

**Title: DETERMINING FOR THE DIFFERENT CLASSES OF GENERAL INSURANCE, THE MOST APPROPRIATE RESERVING METHOD**

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**ABSTRACT**

Actuarial Science is an applied science and its analysis, which is based on several techniques and methods, involves a lot of uncertainty by nature. As with any other science, Actuarial aims at providing the best truth or estimate despite the uncertainties that exist. The goal of this paper is to evaluate and suggest the best methods of computing reserves for the different classes of general insurance business. The paper focuses on answering the main question how you can best estimate Incurred But Not Reported (IBNR) claims for General Insurance using well known techniques such as those that deal with the classical development triangle, that is, Basic Chain ladder Technique (CLT), Inflation-Adjusted Chain ladder Technique, Average Cost per Claim Method (ACCM) and the Bornhuetter- Ferguson Technique (B-FT) as well as other stochastic methods such as Bootstrapping Method and Archimedean Copulas. The research involved both primary and secondary data and methods such as use of questionnaires, personal interviews and even telephone interviews were administered to collect the required data. Different tools such as Ms Excel actuarial models were used to analyze the data collected from the sampled insurance companies and the conclusions reached by comparison of predicted IBNR to the "actual" IBNR from the simulated data. Moreover, recommendations have been made on the most suitable reserving methods to use for all the different classes of general insurance as categorized by the Insurance Act of Kenya namely Aviation, Engineering, Fire-Domestic, Fire-Industrial, Liability, Marine, Motor Private, Motor Commercial, Personal Accident, Theft, Workmen's Compensation, Medical, Micro and Miscellaneous insurance