



INSTITUTE OF ACTUARIES

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The Work of the General Insurance Committee

1. At its meeting on 12 May 1986 the Institute Council agreed that the General Insurance Committee should present an account of its activities to the annual GISG Convention. This is the first of such reports, and will be presented to the 1986 Convention at Bowness.
2. Constitution. The General Insurance Committee is appointed by the Council to advise it on matters falling within its terms of reference.
3. Terms of Reference
Objective: To develop the interests of the profession in regard to General Insurance.
 - (i) To recommend to Council steps to be taken by the Institute as a means of promoting the role of the profession in general insurance.
 - (ii) To consider any legislation or proposed legislation effecting general insurance which is of concern to the actuarial profession; and if appropriate to make recommendations with regard to representations to be submitted.
 - (iii) To liaise with the Insurance Standards Joint Committee on:
 - (a) the work of the Accountants and Actuaries Working Party in relation to general insurance.
 - (b) insurance standards for non-life .
 - (iv) To liaise with the Education Committee on matters concerning the education and training of actuaries in general insurance.
4. Membership. The membership of the Committee and the names of those currently serving on it are as follows -

Chairman (a senior Council member)	I.L. Rushton
President	M.H. Field
Honorary Secretary	P.E. Felton
Chairman, Research Committee	S. Benjamin
Chairman, GISG	P.D. Johnson
Council members	W.M. Abbott
	T.G. Clarke
	C.D. Daykin
	J.P. Ryan
Faculty observer	J.H. Beck
Secretary	W.W. Truckle

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5. Meetings. During the past 12 months the Committee met on three occasions -

9 December	1985
17 April	1986
5 September	1986

The main matters which have been under consideration during the year are discussed below.

6. Outstanding Claims

The Institute is providing financial support for the appointment of G.F. Chamberlin to a research post at The City University Centre for Research under Profession S.P.L. Kennedy. Gary Chamberlin's primary task is to prepare a manual of methods of estimating outstanding claims, to be published under the imprimatur of the Institute. The work is being supervised by S. Benjamin and T.G. Clarke on behalf of the General Insurance Committee, and is scheduled for completion within one year.

7. Actuarial Reporting and the Relationships Between Auditors and Actuaries.

The Committee considers that the Institute should take an initiative in seeking to develop an accepted role for the actuary in general insurance and to establish relevant standards of actuarial reporting. The following developments have taken place.

A. Joint Accountants and Actuaries Working Party

Steps were taken to ensure that the terms of reference of the Working Party, which is under the aegis of the Insurance Standards Joint Committee, were extended to include general insurance. In this regard W.M. Abbott and T.G. Clarke are members of the Working Party.

B. Notes on Recommended Practice (NORP)

Taking as a starting-point W.M. Abbott's Institute paper and discussion on Actuaries and General Insurance a NORP is being developed for the guidance of actuaries working in general insurance.

C. Statement of Recommended Practice on Accounting for Insurance Business (SORP)

The Institute has written formally to the ABI giving its views on the draft SORP.

8. EEC Directive on Solvency Margins

A submission is being prepared in response to the Groupe Consultatif's request for comments on national solvency margin legislative requirements. T.G. Clarke is Chairman of the Solvency Margins Sub-Committee of the Groupe.

9. Role of the Actuary in General Insurance

Although the Committee seeks to promote the role of the actuary in general insurance it is recognised in Council that the pace of development is likely to be conditional upon an adequate supply of suitably qualified actuaries. Perhaps the most important factor is the Institute's ability to educate and train its members to high enough standards to commend the profession to the insurance industry and the supervisory authorities. That raise issues which are currently under consideration by the Institute's Futures Committee.

I.L.R.