

Live Webinar – Understanding Insurance Finance

Duration

4 hours (split between two days, each day consisting of 2 x 60-minute sessions with a 10-minute break in between)

About the course

With the regulatory emphasis on prudential management, the challenge of capital adequacy and return on capital, and in volatile economic conditions that threaten general insurers' business models, financial competence has never been so high on the agenda. Risk based capital management is prompting a stronger and widespread desire for every part of the business to "understand the numbers", especially the industry's financial exposures and the decisions that contribute to profit (or loss) and capital adequacy.

This live on-line interactive webinar, spread over two days, is an antidote to the mystique that surrounds finance! It introduces the concepts, dynamics and the jargon of insurance finance. It demonstrates how the basic financial principals still apply to insurance, but highlights where it is unique from other industries, and shows how this is reflected in the financial reporting.

No matter your function, viewing the industry and your own firm through the lens of finance reveals the risks, dependencies and opportunities. Being able to understand where the numbers come from and the ultimate measures of business success brings immense career benefits.

There will be a maximum of 8 delegates to ensure the opportunity to participate through questions and discussions

Course Objectives

- Identify the financial characteristics that make insurance distinct from other industries
- Describe the insurance cash flow cycle, and the main dependencies
- Explain main accounting rules and how they are applied to measurement and reporting
- Describe the key terms – the language of insurance finance
- Explain the financial treatment of premium and claims provisions
- Explore the crucial role of financial assets and investment income to the ultimate result
- Navigate the profit and loss/income statement and balance sheet
- Appreciate the requirement for solvency and capital adequacy, and what this means in practice

Course Schedule

- **Day 1**
 - **Session 1**
 - Introductions and objectives
 - Insurance cash flow and industry characteristics
 - Assets and liabilities
 - The building blocks of finance
 - Introducing financial statements
 - **Session 2**
 - The Lloyd's unique business model
 - Capital, capacity and premium income
 - Calculating written/earned and gross/net premium
 - The treatment of outwards reinsurance
- **Day 2**
 - **Session 3**
 - Ultimate claims cost: paid, outstanding and incurred but not reported
 - Reserving, prior year release and incurred but not enough reported
 - Management expenses and acquisition costs
 - The purpose and types of investment
 - Risk and return – asset and liability matching
 - **Session 4**
 - Building the technical account/profit & loss and the balance sheet
 - Interpreting the key insurance and financial performance ratios
 - Summary and review learning