

**Submission to call for papers for
3rd IAA LIFE Colloquium in Munich, 2009**

Title:

Variable annuities: some reserving and regulation considerations

Topic:

3. Life insurance and financial markets

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Abstract:

Because of their complexity and the nature of their inherent risks, variable annuities need specific consideration for reserving and regulation purposes.

In the first part of the study, we identify, for various type of variable annuities, the specific issues to be dealt with, including nature of the risks, hedging (static/dynamic), policyholder behaviour. We explore some key considerations on reserving with risk neutral stochastic simulations.

In a second step, we illustrate issues relating to asset admissibility and solvency requirements.