



EAA-Seminar “Internal Models in Solvency II” 2nd – 4th April 2009 | Munich / Germany



organised by the European Actuarial Academy GmbH

1. Introduction

Solvency II aims to improve the management and regulation of the insurance industry by the use of risk based management on assets and liabilities. This is an interdisciplinary task for Board and Management of any insurance undertaking. Actuaries are experts in insurance risks and contingent risk theories; they are able to apply actuarial theories to other relevant risks as e.g. financial risks, market risks, credit risks, enterprise risk and operational risk theory. Their contribution to interdisciplinary risk based solvency management is important in many aspects and has to be combined with risk based business models, financial reporting and controlling issues used by the industry and the supervisors.

The measurement of the financial position and risk profile of any insurance entity and the validation against an actuarial, industry or regulatory benchmark means to compare models, of standard or entity specific shape. Internal Models may improve the measurement of the financial position and the risk profile of an entity by introducing entity specific environment and risk management governance; they may also improve the stability of the insurance markets (e.g. by avoiding systemic risk) and foster the transparency for users of financial information.

Therefore, the use of internal models (for parts of the Solvency II process or for the mapping of the complete risk management process) is an important decision in the governance of any insurance company.

The target of our seminar is to provide theoretical and practical knowledge concerning theory, use and implementation of Internal Models in Solvency II.

2. Participants and Maximum

The seminar shall be open to all persons interested, such as actuaries, risk-managers, auditors and senior management in general.

3. Purpose and Nature

The role of the actuary in the process of implementing risk-based models to assess and manage the overall risk situation of an insurance undertaking will be more and more important, especially on the basis of the company specific risk profile (Internal Models). Regulators set rules for the use of (partial or full) internal models for the control of solvency capital and will ask explicit approval for any specific model. Hereby, the actuary participates in the building, testing and monitoring of appropriate models and descriptions of the risk situation by the internal model.

The seminar is designed for actuaries and risk managers who are in charge of or involved in the development of Internal Models in an insurance company, in a supervisory authority or in audit or consultancy firms. It supports actuaries, risk managers and senior management in these interdisciplinary tasks:

- ◆ Improve the understanding of the role and importance of Internal Models in the Solvency II-Process
- ◆ Improve the understanding in how to use, calibrate and implement Internal Models
- ◆ Improve the understanding in the underlying business processes in the entity

4. Lecturers

David Dullaway

Tillinghast

further information will follow

Michael Klüttgens

Tillinghast

further information will follow

Drs. ir. Parcifal van Overbeek AAG

Parcifal van Overbeek joined Eureko/Achmea in 2003. In 2008, he started as manager of Actuarial Reporting's Non-Life, Disability & Health department. Before, he worked as an actuary for both the non-life as well as the international team of the Group Actuarial Department of Eureko/Achmea. His areas of focus include Economic Capital and Solvency II. Parcifal is a member of the Solvency II working group of the Dutch Association of Insurers and of the Solvency II commission of the Dutch Actuarial Association.

Parcifal holds a Master degree in Applied Mathematics from the Technical University of Eindhoven and a Master degree in Actuarial Sciences from the University of Amsterdam. Afterwards, he finished his education to become a qualified actuary.

Stephan Westphal

Tillinghast

further information will follow

5. Language

The language of the seminar will be English.

6. Programme

Wednesday, 1st April 2009

19.00 – 21.00 Welcome reception (drinks and snacks)

Thursday, 2nd April 2009

08.30 – 09.00 Registration

09.00 – 10.30 Introduction to the idea of using entity specific internal models for Solvency II purposes, advantages for insurers, regulators and the entire insurance market
(*Parcifal van Overbeek*)

10.30 – 10.45 Coffee break

10.45 – 12.00 The current situation in EU-regulation concerning the use of internal models, in opposition to standard models. In particular, attention will be paid to the current standard model and the findings from QIS 4. Also, an update will be given on Solvency II more generally.
(*Parcifal van Overbeek*)

12.00 – 13.00 Lunch

13.00 – 15.00 Valuation of Liabilities in Life-Insurance
Best estimate assumptions
Modelling requirements and challenges
Replicating Portfolio Techniques (case study)
(*David Dullaway, Michael Klüttgens*)

15.00 – 15.15 Coffee break

15.15 – 16.15 Valuation of Liabilities in Non-life Insurance
Best estimate assumptions
Modelling requirements and challenges
(*Stephan Westphal*)

16.15 – 17.00 Discussion

(*David Dullaway, Michael Klüttgens, Stephan Westphal*)

approx. 19.00 Formal Dinner

Friday, 3rd April 2009

09.00 – 10.30 Applications of Internal Models
ORSA and the risk management function
Internal Model results compared to QIS4
(*Stephan Westphal*)

10.30 – 10.45 Coffee break

10.45 – 12.00 Cont.
(*Michael Klüttgens*)

12.00 – 13.00 Lunch

13.00 – 14.30 Economic Capital aggregation techniques at solo level for Life- and Non-life-Insurance
Capital allocation
Economic Capital at group level (case study)
(*David Dullaway, Stephan Westphal*)

14.30 – 14.45 Coffee break

14.45 – 16.00 Cont.
(*David Dullaway*)

16.00 – 17.00 Discussion of the case studies
(David Dullaway, Stephan Westphal)
approx. 18.00 Social Event

Saturday, 4th April 2009

09.00 – 10.30 Internal models and the supervisor
Statistical Quality Test
Calibration Test
Use Test
Validation Standards
Documentation Standards
(Parcifal van Overbeek)

10.30 – 10.45 Coffee break

10.45 – 12.00 Implementation of an internal model in an insurance company.
Current experience and advantages while using internal models from
the insurance sector. This includes practical examples of how to get
your management understand and discuss your internal model.
(Parcifal van Overbeek)

12.00 – 13.00 Lunch

7. Fees & Registration

Please register for the seminar as soon as possible because of the expected demand. We recommend registration until 2nd March 2009. If there are more persons interested in this seminar than places available we will give priority to the registrations having been first to arrive. Please send your registration as soon as possible by using our online registration form at www.actuarial-academy.com.

Your registration is binding. Cancellation is only possibly up to 4 weeks before the first day of seminar. If you cancel at a later date, the full seminar fee is due. You may appoint someone who takes your place, but must notify us in advance. EAA has the right to cancel the event if the minimum number of participants is not reached.

Please always give your invoice number when you effect payment. Bank charges are to be borne by the participant. We will send you an invoice, please allow a few days for handling.

Your early-bird registration fee is € 990 plus 19 % VAT until 25th February 2009 the latest. After this date the fee will be €1.100 plus 19 % VAT.

8. Accommodation

further information will follow

