

# Willis Re Analytics Financial Advisory

WillisRe |.I'I'I.I.

## eVISION™ – strategic financial forecasting

Projected financial results are important both internally and externally. They are closely scrutinized by company management, rating agencies, regulators, boards of directors, and other stakeholders. Therefore, any risk management strategy or reinsurance alternative must be evaluated in terms of its effect on projected financial results. Willis Re's **eVISION strategic financial forecasting** can help you understand and project the financial implications of various operating strategies.

The **eVISION** process begins with modeling your baseline financial plan; then we evaluate the impact of alternatives. Important inputs include:

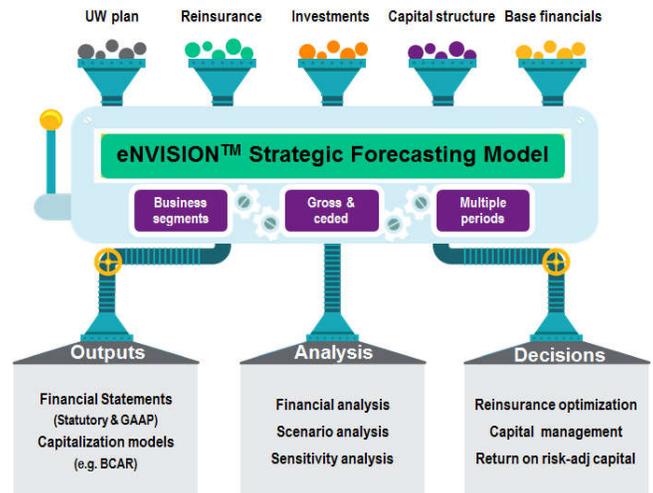
- Underwriting – growth rate, loss ratios, PMLs, expenses
- Reinsurance – coverages, premiums, rates, commissions, inuring basis
- Investments – asset returns, growth in assets, cash flow parameters
- Capital – dividend policy, capital inflow or outflow

Willis Re's **eVISION** includes reinsurance analysis and rating capital evaluation. For reinsurance analysis, results are separately modeled on a gross and ceded basis to arrive at net numbers, since explicitly calculating ceded results allows us to project more accurately the net impact of reinsurance changes.

**eVISION** uses results from our rating capital (RBC, BCAR or SPCAR) calculator to estimate rating agency capital scores over the projection period. This allows the model to illuminate the rating implications of various operating strategies.

### Contact us

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An **eVISION** analysis projects detailed income statements, balance sheets, and cash flow statements given the operating inputs. Statements can be produced on a Statutory, GAAP, or economic basis. Key metrics that are calculated and evaluated include:

- Profitability – combined ratio (gross and net), operating ratio, UW and net income, return on surplus and revenue, and line of business
- Capitalization – surplus, premium leverage, net leverage, BCAR, RBC, and MCT

Combined with our reinsurance optimization service, **eVISION** helps you understand the long-term effect of reinsurance structure decisions on metrics such as BCAR and surplus.