



## **AXA XL ILS Capital Management**

# **Investment process**

AXA XL ILS Capital Management is an operating unit within AXA XL, the Property & Casualty division of AXA Group. To facilitate its insurance linked securities (ILS) and collateralized reinsurance investment activities, AXA XL ILS Capital Management manages and operates XL Underwriting Managers Ltd (“XLUM”) (an investment manager, licensed insurance manager and agent), and a number of Bermuda based funds and special purpose insurers (SPI). Our strategies follow the aligned business model, wherein the risks are originated by leveraging capabilities of AXA XL and AXA.

Drivers include:



**AXA XL cost of capital considerations**  
(where ‘capital’ is broadly determined in relation to TVaR metrics)



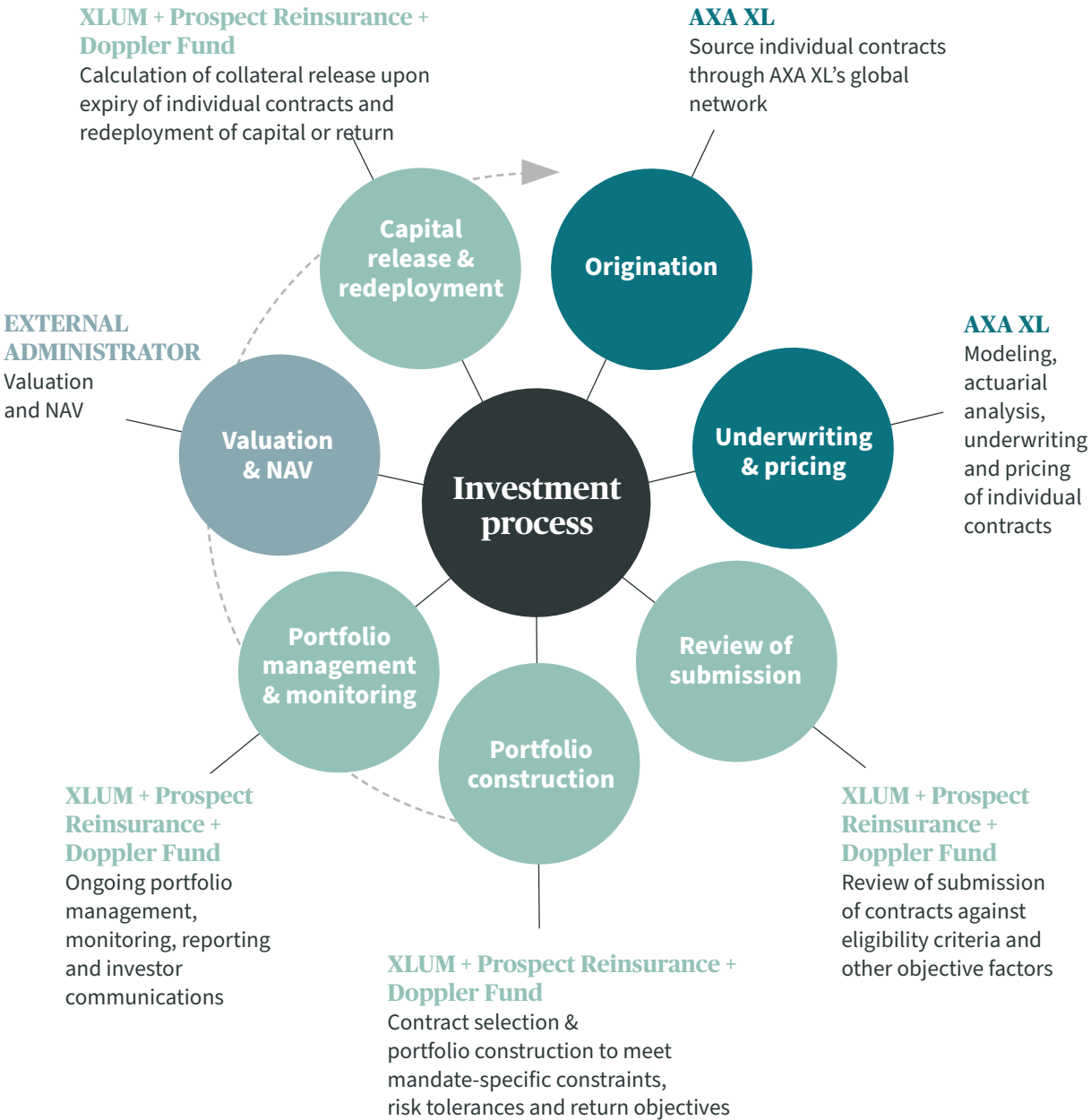
**Single layer / single counterparty risk limits / underwriting committee / senior management approvals**



**Rate adequacy levels**



**Budget considerations**



# Underwriting and portfolio management process



AXA XL

**Underwriting Process**

- Risk Origination
- Risk Assessment & Pricing
- Modeling
- Reserving
- Claims Management
- Natural Perils Research



AXA XL ILS Capital Management

**Portfolio Management Process**

- Portfolio Construction & Management
- Portfolio Modeling & Risk Analysis
- Data Capture & Processing
- Insurance Management
- Finance Process & Investor Reporting
- Investor Management and Communications

