**Making Friends**

*When you’re a grown-up*

Sure, we eat lunch together sometimes, but does that make us friends or just friendly coworkers? Maybe they’re just being polite...oh god, they probably all just hate me!

*When you’re a little kid*

What’s your name? Terry.

Wanna be friends? OK!

©Brian Gordon

FowlLanguageComics.com
SCOR Group, a global reinsurance company established in France in 1970, is organized around three divisions, which makes its strength

<table>
<thead>
<tr>
<th>Property &amp; Casualty reinsurance</th>
<th>Life &amp; Health reinsurance</th>
<th>Asset management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Treaty P&amp;C</strong></td>
<td><strong>Risk Solutions</strong></td>
<td><strong>Group Investment Office</strong></td>
</tr>
<tr>
<td>Property treaties</td>
<td>Life</td>
<td>ESG policy</td>
</tr>
<tr>
<td>Motor</td>
<td>Personal Accid.</td>
<td>Optimizes Group capital allocation</td>
</tr>
<tr>
<td>Casualty treaties</td>
<td>Disability</td>
<td>Limited risk appetite</td>
</tr>
<tr>
<td><strong>Specialty Lines</strong></td>
<td>Critical Illness</td>
<td><strong>Investment Partners</strong></td>
</tr>
<tr>
<td>Agriculture</td>
<td>Care solutions</td>
<td>€18.3bn of invested assets at 30/06/17</td>
</tr>
<tr>
<td>Engineering</td>
<td>Medical</td>
<td>2.7% return on invested assets for H1 2017</td>
</tr>
<tr>
<td>Credit &amp; Surety</td>
<td></td>
<td><strong>Asset under management</strong></td>
</tr>
<tr>
<td>Marine &amp; Energy</td>
<td></td>
<td>Strict B-to-B model</td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
<td>2.9bn of assets managed on behalf of third-party investors at 30/06/17</td>
</tr>
<tr>
<td><strong>SCOR Business Solutions</strong></td>
<td><strong>Global Product Lines</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Lloyd’s operations</strong></td>
<td>Financial Solutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Longevity</td>
<td></td>
</tr>
<tr>
<td><strong>Life</strong></td>
<td><strong>Global Distribution Solutions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Group Investment Office</strong></td>
<td><strong>Risk Solutions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Partners</strong></td>
<td><strong>Global Distribution Solutions</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Asset under management</strong></td>
<td><strong>Risk Solutions</strong></td>
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<tr>
<td></td>
<td><strong>Global Distribution Solutions</strong></td>
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</tr>
</tbody>
</table>
The SCOR Global Life Way

| Clear risk appetite | • Strict and consistent focus on biometric risks  
|                     | • Strong ERM framework ensuring full alignment between growth, profitability and solvency  
|                     | • Retentions per life controlled with retrocession to manage volatility  
| Deep client & risk focus | • Market-facing, client-focused & performance-driven organization  
|                     | • Investment in knowledge to develop innovative solutions  
|                     | • Clear understanding of the risks with transparent communication  
| Differentiating expertise | • Thorough R&D work across 8 R&D centers worldwide  
|                     | • Investment in people and tools to ensure long-term sustainability of differentiating expertise  
|                     | • Partnerships with industry-leading organizations and stakeholders  
| Tier 1 diversified global franchise | • Strong leadership positions in Americas and EMEA  
|                     | • Solid foundations in place in all key markets for controlled growth  
|                     | • Complete offering of Risk Solutions, Financial & Longevity Solutions and Distribution Solutions  
| Solid, healthy and performing in-force book | • Strong technical results and margin and significant value creation  
|                     | • Consistent cash contribution to the Group  
|                     | • Clear framework in place to manage and optimize the book  
| Efficient, innovative & inclusive organization | • Investment in technology to enhance digital offering and in new systems & tools to harness the power of data  
|                     | • Focus on talent management and leadership  
|                     | • Continuous attention to efficiency  

The SCOR Global Life Way
SCOR further enhances its Tier 1 positioning thanks to the perfect execution of “Optimal Dynamics”

Global Tier 1 reinsurer

1. Market Leader
2. Global Player
3. Tools & Processes Developer
4. Strong Technical Profitability
5. Industry Trendsetter
6. Independent Group

