



Actuarial Jeopardy

2007 Bermuda Captive Conference
September 19, 2007

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Pinnacle Actuarial Resources, Inc.

Faces of
Domiciles

“Reserve”
ations

Actuary
Acronyms

“Fund”
amentals

Risk
Transfer

Ch-Ch-
Ch
Changes

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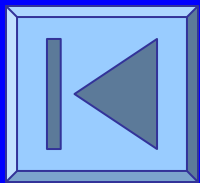
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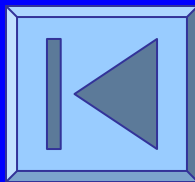
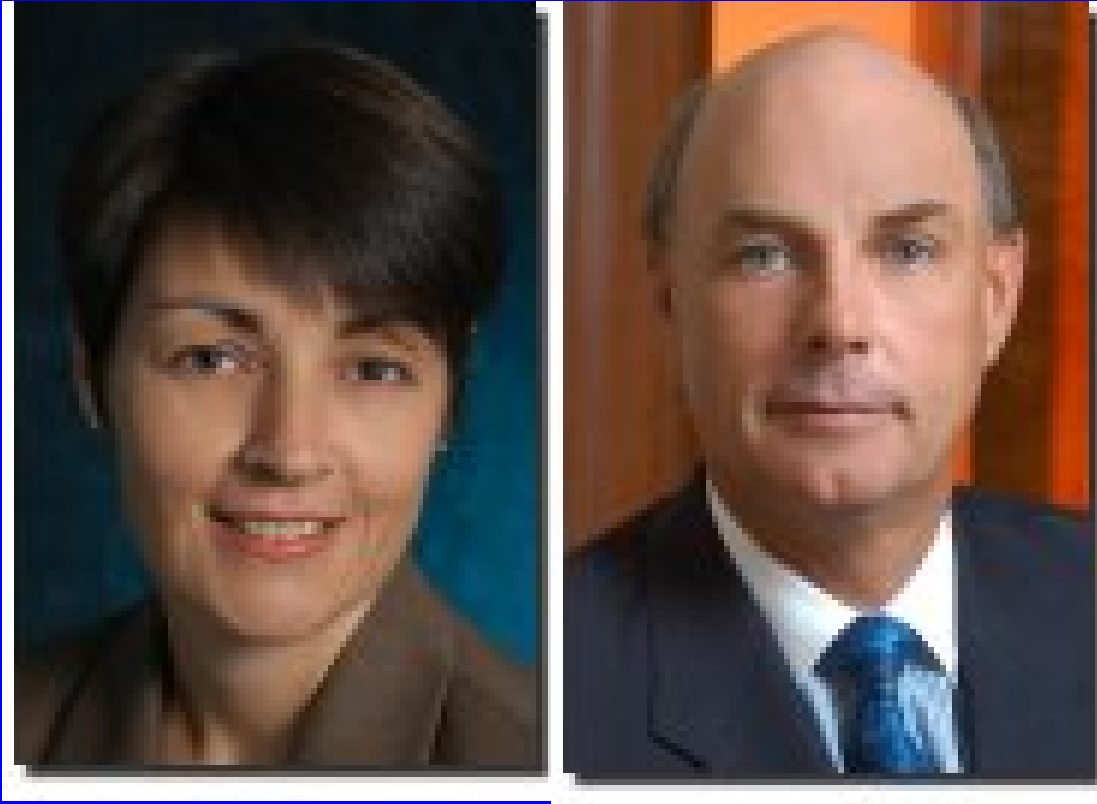
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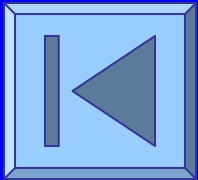
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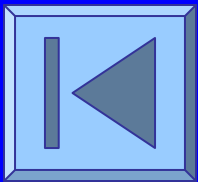
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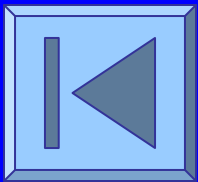
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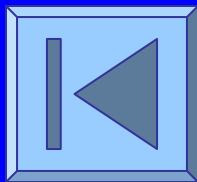




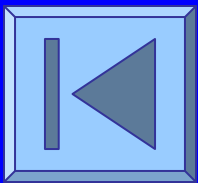




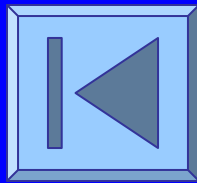
These factors are used to reduce needed loss reserves to explicitly reflect the expected investment income generated prior to claim payment.



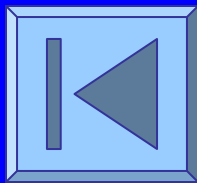
A factor or loading to adjust indicated reserves to higher levels of statistical confidence.



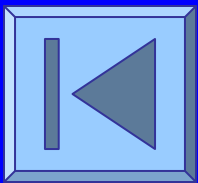
Daily Double



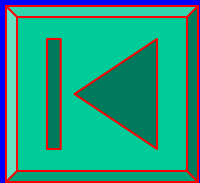
An unpaid claim liability for a specific, known claim, often set by claims adjusters, you know...just in case.



