

# Goethe University: A Center for Insurance Studies From the Fundamentals to Policy Advising

Competence in Insurance Research: Professors  
Manfred Wandt, Karel Van Hulle, Helmut Gründl,  
Wolfram Wrabetz and Hartmut Nickel-Waninger  
(from left to right).



Insurance studies are strongly represented at Goethe University. The reasons for this are partly historical and partly political: Frankfurt has been the seat of many large insurance companies for quite some time and with the establishment of the European Occupational and Pensions Authority (EIOPA) in Frankfurt, the city is now also the breeding ground for an important part of European insurance regulation and a regular meeting place for insurance regulators from Europe and from all parts of the world.

Are the insurance systems prepared for the increasing occurrence of natural disasters? How will life insurance survive the low-interest period? And what consequences ▶



are to be drawn from the financial crisis? These are just some of the questions currently of concern to insurance researchers. This field has been securely anchored at Goethe University in Frankfurt since its establishment. Hardly surprising, since Frankfurt has been the seat of many large insurance companies since the beginning of the 20<sup>th</sup> century: Deutscher Phönix, Providentia and Frankfurter Allgemeine Versicherungs-AG – to name but a few. The spectacular collapse of the Frankfurter Allgemeine Versicherungs-AG in 1929 contributed – albeit involuntarily – to a further development of insurance supervision law.

### An Important Insurance Industry Location

Today, Frankfurt, in connection with Wiesbaden, is the fourth largest insurance industry location in Germany, with the metropolis on the banks of the Main River housing the highest number of foreign insurance companies of any German city. Since 2011, Frankfurt is also the seat of the European Insurance and Occupational Pensions Authority (EIOPA), and thus the European center of insurance regulation. The significance of insurance studies at Goethe University has continued to increase over the last few decades. In addition to teaching and research in all areas of insurance business practice and insurance law, there are also activities concerning insurance mathematics, insurance informatics and insurance medicine.

Goethe University is home to renowned institutes, residing primarily in the House of Finance: the interdisciplinary International Center for Insurance Regulation (ICIR), the Institut für Versicherungsrecht (IversR), the Institut für europäische Gesundheitspolitik und Sozialrecht (ineges). Soon after their establishment, these institutes developed into a platform for decision-makers from the fields of politics, regulation, associations and business. The Advisory Board of the ICIR, along with scholars and insurance business

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practitioners with close ties to the academic world, has as its members the Chairman of EIOPA, Gabriel Bernardino, and the BaFin President Felix Hufeld.

### Internationalization

“We are very close here to the topics of current importance” says Prof. Manfred Wandt, Director of the IversR and Member of the Executive Board of the ICIR. This also includes the internationalization of the insurance world. “The financial crisis of 2008 showed that some-

thing must be done urgently in terms of regulation and supervision”, Wandt continues. The entire field of regulation law has thus been placed under review, with stricter rules to be enforced in the future concerning capital endowment, company direction and reporting requirements to the public and regulation authorities. “The key goal is essentially to prevent the insolvency of companies, since the long-term nature of financial investment plays an even greater role for consumers in the case of insurers than in the case of banks.” For Wandt, it is important to show students of law the significance of his “somewhat exotic” subject. “The topic of insurance is initially not sexy. We tend to ignore the risks with which we live, and then the whole thing becomes difficult to understand”, Wandt explains. Practitioners have often served to open the eyes of students: those who have dealt with questions of insurance law surrounding 9/11 or with the significance of insurance for the functioning of industry tend to gain new perspectives, and the demand for the insurance law courses is indeed increasing. Insurance law and insurance economics also have a permanent place in the curriculum of the LL.M. Finance study program at the Institute for Law and Finance (ILF).

Academically oriented, experienced practitioners enrich the teaching program on offer, with the Hessian State Appointee for the Insurance Industry – Wolfgang Wrabetz –

and the former Director of the Unit for Insurance and Pensions of the European Commission – Karel Van Hulle – also belonging to the Executive Board of the ICIR, in addition to their role as honorary professors. The ICIR is also involved in the LOEWE research center "Sustainable Architecture for Finance in Europe" (SAFE), a cooperation between the Center for Financial Studies and Goethe University.

The dialogue with insurance practice, with financial support from a foundation for the teaching of insurance

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at Goethe University, is cultivated through lecture series and conferences, and is documented in a series of academic papers. The ICIR accompanies this dialogue with regular policy letters concerning current topics of legal policy pertaining to insurance regulation. In cooperation with the German Society for Insurance Studies (Deutscher Verein für Versicherungswissenschaft) and the Department of Legal Studies at the University of Mainz, annual conferences have been held since 2009 on the reform of the European insurance regulation law through the Solvency II project.

Policy advising on the part of individual scholars is also a high priority, with Prof. Astrid Wallrabenstein being a member of the Social Council which advises the federal government, Prof. Manfred Wandt (ICIR/IVersR) sitting on the Insurance Advisory Council of BaFin, and Prof. Karel van Hulle (ICIR) being a member of the

Insurance & Reinsurance Stakeholder Group (IRSG) of EIOPA, along with Prof. Helmut Gründl, Dr. Ming Dong (ICIR) and Junior Professor Jens Gal (ICIR/IVersR) currently advising the OECD regarding long-term investment strategies of insurers. ♦

### An Insurance Contract Law for all Europeans

Insurance is not a typical consumer product. In contrast to material goods, which the customer can view and try out before buying, insurance products are defined only by the insurance contract and the accompanying laws. The legal regulations intended to protect the insurance customer, however, differ from state to state, which makes it extremely difficult to establish a common domestic market in this field. A group of experts working on behalf of the EU Commission came to the conclusion that this

situation must be improved. The key statement of the concluding report was that Europe needs a unified European insurance contract law as a legislative option. A partial harmonization through guidelines is not sufficient. The commission of experts was formed on the basis of model legislation drafted by the Restatement Group of European Insurance Contract Law. The Frankfurt insurance law expert Manfred Wandt was a founding member of this European research group. ♦