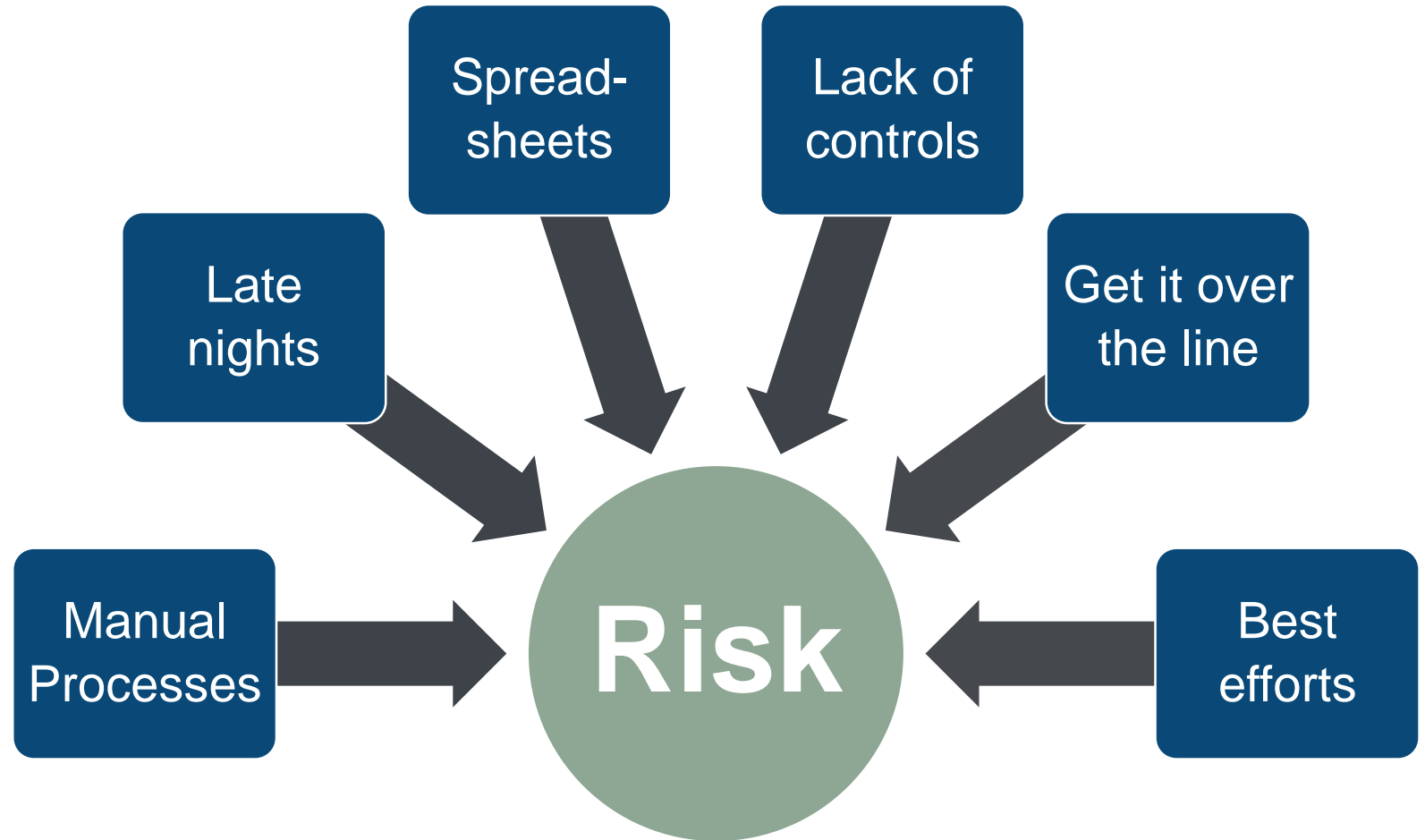




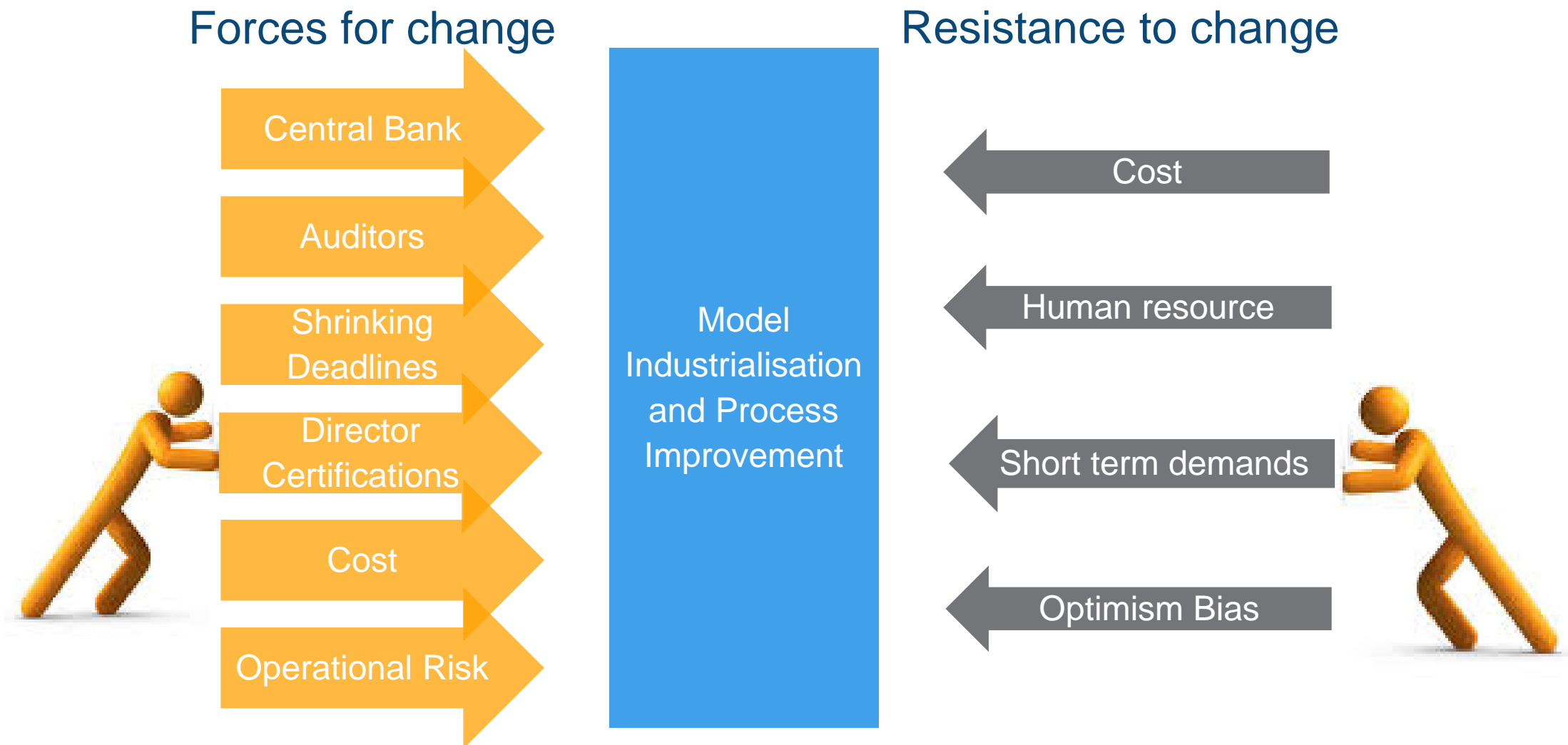
Model Industrialisation & Process Improvement

