

AsiaRisk

NEXUS
RISK MANAGEMENT



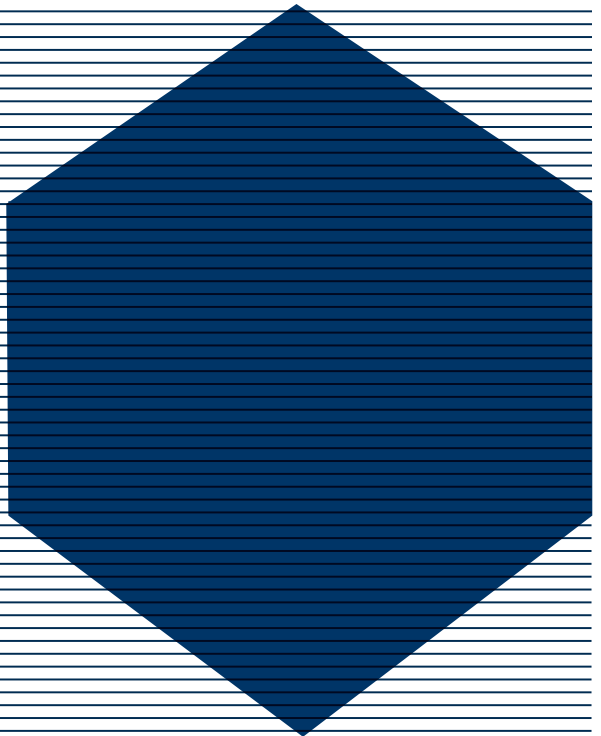
한국보험계리사회
The Institute of Actuaries of Korea

ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

Seoul

20–22 June 2011

Alm-Korea.com



Risk
training

nexus-risktraining.com

Course tutors:

Charles L. Gilbert, FSA, FCIA, CFA, CERA

Charles L. Gilbert is president and founder of Nexus Risk Management providing advanced risk management solutions to financial institutions globally. Charles works with several insurance and reinsurance companies worldwide to implement and execute dynamic hedging programmes, Asset Liability Management and Enterprise Risk Management.

Charles has been actively involved in managing risks associated with insurance company portfolios, serving on industry task forces and conducting research for both the Society of Actuaries and Canadian Institute of Actuaries. Charles was also responsible for launching one of the first dynamic hedging initiatives for a major actuarial consulting firm in 2000 and is recognised as a thought leader in ERM and ALM.

Charles has close to 25 years of experience in the life insurance industry and has personally trained over 1,000 risk professionals, regulators, rating agency analysts and senior management on risk management worldwide.

KI-HONG JOO, CLU, FRM

Ki-Hong Joo is the head of Nexus Risk Management operations in Korea. He specialises in providing highly specialised consulting services to the life insurance industry in South Korea while facilitating reinsurance deals for U.S. based life reinsurers. He serves as an expert in the field of asset/liability management within the life insurance and reinsurance arenas.

In March, 2000, Ki was asked to serve as the country head and director of the Seoul, South Korean office for Transamerica Occidental Life. In this capacity, he was responsible for building, managing and growing the business by identifying strategic opportunities that translated into revenue and was tremendously successful in driving this business. Ki was able to procure significant reinsurance arrangements and functioned extensively in a consultative manner to major insurance carriers in South Korea and Taiwan by assisting insurers deal with various facets of design, analysis, risk management, implementation and administration of life insurance products. In the process, he gained prominence as an innovative industry pioneer in the area of asset/liability management, and established a pervasive recognition within the insurance and reinsurance communities as a subject matter expert. Furthermore, Ki has garnered loyalty and respect not just for his knowledge and expertise, but also for his integrity by key industry leaders and regulators.

Based in Seoul, Republic of Korea, Ki is a Chartered Life Underwriter (CLU, 1987) and a member of GARP (FRM, 2002).

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What some of our participants said:

"In 5 days I learned more at this course than in all the conferences I have ever been to over my entire career."

Phoenix

"This was the most valuable training seminar I have participated in (in over 30 years). I'll absolutely encourage people to take this training session."

"This was by far the best course I have ever attended."

Hong Kong

"WELL WORTH THE COSTS!"

"Good coverage of current topics and practices. The contents and the programmes were demanding and also very rewarding."

Tokyo

"An abundance of material. I have months of follow up study to do."

"You not only thoroughly covered the theoretical concepts, but gave me some step-by-step instructions on how to implement ALM back home at work. Great job – thanks!"

New York

"Excellent!"

"Provides great learning application from lectures."

