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

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.

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