

Mortgage Indemnity Guarantee

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Objectives

The objectives of this workshop are to examine the recent history of mortgage risk insurance, to discuss the current forms of risk transfer purchased and to consider possible future changes in products, price and providers of insurance.

Background

- Historical cover
- Recent cover
- Reinsurance cover

What can we learn from the DTI Returns?

- Market changes
- The level of losses
- Reserving

Current factors affecting repossession rates

- House price inflation
- Product type
- Interest rates
- Changes in the level and pattern of unemployment
- Lending quality
- Remortgaging

Reinsurance

- Reasons for seeking reinsurance
- Where is the risk?
- Agreeing a deductible
- Agreeing a layer
- How to price a reinsurance treaty
- Non UK suppliers

Accounting, Regulation and Taxation

- One year accounting can be dangerous
- Alternative forms of accounting
- Solvency Tests
- Controlled Foreign Companies legislation
- IPT

Longer Term

- The objective of the lenders is still to transfer risk
- Alternative forms of risk transfer
- Pricing for risk