



The Actuarial Profession

making financial sense of the future

GIRO Conference and Exhibition 2011
Susan Dreksler, Shane O'Dea & Seema Thaper



Solvency II Technical Provisions Working Party - 2011 Survey

11th – 14th October 2011

GI ROC SII TP Working Party

Chair: Susan Dreksler

Ayuk Akoh-Arrey

Jeff Courchene

Laurence Dunkling

Kendra Felisky

Jerome Kirk

Yan Liu

Shane O'Dea

Meera Shah

Gemma Shaw

Dave Storman

Seema Thaper

Lucy Thomas

Mat Wheatley

Matthew Wilson

Neil Wilson

Chris Wiltshire

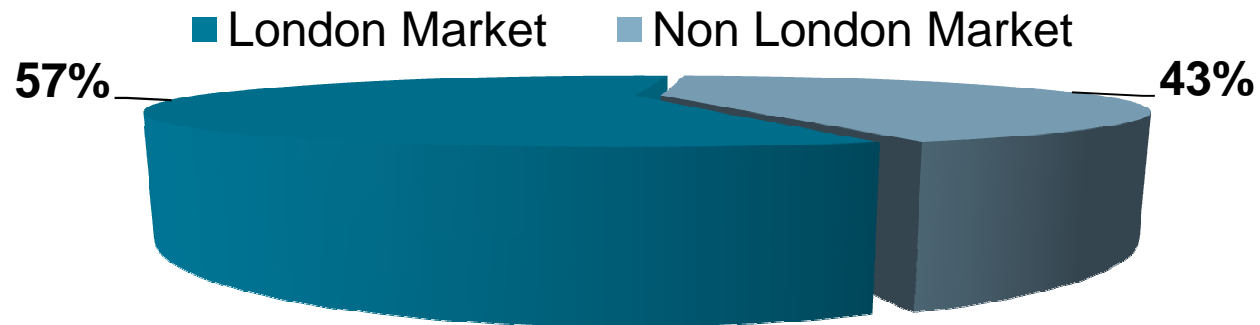
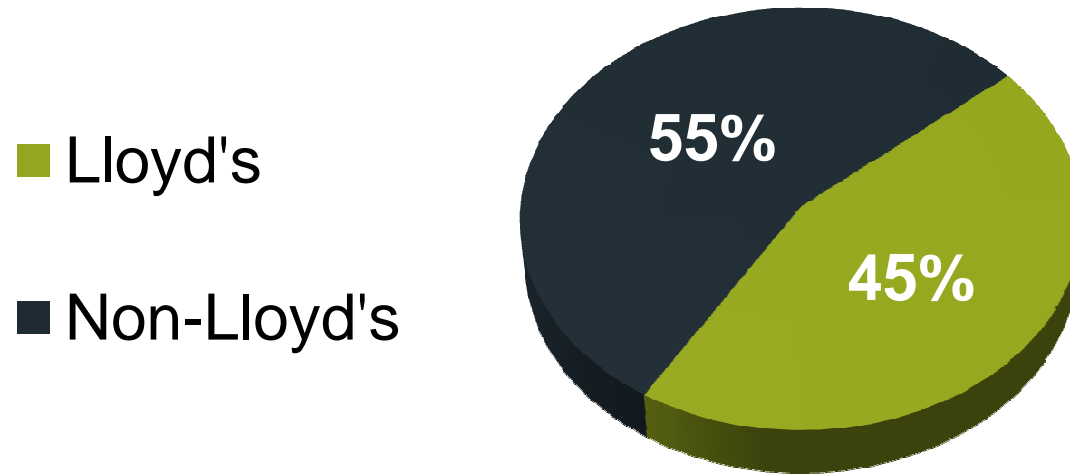
Plan for the session

- Introduction
- Survey results
- Future developments to look out for
- Close

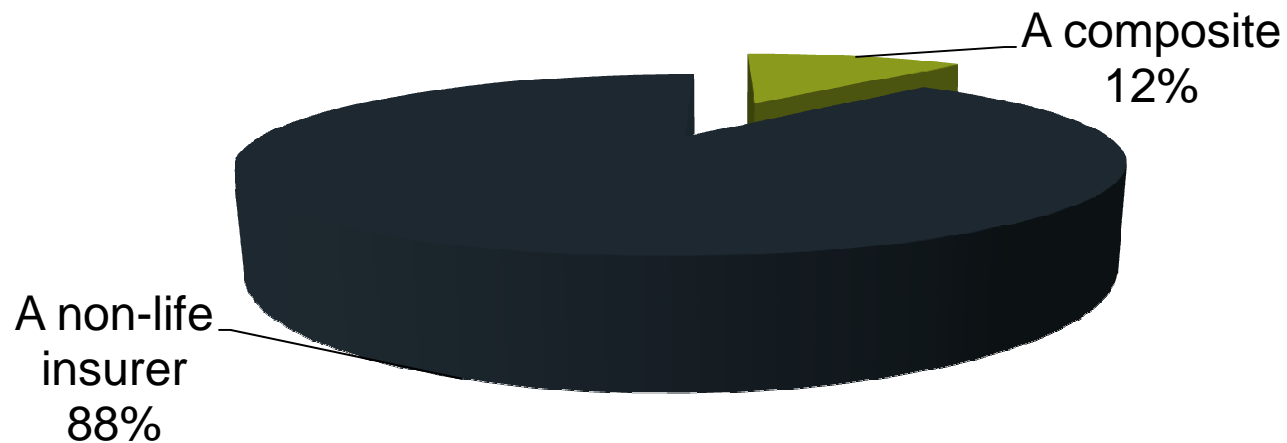
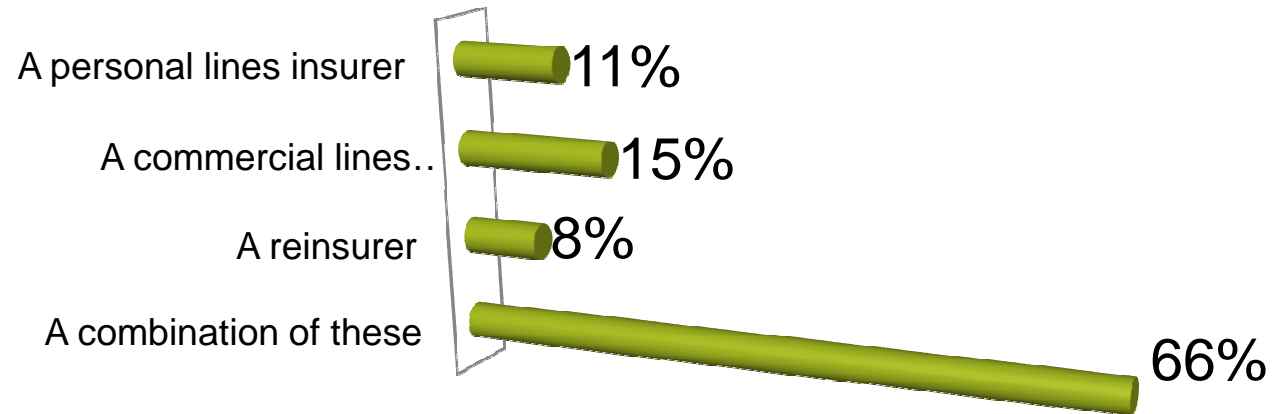
The survey

