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GIRO Conference 2022

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#GiroConf22





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Develop Your Reserving Team WP

Reserving Teams pre/post Covid

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Hello & thank you

Overview

- This pack summarises the results of a survey conducted in 2020 to understand the main issues faced by reserving teams in the UK market; And
- A similar survey conducted by Deloitte in 2022
- Have reserving teams main issues changed?

Responses

- We have received responses from over 25 participants for each survey, providing us with valuable insights
- The respondents included reserving analysts, reserving managers, head of reserving and chief actuaries

Thank you

- We would like to thank all those who have participated

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2020 to 2022 – what’s the story we expect?

Apriori big picture - COVID

- It impacted the way individuals and teams work:
 - home working
 - online interactions
- It impacted the way we reserve:
 - totally new loss type
 - indirect impacts
 - exposure capture

So what do we expect to change from 2020 to 2022?

- More flexible working but higher turnover of staff
- More investment in automation, data and exposure management
- Better Reserving & Uncertainty analysis; *an elevated level of experience and by necessity of complexity*
- More demand for Actuaries BUT less teams working significantly above capacity?

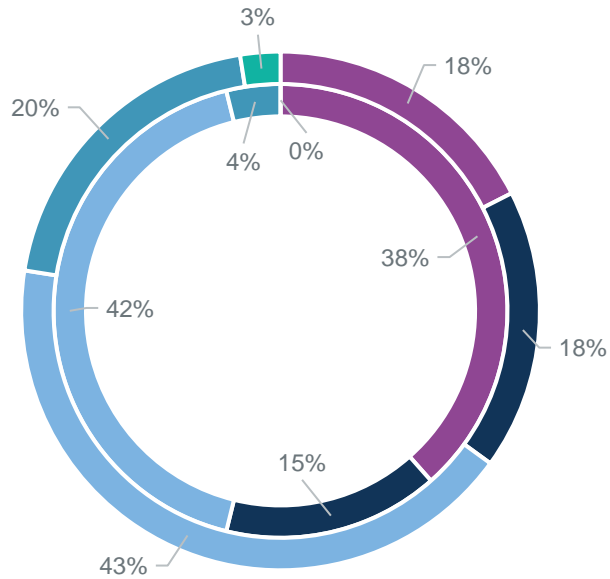
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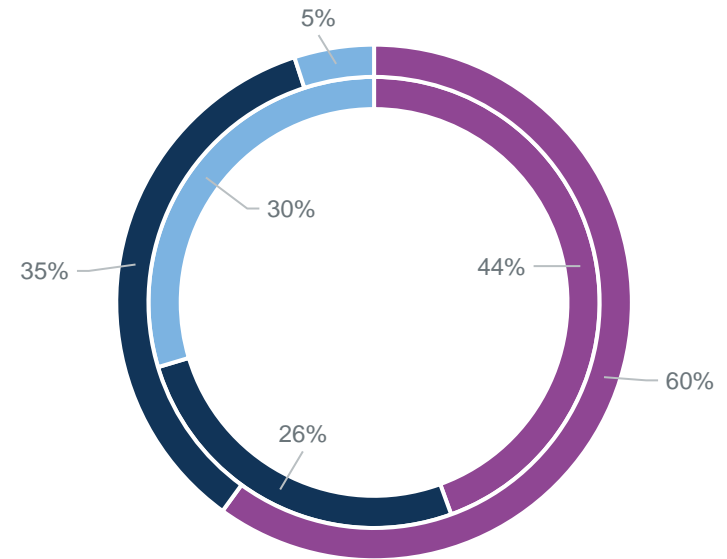
Summary of participants

Business type



■ Lloyd's Syndicate
 ■ London Market
 ■ Personal and Commercial lines
 ■ Run-off
 ■ Other

Group or standalone



■ Standalone entity that is part of a larger group
 ■ Group
 ■ Standalone entity

Note: the inner circle on the graphs above represents 2020, and the outer circle 2022



