



SAI Annual Convention 2nd June 2016

Descriptions of presentations

09.55 – 10.30

Prefer or deter, what they do over there, and do we care?

Jamie Leitch

In a protection market with a strong emphasis on price to sell and to compete we have seen a tightening in underwriting over the last 15 years in order to gain a competitive advantage. The market now looks like it may be ready to consider further tightening at the new business risk assessment process with regard to use of application data, big data and new technologies. All the time this moves the industry closer towards a preferred lives model similar to that which has dominated the mortality market in the United States. This talk will examine where the UK and Irish industries may be heading and an overview of the US market and what we can learn from it. We will also consider the possible implications for the UK and Ireland, including differences between CI and disability risks and mortality.

The application of Actuarial Models to NZ Social Welfare

Grainne McGuire

Some years ago, a steering committee recommended that NZ adopt an investment based approach to place a value on its social welfare liability (excluding retirement related benefits). One aim of this was to identify the areas generating most cost so that resources could be directed effectively. We did the first valuation back in 2011/12 and since then have carried out annual valuations, including looking at impacts of various reforms of the welfare system.

Challenging World of the Modern CRO

Padraic O'Malley and Eamonn Phelan

This presentation will look at the challenging world of the modern CRO, the skill sets and characteristics necessary for the role, the tools and techniques that are available to do the job effectively, and what the future holds.

Enhanced Transfer Values

Keith Burns

Description to follow



10.40 – 11.15

Solvency II – Tax Considerations

Murray McLaren and Nathan Powell

The objective of the session is to familiarise attendees with the latest guidance, regulatory approach and industry practice on areas where tax interacts with Solvency II. These include:

- Recognition of deferred tax assets and liabilities within the Solvency II economic balance sheet; and
- Calculation of loss absorbing capacity of deferred tax as part of the Solvency Capital Requirement (SCR) calculation;

The speakers will also briefly cover tax efficient remuneration strategies for individuals whose remuneration is impacted by Solvency II.

Is this real life? Is this just fantasy? Making Real World Scenarios Real

Stuart Redmond and Eamon Howlin

Financial firms now make widespread use of stochastic models for diverse and business critical purposes including asset and liability valuation, pricing, investment strategy, risk and capital management. Given the models are widely relied upon, firms increasingly need to satisfy themselves that their stochastic models are fit for purpose. To do this it is necessary to understand the choices made in building a stochastic model and in what circumstances the chosen parameters may not be appropriate.

This session will describe five methods of testing stochastic models, and what those tests can tell us about a models' strengths and weaknesses. In particular, the session will cover:

- Common areas in which stochastic models and in particular ESGs (economic scenario generators) fall short;
- The suite of tests that you should consider to ensure that your model is fit for purpose;
- Challenges in testing stochastic models;
- What constitutes a good stochastic model?

Cyber Risk: Modelling and Mitigation

Patrick Meghen and Richard McMahon

Cyber risk is a particularly relevant topic of late, with many Boards listing cyber risk as one of the key risks facing their companies. This presentation aims to tackle some of the practical considerations, namely how to model cyber risk in practice and also how to mitigate this risk.

When Retirement Reality Bites

Dr Virginia Stewart, Ross Mitchell and Niall Fitzgerald

Dr Stewart will provide a brief overview of the psychology around people's retirement; Ross and Niall will follow this with a discussion on local and global trends in saving and expenditure among retirees. The implications for innovation in retiree products and services and necessary industry actions will be debated.



14.00 – 14.35

Two down, three to go – tackling the Pillar 3

Maaz Mushir and Carol Lynch

In the run-up to IMAP submissions and Solvency II going live, all eyes were on Pillar 1 but attention has shifted to Pillar 3. All insurers have gone through the first hurdle of Day 1 and the quarterly Solvency II submissions, but the bigger challenge of the annual submissions lies ahead. The first annual submissions of the SFCR, RSR and QRTs are due at year-end 2016 but are you ready? This session will consider the lessons learnt from the Day 1 and Q1 QRT submissions and discuss how insurers can prepare better for their annual QRTs and Narrative Reports.

The Distribution of Wealth

Kevin Murphy

A lot of focus is now happening globally on how well wealth is distributed. Increasingly people are beginning to talk about the 1% versus their 99%.

This presentation will cover the following

- How best to calculate wealth
- Trends in wealth in France UK Germany and US since 1900
- identifying the main driving forces behind these trends
- The economic and social issues created by these trends
- Possible solutions to balance out these trends
- Extension of these concepts to Ireland
- How rich are actuaries in Ireland?

PPOs: What can we learn from the UK experience?

Sarah McDonnell

A look at the latest developments on PPOs and the impact they have had on the UK market. This presentation will also cover what lessons can be learnt in Ireland from the UK experience to date, including ideas on modelling, how to allow for mortality, and the key differences between the UK and Irish regimes.



14.45 – 15.20

IFRS 4 Phase II – the music never stops

Sinead Kiernan and Angela McNally

Solvency II has just gone live and many companies are still battling with the practicalities of implementation but the next hurdle is already visible in the form of IFRS 4 phase II. In this session, we will give an update on the current stay of play with respect to IFRS 4 and bring our global knowledge to provide some insight into challenges arising for companies.

This session will provide:

- An understanding of why IFRS 4 phase II is relevant to actuaries,
- An overview of requirements of IFRS 4 phase II,
- A comparison of Solvency II and IFRS 4 phase II,
- An insight into the practical and commercial implications of IFRS 4 phase II.

Dynamic Investment Risk Management for a QE (Quantitative Easing) and Post QE World

Nick Spencer and Crevan Begley

This presentation will focus on investment risk management for defined benefit pension plans and will cover:

1. Dynamically implementing a Strategic Asset Allocation
2. Investment regimes in a QE and post QE world
3. Dynamic derisking

15.30 – 16.05

A European view on Capital Optimisation

Ciara Regan and Colin Murphy

In 2015, Deloitte conducted a capital optimisation survey covering 50 insurers across 10 different countries in Europe. This session will present the results of the survey, providing insight into the capital optimisation techniques which are in use or are being considered across Europe. We will consider the current position of the Irish industry relative to comparable insurers across Europe and highlight the key focus areas for insurers in the short term. We will also share our practical experience on the operational challenges and potential regulatory constraints associated with some of the capital optimisation techniques currently being considered by the Irish industry.

Data Analytics Tools & Practical Applications

Conor Byrne & James Maher

This presentation on the topic of Data and Analytics will cover the baseline definitions through to the processes, applications and business purposes within an Insurance environment.