



PROPHET GI RESERVING

SETTLING AND MANAGING APPROPRIATE RESERVES

Overview

Ensuring that there are adequate reserves in place is a key concern for general/P&C insurers. Solvency II, IFRS and similar regulatory initiatives have driven, and continue to drive, insurers to build reserving models to manage reserve risks and monitor and control how reserve run-off differs from expected values within an efficient and controlled end to end process.

Prophet GI Reserving is central to FIS' Prophet GI risk modeling solutions, and can feed directly into the Prophet GI Capital Modeling solution. The library contains the actuarial code required for creating and modifying reserving models, and is supported by an intuitive user interface. Data management is a key consideration, and the Reserving Library is supported by full data management functionality through Prophet's powerful Data Conversion System.

As with all Prophet libraries, the code and its structure are intuitive. Actuaries can quickly build, modify and extend their models using Prophet's own simple code, without the need for additional coding languages or skills. And because of its transparency, managers can readily understand what drives certain model results.

Reserving library key features

- **Focused design** – created by FIS' in-house non-life modeling experts for an accurate representation of reserve levels and risks, covering both stochastic and deterministic reserving methods
- **Adaptability** – the code is transparent and can easily be extended and enhanced, allowing for fast model development
- **Data management** – the added-value of an efficient data input and cleansing process, using the Prophet Data Conversion System (DCS)
- **Compliance** – supports common global reserving requirements
- **Integration** – capable of interfacing with the Prophet GI Capital Modeling solution
- **Results interrogation** – allows for development factor investigation and selection. Results are accessed via a custom-built user interface

Reserving methods

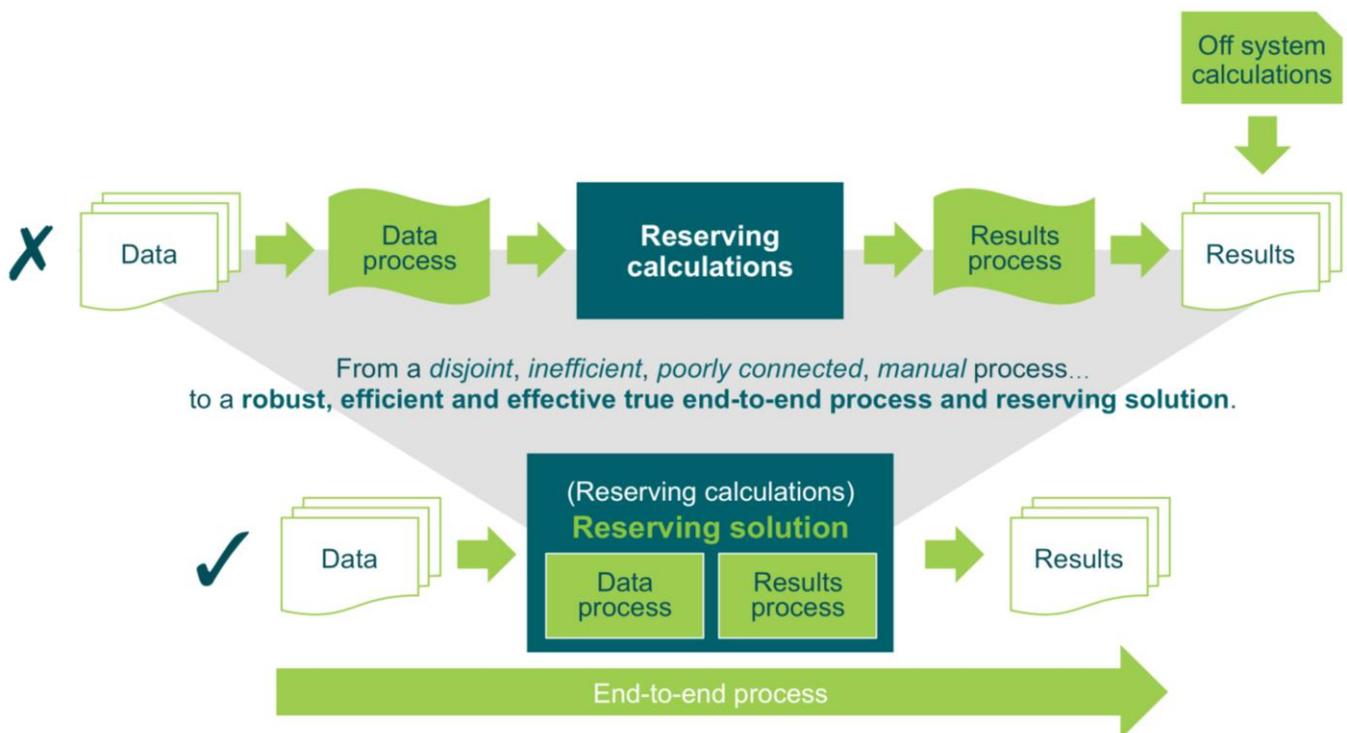
The Prophet GI Reserving Library can apply the following reserving methods:

- Basic Chain Ladder
- Inflation Adjusted Chain Ladder
- Expected Loss Ratio
- Bornhuetter-Ferguson
- Benktander
- Average Cost Per Claim
- Cape Cod
- Berquist-Sherman
- Fisher Lange
- Premium Allocation Approach
- Mack
- Mack with tail
- Merz and Wuthrich
- ODP Bootstrap with and without process variance and bias adjustment
- Bornhuetter-Ferguson Bootstrap
- Mack Bootstrap
- Bespoke calculations

Reserving functionality

Supporting the various reserving methods are the following:

- Simple deterministic or fully complex stochastic calculations
- A wide selection of techniques for creating and analyzing development factors and reserve run-off projection, along with common development factor examples
- Powerful statistical methods for fitted curve development
- Ability to reserve using both paid and incurred development triangles
- An intuitive graphical interface for the presentation of the reserves
- Integrated standard or bespoke reporting and graphical analyses
- Standard Prophet databases
- Flexible data management and system integration
- Audit logs, comments and control over user action
- Multiple versions of development factors for the same variable
- Blending of development factors



- Results selection across all methods and versions included, by individual origin period or in total
- Annual, half-yearly, quarterly or monthly origin period and development period functionality on either accident or underwriting period bases
- Discounted projected cash flow results
- Actual versus expected analysis of undiscounted and discounted movements
- Embedded data management processes using Prophet's Data Conversion System

About FIS' Prophet solution

FIS' Prophet solution 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 over 860 customer sites in over 65 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 www.fisglobal.com