Bridget MacDonnell
24th May 2017

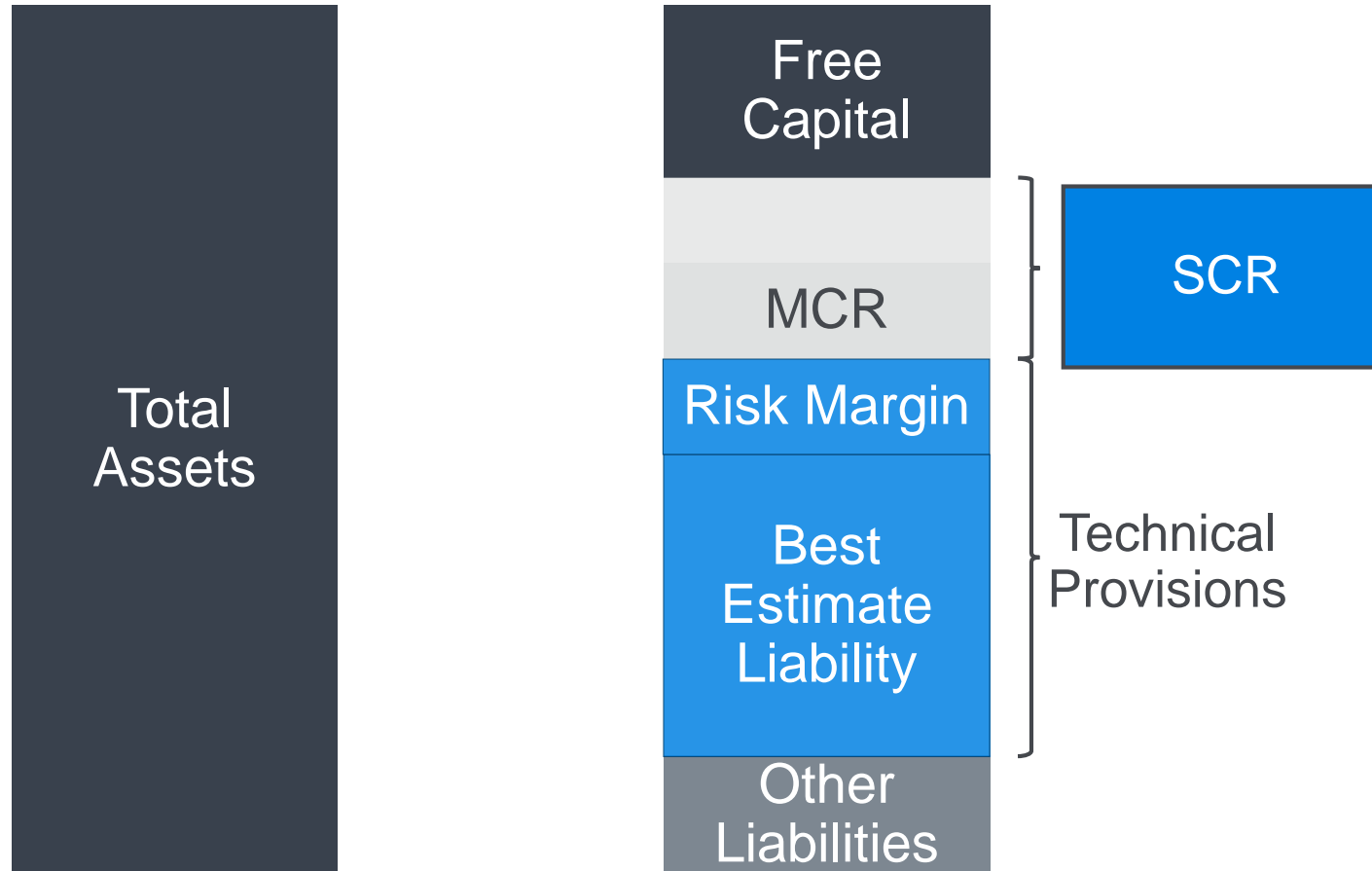
Year End 2016

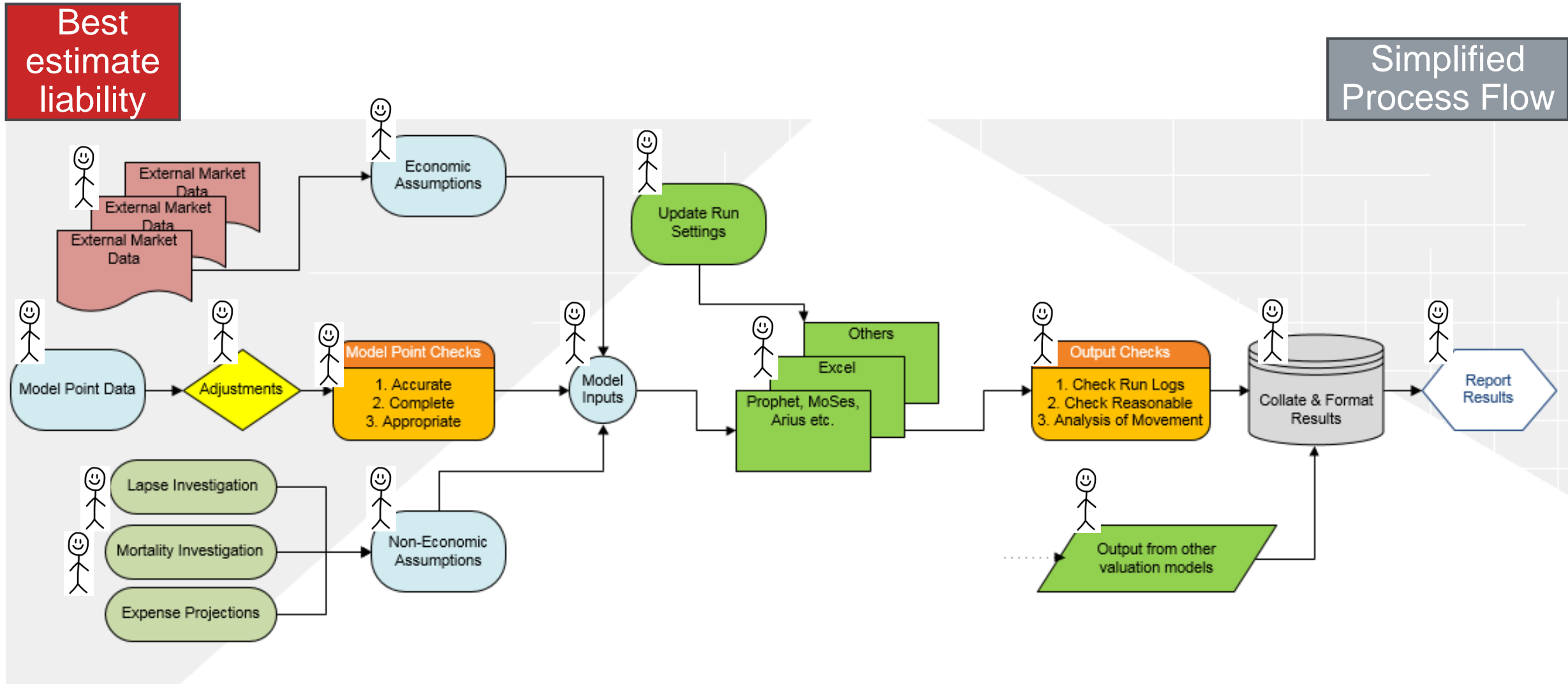


Change Force Field

