

# What is the truth?

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# Renewal Rate Calculation

	Year 1	Year 2
Policy	Premium	Premium
A	800	880
B	400	300
C	800	800
D	1200	3960
E	500	550
F	2300	
G	600	
H	900	900
I	500	500
J	700	770
K		600
L		400

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iv) Option (ii) but remove rate movements =  $99\%/1.1 = 90\%$

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Policy B is being paid in instalments. You don't have the full renewal!

Policy D was renewed as a 3 year contract. We should get credit for that!

Here are some common methods to calculate renewal

i) Policy count = 8/10 = 80%

ii) Renewed premium (t=2)/starting premium (t=1) = 8660/8700 = 99.5%

iii) Renewed premium (t=1)/starting premium (t=0) = 5000/5000 = 100%

iv) Option (ii) but remove rate

Policy F was intentionally not renewed. It should not count!

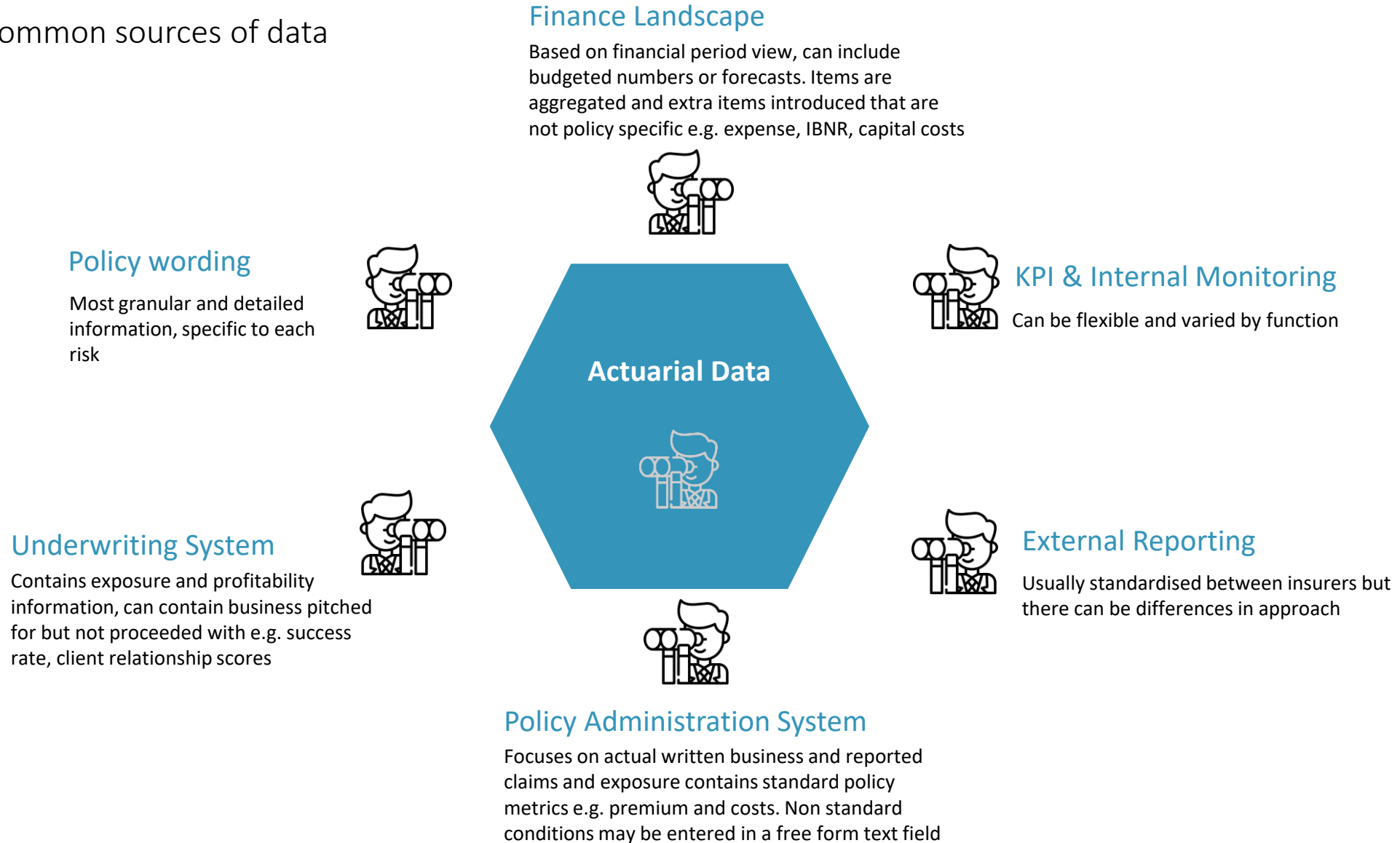
Policy G is part of a package deal written out of another office. We have no control over it so don't include it!

