EMPOWER DEVELOPMENT

ACCOUNTING BODIES

✓ IFRS Foundation
✓ Audit, Reporting and Governance Authority (**ARGA**)
✓ Financial Accounting Standards Board (**FASB**)
✓ Financial Crisis Advisory Group (**FCAG**)

THE IMPORTANCE OF ACCURATE RESERVING

Influencing factors
✓ Legislative changes
✓ Differing patterns
✓ Emerging risks
✓ Latent exposures
✓ Outcome of the litigation on existing claims
✓ Failure to recover reinsurance
✓ Unanticipated changes in claims inflation
✓ Unexpected changes to the interest rates applied by courts on personal injury claims

✓ International Financial Reporting Standards (**IFRS**)
✓ UK Generally Accepted Accounting Principles (**UK GAAP**)

MAIN ACCOUNTING STANDARDS

LEARNING OUTCOME 6
Understand accounting standards and insurance company accounts

IBNR & IBNER

✓ Incurred But Not Reported
✓ Incurred But Not Enough Reported

Range of methodologies
✓ Projection of paid claims
✓ Projection of incurred claims
✓ Loss ratio method
✓ Bornhuetter-Ferguson

RESERVING METHODS

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