



# Asset Liability Management for Insurance Industry

Venue: Sandton | Online

## WHO IT'S FOR

- ALCO members
- Asset Liability Managers
- Liquidity Managers
- Non-executive directors
- Audit Committee and Risk Committee members
- Chief Risk Officers of insurance companies and asset management companies
- Treasurers and Treasury Management
- Chief Financial Officers,
- Finance Managers and Financial Controllers
- Management Accountants and Treasury Analysts
- Financial Accountants
- Insurance Industry regulators
- Pension Fund Managers
- Investment Professionals
- Budgeting and Planning Executives

15 - 19 May 2023

Don't Miss Out!

## MINIMUM NUMBER OF DELEGATES

Four (4) Delegates

## CONTACT US

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Email: [enquiries@charterquest.co.za](mailto:enquiries@charterquest.co.za)

## DURATION

5 Days

(Consecutive days,  
8 hours each)

## DELIVERY

Your choice of attending  
**ONLINE** or **ON-CAMPUS**

## COST

**R16,999** Online

**R18,999** On-Campus  
(incl Breakfast and lunch)

## Executive Summary

The program has been designed to discuss concepts and case studies on Asset Liability Management for the insurance industry. The course discusses and reviews ALM concepts such as cash flows and risks of insurance products (assets and liabilities), applicable regulatory and capital guidelines, case studies and current trends and developments.

The workshop has been designed to be conceptually sound and practical.

## Learning Objectives

Attend this comprehensive training programme and you will be able to:

1. Benchmark your institution by examining ALM success factors.
2. Understand key performance indicators for ALM and Risk Management.
3. Gain practical insights into how leading institutions are utilizing ALM for value creation.
4. Examine how cash flows and risks of insurance products affect ALM.
5. Discuss the global best practices in ALM followed by insurance companies worldwide and
6. Examine how to provide optimal oversight of the Risk Management function.





# Course Outline

## DAY 1

### Overview of Asset-Liability Management (ALM)

- Introduction
- Key Terms
- ALM Defined
- Benefits of ALM
- Limitations of ALM
- On and Off-Balance Sheet Risks

**Practical session:** Discuss ALM context for candidates' organisation.

### Applicable Regulations in the Insurance Industry

- Objectives
- Introduction to Insurance Regulation
- Regulatory Measures
- Capital Regulation
- Future Advances
- Solvency II requirements

### Composition of the Asset-Liability Portfolio for Insurers

- Asset Portfolio
- Liability Portfolio
- Balance Sheet optimization
- Ratio's

**Practical session:** Prepare a visual representation of the Asset-Liability portfolio for an Insurer.

## DAY 2

### Overview of the ALM Model Components (Pillar I to Pillar III)

- Pillar I: ALM Organisation
- Pillar II: ALM Management Process and Measurement Tools
- Pillar III: ALM Information Systems

### Pillar I: ALM Organisation

- Level of top management involvement
- Governance structures and decision making  
Asset-Liability Management Committee  
ALCO
- ALM Role-players
- Link between ALM and Enterprise Risk Management
- Link between ALM and Capital Management

**Practical session:** Develop an ALCO terms of reference.

Interactive participation is encouraged!

All participants will receive comprehensive copies of the presentation slides, handouts and other course materials.



# Course Outline

## DAY 3

### Pillar II: ALM Process and Measurement Tools

- ALM Process
- Measurement Tools:
- Yield Curve Analysis
- Interest Gap Analysis
- Simulation and Scenario Analysis
- Duration Analysis
- Other Tools

**Practical session:** Simulation and scenario analysis exercise

### Pillar III: ALM Information Systems

- Management Information Systems
- Data Quality
- Reporting

**Practical session:** List ALM reports and identify key data sets.

### Hedge Accounting

- Hedged items and hedging instruments - IAS 39
- Recap of IAS 39 requirements and issues
- Cash flow hedges and Fair value hedges
- Hedges of a Net Investment in a foreign operation
- IFRS 9, General Hedge Accounting
- New hedge accounting model and changes from IAS 39 approach
- Risk management objective and hedge strategy
- Hedge effectiveness requirements
- Hedge ratio - measurement, adjustments, rebalancing
- Discontinuance of hedge accounting

## DAY 4

### Implementation and interpretation of relevant IFRS standards (i.e. IFRS 9, IFRS 10 and IFRS 11)

#### IFRS 9:

- Classification of financial instruments
- Treatment of financial asset
- Treatment of financial asset equity instruments
- Treatment of financial liabilities

#### IFRS 10:

- Control, power, variable returns
- Substantive and protective rights
- Reviewing Shareholders' Agreements and identifying salient points
- De facto control: Dispersion of shareholdings
- Decision makers: Principal or agent?
- Definition of Investment Entity - 3 requirements
- Business purpose and exit strategy
- Investment entities as subsidiaries and parents
- Amendments to IFRS 10, IFRS 12 and IAS 28 - investment entities and consolidation exception

#### IFRS 11:

- Joint Arrangements - Joint Ventures or Joint Operations
- Consideration of separate vehicles
- Joint Control and link with IFRS 10
- Accounting for Joint Ventures - equity accounting
- IAS 28 revised - equity accounting
- Accounting for Joint Operations
- Equity method in separate financial statements, IAS 27 amendment

Interactive participation is encouraged!





# Course Outline

## DAY 5

### Other IFRS Changes and Exposure Drafts

- IFRS 14, Regulatory Deferral Accounts
- IAS 16 & IAS 38 - amendments to depreciation and amortisation
- IAS 19 amendments discount rate and regional market issue
- IAS 19 treatment of employee contributions
- IFR3 and IAS 40 amendments - businesses and investment properties
- IAS 24 Amendments - Related Party disclosures - key management personnel service
- IAS 34, Interim Financial Reporting - disclosure
- IAS 36 Amendments - recoverable amount disclosures
- Amendments to IAS 16 & IAS 41, issued June 2014, accounting for bearer plants
- IFRIC 21 Levies

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# Facilitator

## **Advent Marange CA(SA) RA, P.D. Corporate Law**

Advent is a highly sought-after consultant, trainer and speaker with more than 7 years financial services experience gained in South Africa and at least five countries in Southern Africa. He is a Chartered Accountant South Africa, Advent holds a bachelor's in commerce in Finance Cum Laude, Post Graduate Diploma in Corporate law Cum laude and has received numerous awards for academic excellence. He qualified as a Chartered Accountant in 201 and has worked as a Senior Manager at Nkonki.

He worked with various small business corporations and large private and state-owned entities in South Africa, Zambia and Namibia which enabled him to gain great experience in accounting, Taxation, finance and investments.



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