

The Actuarial Profession

making financial sense of the future

Life Conference and Exhibition 2011

We Can Work it Out



BT Convention Centre, Liverpool

20 - 22 November 2011

Who should attend and why?

Liverpool is a magnificent city, proudly built upon enterprise, passion and community. We will bring these themes into this year's Life Conference, which is the premier professional event for life actuaries.

The programme will cover topical issues like regulation and capital management, and will also look to the future; with talks on product development, future opportunities and the use of technology. We will not forget our customers and we will be developing your professional and softer skills.

Looking beyond the UK, we have included many international workshops, developed in conjunction with the life section of the IAA. Please join us for what will be a practical, thought-provoking and entertaining few days in Liverpool.

The conference is open to all professionals working in the life sector, from actuaries to those who work or have an interest in life insurance. International members should find this event useful and members of the IAA are invited to attend the conference at the Actuarial Profession's member rate.

Life committee 2011

Alison Bentley (Deputy Chair)	FSA
Hannah Bolton	The Actuarial Profession
Dafydd Harries	Ernst & Young
Jason Hurley (Chair)	RGA
Yi Liu	Legal & General
Grace Marshall	Towers Watson
Emily Penn	RBS
Leigh-Ann Plenderleith	Standard life plc
Richard Purcell	Pension Corporation
Pauline Simpson	The Actuarial Profession
Steven Van Buynderen	Aviva Italy
Richard Wilson	BHA

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Chairman's welcome



We can work it out

I am proud to say that I come from Liverpool. This is a magnificent city, founded as a major international shipping port, which prospered during the years of the slave trade. This is a city full of history, a regenerated dock-land, and two beautiful cathedrals linked by Hope Street.

This city is built on community, enterprise and passion. We have given the world hundreds of entertainers most notably the Beatles, won five European cups, and was rightly the European City of Culture in 2008. We have seen difficult times too: the decline of the docks, unemployment and rioting during the early eighties, the tragedies of Heysel and Hillsborough. We always bounce back - by a combination of confidence, forward-thinking and working together as a team.

Against this back-drop, I invite you to this year's Actuarial Life Conference.

Like Liverpool, the Actuarial Profession has had good times, and challenging times too. We have a weak and fragile economy, non-stop regulatory change and a continual need to improve quality whilst cutting costs. We will address these issues during the plenary sessions and the workshops, but we will focus on looking to the future. We understand the challenges, and by helping each other, we can work it out.

Improved risk and capital management practices provide a platform to improve our product and growth strategies. Technology gives us incredible opportunities to improve customer service and make our companies more efficient. We have an ever-growing ageing population that will need all of us, continual demands upon the health-care and social services, as well as opportunities arising from the coalition government's manifesto.

Liverpool is proud of its international links, through the shipping port, sport and entertainment. We welcome visitors, and are particularly pleased that the IAA will be joining us. A number of sessions will have a strong international and global flavour.

So think about the past but please don't dwell on it. Plan and build for the future, speak your mind and have fun - anybody from Liverpool would.



Jason Hurley
Chairman, Life Conference and Exhibition
Programme committee 2011

Schedule at a glance

Sunday 20 November 2011	
16.00 - 20.00	Registration
18.00 - 20.00	Opening reception
20.00 - 20.15	Welcome Chairman: Jason Hurley, Chairman, Life Conference 2011 programme committee
20.15 - 21.15	Plenary 1: Winning through <p>Richard is a Non-Executive Director of Dyson, and chairs Avon Rubber – both are major exporters enjoying rapid change. The former Trade and Northern Ireland Minister has been at the centre of decision-making in good and bad times, in business and politics. Richard has a number of clear messages and will cover innovation, dealing with suppliers, maintaining margins, managing people, testing your strategy, and working out what customers are thinking – not what you want them to think.</p> <p>Speaker: Rt. Hon. Sir Richard Needham, Dyson</p>
21.15 - 22.30	An evening with the Beatles
Monday 21 November 2011	
08.00 - 08.30	Registration (for those who did not register on Sunday evening)
08.30 - 09.30	Plenary 2: Opportunities and challenges in a changing world <p>David Nish will give an overview of the current market, including a brief assessment of the past and a summary of where we currently are. Looking to the future, David will outline the challenges ahead, including regulation, consumer issues and the economy. As well as outlining the challenges, David will give us his insight into where the industry is moving and hence the opportunities for us all.</p> <p>Speaker: David Nish, Standard Life plc</p>
09.30 - 09.40	Transfer time
09.40 - 10.30	Workshop session A
10.30 - 11.00	Refreshments in the exhibition hall
11.00 - 11.50	Workshop session B
11.50 - 12.00	Transfer time
12.00 - 12.50	Workshop session C
12.50 - 13.50	Lunch in the exhibition hall
13.50 - 14.10	Presidential update
14.10 - 15.10	Plenary 3: Macro strategy: key economic drivers and the outlook for global yields <p>This talk will cover the outlook over the next few years in terms of economic growth, inflation, interest rates, the public finances and other topical matters. Global fixed-income markets, the outlook for market interest rates globally and in the UK, from a macro top down process, and especially looking at pension fund and insurer's influences on long ends will also be explored.</p> <p>Speakers: Andrew Roberts and Ross Walker, RBS</p>

Schedule at a glance

15.10 - 15.40	Refreshments in the exhibition hall
15.40 - 16.30	Workshop session D
16.30 - 16.40	Transfer time
16.40 - 17.40	Workshops: Hot topic sessions
17.40 - 19.00	Free time
19.00 - 19.30	Drinks reception
19.30 - 22.00	Conference dinner and entertainment
22.00 - 00.00	Late bar at BT Convention Centre

Tuesday 22 November 2011

09.00 - 09.50	Workshop session E
09.50 - 10.00	Transfer time
10.00 - 10.50	Workshop session F
10.50 - 11.20	Refreshments in the exhibition hall
11.20 - 12.10	Workshop session G
12.10 - 12.20	Transfer time
12.20 - 13.50	Plenary 4: We can work it out <p>We will start this interactive discussion session with an analyst's overview of the industry, where we are and where we are going. This will be followed by an overview of customer research, covering the public's personal financial behaviours, attitudes to saving and long term financial resilience, along with their perceptions of the role of insurance and financial services products. We will finish with an example of how general insurers are embracing change; using technology to improve the customer sales and claim experience, increasing efficiency and managing operational risk.</p> <p>Speakers: Simon Clayden, AXA Insurance; Michelle Harrison, IIPS and Colin Simpson, Goldman Sachs</p>
13.50 - 14.00	Closing remarks
14.00	Lunch on the run

Plenary speakers



Simon Clayden, AXA Insurance

Simon has over 15 years experience in general insurance, across a varied number of roles including operational leadership, customer experience improvement and fraud strategy. Simon is currently Head of Claims Strategy, IT and Change Management for AXA Commercial Lines and is accountable for defining the future business architecture and managing a portfolio of change that delivers tangible financial and service benefits.

Simon is passionate about creating innovative solutions, and most recently oversaw the implementation of AXA's award winning supplier management tool, as well as designing the AXAdent iPhone app (a first within the global AXA Group).



Dr Michelle Harrison, TNS-BMRB

Michelle Harrison works with her clients across Whitehall to develop better outcomes for the users of public services. Her work encompasses customer journey research, segmentation, customer satisfaction measurement and modelling, public consultation, and policy related social research.

She regularly facilitates high level policy and strategy meetings across Whitehall. She has enjoyed facilitating many large scale public consultation programmes on behalf of government Ministers and for the Office of the Prime Minister. Michelle has a particular interest in social trends and delivers the Annual IIPS 'What the Citizen Wants' lecture. Previously, she was commissioned by the BBC to develop The Blair Decade, a series of programmes on social change in Britain. Michelle is a Director of the charity Involve, and a council member of the Food Ethics Council. She has sat on numerous public bodies and commissions, including most recently the Green Fiscal Commission (2006-2009). She was previously a Director of The Henley Centre where she worked as a consultant to business and government.



Rt. Hon. Sir Richard Needham, Dyson

As Senior Independent Director of Dyson, Sir Richard has been responsible for developing the company's manufacturing and sales operations in Europe, the US and the Far East. Richard originally served as a Conservative MP and Trade Minister. He is widely credited for reinvigorating UK exports, and for regenerating Northern Ireland's infrastructure and economic base. He took huge risks by insisting that Belfast's bomb-damaged city centre be reconstructed in glass and steel, to show confidence in the future.

Since leaving politics Richard has worked as Chairman, Director or advisor to twenty firms - from start-ups like Imperial College's DeltaDot (inventor of the world's most advanced DNA sequencer) to global giants like GEC. Aside from his role at Dyson, he currently chairs Avon Rubber and serves as Vice Chairman of NEC Europe. Heading-up Dyson's move into China, Richard has developed contacts at the highest reaches of Government and at local Party Secretary level. He understands the pitfalls and the need to enter the market at the right level, in the right place and with the right partners.



David Nish, Standard Life plc

David joined Standard Life on 1 November 2006 as Group Finance Director. In January 2010 he became Chief Executive.

