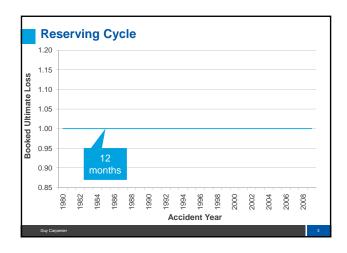
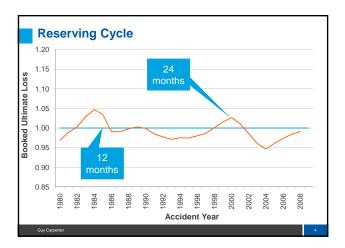
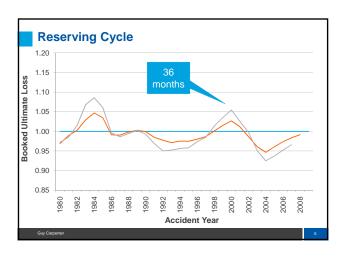
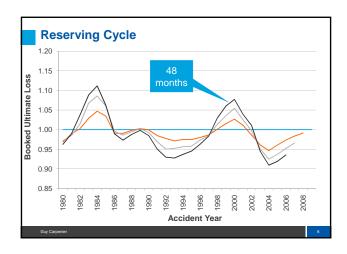
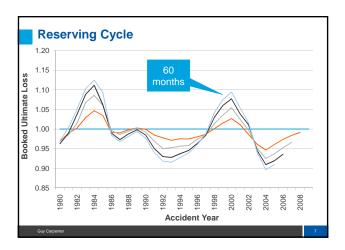
GUY CARPENTER Uncovering the Mysteries of the Insurance Cycle Jessica Leong, FCAS, FIAA, MAAA Lead Casualty Specialty Actuary **GUY CARPENTER** Reserving Cycle: 1. What is the Reserving Cycle? 2. Do our estimates take it into account? 3. What can we do about it? **GUY CARPENTER** Reserving Cycle: 1. What is the Reserving Cycle? 2. Do our estimates take it into account? What can we do about it?