- 104 respondents
 - But not everyone completed every question
- Aim: to get one reserving actuary, hopefully involved in TP implementation(!), from each entity to complete
- Ran over the summer 2011
- Sent to members of the Institute and Faculty of Actuaries who registered as working in GI reserving
- May also have caught a few actuaries based on the Continent
- Anonymous, of course!
- Used Survey Monkey
 - Pros: Quick to get out, Nice format for results
 - Cons: Some inflexibility

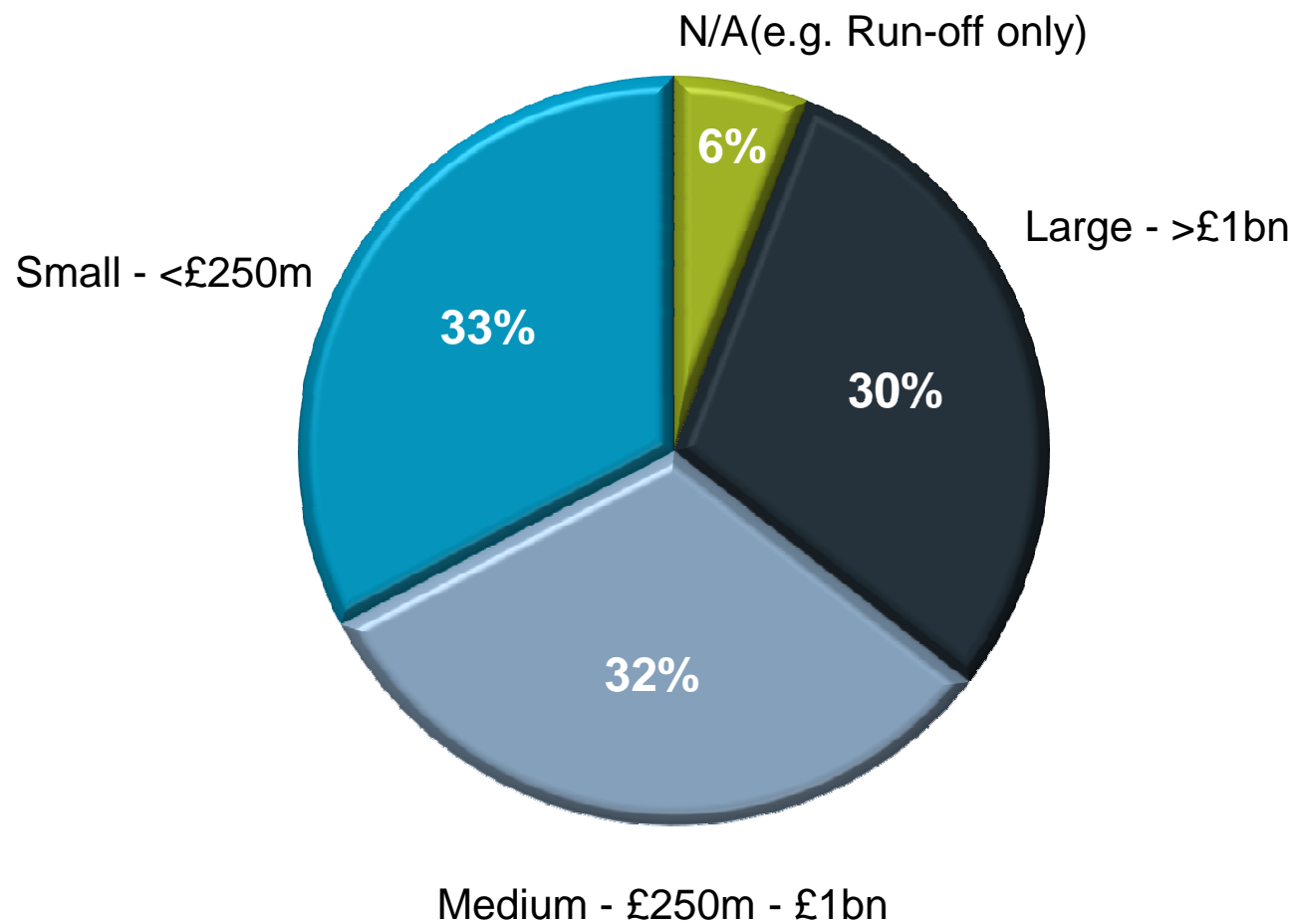
Is the firm that you're carrying out reserving for:



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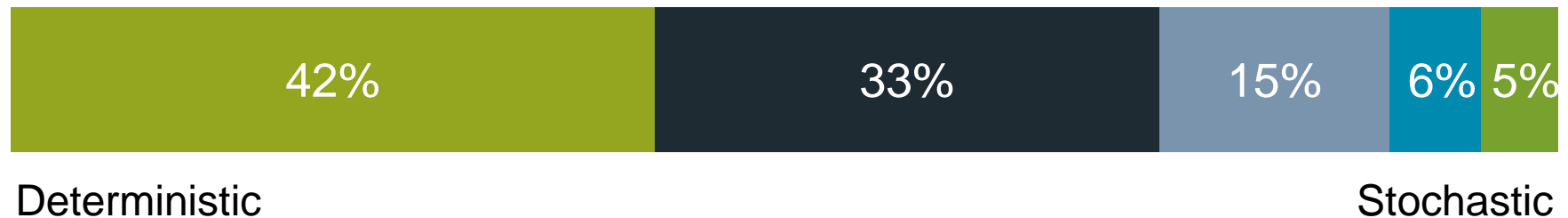


What is the annual gross premium of the firm?



How do you expect your 2014 year-end reserves to be calculated?