Previously David was Finance Director and subsequently Executive Director Infrastructure at Scottish Power plc. Prior to this he was a partner with Price Waterhouse where his clients included major plcs including financial services. From 2005-2011 David was a non-executive director of Northern Foods plc. In 2000 and 2009 he was awarded the Scottish Business Awards Finance Director of the Year. In 2004/05 he served on the UK Government Employers Pension Task Force. He is a Deputy Chairman of the ABI.

Plenary speakers



Andrew Roberts, RBS Global Banking and Markets

Andrew joined RBS in 2009 after 11 years at Merrill Lynch, the last six as Chief European Fixed Income Strategist. Before that, he was at UBS. His responsibilities involve co-ordinating strategy across Europe via the European Rates Weekly, to which he contributes global fixed income strategy themes. He was closely involved right from the start with the creation and development of many sovereign inflation-linked markets from the mid-1990s onwards at a senior level. He also was the key driving force behind restructuring the South African debt markets in the late 1990s, including the creation of their own inflation-linked market.

Andrew is also regarded as an authority in global pensions/demographics and influences on asset allocation. In 2006, he co-authored 'Dealing with the New Giants: Rethinking the Role of Pension Funds' for the Centre for Economics and Business Research and ICMB. In 2008, he was one of the small band of analysts globally who fully foresaw the credit crunch and the regime change in rate levels across developed markets. Andrew hails from Oban, a small fishing town in the west highlands of Scotland.



Colin Simpson, Goldman Sachs

Colin Simpson, Executive Director, joined Goldman Sachs in June 2008 and is primarily responsible for covering the UK life and non-life insurers. He was previously an analyst at Bear Stearns, where he covered life names as well as European reinsurers. Prior to that, Colin worked in life reinsurance in London. Colin is a qualified actuary and holds a BSc in statistics from the University of Cape Town.



Ross Walker, RBS

Ross has been UK Economist at RBS since 2000, having joined NatWest Markets in late 1998. He is based in RBS Global Banking and Markets division in London. His principal responsibilities are macroeconomic and central bank policy analysis and forecasting. RBS is a prominent UK economic forecaster, participating regularly in HM Treasury, Bank of England and private surveys. Prior to working in the City, Ross was a researcher to the President of the Board of Trade.

Workshop sessions

Workshop session A – Monday 21 November

09.40 - 10.30

A1: Using Least-Squares Monte Carlo for capital calculation

Calculating capital in a Solvency II internal model can be complex and runtime intensive due to the nested stochastic nature of the problem. Least-Squares Monte Carlo (LSMC) technique provides an efficient and accurate solution to this problem. This case study describes LSMC theory and practical application to life office risk aggregation and capital calculation. We will also discuss wider applications in risk management and contrast with commonly known curve fitting and replicating portfolio methods.

Speakers: Adam Koursaris, Barrie & Hibbert and Peter Murphy, Lloyds Banking Group

Level: No prior knowledge required

A2: Differentiation or discrimination?

The European Court of Justice judgement on the Test-Achats case will end gender-specific pricing in the EU.

This workshop will:

- review the background to the judgment
- present the current position for UK legislation
- present the actuarial working party's findings on the impact so far – and the potential future impact – of the judgment on UK life insurers.

Speakers: Dave Grimshaw, Barnett Waddingham and Sheila Hall, AEGON

Level: No prior knowledge required

A3: Automated underwriting: the hidden strategic value

Automated underwriting systems can be used to manage and steer a protection business. Drawing on data from sale to claim we will see what's available to help you steer profitability and how the tool can be used to predict trends and shape future management of the business.

Speakers: Paul Hately, Swiss Re and Nigel Mead, Lloyds Banking Group (Scottish Widows)

Level: No prior knowledge required

A4: Fractal markets

Benoit Mandelbrot passed away on 14 October 2010. He left a legacy of work on fractals, whose usefulness in financial modelling is hotly contested. Alongside the better publicised ideas of action at a distance and models with infinite variance, more conventional models such as CGMY (also known as Kobol) also have fractal properties. This workshop explains the approaches and invites a discussion of the role fractals may have in actuarial modelling.

Speakers: Andrew Smith, Deloitte and Paul Sweeting, Kent University

Level: No prior knowledge required

A5: Science non-fiction: genetics and insurance

In this session we will hear from a leading genetics expert, who has been asked to look to the future long term developments of genetics in medicine and to predict possible scenarios that may develop and impact on the insurance industry. This will then be interpreted for life, critical illness, annuity and longevity products, considering things from regulatory risk and anti-selection, to the impact on incidence and claim rates.

Speakers: Greg Becker, RGA and Professor Michael A Patton, St Georges University of London

Level: No prior knowledge required

Certain sessions will be marked with International or ERM to enable them to stand out as specific sessions for those interested in the International or ERM areas.

Workshop sessions

A6: Closed block consolidation in Europe

International

Closed block consolidation is a logical next step for mature life markets but has been slow to take off outside the UK. Increased operational and market pressures as well as Solvency II may provide the final trigger for:

- larger financial groups to identify legacy blocks of life business and seek to free up the capital tied up in them
- smaller traditional life companies to close to new business and need to join together to avoid diseconomies of scale in run-off.

The speakers both have significant closed block deal experience and will explain the market conditions which coincided to trigger transactions in the UK, and will further examine the propensity for deals in key European markets. They will also discuss the key success factors which determine the winners and losers in a closed block consolidation wave.

Speakers: Michel Abbink, PricewaterhouseCoopers LLP and Alan Rae, Eureko

Level: No prior knowledge required

A7: How to practically hedge the Solvency II risk-free rate

Under the current Solvency II proposals the risk-free rate to discount liabilities (including an illiquidity premium) will be defined by EIOPA. The working party is looking at the implications this will have for hedging:

- why hedge the risk-free rate?
- methods and practicalities of hedging the basic risk-free rate
- hedging the illiquidity premium element of the risk-free rate.

Speakers: Ross Evans and Emily Penn, RBS

Level: No prior knowledge required

A8: Liabilities as an asset...fad, friend or foe?

Asset managers looking to diversify their portfolios with low volatility, low correlation investments are turning to a wide range of insurance liabilities as an asset. This session will briefly outline the techniques used to convert insurance liabilities into assets, explore the quantitative merits of including such assets in a portfolio and consider whether a surge in alternative capacity is an opportunity or a threat to the insurance community.

Speakers: Dan Knipe, Leadenhall Capital Partners and Gareth Mee, Ernst & Young

Level: No prior knowledge required

A9: Current challenges in product pricing

This talk will consider the challenges faced by insurers given the impact of the Retail Distribution Review, Solvency II and the EU Gender Directive. It will look at how insurers need to adapt their methodologies, metrics and governance structures and how they might achieve this.

Speakers: Andrew James, PricewaterhouseCoopers LLP and Phil King, Aviva plc

Level: No prior knowledge required

A10: The changing landscape of with-profits business

This session focuses on views from both the industry and the regulator on:

- the change in the regulatory landscape of with-profits business following a consultation process earlier this year
- how Solvency II is impacting with-profit funds
- implications from the segregation of the Financial Services Authority into PRA/CPMA
- impact on our customers
- the future of with-profits.

Speakers: Trevor Fannin, Towers Watson and Stuart Hicks, Financial Services Authority

Level: Prior knowledge required

Workshop sessions

A11: What about the customer?

Insurers are focusing strongly on the financial drivers of their businesses. With increasing sophistication of risk calculation at the individual level, fundamental concepts of insurance are being challenged. Additionally, Solvency II encourages insurers to pass risk back to the consumer creating further challenges to the principles and value of insurance.

Speakers: Dr Ian B Owen, Partnership and Mike Williams, Towers Watson

Level: No prior knowledge required

A12: Measure for measure: value creation metrics in life - how to define return and reward performance

International

How to really measure value creation? What should be measured: risk, return, change in expectations, past and/or future? For life risks and products, the economics are often complex, as are the measures. We discuss a variety of well-known acronyms: RoE or RoRAC, PVI/PVC, DCF RoE, VNB, EVC and MCEV, looking specifically at their pros/cons. We show how to effectively use these to reward business production or in-force management. We will investigate the solutions found in industry and present feedback.

