

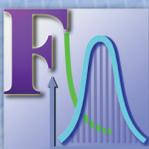


# Ultimate Risk Solutions

The Right Technology, The Right Answers



August 2013  
Vol. 6 - Issue 1



## ASSET OPTIMIZER – NEW TOOL FOR PORTFOLIO ANALYSIS

Ultimate Risk Solutions has just introduced new software to help companies analyze their risk portfolios and decide on the most effective allocation of assets. **The Asset Portfolio Optimizer (APO)**, will enable users to determine the optimal mix of assets to hold in order to meet future obligations and maximize return in accordance with their risk appetite during the modeled future time period," said **David O’Gorman**, URS Managing Director and Actuary.

APO can be licensed as a separate payable service or combined with *Risk Explorer™* or other URS products to determine the optimal asset mix for a company’s portfolio of liabilities. “APO is an important decision making tool that will be used by investment officers, actuaries and the corporate asset modeling team to advise senior management on portfolio optimization,” O’Gorman explained. APO utilizes the standard output from a company’s internal capital model to optimize its asset portfolio mix, intrinsically taking into account the unique features of the company’s insurance liabilities.

As part of the service, the company can specify the various constraints within which the optimization process takes place and the *Optimizer* will return a number of optimal portfolios, maximizing the return for a given risk or minimizing risk for a given reward, or both at the same time. The process can also be done over a one-year or multi-year time horizon hence ensuring that the resulting optimal portfolios meet the company’s various asset requirements such as minimum/maximum allocation percentages and duration, as well as being the most appropriate match for expected future business. *Contact David O’Gorman, dogorman@ultirisk.com, to schedule a demonstration.*

## RISK EXPLORER™ VERSION 11 TAKES SOLVENCY II COMPLIANCE TO A NEW LEVEL

Risk Explorer™ Version 11 is soon coming on the market with enhanced Solvency II functionality including a new balance sheet and a revised Solvency II Capital Wizard based on the latest EIOPA guidelines. The Wizard has been totally revised and incorporates a simpler, more intuitive interface with complete point-and-click functionality allowing the user to obtain important economic capital information within a matter of minutes on a company-wide or subsidiary level.

“Version 11 is a response to our continuing discussions with key players in the London Market. The user has full access and control over the output with the ability to change the Solvency II Capital Requirement and Risk Margin formulas along with other enhancements that improve Solvency II analysis,” said **Alex Bushel**, CEO of URS. All of the improvements in Risk Explorer™ Version 11 include Cloud Computing functionality allowing users to run sophisticated models in minutes, not hours.

## MAJOR U.S. INSURER LICENSES RISK EXPLORER™

**Sentry Insurance**, one of the largest mutual insurance companies in the United States, has licensed Risk Explorer™, the URS Dynamic Financial Analysis risk model, **Tom Byrnes**, Managing Director-North America, reported. “We’re especially pleased that Sentry selected Risk Explorer™ as their financial risk model after a rigorous review of our software, and we look forward to working closely with the Sentry team,” said **Alex Bushel**, URS CEO.

Sentry Insurance has been in business for more than 100 years. With assets of \$12.2 billion, policyholders’ surplus of \$3.6 billion, Sentry is rated A+ by A.M.Best. The Company writes all major lines of business and personal insurance.

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## ASSET OPTIMIZER SETS NEW STANDARD FOR PORTFOLIO ANALYSIS

By Alex Bushel  
Founder & CEO  
Ultimate Risk Solutions, LLC

Portfolio analysis has taken a giant step forward with our new **Asset Portfolio Optimizer** (APO). Developed by the URS technical team, APO is faster, more flexible and user friendly than any other portfolio analysis software on the market today.

We challenge you to do a side-by-side comparison of APO with software from our competitors. Just give us an opportunity to demonstrate how the URS product can help you decide on the best assets to hold in order to meet future obligations while at the same time getting the highest return. This is a decision making tool that will help you sleep nights knowing that your portfolio is adequate to cover the risks your company faces.

