

Bermuda ACRO Scenario-Based Approach (SBA)

Changing regulations and market pressures are driving the need for insurers to adapt and evolve

Throughout 2023, we have seen an increase in regulatory and internal pressures, with growing concerns around governance, controls and increased modeling complexity. These changes are time consuming and can increase the potential for human error. As a result, many of our clients are searching for solutions that not only automate the repetitive and predictable parts of their process, but also provide insightful results analyses while freeing up valuable resources.

WTW's ACRO SBA Service will help you optimize and run the Bermuda SBA Model

1. Our Asset Cashflow Reinvestment Optimization (ACRO) SBA Service is a cloud modeling solution which leverages WTW's technology products to optimize SBA asset/liability management (ALM) calculations.
2. ACRO is a proven, efficient and robust model with reliable and replicable results. Using ACRO, we have supported numerous clients on Bermuda licensing, SBA application, year-end filing, approved actuary services, feasibility studies, and new product pricing.

ACRO features effectively address the market's common challenges

	Common Challenges	ACRO Features
Regulatory compliance	<ul style="list-style-type: none"> • Keeping up to date • Regulation interpretation 	<ul style="list-style-type: none"> • ACRO services include access to WTW experts in Bermuda regulations • Provides prompt updates for regulatory changes
Governance and controls	<ul style="list-style-type: none"> • Segregation of duties • Model change management • Documentation 	<ul style="list-style-type: none"> • Restricted development and production environments • Integration test before minor and major version updates • Governance packet for documentation
Model complexity	<ul style="list-style-type: none"> • Numerous input sources • Output analysis • Requires expert judgement 	<ul style="list-style-type: none"> • Minimal technological requirements • Straightforward input template
Run time	<ul style="list-style-type: none"> • Lengthy run time due to 9 prescribed scenarios 	<ul style="list-style-type: none"> • Runs in minutes using parallel processing

Contacts

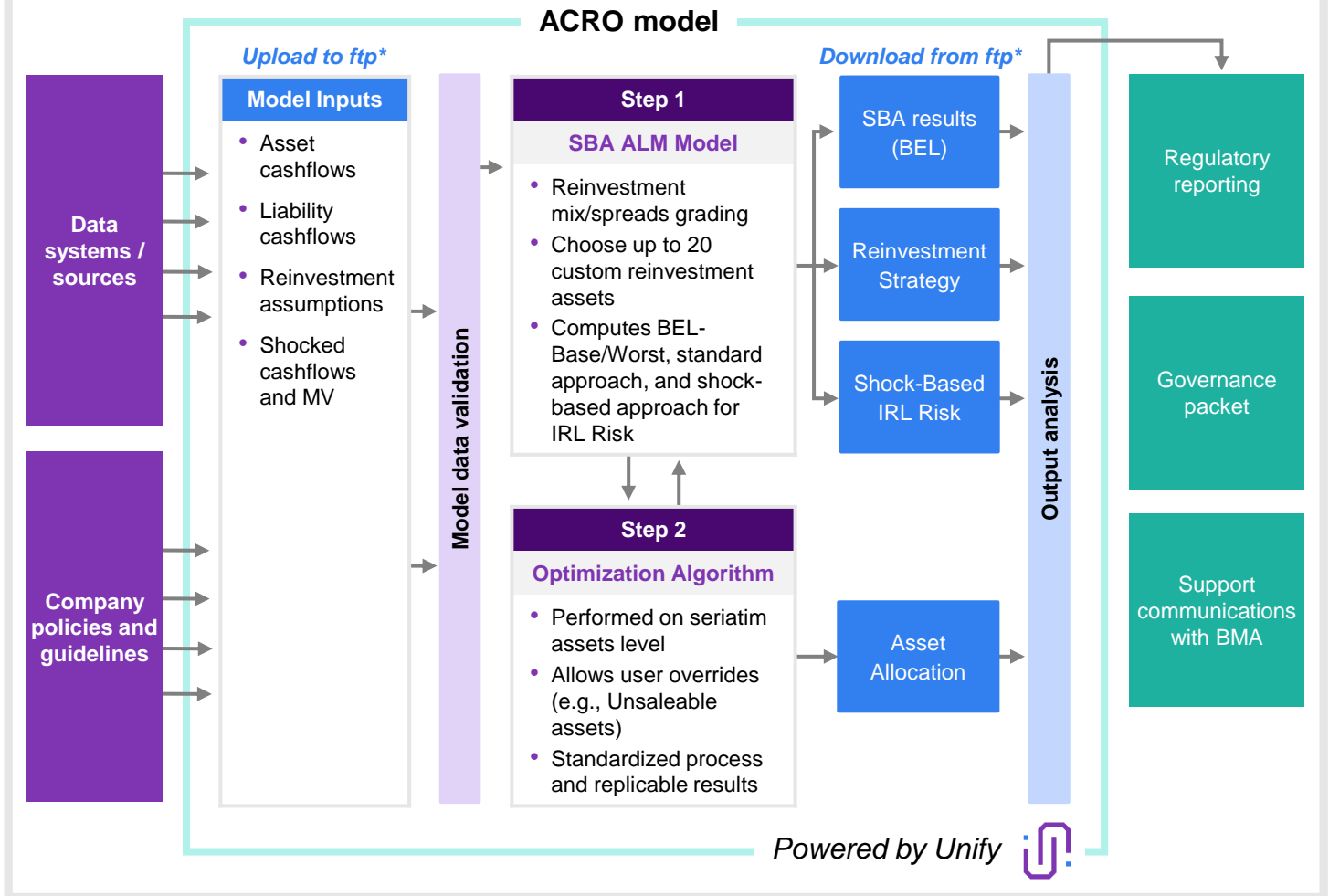
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Overview of the ACRO SBA Service

