



Ultimate Risk Solutions

Powerful,
Flexible,
User Friendly

September 2011
Vol. 4 - Issue 2



NEW VERSION OF RISK EXPLORER™

Ultimate Risk Solutions (URS) has just brought out a new version of Risk Explorer™ with many powerful new features, one of which allows companies that have built Dynamic Financial Analysis (DFA) models to calculate automatically the capital required to meet the requirements of Solvency II, the European Union's new regulatory regime to be effective in January, 2014, **Alex Bushel**, Founder and Chief Executive Officer of URS, announced.

"We're pleased to introduce Version 10 of Risk Explorer™ as we observe the tenth anniversary of URS, and we're committed to maintaining the model at the leading edge of financial risk analysis technology," Bushel said. Version 10 contains a number of features not found in other financial risk models.

Risk Explorer™ is used for portfolio risk management, evaluation of ceded reinsurance programs, financial statement modeling, determining capital requirements, capital allocation, asset/liability matching, cash flow analysis, and other analyses that help insurance companies make informed business decisions. Among the new features included in Version 10 are:

- Industrial strength processing that allows large companies and multi-national organizations to build even larger models utilizing the 64-bit architecture of modern computers.
- Solvency II Capital Wizard that automates all simulations and calculations required for a company to comply with Solvency II.

- Improved capacity for Excel to read results directly from Risk Explorer™ output data.
- Expanded capital allocation and reporting capabilities.
- Enhanced analytical functions related to reinsurance contracts.

NEW URS WEBSITE ONLINE

Check our new website for complete details on URS products, training, maintenance, and consulting along with industry news and commentary, links to regulators, rating agencies, and industry associations. Special features explain the importance of financial risk modeling in designing an Enterprise Risk Management Program and complying with Solvency II. The site will be updated constantly to reflect the latest industry developments. Product downloads are available to clients on the site. The site provides for direct email contact with URS to answer questions.

MEET US IN MONTE CARLO

Alex Bushel, CEO, will lead a team of URS executives at the Rendezvous de Septembre in Monte Carlo September 10-14. Managing Directors from around the world will be in attendance along with Non-Executive Chairman **Tal Piccione**, President and Founder of U.S. RE Companies, **Anya Kutsina**, Head of Marketing, and **John Spencer**, URS Executive Director. You can contact them at the Petit Salon in the Fairmont Hotel or call 201-220-3015 to arrange appointments or product demonstrations.

TEN YEARS AND GROWING

Formed in 2001 to create financial analysis software, Ultimate Risk Solutions has grown into a leading provider to many of the world's largest insurance and reinsurance companies, international brokers, and government agencies. Over the past 10 years, we've been helping risk professionals stay ahead of the technology curve when it comes to making better business decisions. Risk Explorer™ and Risk Explorer Express Edition™ provide companies of any size the analytical power of the most sophisticated DFA models.

URS Real World™ is a one-of-a-kind global economic model that simulates the behavior of economic variables in multiple economies and allows planners to test strategic alternatives under many economic scenarios. Our team of research and product development specialists keeps all URS products state-of-the-art and works constantly to create innovative, new financial risk modeling software.

Mechlin Moore / Editor
mmoore7412@aol.com



Copyright © 2006-2011
MDM Communications
All rights reserved

THE RIGHT TECHNOLOGY – THE RIGHT ANSWERS

By Alex Bushel
Founder & CEO
Ultimate Risk Solutions, LLC

Financial risk modeling has become an essential management and business planning tool for insurers and reinsurers today. At Ultimate Risk Solutions, we're dedicated to producing the most sophisticated, easiest-to-use software in the industry to help managers make informed decisions. In these times of financial uncertainty, quantifying the risks before making decisions can spell the difference between success and failure.

Today's Dynamic Financial Analysis (DFA) technology enables executives and their planning staffs to model different scenarios taking into account variables that impact results. This allows them to make decisions informed by computing all the potential risks inherent in any proposed course of action.

Risk Explorer™ is acknowledged in the industry to be the most powerful, flexible, user friendly DFA software available. Put Risk Explorer™ up against any of our competitors and you'll find that it's faster, easier to learn, more cost-effective, and integrates most smoothly with your own internal systems. That's why it's used by industry leaders including some of the largest international insurance and reinsurance companies operating worldwide.