Your company can license APO in conjunction with Risk Explorer™ and other URS products, or as a separate service. A senior member of our technical team will be pleased to schedule a demonstration, so please contact us at [info@ultirisk.com](mailto:info@ultirisk.com). We'll get right back to you.

## CARWIN JOINS URS AS TECHNICAL DIRECTOR

**Charles Carwin** has joined URS as Technical Director-North America, supporting **Anya Kutsina**, Executive Director-Global Business Development, and **Tom Byrnes**, Managing Director-North America.

Carwin has served as Enterprise Risk Management Actuary at AIG, Vice President in the insurance asset management arm of PIMCO and Vice President in the Risk and Capital Management Division of Conning Asset Management.

He has in-depth experience in all aspects of risk and capital modeling with a particular focus on asset-liability management for property/casualty companies. He holds a Bachelor's Degree in Mathematics and Computer Science from the Colorado School of Mines and is an Associate in the Society of Actuaries. Carwin is located in the Pearl River, NY, office of URS.

## LOOKING FOR OBJECTIVE ADVICE ON FINANCIAL RISK ANALYSIS?

What differentiates URS in the financial risk analysis marketplace? The answer is our independence. We are independent financial risk analysis software developers. Our sole commitment is to provide our clients the most advanced software in the market.

We have no other agenda. We do not sell products in conjunction with other services. At URS we provide objective advice based exclusively on your needs.

For an independent opinion, email us at [info@ultirisk.com](mailto:info@ultirisk.com). You'll hear back from one of our senior people right away.

## ONE OF LONDON'S LEADING INDEPENDENT BROKERS LICENSES RISK EXPLORER™

The Miller Insurance Services Group, a leading independent, insurance and reinsurance broker in London, recently licensed Risk Explorer™ as its Dynamic Financial Analysis software, **John Spencer**, URS Executive Director, announced. Founded in 1902, the Miller Group is a specialist insurance and reinsurance broker operating internationally and at Lloyd's. The Company is known for its expertise in handling large, complex commercial insurance business, programs and facilities, along with all forms of reinsurance. Miller has offices in London, Bermuda, Brussels, Hong Kong, Kuala Lumpur, Paris, Singapore and Taiwan.

"The Miller Group is known for providing its clients the most sophisticated technology and online services so we're gratified to have this outstanding organization select Risk Explorer™," said **Alex Bushel**, CEO of URS.

## IT'S TIME TO TAKE A NEW LOOK – IF YOU'VE BEEN USING YOUR INTERNAL MODEL FOR YEARS

Managing Agencies at Lloyd's and London market insurers have developed internal models over the years. However, anecdotal evidence suggests that some have become so complex and cumbersome that in practice they can only be run two or three times a year. They are far from serving as desktop management tools that assist with strategic and operational decisions. Not only is this sub-optimal from a business standpoint, but it puts Agencies and Companies at risk of failing the "Use Test" that is a key requirement for Solvency II models.

So, it's time to take a new look. *Risk Explorer™* from URS offers the best of all worlds -- a tool with the power to drive even the most complex model, the speed and flexibility to make that power available in real time and the ease of use to substantially cut the annual cost of ownership.

However, many users have invested capital and talent into their existing software. They may well be reluctant to replace Internal Models. For those companies Risk Explorer™ Version 11 can be implemented alongside the companies' existing technology, delivering real business benefits to the board and the executive.

Given the same inputs that feed your Internal Model, the same model can be replicated in Risk Explorer with all levels of details within 1-2 weeks. The added benefits would be substantially reduced run time, increased functionality and applicability on issues such as capital allocation, ceded reinsurance evaluation, asset optimization and many others, as well as the ability to expand your model in multiple dimensions to address various modeling issues that may not be currently addressed due to the limitations of your current software platform.

If you're interested in taking a new look, please contact me to arrange a discussion of your needs.