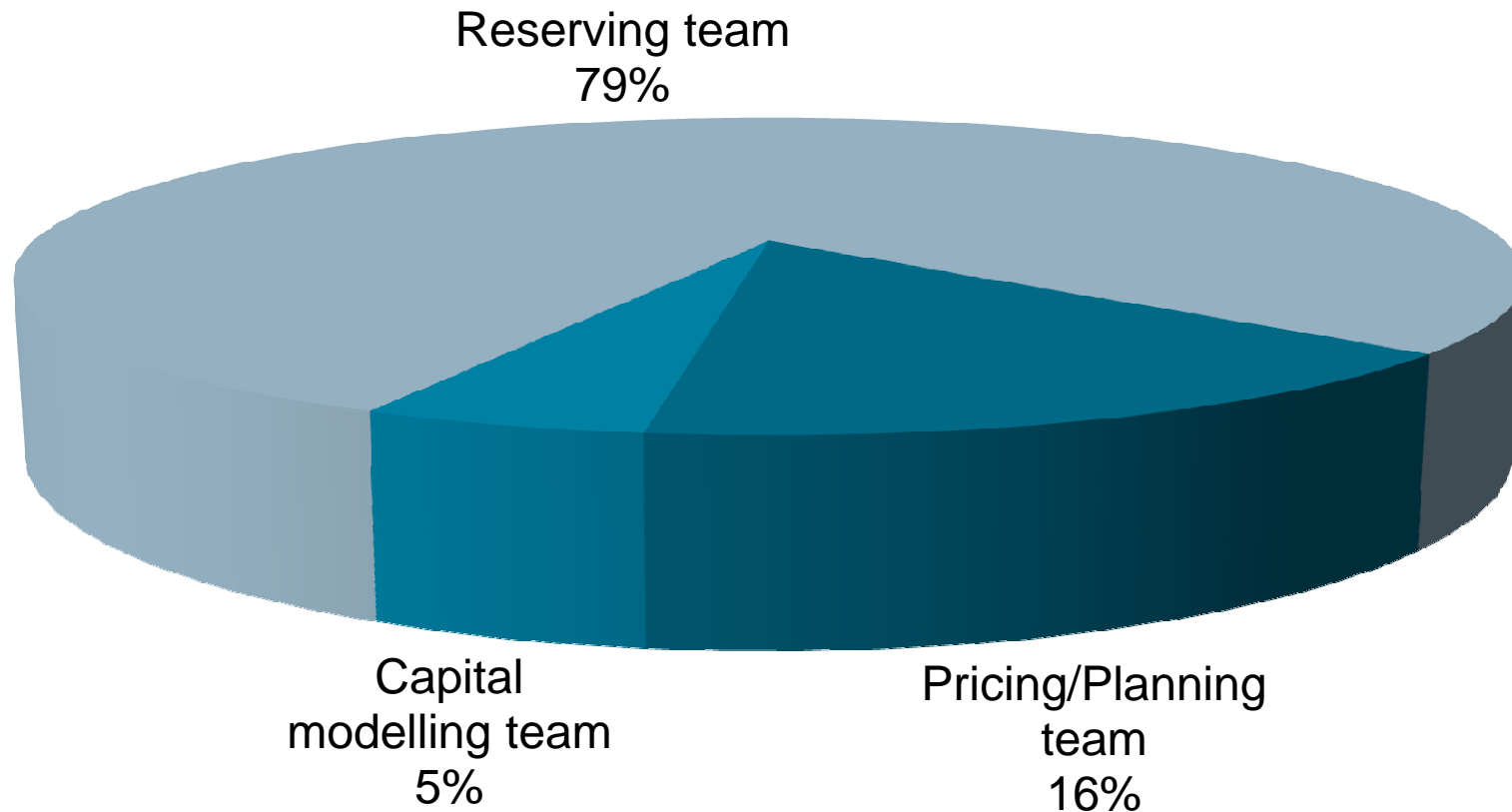
For the purpose of published accounts:



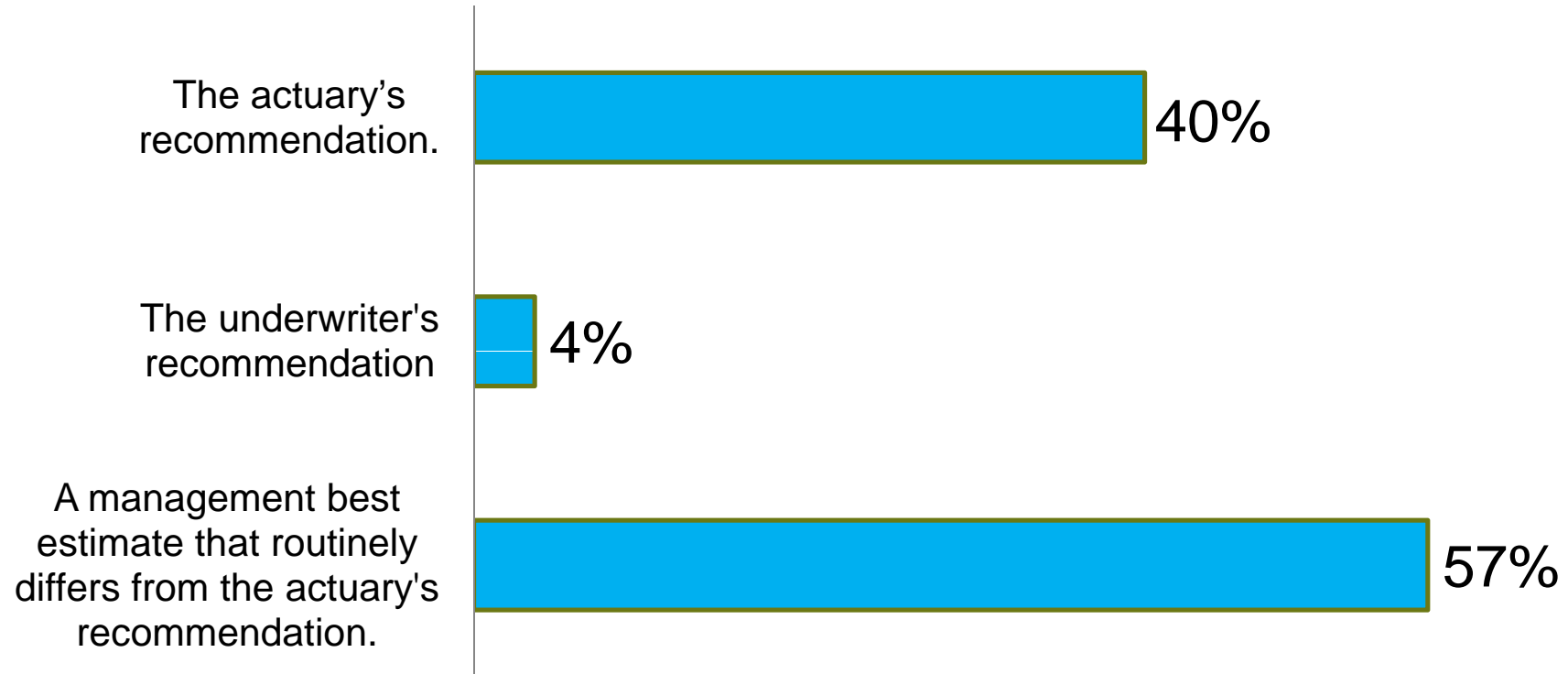
For the purpose of Solvency II:



Who do you expect to lead the estimation of the premium provision?

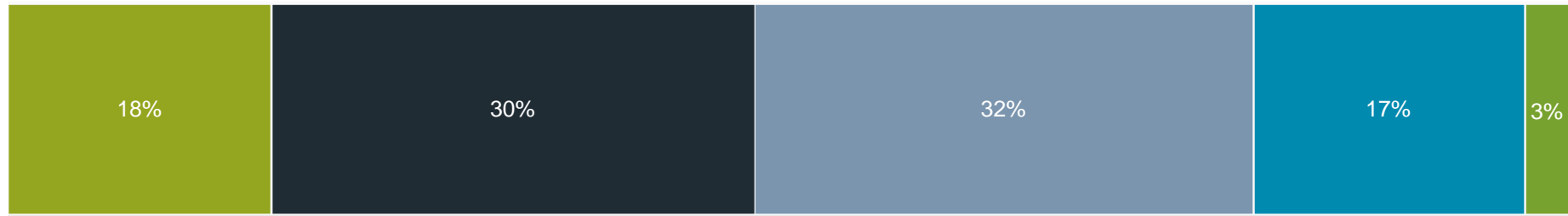


Which of the following do you routinely book in your company accounts?



