



EXAMPLE - FULL RENEWAL PRACTISING CERTIFICATE (PC) APPLICATION FORM

PLEASE NOTE

Read the [PC Handbook](#) and the relevant Competency Framework for the PC(s) which you are renewing before completing this section.

Under each of the competencies, you should provide details to explain how you continue to meet each of the competencies set out in the relevant Competency Framework.

If you are applying for more than one PC, please ensure you provide information relevant to each PC type by indicating which PC the information relates to.

This section of your application may be shared with the Practising Certificates Committee. It would therefore be helpful if you could try to avoid providing details that could allow you, your employer or the entity/syndicate/scheme you are describing to be identified.

3.1 Communication

Since my last renewal, I have provided worldwide SAO to Council of Lloyd's for three syndicates in each year. This included presenting the results for each syndicate to senior management, the reserving committee and the audit committee at meetings and via written reports. These audiences include non-actuaries and I therefore had to ensure that technical topics were clearly explained. As part of this I ensured that the papers produced included a clear exec summary to ensure they were understandable for all relevant stakeholders, I also ensured that the risks and uncertainties involved, the key expert judgements and the choices made were clearly highlighted.

When presenting the results, I took the time to make sure that the key issues had been understood and to answer questions and challenges from the stakeholders to ensure clarity. This year, a key issue in the reserves has been allowing for inflation, so I produced some new exhibits which showed the impact of sensitivity testing inflation assumptions such that the uncertainty and the impact of these were understood. I also provided a detailed description of the methodology and considerations made in the appendix such that these could be used as further background meeting for committee members. I responded to questions in the meeting, including on why inflation assumptions had not been set equal to UK CPI for all classes and was able to show the impact of this.

I had regular one-to-one meetings with one of the client's non-exec directors to explain progress and provide insight on the programme and share wider market knowledge on developments for reserving and Solvency II.

I assessed reserve uncertainty for each syndicate and communicated this to the Board, fully explaining the underlying assumptions that had been made to ensure the Board members understood the advice being provided and the uncertainty therein.

3.2 Leadership/Accountability

I have provided the SAOs for the same syndicates for several years and I am considered to be a trusted advisor to senior management, the reserving committee and the audit committee. I have been able to build these relationships by annually meeting with key stakeholders within the syndicates to initially gain an understanding of the business written and then maintain and update that knowledge.

As mentioned under 3.1, I have had regular one-to-one meetings with one of the client's non-exec directors and have had extremely positive feedback on how that has helped them gain a better understanding of the programme and of wider developments. In addition, I request annual feedback from all key stakeholders, this helps to measure my effectiveness as a trusted adviser and provides an opportunity for constructive feedback, which I can then incorporate going forward.

I delivered an end-to-end independent reserve setting exercise for a Lloyd's syndicate, taking responsibility of selection of key assumptions and methodologies used in the calculation (more information on the work involved is provided under the technical skills section). I lead the project team that carries out the quarterly / annual reserving exercise and I am personally responsible for the delivery of the advice. This includes reviewing claim projections carried out by my team and challenging their assumptions, including the judgements used. This has sometimes led to me using my own expert knowledge of the business involved to make changes to the assumptions made by the team. I then take the time to explain the reason for making the changes so that they have a better understanding going forward.

I encourage team members to build relationships with the relevant stakeholders and often a member of the team will assist me in presenting results. This allows colleagues to develop and ensures stakeholders have alternative contacts within the team.

3.3 Professionalism

I presented results of the reserving analysis performed on the Lloyd's syndicates to both reserve committees and audit committees. This involved answering challenging questions in these forums around the estimates that I take responsibility for.

For one of the syndicates I worked on, my estimates required the client to increase their reserve estimates. Through discussion with the syndicate stakeholders this involved explaining my rationale and explaining clearly to them why my view differed so that they could understand the difference in view and take appropriate action. After taking all of the information into consideration, I was able to justify how expert judgement was exercised in arriving at the conclusion that I had recommended and this was accepted by the client.

On a separate syndicate I worked on, I had a different view on profitability to the client underwriters for a portfolio. We discussed this to understand each other's viewpoints and then came to an agreement on an appropriate estimate.

