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ROUNDTABLE

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SPECIAL REPORT

Shining a light on internal models

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The Value of Models

With many companies now spending hundreds of thousands, if not millions, of dollars on “underwriting models”, it is not always clear the return the company is getting on its investment. Here Matthew Maddocks discusses a simple approach to valuing models and how and where (re)insurers can get value for money.

“Models”

The term model, or modelling, is often used to mean a number of different things in the (re)insurance market. In general the term refers to a piece of software (either proprietary or built using a standard package such as Excel or Access) in which the real world is represented in a statistical framework to facilitate better understanding and to provide a reference structure for decision making. Specifically underwriting models, in their most basic form, attempt to estimate the claims that are likely to be paid under a (re)insurance arrangement and, more recently, the amount of capital required to accept the risk. For a model to add value to a company it must generally do one or more of the following three things: firstly allow the company to generate more income, secondly allow the company to reduce its costs, or thirdly enable legal or regulatory compliance with the relevant authority for the jurisdiction it operates in. We will look at each of these in turn and discuss how models can be used to gain maximum benefit from their use.

Income generation

There are two main areas where models can, in theory, be used to generate additional income for a company. Firstly, and probably the most common, is when a (re) insurer is operating within a fixed capital environment and uses a model to understand its PML (probable maximum loss) rather than holding capital on a policy limits basis. To be done effectively the (re)insurer needs a portfolio view as well as an individual risk view to enable them to maximise the amount of business written against their capital base. For the model to be truly valuable it should be capable of estimating the PML for individual risks and estimating the correlation between risks across the portfolio. In doing this the (re)insurer can understand the tail distribution for their entire portfolio, which is often where the company’s capital position is derived.

Secondly where a model initially performs analysis at a market level (rather than or in addition to a (re)insurer’s own portfolio) there is great value in identifying new opportunities where the (re)insurer has no exposure or where their representative share is below the level that they expect and/or are targeting. This level of market information can only be gathered and processed if the company has sufficient software in place to capture data at this level, and although time consuming can yield valuable results that can be used for targeted marketing and new business generation.

Cost reduction

For all (re)insurance companies the area that can be mostly improved by models is the cost of claims incurred by the company. There are two stages in the level of sophistication to the approach that should be taken. Firstly the company should have software to enable it to estimate the amount of claims for each contract it underwrites. At a basic level this means the (re)insurer will not accept business at a loss ratio above its target, and it should therefore not (in theory) exceed the costs in its business plan.

Secondly, at a more advanced level, if the company has a sophisticated portfolio model it can optimise the premium-claim relationship and maximise its return for a given level of capital. Although complex and requiring a powerful computation engine the benefits to a (re)insurer from having its portfolio optimised are potentially huge compared to the cost of performing this analysis.

Regulatory compliance

Solvency II now compels all (re)insurance companies to adopt a framework within which to model the level of capital required for the company to operate. The model should include elements for all the types of risks faced by the company: underwriting risk, market risk, credit risk, and operational risk. Although there is intrinsic value in having a model that satisfies the regulator, it’s important that (re)insurers focus on gaining maximum value from the approach by ensuring that any development allows additional value, as discussed above, to be derived from the model.

Conclusion

In conclusion it is important to always focus on the value that can be gained from modelling, and not just participate in modelling for modelling sake. When undertaking a project or software purchase a (re)insurer should look beyond the features and functionality of the model and ask the question “does this model assist me in generating additional income, and can it be used to reduce my costs?”. ●

Matthew Maddocks is Product Manager for Russell Group, a leading risk management software and service company that provides a truly integrated approach to aggregate management, pricing and portfolio modeling, by supporting insurance, reinsurance and retrocession needs across the specialty classes.

**PANELLISTS (left to right):**

Simon Sheaf, head of general insurance actuarial team at Grant Thornton UK LLP
 Toby Ducker, programme director for Solvency II at Brit Insurance
 Eberhard Müller, chief risk officer and chief actuary at Hannover Re

Suki Basi, director and founder of Russell Group
 Sima Ruparelia, group actuary at Catlin

MODERATOR (far right):

Hugh Fasken, Reactions

Internal affairs

Reactions in association with Russell Group and Grant Thornton held a roundtable in London to discuss what effect internal models under Solvency II will have on the market.

Hugh Fasken, Reactions: Will Solvency II models provide a new framework for the underwriting decision-making process?