All rating agencies give a positive assessment of SCOR’s current financial strength and capitalization, confirming its Tier 1 position

- **Standard & Poor’s**: AA- Stable outlook
- **Fitch Ratings**: AA- Stable outlook
- **Moody’s**: Aa3 Stable outlook

Stable outlook
SCOR almost triples its gross written premiums and doubles its shareholders’ equity over the last 10 years

**GWP in EUR billions (rounded)**

- 2007: 4.8
- 2008: 5.8
- 2009: 6.7
- 2010: 7.6
- 2011: 9.5
- 2012: 10.3
- 2013: 11.3
- 2014: 13.4
- 2015: 13.8

**Shareholders’ equity in EUR billions (rounded)**

- 2007: 3.6
- 2008: 3.4
- 2009: 3.9
- 2010: 4.3
- 2011: 4.4
- 2012: 4.8
- 2013: 5.0
- 2014: 5.7
- 2015: 6.3
- 2016: 6.7

**Notes:**

+EUR 9bn since 2007

+EUR 3.1bn since 2007
SCOR Global Life, with an established franchise, is well positioned for the future

**Tier 1 global franchise**

<table>
<thead>
<tr>
<th>Region</th>
<th>2016 GWP – in EUR billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>49% (US) 54%</td>
</tr>
<tr>
<td>EMEA</td>
<td>11% (UK/Ireland) 33%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>7% (Australia &amp; NZ) 13%</td>
</tr>
</tbody>
</table>

**Complete offering with strict biometric focus**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 GWP – in EUR billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longevity</td>
<td>8%</td>
</tr>
<tr>
<td>Financial</td>
<td>13%</td>
</tr>
<tr>
<td>Solutions</td>
<td></td>
</tr>
<tr>
<td>Protection</td>
<td>79%</td>
</tr>
<tr>
<td>Life</td>
<td>65%</td>
</tr>
<tr>
<td>Health¹)</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Presence in all key markets & strong leadership positions**

1) Includes Medical, Critical Illness, Disability and Long-Term Care
2) As at end April 2017; excludes ReMark
3) SCOR own estimates & research

---

1. SCOR Global Life main locations and resources²)
   - 30 offices serving 80 countries
   - 355 Americas
   - 335 EMEA
   - 164 Asia-Pacific
   - 189 Global product lines & central functions

2. SCOR Global Life competitive position³)
   - #1
   - #1
   - #1
   - #2
   - #4
Investing in technology to enhance the value proposition and support clients with new business origination

<table>
<thead>
<tr>
<th>Increase consumer engagement</th>
<th>Enable digital distribution</th>
<th>Enhance underwriting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Develop innovative offerings with increased consumer engagement</strong></td>
<td><strong>Support clients in developing digital consumer journey</strong></td>
<td><strong>Help clients simplify, improve or accelerate their underwriting processes</strong></td>
</tr>
</tbody>
</table>

Consumers are ready for more engaging value propositions

- Willingness to share data from device with a Life insurer to get discount
  - 77% in China
  - 64% in USA

Strategic investment in health data aggregation platform

- Consumers are ready for more engaging value propositions

Consumer journey

1. **Consider**
2. **Discover**
3. **Select**
4. **Apply**
5. **Purchase**
6. **Monitor**
7. **Claim**

**SCOR Global Life’s automated underwriting solution**

- Partnership with leading technology provider in Asia-Pacific
- 5-year exclusive partnership

**Investing in technology to enhance the value proposition and support clients with new business origination**

1) Source: 2016 ReMark Global Consumer Study – “You can’t always get what you want”


Countries illustrated are China and USA
The strength of the SCOR group’s strategy is recognized by industry experts

2014
- Denis Kessler: “Insurance Hall of Fame in 2014 by IIS”
- Cat bond Atlas IX awarded as “Deal of the year 2014”
- SCOR: “Reinsurance Company of the Year”
- “Prize for Best Financial Operation -M&A” by the Club des Trente for Generali US acquisition
- Denis Kessler is elected “Outstanding Contributor of the year -Risk”

2015
- SCOR: “Best reinsurer in Argentina”
- Kory Sorenson and Fields Wicker-Miurin, elected “Influential Women in Insurance”
- SCOR Global Life: “Best Life reinsurer of the year”
- Remark International: “Service Provider of the Year”
- SCOR Investment Partners: “Institutional Investor of the Year”

