

ALM Actuary

Client Type:

Life and Health Plan

Project Scope:

ALM Redesign

Duration:

4 Weeks

Team Size:

1 Full-Time Actuarial Consultant



Problem

This organization felt there was **significant room for improvement of its asset liability management (ALM)**. However, the client lacked the internal expertise to transform the framework.



Solution

Within four weeks, an interest rate VAR was developed and implemented. Based upon the three principle components of interest rate movement, research was performed to add probability statements to interest rate shocks, which would adjust to current market conditions. The consultant also provided a procedure to modify the asset portfolio and improve the company's risk/return profile. In the end, **the work helped the company better understand the ALM's proportion of interest rate, spread and credit risk.**



Response

Jacobson provided an actuary with **significant ALM, market risk and governance expertise**. In order to bring the client's ALM to the next level, this expert examined the abilities and resources of the company. The consultant worked closely with the client to **create a more effective and cohesive risk management process**, which was then integrated into the culture.