



**Actuarial Services
for Insurance Companies**



1 Introduction

BWCI provides a broad range of life and non-life actuarial services to financial institutions.

Our clients include international life assurance companies and non-life insurance companies (including captive insurance companies). We focus on the strategic issues that affect financial performance and competitive positions. These include the core actuarial functions of reserving advice and certification, as well as broader consultancy issues such as product design and pricing.

Our clients include companies located within the EU and, therefore, subject to Solvency II and also those located in jurisdictions such as Guernsey, Jersey and the Isle of Man. We can provide a full actuarial function for those entities within Solvency II and appropriate support under alternative regulatory requirements.

The BWCI Group was established in 1979 and is the largest firm of actuaries and consultants in the Channel Islands, and one of the largest such teams located in any international finance centre. We have been providing actuarial and consulting services for over 40 years. We also provide trustee and administration services for pension schemes. Our current clients include 30 of the Financial Times Global 500 companies.

Although we are an independent firm, we are also the Channel Island member firm of Abelica Global (www.abelicaglobal.com), an international organisation of independent actuarial and consulting firms in principal cities worldwide. Our Abelica Global links enable us to provide a truly global service to our clients whilst enabling us to retain our independence as BWCI.



2 Our Services



3 Solvency

We work across multiple jurisdictions providing support in calculating or reviewing reserves, technical provisions and capital requirements.

We currently provide support to companies in respect of Solvency II, Guernsey Solvency Regulations, and Isle of Man Solvency Regulations. We can provide outsourced Actuarial Function services where required by a specific solvency regime.

Where you require an ORSA (Own Risk Solvency Assessment) or similar – we have experience in helping design and implement an efficient process that brings the ORSA to life.

We work with a wide range of entities supporting both life and non-life companies from the smallest captive to composite commercial insurers with many product lines. Insurance solvency can be a technically demanding subject. Whilst providing full and technically detailed reports we also ensure that we present our work so that can be easily understood by all the relevant stakeholders.

The management of capital for an insurance company lies at the heart of efficient and secure insurance operations. It brings together many different subject areas with the aim of ensuring the optimal balance for the company.



An optimal capital position is obtained by considering the sources of capital, capital requirements and how returns are generated. By considering the whole position it may be possible to increase return on equity for lower capital deployment.

We can help ensure that not only is capital deployed efficiently but that each element of a strategy is effectively communicated to the Board.



5 IFRS 17

International Financial Reporting Standard 17 – Insurance Contracts (IFRS 17) represents a tectonic shift in insurance accounting and is one of the biggest challenges on the horizon for many insurance companies. Implementation will require radical overhauls of data storage, actuarial calculations and reporting processes.

It is never too early to begin adapting your systems to IFRS 17 requirements, but finding the best route can be challenging. BWCI is here to help you chart a course from your existing IFRS 4 or local GAAP reporting to full IFRS 17 compliance.

We work with both life and non-life insurers; from smaller entities planning to larger or more complex entities. We offer a tailored service to match your specific needs.

We offer a range of consultancy services including

- Support for one-off calculation tasks
- Managing the transition to IFRS 17
- Management reporting design and Board communications
- Management and Board Training

6 Pricing and Product Development

Getting the product design right and setting the appropriate price can be the make or break decision for an insurance product. For commercial insurers this can be the difference between a popular, profitable product and a failure; for a captive, a mispriced class can mean an efficient use of the parent's capital or issues with tax authorities.

BWCI has experience providing actuarial pricing consultancy for a range of life and non-life clients. We are able to support existing pricing teams through our calculation services or carry out full pricing exercises. In addition BWCI's Investment Consulting practice is able to assist unit linked insurers with fund selection and performance monitoring.

7 Asset Liability Matching

Capital management is key. In today's world, efficient use of capital can be the determinant of being agile enough to write that promising new line, expand into a new territory or being strong enough to weather the unexpected storm.