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Top 3

- Strongest aspects
- Pain points
- Challenges

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Polling – Strongest Aspects



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Strongest aspects

2020

Automation

Business interaction

Skills and experience of the team

2022

Consistent and efficient systems

Teamwork and collaboration

Data processing

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Polling – Pain Points



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Pain points

2020

Process inefficiency

Data quality and processing

Time constraints

2022

inefficiency

Process

Data quality and processing
Time constraints

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Polling – Challenges



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Reserving teams

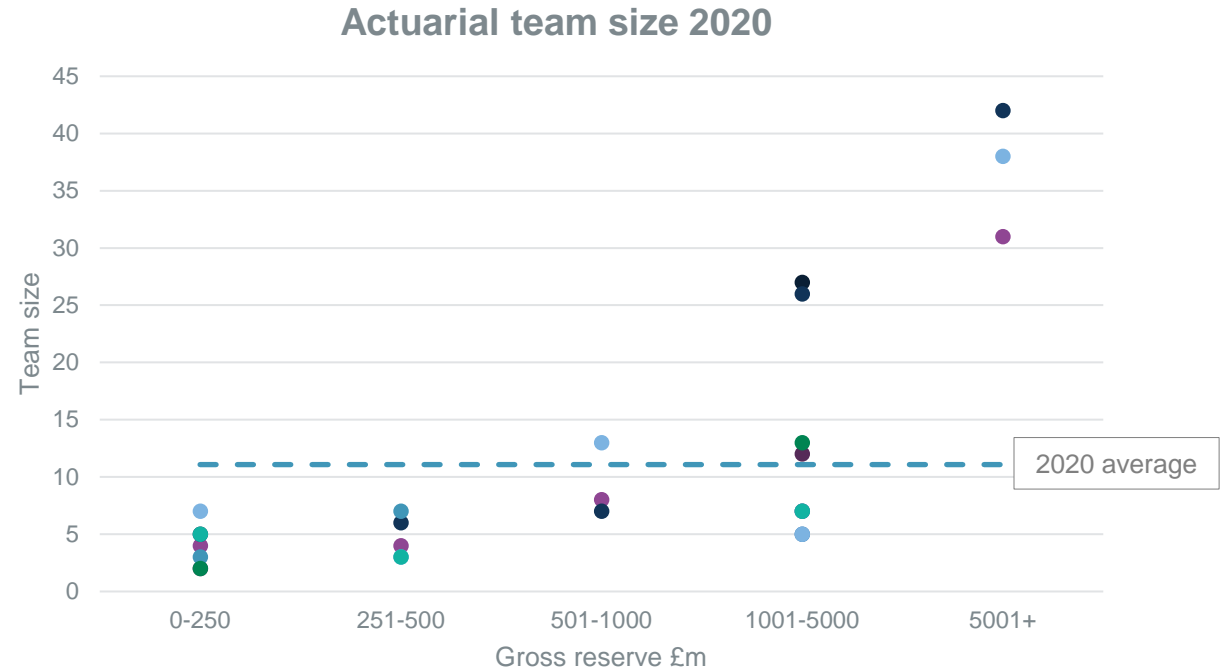
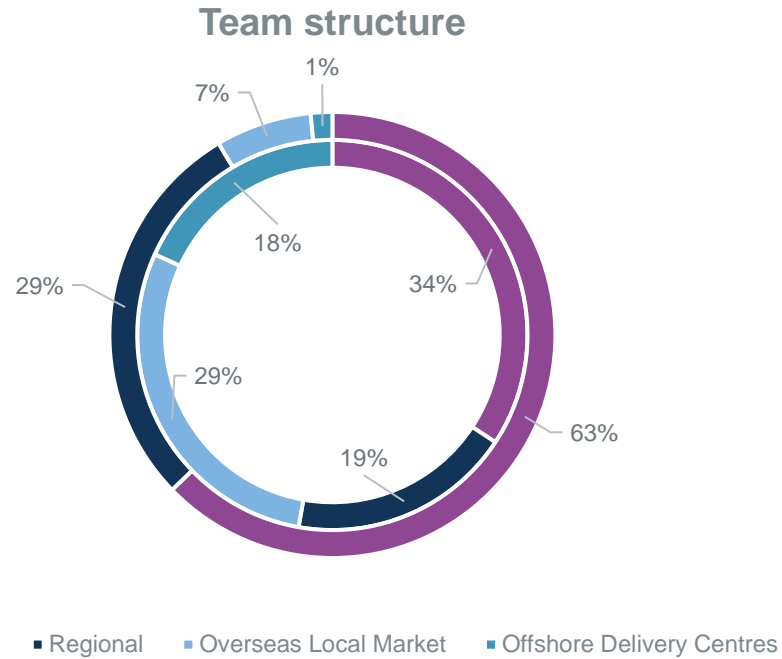
- Size and structure
- Capacity and time allocation
- Systems and processes
- Strategy and development

