

White paper

Why complicate your view of insurance risk?

Unlock understanding of your exposure
and help your finances work harder with
FIS® Insurance Risk Suite – Prophet

Can you fully see what risks you're facing?

Risk management is critical to the financial success of insurance companies. As money flows into firms to pay for premiums and out again to settle claims and expenses, actuaries and risk managers play a key role in pricing the risks being covered, turning a profit from policies – and making sure enough capital is kept in reserve.

There's a lot of knowledge for actuaries to gather on policyholders, their likelihood of making a claim and the external forces that increase that probability, from geopolitical events and extreme weather to threats to global health and economic stability. There are new risks, such as climate change and cyber vulnerability, to manage. And with evolving regulations and fresh competition from the latest market entrants, the pace of change in the insurance industry makes risk management a more difficult job than ever.

For actuarial modeling and risk management operations, one byproduct of change is overcomplication. Insurers' technology setups have typically fragmented over time, as firms bolt on new systems to meet different requirements. Then when these systems can't talk to one another, as is often the case, manual workarounds plug the gaps and complicate processes further.

Macroeconomic change, geopolitical conflicts and climate risks are already making the outside world complex enough and putting insurers' margins and solvency under pressure. To fully see the risks you're facing and get your firm's money working harder, you must get your internal risk management operations in order.

There are simpler ways to manage risk and maximize money

Regulatory obligations and interdependent risks are making risk models more complex and demanding. So, you need to make modeling and reporting processes simpler to manage.

But you also need to know the impact of every risk and regulation on your specific insurance business, with all its complexities and nuances, and your ability to put money to work.

What's standing in your way?

Let's explore the three key challenges that are disrupting today's actuarial operations and new ways to help you understand, manage and mitigate your risks and get more from your money.

1. Risk is relentless – and boundless

From economic and demographic risks to emerging risks like climate change, risks come thick, fast and from all angles for insurance companies. You need accurate insight to help you model and manage your exposure.

You can't know your risks if you don't see them. So, it makes sense that 38% of financial services firms and 37% of corporates say that improving transparency has the highest impact on their risk profiles.¹

But siloed legacy systems, manual processes and chaotic data management can stop you from getting a complete view of all the risks you face – the visibility you need to manage your assets, liabilities and capital effectively and make your firm's money work harder.

And not all risk management solutions will cover the regions where you operate, or cater to every possible line of insurance business – from life, health and general/property and casualty (P&C) insurance to pensions and annuities.

Cover all your risk requirements with FIS

Whatever the size, shape and focus of your business, FIS® Insurance Risk Suite - Prophet gives you the modern single platform you need to monitor, manage and mitigate all your risks in all your regions. Now you can consolidate your data into a holistic view of risk, and automate and simplify complex modeling, statutory reporting and data processing tasks.

With Prophet, continuously updated libraries for different countries, regions and risks take care of your calculations, too. So, you get the confidence to manage every risk that faces your business, while freeing up time for analytical work.

Our solution also helps manage your security risks and keep your risk management and modeling environment secure from cyberthreats. At FIS, we invest heavily in security and digital operational resilience – and carry out penetration tests, checks for vulnerabilities and compliance audits on your behalf.

In fact, we put the security of your data and systems at the heart of everything we do – backed by a multidisciplinary team of experts that will meet your most complex technical and business requirements for risk management.

When risks are complex, Prophet simplifies risk management. With automated data processing and calculations, you can get a complete view of your risks so you can mitigate every impact, maximize your margins and make money work harder.

¹ - FIS, Global Innovation Research, 2024

2. Regulatory data needs reporting

Insurers are constantly navigating a complex regulatory landscape. Depending on where you're based, your firm may be subject to the accounting standards of IFRS 17 or U.S. GAAP LDTI, or the risk-based capital rules of Solvency II, KICS, ICS, C-ROSS or other regional requirements. But can you effectively model, manage and report on every rule that applies to you globally?

