

Course No. 1883

Investment Risk Management for Insurance Portfolios Training Course

**INSURANCE INVESTMENT & ASSET MANAGEMENT
INSURANCE & RISK MANAGEMENT**

DURATION

5 Days

DELIVERY

Classroom



Course Overview

This advanced course provides a comprehensive framework for managing investment risks within insurance portfolios, focusing on the relationship between investment decisions, insurance liabilities, capital strength, liquidity, profitability, and long-term financial resilience. It equips participants with practical approaches to identify, assess, monitor, and mitigate investment risks while maintaining alignment with the insurer's strategic objectives and risk appetite.

The course examines the major risk exposures affecting insurance investment portfolios, including market risk, interest rate risk, credit risk, liquidity risk, concentration risk, foreign exchange risk, equity risk, and counterparty risk. Participants will learn how these risks can interact with insurance liabilities and potentially influence investment performance, capital adequacy, solvency, and the insurer's ability to meet policyholder obligations.

A strong focus is placed on portfolio construction, diversification, strategic asset allocation, risk limits, asset-liability considerations, and risk-adjusted performance measurement. Participants will explore how to balance return objectives with capital preservation, liquidity requirements, regulatory considerations, and the specific characteristics of insurance liabilities.

The course also addresses investment stress testing, scenario analysis, early-warning indicators, governance, investment policies, and management reporting. Through practical exercises and an integrated final workshop, participants will develop a structured investment risk management framework for insurance portfolios that supports disciplined decision-making, financial resilience, and sustainable portfolio performance.

Objectives

- By the end of the course, participants will be able to:
- Analyze the principles and objectives of investment risk management for insurance portfolios.
- Identify and assess major investment risks affecting insurance assets and portfolios.
- Evaluate market, credit, liquidity, concentration, interest rate, equity, currency, and counterparty risks.
- Assess the interaction between investment assets and insurance liabilities.
- Develop risk-based asset allocation and portfolio diversification strategies.

- Establish appropriate investment risk limits, thresholds, and monitoring indicators.
- Apply portfolio risk assessment and risk-adjusted performance measurement techniques.
- Analyze the potential impact of market movements on portfolio value, capital, and solvency.
- Apply stress testing and scenario analysis to insurance investment portfolios.
- Develop strategies for mitigating investment and concentration risks.
- Strengthen investment governance, controls, oversight, and reporting.
- Evaluate portfolio decisions against risk appetite, liquidity requirements, and strategic objectives.
- Identify early-warning indicators of deteriorating investment risk.
- Develop practical strategies for improving portfolio resilience and long-term investment performance.

Who Should Attend

This course is designed for professionals responsible for managing, monitoring, evaluating, or governing investments within insurance companies. It is particularly relevant to investment management, risk management, asset management, actuarial, treasury, finance, capital management, and asset-liability management functions.

It is suitable for Investment Managers, Portfolio Managers, Asset Managers, Investment Risk Managers, Risk Analysts, Actuaries, Treasury Managers, Financial Analysts, Capital Management Specialists, Asset-Liability Management Professionals, and professionals involved in insurance investment strategy and portfolio oversight.

The course is also valuable for senior executives, investment committee members, risk committee members, and decision makers responsible for investment strategy, capital preservation, solvency, liquidity, financial performance, and the long-term resilience of insurance portfolios.

Learning Outcomes

- Upon completion of the course, participants will be able to:
- Explain the role of investment risk management within insurance portfolio management.
- Identify the major sources of investment risk affecting insurers.
- Assess the risk profile and vulnerability of insurance investment portfolios.