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Reserving team structure



Note: the inner circle on the graph above represents 2020, and the outer circle 2022

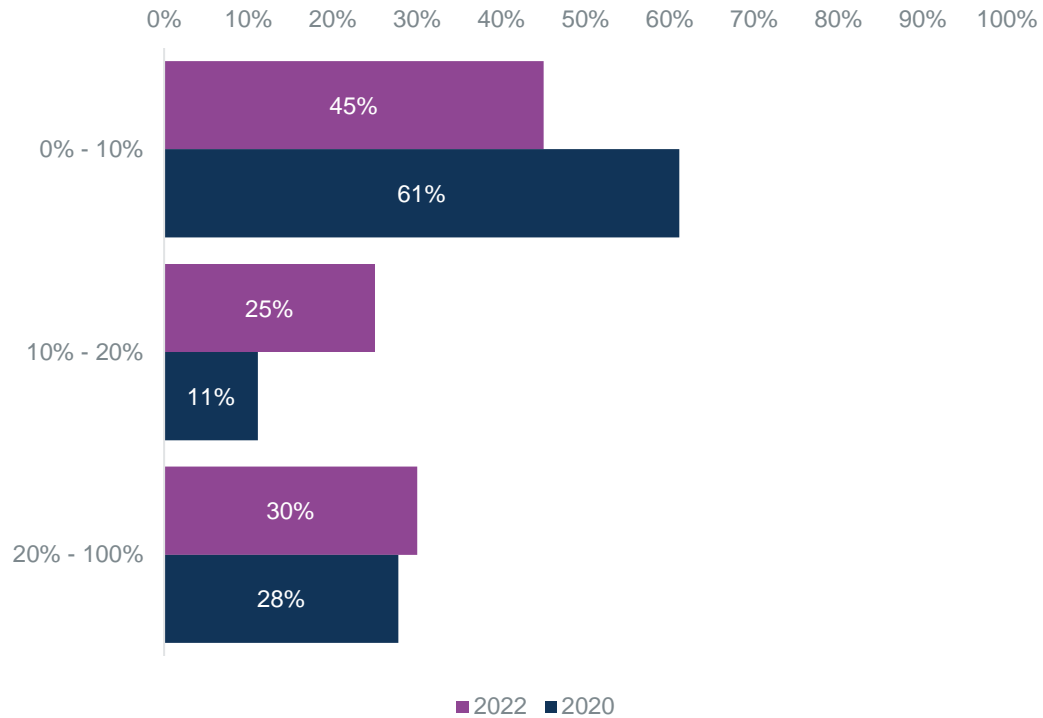
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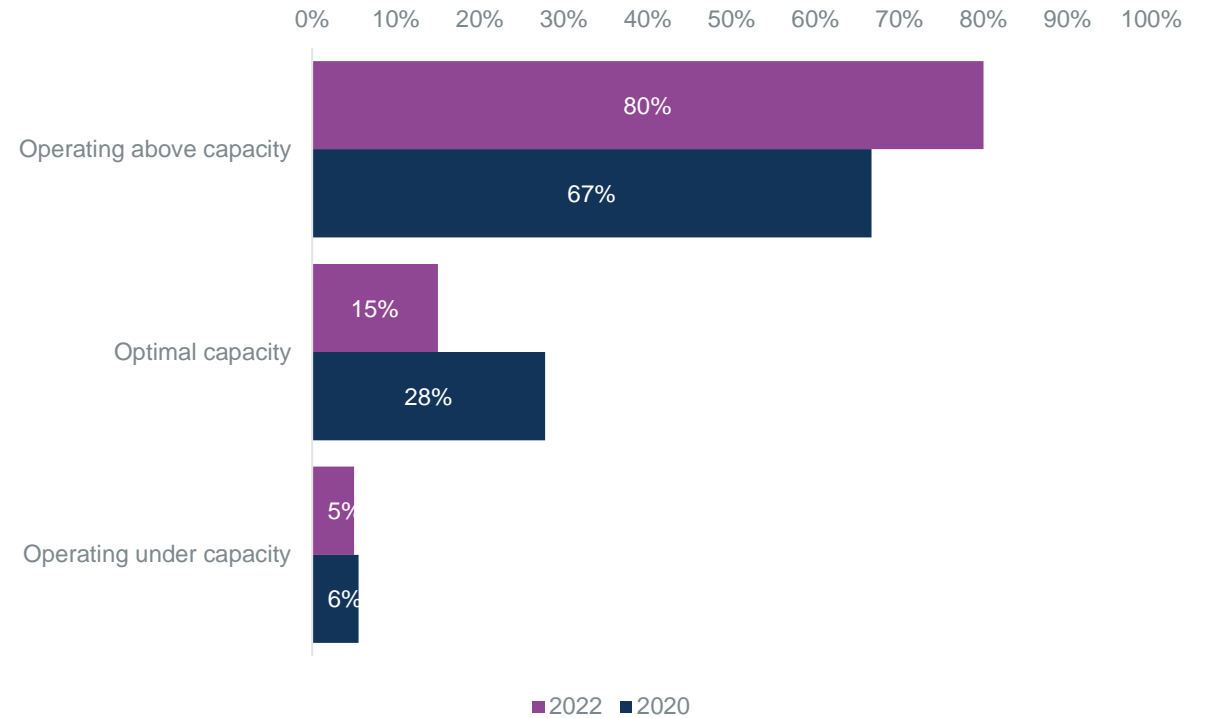
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Reserving team structure