Speakers: Bridget Browne, Australian National University and Daniel Dubischar, PartnerRe Europe Ltd

Level: No prior knowledge required

Workshop sessions

Workshop session B – Monday 21 November	11.00 - 11.50
B1: Using operational risk to deliver shareholder value and meet regulatory expectations ERM	
<p>Using operational risk to deliver shareholder value and meet regulatory expectations. This will cover:</p> <ul style="list-style-type: none">• regulatory objectives versus shareholder objectives• where operational risk can be used to deliver shareholder value, including ‘Use Test’• developing the metrics to effectively measure ‘operational risk’• building and calibrating an operational risk model• using insurance to optimise the financial management of operational risk capital from a business unit and group perspective. <p>Speakers: Jonathan Humphries, AON and Sandy Trust, KPMG LLP Level: No prior knowledge required</p>	
B2: ORSA ERM	
<p>This session will highlight the regulatory backdrop and expectations for the ORSA along with the steps involved in the ORSA implementation. It will assist in identifying the issues to work through at each step of the process along with the questions that need to be addressed.</p> <p>Speakers: Paul Brenchley, KPMG LLP and Kathryn Morgan, Financial Services Authority Level: No prior knowledge required</p>	
B3: Capital aggregation under Solvency II	
<p>A fundamental component of the internal model under Solvency II is the approach to the aggregation of risks. This session explores challenges faced in this area and emerging techniques to address them. A case study will also be presented that investigates and compares the same commonly used techniques.</p> <p>Speakers: David Honour and Elliot Varnell, KPMG LLP Level: No prior knowledge required</p>	
B4: The Bermuda Triangle - will all be lost under Solvency II? International	
<p>As one of the first countries applying for equivalence with Solvency II, the traditionally relaxed solvency requirements for long term insurers in Bermuda is undergoing a rapid overhaul, in an attempt to bring standards into line with Europe. This presentation explains what equivalence really means for Bermuda as a reinsurance market.</p> <p>Speakers: Amy Guna, Hannover Life Re Bermuda and Brian Morrissey, KPMG LLP Level: No prior knowledge required</p>	
B5: Tax after Solvency II	
<p>The session will address the nature and implications of the prospective changes to the taxation of life companies to follow the implementation of Solvency II. We will present the detailed proposals as at the date of this conference; discuss the nature of changes and the potential implications for the life insurance industry.</p> <p>Speakers: Matthew Little, Legal & General; Matthew Taylor, Ernst & Young and Andrew Rendell, The Phoenix Group Level: No prior knowledge required</p>	
B6: Making insurance less sexy	
<p>The European Court of Justice ruling on 1 March outlaws use of gender as a rating factor in insurance from 21 December 2012. This will have significant implications for insurers. We will examine the implications of this development covering reserving, pricing and risk management issues, plus potential implications for other underwriting factors, particularly age and health status.</p> <p>Speaker: Jim Murphy, Milliman Level: No prior knowledge required</p>	

Workshop sessions

B7: The future of the Actuarial Function

This talk will explore the evolving role of the Actuarial Function and the important roles currently played by the AFH and the WPA. Many organisations are grappling with how the “three lines of defence” apply to these roles and different approaches are emerging. Solvency II is causing firms to reassess the role of the actuary and the relationships with, inter alia, finance, risk, compliance and audit. The new Bank of England regulator will also have an important role in shaping the future.

Speakers: Charles Garnsworthy, PricewaterhouseCoopers LLP and Tim Stedman, Legal & General

Level: No prior knowledge required

B8: Has mortality pricing gone mad?

Over the past ten years, protection mortality rates in the UK have continued to go in one direction – downwards. This talk looks at why rates have decreased and the most significant factors (medical, lifestyle, risk control and distribution) in considering how rates are likely to change in the future.

Speaker: Jamie Leitch, SCOR

Level: No prior knowledge required

B9: IFRS 4 Phase 2 - it's time to get serious

In the run up to the 2010 Life Conference the IASB published its exposure draft on Accounting for Insurance Contracts (IFRS 4). Twelve months on we can expect to have seen the publication of the final accounting standard and it will be time for firms to take the developments even more seriously. In this session we will:

- look at the requirements of the final standard
- contrast the developments requirement with those already delivered and planned under Solvency II
- discuss the next steps that firms need to take to implement the standard.

Speakers: Nick Walker, Ernst & Young and Neil Wannop, Lloyds Banking Group

Level: No prior knowledge required

B10: Opening the bonnet on economic scenario generation for Solvency II

As the foundation for cash flow projections, the economic scenario generator is one of the key “black boxes” to open for Solvency II readiness. This session will share our experiences in areas such as:

- creating a robust, transparent framework for applying actuarial judgement
- industrialising the process
- ensuring fitness for purpose.

Speakers: Alex Summers, Zurich Insurance Company Ltd and Tim Wilkins, Towers Watson

Level: No prior knowledge required

B11: Can annuity writers hedge their interest and inflation risk?

This talk focuses on practical considerations for annuity writers when hedging their interest and inflation risks. We will cover the basics of monitoring hedging strategies and discuss common pitfalls with existing techniques. We will run through a case study of gains and losses when adopting potential hedging strategies over recent time periods and some techniques for managing these risks.

Speakers: Richard Purcell, Pension Corporation and Gareth Mee, Ernst & Young

Level: No prior knowledge required

B12: The UK life market in 2011 and beyond – a rating agency perspective

This session will cover:

- how UK life insurers have fared during 2011 - a whistle-stop tour of capital, earnings, sales and margins
- a look behind the headlines – what insurers don't want you to know
- who will be the winners and losers from Solvency II and the Retail Distribution Review?
- some predictions for 2012
- what does it all mean for credit ratings?

Speakers: Clara Hughes and David Prowse, Fitch Ratings

Level: No prior knowledge required

Workshop sessions

Workshop session C – Monday 21 November

12.00 - 12.50

C1: Embedding a daily solvency monitoring capability for risk management under Solvency II

ERM

Solvency II and competitive pressures are driving the need for more sophisticated risk and capital management capabilities based on robust and timely MI.

We describe how we have approached this challenge:

- system overview, how it operates and calculation methodologies employed
- an outline of the MI produced, how it is used within the business and the benefits realised
- practical insights into the challenges involved and the ways these can be addressed to yield a workable system.

Speakers: Mark Hutton, The Phoenix Group and Russell Ward, Milliman

Level: No prior knowledge required

C2: Developing an internal model for a medium-sized company

This session will provide an insight into the development of an internal model for Wesleyan Assurance Society including:

- objectives of the internal model
- internal model solution and the need to balance 'business as usual' with a new world
- lessons learnt from the challenges to date
- how best to meet the challenges that lie ahead.

Speakers: James Needham, Wesleyan Assurance Society and Garry Sharpe, Towers Watson

Level: No prior knowledge required

C3: Solvency II risk-adjusted performance measures

ERM

Solvency II requires companies to ensure that performance measures reflect the capital requirements determined by the internal model. We have developed risk-adjusted performance measures which are robust and pragmatic. Our presentation will:

- discuss the theory
- provide practical examples of how the metrics work
- describe the practical challenges in implementation.

Speakers: John Bielski, Actuarial Innovation; James Crispin, Lloyds Banking Group and Sean McGuire, Oliver Wyman

Level: No prior knowledge required

C4: Extreme value theory for calibrating 1-in-200 stress tests

The extreme events working party has developed an open-source excel tool to fit extreme value (GPD) distributions to historic data sets. This workshop demonstrates:

- how to understand estimation error by using the tool on simulated data
- how to make good choices for the configuration settings
- estimated 99.55% percentiles from equity and interest data, compared to the results of alternative fitting approaches.

Speaker: Elliot Varnell, Extreme Events Working Party

Level: No prior knowledge required

C5: When your clients know more than you do – anti-selection and its consequences

This session explores the impact of adverse selection and policyholder optionality on profitability. Specific examples of anti-selective behaviour will be demonstrated from a variety of different protection markets:

- lemons, used cars and underwriting
- lapses and anti-selection
- what is the impact on mortality?
- rating factors and policyholder behaviour
- illustrations from the real world.

Speakers: Donald MacLean, HSBC and Chris Jewson, RGA

Level: No prior knowledge required

Workshop sessions

C6: Transferring business overseas

International

Many leading businesses have chosen to relocate overseas in recent years. This has impacted the UK insurance market and the implementation of Solvency II is expected to accelerate developments in this area. This session will cover trends in transferring business overseas, including:

- what have insurers/groups done?
- advantages versus disadvantages
- capital benefits, including Solvency II
- operational benefits.

Speakers: Gavin Coates and Brian Morrissey, KPMG LLP

Level: No prior knowledge required

C7: What alternative investments are of interest to life companies?

This session will consider the benefits of alternative investments for a life insurers including:

- description of alternative assets with low correlation to market risks
- analysis of the capital benefit from increased diversification
- analysis of the non-financial issues insurers' should consider e.g. operational, legal risks.

Speakers: Scott Robertson and Rupert Spence, KPMG LLP

Level: No prior knowledge required

C8: Market reporting - getting your message across to create value

Life company share prices have suffered numerous downgrades over the years from which they are still yet to recover. The complexity and inconsistency of market disclosures combined with a lack of clarity on how companies actually make money are major factors in keeping the industry's cost of capital high. This session will cover:

- what 'good' looks like in external reporting
- taking best practice from within and outside the industry
- on how value and insight might be gained from IFRS and Solvency II Pillar 3 disclosures.

Speakers: Brian Purves and James Quinn, PricewaterhouseCoopers LLP

Level: No prior knowledge required

C9: Life insurance products - why do we under-sell our products?

This session will give a comparison of life insurance products versus other popular consumer products such as the iPod, including:

- how we do a disservice to ourselves in the sales and marketing of our product
- a look at whether we actually display the real value that our products bring
- a challenge for each of us to re-look at what we are selling and how we sell it
- a consumers viewpoint of our products and sales process.

