

2013 CAS Annual Meeting

Credit Risk Special Interest Section (CRiSIS)

Prepared for: The Annual Meeting of the CRiSIS

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Agenda

Ø **Credit Risk Special Interest Section (CRiSIS) Introduction**

Ø **What is the Section and its Purpose**

Ø **Business Meeting**

Ø **Credit Risk Practices Survey**

Ø **Other Business**

Draft

Ø A special Interest Section of the CAS

Ø Purpose:

- Promote discussion and the exchange of ideas among members and subscribers on the subject of mortgage credit risk evaluation;
- Provide forums for such discussions to take place;
- Advance the knowledge of actuarial science as applied to mortgage credit risk through both original research and surveys of members' and subscribers' collective knowledge; and
- Promote good fellowship among its members and subscribers.

Ø Business Meeting 2013

Ø Elections

Ø President: Michael Schmitz

Ø Vice President: David Ruhm

Ø Secretary: John Gaines

Ø Willing to continue to serve in these capacities to see through the RFP engagement

Ø Any additional nominations?

Ø CRiSIS jointly with VFIC issued RFP to commission a study

Ø Goals:

- Create a credit risk compendium of resources for practicing actuaries;
- Survey practicing actuaries to understand the approaches to analyzing credit risk.

Ø The work has begun

Ø Quantact has been engaged (UQ-M):

- Jean-Philippe Boucher, ph.D.
- Mathieu Boudreault, FSA, ph.D.

- Ø **Summaries of literature and other sources along with bibliography**
- Ø **Key elements of models**
- Ø **Website and paper references**
- Ø **Sources of data along with costs**
- Ø **Programs available**
- Ø **Appendix with freely available sources**
- Ø **Ultimate goal is a virtual credit risk reference with links**

Ø Areas of survey questions

- **Company information**
- **Credit risk on the asset side:**
 - ü Sources
 - ü Person responsible
 - ü Corporate
 - ü Municipal
 - ü Sovereign
 - ü Consumer
 - ü Counterparties, reinsurers
 - ü Rating Agencies
 - ü General questions
- **Liability Side:**
 - ü Mortgage guaranty, financial guaranty, surety, trade credit etc.

Ø **Complete: construction of survey**

Ø **Complete: Survey sent to companies**

Ø Link to is on the CAS website: <https://www.casact.org/press/index.cfm?fa=viewArticle&articleID=2348>

Ø **December 15, 2013: Survey to be completed and submitted by companies**

Ø **Early 2014: Compilation of sources and review of survey responses**

Ø **Completion of project**

Ø What are your areas of interest in credit risk

Ø How can the section help you

Ø And vice versa – volunteers always appreciated

Ø THANK YOU!!!

Thank you very much!

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