



Non-Life Insurance Reserves

Paragon[®]
Actuarial

Types of Reserves

- Unearned Premium Reserve (UPR)
- Unexpired Risk Reserve (URR)
- Unpaid Claims Reserve

Unearned Premium Reserve (UPR)

- UPR reserve is for premium corresponding to the time period remaining on an insurance policy
- In most cases it is proportional to the time period remaining on the policy
- In some cases (like engineering policies) it cannot be accurately estimated by taking direct proportion of period remaining, in which case other methods are used to estimate UPR

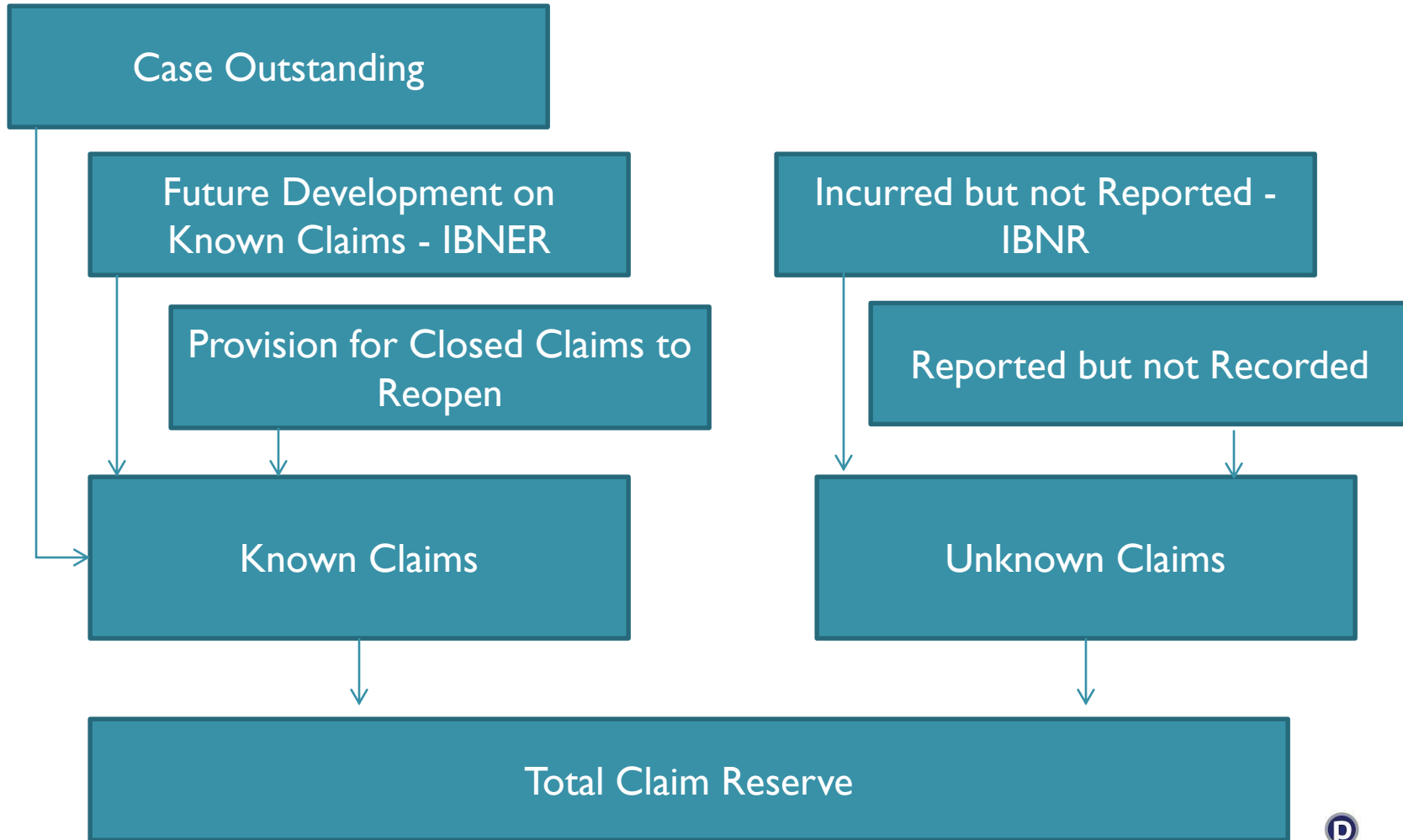
Unexpired Risk Reserve (URR)

- Required when estimated cost of claims and other expenses during the remaining period of active policies, exceed the unearned premium reserve amount
- Estimated using loss ratios, claims trends, reinsurance etc.
- Not always required

Unpaid Claim Reserve

- Case Outstanding
- Claims Incurred but not Enough Reported
- IBNER
- Estimation for Reopened Claims
- Claims Incurred but not Reported – IBNR
- Claims Reported but not Recorded

Unpaid Claim Reserve



Unpaid Claim Reserve

- In practice, IBNR reserve are referred to include the following in actual:

Provision for Closed Claims to Reopen

Reported but not Recorded

Future Development on Known Claims - IBNER

Incurred but not Reported - IBNR

- Instead of reporting them separately as shown earlier

Thank You

- We Trust you have found the above information helpful, for further information please contact:

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