

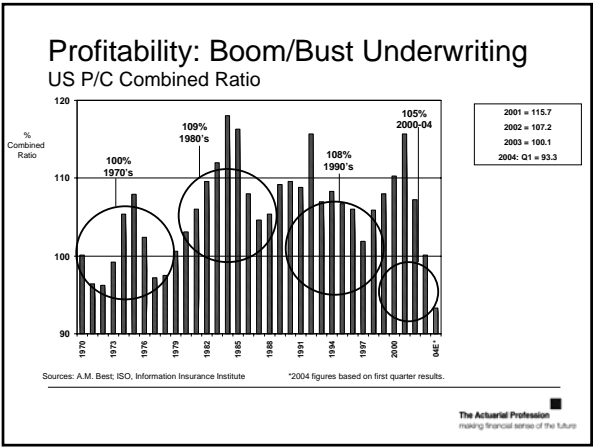
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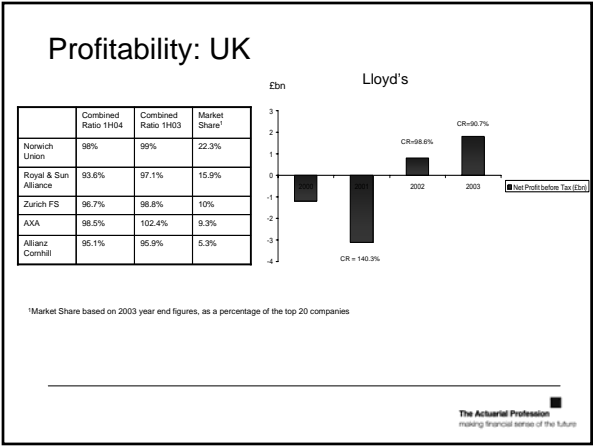
making financial sense of the future

That was the year that was

Armoghan Mohammed and James McPherson

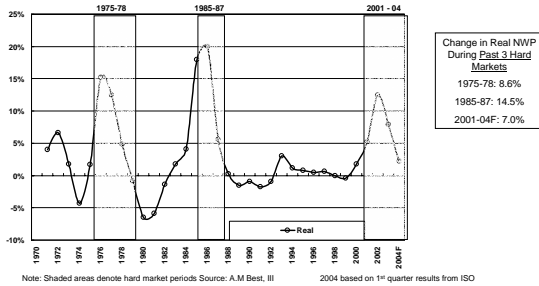
12-15 October 2004, Hotel Europe, Killarney, Ireland





End of the hard market

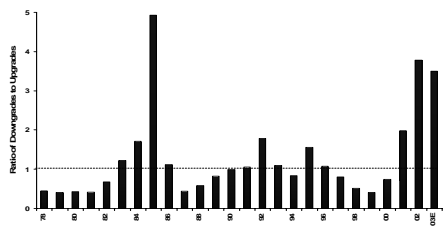
Strength of Recent Hard Markets by Change in Real NWP



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Rating watch

Downgrade/Upgrade Ratio

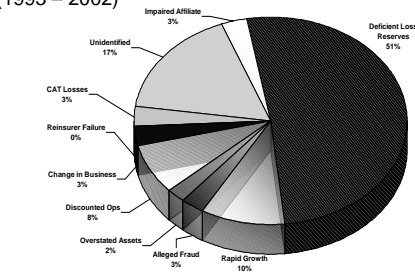


Sources: Impairment Rate and Rating Transition Study – 1977 to 2002, A.M. Best & Co; 2003E from S&P *U.S. property/casualty and life/health insurers

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Reason for General Insurance

Company Insolvencies
(1993 – 2002)

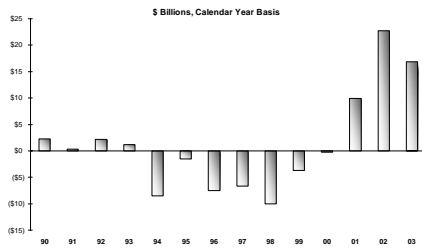


Source: A.M. Best, III

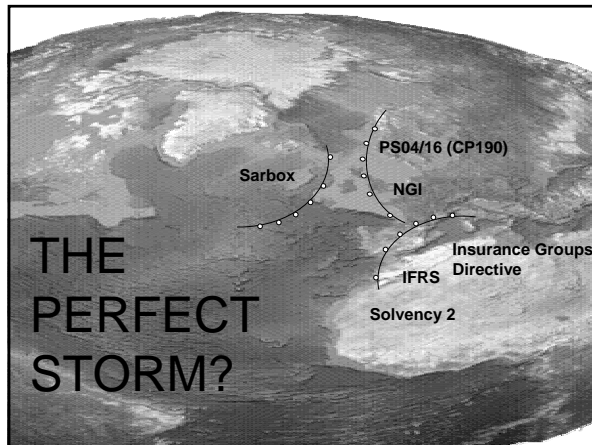
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The Challenge

Insurance Industry Prior Year Reserve Development



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On The Right Path?

Regulation



Good New World

More
Standardisation
More able to trade
pan-European
Better understanding

Bad New World

More Bureaucracy
Using regulation as excuse
Dull Job
More Costs

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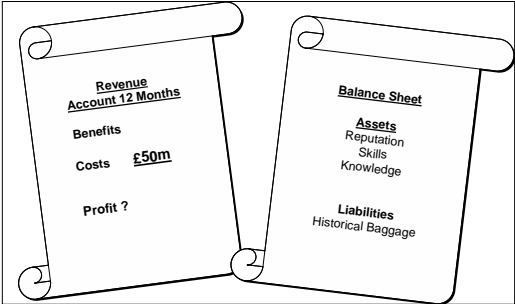
Morris – what's the story?

Terms of reference of the Morris review

"Consider what professional and/or other regulatory framework would best promote recognised, high-quality and continuously developing actuarial standards, openness in the application of actuarial skills, transparency in the professional conduct of actuaries, accountability for their actions and an open and competitive market for actuarial advice in the UK."

http://www.hm-treasury.gov.uk/independent_reviews/morris_review/review_morris_index.cfm

GI Actuaries PLC



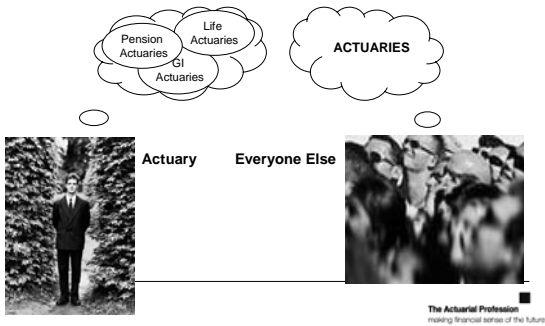
In Profit?

Benefits	
Risk	☹️
Capital	☹️
Cycle Management	☹️(?)
Tech Pricing	☹️(?)
IFRS	☹️(?)
Reserving	☹️

Balance Sheet	
Assets	
Reputation	☹️
Skills & Knowledge	☹️
Liabilities	
Old reserving Processes out of date	☹️
Still inconsistent quality	☹️

6 out of 10

A Uniquely Actuarial Perspective



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