



SDA
ACTUARIES

Benchmarking SFCRs

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AFM 2017 Conference



 SDA
ACTUARIES

Overview

Aims of presentation

Information surveyed

Interesting comparisons

Next steps



Aims of presentation

Highlight similarities and differences between SFCR reports for AFM members

Compare AFM members' SFCR reports to those of larger companies

Identify key characteristics by market segment

Highlight key observations



Information surveyed: SFCRs reviewed

42 companies

28 AFM members

- 9 cash plan providers
- 6 Holloway providers
- 4 general insurers
- 11 other friendly societies

9 non AFM mutuals

5 larger insurers



Information surveyed:

Comparative information

Report length

Branding and presentation

Asset mix

Solvency Capital Requirement

Material risks

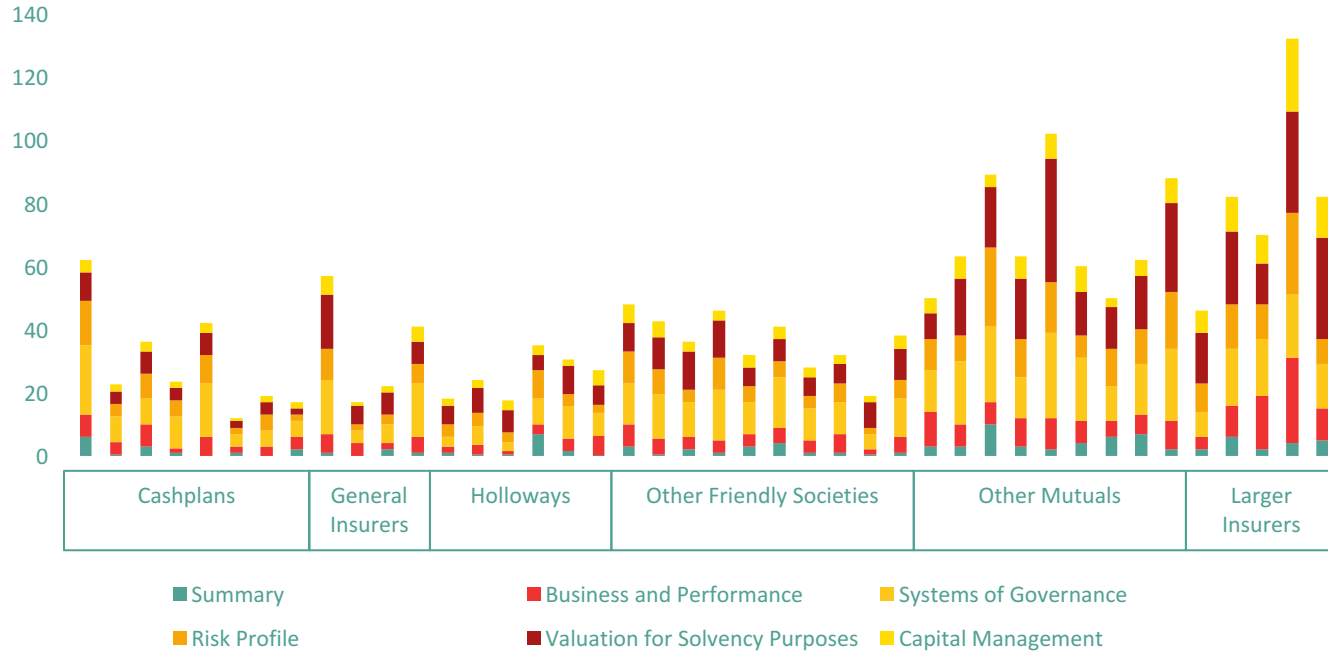
Corporate governance

Profitability



Report length

SFCR number of pages by section



Report length

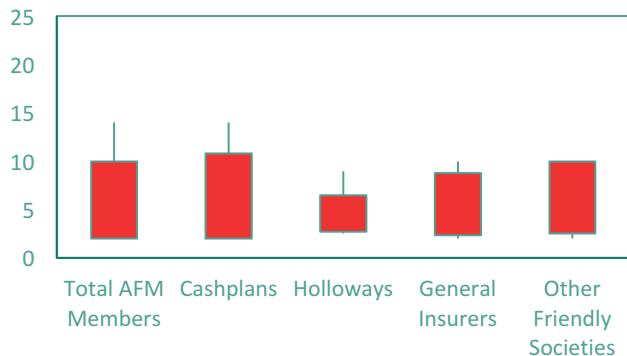