2016
- SCOR: “Latin American Reinsurer of the Year”
- SCOR Global Life: “North American Reinsurer of the Year”
- SCOR Global Life: “Reinsurer of the Year 2016”
- Kory Sorenson, Fields Wicker-Miurin, Vanessa Marquette, Marguerite Bérard-Andrieu and Ingrid Carlou, elected “Influential Women in Insurance”
- SCOR: “Risk innovation of the year”

2017
- SCOR: “Romanian Reinsurer of the Year”
- SCOR Global Life: “Reinsurer of the Year”
Major Solvency II financial challenges which insurers are facing

<table>
<thead>
<tr>
<th>Balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Contract boundaries</strong> preventing future margins for being shown on balance sheet</td>
</tr>
<tr>
<td>2. <strong>Limit on deferred tax</strong> asset as tier 3 capital</td>
</tr>
<tr>
<td>3. Risk margins are large percentage of net asset value</td>
</tr>
<tr>
<td>4. Market risk (includes matching adjustment and volatility adjustment (static and dynamic)) is large</td>
</tr>
<tr>
<td>5. Risk of ultimate forward rate being decreased</td>
</tr>
<tr>
<td>6. Decrease in transitional benefit over time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Market risk (size of stress)</td>
</tr>
<tr>
<td>8. <strong>Lapses</strong> (down, up and mass stress scenarios)</td>
</tr>
<tr>
<td>9. Major stresses (e.g. mortality, longevity, disability)</td>
</tr>
<tr>
<td>10. Lack of profits post stress</td>
</tr>
<tr>
<td>11. Too little diversification</td>
</tr>
<tr>
<td>12. Risk capital on government bonds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Solvency ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. <strong>Volatility of the solvency ratio</strong></td>
</tr>
</tbody>
</table>
Medical Underwriting

Leading provider of medical underwriting services in the Nordic market

**PRIO**\(^2.0\) Web based medical manual for *child* products.

**solem** Web based medical manual for *adult* products.

Via outsourcing we do everything from *Second Opinion* to a full *Medical Underwriting Service*. 
How it works behind the curtains

**Insurers’s IT infrastructure**

1. Online application & quote
2. Admin & personal data forms
7. Quote results display

**E-underwriting system**

3. Loading of health questionnaire
4. Output of questions and tips
5. Input of answers
6. Automatic results generation

**Webservices**

**Instantaneous & synchronised data flow**
E-underwriting Light – how does it work?

Client logs in on Cedent website and applies for insurance.

Client clicks on a link to reach the health declaration.

Client answers questions in the dynamic form.

Client clicks **Send** and is asked to sign the form electronically.

Complete health declaration is available on SCOR Sweden Re Customer Portal.

Cedent views the health declaration in SCOR Sweden Re Customer Portal.

*Cedent views the health declaration in SCOR Sweden Re Customer Portal. Any remarks?*

**NO**

Cedent contacts the Client and finishes the application.

**YES**

SCOR Sweden Re Medical Underwriter picks up the case and gives a recommendation.

Cedent receives recommendation on SCOR Sweden Re Customer Portal and contacts the Client.

Client clicks on a link to reach the health declaration.
Workshops

DAGENS ÄMNEN:
Nytt och gammalt kring diabetessjukdomar

Välkommen till SCOR Sweden Re:s diabetes föreläsning

Föredragshållare: Överläkare Sara Mansten
Diabetes och Endokrin mottagningen, Ersta Sjukhus

Torsdagen den 16 november 2017
13:00-16:30 inkl. kaffepaus

Lokal Konferens:
Spårvagnshallarna
Birger Jarlsgatan 57 A Stockholm

OSA till mig senast den 8 november 2017
johan.lidstrom@swedenre.se

Previous topics:

- Stress and burnout,
- Screening of foetus for particular diseases – possibilities and ethical considerations,
- Cardiology,
- ADHD/ADD as an adult – risks and possibilities.
Market Analysis / Benchmarking / Experience Analysis / Etc.

Extra service for reinsurance clients

• Our clients are more and more turning to us for advice about the current competition and incoming trends of the insurance business as well as asking for help to analyzing their own data.
• Analyses will be available as a bonus service to our reinsurance clients.
• Clients who share more data will get access to more in depth studies.

