



# Strategic Asset Allocation (SAA) for Insurance

Meet your investment goals and manage risks  
with a tailored Strategic Asset Allocation

A fresh take on risk and valuation

## Finalyse's target SAA determination process

SPECIFY ASSET CLASSES

DEFINE OBJECTIVES AND CONSTRAINTS

FORM CAPITAL MARKET EXPECTATIONS

OPTIMISE THE ASSET MIX

VALIDATE THE OPTIMAL ALLOCATION

ESTABLISH ASSET CLASS BANDWIDTHS

Finalyse's Strategic Asset Allocation (SAA) approach uses long-term planning and robust investment principles to achieve your objectives, considering your risk tolerance and investment constraints.

The optimal SAA, a balance of risk and return, is determined through collaboration across various internal functions and by addressing the interests of all stakeholders.

We at Finalyse blend academic and practical perspectives to define the target SAA, guiding insurers through this complex process. Our solutions aim to secure optimal asset allocations aligned with your specific needs, helping you navigate market challenges and seize growth opportunities.



For more information, visit [www.finalyse.com/strategic-asset-allocation](http://www.finalyse.com/strategic-asset-allocation)

## Benefits

Here is how Finalyse can support you with your SAA challenges:

- Develop and Implement an SAA Optimisation Model and Calculation Engine
- Design and Implement an End-to-End Process for the Target SAA's Definition
- Integrate Capital Planning, Balance Sheet Management, and the Risk Appetite Framework
- Align with Regulatory Requirements, like ORSA and the Standard Formula Appropriateness Assessment
- Model the Best Estimate Liability cash flows and their Relationship with Asset Cash Flows
- Design Derivatives Hedging Strategies for Managing DV01 and CS01

## Motivation

A properly defined SAA is crucial for managing the insurer's solvency and liquidity risks, while generating returns sufficient to meet policyholder pay-outs and maximize shareholder wealth.

Given the ever-increasing regulatory scrutiny in the context of the European Solvency II framework, the SAA must respect the fundamental guiding principles and accepted market practices.

Finalyse offers extensive experience and expertise on both the asset and liability sides, which provides the necessary scope of knowledge and skills to help determine the SAA that is optimal for your business.

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