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ICAAP Review, Management of Participating Life Business Review and Actuarial Valuation Process Review Proposal

Summary Of Our Proposal

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The Background

You ("you" or "your" or "client") are requesting a proposal for an **Independent Review Service on Internal Capital Adequacy Assessment Process (ICAAP) , Management of Participating Life Business (MPB) & Actuarial Valuation Process.**

Actomate is a **leading actuarial firm in Asia.** We have the resources, expertise & experience to support you to meet this objective. We are keen to expand our **long-term relationship** with you.

The Scope

The objective is to perform **independent review on:**

- **ICAAP;**
- **MPB; and**
- **Actuarial valuation process,**

per the regulatory requirements outlined in the **BNM** guidelines, where relevant.

Detailed scope are outlined on **page 3.**

Why Choose Us?

✓ **Relevant Experience**

Our team have extensive **expertise and experience** with actuarial valuation, ICAAP and management of participating business for life insurers.

✓ **Top Actuarial Firm**

We were awarded **Top Actuarial Firm in Asia** in 2019.

✓ **Quality Assurance**

We obtained the **Quality Assurance Scheme (QAS)** accreditation from **the Institute and Faculty of Actuaries (IFoA) UK**, a testimony to the high quality of our work and the **ISO 9001 Quality Management System** accreditation from SIRIM QAS International, reflecting our commitment to high standards.

The Contract

Discuss with our team to fully **understand how our solution can benefit you.**

We can **fine-tune our scope of work** to suit your **exact needs and requirements.**

Enter into a **Contractual Agreement** to engage Actomate.

For any enquiries, contact:

Woon Kun Khim
Actuary
kk.woon@actomate.ai

Detailed Scope

ICAAP review

- Review the appropriateness of ICAAP relative to its size, nature of business, and complexity of its activities;
- Review the quality and completeness of data used as inputs to the ICAAP exercise;
- Review the appropriateness, reasonableness and validity of ICAAP methodology, assumptions and scenarios;
- Review the robustness of risk monitoring and reporting system relevant to ICAAP;
- Review on the adequacy of ITCL trigger levels and capital management plan;
- Review on the quality and effectiveness of risk monitoring and reporting system, including relevant controls and documentation;
- Review, where relevant, the performance and appropriateness of the use of third-party vendors, products, services and information where they form part of the ICAAP framework;
- Provide recommendations to the Management. for improvements.

Management of Participating Life Business (MPB) review

- Review the MPB policy and governance framework, including actual alignment to the policy and effectiveness of the policy;
- Review the asset share calculation and process including data, assumptions, methodology, system, documentation and result validation;
- Review the Appointed Actuary's recommendation to the bonus declaration, and relevant supporting analysis including annual bonus supportability study and sensitivity analysis;
- Evaluate the fair treatment of PRE in bonus recommendation and if any, the corresponding impact in meeting undue PRE to the company's financial condition;
- Review the quality and adequacy of information provided to the policyholders;
- Provide recommendations for improvements to the policy and on existing practices.

Actuarial Valuation Process review

Covers the end-to-end regulatory actuarial valuation process, including:

- Data governance and controls, including data extraction, reconciliation and validation processes;
- Actuarial models and model governance, including model documentation, controls and change management;
- Methodology and valuation approach adopted;
- Assumption setting and experience analysis, including review and approval processes;
- Analysis of valuation results and review;
- Internal review, governance and documentation supporting the valuation process;
- Preparation and review of regulatory returns and submissions to BNM;
- Other relevant activities.

Project Terms

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Deliverables & Timeline

Deliverables:

- ✓ Detailed project timeline and regular updates of the progress.
- ✓ Data request lists and checklist of the various review follows BNM Guidelines as stated in the "Approach".
- ✓ Discussion meetings with Appointed Actuary on the findings, if required.
- ✓ 3 separate reports in the format of presentation slide in PDF format shall be prepared, with any additional recommendations.

Timeline:

- ✓ The project timeline will be confirmed upon engagement, with an estimated overall duration of 6 months across the three phases below.
- ✓ A tentative proposed review timeline is as below, and can be adjusted where relevant:

  Phase 1 – ICAAP Review (2 months)

  Phase 2 – MPB Review (2 months)

  Phase 3 – Actuarial Valuation Process Review (2 months)
- ✓ Each of the draft reports will be ready within 4 to 6 weeks after receiving the complete data.
- ✓ Final report within 1 week after discussion on draft report.

Approach

- ✓ We will **work with your team** to gather relevant information, documentation and working files required for the review.
- ✓ There will be **regular sessions** between your team and our team, in the form of physical and / or virtual mode, to understand the details underlying the review.
- ✓ All queries raised will be logged in an Excel-based **query log** for documentation and audit purpose.
- ✓ **Regular updates** (weekly or bi-weekly) will be provided to align both teams on the overall progress of the review.
- ✓ Any blockers that might affect the review will be escalated to the Management as soon as identified.
- ✓ We shall **discuss the findings and recommendations with the Management** upon completion of the review, before formalizing it in the review report.