

PROPHET NESTED STRUCTURES

Advanced Modelling Capability for Insurers

Summary

Nested Structures enhances the capabilities of Prophet to perform more sophisticated calculations and provides the user with greater business insight by using an integrated projection model.

With Nested Structures the user can embed one Prophet model within another. The nested model can itself be dynamic or stochastic and run under different simulations and scenarios.

This facilitates the building of projection models that incorporate complex valuations of balance sheet items such as stochastic reserves or risk based capital measures.

The resulting models can be used for multiple purposes, for example:

- Forecasting of balance sheets and profitability
- Nested stochastic valuation of assets and liabilities
- Modelling of dynamic hedges and complex investment strategies.

The standard actuarial libraries provided with Prophet contain support for calculations that use Nested Structures. Comprehensive documentation is included and example models are provided as part of the standard solution set.

Benefits

The benefits of using Nested Structures include:

- Flexible and scalable allowing for different model designs
- Single run solution for complex models involving multiple parts and dependencies
- Intuitive and user-friendly design for easy-to-understand calculation flow
- Allows "stacking" of inner structures to allow multiple nested models to be embedded within an outer structure
- Modelling of stresses or multiple bases, each of which being an independent set of inner simulations
- Full support for debugging of the embedded run via save points
- Full runlog capabilities for inner runs.

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About FIS' Prophet

FIS' Prophet is a leading enterprise-wide actuarial modeling system that helps insurance and financial services companies meet reporting responsibilities, improve risk management, and develop more profitable products faster. Prophet uses customizable actuarial libraries for all major product types, including regional variations. It provides the transparency, performance and control required by today's actuaries and risk managers through integrated financial modeling and data management capabilities. Prophet is used by more than 10,000 users at nearly 1000 customer sites in over 70 countries.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit

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