Systems of Governance



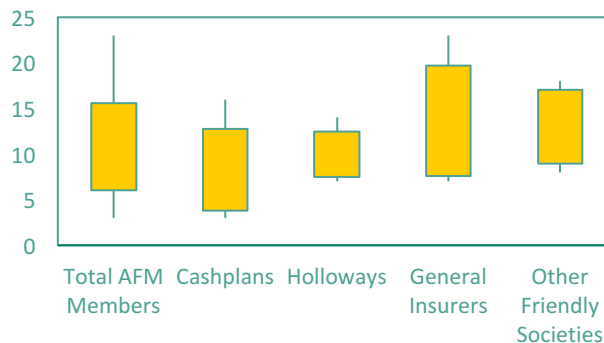
Risk Management



Risk Profile



Valuation and Capital Management



Branding and presentation

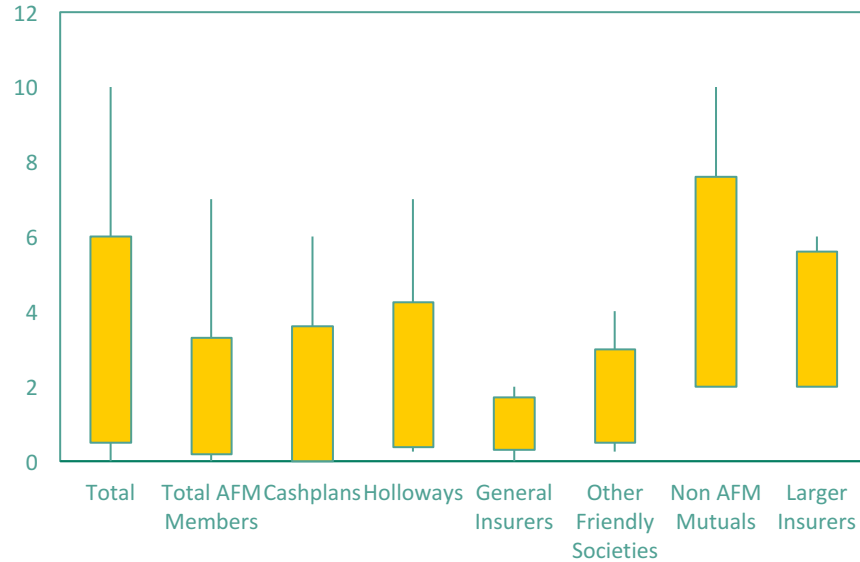
requirements

audience

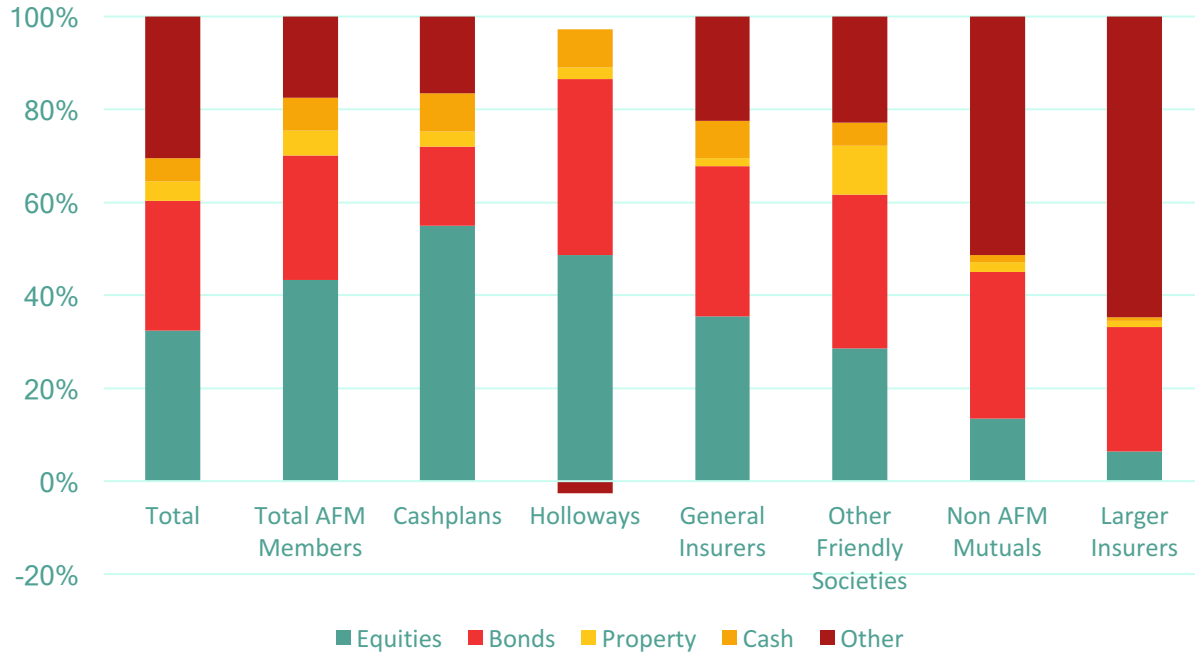
impressions

readability

Summary

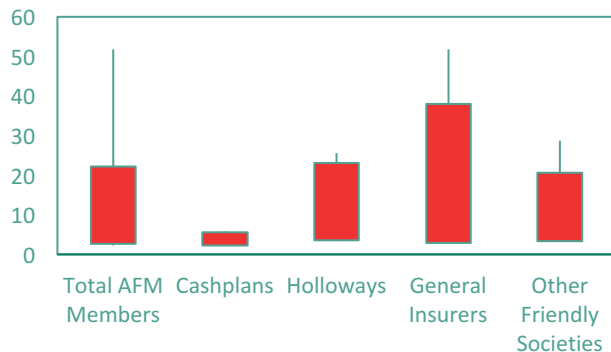


Asset mix

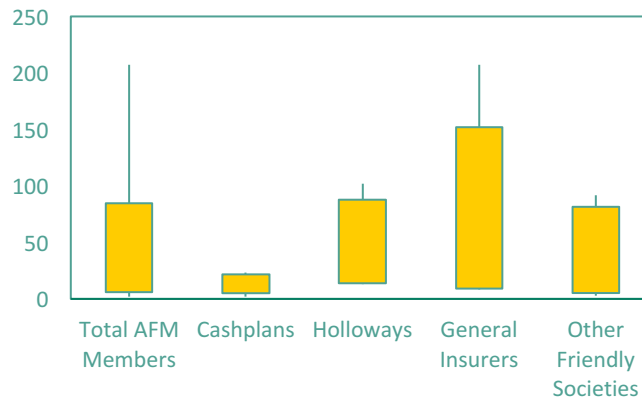


Solvency Capital Requirements

MCR (£m)

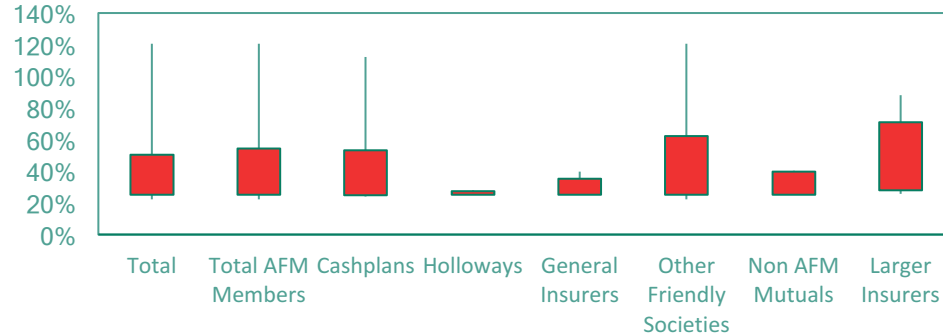


SCR (£m)

