

GI in a GFC World

General Insurance Impacts of the Global Financial Crisis



Institute of Actuaries of Australia

Wednesday, 24 June 2009

THE WESTIN SYDNEY 1 MARTIN PLACE, SYDNEY

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The Bad News Story

Peter McCarthy



The context

- A good news story since 2002 – size and scale of good news unprecedented
- Times have/are changing
- GFC impact in early stages
- More uncertainty
- Have we forgotten how to deliver bad news?



Delivering bad news

- A novel experience?
- Understand the context you are delivering your advice
- The 'sledge hammer' approach!
- There is no 'right' approach – no silver bullet
- Some suggestions



Bad news - behaviour

- Understand the people
- Motivation
- What type of organisation/person is your client
- How well do they understand the business
- How well do they understand the work of an actuary
- Lots of tricks can be played on actuaries



Delivering bad news

- Softly softly approach
- Preparation is key
- Have patience
- Ask client to provide evidence for their views
- EPR/audit actuaries
- Consult other actuaries
- Learn from HIH