



La Positiva chooses RNA Analytics R³S software to transform cost, risk and sensitivity analysis

CUSTOMER BACKGROUND

La Positiva is an insurance group of 84 years' standing, serving more than 3 million policyholders throughout Peru.

The three companies that make up the Positiva family include La Positiva Seguros y Reaseguros SAA, La Positiva Vida Seguros y Reaseguros and La Positiva SA. Health Provider Entity.

La Positiva Vida Seguros is the company's life and health insurance company, offering a wide range of products and services to protect its clients from the financial risks associated with illness, accident and death. Since it was founded in 1939, the company has grown to become one of the leading insurers in the Peruvian market. La Positiva Vida Seguros is dedicated to providing high-quality, personalised insurance solutions to its clients. The company's core values around integrity, a commitment to innovation, and social responsibility together inform its decisions and actions - from the front line to the boardroom.

The group's depth of experience in the insurance market provides it with the firm foundations needed to thrive in a fast-paced and increasingly demanding digital world, and in a compliant and responsible way.



CUSTOMER GOALS

As experts in risk management, La Positiva recognises the need to evolve continually, part of which involves achieving high market penetration through the delivery of innovative products, using multiple access channels, with excellence and speed of response in service at their heart.

La Positiva seeks to achieve its stated purpose of “creating simple experiences for a more positive life” by solving challenges with agility, innovating to transform, and collaborating as a team.

These attributes and principles engender a continuous improvement of good corporate governance, as well as putting the company in a strong position to meet today’s stringent regulatory requirements.



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THE CHALLENGES

Modelling the future cash flows of life products is a vital part of calculating mathematical reserves under the Best Estimate Liabilities methodology, but it is not without its challenges.

For La Positiva, a new actuarial tool was needed to calculate and maintain precise and up-to-date mathematical reserves to achieve regulatory compliance and carry out solvency assessments; and to model different scenarios and assess the risks associated with life products and mathematical reserves.

At the same time, the new tool had to be able to evaluate the profitability of life products and the associated mathematical reserves by modelling different scenarios and optimising the prices and benefits of the products such that profitability may be maximised.



THE REQUIREMENTS AND 'MUST HAVES' FOR THE SOLUTION

In looking for an actuarial tool for future life cash flow modelling, La Positiva's needs and required features were highly specific, in alignment with its broader needs and objectives.

Accuracy is absolutely essential in actuarial modelling, and the insurer's requirement that the solution have a high degree of accuracy in flow generation and other aspects of the modelling was non-negotiable.

The insurer was also looking for flexibility in the solution - looking for a tool that was able to adapt to different life products and modelling scenarios, to help support decision making across different functions.

La Positiva also needed a tool that would allow its teams to perform sensitivity analyses to assess the impact of varying factors on the modelling results.

The ability of the tool to carry out calculations at speed is increasingly important to insurers, particularly given the complexity of the task at hand. Making informed decisions quickly makes both operational and strategic sense amid a competitive landscape, and against a challenging economic backdrop.

At the same time, the solution had to be scalable, and able to handle significant volumes of data and complex scenarios.

Today, intuitiveness in a digital tool is no longer merely a 'nice to have'. The bar has been raised, and the solution to La Positiva's challenges would have to be easy to use and understand by users without specific training in Mathematics or Actuarial Sciences.

Integration with other solutions, such as accounting software, was another 'must have'.

"For us it was also essential that the actuarial tool have the flexibility that would allow our collaborators to access the system remotely and intermittently, and that several users generate information simultaneously according to the number of licenses purchased," says Vivian Riz, Actuarial Representative, La Positiva Vida Seguros. "A market analysis was carried out among the available actuarial tool options that could provide a solution to our needs, focusing on analysis of processing capacity, its speed, scope or benefits, and costs. We take into account multiple factors, including ease of implementation, adequate programming language, and robustness in information processing. We also needed assurance from our provider that we would get the support we needed, if and when required, including any necessary training."

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THE OUTCOMES

The partnership with RNA Analytics has allowed La Positiva to achieve all its required goals, using a flexible, accurate, intuitive, fast and scalable solution that integrates easily with other systems.

Using the new suite of tools, the insurer has been able to optimise formerly highly repetitive processes that had become time consuming and limiting for the business - and has already observed a saving in information generation and processing times.

Thanks to the simplicity of the system, La Positiva's teams have more time to carry out scenario analysis and specialised tests that provide the company with a better horizon in more technical and financial areas.



“For insurers looking for an actuarial tool for modelling future cash flows that is flexible, accurate, intuitive, fast, allows sensitivity analysis, is scalable and integrates with other solutions and systems, R³S is an excellent option. Using RNA's suite of solutions, they will be able to make informed decisions and meet regulatory requirements efficiently,” Riz adds. “Indeed, we have already recommended these tools, because, as in our case, companies in this market need to comply with regulatory requirements based on the implementation of a tool that allows the generation of future flows with verified and accepted results in the professional actuarial field.”

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**Looking for a similar solution to your modelling challenges?
Talk to our experts at RNA Analytics to find out how we can help...**

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