

Section A INTRODUCTION

Volume 2 of the Claims Reserving Manual was first published in 1989 by the Institute of Actuaries. At that time, Volume 2 consisted of five papers covering more advanced reserving methods, loosely described as “statistical” methods. The criteria for inclusion in Volume 2 were that the methods should be “statistical”, had been used by a practitioner and had been found to be of value.

The initial edition of Volume 2 did not include any commentary on, or summaries of, the five original papers, nor did it attempt to present them in any sort of context. The present edition includes a précis of each of the original papers, so that the reader can see the contents of each paper at a glance. In addition, two new papers have been added to the Manual. Further papers will be added in the future, as appropriate.

Since the Claims Reserving Manual was first published, a considerable number of actuarial papers on reserving have been published in a variety of journals, and some papers have been offered to the Faculty and Institute of Actuaries for inclusion in the Claims Reserving Manual. Clearly, not all the papers published or submitted since the initial edition of Volume 2 can be reproduced or referred to in the Claims Reserving Manual.

However, so that the reader is aware of some of this further work, précis of other selected papers have also been added to Volume 2. The criteria for inclusion are that the paper either puts forward a new approach to a claims reserving model, or gives some useful refinement of, or variation on, an existing model. The intention is that these summaries will be added to over time.

Whilst all the Volume 2 papers include an example where appropriate, illustrating the use of the models, it was also felt that, with the widespread use of personal computers, it would be useful to issue a disk with an illustration on a spreadsheet of the application of the models. This should further aid the reader’s understanding of the model, and assist any readers who want to try out the models in practice.

This revision of the Claims Reserving Manual therefore includes a disk and additional description of two of the Volume 2 papers. Further computerised illustrations are planned for other models where it is felt that this would be useful.

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