Turnover rate

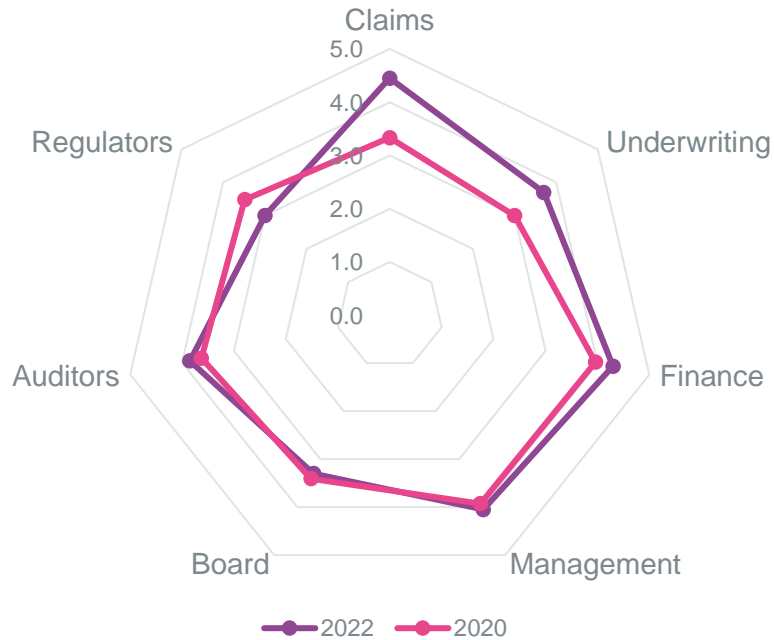


Operating capacity

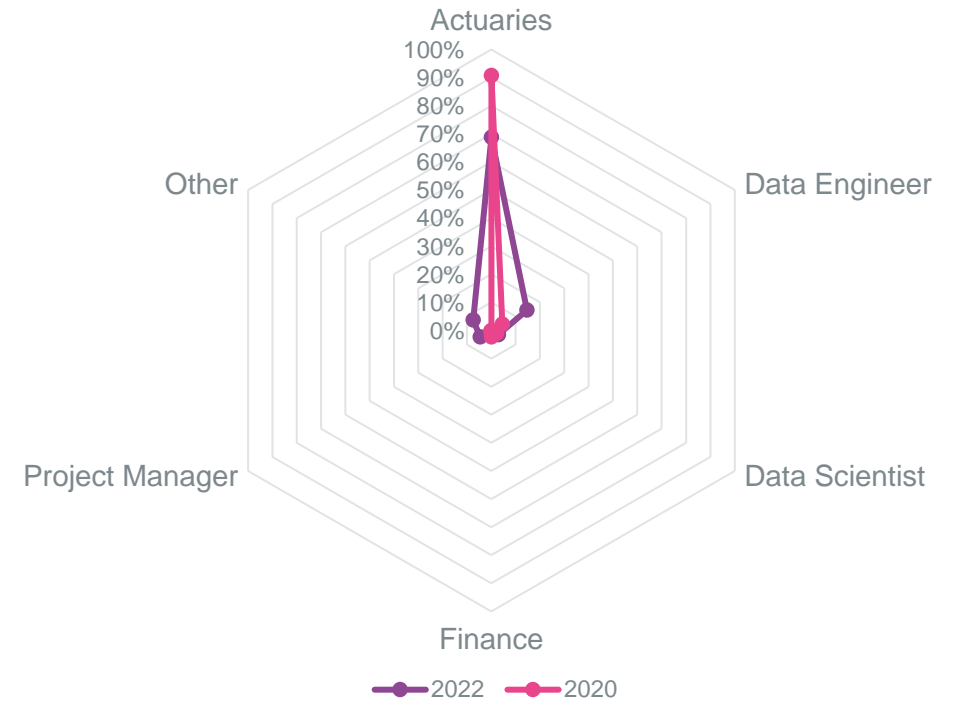


Interactions with other business functions