Without the latest technology, you may struggle to access the data and gather the knowledge that is so critical to achieving compliance. You're likely to spend more time collecting and validating data points – and manually filling out reports – than focusing on what really matters: risk analysis and decision making.

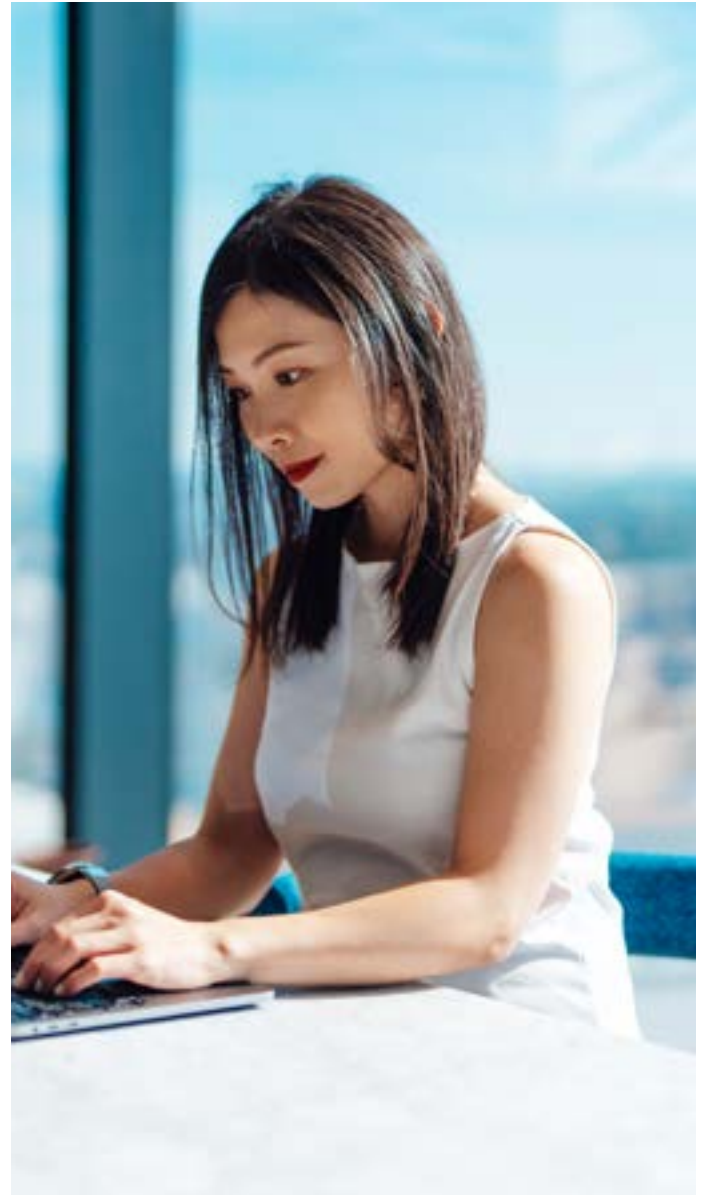
Stay on top of compliance with FIS

Prophet helps you meet your regulatory requirements more efficiently. Not only does our solution give you a clear and complete view of the data you need for compliance, but it also gives you the tools to automate the whole reporting process.

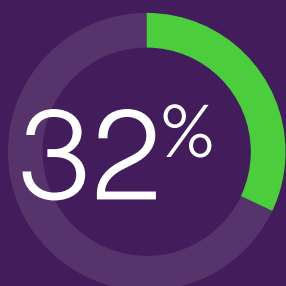
Again, pre-built calculation libraries for different standards and regulations help you keep on top of regulatory demands as they inevitably evolve – as well as modeling and reporting on the impacts of climate change. Sample models for multiple risks and regulations are available out of the box – but are easy to customize to your firm's specific requirements, too.