Speakers: James Louw and Peter Temple, General Reinsurance

Level: No prior knowledge required

C10: Current and future reserving practices for healthcare products

In early 2011 the Profession's Health and Care Reserving Working Party conducted a survey to collect information on current reserving practices and preparations for Solvency II. Concentrating purely on income protection and critical illness the survey aims to provide a body of information which health and care actuaries can use to benchmark their approaches and draws out the specific issues which are often lost in other industry surveys. The initial results were reported in the Health and Care Conference 2011. This session will provide further feedback of the results following more detailed analyses carried out by the working party.

Speakers: Andy Chan, KPMG LLP and members of the Health and Care Reserving Working Party

Level: No prior knowledge required

Workshop sessions

C11: Bringing Solvency II to life

As Solvency II approaches, firms should be bringing the ideas to life as part of their “business as usual” operation. This presentation explores the ways that the industry can live and breathe the principles of Solvency II and brings a practical perspective on how companies are tackling the real life challenges.

Speakers: Colin Forrest, PricewaterhouseCoopers LLP and Nicola Williams, The Phoenix Group

Level: No prior knowledge required

C12: International experience of internal model approval - a level playing field?

International

In theory Solvency II is a “maximum harmonising” directive which introduces common standards for prudential supervision. This session will look at experience so far, across the major European markets, of internal model pre-approval. In particular it will consider the different priorities of the national regulators, how their assessment methods vary and the apparent standards being worked to. The experience to date of the Colleges of Supervisors and the role being taken by EIOPA will also be covered.

Speakers: Tim Ford and Michael van Vuuren, Ernst & Young

Level: Prior knowledge required

Workshop sessions

Workshop session D – Monday 21 November	15.40 - 16.30
D1: The life industry in China	International
<p>A non technical overview of the life insurance market in China today, looking at the players, products, distribution, regulation and the prospects for international companies.</p> <p>Speaker: David Campbell, New China Insurance Level: No prior knowledge required</p>	
D2: War games: using interactive workshops to communicate Solvency II capabilities	
<p>Actuaries have invested significant time in Solvency II models producing substantial management information:</p> <ul style="list-style-type: none">• but do we engage and communicate this information well, ensuring that Solvency II is not just seen as an actuarial project?• we will demonstrate ways in which actuaries can successfully engage management using workshops and interactive simulation games as examples. <p>Speakers: Gower Wisdom, Old Mutual and Steven Zietsman, Oliver Wyman Level: No prior knowledge required</p>	
D3: Death by PowerPoint: why are we still killing people?	
<p>“Death by PowerPoint” is a criticism of slide-based presentations referring to a state of boredom and fatigue induced by information overload during presentations. An estimated 30 million PowerPoint presentations are made every day:</p> <ul style="list-style-type: none">• are they making us smarter or making us dumb?• why has PowerPoint been implicated in two space shuttle disasters and banned by a combat commander in Iraq?• how well do actuaries use PowerPoint?• can “Death by PowerPoint” be avoided?• should actuaries be practising Pecha Kucha? <p>Speakers: Donal O’Leary and Chris Reynolds, PartnerRe Level: No prior knowledge required</p>	
D4: Why are accountants better insurance company CFOs than actuaries?	
<p>Over the past few years there has been a noticeable reduction in the number of actuaries holding the role of CFO in insurance companies. This talk (given by an accountant) will consider the changing responsibilities and challenges of being an insurance company CFO, and the skills required to fulfil the job.</p> <p>Speaker: Rob Sewell, Pension Corporation Level: No prior knowledge required</p>	
D5: Effective execution of transactions	
<p>Why do insurers often have difficulty in executing transactions and restructuring? Drawing on practical examples that we have seen, we identify four particular pitfalls and suggest lessons which internal and external actuaries and lawyers can learn to achieve better outcomes. We also discuss problems that we think the future could hold and will look for some interactive discussion.</p> <p>Speakers: Steven McEwan, Hogan Lovells and David Murray, Deloitte LLP Level: No prior knowledge required</p>	
D6: NLP - the language of the mind	
<p>NLP (Neuro Linguistic Programming) is a series of ‘techniques’, tools, approaches and attitudes relating to patterns of behaviour and communication. Come along if you would like to achieve more by applying NLP in your communication and management.</p> <p>Speaker: Ross Gardiner, Financial Services Authority Level: No prior knowledge required</p>	

Workshop sessions

D7: Alternative careers and future of the insurance actuary

The talk is aimed at those members of the Profession looking at alternative future careers and moving away from traditional insurance work. The speakers will consist of speakers with life backgrounds now in very different fields and taking through their experience and how they made the move. The focus will be on how the move was researched, approach taken and the process. Overall it is designed to look at how the actuarial skill set is being moved into new areas and broadening the Profession.

Speakers: Mark Dainty, High Finance Group and David Prowse, Fitch Ratings

Level: No prior knowledge required

D8: Knowledge management in the actuarial world

Suggested practical ways you can deal with making use of your information. This talk will consider knowledge management aspects of organising your actuarial function, to allow for more efficient working practices and minimising risk. Applying whether you work in consultancy or life office.

Speaker: Sara Johnstone, KPMG LLP

Level: No prior knowledge required

D9: Applying the insurance TAS - early reports from the front line

During 2011 BAS staff will be meeting practitioners and users to find out how the TASs are affecting actuarial work and its presentation to insurance company boards and management. This session will share feedback from:

- practitioners about how they have sought to comply with the insurance TAS in particular, and what challenges it has presented for them
- users on the changes they have observed the quality and format of actuarial reports.

Speaker: John Instance, Financial Reporting Council

Level: Prior knowledge required

D10: Emotional intelligence - do emotionally intelligent actuaries exist?

This session will cover:

- the value added of emotional intelligence
- EQ vs IQ
- what is emotional intelligence?
- Daniel Goleman makes EQ one of the hottest topics in the US Corporations
- EQ is 5 meta-factors and 15 sub-factors
- examples of how important Emotional Intelligence can be in the workplace for actuaries
- how to develop our EQ
- also include results of a survey assessing the EQ's of actuaries in different roles.

Speakers: Tracy Gilbert and John O'Neill, PartnerRe

Level: No prior knowledge required

D11: Not quite the 'TAS-maniac devil'

With the principal TASs affecting the life sector now in force, this talk looks at the practical ways in which companies have implemented the new standards, considers which areas have proved the most difficult and what solutions companies have adopted to address them.

Speakers: Nick Dexter, KPMG LLP and David Hare, Standard Life plc

Level: No prior knowledge required

D12: Ex-post justification (the dangers of plausible explanations)

With Solvency II leading to the introduction of ever more complicated models there is an increasing danger from "ex-post" or after the fact justification of results. This talk will consider why seemingly plausible narratives are such an attractive way to understand the results of such models. The talk will then consider the methods available to help us to avoid this trap, focusing on the importance of profit and loss attribution under Solvency II.

Speaker: Peter Murphy, Scottish Widows

Level: No prior knowledge required

Workshop sessions

Workshop session E – Tuesday 22 November

09.00 - 09.50

E1: Counterparty risks within groups

A presentation of the work of the “Counterparty Risks within Groups” Working Party in the light of anticipated increased intra-group activity, as groups restructure and spread risk. The talk will cover:

- the risks arising from intra-group transactions and how knowledge and control of your counterparties can differ
- the factors that a solo entity should consider in making allowance for such risks
- illustrative allowances that should be made in technical provisions and capital for such risks.

Speakers: Andrew Chamberlain, Partnership Assurance and James Tuley, PricewaterhouseCoopers LLP

Level: Prior knowledge required

E2: Capital projections – evolution or revolution?

What kinds of techniques are currently used by firms for producing capital projections and how might these develop over time? This session takes a look at several approaches to projecting capital, of varying levels of sophistication. It considers advantages and disadvantages of these methods and some practical examples.

Speaker: Bryan Blunt, Legal & General and David Leach, Deloitte

Level: No prior knowledge required

E3: Solvency II internal model – a case study: implementation challenges and achieving business benefits

We will be using the Old Mutual Group’s Solvency II internal model implementation as a case study, expanding on the following practical considerations:

- challenges from being a diverse Group, and how to overcome them
- developing a consistent methodology/design across the Group, expected benefits
- meeting the tests and standards, and assumption setting
- actual benefits experienced (how do they compare to expected).

Speakers: Greg Douglas, Michael Goemans and Jean-Marc Robert, Old Mutual

Level: Prior knowledge required

E4: Stress testing and scenario modelling of longevity

We will present and discuss some stress testing scenarios for longevity risk. These scenarios relate to possible medical advances which could impact longevity, such as the availability of an anti-ageing intervention. The scenarios will be informed by recent progress in science and medical opinion. We will discuss the following:

- plausibility and challenges of developing these medical interventions
- potential impact on mortality improvements and longevity
- potential time line taking account of drug cycle and uptake rate of the population.

Speakers: Peter Banthorpe, RGA and Joseph Lu, Legal & General

Level: No prior knowledge required

E5: Life’s cheap, but who’s buying?

This talk will cover:

- cost of mortality cover cheaper than ever and below the cost that consumers expect to pay
- protection gap getting bigger and routes to purchase are getting narrower
- look at experience in the UK and overseas in terms of different access and styles of selling
- easy to buy, predictive underwriting, the value of brands.