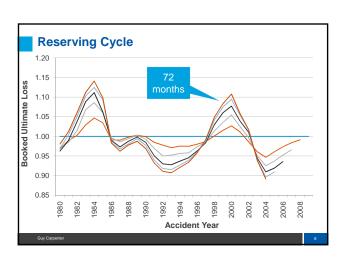


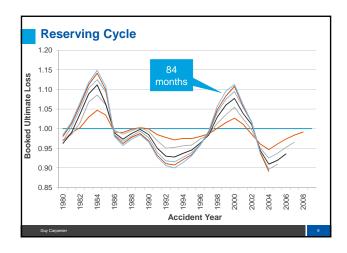


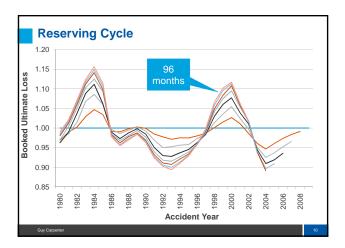


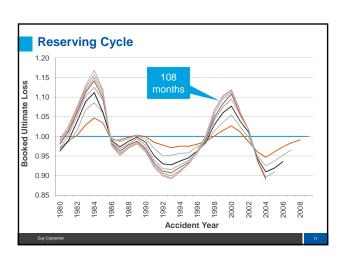


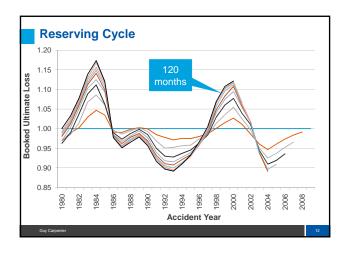


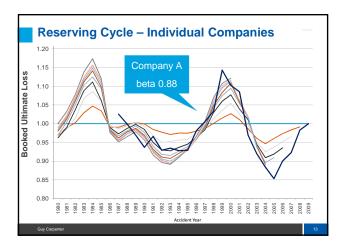


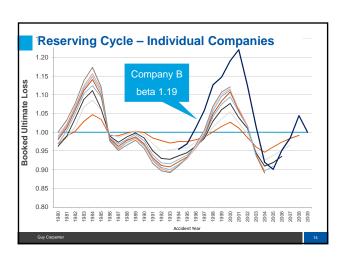


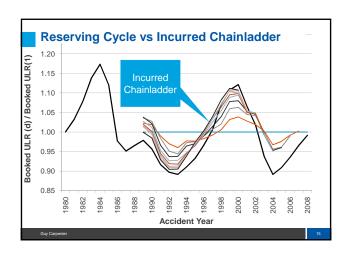


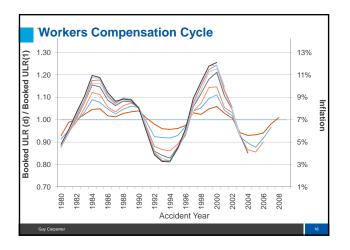


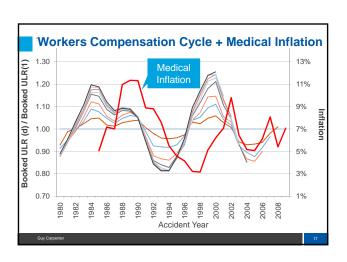




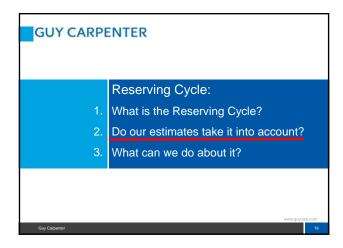


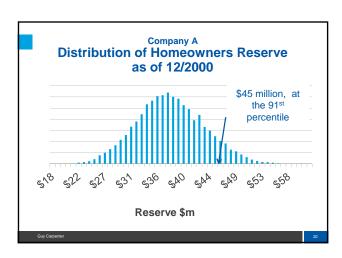




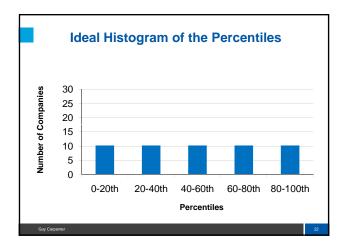


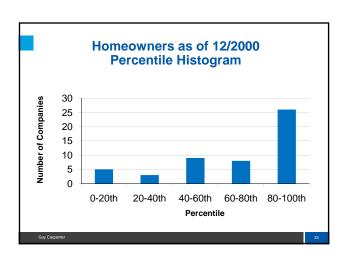
GUY CARPENTER Reserving Cycle: 1. What is the Reserving Cycle? 2. Do our estimates take it into account? 3. What can we do about it?

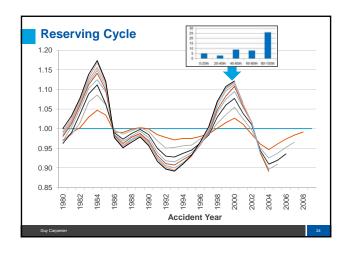


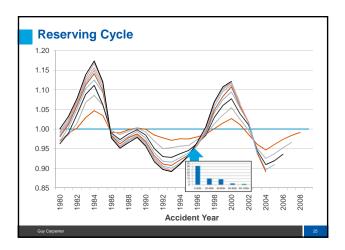


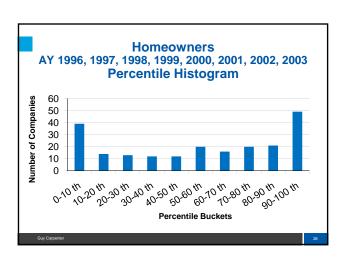
51 Companies	Percentiles
Company A	91%
Company B	10%
Company C	75%
Company AA	53%
Company AB	30%