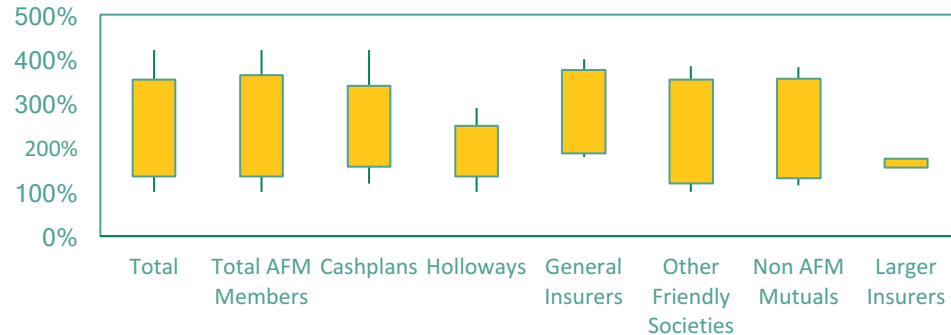


Solvency ratios

MCR as % SCR

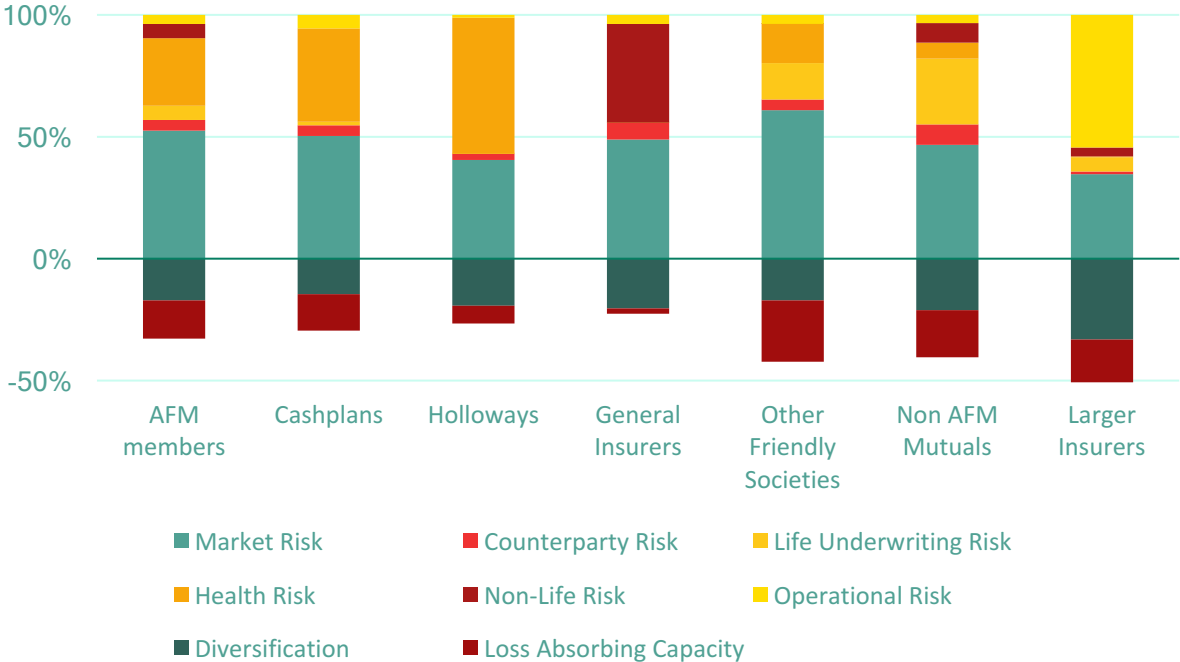


Solvency Ratio



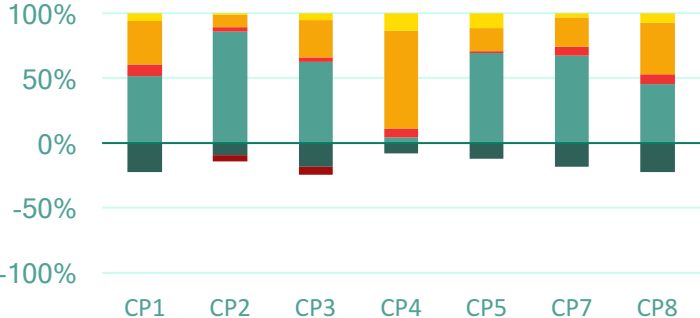
Solvency Capital Requirements

SCR split

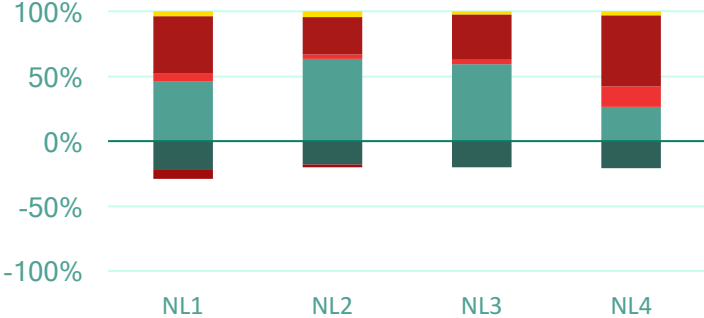


Solvency Capital Requirements - split

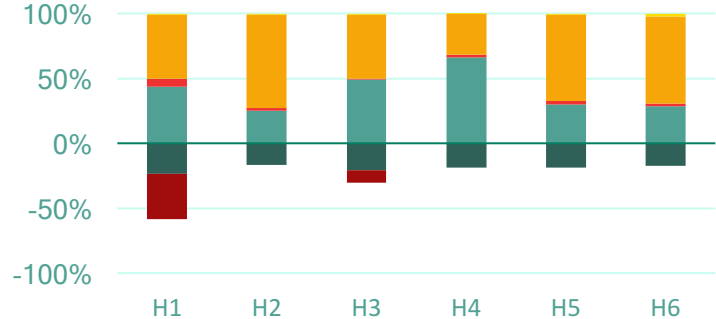
Cashplan Providers



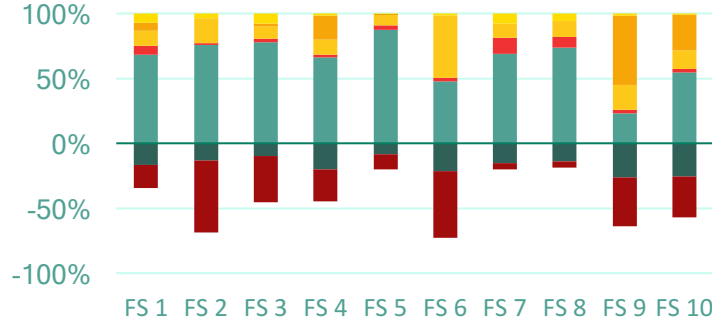
General Insurers



Holloways



Other Friendly Societies



- Market Risk
- Counterparty Risk
- Life Underwriting Risk
- Health Risk
- Non-Life Risk
- Operational Risk
- Diversification
- Loss Absorbing Capacity

Material risks

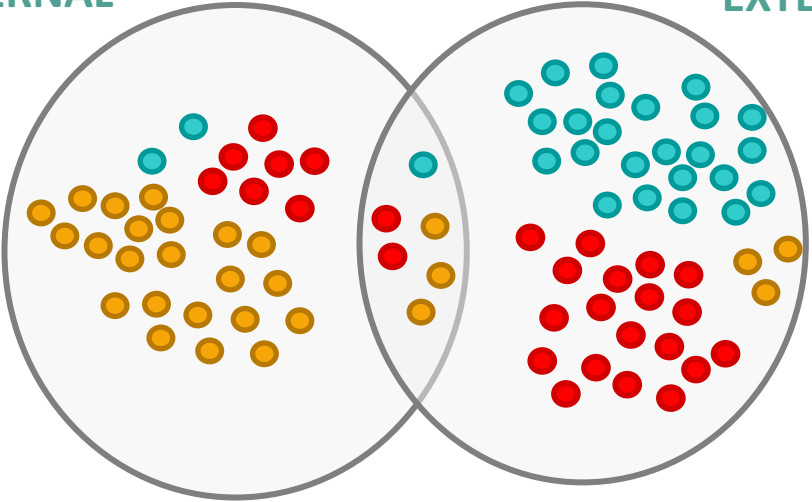
political	economic	legislation	cyber	hostile takeover