Eberhard Müller, Hannover Re: The discipline will increase. When you have a clear view on how much risk is taking how much capital this will be beneficial to the discipline throughout the insurance and reinsurance world. For example, let's touch on natural catastrophes. If there is a worldwide understanding that big perils need more capital than average or medium-sized perils, this will be beneficial for the price discipline. Now, on the other hand, the models must be right to achieve this.

Toby Ducker, Brit Insurance: Yes, the one thing we all know is that models definitely give us a better idea. For me, what they actually do is they join up the chain. They provide the underwriter at the point of sale with the evidence required to justify to the broker the position they want to take. That link in terms of using evidence to drive decision making in insurance business can only be a healthy one. But there's another side to it as well, which is about capital management at a portfolio level. For example, what the internal models will drive out, and indeed what the standard formula of the QIS exercises did drive out, is where there are specific areas that are taking up more capital. That's maybe where you want to make trade-offs. A good example is credit risk. One of the lessons out of QIS 5 was that some people came out with a much larger credit risk component than they originally thought they would have. But that's easily managed through a few techniques and suddenly you can reduce it down again. So it's that joining up of capital and decision making that's key to Solvency II and it will, I think, drive better decisions into the market.

Suki Basi, Russell Group: One of the key elements of the use test is that it requires that the underwriter understands what's going on in terms of the capital requirement and can at least then justify to their line management or to their business why they've taken that particular decision. It's about decision support rather than taking the decision. I don't think that anybody's thinking that internal models should be making decisions for underwriters, but what they should be doing is helping underwriters to make more informed decisions.

Sima Ruparelia, Catlin: My experience, though, is that the effect that internal models are having on the underwriting side is the least out of the whole business, pretty much because the linkage isn't there yet. People can't see how that linkage is actually going to work. That's not my Catlin experience, it's more my market experience of just seeing various clients in the market who are not worrying about the use test for underwriting. They're worrying about it for other decision making but not necessarily for underwriting.

Simon Sheaf, Grant Thornton: That ties in with my experience, and it seems to me the biggest difference that internal models and the extra information they provide are going to make to underwriting initially is that the extra information is going to be used by senior management to try and push the underwriters in the correct direction rather than being used by the underwriters directly. It's going to take time until a lot of underwriters actually understand what the models are telling them and believe the model sufficiently to rely on it.

Eberhard Müller, Hannover Re: But there is a brilliant tool to achieve this: if you link the benefit of the underwriters, their bonuses,



“With sophisticated models benchmarking can now be done with more precision, taking into account numerous risk factors and variables.”

Suki Basi, director and founder of Russell Group

to the value created by their business and the value created is measured by means of an internal model, they try to ask questions about the internal model.

Toby Ducker, Brit Insurance: For many markets, it does create some challenges. For example, in the London market many underwriters still think on an underwriting year basis rather than on an accident year or ROC-type basis. That mind-set does need to change. We are using technical pricing at the underwriting level linked back to the internal model on a day-by-day basis. This helps us not only inform management, but also to provide the right evidence to underwriters about the decisions they're taking because in the end there will always be blind spots. The model's not going to be perfect, but it's a better informed decision and that can only be healthy for the industry longer term.

Suki Basi, Russell Group: But I think essentially one of the benefits that comes out of this whole initiative is that you in essence are putting in place a learning system, something which over time will evolve with the business. The benefit of that is a consistency of decision making. Ultimately it gives the ability for management to have a consistent approach to controls within the different lines.

Toby Ducker, Brit Insurance: If you look at how, for example, information changed the business of travel at the end of the last century when the internet came into play. Suddenly all travel agents went online, people could compare prices very, very quickly, whereas before they could maybe only go to one travel agent. The information actually created a much leaner, better informed industry.

Suki Basi, Russell Group: With sophisticated models benchmarking can now be done with more precision, taking into account numerous risk factors and variables.

Toby Ducker, Brit Insurance: Exactly, you can read across. The thing that computers do very well is read across and aggregate information together. Now, I think to a degree Solvency II will do the same for insurance companies. It's not just about underwriting decisions, it's about portfolio decisions. It's potentially about M&A decisions and those sorts of things that the internal model will have a very powerful use for as well.