Only Model Offered by an Independent Company

Risk Explorer™ is the only DFA model offered by an independent company devoted exclusively to research, development, and production of financial risk modeling software. We're not trying to sell you other products or services such as consulting or brokerage. At Ultimate Risk Solutions, we're not part of a big consulting or brokerage firm with different agendas. We're an innovative company that's focused on only one thing, and that is providing the absolute best software solutions for our clients. That's all we do.

Risk Explorer™ provides companies with a tool to support the corporate decision making process without external involvement and consulting expense. It becomes a part of in-house risk evaluation. Comparative analysis of alternative strategies or capital allocations is fast, effective and can be determined at any level of data segmentation and granularity. With Risk Explorer™ you control the process.

New Product for Mid Size and Smaller Companies

For regional, mid-size, and smaller insurers and reinsurers, we recently introduced a new product, Risk Explorer Express Edition. The Express Edition incorporates many features of Risk Explorer™ but with a simplified set of features tailored to the specific needs of mid size and smaller insurers.

We listened to prospective users of internal capital models and learned that there is strong demand on the part of many smaller and regional companies for a cost-effective model as they develop Enterprise Risk Management Programs to meet rating agency and

regulatory standards. However, these users do not need the extensive functionality that is required by large companies that build much bigger and far more complex models.

The Express Edition provides middle market companies an affordable tool for portfolio modeling, regulatory compliance, reinsurance analysis, economic capital estimation and allocation, financial statement modeling, and projections, among other features. Decision makers in companies who previously thought that due to complexity or excessive cost, an internal capital model was unobtainable in the short term can now look to develop their own models, perhaps in conjunction with their chosen consultants who can also license the software.

Express Edition Fully Integrated – Not a Tool Box

Unlike other offerings in this area that are greatly reduced versions of a large platform or "audit only" versions, Risk Explorer™ Express Edition is a fully specified, integrated asset liability modeling platform designed specifically for mid size and smaller companies. Express Edition is not a programming environment or "tool box" where you have to painstakingly connect together all the various components of your model. Instead, all the standard financial statements such as underwriting profit and loss accounts, balance sheets, income statements, and cash flow statements are created automatically once an asset or risk source is defined and simulated. The aggregate distribution of each component within a financial statement such as underwriting profit or change in annual surplus can be gathered and reviewed either within the Express Edition or another application such as a spreadsheet or text file.

LOOKING AHEAD – URS TEAM ACTIVE IN ASIA

URS has hit the ground running in Asia following appointment of **David Piesse** as Managing Director-Asia Pacific and **Chris Vennell** as Business Development Director.

Over the next few months, they'll be meeting with insurers, reinsurers, regulators, and industry associations at the International Association of Insurance Supervisors conference in Seoul September 29-October 1; 17th Indonesia Rendezvous in Bali October 11-15; 1st Asian Captives Conference in Kuala Lumpur October 18; 11th Singapore International Reinsurance Conference in Singapore October 30-November 2; China Rendezvous in Chongqing November 6-8; and India Rendezvous in Mumbai January 18-20.

If you're planning to attend any of these conferences, Piesse and Vennell would be pleased to see you. Contact them at dpiesse@ultirisk.com or cvennell@ultirisk.com to schedule a meeting.

FAIRFAX GROUP ACQUIRES GLOBAL LICENSE FOR RISK EXPLORER™

Fairfax Financial Holdings, Ltd., a global insurance and reinsurance powerhouse, has chosen Risk Explorer™ as its worldwide Dynamic Financial Analysis platform, **Alex Bushel**, URS CEO, announced.

Odyssey Re, a prominent member of the Fairfax group, has been using Risk Explorer™ for the past two years. Fairfax believes that a consistent approach using a common technology platform will produce many benefits both at subsidiary and group level.

"We have enjoyed working with the Odyssey Re team over the past two years and helping them to accomplish their modeling objectives," Bushel said. "We are delighted that Fairfax has now chosen Risk Explorer™ as their enterprise-wide platform. We look forward to supporting them with our state-of-the-art technology and unrivalled service on a global basis," he added.

