



Reacfin **Masterclass** (IA|BE CPD eligible)

# The New Insurance Performance Metrics

Using the best of BGaap, Solvency 2 and IFRS frameworks to build relevant indicators

## About the **masterclass**

Due to the **inversion of the production cycle**, the insurance business is very different from other traditional industries.

Understanding, measuring and managing the performance of insurance companies is key due to the **specific risks** insurance companies face.

It is therefore essential that people working in the insurance sector understand:

- how insurance companies operate,
- how their activity is measured via the **balance sheet and income statement**,
- what the main **regulations** are that affect them,
- what indicators are used to assess their **performance**,
- what levers can be used to improve this performance.

The **aim of this workshop** is to

- Understand how to read an insurance balance sheet (with a focus on technical provisions and own funds)
- Be able to read an income statement (P&L) across regulatory frameworks
- Compute relevant Key Performance Indicators (KPIs)
- Understand the impact of risk mitigation (reinsurance) and Assets and Liabilities Management (ALM) on the KPIs

**Participants' profile:** This training course is particularly suited to people who are active in the insurance sector but **are not experts in finance** and want to understand the figures published by insurance companies. Three frameworks will be addressed: the Belgian regulatory framework (BGAAP), Solvency II, and IFRS.

This training course is not intended for people wishing to acquire in-depth expertise on the topics presented. Its purpose is to enable everyone to better understand the concepts behind KPIs and subsequently interpret them more effectively.



## Practical **content**



### **E-learning capsules**

To build the foundations



As **prerequisite**, the participants will be requested to look at **5 e-learning capsules** (of around 30 minutes each) covering the following topics:

- Economic principles of insurance
- Financial mathematics for insurers
- Main activities of an insurance company
- Insurance products (life and non-life)

Another series of **9 optional e-learning capsules** will be made available to those who wish to review after it.



### **Live Sessions**

2 days to consolidate and expand practical knowledge



- **Further exploration** of topics introduced in the e-learning modules
- Opportunity to **ask questions**
- Presentation of **practical examples** for every topic
- Focus on **case studies** allowing to **put learning into practice**
- Exchange of experience between participants

The full training program is worth **15 Continuous Professional Development (CPD) points** at the Institute of Actuaries in Belgium (IA|BE).

## About the agenda

### Financial statements in BGAAP, Solvency II and IFRS 17 (Estimated duration: 6h)

- The general idea behind provisioning
- The three frameworks: BGAAP, Solvency II and IFRS, similarities and differences

- Why do we need to book provisions?
- What is the context around the 3 frameworks studied? Where do they come from? Who is concerned?
- What are each framework's main goals?

- Technical provisions in BGAAP, Solvency II and IFRS
- Profit and Loss Accounts in BGAAP and IFRS

- What are the main components of a balance sheet? And a profit and loss account?
- How do we value a technical provision?
- How do we recognize profit?

### Profitability and Risk metrics Performance levers (Estimated duration: 6h)

- Volume indicators
- Profitability indicators in BGAAP and IFRS for life and non-life entities
- Risk indicators and Capital performance in Solvency II

- What is a combined ratio? And a profit margin? Why is the CSM an interesting indicator?
- What is the Solvency ratio? How does it relate to operating capital generation?

- Performance levers: reinsurance and ALM
- Conclusion

- How will reinsurance impact my KPIs?
- What are the main objectives of ALM, and the possible impacts on the KPIs?

## About **Reacfin Academy**

Reacfin Academy is the business line of Reacfin dedicated to continuous professional education and training in Finance, Risk Management, Portfolio Management, Actuarial Science and Data Science.



[www.reacfinacademy.com](http://www.reacfinacademy.com)

## About the **speakers**



### **Aurélie MILLER**

*Head of Reacfin's Life, Health and Pension Center of Excellence, Director at Reacfin and IA|BE qualified actuary*  
Expert in Life and Health insurance (pricing, product development, reserving and risk management), Solvency 2 and IFRS 17.



### **Elena ATIENZA Y RUBIO**

*Manager and IA|BE qualified actuary*  
Expert in IFRS 17, co-writer of Reacfin's regulatory watch, experienced in Life and Health insurance, member of the Actuarial Function Working Group of IA|BE.



### **Natacha BROUHNS**

*Managing Partner of Reacfin, Manager of Reacfin Academy and IA|BE qualified actuary*  
PhD in Actuarial Science, experienced trainer in actuarial matters.

## Practical **information**



### **Required material**

- Attendees need a computer with a PDF reader and Microsoft Excel installed.



### **Contact**

- For any questions, feel free to contact us: [learning@reacfinacademy.com](mailto:learning@reacfinacademy.com)