Confidentiality

• All presented information will be anonymized.
• Sensitive data are presented as averages and intervals.

Fredrik Lannsjö

Please contact fredrik.lannsjo@swedenre.se for further information.
Traditional Solutions

Distribution Solutions

Financial Solutions

Client Training

Digital Solutions

Product Development
SCOR Sweden Re:s Nordic Life Insurance Conference
October 13th 2017

WELCOME

Svein Børre Solvang
Solvency II – In Full Force

Peter Nowell
SCOR Global Life
Solvency II

1) Source: EIOPA, Technical Specification for the Preparatory Phase (Part I), p. 120 (30 April 2014)

- In force from 1 January 2016
- Public reporting of detailed solvency information from 20 May 2017 (solo entities) / 1 July 2017 (group entities) – SFCR reports
- Potential extension to pension sector under consideration
- Refinements being considered but wholesale change unlikely
## Solvency II reviewed

### Strengths
- Level playing field across European insurers
- Risk based allocation of capital
- Reduction in regulatory arbitrage
- Long term increase in amount of capital to support industry

### Weaknesses
- Higher capital charges for long term business and long term investments, reducing market for annuities
- Inconsistent risk charges
- « Gold plating » by individual regulators
- High costs of implementation

### Opportunities
- Cross selling within Europe under common regulatory framework
- Better capitalised entities to take over weaker companies

### Threats
- Competition from insurers in « equivalent » jurisdictions such as Bermuda but with lower asset risk charges
- Potential changes to reduce further the returns on long term life business
Discounting

• The discounting rates used under Solvency II may be materially different from risk free rates such as swap curves:

  Two main assumptions are:
  − No negative interest rates (floor at 0%) and
  − Ultimate Forward Rate (UFR)

• However these assumptions change over time. For example the UFR for EUR / SEK / NOK is being reduced from 4.20% to 3.65% over the next 5 years
The capital management strategy of an organisation will depend on its thresholds for risk, its legal form, the volatility of its underwriting results and any guidance from its regulator as to its capitalisation.

- If the level of capital is too high, shareholders may request higher dividends / share buybacks – no such pressure for mutuals
- If the level of capital is too low, then additional capital may be raised through sale of assets, additional reinsurance, issuing capital or subordinated debt, or reducing risks
- The ultimate sanctions for falling below the minimum capital ratio for too long are regulatory intervention, leading to a forced merger, sale, run-off or liquidation
Actions

- Sell portfolios that consume capital – M&A
- Expand into emerging markets
- Change strategic asset allocation
- Merge or put company into run-off
- Decrease policyholder and shareholder dividends
- Sell more capital light products e.g. UL policies
- Purchase more traditional reinsurance
- Reduce costs – automation, outsourcing
- Raise capital – equity, subordinated debt

Structured Reinsurance
Balance sheet management

**Action**

- Three main categories of Structured Reinsurance:

  1. **Reduce Solvency margin requirements**
     - Varies from quota share to more sophisticated solutions e.g. mass lapse reinsurance under Solvency 2
  
  2. **Increase available capital** – create admissible assets and/or remove redundant reserves
     - Often structured as coinsurance or modified coinsurance
  
  3. **Increase available capital and liquidity**
     - VIF monetisation through quota share reinsurance with ceding commission

**Capital structure**

- Simplified balance sheet:
Financing

In this example, a structured reinsurance treaty was used to provide financing as well as risk transfer for a mutual insurer. The company had partnered with a start-up broker to originate new term life policies; however, the broker needed to earn an upfront commission to pay for IT and advertising expenses, whereas the mutual earned a spread over the life of the policy. Here SGL financed this cash strain by providing an initial ceding commission, to be repaid through a [90]% quota share reinsurance treaty over the life of the policies.
Mass Lapse Reinsurance

- A number of insurers have purchased reinsurance against the risk of lapses on their overall portfolio exceeding a certain threshold e.g. [20]% within the next year. This allows the cedant to hold less Solvency 2 capital against the risk of mass lapse (40% lapses in the next 12 months) as this risk is passed on to the reinsurer. For traditional products and insurers not on an internal model, this can be an affordable source of additional capital.
Contingent Reinsurance

