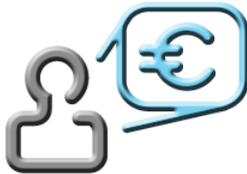


Understanding and Assessing Economic Capital



ECONOMIC CAPITAL IS
TAKING ON INCREASING
IMPORTANCE IN INSURANCE

This workshop addresses issues related to the internal calculation of the capital required, based on an insurance company's view of risk, with calculations derived through economic principles.

The term "economic capital" is typically used to refer to the excess of assets and liabilities, determined under an economic accounting convention.

Modern regulatory solvency paradigms tend to employ an economic view of balance sheet.

This workshop proves very useful for those companies that have implemented or are interested in Solvency II and similar systems.

"Economic capital" is taking on increasing importance in the insurance industry, but there is currently no global

consensus as to how to define it and calculate it.

We have condensed more than a decade of actuarial and financial risk management experience, and knowledge-transfer savvy into a brief, hands-on workshop that allows participants to fully grasp the fundamentals of economic capital models.

Attending this workshop is a much less expensive alternative to a full consulting assignment.

LEARNING OBJECTIVES

1. Gain an understanding of the uses and purposes of economic capital models
2. Recognize different methodologies for determining economic capital
3. Discuss the risk factors considered in economic capital models
4. Discuss the evaluation of economic capital frameworks (advisory and regulatory)



PRE-REQUISITES

Participants are expected to have a functional knowledge of spreadsheet software and, although not indispensable, a basic understanding of accounting

Agenda

- Cash flow solvency
- The risk-based capital approach
- Stochastic modeling
- Internal models
- Integrating the capital management model into the actuarial control cycle
- Economic capital paradigms (Solvency II, Swiss Solvency Test and Principles-Based Approaches)

This course is complemented with illustrations that allow the participant to better grasp theoretical concepts.