



Case Study

Regulatory/Economic Capital Model Development

About the company	US domiciled global investment bank
Client need	Our client, a US domiciled global investment bank, wanted support with their Comprehensive Capital Analysis and Review (CCAR) process to provide evidence of the performance of insurance during periods of macro-economic stress.



Solutions

Using WTW's proprietary loss databases, the Operational Risk Solutions Team were able to:

- Assess specific risk assumptions feeding into their risk scenarios and provide rational for impact quantification.
- Provide an in-depth analysis of the performance of insurers during periods of historical financial stress e.g. 2007/08 financial crisis, hurricane seasons.
- Provide a macro view of the role of insurance in the economy and a detailed analysis of key indicators for insurer performance during periods of stress



Outcomes

- The Operational Risks Solutions team worked closely with our client's internal risk governance committee to ensure analysis was embedded within the client's Comprehensive Capital Analysis and Review (CCAR) strategy and ultimately signed off by the Federal Reserve.
- Justification was provided to include insurance within CCAR operational risk stress tests
- Senior management and external stakeholders were provided with comfort that insurance worked effectively during periods of market stress

Operational Risk Solutions Team

Paul Search and Mark Hannam

Disclaimer

Willis Limited is a Lloyd's broker and is authorised and regulated by the Financial Conduct Authority, Jersey Financial Services Commission, Guernsey Financial Services Commission and Dubai Financial Services Authority. The registered office is 51 Lime Street, London, EC3M 7DQ and Willis Limited is registered in England and Wales under company number 181116.

Willis Towers Watson SA/NV, Quai des Venes, 4020, Liège, Belgium (0415.981.986 RPM Liège) (registered as a branch in the UK at 51 Lime Street, London, EC3M 7DQ UK Branch Number BR021056) in relation to all EEA-regulated business. Authorised by the Financial Services and Markets Authority (FSMA) Belgium, and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. The information given in this publication is believed to be accurate at the date of publication shown at the top of this document. This information may have subsequently changed or have been superseded and should not be relied upon to be accurate or suitable after this date.

This publication offers a general overview of its subject matter. It does not necessarily address every aspect of its subject or every product available in the market. It is not intended to be, and should not be, used to replace specific advice relating to individual situations and we do not offer, and this should not be seen as, legal, accounting or tax advice. If you intend to take any action or make any decision on the basis of the content of this publication you should first seek specific advice from an appropriate professional. Some of the information in this publication may be compiled from third party sources we consider to be reliable, however we do not guarantee and are not responsible for the accuracy of such. The views expressed are not necessarily those of WTW.

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 organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



wtwco.com/social-media

Copyright © 2023 WTW. All rights reserved.
FPS5087797 WTW-FINEX 556501/07/23

wtwco.com

