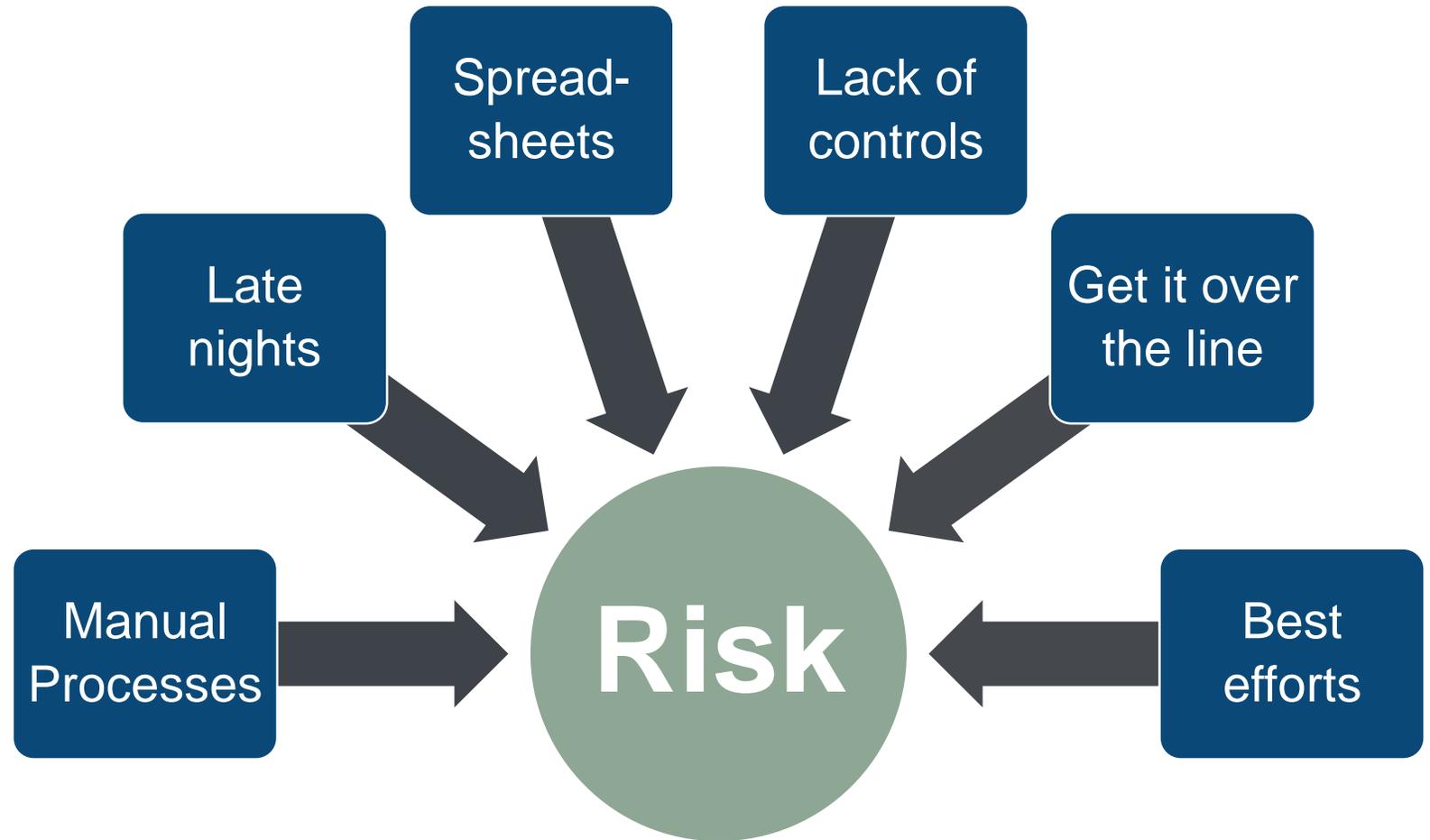




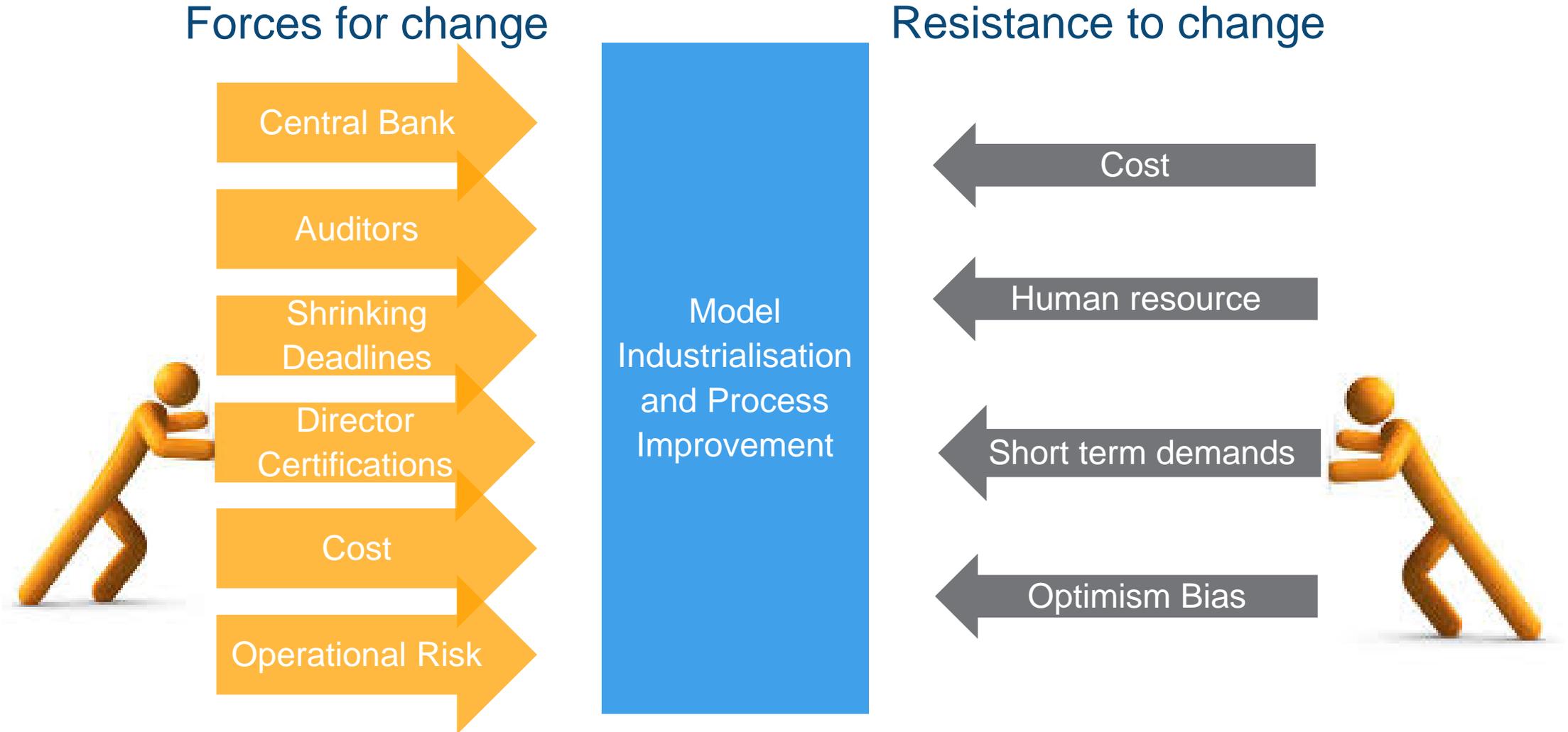
# Model Industrialisation & Process Improvement

