27 August 2010

Sixth International Longevity Risk and Capital Markets Solutions Conference
On the 9th and 10th of September 2010 in Sydney, Australia
Swiss-Grand Resort & Spa, Bondi Beach

Hosted by Australian Institute of Population Ageing Research in the Australian School of Business, UNSW

Program – Plenary Sessions

Day 1 – Thursday 9 September 2010

8.00 – 8.45am Registration

8.45 – 9.00am Opening and Welcome
  • David Blake (Professor of Pensions Economics and Director of the Pensions Institute, Cass Business School)

9.00 – 10.30am Plenary Session 1- Pavilion Ballroom
  Chair: David Blake (Professor of Pensions Economics and Director of the Pensions Institute, Cass Business School)
  “Reinsurance and Financial Markets Solutions”
  • John Fitzpatrick (Director of the Life and Longevity Markets Association (LLMA))
  The Life and Longevity Markets Association: Developing Standards and Best Practice for the Longevity Market
  • Guy Coughlan (JP Morgan London, Lifemetrics)
  The Role of Longevity Indices in Longevity Hedging and Risk Management
  • Morton Lane (Lane Financial Chicago)
  Longevity Risk from the Perspective of the ILS Markets

10.30 – 11.00am Refreshment Break

11.00 – 12.30pm Workshop Sessions 1
  Session 1A - Pavilion Room 1
  Session 1B - Pavilion Room 2
  Session 1C – Promenade Room 1
  Session 1D - Promenade Room 2

12.30 – 1.30pm Lunch - Seaspray

1.30 – 3.00pm Workshop Sessions 2
  Session 2A - Pavilion Room 1
  Session 2B - Pavilion Room 2
  Session 2C – Promenade Room 1
  Session 2D - Promenade Room 2

3.00 – 3.30pm Refreshment Break

3.30 – 5.00pm Plenary Session 2 - Pavilion Ballroom
  Chair: Michael Sherris (Professor of Actuarial Studies, Australian School of Business and AIPAR)
  “Public and Private Sector Solutions and Government Role” (Day 1)
  • Ross Jones (Member and Deputy Chairman of APRA, President of the International Organisation of Pension
    Supervisors, Deputy Chairman of the OECD Working Party on Private Pensions)
  • Martin Clarke (Executive Director of Financial Risk, Pension Protection Fund, UK)
  Longevity Risk Transfer - A PPF Perspective
  • Trevor Thomas (Personal and Retirement Income Division Income Division, The Treasury)

6.30 – 10.00pm Reception and Dinner - Bellevue Terrace
Day 2 – Friday 10 September 2010

8.00 – 9.00am Registration

9.00 – 10.30am Workshop Sessions 3
Session 3A - Pavilion Room 1
Session 3B - Pavilion Room 2
Session 3C – Promenade Room 1

10.30 – 11.00am Refreshment Break

11.00 – 12.30pm Plenary Session 3 - Pavilion Ballroom
Chair: Richard D MacMinn (Professor, Edmondson-Miller Chair in Insurance and Financial Services, Illinois State University)

“Public and Private Sector Solutions and Government Role” (Day 2)
- Marcos Flores (Managing Director, Credit Suisse, London)
  Developments and Structuring in Longevity Markets
- Charles Wong (Coventry Capital, HK)
  Longevity Risk and Life Settlements
- David Blake (Professor of Pensions Economics and Director of the Pensions Institute, Cass Business School)
  Sharing Longevity Risk: Why Governments Should Issue Longevity Bonds

12.30 – 1.30pm Panel Plenary - Pavilion Ballroom
Chair: David Blake (Professor of Pensions Economics and Director of the Pensions Institute, Cass Business School)

“Public and Private Sector Solutions and Government Role”
Topics for Discussion and Debate
Sustainable products/structures are being provided by innovation in the private sector for longevity risk management
Active government support is required for the development of a wholesale and retail market in longevity risk
Education of investors is required to ensure the success of a market in longevity risk