Weighted Score of Interactivity between Reserving and



Skillsets Split



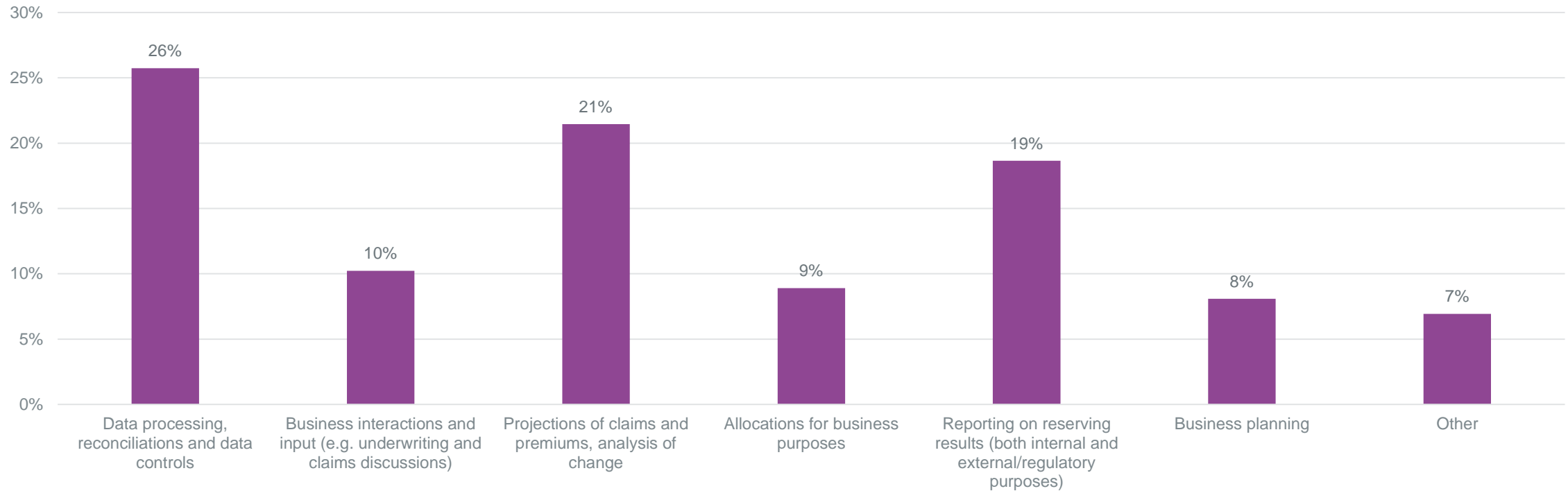
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Time allocation

