



KAREL'S CLUB | EXECUTIVE INSURANCE FORUM

The Future of Life Insurance

24-25 OCTOBER 2013 · FRANKFURT · GERMANY



PROF. KAREL VAN HULLE

Trilogue between insurance executives, regulators and academia

ABOUT KAREL'S CLUB

The insurance industry lives in a time of change. Although its business model is often misunderstood, its importance is increasingly recognised. More regulation can be expected. That regulation will have a profound impact on the way insurance business is carried out. It is important to think about the possible impact of that new insurance regulation before its introduction as well as once it has entered into effect.

Karel's Club offers the possibility to discuss new developments in insurance regulation as well as new trends in insurance in an informal setting, between senior management from the insurance industry, stimulated by reflections from academia and from representatives of the regulatory community.

The objective is to enable thought provoking discussions on matters of concern to the participants under Chatham rules. The discussions should help to shape strategic thinking about the likely way in which insurance will develop in the coming years as well as on how regulation might influence this development. Proper attention will be paid to the European and international regulatory agenda.

Karel's Club seeks to provide space for Executives, who are concerned about the future and want to prepare themselves for the challenges ahead through active discussion, sharing experience with colleagues and regulators in a neutral university environment. The modern Campus Westend of Goethe University in Frankfurt, where ICIR and the House of Finance is located, provides a uniquely rich and productive learning environment, an atmosphere of complete intellectual freedom.

The forum will discuss one or more insurance issues, providing a better understanding of the interaction between these issues and insurance regulation. The meetings organised by the Club should be both informative and directly relevant for the participants.

CHAIR

Karel's Club will be chaired by Prof. Karel van Hulle, Professor at the KU Leuven and at the Goethe University in Frankfurt, former Head of Insurance and Pensions at the European Commission and Executive Board Member of the International Centre for Insurance Regulation (ICIR).

TARGET GROUP

This forum is addressed to senior management from the insurance industry, i.e. board members, chief risk officers, chief financial officers, actuaries, accountants, regulators, supervisors and policymakers. Although the discussions will take account of European developments in the context of Solvency II, the focus of the meeting will be broader and attention will also be paid to developments in other parts of the world.



PROF. HELMUT GRÜNDL

KAREL'S CLUB 2013

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INTRO

The present low interest rate environment in a number of countries has a profound influence on life assurance. Although it is not clear yet whether we will see a repetition of a Japanese scenario with a prolonged continuation of low interest rates, there is no doubt that the present situation already has an impact on the existing book of life policies. Furthermore, the question arises whether it will be possible to continue providing long term guarantees in the future. The planned introduction of a risk based solvency regime (such as Solvency II) has a direct impact on this question.

The first forum of Karel's Club will look at the future of life assurance addressing a number of questions, such as:

- What is the likely impact of the introduction of a risk based solvency regime on the existing book of life policies?
- Is the provision of long term guarantees still an interesting proposition if the risks attached to these guarantees must be properly reflected in the solvency position of the undertaking?
- Will the insurance industry move out of long term guarantee business in order to concentrate on asset management?
- Will the life assurance industry become irrelevant in the future?
- What alternatives are available in terms of product innovation in the life business?



AGENDA

THURSDAY, 24 OCTOBER 2013

18.00 – 18.15 EXECUTIVE INSURANCE FORUM OPENING

Prof. Karel Van Hulle

Prof. Helmut Gründl

ICIR, Goethe University

IMPULSE SPEECHES I

18.15 – 18.45 **Gabriel Bernardino**

Chairman, EIOPA

18.45 – 19.15 **Raj Singh**

CRO, Standard Life

19.15 – 19.45 **Dr. Friedrich Caspers**

CEO, R+V Versicherung

19.45 – 20.30 DEBATE AND DISCUSSION

20.30 DINNER

CONTENT

REGULATORY CHANGES

Impulse Presentation, Discussion, Debate

Regulatory challenges

- *How should Solvency II deal with long term guarantee products?*
- *Should a distinction be made between “classical” life insurance products and savings products with an insurance wrapper?*
- *How should existing life insurance contracts be dealt with under Solvency II?*
- *How should one define “the relevant risk free interest rate”*