Suki Basi, Russell Group: Obviously you're going to have some organisations that are more advanced than others. For those ones that are at a higher level the underwriters are looking at the portfolio level and the whole thing is about return on capital. Why? It's almost going back to basics, every underwriter knows that insurance and reinsurance are only viable once we have the concept of a portfolio. Capital will always sit at a portfolio level, very few investors would provide the capital to support the underwriting

of a single risk in isolation. Solvency models will now support the portfolio approach and should give underwriters the full backing of their capital in making decisions.

Toby Ducker, Brit Insurance: And more to the point, for insurers to actually go to their brokers who quite often are the feed for these businesses and say: “No more, we can't go below this because we can no longer justify it to management.” If they don't have that information then it might seem like a great price but now they have the internal model backing it up in terms of the capital that risk will take up.

Eberhard Müller, Hannover Re: I come back to my example: it's amazing to see how underwriters understand that \$200m more capacity for hurricane exposure in the Gulf of Mexico is far more expensive than the same exposure for South African flood.

Hugh Fasken, Reactions: For some jurisdictions we're talking about maybe a profound change and much more light being shone on the internal processes behind the insurance company. So are we looking at a profound change in the marketplace?

Toby Ducker, Brit Insurance: The standard formula may be too penal. The problem with the standard formula is it's calibrated towards a certain type of firm but the range and diversity of firms across Europe and their ability therefore to meet even standard formula requirements may be a driver to consolidation.

Eberhard Müller, Hannover Re: Yes, that's our opinion. We discussed this certainly in Germany for quite a while and it became clearer and clearer that these multi-million sized entities might have more difficulties in getting compliant with the Solvency II system, and with the internal model rules especially, so I think there will be a pressure for consolidation in the upcoming years.

Simon Sheaf, Grant Thornton: But even for the UK there is one substantial difference from the ICAS [individual capital adequacy standards] regime, which is the use test. In my experience there were quite a lot of insurers in the UK where the actuaries built a beautiful all-singing all-dancing model, but nobody else in the organisation had the faintest idea what it was or what it did. So nobody used it for anything other than satisfying the regulatory requirement. The most bizarre example of that I can give is we were at one point approached by the chief risk officer for an insurer who came to talk to us about whether we might be able to help the risk team of this insurer in understanding the model their own internal actuarial team had built! When you get into that situation you realise this company has just spent a fortune building a model to tick a regulatory box. A huge change in Solvency II is that you can't get away with that anymore. You're actually going to have to use the model you've built to help you to run the business.

Suki Basi, Russell Group: That actually was the master stroke within this whole Solvency II regulation because it drives so many good things out of it. First of all, it drives the capital model out of a black box. That's a good thing: it embeds it into the business, forces companies to understand it and creates a path for continuous improvement.

Toby Ducker, Brit Insurance: Different regulators and jurisdictions were at different stages when Solvency II came along. Different companies will be as well. We were lucky enough to have a management team with the foresight to start implementing technical pricing in 2003/04, which at the time for the London market was ahead of its time. Now of course it looks like a fantastic move because it saves us a whole world of pain right now

because all we need to do is link that back to the internal model. Culturally, getting things like technical pricing embedded – and some of those underwriting-facing aspects of the use test are the hardest part – are crucial. What it does is create something, which wasn't there before, that looks over an underwriter's shoulder and forces them to justify their decisions.

Sima Ruparelia, Catlin: I think it will take a long time before it's really embedded in pricing, though. That's the last place that people are thinking about it. They might be thinking about capital allocation and allocating appropriately to line and class of business in an appropriate way by risk, but I really don't think I've seen in the market that that many people are moving towards using it on a pricing basis.

Suki Basi, Russell Group: I think the big European reinsurers are actually at that level where they're wanting to integrate and have integrated. I think the Bermudans to some extent have always had that philosophy. I suppose there is the danger that you may have a two-tier system even in London as a result of potentially some doing it and some not.

Toby Ducker, Brit Insurance: What you're going to get as a result is that those with technical pricing capability will suddenly start making much better decisions, creating better returns, while those who don't suddenly become at risk because how else at the point of sale do you determine whether you're writing a good risk or a bad risk? It's through creating some sort of technical price that tells you whether you are going to get the return from that risk that the capital requires.

Suki Basi, Russell Group: Presumably, though, with a fully integrated and capital pricing model you're able to hunt down opportunities as well. You can work in reverse.

