

## The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.

Cable Address: INTBAFRAD  
Cable Address: INDEVAS

January 24, 2005

Dear IAA Members:

### **3<sup>rd</sup> Contractual Savings Conference: Supervisory and Regulatory Issues in Private Pensions and Life Insurance**

The past two decades have witnessed unparalleled growth in contractual savings (assets of life insurance and private pension funds). In various countries contractual savings accumulated at rates higher than GDP growth. In addition, there are countries where assets of contractual savings institutions represent more than 100 percent of GDP and became dominant financial intermediaries. The growing importance of contractual savings in equity markets and demographic forces, mainly in OECD but also in emerging economies, have increased the pressure on governments to reform their pension systems, and to chose effective regulations and policies for the newly created institutions.

Given the overwhelming acceptance of the previous two events, the World Bank is organizing the 3rd Contractual Savings Conference: Supervisory and Regulatory Issues in Private Pensions and Life Insurance. Different from the first and second conferences, this year's conference will focus on global standards for insurance and pension, risk based supervision, risk management with a specific focus on asset and liability management, investment process and retirement products. Particular attention will be given to implementation issues related to the topics above mentioned as well as case studies to ensure a combination of technical skills and international experiences are delivered to the audience. The five-day event will be held at the **Academy for Educational Development, in Washington, DC, between April 11th – 15th, 2005.**

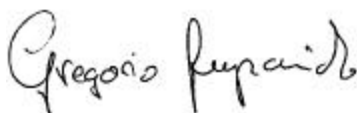
The key objective of the conference is to provide a platform for senior government officials, staff in multilateral agencies, academics and market practitioners to discuss the role of contractual savings in developed and developing economies, analyze and review cutting-edge regulatory and supervisory issues of contractual savings institutions and identify best practices.

*On behalf of the World Bank, I am pleased to invite IAA Members to this very important conference. We hope that you will participate and share your insights and concerns with other leading private pension and life insurance supervisors and regulators. Please kindly complete the attached registration form and send it before March 28, 2005 to the attention of Mr. Eric Kim by fax at +1-202-676-9874 or send it by mail to the address provided on the registration form. Since April is the conference season in Washington, DC, hotel rooms sell out very quickly. Therefore, early registration and hotel reservations are encouraged.*

If for any reason you are unable to attend, we would greatly appreciate if you could nominate a senior member from your office, and inform us of the official's name and designation. Upon receiving this information, we will be able to confirm the person's participation.

Should you have any questions regarding the conference please contact Mr. Eric Kim at Tel:+1-202-458 1435; Fax:+1-202-676-9874; or e-mail: [ekim6@worldbank.org](mailto:ekim6@worldbank.org).

Sincerely,



Gregorio Impavido

Senior Financial Economist, Financial Sector and Operations Department  
The World Bank, 1818 H Street NW, Mail Stop MC 9-905  
Washington, DC 20433 USA

# 3<sup>rd</sup> Contractual Savings Conference: Supervisory and Regulatory Issues In Private Pensions and Life Insurance

April 11 – 15, 2005 ? [www.financelearning.org/contractual2005](http://www.financelearning.org/contractual2005)

Organized by:



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## Overview:

The past two decades have witnessed unparalleled growth in contractual savings (assets of life insurance and private pension funds). In various countries contractual savings accumulated at rates higher than GDP growth. In addition, there are countries where assets of contractual savings institutions represent more than 100 percent of GDP and became dominant financial intermediaries. The growing importance of contractual savings in equity markets and demographic forces, mainly in OECD but also in emerging economies, have increased the pressure on governments to reform their pension systems, and to chose effective regulations and policies for the newly created institutions.

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## Objectives:

The objective of the conference is to provide a platform for senior government officials, staff in multilateral agencies, academics and market practitioners to discuss the role of contractual savings in developed and developing economies, to study cutting-edge regulatory and supervisory issues of contractual savings institutions in order to identify best practices, as well as to discuss solvency, funding and resolution issues of distressed companies.

## Target Audience:

The conference targets world wide senior policy makers who are directly involved with pension funds, life insurance and annuities, as well as fiscal and financial sector policies. Also targeted is the staff members of the World Bank Group, International Monetary Fund, Regional Development Banks, and other multilateral institutions, who are interested in deepening knowledge on the subject. Staff members of multilateral agencies are encouraged to invite their counterparts from insurance and pensions supervisory agencies, general financial market regulators and supervisors, central banks, ministries of finance and economy and other governmental institutions that can benefit from the program.