- For our final example, an insurer may not need reinsurance today with its solvency ratio above [150]%, but may be concerned about the future. So it reinsures a block of business from its customers with a quota share covering only part of the risks, e.g. a [40]% quota share. It also pays a low facility fee to the reinsurer, in return for the right to increase the quota share percentage to [80]% at any time over the next [4] years under the same conditions as the existing reinsurance treaty. This guarantees availability of extra protection at a fixed cost, even if market conditions change.
Peter Nowell
Global Head of Structuring – Financial Solutions
SCOR Global Life

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Aggregation of capital requirements in Solvency II standard formula
Conference, SCOR Sweden Re, 2017-10-13

Magnus Carlehed, Head of Risk, Swedbank Group Savings
Swedbank

• Retail bank
  – Four home markets (Sweden, Estonia, Latvia, Lithuania)
  – 7.2 million private customers, 0.6 million corporate customers
  – 13 900 employees
  – Also has asset management and insurance companies as subsidiaries

• Swedbank’s insurance business
  – Swedbank Försäkring AB, Life insurance, Sweden, AUM 170bn SEK
  – Swedbank Life Insurance SE, Baltics, AUM 5bn SEK
  – Swedbank P&C Insurance SA, Non-Life Insurance, Baltics
Solvency Capital Requirement (SCR)
Solvency II: The three pillars

Pillar I  – Solvency Capital Requirements (SCR)
Pillar 2  – Governance
Pillar 3  – Reporting
Identify risk exposures (example from life insurance)

• Future cash flows are exposed to a number of risks that, if crystallized, may have an adverse affect on Own Funds.

• The main exposures applicable to SFAB business is highlighted above
Shocking Market Valued Balance Sheet (MVBS)
- VAR approach calibrated to a 99.5% confidence level

**Assets**
- Market Value of Assets
- Net Asset Value
- Risk Margin
- TVOG
- Best estimate
- Own Funds

**Liabilities**
- Own Funds

**MVBS post a 99.5% event**

- Net Asset Value
- Risk Margin
- TVOG
- Best estimate
- Own Funds

**SCF**
Solvency Capital Requirements
Aggregation
Two risk factors

• In all examples we will look at two risk types $X$ and $Y$, e.g. Equity and Lapse

• In principle, the correct capital requirement is the 99.5% quantile of the value distribution, when we simulate both $X$ and $Y$ simultaneously $\rightarrow$ difficult
The standard formula is a simplification (1)

In the Standard Formula, we stress one risk factor at the time, by a prescribed stress.

<table>
<thead>
<tr>
<th>$X$</th>
<th>$Y$</th>
<th>Value $f(X,Y)$</th>
<th>Capital requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>$q_X = -0.5$</td>
<td>0</td>
<td>-75</td>
<td>$C_X = 75$</td>
</tr>
<tr>
<td>0</td>
<td>$q_Y = -0.3$</td>
<td>-300</td>
<td>$C_Y = 300$</td>
</tr>
</tbody>
</table>

- $C_X = -f(q_X,0)$, $C_Y = -f(0,q_Y)$, where $q_X$ and $q_Y$ are quantiles of $X$ and $Y$, and $f$ is the “value function”.
- The value function $f$ describes how the value of our portfolio varies with $X$ and $Y$, and is obviously very important for the outcome.
The standard formula is a simplification (2)

In the Standard Formula, we then aggregate the individual capital requirements $C_X$ and $C_Y$ using a prescribed “correlation” $\alpha$.

$SCR = SCR(\alpha) = \sqrt{C_X^2 + 2\alpha C_X C_Y + C_Y^2}$
Example: Two risks, each with a capital requirement of 100

<table>
<thead>
<tr>
<th>$\alpha$</th>
<th>Capital requirement (SCR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>200</td>
</tr>
<tr>
<td>0.75</td>
<td>187</td>
</tr>
<tr>
<td>0.5</td>
<td>173</td>
</tr>
<tr>
<td>0.25</td>
<td>158</td>
</tr>
<tr>
<td>0</td>
<td>141</td>
</tr>
<tr>
<td>- 0.25</td>
<td>122</td>
</tr>
</tbody>
</table>

- What is the correct $\alpha$?
  - That depends on $f$, but also on the underlying joint distribution of $X$ and $Y$.
- What is a prudent $\alpha$?
  - For Life Risks and Market Risks, Solvency II has $\alpha=0.25$. 
Everything is normal…

- Solvency II does not assume any specific joint distribution for the risk factors.
- We will assume bivariate normal distribution of $X$ and $Y$, with mean 0, variance 1 and correlation $\rho$.
- The theme of my work is:

  Given $\rho$, if we want $\text{SCR}(\alpha)$ to equal the correct capital requirement (from the joint distribution), how shall we choose $\alpha$?

