

Actuarial Function – USPs implementation

Non-Life Insurance : B2B + B2C

Level of intervention

- Counsel
- Expertise
- Technical studies (impact analysis, independent computation, Data Quality Assessment)

Tools & Programming

- Excel/VBA
- Rstudio
- Office

Context & issues

A Belgian insurer wanted to implement USPs as part of its SCR calculation under Solvency II. In this regard, we provided a second opinion on the construction of data that complies with regulatory requirements and developed an independent tool (Rstudio) for calculating USPs under Method 1 and 2.

Details of the intervention & realisation

- Support for the application for approval to use USPs in non-life insurance. This implies a review of the quality of data used in USP estimates.
- Development of an independent calculation tool for the actuarial function. This tool enables operational and methodological challenges to be made on quantitative results and analysis of hypothesis test results.
- Closing run of USPs for methods 1 and 2.

Deliverables

- Comprehensive and exhaustive report of the conclusions concerning the technical aspects, the important follow-ups to be planned and the possible deviation situations.
- Preparation of technical responses to questions from the Belgian prudential regulator (NBB).
- Set of slides to present to the Board Committee and the NBB.