Res-Solver™ – Loss Reserve Estimation and Modelling Framework

Res-Solver™ is a powerful new software package that helps you introduce stochastic loss reserve analysis models into your loss reserving process in a natural way. The system does not abandon traditional reserving approaches, but extends and generalises them to work in a stochastic modelling framework. With Res-Solver™, you can improve your loss reserve estimation process and gain a better understanding of the uncertainty in your reserves.

Res-Solver’s unique Stochastic Decay Model (SDM) is based on an analogy between the payout of insured losses and the decay of radioactive material described in nuclear physics. SDM has the power and flexibility to reflect the emergence of either aggregate losses or reported claims.

All of these Powerful Features are provided within an intuitive, easy-to-use interface:

- Automatic triangle data adjustments for loss cost trends and exposure changes
- Stochastic Decay Model produces a predicted development path to ultimate values
- Neural Network support provides an alternative method to estimate ultimate losses or claim counts
- Model parameters selected using state-of-the-art optimisation techniques
- Traditional reserving methods supported and you can add your own
- Point estimates (expected values) of reserves or future cash outflows produced instantly
- Fast simulations create distributions of ultimate loss, unpaid loss or cash outflows

Unique Advantages of Res-Solver™:

- Innovation – incorporates several unique new modelling approaches to stochastic reserving
- Flexibility – works with most triangles without prior adjustments
- Predictive power – models losses for development periods beyond the end of the triangle data without having to set “tail factor” assumptions
- Evolution – generalises and develops best features of classic reserving methods, such as Chain Ladder and Bornhuetter-Ferguson, then adds stochastic features
- Continuity – provides solid support for deterministic methods to get point estimates and a bridge to stochastic loss reserving practices
- User control – you are always in full control, able to override model assumptions every step of the way

For further information and a complete demonstration of Res-Solver™ and other Ultimate Risk Solutions software products, please refer to the “Contacts” page of our web site.
A manageable transition to stochastic reserving:

Res-Solver™ does not force you to leap blindly into an entirely new loss reserving workflow; the software integrates naturally with your existing Excel spreadsheets and models. You can also create entirely new methods by customising one of the traditional reserving model templates provided with the system. Res-Solver™ is also a training tool that lets you learn more about stochastic loss reserving while providing continuity with your current methods and workflow.

Many popular loss reserve evaluation methods, such as Chain Ladder, Bornhuetter-Ferguson, Cape Cod and others, are fully supported in Res-Solver™. Each one can be exported to Microsoft Excel, modified as needed and then easily integrated into Res-Solver™ as a “user-defined” reserving method.

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