Building of a full stochastic assets model

Assets / Projection & optimization of investment strategy

CONTEXT & OBJECTIVES

Client: One of the leading French insurance Group

Model: Stochastic assets projection

Objective: The goal was to convert an existing Excel/VBA complex assets model, in order to make it more secured, with a full workflow, and to improve the runtime.

This assets model included detailed asset per asset stochastic projection, with a detailed reallocation/reinvestment strategy defined after each step of projection, in order to meet the insurer objectives in terms of profitability and security of its assets.

Milliman Mind provided to the solution:

- A native stochastic/scenarios feature
- A full workflow with detailed users roles management
- A more intuitive and easy way to maintain the model, without any VBA code required

FACTS

- The runtime has been reduced from 10 minutes + on Excel VBA to less than 1 minute, enabling multiple strategy testing
- The insurer managed to implement the solution and fully convert its existing model in less than 3 months
- Since then the insurer has extended the use of Milliman Mind to a non-life stochastic model, and plans to convert more and more models into this new framework