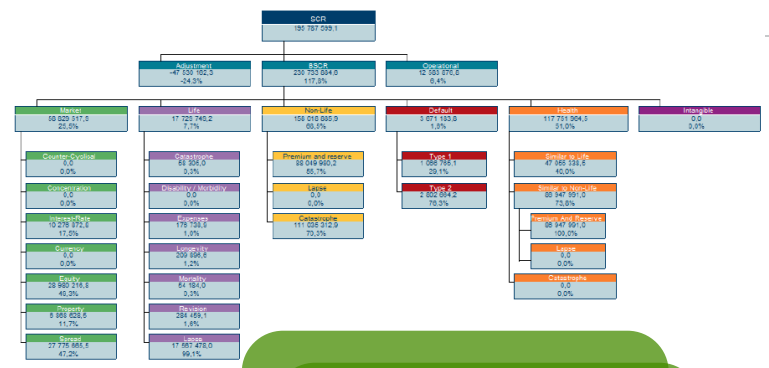


New Calculations & Processes



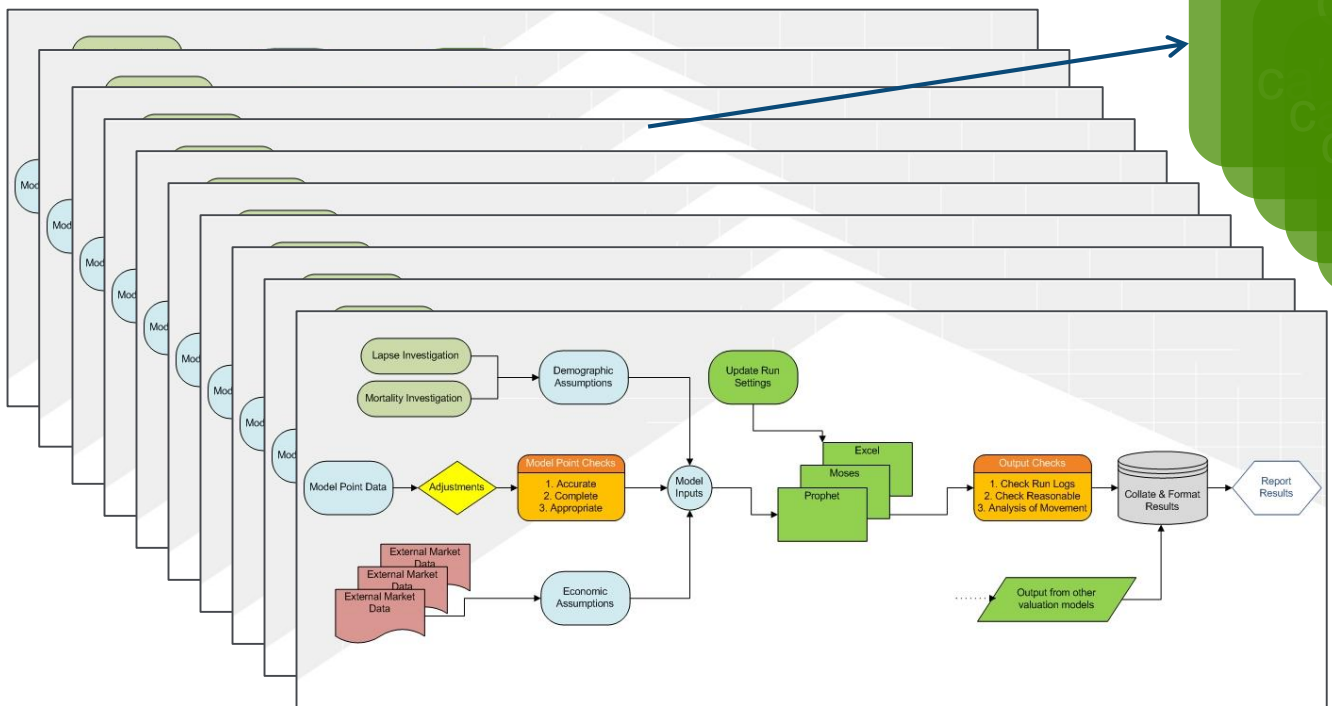


SCR



Reporting

Asset Data



