

# *Actuarial Reports*

*Does Your Actuarial Report Measure Up?*

September 2013

CLRS  
Boston, MA

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# *Purpose*

Actuarial Reports supporting Statements of Actuarial Opinion vary from actuary to actuary but should share common traits. Practice Notes, Actuarial Standards of Practice, and common sense can guide you through writing a report. After a quick overview / refresher of relevant Standards of Practice, join an interactive discussion to be able to assess how your reports measure up.

# ***Introductions***

## Panelists

Joe Herbers, Pinnacle Actuarial Resources

Scott Anderson, Gross Consulting

## Moderator

Lela Patrik, PwC



# Antitrust Notice

- The Casualty Actuarial Society is committed to adhering strictly to the letter and spirit of the antitrust laws. Seminars conducted under the auspices of the CAS are designed solely to provide a forum for the expression of various points of view on topics described in the programs or agendas for such meetings.
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# ***Ground-Rules for our Discussion***

## ***Including disclaimers***

- This presentation is prepared and intended for general educational and discussion purposes only.
- It should not be used as a substitute for consultation with professional advisors.
- The views and opinions expressed by the panelists and moderator may or may not be reflective of their own personal views and opinions; the views and opinions are not expressions of position by their employers.
- Enjoy the exchange of information and ideas.
- Contribute.

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# *Agenda*

- Overview of ASOPs
- Key documentation elements
- Practical experience & guidance - where do reports usually fall short?

# *Overview of ASOPs*

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## ***CAS Statement of Principles Regarding Loss Reserves***

- Actuarially sound loss & LAE reserve & range
  - Reasonable assumptions
  - Appropriate actuarial methods
- Considerations



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## *The Code of Professional Conduct*

### *Precept 4*

"An actuary who issues an Actuarial Communication shall take appropriate steps to ensure that the Actuarial Communication is clear and appropriate to the circumstances and its intended audience, and satisfies applicable standards of practice."

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## ***Actuarial Reports***

### Intro

- ASOP 1 - Introductory Actuarial Standard of Practice

### Data

- ASOP 23 - Data Quality

### Documentation and Disclosure

- ASOP 41 - Actuarial Communications
- ASOP 43 - P/C Unpaid Claim Estimates

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## ***ASOP 23 – Data Quality***

- 1) Selection of Data
- 2) Reliance on Data Supplied by Others
- 3) Reliance on Other Information Relevant to the Use of Data
- 4) Review of Data
- 5) Limitation of the Actuary's Responsibility
- 6) Use of Data
- 7) Documentation
- 8) Disclosures

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## ***ASOP 41 – Actuarial Communications***

“The actuary should state the actuarial findings, and identify the methods, procedures, assumptions, and data used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary’s work as presented in the actuarial report.”

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## ***ASOP 43 – Property/Casualty Unpaid Claim Estimates***

Actuarial communication must include:

- Intended purpose
- Scope
- Dates: accounting, valuation, review
- Significant limitations
- Specific significant risks and uncertainties
- Significant events, assumptions, or reliances
- Basis of range, if range provided
- Changes from prior

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***Thank you***