The Actuarial Profession making insuce sense of the future

## 32<sup>nd</sup> ANNUAL GIRO CONVENTION

The Actuarial Profession making thence laense of the future

MARKET-CONSISTENT EMBEDDED VALUE FOR GENERAL INSURERS

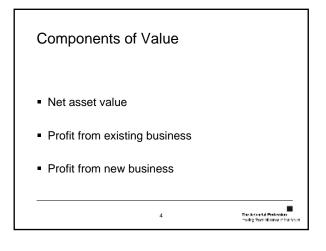
Valuing an Insurance Company

3

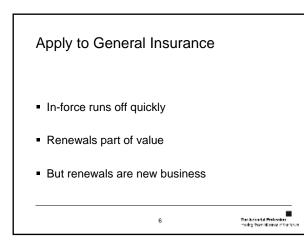
Inclusion in accounts

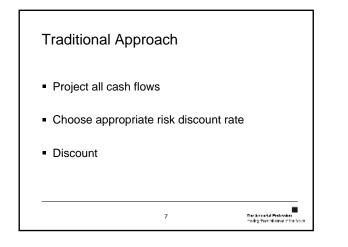
Mergers and Acquisitions

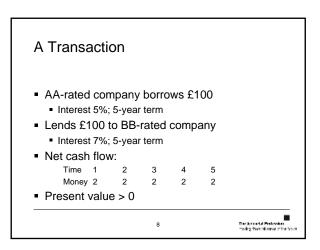
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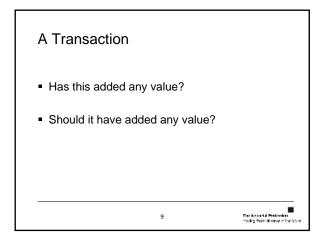


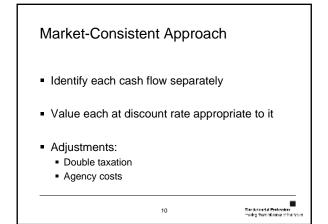


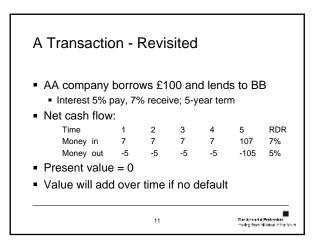


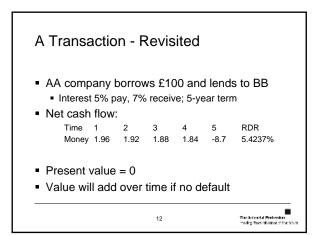


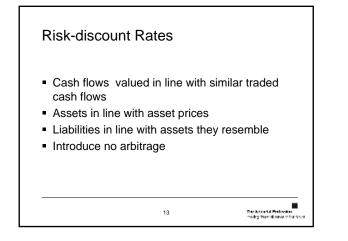


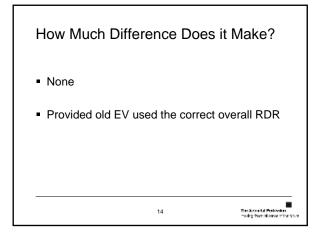


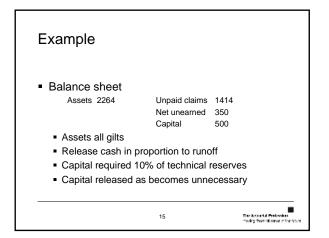












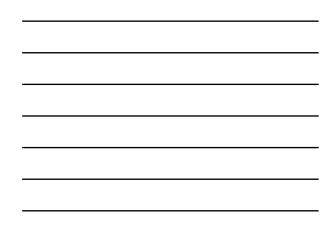
	1	2	3	4	5	6	7
Opening res	1764	1102	594	265	96	30	6
Claims paid	662	508	330	169	66	24	6
Closing res	1102	594	265	96	30	6	0
Claims inc'd	0	0	0	0	0	0	0
Investment inc	91	48	26	12	4	1	0
Profit	91	48	26	12	4	1	0
Capital release	390	51	33	17	7	2	1
Shareholders'	480	99	59	29	11	4	1
Cash flow							



Tradition	ial E	ĪV				
Shareholders' Cash flow	1 <b>480</b>	2 99	3 <b>59</b>	5 11		7 1
Discounted pr - 4% - 7% - 10%	643 616	value at				
			17		The Asian Teeling flag	tal Profession relations of the factors



