

TABLE 1

AREA	DERIVATIVES ROLES AND RESPONSIBILITIES	ACTUARIAL EQUIVALENTS
<p>1. Risk Monitoring and Analysis</p>	<ul style="list-style-type: none"> • Monitor position and price data • Evaluate risk exposures • Identify and monitor limit violations • Analyze potential scenarios • Summarize and report on risk exposures • Reconcile with other areas • Perform back-testing 	<ul style="list-style-type: none"> • Monitor reserve and price data • Evaluate risk exposures • N/A <i>(The monitoring of underwriting authorities is usually done within the underwriting risk management area.</i> • Analyze potential scenarios • Summarize and report on risk exposures • Reconcile with other areas • Perform back-testing (e.g., reserve run-off tests, experience analysis)
<p>2. Quantitative Analysis</p>	<ul style="list-style-type: none"> • Determine modeling for new products • Design new quantitative models • Test new models 	<ul style="list-style-type: none"> • Determine modeling for new products • Design new quantitative models • Test new models
<p>3. Price Verification</p>	<ul style="list-style-type: none"> • Verify prices of complex derivatives • Track changes in pricing models 	<ul style="list-style-type: none"> • Verify prices of complex policies or treaties, or blocks of business • Track changes in pricing models and rates
<p>4. Model Development</p>	<ul style="list-style-type: none"> • Develop new models for system • Develop risk analysis tools • Maintain historical return data 	<ul style="list-style-type: none"> • Develop new models for system • Develop risk analysis tools • Maintain historical reserving and pricing data
<p>5. System Development and Integration</p>	<ul style="list-style-type: none"> • Develop infrastructure to support processing • Accept feeds from other systems • Automate data scrubbing and translation • Develop database to support risk data 	<ul style="list-style-type: none"> • Develop infrastructure to support processing • Accept feeds from other systems • Automate data scrubbing and translation • Develop database to support risk, pricing and reserving data