

## Casualty Actuarial Services

As organizations retain more risk and address increasingly complex risk financing challenges, they need to ask some basic questions:

- Do we calculate retained liabilities accurately enough to support our decisions about balance sheet reserve positions and accruals?
- Are our insurance and risk financing decisions supported by the best possible quantitative and financial analytics?
- How can we use actuarial analyses to lower our cost of risk?

### Overview

Many organizations judge the quality of their insurance coverage on the basis of their latest renewal “savings.” However, practical experience teaches that good coverage is not necessarily the cheapest coverage. Sophisticated actuarial tools and financial expertise are needed to properly assess an insurance program’s value.

An actuarial analysis by Towers Watson can provide deep insight into the relationship between your risks and your profitability. By understanding risk and profitability as two sides of the same coin, you can significantly enhance the quality and consistency of risk-related decision making in your organization.

Our innovative actuarial techniques can lay the foundation for risk management initiatives that lower the cost of claims, as well as for risk financing structures that use capital more efficiently.

### The Towers Watson Approach

Drawing on a rich tradition of analytical excellence, we apply actuarial tools and techniques to estimate retained liabilities and prospective funding, measure volatility and evaluate capital needs. We can recommend the strategies and structures that most effectively align your risks with your risk tolerance by employing a variety of risk financing alternatives.

Towers Watson clients also benefit from our global reach and deep expertise on varied risk exposures. Our ability to identify, measure and analyze risk has enabled leading companies around the world to shape program designs and strategies that add value to the enterprise.

### We work with you to:

- Prepare actuarial analyses of the liabilities arising from retained risks for preparation of financial statements and projections of future period losses
- Evaluate retention strategies that consider the true cost of capital rather than just differences in insurance premiums
- Help you understand the volatility of outcomes by modeling claim distributions
- Analyze the risks arising from catastrophic events to guide decision making on capital adequacy and deployment
- Conduct studies on the feasibility of captives and other alternative risk financing programs, including developing pro forma financial statements and business plans
- Develop cost allocations for your retained losses

In short, we provide practical advice that you can put to work quickly and effectively to identify, measure, and analyze risk and its impact on your business.

### A Record of Success

For more than five decades, we have been the premier actuarial consultant to the global insurance industry, and we bring similar services to other financial and nonfinancial services organizations across many industry sectors. Let us help your organization assess, weigh and rank risks to guide your resource allocation and management focus.

To learn more about how Towers Watson can assist your needs, please visit [www.towerswatson.com](http://www.towerswatson.com).

### About Towers Watson

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 14,000 associates around the world, we offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.