

**REPORT ON THE
1ST INTERNATIONAL IAA LIFE COLLOQUIUM
AND THE
16TH INTERNATIONAL AFIR COLLOQUIUM,
STOCKHOLM, 10-15 JUNE, 2007**

Svenska Aktuariieföreningen (the Swedish Society of Actuaries) had the honour and privilege to organise two colloquia in June 2007, 10-13 June the 1st IAA Life Colloquium and 12-15 June the 16th International AFIR Colloquium.

We had the pleasure to welcome 117 participants to the Life and 109 to the AFIR Colloquium of whom 43 did participate in both. The participants were besides from the Nordic countries mainly Europeans but we also had the pleasure to receive a number of participants from further away like the Americas, Asia and Oceania.

The venue was a refurbished 17th century country house (now in central Stockholm) with all modern technology available with a central meeting room for plenary sessions etc. and a number of smaller meeting rooms for the break-out sessions. The social programme included a boat-trip to the Royal Palace of Drottningholm with guided tours of not only part of the 17th century Palace itself but also of the unique 17th century theatre (both world cultural heritage sites). The Colloquia dinner, kindly sponsored, was organised at the Skansen museum.

The participants of the AFIR Colloquium were also invited to attend a seminar organised by the CEA General Assembly (Comité Européen des Assurances), the organisation of European insurance companies, followed by the CEA banquet in the Stockholm City Hall (venue of the annual Nobel Price banquet).

Summary of the scientific part of the 1st International IAA Life Colloquium

Invited speakers

- Prof. Angus Macdonald, Department of Actuarial Mathematics and Statistics, Heriot-Watt University, Edinburgh, and The Maxwell Institute for Mathematical Sciences; *Complex Genetic Risks: The Implications for Insurance*
- Prof. Ermanno Pitacco, Department of Applied Mathematics, University of Trieste; *Mortality and Longevity: a Risk Management Perspective*
- Dr. John Wieacker, SCOR Global Life; *Financial Life Reinsurance in a new Regulatory Environment*

Main Scope

Being the first IAA Life Colloquium the number of contributions was, perhaps, modest, but the quality of the papers received was excellent and it was no

problem to organise a full colloquium with good quality presentations. No parallel sessions were held. The scientific programme was divided into three parts

- Mortality
- Products
- Solvency, accounting and financial risks

The number of papers was, beside the contributions of the three invited speakers, in each of the three sections, 6, 5 and 9 respectively. No traditional refereeing procedure was used for submitted papers even though a light screening was in place. All submitted papers were accepted.

MORTALITY

The main attraction was a comparison between the Nordic countries, i.e. Denmark, Finland, Norway and Sweden regarding the techniques and findings in estimating mortality trends in each country. The Lee-Carter model, especially, was addressed including practical results when applying the model. Other topics, within this field, discussed were genetics and pandemic risks from a more practical point of view.

PRODUCTS

In accordance with the development of new financial conditions for the insurance sector developing new products seems to be of great importance. Products with guarantees are in focus especially when it comes to longevity risks.

SOLVENCY, ACCOUNTING AND FINANCIAL RISKS

This section was set up mainly because of the ongoing work within EU regarding solvency of insurance providers. Together with the solvency issue the issue of risk taken on was addressed. A careful discussion of the status of the solvency work was presented. Furthermore, management strategies, surplus distribution and longevity risk were other topics discussed.

Summary of the scientific part of the 16th International AFIR Colloquium

Invited speakers

After opening of the Colloquium on Wednesday morning, the scientific part of the conference started with an invited talk about “Managing Alfred Nobel’s legacy” held by Michael Sohlman, Executive Director of the Nobel Foundation. In the talk he gave an historical overview of the Nobel prize foundation and showed how the initial investment guidelines had changed over time into modern allocation methods.

On Thursday morning Professor Ragnar Norberg from London School of Economics, gave an invited talk on “The Pension Crisis – Are the Markets coming to our rescue?”. Norberg described the strength and weaknesses of traditional life insurance products and discussed how new financial innovation can be used for risk management.

Denis Kessler, Chief Executive Officer of the SCOR Group, gave the first talk on Friday about “Actuaries versus Economists: a Constant Tug of War?” where he analyzed the similarities and differences between the methods used by actuaries and economists. In the analysis he used an economic perspective blended with his experience from managing insurance companies.

CONTRIBUTED PAPERS

Thirty-eight contributed papers were presented in four parallel sessions during three days. The lengths of the sessions were between 30 to 45 minutes and the following groups of topics were used: Pricing, Risk Modelling, Solvency & Risk Capital, Model Choice & Model Risk, Mortality & Longevity and Stochastic Analysis & Optimization.

The papers are accessible on the website www.afir2007.se