GIRO40
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Underwriter’s Guide
Michael Davern - Catlin
Agenda

• Background

• “Things I have learnt”

• Case Study – Hurricane Sandy

• What UWs need to be telling Actuaries

Background

• Property Underwriter
  – US, International – direct / facultative / binding authorities

• Catlin
  – Largest Lloyd’s Syndicate

• Trading floor
  – Managing a queue
Performance of Underwriters

“Things I have learnt”

1. How to say no and still have them comeback
2. A true market place
3. Looking at the wider picture
4. The importance of risk selection
5. When to walk away
How to say no and have them comeback

• Service
• Transparency
• Art of negotiation

A true market place

• Underwriting cycle
• Traders
• “Flock” mentality
Looking at the wider picture

The world economy can change the risk:

• Effect on risk exposure
• Effect on accumulations
• Effect on growth

Importance of risk selection

• Risk selection vs pricing adequacy
• Insured’s approach to insurance
  – Retention
  – Risk management ethos
  – How they react to a claim
• Information
  – How presented
  – Loss record
  – Financials
When to walk away

• Softening of the market
  – Rates / Terms & conditions
  – Fundamental change in risk

• Vice –versa
  – When to enter the market
  – Getting the pricing right

Case study: Hurricane Sandy

• October 29th 2013 “Frankenstorm” Sandy made landfall in New Jersey / New York
Case study: Hurricane Sandy

- Post loss:
  - Not market wide changing event
  - Storm surge – flood or wind
  - Fundamental change in pricing of exposure
  - Domestic carriers changing limits offered

What UWs should be telling actuaries

- Change in UW appetite
- Effect of cycle
- Emerging trends in risk
Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.