

# Valuation in the Insurance Sector

March 27-29 • New York, NY  
November 27-29 • New York, NY

“No other seminar gives better knowledge of insurance industry valuation.”

*- Consultant, AFLAC*

Presented by

 **SNL** Center for Financial Education

## Past Participating Companies

ABN AMRO  
ACA Capital Holdings  
ACE Limited  
Aeolus Re  
Allied World Assurance  
Allstate Insurance  
American Capital  
American Healthcare Providers Insurance Services  
American Life Insurance  
American Strategic Insurance  
AMERISAFE  
Arch Insurance  
Argo Group International Holdings  
Aspen Insurance Holdings  
AssuranceAmerica  
Assurant  
Aviva Insurance Company of Canada  
AXA  
Banc of America Global Capital Management  
Bank of Bermuda  
Bank of Tokyo-Mitsubishi UFJ  
Barclays Global Investors  
Black Diamond Management  
BMO Capital Markets  
BNP Paribas  
BrickStreet Mutual Insurance  
Candian Imperial Bank of Commerce  
Cerberus Capital Management  
Charles Schwab Corporation  
Citigroup Global Markets  
Cohen & Company  
Collins Capital Holdings  
Credit Suisse  
CV Starr & Co.  
Dalton, Greiner, Hartman, Maher  
Denver Investment Advisors  
Deutsche Bank  
Diamond Hill Capital Management  
Duff & Phelps  
Emerald Advisers  
Endurance US Holdings Corp.  
Equinox Management Partners  
Erie Insurance Company  
Farallon Capital Management  
FBR Capital Markets  
Federal Reserve Bank of New York  
First Manhattan  
Flagstone Reinsurance  
Forethought Financial Group  
FourSight Advisors  
Freddie Mac  
Fremont Michigan InsuraCorp  
FTN Midwest Securities  
Generali Holding Vienna AG  
Genworth Financial  
Gill and Roeser  
Greenlight Capital Re  
Griffin Financial Group  
Guggenheim Partners  
Harvard University  
HSBC USA  
JPMorgan Chase & Co.  
Keefe, Bruyette & Woods  
Kemper Insurance  
KeyBanc Capital Markets  
Lazard  
MAG Mutual Insurance  
Maiden RE  
MassMutual Financial Group  
Manning & Napier Advisors  
Manulife Financial Corporation  
McKinsey & Company  
Merrill Lynch & Co  
MetLife  
MidFirst Bank  
Mizuho Corporate Bank  
Moody's Investors Service  
Morningstar, Inc.  
Mystic Capital Advisors  
Norwich Group  
New York Life  
NOVA Casualty Company  
Penn National Insurance  
Perella Weinberg Partners  
Philo Smith & Company  
PIMCO Advisors Holdings  
Piper Jaffray & Co.  
Power Corporation of Canada  
PricewaterhouseCoopers  
QBE Reinsurance Corporation  
RBC Capital Markets Corporation  
Reed, Conner & Birdwel  
Royal Bank of Canada  
Sandler, O'Neill + Partners  
Smith Street Capital Management  
Standard & Poor's Corporation  
State of Wisconsin Investment Board  
Swiss Re America  
The Hartford  
The Midland Company  
Turnberry Capital Partners  
Ullico  
UMB Financial Corporation  
Unum Group  
U.S. Bancorp  
U.S. GAO  
Wells Fargo Bank  
XL Capital

## **INSTRUCTOR:** **Jukka Lipponen, CFA**

Jukka Lipponen, of Independent Insurance Analysts, is an investment banker, analyst and executive with more than 20 years of experience in insurance and financial services. He currently provides independent investment analysis and credit research on life and P&C companies to institutional investors, as well as buyers and distributors of insurance company products.

Mr. Lipponen's prior positions include Senior Vice President at Keefe, Bruyette & Woods and President and Managing Director at The Townsend & Schupp Company. He is a CFA charter holder and holds a BBA and MBA from Florida Atlantic University.

## **GUEST INSTRUCTOR:** **Stuart Silverman, FSA, MAA, CERA**

Stuart is a principal and consulting actuary in the New York office of Milliman where he advises insurance companies, banks, hedge funds, and financial guarantors on capital market securitizations and private structured transactions relating to reserve redundancies, embedded values, and longevity risk.

Stuart also has experience in reinsurance, demutualizations, asset liability management, mergers and acquisitions, market-conduct lawsuit settlements, product development, reserve valuation, and dividend determination.

He is a Fellow with the Society of Actuaries and a Member of the American Academy of Actuaries. He received his BS in Computer Science from Binghamton University.

