



CARIBBEAN ACTUARIAL ASSOCIATION



Accredited as a Full Member
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2015 Conference "Strength in Numbers"

25th Annual CAA Conference

Hilton Trinidad & Conference Centre

Port of Spain, Trinidad & Tobago

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General Insurance – What's happening in the World?

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So what is happening in the World?

- Competition
- Mergers and acquisitions
- China – inwards and outwards
- Lloyd's
- Technology
- Regulation
- Cyber

Competition



- Lots of capital
- Insurance linked securities



- Inexorably downwards
- No more cycles?



- Cheap capital
- Falling direct rates in commercial

Mergers and acquisitions

Profits falling

No growth

Buy someone

Ace
Chubb

XL
Catlin

Exor
Partner Re

Mitsui
Amlin

Ren Re
Platinum

Tokio
HCC

Arch
Gulf Re

Zurich
RSA (off)

Fairfax
Brit

Endurance
Montpelier

Sompo
Canopus

China – buying or selling?

Everyone wants
a piece of China

But now the
Chinese are
buying

Major listed companies:

- Ping An
- China Life
- PICC
- China Re
- Minsheng (Sirius)

Fosun

Peak Re
(85%)

Nagico
(50%)

Ironshore
Meadowbrook
Pramerica
Yong An
Fidelidade
RSA ME
Phoenix

Reinsurance markets

- Too many reinsurers
- Too much capital
- Cat cover is a commodity
- The Cat modelling black box
- No more cycle – the Bermuda shelf companies
- Scalable with capital markets
- But Bermuda beginning to decline



Lloyd's of London

- Underwriting centres in:
 - London
 - Singapore
- 36 representative offices
- 59 syndicate managers
- Lots of big (re)insurers have a syndicate
- Renewed growth ambitions



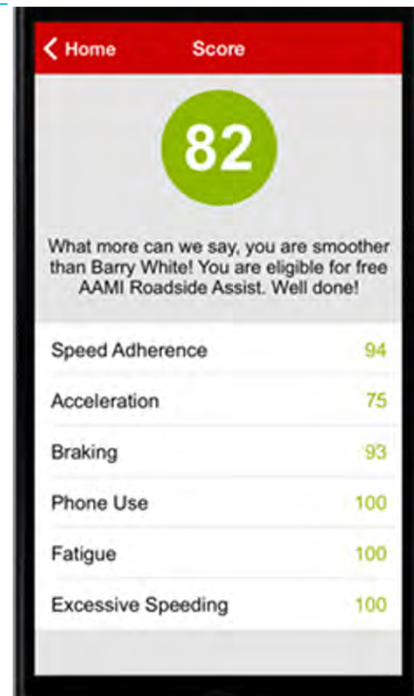
Technology – inside the company

- PAS, CAS and Ledger continue to be difficult and expensive; some resurgence of off-the-shelf packages
- The biggest investment is sales and service front ends:
 - Internet quoting and fulfilment
 - B2B with brokers and agents
- Recent investment in consumer engagement by Smart Phones
- Analytics and Big Data are growing – company and external data; customer behaviour

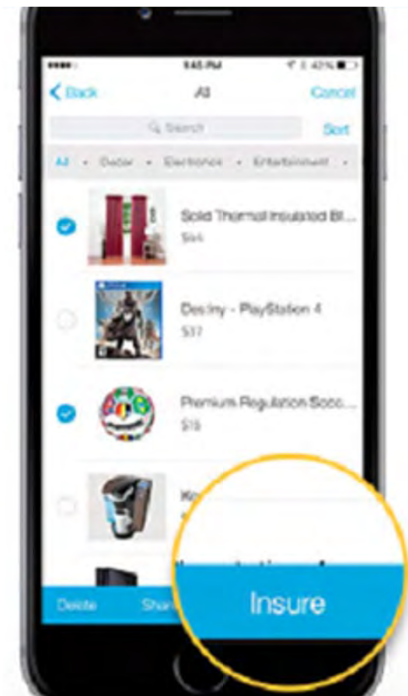
Examples of consumer engagement



AAMI Connect



Safe Driver



Trov

Technology – Outside the company

Motor

- Telematics
- Driverless cars

Property

- Security
- Underwriting

Disruptors


- Peer to peer
- Aggregators and on-line comparisons
- Google Insurance

The biggest challenge is just keeping up with the pace of change

The inexorable growth in regulation

- Driven by G20, FSB, Basel Committee, IAIS
- Solvency 2 in Europe:
 - Risk based capital
 - Enormous commitment to risk management and analysis
- US NAIC under similar pressure
- Equivalence regime – Bermuda, Japan, China
- Trickle down to other markets – ten years work for the region?

Topical risk issues

- Climate change:
 - Sea level rise
 - Time to adapt?
- Cyber crime
 - Also an opportunity for cyber insurance
- Continuing pressure for efficiency 
- Aggregators and on-line comparisons
 - The Winners Curse

Go the Actuaries ...

Analytics

**Pricing
sophistication**

Big Data

**Risk
management**

**Capital
management**

The future – more GI actuaries than Life

