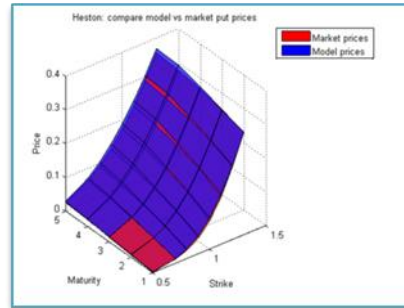
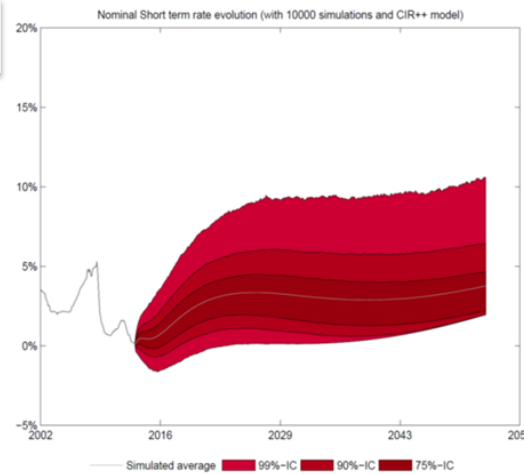


## Client Situation

- International insurance group
- Generation of scenarios for the valuation of the technical provisions in different framework: LAT, Solvency 2, ORSA, Internal Business, FLAOR
- Multi-currencies scenarios used by different entities in different countries
- Complex Moody's ESG tool & related models



$$df_j(t) = (f_j(t) + \delta) (\mu_j(t)dt + \sqrt{V(t)}\gamma_j(t) \cdot d\omega_t)$$



## Issues

- Necessity to understand the models underlying the risk drivers of the ESG as well as their calibration
- Enhance the transparency, documentation, local knowledge and reliability of the process
- Necessity to answer validation team's recommendation about the model assumptions, its implementation, the calibrations and the documentation

## Reacfin Contribution

- Generation of the scenarios for several reporting processes
- Enhance the model documentation, especially sections related to Calibration methodology, Stress testing, Dependency structure and User's guide
- Update of the interest rate curve computation methodology to regulatory requirements for all currencies
- Set up of consistency tests on the outputs
- Training of a collaborator on the internal process and the tool
- Testing updates of the tool

## Results & Benefits

- Strong improvement of the documentation and internal knowledge
- Adjustment of certain parts of the process
- Adaptations of the tool
- Closing of most recommendations of the validation and the regulator