



Seminar 'Market Consistent Valuation of Life Insurance Liabilities'

October 18th to 20th, 2006 | Cologne, Germany

After the successful seminar in Basle 2005, the European Actuarial Academy has decided to repeat the seminar “Market Consistent Valuation of Life Insurance Liabilities”. We are happy to give you a

first information about the next international seminar in Cologne

Market consistent valuation is changing the landscape of the actuarial profession. It combines the powerful apparatus of mathematical finance with life insurance problems. Since several years it is in the focus of attention of both academics and practitioners. In this course we will teach the principles of market consistent valuation and show some applications.

Both assets and liabilities are valued using the same principles. Using results from mathematical finance on the valuation of contingent claims, it is possible to price embedded options and guarantees in insurance liabilities.

The results are based on observable market prices. Compared to classical actuarial valuation methods and embedded value, it seems that market consistent valuation is a leap forward in the use of risk management. In that perspective we will concentrate on risk orientated applications to demonstrate the value of the techniques.

The purpose of the 3 day course is to provide participants with knowledge on:

- Basics of market consistent valuation
- Term structure of interest rates and fixed income products
- Role of embedded options
- Applications of market consistent valuation.

Also basic knowledge on option pricing and the valuation of derivatives and guarantees will be provided. However, the focus will be on insurance products, finance theory is only used to serve the purpose of insurance liability valuation.

During the three days there will be lectures in order to explain the basic concepts and to illustrate examples. During workshops the participants will be able to gain hands-on experience with the subject using prepared **spreadsheets**. Handouts with background texts will be given separately.

The language of the seminar will be English.

1. Location and Accommodation

The 3 day seminar is organised by the European Actuarial Academy. The seminar will take place at:

Hotel Regent
Melatengürtel 15
50993 Köln
Tel. 0221/5499-0

We have arranged special prices:

Special Rates:
99,00 € (single) per night

You should book your accommodation directly with the hotel. The room-rate is not included in the seminar-fee.

2. Programme of the seminar

The final program of the seminar can deviate slightly from the one presented here.

Day	Theory	Workshop
Oct. 18, morning	Basic concepts, interest rates, forward rates swaps, duration, convexity	Derive the term structure of interest, value a cash flow pattern
Oct. 18, afternoon	Own credit risk, swaptions, embedded derivatives	Valuation of a profit sharing policy
Oct. 19, morning	Balance sheet, P&L, attribution to sources	Set up and understand a profit and loss account
Oct. 19, afternoon	Unit linked policies., equity derivatives, UL with guarantees, with profit policies	Pricing and hedging of a unit linked policy
Oct. 20, morning	Interest rate models, guaranteed annuity options, Equitable case	Pricing of interest rate derivatives
Oct. 20, afternoon	Risk measures, solvency, non hedgeable risk, economic capitals	Pricing of a policy based on economic capitals

We set up our course with in mind experienced actuaries who do not have extensive knowledge of financial economics. Our aim is to develop a practical guide how the market consistent world looks like, we do not aim to set up a mathematically consistent theoretical model of insurance. The main emphasis is on life insurance.

We start with the question “how should market consistent valuation look like” and then we apply those ideas to insurance. We do not concentrate on IFRS and the application of it, although we spend some time on current developments in solvency regulation and accounting.

The attendees are required to have some mathematical background but no recent education or prior knowledge of financial economics is required. Those who are familiar with financial economics will find some topics they already know about. The attendees should have an open mind and being interested in a modernized actuarial world.

3. Lecturers

Pieter Bouwknecht is head of the ALM department at Nationale-Nederlanden/ING in Rotterdam. He is involved in fair value valuation and risk measuring and management projects. He studied econometrics until 1992 and got his actuarial degree in 1999. He gives courses on different actuarial levels for the Dutch Actuarial Society and publishes regularly in the local actuarial journal "De Actuaris". He also was involved with some international publications in between actuarial science and finance.

David Schrager holds a M. Sc. in both Econometrics and Actuarial Science from the University of Amsterdam (UvA). He's currently involved in the valuation of credit risk derivatives at ABN-Amro. For some years he was a researcher at the UvA and he worked as an actuary at the ALMdepartment. at Nationale Nederlanden/ING. His work includes market risk management and ALM issues. His research focuses on embedded options and term structure modelling. He has presented at several international conferences and taught a course on ALM at the UvA.

4. Preparation for the workshop

Duly before the seminar starts you will be able to download the documentation supplements including questions and assignments to prepare for the workshop on our website: www.actuarial-academy.com. Please bring your laptop to the seminar.

5. Catering

Catering includes lunches and coffeebreaks during all three days of seminar. In the evening of October 17th you are invited to be our guest at a welcome reception (snacks) and in the evening of October 18th the formal dinner of the seminar will be arranged.

6. Registration and Payment

Please register for the seminar as soon as possible because of the expected demand. We recommend registration until September 17th latest. 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 (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. Payment must be effected on receipt of invoice. Please always give your invoice number when you effect payment. Bank charges must be borne by the participant. Subject to modifications and amendments.

Your Early-Bird-Registration Fee is €1.100,00 plus 16 % VAT until August 15th latest. The rate of accommodation is not included in the fee!

After this the fee will be €1.200,00 plus 16 % VAT.

Payment to:

European Actuarial Academy GmbH
Hohenstaufenring 47 - 51
50674 Cologne
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

We will send you an invoice.

7. Contact Details

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We hope to see you in Cologne!

Kind regards

Michael Steinmetz
- Managing Director -