Fairfax Financial Holdings, Ltd. is a financial services holding company, which through its subsidiaries is engaged in property and casualty insurance and reinsurance and investment management worldwide.

LARGEST CENTRAL AMERICAN INSURER LICENSES RISK EXPLORER™

Instituto Nacional de Seguros (INS), the largest insurance company in Central America, licensed Risk Explorer™ recently, **David O'Gorman**, URS Managing Director-Latin America, reported.

INS is the largest insurer in the region with premium volume exceeding \$750 million. Located in San Jose, Costa Rica, the Company writes all lines and has 170 insurance products.

Costa Rica is exposed to natural catastrophes from earthquakes to landslides and volcanoes. "Given the size of its capital and its catastrophe exposure, it is essential for INS to use the most sophisticated models in order to make more informed decisions," O'Gorman said.

"We chose Risk Explorer™ because it is powerful, flexible and easy to use, commented **Jose Angel Villalobos**, Actuary and General Manager at INS.

FUNG JOINS URS ACTUARIAL TEAM

Michael Fung, a property/casualty actuary with extensive experience in Hong Kong, London, and Sydney, joined URS recently as Managing Director-Actuary. A graduate of Oxford University with a Master's in Engineering Science, Fung has worked in actuarial consulting, the Lloyd's market, and reinsurance broking.

Before joining URS, he was head of actuarial for Willis Re's China Treaty broking team in Hong Kong. Earlier, he was capital and pricing actuary for Hiscox Syndicates in the London market. He began his career at Tillinghast-Towers Perrin where he was involved in a number of projects on reserving, pricing, and capital modeling for personal and commercial lines and reinsurance companies in Europe and the Asia-Pacific region.

Fung is a Fellow of the Institute and Faculty of Actuaries in the United Kingdom.

ULTIMATE RISK SOLUTIONS ENTERS ASIAN MARKETS

Ultimate Risk Solutions (URS), is entering Asia Pacific markets as the Company marks its tenth anniversary, **Alex Bushel**, Founder and Chief Executive Officer announced. The Company has established bases in Hong Kong for North Asia and Bangkok for Southeast Asia. **David Piesse** has been named Managing Director Asia Pacific and **Chris Vennell** has been named Business Development Director Asia Pacific. Together they will serve as the Company's business development team in the region.

"Asian insurers today require industrial strength, high technology models. Our URS team will work with Asian multinationals and domestics in the backdrop of their own cultures and macro-economic landscape to meet their needs for leading edge analytical tools," Bushel said.

Piesse worked in all the Asia Pacific markets for a period of 25 years, especially India and China. He served as Global Head of Insurance for Sun Microsystems where he oversaw the insurance/reinsurance strategy of the Company and created microinsurance, bancAssurance, and Islamic Takaful programs. In 2009, he became Chairman of Unirisx in Asia Pacific for Unirisx LLC where he introduced new insurance distribution channels across the region. In his capacity as URS Managing Director, Piesse served recently as Chairman of the 5th Annual Conference on Microinsurance in Jakarta, Indonesia where he discussed emerging market risks in a DFA environment.

Chris Vennell is a veteran of 30 years in the insurance industry including 20 years providing business development and management expertise in the insurance technology market. Vennell has been involved in several technology startups, including VenTech, which provided environmental risk analysis software to the U.K. insurance industry. As Managing Director and Founder of VenTech, he managed all sales and product development and oversaw the sale of the Company to Equifax four years later. He has served with a wide range of major insurers and technology providers in the U.S. and U.K. For the last six years he has worked in Southeast Asia.

Piesse and Vennell are available to arrange demonstrations of Risk Explorer™ and other URS products. Contact them at dpiesse@ultirisk.com and cvennell@ultirisk.com.

BEST RE FIRST TAKAFUL COMPANY TO LICENSE RISK EXPLORER™

Labuan, Malaysia – BEST RE (L) LTD, a leading reinsurer that operates under the Islamic principles of Takaful, has licensed Risk Explorer™, **Chris Vennell**, URS Business Development Director-Asia Pacific, announced.