Policy K was a renewal of a 2 year contract written in Year 0. It should be included!

We managed to achieve these renewals despite pushing through a 10% rate increase. Factor that in!

# Different Sources

Some common sources of data





# Legislative comparison

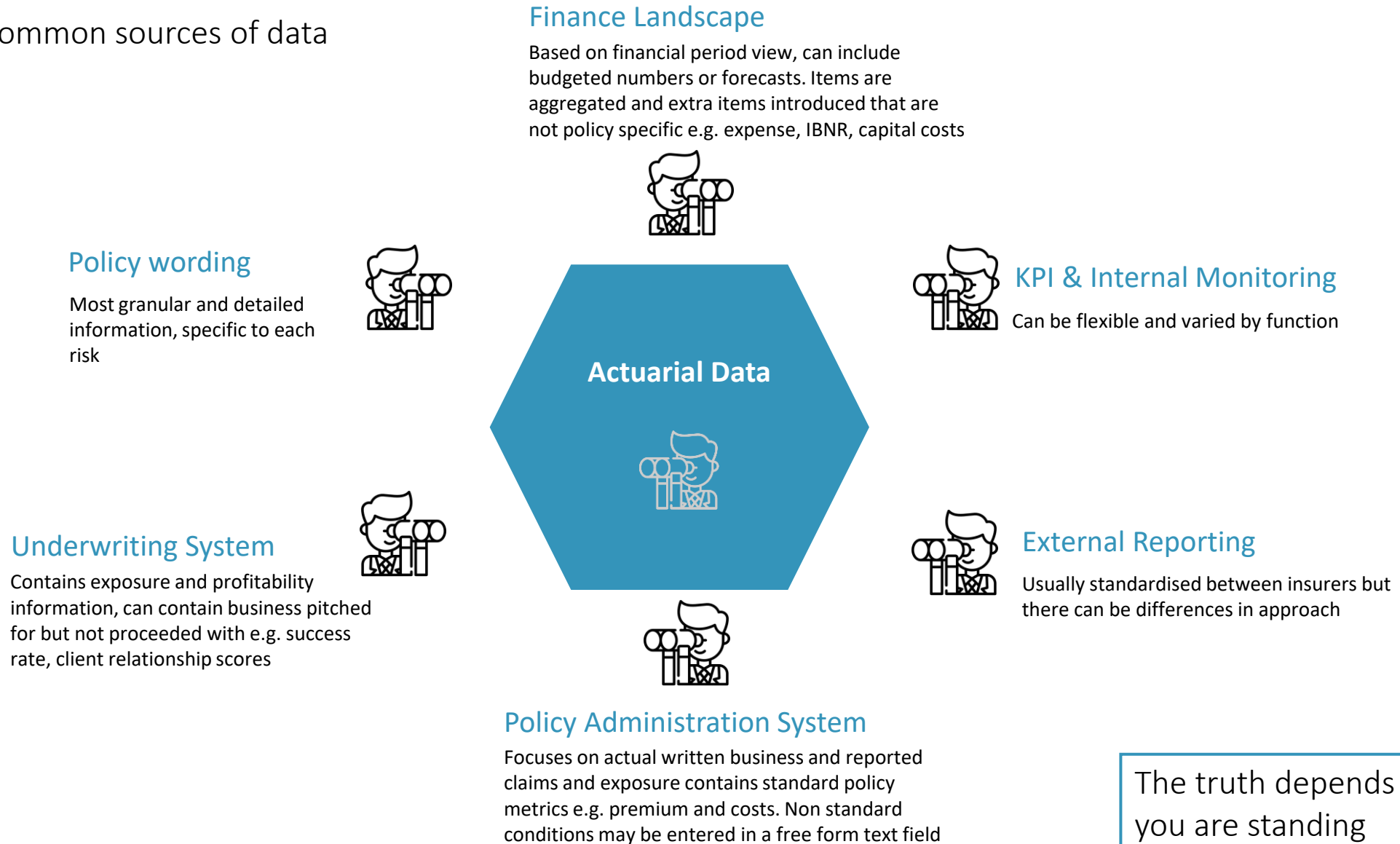
Labuan FSA

## 10.0 Data and Information Used by the Appointed Actuary

- 10.1 The Principal Officer (PO) of a Labuan insurer is responsible to ensure that the insurer's database is properly maintained so that the data on business in force provided to the Appointed Actuary is accurate and complete. I
