



Highlights

- Covers the three pillars of Solvency II and supports partial and internal models
 - A powerful and sophisticated framework with full asset modeling and a built-in economic scenario generator
 - Calculates solvency capital and performs capital allocation for even the most complex insurer, operating over multiple entities, geographies
 - Flexibility to incorporate cash flows generated by third-party actuarial systems
-

IBM Algorithmics Economic Capital, Enterprise Risk Management and Solvency II

IBM Algorithmics Economic Capital, Enterprise Risk Management (ERM) and Solvency II is designed for insurance firms looking for a robust Solvency II solution. It has the power to model assets and liabilities on a market consistent basis. It incorporates extensive asset modeling with insurers selecting proxy methodologies such as Replicating Portfolios and Curve Fitting. The solution also includes an economic scenario generator, as well as a risk dashboard and business intelligence reporting. Insurers are able to perform copula-based capital aggregation to calculate overall solvency capital under extensive governance control, and choose a capital attribution approach. This solution is defined by both its sophistication and streamlined, ease-of-use design, offering insurance firms the analytical and reporting power to calculate overall economic or solvency capital allowing for any fungibility rule. It also enables decision-makers to incorporate risk management into strategic planning.

The solution is built upon continuous user feedback from IBM's large Solvency II client base, and will continue to evolve based on emerging "best practices" and regulatory changes. This evolution will help "future proof" the solution and help lower the cost of ownership for clients, while helping ensure access to IBM's latest methodologies. The solution will provide insurers with power and sophistication to help meet the challenges of changing business requirements and growth.



Designed to assist regulatory compliance and put risk analytics at the heart of the business

Offers a robust solution for Solvency II

The solution offers insurance companies a system that allows them to cover the Three Pillars of Solvency II, and includes analytics for the calculation of solvency capital and reporting capabilities.

Supports partial and full internal models

The solution supports partial and full internal models using different approaches, from curve fitting to replicating portfolios; performs copula-based capital aggregation; calculates overall solvency capital under full governance control; and provides several methodologies for capital attribution.

Delivers powerful analytics and business intelligence tools

The solution features a set of powerful analytics and business intelligence tools—including robust dashboard functionality and drill-down capabilities, designed to embed the solution into the normal decision-making of the firm, the “use test”, and by doing so, help enable decision-makers to make more informed, proactive business decisions designed to maximize returns.

Offers an economic scenario generator, extensive asset modeling and correlation matrix management

The solution offers insurers a powerful and robust ERM solution featuring full asset modeling and a built-in economic scenario generator to project correlated risk factors, while enabling correlation matrix management through advanced algorithms to create, regularize and validate the correlation matrix used.

Supports networking synergies with an influential user-driven Solvency II group

IBM already works with many of the largest insurers in Europe, and members of the prestigious Chief Risk Officer Forum (CRO Forum), on their Solvency II projects, and offers its insurance clients access to this active, user-driven networking group to share experiences and develop best practices.

Offers continuous improvement and a cost-effective Solvency II solution

The solution will continue to evolve over time based on emerging best practices, regulatory changes and user feedback from IBM’s large Solvency II client base, helping to “future proof” the solution and lower cost of ownership.

Provides advanced options for liability proxying

The solution offers a comprehensive set of sophisticated liability proxying techniques, including portfolio replication and curve fitting, thus allowing clients to perform risk and portfolio management operations on their entire balance sheet.

About IBM Analytics

IBM Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

IBM Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit ibm.com/business-analytics.

Request a call

To request a call or to ask a question, go to ibm.com/business-analytics/contactus. An IBM representative will respond to your inquiry within two business days.



© Copyright IBM Corporation 2017

IBM Analytics
Route 100
Somers, NY 10589

Produced in the United States of America
August 2017

IBM, the IBM logo, and ibm.com are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at www.ibm.com/legal/copytrade.shtml.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation.



Please Recycle