- Analyze market, credit, liquidity, concentration, interest rate, equity, currency, and counterparty exposures.
- Evaluate portfolio diversification and asset allocation from a risk perspective.
- Assess investment risks in relation to insurance liability characteristics.
- Apply asset-liability management principles to insurance investment decisions.
- Establish appropriate investment risk limits and key risk indicators.
- Measure portfolio performance using risk and return perspectives.
- Evaluate the potential impact of adverse market conditions on capital and solvency.
- Conduct investment portfolio stress testing and scenario analysis.
- Develop effective investment risk mitigation and contingency strategies.
- Strengthen investment governance, controls, escalation, and reporting.
- Identify early-warning signals requiring management intervention.
- Develop an integrated investment risk management framework for an insurance portfolio.

Course Outline

DAY 01

Fundamentals of Investment Risk in Insurance Portfolios

- Role of investment management within insurance companies.
- Characteristics and objectives of insurance investment portfolios.
- Relationship between insurance liabilities and investment assets.
- Investment risk versus investment performance.
- Risk appetite, risk capacity, tolerance levels, and investment constraints.
- Market, credit, liquidity, concentration, interest rate, equity, currency, and counterparty risks.
- Sources of investment risk across different asset classes.
- Investment risk identification and portfolio risk mapping.

PRACTICAL APPLICATION

Develop a comprehensive investment risk profile for a hypothetical insurance portfolio.

DAY 02

Asset Allocation, Diversification & Portfolio Risk

- Strategic asset allocation for insurance portfolios.
- Tactical asset allocation and portfolio adjustments.
- Portfolio diversification principles.
- Concentration risk and exposure management.
- Fixed income and credit portfolio risks.
- Equity investment risks and market volatility.
- Alternative investments and associated risk considerations.
- Interest rate sensitivity, duration, and maturity considerations.
- Currency exposure and foreign exchange risk.

PRACTICAL APPLICATION

Construct a diversified insurance investment portfolio aligned with defined risk appetite and investment objectives.

DAY 03

Asset-Liability Management, Liquidity & Capital Impact

- Fundamentals of asset-liability management for insurers.
- Matching investment assets with insurance liability profiles.
- Cash-flow matching and duration considerations.
- Liquidity requirements and liquidity risk management.
- Investment risk and capital adequacy.
- Impact of market movements on capital and solvency.
- Credit deterioration and potential portfolio losses.
- Investment concentration and capital vulnerability.
- Evaluating investment decisions from a solvency perspective.

PRACTICAL APPLICATION

Assess an insurance portfolio's asset-liability position and identify key capital and liquidity vulnerabilities.

DAY 04

Investment Risk Measurement, Stress Testing & Mitigation

- Investment portfolio risk measurement frameworks.
- Risk-adjusted investment performance analysis.
- Sensitivity analysis and portfolio exposure measurement.
- Stress testing and scenario analysis.
- Interest rate, equity market, credit spread, currency, and liquidity stress scenarios.
- Reverse stress testing and identification of critical vulnerabilities.
- Investment risk mitigation strategies.
- Diversification, exposure reduction, hedging, and liquidity protection.
- Developing contingency and management action plans.

PRACTICAL APPLICATION

Conduct a portfolio stress test and develop an investment risk mitigation strategy based on the results.

DAY 05

Investment Governance, Monitoring & Strategic Portfolio Risk Management

- Investment governance frameworks for insurance companies.
- Investment policies, mandates, limits, and control structures.
- Roles of boards, investment committees, risk functions, and senior management.
- Key risk indicators and early-warning indicators.
- Portfolio monitoring and risk dashboards.
- Investment risk reporting and escalation mechanisms.
- Integrating investment risk with enterprise risk management.
- Continuous review of asset allocation and portfolio risk.
- Strategic decision-making under changing market conditions.

DAY 05 — CONTINUED

FINAL WORKSHOP

Develop an integrated investment risk management framework for an insurance portfolio covering risk identification, asset allocation, diversification, asset-liability considerations, risk limits, liquidity, capital impact, stress testing, mitigation, governance, monitoring, reporting, and management actions.

Register or Request More Information

Course page: <https://quest-training.com/courses/investment-risk-management-for-insurance-portfolios-training-course>

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