Toby Ducker, Brit Insurance: Absolutely. Which if you haven't got that capability you're going to struggle to do. Which is why the key bit is supporting the underwriting decision-making because it isn't about replacing underwriters – this is about supporting them with better information that helps them to make better decisions.

Eberhard Müller, Hannover Re: For certain risks you still need underwriters: on terror, on pandemics, all of this stuff.

Simon Sheaf, Grant Thornton: Well you can't imagine a situation when a model is ever going to replace the underwriter because the model can take certain things into account but the model is only ever as good as the information you feed into it.

Toby Ducker, Brit Insurance: But you need to think about your market segments here. For example, in retail where you've got a simple yet homogenised product, there's a portfolio underwriter who sets the pricing model and obviously understands that relationship back to capital. That's really the dawn of technology within the insurance industry rather than the internal models. The interesting thing will be the mid-market for me – which could be from small commercial markets up to quite large broker markets. That's the bit that we could see change in the longer term. But I don't see this changing that broker/underwriter relationship, I think the conversation will change but the relationship will still be required.

Hugh Fasken, Reactions: Eberhard, as a chief risk officer are you confident that these models will give you the depth and breadth of understanding to fulfil your needs?

Eberhard Müller, Hannover Re: My first reaction to this is always



“My first reaction to this is always that I can't live without models – I need them. On the same side I know that they are not telling me the entire truth.”

Eberhard Müller, chief risk officer and chief actuary at Hannover Re

that I can't live without models – I need them. On the same side I know that they are not telling me the entire truth. I have had my learning experience with the economic scenario generators in 2008. My latest learning experience was the RMS update for the US hurricane exposure, which are up more than 50% from last year. So when I see this I always ask myself: “What was the worth of the model last year?” I relied on it. So I know there is model uncertainty. But going back to a world without models is totally unimaginable for me.

An internal model, a fully-fledged internal model integrates all different parts in one probabilistic model. Those are all integrated in one model which tells you for example the status of your capital when starting now, in a one year time period from now on a probabilistic basis so you exactly know what will be the 99.5 percentiles, the 99.9, even the 99.97.

Toby Ducker, Brit Insurance: That's an absolutely key point because it's no longer about understanding points on the curve. It's about understanding the entire curve. Not only that, what are the drivers of that curve so that you can break it down. The model that we've built gives you results at an underwriting level, a reserve level, a credit level, an asset level, and then it also combines all of those things, with operational risk coming in.

Sima Ruparelia, Catlin: Does management understand the weaknesses behind the model as well, though?

Toby Ducker, Brit Insurance: And this from an actuary!

Sima Ruparelia, Catlin: I'm a practical actuary.

Toby Ducker, Brit Insurance: Of course you're right, and it's why for example our credit committee signs off the credit parameters and the credit assumptions that relate to their part of the model, because it's absolutely key that they understand what they're putting into the model and what's coming out. In the end the actuaries aren't putting in those assumptions, it's the credit committee.

Eberhard Müller, Hannover Re: You're touching on the key of internal models: the parameterisation of internal models. You have to have clear and defined processes about who sets what parameters when, on what basis and how they will be monitored over time?

Toby Ducker, Brit Insurance: Yes. It also depends on what the regulator says when they review it, they'll give you a good idea about whether they think it's complete or not.

Suki Basi, Russell Group: Sure, but isn't the regulator going to fall on the side of the weakest link to some extent?



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Sima Ruparelia, group actuary at Catlin

Toby Ducker, Brit Insurance: No, I don’t think that’s the case at all. I think that genuinely people will be told – indeed in the UK they already have – that their internal models are not fit for purpose and that they are going to be looking at the standard formula. So I don’t think the regulator will shy away from some tough calls within all this, which is a positive. It’s vital that people take this seriously and do the work. It’s all do-able, but the point is you need management and boards who ultimately own the internal model.

Simon Sheaf, Grant Thornton: That is a big challenge for most boards in the insurance sector. We work with lots of companies who have a board like you are saying, which go through lots of training to basically put them in the position to be able to own the internal model and to challenge the internal model. And we work with companies where before every monthly board meeting the board get a training session on a different aspect of Solvency II, and for some members of the board in particular it’s a big challenge. In the medium term this is going to change the composition of boards.

Hugh Fasken, Reactions: Will there be more information disclosure along the chain and how will that affect pricing in the market?

