

# MODEL MANAGEMENT SCHEME

All dummy numbers & graphs for illustrative purposes only

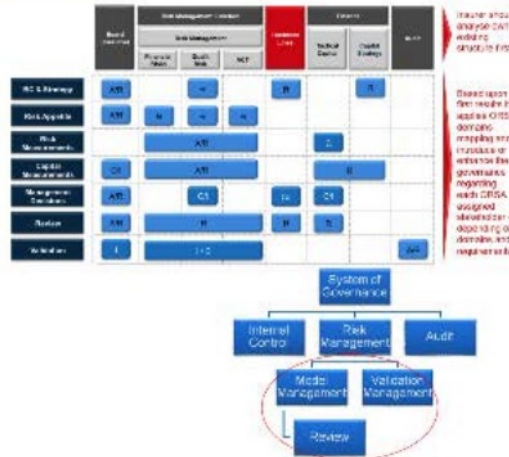
## Client Situation

- Client: Risk Management Department within large international insurance company
- Client has strong position in Benelux Client applies internal model across its banking and insurance activities
- Client applies for model pre-application and requires a stable Model Management Scheme including Model Lifecycle Definition, Model Governance & Organisation, Model Management Process as well as the link to model validation & review



## Issues

- Clients needs to define model management framework coherent with the existing (or improved) risk management organisation & governance
- Difficulties relay upon the non-existing model lifecycle where iterative model phases are defined: starting from model origination throughout model validation
- Missing model lifecycle impacts bad model governance and overlap of functions



## Reacfin Contribution

- Development of model lifecycle defining each subsequent phase and assigning roles & responsibilities
- Definition of model management process assigning controls and trigger /completion on templates
- Development reporting structure For each model lifecycle phase till validation stage
- Reporting dashboard and support of decision support for the model day-to-day operations

## Results & Benefits

- Formalised in policies model management assigning senior management team governance and became tool for reporting to group (international financial conglomerate)
- Improvement of model organisation & governance
- Meeting compliance requirements for pre-application file