



EAA-Seminar

Solvency II: Regulations and Calculations

12th/13th June 2008 | Prague / Czech Republic



organised by the European Actuarial Academy GmbH

1. Introduction

In the European Union the supervision on the insurance industry is expected to move to the new Solvency II framework within some years. The directive was sent to the European Parliament in summer 2007, and it is expected that it will be finalized in autumn 2008.

The Solvency II framework will mean a big change for actuaries. Both valuation and solvency requirements will be updated radically compared to the Solvency I environment. In order to get a feeling for the likely impact of the new regulations on the industry the EU is organizing, together with CEIOPS, the fourth Quantitative Impact Study (QIS 4). It gives a detailed prescription how to calculate the balance sheet and required solvency of an insurance undertaking. The calculation methods and parameters for Solvency II will probably change in the future, but it is expected that QIS 4 gives a good idea what we are heading for.

In order to prepare finance professionals in the insurance industry for this important regulatory change, the European Actuarial Academy (EAA) has taken the initiative for setting up a course dedicated to this subject. The course is based on the wordings of the Directive and the calculations as are prescribed in QIS 4.

The course consists of 4 sessions. The sessions will have the following build-up:

- a thorough discussion of the Directive and the relevant QIS 4 documentation
- workshop based on well prepared assignments
- evaluation of the assignments
- other qualitative issues in the Directive

All participants will do the calculations themselves on their laptops using prepared spreadsheets.

2. Participants and Maximum

The course is intended for actuaries and risk managers in the life insurance industry. Other people with an interest in Solvency II are also invited.

A basic knowledge on market consistent valuation is required: what is a term structure of interest, how to value streams of cash flows. Attendants should know how the balance sheet and P&L interact, and how the supervision on insurance companies works.

On the practical side they should be able to do simple calculations in Excel spreadsheets and being able to communicate in English.

3. Purpose and Nature

At the end of the course students will have a good knowledge of the upcoming Solvency II regulations at the present status. They will know what type of calculations will be asked for and how to do them. Also they can estimate the consequences for their own business in terms of governance, required skills and the timelines.

4. Lecturers

Pieter Bouwknecht is head of the ALM department at Nationale-Nederlanden / ING. He is involved in market consistent valuation, QIS 1, 2, 3, 4 and economic capital. After finishing his studies in econometrics he became actuary and is member of the Dutch actuarial society AG. He has experience in actuarial courses on market consistent valuation in The Netherlands, Germany, Switzerland and Slovenia. Also he set up a course for non-actuaries on actuarial subjects.

Jeroen van Wageningen is head of the Group Life Risk department at Nationale-Nederlanden / ING. He focuses on pricing and solvency issues and the relation between legal regulations and the impact on the business. He has a master degree in mathematics and is member of the Dutch actuarial society AG. He has given courses on mathematics for the Dutch actuarial program and was involved in the evaluation of the programme for that course.

5. Language

The language of the seminar will be English.

6. Provisional Programme

Wednesday, 11th June 2008

19.00 – 21.00 Welcome reception (drinks and snacks)

Thursday, 12th June 2008

09.00 – 09.15 Opening
09.15 – 10.15 Background Solvency II, Valuation standards
10.15 – 11.30 Workshop
11.30 – 11.45 Coffee break
11.45 – 12.15 Evaluation workshop
12.15 – 12.45 Capital requirements, Ladder of intervention
12.45 – 13.45 Lunch

13.45 – 15.00	Solvency Capital Requirement: Market risk (1), Interest rate risk, Equity risk, Property risk, Currency risk
15.00 – 16.15	Workshop
16.15 – 16.30	Coffee break
16.30 – 17.00	Evaluation workshop
17.00 – 17.45	Solvency Capital Requirement: Market risks (2), Spread risk, Concentrations risk , Counterparty default risk, Governance, Investments
19.00	Formal Dinner

Friday, 13th June 2008

09.00 – 10.00	Solvency Capital Requirements: Non market risks, Life risk, Lapse risk, Expense risk, Catastrophe risk
10.00 – 11.15	Workshop
11.15 – 11.30	Coffee break
11.30 – 12.00	Evaluation workshop
12.00 – 12.45	Supervisory review process, Disclosures
12.45 – 13.45	Lunch
13.45 – 15.00	Internal models, Minimum Capital Requirements, Market Value Margin
15.00 – 16.00	Workshop
16.00 – 16.15	Coffee break
16.15 – 16.45	Evaluation workshop
16.45 – 17.15	Group supervision, Recap whole course
17.15	Closing remarks

7. Fees & Registration

Please register for the seminar as soon as possible because of the expected demand. We recommend registration by 12th April 2008. 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.

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.

Payment is to be effected on receipt of invoice. Please always give your invoice number when you effect payment. Bank charges must be borne by the participant. We will send you an invoice, please allow a few days for handling.

Your Early-Bird-Registration Fee is €495 until 12th April 2008 the latest. After this date the fee will be €550.

Payment to:

European Actuarial Academy GmbH
Hohenstaufenring 47-51
50674 Köln
Germany

Bank

Hypo Vereinsbank Köln
bank identification code: 370 200 90

account number: 337 909 558
IBAN: DE15 3702 0090 0337 9095 58
SWIFT (BIC): HYVEDEMM429

8. Accommodation

Corinthia Panorama Hotel, Milevska, 7 - 14063 Prague

Single room per night: 85,00 € including breakfast

Important: You should book your accommodation directly with the hotel (reference: "EAA-Seminar"). Please book early, as our allotment includes only a limited number of rooms, and note the hotel's cancellation policy.

