



Casualty Actuarial Society Annual Meeting

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Current Trends

- Deteriorating pricing trends for the last 7 years
- Greatly improved data
- Better information on pricing for senior management
- Some learning from history



What are we seeing?

- Overall reserve adequacy
- Frequency trends
- Some reserve charges
- Still early in the overall reserve cycle
- Risk management impact



Some “Reasons” for Optimism

- We strengthened reserves
- We re-underwrote our book
- “We only write loss free _____”
- Accounting standards require reserves be adequately recorded



What do we expect?

- The change in loss trends will be/ has been missed
- Impact of management judgment
- Reserve adequacy is a philosophy
- We have only seen the tip of the iceberg
- Rating impact will vary



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