

Insurance services
Supporting you in managing
your business risks



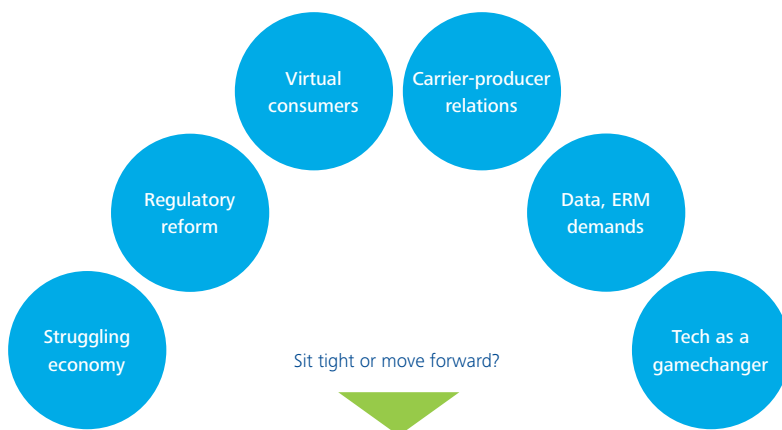
Today's environment demands that enterprises tighten their controls and make the necessary adjustments to their organisational frameworks

Deloitte Enterprise Risk services (ERS) is a market leader in providing risk consulting, corporate governance and insurance specific services to the insurance sector delivered by dedicated insurance industry experts.

Today's environment demands that enterprises tighten their controls and make the necessary adjustments to their organisational frameworks. The ERS team has strong credentials supporting insurance companies in accomplishing their goals.

Current market trends

As leaders in providing professional services to the insurance industry, Deloitte works with clients to address a range of critical issues brought on by the economic downturn, advances in technology, regulatory changes, competition and the changing demands of customers.



Carriers that proactively address these issues will be better prepared to survive and prosper

Insurers can't wait for the economy to rebound

- It could take years for a full economic recovery. Carriers must innovate to grow.
- Interest rates likely to remain low in the short-term, cutting investment income and profits.
- Better underwriting and expense control is critical.
- Many consumers are underinsured - more education and cross-selling required.

Virtual consumers have arrived!

- Consumers routinely live their lives and do business online, and expect insurers to be there for them in the virtual world.
- Carriers experiment with social media and mobile apps, but still have a long way to go.
- Insurers and producers, fearful of being cut out of the value chain, race to expand web presence and mobile capabilities.
- Online options create opportunities to learn more about clients, educate them more about insurance, and sell them more products/services.

Carriers and producers reassess relationship

- Agents and brokers are here to stay - but not necessarily every producer.
- Agency force shrinking due to consolidation, aging, lack of recruitment.
- Bigger brokers controlling more business.
- Carriers taking a closer look at growth among prime producers. Analytic models spotlight those not growing in the market, or with a carrier.
- Insurers should be prepared to invest in those producers generating growth.
- Carriers considering multiple distribution platforms.

Rules of the road remain uncertain

- Dodd-Frank fallout:
 - Insurer-owned thrifts: New regulator/ regulations on the way!
 - Federal Insurance Office: More data needed, new probes into availability for underserved, state regulation assessed/supplemented/ replaced?
 - Financial Stability Oversight Council: biggest carriers could face new regulatory demands!
- Solvency II, Local Regulatory Regulations, Solvency, Risk Management Reporting and International Financial Reporting Standards.
- Insurers are likely to be asked to put up more capital, generate more data
- and meet additional regulatory demands.
- FIO will facilitate global insurance agreements, and can override state regulations, but may be stymied domestically.

Bottom line, insurers face perpetual uncertainty!

Tech to the rescue!

Insurers invest in tech capabilities to enhance customer experience, drive growth, achieve efficiencies.

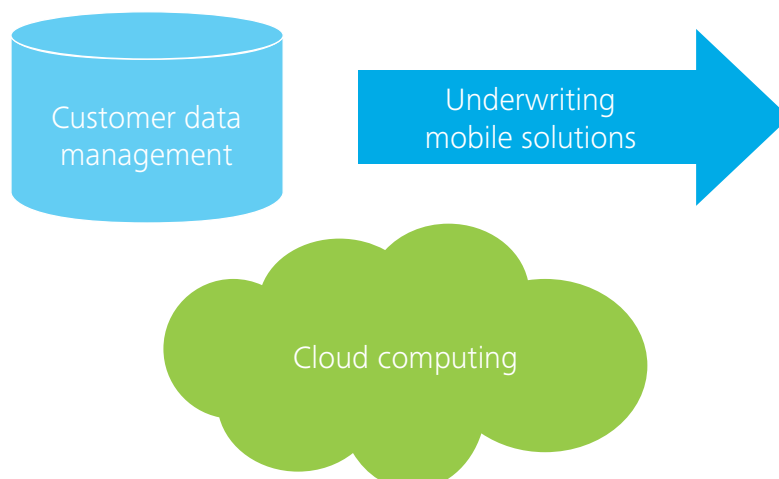
What are leading-edge insurers doing?

