



# EAA Course “Actuarial Enterprise Risk Management”

Part I: 28-30 May 2013

Part II: 3-5 September 2013

in Budapest, Hungary

Organised by the EAA - European Actuarial Academy GmbH

## 1. Introduction

In order to become a fully qualified member of your actuarial association, it is required to complete a course of study in line with the association's syllabus and also to meet other conditions (e.g. work experience) required by the association. European actuarial associations which are a member of the Groupe Consultatif Actuariel Européen (GC) have to meet the requirements as laid down in GC Core Syllabus.

The EAA course on Actuarial Enterprise Risk Management consists of the following topics that are based on the new requirements of the Groupe Consultatif Core Syllabus passed in 2011:

### Actuarial Enterprise Risk Management

- The general operating environment of the enterprise
- Assessment of risks; risk types and risk measures
- Design and pricing of products and/or services
- Determination of assumptions and scenario setting
- Reserving and valuation of liabilities
- Risk mitigation
- Asset Liability Management
- Monitoring the experience and exposure to risk
- Solvency and profitability of the enterprise and the management of capital
- Quantitative Risk Management: risk modelling

The aim is to provide the technical skills to apply the principles and methodologies studied under actuarial technical subjects for the identification, quantification and management of risks.

Most of the subjects of Quantitative Risk Management and Solvency as given in the Core Syllabus will also be covered in this course in order to provide a grounding in the quantitative aspects of risk management.

## 2. Participants

The seminar is open to all persons who are interested in comprehensive skills on Actuarial Enterprise Risk Management, such as actuarial students, actuaries, risk and capital managers, controllers, supervisors and auditors.

## 3. Purpose and Nature

This course provides the possibility to obtain information about Actuarial Enterprise Risk Management in order to remain competent and current in one's knowledge and skills. The participation in the seminar part I is not a prerequisite for the seminar part II: The two seminars can be booked as a whole series or individually.

## 4. Lecturers

### Theo Lanser

Education: Qualified Actuary in the Netherlands (AAG) and a Financial Risk Manager certified by the Global Association of Risk Professionals (FRM). Before 2002 Theo worked as a life and non-life actuary for Achmea. Theo worked from 2002 till 2006 as an actuarial expert for DNB on the supervision of insurance companies. In those years he also worked on the development of the Financial Assessment Framework (FTK), which for pension funds has become part of the Pension Act (January 2007). From 2007 – 2010 Theo was coordinating for AEGON NL the practical implementation of an Economic Framework. Since November 2010 Theo is working for the department Capital Management & Policies and member of the Technical Working Group for Solvency II of AEGON.

### Tom Veerman

Tom Veerman AAG RBA, Consulting Actuary, AAA Riskfinance, the NetherlandsU, Education: Qualified Actuary in the Netherlands (AAG) and a Certified European Financial Analyst (CEFA). Tom has worked as a consultant for Tillinghast – Towers Perrin and Mercer in the Netherlands. He also has worked in the Group Actuarial Department of Eureko/Achmea. In 2006, Tom decided to set up (together with partners) Triple A – Risk Finance, where he works as managing consultant for business line insurance with a main focus on issues with regard to Risk-Based Capital Management, Asset-Liability management and Reinsurance.

## 5. Language

The language of the seminar will be English.

## 6. Programme

### **PART I: 28-30 May 2013**

#### **Tuesday, 28 May 2013: The General Operating Environment of the Enterprise (Veerman)**

09.00	Introduction & welcome
09.00-10.30	Enterprise Risk Management
	- Background on ERM
	- ERM frameworks
	- COSO

- ERM tools
- ERM at financial institutions
- 10.30-10.45 Coffee Break
- 10.45-12.30 Governance
  - Risk management governance
  - Application at financial institutions
  - Solvency II 'pillar 2'
- 12.30-14.00 Lunch
- 14.00-15.15 Risk appetite
  - Risk appetite within an ERM framework
  - Risk bearing capacity
  - Risk tolerance
  - Solvency II 'ORSA'
- 15.15-15.30 Coffee Break
- 15.30-17.00 Risk Management culture
  - Supervisory approach to risk management
  - Embedding risk management
  - Pro's and con's
  - Risk management culture in practice

**Wednesday, 29 May 2013: Assessment of Risks; Risk Types and Risk Measures (Veerman)**

- 09.00-10.30 Definition of risk, Risk distributions and Statistics & Parameter estimation
- 10.30-10.45 Coffee Break
- 10.45-12.30 Risk measures and stochastic approaches
- 12.30-14.00 Lunch
- 14.00-15.15 Risk identification
- 15.15-15.30 Coffee Break
- 15.30-17.00 Risk aggregation, Dependency and copulas

