

The Actuarial Profession  
making financial sense of the future

A closer look at Solvency II  
Andy Challoner



## A review of the respective roles of risk management and actuarial functions

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### ‘Risk Management Function’s responsibilities’

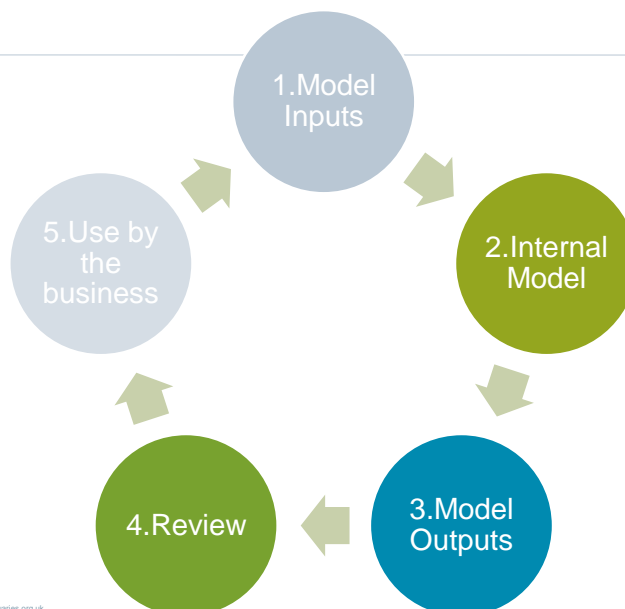
#### Some of the key elements...

- Assist the board in the effective operation of the risk management framework
- Monitor the risk management framework
- Maintain an aggregated view of the risk profile of the business
- Report risk exposures to the board
- ***Design, implement, test and validate the Internal Model***
- ***Integration of the internal model into the risk management system***
- ***Assessment of the performance of the Internal Model as a risk management tool***

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## Accountabilities?



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## How can this work in practice?

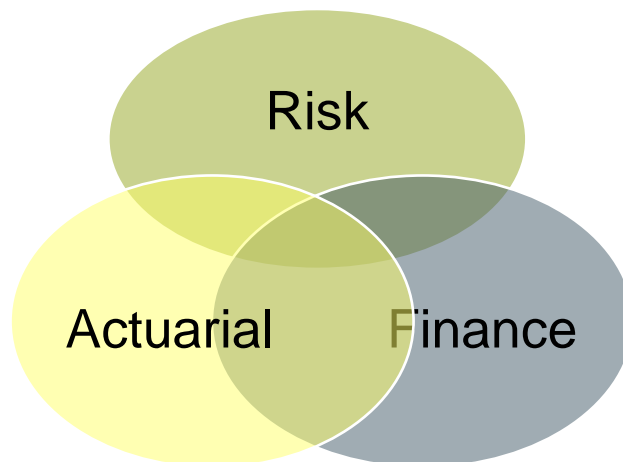
### Areas to consider...

- Clarity over responsibilities and deliverables with regard to the Internal Model
- Clear reporting lines to Senior Management – should they be the same for risk and actuarial?
- How do the functions of risk and actuarial link into the organisation's governance structure?
- Combining actuarial and risk functions
- People - with the requisite skills and expertise
- Pragmatism - things will continue to change in the run up to 2012

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## Meeting of disciplines and activity



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## It's all about teamwork!



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## Questions or comments?

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Expressions of individual views by members of The Actuarial Profession and its staff are encouraged.

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

