

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)*

The Optimal Product Portfolios for Hedging Longevity Risks and Financial Risks for Life Insurers: A Dynamic Immunization Approach

### **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), Bérange 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