ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

New York
7—9 July 2010
London
14—16 September 2010

ENTERPRISE RISK MANAGEMENT TECHNIQUES AND PRACTICES

Phoenix
7—9 December 2010

call— +44 (0)870 240 8859
+1 212 457 7789
email— traininginfo@incisivemedia.com
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ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

About the courses

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 maximized. Risk optimization 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.
- Preperation 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/ ERM at a strategic level and realize 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

This course is intense. Be prepared to roll up your sleeves!

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 realized 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 organizations, 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.

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ENTERPRISE RISK MANAGEMENT TECHNIQUES AND PRACTICES

Who should attend?

Advancements over the past decade combined with the lessons learned from the recent global financial crisis have substantially increased the value that can be realized from implementing effective Enterprise Risk Management. Sophisticated techniques are now in widespread use for quantifying and managing financial and non-financial risks. Companies are becoming more effective at using ERM as a strategic decision making framework to run the business. Risk optimization is being used to achieve dramatic results within a risk management framework. While there still exists a wide range of practice among companies, industry best practices continue to emerge and evolve. Course participants include:

Chief Risk Officers looking to gain further depth and able to participate in an exchange of emerging risk practices with other CROs and risk professionals

Senior Executives looking to stay on top of latest developments in ERM and learn how to implement ERM as a strategic decision making framework

Board Directors ultimately responsible for the risk management of the company who want to gain a more in-depth understanding of ERM

Actuaries looking to acquire practical knowledge of ERM techniques and practices

Chartered Enterprise Risk Analysts and other Risk Professionals already well acquainted with quantitative theory and practices wanting to stay on top of the latest techniques and practices

Regulators and Rating Agency Analysts wanting to keep up with the latest techniques and approaches

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 by far the best course I have ever attended." *Hong Kong*

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

"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*

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

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

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

"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*

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Course materials

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 who register by will receive this valuable course material.

Pre-course package

1. **Detailed course overview**
2. **Pre-Reading Package**
3. **Bibliography/List of suggested background readings**
4. **SOA ALM specialty guide**
5. **Survey questionnaire**

On-site Package

1. **Hand-outs of All Presentations (Bound Copy and CD)**
2. **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
3. **Case Study Material**
   - Annual reports
   - Regulatory frameworks regarding risk management
4. **Sample Policy Templates**
   - ALM Policy Statement and Procedure Manual
5. **Sample ALM Report Template**
6. **ALM Committee Package**
   - Agenda
   - Minutes
   - Reports
7. **Group Assignments**

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About

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*

Risk is the undisputed number one publication for financial risk managers, derivatives dealers, corporate hedgers and institutional investors. 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 UK, Europe, North America, Asia, 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.

We believe that education, the meeting of minds and sharing of best practice is critical for the functioning and development of the financial markets. Our aim has always been to provide honest independent training on business critical matters, to respond swiftly to changing regulation and to provide clients with the knowledge they need to advance in their careers.

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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. Mr. Gilbert works with several insurance and reinsurance companies worldwide to implement and execute dynamic hedging programs, Asset Liability Management and Enterprise Risk Management.

Mr. Gilbert 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. Mr. Gilbert was also responsible for launching one of the first dynamic hedging initiatives for a major actuarial consulting firm in 2000 and is recognized as a thought leader in ERM and ALM.

Mr. Gilbert 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.

Robert M. Mark, PhD

Robert M. Mark is the Founding Chief Executive Officer of Black Diamond Risk which provides corporate governance, risk management consulting, risk software tools and transaction services. Dr. Mark is also the Founding Executive Director of the Masters of Financial Engineering Program at the UCLA Anderson School of Management. In 1998, he was awarded the Financial Risk Manager of the Year by the Global Association of Risk Professionals. He is the Vice Chairperson of the Board of the Professional Risk Managers' International Association.

Previously, Dr. Mark was Senior Executive Vice-President and Chief Risk Officer at the Canadian Imperial Bank of Commerce where he had global responsibility for all credit, market, and operating risks for CIBC and its subsidiaries.

Dr. Mark is an Adjunct Professor and co-author of Risk Management (2000) and The Essentials of Risk Management (2005).
Dr. Mark served on the board of ISDA as well as the Chairperson of the National Asset/ Liability Management Association.

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Course tutors:

Max J. Rudolph, FSA, CFA, CERA, MAAA

Max J. Rudolph is the founder of Rudolph Financial Consulting, LLC focusing on risk management tools to help organizations make better decisions. He has over 25 years of financial modeling expertise and has implemented best practice strategies related to Asset Liability Management, Enterprise Risk Management, liquidity, capital management and emerging risks. Mr. Rudolph has conducted research on emerging risks and ERM Practices and has created on-line modules on Investment and ERM topics for the Society of Actuaries.

Previously, Mr. Rudolph was Vice President, Financial Risk Management, for Mutual of Omaha Insurance Company and was named a thought leader in ERM by the Society of Actuaries.

Mr. Rudolph has held several leadership positions within the Society of Actuaries and is a frequent speaker and moderator at industry gatherings. He is an award winning author who frequently presents and writes on how to implement various tools given limited resources.

Andrew Smith, BA

Andrew D. Smith is Partner with Deloitte in London, England. He leads a team of analysts and IT specialists who develop, support and market Deloitte's flagship capital market modelling technology: The Smith Model.

For many years Mr. Smith has been at the forefront of developing stochastic investment models for use in Asset Liability Management and pricing. He has led technical projects on multinational arbitrage-free yield curve models and ways of modelling discontinuous price processes. He has also worked with stochastic models on the liability side.

Mr. Smith has published many award winning papers in insurance, pensions and financial matters. Mr. Smith serves actively on a number of professional working parties. He is frequently quoted in the press, and is widely respected as an entertaining and informative conference speaker. Readers of The Actuary magazine in 2003 voted Mr. Smith the second greatest British actuary ever.

