

The Working Group on Risk - CREAR, with the support of the IDS dpt, the group BFA (SFdS) & Institut des Actuaire (IA) , has the pleasure to invite you to the Seminar by:

Dr. Pablo KOCH
Director of the Center for Finance and Insurance (CFI)
University of Zürich, Switzerland

Expected Shortfall: A Policyholder Risk measure?

One of the main applications of the theory of risk measures is capital adequacy for financial institutions. The two most prominent risk measures used in this context are Value-at-Risk and Expected Shortfall. Expected Shortfall has often been depicted as a policyholder risk measure. We will challenge this view by resorting to the concept of surplus invariance: the requirement that whether a financial institution is deemed adequately capitalized should not depend on the surplus, i.e. on what accrues to the owners. We will make the point that choosing a risk measure is not straightforward since often competing and conflicting requirements are involved.



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Dr. Pablo Koch is the Director of the Center for Finance and Insurance (CFI) at the University of Zürich, Switzerland. The center is devoted to conducting and promoting research and education in the application of financial economics and mathematical finance to insurance related topics. Prior to establishing the CFI, Pablo Koch worked for more than 20 years in the financial industry mainly in the area of risk management; last as a Managing Director heading the *Risk Analytics* department at SWISS RE. He is a widely recognized expert in risk management, capital adequacy and value creation for insurers. Pablo Koch holds a Ph.D. in Mathematics from the University of Zürich.



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