



# PolySystems, Inc.

# HORIZONS

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PolySystems, Inc.

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**PolySystems, Inc.**  
Celebrating 40 Years of Service

## Coming Soon: Project BondEdge™ Assets Using PolySystems

—Roger W. Smith, FSA, MAAA, CERA, President

PolySystems is working on a new and dramatically improved link to the BondEdge™ asset software. BondEdge™ has provided data to ALM and cash flow testing processes for many years. The technique that worked for a limited number of scenarios does not work as well for thousands of scenarios contemplated by emerging practices in financial reporting and risk measurement. PolySystems is building a new bridge to BondEdge™, and this will prove essential for tomorrow's needs.

The current process is simple. The actuary takes a file of scenario data to the BondEdge™ user, usually in the investment department, along with the customary token of appreciation. This could be as simple as a box of donuts or a fresh hot pizza. The BondEdge™ user loads the scenario data and initiates the run at the end of the work day. The next morning the resulting data file is passed to the actuary, and the ALM or CFT exercises commence.

The data file created by BondEdge™ is a text file, and Asset Delphi converts the text file to PolySystems' ECF file format. This process works for small numbers of scenarios but breaks down with large numbers of scenarios.


As the size and complexity of the BondEdge™ file increases, the run time increases. The job might still be running when the BondEdge™ user arrives the next morning or it might continue to run into the next week. Then the job of converting the large text file becomes even riskier and exposed to errors. Clearly, a few pastries are an inadequate incentive for these issues.

PolySystems is building a new link that will interact directly with the BondEdge™ software.

This interface is made available by the producers of BondEdge™, and the new process is a little different than the former text file conversion process. At first we thought we could simply link to the BondEdge™ data with each run of Asset Delphi. This would work well if Asset Delphi is only run once per ALM, CFT or Risk Management exercise, but Asset Delphi is usually run multiple times. Regenerating the BondEdge™ cash flows several times would prove to be too time consuming in practice.

Consequently, we decided to run the BondEdge™ programs once and write the results to disk. We pass the scenario data to BondEdge™ and receive the calculated cash flow data via a programmed interface. We add several necessary vectors, notably amortized values, from cash flow data. We fill in any missing data elements and then write the data to a newly defined file that holds all assets across all scenarios. Asset Delphi will then read the data from the single file for use in reports and studies.

The process will be as efficient as we can make it. We do not control how BondEdge™ does its work, but we wrap Asset Delphi around it to streamline the flow as much as we can. This new program will save you time and reduce errors.

This new processing will be ready by the end of the year. For more information on adding these new capabilities to your cash flow testing processes, contact Bob Keating at 312.332.5670 or via email at [BKeating@PolySystems.com](mailto:BKeating@PolySystems.com). 




## Using PolySystems for your Business Plans and Forecasts

—Timothy C. Cardinal, FSA, MAAA, MBA, Vice President

It's that time of year – summer is winding down and pre-season training is in full gear for the upcoming fall sports season. This means it is also time to prepare for the upcoming financial reporting marathon. Work will be consumed by business close and forecasts, multi-year plans, year-end filings and the never-ending audit season. Soon it will be time to update the Business Plan and/or revise Budget Forecasts. Our Delphi software, utilities, tools, and staff are ready for game-time. We can help you fine-tune your existing forecast process.

Many people do not take advantage of the ease with which they can produce very granular projections and new business forecasts by using Delphi. Statutory, GAAP, Economic Capital and planning forecasts are basically a natural by-product of our valuation programs.

Are you using Delphi for GAAP but not the Business Plan? We can help design and build a business forecast framework to be ready for Planning Season. Producing historical results and forecasts on the same platform allows you to transfer knowledge gained during historical analysis to forecast analysis and vice versa. You can design and map your customized format and content for the Income Statement, or any other reports, metrics, analytics and controls. The same reports and metrics used to investigate variances can be used to investigate the business forecast and vice versa.

Contact us today and find out what Delphi can do for you. 

### SCHEDULE OF EVENTS

**SUN., SEP. 19**

**Chi Bar**

Cocktails &  
Hors d'oeuvres

6:00 P.M. – 10:00 P.M.

**MON., SEP 20**

**Hospitality Suite**

Cocktails  
& Ice Cream Sundaes

7:00 P.M. – 10:30 P.M.

**TUE., SEP 21**

**IFRS Forum**

PolySystems, Inc.  
Chicago Office

4:30 P.M. – 6:30 P.M.

## PolySystems is Going to the Valuation Actuary Symposium!

—Jackie Smith, Actuarial Assistant

The Valuation Actuary Symposium is in Chicago. PolySystems is in Chicago. *Will you be in Chicago?*

You are invited to join us at our reception on Sunday and Monday night for food, drinks and socializing. We hope to see you there!

### POLYSYSTEMS IFRS FORUM

PolySystems, Inc. – Chicago, IL

Tuesday, September 21, 2010

4:30 P.M. – 6:30 P.M.

PolySystems is also hosting an IFRS Forum in conjunction with the Valuation Actuary Symposium.

We are reading the Exposure Draft and sorting through the details. We invite you to join us as we share our conclusions.

This unique gathering provides attendees an opportunity to discuss the proposed IFRS, the impact of IFRS, and the actions needed to prepare for IFRS. We will then present the course of action PolySystems will take to help you prepare for IFRS.

Now is the time to start preparing for a future of IFRS. We encourage you to come with your questions and conclusions. While part of the agenda will be a structured analysis of the proposals in the Exposure Draft, we hope the direction-setting portion of the meeting will be interactive.

Both the SOA Valuation Actuary Symposium (September 20–21, 2010) and the following PBA Implementation Seminar: Getting a Rock Solid Start (September 22, 2010) are in Chicago. Our office is in Chicago's Loop and a short cab ride away (or 20 minute walk) from the Sheraton Chicago Hotel and Towers.

Immediately following our IFRS Forum, we hope you can join us for dinner at one of Chicago's fine restaurants.

Visit our website, [www.PolySystems.com](http://www.PolySystems.com), and register today! 