

2022 AICT-SOA Joint Seminar

Session information

Time	Title	Outline
09:10 - 10:10	Session 1 The Future of China's Life Insurance Market	Headwinds have been observed in China's life insurance industry in recent years. This has given rise to questions if China's life insurance market is saturated, and if not, what prerequisites it will take for the industry to regain momentum. This session aims to address the above questions by analyzing the long-term potential of the industry and demystifying the market misperceptions and short-term challenges faced by the industry. In the end, a set of reformative initiatives had been put forward for the industry to realize the long-term potentials.
10:10 - 10:40	Session 2 Applications of Reinsurance for Product Development	In a constantly changing world at an unprecedented time with an ongoing Ukraine-Russia war while the world is still largely suffering from covid, this presentation examines how reinsurance can be used to further new business development in a life insurance context beyond the traditional role as a capacity provider. Reinsurers have transformed to provide a spectrum of solutions from innovative product designs, underwriting driven solutions, data driven solutions and financial driven solutions, leveraging on their strength in data analytics, financial stability and expert knowledge on risks.
10:40 - 11:10	Session 3 Hedging Interest Rate Risk	Insurance markets in Asia Pacific are going through an era of rapid change in their regulatory solvency regimes. It is expected that new fair value based valuation and modernizing solvency regime trends across the world will impact insurers' risk management activities in many ways. Especially, the interest rate risk is becoming the key risk for many life insurance companies with long duration contracts. In this session, we will have a look at how using derivatives to hedge interest rate risk can effectively reduce interest risk and what are the considerations and potential issues in the hedging process, especially for insurers in Asia.
11:30 - 12:30	Session 4 The Future of Management Information and Key Performance Indicators Under IFRS17	IFRS 17 will not change the amount of profit you make over the lifetime of your insurance business, but it has the potential to massively shift the trajectory of these profits. The impact will not just be felt in your financial statements, but also many of the key performance indicators (KPIs) that you use to run your business and which shape how your business is judged by analysts and investors. In this session, we will have a look at the suite of KPIs communicated to the markets by insurance companies and assess how these metrics are likely to be affected by IFRS 17 and how companies, especially insurers in Asia, may need to respond to this.

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14:00 - 15:00	Session 5 Capital Management and Product Strategy	<p>The upcoming introductions of IFRS 17 and ICS-like capital regimes are forcing life insurance companies to review several aspects of their strategy. In particular, product strategy and volatility management are the two areas of particular focus for insurance professionals and actuaries.</p> <p>In this session, we are going to discuss the implications of moving to these economic balance sheet regimes on the product strategy of companies. We will first examine the key technical requirements and explore similarities between the two different frameworks. We will then explain the impact of these on key financials for key life insurance products sold in selected markets in Asia. We will finally discuss the impact on product strategy and product development process with considerations being also given to the impact on capital management.</p>
15:00 - 16:00	Session 6 Implications of Climate Change for Life Insurer's Risk Modelling and Strategic Asset Allocation	<p>Climate change poses a significant threat across many regions and sectors, and businesses. Insurers and asset managers, must play a role in ensuring transparency around climate related risks and opportunities. This presentation will discuss the strengths and weaknesses of various climate-based scenario analysis methodologies, assess the long-term macroeconomic effects of climate change across a range of countries and highlight the use of carbon prices as a financial factor to help assess the impact of transition risk on the economy and investment portfolios. We will conclude by illustrating our approach for integrating climate change pathways into stochastic scenario generation.</p>