Speakers: Russell Higginbotham, Swiss Re Europe SA and Alan Martin, Swiss Re

Level: No prior knowledge required

Workshop sessions

E6: Takaful and retakaful - challenges and opportunities for actuaries

International

With Europe focussed on Solvency II, the emerging world has seen significant growth in Takaful (Islamic) insurance. Takaful market has more than 200 operators, spans over 30 countries and with \$6 billion in total gross premiums, it is expected to double in size by 2015. There is a significant gap of actuarial input to make this a viable proposition so what are the opportunities for actuaries?

Speakers: Safder Jaffer and Lindsay Unwin, Milliman

Level: No prior knowledge required

E7: Liquidity and investment strategy

Liquid assets have an attraction for investors, because they provide more flexibility for changing investment strategy, are simple to value and can readily be turned into cash to pay capital providers. Andrew Smith and Grigory Spivak consider ways to quantify the liquidity requirements for a financial firm, and then use equilibrium arguments to model the extent to which markets may provide higher returns to reward investors in illiquid assets.

Speakers: Andrew Smith, Deloitte LLP and Grigory Spivak, BlackRock

Level: No prior knowledge required

E8: The developing role of the Actuarial Function

International

Presented by the Groupe Consultatif and Towers Watson, this session covers the Actuarial Function's developing role under Solvency II:

- its tasks under the Framework Directive and EIOPA's advice
- practical issues facing firms
- actuarial's relationships with other functions
- the Groupe Consultatif's European survey on existing statutory roles.

Speakers: Jonathan Farrant, Towers Watson and Karel Goossens, Groupe Consultatif

Level: No prior knowledge required

E9: Solvency II: regulatory round-up and steps to implementation

The volume of Solvency II guidance has resulted in an avalanche of paperwork on the desks of many actuaries over the last year. We talk through what has been and will be released with a particular emphasis on the practical impact of the guidelines. We will be explaining the intention behind the regulation and what firms should be doing in the run up to Solvency II.

Speakers: Anthony Brown, Ross Gardiner and Coomaren Vencatasawmy, Financial Services Authority

Level: No prior knowledge required

E10: With-profits: increased focus in declining funds

Many with-profits funds have now entered a new phase in their life cycle, with funds under management contracting as existing business runs off and new business volumes reduce. During this phase careful risk management becomes more important and new issues need to be addressed. We consider how these issues can be managed individually and holistically for the benefit of the fund's stakeholders, using examples and experience from the Clerical Medical with-profits fund.

Speakers: Jon Fletcher, Ernst & Young and Richard McIntyre, Lloyds Banking Group

Level: No prior knowledge required

Workshop sessions

E11: Embedding stress testing as part of an integrated risk management framework

ERM

Over the last years, the Financial Services Authority has been emphasising the importance of stress testing as part of a company's ERM framework. This has been evident through stress testing exercises carried out as part of their Core Prudential Programme for supervision and resulatory developments such as PS09/20. This session will present a case study of how to embed stress testing as part of an integrated risk management framework to maximise the benefits of a stress test testing programme in terms of effective risk management and maximisation of shareholder value. It will set out the key practical challenges around risk culture and show how the Group Risk Function and the Actuarial Function holder of a Life company can work together so that the requirements of both can be met through an efficient and holistic approach.

Speakers: Alastair Clarkson and David Hare, Standard Life plc

Level: No prior knowledge required

E12: Who would be a product actuary - top 10 issues and how they all fit together

The next few years will bring about significant change, with issues such as Solvency II, RDR, NEST, the ECJ ruling implications and compliance with TAS just some of these. The product actuary has the many and varied challenge of understanding the likely (but uncertain) implications of each of these developments (and more!) on the insurance market by considering their interactions, developing commercial strategies products and profitability to succeed, and implementing the large number of changes to products and processes required. All of which need to be clearly articulated to the Board and is set against the background of BAU demands. This presentation will explore the possible implications of these changes and things that product actuaries need to be doing

Speakers: Dafydd Harries and Russell Hughes, Ernst & Young

Level: No prior knowledge required

Workshop session F – Tuesday 22 November

10.00 - 10.50

F1: Developments in reverse stress testing

In 2010 the Financial Services Authority introduced a requirement for firms to implement a Reverse Stress Testing (RST) framework to improve the understanding and actions which may help to mitigate the failure of the business model. This session will focus on developments in RST across the industry over the course of 2010 and 2011, including the definitions of business model failure and the range of management actions which are being considered in the event of business failure within the RST exercises.

Speakers: Ian Carey, Prudential Plc and Philippe Guijarro, PricewaterhouseCoopers LLP

Level: No prior knowledge required

F2: The Solvency II switchover – the challenges with transition

We consider some of the implications for firms in managing the transition from current Solvency I regime to Solvency II regime. These potentially include:

- company capital structures and capital instruments
- company restructures for capital efficiency
- mergers and “capital arbitrage”
- product pricing
- market expectations on financial strength
- WP management
- asset strategy
- transitional arrangements.

Speakers: Mike Ashcroft, Standard Life plc; Carole Dick, Deloitte LLP; Roger Austin, Austin Professional Resourcing and Richard Taylor, Prudential

Level: No prior knowledge required

Workshop sessions

F3: Efficient curve fitting techniques

The use of internal models under Solvency II has led to the development of techniques such as replicating formulae in order to evaluate liabilities under many thousands of scenarios. We introduce a theorem that solves the problem of how to identify the optimum fitting points and points of maximum approximation error with minimal analysis and a significant reduction in the number of accurate liability calculations required, thus leading to the potential saving of many hundreds of hour's effort.

Speakers: Stuart Carroll, Legal & General and Christopher Hursey, CJH Actuarial Ltd

Level: No prior knowledge required

F4: Mortality models for multiple populations using covariates

The use of consistent mortality models for multiple populations making use of covariates, such as smoking prevalence. The presentation will focus on how to:

- refine mortality projections
- explain the differences in mortality improvements between different populations and cohorts
- exploit survey data that is less detailed than mortality data and with many missing years.

Speakers: Andrew Cairns and Torsten Kleinow, Heriot-Watt University and the Maxwell Institute for Mathematical Sciences

Level: Prior knowledge required

F5: Microinsurance - a transformative experience for actuaries without borders

International

This talk will cover:

- what is microinsurance?
- why is it needed?
- how does it work - four models of microinsurance?
- what role can actuaries play in microinsurance?
- a practical example and its experience to date.

Speaker: Denis Garand, Denis Garand and Associates

Level: No prior knowledge required

F6: Assets within personalised unit-linked funds - does default matter?

With open architecture offerings on Portfolio Bonds and SIPP's, it is tempting for life companies to assume all credit risk falls to the policyholder. But when does this assumption break down? This session will consider the following issues:

- examples of interesting fund structures offered
- what difference does the jurisdiction of external funds make?
- tracker bonds and structured bonds
- what is a hedge fund and what is an alternative risk fund?
- liquidity, asset valuations.

Speakers: Mike Claffey, Milliman and speaker tbc

Level: No prior knowledge required

F7: Solvency II - will it radically change the purchasing of reinsurance?

Solvency II has been with us for some time now and the impact is gradually being assessed. This session will look at the effect of Solvency II on reinsurance purchasing habits and will use the results of a survey of life office and other interested parties to determine the effects. It will focus on:

- the amount of reinsurance that is purchased
- the type / structure of reinsurance that is purchased
- other considerations that have become more important under Solvency II
- and will include results of a market survey.

Speakers: Niel Daniels, Daniels Actuarial Consulting and Jeff Davies, Ernst & Young

Level: No prior knowledge required

Workshop sessions

F8: Prudential and Solvency II: internal model calibration is a key challenge for Solvency II

Using advanced stochastic techniques developed over the last few years, Prudential can calculate sensitivities to and project its balance sheet and capital requirements, as required for Solvency II. We discuss the techniques, Prudential's experiences, and the practical alternatives available.

Speakers: Will Machin, Towers Watson and Nick Warr, Prudential

Level: No prior knowledge required

F9: Debate: death of innovation, or age of maturity

On the 25th anniversary of the launch of critical illness into the UK, Eli Friedwald will argue that we may never see innovation of this kind again. Modern regulation, distribution and pricing practices would today stifle such a new benefit concept at its birth. Tom Allen will argue that the world has changed for the better, with both consumers and insurers now being better protected.

Speakers: Tom Allen, Aviva plc and Eli Friedwald, RGA

Level: No prior knowledge required

F10: Questioning the future of MCEV/EEV in a Solvency II world

The introduction of Solvency II is causing the industry to question the need for MCEV/EEV reporting. Solvency II is based on an economic balance sheet and should be consistently applied across the industry. Does MCEV/EEV still have a purpose? One of our speakers believes so. The other sees it as redundant in a post Solvency II world. But who is right...?

Speakers: Ferdia Byrne, Patrick Rowland and Nick Ford, KPMG LLP

Level: No prior knowledge required

F11: The role of the actuary in enterprise risk management/ERM

ERM

Actuaries have historically played an important part managing the risks within an insurer. In recent years this role is broadening as more actuaries move into ERM roles and Risk Management functions. This talk explores the differences for actuaries working in these risk oversight functions rather than in traditional roles.

