

Arius[®]

Working with Defaults



IT TAKES VISION

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Milliman, Inc.
3424 Peachtree Road NE, Suite 1900
Atlanta GA 30326 USA

Tel +1 800 404 2276
Fax +1 404 237 6984

ActuarialSoftware.com

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Working with Defaults

Arius provides multiple opportunities to use default settings to have the system make preliminary selections, allowing you to spend more time on the analysis and less time on the more mechanical parts of the process. Using default settings, Arius can

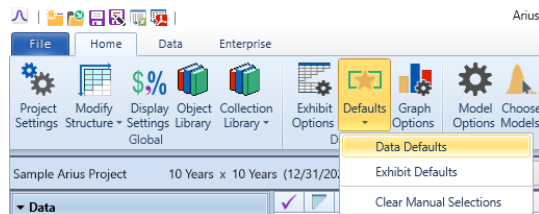
- set a value across multiple data fields (or clear those fields);
- select development factors based on a variety of statistics, prior selections, and external sources; and
- select ultimates based on a variety of methods or average of those methods.

Much of this can be set for multiple tables across multiple segments in the same Arius file, all at once.

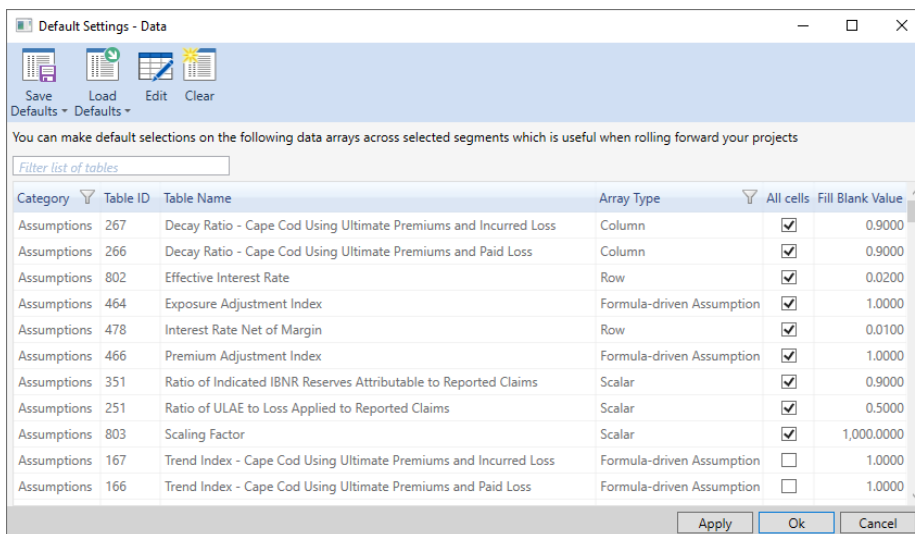
1. Default Settings for Data

In addition to the broader options for importing data into Arius tables, you can also set a single value across multiple tables and segments from within the Arius file. For example, you may want to set the decay ratio to 0.9 for several Cape Cod methods or you may want to replace blank cells in the incremental paid loss triangles with zeros, for multiple segments in your file.

1. Access this functionality by clicking on the **Defaults** icon on the Arius **Home** ribbon and selecting Data Defaults.

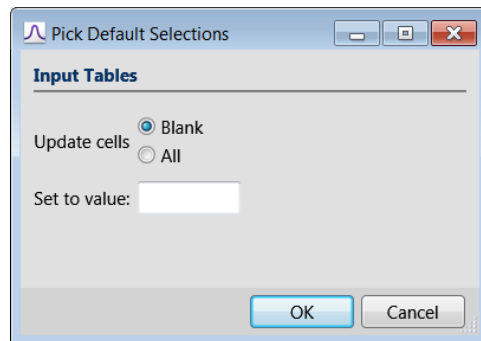


2. The Default Settings – Data window displays.

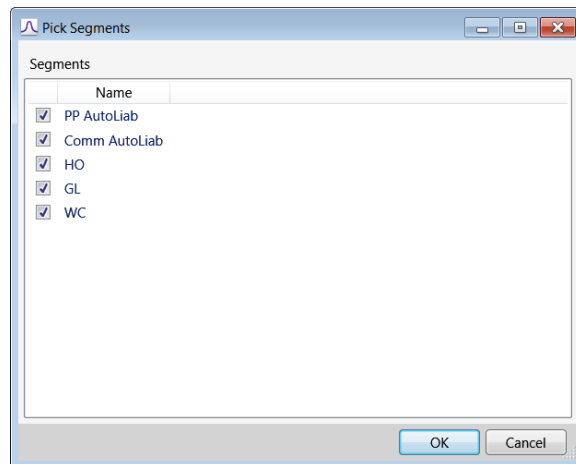


You can make entries directly on this screen, for example if you only want to set default values for one or a few arrays, or you can select multiple table names then click **Edit** to update them all at once in the Pick Default Selections window.