- Guy Coughlan (JP Morgan London, Lifemetrics),
- Morton Lane (Lane Financial Chicago),
- John Fitzpatrick (Director of the Life and Longevity Markets Association (LLMA))
- Brandon Lewis (Director, Capital Markets, Coventry Capital, Sydney)
- Lawrence Tsui (Director, Life & Health, Swiss Reinsurance Company Ltd, Hong Kong)

1.30 – 2.30pm Closing Lunch - Seaspray
Workshop Sessions 1 (Thursday 9 September 2010: 11.00 – 12.30pm)

Session 1A - Pavilion Room 1
Moderator: Raimond Maurer (Goethe University Frankfurt)
Patricia Berry (Swiss Re, Australia), Lawrence Tsui (Swiss Re, Hong Kong), Gavin Jones (Swiss Re UK)
Our New 'Old' Problem - Pricing Longevity Risk in Australia
Jeff Mulholland (Fasano Associates), Michael Fasano (Fasano Associates)
The Fasano Longevity Index: Using a Longevity Index to Develop Liquidity in the U.S. Cash and Synthetic Life Settlement Markets
Murmann, Wolfgang (Commerzbank AG)
Pricing Life Expectancy - A Framework for Longevity Options

Session 1B - Pavilion Room 2
Moderator: Ralph Stevens (CentER and Netspar, Tilburg University)
Stephane Loisel (Université de Lyon, ISFA)
Understanding, Modeling and Managing Longevity Risk; Key Issues and Main Challenges
Eckhard Platen (University of Technology, Sydney)
Real World Pricing of Long Term Contracts
Daniel Bauer (Georgia State University)
Gaussian Forward Mortality Factor Models: Specification, Calibration, and Application

Session 1C – Promenade Room 1
Moderator: Andrew Cairns (Heriot-Watt University)
Patrick Brockett (The University of Texas at Austin), Yinglu Deng (The University of Texas at Austin)
and Richard D MacMinn (Illinois State University)
Longevity/Mortality Risk Modeling and Securities Pricing
Jeffrey Tzu-hao Tsai (National Tsing Hua University, Taiwan)
Pricing of Mortality-linked Contingent Claims: an Equilibrium Approach
Rui Zhou (University of Waterloo, Canada) and Johnny Li (University of Waterloo, Canada)
Economic Pricing of Mortality-Linked Securities: A Tatonnement Approach

Session 1D - Promenade Room 2
Moderator: Jennifer Wang (National Chengchi University, Taipei)
Anthony Webb (Boston College)
The Impact of a DROP program on the age of Retirement and employer Pensions
Enrico Biffis (Imperial College London), David Blake (Cass Business School), Ariel Jingjing Sun (Risk Management Solutions)
The role of collateral in longevity swaps
Yahia Salhi (University of Lyon)
Longevity Basis Risk Modeling: A Co-integration Based Approach

12.30 – 1.30pm Lunch - Seaspray
Workshop Sessions 2 (Thursday 9 September 2010: 1.30 – 3.00pm)

Session 2A - Pavilion Room 1
Moderator: Patricia Berry (Swiss Re, Australia),
Andrew Cairns (Heriot-Watt University)
Hedge Effectiveness for Longevity Risk in the Presence of Basis Risk and Parameter Uncertainty
Andrew Ngai (PricewaterhouseCoopers, Sydney) and Michael Sherris (Australian School of Business, UNSW)
Longevity Risk Management for Life and Variable Annuities: Effectiveness of Static Hedging using Longevity Bonds and Derivatives
Jennifer Wang (National Chengchi University, Taipei) and Ming-hua Hsieh (National Chengchi University, Taipei)

