

# Enterprise Risk Management and Corporate Governance for Insurance Firms

17 May 2011 - EDHEC Business School - Lille



International Centre for  
Financial Regulation



The International Centre for Financial Regulation and EDHEC Business School have joined forces to develop a half-day conference in Lille on May 17, 2011 in the area of enterprise risk management and corporate governance for insurance firms.

Details of the conference are given below – we hope you are able to join us.

The recent financial crisis has shown that existing national and supranational solvency and capital adequacy regulations raise important issues for integrity of enterprise wide risk management systems and effectiveness of corporate governance.

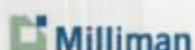
Since 2007 the European Union has proposed a significantly enhanced Solvency Directive (Solvency II), which emphasises effective governance and risk management to provide adequate levels of capital within the insurance industry. Proposed changes to current international reporting standards will significantly enhance the accountability requirements which in turn have implications for understanding multidimensional aspects of successful management of these changes.

The conference will provide a forum for discussing the latest research into the current issues and practices of "Enterprise Wide Risk Management and Corporate Governance for Insurance Firms", whilst focusing on the implications of changing solvency, capital adequacy and accountability requirements, and their inter relationships between various regulatory, shareholder and management perspectives on the effective management of these organisations. Understanding different perspectives is important for raising awareness of the multi-faceted nature of enterprise risk management in the global insurance industry. These issues are likely be highly relevant to policy makers, academics, professionals, and industry leaders and others interested in the field.

We have invited a number of the thought leaders on this subject to present their own positions and then debate these with the invited audience.



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# Enterprise Risk Management and Corporate Governance for Insurance Firms

Tuesday, 17 May

11:30 – 12:00 Registration

12:00 – 12:15 Welcome and Conference Opening

Olivier Oger, *Dean, EDHEC Business School*

12:15 – 13:15 Session 1 – Regulatory View

Chaired by Richard Reid, *Director of Research, ICFR*

"The impact of regulatory and market environments on consumption, price adequacy and contribution to the national economy: An analysis of insurance markets globally" by W Jean Kwon

Presenter: W Jean Kwon, *Professor of Risk Management, St John's University New York*

Discussant: Martin Eling, *Professor and Director of the Institute of Insurance, Ulm University*

"A decade of insurance services liberalisation in India" by Subir Sen

Presenter: Subir Sen, *Assistant Professor, Teri University*

Discussant: Patrick Kelliher, *Actuary, AEGON UK*

Questions & Answers

13:15 – 14:15 Buffet Lunch

14:15 – 15:30 Session 2 – Shareholder View

Chaired by Philippe Foulquier, *Professor, EDHEC Business School*

"Internal and external drivers for risk taking in UK and German insurance markets" by Martin Eling and Sebastian Marek

Presenter: Martin Eling, *Professor and Director of the Institute of Insurance, Ulm University*

Discussant: Stefan Schuermann, *Head of Financials, Vontobel*

"Harnessing the complexity of ERM risk" by Neil Cattle and Neil Allan

Presenter: Neil Cattle, *Principal, Milliman*

Discussant: Elliot Varnell, *Partner – Financial Services, KPMG*

"Optimal investment and premium policies under risk shifting and solvency regulation" by Alexander Muermann, Damir Filipovic and Robert Kremslehner

Presenter: Robert Kremslehner, *Research Associate, University of Vienna*

Discussant: Stephane Gregoir, *Professor, EDHEC Business School*

Questions & Answers

15:30 – 16:00 Coffee and Tea

# Enterprise Risk Management and Corporate Governance for Insurance Firms

Tuesday, 17 May

## 16:00 – 17:15 Session 3 – Management View

Chaired by **Stephane Gregoir**, *Professor, EDHEC Business School*

"Consolidation and efficiency in the major European insurance markets: a non-discretionary inputs approach"  
by Nurhan Davutyn, Philippe Foulquier and Paul Klumpes

Presenter: Nurhan Davutyn, *Professor of Management, Marmara University*

Discussant: Romain de Thesys, *Chief Manager, Gouvernance et Performance des SI*

"Cooperation – the bright side of financial derivatives?" by Stefano Marmi

Presenter: Stefano Marmi, *Professor of Dynamical Systems, Scuola Normale Superiore*

Discussant: Jean-Christophe Meyfredi, *Faculty Dean, EDHEC Business School*

"Managing risk to reputation under Solvency II – a new model" by Jean-Paul Louisot and Christophe Girardet

Presenter: Jean-Paul Louisot, *Professor, Universite Paris 1 Pantheon-Sorbonne*

Discussant: Simon Harris, *Managing Director, Moody's*

Questions & Answers

## 17:15 – 17:45 Coffee and Tea

## 17:45 – 19:00 Session 4 – ERM in Financial Intermediation: Hysteresis, Exegesis and Eisegesis

"Challenges of applying ERM in financial intermediation" by Stuart Greenbaum

Keynote Speaker: **Stuart Greenbaum**, *Bank of America Emeritus Professor of Managerial Leadership, Olin Business School, Washington University in St Louis*

Panel Discussion:

**Richard Reid**, *Director of Research, ICFR*

**Neil Cantle**, *Principal, Milliman*

**Jean-Paul Louisot**, *Professor, Universite Paris 1 Pantheon-Sorbonne*

**Martin Eling**, *Professor and Director of the Institute of Insurance, Ulm University*

**Simon Harris**, *Managing Director, Moody's*

**Philippe Foulquier**, *Professor, EDHEC Business School*

Closing remarks: **Paul Klumpes**, *Professor, EDHEC Business School*

## 19:00 – 21:00 Buffet Dinner



# Chairman and Speakers Biography



## Chairman:

**Paul Klumpes**, *Professor of Accounting, EDHEC Business School*

Paul Klumpes is professor of Accounting at EDHEC Business School, Roubaix, France. Previously, he was professor of accounting at Imperial College London and Professor of Risk Accounting at Nottingham University Business School. He is an Australian CPA and Honorary Fellow of the Institute of Actuaries. His research interests cover the inter-relationship of public policy and voluntary reporting, regulation, financial management and control of financial services, particularly related to pensions and life insurance. This growing personal interest has been associated with a growing political, economic and social awareness of the importance of pensions and financial services by government and public policy making institutions. He has consulted to a number of private and public organisations in these areas.

