QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1886

Asset-Liability Management for Insurance Companies Training Course

INSURANCE INVESTMENT & ASSET MANAGEMENT
INSURANCE & RISK MANAGEMENT

DURATION
5 Days

DELIVERY
Classroom

Course Overview

This advanced course provides a comprehensive and practical framework for Asset-Liability Management in insurance companies, focusing on the strategic alignment between investment assets and insurance liabilities. It examines how insurers can manage interest rate risk, liquidity risk, market risk, reinvestment risk, and capital pressures while maintaining the ability to meet policyholder obligations and achieve sustainable financial performance.

Participants will explore the structure and behavior of insurance liabilities and learn how liability characteristics influence investment strategy, asset allocation, duration, cash-flow management, liquidity requirements, and capital planning. The course emphasizes the importance of understanding both sides of the balance sheet when making investment and risk management decisions.

The programme covers key Asset-Liability Management techniques, including duration and cash-flow matching, gap analysis, sensitivity analysis, scenario analysis, stress testing, liquidity planning, and strategic asset allocation. Participants will assess how changes in interest rates, inflation, credit conditions, equity markets, currencies, and policyholder behavior can affect assets, liabilities, profitability, and solvency.

Particular attention is given to governance, risk appetite, investment limits, monitoring frameworks, early-warning indicators, and management actions. Through practical exercises and a final integrated workshop, participants will develop an Asset-Liability Management framework designed to strengthen balance-sheet resilience, capital efficiency, liquidity management, and long-term financial sustainability.

Objectives

- By the end of the course, participants will be able to:
- Analyze the principles and strategic importance of Asset-Liability Management in insurance companies.
- Assess the characteristics and risk profiles of insurance assets and liabilities.
- Evaluate the impact of liability structures on investment and asset allocation decisions.
- Analyze interest rate, liquidity, market, credit, currency, and reinvestment risks.

- Apply duration, cash-flow matching, and gap analysis techniques.
- Develop asset allocation strategies aligned with insurance liability characteristics.
- Evaluate the impact of changing economic and market conditions on the balance sheet.
- Apply scenario analysis and stress testing to Asset-Liability Management decisions.
- Assess liquidity requirements and develop appropriate liquidity management strategies.
- Evaluate the implications of Asset-Liability Management decisions for capital and solvency.
- Establish appropriate risk limits, key risk indicators, and monitoring mechanisms.
- Strengthen Asset-Liability Management governance and cross-functional decision-making.
- Develop management actions for adverse asset-liability scenarios.
- Improve long-term balance-sheet resilience and financial sustainability.

Who Should Attend

This course is designed for insurance professionals responsible for investment management, risk management, actuarial analysis, capital management, treasury, finance, solvency, liquidity, and balance-sheet management.

It is particularly suitable for Investment Managers, Portfolio Managers, Asset Managers, Risk Managers, Actuaries, Treasury Managers, Capital Management Specialists, Financial Analysts, Solvency Specialists, Investment Risk Professionals, and professionals involved in insurance balance-sheet management.

The programme is also relevant for senior executives, Chief Risk Officers, Chief Investment Officers, investment and risk committee members, and decision makers responsible for capital adequacy, solvency, liquidity, investment strategy, financial resilience, and long-term insurance company performance.

Learning Outcomes

- Upon completion of the course, participants will be able to:
- Explain the principles and objectives of Asset-Liability Management for insurers.
- Analyze the structure and characteristics of insurance assets and liabilities.
- Assess how liability profiles influence investment strategy and asset allocation.

- Identify and evaluate key asset-liability risks.
- Analyze interest rate sensitivity, duration, liquidity, credit, currency, and reinvestment exposures.
- Apply duration matching and cash-flow matching techniques.
- Conduct asset-liability gap and sensitivity analysis.
- Develop investment strategies aligned with liability requirements.
- Assess the impact of market and economic scenarios on assets, liabilities, capital, and solvency.
- Conduct stress testing and scenario analysis.
- Develop liquidity management and contingency strategies.
- Establish appropriate Asset-Liability Management limits and monitoring indicators.
- Identify early-warning signals of balance-sheet deterioration.
- Strengthen Asset-Liability Management governance and reporting.
- Develop an integrated framework linking assets, liabilities, liquidity, capital, solvency, risk appetite, and investment strategy.

Course Outline

DAY 01

Fundamentals of Asset-Liability Management in Insurance

- Principles and objectives of Asset-Liability Management.
- Role of Asset-Liability Management within insurance companies.
- Structure of insurance assets and liabilities.
- Characteristics of life and non-life insurance liabilities.
- Policyholder obligations and liability behavior.
- Relationship between liabilities, investments, capital, and solvency.
- Asset-liability risk identification and balance-sheet risk mapping.
- Risk appetite and Asset-Liability Management constraints.

> **PRACTICAL APPLICATION**
> Develop an asset-liability profile for a hypothetical insurance company.

DAY 02

Asset-Liability Matching, Duration & Interest Rate Risk

- Principles of asset-liability matching.
- Duration and modified duration concepts.
- Cash-flow matching and maturity management.
- Interest rate sensitivity of assets and liabilities.
- Duration gaps and interest rate exposure.
- Reinvestment risk and reinvestment strategies.
- Yield curve movements and balance-sheet implications.
- Managing fixed income portfolios against liability requirements.

PRACTICAL APPLICATION

Perform duration and cash-flow matching analysis for an insurance portfolio.

DAY 03

Liquidity, Market Risk & Capital Management

- Liquidity requirements for insurance companies.
- Liquidity risk identification and assessment.
- Cash-flow forecasting and liquidity planning.
- Liquid asset requirements and liquidity buffers.
- Market, credit, equity, currency, and concentration risks.
- Asset-liability interactions under changing market conditions.
- Capital adequacy and solvency considerations.
- Relationship between Asset-Liability Management and capital efficiency.

PRACTICAL APPLICATION

Assess the liquidity and capital impact of different asset-liability scenarios.

DAY 04

Scenario Analysis, Stress Testing & Risk Mitigation

- Scenario analysis for Asset-Liability Management.
- Stress testing balance-sheet exposures.
- Interest rate and inflation scenarios.
- Credit spread and market downturn scenarios.
- Equity, currency, liquidity, and policyholder behavior scenarios.
- Reverse stress testing and identification of critical vulnerabilities.
- Asset allocation adjustments and portfolio rebalancing.
- Hedging and other risk mitigation strategies.
- Developing contingency and management action plans.

> **PRACTICAL APPLICATION**
>
> Conduct an integrated Asset-Liability Management stress test and develop a mitigation plan.

DAY 05

Governance, Monitoring & Strategic Asset-Liability Management

- Asset-Liability Management governance frameworks.
- Roles of boards, investment committees, risk committees, actuarial functions, and senior management.
- Asset-Liability Management policies, limits, and controls.
- Key risk indicators and early-warning indicators.
- Balance-sheet monitoring and management reporting.
- Integrating Asset-Liability Management with enterprise risk management.
- Linking Asset-Liability Management with strategic asset allocation.
- Continuous review of assets, liabilities, liquidity, capital, and solvency.
- Strategic decision-making under changing economic and market conditions.

DAY 05 — CONTINUED

> **FINAL WORKSHOP**
>
> Develop an integrated Asset-Liability Management framework for an insurance company covering liability analysis, asset allocation, duration matching, cash-flow management, liquidity, interest rate risk, capital, solvency, stress testing, risk mitigation, governance, monitoring, and management actions.

Register or Request More Information

Course page: https://quest-training.com/courses/asset-liability-management-for-insurance-companies-training-course
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