FRIDAY, 25 OCTOBER 2013

09.00 – 09.15 INTRODUCTION

Prof. Karel Van Hulle

ICIR, Goethe University

IMPULSE SPEECHES II

09.15 – 09.45 **Bart De Smet**

CEO, Ageas

09.45 – 10.15 **Paul Sharma**

Deputy Head of the PRA and the Executive Director for Policy, Bank of England

10.15 - 11.15 DEBATE AND DISCUSSION

IMPULSE SPEECHES III

11.15 - 11.45 **Annette Olesen**

CRO, Nordea Life & Pensions

11.45 - 12.15 **Felix Hufeld**

Chief Executive Director, BaFin

12.15 - 14.00 DEBATE AND DISCUSSION

14.00 LUNCH

15.00 END OF FORUM

POSSIBLE SOLUTIONS AND WAY FORWARD

Impulse Presentation, Discussion, Debate

Strategic questions

- *Should high interest rates from the past be reduced by law for existing life contracts?*
- *How can security be given to people who want to live comfortably after retirement?*
- *Is this the end of long term guarantee products?*
- *Should insurers become asset managers?*

Possible solutions

- *Stop market consistent valuation of technical provisions for long term guarantee products*
- *Continue to offer long term guarantee products but with a relevant risk free interest rate to be decided per type of product or per Member State*
- *Continue to offer long term guarantee products but with very limited surrender possibilities for policyholders*
- *Introduce a different confidence level for life products*

FORUM FEE:

2.850 EURO (INCL. VAT) *The forum fee includes refreshments and meals*

REGISTRATION:

exec-edu@gbs.uni-frankfurt.de

Karel's Club is based on the cooperation of two HoF institutions of Goethe University: The International Center for Insurance Regulation (ICIR) and Goethe Business School (GBS).



ABOUT ICIR

The International Center for Insurance Regulation (ICIR) took up its work at Goethe University in Frankfurt on October 1, 2010. It is the first scientific institution worldwide which is focused on the regulation of insurance companies. By fostering high-quality international, independent research on insurance regulation and market solutions to regulatory questions, the ICIR aims at attaining a leading position in its area of research.

The ICIR concentrates facts and newest insights in the area of insurance regulation and further develops them by means of independent research. According to the House of Finance philosophy, research is based on an interdisciplinary exchange of the economic and the legal point of view.

A major aim of the ICIR is to publish research findings in internationally acknowledged academic journals. It co-organizes conferences and seeks an active dialog with top scientists from all over the world. A planned fellowship program facilitates network-building with internationally renowned scholars.

The ICIR benefits from the proximity of important international institutions located in Frankfurt, such as the European Insurance and Occupational Pensions Authority (EIOPA), the European Central Bank (ECB), and the European Systemic Risk Board (ESRB). Because of its scientific independence, the ICIR provides an ideal platform for regulatory authorities, policymakers, and the insurance industry to exchange ideas and seek answers to regulatory issues.

► www.icir.de

ABOUT GOETHE BUSINESS SCHOOL

Sited in the heart of one of the world's leading financial centers, Goethe Business School (GBS) is the center for high-quality management education at Goethe University in Frankfurt – in close cooperation with the faculty of economics and business administration. GBS is set up as an independent, non-profit organization under private law, held by Goethe University Frankfurt.

GBS offers degree programs for individuals and executive education programs for organizations. The part-time Master in Finance is a unique finance degree program designed for young professionals who wish to continue with their careers while pursuing a master's degree. With our executive education programs we offer customized solutions to organizations meeting the learning and development needs for their management levels.

With our flexible program portfolio we cover all topics around finance, management and leadership.

GBS' unique teaching philosophy combines leading research and teaching, outstanding study resources, active networking and hands-on learning. This holistic approach enables develop professional and personal skills in an environment that is at once challenging and supportive. All programs are designed to meet the highest academic quality standards and taught by experienced faculty members from academia and business following an interdisciplinary approach.

► www.goethe-business-school.de



UNIVERSITY VILLA

KAREL'S CLUB 2013

THE FUTURE OF LIFE INSURANCE

24 - 25 OCTOBER 2013

VENUE

Goethe University
University Villa
Frauenlobstrasse 1
60323 Frankfurt

FORUM FEE

2.850 Euro (incl. VAT)
*The forum fee includes refreshments
and meals*

REGISTRATION

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CONTACT

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