Time spent on activities



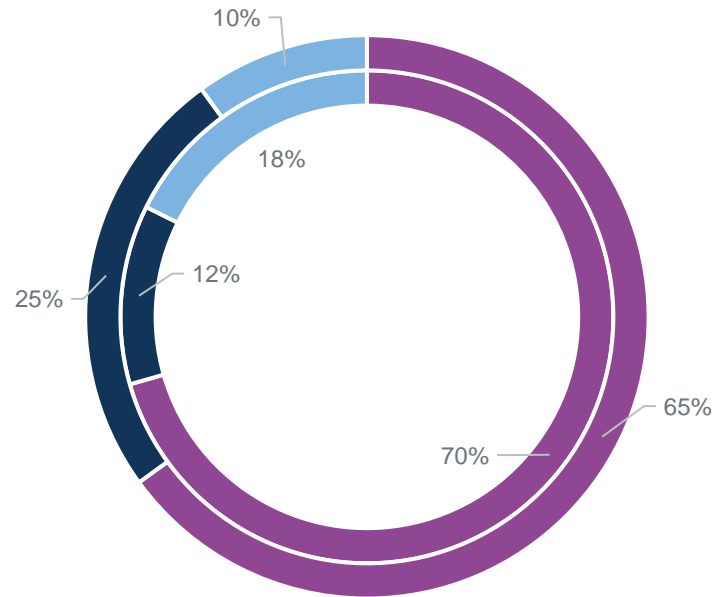
Note: based on 2020 survey data



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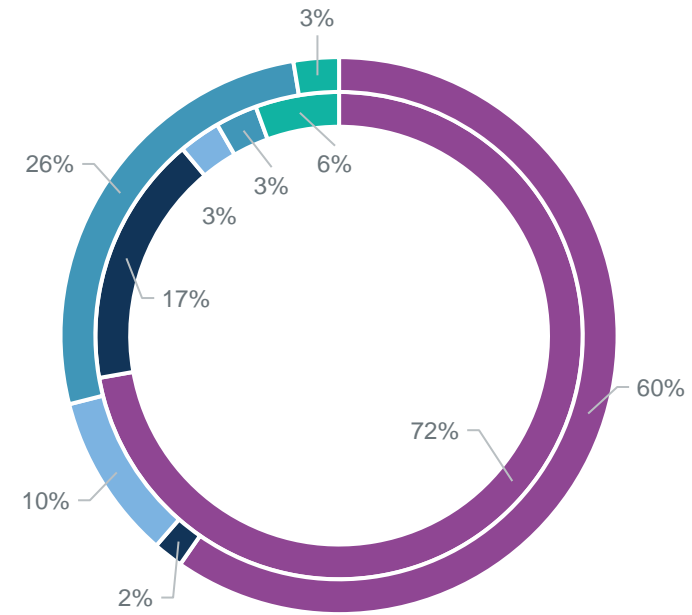
Reserving systems and processes

Reserve estimation tools



■ Excel and/or ResQ Only ■ Excel and/or Res Q and Other ■ Other (Not Excel or ResQ)

