
PRRS actuarial services: reengineering the academic state-of-the-art into practical applications

Actuarial support is set to become progressively more important in the future as the regulations governing (re)insurance companies are increasingly based on actuarial models.

Experiences of economic and financial crisis over the last ten years have resulted in a conspicuous tightening of quantitative regulation. The Swiss Solvency Test (SST) and Solvency II are raising solvency capital requirements which should be the function of a (re)insurer's actual economic risk profile. The total of all relevant risks (including those arising from financial markets) will be calculated and the market valuation of assets and liabilities, along with their volatilities, will be factored in. In short, regulatory criteria, accounting principles (IFRS) and ORSA will merge to produce a compact economic picture of the (re)insurance entity in question. As things stand today, however, the various models are still not fully aligned with one another, if we are to arrive at a truly risk-adjusted approach in managing a company. The capital costs of (re)insurance underwriting and financial market, credit and operational risks are taking over as the most important basis of the pricing, product and investment policy.

Thus the profile of risk management, particularly the actuarial services will gain more significance. Anticipated capital implications – and thus the valuations supplied by actuaries – are becoming an essential deciding factor in product development. The same is true on the capital investment side: Actuarial expertise is required to improve dynamic asset/liability management, and thus capital efficiency. Ultimately, actuaries will also set parameters for (re)insurers' investment policies by developing holistic economic models to quantify a company's value – independently of strategy or external factors.

PRRS offers financial controllers, risk managers as well as for actuaries and (re)insurance companies' internal auditors a broad palette of practical, integrated services. We can help with developing, validating and implementing internal models. We know and understand your markets, segments, customers and products, and can devise solutions for every phase of a (re)insurance company's life cycle. We undertake various assignments on a short- or long-term basis and provide support as a trusted advisor and partner.

In addition, we train management and technical specialists in using models to evaluate the enterprise value. The Prime Re Academy workshops, which focus on reengineering the academic state-of-the art into practical applications, are run for one or two days and are offered in English. Thanks to the interlocking of theory and practice the workshops are stimulating, however leaving room for individual “on the spot” client requirements. Further information on the PRA workshops can be found under [Prime Re Academy](#).

In addition, Frank Cuypers, Head of Actuary is at your disposal for questions regarding (re)insurance solutions or any further requirements.

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