Rubric for the LI&R Valuation Assignment Semester 1 2019

Question 1

Weight: 30%	Significantly above pass level	Pass level	Some improvement required	Significantly below pass level
Valuation approach	Clear explanation of all components of the valuation approach. All material matters have been identified and considered.	The components of the valuation are present but there is a lack of clarity on some aspects of the valuation approach.	A material component is missing from the valuation approach or the overall explanation is unclear.	Unclear explanation and material components missing.
Mortality assumption	There are assumptions that clearly support the calendar year mortality assumption and the student is aware of exactly how they support the assumption. The student clearly understands the difference between data and information.	There are assumptions that support the mortality assumption and the student is aware that the assumptions provide general support but is unclear with their explanation.	A table has been constructed but there is a lack of clarity on how the student chose their assumptions.	The student did not consider a calendar year of birth table or it is not clear that they did use such a table.
Spreadsheet	Clearly coded with separation of data, assumptions, calculations and output as well as explanatory notes. Accurate calculations, formulas logically consistent and easy to read. The description in the report is clear and concise.	Separation of data, assumptions, calculations and output as well as explanatory notes. Formulas logically consistent and appears to be accurate calculations. The description in the report is adequate but could be clearer and/or shorter.	Separation of data, assumptions, calculations and output as well as explanatory notes. Difficult to follow the formula construction or the description in the report is unclear. It looks like some inaccuracies in the valuation method.	Poor design of spreadsheet or inconsistent formulae or inaccurate formulae. Poor explanation in the report.
Sense checking of the valuation	A clear explanation on the factors that may affect the accuracy of the result.	A general discussion on the factors that may affect the accuracy of the result.	An awareness of the issue of accuracy but not clear on the factors that may affect the accuracy of the result.	No real understanding of the concept of accuracy.
Clarity	All sentences are complete and grammatical. All paragraphs deal with a single theme. All new or unusual terms are well-	All sentences are complete and grammatical. All paragraphs deal with a single theme. Most new or unusual terms are well-	A few sentences are incomplete and/or ungrammatical. Words are not chosen for their precise meanings. New or unusual terms	Many sentences are incomplete and/or ungrammatical. The author does not acknowledge that key words have precise meanings.

defined. Key concepts are accurately and completely explained. Where appropriate, clear examples are used to illuminate concepts and issues. The documentation for the actuarial department has been spell-checked, has no errors, and the language is appropriate to the audience.	defined. Key concepts are explained. Examples are clear. The documentation has been spell-checked, has some errors, and the language is appropriate to the audience.	are not well-defined. Key concepts are not explained sufficiently well. Examples are not clear. Information (names, facts, etc.) is mostly accurate. The documentation has several spelling errors and at times the language is not appropriate for the intended audience.	Information (names, facts, etc.) is inaccurate. The documentation has many spelling errors and often the language is not appropriate for the intended audience.

Question 2

Weight 20%	Significantly above pass level	Pass level	Some improvement required	Significantly below pass level
Analysis of surplus approach	The report to the CFO shows a clear demonstration of what can be analysed in this scenario. Caveats and assumptions are structured. The student has a clear idea on further information required to produce a detailed analysis of surplus.	The report to the CFO demonstrates what can be analysed in this scenario. The AoS is completed adequately but one element is not tailored specifically to the scenario. The student has a recognition that further information is required to produce a detailed analysis of surplus but expresses the ideas in general terms.	A material component is missing from the AoS or the overall explanation is unclear.	Unclear explanation and material components missing.
Asset calculations	Changes in asset values considers appropriate factors. The student clarifies any assumptions and demonstrates a strong understanding of their implications.	Changes in asset values considers appropriate factors, although the analysis could be simpler. The student outlines assumptions and demonstrates a reasonable level of understanding of all of the assumptions.	Changes in asset values excludes some appropriate factors. The student lists assumptions but fails to demonstrate understanding of all of the assumptions.	Changes in asset values excludes many appropriate factors. The student does not even list their assumptions; or the student shows a clear lack of understanding, for example, making an assumption which is unreasonable.
Spreadsheet	See the rubric for question 1.			

Accuracy of the analysis	A clear explanation on the factors that may affect the accuracy of the result.	A general discussion on the factors that may affect the accuracy of the result.	An awareness of the issue of accuracy but not clear on the on the factors that may affect the accuracy of the result.	No real understanding of the concept of accuracy.
Clarity	See the rubric for question 1. Keep the memo short and to the point.			

Question 3: Three shocks

Weight 10%	Significantly above pass level	Pass level	Some improvement required	Significantly below pass level
Three shocks	A clear statement on three distinct and relevant shocks.	Three distinct shocks but it is not clear why they are relevant.	Three shocks but not all distinct and not clear why they are relevant.	Unclear statement **OR** not three shocks. Hint: do not provide more than three shocks.
Validation of the shocks	The arguments supporting the chosen shocks are clear and consistent. The student recognizes the weakness in their arguments.	The assumptions behind the chosen shocks are in the text but not clearly laid out. The student recognizes some of the weakness in their arguments.	The assumptions behind the chosen shocks support the chosen shocks but the student does not show that they understand the link. The student does not discuss the weakness in their arguments.	The assumptions do not support the shocks.

Question 4: Appraisal Value

Weight 25%	Significantly above pass level	Pass level	Some improvement required	Significantly below pass level
Apply each shock	Able to apply each shock. Describes sensible assumptions that guide the aggregation of the shocks.	Able to apply each shock. Outlines assumptions that guide the aggregation of the shocks.	Able to apply each shock although a lack of clarity on the calculation. A lack of clarity on the assumptions behind the aggregation.	Unable to apply the shocks and a poor description of the aggregation assumptions.
Appraisal value	Clarity on the approach used to calculate the AV components. A sound selection of assumptions that clearly demonstrates the difference between AV and policy liability calculations. (Any description should be brief.)	The AV calculation looks correct but lacks clarity. A sound selection of assumptions that clearly demonstrates the difference between AV and policy liability calculations. (Any description should be brief.)	A main component of the AV calculation is absent. The selection of assumptions does demonstrate the difference between AV and policy liability calculations although there is no explanation.	More than one main component of the AV calculation is absent. The selection of assumptions does not demonstrate the difference between AV and policy liability calculations. The model incorrectly considers the shock capital.

	A sensible assumption on capital and its run-off is identified and the model complies with the assumption.	The model allows for the capital to reduce but it is a bit unclear.	The model incorrectly considers the shock capital.	
Clarity on Board memo:	See "Clarity" guide in 'Question 1' rubric Further guidance: No more than a one-page conclusion. No more than two pages for the assumptions. No more than five 'further work' items.			

Question 5: Infographic

Weight 15%	**Significantly above pass level**	**Pass level**	**Some improvement required**	**Significantly below pass level**
Design	Captures information that would appeal to the Board. A mixture of visuals and written words that blend well, are appealing to the eye, and have clear, simple-to-understand messages.	Captures information that would appeal to the Board but either too much extraneous information or a few key points are missing. A mixture of visuals and written words that have clear, simple-to-understand messages. The blend between words and visuals could be improved.	Information is predominantly present but incoherent to a Board. Rework is required on the presentation to link themes together.	Lack of information and /or poor layout.