In terms of the software you are using to estimate your Solvency II Technical Provisions, how much are you reliant on spreadsheets?

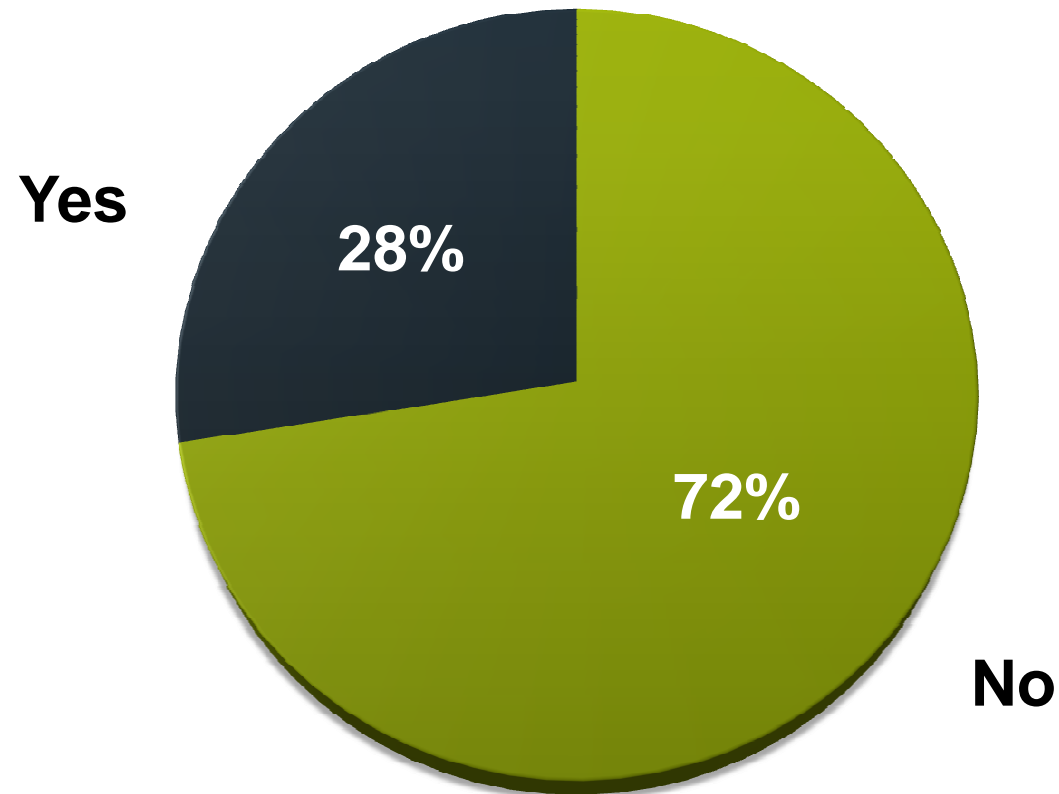
■ 1- Spreadsheets ■ 2 ■ 3 ■ 4 ■ 5 - Software