- Naive conclusion: $\alpha = \rho$
Special case: The “volume dependent” situation in a life portfolio
Volume dependent case in life insurance

• A portfolio of unit-linked contracts. The company receives fees that are proportional to the Assets Under Management (AUM).
• After expenses, this gives rise to a number of cash flows that are discounted to today with a (hopefully) positive net sum = Own Funds (OF). Statically, the Own Funds are approximately proportional to AUM.
• Losing AUM “over-night”, due to e.g. mass lapse or equity crash, means losing OF overnight in a proportional way.

Surprisingly, if the stresses are not too small, the correct $\alpha$ is negative, even for highly positive $\rho$.
"A lapsed portfolio can’t crash.”
Plot of how $\alpha$ depends on the stress and on $\rho$

1. Small stress and high correlation gives positive $\alpha$.
2. Large stress gives negative $\alpha$.
3. Zero or negative correlation gives negative $\alpha$, regardless of stress.
Case study: Three portfolios in a life insurance company
Three portfolios of a life insurance company

- P1, unit-linked
- P2 and P3, guarantees
- Equity stress: Full stress of EQ Type 1 as -39% (no stress of Type 2 or Fixed Income instruments). Half stress -19.5%.
- Lapse: Full stress: Mass lapse, 40%. Half stress 20%.
Risk matrices (a small number of simultaneous stresses for each portfolio)

<table>
<thead>
<tr>
<th></th>
<th>0</th>
<th>(\frac{1}{2})</th>
<th>1</th>
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<tbody>
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<td>1893</td>
</tr>
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<td>(\frac{1}{2})</td>
<td>823</td>
<td>1593</td>
<td>2364</td>
</tr>
<tr>
<td>1</td>
<td>1647</td>
<td>2240</td>
<td>2835</td>
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</tbody>
</table>

<table>
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<th>1</th>
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<tr>
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<td>0</td>
<td>66</td>
<td>143</td>
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<td>(\frac{1}{2})</td>
<td>92</td>
<td>147</td>
<td>210</td>
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<tr>
<td>1</td>
<td>185</td>
<td>228</td>
<td>285</td>
</tr>
</tbody>
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<td>68</td>
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Rows = Lapse
Columns = EQ
(Each cell requires a large stochastic simulation)
Simulation approach (“internal model”)

• Distribution assumptions:
  – EQ: Student-t distributed
  – Lapse: another heavy-tailed distribution
  – Independence between EQ and Lapse

• Draw a large number of scenarios (EQ,Lapse) from the assumed distribution.

• Use the risk matrices to calculate the value (OF) of the portfolio given each scenario (“value response function”)

• Find the correct quantile of the OF value changes, and compare with $SCR(\alpha)$; the latter is found analytically.

• Back out $\alpha$. 
Results and conclusion

The found $\alpha$ are -0.19, -0.19, -0.12, for the three portfolios, respectively. Here $\rho = 0$. However, some analysis shows that we are in the area where $\alpha$ is negative for all $\rho$.

The prescribed $\alpha=0.25$ is too large!
Thank you!

magnus.carlehed@swedbank.com
WELCOME TO THE PRESENT!

Stockholm, October 2017

"You can’t start a fire without a spark”
Bruce Springsteen
"Your brand is not what you say, it’s what you DO…"

German Ramirez, Speaker, Consultant, Author, Coach & Entrepreneur
Digitalization has enabled us to turn around the power structure in the information, interaction and transaction.
92% vs. 14%
The traditional marketing model
The new marketing model: Zero Moment of Truth

Which becomes the ZMOT for the next potential customer
How? vs. Why?
The customer is no longer the King

The customer is now Mr. President
"Dear YouTube: I will always “skip ad”!"

German Ramirez, Keynote Speaker, Consultant, Coach & Entrepreneur
1st enormous challenge? too many options!
2nd big challenge: Who "owns" digital?