Data visualisation tools



■ Excel ■ Qlikview ■ R ■ Power BI ■ Tableau

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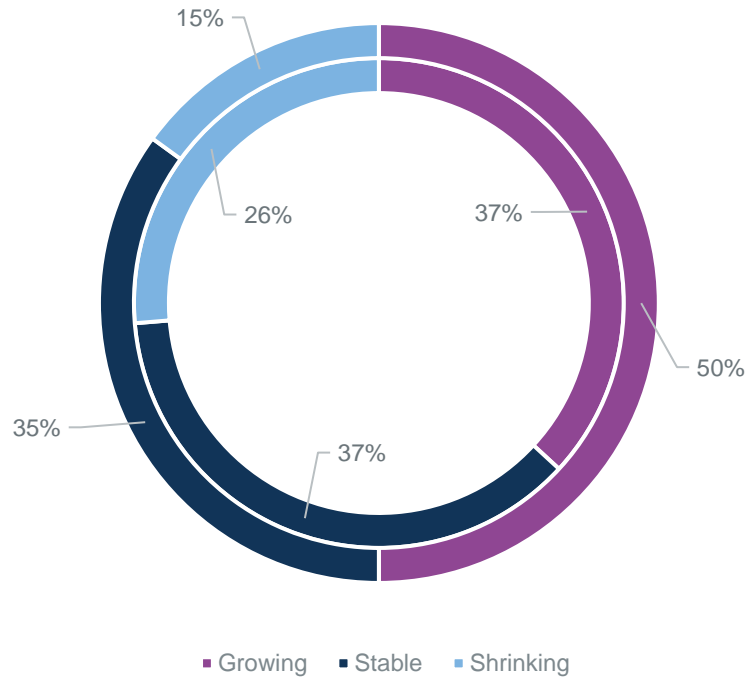
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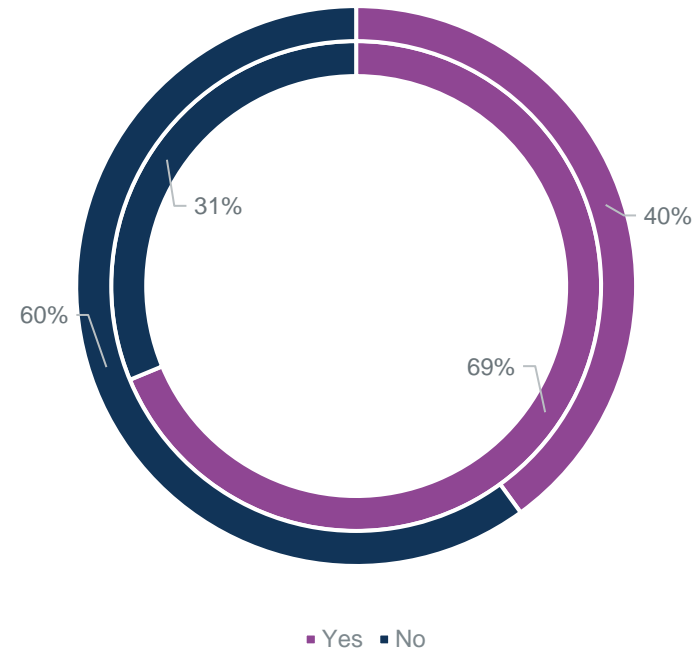
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Strategy and development of reserving teams

