

Preface

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Published online: 15 June 2011
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The AFIR section of the International Actuarial Association (IAA) was founded in 1998. AFIR stands for Actuarial Approach for Financial Risks and thus covers a wide range of topics from modern actuarial and financial mathematics. This fact is also mirrored in the contributions to this special issue of the European Actuarial Journal that contains research papers presented at the IAA AFIR Colloquium which took place on September 9–11, 2009 in Munich, Germany. To take care for the close relation to problems from life insurance this colloquium was jointly organized with the colloquium of the Life Section of IAA happening on September 7–9 with a joint day of both sections.

The organization of the AFIR colloquium was a big effort that was handled in an excellent way by the organizing committee chaired by Bernhard Schmidt assisted by the office of the German actuarial society DAV and its scientific counterpart the DGVMF lead by Michael Steinmetz. We would like to thank them all for their strong motivation, their splendid work in the background and their friendly collaboration that made this event happen.

On the research side, the scientific committee chaired by Raimond Maurer attracted numerous papers. 45 of them were selected by Peter Albrecht, Raimond Maurer and Ralf Korn to present a talk at the colloquium. Further, the scientific committee identified the following main topics (numbering continued from the Life section that contained the first four topics) to group the presentations and to indicate the main current issues of research and actuarial needs:

- Topic 5: Portfolio and risk management
- Topic 6: Pensions—managing accumulations and decumulations [with key note lecture *Global Challenges in Pension Risk Management* by Olivia S. Mitchell, USA (Wharton School of the University of Pennsylvania)]

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- Topic 7: Asset and derivative pricing
- Topic 8: Longevity and mortality risk
- Topic 9: Asset/liability management
- Topic 10: Solvency, guarantees and risk capital (with key note lecture *Solvency II: A challenge also for actuaries* by Karel van Hulle, B (Head of the Accounting and Auditing Unit at the European Commission, Directorate-General “Internal Market”))

The issues dealt with in the presentations spanned a broad selection of topics from asset allocation via scenario generation to solvency requirements and pricing of liabilities or recent derivatives such as CDOs. Many fruitful discussions in breaks, during the sessions or at excursions made the conference a total success.

Of course, one highlight has been the **Award Ceremony for the IAA AFIR Section Prize and Best Paper Award** that was going to Mikkel Dahl (Copenhagen) for his work on *A discrete-time model for reinvestment risk in bound markets*.

The **Best Paper Award of the IAA AFIR Colloquium 2009** was given to P. Hilli, M. Koivu and T. Pennanen for their work *Optimal Construction of a Fund of Funds* that appears also in this special issue.

This special issue contains 15 papers corresponding to selected talks at the AFIR colloquium that have all been refereed by members of the scientific committee. Their diversity and quality demonstrate that the actuarial approach to financial risk is a very lively research field that needs both skillful mathematicians and actuarial knowledge to deal successfully with the current problems relevant for the insurance industry and the needs of society.

We hope that you enjoy reading and will be motivated for your own research to publish even more papers in the scope of AFIR.

We finally thank the members of the Scientific Committee for this colloquium (Raimond Maurer, Peter Albrecht, Francesca Biagini, Andrew Cairns, Pierre Devolder, Ralf Korn, Thomas Mikosch, A. David Wilkie) and all the contributors to make this special issue of EAJ possible.

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