



SOCIETY OF ACTUARIES

Article from:

# Risk Management

August 2011 – Issue 22

# Letter from the Editor

By Ross Bowen

## WELCOME TO THE AUGUST ISSUE OF RISK MANAGEMENT.

We have a variety of articles for this quarter's edition covering a range of topics.

First, Max Rudolph submitted "Evolution of Emerging Risks," a discussion on the evolution of top risks over time. This paper discusses findings from a series of surveys on what practitioners consider to be top risks to their industry. It's interesting to see how the risks we focus most on seem to lag current events.

Next, "Is Predictive Modeling the Answer?" by David Weinsier and Guillaume Briere-Giroux, explores the benefits of using predictive modeling instead of traditional practices to anticipate lapse behavior. Predictive modeling applies techniques developed in the property & casualty (P&C) world to the variable annuity (VA) market. By using more sophisticated modeling techniques, predictive modeling hopes not only to improve forecasting quality, but looks to improve understanding around dynamic lapses.

Peter Nowell, Mattias Eng and Josée Deroy wrote "Longevity Risk Transfer—Europe in Pole Position, Warm-Up in North America?" This paper explores the needs and ways to manage longevity risk through different types of financial tools. The market for these tools is also discussed from both the supply and demand side.

"Solvency II and U.S. Equivalence," by Patricia Matson

and Ronald Sleiman, is a detailed overview of the Solvency II timeline along with context around these changes. In addition to a road map of important deadlines, the implications of these changes are discussed.

Donna Megregian reports to us on a 2010 SOA survey in "Reflecting Risk in Pricing Survey." Profit metrics, risk assessment practices and discount rates used are discussed in this paper.

Finally, Pierre Tournier has reviewed *Extreme Risk Management: Revolutionary Approaches to Evaluating and Measuring Risk*, by Christina Ray. In this risk management book, the author evaluates risk management modeling techniques.

Enjoy this issue. ■



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