## Contact:

Mr. Eric Kim ? The World Bank ? Financial Sector Learning Program  
Phone: +1 202 458 1435 ? Fax: +1 202 676 9874 ? E-mail: [ekim6@worldbank.org](mailto:ekim6@worldbank.org)

## Registration:

To register for the course, please fill out the registration form and return it by fax to Eric Kim at +1 202 676 9874 or download the registration form from the web site: [www.financelearning.org/contractual2005](http://www.financelearning.org/contractual2005) and e-mail it to [ekim6@worldbank.org](mailto:ekim6@worldbank.org).

Registration fee:   ▪ 5-day conference package   ▪ One-day participation   ▪ Two-days participation  
                          US\$1,500                                   US\$500                                   US\$900

**Cancellation Policy:**

Cancellations after 12:00 am EST (Washington, DC time), March 25, 2005 or no-shows will forfeit 100% of the participation fee.

**Conference Location:** Academy for Educational Development ? 1825 Connecticut Ave., NW  
Washington, DC 20009 ? USA ? 202-884-8000

**Accommodations:**

The conference registration fee does **NOT** cover accommodations. All participants are free to make their own hotel arrangements. However, for your convenience we have blocked rooms in five hotels within walking distance. When you call or e-mail to make reservations, please mention you will be in Washington for the World Bank "Contractual Savings Conference" to get the special World Bank rate. If you e-mail your reservation please do not forget to include your name, contact information, dates you will stay, credit card number and expiration date in the e-mail.

**Concordia IMF Apartments**

1250 New Hampshire Ave., NW  
Washington, DC. 20036

**Group ID:** #806

**Rate:** \$129 + 14.5% tax per night for single occupancy

**Reservation deadline:** [March 10, 2005](#) (after this date you will not be able to receive group rate)

**Tel:** +1-202-557-2000

**Fax:** +1-202-557-2201

**Churchill Hotel**

1914 Connecticut Ave., NW  
Washington, DC. 20009

**Group ID:** #7370

**Rate:** \$175 + 14.5% tax per night for single occupancy

**Reservation deadline:** [March 10, 2005](#) (after this date you will not be able to receive group rate)

**Tel:** +1-202-797-2000

**Fax:** +1-202-462-0944

**Jurys Washington Hotel**

1500 New Hampshire Ave., NW  
Washington, DC. 20036

**Group ID:** "The World Bank Group"

**Rate:** \$165 + 14.5% tax per night for single occupancy

**Reservation deadline:** [March 11, 2005](#) (after this date you will not be able to receive group rate)

**Tel:** +1-202-483-6000

**Fax:** +1-202-328-3265

**Radisson Washington DC**

2121 P Street NW  
Washington DC 20037

**Group ID:** "The World Bank Group"

**Rate:** \$159 + 14.5% tax per night for single occupancy

**Reservation deadline:** [March 11, 2005](#) (after this date you will not be able to receive group rate)

**Tel:** +1-202-956-6688

**Fax:** +1-202-331-9719

**Wyndham City Center Hotel**

1143 New Hampshire Ave. N.W.  
Washington, DC 20037

[www.wyndham.com/CityCenter/default.cfm](http://www.wyndham.com/CityCenter/default.cfm)

**Group ID:** "The World Bank Group"

**Rate:** \$129 + (14.5% tax) per night

**Reservation deadline:** [March 10, 2005](#) (after this date you will not be able to receive group rate)

**Tel:** +1-202-775-0800 or +1-800-526-7495 (toll free)

**Fax:** +1-202-828-8226

**E-Mail:** [kkerrigan@wyndham.com](mailto:kkerrigan@wyndham.com) or [frivera@wyndham.com](mailto:frivera@wyndham.com)

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**AGENDA****Monday, April 11<sup>th</sup> – Day One – Global standards and supervision**

**8:00 Registration and Breakfast**

**9:00 Introduction/Welcoming Remarks – Cesare Calari, Vice President, Financial Sector, World Bank**

**Chairperson – Craig Thorburn, Senior Insurance Specialist, Operations and Policy Department, World Bank**

**9:15 Plenary lecture on global standards for insurance companies and private pensions – Paul Thornton, Senior Partner, Watson Wyatt**