PR
Marketing
Cross-functional team
Customer service
The agency
IT & operations

I don't know what's wrong. We posted our brand of lug nuts to every social media site and no one is talking about us.

MUST BE A TECHNICAL ERROR
WE DO HAVE 5 FANS!
THAT'S THE 5 OF US

ASK FOR A REFUND

© 2007
Tom Fishburne

TomFishburne.com
A typical fear... And a myth, by the way!
Corporate Risk Obsession DNA...

Why make it difficult, when you can make it impossible?

Source: Tom Fishburne
My favorite 1st reaction
WHAT'S THE BIG CAMPAIGN IDEA?

WE'RE GOING DIGITAL

YOUTUBE

A MOBILE APP

PINTEREST

WHAT ARE WE GOING TO DO IN ALL THOSE CHANNELS?

I DUNNO, WE'LL FIGURE IT OUT LATER

Let's be ... EVERYWHERE !!!
Let's talk about US!!!

I don't know what's wrong. We posted our brand of lug nut to every social media site and no one is talking about us. Must be a technical error.

Ask for a refund.

We do have 5 fans.

That's the 5 of us.
Mission Statement

Guided by a **Relentless Focus**
((Heartfelt Adjective))

On **Quality**, ((Cliche)), and ((Another Cliche))
((Yet Another Cliche))

We will strive to ((Long-Winded Phrase))

Delivering ((Big Aspirational Word)) to our ((Vague Group))

Quality! We've already used that.

Let's be ... **Super-Corporate!!!**

Source: Tom Fishburne
I support word-of-mouth marketing, just as long as we tightly control exactly what they say.

Let's make sure we have ... CONTROL!!!
The outcome of a consensus driven process...
The biggest mistake is in the thinking!
“Brand Management is dead. You no longer own your brand. Your new brand manager is your customer.”

German Ramirez, Keynote Speaker, Consultant, Author, Coach & Entrepreneur
INTERACTION & PROXIMITY

Source: Public Domain Pictures

Relationships & rules change: Participation-Dialog on ALL Channels
TRANSPARENCY & AUTHENTICITY

Word of mouth on steroids: ALL Information is public
Everyone is an author: Information is generated & distributed by everybody at the speed of light.
What goes on in the users mind
The "buy me" trap

Buy!
Buy!
Buy!
Buy!
Buy!
Buy!
Buy!
Buy!
Get them engaged and doing the talking!
Der Key to Success in Business: Welcome to the era of Relevance
WHY does the world need my S***?

German Ramirez, Speaker, Consultant, Author, Coach & Entrepreneur
Elevator Pitches are dead, because elevator rides are too long!

We have the attention span of a goldfish

German Ramirez, Speaker, Consultant, Author, Coach & Entrepreneur
Every good idea fits on a Post-it. If it doesn't fit it is not a good idea (yet...)
Final words:

Focus on rewarding Customer experiences & Radical Customer Focus

"Transformation means metamorphosis. Sticking wings on a caterpillar does not make a butterfly out of it."

German Ramirez, Keynote Speaker, Consultant, Author, Coach & Entrepreneur
Multi-Channel is not Omni-Channel

Source: Guidedselling.org
Your organization thinks and works in boxes
Customers move fluently... All is part of one experience... Does it feel like that with you?

Source: HR Today
Brand Management is dead...
Stop trying to control and be honest!
But what if consumers aren't looking for a "disruptive synergized paradigm shift" in a breath mint?

Involve your customer

Source: Tom Fishburne
WE'RE CREATING MORE CONTENT THAN OUR AUDIENCE CAN ACTUALLY CONSUME.

THAT'S A GOOD TOPIC FOR OUR NEXT BLOG POST, WHITEPAPER, INFOGRAPHIC, LISTICLE, AND ANIMATED GIF.

Don't exaggerate with your messages & content
CAREFUL, THE LAST CONTENT WAS FULL OF MARKETING.

Don’t hide advertising as relevant content
BAD PERSONALIZATION IS WORSE THAN NO PERSONALIZATION. THIS BRAND NEWSLETTER JUST CALLED ME "FIRSTNAME" INSTEAD OF "VIRGINIA."

