



Institute
and Faculty
of Actuaries

GIRO40

8 – 11 October, Edinburgh



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of Actuaries

Underwriter's Guide

Michael Davern - Catlin

15 October 2013

ertise
ensorship
Thought leadership
Progress
Community
Sessional Meetings
Education
Working parties
Volunteering
Research
Shaping the future
Networking
Professional support
Enterprise and risk
Learned society
Opportunity
International profile
Journals
Support

Agenda

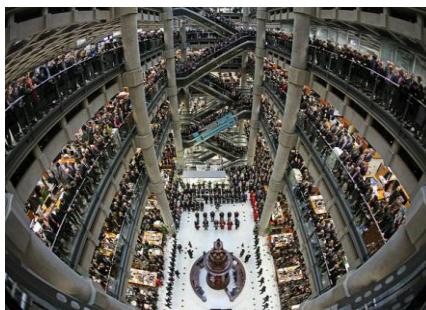
- Background
- “Things I have learnt”
- Case Study – Hurricane Sandy
- What UWs need to be telling Actuaries

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Background

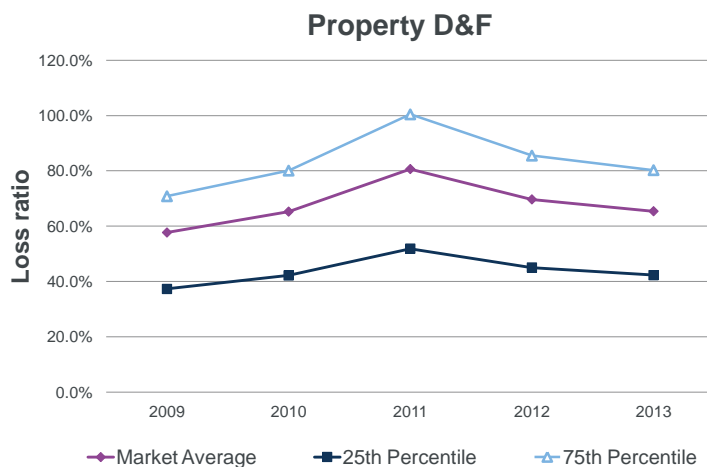
- Property Underwriter
 - US, International – direct / facultative / binding authorities
- Catlin
 - Largest Lloyd’s Syndicate
- Trading floor
 - Managing a queue



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Performance of Underwriters



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“Things I have learnt”

1. How to say no and still have them comeback
2. A true market place
3. Looking at the wider picture
4. The importance of risk selection
5. When to walk away

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How to say no and have them comeback



- Service
- Transparency
- Art of negotiation

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A true market place

- Underwriting cycle
- Traders
- “Flock” mentality



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Looking at the wider picture

The world economy can change the risk:

- Effect on risk exposure
- Effect on accumulations
- Effect on growth



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Importance of risk selection

- Risk selection vs pricing adequacy
- Insured's approach to insurance
 - Retention
 - Risk management ethos
 - How they react to a claim
- Information
 - How presented
 - Loss record
 - Financials



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When to walk away

- Softening of the market
 - Rates / Terms & conditions
 - Fundamental change in risk

- Vice –versa
 - When to enter the market
 - Getting the pricing right



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Case study: Hurricane Sandy

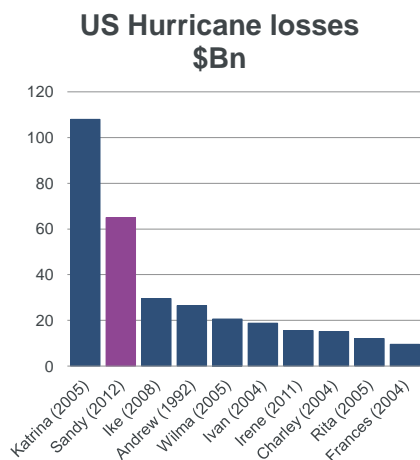
- October 29th 2013 “Frankenstorm” Sandy made landfall in New Jersey / New York



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Case study: Hurricane Sandy



- Post loss:
 - Not market wide changing event
 - Storm surge – flood or wind
 - Fundamental change in pricing of exposure
 - Domestic carriers changing limits offered

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What UWs should be telling actuaries

- Change in UW appetite
- Effect of cycle
- Emerging trends in risk



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Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.