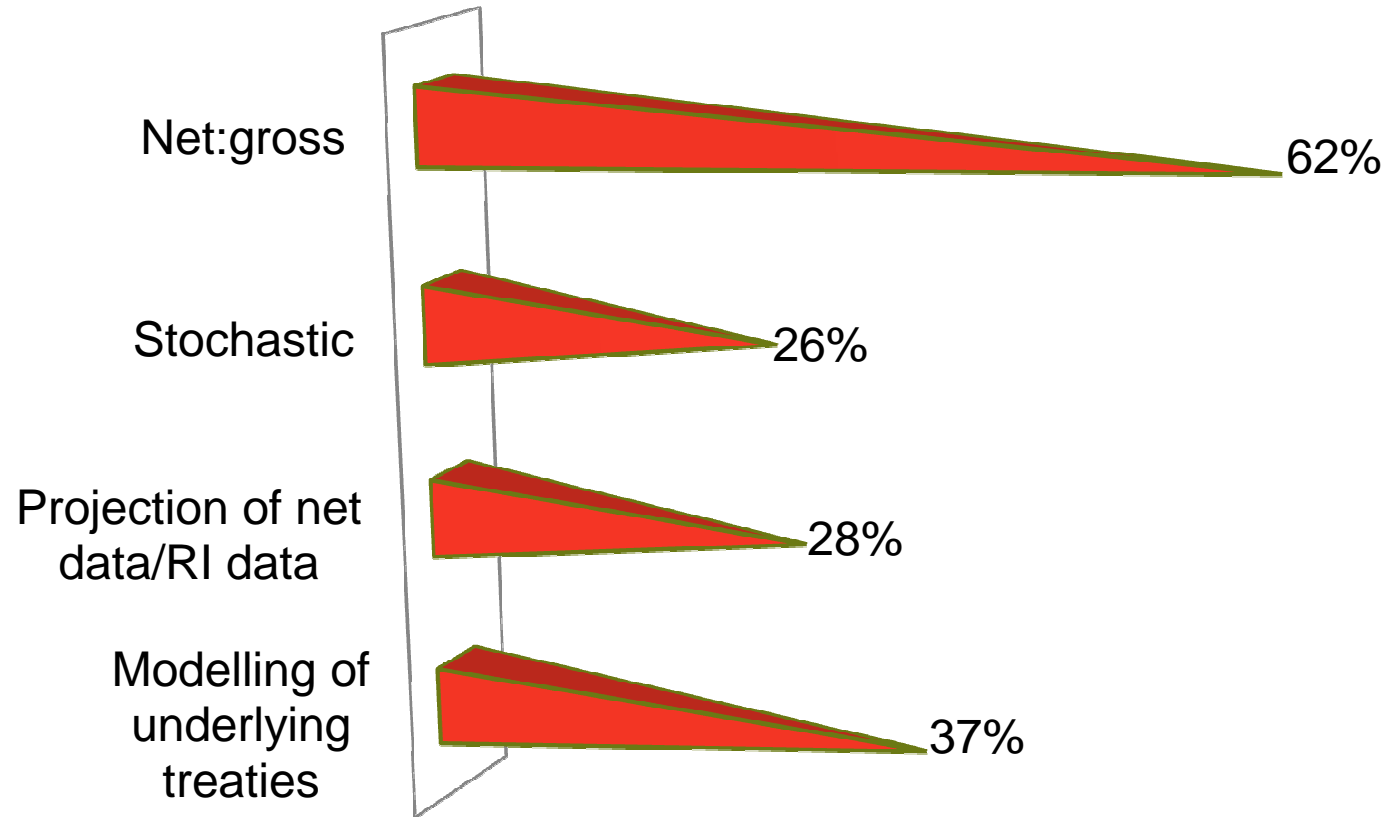
Spreadsheets

Software

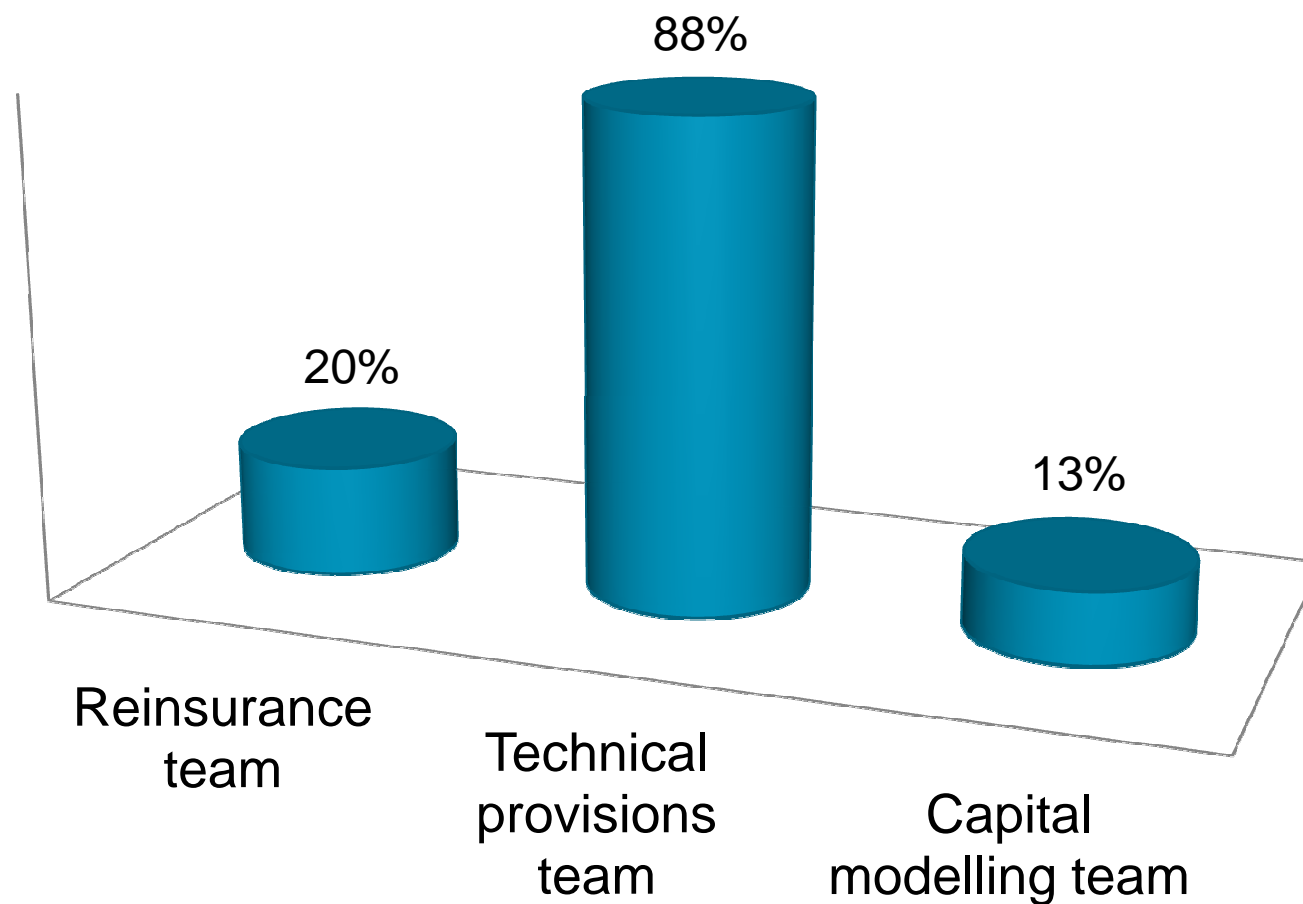
Do you intend to change how you group your data prior to reserving because of Solvency II?



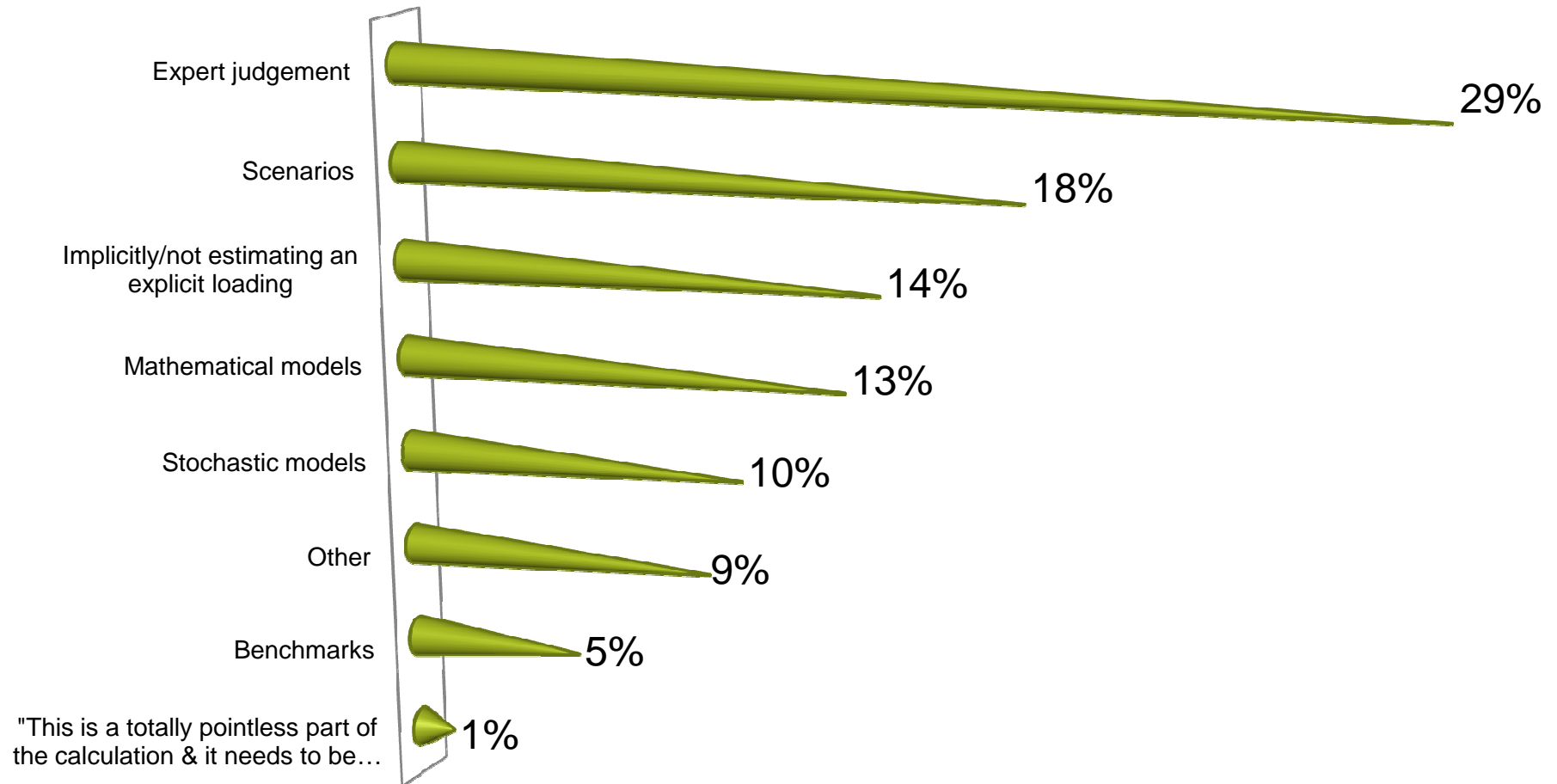
How is the reinsurance being estimated?



