



SOCIETY OF ACTUARIES

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The Answers You See and the Answers You Don't See

By Scott Meise

Greetings! This issue I'd like to talk about the answers in front of you and the answers that take a little digging. In England, there is a cartoon called Fireman Sam, and it is hypnotic to my 2-year old son. The show is about a town called Pontypandy in Wales and the people in it. Most of the residents are not high-functioning individuals, but luckily they have a fireman (Sam) at their local station who is usually able to contain the damage they do every episode (which is usually a fire).

The most interesting character in the show is a mischievous child named Norman Price. In the shows we have watched, Norman has:

- Fallen in a well
- Gotten his head stuck in between the bars of a railing
- Gotten stuck up on a mountain
- Accidentally driven off with the fire truck
- Gotten stuck in a wooden birthday cake during a fire
- Gotten stuck to his bedroom door while trying to build a model airplane
- Driven a go-cart into the sea
- Started numerous fires by, among other things:
 - o Cooking sausages
 - o Throwing a paper airplane on a stove
 - o Cooking a scarf in an oven.

It's relatively safe to say that if you see Norman in an episode, he is going to cause great danger (and property/casualty claims) in some way.

This brings us to the answer that's in front of us. It seems as though if Norman's family was to find some incentive to move out of Pontypandy (or if, god forbid, Sam was to respond just a little late to one of his emergencies), that it would be sad, but Pontypandy and its residents would save themselves countless dangers and untold damage going forward. Sam might even be able to take some of the vacation he never gets because he's always responding to the alarm bell.

However, after considering it, there might be more to the story than that. To be fair, if Norman just took a day of leisure and played video games, it wouldn't make for much of a show. The show is predisposed to display Norman when he's causing danger. Also, maybe it's something genetic in the townsfolk and Norman shouldn't be blamed? Maybe Norman just looks young but is really quite old, and causing tens of disasters isn't quite the clip that it seems? Some answers take a little digging.



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It's the same way with my work in reinsurance. Some projects come to us via an RFP or specific request from an insurer. When this happens, it is important to do the best job we can with diligence and pricing to give a quote that is fair to the insurer but also fits within our business model. However, there are also situations where there are solutions to be found that don't jump out at you or aren't the product of a specific request. As reinsurers, we need to stay on top of regulations, accounting and the environment so that we're giving the best solutions to insurance companies that we can. By digging deeper we can provide more value to our clients.

Another example of this is our work in the Reinsurance Section this year. Earlier this year in May and June, we held a Life Intro to Reinsurance Boot Camp and a Health Intro to Reinsurance Boot Camp after the Life & Annuity Symposium and Health Meeting, respectively. We had built up a good amount of content and a good group of presenters, and thought that the demand was there for continuing education and good presentation of reinsurance issues and topics. After discussing it further, another idea that came up is to spread the message more by traveling to different cities with the boot camps to get closer to the actuaries. Over the next year, we'll be working to try to make that happen. By digging deeper, we're doing what we can to provide value consistent with our goals and the goals of our members. By the way, a special thanks to Mike Kaster for organizing and driving the boot camps to completion—it was a lot of work on his part and he drove it through with a lot of creativity and effort!

We hope you enjoy the articles in this issue—of note are the Munich Re Life Reinsurance Survey results, which are always interesting—and keep an eye out for the reinsurance sessions at the annual meeting in San Diego in October, including the breakfast and the networking event. If you get a chance, drop us a line and let us know if you have any questions or comments on what you think about what we're doing and what we could do better. I think we should be able to answer your questions and address any comments—find the answer that's in front of us. Maybe we can come up with something and find the answers that take a little digging! ■