**Alex Bushel**  
Founder and CEO of URS  
[abushel@ultirisk.com](mailto:abushel@ultirisk.com)

## CLOUD COMPUTING ENABLED IN RISK EXPLORER™ SOFTWARE ALLOWS EXECUTION OF LARGE ECONOMIC CAPITAL MODELS TO TAKE MINUTES OR SECONDS INSTEAD OF HOURS OR DAYS

Risk Explorer™, the URS Dynamic Financial Analysis model has for the first time reduced processing time for large capital models from hours to minutes through cloud computing. **Alex Bushel**, Founder and CEO, announced. "Utilizing cloud computing, Risk Explorer™ will speed processing dramatically, improve efficiency and reduce cost for businesses that require large models," Bushel said.

In test runs, Bushel reported, cloud computing cut the time required to process 50,000 simulations of a very large model from seven hours to only five minutes. Models of any imaginable size can now be run at minimal incremental cost literally within minutes on the Risk Explorer™ platform using cloud technology through this exclusive upgrade from URS, according to Bushel.

"Insurers and reinsurers in the United States, United Kingdom and across Europe increasingly build larger and larger models that take longer and longer to run even on multiple processors. In some cases, the long run-times have handicapped or made these large models unusable as decision-making tools. Through cloud computing on Risk Explorer™, companies can realize the full benefits of Dynamic Financial Analysis without the cost and lengthy processing times required today" he stated.

URS software is used by many of the world's leading insurers, reinsurers, brokers and regulators. URS offices are located in the USA, UK, Spain, Italy, Hong Kong, Russia and China. Founded in 2001, the Company has grown into one of the largest providers of Dynamic Financial Analysis tools to the insurance industry.

For information about how to cut processing time through Risk Explorer™ with cloud computing, contact [info@ultirisk.com](mailto:info@ultirisk.com).

## CLOUD COMPUTING ON RISK EXPLORER™ WELCOMED AT LONDON USER WORKSHOP

URS held one of its regular User Workshops in London recently, and took the opportunity to announce the introduction of Cloud Computing functionality to Risk Explorer™. **John Spencer**, URS Executive Director and workshop host, reported that some 30 users of URS software in the UK and the EU were in attendance, and viewed a live demonstration of how easy it is to access multiple processors in the Cloud.

The capital model used in the demonstration would have taken some 14 hours to run on a single processor, but took only seven minutes when utilizing multiple cores available through a Cloud provider.

"One of the major obstacles to the use of capital models in supporting day-to-day management decision-making is typically the time the model takes to run. By harnessing the processing power available in the Cloud, model run times need no longer be a factor." Spencer stated.

## HOW WE WORK WITH CLIENTS – A LONG-TERM COMMITMENT

We don't install the software and walk away. From initial client contact, to installation, to ongoing maintenance, we're there to give you product support:

**Training** – All new users receive built-in user manuals and hands-on training from URS technicians who are always available to provide continuing support and training in targeted areas.

**Maintenance and Updates** – A new version of Risk Explorer™ containing new features is produced about every six months and made immediately available to all users.

**Advisory Services** – Experienced programmers, mathematicians and actuaries are always available to accelerate model building, help with knowledge transfers during staffing changes, create processes for model parameterization and perform various other tasks associated with financial modeling.

**Our Team** – From senior executives to technicians, the URS team is made up of professionals with extensive experience in all aspects of financial risk analysis related to insurance, reinsurance and other sectors.

**Business Development** – Managing Directors cover major world regions and are available to demonstrate URS products, discuss user arrangements and provide ongoing product support.

**Technical Support** – Fellows of the Casualty Actuarial Society in the U.S. and the Institute of Actuaries in the U.K. provide training, maintenance and advisory services to clients.

**Research and Development** – Research and product development specialists including PhD's in mathematics, senior actuaries, programmers and software specialists keep all URS products state-of-the-art and work constantly to create innovative, new financial risk modeling software.

## WHAT THEY'RE SAYING

"Ultimate Risk Solutions' global economic model, Predictable Dynamics, is a simple yet powerful dynamical systems-type model of macroeconomic evolution... easy to interpret and explain with few moving parts."

**Assaf Zeevi**  
Professor of Business, Columbia University

"Having used Guy Carpenter's Meta Risk and AON Benfield's ReMetrica, I found Ultimate Risk Solutions' Risk Explorer™ to be noticeably faster and much more user friendly."