Bridget MacDonnell  
24<sup>th</sup> May 2017

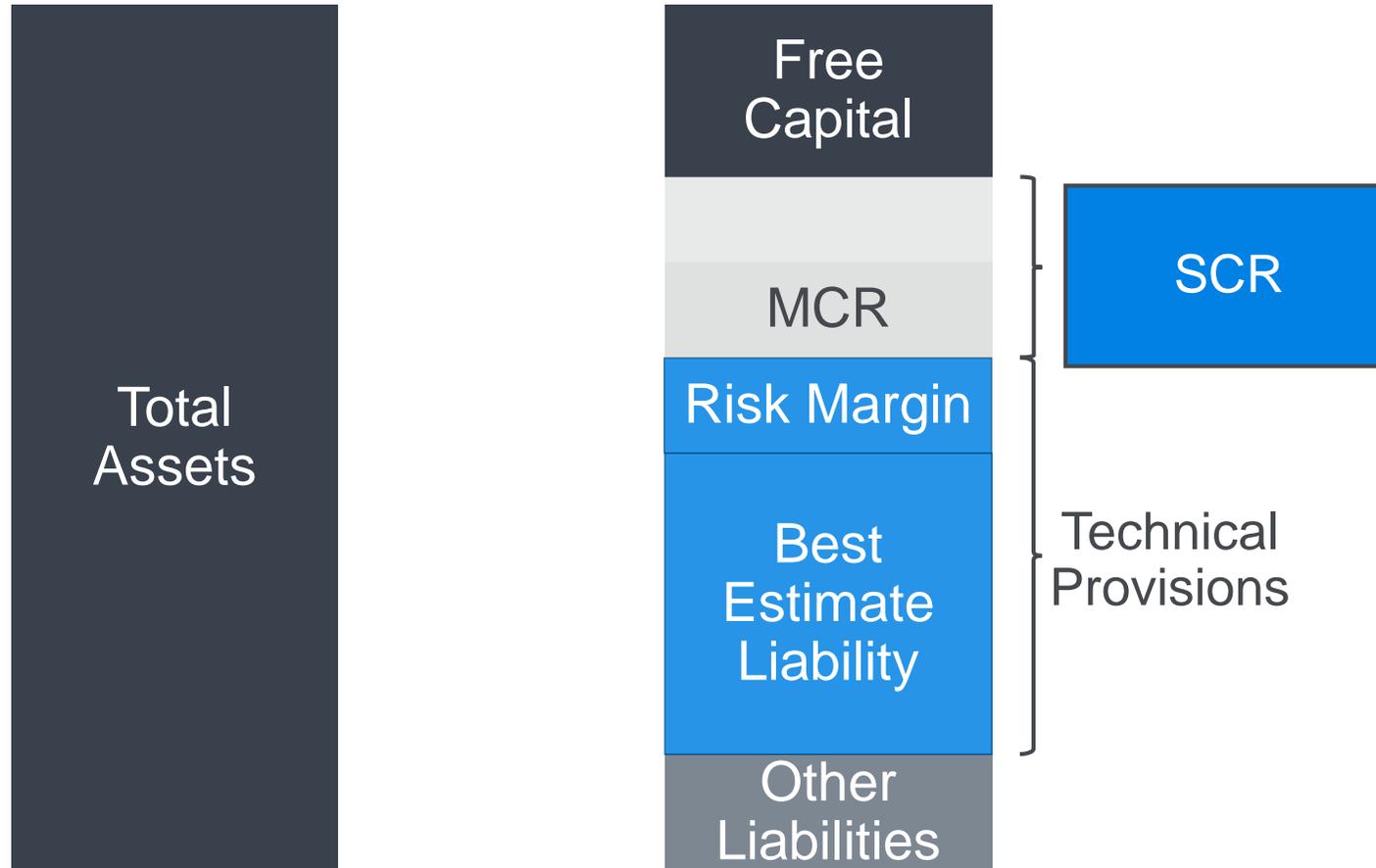
# Year End 2016



# Change Force Field

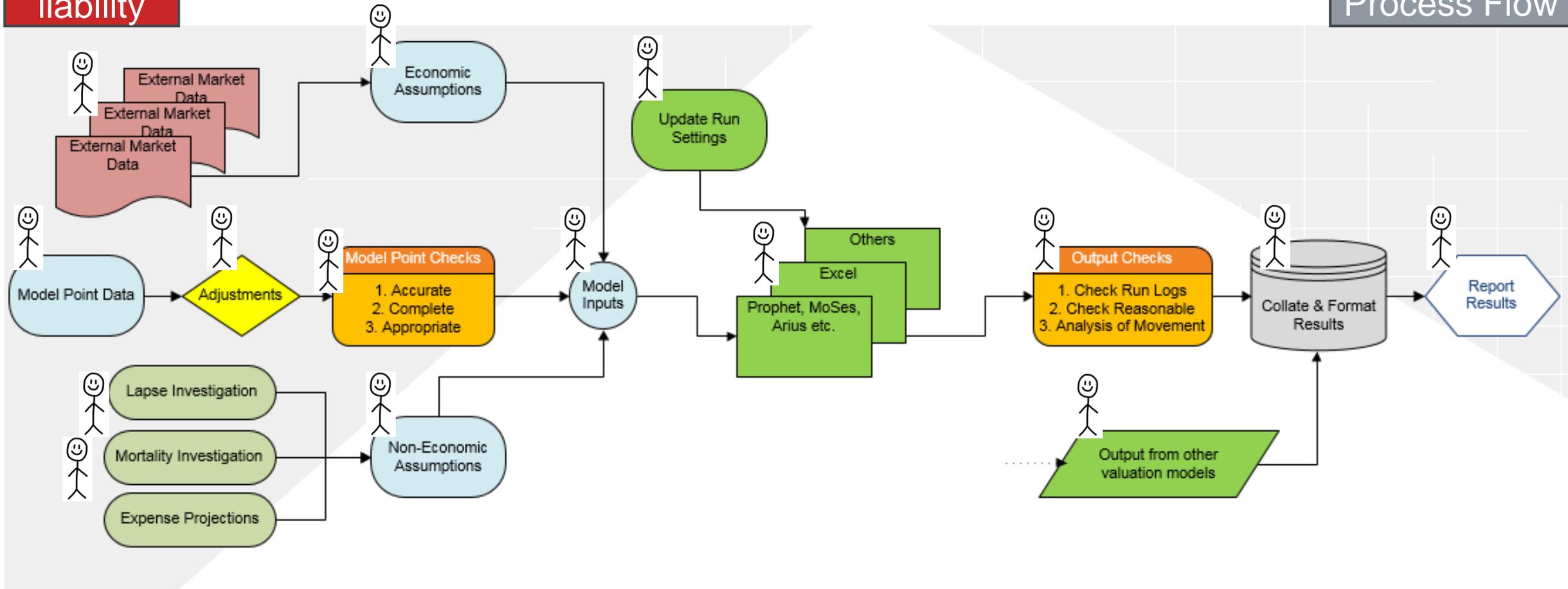


# New Calculations & Processes

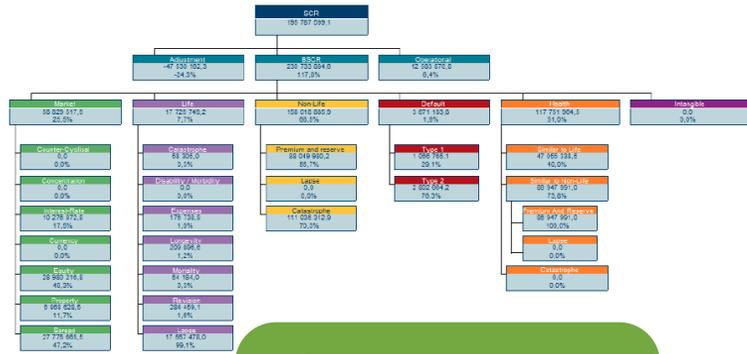


# Best estimate liability

# Simplified Process Flow



SCR



Reporting

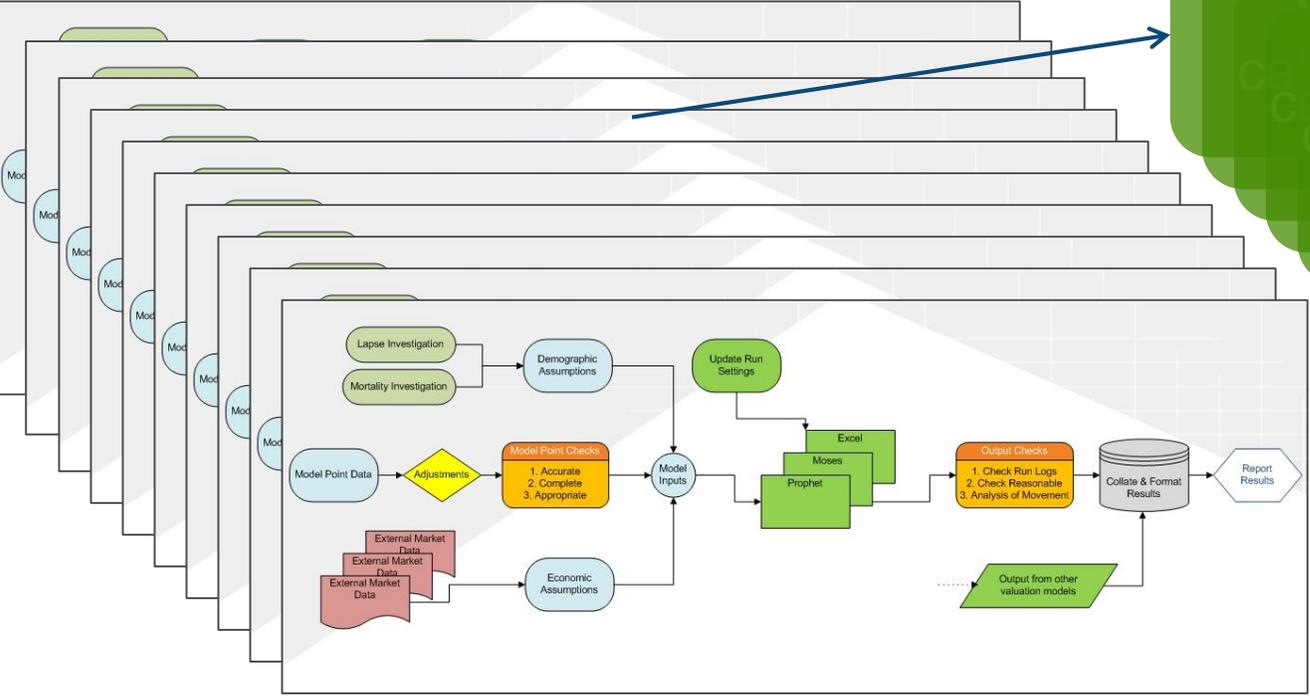
Asset Data

Capital calculations

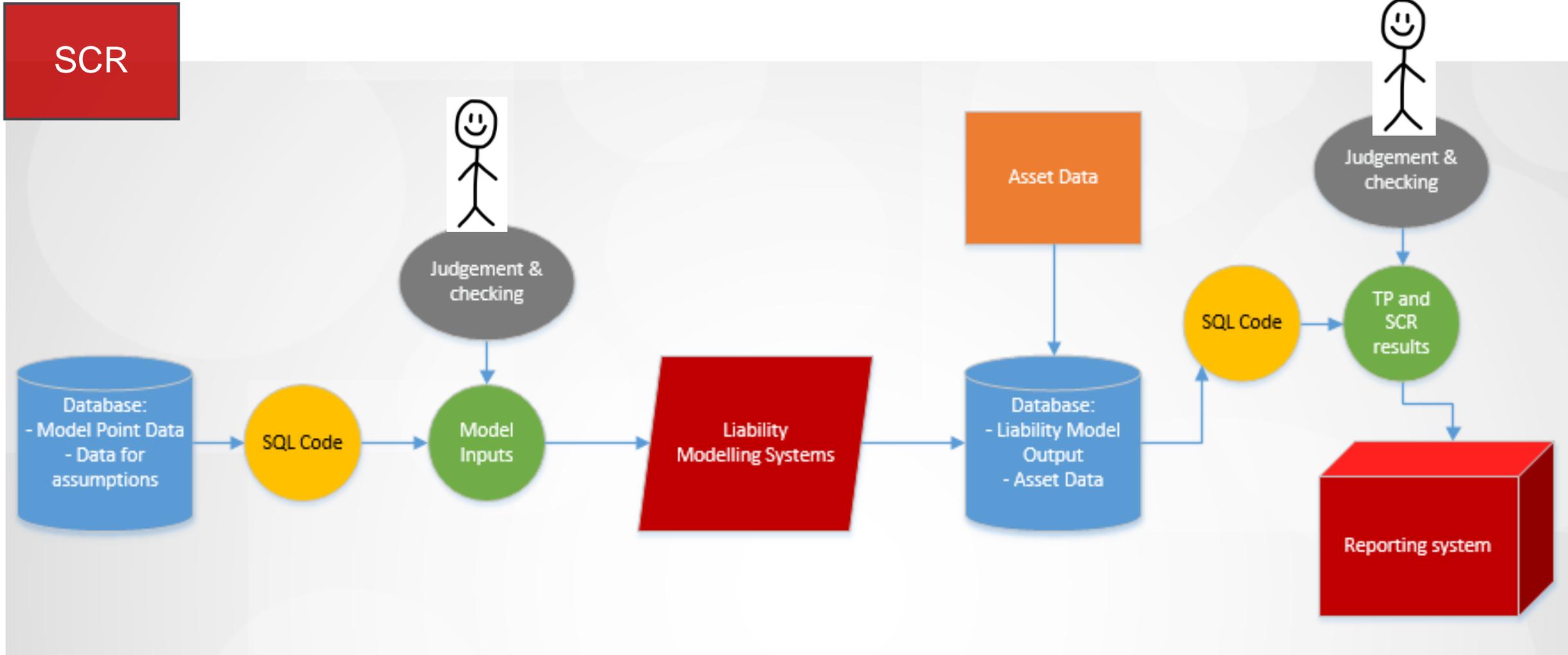
Asset shocks

Factor-based calculations

More Data

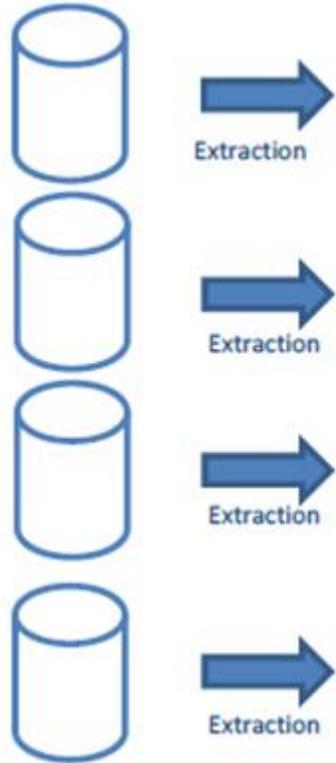


