



## EAA-Seminar

Insurance Economic Market Behaviour  
30 October – 1 November, Sofia, Bulgaria

organised by the European Actuarial Academy in co-operation with the Bulgarian Actuarial Society.

### 1. Introduction

The interaction of consumers and insurance companies creates characteristic problems that must be properly managed by market participants and government in order for viable insurance markets to exist. The goal of this seminar is to thoroughly explore the economic behaviour of insurance markets, and to apply this understanding to practical problems of various insurance lines of business, particularly general insurance and health insurance, where market behaviour problems most affect the ability of insurance companies to thrive.

The seminar begins by analysing characteristic economic market behaviour of consumers and insurance companies (Insurance Market Behaviour) and the consequences of their behaviors to the feasibility, profitability, and viability of insurance products (Market Failure Problems). Insurance Market Behaviour allows us to identify “critical factors” that affect insurance products, and to understand how insurance companies design effective Risk Management Tools to compensate for Market Failure. This behavioural approach to understanding insurance is designed to provide seminar attendees with a useful theoretical framework and practical conceptual tools needed to design and manage insurance products.

The seminar is immediately followed by a second EAA-seminar on Healthcare Financing and Health Insurance, which applies the concepts and issues mastered by attendees to opportunities in private health insurance markets. This seminar is an important resource for thorough understanding of material discussed in the Healthcare Financing and Health Insurance Seminar.

### 2. Participants and Maximum

Actuaries working in Central and Eastern Europe are invited to attend the Seminar. A small number of participants from other countries are also allowed to attend the seminar. Material in this seminar is most applicable to the practical problems faced by actuaries that practice in general insurance and health insurance.

### 3. Purpose and Nature

The seminar is suited for actuaries or actuarial trainees that are directly or indirectly involved in insurance product design and portfolio management. The goal is to provide knowledge about how economic market behaviour of market participants affects insurance product design and portfolio management.

The seminar introduces the theory and key concepts of economics of insurance and insurance market behaviour. Course material consists of lectures, interactive games designed to stimulate learning, and a very important problem set, which uses an Excel spreadsheet to explore market behaviour.

### 4. Lecturer

#### Howard J. Bolnick

Education: Qualified Actuary in the United States and Honorary Fellow of the Institute of Actuaries (U.K.). Howard has worked in the U.S. private health insurance market for more than 35 years. His business, professional, and teaching experience and interests include international health policy and the evolution of mixed healthcare systems with both social insurance plans and private health insurance products. Howard is an Adjunct Professor of Finance at the prestigious Kellogg School of Management where he teaches a course on Risk Bearing Markets and Insurance.

Howard's résumé is available by request at [hbolnick@kellogg.northwestern.edu](mailto:hbolnick@kellogg.northwestern.edu).

### 5. Language

The language of the seminar will be English.

### 6. Provisional Programme

#### Monday, October 29, 2007

19.00 – 21.00 Welcome receptions (drinks and snacks) and registration

#### Tuesday, October 30, 2007

08.50 – 09.15 Registration

09.15 – 09.30 Introduction and welcome by the Chairman and representative of EAA

09.30 – 10.30 Introduction to risk shifting using insurance

10.30 – 10.45 Break

10.45 – 12.30 Risk shifting using insurance (continued)

12.30 – 13.30 Lunch

13.30 – 15.00 Insurance purchasing behaviour and market failure: markets with asymmetric information

15.00 – 15.15 Break

15.15 – 17.00 Insurance purchasing behaviour and market failure: markets with asymmetric information (continued)

### **Wednesday, October 31, 2007**

09.25 – 09.30	Opening of second day by the Chairman
09.30 – 10.30	Insurance company responses to consumer behaviour
10.30 – 10.45	Break
10.45 – 12.30	Insurance company responses to consumer behaviour (continued)
12.30 – 13.30	Lunch
13.30 – 15.00	Feasibility of insurance
15.00 – 15.15	Break
15.15 – 17.00	Feasibility of insurance (continued)
approx. 19.00	Social Event

### **Thursday, November 1, 2007**

09.25 – 09.30	Opening of the third day by the Chairman
09.30 – 10.30	Market structure and insurance market behaviour
10.30 – 10.45	Break
10.45 – 12.30	Market structure and insurance market behaviour (continued)
12.30 – 13.30	Lunch

A complete seminar syllabus is available from the lecturer by email at [hbolnick@kellogg.northwestern.edu](mailto:hbolnick@kellogg.northwestern.edu). The syllabus contains information about seminar readings.

## **7. Fees & Registration**

Please register for the seminar as soon as possible because of the expected demand. We recommend registration until 30<sup>th</sup> August 2007. If there are more persons interested in this seminar than places available we will give priority to the registrations having been first to arrive. Please send your registration as soon as possible by using our online registration form ([www.actuarial-academy.com](http://www.actuarial-academy.com)).

Your registration is binding. Cancellation is only possibly up to 4 weeks before the first day of seminar. If you cancel at a later date, the full seminar fee is due. You may appoint someone who takes your place, but must notify us in advance. EAA has the right to cancel the event if the minimum number of participants is not reached.

Payment must be effected on receipt of invoice. Please always give your invoice number when you effect payment. Bank charges must be borne by the participant. We will send you an invoice after the registration. Please allow a few days for processing.

**Your early-bird registration fee is €495 until 30<sup>th</sup> August the latest. After this date the fee will be €550.**

**In combination with the seminar “Health Financing and Health Insurance” your early-bird registration fee is €950 until 30<sup>th</sup> August the latest. After this date the fee will be €1060.**

**Payment to:**

European Actuarial Academy GmbH  
Hohenstaufenring 47-51  
50674 Köln  
Germany

**Bank:**

Hypo Vereinsbank Köln  
bank identification code: 370 200 90  
account number: 337 909 558  
IBAN: DE15 3702 0090 0337 9095 58  
SWIFT (BIC): HYVEDEMM429

**8. Accommodation**

Hotel Best Western Expo  
Tsarigradsko Shosse Blvd.  
1784 Sofia  
Bulgaria  
Tel. +359/(0)281781

Price per night: 60 € incl. breakfast

Please give the reference "EAA-seminar" when booking.