In providing the SAO for one syndicate, I was required to challenge results produced by the internal reserve practitioners. I recommended changes to the assumptions produced and this led to changes being made to reflect my recommendations.

3.4 Knowledge, awareness and understanding

To be able to sign the opinions, I need to have a detailed understanding of the Lloyd's Valuation of Liabilities rules and be aware of any changes for the year-end in question. I took the time to review the rules in advance of the start of the process to re-familiarise myself with the requirements around what is expected from Lloyd's. I also attended the annual Lloyd's Signing Actuary Forum to hear an update from the regulator and the key areas of focus for the year. This helped me gain an understanding of expectations for the SAO year and helped to inform my key areas of focus.

Due to the many market wide uncertainties that have affected the lines of business covered by the syndicates I work with, I have to ensure that I understand the impact those have on the syndicates reserves, as well as consider how to prepare better for these types of uncertainties going forward. I have been very hands-on with the analysis to set reserves in areas of heightened uncertainty, specifically around the impact of Covid-19 and increased inflation. My position as a member of our internal Inflation Working Group has supported me in making informed judgements in the latter area.

I was involved in the development of the model used to calculate the capital requirements and in the ORSA for a syndicate. I was responsible for development of insurance and market risk elements of the model which was delivered to the syndicate chief actuary.

I provided advice to a non-UK reinsurer (covering mainland European personal lines business) on outwards reinsurance purchasing strategy. I produced a formal report which was provided to the Board and led to a revised reinsurance purchased.

I developed a technical pricing model for two syndicates with responsibility for implementation in line with Lloyd's underwriting principles and delivery to the syndicates' active underwriters.

Each year I attend internal and external sessions (including LMAG) to understand current market trends and the key issues in the Lloyd's and Speciality market to ensure my knowledge is up to date to be supporting syndicates.

3.5 Technical skills

As mentioned, I have provided worldwide SAOs to Council of Lloyd's for three syndicates in each year since my last renewal. The syndicates cover a variety of classes of business, including marine liability, aviation liability, goods in transport, international property D&F, US property Catastrophe business and US and non-US casualty business, especially D&O and PI classes.

I have also provided US Trust fund opinions for these syndicates, as well as a further syndicate, mainly covering Energy and A&H classes.

Providing the SAO and US trust fund opinions includes:

- Carrying out data analysis and diagnostics (e.g. development of claims paid and incurred, trends in ratios of paid to incurred);
- Segmentation of business into reserving classes;
- Carrying out claims projections, reviewing claim projections carried out by colleagues, carrying out analysis to derive initial expected loss ratio, application of reinsurance programme;
- Meetings with underwriters and claims teams to gain context of business, information on large claims, information on catastrophe events;
- Deriving accident year results provisions for unearned business from year of account results

I have provided a peer review of:

- a syndicate's reserves (covering mainly construction and medical malpractice business) which resulted in a formal report to the board on my findings;
- a London Market company (mainly covering solicitors and architects professional indemnity business) which resulted in a formal report and presentation to the finance director of my findings

The peer review work included:

- Carrying out own independent projection calculations for material classes.
- Assessing that methodologies and assumptions were appropriate for the type of business in question.
- Assessment of the quality of data used in the reserves.
- Assessment of how amounts recoverable from reinsurance are allowed for in the reserves.
- Justification of differences in the reserves from the previous reporting period.

I have also provided external audit support for a syndicate (mainly financial crime book) and London Market Company (covering UK commercial property). This included reviewing the methodology, assumptions and results of the reserves set by the firm and advising the audit partner if the technical provisions represented a true and fair reflection of the liabilities. The work included on-site reviews and discussions with the board / chief actuary of the firm.

I have provided external audit support for various (five) UK general insurers (covering variety of classes including UK motor, household and mortgage indemnity business). The audit support is as above and includes reviewing the methodology, assumptions and results of the reserves set by the firm and advising the audit partner if the technical provisions represented a true and fair reflection of the liabilities. The work included on-site reviews and discussions with the board / chief actuary of the firm.