# Simplified SCR process flow

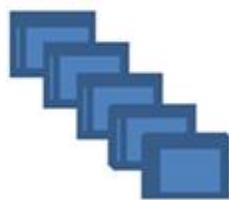


# SCR

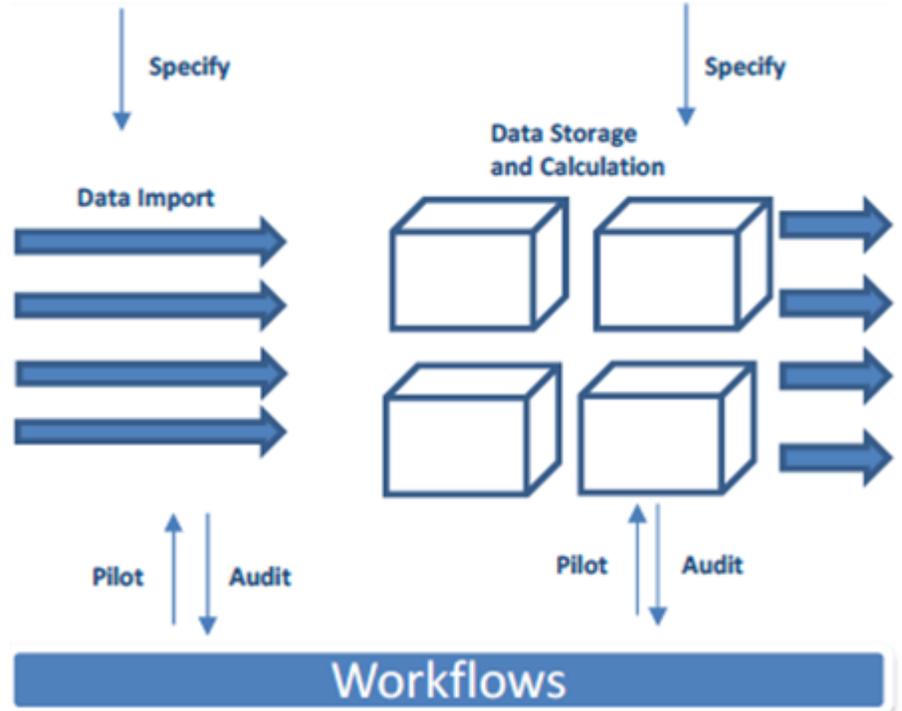
Company's systems



Flat file



## Automated System

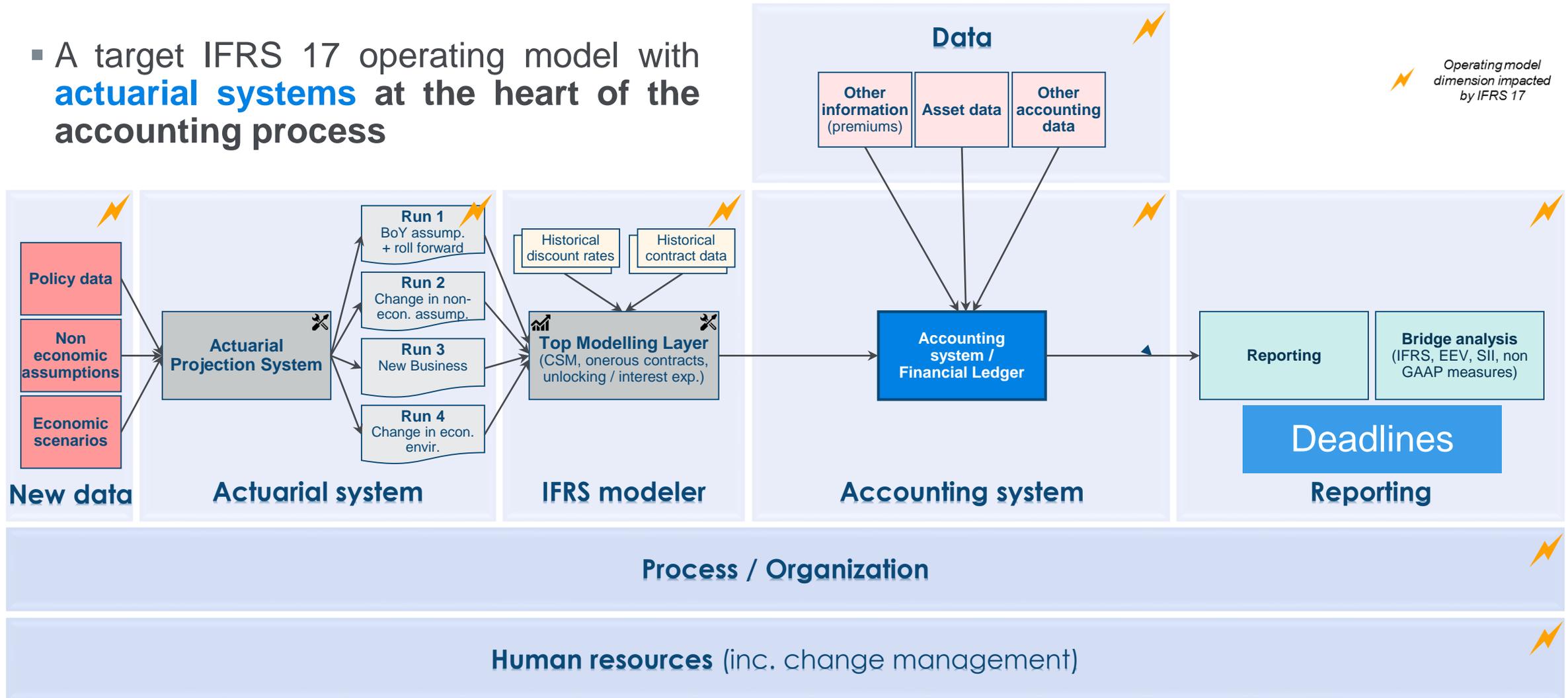


Pre-defined reports



# Overview of a target IFRS 17 operating model

- A target IFRS 17 operating model with **actuarial systems** at the heart of the accounting process



---

2017...

KEEP  
CALM  
AND  
AUTOMATE



IT TAKES VISION

# Thank you

Bridget MacDonnell  
24 May 2017



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# Actuarial Standard of Practice PA-2 – what does the new ASP mean for you?

Eoin King  
24 May 2017

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# What is ASP PA-2?

- New ASP issued by the SAI covering general actuarial practice
  - Local adoption of international standard issued by IAA
- Comes into effect on 1 July 2017
  - Early adoption encouraged
- Applies to **all** members providing actuarial services
  - (even if the work could be done by non actuaries)



- Yes – it even applies to students

# What is ASP PA-2?

Acceptance of Assignment	Knowledge of Circumstances	Reliance on others
Materiality	Data Quality	Assumptions
Methodology	Process Management	Quality Assurance
Subsequent Events	Document retention	Communication

# When does ASP PA-2 apply?



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# Questions

Trying to define what is in scope and what is out of scope

- Are you “just” thinking like an actuary?
- Are you taking responsibility for actuarial topics?
- Writing a report where you are the author ...
- If you are building a model ...
- Adding up numbers ...
- Volunteer treasurer for your sports club ?