## **CONTINUING EDUCATION CREDITS**

### **CFA Institute**



This program is eligible for up to 21 PD credits as granted by CFA Institute. (P&C program = 13 hours, Life program = 8 hours)

### **National Association of State Boards of Accountancy**



Participants who complete Insurance Valuation qualify for up to 26 hours of CPE credit. (P&C program = 15.5 hours, Life program = 10.5 hours)

# OVERVIEW

*Insurance Valuation* is a comprehensive dive into the theory and tools necessary to understand and overcome the unique challenge of valuing insurance companies. Through a combination of lectures, case studies and hands-on modeling, the course dives into revenue streams, key measures of profitability and financial strength, and valuation methodologies, including market-based, dividend discount and actuarial appraisal.

## You'll learn how to:

- Identify and assess the fundamental measures of an insurer's profitability and financial strength
- Effectively apply diverse valuation techniques
- Measure and value carriers using an Excel-based dividend discount model
- Evaluate actuarial analyses, recognizing potential pitfalls and opportunities
- Assess the regulatory forces affecting the industry and individual companies

## Who Should Attend:

- Investment banking analysts and associates
- Insurance company financial managers
- Sell-side and buy-side analysts
- Industry regulators
- Accountants
- Corporate development officers
- Ratings agency professionals

**Prerequisites:** This program presumes a strong working knowledge of accounting and finance concepts, as well as a basic familiarity with the insurance industry. Participants will need to bring a laptop computer equipped with Microsoft Excel.

## Day One

# Life Company Valuation

Registration opens at 8:00 a.m. Program begins at 8:30 a.m.

## Valuing Life Companies

- How life companies make money
- Life insurance financial statements: identifying key ratios, line items and disclosures
- U.S. GAAP vs. statutory accounting
- Key accounting rules that apply to life insurers
- Drivers of value
- Evaluating the quality of the balance sheet and earnings
- Market valuation techniques: identifying key multiples, selecting comparables
- Intrinsic value approaches: actuarial valuation and embedded value

## Actuarial Valuation

**Guest instructor: Stuart Silverman, FSA, MAA, CERA**

- Assessing methodologies and evaluating results
- Key assumptions and sensitivities

## Case Study in Market Valuation

Life valuation program ends at approximately 5:15 p.m.

## Day Two

# P&C Company Valuation

Registration opens at 8:00 a.m. Program begins at 8:30 a.m.

## Valuing Property and Casualty Insurers

- The P&C business model
- P&C company financial statements: identifying key ratios, line items, and disclosures
- U.S. GAAP vs. statutory accounting
- Drivers of value
- Evaluating the quality of the balance sheet and earnings
- The impact of reinsurance on financial statements
- Market valuation techniques: identifying key multiples, selecting comparables
- Calculating forecasted Book Value/Share

## Case Study in Market Valuation

Day Two concludes at approximately 5:30 p.m.

Day Three

# P&C Company Valuation

Day Three begins at 9:00 a.m.

## Advanced Property and Casualty Valuation Techniques

- Actuarial valuation: key assumptions, calculation of adjusted surplus, NPV of future profits, cost of capital
- Dividend discount model: key assumptions, modeling financial statements, sensitivity analysis

## Evaluating a P&C Insurer: case study in market valuation from an M&A perspective

- Participants practice analysis and modeling a variety of assumptions using an Excel-based dividend discount model

P&C valuation program concludes at approximately 5:30 p.m.

## About SNL Center for Financial Education

SNL Center for Financial Education (CFE), an affiliate of SNL Financial is the leading provider of sector-specific conferences and seminars for financial professionals who focus on the insurance, banking, energy, real estate and media sectors.

We bring our sector knowledge to bear in developing unique training programs and conferences to meet the needs of SNL's specialized professionals.

Our clients include securities analysts, asset managers, industry executives, investment bankers, institutional investors, corporate development officers, consultants, investor relations professionals and industry regulators.



# THE ESSENTIALS

## CAPACITY

This program is limited to a maximum of 30 participants for an optimal learning experience.

## WHEN

March 27-29, 2012  
November 27-29, 2012

## WHERE

Downtown Conference Center at  
Pace University  
157 William Street, New York, NY

## REGISTER

[www.snlcenter.com/insuranceeval](http://www.snlcenter.com/insuranceeval)  
(434) 951-7786

## PRICING

Life valuation program: \$1,195  
P&C valuation program: \$2,195  
Both programs: \$2,995

Your registration includes all program materials as well as continental breakfasts and buffet lunches. Lodging is not provided as part of this program; however a list of hotels convenient to the venue can be found on the 'Location' page of the program website: [www.insuranceeval.com](http://www.insuranceeval.com).

## Cancellations

Cancellations for this program are eligible for a full refund, less a \$150.00 administrative fee, if received at least 15 business days prior to the start of the program. Cancellations received after that date but at least 5 business days prior to the start of the program receive a credit in the amount of the registration fee, less a \$150.00 administrative fee, to attend another SNL CFE program within 13 months. Cancellations received fewer than 5 business days prior to the start of the program are not eligible for a refund or credit. Attendee substitutions from the same company may be made at any time. If you have questions about our refund, complaint or program cancellation policy, please call us at (434) 951-7786.