"Hands-on experience through case studies, in particular the mock ALM committee meeting, brings theoretical knowledge into practice and helps visualise what I will need to tackle in life."

Tokyo

"This was the best course to improve ALM understanding. It was worth flying more than 13 hours."

"The staff was fabulous in providing support and guidance. This was a very positive experience."

Phoenix

"A++"

"The life analyst now has a better understanding and an arsenal of tools and questions to better analyse the risks of the life insurance companies."

London

"Use of practical application & issues were good. E.g. case studies enhanced learning. Very intense but good that we are provided with the tools, templates, etc. to use in future. I actually enjoyed the course."

"I especially liked the opportunity to participate by doing the applications. The utilities provided are very helpful."

Quebec City

"Course material is comprehensive, practical and very useful. Case studies and applications are very useful in cementing ideas."

London

"This is the best actuarial event ever to come to the Czech Republic."

Prague

CFA Institute CE Qualified Activity

CFA Institute has approved the Asset Liability Management techniques and practices program for 20 CE credit hours. If you are a CFA Institute member, CE credit for your participation in this program will be automatically recorded in your CE Diary.

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About us:



Nexus Risk Management is a leading financial risk management company with offices in Toronto and Seoul providing financial institutions with sophisticated tools, training, expertise and execution to manage risk with the sharp focus needed to achieve their financial objectives. Worldwide Nexus Risk Management works closely with insurance companies and pension plans, rating agencies and regulators, leading experts from academia and the investment industry as well as reinsurers and other counterparties. Nexus Risk Management is committed to bringing together deep industry knowledge, leading edge techniques and best practices from around the world. nexusrisk.com



The Society of Actuaries is an educational, research and professional organization dedicated to serving the public and more than 21,000 members. The SOA's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk. soa.org



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The Institute of Actuaries of Korea is a unique assembly of insurance professionals at home who continue to advance insurance industry through introducing various insurance systems, holding seminars, and interchanging information with International Actuarial Association since its establishment in 1963. actuary.or.kr

AsiaRisk

Asia Risk is the unique publication dedicated to risk management, derivatives pricing and trading, regulation, law and documentation.

Asia Risk Training was launched 15 years ago and is the flagship brand of Incisive Training. We offer over 100 courses a year and our portfolio extends to the entire Asia-Pacific region, UK, Europe, North America, Middle East, South Africa and Australia.

We have developed a reputation for the timeliness and the relevance of our course content, and the expertise and professionalism of our tutors.

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About the course:

Recent changes in the risk management landscape have significantly impacted Asset Liability Management for insurance companies. Solvency II, MCEV, IFRs and principle based approaches are fundamentally changing the way insurers execute ALM. Furthermore, many insurance company and pension portfolios are risk inefficient. This means that for a given level of risk, the financial objectives are not maximised. Risk optimisation can add substantial value in many cases on a default-free basis while simultaneously reducing the exposure to the multiple dimensions of interest rate risk.

Course highlights

- Live hands on-training (each participant must bring a laptop computer).
- Valuable tools, utilities and models are provided as part of the course fee.
- Leading edge techniques and practices.
- Preparation for rating agency and regulatory reviews.
- Best practices frameworks with templates provided for ALM Policy and Risk Appetite Statements.
- Practical direction on how to execute ALM at a strategic level and realise real bottom line results.
- 5-week pre-course e-learning to help participants prepare for the intense course.
- Highly practical and interactive course including:
 - Application sessions where participants learn by applying tools and techniques to real-life examples
 - Extensive use of case studies where participants interact with other industry professionals and learn by doing

ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

Who should attend?

Asset Liability Management Techniques and Practices has both reflected and influenced industry best practices, regulatory guidance and rating agency assessment. This course is a must for anyone responsible for risk management. Past course participants have immediately put to use the tools and techniques provided, used insights gained to prepare for reviews with rating agencies and regulators and have realised real bottom line results from being able to apply ALM at a strategic level. Course participants typically include:

Senior management looking to gain a firm grasp of the financial risks facing their organisations, make more effective business decisions and use ALM strategically, beyond risk mitigation and compliance;

Risk professionals already well versed in the underlying theory, but who want to gain further deep insight into the tools and techniques that are used in industry practice today;

Professionals looking to enter into the field of ALM and who are willing to invest some additional time pre-course to learn the basic concepts;

Asset managers and investment bankers wanting to provide sound ALM solutions to their clients;

Actuaries looking to gain a more in-depth knowledge of this key area of practice;

Board members looking to ensure they have the requisite knowledge of risk management in order to perform their fiduciary responsibilities.