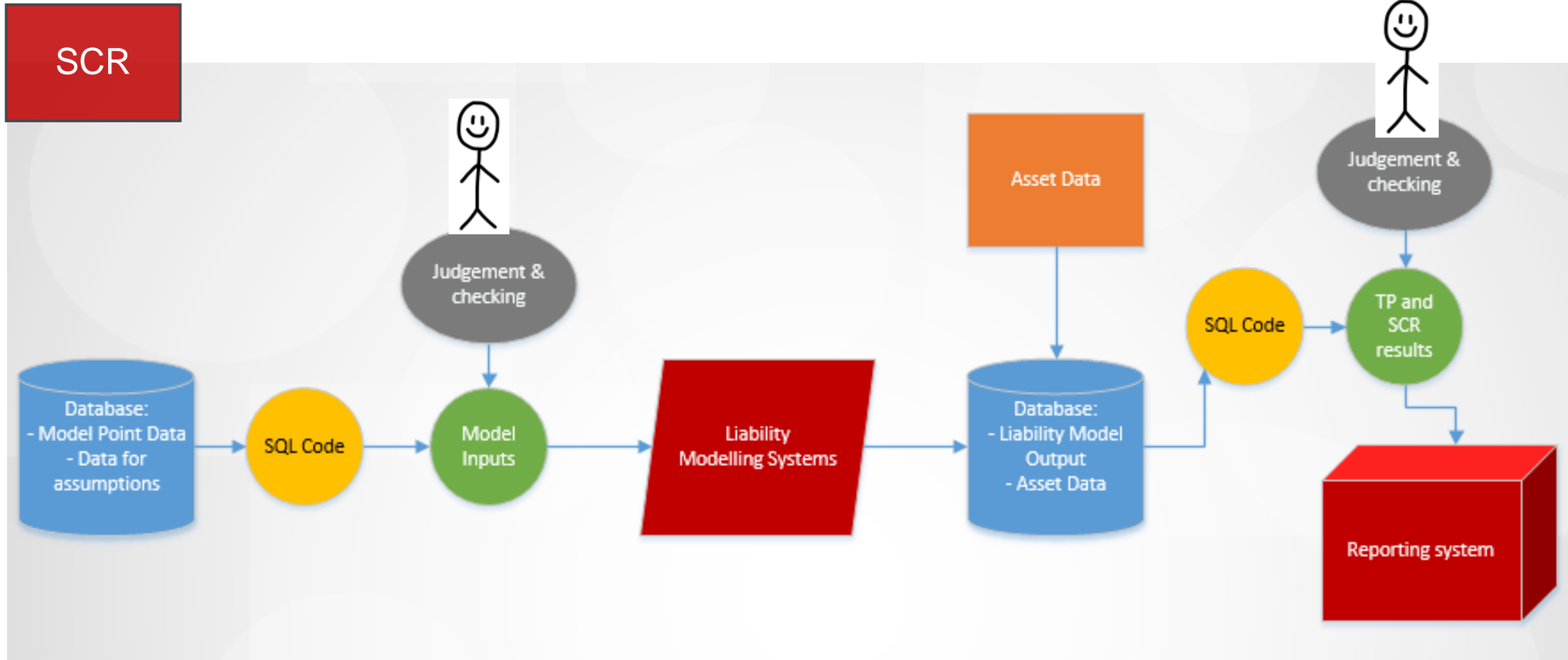
Capital calculations

Asset shocks

Factor-based calculations

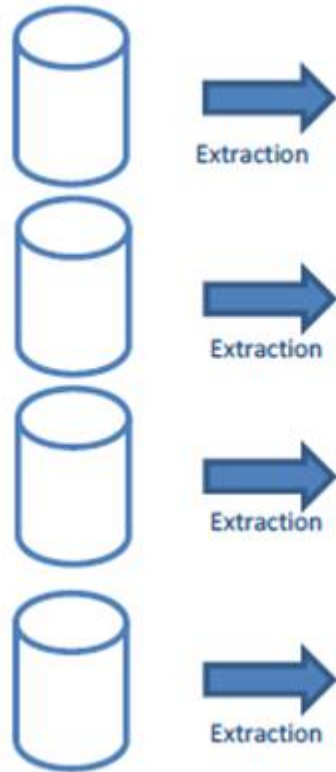
More Data

