



# Risk transfer overview

Casualty Actuarial Society  
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# Panelists

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- ▶ Thomas Le
- ▶ Rob Smith
- ▶ Bonnie Parker
- ▶ Kevin Owens

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# Overview

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- ▶ FAS 113/SSAP 62
- ▶ Decision tree and modeling mechanics
- ▶ Accounting determination
- ▶ Tax considerations

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# Historical context

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## Bermuda and finite reinsurance

- ▶ Unlocking the discount in reserves

## Book was very profitable

- ▶ “Bells and whistles”

## Accounting world took notice

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# Accounting interpretation

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- ▶ What does it mean to pass risk transfer?
- ▶ Cocktail napkin
- ▶ Actuaries perform the analytics
- ▶ Accountants make the determination

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# Other applications

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- ▶ Confidence intervals
- ▶ Pricing of insurance coverage
- ▶ Transfer pricing

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# Contact information

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