Insurers are reengineering and innovating rather than circling the wagons and defending the status quo. Insurers are not taking anything for granted, reassessing the growth potential of main products and producers. Carriers are upgrading data reporting systems, ERM capabilities, underwriting tools, claims-handling processes and distribution options.

Insurers are bolstering their web and social media arsenals to fight for business in a more virtual world. To-do list: The industry could do a better job educating consumers about financial needs to prime the pump for more sales, as well as improve brand reputations.

We can help!

Our Insurance Services team offers a comprehensive array of solutions designed to help our insurance clients evaluate their risks, optimise their processes, determine acceptable levels of exposure and monitor the risks. Our Insurance Services help to ensure that your organisation manages, and responds to all types of risks. Whether the need is related to Solvency, Actuarial Services, Internal Audit, Corporate Governance, Enterprise Risk Management, Process Enhancement, Technology Services and Corporate Responsibility and Sustainability, our dedicated Insurance Risk Management professionals are available to support you.



Here to meet your needs

Malta contacts:

Ashraf Fahmy

Leader Enterprise Risk Services
Tel + 356 23432000
asfahmy@deloitte.com.mt

Sarah Curmi

Leader Insurance Services
Tel + 356 23432000
scurmi@deloitte.com.mt

Mark Abela

Manager Financial Services Industry
Tel + 356 23432000
maabela@deloitte.com.mt

Julia Stankevich

Manager Enterprise Risk Services
Tel + 356 23432000
jstankevich@deloitte.com.mt

Deloitte Place, Mriehel Bypass,
Mriehel BKR3000, Malta
Telephone: (+356) 2343 2000
Facsimile: (+356) 2134 4443
www.deloitte.com/mt

Business risk

Service areas	Service offerings
Contract Risk and Compliance	Business Relationship Management, Customer Relationship Risks and Compliance, Joint Venture, Alliance, Vendor Relationship Risks and Compliance.
Governance, Regulatory Compliance and Risk Strategies	Governance, Regulatory Risks and Compliance, Credit Rating Readiness Assessment.
Internal Audit	Internal Audit Projects, IT Audits, Outsourcing, Co-sourcing, or Loaned Staff arrangements, Quality Assessment Reviews, Regulatory Effectiveness Testing, Risk Assessments.
Business Process	Cost Management, Developing Policies and Procedures, Process Reengineering, Process Reviews and Developing Delegation of Authority Matrices.
Enterprise Risk Management	ERM Capability Assessment and Roadmap, Risk Appetite Definition, ERM Policy Development, Enterprise Risk Assessment, End-to-End ERM Design and Implementation, ERM System Selection and Implementation, Risk Analysis and Quantification (CFaR, EaR, DFA), Capital Allocation (NPV, IRR, RAROC), Solvency II or Risk Based Capital Modelling and Risk Transfer and Transfer Mechanisms.
Information and Technology Risks	Data Risk Services, Information and Controls Assurance, Risk Management Technologies, Security, Privacy and Resiliency, Technology Risk and Governance.
Anti Money Laundering	The Deloitte Anti-Money Laundering practice follows an enterprise wide approach to managing money laundering risk. This approach enables clients to manage their risk across lines of business and in multiple jurisdictions, while helping meet the expectations of local regulators, shareholders, employees and other stakeholders.
Solvency II	We can help insurers and reinsurers consider all the implications of Solvency II so as to better assess their organisation's state of readiness. We then assist in the design and implementation of the complex change program required to address any gaps identified and to embed Solvency II and risk management principles throughout the organisation, thereby achieving full regulatory compliance across the three Pillars.

Actuarial services

Service areas	Service offerings
Product Development and Pricing	We can offer assistance in designing innovative products and pricing through benchmarking, market research, using actuarial pricing techniques and advanced techniques such a multi-state and stochastic modelling.
Risk and Capital Management	Risk Based Economic Capital Model Development/Reviews, Hedging Strategy Development, Regulatory Compliance for Solvency, Technical Provision Requirements.
Stress Testing	Stress Testing has become critical to analyze the impact on insurance company in various scenarios, allowing insurance companies to evaluate their position in various scenarios and make better decisions accordingly.
Asset Liability Modelling	The projection of assets and liabilities under a range of different possible economic scenarios provides a methodical framework to identify and quantify investment risks and to evaluate and compare alternative strategies.
Acquisition and Claim Analytics including Reserve	Acquisition Analytics, Retention Analytics, Claims Analytics, Reserve Evaluation and Reserve Variability.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte Malta refers to a civil partnership constituted between limited liability companies, and its affiliated operating entities; Deloitte Services Limited and Deloitte Audit Limited. The latter is authorised to provide audit services in Malta in terms of the Accountancy Profession Act.

A list of the corporate partners, as well as the principals authorised to sign reports on behalf of the firm, is available at www.deloitte.com/mt/about.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 169,000 professionals are committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.