**Martin Kelly**  
Senior Actuary, USRE Corporation

"The product always somehow manages to exceed expectations. Well done."

**Guy Cloutier**  
FCAS FCIA, American Safety Reinsurance, Ltd.

## DYNAMIC FINANCIAL ANALYSIS TECHNOLOGY FROM URS

### OUR PRODUCTS

**Risk Explorer™** – A powerful, flexible, user-friendly Dynamic Financial Analysis tool used for:

- Portfolio risk management
- Maximizing efficiency of ceded reinsurance or retrocession programs
- Full financial statement modeling, evaluating volatility of financial results
- Determining economic capital requirements, capital allocation
- Asset-liability matching, cash flow analysis
- Ceded reinsurance cost allocation
- Measuring performance of various segments of a company
- Data interchange with other applications such as catastrophe models and Microsoft Excel
- Solvency II compliance
- Developing Enterprise Risk Management Programs

**Risk Explorer Express Edition** – A Dynamic Financial Analysis tool designed to meet the needs of regional, mid-size and smaller insurers and reinsurers:

- Incorporates many features of Risk Explorer™ simplified and tailored to serve the middle market
- Affordable tool for portfolio modeling, regulatory compliance, reinsurance analysis and other uses for companies that do not require the extensive functionality needed by large corporations to build much bigger and more complex models
- Fully specified, integrated asset-liability modeling platform
- Cost effective model to meet rating agency and regulatory standards

**Predictable Dynamics** – Global economic model that simulates the behavior of main economic variables in multiple economies.

- Allows planners to test strategic alternatives under many possible, future economic scenarios
- Reliable model of economic environment for design of risk mitigation and hedging strategies
- Invaluable for evaluating policy options in many different settings
- Useful tool for business decision makers, government agencies, regulatory bodies and financial institutions
- Simulates large numbers of stochastic economic scenarios for GDP growth rates, inflation, unemployment, wage growth, exchange rates, stock market indexes and other variables

**UltiFit™** – Sophisticated distribution-fitting software that helps parameterize statistical models.

- Finds suitable distribution parameters that account for real world constraints and data limitations
- Short and long-tailed distributions for modeling
- Practical support for model calibration using available data
- Helps assess quality of fitted models by estimating uncertainty for each fitted distribution

**Asset Portfolio Optimizer** – New software to help companies analyze risk portfolios and decide on the most effective allocation of assets.

- Enables users to determine the optimal mix of assets to hold in order to meet future obligations and maximize return in accordance with their risk appetite during the modeled future period.
- Can be licensed as a separate payable service or combined with Risk Explorer™ or other URS products to determine the optimal asset mix for a company's portfolio of liabilities
- Users can specify various constraints within which the optimization takes place and the Optimizer will deliver a number of optimal portfolios, maximizing the return for a given risk or vice versa.
- Uses the standard output from a company's internal model to optimize its asset portfolio mix, taking into account the unique features of the company's insurance liabilities.

**Translator++ for Excel** – Unique spreadsheet compiler that converts Excel models into fast running-executable programs.

- Used to extend and customize the functionality of every part of Risk Explorer™ to meet the most exacting model requirements
- Ability to create new, custom risk models, reinsurance arrangements and other custom components using calculations contained in Excel spreadsheets
- Translates complex calculations from Excel to fast machine code that runs up to hundreds of times faster
- Can integrate own financial models, algorithms and third-party software into Risk Explorer™ models

**Res-Solver™** – Advanced deterministic and stochastic loss-reserve estimation and modeling framework.

- Enables companies to improve loss reserve estimation and gain better understanding of the uncertainty in reserves
- Makes automatic triangle data adjustments for loss cost trends and exposure changes
- Stochastic Decay Model produces a predicted development path to ultimate values
- Quickly produces point estimates (expected values) or stochastic simulations of loss reserves and future cash flows from past losses.

#### **Our Clients Include These Industry Leaders**

Munich Re  
General Reinsurance  
Willis Re, Inc  
Groupama  
Fairfax Group  
Sentry Insurance

**And Many More Worldwide**