

Allianz Seminar Cycle: Solvency II for life insurance companies

Duration: 5 weeks of classes with 2 hours each

Speaker: Allianz Deutschland AG Oddział w Polsce

Target audience: master students and advanced bachelor students in math, physics or computer science

Prerequisites: Some basic financial mathematics is beneficial but not necessary. Important concepts will be recalled quickly during the seminar and explained if needed.

Grading: multiple choice test

Description:

The Scope of the seminar is to give a high-level overview of the Solvency II framework and to build a cash flow model for a life insurer in a lab. We will then apply the built model to give qualitative answers to economic questions relevant in real business.

Solvency II is a Directive in European Union law that codifies and harmonizes the EU insurance regulation. Primarily it concerns the amount of capital that EU insurance companies must hold to reduce the risk of insolvency.

Within the Solvency II framework, life insurance companies use cash flow models. A cash flow model is a detailed picture of assets and liabilities and their cash flows (e.g. claims, premiums, investment income) which is projected forward, year by year, using different assumptions.

In real business, these models are not only used for producing reporting figures, but are as well applied to support management decisions (e.g. decision on portfolio strategy) by providing different KPIs.

Theory: Solvency II framework; Insurance business especially life participating business; Cash flow models for life insurances.

Laboratory (Excel): Exercises on basic topics regarding life insurance business; building a cash flow model for a life insurance company with participating business; preferably in groups of two people.

In case of questions please contact the lecturers:

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