




The Actuarial Profession
making financial sense of the future

34TH ANNUAL GIRO CONVENTION

CELTIC MANOR RESORT, NEWPORT, WALES

ICA EDUCATION & GUIDANCE UPDATE


From the ICA WP



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ICA WP – who we are

Andrew Hitchcox (chairman)
Annette Olesen
Dix Roberts
Gavin Hill
George Maher
Hans Waszink
Justin Skinner
Nick Ross
Tony Brooke-Taylor
Veekash Badal



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ICA WP – what we do

- Capital modelling in general, of which ICA a part
- On the cusp of guidance
- Assistance not guidance
- Educational materials
- Source of good practice

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ICA WP – what we do

- Capital modelling in general, of which ICA a part
- How to go about the capital modelling
- Reporting on the outcome of your work
- Not reinvent the wheel
- When we find good materials already publicly available, we use those instead of writing up anew
- Aimed at both new and experienced actuary

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ICA WP – what we have done

- 2006 WP
 - Published paper "Capital Modelling for General Insurance ICAs"
 - Staple Inn Seminar 20 April 2006
 - Paper and slides available on the Institute website
- 2007 WP
 - Written 4 new papers
 - How to use GN12 in reports on capital modelling
 - Modelling issues and their impact on the results
 - Embedding and the use test
 - Consistency of parameters across the industry

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ICA WP next steps – capital modelling wiki

- 2006 materials
 - Paper "Capital Modelling for General Insurance ICAs"
 - Staple Inn Seminar 20 April 2006 slides
- 2007 materials
 - How to use GN12 in reports on capital modelling
 - Modelling issues and their impact on the results
 - Embedding and the use test
 - Consistency of parameters across the industry
- Reference "library" of good materials from around the world

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ICA WP wiki – what topics do you want to see

- Ideas from the WP: "modules", "chapters"
 - Back testing of parameters
 - Statistical testing of models
 - Internal model approval (as preparation for Solvency II)
 - Managing / allowing for the insurance cycle
 - Linking capital model \Leftrightarrow risk management
 - Capital allocation
- Ideas from the audience
 - Email to Andrew.Hitchcox@KilnGroup.com
 - Attach to the wiki when it goes live

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