Asset liability matching (ALM) can be the key to the efficient use of capital. By designing an asset allocation tailored to your specific risks, you can find your optimal point between capital requirements risk, and return. It can make capital requirements work for you rather than them being something to be struggled against. At BWCI, we have a wealth of experience advising on ALM matters, both through the Insurance Practice and the Investment Consulting Practice.



Reinsurance is one of the most important assets on the balance sheet of many insurers. It represents one of the primary risk mitigants for insurance risk. Reinsurance needs evolve over time and should be reviewed regularly. Some of the potential drivers for change are outlined below.



There are many reasons that may trigger a review of the effectiveness of a reinsurance program. Your concerns may be capital efficiency, the cost of reinsurance or specific catastrophe risks.

BWCI can help you understand the implications of keeping your existing strategy or changing, helping ensure that you strike your optimal balance of risk transfer and cost.

9 Captive Specialist

We provide a broad range of services to life and non-life captive insurance companies across multiple jurisdictions. Our services include core actuarial functions such as claims reserving and certification, as well as broader services such as product design and pricing.

We currently provide support for pricing, solvency (e.g. Solvency II, Guernsey Solvency, Isle of Man Solvency), and actuarial services related to the implementation of IFRS17.

The risks covered by captive insurers are often unique. Through our 30 year track record in captive insurer services we are able to provide a flexible, in depth, but proportionate service that is tailored to the individual needs of our clients.

10 PRIIPs

Under the EU's Packaged Retail and Insurance-based Investment Products (PRIIPs) regulations, insurers providing non-pensions savings products have to produce Key Information Documents (KIDs). KIDs must be updated at least every 12 months.

Compliance with the regulations requires analysing data specific to the investments held to measure the risks associated with the investments. It also requires a series of financial projections based on past performance and the costs associated with both the insurer and the underlying investments. Some product types, such as with profits also require stochastic projections future potential outcomes.

BWCI can help you either set up a reliable process or perform the relevant calculations for you every year or more often if required.

Longevity solutions form part of managing the end-game strategy for defined benefit pension schemes.



As well as helping you consider the different options we can assist with up to date mortality experience analysis. Whatever type of solution you're considering BWCi can help.

Buy-ins/Buy outs

Whether you're considering a buy-out or buy-in, BWCi can help you understand value for money. We can assist in analysing mortality data and help understand the pricing offered by the insurer, making sure you get the best deal possible.

Swaps

We provide independent calculation agent services to support the implementation and maintenance of longevity swap agreements. Our services include the calculations required for the implementation of contracts as well as the regular provision of reports (data movements, payments, collateral, analysis of change), required under the longevity swap agreement.

We are also able to provide the following additional services as required:

- Provision of secure data sharing platform
- Scenario testing

Our experience includes an appointment as calculation agent for a recent longevity swap transaction as well as a range of roles related to performing calculations related to pension business such as the pricing and valuations of bulk annuity buy-ins.

Longevity swaps arrangements are specific to the requirements of the parties involved. We provide an independent, flexible and highly tailored calculation agent service to meet the needs of all stakeholders.

Our location as a Guernsey based firm has the advantage of allowing us to maintain relationships with leading captive insurance providers and assist in reducing the risk related to substance requirements.

12 Independent Actuary

With an increased focus on treating customers fairly, independent actuarial reviews are not only in sometimes a regulatory requirement but are often best practice when making transformations to insurance businesses.

We work across multiple jurisdictions providing independent actuarial review services for a range of changes in how insurance business is managed, including:

- Transfer of insurance business
- With profit restructuring required to support the run off of funds
- Management of with profit funds

We have experience providing independent actuarial review to companies in various locations such as Malta, Guernsey and Gibraltar.

Our knowledge of international life assurance markets enables us to provide a service that understands the context in which companies operate as well as the needs of regulators.

The work required in insurance business transformations can be extensive with a range of stakeholders to deal with. At BWCI we balance the need of various stakeholders by providing and independent review that is focused in order to reduce the input required from internal stakeholders and has an appropriate level of independent challenge for the peace of mind of external stakeholders.



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