

# Tackling risk in emerging markets

The fourth annual Insurance Risk and Finance Research Conference took place on 25 and 26 June 2015, under the theme “Risk in Emerging Markets” ([www.irfrc.com](http://www.irfrc.com)).

Consistent with its aims, the conference brought together industry professionals, academics and regulators from insurance and finance to exchange ideas on current developments in these fields with a focus on emerging markets. In addition, the IRFRC was proud to collaborate with the Journal of Risk and Insurance (JRI), the leading journal in risk and insurance, published by the American Risk and Insurance Association. The JRI will publish the best papers from the conference in a symposium titled “*Risk in Emerging Markets*”.

This year’s conference attracted submissions from 23 countries and featured speakers from 13 countries (Australia, Canada, China, France, Germany, India, Korea, Morocco, Poland, Saudi Arabia, Singapore, Taiwan, USA), both from academia and from industry (such as insurance brokers, consulting firms and re-insurance companies). In addition to the conference’s regular presentations, the conference attendees had the opportunity to hear from three keynote speakers on economics, quantitative risk management and regulatory issues, as well as a panel discussion on cyber risk.

The first keynote speaker was Ms Wai Yi Lee, Director & Head of Supervisory Analytics Division, Insurance Department, Monetary Authority of Singapore. Ms Lee provided the regulator’s perspective on Risks in Emerging Markets and highlighted the key regulatory concerns and monitoring mechanisms.

The second keynote speaker was Professor Paul Embrechts, from the Department of Mathematics, at ETH Zurich, Switzerland. Professor Embrechts, an expert on Extreme Value Theory and Model Risk offered his valuable input into the benefits of quantitative models but also noted their limitations, especially when employed on extreme observations.

The third keynote speaker was Professor of Economics Christian Gollier, at the University of Toulouse I. Professor Gollier, an expert on insurance economics and the economics of risk and time, offered his expertise on how asset pricing theory could be adapted to take into account the very long maturity of liabilities of life insurers and pension funds.

Looking ahead into the forthcoming challenges for the insurance industry, the 2015 IRFRC conference included a panel discussion on the theme of Cyber Risk and its insurability. The panelists presented both the demand and supply side of cyber risk management and highlighted the challenges of presenting a universal definition of cyber risk across industries and countries, the scarcity of available data and also the evolution of cyber risk over the next few years when the insurance industry will likely increase its efforts to offer more comprehensive products to protect individuals and corporations from cyber risk.



The remaining conference was structured in two main concurrent sessions with a primary focus on risk in emerging markets such as China, India, and the Middle East, among other countries. In terms of topics, there was a wide variety of both life and non-life insurance presentations related to catastrophe risk, equity-linked life insurance, valuation of reverse mortgage contracts, underwriting cycles, multi-population longevity risk management and new proposals for new risk measures related to reserving and capital allocation for insurance companies.



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Conference presentations and papers are available at this link:

<http://irfrc.ntu.edu.sg/NewsnEvents/annualconference/Year2015/Pages/Programme.aspx>.

Presentations are also available upon request from Ms Valerie De Souza ([vdesouza@ntu.edu.sg](mailto:vdesouza@ntu.edu.sg)).