QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1882

Solvency & Investment Risk Management Training Course

INSURANCE INVESTMENT & ASSET MANAGEMENT
INSURANCE & RISK MANAGEMENT

DURATION
5 Days

DELIVERY
Classroom

Course Overview

This advanced course provides a comprehensive framework for understanding and managing solvency and investment risks within insurance companies and other risk-sensitive financial institutions. It focuses on the relationship between capital adequacy, investment decisions, risk appetite, asset allocation, liquidity, market volatility, and the institution's ability to meet current and future obligations.

Participants will examine the key drivers of solvency risk and learn how investment portfolios can affect capital strength, financial resilience, profitability, and regulatory requirements. The course addresses market risk, credit risk, liquidity risk, concentration risk, interest rate risk, foreign exchange risk, equity risk, and other investment-related exposures that can influence solvency positions.

The programme integrates investment risk management with enterprise risk management, capital management, asset-liability management, and strategic decision-making. Participants will explore how to assess investment portfolios, establish appropriate risk limits, develop asset allocation strategies, conduct stress and scenario analysis, and evaluate the impact of adverse market conditions on capital and solvency.

Particular emphasis is placed on practical risk monitoring, governance, early-warning indicators, investment controls, and management actions. Participants will develop the ability to connect investment decisions with solvency objectives and establish an integrated framework for protecting capital, maintaining liquidity, supporting sustainable returns, and strengthening financial resilience.

Objectives

- By the end of the course, participants will be able to:
- Analyze the fundamental principles of solvency and investment risk management.
- Assess the relationship between investment portfolios, capital adequacy, and solvency positions.
- Identify and evaluate major investment risks affecting insurance companies.
- Assess market, credit, liquidity, concentration, interest rate, and foreign exchange risks.
- Evaluate asset allocation strategies in relation to risk appetite and capital requirements.

- Apply risk-based approaches to investment portfolio management and decision-making.
- Analyze the impact of investment performance and market movements on solvency.
- Apply stress testing and scenario analysis to investment and solvency exposures.
- Establish investment risk limits, controls, and key risk indicators.
- Evaluate asset-liability considerations when making strategic investment decisions.
- Strengthen investment governance, oversight, and escalation processes.
- Develop strategies for mitigating investment risks while maintaining appropriate returns.
- Improve monitoring and reporting of investment and solvency risk exposures.
- Develop integrated management actions for adverse capital and investment scenarios.

Who Should Attend

This course is designed for professionals responsible for solvency, investment, risk management, capital management, asset-liability management, financial performance, and portfolio oversight within insurance companies and financial institutions.

It is particularly suitable for Chief Risk Officers, Risk Managers, Investment Managers, Portfolio Managers, Asset Managers, Actuaries, Solvency Specialists, Capital Management Professionals, Treasury Professionals, Financial Analysts, Investment Risk Analysts, and professionals involved in investment governance and risk monitoring.

The programme is also relevant for executives, senior managers, board members, investment committees, risk committees, and decision makers responsible for capital adequacy, financial resilience, investment strategy, risk appetite, and long-term institutional performance.

Learning Outcomes

- Upon completion of the course, participants will be able to:
- Explain the relationship between solvency, capital adequacy, and investment risk.
- Identify the principal investment risks that can affect an institution’s financial resilience.
- Assess the risk profile of investment portfolios.
- Evaluate market, credit, liquidity, concentration, interest rate, and foreign exchange exposures.

- Analyze the impact of asset allocation decisions on capital and solvency.
- Assess investment portfolio performance from both return and risk perspectives.
- Apply asset-liability management principles to investment decisions.
- Develop appropriate investment risk limits and monitoring indicators.
- Conduct investment stress testing and scenario analysis.
- Evaluate potential capital impacts arising from adverse investment conditions.
- Identify early-warning indicators of deteriorating investment and solvency positions.
- Develop investment risk mitigation and capital preservation strategies.
- Strengthen investment governance, oversight, and reporting mechanisms.
- Support risk-based investment decisions using quantitative and qualitative analysis.
- Develop an integrated framework linking investment strategy, risk appetite, capital, liquidity, and solvency objectives.

Course Outline

DAY 01

Solvency Framework & Investment Risk Fundamentals

- Fundamentals of solvency risk and capital adequacy.
- Relationship between assets, liabilities, capital, and solvency.
- Key drivers of solvency deterioration.
- Investment risk within the enterprise risk management framework.
- Investment portfolio risk and financial resilience.
- Risk appetite, risk capacity, tolerance levels, and investment limits.
- Overview of market, credit, liquidity, concentration, and other investment risks.
- Risk identification and investment portfolio risk mapping.

PRACTICAL APPLICATION

Develop an integrated solvency and investment risk profile for a hypothetical insurance portfolio.

DAY 02

Investment Portfolio Risk & Asset Allocation

- Principles of investment portfolio risk management.
- Strategic and tactical asset allocation.
- Diversification and concentration management.
- Equity, fixed income, cash, alternative, and other investment exposures.
- Interest rate and duration risk.
- Credit and counterparty risk.
- Foreign exchange and currency risk.
- Liquidity risk and liquidity requirements.
- Investment limits and exposure controls.

> **PRACTICAL APPLICATION**
>
> Develop an asset allocation strategy aligned with risk appetite, liquidity needs, and solvency objectives.

DAY 03

Solvency Impact, Asset-Liability Management & Stress Testing

- Relationship between investment performance and solvency.
- Asset-liability management principles.
- Matching assets with liability characteristics.
- Duration and cash-flow considerations.
- Market volatility and capital impact.
- Investment portfolio sensitivity analysis.
- Stress testing and scenario analysis.
- Interest rate, credit spread, equity market, foreign exchange, and liquidity scenarios.
- Reverse stress testing and identification of solvency vulnerabilities.

> **PRACTICAL APPLICATION**
>
> Conduct an investment stress test and assess its potential impact on capital and solvency.

DAY 04

Investment Risk Mitigation, Governance & Decision-Making

- Investment risk mitigation strategies.
- Diversification and exposure reduction techniques.
- Hedging and other risk management approaches.
- Credit and counterparty risk mitigation.
- Liquidity protection and contingency planning.
- Investment governance structures and committee responsibilities.
- Investment policies, limits, controls, and escalation mechanisms.
- Integrating investment decisions with enterprise risk appetite.
- Risk-based investment decision-making.

> **PRACTICAL APPLICATION**
>
> Develop a risk mitigation strategy for a portfolio experiencing adverse market and credit conditions.

DAY 05

Solvency Monitoring, Reporting & Strategic Risk Management

- Solvency and investment risk monitoring frameworks.
- Key risk indicators and early-warning indicators.
- Investment portfolio dashboards and performance measurement.
- Risk-adjusted investment performance assessment.
- Capital and solvency monitoring and reporting.
- Investment risk reporting to executives, boards, and committees.
- Scenario-based management actions and capital preservation strategies.
- Linking investment strategy with long-term financial resilience.
- Continuous improvement of investment risk management frameworks.

DAY 05 — CONTINUED

> **FINAL WORKSHOP**
>
> Develop an integrated solvency and investment risk management framework covering risk appetite, asset allocation, portfolio exposures, asset-liability considerations, stress testing, capital impact, risk limits, governance, monitoring, reporting, and management actions.

Register or Request More Information

Course page: https://quest-training.com/courses/solvency-investment-risk-management-training-course
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