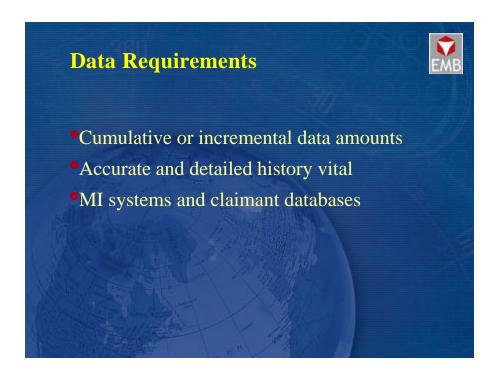


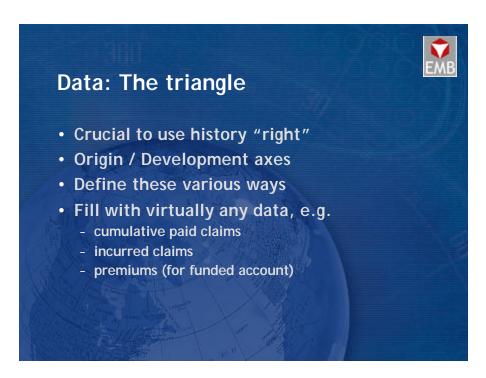
## Generic Issues • Basic premise: history can guide as to future development • Mix rigorous mathematical models with actuarial judgement (... flair!) • Data integrity and organisation are absolutely vital!

# Generic Advantages Range of methods for different situations Statistical rigour - explicit, public methods, reproducible (!!) Can feed in judgement (!!) Can deal with vast volume of claims "Track record" usually good(!)

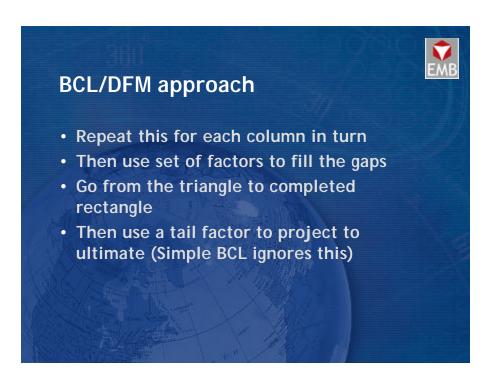








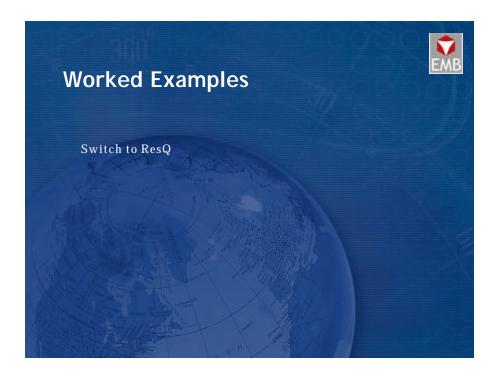








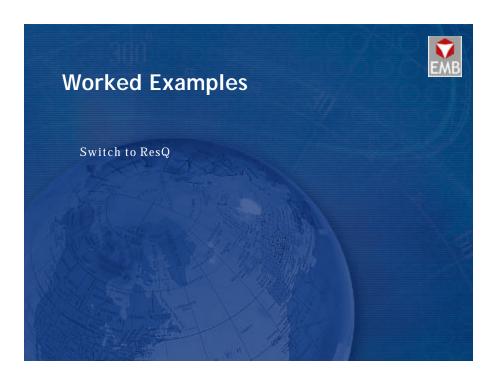












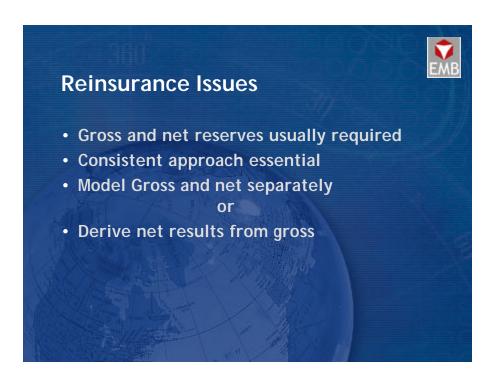


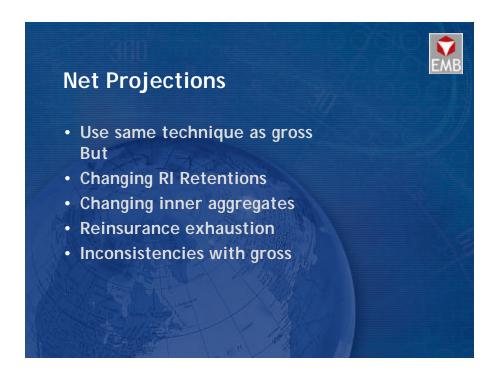








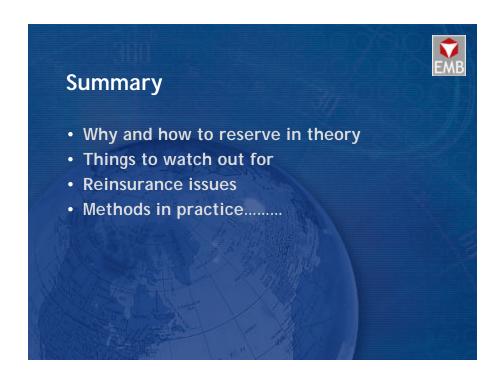






# Problems? • Selected % retained may be inappropriate • Time consuming • Long tail classes especially difficult to estimate ultimate recoveries • Net modelling may be as accurate • Commercial impact - key





### **About the Author:**

### Jonathan Broughton

Jonathan joined the London Market team of EMB in April 2005 as a consultant actuary.

Jonathan read Physics at Birmingham University, graduating in 1992. Following graduation, he began his actuarial career in the pensions arena, working for a DSP, a small firm specialising in IT consultancy.

In early 1995 Jonathan joined The Corporation of Lloyd's to work on the Equitas Project. The actuarial team had a quality assurance role, working alongside and peer reviewing the work of the numerous actuarial firms and managing large teams of computer programmers. Jonathan was a member of the Reserving Group, a collection of Market leaders who oversaw all aspects of the Reserving process.

Equitas Limited was formed in October 1996 and Jonathan left Lloyd's to join the Reserving and Commutations team. Jonathan qualified as an actuary in 1998 and became Deputy Chief Actuary in 2001. Jonathan's roles at Equitas included:

- State of the art reserving for both direct and inwards reinsurance APH claims. Jonathan signed the annual actuarial report and presented this to the Board with the Chief Actuary.
- Managing, training and setting plans for the Reserving team of 20 people.
- Member of the executive strategy group.
- Providing commercial support to deal makers.
- Taking a lead role in a number of larger commutations.
- Managing various multi-disciplinary projects, often involving US-based contractors.

Jonathan has worked on a number of Institute of Actuaries Working parties, including an award-winning paper "The Cost of Compensation Culture". He is currently participating in the "Aviation Pricing" Working Party.