pension	fraud	reinsurance	management actions	reputation
conduct	strategic	execution	asset liability management	CTF business
change and adaptability	competition	product development	product distribution	new business



Corporate governance

INTERNAL

EXTERNAL

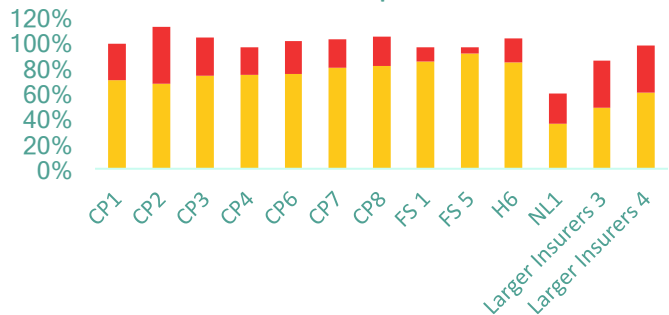


● Compliance Function ● Actuarial Function ● Internal Audit Function

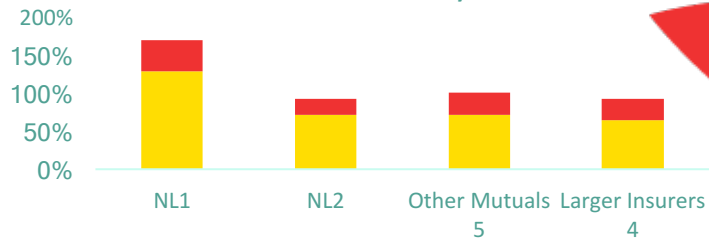


Profitability

Medical Expenses



Motor Liability



Health Loss



■ Loss Ratio

■ Expense Ratio

Other observations

inconsistencies



negative claims



potential data queries



What next?

Review own SFCR

Check everything is included

Review peers' SFCRs

Consider additional information required for comparison next year

