

Press Release

Nice, 22 March 2011

Enterprise Risk Management and Corporate Governance for Insurance Firms - 17th May 2011

The International Centre for Financial Regulation (ICFR) and EDHEC Business School are jointly holding a conference, "Enterprise Risk Management and Corporate Governance for Insurance Firms" on 17 May 2011 at the brand new EDHEC Business School campus in Lille, France.

Paul Klumpes, Professor of Accounting at EDHEC and organizer of the conference, says that the conference is very timely. *'The recent Japanese earthquake and consequent tsunami and nuclear incidents highlight the importance facing corporations, and insurance companies in particular, to fully implement an enterprise risk management approach and provide full transparency to their stakeholders.'*

The recent financial crisis has clearly shown that existing national and supranational solvency and capital adequacy regulations raise important issues for the integrity of enterprise wide risk management systems and the effectiveness of corporate governance.

Neil Cante, a Principal of Milliman, says, *'Risk management practices need to undergo a dramatic change if they are to support modern business and society effectively. Much of the toolkit in use today was designed for simpler times. In the fast moving, global context of complex modern reality new approaches are needed and conferences like these provide a useful forum for encouraging and sharing those developments.'*

The European Union has recently proposed a significantly enhanced Solvency Directive (Solvency II), which emphasises the importance of effective governance and risk management to provide enhanced levels of capital adequacy within the insurance industry.

The new regulatory principles within the Directive have also important implications for the effective corporate governance of key players in the insurance market. In addition, proposed changes to current international reporting standards will significantly enhance the accountability requirements.

These developments, in turn, have a number of implications for understanding the multidimensional aspects of successful management of these changes including: responding to a changing regulatory environment; meeting modified shareholder expectations; and developing the business strategy more effectively.

This conference, organised by the ICFR and EDHEC Business School will provide a forum for discussing the latest research into the current issues and practices of "Enterprise Wide Risk Management and Corporate Governance for Insurance Firms", whilst focusing on the implications of changing solvency, capital adequacy and accountability requirements, and their interrelationships between various regulatory, shareholder and management perspectives on the effective management of these organisations.

To view the conference program click [here](#) .

You can register by clicking on the following link: [registration](#).

EDHEC
FINANCIAL ANALYSIS AND ACCOUNTING RESEARCH CENTRE



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About EDHEC

EDHEC Business School equips students and executives with the skills required to manage projects and lead people in a multicultural environment. The School offers a variety of education and training courses covering the full spectrum of business needs.

A broad range of international degree programmes attracts students the world over. Close to 6,000 students and 5,500 executives currently participate in EDHEC seminars and education programmes on the five sites in Lille, Nice, Paris, London and Singapore. EDHEC Business School's international strategy comprises an innovative business-focused research policy organized around specialist research centres. EDHEC holds AACSB, AMBA and EQUIS accreditations and is regularly ranked among Europe's leading business schools. More information is available on the EDHEC website: www.edhec.com.

About the EDHEC Financial Analysis and Accounting Research Centre

The EDHEC Financial Analysis and Accounting Research Centre was created in 2006 around the theme of company valuation. Cultural and technological changes now make it possible to use multiple dynamic analyses, the cornerstone of which is the discount rate. In practice, those who do the valuations often oversimplify, invalidating their reasoning; they may even ignore theory and transform the discount rate into a black box to hide the absence of objective and academic foundations in the determination of the risk premium and of beta.

The objective of the EDHEC Financial Analysis and Accounting Research Centre is to call into question certain financial paradigms, in particular that which consists of separating idiosyncratic risk—because it is diversifiable—from the risk premium and to provide the financial markets (financial analysts, investors, companies, rating agencies, auditors) with new light on the discount rate and to recommend new ways to determine it.

With this in mind, since its creation, the Research Centre has also been focussed on the impacts of prudential rules (Solvency II) and accounting standards (IFRS) on valuation and management of insurance companies, through the analysis of Enterprise Risk Management, Economic Capital Model and Market Consistent Embedded Value.

The great diversity of backgrounds is one of the advantages of the Centre (specialists in financial analysis, accounting, statistics, corporate finance and management control, researchers from academe or from business), and it allows the Centre to take a multi-disciplinary approach to financial analysis: company evaluation, the impact of IFRS and Solvency II on insurance companies, the impact of IFRS on the valuation and pricing of risk, bank insurance and optimal capital allocation, financial structure of family firms and cost of capital and optimisation of management control tools.

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