



The Actuarial Profession

making financial sense of the future

Reporting to the Board on the results of your ICA work

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Reporting

Key issues:

- Scope and role of the actuary ?
- What's special about the ICA ?
- Does size matter ?
- Reporting and GN12

Scope and role of the actuary ?

- ICA is responsibility of the board
- Some or a major part of responsibility for ICA process may be apportioned to an actuary
- Quantification background may imply a wider responsibility than apportioned

What's special about the ICA ?

- Relatively new process
 - in companies
 - for professionals
 - guidance and best practice development
- Deals with all risks together
- A mixture of qualitative and quantitative
- Complex
 - reserving, planning, assets, liabilities, pricing, controls - where each risk is complex in itself
- Sparse information

Does size matter ?

- Complexity of organisation
- Hierarchy of risks
- Knowledge of board members
- Approaches to risk quantification and measures
 - regulatory / internal
 - international dimension
 - target setting

Reporting and GN12

- Basic GN12 type principles apply
- Clarity on scope and limitations
- Complexity needs to be simplified
 - Hierarchy of information so that specialists can input their expertise at appropriate level
 - Audit trails to aid independent assessment of process
- Clear indication of key drivers of the ICA, underlying assumptions and basis for choice of “difficult” parameters
- Where possible quantification of key sensitivities