

CapitOx Actuary Division Weekly Newsletter

Welcome to the sixth issue of the weekly actuarial newsletter, brought to you by the Actuarial Division of CapitOx. We hope you enjoy the read! If you have any views on what you would like to see in future newsletters, please feel free to e-mail capitoxactuaries@googlemail.com.

The past issues could be found on our website <http://www.capitox.com/actuary/>.

Structure Summary

1. Recent Developments
2. Term of the Week
3. Puzzle
4. Conclusion

1. Recent Developments

Below is a summary of relevant news. Please read more about the following articles:

- Finance Act removes scope for scrutiny as regulation making powers are enhanced
<http://www.towerswatson.com/united-kingdom/research/1682>
- 2012 pension reforms: employers still unprepared for auto-enrolment
<http://uk.mercer.com/summary.htm?idContent=1379080>
- 900 Quinn Insurance workers to lose jobs
http://news.bbc.co.uk/1/hi/northern_ireland/8652909.stm

2. Term of the Week

Definition of Insurance Cycle

The process whereby hard (that is, profitable) premium rates that often result in an increase in the supply of insurance are followed by soft (that is, unprofitable or less profitable) premium rates usually associated with increased competition, that in turn may be followed by a decrease in supply, reduced competition and a return to hard premium rates. This process is complex but appears to occur in all types of insurance and reinsurance, though at different speeds and to different degrees.

3. Puzzle

Earth traveler's puzzle

Start from a place on earth surface, you travel south for 100 miles, east for 100 miles, and finally north for 100 miles and you get back to your starting point. Where did you start?

The answer will be found at the end of the newsletter.

4. Conclusion

We hope that you have enjoyed reading, and are now more knowledgeable about the role actuaries play in business. The fourth edition of the newsletter will be out next week so be sure to catch it!

Thank you for your time.

CapitOx Actuaries

Answer to the Puzzle

Earth traveler's puzzle

(1) The North Pole;

(2) Anywhere that is precisely 100 miles away from the South Pole.

Note: South Pole is not such a place because going south is not defined for South Pole.