

**Invitation to a Course on  
Risk Management in Insurance  
Application of Solvency II and new principles  
in the context of value based and risk oriented management**

15<sup>th</sup> to 18<sup>th</sup> April 2020

live broadcast

featuring a COVID-19 update on market risk

Lecturers: Prof. Dr. Heinrich Schradin  
Chair of General Business Administration, Risk Management and Insurance  
at Cologne University  
Visiting professor at Salzburg University

Wolfgang Herold  
On-Site Inspection and Internal Models of Insurance and Pension Companies  
Austrian Financial Market Authority (FMA), Vienna  
Visiting professor at Salzburg University

René Knapp  
Member of the Board  
UNIQA Österreich Versicherungen AG, Vienna  
Actuary AVÖ (Actuarial Association of Austria)  
Visiting professor at Salzburg University

Dr. Johann Kronthaler  
Partner  
KPMG Advisory GmbH, Vienna  
Actuary AVÖ (Actuarial Association of Austria)  
Visiting professor at Salzburg University

Dates: Wednesday, 15<sup>th</sup> April 2020, 9.00 – 16.30  
Thursday, 16<sup>th</sup> April 2020, 9.00 – 16.30  
Friday, 17<sup>th</sup> April 2020, 9.00 – 16.30  
Saturday, 18<sup>th</sup> April 2020, 9.00 – 12.15

Contents: Value based management has long been the key driver for innovation in the insurance business. Risk oriented management is paramount within the Solvency II framework. Focusing on these two principles the course will spend the first two days covering everything from the regulatory framework and the economic balance sheet to state-of-the-art practices and processes in risk management including risk modelling for assets and liabilities.

The following one and a half days will address challenges faced by the insurance industry today.

The theoretical part covers all fundamentals of the risk function with respect to identification, measurement, controlling and reporting. A special emphasis is given to reinsurance and risk transfer as well as value based and risk oriented management.

The practical sessions address various aspects of a successful and effective implementation of Solvency II and other pending standards. This covers the upcoming Solvency II reviews and the developing International Capital Standard, management challenges in implementing risk related aspects in future IFRS accounting statements as well as foreseeable requirements in the context of sustainability and IT risks.

The current COVID-19 market stress will be analysed from a risk measurement perspective.

The course covers all theoretical and practical aspects of modern value based and risk oriented management for insurance companies and pension funds required to become a fully qualified actuary according to the education syllabus of the International Actuarial Association and the core syllabus of the Actuarial Association of Europe as well as according to the regulations of the Actuarial Association of Austria (AVÖ). The course also meets the requirements by the Austrian Financial Market Authority with respect to the (deputy) responsible actuary (§§ 114 – 116 Austrian Insurance Supervision Act as well as §§ 21d and 21e Austrian Pension Fund Act), the head of the actuarial function (§ 113 Austrian Insurance Supervision Act as well as § 21c Austrian Pension Fund Act), the head of the risk management function (§ 112 Austrian Insurance Supervision Act as well as § 21a Austrian Pension Fund Act) and other management, governance or key functions (§ 120 Austrian Insurance Supervision Act as well as § 21 Austrian Pension Fund Act). For continuing professional development (CPD) the course counts as 21 hours.

The course is suited to all those who want to acquire knowledge of risk management in insurance. Due to the updates of Solvency II and the introduction of new standards, the course differs significantly from previous lectures. Please find the detailed programme on the following two pages.

Course fees: € 666 (incl. VAT).

Information: For further information, please contact Sarah Lederer ([sarah.lederer@sbg.ac.at](mailto:sarah.lederer@sbg.ac.at)) by e-mail with your telephone number. Your questions will be answered as soon as possible.

Registration: Please send the attached registration form by e-mail ([sarah.lederer@sbg.ac.at](mailto:sarah.lederer@sbg.ac.at)) or by post, and arrange for the amount to be transferred (at no cost to the recipient) to the following account before **7<sup>th</sup> April 2020**:

Salzburg Institute of Actuarial Studies (SIAS)  
IBAN: AT79 2040 4000 0001 2021 BIC: SBGSAT2S

Modalities: The lectures will be held via Skype, participants will receive the necessary information in due course.

Changes to the first version of this invitation are highlighted in yellow.

# Programme

Session 1	daily	9.00 – 10.30
Session 2	daily	10.45 – 12.15
Session 3	daily	13.15 – 14.45
Session 4	daily	15.00 – 16.30

## Wednesday, 15<sup>th</sup> April 2020

- 1 **Economic Balance Sheet** (*W. Herold*)
  - a. Introduction, course outline
  - b. Overview Solvency II
  - c. Economic balance sheet of assets and liabilities
  - d. Available and eligible own funds
  
- 2 **Risk based management and supervision** (*W. Herold*)
  - a. Pillar 1: capital requirements, SCR, MCR
  - b. Pillar 2: ORSA, own solvency needs
  - c. Pillar 3: reporting
  - d. Role of the supervisor
  
- 3 **Fundamentals of risk management** (*H. Schradin*)
  - a. Introduction, definition and meanings of risk
  - b. Risk management process
  - c. Objectives, overall principles of risk management
  - d. Value maximization and the cost of risk
  
- 4 **The risk management process I** (*H. Schradin*)
  - a. Risk identification, causes and effects of risk
  - b. Risk analysis
  - c. Risk measurement – qualitative methods
  - d. Risk measurement – quantitative methods

## Thursday, 16<sup>th</sup> April 2020

- 1 **The risk management process II** (*H. Schradin*)
  - a. Risk management strategies
  - b. Loss control
  - c. Loss financing techniques
  - d. Internal risk reduction
  
- 2 **External loss financing: reinsurance and alternative risk transfer** (*H. Schradin*)
  - a. Function of reinsurance
  - b. Types of reinsurance
  - c. Finite reinsurance
  - d. Alternative risk transfer

- 3 **Risk management and value of the company** (*H. Schradin*)
  - a. Principles of business valuation, embedded / appraisal value
  - b. Economic value added (EVA)
  - c. Cash flow modelling
  - d. The concept of cost of capital
  
- 4 **Decision making in a value based management framework** (*H. Schradin*)
  - a. Case study
  - b. Evaluating the EVA
  - c. Lines of business in property and casualty insurance
  - d. Reinsurance and retention

**Friday, 17<sup>th</sup> April 2020**

- 1 **Risk management practice in companies** (*W. Herold, R. Knapp*)
  - a. Risk management done in practice
  - b. Internal models for market risk
  - c. Internal models for insurance risk
  - d. Asset liability management
  
- 2 **New standard setting** (*R. Knapp, J. Kronthaler*)
  - a. Solvency II reviews
  - b. IFRS 9 and 17
  - c. Current status of implementation
  - d. International Capital Standard
  
- 3 **Technological challenges for risk management** (*W. Herold, J. Kronthaler*)
  - a. IT security
  - b. Cyber risks
  - c. Big data
  - d. Cloud computing
  
- 4 **Further challenges** (*R. Knapp, J. Kronthaler*)
  - a. Internal control system
  - b. Operational risk management
  - c. Validation of complex systems
  - d. Ecological, social and governance-related risks

**Saturday, 18<sup>th</sup> April 2020**

- 1 **Practical Applications I** (*W. Herold, R. Knapp, J. Kronthaler*)  
 IFRS 17 / Asset liability management / COVID-19 assessment:  
 Presentation of exercises
  
- 2 **Practical Applications II** (*W. Herold, R. Knapp, J. Kronthaler*)  
 IFRS 17 / Asset liability management / COVID-19 assessment:  
 Solution of the exercises