In-Force Management in the Context of Solvency II

Dr. Olaf Schmitz,
Allianz Lebensversicherungs-AG

About the Speaker

- **Dr. Olaf Schmitz**
- Head of research unit, supporting the Appointed Actuary, a.o.
- In-Force Manager

- **Allianz Lebensversicherungs-AG**
- German Life entity of Allianz SE
- Market leader in Germany, market share of 20,4 % in 2016

Traditional In-Force Management

Retention Management

Up- and Cross-Selling

Review of Profit Participation

Expense Optimization

...

Recent Developments

Data Analytics

Run-Off

Digitization

Capital Optimization

...

Retention Management and Policy Loans

Policy loans potential measure to avoid surrender!

Customer

- Way to satisfy need of cash
- Credit score not relevant, reserve as collateral
- Cover remains in force

Insurance Company

- No loss of contract / customer
- Riskless, no default risk

Interesting investment vehicle in low interest rate environment!

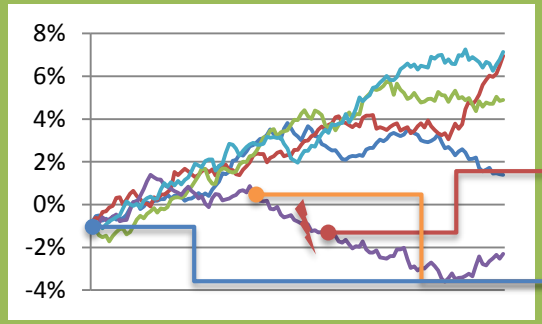
Optimization of Special Reserve ZZR

ZZR vital but challenging in low interest rate environment!

Risk Capital Optimization

Numerous measures allow for optimization of SCR!

Market Risk



VIF Monetization

In case of an emergency?

Better early on?

Non-Market Risk

- Lapse Risk
- Longevity Risk ★
- ...

Longevity Risk Transfer (1/2)

Longevity risk

- Driven by trend risk
- Impacted by capital market movements

Solution must cover

- Long horizons
- Future annuitants

Longevity Swap

Exchange of CFs

- Fixed premium at inception
- Floating benefit depending on actual experience or longevity index

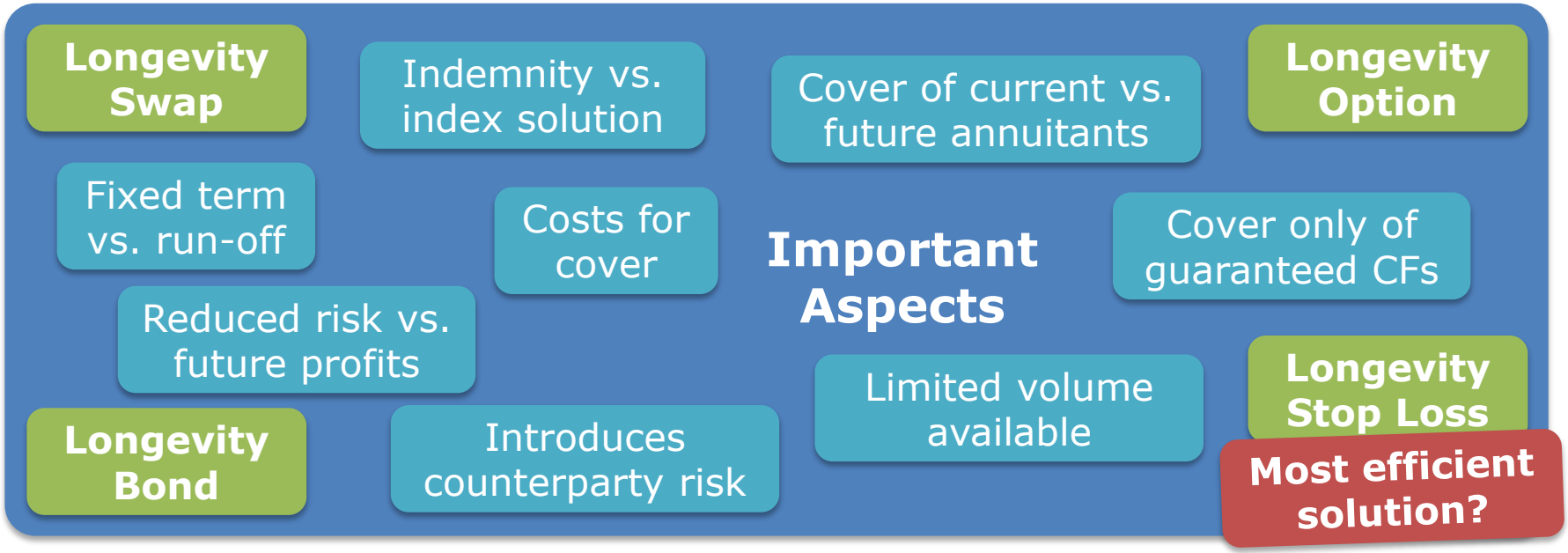
Longevity Bond

Longevity Stop Loss

Longevity Option

Market overview: http://www.artemis.bm/

Longevity Risk Transfer (2/2)



Thank you very much for your attention!

Contact details:

Dr. Olaf Schmitz

address: Allianz Lebensversicherungs-AG
Reinsburgstraße 19
D-70178 Stuttgart

phone: +49 (0)711/663 5546

mail: olaf.schmitz@allianz.de