

New Reserving Practices Made Possible by Modern Technology, Methods

Proper reserving ensures insurance companies have the financial strength to pay claims and other expenses.



Thanks to modern technology supporting sophisticated models and richer data, some forward-thinking actuaries are unearthing new approaches to fine-tune reserving. Specifically, they are looking to develop reserves on a per claim rather than an aggregate basis.

My Actuarial Review article, [Beyond Triangles: Capturing Insights From New Analytic Technology](#), is garnering much attention. The story also describes new reserving approaches that should improve the insurance value chain from developing rates to unearthing or quantifying unnecessary claim costs.

Actuaries have different ideas on the best tools and models for reserving. Until best practices emerge, there will be much discussion.

I hope my article serves as a springboard for moving the discussion forward.