health Reinsurance Working Party is looking for new members in order to pursue new areas. This working party was originally established by the Life Insurance Board in 2014 to focus on reinsurance in the life and health insurance sector.

This is an opportunity to be involved in many stimulating discussions about the future of life reinsurance activities and contribute to publicising deeper insight into the benefits of the industry.

Brief description

The working party will now begin a new project to explore potential **mistakes, inefficiencies and misconceptions** around establishing a reinsurance program. To do this we are looking for **new members** to join the working party and in particular we would like to ensure there are buyers (insurers and reinsurers), sellers (reinsurers and brokers), users (product development, valuation, capital management, risk management, etc.) and consultants on this project.

Ideally, areas for research would include:

- the relationship between a company's risk appetite statement and their metrics for measuring the impact of a reinsurance program
- designing a reinsurance treaty to achieve specific financial objectives
- balancing the conflicting criteria for determining what reinsurance is 'optimal'
- in different contexts, how to select between reinsurance and alternative risk transfer/financial solutions
- what are key contractual issues that arise when implementing a reinsurance treaty, and which ones might be preferable? eg downgrade triggers, rights to termination, claims authority, operational risk, rate guarantees, notice periods, etc
- what structural features should be used on which occasions and in which regulatory environments? eg reinsurance commission, profit sharing, etc
- counter-party credit risk – where does it lie? Where should it lie? Who incurs the cost? What is acceptable? How to measure it? And mitigate it?
- retrocession spirals.

As part of the above work, there is the potential to create an open-source, spreadsheet-based model to demonstrate the principles of reinsurance quantification and optimisation. This will depend on the skills & time available from working party members.

Working party objective/aims

The Life Insurance Board established the working party in order to undertake research to improve the understanding of the benefits of reinsurance in the life sector and the issues that currently exist. This includes the design, purchase and implementation of reinsurance programs. Research is encouraged

which takes a critical view of the current market and suggests improvements. In terms of lines of business, we would be including life, health, annuities and pensions.

Experience/skills/background desirable

Applicants for this working party will have a background in life insurance and some knowledge of reinsurance. We are explicitly looking for buyers, sellers, users and consultants, to ensure a balanced and comprehensive view of these matters.

Outputs

Working parties should aim to produce a written record of their findings, as well as seeking opportunities to present their research.

The potential outputs should be substantive and could include:

- an article in The Actuary to explain the research and conclusions
- present at the annual Life Conference
- preparing and presenting a sessional event or British Actuarial Journal paper
- presentations at regional societies and other Professional conferences
- a website
- proposal for government.

The types of tasks working party members take part in:

- chairing meetings
- reviewing literature and draft papers/reports
- interviews
- creating questionnaires
- writing
- modelling.

Time commitment

For each of these working parties, volunteers will typically be expected to attend between six to 12 meetings per annum and to perform research between meetings.

Meetings are usually virtual, given that members are from around the world. We aim to have large face-to-face meetings alongside major actuarial conferences, when possible. Meetings usually last for 60 to 90 minutes.

After you submit your interest

The Life Reinsurance Working Party will review all applications, to select those who are able to contribute best to the objectives of the working party – in terms of experience but also in terms of their ability to be an active working party member. Thank you for your interest.

March 2017