Toby Ducker, Brit Insurance: The ability for insurers who have historically cross-subsidised lines of business will start to reduce, and the ability for companies to rely purely on reserve releases to prop up their current year underwriting will reduce. It potentially takes some of the peaks and troughs out of the market if it happens right, especially with the newfound access to capital markets to help with some of those catastrophe events and the fact that also companies respond a lot faster to events these days.

It forces people to take a conscious decision. If they want to underprice a risk of course they can do so – there’s nothing stopping them. But it’s got to be a much more explicit decision under Solvency II rather than just an implicit one.

Eberhard Müller, Hannover Re: And hopefully it will smooth the insurance cycles so the memory of underwriters will no longer be only dependent on the last major catastrophe and dropping the prices as long as there is no major catastrophe. We will look at the models and the capital required for this respective exposure and so we will not go as deep as with this historical thinking.

Toby Ducker, Brit Insurance: Yes, any market that’s better informed and understands cause and effect is more robust.

Hugh Fasken, Reactions: At the very top of the chain will be the regulator. What level of understanding do they have or will they have? They are going to be inundated with requests for approval. Are regulatory resources a concern?

Toby Ducker, Brit Insurance: It’s not fair to say that they’re not prepared but I think it’s also important to reflect on the different

shape and nature of European insurance markets. For example, Hannover Re is one of maybe half a dozen internal model applicants in Germany. In the UK it started off at 110, it’s now down to about 80. Nonetheless, that’s 80 internal models to be approved by the FSA. Now, to be fair to the FSA they knew about this years ago and they were resourcing up. Equally, Lloyds, which has a very specific role to play in this, resourced up a while ago and got very well organised. So the regulators have been well aware for some time that the different shape and nature of the different European insurance markets will drive out different levels of numbers of model applications. They’re getting on through it, and I think yes of course there’s a lot of work to do, but the regulators have all done their best to resource themselves adequately to meet that challenge.

Hugh Fasken, Reactions: Does it differ from jurisdiction to jurisdiction? Are we seeing the same level of understanding and evolution for example in the UK as opposed to France and Germany?

Sima Ruparelia, Catlin: The FSA are ahead mostly apart from perhaps Germany and a couple of other European countries where they’re in line. I think there are a lot of European regulators that are not ready for Solvency II.

Eberhard Müller, Hannover Re: That’s unfortunately true.

Suki Basi, Russell Group: With everything that’s going on in some of the European countries such as Greece, it’s difficult to see that they’re moving at the same speed as some of their other counterparts. But it’s important as well to stay away from speculation and make sure that we focus on the facts and the reality. The reality is that the timetable is the timetable and that’s what we’re being asked to deliver to.

Eberhard Müller, Hannover Re: Whatever that timetable may be tomorrow!

Sima Ruparelia, Catlin: But I still think even the FSA will struggle with the number of volumes of internal model approval that they’ve got, even though they’ve been gearing up. They’ve got a lot of younger resource, a lot of younger people there who haven’t got the same level of experience as others in the teams, and I think they will struggle.

Simon Sheaf, Grant Thornton: If you compare the position, say, with the Central Bank in Ireland, the Central Bank in Ireland has got something like 50 to 60 internal models to approve, which is two-thirds of the number the FSA has got to approve and the level of resources they’ve got is a lot less than the FSA have got. And there are many other regulators who are less well-resourced than the Central Bank.

Hugh Fasken, Reactions: What will be the impact of the FSA’s recently announced two-tier approach to model approval?

Simon Sheaf, Grant Thornton: That’s going to create issues. You are in danger of having a two-tier system. If you’re now one of the organisations that doesn’t make it into the FSA’s top 10 or isn’t related to a Lloyds’ entity then you’re now in the situation when you have to create your internal model with substantially less help and assistance from the FSA. That makes it more of a lottery as to whether you’re going to get your internal model approved. There are going to be some insurers who are going to get to March or April next year, submit their model to the FSA and their model is going to be rejected. You could easily believe there are going to be insurers who are going to go back to the FSA and say: “Well, hold on a minute, if you had given me the level of support you promised me when I entered the pre-application process then you would have helped me to understand areas of my model that weren’t

quite right and things that I needed to improve and change, and I would have adjusted the model as necessary and I'd have got it approved. So exactly whose fault is it that my model didn't get approved?" I can see that being an issue for a not insignificant number of companies come the end of next year.

