Quest Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1885

Strategic Asset Allocation 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 framework for developing and implementing strategic asset allocation strategies specifically for insurance companies. It focuses on aligning investment portfolios with insurance liabilities, capital requirements, liquidity needs, risk appetite, regulatory considerations, and long-term financial objectives.

Participants will explore the principles of strategic asset allocation and learn how to determine the appropriate mix of asset classes based on an insurer's liability profile, risk capacity, investment horizon, capital position, and expected return requirements. The course emphasizes disciplined portfolio construction rather than short-term market timing.

The programme examines the risk and return characteristics of major asset classes, including fixed income, equities, cash and liquidity instruments, real assets, and alternative investments. Participants will assess diversification, concentration, duration, credit quality, liquidity, currency exposure, and correlation when developing strategic portfolio allocations.

Particular emphasis is placed on asset-liability management, solvency, capital efficiency, stress testing, scenario analysis, and investment governance. Participants will learn how to evaluate alternative allocation strategies, understand their potential impact on capital and solvency, establish appropriate investment limits, and develop governance mechanisms for reviewing and rebalancing strategic allocations.

Objectives

- By the end of the course, participants will be able to:
- Analyze the principles and strategic role of asset allocation within insurance companies.
- Assess insurance liabilities and their implications for investment portfolio construction.
- Define investment objectives, constraints, risk appetite, and strategic portfolio requirements.
- Evaluate the risk-return characteristics of major asset classes.
- Develop strategic asset allocation models aligned with insurance obligations and capital objectives.
- Apply diversification and concentration management principles to insurance portfolios.

- Assess duration, liquidity, credit, currency, and market risk within strategic allocations.
- Evaluate alternative asset allocation scenarios under different economic and market conditions.
- Apply asset-liability management principles to strategic investment decisions.
- Conduct stress testing and scenario analysis for strategic portfolio allocations.
- Evaluate the impact of asset allocation decisions on capital, solvency, liquidity, and profitability.
- Establish strategic investment limits, monitoring indicators, and governance mechanisms.
- Develop portfolio rebalancing approaches for changing market and liability conditions.
- Improve long-term portfolio resilience and risk-adjusted investment performance.

Who Should Attend

This course is designed for professionals responsible for investment strategy, asset allocation, portfolio management, risk management, asset-liability management, capital management, and financial planning within insurance companies.

It is particularly suitable for Investment Managers, Chief Investment Officers, Portfolio Managers, Asset Managers, Investment Risk Managers, Actuaries, Risk Managers, Treasury Managers, Capital Management Specialists, Financial Analysts, and professionals involved in developing or reviewing strategic investment policies.

The programme is also relevant for senior executives, investment committee members, risk committee members, board-level decision makers, and professionals responsible for capital efficiency, solvency, liquidity, investment performance, and long-term financial resilience.

Learning Outcomes

- Upon completion of the course, participants will be able to:
- Explain the strategic role of asset allocation in insurance investment management.
- Analyze insurance liability characteristics and translate them into investment requirements.
- Define strategic investment objectives, constraints, and risk parameters.
- Evaluate major asset classes from risk, return, liquidity, and capital perspectives.
- Construct diversified strategic asset allocation portfolios.

- Assess portfolio concentration, correlation, duration, credit, liquidity, and currency exposures.
- Apply asset-liability management principles to strategic asset allocation.
- Evaluate alternative strategic allocation scenarios and their potential outcomes.
- Assess the impact of economic and market changes on strategic allocations.
- Conduct stress testing and scenario analysis for insurance portfolios.
- Evaluate the implications of asset allocation decisions for capital and solvency.
- Establish investment limits and strategic portfolio monitoring indicators.
- Develop appropriate portfolio rebalancing and adjustment strategies.
- Strengthen strategic investment governance and decision-making.
- Develop a sustainable asset allocation framework aligned with long-term insurance objectives.

Course Outline

DAY 01

Strategic Asset Allocation Fundamentals for Insurance Companies

- Role of strategic asset allocation in insurance investment management.
- Differences between strategic and tactical asset allocation.
- Insurance investment objectives and long-term portfolio requirements.
- Understanding insurance liabilities and investment constraints.
- Risk appetite, risk capacity, and investment tolerance.
- Investment horizon and liquidity requirements.
- Capital preservation and return objectives.
- Strategic investment policy development.

PRACTICAL APPLICATION

Define strategic investment objectives, constraints, and risk parameters for a hypothetical insurance company.

DAY 02

Asset Classes, Risk-Return Analysis & Portfolio Construction

- Characteristics of major investment asset classes.
- Fixed income and credit investments.
- Equity investments and market risk.
- Cash and liquidity instruments.
- Real assets and alternative investments.
- Risk-return analysis across asset classes.
- Correlation and diversification benefits.
- Concentration and accumulation risk.
- Developing strategic portfolio weights.

PRACTICAL APPLICATION

Construct a diversified strategic asset allocation based on defined risk, return, liquidity, and capital requirements.

DAY 03

Asset-Liability Management, Capital & Solvency

- Principles of asset-liability management for insurers.
- Matching assets with insurance liabilities.
- Duration and cash-flow matching.
- Interest rate risk and strategic allocation.
- Credit and spread risk.
- Liquidity risk and liquidity buffers.
- Currency exposure and foreign exchange considerations.
- Capital requirements and solvency implications.
- Assessing capital efficiency within strategic asset allocation.

PRACTICAL APPLICATION

Analyze the relationship between a strategic asset allocation and an insurer’s liability, capital, liquidity, and solvency profile.

DAY 04

Scenario Analysis, Stress Testing & Strategic Rebalancing

- Economic and market assumptions in strategic asset allocation.
- Scenario analysis and sensitivity testing.
- Stress testing strategic investment portfolios.
- Interest rate, inflation, equity, credit, currency, and liquidity scenarios.
- Assessing potential capital and solvency impacts.
- Identifying portfolio vulnerabilities.
- Strategic rebalancing principles and triggers.
- Managing allocations during changing market and liability conditions.
- Developing contingency and management action strategies.

> **PRACTICAL APPLICATION**
>
> Evaluate alternative allocation scenarios, conduct stress testing, and develop a strategic rebalancing plan.

DAY 05

Governance, Monitoring & Long-Term Strategic Portfolio Management

- Strategic investment governance frameworks.
- Roles of boards, investment committees, risk functions, and senior management.
- Investment policies, strategic limits, and delegated authorities.
- Monitoring strategic asset allocation performance.
- Key risk indicators and early-warning indicators.
- Portfolio performance and risk reporting.
- Periodic strategic asset allocation reviews.
- Linking investment strategy with capital, solvency, liquidity, and business objectives.
- Continuous improvement of strategic allocation frameworks.

DAY 05 — CONTINUED

> **FINAL WORKSHOP**
>
> Develop a comprehensive strategic asset allocation framework for an insurance company covering liabilities, investment objectives, asset classes, diversification, risk appetite, capital, solvency, liquidity, stress testing, rebalancing, governance, monitoring, and long-term portfolio optimization.

Register or Request More Information

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