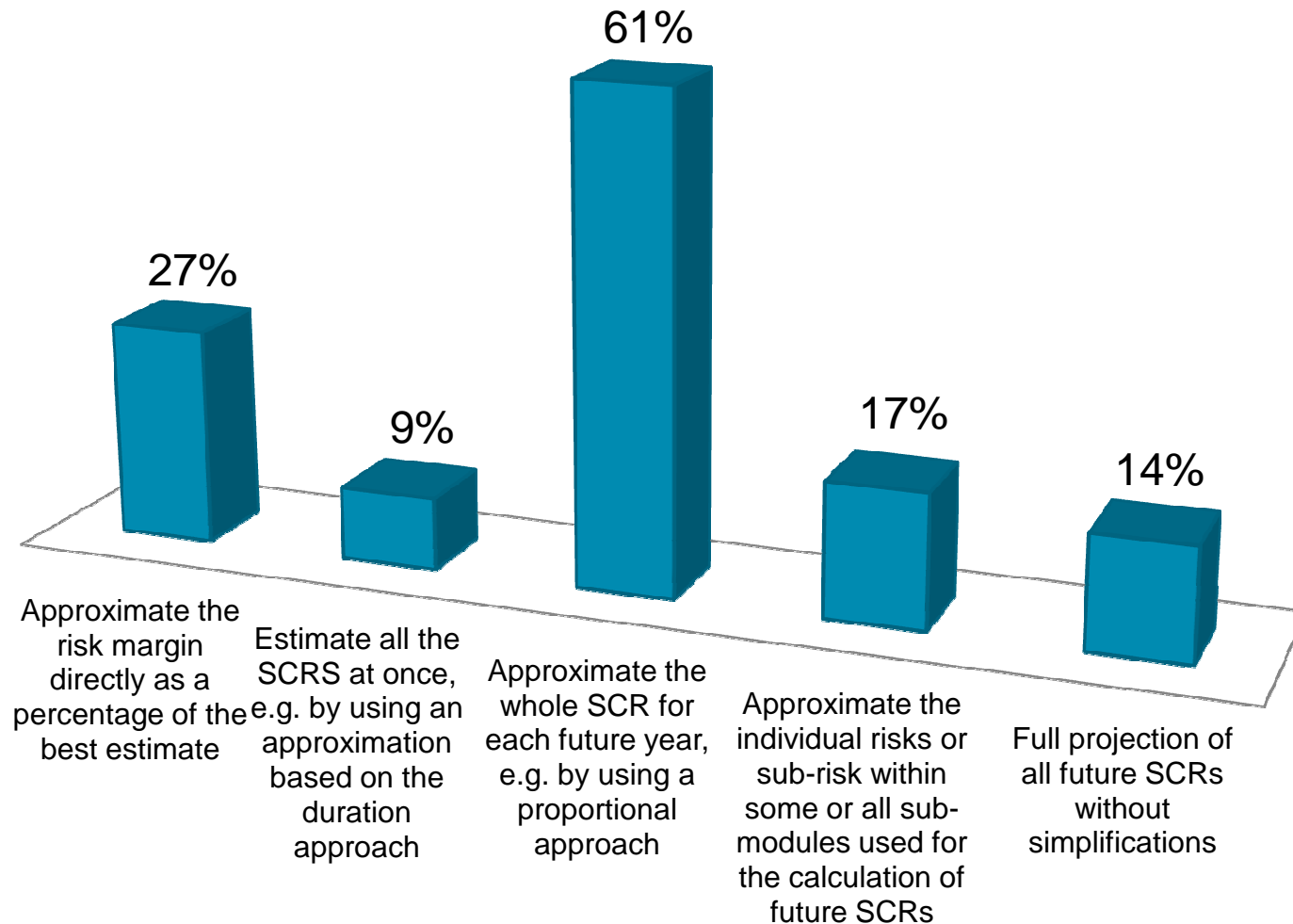
Who is likely to estimate the reinsurance reserves?



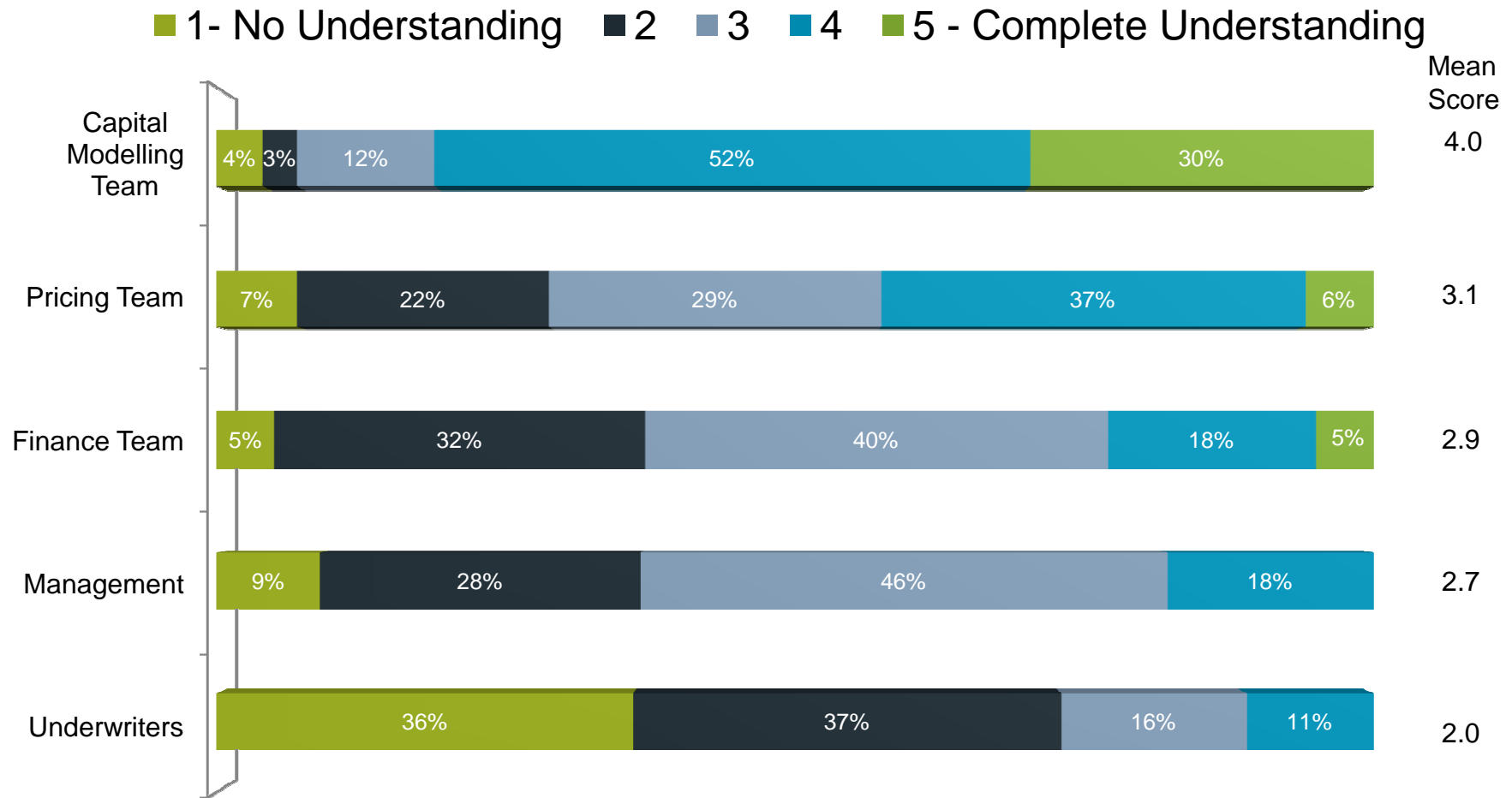
How are you estimating your binary events loading?