Change in team size



Improvement or development plan



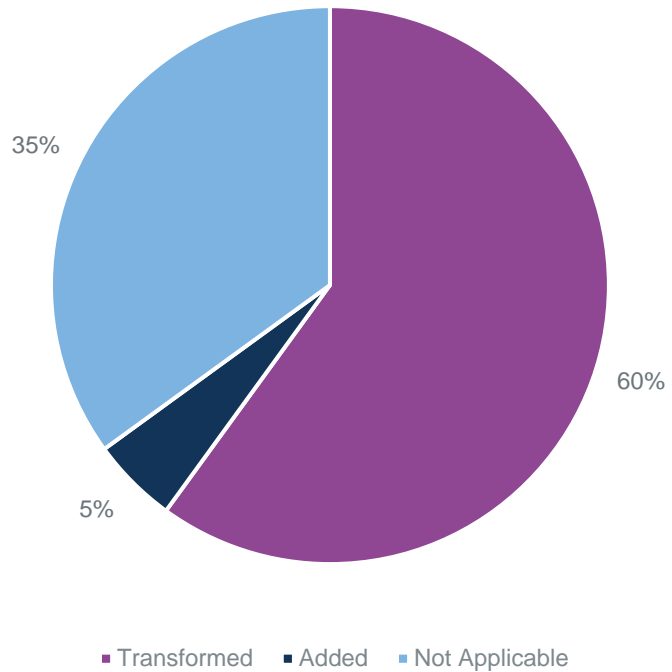
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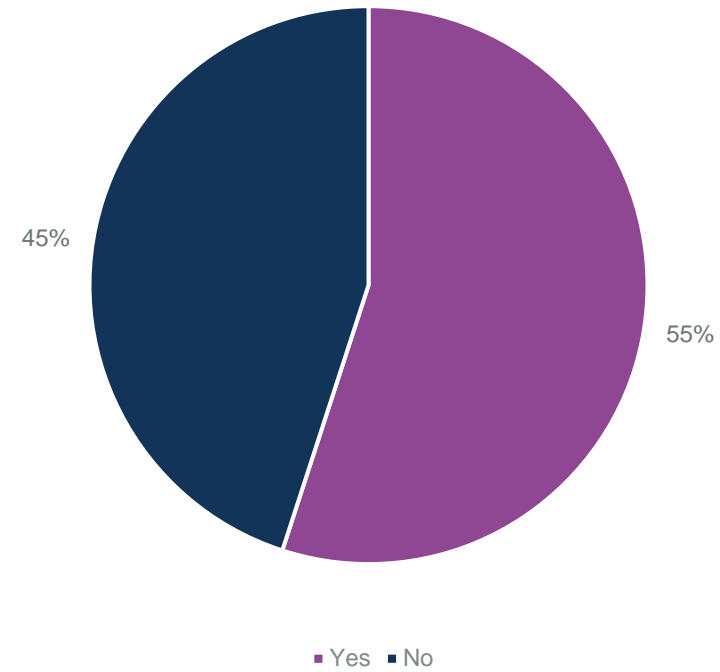
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Strategy and development of reserving teams

Transformed as part of IFRS 17



Need for transformation



Note: based on 2022 survey data

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Questions

Comments

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.

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Thank you



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DYRT objectives

Key objectives

- Identify the extent of the common challenges across the industry and summarise key issues and concerns
- Outline a framework for greater strategic thinking and how to provide commercial relevance and added value
- Define the strategic and tactical roles of the reserving teams/function within an organisation
- Analyse barriers and explore different operating models, including extending a reserving actuary's role into other areas of an organisation
- Discuss structures that allow greater flexibility and respond to new challenges
- Communicate the output to the wider GI profession to develop and advance current and future reserving teams.

Other

- Outline strategies for developing teams and advance knowledge
- Identify training and knowledge sharing processes to advance change management, project delivery and project assurance
- Share ideas of improving management efficiency models and team retention
- Outline a way forward for the working party to enable future consultation for members and sustain an open dialogue with the wider profession.

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Background and methodology

Timing of survey

- The 2020 survey was conducted during 2020 by DYRT working party
- The 2022 survey was sent out by Deloitte in September, and results have been collected on a weekly basis

Reasons for the survey

- Deloitte conducted a reserving survey to compare various companies team size, composition and tools / software used in the market
- A detailed individual report will be produced for each participating company, and a high-level summary is presented here

Description of the survey

- Data from both the 2020 and 2022 reserving survey has been analyzed and compared, the key themes covered being – strongest aspects and pain points across teams, team size and structure, tools used, and activities undertaken

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