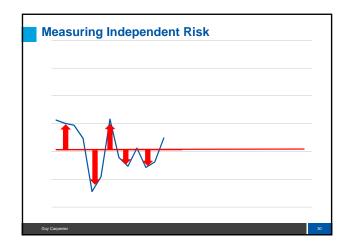


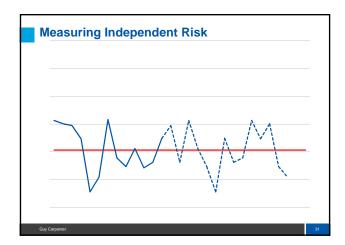


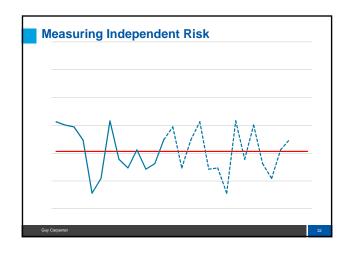


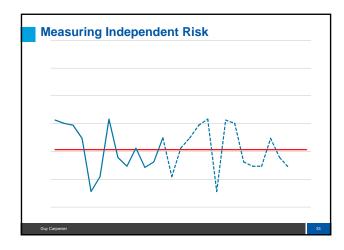


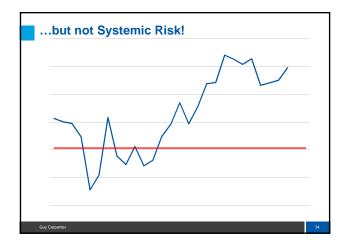
Why are our distributions too narrow?	
Reserve risk split into two:	
systemic risk	
■ independent risk	
Guy Carpenter 27	
	_
Why are our distributions too narrow?	
,	
Reserve risk split into two:	
systemic risk	
■ independent risk	
Models only cover independent risk, not systemic risk	
modele ettiy eevet maspenaent neit, net eyetemie neit	
Guy Carpenter 28	
	_
Measuring Independent Risk	
measuring independent Nisk	
\setminus \setminus \setminus	
	