		0	•		-	~	-	
	1	2	3	4	5	6	7	
Claims	-662	-508	-330	-169	-66	-24	-6	
Asset backing	721	552	359	184	72	26	6	
Capital	422	54	30	14	5	2	0	
Discounted pro	esent v	/alue at						
	Claim	s	Assets Ca		Capit	Capital 510 500		
2½%	-1672		1820					
<b>4%</b>	-1621		1764					
<b>7%</b>	-1527		1661		482	482		
- 10%	-1442		1569		465			

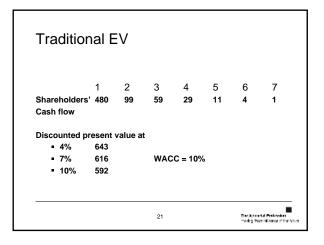


	1	2	3	4	5	6	7
Claims	-662	-508	-330	-169	-66	-24	-6
Asset backing	721	552	359	184	72	26	6
Capital	422	54	30	14	5	2	0
	Claim	-	Asset	S	Capit	al	Tota
2½%	-1672		1820		510		
<b>-</b> 4%	-1621		1764		500		643
<b>7%</b>	-1527		1661		482		
10%	-1442		1569		465		

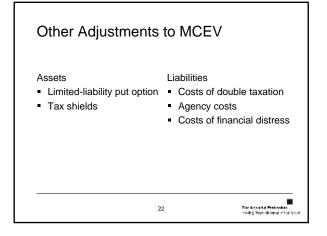


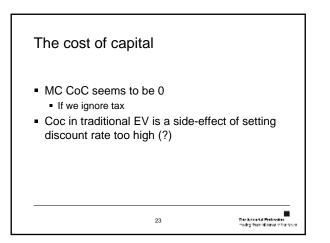
	1	2	3	4	5	6	7
Claims	-662	-508	-330	-169	-66	-24	-6
Asset backing	721	552	359	184	72	26	6
Capital	422	54	30	14	5	2	0
Discounted p	resent v	/alue at					
	Claim	Claims		Assets		Capital	
2½%	-1672		1820		510		
<b>4%</b>	-1621		1764		500		592
<b>7%</b>	-1527		1661		482		
<ul> <li>10%</li> </ul>	-1442		1569		465		



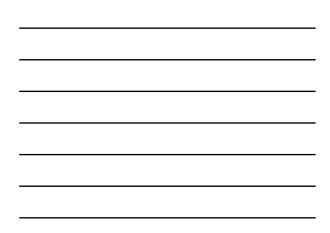


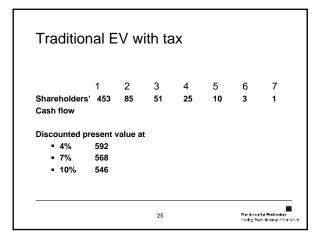






	1	2	3	4	5	6	7
Opening res	1764	1102	594	265	96	30	6
Claims paid	662	508	330	169	66	24	6
Closing res	1102	594	265	96	30	6	0
Claims inc'd	0	0	0	0	0	0	0
Investment inc	91	48	26	12	4	1	0
Profit	91	48	26	12	4	1	0
Tax paid	27	15	8	3	1	0	0
Capital release	e 390	51	33	17	7	2	1
Shareholders'	453	85	51	25	10	3	1
Cash flow							







	1	2	3	4	5	6	7	
01-1	•	-	-	-	-	-24	•	
Claims	-662	-508	-330	-169	-66		-6	
Asset backing		539	352			26	6	
Capital	416	53	29	13	5	2	0	
Discounted pro	esent v	/alue at						
	Claim	s	Asset	s	Capit	al		
2½%	-1672		1776	1776		502		
<b>- 4%</b>	-1621		1721	1721		492		
<b>7%</b>	-1527		1621		474			
<ul> <li>10%</li> </ul>	-1442		1531		457			



	1	0	2	4	~	~	7
<b>.</b>	•	2	3	4	5	6	-
Claims	-662	-508	-330	-169		-24	-
Asset backing	699	539	352	181	71	26	6
Capital	416	53	29	13	5	2	0
Discounted pro	esent v	alue at					
	Claims		Asset	Assets Cap		al	Tota
2½%	-1672		1776	1776 502			
<b>- 4%</b>	-1621		1721		492		592
<b>7%</b>	-1527		1621		474		
• 10%	-1442		1531		457		