# Acceptance of assignment

## Confirm

- role of principal
- limitations or constraints
- requirements that need to be satisfied
- identification of the schedule of work
- expected cost and/or the resources needed
- the information needed to be communicated to and by the member



## Member must be satisfied that

- assignment can be performed in line with the CPC
- he or she will have the time, resources, access to relevant parties and information, and the right to communicate information

# Reliances

Can use information prepared by another party

- may take responsibility
- may state that reliance has been placed upon the source and disclaim responsibility



# Data

Need to consider if sufficient and reliable data is available

Take steps to review consistency, completeness and accuracy of data used

Data deficiencies might mean

- decline assignment
- work to modify data
- perform work to best of ability and discloses deficiencies

# Assumptions and methodology

May be set by member or another party (or by law)

Must be appropriate

May be adjusted to compensate for deficiencies

Consider margins for adverse deviations

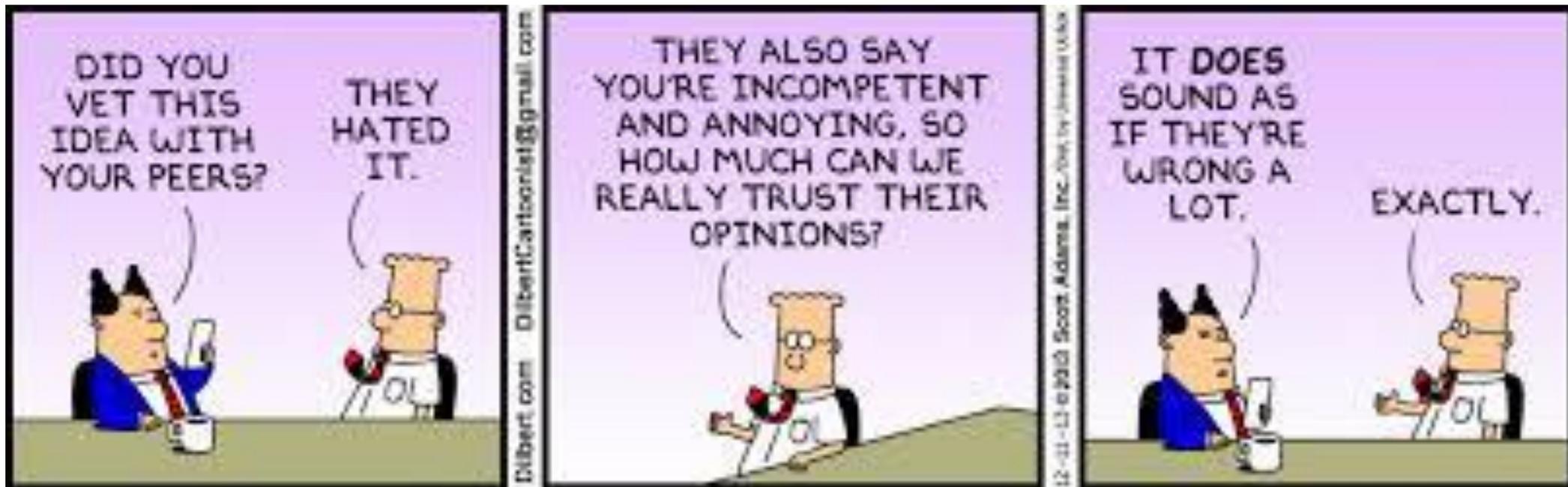
Allow for discontinuities

Consider sensitivity to variations in key assumptions

Assess materiality of under/over statements or omissions

# Process management and quality assurance

- Consider what process controls need to be put in place
- Results should be reviewed for overall reasonableness
- Ensure work is of appropriate quality



---

# Process management and quality assurance

## QA processes should consider

- degree of difficulty
- purpose of the work and extent to which intended users may review and challenge it
- significance
- extent of professional judgement
- whether work is vulnerable to errors
- legislative or regulatory requirements for peer review
- desirability of assuring public confidence in the quality

---

# Process management and quality assurance

- Doer and reviewer should have clarity on their roles
- Reviewer should have required competence and capacity
- Review should be properly documented

---

# Other Considerations

## Subsequent Events

- Consider/disclose subsequent events that could materially change results

## Document Retention

- Retain documentation for a reasonable period for:
  - Peer review, regulatory review, and audit
  - Legal requirement
  - Recurring assignment
- Keep enough for another actuary to understand what was done

# Communication

- Content and disclosures
  - Scope
  - Results
  - Methodology, assumptions, data
    - Data issues
    - Assessment of uncertainty
    - Inconsistencies in assumptions
    - Relevant subsequent events
  - Reliances and Restrictions on distribution
  - Date of communications
  - Information on author



# Summary

Acceptance of Assignment	Knowledge of Circumstances	Reliance on others
Materiality	Data Quality	Assumptions
Methodology	Process Management	Quality Assurance
Subsequent Events	Document retention	Communication



