

ACTUARIAL SERVICES FOR GUERNSEY INSURANCE AND REINSURANCE COMPANIES



INTRODUCTION

For over 30 years, we have provided consultancy services to insurers in Guernsey. Our service include claims reserving and premium reviews for captive insurers to assist Directors in setting reserves and premiums. We have also provided actuarial services to life companies and reinsurers.

Life insurance companies in Guernsey must appoint an actuary under Section 40(1) of the Insurance Business (Bailiwick of Guernsey) Law 2002 ("the Law").

Moreover, the Insurance Business (Solvency) Rules 2015 ("the Rules") introduced the requirement for all insurance and reinsurance companies licensed in Guernsey to monitor their regulatory solvency requirements under a risk-based framework.

We have a number of actuaries with relevant expertise and experience to provide actuarial support to life and non-life insurance and reinsurance companies and to fulfil the requirements of the appointed actuary for life insurance companies as required under the Law.

CLAIMS RESERVING

We can provide an independent review of the claims reserves required for captive (or other non life) insurers based on our analysis of the available data. An independent review can provide significant reassurance to the captive Board that the reserves (in particular IBNR reserves) are properly determined.

An independent review may also help to satisfy the requirements of other parties such as the parent company, auditors and regulators. We produce a formal report which provides an executive summary of the high level information including an indication of the variability and uncertainty of the results in the form of an estimated range of outcomes.

If required, we can assess the impact of discounting on the claims reserves.

PREMIUM RATES & PRODUCT CERTIFICATES

We can provide an estimate of losses for the following policy year to assist in determining an appropriate premium to charge at policy renewal.

We can also assist in setting premium rates for the acceptance of new business to ensure that they are appropriate.

We can provide the necessary certificate required by the Guernsey Financial Services Commission approving the launch of any new product or fund from a life company.

APPOINTED ACTUARY

We can undertake the actuarial valuation work required under the Law to review the company's solvency position and, where applicable, advise on bonus rates and distribution of surplus.

We will produce the required reports, at the same time enabling management to have a clear understanding of the company's financial position.

We will provide focused explanations of our assumptions and approach to help the company manage the business effectively and fulfil its regulatory responsibilities.

SOLVENCY & CAPITAL VALUATION

The Rules require licensed insurers to hold sufficient capital resources to meet both a Minimum Capital Requirement ("MCR") and a Prescribed Capital Requirement ("PCR"), the latter being calculated using principles similar to the Solvency II standard formula.

We have extensive experience with the Guernsey solvency model and can produce the required solvency valuations for both the MCR and PCR. We can also leverage our expertise to provide insights on capital efficiency and optimisation strategies.

OWN RISK & SOLVENCY ASSESSMENT (ORSA)

Guernsey insurance undertakings are also required to conduct an Own Risk and Solvency Assessment ("ORSA") at least annually and whenever a change to the company's business plan has had a material impact on the company's solvency position.

We can support companies completing an ORSA and this service is described in more detail in our factsheet entitled *ORSAs and OSCAs for Guernsey Insurance Companies*.

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OTHER ACTUARIAL SERVICES

We provide a full range of actuarial services including strategic advice on investment strategy and asset-liability management, and reinsurance structures.

We can also provide practical support including assistance in setting appropriate premium rates for new business, individual calculations (e.g. surrender value calculations), unit pricing, and policy documentation. This support can be in the form of tables and workbooks to allow the client to carry out calculations themselves, or calculations can be performed by us on the client's behalf.

CURRENT APPOINTMENTS

We currently act in a range of insurance roles including:

- Provision of actuarial services to around thirty Guernsey non-life insurers and reinsurers including reviews of reserves and advice on pricing
- Provision of the Appointed Actuary for approximately ten Guernsey life insurance and reinsurance companies
- Provision of non-executive directors to support insurers and reinsurers based in Guernsey.

FURTHER INFORMATION

Established in 1979 the BWCI Group is the largest group of actuaries and consultants in the Channel Islands with over 130 staff encompassing a wide range of disciplines.

The BWCI Group is a member of Abelica Global, the international network of leading independent actuarial firms.

For further information on these and other insurance services provided by the BWCI Group, please contact insurance@bwcigroup.com or visit our website at www.bwcigroup.com.



Focused

because we are focused on our clients' needs and provide a service to suit their individual requirements.

Practical

because we deliver solutions in practical, commercial and cost-effective ways.

Innovative

because we seek innovative solutions to complex financial problems using advanced analytical tools and software.

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