

GI in a GFC World

General Insurance Impacts of the Global Financial Crisis



Institute of Actuaries of Australia

Wednesday, 24 June 2009

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Dealing with the Challenges

Geoff Atkins



Financial Condition Reports

- I regard a GFC section as compulsory
- Outline known and potential impacts
- For each section, think about GFC issues
- Try for prioritisation of issues and risks – form a balanced view
- Comment on whether/how the company has responded to GFC



Overseas Parents

- Many smaller insurers are dependent on overseas parents
- Capital support, reinsurance, expertise, credit rating, reputation
- Need to ask for honest input on status of parent
- No way we can second guess the parent's financial condition, and local management might not know



Overseas Parents (cont'd)

- Request regular (confidential) updates
- Puts real pressure on local management and Board to put their local obligations ahead of the parental obligations
- Respect 'fortress Australia' – loans, r/i changes, etc
- What are the contingency plans?