Ultimately, Prophet puts you in complete control of the data you're reporting, so you can be sure you're providing accurate outputs that regulators and other stakeholders can rely on. By helping you improve the traceability and governance of your data and exchange that data seamlessly between systems and teams, it puts you in a stronger position to better manage your business.

However, despite empowering you to meet complex risk modeling requirements, Prophet is incredibly easy and intuitive to pick up and use. With simple, open versioned code, it lets you build and clearly visualize models without being an expert coder.



Regulatory reporting requirements show no signs of slowing down. Prophet not only keeps you ahead of compliance but also in charge of the business processes that help put money to work.



of C-suite executives say they use the most effective tools to execute and streamline regulatory compliance, and 33% say that they use the intelligence they get from regulatory reporting to improve their business operations.

3. Operations are on overload

As actuarial modeling and regulatory reporting requirements continue to become more demanding, today's insurers have more disclosures than ever to report – but no more time or money to deliver the results.

Inflation may be lower but costs are still increasing, calling for new, faster ways to do more with less. As risks keep evolving, you should also be able to constantly improve your efficiency and take advantage of the latest innovations.

In short, technology can do a lot to ease your operational burden. And the cloud is the place to do it, especially when it's supported by managed services.



56%

say that managed services help them improve compliance with regulations in the fields of both risk management and data protection.



Propel growth in the cloud with FIS

FIS delivers Prophet from the cloud through a range of hosted and managed services.

With scalable solutions for all types of insurance business, including the on-demand capabilities of a software-as-a-service (SaaS) solution, we make sure you only ever pay for the cloud capacity you need, when you need it. We also handle systems provisioning, maintenance patching, backups and administration on your behalf.

With expertise in using Prophet and managing applications in the cloud, our specialist teams allow you to plan and adjust your cloud environment to match your models. So, you can not only automate and control intricate actuarial processes from end to end, but also scale easily and cost-effectively to sudden rises (or falls) in volumes of reported data.

We proactively manage and support the environment, its security and our application as a single service. And we deliver that service 24/7 for clients globally, strictly in line with industry principles and internal policies. Our service levels cover the entire hosted solution, not just the infrastructure as is typically the case with traditional hosting providers.

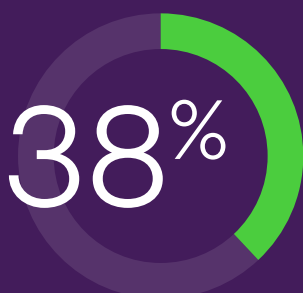
But we also work to continuously improve the speed and efficiency of model runs with each release of Prophet, pulling as many levers as possible to turbocharge models and improve run time. That includes being able to extend formulas, configure report settings and only perform calculations for the set of metrics you need.

Additionally, use of vectorized calculations helps maximize model performance. Distributed database technologies support larger volumes of data. AI tools power predictive analytics. And with centralized code, Prophet allows you to respond faster and more effectively to new challenges and speed up your ability to carry out ad-hoc analysis or price a new product.

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of C-level executives believe that embracing cloud computing will have a major impact on their business operations while 37% are optimistic about the value that cloud and edge computing can bring to their business.

Source: FIS, Global Innovation Research, 2024

Unlock a complete understanding of your risks with Prophet

Prophet provides a single, highly automated platform for actuarial modeling and risk management and helps more than 1,000 insurers in over 80 countries understand the risks they face. It gives you the scale, security and flexibility you need to cover all your risk requirements, stay on top of compliance and propel growth in the cloud, for harder-working finances all around.

At FIS, we're dedicated to unlocking financial technology to the world and helping insurance risk managers and actuaries effectively put money to work. Get in touch with us today and learn how we can empower your business to unlock your understanding of risk.

FIND YOUR UNLOCK



FIS insurance solutions help to manage risk, meet regulations and make capital work harder.

Our **technology** powers the global economy across the money lifecycle.



Money
at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



Money
in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.



Money
at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses and developers. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit FISglobal.com. Follow FIS on LinkedIn, Facebook and X (@FISglobal).



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