- 10.2 The Appointed Actuary shall be given unrestricted access to the database and the management shall furnish immediately, upon request, such data and explanation as the Appointed Actuary may require when conducting the valuation of liabilities of the general insurance business. The data shall include the insurance fund's experience and/or industry data where the Labuan insurer's own data is insufficient for the Appointed Actuary to make reasonable estimates. The PO shall also provide qualitative information on operational issues and other processes that are relevant to the Appointed Actuary in conducting the valuation of liabilities for the general insurance business.

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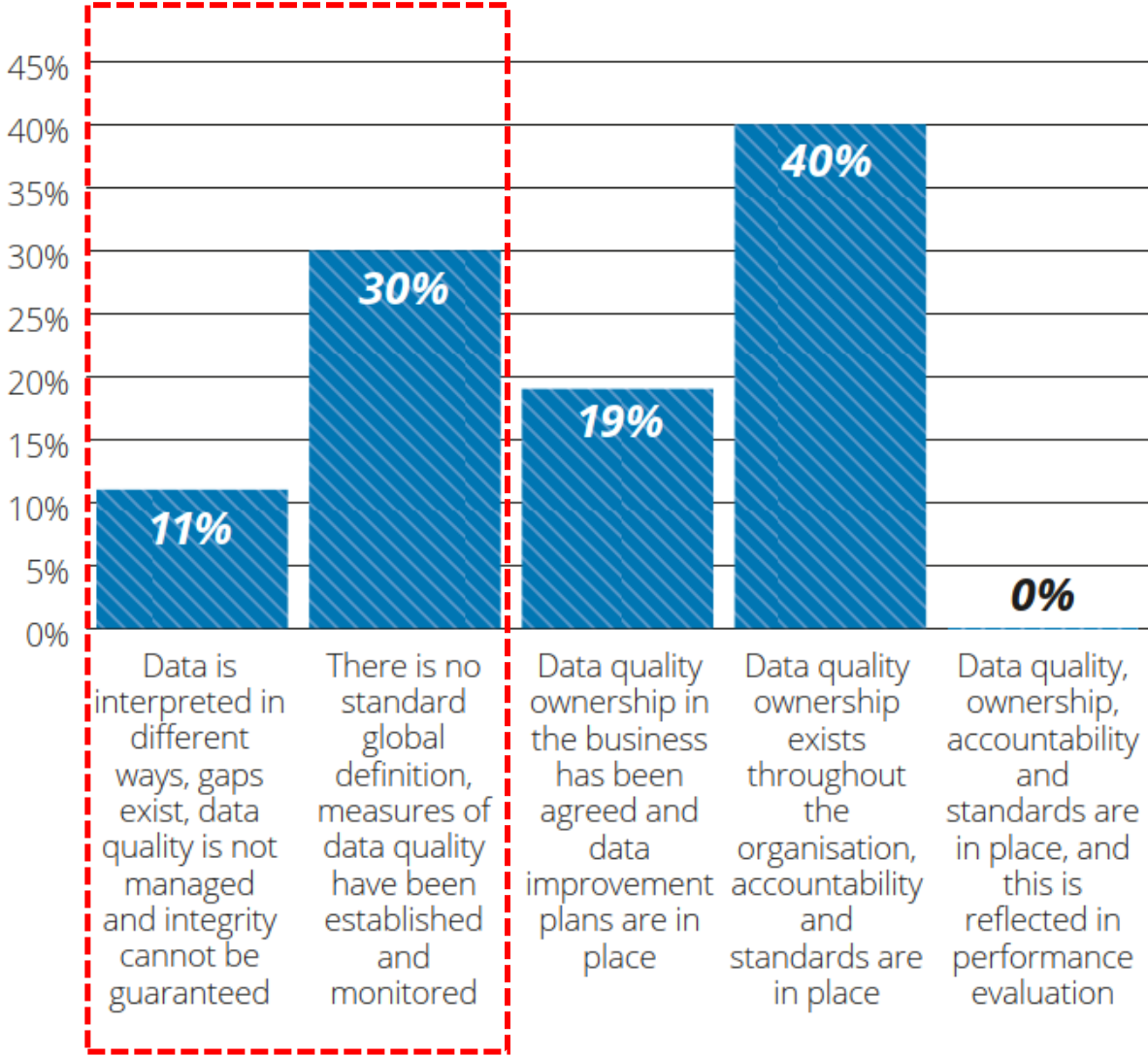
Some common sources of data



