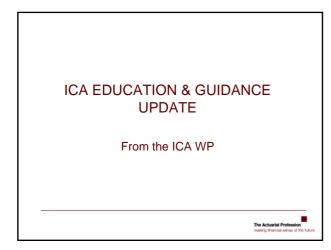
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34TH ANNUAL GIRO CONVENTION

CELTIC MANOR RESORT, NEWPORT, WALES



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



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 ⇔ risk management
 - Capital allocation

Ideas from the audience

- Email to <u>Andrew.Hitchcox@KilnGroup.com</u>
- Attach to the wiki when it goes live

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