Article from

Risk & Rewards

August 2015
Issue 66

A Sneak Preview of the Investment Section Program at the 2015 SOA Annual Meeting

By Peter Sun

The 2015 SOA Annual Meeting will be held Oct. 11 – 14 at the Austin Convention Center. The Investment Section Council is preparing a feast of programs for the attendees. As an Investment Section member, you have the privilege to get a sneak peek of what is to come. Should you find a topic that you are passionate about and would like to share your knowledge, please contact Peter Sun at *peter.sun@milliman.com* or Angelika Feng at *angelika.feng@aig.com* for speaking opportunities.

Let's start with the fun activities first.

The Investment Section Continental Breakfast will be on Wednesday, Oct. 14, 7:15 - 8:15 a.m., and it will be open to all with no charge. The Investment Section Council will report its work over the past year, and it will be a great forum for members to interact with the council members.

We also have two networking events. For chess lovers, the Fifth Thomas C. Barham III Speed Chess Networking Event is presented jointly by the Technology and Investment Sections on Tuesday, Oct. 13, 6:30 – 10:00 p.m. (open to all: M $10, NM $20). Participants will have a professional chess player to help sharpen their skills. If you prefer wine, a wine tasting event at Max's Wine Dive around the same time might be, well, just your cup of tea. The wine tasting event is jointly sponsored by the Entrepreneurial Actuaries and Investment Sections (open to all: M $15, NM $25).

SOA 2015
SOCIETY OF ACTUARIES
Annual Meeting & Exhibit

Now comes the heavy lifting. The Investment Section is involved in presenting nine sessions at the annual meeting. A brief description of the sessions is listed below, along with their time slots.

Monday, Oct. 12, 10:00 – 11:15 a.m. Session #19: "Use of Derivatives for Insurance Company Risk Management." This session will cover a survey of how insurance companies use derivatives for risk management and their rationale.

Tuesday, Oct. 13, 8:30 – 9:45 a.m. Session #75: "Insurance Company Asset Allocation Trends." In this session we plan on discussing asset allocation trends, how strategies vary by company size, asset classes insurance companies are increasing their allocations to, and other asset classes to consider for your portfolio.

Tuesday, Oct. 13, 10:15 – 11:30 a.m. Session #90: "Equity Investment for Life Insurers."

Life insurers have historically limited their exposure to equity investments for risk and capital reasons. Recent economic environment coupled with advancement in risk management and innovative product designs have made equity investment more attractive to life insurers. This session will explore various alternatives.

Tuesday, Oct. 13, 10:15 – 11:30 a.m. Session #93: "Measuring the Success of LDI." The presenters will consider potential approaches to assessing an investment strategy's effectiveness in a manner that reflects stakeholder priorities and objectives. Discussion topics will include how to assess performance given different investment strategies, ex-post risk metrics, and attribution of unexpected outcomes by risk source.

Tuesday, Oct. 13, 3:45 – 5:00 p.m. Session #123. "Risk Managed Funds: Principles and Applications." Managed volatility and managed risk strategies have experienced tremendous growth in recent years, and will play an increasingly important role in the retirement security system in the years to come. This session will cover the range of strategies currently in use, the historical growth of these strategies, their recent performance, challenges in benchmarking, and future developments.

Wednesday, Oct. 14, 8:30 – 9:45 a.m. Session #148: "Are We in Another Bubble?" This session will focus on the current equity and debt market valuation in light of the economic fundamentals. The presenters will provide a diverse range of views on the global economic state.

Wednesday, Oct. 14, 10:15 – 11:30 a.m. Session #166: "Stochastic Modeling of the Interaction of Asset and Non-Asset Risks." There has been a lot of effort by the industry in examining asset related risk when determining economic capital. However, there has been less focus on liability driven risk. In this session, we will demonstrate methods for quantifying the cost of non-economic risk in an economic capital framework.

Wednesday, Oct. 14, 12:00 – 1:15 p.m. Session #180: "New Developments in Pension Fund Investments." Pension fund investment is experiencing fundamental shifts with regulatory updates and introduction of new risk management techniques. This session will cover new developments in pension fund investments.

The Investment Section Council hopes you enjoy the programs and find them useful. Again, please let us know if you are interested in speaking at any of the sessions. We all look forward to seeing you in Austin in October. ■

Peter Sun, FSA, MAAA, a member of the Investment Section Council, is a consulting actuary with Milliman's Financial Risk Management practice in Chicago. He can be reached at *peter.sun@milliman.com*