The truth depends on where you are standing

What do you think?

# Results from an EMEA survey few years back ...



Source: Deloitte EMEA Insurance data analytics study 2017

What's your involvement in data?

Does this surprise anyone?



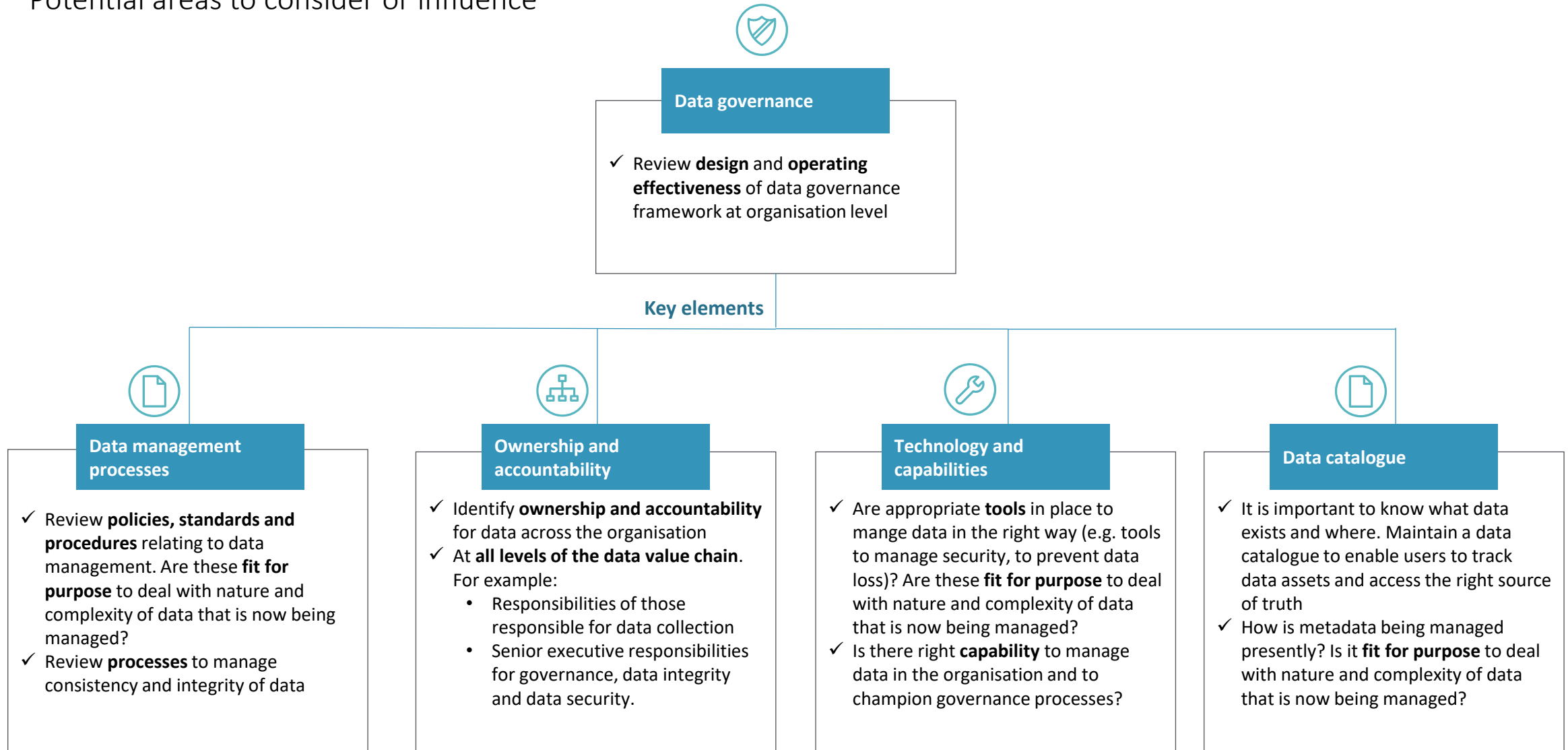
Solutions?