3. On the **Pick Default Selections** screen, select whether you are updating all cells in a table or only blank cells, and enter the incremental value that will replace those cells. (Note that leaving the value field blank will replace existing data with blanks when applying the setting.) Click **OK** to close the dialog box when you are done (nothing is applied yet).



4. Click **Apply** from the **Defaults – Data Defaults** window, then select which segments to include in this update. Click **OK** to perform the action of applying these settings to the selected tables and segments.



Important: Be aware that immediately after clicking **OK**, ALL the data objects on the **Default Settings – Data** list in your selected segments will be updated as defined, not just changes you made recently. Clear any prior settings you do not wish to apply before clicking **OK**.

2. Default Settings for Exhibits

Development factors and other selected factors, including tail factors, can be set up with defaults, updating both the calculations and the selections as the data and/or file structure changes. This gives you an immediate first cut view of your analysis, serves as an audit trail for selections, and allows you to focus more time and energy on areas of concern than on more routine tasks.

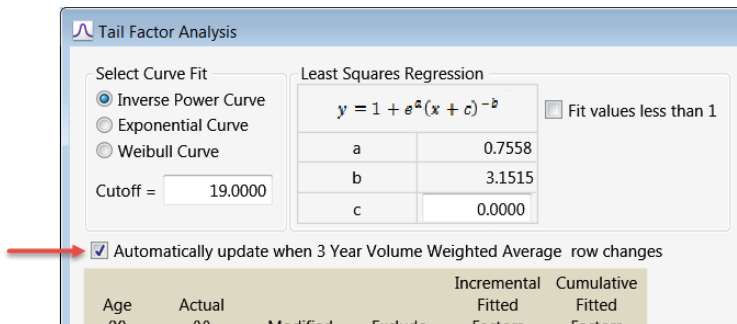
SETTING DEFAULTS IN INDIVIDUAL EXHIBITS


To set defaults on an individual exhibit, highlight the cells you want to set as the default selection, right-click and select **Set as Default**. For example, you can right click on specific cells among your averages, historical selections, or industry data to make them the default selections for their specific columns. Or you can right click on a row label (e.g., the text that says “five year volume weighted average”) to select the entire row as default selected factors. You will notice there is now a green border surrounding those cells, identifying them as the default selections. The values in these cells will now automatically populate the Default selected row at the bottom of the exhibit.

Default settings of selected factors are set and remembered based on position, allowing for automatic refresh when the underlying data changes and when the file structure is updated with a new period. For example, a default selection set in the top row (most recent) of the historical factors section of the exhibit will continue to define the most recent historical row when new periods are added to the file.

The default selected factor setting is also available for the tail factor. Once you have selected a row to fit and have run the tail factor analysis, you can right-click on one or more calculated values in the resulting curves and select **Set as Default**.

Note that checking the **Automatically update when 3 Year Volume Weighted Average row changes** checkbox in the Tail Factor Analysis window will enable an automatic refresh of the tail factor analysis curves on the exhibit whenever the original source data of those curve fits changes.

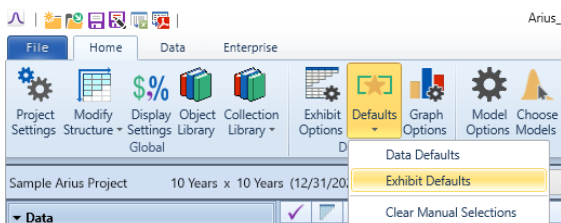


You can also apply rules to the default selected factors. Click on the **Default Settings** icon  in the exhibit window to optionally set a value for empty cells or to set minimum/maximum rules for default selections. A typical example of this might be to set the default selected factors in an exhibit to never default to less than 1.00. Note that overrides in the Default selected row, based on these settings, will display with a blue border to clearly identify them as overrides.