ACRO SBA Service provides you with a two-step process:



* Unify driven

ACRO SBA Services package includes:

Model Output

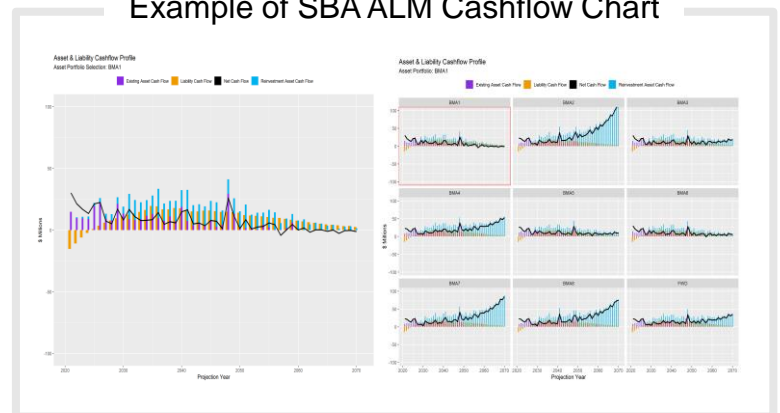
- SBA BEL and results for all scenarios
- BSCR IR/L risk component
- Asset portfolio selected to back SBA BEL
- ALM charts
- Projections of NIER, cashflows, and balances

Governance packet

- SBA Report
- Technical Memo
- Version Change Summary

Advisory and consultation support

Example of SBA ALM Cashflow Chart



Choosing SBA and optimizing asset allocation can reduce ALM risk and basis risk, thereby protecting your business against changes in the economic environment

Insurance Consulting & Technology Services: Credentials

Our experience sets us apart from others

Assisted **6** companies



in **successfully submitting & gaining approval** for their **SBA applications** in the last 18 months

Supported **15+** clients in 2022

with their **regulatory reporting** and **SBA applications** to the **BMA**

Around **40** Bermuda Opinions

on **Economic Balance Sheet Technical Provisions** are signed by WTW actuaries each year

1600 insurance consultants

450+ insurance technology specialists

50-80%


Typical reduction in process execution time with Unify

Over **40** years

of experience in developing actuarial software

Around **200** U.S. Insurers

currently use us as appointed actuaries for opinions on the companies' reserves

50,000 hours 

saved per solution on average through the use of Unify

140+ Countries

in which our actuaries and chartered enterprise risk analysts serve the insurance industry

6000+ associate hours

were invested in the Americas alone to develop intellectual capital with regards to valuation

80+ of members of the Association of Bermuda Insurers & Reinsurers (ABIR) are our clients, of which

45% are reserving/valuation clients on a regular basis

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.