- what skills does it take to become a Chief Risk Officer?
- what impact will Solvency II have on the roles of actuaries?
- how will the new global Chartered Enterprise Risk Actuary (CERA) impact on opportunities for actuaries?
- what opportunities are there for our profession to grow in this space?

Speakers: Keith Bevan, Deloitte and Anthony Bentley, HSBC

Level: No prior knowledge required

F12: Financial and regulatory reporting: parallels with the banking industry and pricing implications for capital management

The banking industry has lobbied globally for pragmatic accounting and regulatory responses to the financial crisis. How does this compare with the insurance industry and what can we learn? This session will cover:

- high level summary of latest Basel III and accounting developments for banks, including resulting developments in capital management
- comparison with Solvency II and IFRS Phase II
- preparing for potential Solvency III and IFRS Phase III: lessons learnt from banking industry.

Speakers: Tom Wolfenden, HSBC Insurance and speaker tbc

Level: No prior knowledge required

Workshop sessions

Workshop session G – Tuesday 22 November

11.20 - 12.10

G1: Stable measures of risk capital

ERM

Conventional risk measures – e.g. Solvency II – are procyclical, forcing asset sales into falling markets, with adverse consequences for customers and the economy. We look at how to develop more stable measures, for internal models and use by regulators, and how capital could be better managed in a multi-year framework.

Speakers: Paul Fulcher, RBS and Stuart Jarvis, BlackRock

Level: Prior knowledge required

G2: The need for actuaries to embrace new technology

The insurance industry is undergoing a period of unprecedented change grappling simultaneously with Solvency II, IFRS and the RDR. Many companies are delivering these changes through new technology solutions. Based on our experience of delivering such solutions, we will discuss some of the challenges faced and why actuaries provide the tip of the delivery arrow.

Speakers: Richard Marshall and Rakesh Patel, Deloitte LLP

Level: No prior knowledge required

G3: How can actuaries transform the effectiveness of consumer information?

The Times 15 January 2011: “the arcane lingo of pensions is not just the inevitable consequence of precise people (actuaries) colliding with the messy, real world. It is more sinister than that. Opacity, complexity and jargon have sometimes been deliberately introduced into the system the more easily to bamboozle and overcharge the unwary”. The Consumer Information Working Party will propose how actuaries can lead in overcoming current issues and transform how we help consumers achieve their financial objectives.

Speakers: Sandra Graham, Financial Services Authority and Alan Ritchie, Standard Life plc

Level: No prior knowledge required

G4: Maximising the value of distribution in a changing landscape

This session will cover:

- how the RDR and pensions reform will change the shape of distribution of UK life and pension products, and how the insurance sector might respond
- the challenges of retaining existing business as well as acquiring new business
- aligning sales resources to the most valuable sales channels and the most valuable advisor segments
- changing the mindset of distribution from volume to value, and the impact on sales targeting and remuneration.

Speakers: Douglas Grant, PricewaterhouseCoopers LLP and Colin Steele, Aegon

Level: No prior knowledge required

G5: The impact of cancer trends on life insurers - a worldwide perspective

International

The session will cover:

- why we should focus on cancer
- risk factors and future drivers
- the relationship between incidence and death
- what happens when things go wrong
- an insight into 99.5th percentile events
- building a correlation model.

Speakers: Darshan Singh and Matthew Smith, Pacific Life Re

Level: No prior knowledge required

Workshop sessions

G6: Impact of Solvency II on investment strategy and the financial markets

Solvency II removes the asset admissibility and yield constraints imposed under Solvency I and changes how liabilities and capital are calculated, which will change the relative attractiveness of different assets and also potentially their prices. This session considers the impact of Solvency II on:

- investment strategy
- ALM including asset allocation and hedging
- liquidity management
- financial market prices.

Speakers: Neil Chapman, Towers Watson and Simon Richards, Insight Investment

Level: No prior knowledge required

G7: The greatest challenge facing ageing societies

The session will set out the context of the long term care funding debate internationally and then specifically within the UK. In particular it will examine demographic trends, the implications of longevity on funding solutions for long term care and the conclusions of the Dilnot Commission on long term care. It will then discuss the potential for financial services and insurance solutions to meet the care funding needs of these populations, with particular focus on current financial products and likely areas of innovation.

Speakers: Steve Groves, Partnership and Cord-Roland Rinke, Hannover Life Re Germany

Level: No prior knowledge required

G8: Groups issues and structures

Groups issues are a myriad of possible permutations and many insurers are considering optimisation for Solvency II. This presentation will cover:

- possible structures and those that work well under Solvency II
- equivalence/non-equivalence and branches.

Speakers: Catherine Henshall, Deloitte LLP and speaker tbc

Level: No prior knowledge required

G9: Practicalities with implementing tax within Solvency II

The disappearance of the Financial Services Authority returns due to Solvency II means there are fundamental changes to the way life insurance taxation will operate in the UK. This session covers:

- what has the HRMC announced to date?
- what are the options available?
- what will happen and when?
- what are the implications of regulatory returns disappearing?

Speakers: Gavin Coates and Jeanette Cook, KPMG LLP

Level: No prior knowledge required

G10: Impact of IFRS4 Phase II – a rating agency perspective

- Is the proposed new IFRS insurance accounting standard finally the “real thing”?
- will it really increase consistency, comparability and understandability for users of accounts?
- will it reduce the cost of capital for insurers and attract more investors?
- this session considers the potential impact on insurers, from an insurance analyst’s perspective.

Speakers: Harish Gohil and Andrew Murray, Fitch Ratings

Level: No prior knowledge required

Workshop sessions

G11: Sovereign credit-risk and international mergers and acquisitions

International

Many firms pursue international strategies in territories where domestic government debt is rated well below AAA. This talk will:

- contrast the different shareholder issues this raises for international insurers vs purely domestic players
- consider arguments for and against “wrapping” the domestic government debt and identify an MCEV blindspot
- develop an argument as to why government bonds (not swaps) represent a suitable starting point for regulatory valuations.

Speaker: Bernhard Bergman, Aviva Europe

Level: No prior knowledge required

G12: Cut out the reinsurer - do it yourself

International

Perry and Jason will discuss the reasons why a multi-national insurance company might establish their own captive. Drawing on their own experiences, they will cover the analytical, practical and political reasons for setting up, or not setting up, a captive. This will include case studies and highlight many un-intended consequences.

Speakers: Jason Hurley, RGA and Perry Thomas, HSBC

Level: No prior knowledge required

Conference information

The Conference venue

Liverpool is a hugely diverse city bursting with life, music, colour and culture. Famous as the birthplace of the Beatles, Liverpool also has more theatres, museums and art galleries than any other UK city outside London. With its fascinating history and world-class cultural scene, combined with vast shopping, great nightlife, many restaurants and bars plus recently celebrating Liverpool's 800th birthday in 2007 and being the European Capital of Culture in 2008, Liverpool is an exceptional place to visit.

BT Convention Centre Liverpool
Kings Dock, Liverpool Waterfront
Liverpool
L3 4FP
UK

Tel: +44 (0)151 475 8888
Email: info@accliverpool.com
Web: <http://www.btconventioncentre.com>

Travel information

Liverpool and the BT Convention Centre are easily connected by all forms of transport, locally, nationally and internationally.

By air

Liverpool John Lennon International Airport, unlike other major city airports, is just seven miles from the city centre. KLM, Ryanair and easyJet are some of the major carriers flying into Liverpool from cities across Europe. A taxi from the airport to the city centre will take approximately 20 minutes or the express bus service Route 500 will take approximately 25 minutes, dropping you off within a five minute walk of BT Convention Centre.

Manchester International Airport is also just a 45 minute drive from Liverpool, while there is a direct rail link between the airport and Liverpool Lime Street station which takes just one hour. National Express coaches also run approximately every hour and link Manchester airport with Liverpool city centre in just 45 minutes.

By rail

Services run from all major towns and cities across the country into Liverpool Lime Street station. For further information go to: www.nationalrail.co.uk or call: +44 (0)8457 484950.

Virgin Trains operate hourly, direct services from London Euston to Liverpool Lime Street (with a journey time of just over two hours). Other long-distance rail services also operate into Liverpool Lime Street station. Book tickets at:

www.virgintrains.co.uk

The BT Convention Centre is a 20 minute walk from Lime Street station or a short taxi ride for approximately £5. You can also transfer at Lime Street station onto the underground Wirral line

trains to James Street station, a ten minute walk to the BT Convention Centre. Alternatively you can catch the CityLink bus route C4 (7am - 8pm) directly to the Convention Centre.

For up to date travel information for bus, train or ferry services, call Traveline Merseyside on +44 (0)871 200 2233. The Traveline is open from 08.00 - 20.00 every day of the week.

By car

From the north:

- take the M6 to junction 26 and follow signs for the M58 Liverpool
- travel to the end of the M58 and follow signs for the A59 Liverpool
- continue to follow the A59 city centre, until you see signs for the Albert Dock
- carry on past, with the Albert dock on your right and follow signs for Kings Waterfront parking, which will direct you into the Convention Centre's multi-storey car park.