Simplified SCR process flow



SCR

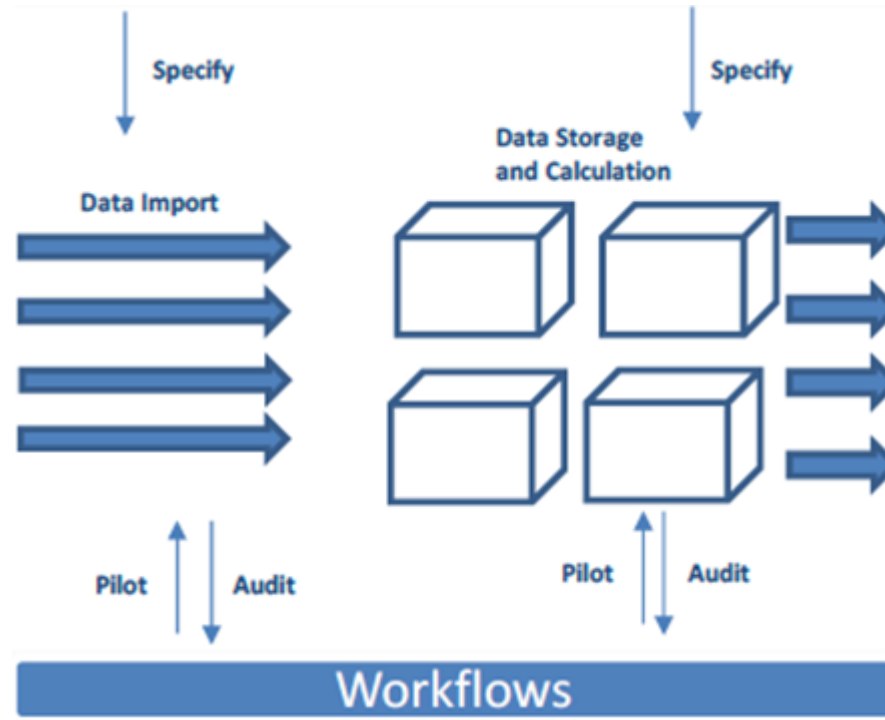
Company's
systems



Flat file



Automated System

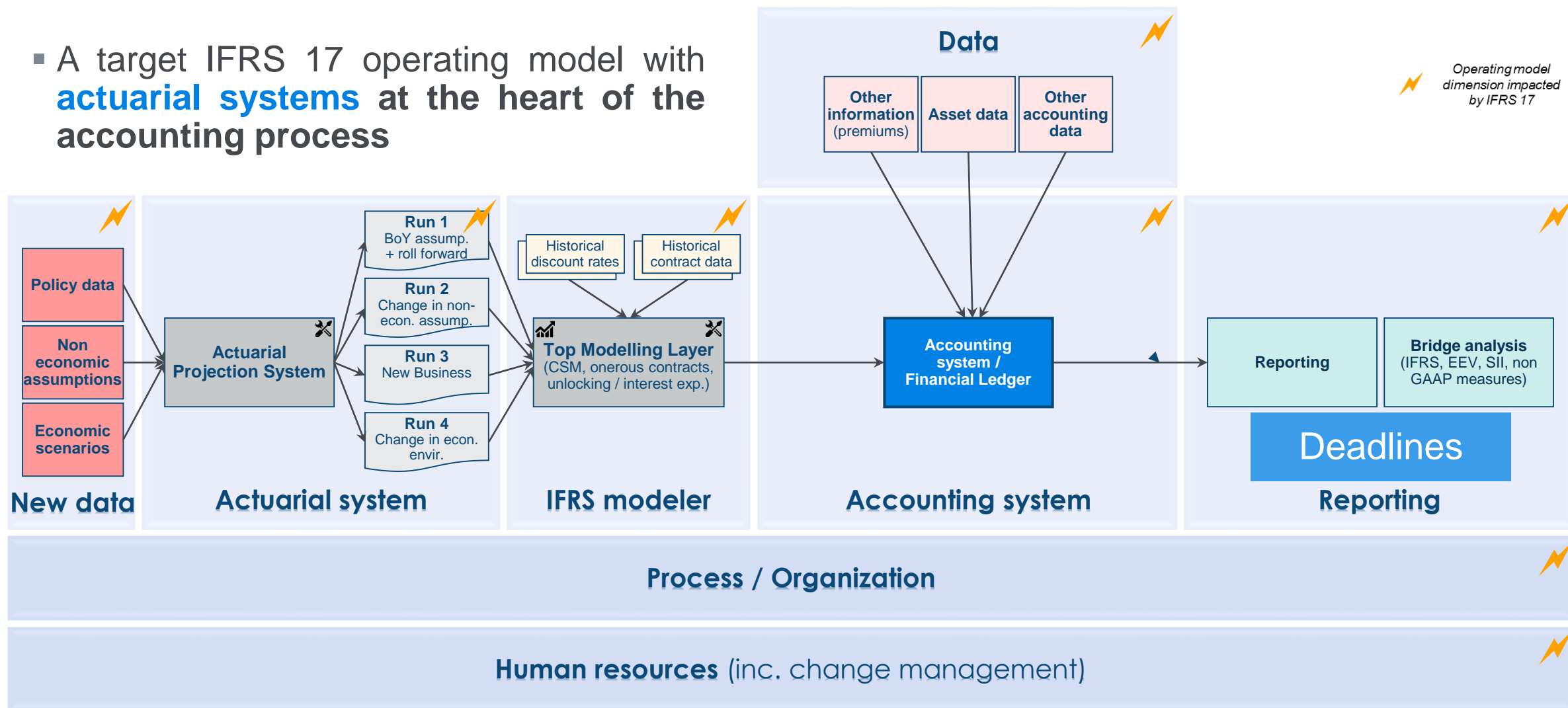


Pre-defined reports



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

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?