BEST RE was formed 25 years ago in Tunisia as the world's first reinsurer organized to comply with Shariah, or Islamic law. Today, BEST RE's head office is in Labuan and the Company operates across the Far East, Turkey & Central Asia, the Middle East and Africa. It is a wholly owned subsidiary of Dubai-based Islamic Arab Insurance Company (Salama) P.S.C., the largest, global Takaful group.

Recently, URS co-sponsored the 6th Asian Takaful Conference in Singapore. "We have made a strong commitment to the Takaful market," Vennell reported. "Our actuaries are fully conversant with Takaful. After reviewing the risk-based capital requirements for licensees from Bank Negara, we presented Risk Explorer™ to BEST RE and following an extensive trial, they decided it is the most suitable product for their needs," he added.

BEST RE (L) LTD provides a wide range of reinsurance products to suit the needs of most insurance companies in the emerging markets of Asia and Africa. It accepts both treaty and facultative business on either a proportional or non-proportional basis. The Company is rated A-Excellent by A.M. Best.

SWEDISH CLUB – FIRST P & I CLUB TO LICENSE RISK EXPLORER™

The Swedish Club, a leading marine mutual insurer with headquarters in Goteborg, Sweden is the first Protection & Indemnity Club to license Risk Explorer™. Established in 1872, The Swedish Club is a mutual, non-profit organization whose members are ship owners across the world.

The Company is a member of the International Group of P & I Clubs. In addition to P & I, Swedish writes Freight Demurrage and Defense, Hull and Machinery, Loss of Hire, and War Risks covers. "**Patrick Grealy** worked closely with Swedish Club management to help them build an enormously large and complex model for the Company," **Alex Bushel**, URS CEO reported.

THAI INSURANCE REGULATOR EVALUATES URS MODEL

Bangkok – Thailand's Office of Insurance Commission (OIC) has tested Risk Explorer™, **Chris Vennell**, URS Business Development Director, Asia/Pacific, announced.

"We are extremely pleased that the OIC has evaluated Risk Explorer™ to support and enhance the level of understanding and usage of DFA modeling within the Thai insurance community," Vennell said. Risk Explorer™ is the financial modeling software used by insurers, reinsurers, brokers, and governmental agencies worldwide.

"The regulatory agency advised that Risk Explorer™ can help the insurance industry meet Risk Based Capital (RBC) guidelines and rating agency assessments of RBC compliance," Vennell explained. He pointed out that rating agencies such as A. M. Best and Standard & Poor's assess internal processes including software modeling techniques to manage RBC as part of their credit rating/scoring mechanism.

In the first quarter of 2011, Thailand's insurance industry grew by 13.5 percent, in line with the robust growth of the Country's economy. The need for sophisticated modeling is going to increase significantly with the continued growth of the Thai insurance industry, "After a careful review of the DFA model, we think Risk Explorer™ is the very useful model to help the insurance industry," Thailand's insurance regulator commented.

BYRNES HEADS NORTH AMERICA BUSINESS DEVELOPMENT

Tom Byrnes joined URS recently as Managing Director Sales-North America. Byrnes has more than 30 years of experience in the insurance and reinsurance industry. Prior to URS, he held senior management posts at Swiss Re America, Gerling Global Reinsurance Company, Everest Re, and Warwick Insurance.

As Vice President-Client Markets at Swiss Re, he developed new business in traditional treaty reinsurance and cross-selling Swiss Re affiliated services. At Warwick, Byrnes was Chief Underwriting Officer. His early career included serving at Royal Insurance as Manager of Commercial Mass Merchandising for all programs east of the Mississippi. He holds a BS in Business Management from Fairleigh Dickinson University.

LEADING ASIAN REINSURER RENEWS RISK EXPLORER™ LICENSE

Singapore – Asia Capital Re (ACR), ranked among the world's top 50 reinsurance companies, recently renewed its license to use Risk Explorer™ as its Dynamic Financial Analysis (DFA) model after a year of successful operation. ACR is the first independent reinsurance group exclusively focused on serving clients in the fast growing Pan Asian region from the Middle East through China and Japan and south to Australia and New Zealand.

The Company specializes in providing reinsurance solutions for large and complex risks across business lines of aviation, casualty, credit and surety, energy, engineering, medical, marine, motor, and property. ACR is rated A-(Excellent) by A. M. Best.