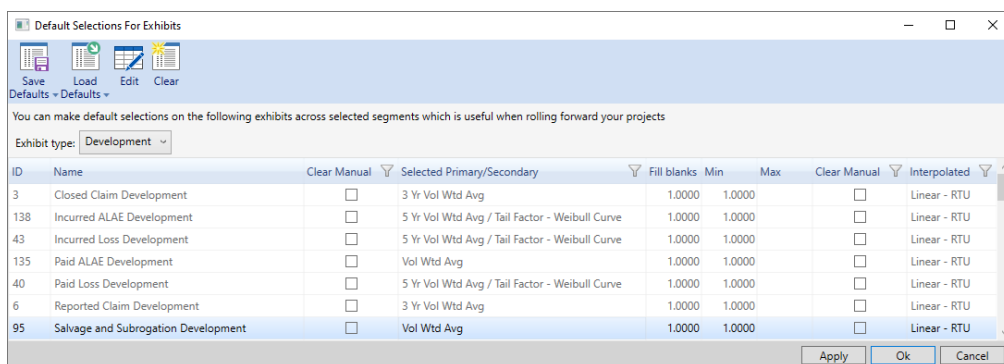
SETTING DEFAULTS FOR MULTIPLE EXHIBITS

All the default factor settings and rules described above can be set for more than one table and one segment at a time.

1. Access this functionality by clicking on the Defaults icon on the Arius **Home** ribbon and selecting **Exhibit Defaults**.



2. The Default Selections for Exhibits window displays.



Note

You can click on any of the column headings in the Default Selections for Exhibits dialog box to sort the exhibit list.

3. Select the Exhibit type to display the appropriate list of tables, then select the table(s) in the list for which you wish to set up or edit default selections. Click **Edit** to open the Pick Default Selections window.
4. In the Pick Default Selections screen, select the SDFs (selected development factors) or Interpolated SDFs tab to update the corresponding default settings.

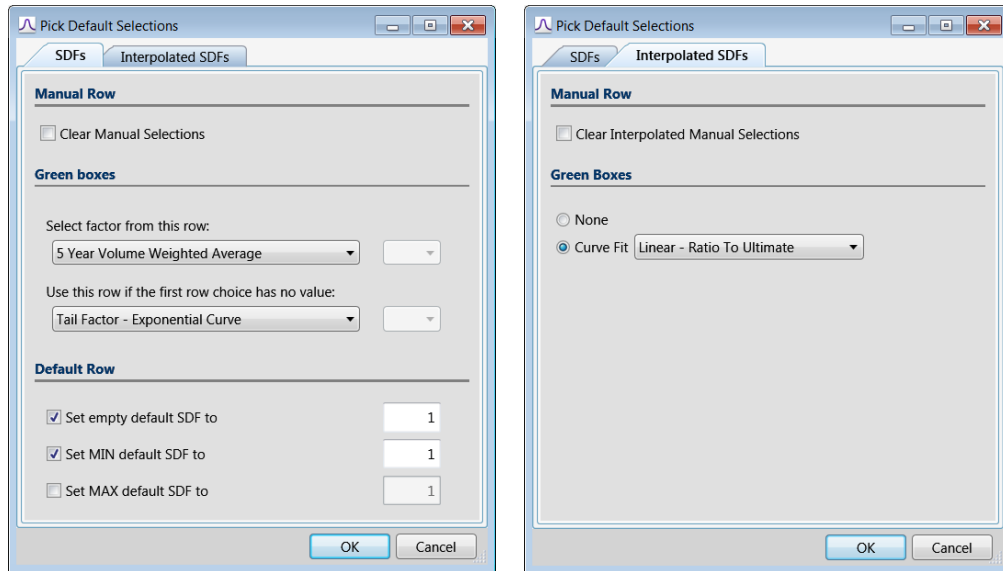
On the SDFs tab, your options are to

- clear all entries in the Manual Selections row,
- set primary defaults from any of the statistics displayed on the exhibit (for example volume weighted average ex-high/low),
- set secondary defaults for any blank entries in the primary row (for example using the tail curve fit as defaults for the three right-most cells in the primary defaults above that are likely empty), and
- set values for empty cells, minimums, and maximums (for example setting default SDFs with a minimum value of 1.00).

On the Interpolated SDFs tab, your options are to

- clear all entries in the Interpolated Manual Selections row, and
- set defaults from any of the interpolated statistics on the exhibit.

Click **OK** to close the dialog box when you are done (nothing is applied yet).



