



a.s.r.

“GLASS as an economic scenario integrator”

March 2019

a.s.r.
de nederlandse
verzekering
maatschappij
voor alle
verzekeringen

ORTFC
FINANCE

a.s.r. is a Dutch insurance company with a portfolio of brands such as a.s.r., De Amersfoortse, Ditzo, Europeesche Verzekeringen, and Ardanta. The company offers a broad range of financial products in the field of non-life, life and income protection insurance, collective and individual pensions, health insurance, travel and leisure insurance, and funeral insurance. As an investor, a.s.r. is involved in real estate development and operations, amongst other things.

Neal Hegeman, Head of Investment Strategy & Research at a.s.r., explains to us how GLASS supports a.s.r. in making strategic investment decisions.

Neal starts by mentioning: “My department advises our internal clients (all a.s.r. labels) about their investment portfolios. We have about €43 billion assets under management in the general account.”

Estimating risks

a.s.r. uses GLASS for different purposes. Neal explains: “We use GLASS as an economic scenario integrator. GLASS shows how different asset classes interact with each other based on historical data. The model also shows the impact on the balance sheet and it helps with determining the investment mix, given the expected developments of the financial market in the future. GLASS is very good in estimating risks.” Neal continues: “To be more specific, a typical question where GLASS helps us would be: Is this the right time to add more illiquid investments to the investment mix, given at which stage we are in the cycle, the height of the liquidity premium, the interest rate level and the risk of rising interest rates, and the associated liquidity risks?”

Flexible model

a.s.r. has been using GLASS for over 10 years. Neal indicates that over the years they have changed the way in which they use the solution.

“As a.s.r., we have been a customer of Ortec Finance for more than 10 years. During this time, we have been using GLASS more and more intensively. As a result, we are now involved with the development of the model and, according to our needs, implement the model together with Ortec Finance. GLASS is very flexible in this respect - we can fine-tune the model and add our own assumptions.”

Why GLASS?

Neal explains why Ortec Finance and GLASS is still his preferred solution. “When I started working at a.s.r. in 2015, we compared Ortec Finance and GLASS with other providers in the market, but it soon became clear that GLASS was the best option for us. With GLASS, Ortec Finance is the market leader not only in size but also in terms of technique. As a mathematician, this is really important to me.” Neal continues his story by pointing out the biggest advantages of GLASS. “GLASS excels in the number of asset classes included in the model and the quality of the modeling. A lot of consideration has gone into the model. In addition, it is easy to use.”

a.s.r. is also positive about the relationship with Ortec Finance. “Not only is the model good, we are also very pleased with the working relationship we have with Ortec Finance. We cooperate very intensively including weekly meetings or calls. Ortec Finance not only provides the GLASS model, but they also give us a lot of advice and provide customizations. Ortec Finance’s accessibility is good, and the service I get from Ortec Finance is always friendly. It shows that they are a customer-oriented company.”

Reputable Company

Neal indicates that there is another reason why a.s.r. likes working with Ortec Finance. “Another great advantage of working with Ortec Finance is its renowned reputation. We really notice that the name Ortec Finance opens doors for us and inspires confidence in clients. We also tell our clients that we add our own assumptions in GLASS. In this way, we combine our knowledge of the financial markets and our macro-economic views with Ortec Finance’s technique.”

Finally, Neal addresses the independence which Ortec Finance portrays for a.s.r. “By involving Ortec Finance in providing GLASS and checking the results, we are able to show our independence. With GLASS, Ortec Finance has an impressive track record and a good econometric reputation. But the quality of the model is the crucial factor for choosing GLASS and Ortec Finance.”



a.s.r.
de nederlandse
verzekering
maatschappij
voor alle
verzekeringen



Neal Hegeman, Head Investment Strategy & Research at a.s.r.

After studying mathematics at the University of Utrecht, in 2000 Neal Hegeman went on to work for ABN AMRO and later for The Royal Bank of Scotland (RBS) after the takeover in 2007. There he worked in various positions, including as an ALM-specialist for pension funds and insurance companies from 2006. In 2015 Neal joined a.s.r. as Head of Investment Strategy & Research. Neal is a recognized nFTK specialist and has experience as a Board member and member of the Investment Committee of pension funds.

“GLASS as an economic scenario integrator”

March 2019

Rotterdam

Boompjes 40
3011 XB Rotterdam
The Netherlands
Tel. +31 10 700 50 00

Zurich

Poststrasse 4
8808 Pfäffikon SZ
Switzerland
Tel. +41 55 410 38 38

Amsterdam

Naritaweg 51
1043 BP Amsterdam
The Netherlands
Tel. +31 20 700 97 00

Toronto

250 University Avenue #200
Toronto, ON M5H 3E5
Canada
Tel. +1 416 736 4955

London

Bridge House
181 Queen Victoria Street
London EC4V 4EG
United Kingdom
Tel. +44 20 3770 5780

Hong Kong

Unit 211, Building 12W
Phase 3 Hong Kong
Science Park
Shatin, Hong Kong
Tel. +852 2477 9288