**10:15 Coffee Break**

**10:30 Panel on global standards: recent developments**

- Recent developments in the International Association of Insurance Supervisors – *Alessandro Iuppa, Chairman, IAIS*
- The newly established International Organization of Pension Supervisors – *John Ashcroft, Chairman, International Organization of Pensions Supervisors*
- Recent developments in insurance accounting – The view of the IASB – *Wayne Upton, Director of Research, IASB insurance group*
- Recent developments on standards for European insurance and occupational pensions supervisors – *Henrik Bjerre-Nielsen, Chairman, Committee of European Insurance/Occupational Pension Supervisors*
- Recent developments on regulation of private pensions – *TBC OECD*

**12:15 Concluding remarks on global standards for pension and insurance** – Chairperson

**12:30 Lunch** – Participants on own

**Chairperson** – *Richard Hinz, Pension Advisor, Pension Team, World Bank*

**14:15 Developing risk based supervision of insurance companies and pension funds from bank supervision: the Canadian experience** – *Allan Brender, OSFI*

**15:00 Coffee Break**

**15:15 Panel on implementing risk based supervision**

- Solvency II and risk based supervision – *TBC, Michael Thom, Secretary, EU Insurance Committee*
- The PAIRS risk assessment framework in Australia – *TBC, Melisande Waterford, Manager, Australian Prudential Regulatory Authority*
- Helping insurance and pension funds manage risk in the Netherlands – *Wil Dullemond, Pensioen- & Verzekeringkamer*
- Helping insurance and pension funds manage risk in Denmark – *Henrik Bjerre-Nielsen, Director General, Finanstilsynet*

**17:15 Concluding remarks on risk based supervision** – Chairperson

**17:25 End of Day One**

**17:30 Cocktail/Reception**

**Tuesday, April 12<sup>th</sup> – Day Two – Risk management**

**8:30 Breakfast**

**Chairperson** – *Oliver Fratzsher, Senior Financial Economist, Operations and Policy Department, World Bank*

**9:00 Plenary lecture integrated risk management – Risk management for insurance companies and pension funds** – *Stuart Wason, Managing Director and Canadian practice leader of MNC Enterprise Risk Consulting Limited*

**10:00 Coffee Break**

**10:15 Risk management: select issues**

- Measuring and Managing Long-Term Risks: New Developments – *Michael Orszag, Partner and Director of Research, Watson Wyatt*
- The concept of economic capital – *Hubert Mueller, Principal, Towers Perrin*
- Managing risk in financial conglomerates – *Til Schuermann, Senior Economist, Federal Reserve Bank New York*

**12:15 Lunch – Global standards and financial sector development** – *Gerard Caprio, Sector Director, Financial Sector Operations and Policy, World Bank*

**14:00 The reality of managing risk**

- Managing risks in mature economies – *Michel M. Dacorogna, Head of Financial Analysis and Risk Modeling, Convergium*
- Managing risk in emerging markets – *Michael Ming-Chih Sze, Director, Sze Associates*

**15:15 Coffee Break**

**15:30 Panel on implementation**

- Managing risk by insurance companies and pension funds: lessons from South Africa – *Andre Swanepoel, Consultant*
- Managing risk by insurance companies and pension funds: lessons from India and Singapore – *Richard Holloway, Watson Wyatt*

**17:00 Concluding remarks on risk management for insurance and pension** – Chairperson

**17:15 End of Day Two**

**Wednesday, April 13<sup>th</sup> – Day Three – The investment process: design and implementation**

**8:30 Breakfast**

**Chairperson** – *Alberto R. Musalem, Deputy Director and Chief Economist, Financial Stability Center, Argentina*

**9:00 Plenary lecture: designing your investment process** – *Andrew Turner, Managing Director, Russell Investment Group*

**10:15 Coffee Break**

**10:30 Select issues on asset allocation**

- Experience with the Ontario Teachers Pension Fund – *Leo De Bever, Executive Vice President, Manulife Financial Global Investment Management*
- The importance of risk budgeting for pension funds – *Carl Hess, Global Director of Asset Allocation, Watson Wyatt*

**12:15 Lunch** – Participants on own

**Chairperson** – *Silvina G. Vatnick, Lead Financial Economist, Financial Sector Operations and Policy Department, World Bank*

**14:15 Long-term optimal asset allocation in emerging markets** – *Eduardo Walker, Professor, Pontifica Catolica Universidad de Chile*

**15:15 Coffee Break**

**15:30 Panel on governance and investment policy**

- Lessons from India – *Robert J. Palacios, Senior Economist, Pensions, World Bank*
- Lessons from Hong Kong – *Darren McShane, Executive Director, Mandatory Provident Fund Schemes Authority*
- Lessons from Mexico – *Luis Huerta, Director, Seguros Agros*

