

The Actuarial Profession
making financial sense of the future

Reserving Seminar 2011
Alex Marcuson

Insurance TAS Awareness

Morris Dancing for Beginners

23 November 2011

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Morris Dancing for Beginners



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- What is “the Morris”?
- How does the Morris world work?
- What factors should I consider in making choices?
- How do I make this part of my life?

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1

What is “the Morris”?



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- British folk dancing performed to music
- Origins in 15th Century
- Name “Morris” believed to derive from “Moorish”
- “The Morris” refers to the world of Morris Dancing

2

What is “the Morris Report”?

- Set up by government following Equitable Life collapse
- Reported back in March 2005
- Made numerous recommendations about future regulation of actuaries
- In response, POB and BAS established
- Changed landscape of regulation of actuaries
- For general insurance actuaries, BAS has issued 3 generic TASs, the Insurance TAS and the Transformation TAS
- From 1 October 2011 we are fully in the post-Morris world
- Profession self-regulates; POB oversees

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3

How does the Morris world work?



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- Dancing takes place with sticks, swords, bells and handkerchiefs
- Some dances take place near a pair of crossed tobacco pipes

4

How does the (post-)Morris world work?

Clearly affected

- Reserving
- Audit support
- SAOs
- AF opinions in S2
- Reg. capital calculations
- Pricing frameworks
- Transformations

Not sure?

- Documentation
- Validation reports
- Economic capital / ORSA
- Peer review work
- Non-financial modelling
- Price optimisation
- Data mining
- “Value-added” work

Clearly unaffected

- Management activity
- Non-technical work
- “Unimportant” stuff

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5

What factors should I consider in making choices?

6 main styles dominate:

- North-western - more military, processional
- Cotswold - use handkerchiefs and sticks
- Border Morris - simpler, looser and more vigorous
- Longsword and Shortsword dancing from Yorkshire, Durham and Northumberland
- Molly Dancing comes from East Anglia and Midlands



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6

What factors should I consider in making choices?

- The BAS Reliability Objective is key:
 - “Users ... should be able to place a high degree of reliance on the information’s relevance, transparency ..., completeness and comprehensibility, including the communication of any uncertainty...”
- Could decisions based on your work lead to loss to policyholders or shareholders?
- How is your work used?
- How do individual elements of your advice aggregate?

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7

How do I make this part of my life?



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8

How do I make this part of my life?



- Don't ignore them!
- Don't descope all of your work!
- Design your own framework
- Take a risk-based approach
- Think through the scenarios

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9

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