

تعميم

الموضوع: Q2 Reserving Submission

الرقم: ت.ع.م/١٨٣/٢٠٢٠/٧

التاريخ: ٢٠/٧/٢٠٢٠ م

Dear CEO,

Dear CCO,

In reference to the upcoming Actuarial Quarterly Reserve submission for Q2 2020, due on 23rd of July 2020, as per the Schedule of Actuarial Submissions for Year 2020 circulated on 26 March 2020, please note the following:

- 1) In addition to the standard actuarial reserving considerations, each Appointed Actuary must also consider the following:
 - a. Impact of the two-month extension in Motor Retail policies as per SAMA Decision 189/441 dated 8 May 2020:
 - i. This impact shall be reflected in Premium Deficiency Reserves (PDR), and shall not affect the Earned Premium calculations
 - b. Impact of possible deferral of medical treatments from the period of lock-down to future periods:
 - i. This amount may be reflected in the Incurred-But-Not-Reported (IBNR) claim reserves, PDR or both, as appropriate.
- 2) In light of the above, and in addition to the requirements stated in SAMA's Circular No. 164, below are the additional reporting requirements for Q2 2020, and the subsequent quarters until SAMA's further instructions.
 - a. Submission of Appendix 1 to the Actuarial Reserving Certificate [1], titled 'Impact -'
 - i. Explanation of the methodology used, for both gross and reinsurance recoveries and the justification of such use.
 - ii. Total impact on reserves, split into Claims and Expense provisions.

^[1] This was circulated to the market on 20 October 2019

- iii. Results of PDR calculation, both before and after allowing for the above cost impact.
- b. Submission of Appendix 2 to the Actuarial Reserving Certificate, titled 'Impact of possible deferral of Medical claims to future periods', covering at least the following:
- i. Explanation of the methodology used, for both gross and reinsurance recoveries and the justification of such use.
 - ii. Total impact on IBNR and PDR reserves, split into Claims and Expense provisions.
 - iii. Results of PDR calculation, both before and after allowing for the above cost impact.
- 3) In respect of the above two appendices, the Company shall also submit detailed information in MS Excel format. This information shall form part of SAMA's Quarterly Reserve Template, using the attached updated SAMA Quarterly Reserve Template.
- 4) On account of the above additional reporting requirements and operational challenges due to COVID19 and Eid-al-Adha holiday, the submission deadline for Q2 2020 Actuarial Quarterly Reserves is hereby extended to the 9th of August 2020.

Kind regards,

General Department of Insurance Control

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