

# Cross-Border Insurance Seminar: 2003

by "Insider"

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On Wednesday 2<sup>nd</sup> April 2003, Boal & Co welcomed almost 50 clients and leading insurance executives to their Dublin seminar, "Cross-Border Insurance 2003: Issues and Opportunities". The platform comprised no fewer than seven speakers, including colleagues from Milliman Global firms in France, UK and USA.

Based in the comfortable and elevated setting of the Martello Suite at Jury's Hotel, Ballsbridge, the day began early with participants arriving from 7:45 to enjoy a full Irish breakfast. Delegates had travelled especially to the seminar from cities such as Oslo, Milan, Zurich and London, with speakers arriving equally well-travelled from Paris, London, Seattle, ... and Leeson Street, Dublin.



*David Kingston....& Co*

**David Kingston**, Chairman of Boal & Co (Ireland), compered proceedings, noting Boal & Co's opening in 2002 of a full Dublin office and the expansion of business that was now taking place.

After initial introductions by David, **Gary Boal**, managing director of Boal & Co, was first into the hot-seat. Speaking on the topic of Ireland's competitive position vis-à-vis other international insurance domiciles, Gary's presentation gave a well-supported clear thumbs up to Dublin, particularly in comparison to Luxembourg. Many delegates remarked afterwards on the unusual and restrictive nature of life assurance regulation in the Grand duchy, given the detail set out in Gary's presentation.



*Gary Boal comparing Dublin vs. Luxembourg: "Illogical!"*

What was also unexpected was to witness the Star Trek quotes and samples which Gary wove into his oratory. On Gary's behalf, I can confirm that he is not, as many delegates surely now believe, an avid Trekkie. I can also confirm that the Star Trek theme was not an implication that Luxembourgers are Klingons, but that in his opinion their particular brand of life assurance regulation is "Life, but not as we know it"!

**Gary Wells**, an insurance partner in Milliman Global's sister firm, Milliman UK - who advise numerous non-life and captive insurance clients in Ireland - then spoke on current topics in relation to non-life insurance in the Irish market. His presentation ranged over developments including actuarial certification of non-life reserves, captives and the hot topic of motor insurance premiums.

The final speaker before the mid-session coffee break was **Liam O'Reilly**, chief executive of IFSRA - Ireland's new single financial services regulator. Mr O'Reilly noted the successful development of international insurance business in Ireland, and the importance of the insurance sector to the Irish economy. He explained the background leading up to the establishment of IFSRA as the new regulator, effective May 2003, and praised the work of the DETE, whose staff would be transferring to IFSRA in the coming months. Outlining IFSRA's key immediate goals, he touched upon consumer protection issues before focusing on issues of prudential regulation, including solvency and risk management. He affirmed that the appointed actuary would remain central to the insurance regulatory framework in Ireland and that IFSRA would place a high priority on maintaining Ireland's strong international competitive position in relation to insurance business.



*Liam O'Reilly, CEO IFSRA: "What we want to do is enhance the [cross-border life] industry and enhance its reputation"*

After a busy coffee interval, David Kingston introduced **Emmanuel Tassin**, director in charge of insurance consultancy with Fixage, Milliman Global's member firm based in Paris, France. Emmanuel's interesting talk showed the development of the French life assurance market, including the divergence between the growth of the "Euro savings policy" market and the reduction in the unit-linked product market. After covering distribution issues, he outlined the main critical factors for success in the French market. Based in part upon Fixage's experience of having advised clients seeking to operate in France under the "freedom of services" regime, he closed by illustrating the somewhat contrary requirements of the local regulators and the fiscal challenges that need to be taken into account.



*An intrigued audience hear Emmanuel Tassin say "European law requires x. But in France, we ignore x and do Y"*

Next to the podium was **Simon Feely**, General Manager of Boal & Co's office in Dublin. Having been dealt a "hospital pass" in the form of a topic entitled "Solvency I Directive", Simon coped admirably and gave a presentation which was notable for its detail, clarity and worked examples. Noting that "Solvency I" is raising the hurdles, whilst "Solvency II" to come will be more wide-ranging, Simon closed by outlining transitional arrangements and noting some anomalies that still remained. "Solvency has never been so interesting", as at least one delegate remarked.



*Simon Feely: "Solvency I - Interesting"*

Simon was followed to the platform by **Pramit Ghose**, a well-known investment actuary of Bloxham stockbrokers, who gave an entertaining talk on peculiar investment conditions and their future prognosis. Prमित's fascinating presentation included many charts showing the virtues of investing in the equity market through value stocks, choosing a fund manager and alternatives to with-profit products. Other lessons were the dangers posed by switching to fixed-interest investment, why hedge funds are not the answer, and a recommended investment strategy for investors, with implications for insurance products.

In the final session of the morning, **Bob Collett**, Chairman of Milliman Global and former President/CEO of Milliman USA, talked on the subject of Milliman Global, its vision and mission, and its many areas of expertise. A premier global consulting organisation, Milliman firms provide actuarial and related management advice through 2,800 employees in more than 100 offices in 36 countries around the world. Demonstrating that Independence (no conflicts), Quality and Innovation were core values of the organisation, he outlined Milliman Global's focus for the future, and the winning partnership achieved by combining global vision and local wisdom.



*Dominique Piermay (Fixage, Milliman France) and Bob Collett (Milliman USA) in friendly discussion over "freedom fries" vs "French fries"*

All in all, a very comprehensive morning and, to judge by the warm comments that followed, a well-received seminar. Roll on 2004!

*"Insider"*