Session 2B - Pavilion Room 2
Moderator: Enrico Biffis (Imperial College London),
Raimond Maurer (Goethe University Frankfurt)
Portfolio Choice over the Life Cycle with Regime Shifts in Stock and Labor Market
John Livanas (AMIST and UNSW)
Grandma and Grandpa take risks
Patrick Brockett (The University of Texas at Austin), Yinglu Deng (The University of Texas at Austin) and Richard D MacMinn (Illinois State University)
Dynamic Asset-Liability Management with Longevity Risk and Derivatives

Session 2C – Promenade Room 1
Moderator: Stephane Loisel (Université de Lyon, ISFA)
Ting Wang (University of Michigan)
Hedging Pure Endowments with Mortality Derivatives
Hong-Chih (Jerry) Huang (National Chengchi University), Chou-Wen Wang (National Kaohsiung First University of Science and Technology, Kaohsiung, Taiwan)
An Optimal Strategy of Natural Hedging for a General Portfolio of Insurance Companies
Jason C.H. Tsai (National Chengchi University)
Applying the 6-factor Nelson-Siegel Model to Mortality Rate Curves

Session 2D - Promenade Room 2
Moderator: Anthony Webb (Center for Retirement Research at Boston College)
Loretti Dobrescu (Australian School of Business, UNSW)
To love or to pay: On consumption, health and health care
Najat El Mekkaoui de Freitas (Université Paris-Dauphine et Oxford University), Gordon Clark (Oxford University), Bérangère Legendre (Université Orléans et Université Paris-Dauphine)
Individual Private Retirement Insurances: the effects of sociodemographics characteristics on poverty
Yaffa Machnes (Bar-Ilan University)
Market versus Self Insurance of Longevity Risk: Empirical studies of demography in the OECD countries show that the decline in mortality adheres to the Monotone Probability Ratio Order criterion
3.00 – 3.30pm Refreshment Break

**Workshop Sessions 3 (Friday 10 September 2010: 9.00 – 10.30am)**

**Session 3A - Pavilion Room 1**  
Moderator: Daniel Bauer (Georgia State University)  
*John Evans (Australian School of Business, UNSW)* and *Michael Sherris (Australian School of Business, UNSW)*  
- Longevity Risk Management and the Development of a Life Annuity Market in Australia  
*Ralph Stevens (Center and Netspar, Tilburg University)*  
- Calculating capital requirements for longevity risk in life insurance products. Using an internal model in line with Solvency II  
*Anthony Webb (Center for Retirement Research at Boston College)*  
- How Do Subjective Mortality Beliefs Affect the Perceived Value of Longevity Insurance?

**Session 3B - Pavilion Room 2**  
Moderator: Jason C.H. Tsai (National Chengchi University)  
*Peter Mazonas (Life Settlement Financial, LLC)*  
- Longevity Risk in Fair Valuing Level -Three Assets in Securitized Portfolios  
*Sharon Yang (National Central University, Taiwan)*  
- Securitization and Tranching Longevity and House Price Risk for Reverse Mortgages  
*Chou-Wen Wang (National Kaohsiung First University of Science and Technology, Kaohsiung, Taiwan)*  
- Securitization of Crossover Risk in Reverse Mortgages

**Session 3C – Promenade Room 1**  
Moderator: Jeffrey Tzu-hao Tsai (National Tsing Hua University, Taiwan)  
*Séverine Gaille (Université de Lausanne)*  
- Improving Longevity and Mortality Risk Models using Common Stochastic Long Run Trends  
*Andy Tang (AXA Asia Pacific, Hong Kong)* and *Michael Sherris (Australian School of Business, UNSW)*  
- Spatial Variability in Mortality and Socioeconomic Factors for Australian Mortality  
*Jack C. Yue (National Chengchi University)*  
- A Study of Incidence Experience for Taiwan Life Insurance  
*Liu, I-Chien (National Chengchi University, Taiwan)*  
- Stochastic Mortality Modeling with Lévy processes

10.30 – 11.00am Refreshment Break