MACCHIATO FOR "VAGINA"

Personalize, but with a focus on building value

Source: Tom Fishburne
Measure, but the right things!
It is not about products, it is about experiences: Become radically customer oriented! Are you?

We just want to track your customer journey so that we can engage with you better.
It is not about Change Management... it is about Transformation!
Not so easy?
I got three words for you...
Don't be afraid of failing.

Success

what people think it looks like

what it really looks like
Don't take yourself too seriously...

Inside the Mind of the Consumer

I don't see our brand of pickle relish anywhere.

Inconceivable, this is a "brand loyalist."
The customer is no longer the King
The customer is now Mr. President
The worst part of digital is... you feel OLDER faster

Muchas Gracias!

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@gerramirez

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SCOR Sweden Re:s Nordic Life Insurance Conference
October 13th 2017

CLOSING

Svein Børre Solvang
MAKING FRIENDS

WHEN YOU’RE A GROWN-UP
SURE, WE EAT LUNCH TOGETHER SOMETIMES. BUT DOES THAT MAKE US FRIENDS OR JUST FRIENDLY CO-WORKERS? MAYBE THEY'RE JUST BEING POLITE...OH GOD, THEY PROBABLY ALL JUST HATE ME!

WHEN YOU’RE A LITTLE KID
WHAT'S YOUR NAME? TERRY. WANNA BE FRIENDS? OK!

WHAT'S YOUR NAME? YOU DON'T GET TO PICK WHERE WE EAT LUNCH ANY MORE.

FowlLanguageComics.com ©Brian Gordon
Tack mail till deltagarna!
Utvärderingen gick till 200+ personer
Enkät 7 frågor med fritext

Årets konferens Grand Hotel 7 oktober

Utvärdering Konferens 2015
Kära konferensdeltagare, tack för ditt deltagande i årets konferens
Vänligen svara i skala 1-5 där 1 anger minst intressant och 5 anger mest intressant.

1. Introduktion - Svein Berre Solvang, VD SCOR Sweden Re
Hur intressant var detta föredrag för dig?
E1: E2: E3: E4: E5:
Övriga kommentarer:

2. Fredrik Reinfeldt - Ett Europa i förändring
Hur intressant var detta föredrag för dig?
E1: E2: E3: E4: E5:
Övriga kommentarer:

3. Renato Di Iorio & David O’Brien, SCOR Global Life - Solvency 2, transitioning from implementation to optimization
Hur intressant var detta föredrag för dig?
E1: E2: E3: E4: E5:
Vill du att vi kontaktar dig med ytterligare information (om ja, vänligen ange kontaktinformationsrutiner nedan)?

E ja E nej

Övriga kommentarer:

4. Vinnaren av SCOR Sweden Re’s årliga pris för bästa diplomarbete vall av Svenska aktuarieföreningen - Anna

Vad tyckte du?

Stort tack för ditt deltagande i SCOR Sweden Re’s Livförsäkringskonferens i förra veckan. Vi hoppas att du uppskattade årets program och innehåll.

Jag skulle vara tacksam om du kunde ta någon minut och ge oss feedback på konferensen och dess innehåll, då dina synpunkter är viktiga för oss.

Vänligen klicka här för utväderingen

Vi kommer att skicka ut en dokumentation av konferensen till dig om några veckor. Årets presentationer kan du redan hitta på vår hemsida (www.svendsore.se) under publikationer.

Bästa hälsningar
Svein Berre Solvang, VD
Feedback on the 2016 Conference

• A very professional and including conference
• The speaker was surprisingly insecure
• To much information
• To little information
• Finally an Actuary we non-actuaries could understand (Tove Brickner)
• The speakers should have been guided on beforehand to secure a better performance
• Fun to be part of some experiments at the end with Gospic
• Fantastic opportunity to meet people in the industry and to listen to interesting speakers without the risk of falling asleep
• The food was extraordinary good
• The food was awful
• The first half of the presentation was good, the second half bad
• Grand heavily underperformed. No coffee in the morning and a rebuilding and construction site 😞. Next year I hope for a new venue
• Yes I agree the CEO could really loose a lot of weight
  • Eat more often and less each time. No candy. More vegetables.
  • Powerwalk. Bicycling. Start the day with some running.
  • No eating after 20:00PM
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Please give us your valuable feedback also in 2017
LUNCH