



Casualty Actuaries of New England

An Affiliate of the Casualty Actuarial Society

Agenda

Fall Meeting, October 12, 2023

1 Mohegan Sun Blvd, Uncasville, CT

8:00 to 9:00 – Registration Check-in \ Continental Breakfast

9:00 to 9:50 – Market Based Model Selection/DLMs with Changepoints to Understand Broad Personal Auto Trends

Brian Hartman, PhD, ASA, Associate Professor and Actuarial Program Coordinator, Brigham Young University

Brian will be speaking on two separate topics following their publication in the journal Variance.

- (1) Market-based Model Selection: It can be difficult to explicitly incorporate business objectives when choosing which model is best. We develop a simple method to align the model choice with the goals of the business. As an application, we compare many different models on a dataset of commercial auto policies. The market-based model comparison method shows that the random forest model far outperforms the other models in terms of both loss ratio and market share, likely compensating for the increased computational cost. Joint work with Alisa Walch and Chris Dixon.
- (2) Dynamic Linear Models with Changepoints to Understand Broad Personal Auto Trends: Industry-wide auto insurance losses can be difficult to model but are very important to understand. We develop a new dynamic linear model with seasonality, regression on congestion, and a linear trend with a changepoint. The changepoint allows us to model structural shifts in the industry, regardless of why they occur (e.g., regulatory, economic, or social changes). Joint work with Robert Richardson, Spenser Allen, Jacob Anderson, McKay Christensen, McKay Gerratt, and Abigail Walker.

9:50 to 10:40 – IFRS 17 Primer

Ralph S. Blanchard, III, FCAS, MAAA, retired Travelers VP & Actuary, Accounting Policy

This session will be a primer on IFRS 17, including:

- Why you should care about IFRS 17,
- The history behind its development, including motivations impacting its direction,
- The basics on measurement and reporting rules,
- The major implementation issues for those required to report under IFRS 17, and
- Major differences between IFRS 17 reports and US GAAP (& Statutory) reports

10:40 to 11:00 Morning Break (beverages available)

11:00 to 11:50 – Medical Malpractice Insurance Update

Robin Davis, ACAS, MAAA, Director, Conning

This session will look at the state of the MPL market and the headline challenges the market is facing. Robin will discuss MPL insurance industry financial results and the key drivers of these results. She will also share trends in claim frequency and severity, and how the industry is responding by way of pricing. She will also identify challenges MPL insurers are facing, including changes in healthcare that are impacting insurers. Finally, the session will conclude with a view of what the short- and long-term future might hold for the MPL market.

11:50 to 12:20 – CAS Update \ CANE Elections \ Scholarship Winners

Kathy Olcese, FCAS, MAAA, currently on the CAS Board of Directors

Kathy will share current topics from the CAS.

12:20 to 1:30 – Lunch

1:30 to 2:20 – Economic Trends from the Insurance Information Institute

Michel Léonard, PhD, CBE, Chief Economist and Data Scientist, Insurance Information Institute

Dr. Léonard will provide a road map to integrate economic drivers of insurance performance into underwriting, rate setting, and business strategy. The presentation will include growth and inflation forecasts and their impact on Net Written Premium and Replacement Costs going into 2024 and beyond. Specific lines covered are homeowners, commercial property, personal and commercial auto, general liability, and workers' compensation.

2:20 to 3:10 – NCCI: Workers' Compensation: Results and Recent Trends

Meagan Mirkovich, FCAS, MAAA, Actuary at NCCI

This session will discuss a variety of workers' compensation topics from the actuarial perspective. This includes an overview of industry financial results and recent trends. Key messages include: the calendar year combined ratio for workers' compensation is 84%, a sign of underwriting profitability for the system; the accident year combined ratio is 97% with prior years continuing to experience downward reserve development; lost-time claim frequency returned to its 20 year trend, declining 4% in the past year.

3:10 to 3:25 Cookie & Beverage Break

3:25 to 4:15 – Professionalism: When Actuaries Get into Trouble

Pat Teufel, FCAS, MAAA, former Chairperson of the CAS Discipline Committee

John Gleba, FCAS, MAAA, liaison to the AAA Council on Professionalism

This session will explore the Code of Professional Conduct, the most common activities that lead to complaints against casualty actuaries, the process used by the ABCD in investigating complaints, and the process used by the CAS Discipline Committee when ABCD recommends discipline for a CAS member. The CAS Discipline Committee can accept, reject, or modify the ABCD recommendation in deciding how (or if) to discipline CAS members.

4:30 onwards – Happy Hour - VISTA Lounge at Wombi Rock (inside “Casino of the Sky”) – Sponsored by Galecki Search Associates www.galeckisearch.com

