3rd International Colloquium AFIR

Foreword

When, in March 1989, the Italian Institute of Actuaries organized a "Study Day", promoted by the Banca di Roma, to announce the establishment of the AFIR Association in the sphere of the International Actuarial Association, I was pleasantly surprised by the positive response of participants from both the university sector and that of insurance and banking. My Italian colleagues were enthusiastic about the new AFIR Association, in the sphere of which they can express themselves on the financial aspects of the actuary's work and also have the opportunity for a cultural exchange with "non actuaries".

This first impression was confirmed by the success of AFIR's 1st and 2nd International Colloquia in Paris and Brighton respectively, the Proceedings of which have by now become reference texts, both for the innovative ideas expressed and for the models developed.

Comforted by these first results, I was thus particularly happy when Mr. François Delavenne, Chairman of the AFIR Committee, communicated his decision to entrust the organization of AFIR's 3rd International Colloquium, to be held in Rome, to this Institute. A Scientific Technical Committee was immediately set up, which first of all outlined the scientific approach of the Colloquium and the objectives it was considered should be achieved, and then proposed the topics on which to request scientific and technical contributions.

The Committee has defined the fundamental aim of the Colloquium as the examination of the "Definition, measurement and control of financial risk", hoping that the theoretical approach can be linked to the operating problems of the markets of financial institutions.

In line with this approach, the topics proposed were:

1. Analysis of financial markets and financial products
2. Models and techniques for financial risk management
3. Effects of the modern theory of finance on financial institutions
These topics were communicated in the 1st Announcement.

The response to the 1st Announcement was very encouraging. The intention of submitting a paper was expressed in 102 forms. In fact, 68 papers arrived, distributed by topic and country as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Analysis of financial markets and financial products</th>
<th>Models and techniques for financial risk management</th>
<th>Effects of the modern theory of finance on financial institutions</th>
<th>Total</th>
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<tr>
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<td><strong>37</strong></td>
<td><strong>4</strong></td>
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</table>

Three sub-committees were set up in the sphere of the Scientific Technical Committee, formed as follows: Topic 1: Francesco Cetta, Erio Castagnoli, Gilberto Castellani, Alfonso Desiata; Topic 2: Riccardo Ottaviani, Augusto Bellieri, Lorenzo Peccati, Guido Rossi; Topic 3: Piera Mazzoleni, Paolo Ciocca, Antonio Longo, Giorgio Szego.

Each sub-committee examined the papers on the basis of criteria jointly established beforehand and gave a first opinion which was subsequently discussed with the Committee members.

I am sorry that not all the papers were accepted for printing in the Proceedings and, above all, that the times imposed by the organization did not allow us to open a dialogue with the authors for whom some reservations had been expressed, a dialogue which would certainly have been very fruitful.

The rapporteurs will provide evaluation elements for the individual papers in the working sessions devoted to the Conference topics; I will, therefore, only give some reflections of a general character.
There were 18 papers on the topic, "Analysis of financial markets and financial products", covering the themes suggested by the Scientific Committee. Most of the forty papers presented on the subject "Models and techniques for financial risk management" were mainly on the use of innovative financial instruments in an insurance context, on the management of pension funds, on finance studies, and on the financial aspects of solvency. Many contributions concern the management of pension funds, which seems to be one of the fields where the integration between finance and insurance is best achieved. Many contributions, of both an empirical and theoretical character, involve finance studies, something which confirms that actuaries have decisively taken the direction outlined in the AFIR colloquia.

The four contributions on the topic "Effects of the modern theory of finance on financial institutions" range from the financial problems involved in the application of numerical calculation techniques to the role of taxation on the investment income of insurance companies.

Taken as a whole, the contributions submitted to AFIR's 3rd Colloquium show how promising this field of research is, from both a theoretical and empirical angle.

As suggested by Prof. Wilkie, we have included a list of authors in the Proceedings with their addresses and telephone and fax numbers.

I would like to thank all the authors for their important contribution to the 3rd Colloquium, my colleagues on the Scientific Technical Committee who so promptly provided their referees, and the researchers of the Department of Actuarial Sciences and Mathematics for Economic and Financial Decisions of "La Sapienza" University of Rome, who helped to correct the proofs. I would like also to thank the Colloquium sponsors, particularly the ANIA (National Association of the Insurance Companies), the Banca di Roma and, finally, the Banca Popolare di Novara which is funding the printing.

I wish all participants a good read and an interesting discussion during the working sessions.

Chairman of the

3rd International Colloquium AFIR

Giuseppe Ottaviani
Congress organization

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Giuseppe Ottaviani

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