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

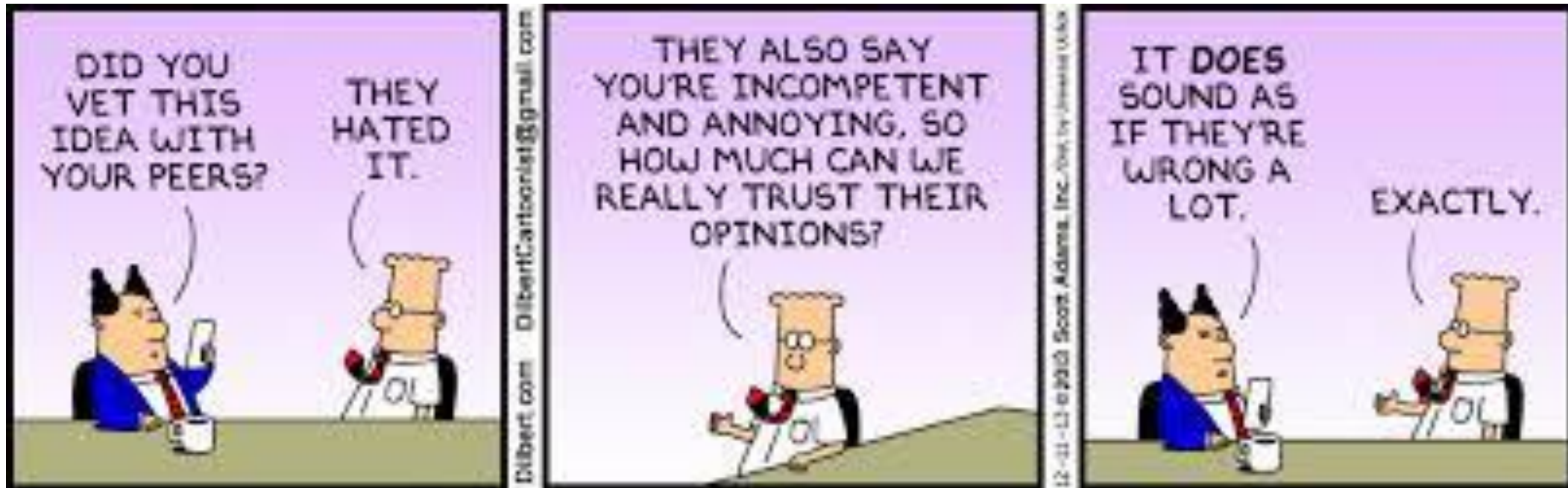
Allow for discontinuities

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

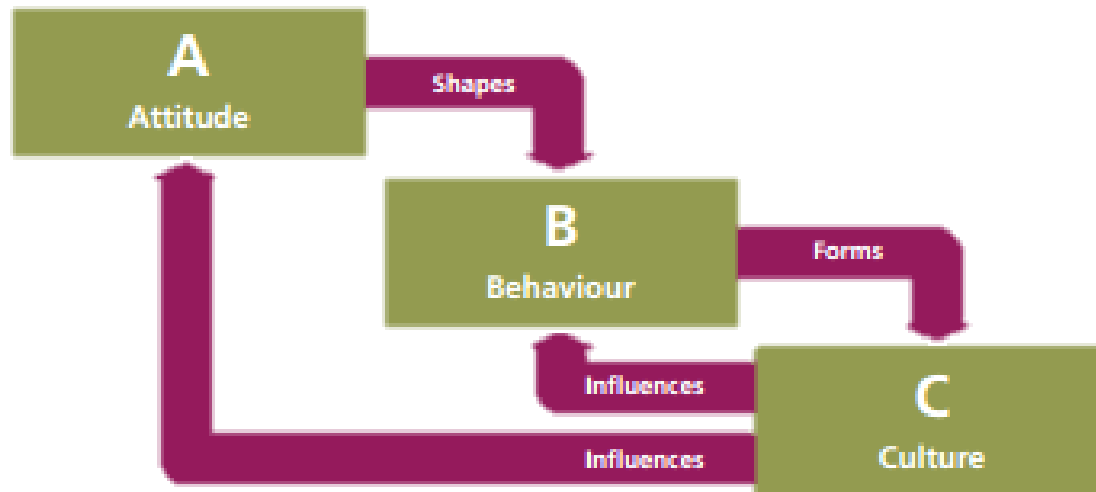
Caoimhe Fahy
24th May 2017

“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.

Very much like this...

74%

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.

☐ I am unable to choose between these statements

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Next

CULTURAL ALIGNMENT (0-100)

Year	Risk Awareness	Risk Analysis	Risk Treatment	ERM Review
2010	55	68	60	35
2011	65	61	57	45
2012	70	60	60	50
2013	45	50	60	55
2014	60	65	60	60

RISK CULTURE PRACTICES (0-100)

Practice	Benchmark Culture	Current Culture
ACCOUNTABILITY	High	Medium
COLLABORATION	High	Medium
OPEN	High	Medium
SUPPORTIVE	High	Medium
CUSTOMER FOCUSED	High	Medium

Legend: ■ Benchmark Culture ■ Current Culture

Legend: ● Risk Awareness ● Risk Analysis ● Risk Treatment ● ERM Review

Milliman

These slides are for general information/educational purposes only. Action should not be taken solely on the basis of the information set out herein without obtaining specific advice from a qualified adviser.

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How can we measure risk culture?

“What we cannot measure, we cannot manage”

Some practical measures...

Documentation

Surveys

Feedback Loops

Incentives

**Organisational
structure**

**Committee
Structure**

**Role of Risk
Function**

Training

**Recruitment
Policies**

**Risk
Communications**

Dashboards

Embedding Tests

How can we measure risk culture?

“What we cannot measure, we cannot manage”



Solidarity vs Sociability

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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