



SOCIETY OF ACTUARIES

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# Risks and Rewards Newsletter

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## Editor's Column

by Tony Dardis

Welcome to a real mixed bag of an edition of *Risks and Rewards*. The Investment Section newsletter is well-known for its diversity of subject matter and opinion. I hope you agree that in this edition we keep up the tradition. I think we have a number of cutting-edge articles that focus on some of the really hot topics currently being discussed around the

actuarial community.

One hot subject that Investment Section members are keenly following is that of "capital management." I thought the membership might be interested to hear that the Society's Finance Practice Area is planning to put on a major seminar a little later in the year, with the tentative title of "Capital Management for Life Insurers," so keep an eye and an

ear out for further details.

Capital management is one of the major issues facing the life insurance industry. Capital efficiency drives company value. In a consolidating industry, companies that achieve a high value have a strategic advantage, while low value means vulnerability. Achieving high value is important even for mutual companies since it gives them potential access to capital market financing and provides opportunities for affiliations/mergers and demutualization.

With the importance of successful capital management in mind, the Finance Practice Area is hoping that the seminar will help attendees get a grip on the subject matter. As I say, further details will be coming soon. In the meantime, as ever, we are delighted to hear your thoughts on emerging issues here on the pages of *Risks and Rewards*. Any articles, or simply a letter to the editor, on our members' experiences in the capital management area are most welcome!

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