From the south:

- take the M6 to junction 21A and then the M62 to Liverpool
- follow signs for the city centre until you see signs for the Albert Dock.
- carry on past, with the Albert Dock on your right and follow signs for Kings Waterfront parking, which will direct you to the Convention Centre's multi-storey car park.

Accommodation

Delegates are responsible for making their own accommodation arrangements. We have negotiated rates at various hotels within the city centre. Bookings can be made directly with the Liverpool Convention Bureau. Further information regarding the hotels can be found on page 31 of the brochure.

Book your accommodation online at:

www.conferencebookings.co.uk/delegate/TMPLIFE2011.

Conference information

Exhibition and sponsorship

The Life Conference and Exhibition is the premier professional event for life actuaries and is attended by more than 900 delegates. You can be part of this by exhibiting or by sponsoring an item given to the delegates.

The Exhibition will take place in a purpose built exhibition space. All lunches and refreshment breaks will take place in the exhibition area.

For more information contact:

Petrina Parnell

The Event Management Division

The Actuarial Profession

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Session presentation slides

Session presentation slides, where provided by speakers in advance of the Conference, will be placed on the Actuarial Profession's website prior to the Conference. Delegates will be given an access code in their joining instructions to enable them to view these in advance of the Conference.

Continuing professional development (CPD)

Members of the Actuarial Profession may find this event a useful contribution to their personal development and CPD needs. The amount of verifiable hours recorded is left to the discretion of the individual. However, a maximum of 12.25 hours may be recorded.

Hot topic sessions

The Life Conference committee will be choosing the current hot topics in Autumn 2011. If you have any suggestions for a hot topic please contact:

Hannah Bolton (hannah.bolton@actuaries.org.uk).

The hot topic sessions will be emailed to all registered delegates and will need to be chosen in advance of the conference.

Social events

The dress code for the duration of the Conference including social events is business casual. As part of the Conference, the following events have been arranged for your enjoyment:

Sunday 20 November	
18.00 - 20.00	Opening reception An informal buffet dinner will be held in the exhibition area at the BT Convention Centre. This will be your first chance to catch up with your colleagues and explore the exhibition.
21.15 - 23.00	An evening with the Beatles Enjoy the drinks reception while listening to music from a Beatles tribute band and find out all about the most famous band from Liverpool.
Monday 21 November	
19.00 - 19.30	Drinks reception at the BT Convention Centre Delegates have the opportunity to join the drinks reception from 19.00 to socialise with colleagues prior to dinner.
19.30 - 23.30	Conference dinner and entertainment Delegates will be served a three-course meal while enjoying a sixties spectacular. Do feel free to dress up if you wish.

Conference information

Conference fee

The conference fee includes all administration, access to speakers' presentations, refreshments, lunches, and dinner on both Sunday and Monday evening, as detailed in the programme.

The fee DOES NOT include accommodation.

	On/before 20 September	After 20 September
Conference fee	£1,095	£1,195
Member's discount	£100	£100
Member of the Profession	£995	£1,095

All conference fees are VAT exempt.

No refunds will be given after 20 September 2011.

A limited number of bursaries are available at this event for members of the Actuarial Profession who are not in remunerative employment or who work within a university.

Group discounts for six or more delegates from the same company are available, either by booking online or by returning the booking forms to the Events division at the same time.

For further information please contact the Event Management Division on: +44 (0)20 7632 1498 or eventmanagement@actuaries.org.uk.

Cancellations

Cancellations of a Conference place must be made in writing. Cancellation of a confirmed place will be subject to an administrative charge of 20% of the total fee. **There will be no refund for cancellations received after Tuesday 20 September.** Substitutions are acceptable, but please inform the Events team (eventmanagement@actuaries.org.uk) of any changes prior to the Conference.

Booking your place

If you wish to attend the Life Conference 2011, you can book online and pay by BACs, cheque or credit card at:

<https://www.eventsforce.net/tap/165/register>

Please ensure you quote the invoice number, ARN/delegate name, and event name when making any payment.

Cheques should be made payable to the 'Institute and Faculty of Actuaries' and sent to:

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London WC1V 7QJ, UK

Fax: +44 (0)20 7632 2171

All successful applications will be confirmed by email. Please ensure your email address is clearly written on the booking form.

Please note: All outstanding payments must be received prior to registering onsite. If you have an outstanding balance when you arrive onsite you will be asked to provide a credit card guarantee for the outstanding amount. Your card will not be charged if payment is received within two weeks following the conference. If payment has not been received by that point your credit card will be charged for the full amount outstanding. If paying by BACs, please include the invoice number and ARN on your remittance and send a copy to the address above.

Please send the completed booking form to:

Event Management Division
The Actuarial Profession
Staple Inn Hall
High Holborn
London
WC1V 7QJ
UK
Fax: +44 (0)20 7632 2141

Life Conference and Exhibition 2011 booking form

20 November - 22 November

Book on-line at <https://www.eventsforce.net/tap/165/register>

PLEASE COMPLETE IN BLOCK CAPITALS AND TICK WHERE APPROPRIATE

ARN:	Surname:	Title:	Initials:
Forename(s):		Full name for badge:	
Company:			
Mailing address:			
		Postcode:	
Tel:		Mobile:	
Email:			
Dietary requirements:			
Do you require facilities for the disabled?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, please give details			

Fees

	On/before 20 September	After 20 September
Conference fee	£1095	£1195
Member's discount	£100	£100
<input type="checkbox"/> I am a member of the Profession	£995	£1095

All conference fees are VAT exempt

Payment (Please tick below)

- I enclose a cheque made payable to 'The Institute and Faculty of Actuaries'
- I will be paying by credit card and will register online at: <https://www.eventsforce.net/tap/165/register>
(There is no need to return this form if you are registering online)
- I will be paying by BACs. Bank details: sort code: 56-00-20
account number: 08671990
(Please quote your invoice number and ARN on your remittance)

For office use only: JEV CPC111120

- Please tick this box if you do not wish your details to be included on the delegate list.

Please return this form and the workshop booking forms to the Event Management Division, The Actuarial Profession, Staple Inn Hall, High Holborn, London, WC1V 7QJ, UK. Fax: +44 (0)20 7632 2141 by **20 September**. All successful applications will be confirmed by email with joining instructions one month prior to the event. Please ensure your email address is clearly written on the application form.

For information on group discounts when booking six or more delegates from the same company please call the Event Management Division on: +44 (0)20 7632 1498.

Booking your place

You can book online and pay by BACs, cheque or credit card by going to: <https://www.eventsforce.net/tap/165/register>.

Please note: All delegate payments must be received prior to registering on site. If you have an outstanding balance when you arrive on site, you will be asked to settle the amount by credit card before you collect your conference materials (we do not accept Amex).

Online registrations will not be available after 20 October 2011 and delegates sending in booking forms received after this date are required to settle the delegate fee by credit card (a member of the Event Management Division will telephone you for your details), unless the form is accompanied by a BACs remittance advice or cheque.

Purchase order numbers: If your accounts payable department requires a purchase order number on the delegate payment invoice, please ensure that they provide the number on the booking form before submitting to the Event Management Division. This will avoid any unnecessary delays.

Cancellations

Cancellation of a Conference place will be subject to an administrative charge of 20% of the total fee. There will be no refund for cancellations advised after 20 September 2011. Substitutions are acceptable, but please inform the events team: eventmanagement@actuaries.org.uk of any change prior to the Conference.

Cancellation of accommodation must be made directly with the hotel and is subject to their cancellation policy.

Please turn over to select your workshop session choices.

Once completed, please fax this form to
+44 (0)20 7632 2141

Life Conference and Exhibition 2011 workshop booking form

Please indicate your 1st and 2nd choice for each of the six workshop sessions, by placing the numbers 1 and 2 in the relevant boxes.

Name: _____ ARN: _____

Company: _____

Workshop session A

- | | |
|--|--------------------------|
| A1: Using Least-Squares Monte Carlo for capital calculation | <input type="checkbox"/> |
| A2: Differentiation or discrimination? | <input type="checkbox"/> |
| A3: Automated underwriting: the hidden strategic value | <input type="checkbox"/> |
| A4: Fractal markets | <input type="checkbox"/> |
| A5: Science non-fiction: genetics and insurance | <input type="checkbox"/> |
| A6: Closed block consolidation in Europe | <input type="checkbox"/> |
| A7: How to practically hedge the Solvency II risk-free rate | <input type="checkbox"/> |
| A8: Liabilities as an asset...fad, friend or foe? | <input type="checkbox"/> |
| A9: Current challenges in product pricing | <input type="checkbox"/> |
| A10: The changing landscape of with-profits business | <input type="checkbox"/> |
| A11: What about the customer? | <input type="checkbox"/> |
| A12: Measure for measure: value creation metrics in life - how to define return and reward performance | <input type="checkbox"/> |