ASSET LIABILITY MANAGEMENT TECHNIQUES AND PRACTICES

CFA Institute

CE Qualified Activity

CFA Institute has approved this program, offered by Nexus Risk Management, for 19 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.

Day 1

New York
Wednesday 7 July 2010
London
Tuesday 14 September 2010

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	

Day 2

New York
Thursday 8 July 2010
London
Wednesday 15 September 2010

0800	Breakfast
0830	**Lecture**
L8	Policies and Control Procedures
0900	**Applications**
A4	Formulate ALM Strategies
1000	Break
1015	**Case Study**
C3	Rebalance Portfolio to Within Risk Limits
C4	Measure Impact of Change in Interest Rates
1200	Lunch

Day 3

New York
Friday 9 July 2010
London
Thursday 16 September 2010

0800	Breakfast
0900	**Lecture**
L12	Risk Reporting and Communication
L13	Investment Strategy and Portfolio Optimization
1030	Break
1045	**Case Study**
C7	Working Session Prepare Presentations for Case Study
1200	Lunch
1300	**Case study**
	Participate in mock ALM committee meeting
1500	Review

1330	**Lecture**	
L5	Term Structure of Interest Rates	
1400	**Applications**	
A1	Derive Spot Rate Curve Using Bootstrapping Techniques	
A2	Calculate Implied Forward Curve	
1445	Break	
1500	**Lecture**	
L6	Market Consistent Valuation	
L7	Exotic Derivative Structures	
1615	**Applications**	
A3	Pricing Investment Guarantees	
A4	Value Assets and Liabilities	
1730	**Reception with faculty/informal Q&A**	
1930	End	

1300	**Applications**
L9	Calculate Risk Metrics and Analyse Exposure
L10	Quantify Interest Rate Risk Exposure
1400	**Case Study**
C5	Rebalance Portfolio to Within Risk Limits
C5	Measure Impact of Change in Interest Rates
1530	Break
1545	**Lecture**
L11	Dynamic Hedging
1700	End

1600	End of Techniques and Practices

All lectures and course materials will be conducted in English.

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.

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ENTERPRISE RISK MANAGEMENT TECHNIQUES AND PRACTICES

CFA Institute
CE Qualified Activity

CFA Institute has approved this program, offered by Nexus Risk Management, 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.

Day 1
Phoenix
Tuesday 7 December 2010

0730 Registration and Breakfast

0830 **Welcome and Introductions**

0845 **Lecture**
L1 Overview of ERM Practices
L2 Lessons from the Global Financial Crisis

1000 Break

1015 **Case Study**
C1 Identify Successes and Failures of Leading Companies

1130 **Lecture**
L3 Implementation of a Strategic ERM Framework

1200 Lunch

Day 2
Phoenix
Wednesday 8 December 2010

0800 Breakfast

0830 **Lecture**
L8 Risk Measures and Monitoring
L9 Risk Prioritization
L10 Economic Capital

1030 Break

1045 **Lecture**
L11 Risk Aggregation, Diversification and Concentration

1115 **Case Study**
C3 Prepare Risk Report for Risk Committee

1200 Lunch

Day 3
Phoenix
Thursday 9 December 2010

0800 Breakfast

0830 **Lectures**
L18 Effective Strategies and Incentives
L19 Leveraging ERM to Manage the Firm

0930 **Case Study**
C6 Evaluating Hedging Strategies

1000 **Lecture**
L20 Effective Communications

1030 Break

1045 **Case Study**
Working Session – Prepare presentations for Case Study C5

1200 Lunch

1300 **Lecture**
L4 Categories of Risks and Strategies
L5 Identifying Sources of Risks

1400 **Applications**
A1 Provide Description of Risks for Risk Inventory

1445 Break

1500 **Lecture**
L6 A Process for Determining Risk Appetite

1545 **Case Study**
C2 Draft Risk Appetite Statement (prepare PPT for Risk Committee)

1700 **Lecture**
L7 Risk Tolerance, Risk Limits and Constraints

1730 **Reception with faculty/informal Q&A**

1930 End

1300 **Lecture**
L12 Building a Risk Management Culture
L13 Organizational Structure

1345 **Lecture**
L14 Risk Response and the Risk Control Process
L15 Active Risk Taking Process

1445 Break

1500 **Case Study**
C4 Implementing Process Controls

1545 **Lecture**
L16 Emerging Risk and Extreme Event Risk Management

1615 **Lecture**
L17 Rating Agency and Regulatory Developments

1645 **Case Study**
C5 Evaluate Quality of ERM Using Risk Assessment Criteria

1700 End

1300 **Case Study**
C5 Participate in Mock Risk Committee Meeting

1500 Review

1600 End of Techniques and Practices

All lectures and course materials will be conducted in English.

Application

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Risk training | NEXUS RISK MANAGEMENT | Society of Actuaries

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Registration form

Prices

Your registration fee includes morning and afternoon refreshments, lunch and your seminar materials. *Prices exclude VAT@17.5%

Asset liability management techniques and practices

New York

Early bird (before 28th April)	
Fee:	**$4700 (save $900)**
Early bird (before 28th May)	
Fee:	**$5150 (save$450)**
Full price:	**$5600**

London

Early bird (before 30th July)	
Fee:	**£3000* (save £500)**
Early bird (before 20th August)	
Fee:	**£3250* (save £250)**
Full price	**£3500***

Enterprise risk management and techniques and practices

Phoenix

Early bird (before 15th October)	
Fee:	**$4700 (save $900)**
Early bird (before 12th November)	
Fee:	**$5150 (save $450)**
Full price	**$5600**

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