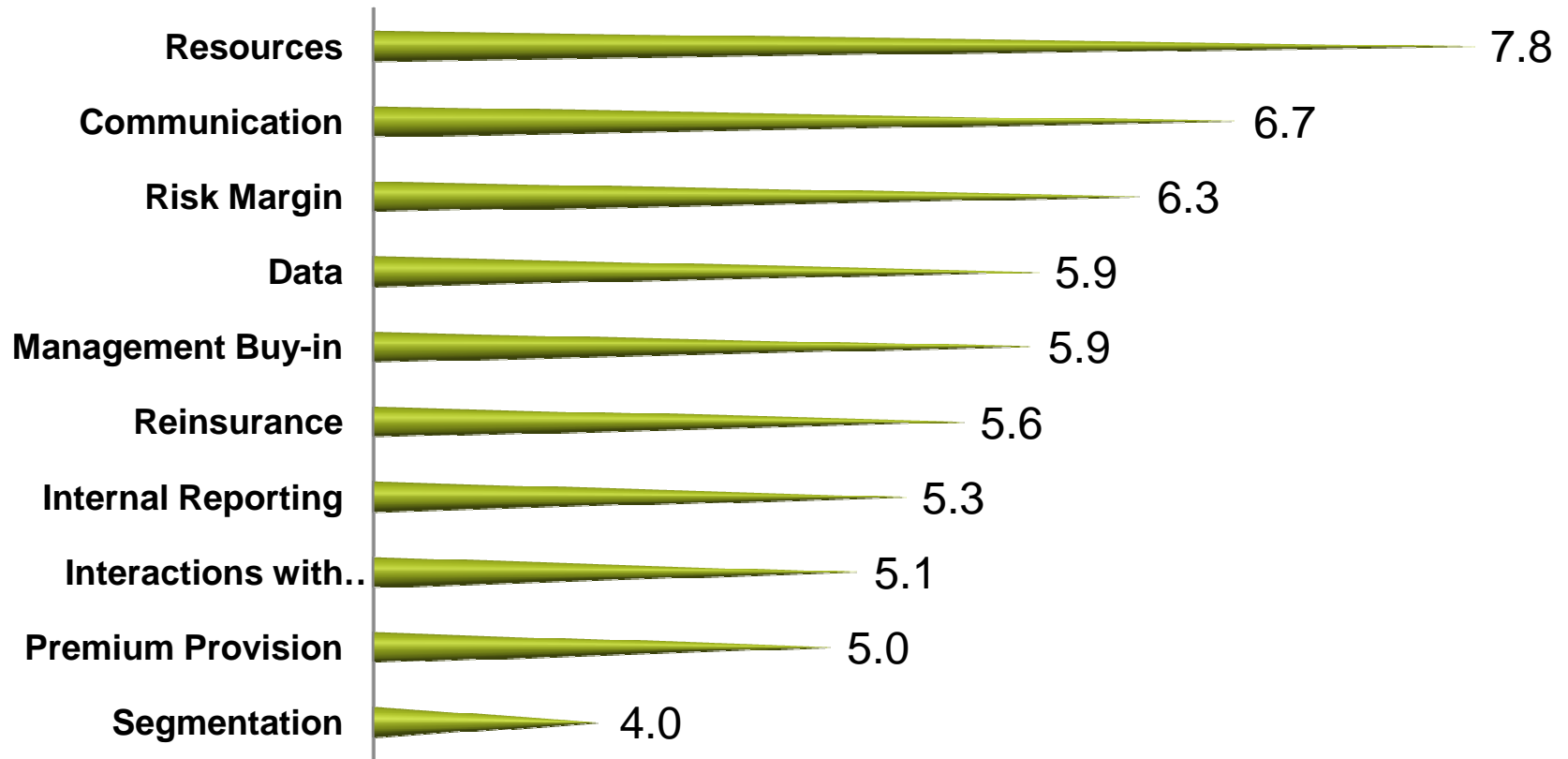
How does your firm calculate risk margin?



How well do the following understand the types of input required from them for the technical provisions?