## Speakers:

**Neil Cattle**, *Managing Director, Milliman*

Neil Cattle is a Principal of Milliman working in the London office. With over 20 years industry experience he has worked both in business and consulting. Prior to joining Milliman, Neil sat on the UK board of a large insurer, with executive responsibility for areas such as strategy, risk management, finance, legal & compliance and product development. At Milliman Neil leads the global development of CRISALIS™, Milliman's cutting-edge approach to identifying, understanding, managing and modelling enterprise risk. Neil is leading a research project, funded by the Actuarial Profession, whereby Milliman and the universities of Bath and Bristol System Centre examine risk appetite and define risks.

**Jean-Paul Louisot**, *Professor of Risk Management, Universite Paris 1*

Jean-Paul Louisot has serviced private and public entities in risk management for more than thirty years. He has worked as a broker, underwriter and a risk manager. He is a frequent speaker in professional conferences in Europe, Australia and the USA. He is the director of the CARM institute. He has published a number of articles and studies on risk management in specialised publications and periodicals. He recently joined the Insurance Institute of America as Senior Director in the Knowledge Resources Department and developed a new ERM course.

**Martin Eling**, *Professor of Risk Management, University of Ulm*

Martin Eling is professor in insurance and director of the Institute of Insurance Science at the University of Ulm. In 2008 he was visiting professor at the University of Wisconsin-Madison. His research interests include risk management, regulation, asset liability management, and empirical aspects of finance and insurance. Martin has published articles in leading international journals such as the Journal of Risk and Insurance, the Journal of Banking and Finance, and Insurance: Mathematics and Economics.

**W Jean Kwon**, *Professor of Risk Management, St John's University*

Professor Kwon is Faculty Chairperson at the School of Risk Management, St. John's University in New York City. In summer, he visits Hitotsubashi University in Tokyo. He helped to establish the Asia-Pacific Risk and Insurance Association (APRIA) in 1997 and played a role in the creation and organisation of the World Risk and Insurance Economics Congress in 2005 and 2010. He has authored several books, including the 2009 Kulp-Wright Book Award-winning "Risk Management and Insurance: Perspectives in a Global Economy," which is used in more than 15 countries. He continues to publish research papers, speak at regional and international conferences, offer services to academic and international societies as well as government and inter-governmental agencies, and render consulting services to private sector entities.

**Stuart Greenbaum**, *Professor of Risk Management, Washington University in St Louis*

Stuart Greenbaum is the former Dean and Bank of America Emeritus Professor of Managerial Leadership at the Olin Business School, Washington University in St. Louis. He is also the Jacobs Visiting Professor at the Kellogg School of Management, Northwestern University. Greenbaum is the 2006 recipient of the Lifetime Achievement Award of the Financial Intermediation Research Society. He has served on seventeen corporate boards including most notably that of Reinsurance Group of America where at various times since 1997 he has chaired the Audit, Finance Investments and Risk Management, Nominating and Governance Committees and also has served as Lead Independent Director. Greenbaum has published two books and more than 75 articles in academic journals and other professional media. He is founding editor of the Journal of Financial Intermediation and has served on the editorial boards of eleven other academic journals.

Other speakers include Professor Stefano Marmi, *Scuola Normale, Superiore, Italy* and Professor Nurhan Davutyn, *Professor of Management, Marmara University, Turkey*

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17 May –EDHEC Business School – Lille

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Standard rate	€120
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The registration fee includes lunch buffet, refreshments, dinner and full conference documentation. Delegates may be refused admission if payment is not received prior the conference.

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The ICFR provides a fresh perspective on the challenges of regulating global markets. As a non-partisan organisation, with the support of both industry and government, we act as a catalyst for dialogue, thought leadership and scholarship in this critical area. We also support practical training initiatives to improve understanding among practitioners and regulators.

We believe in the promotion of efficient, orderly and fair markets which offer appropriate protection for investors and retail consumers alike. International financial centres of the future will be based on sound principles, with supervisors and regulators who truly understand the businesses they oversee. We intend to play a crucial part in facilitating this process.

The world's financial markets have never been under greater scrutiny. Individual governments are understandably focused on their own domestic priorities, but effective and sustainable regulation needs to be global. Our job is to encourage dialogue that identifies best practice across the traditional financial centres in the Americas, Europe and Asia and embraces emerging and developing economies worldwide.

Founded in 1906, EDHEC Business School is a top-ranking, full range business school with campuses in Lille and Nice, France.



One of the few institutions worldwide to have earned the «triple crown» of international accreditations (AACSB, EQUIS, AMBA), EDHEC Business School boasts the largest selection of English taught management programs in France. Ranked in the top five of the French «Grandes Ecoles», and seventh in the Financial Times Masters in Management Rankings 2006, the school offers six specialized M.Sc. courses and the Theseus MBA. EDHEC Business School's alumni are active in seventy countries worldwide.

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