OUTLINE OF PRESENTATION

- Background on Panelists
- SAO Issues – Domestic U.S. P/C Carriers
- AOS Issues
- Other SAOs
  - RRGs, Captives
  - Bermuda, Other
- Actuarial Report
- Q&A
Background on Herbers

- Managing Principal at Pinnacle
- COPLFR Member since 1998
  - Faculty for AAA Seminar on Effective P/C Loss Reserve Opinions
  - Practice Note Subcommittee
  - Incoming Chair 2009
- Appointed Actuary for 28 domestic P/C companies / RRG’s in 2008
- Loss Reserve Specialist / AA for dozens of captives
- CAS paper on Materiality and SAOs (2004)
Background on Walker

- Principal at PWC
- Appointed Actuary for over 30 domestic P/C companies / RRG’s in 2008
- Loss Reserve Specialist for several Bermuda captives
- Working Group on SAOs (PWC)
- Member – Professionalism Education
Background on Teufel

- Principal at KPMG
- Past Chair of COPLFR
- VP of AAA Financial Reporting Council
- Chair of CAS Leadership Development Committee
- Member of CAS Task Force for Enhancing the Reputation of Casualty Actuaries
- Appointed Actuary for domestic P/C companies / RRG’s in 2008
SAO - Exhibit A

Scope

- Gross v Net Loss Reserves
- Retroactive Reinsurance Assumed
- Other Loss Reserves
- UPR for Long Duration Contracts – D&A/Net
- Other Premium Reserves (DD&R, PDR)
SAO Disclosures – Exhibit B

- Types - Reasonable, Inadequate/Deficient, Excessive/Redundant, Qualified, No Opinion
- Materiality Standard
- RMAD
- Anticipated Net Salv/Sub Recoveries
- Discount – Tabular v Non-tabular
- Pools & Associations
- A&E
- Extended loss and expense reserves – loss v UPR
SAO – Other Disclosures

- Reconciliation to Schedule P
- Reliance on Officer of Company
- RMAD / Risk Factors
- Materiality Standard - % of Surplus, RBC, Reserves; Other & rationale for choice
- Discounting, Anticipated Salv/Sub Recoveries, Pools & Associations, A&E, Extended loss and expense reserves
- Reliance on Another’s Work or SAO
- Reinsurance – LPT/Retro/Fin’l, uncollectible rein.
- Loss Sensitive Programs
- IRIS Ratios
- Methods & Assumptions
SAO – Problems with Type of Opinion

- Reasonable
  - Both Gross & Net?

- Inadequate/Deficient

- Excessive/Redundant
  - Basis of Redundancy?

- Qualified
  - What is to be carved out and is it material?

- No Opinion
  - Data Issues
  - Representations of Management
SAO – Problems with Type of Opinion

- Reasonable on Loss Reserves by not so on UPR for long duration contracts
- Likewise for adequacy of extended reporting reserves
- Does Scope include other reserves (other than DD&R for medical malpractice)?
UPR for Long Duration Contracts

- Tests Required

- Test adequacy overall or by segment?

- What combined ratios to use for calculation?

- What interest rate to use for calculation?
DD&R – Unearned Premium Reserves

- What lines? How to test?
- Mortality / disability tables
- Insured Population by Age
- NB / lapse / cancellation rates
- Future inflation / interest rate scenarios
- Direct v Net
- Average Premiums – what limits?
SAO Disclosures

- Sch P Reconciliation

- Materiality Standards

- RMAD
SAO Disclosures

- Anticipated Salv/Sub Recoveries
- Pools & Associations
- A&E
SAO Disclosures

- LPT / Financial Re / Retroactive Re

- Uncollectible Reinsurance

- Reliance on Another’s Work or SAO
SAO Disclosures

- IRIS Ratios
- Uncollectible Reinsurance
- Reliance on Another’s Work or SAO
- Methods & Assumptions
SAO - General

- Appointment by Board

- In Good Standing

- Amended SAO

- Changes in Appointed Actuary
AOS Issues

- Point Estimate v Range

- Discussion required when 1 year development to surplus exceed 5% in 3 of past 5 years

- Protecting Confidentiality

- Process
SAO Issues - Other

- RRGs in Washington DC – GAAP accounting required using Yellow Book format
- Captive requirements in certain jurisdictions
- Bermuda
  - SAOs governed by Guidance Note #4 from Bermuda Monetary Authority (BMA) – “Role of the Loss Reserve Specialist”
  - Frequency of SAO varies by Class of carrier
  - Must use BMA Statutory Financial Statement format
SAO Issues - Other

- Self-insured entities, other – be guided by ASOP 36
  - Identification, Qualifications, Type of Opinion
  - Must disclose reserves being opined upon
  - Material Risk Factors
  - Materiality Standard
  - Changes in Methods & Assumptions
Actuarial Report Supporting SAO

- Schedule P Reconciliation
- Net Analysis only
- Documentation of Reinsurance Program
- Documentation of Critical Assumptions
- Report Narrative
- Changes since Prior Year
Q & A
A presentation outline is a roadmap to a more successful business pitch—a general plan that summarizes what you want to say to prospective customers, clients or investors. It lets you organize your thoughts, group ideas into main points and present your material logically. But what should you include in your slides? We’ve compiled 11 tips for more effective pitch prep. If you came here looking for presentation templates, here’s an excerpt of our most popular ones. If not, just carry on. Airbnb Pitch Deck. Uber Pitch Deck. How do you outline a presentation? Always start with your introduction and end with your powerful closing. Flesh out the body by listing topics in the order that you want to cover them in. Never skimp on the important details of your speech. Remember that an outline is only a draft. I know at this point that you still have questions, and that you still be confused at how to write the best outline for your speech. But writing a good outline for your presentation does not have to be stressful! Outline view in PowerPoint displays your presentation as an outline made up of the titles and main text from each slide. Each title appears on the left side of the pane that contains the Outline tab, along with a slide icon and slide number. The main text is indented under the slide title. Graphic objects appear only as small notations on the slide icon in Outline view. Working in Outline view is particularly handy. Think of a movie that has breathtaking special effects but no storyline. Does it have any chances of becoming a blockbuster? Of course not. The same is true with a PowerPoint presentation. No matter how beautiful the visuals of your slide deck are, it will never be a success if it doesn’t follow a logically sound structure. In this post, we’ll cover the standard structure of a PowerPoint presentation—what sections it should include—and provide some practical tips on how to arrange the slides and implement these ideas technically.