Five-week e-learning Pre-course

ALM ESSENTIALS is designed to provide a review of fundamental ALM concepts. This **five-week e-learning course** delivers on-line lectures and practice sessions and includes valuable references and selected readings to help prepare participants for the intense Techniques and Practices that will follow. Participants will receive this valuable course material.

On-site Package

1. **Detailed course overview**
2. **Course Manual**
3. **USB flash drive with electronic copies of all lecture slides, case studies and application exercises**
4. **Excel Based Models and Tools**
 - VaR and CTE Models
 - Price sensitivity charts and statistics
 - Approximation techniques using Taylor Series Expansion
 - Impact of changes in interest rates on economic value
 - Stochastic models
 - Risk profile
 - Replicating portfolios and hedging techniques
 - Calculating volatility and building correlation matrices
 - Collection of interest rate models
 - Model calibration
 - Historical market data
 - Delta hedging simulator
 - Dynamic hedging model
 - Option pricing calculator
 - Risk metrics and analytics to calculate Greeks
 - Bootstrapping techniques
5. **Case Study Material**
 - Annual reports
 - Regulatory frameworks regarding risk management
6. **Sample Policy Templates**
 - ALM Policy Statement and Procedure Manual
7. **Sample ALM Report Template**
8. **ALM Committee Package**
 - Agenda
 - Minutes
 - Reports
9. **Group Assignments**
10. **Bibliography / List of suggested background readings**
11. **Survey Questionnaire**

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Monday 20th June 2011

-
- 0730 Registration
- 0800 Breakfast
- 0830 Welcome, Course Overview and Introductions
- 0900 **Lecture**
- L1** Anatomy of a failure
 - L2** ALM framework implementation
 - L3** ALM best practices
- 1100 Break
- 1115 **Case Study**
- C1** Review ALM Practices of leading insurance companies
- 1230 Lunch
- 1330 **Lecture**
- L4** Term structure of interest rates
- 1400 **Applications**
- A1** Derive spot rate curve using bootstrapping techniques
 - A2** Calculate implied forward curve
- 1445 Break
- 1500 **Lecture**
- L5** Market consistent valuation
 - L6** Exotic derivative structures
- 1615 **Applications**
- A3** Pricing investment guarantees
 - A4** Value assets and liabilities
- 1730 **Reception with faculty/informal Q&A**
- 1930 End of day 1
-

Day**2****Seoul**
Tuesday 21st June 2011

-
- 0800 Breakfast
- 0830 **Lecture**
- L7** Policies and control procedures
- 0900 **Applications**
- A4** Formulate ALM strategies
- 1000 Break
- 1015 **Case Study**
- C2** Rebalance portfolio to within risk limits
 - C3** Measure impact of change in interest rates
- 1200 Lunch
- 1300 **Applications**
- L8** Calculate risk metrics and analyse exposure
 - L9** Quantify interest rate risk exposure
- 1400 **Case Study**
- C4** Rebalance portfolio to within risk limits
 - C5** Measure impact of change in interest rates
- 1530 Break
- 1545 **Lecture**
- L10** Dynamic Hedging
- 1700 End of day 2
-

All lectures and course materials will be conducted in English with simultaneous translation.

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Day

3

Seoul
Wednesday 22nd June 2011

0800 Breakfast

0900 **Lecture**

L11 Risk reporting and communication

L12 Investment strategy and portfolio optimisation

1030 Break

1045 **Case Study**

C6 Working session prepare presentations for case study

1200 Lunch

1300 **Case study**

C7 Participate in mock ALM committee meeting

1500 **Review**

1600 End of Asset Liability Management Techniques and Practices

2011 Training Courses

Dynamic Hedging Essentials, Master Class and Workshop

New York, 13-14 April 2011

ERM Techniques and Practices

Hong Kong, 16-18 May 2011

ERM Techniques and Practices

New York, 1-3 August 2011

ALM Techniques and Practices

Brussels, 12-14 September 2011

ALM Techniques and Practices

Chicago, 3-5 October 2011

ALM Seminar

Brussels, 15 - 16 September 2011

Chicago, 6 -7 October 2011

For more information about this series, please visit: nexus-risktraining.com

Application

Exercises where participants learn by applying tools and techniques to real-life examples. The exercises in the application sessions are designed to be completed by each participant individually. All applications require the use of a laptop computer. ALM tools and analytics will be provided.

Case study

The case study approach will be used heavily throughout this course. Participants will interact with other industry professionals and learn through doing. Small workgroups will be assigned for the case studies. Some case studies will require the use of a laptop computer.