**Thursday, 30 May 2013: Quantitative Risk Management: Risk Modeling (Lanser)**

- 09.00-10.30 Extreme Value Theory Modelling
  - Generalized Extreme Value Distribution
  - Derivation of Hill estimator
  - Case study on Hill estimator
- 10.30-10.45 Coffee Break
- 10.45-12.30 Extreme Value Theory Modelling
  - Peaks Over Threshold Method
  - Generalized Pareto Distribution
  - Case study on Peaks Over Threshold Method
- 12.30-14.00 Lunch
- 14.00-15.15 Credit Risk Modelling
  - Credit Spreads and Credit Risk
  - Liquidity Premium
  - Credit Transition Matrices and Migration Risk
- 15.15-15.30 Coffee Break
- 15.30-17.00 Credit Risk Modelling
  - Credit Risk model
    - CreditMetrics
    - KMV

## **PART II: 3-5 September 2013**

### **Tuesday, 3 September 2013: Quantitative Risk Management: Risk Modeling / Capital Requirements (Veerman)**

09.00	Introduction & welcome
09.00-10.30	Equity modelling Interest rate models
10.30-10.45	Coffee Break
10.45-12.30	TVOG case study Exotic derivatives
12.30-14.00	Lunch
14.00-15.15	Economic capital and workshop
15.15-15.30	Coffee Break
15.30-17.00	Capital allocation methods

### **Wednesday, 4 September 2013: Profitability and market consistent pricing / Risk Mitigation and ALM (Veerman)**

09.00-10.30	Risk reduction and Risk transfer Introduction in ALM
10.30-10.45	Coffee Break
10.45-12.30	ALM for life and non-life insurances
12.30-14.00	Lunch
14.00-15.15	Solvency and profitability of the enterprise and the management of capital
15.15-15.30	Coffee Break
15.30-17.00	Design and pricing of products and/or services

### **Thursday, 5 September 2013: Reserving and valuation (Lanser)**

09.00-10.30	Non-economic assumption setting (Lanser)
10.30-10.45	Coffee Break
10.45-12.30	Mortality/ Longevity models (Lanser)
12.30-14.00	Lunch
14.00-15.15	Valuation of life liabilities (Lanser)
15.15-15.30	Coffee Break
15.30-17.00	Valuation of non-life liabilities (Lanser)

Recommended Literature: McNeil, Frey, Embrechts (2005), Princeton University Press, Quantitative Risk Management

## **7. Fees & Registration**

Please register as soon as possible because of the expected demand. If there are more persons interested than places available we will give priority to the registrations received first. Please send your registration as soon as possible by using our online registration form at [www.actuarial-academy.com](http://www.actuarial-academy.com).

Your registration is binding. Cancellation is only possible 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 to take 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.

**Seminar part I: early-bird ends on 28 March 2013**

**Seminar part II: early-bird ends on 3 July 2013**

Early-bird fee for seminar part I: € 540.00 plus 27% VAT

Regular fee for seminar part I: € 640.00 plus 27% VAT

Early-bird fee for seminar part II: € 540.00 plus 27% VAT

Regular fee for seminar part II: € 640.00 plus 27% VAT

The seminar fee includes participation, seminar material, coffee breaks and lunches. Accommodation, breakfast and further catering are not included.

## 8. Venue

The seminars and exam will take place at the Corvinus University of Budapest (Budapesti Corvinus Egyetem), Fovam ter 8, 1093 Budapest, Hungary.

For accommodation, we recommend the following hotels in walking distance:

[Hotel Gellert](#) (on the Buda side, just cross the bridge)

[Hotel Korona](#) (Pest side)

[Bohem Art Hotel](#) (Pest side)

[Ibis Budapest Centrum](#) (Pest side)

[Estilo Fashion Hotel](#) (Pest side)

## 9. CPD

For each seminar, the following CPD points are available under the CPD scheme of the relevant national actuarial association:

Austria: 18 points

Belgium: 18 points

Bulgaria: 12 points

Czechia: 2-3 points (individual accreditation)

Estonia: 18 hours

Germany: 18 hours

Italy: approx. 4 credits (GdLA individual accreditation)

Netherlands: approx. 12 PE-points (individual accreditation)

Russia: 40 points

Slovakia: 8 points

Slovenia: 50 points

Switzerland: 15 points

No responsibility is taken for the accuracy of this information.