V	

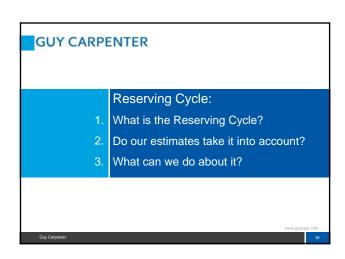


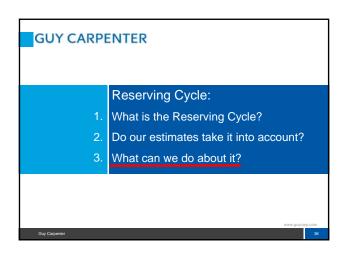


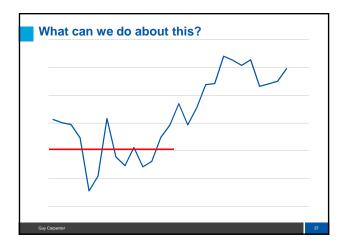


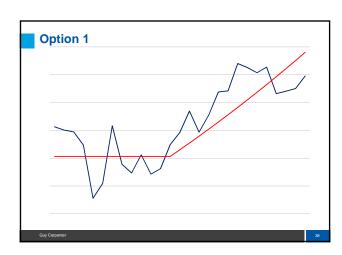




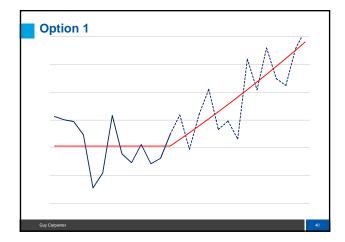




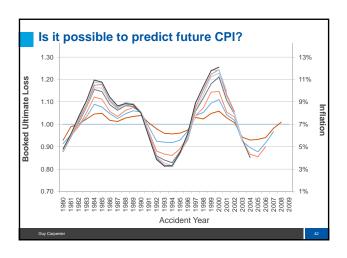


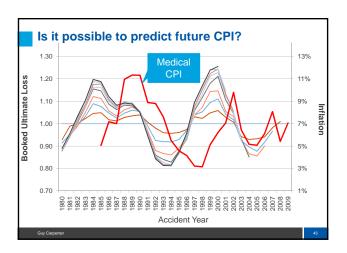




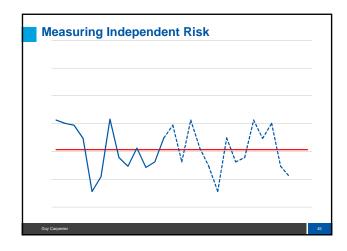


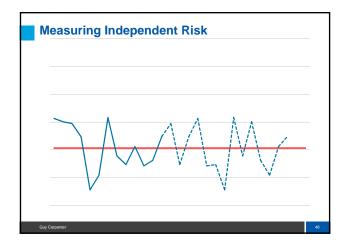




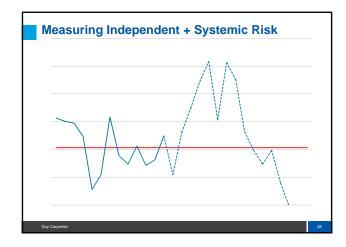






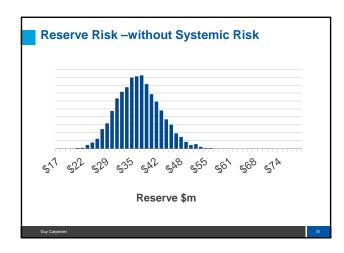


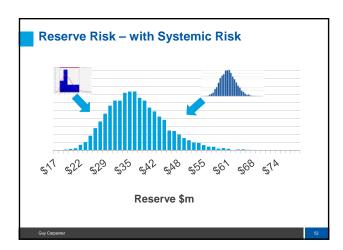


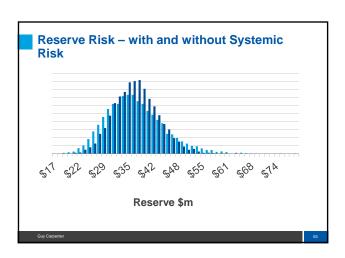


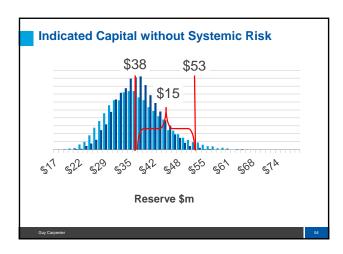


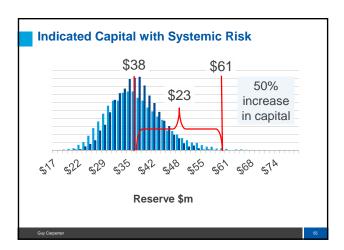


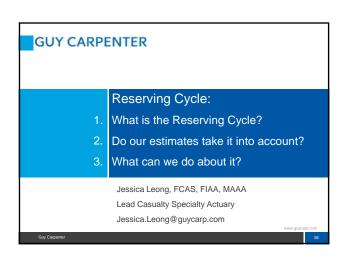


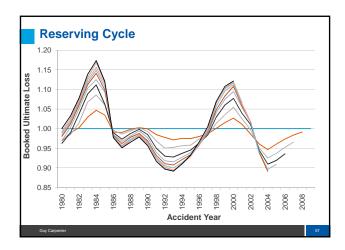












Confidentiality / Disclaimer

The document is intended to be used for informational purposes only and solely in connection with a Casualty Actuarial Society presentation.

While the information contained herein is based on sources that are believed to be reliable, Guy Carpenter makes no warranties or representations, express or implied, as to the accuracy, reliability or completeness of this information and it should be understood to be general insurance/reinsurance information only. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such. Please consult your insurance/reinsurance advisors with respect to individual coverage issues.

Statements concerning tax, accounting, legal or regulatory matters should be understood to be general observations based solely on our experience as reinsurance brokers and risk consultants, and may not be relied upon as tax, accounting, legal or regulatory advice, which we are not authorized to provide. All such matters should be reviewed with your own qualified advisors in these areas.

Readers are cautioned not to place undue reliance on any historical, current or forward-looking statements. Guy Carpenter undertakes no obligation to update or revise publicly any historical, current or forward-looking statements, whether as a result of new information, research, future events or otherwise.

The trademarks and service marks contained herein are the property of their respective owners.

Guy Carpent

58