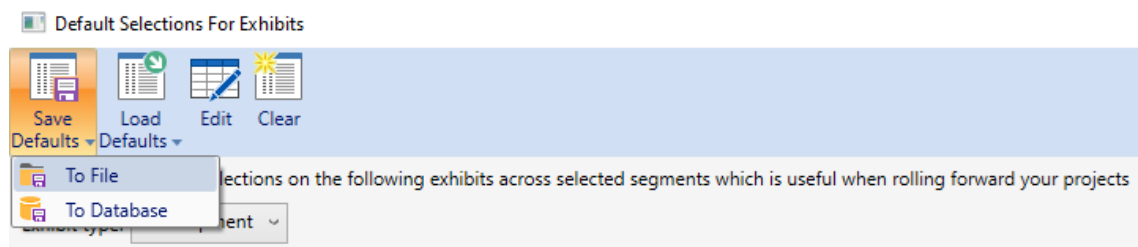
5. Click **Apply** from the Default Selections for Exhibits window to select which segments to include in this update, then click **OK** to perform the action of applying these settings to the selected tables and segments.

Important: Be aware that immediately after clicking **OK** in the Pick Segments dialog box, ALL the settings which have been defined as shown in the exhibit list will immediately be applied to your exhibits in the selected segments, not just changes you made recently.

SAVING AND LOADING DEFAULT SELECTIONS

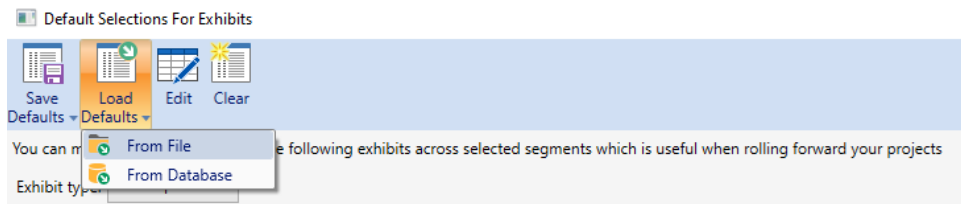
Once data and exhibit defaults are set, you have the ability to save these selections to an external file or to your Arius Enterprise Analysis database. This functionality is useful if you want to apply similar settings across multiple Arius projects, which is done by simply loading the defaults into another active project.

1. Select the **Save Defaults | To File** option from the Data Defaults or Exhibit Defaults window



2. Provide a filename and location for this external file (*.datdef, *.exhdef) and click **OK**.

3. Open the Arius project file to which you want these same defaults to apply.
4. Select the **Load Defaults | From File** option from the Data Defaults or Exhibit Defaults window.



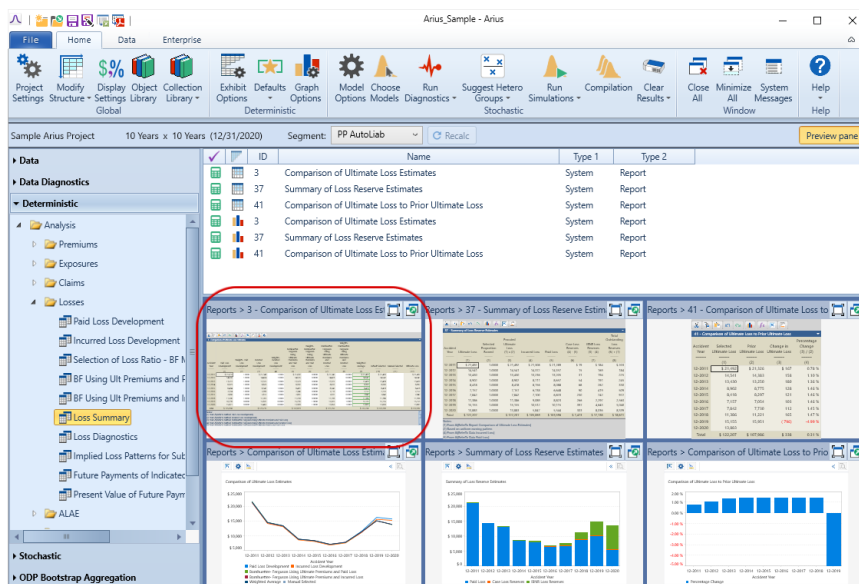
5. Browse to the file saved in step 2 and click **OK**. This step will replace any existing defaults with the defaults saved in the file being loaded.


Note: These settings will not get applied until you select the **APPLY** button on the appropriate Defaults window.