# Thank you

Eoin King  
24 May 2017



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# Risk Culture

Caoimhe Fahy  
24<sup>th</sup> May 2017

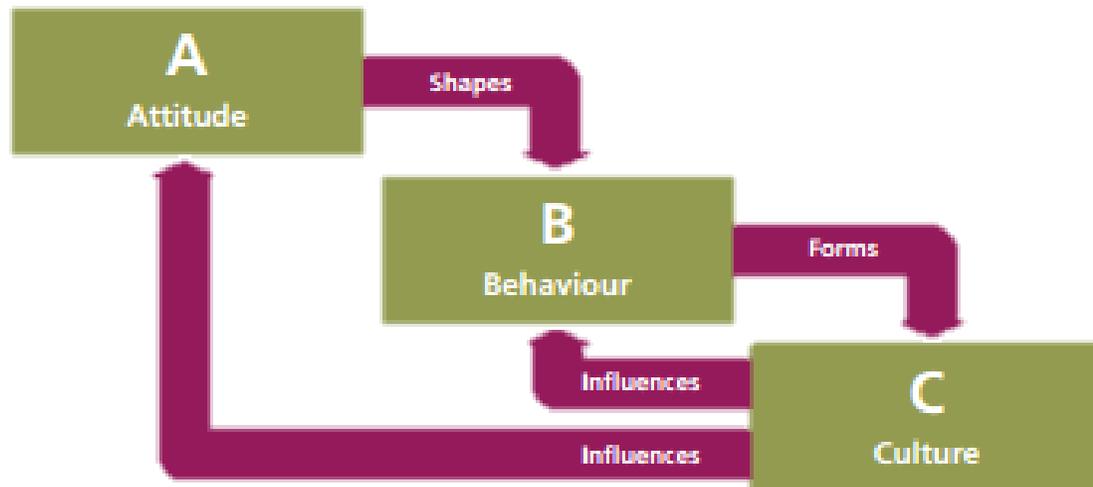
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**“We are striving to build culture into everything we do as supervisors.”**

Sylvia Cronin, Central Bank of Ireland, 2017

# What is risk culture?

**Risk culture** is the system of values and behaviours present in an organization that shapes **risk** decisions of management and employees



# How do we demonstrate compliance?

- Documentation
- Controls
- Audit
- Assessments
- Dashboards



*“Well you see Mr. Regulator,  
I set the tone from the top...”*

# How can we measure risk culture?

*“What we cannot measure, we cannot manage”*

For the idealists...

- Full Scale Assessment

risk culture    knowing your company

Home    FAQ    Sign In

In the part of the organisation in which I work, there is a well-established process which is used regularly to identify risks.

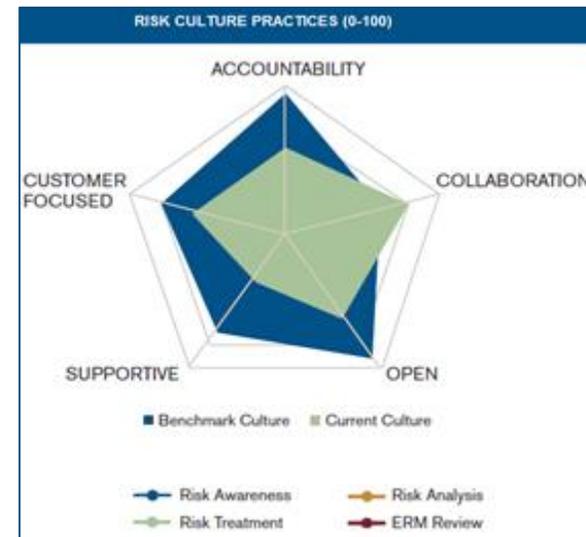
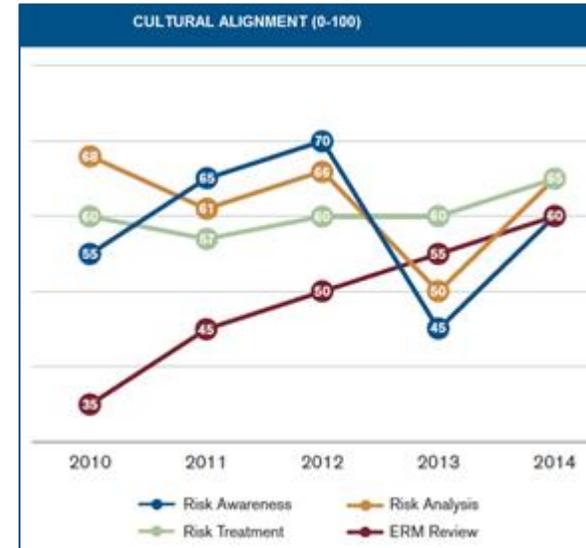
In the part of the organisation in which I work, the time that is spent identifying risks is determined by the nature of our work and the timescales for completing it.

Very much like this...

74%

I am unable to choose between these statements

31/27
Next



# How can we measure risk culture?

*“What we cannot measure, we cannot manage”*

Some practical measures...



# How can we measure risk culture?

*“What we cannot measure, we cannot manage”*



Solidarity vs Sociability

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# Useful Links

- [Risk culture: Resources for Practitioners](#)
- [How to measure risk culture effectiveness](#)
- [Corporate culture and the role of boards](#)
- [Measuring the effectiveness of your company's culture](#)
- Video: [You can own the risk, or own the consequences](#)



# Thank you

Caoimhe Fahy  
24 May 2017

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