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Insurance Risk Management:
Asset Liability
Management **Non-Life**

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Asset Liability Management Non-Life

Financial risk management for non-life insurance companies

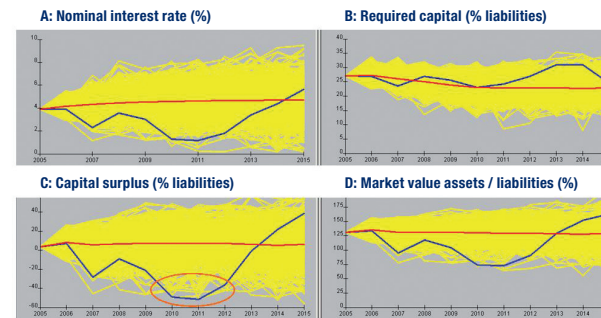
In a rapidly-changing world, insurance companies will be successful if they can anticipate important developments in the field of risk management, accounting and supervisory regulations. Non-life insurers may be interested in an integral definition of the reinsurance policy and investment policy, or have concerns about the market valuation of liabilities, International Financial Reporting Standards (IFRS) and the strategic impact of Solvency II. Aided by our advanced systems for Asset Liability Management (ALS), insurers are able to meet these complicated challenges head-on and translate them into new and improved policy.

Ortec Finance supports the risk management specialists of non-life insurance companies, as well as our own ALM consultants, by offering its asset and liability scenario model ALS Non-Life. ALS Non-Life has been developed in particular for property & casualty and disability insurance companies. ALS Non-Life is based on scenario analysis (Monte Carlo simulation). Decision makers use the model as a "management flight simulator" in order to gain insight in the dynamics of the business and the proper actions or responses.

Traditionally, ALS Non-Life is used by insurance companies to optimise their strategic risk and return profile. On a frequent basis non-life insurers analyse and solve issues with respect to:

- Strategic asset allocation
- Duration strategy
- Reinsurance strategy
- Solvency risk analysis, including strategic consequences of Solvency II
- Dividend and capital policies
- Valuation consequences (book value, market value, IFRS)

More recently, insurance companies are strongly driven by important changes in financial risk management, accounting and supervision. Spurred by these changes, insurers are increasingly using our ALM models for new application areas:



Scenario analysis can give insight in the insurers dynamics and quantifies the solvency risk of an insurance company

Investment consultancy

- Alternative asset categories such as hedge funds and private equity
- Markowitz optimisation asset only and funding level-based

Economic scenario generators

- Risk neutral (arbitrage free) and real world scenarios
- Multi-currency, multiple frequencies

Economic capital

- Controlling requirements of rating agencies
- Risk based capital (RBC)

Ortec Finance has a long-standing and close relationship with the academic world. Therefore our professional ALM models remain at the cutting edge of innovation. Our clients clearly profit from this competitive advantage. With Ortec Finance you are prepared for the future!

