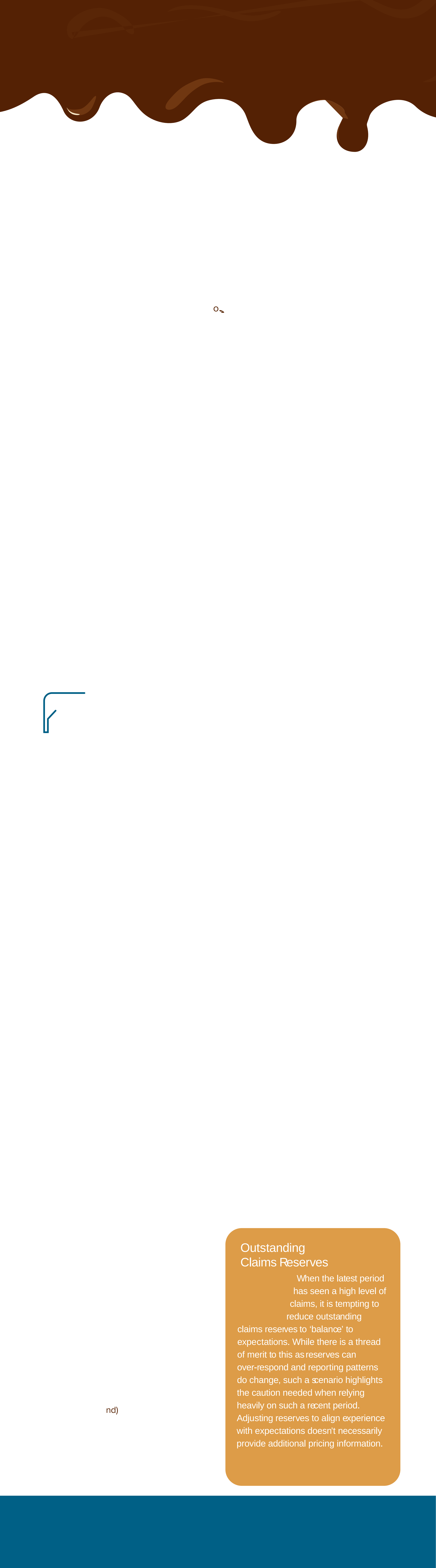
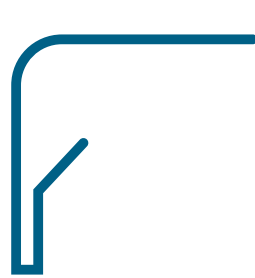




O



nd)

Outstanding Claims Reserves

When the latest period has seen a high level of claims, it is tempting to reduce outstanding claims reserves to 'balance' to expectations. While there is a thread of merit to this as reserves can over-respond and reporting patterns do change, such a scenario highlights the caution needed when relying heavily on such a recent period. Adjusting reserves to align experience with expectations doesn't necessarily provide additional pricing information.