INSURANCE

Actuarial Services and Consulting

Representative Actuarial Engagements and Services

- Benchmarking Underwriting Performance
- Board of Director Reports and Disclosures
- Capital Models and Governance
- Cash Flow Testing
- Captive Feasibility Studies
- Ceded Reinsurance Assessments
- Claims Analytics
- Claims Liability and Damage Analysis
- Commutations and Policy Buyouts
- Compliance Services
- Design and Benchmarking of Internal Actuarial Departments
- Due Diligence Reviews
- Embedded Value
- Intellectual Property Valuation and Disputes
- Liability Reserve Analysis
- Market Conduct Related to Proper Premiums
- Market Segmentation and Analysis
- ORSA Reports
- Part VII Transfers
- Predictive Analytics
- Pricing Studies and Rate Filings
- Profitability and Strategic Reviews
- Regulatory Reporting
- Reinsurance Recoveries
- Reinsurance Risk Transfer Testing
- Risk Assessment and Management
- Solvency II Consulting - Solvent Schemes of Arrangement
- Statement of Actuarial Opinion
- Underwriting Audit Preparedness

The actuarial consulting services offered by the FTI Consulting Insurance Practice helps solve the many complex and challenging problems facing a diverse base of life, health, and property-casualty insurance industry clients, including insurers, reinsurers, captives, risk retention groups, brokers, banks, regulators, investors, and corporations. We serve our clients by delivering the specialized expertise, experience, and technical and leadership skills of credentialed professionals to help resolve disputes, perform due diligence reviews, measure and manage risk, improve operations, optimize opportunities, and increase shareholder value.

Meeting the Challenges

Clearly the risks faced by clients today are more complex and dynamic than in the past. The main challenge is to be prepared - to anticipate and avoid negative events if possible, and to mitigate and quickly recover from any consequences. At the same time, clients must take advantage of opportunity, which requires a high degree of preparedness.

We help our clients meet these challenges through a portfolio of services designed to uncover root cause issues, and develop solutions that enhance performance and provide lasting value. Our actuaries are skilled at assessing strategic, financial, and operational risk across the enterprise, providing clients with insightful gap/impact analyses and solutions spanning several broad categories, including markets, underwriting and reserving, claims, valuations, capital management, reporting, governance, and legal and regulatory matters.

Markets

Market segmentation analysis and product differentiation strategies are crucial to successful distribution within both existing and new markets. Both disciplines depend heavily for success on the degree of granularity and integrity of underlying data and the reliability of statistical models.

As a recognized leader in data management, FTI Consulting can ensure that underlying data meets the criteria for success. In addition, our actuaries have extensive experience in product development, with a holistic approach that takes into account the myriad factors contributing to product risk and opportunity.

Underwriting and Reserving

Underwriting and market analysis are closely interdependent, often requiring iterations of risk and opportunity analysis involving product features, pricing, profitability, reserving, and regulatory requirements. In addition to technical expertise, effective underwriting requires deep understanding of the business, its objectives, and its customers.

Our actuaries fully understand the critical role that underwriting plays as a major factor in success of the business. We have a long history of helping clients achieve high priority underwriting objectives, including regulatory matters, analysis and development of pricing and reserving, and profitability, sensitivity and experience models.

In addition to helping clients meet their statutory and regulatory compliance requirements, our actuaries help improve financial performance through their expert analysis of current and future liabilities and other risks affecting reserves.

Claims

As the largest component of reserving, claims requires continuous focus on performance improvement, with special attention to fraud, leakage, and timely resolution. Our actuaries have a deep understanding of claims functions, including data requirements, process efficiency, controls, and liability modeling.

Due Diligence Reviews

Our actuarial due diligence reviews are designed to help our clients preempt and mitigate transactional liability risks and take advantage of opportunities to achieve optimum post transaction results from property-casualty, life, and health transactions. Our proven approach to due diligence is honed from our experience involving hundreds of transactions ranging in size and complexity from acquisitions or dispositions of small claims portfolios to multi-billion dollar international mergers.

Valuations

Understanding the value of assets is critical to minimizing risk in any transaction. We deploy a multi-disciplinary team to assist clients in valuations, including internal financial and operational processes and plans, sales/acquisitions due diligence, dispute resolution impacts, new ventures, IPOs, capital requirements, regulatory reporting, and board of director reports.

Capital Management

To help clients manage capital effectively, our actuaries use a variety of modeling and scenario analysis to facilitate understanding; mitigate enterprise risk; establish risk tolerance parameters; examine capital acquisition through reinsurance and market strategies; and optimize capital deployment through rigorous financial and operational requirements analysis, including those related to implementation of Basel III and Solvency II.

Reporting

The various initiatives toward global harmonization of financial reporting and capital requirements regulations requires a thorough understanding of local and international regulations, combined with the technical skills and business acumen to assess and develop appropriate implementation strategies.

Our Insurance Practice includes experts in GAAP/STAT and the requirements for transitioning to and accommodating the requirements of International Financial Reporting Standards, European Embedded Value, and Solvency II, including any technical and organizational issues related to re-engineering processes, models, and accounting and reporting systems.

Governance

Corporate governance today is more than just managing the boardroom. Successful governance requires proactive and credible involvement in the financial and operational drivers of the business, with heavy reliance on processes, controls and actionable information.

Our actuaries understand these business imperatives. We are experienced at assessing and remediating governance risk, improving the integrity of decision-making information, especially that information flowing from various models such as those in use for capital management, pricing, reserving, and other financial functions.

Legal/Regulatory

The volatile economic environment has spawned increased legal/regulatory activity, including investigations and dispute resolution through arbitration, litigation, or alternative settlement approaches. This activity requires a variety of actuarial, financial, operational, and technology skills applied to e-discovery, forensic examinations, valuations, scenario reconstruction, expert testimony, and impact analysis.

Our Insurance Practice team has an unparalleled track record in successfully assisting clients with these legal/regulatory matters.

Insurance Practice Service Capabilities

Our specialized services are described in the following brochures.

- Actuarial Services and Consulting
- Business Intelligence and Advanced Analytics
- Claims Reengineering and Risk Management
- E-Discovery Readiness, Management and Compliance
- Governance, Regulatory and Compliance
- Intellectual Property
- Litigation and Dispute Resolution
- Operational Risk and Emergency Management
- Pension Consulting Services
- Performance Excellence
- Risk and Exposure Management
- Strategic Advisory

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CRITICAL THINKING
AT THE CRITICAL TIME™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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