

Practical Considerations in Capital Management Reporting

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Capital Management Framework (CMF) Objectives

Industry practices capital management uses typically involve the following areas¹. Which are desired by your company?

- Determining capital adequacy
- Determining and monitoring risk appetite
- Determining capital allocation
- Strategy setting
- Business planning
- Structuring reinsurance and/or hedging programs
- Structuring access to capital
- Determining dividends and or stock buyback
- Measuring performance against targets

Note: these cases do not require an internal capital model (ICM), although many companies use an ICM to support these uses.

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Data Visualization

Data Visualization Summary

Sample capital management dashboard:

- Capital Adequacy**
 - Ratio = Actual / Required
 - Risk Appetite
- Risk Drill Down**
 - Focus on Required (modeled) risk
 - Contribution of risk types to total
- Segment Drill Down**
 - Focus on Required (modeled) risk
 - Contribution of segments to total
- Analysis of Change**
 - Multiple evaluations
 - Changes in Actual and Required Capital


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Data Highlights


Model data*:

- 5,700 records of economic capital model results from 3 evaluation dates
- 20 Countries / 4 Regions
- 2 lines of business and 2 investment types
- Carried capital by country

Table View



ETL Script Editor



* All data in the sample dashboard is 100% fictitious.

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