Workshop session B

- | | |
|--|--------------------------|
| B1: Using operational risk to deliver shareholder value and meet regulatory expectations | <input type="checkbox"/> |
| B2: ORSA | <input type="checkbox"/> |
| B3: Capital aggregation under Solvency II | <input type="checkbox"/> |
| B4: The Bermuda Triangle - will all be lost under Solvency II? | <input type="checkbox"/> |
| B5: Tax after Solvency II | <input type="checkbox"/> |
| B6: Making insurance less sexy | <input type="checkbox"/> |
| B7: The future of the Actuarial Function | <input type="checkbox"/> |
| B8: Has mortality pricing gone mad? | <input type="checkbox"/> |
| B9: IFRS 4 Phase 2 - it's time to get serious | <input type="checkbox"/> |
| B10: Opening the bonnet on economic scenario generation for Solvency II | <input type="checkbox"/> |
| B11: Can annuity writers hedge their interest and inflation risk? | <input type="checkbox"/> |
| B12: The UK life market in 2011 and beyond - a rating agency perspective | <input type="checkbox"/> |

Workshop session C

- | | |
|--|--------------------------|
| C1: Embedding a daily solvency monitoring capability for risk management under Solvency II | <input type="checkbox"/> |
| C2: Developing an internal model for a medium-sized company | <input type="checkbox"/> |
| C3: Solvency II risk-adjusted performance measures | <input type="checkbox"/> |
| C4: Extreme value theory for calibrating 1-in-200 stress tests | <input type="checkbox"/> |



Life Conference and Exhibition 2011 workshop booking form

C5: When your clients know more than you do - anti-selection and its consequences	<input type="checkbox"/>
C6: Transferring business overseas	<input type="checkbox"/>
C7: What alternative investments are of interest to life companies?	<input type="checkbox"/>
C8: Market reporting - getting your message across to create value	<input type="checkbox"/>
C9: Life insurance products - why do we under-sell our products?	<input type="checkbox"/>
C10: Current and future reserving practices for healthcare products	<input type="checkbox"/>
C11: Bringing Solvency II to life	<input type="checkbox"/>
C12: International experience of internal model approval - a level playing field?	<input type="checkbox"/>

Workshop session D

D1: The life industry in China	<input type="checkbox"/>
D2: War games: using interactive workshops to communicate Solvency II capabilities	<input type="checkbox"/>
D3: Death by PowerPoint: why are we still killing people?	<input type="checkbox"/>
D4: Why are accountants better insurance company CFO's than actuaries?	<input type="checkbox"/>
D5: Effective execution of transactions	<input type="checkbox"/>
D6: NLP - the language of the mind	<input type="checkbox"/>
D7: Alternative careers and future of the insurance actuary	<input type="checkbox"/>
D8: Knowledge management in the actuarial world	<input type="checkbox"/>
D9: Applying the insurance TAS - early reports from the front line	<input type="checkbox"/>
D10: Emotional intelligence - do emotionally intelligent actuaries exist?	<input type="checkbox"/>
D11: Not quite the 'TAS-maniac devil'	<input type="checkbox"/>
D12: Ex-post justification (the dangers of plausible explanations)	<input type="checkbox"/>

Workshop session E

E1: Counterparty risks within groups	<input type="checkbox"/>
E2: Capital projections - evolution or revolution?	<input type="checkbox"/>
E3: Solvency II internal model - a case study: implementation challenges and achieving business benefits	<input type="checkbox"/>
E4: Stress testing and scenario modelling of longevity	<input type="checkbox"/>
E5: Life's cheap, but who's buying?	<input type="checkbox"/>
E6: Takaful and retakaful - challenges and opportunities for actuaries	<input type="checkbox"/>
E7: Liquidity and investment strategy	<input type="checkbox"/>
E8: The developing role of the Actuarial Function	<input type="checkbox"/>
E9: Solvency II: regulatory round-up and steps to implementation	<input type="checkbox"/>
E10: With-profits: increased focus in declining funds	<input type="checkbox"/>
E11: Embedding stress testing as part of an integrated risk management framework	<input type="checkbox"/>
E12: Who would be a product actuary - top 10 issues and how they all fit together	<input type="checkbox"/>

Life Conference and Exhibition 2011 workshop booking form

Workshop session F

F1: Developments in reverse stress testing	<input type="checkbox"/>
F2: The Solvency II switchover - the challenges with transition	<input type="checkbox"/>
F3: Efficient curve fitting techniques	<input type="checkbox"/>
F4: Mortality models for multiple populations using covariates	<input type="checkbox"/>
F5: Microinsurance - a transformative experience for actuaries without borders	<input type="checkbox"/>
F6: Assets within personalised unit-linked funds - does default matter?	<input type="checkbox"/>
F7: Solvency II - will it radically change the purchasing of reinsurance?	<input type="checkbox"/>
F8: Prudential and Solvency II: internal model calibration is a key challenge for Solvency II	<input type="checkbox"/>
F9: Debate: death of innovation, or age of maturity	<input type="checkbox"/>
F10: Questioning the future of MCEV/EEV in Solvency II world	<input type="checkbox"/>
F11: The role of the actuary in risk management/ERM	<input type="checkbox"/>
F12: Financial and regulatory reporting: parallels with the banking industry and implications for capital management	<input type="checkbox"/>

Workshop session G

G1: Stable measures of risk capital	<input type="checkbox"/>
G2: The need for actuaries to embrace new technology	<input type="checkbox"/>
G3: How can actuaries transform the effectiveness of consumer information?	<input type="checkbox"/>
G4: Maximising the value of distribution in a changing landscape	<input type="checkbox"/>
G5: The impact of cancer trends on life insurers - a worldwide perspective	<input type="checkbox"/>
G6: Impact of Solvency II on investment strategy and the financial markets	<input type="checkbox"/>
G7: The greatest challenge facing ageing societies	<input type="checkbox"/>
G8: Groups issues and structures	<input type="checkbox"/>
G9: Practicalities with implementing tax within Solvency II	<input type="checkbox"/>
G10: Impact of IFRS4 Phase II - a rating agency perspective	<input type="checkbox"/>
G11: Sovereign credit-risk and international mergers and acquisitions	<input type="checkbox"/>
G12: Cut out the reinsurer - do it yourself	<input type="checkbox"/>



Hotel information

For further information on available hotels and to book a room please go to:

www.conferencebookings.co.uk/delegate/TMPLIFE2011

Hotel	Single occupancy (incl VAT)	Distance from the BT Convention Centre
Jury's Inn 3* Tel: +44 (0)151 244 3777	£82.00 (bed and breakfast)	On site hotel
Staybridge Suites 4* Tel: +44 (0)151 703 9710	£125.00 (studio suite, bed and breakfast)	On site hotel
Express by Holiday Inn Albert Dock (Budget hotel) Tel: +44 (0)844 875 7575	£85.00 (bed and breakfast)	2 minutes walk
Premier Inn Liverpool Albert Dock (Budget hotel) Tel: +44 (0)871 527 8622	£84.00 (bed and breakfast)	2 minutes walk
Hilton Liverpool 4* Tel: +44 (0)800 804 8922	£155.00 (bed and breakfast)	5 minutes walk
Hotel Ibis (Budget hotel) Tel: +44 (0)151 706 9800	£71.00 (bed and breakfast)	5 minutes walk
Bridgestreet Apartments 4* Tel: +44 (0)151 232 2200	£89.00 (one bedroom apartment, self-catered)	7 minutes walk
Days Inn 3* Tel: +44 (0)151 203 1910	£75.00 (bed and breakfast)	7 minutes walk
Hampton by Hilton Liverpool City Centre 3* Tel: +44 (0)151 702 6200	£99.00 (bed and breakfast)	7 minutes walk
Novotel Liverpool 4* Tel: +44 (0)151 702 5100	£105.00 (bed and breakfast)	10 minutes walk
Altantic Tower by Thistle 4* Tel: +44 (0)871 376 9025	£90.00 (bed and breakfast)	15 minutes walk/5 minutes by taxi
Crowne Plaza Liverpool 4* Tel: +44 (0)151 243 8000	£122.25 (bed and breakfast)	15 minutes walk/5 minutes by taxi
Malmaison Hotel Liverpool 3* Tel: +44 (0)151 229 5000	£110.00 (room only)	15 minutes walk/5 minutes by taxi
Hotel Indigo 4* Tel: +44 (0)151 559 0111	£125.00 (double occupancy, bed and breakfast)	15 minutes walk/5 minutes by taxi
Hope Street Hotel 4* Tel: +44 (0)151 709 3000	£130.00 (bed and breakfast)	20 minutes walk/5 minutes by taxi
Radisson BLU Hotel 4* Tel: +44 (0)151 966 1500	£110.00 (room only)	20 minutes walk/5 minutes by taxi
Hard Days Night 4* Tel: +44 (0)151 236 1964	£140.00 (bed and breakfast)	20 minutes walk/5 minutes by taxi

CPD Year 2010/2011
Remember to log your
CPD hours before 31 July 2011



Dates for your diary 2011

Solvency II

20 July

London

Emerging Trends in Mortality and Longevity Symposium 2011

13 - 14 September

Coventry

ORSA

29 September

London

CILA II

6 October

London

Solvency Bases

12 October

London

Momentum Conference 2011

30 November - 2 December

Manchester

Save the dates 2012

Health and Care Conference 2012

9 - 11 May

Manchester

Life Conference and Exhibition 2012

4 - 6 November

Brussels



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