

**FOR IMMEDIATE RELEASE**

**Press Release**

## **Milliman launches dynamic asset-liability management solution**

**A solution for optimising investment strategy in a Solvency II world**

Paris – Sept. 12, 2011 – Milliman, Inc., one of the premier global consulting and actuarial firms, today announced that it has launched its Dynamic ALM solution built on its leading financial modelling solution, MG-ALFA<sup>®</sup>. The solution is based on research and client projects which have shown that a company's Solvency II model can be used as an active asset liability management tool to support the optimisation of the asset allocation strategy, thereby linking solvency calculations with actual risk management.

"Life insurance companies have for many years used actuarial models to measure liability-related financial measures such as market-consistent embedded value (MCEV) and economic capital," says Milliman Principal Ed Morgan. "With the advent of Solvency II, one of the challenges facing life insurers is 'How can we use modern actuarial modelling to optimise our investment strategy?' This approach turns the company's investment strategy from a model input into a model output."

The introduction of the Dynamic ALM model facilitates the determination of a strategic asset allocation strategy which fully reflects the corporate capital and risk strategy and the way the business will be managed under Solvency II. However, implementing such a solution requires actuarial expertise coupled with a sophisticated analytic engine that can execute the vast number of required stochastic projection runs and manage the data inputs and results output within an automated end-to-end process with limited manual interaction.

"Milliman's combined software and local consulting expertise has been leveraged by a wide range of insurers and is uniquely placed to deliver a robust Dynamic ALM solution within a limited timeframe," Morgan says.

Martin Sher, Milliman's European MG-ALFA Product Manager, added, "The Dynamic ALM solution is a key component of our Pan-European expansion strategy and incorporates a Solvency II standard model with comprehensive and sophisticated liability, asset, investment strategy and risk metric functionality coupled with client customisable reports."

For more information on Dynamic ALM and how it can assist insurers to optimise investment strategy, speak with a Milliman consultant or contact Astrid Mittelhockamp at [astrid.mittelhockamp@milliman.com](mailto:astrid.mittelhockamp@milliman.com).

### **About MG-ALFA**

MG-ALFA is financial projection software developed and supported by Milliman and used by leading life insurance and financial firms worldwide to perform financial projections. MG-ALFA supports a broad range of assets and liabilities and delivers functionality for the complete spectrum of actuarial modelling needs, from pricing and ALM projections to stochastic and nested stochastic analysis. MG-ALFA is



uniquely positioned to meet emerging regulatory and accounting changes around the globe and offers multiple grid computing solutions to deliver the speed and capacity necessary to meet all requirements in a practical timeframe. For further information, visit <http://europe.milliman.com/tools-products/life/>.

#### **About Milliman**

Milliman is among the world's largest independent actuarial and consulting firms. Founded in 1947 as Milliman & Robertson, the company currently has 53 offices in key locations worldwide. Milliman employs over 2,500 people. The firm has consulting practices in life insurance and financial services, healthcare, employee benefits, and property & casualty insurance. Milliman serves the full spectrum of business, financial, government, union, education and nonprofit organizations. For further information, visit [www.milliman.com](http://www.milliman.com).