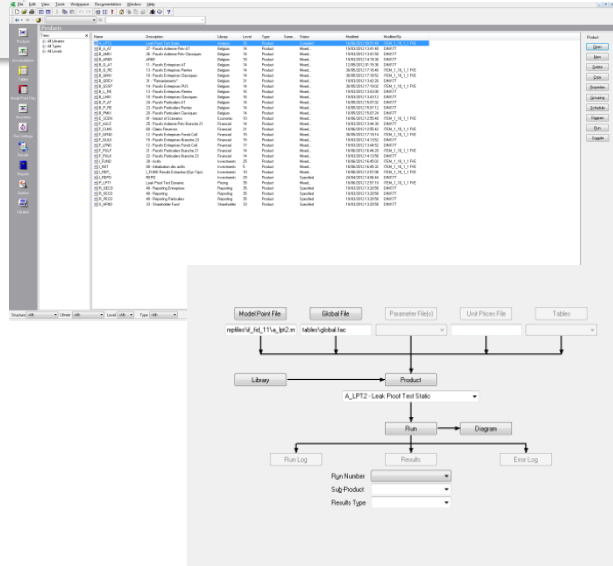


PROPHET MODEL Improvement

Client Situation

- Belgian entity of an international insurance group
- Internal needs to stabilize and perform multiple enhancements of its PROPHET Life-model over assets, liabilities and ALM modules
- Internal requirements to model the business in line with appropriate ALM behaviors
- Pressure from regulators to improve risk model quality and fit-to-purposeness

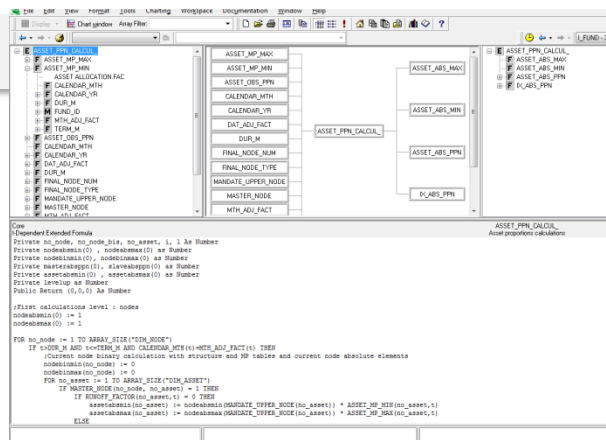


Reacfin Contribution

- Propose collaboration for PROPHET model improvement (all Prophet 7 and 8 features treated (dyn. loops, extended formulae, array formulae, ALM interactions...))
- Definition of model scope, elements and customization level compared to PROPHET standard libraries and B&H ESG outcomes
- Improvements structuration and implementation
- Model testing, operationalization and documentation
- Suggestion for developments with more accurate mechanisms & multiple add-ons

Issues

- Perform all required improvements satisfying different guidelines & constrains
- Insure exactitude for market consistency or/and regarding historic observations
- Tool should be auditable & operational
- Tool should be flexible and ready-to-be enhanced
- Tool should be documented



Results & Benefits

- Improved risks model quality, market consistency & comprehension
- More realistic ALM features obtained by more reliable and comprehensive modelled management actions
- Extended Prophet uses for business management
- Fulfilled regulator(s) & internal validation requirements with high appreciation level