No one size fits all



# Company-level actions requiring leadership support

Potential areas to consider or influence



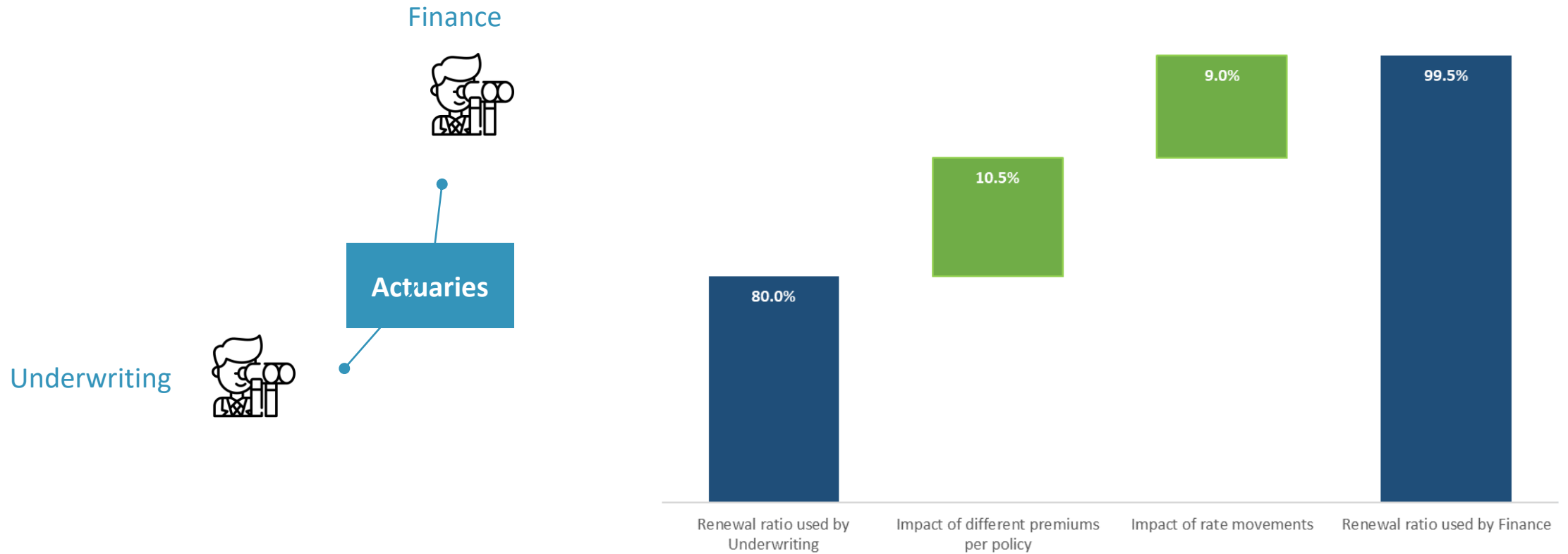
# Actuaries are part of the solution

Immediate actions that GI actuaries may find useful

1

Develop reconciliation/walks for explaining differences between two sources

Illustrative reconciliation based on earlier example



# Actuaries are part of the solution

Immediate actions that GI actuaries may find useful

2

How strong is the collaboration between technical staff and business data users? Actuaries are well placed to bridge the gap in an insurance company and should have **influence and oversight during development of key data assets.**

3

**Get involved** – actuaries have deep knowledge and understanding of an insurers' operations and its data. Enable analytics projects to use the most relevant information and remain cutting-edge.

**Pitfall:** If you claim your data is the source of truth you may become responsible for producing metrics for other teams!

4

It is important for an organisation to get to know what data is available to them and how to gain access to it. Two practical recommendations to do this are:

- **create a data catalogue**
- **identify data scouts**