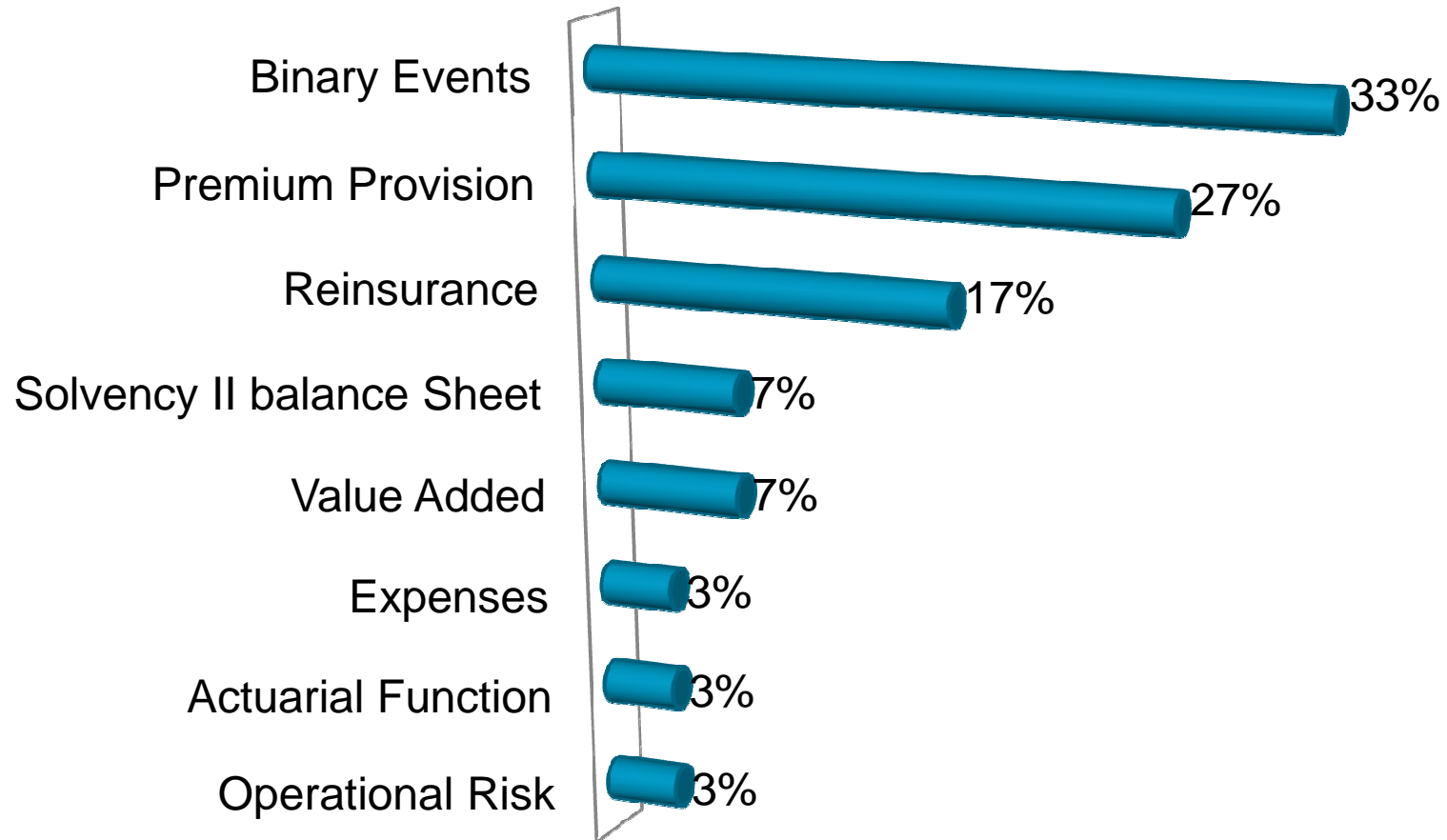


Which areas in the estimation of the Solvency II Technical Provisions do you find most challenging?



1 is the least challenging 10 is the most challenging

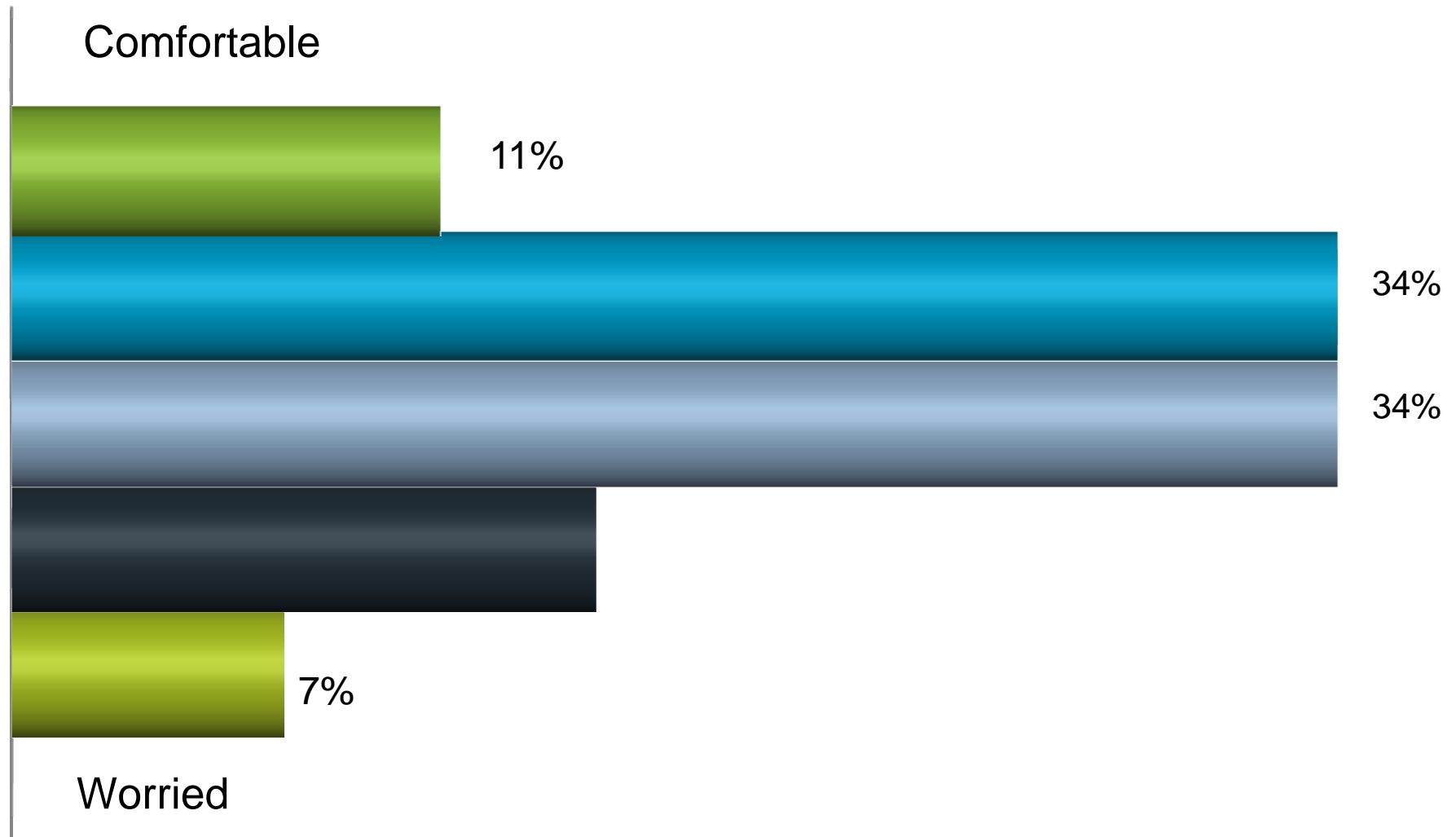
Which specific areas would you like to be clarified?



What areas would you like the working party to concentrate on?

- Premium Provisions
- Operational Risk (??)
- Actuarial Risk
- Binary Events
- Reinsurance
- Expenses
- Value Added
- Solvency II balance sheet
- Expert Judgement
- Reporting Format
- Communication

How comfortable are you with regards to being able to meet the new SII TP requirements in good time?



Future developments

- Reporting requirements
 - EIOPA public consultation
 - Due on 4 November, Open until 20 January
- Technical Provisions working party
 - Sessional “lite” meeting in March 2012
- Reserving conference (November)

Any questions?

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