

Actuarial and Risk Advisory Solutions



Artex

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The successful implementation, operation and evolution of an alternative risk transfer program requires robust actuarial analysis and risk modelling.

Whether you are considering a captive or a self-insurance fund, seeking advice in relation to an existing vehicle or expanding your current program, Artex can bring depth and breadth of actuarial expertise at each stage in the life cycle of your initiative: planning, development, operational and windup.

Our experience covers a wide spectrum of alternative risk transfer vehicles. By providing a coordinated approach across our client service and actuarial teams, we can seamlessly deliver a comprehensive suite of integrated actuarial and risk advisory services. Our objective is to support your insurance program and business goals by working alongside your team and other professional advisors to deliver the optimum solution.

We advise on all types and forms of alternative risk transfer vehicles:

- › Single-parent captive
- › Special-purpose vehicle
- › Risk retention group
- › Protected/segregated cell company
- › Association captive
- › Affiliation insurance program
- › Group captive
- › Special-purpose reinsurance
- › Self-insurance funds
- › Risk pooling vehicles



Our actuarial and risk advisory solutions:

- › Feasibility study and captive health check
- › Reserving
- › Risk transfer
- › Risk analysis
- › Solvency and capital

Feasibility study and captive health check

Critical to the success of your alternative risk transfer vehicle, whether it is already operational or at the design stage, is an insurance program that aligns your need for coverage with your capacity and appetite for bearing risk. Feasibility studies and captive health check reports become more powerful when they include a reserving, retention and pricing analysis. We work with your other professional advisors by producing data that supplements their findings and helps drive recommendations.

- › **Premium pricing:** Comprehensive analysis to determine premium rates that reflect the risk, exposure and limit; support risk transfer accounting principles; and are consistent with your funding objectives
- › **Risk retention:** Review focused on measuring the inherent risk to which you are exposed and structuring your insurance program in an optimum manner consistent with your capacity to retain risk and the availability/price of risk transfer to the commercial re/insurance market
- › **Premium allocation:** Analysis centered on determining a sound and equitable approach for assessing premium requirements for each participating entity
- › **Loss reserve review:** Review to establish whether the current loss reserves are adequate and appropriate for the insurance liabilities assumed or to be assumed by the vehicle

Reserving

The liabilities corresponding to your insurance program are both significant to your operations and uncertain in nature. Appropriate analysis and quantification of liabilities requires analyses based upon sound actuarial principles and methodologies, including:

- › **Loss Reserving:** Thorough analysis and review of your insurance program liabilities. Whether you require a corroborating review of your reserve amounts, reserve adequacy testing or a full actuarial evaluation, our analyses are based on accepted actuarial standards, principles and methodologies, and are designed to suit your needs and requirements.
- › **Loss reserve specialist:** Certification (Bermuda only) or opinions of the liability amounts included in the financial statements of your alternative risk transfer vehicle by an appointed loss reserve specialist
- › **Experience studies:** Evaluate the performance of your insurance program by assessing the key performance drivers, assumptions and parameters for reasonability and consistency. Additionally examine actual performance in relation to expectations and identify reasons for any differences.

The Artex Advantage

Artex provides a full range of alternative risk management solutions, customized for our clients' individual challenges and opportunities. Powered by independent thought and an innovative approach, we empower our clients and partners to make educated risk management decisions with confidence.

Operating in over 30 domiciles and in more than 15 offices internationally, we have the proven capacity to supply any alternative risk need. Artex is a solutions company, and we invite you to learn more about our breadth of services and depth of talent. There is an upside to risk. Let's work together to find the right solution for your organization.

Risk transfer

Whether you are contemplating acquisitions, divestiture or the addition of new coverage, you can leverage our expertise and services, including:

- › **Risk transfer pricing:** Studies to support transactional activity;
 - Loss portfolio transfers
 - Commutations
 - Novations
 - Retroactive reinsurance
- › **Risk transfer reviews:** Detailed analysis of proposed coverage offerings and transactions to support your risk transfer requirements

Risk analysis

Achieve greater levels of confidence and transparency in your insurance program by utilizing the following services.

- › **Enterprise risk management:** Development and implementation of a scalable ERM platform to support your internal and statutory risk management requirements
- › **Model reviews:** Review and validation of actuarial models used in support of your business or regulatory requirements
- › **Regulatory risk review:** A study focused on substantiating that the operation of your insurance program is consistent with regulatory and compliance requirements

Solvency and capital

Maintaining the optimum balance between solvency and capital can be complex, particularly as global regulatory requirements continue to advance at an increasing pace. Benefit from our well-established practice and access any of the following services with confidence.

- › **Capital adequacy reviews:** Analyze capital adequacy to ensure compliance with regulatory requirements, the continuing healthy operation of your program and appropriate utilization of capital resources
- › **Solvency II:** Solvency calculations and ORSA support for regulatory reporting, business planning and capital deployment, and provision of support services to the Solvency II actuarial function holder
- › **Technical provisions:** Calculation, review or validation of statutory technical provisions, risk margin, loss reserve duration, cash flow analysis and provisions for adverse deviation
- › **Prospective solvency assessments:** Evaluate the impact of proposed regulatory initiatives or major acquisitions/divestitures on your required statutory and economic capital

The Artex team of qualified actuaries and trusted industry experts delivers specialized expertise in the international re/insurance and alternative risk transfer markets. We bring global experience, having worked in the most prominent alternative risk transfer domiciles, and we are fully committed to working closely with your team, building long-term relationships and becoming your trusted advisor.

With Artex's presence in the main domiciles across North America and Europe, we have the actuarial experience you need wherever you are. Contact us today, and let us show you how we can support your insurance program and add value to your business.

Reach us at actuarialsolutions@artextrisk.com.

MEET OUR EXPERTS

JB Crozet FIA, CFA, Senior Vice President, Advisory Services

Mr. Crozet is responsible for the delivery of actuarial and advisory services to our clients. He has over 25 years of experience as an actuary and reinsurance underwriter in London and Bermuda. Mr. Crozet is a Fellow of the Institute of Actuaries as well as a Chartered Financial Analyst.

Alan Morris ASA, ACAS, MAAA, Vice President, Advisory Services

Mr. Morris provides actuarial risk consulting services to our clients. He has over 20 years of experience in the reinsurance industry as a consultant, regulator and auditor in the U.S. and Cayman Islands. Mr. Morris is a member of the American Academy of Actuaries (AAA), the Casualty Actuarial Society (CAS) and the Society of Actuaries (SOA).



Artex provides risk transfer consultation and alternative risk management solutions for our clients. When providing analysis, recommendations or advice regarding risk implications and risk transfer strategy, we offer it as general recommendations for risk mitigation and to limit financial exposures. Any statement or information provided is for informational purposes and is neither intended to be, nor should it be interpreted as, insurance broker, tax, financial, legal or client-specific risk management or mitigation advice. We recommend consultation with tax, legal and financial advisors for business-specific advice for your company.

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