



## EAA Course “Actuarial Enterprise Risk Management” Part II: 5-7 September 2012 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

The course consists of two seminars which can be booked as a whole series to fulfil the requirements of the Groupe Consultatif Core Syllabus or individually as CPD training. If requested, an exam on the course content can be offered subsequently. Please contact your actuarial association regarding the recognition of the seminars and the exam.

For those who are already full members of an actuarial association, this course provides the possibility to obtain information about Actuarial Enterprise Risk Management in order to remain competent and current in their knowledge and skills. For CPD purposes, the participation in the seminar part I is not a prerequisite for the seminar part II.

## 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.

### Jasper Hoogenstraaten

more information will follow

## 5. Language

The language of the seminar and exam will be English.

## 6. Programme

### PART II: 5-7 September 2012

#### **Wednesday, 5 September 2012 (morning): Quantitative Risk Management: Risk Modeling (Veerman)**

Equity modelling  
Interest rate models  
TVOG case study  
Exotic derivatives

#### **Wednesday, 5 September 2012 (afternoon): Capital requirements (Veerman)**

Economic capital and workshop  
Capital allocation methods

#### **Thursday, 6 September 2012 (morning): Reserving and valuation (Lanser)**

Monitoring the experience and exposure to risk  
Determination of assumptions and scenario setting  
Valuation of life liabilities  
Valuation of non-life liabilities

#### **Thursday, 6 September 2012 (afternoon): Profitability and market consistent pricing (Hoogenstraaten)**

Solvency and profitability of the enterprise and the management of capital  
Design and pricing of products and/or services

#### **Friday, 7 September 2012 (morning): Risk mitigation and ALM (Hoogenstraaten)**

Risk reduction and Risk transfer  
Introduction in ALM  
ALM for life and non-life insurances

#### **Friday, 7 September 2012 (afternoon): Exam (optional)**

## 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 II: early-bird ends on 5 July 2012**

#### **Exam: early-bird ends on 5 July 2012**

Early-bird fee for seminar part II: € 510.00 plus 27% VAT

Regular fee for seminar part II: € 610.00 plus 27% VAT

Early-bird fee for exam: € 250.00 plus 27% VAT

Regular fee for exam: € 300.00 plus 27% VAT

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

The exam fee includes participation. Accommodation and 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. (main Building 3<sup>rd</sup> floor, room 322)

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)

## 9. CPD

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

Austria: 16 points

Bulgaria: 12 points

Czechia: 2-3 points (individual accreditation)

Estonia: 16 hours

Germany: 16 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

## 10. Recommended Literature

The literature selected consists of two books and several articles that are available in Adobe Acrobat format. The books can be bought by students from their local bookstores.

### Books

Robert Chapman (2006), Wiley & Sons, Simple tools and techniques for enterprise risk management

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

### Articles

Society of Actuaries (2006), Enterprise risk management specialty guide

International Actuarial Association (2008), Practice note on Enterprise Risk Management for Capital and Solvency purposes in the insurance industry

International Actuarial Association (2004), A global framework for Insurer Solvency Assessment

Society of Actuaries (2006), Specialty Guide on Economic Capital  
 AM Best (January 2008), Risk Management and the rating process for insurance companies  
 American Academy of Actuaries (September 2002), Fair Valuation of Insurance Liabilities: Principles and Methods  
 Babel, Gold and Merrill (2002), North American Actuarial Journal vol. 6, Fair Value of Liabilities: the financial economics perspective  
 Bogle (2008), Financial Analysts Journal, Black Monday and Black Swans  
 Canadian institute of actuaries (2007), Liquidity Risk Measurement  
 CSFB (2004), CSFB Credit Portfolio Modelling Handbook, Ch. 4 Demystifying Copulas  
 Federation of European Risk Management Associations (2002), A Risk Management Standard  
 IAIS (October 2007), Guidance Paper on Enterprise Risk Management for Capital Adequacy and Solvency Purposes  
 KPMG (2001), Understanding Enterprise Risk Management: an Emerging Model for Building Shareholder Value  
 Standard & Poor's (June 2006), Insurance criteria: refining the focus of insurance Enterprise Risk Management criteria  
 Tillinghast (2002), Risk Value Insights™: Creating Value Through Enterprise Risk Management - A Practical Approach for the Insurance Industry, Tillinghast Monograph  
 Tillinghast (2004), Adding Value Through Risk and Capital - An ERM Update on the Global Insurance Industry  
 AA Zhang Song (2005), Risk Management Newsletter March 2005, Risk Aggregation of Capital Requirements using the Copula Technique  
 Frasca and LaSorella (2009), Society of Actuaries, Embedded Value: Practice and Theory  
 CFO Forum (2009), Market Consistent Embedded Value Principles – October 2009 and MCEV Principles Basis for Conclusions  
 Towers Watson (2010), 2010 EEV/MCEV, Focus on Value and Cash Flow  
 European Commission (2010), QIS5 Technical Specifications and Errata to the QIS5 Technical Specifications  
 EIOPA (2011), EIOPA Report on the fifth Quantitative Impact Study (QIS5) for Solvency II and Annexes to the EIOPA Report on QIS5  
 CSFI (2011), Insurance Banana Skins 2011, The CSFI Survey of the risks facing insurers

No responsibility is taken for the accuracy of this information.