

MEMORANDUM

TO: IAA Life Scientific Committee

FROM: Gary Finkelstein, FIA, ASA
Heinz Holler, Aktuar DAV

DATE: March 13th, 2009

RE: *Submission of talk for the IAA LIFE Colloquium 2009 in Munich*

Dear Sirs,

Milliman would be delighted to present at the IAA Life Colloquium 2009 in Munich. Please find below our suggested topic to be presented by Gary Finkelstein and Heinz Holler, both of whom are principals at Milliman.

Title: Variable Annuity Risk Management and Hedging Effectiveness**Abstract:**

The presentation deals with Variable Annuity Products and their developments in the recent months. It explains risk management strategies for Variable Annuities and the performance of these strategies during the credit crunch.

The presentation embraces the following content:

- Overview of Variable Annuity Products and Embedded Risks
- Techniques used to manufacture the guarantees
- Techniques to study effectiveness of Hedging
- Hedge design considerations
- Economic Capital under alternative Hedging Strategies
- Performance of Hedging Programs since the outset of the credit crunch and in 2008
- Lessons learned and a look into the future

We thank you for your consideration and offer my time to address any questions or concerns that you may have.



Heinz Holler

CC: Gary Finkelstein