**17:15 Concluding remarks on design and implementation of asset allocation** – *Chairperson*

**17:30 End of Day three**

**Thursday, April 14<sup>th</sup> – Day Four – Contingent liabilities and implementation issues**

**8:00 Breakfast**

**Chairperson** – *Michael Orszag, Partner and Director of Research, Watson Wyatt*

**9:00 Pricing for risk: insurance and pension guarantees, a review** – *Chris Daykin, Government Actuary, Government Actuary Department, UK*

**10:15 Coffee Break**

**10:30 Focus on rate of return guarantees**

- Pricing of pension guarantees – *Moshe Arye Milevsky, Professor, York University*
- How to assess the exposure of insurance companies to the risks in investment guarantees – *David Wilkie, Chairman InQA Limited and Honorary Visiting Professor, Heriot-Watt University Edinburgh*
- Life Insurance Investment Guarantees: Industry Developments in South Africa – *Kamran Foroughi, Towers Perrin Tillinghast*

**12:15 Concluding remarks on insurance and pension guarantees** – *Chairperson*

**12:30 Lunch – Contractual savings and national saving** – *Alberto R. Musalem, Deputy Director and Chief Economist, Financial Stability Center, Argentina*

**Chairperson** – *Rodney Lester, Lead Insurance Specialist, Operations and Policy Department, World Bank*

**14:15 ALM for insurance I – Overview and evolution of strategies and ALM tools for insurance companies** – *Charles Gilbert, President, Nexus Generations*

**15:15 Coffee Break**

**15:30 ALM for insurance II**

- Practical implementation of ALM policies for non-life insurance companies – *Christoph Hummel, Converium*
- Partial Durations: Theory and a Application to ALM – *Robert Reitano, Executive Vice President & Chief Investment Strategist, Manulife/John Hancock Financial Services*

**17:30 Concluding remarks on ALM for insurance companies** – *Chairperson*

17:45 **Happy Hour** – AED Conference Center

**Friday, April 15<sup>th</sup> – Day Five – Regulating retirement products**

8:30 **Breakfast**

**Chairperson** – Roberto Rocha, Lead Economist, Operations and Policy Department, World Bank

8:45 **Developing the market for retirement products**

- The annuity market for Chile – Roberto Rocha, Lead Economist, Operations and Policy Department, World Bank
- Assessing capital and reserve requirements of annuity companies – Craig Thorburn, Senior Insurance Specialist, Operations and Policy Department, World Bank
- The regulation of phased withdrawals – Gregorio Impavido, Senior Financial Economist, Financial Sector Operations and Policy Department, World Bank
- Q&A Session (15 minutes)

10:30 **Concluding remarks on regulation of retirement products** – Chairperson

10:45 **Coffee Break**

11:00 **End conference panel: what do we bring home?**

- Insurance and pension standards – Stuart Wason, Director, Mercer Oliver Wyman
- Managing risk: the supervisory and corporate perspective – Allan Brender, OSFI
- The investment process, asset allocation and policy – Andrew Turner, Managing Director, Russell Investment Group
- Retirement products – Chris Daykin, Government Actuary, Government Actuary Department, UK
- Q&A Session (15 minutes)

12:50 **End of conference remarks** – Ruben Lamdany, Director, World Bank Institute, The World Bank

13:15 **End of Conference**

**REGISTRATION FORM:**

3<sup>rd</sup> Contractual Savings Conference: Supervisory and Regulatory Issues In Private Pensions and Life Insurance – April 11 – 15, 2005

š Mr. š Mrs. š Dr. First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Title \_\_\_\_\_ Organization \_\_\_\_\_

Street Address: \_\_\_\_\_ City \_\_\_\_\_ State/Province \_\_\_\_\_

Postal Code \_\_\_\_\_ Country: \_\_\_\_\_ Business Phone \_\_\_\_\_

Business Fax \_\_\_\_\_ Email: \_\_\_\_\_

Registration fee    ▪ 5-day conference package US\$1,500    ▪ 1-day participation US\$500    ▪ 2-days participation US\$900

The participation fee covers admission to all seminar sessions and activities. Payment must be received within 10 days of registration. Accommodations are NOT included in the registration fee. Applications must be received no later than March 25, 2005.

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Please forward check payments and/or requests for further information no later than March 25, 2005 to:

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