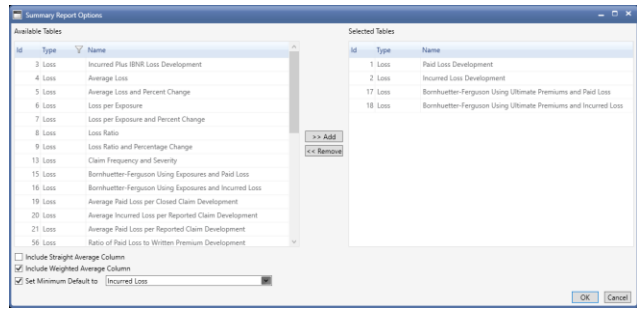
3. Default Settings for Selected Ultimates

In addition to being able to set defaults for sources to calculate methods, Arius allows you to set defaults for selection of ultimates. These default selected ultimates can be based on particular methods or averages of methods, and you can also set minimum value rules for the automated selections. For example, you can define selected ultimate loss to be based on an average of the paid and incurred loss development methods for the first ten periods and the Bornhuetter-Ferguson method for the latest two periods, all limited to incurred loss as a minimum to avoid negative IBNR. These settings can be customized individually by data type and by segment.

1. Navigate to one of the five Comparison of Ultimate reports in Arius – ALAE, Claims, Loss, Premiums, and Salvage and Subrogation. These reports can be found in the corresponding folder and system-provided Summary collection under the Deterministic node on the Main screen, or in the Object Library under the Reports node and the corresponding folder.




2. When you open one of these reports for the first time, or to make modifications, you will need to click on the **Report Settings** icon  for that table. Select which method results to display by moving the table name from the list on the left side of the window to the right side. Check the boxes at the bottom of the window to display averages and to set a minimum for the default selection. Click **OK** to close the settings window.



The system will prompt “Do you want to save these changes across all of your segments?”. If the same methods are being applied across all of your segments, select **YES**.

3. If you opted to display the **Weighted Average** of the method results, the system will automatically set the weights for each method to 1.000 and set the default (green boxes) to this average. Enter the appropriate weights for each method. Note: The weighted average calculation is a volume-weighted average so the weights do not need to sum to 1.000.

Accident Year	Paid Loss Development	Weights- Paid Loss Development	Incurred Loss Development	Weights-Incurred Loss Development	Bornhueter-Ferguson Using Ultimate Premiums and Paid Loss	Weights-Bornhueter-Ferguson Using Ultimate Premiums and Paid Loss	Bornhueter-Ferguson Using Ultimate Premiums and Incurred Loss	Weights-Bornhueter-Ferguson Using Ultimate Premiums and Incurred Loss	Weighted Average	Default Selected	Manual Selected	Ultimate Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
12-2011	\$ 21,637	1.0000	\$ 21,348	1.0000	\$ 21,602	1.0000	\$ 21,345	1.0000	\$ 21,483	\$ 21,483		\$ 21,483
12-2012	14,658	1.0000	14,424	1.0000	14,676	1.0000	14,428	1.0000	14,546	14,546		14,546
12-2013	13,533	1.0000	13,327	1.0000	13,529	1.0000	13,327	1.0000	13,429	13,429		13,429
12-2014	8,979	1.0000	8,826	1.0000	8,992	1.0000	8,833	1.0000	8,907	8,907		8,907
12-2015	8,494	1.0000	8,343	1.0000	8,491	1.0000	8,345	1.0000	8,418	8,418		8,418
12-2016	7,224	1.0000	7,090	1.0000	7,246	1.0000	7,110	1.0000	7,168	7,168		7,168
12-2017	7,868	1.0000	7,817	1.0000	7,881	1.0000	7,831	1.0000	7,849	7,849		7,849
12-2018	11,506	1.0000	11,265	1.0000	11,258	1.0000	11,106	1.0000	11,284	11,284		11,284
12-2019	16,238	1.0000	15,831	1.0000	15,236	1.0000	15,075	1.0000	15,595	15,595		15,595
12-2020	15,821	1.0000	15,467	1.0000	13,909	1.0000	13,856	1.0000	14,763	14,763		14,763
Total	\$ 125,958		\$ 123,737		\$ 122,819		\$ 121,255		\$ 123,442	\$ 123,442		\$ 123,442

 **Note**
Click the **Show/Hide Weights** icon to toggle the display of the weights on/off.

4. Similar to setting default selected development factors, you can right-click any cell or group of cells in the Comparison of Ultimate reports to set a default selected ultimate. (Clicking a column heading will select the entire column.) These default selections will automatically populate the Default Selected column, including application of any minimum rules. Default cells will be identified with a green border and a selected value based on a minimum rule will be identified with a blue border. Any manual overrides can be entered in the **Manual Selected** column. All default settings will refresh when source data is modified.

Note: When appending new evaluations, the system will retain the *position* of the weights starting from the most recent exposure period, and the oldest weight will get copied to the first exposure period. For example, if you typically apply 100% weight to the Bornhueter-Ferguson methods for the last four years, this logic is retained as opposed to tying the weight to the specific exposure periods.