Sima Ruparelia, Catlin: I think it could convey a competitive disadvantage as well. As you say, if those people that are smaller don't get their model approved because they haven't had the support they're suddenly under the standard formula, which could give them a capital load compared to what they would have thought under the internal model. It seems slightly unfair when some of those larger players might have more free capital available anyway, so you haven't looked at the solvency level, just the size of the insurer.

Hugh Fasken, Reactions: In February, Omnibus II was published, which could push back implantation of some parts of Solvency II up to 10 years. In addition, the EU has EU disclosed that proposals are on table to stagger the implementation of Solvency II. What effect would these have?

Sima Ruparelia, Catlin: Maybe I'm just a bit aggressive but, think we should go for full implementation, which probably won't be that popular. I just think we could carry on going round and round in circles and talking about it. Things will become much clearer once you go to full implementation.

Simon Sheaf, Grant Thornton: One of the issues is that most large organisations are in a position to go for full implementation on January 1 2013. But there are lots of smaller insurers in the UK as well as around Europe who are going to really struggle to be up and running by then. Once the FSA decides it's going to focus on large insurers, that doesn't exactly help the process, and that's one of the reasons why it seems to me that, at most, what is going to come in on January 1 2013 is going to be Solvency II with enough transitional measures to make it possible for smaller insurers to meet the requirements. Otherwise, the danger is that in 18 months' time you're going to have quite a high percentage of the insurers around Europe who are incapable of complying with the new regulatory regime.

Toby Ducker, Brit Insurance: There are two major things for those of us in companies putting a lot of investment and a lot of effort and a lot of time to get compliant. First of all, all projects take the time they're given. So if you give it another year it will take another year, and creates additional expense for marginal value. The second is one of momentum. We've worked incredibly hard to build a head of steam and a focus to create a level of coordination. It will be a real shame to lose that momentum at the last stage when a lot of people can see the end in sight.

Hugh Fasken, Reactions: But if that bar did drop, would you still continue at the rate that you would continue? Would you self-regulate?

Toby Ducker, Brit Insurance: Let's say we're 70% to 80% of the



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Simon Sheaf, head of general insurance actuarial team at Grant Thornton

way there. The last 20% to 30% can be quite expensive. So if the timeline shifted there would be a commercial pressure to attempt to reduce cost and spread some of the work out. It would be very difficult to walk into my CEO's office and say, "All the dates have changed on Solvency II but don't worry, still spend the money." It's a difficult conversation to have.

Hugh Fasken, Reactions: Does anyone have any final comments?

Eberhard Müller, Hannover Re: One point in the discussion that currently is driving me and my internal model a little bit is the quantification of operational risk within internal models. Here I see some development in the market that I don't like. It's going from the probabilistic and forward-looking approach back to the rear window. We actuaries are sometimes said to be the guys looking out of the rear window of a fast moving car and telling the driver where to go. The only reliable solution for internal models so far has been developed by our Bermudian friends, and I will use this in my internal model as well, where you do a check of your processes for operational risk, you do some sort of rating your internal processes from just started, running, running being efficient and then having been done successfully over years. So you have those four categories, then you allocate scores and then you change those scores into a percentage, you add to your quantifiable risk entirely in accordance with the actuarial study published in 2004, a Framework for European Solvency System. So that would be the only way for me to reflect in a fully-fledged internal model also the quantitative part of the operational risk. On the other hand I have not seen so much in this direction so far the market other than in Bermuda, so what's the reason for this?

In Germany there is a very clear statement from the BaFin that a full internal model has to include operational risk. If an internal model is only concentrating on the quantifiable risk other than operational risk then it would be treated as a partial internal model by the German regulator. The real convincing internal model approach for operational risk I think has to be developed yet.

Simon Sheaf, Grant Thornton: It seems to me that unquestionably Solvency II is going to have a positive impact on the insurance sector and, in particular, the advent of internal models is going to give companies and boards and senior management a deeper understanding of their business and better management information that enables them to make better, more accurate decisions and that has to be a good thing. The only thing that concerns me is I think it's important that the way it is implemented isn't to the advantage of larger organisations who have more resources, more money, more time and people they can throw at things and to the detriment of smaller insurance companies, because I think if you're in danger of creating any sort of two-tier system that's bad news for the market. ●

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