Morris Dancing for Beginners

- What is “the Morris”?  
- How does the Morris world work?  
- What factors should I consider in making choices?  
- How do I make this part of my life?  

Source: Wikimedia Commons
What is “the Morris”? 

- British folk dancing performed to music
- Origins in 15th Century
- Name “Morris” believed to derive from “Moorish”
- “The Morris” refers to the world of Morris Dancing

What is “the Morris Report”? 

- Set up by government following Equitable Life collapse
- Reported back in March 2005
- Made numerous recommendations about future regulation of actuaries
- In response, POB and BAS established
- Changed landscape of regulation of actuaries
- For general insurance actuaries, BAS has issued 3 generic TASs, the Insurance TAS and the Transformation TAS
- From 1 October 2011 we are fully in the post-Morris world
- Profession self-regulates; POB oversees
How does the Morris world work?

- Dancing takes place with sticks, swords, bells and handkerchiefs
- Some dances take place near a pair of crossed tobacco pipes

Source: Wikimedia Commons

How does the (post-)Morris world work?

<table>
<thead>
<tr>
<th>Clearly affected</th>
<th>Not sure?</th>
<th>Clearly unaffected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserving</td>
<td>Documentation</td>
<td>Management activity</td>
</tr>
<tr>
<td>Audit support</td>
<td>Validation reports</td>
<td>Non-technical work</td>
</tr>
<tr>
<td>SAOs</td>
<td>Economic capital / ORSA</td>
<td>“Unimportant” stuff</td>
</tr>
<tr>
<td>AF opinions in S2</td>
<td>Peer review work</td>
<td></td>
</tr>
<tr>
<td>Reg. capital calculations</td>
<td>Non-financial modelling</td>
<td></td>
</tr>
<tr>
<td>Pricing frameworks</td>
<td>Price optimisation</td>
<td></td>
</tr>
<tr>
<td>Transformations</td>
<td>Data mining</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“Value-added” work</td>
<td></td>
</tr>
</tbody>
</table>
What factors should I consider in making choices?

6 main styles dominate:

• North-western - more military, processional
• Cotswold - use handkerchiefs and sticks
• Border Morris - simpler, looser and more vigorous
• Longsword and Shortsword dancing from Yorkshire, Durham and Northumberland
• Molly Dancing comes from East Anglia and Midlands

What factors should I consider in making choices?

• The BAS Reliability Objective is key:
  – “Users … should be able to place a high degree of reliance on the information's relevance, transparency …, completeness and comprehensibility, including the communication of any uncertainty…”
• Could decisions based on your work lead to loss to policyholders or shareholders?
• How is your work used?
• How do individual elements of your advice aggregate?
How do I make this part of my life?

- Don’t ignore them!
- Don’t descope all of your work!
- Design your own framework
- Take a risk-based approach
- Think through the scenarios
Insurance TAS Awareness
Morris Dancing for Beginners

Marcuson Consulting Ltd.
www.marcuson.co
23 November 2011