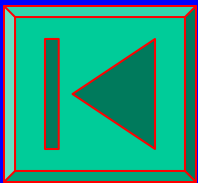
An unpaid claim liability for additional development in the ultimate settlement value of specific, known claims beyond current payments and case reserves.



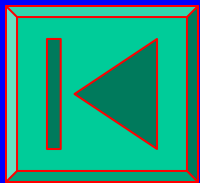
An unpaid claim liability for
claims that have occurred, but
have not been reported yet,
But Not Really.



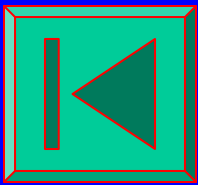
F.C.A.S



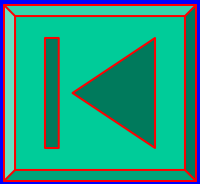
F.I.A.



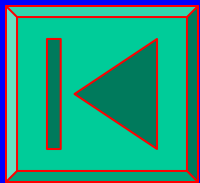
F.C.I.A.



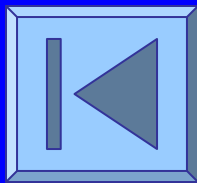
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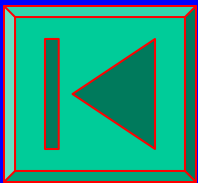
M.A.A.A.



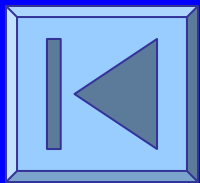
Actuaries will often separate out these kind of losses in captive funding analyses because of their high credibility/accuracy in predicting future funding. While they go by many names, their purpose is clearly not secondary.



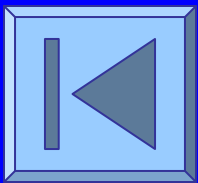
Funding estimates for these types of losses often cannot be fully developed only using captive member experience due to their low frequency and high severity. Often industry benchmarks are used to augment captive experience.



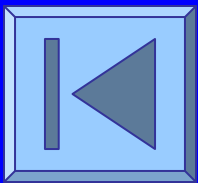
A measure of the relative loss potential, such as payroll or sales, or what Paris Hilton seems to constantly seek more of.



For a funding analysis, historical losses need to be adjusted for the impact of inflation between the historical loss dates and the expected loss dates of the upcoming policy using this kind of factor.

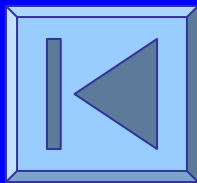


Workers compensation captive funding estimates also need to be adjusted for these changes, such as the average weekly wage, between the experience period and the upcoming policy term.

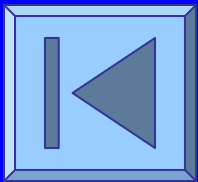


Reinsurance contracts where risk transfer is obvious are said to be

_____.

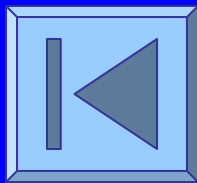


SSAP 62 and FAS 113 require
that the reinsurer assumes
significant _____ for
there to be risk transfer.

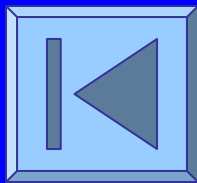


SSAP 62 and FAS 113 also
require that it be reasonably
possible that the reinsurer may
realize a

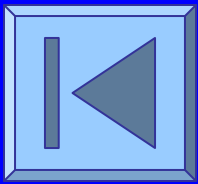
_____ _____
for there to be risk transfer.



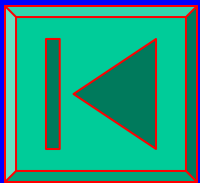
This review of reinsurance contracts must be filed for all insurers required to file a U.S. annual financial statement.



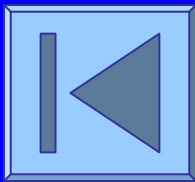
ERD



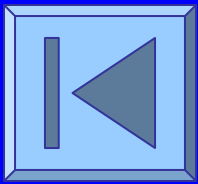
Operational Changes



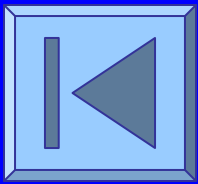
External Influences



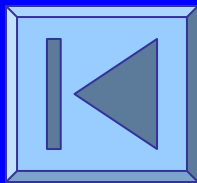
Salvage, Subrogation, and Collateral Sources



Reinsurance

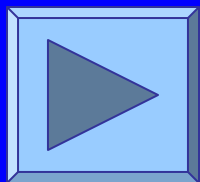


Changes in Contracts



Final

Jeopardy



Stochastic Loss Reserving

The assumed structure for a generalized linear model (GLM) used for stochastic loss reserving.

$$\mu_i = E[Y_i] = g^{-1} \left(\sum_j X_{ij} \beta_j + \xi_i \right)$$