

The 4th Contractual Savings Conference: Supervisory and Regulatory Issues In Private Pensions and Life Insurance

April 2-4, 2008
The IFC Auditorium
2121 Pennsylvania Ave. NW
Washington, DC 20433

www.financelarning.org/contractual2008

Organized by:



THE WORLD BANK



IFC

**International
Finance Corporation**
World Bank Group

Supported by:


IOPS
International Organisation
for Pension Supervisors

Overview:

Over the past several decades privately managed pensions have evolved from their origins as a supplemental form of deferred compensation to become an important, and in some cases central element of social insurance systems. The wave of innovation and reforms in Latin America and Eastern Europe beginning in the early 1980s transformed pension funds from primarily employer supported arrangements into more diverse forms. Contractual Savings (private pension and life insurance) funds in a number of countries accumulated asset levels exceeding those of more traditional financial institutions, in some cases more than 100% of GDP, leading to an equal increase in attention to their systemic importance. Concerns about the capacity of these funds to produce adequate levels of income at the pay-out phase also focused attention on the efficiency of their design and operation, as well as their appropriate assessment of their risk and supervision. In this regard the 4th Contractual Savings Conference will offer a platform for more than 120 policymakers and practitioners from around the World to discuss the implementation issues facing private pension and life insurance systems as well as provide them with practical solutions. The program will include presentations on trends and new developments in the sector as well as country case studies on implementation issues.

The conference is scheduled to take place at the **IFC Auditorium of the World Bank Group**, in Washington, DC, **April 2-4, 2007** and will focus on three areas:

- Implementation of risk-based supervision for pensions
- Development of sound annuities markets
- Improving efficiency and lowering costs of private pensions and life insurance systems

Objectives:

The objective of the conference is to share the results of work which has been supported by the World Bank Group designed to assist countries to develop more effective systems of supervision and facilitate pension system reform and to address problems hampering pensions market development. The conference will survey market developments and recent academic work and provide practical policy options. The conference will be organized in the following way:

Day 1 - Risk-Based Supervision and Risk Management of Pension Funds

The first day of the conference aims to draw on the experience of a number of countries which have been pioneers of risk-based supervision of pension funds. The countries will provide a range of models covering most types of pension systems, and examples of comprehensive risk measurement systems, and stress testing, solvency, and value at risk models. All of the models demonstrate a growing emphasis on understanding and measuring risk within pension funds, which will be explored from a practitioners' perspective. Countries moving towards risk-based supervision will share their experiences. Applicability of these models, which had their origins in banking, for pensions systems in emerging economies will be examined.

Day 2 – Development of Annuity markets

The objective of the second day is to highlight the importance of the payout phase when designing pension system reform. Countries which have developed annuities markets will be examined in order to identify key factors for success and identify problems which inhibit market development. Sessions will promote discussion among countries that are entering the payout phase and provide a range of policy directions.

Day 3 – Competition and Consumer Issues

The development of private pensions in a number of countries has been hampered by high fees and poor investment performance which has reduced support for the reforms. This session will look at recent policy actions aimed at addressing these problems and suggest policy options available to countries with similar problems. Presentations will examine the impact of price controls, the importance of adequate disclosure, and various means of reducing marketing expenditures and encouraging greater competition between providers of pension and annuity products. The models adopted by several countries which have developed low-cost pension systems will be studied.

The conference targets:

- Senior policy makers who are directly involved with pension funds, life insurance and annuities, as well as fiscal and financial sector policies. These include insurance and pensions regulatory agencies, as well Ministries of Finance and Economy, Ministries of Labor, and Central Banks.
- Private Sector Executives who design and develop pensions and life insurance products.
- Academics who conduct research, publish and advise on this topic
- Staff from the World Bank Group, International Monetary Fund, Regional Development Banks, and other multilateral institutions, who advise clients on the design of contractual savings systems.

Conference Location:

IFC Auditorium
2121 Pennsylvania Ave, NW
Washington, DC 20433

Registration

Applications must be received no later than March 24, 2008. Participants are encouraged to submit their application forms early. Nominations will be accepted on a first-come, first-serve basis. To submit your applications for the conference, please return the completed registration form to:

Ms. Demet Cabbar

The World Bank Group
Financial and Private Sector Development
1818 H St., NW
MSN F4K-277
Washington, DC 20433 USA

Phone: +1 202 458 9835
Fax: +1 202 522-3480
E-mail: dcabbar@worldbank.org

Fees

Registration fee is USD 1,100 for the entire event. The fee covers all conference materials and special events such as the welcoming luncheons and receptions as well as breakfast and coffee breaks all three days.

Payment

The participation fee covers admission to all seminar sessions and activities. Payment must be received within 10 days of registration. Accommodations are NOT included in the registration fee. Applications must be received no later than March 24, 2008

If paying by check, please:

- Make check payable to IFC
- Indicate "Contractual Savings" Conference on check
- Mail check to address below:
Demet Cabbar, IFC
Mail Stop F4K-277,
1818 H St., NW,
Washington, DC 20433

If paying by wire transfer, please send payment to:

- Bank-Fund Staff FCU, Washington, D.C.
- Account Name: International Finance Corporation
- Account No. 218310 S8.3
- ABA No. 2540-7417-0
- For credit to: CONTRACTUAL SAVINGS
- Ref.: _____ (participant name & Country)

Cancellation Policy

Cancellations after 12:00 am EST (Washington, DC time), March 24, 2008 or no-shows will forfeit 100% of the participation fee.

Visa to Enter USA

Citizens of most countries need a visa to enter USA. Please check with the United States Embassy or consulate in your country to find out if you need a visa. If you need a visa, apply for a B1 visa which is the equivalent of a tourist visa. Due to revised visa procedures, we strongly suggest that the participants get in touch with the closest United States Embassy or Consulate to obtain their visa in advance to avoid last minute disruptions.

Accommodation

The conference registration fee does **NOT** cover the cost of accommodation. Participants are required to make their own hotel arrangements. However, for your convenience we have blocked rooms in two hotels within walking distance of the conference venue.

If you e-mail to the hotel to make your reservation please do not forget to include your name, contact information, dates you will stay, credit card number and expiration date in the e-mail.

Hotel Lombardy

2019 Pennsylvania Avenue, NW

Washington, DC 20006

www.hotellombardy.com

Group Number/Name: #1528 - WB/ Financial and Private Sector Development

Rate: \$199 standard room (plus 14.5% tax) per night

Tel: +1-800-424-5486 (toll free) or +1-202-828-2600

Fax: +1-202-296-8959

E-mail: rsmith@rbpropertiesinc.com

Reservation deadline: March 3, 2008 (after this date you will not be able to receive the group rate)

Quincy Suites

1823 L St. NW

Washington, DC 20036

www.quincysuites.com

Group Number/Name: "World Bank Arriving on April 1, 2008"

Rate: \$169 standard room (plus 14.5% tax) per night

Tel: +1- 202-833-8639 ext. 7050

Toll Free: 800.424.2970

Fax: 202.293.4977

Email: reservations@quincysuites.com

Reservation deadline: March 5, 2008 (after this date you will not be able to receive the group rate)

You may also contact the following hotels; however, we do not have a special rate agreement with them for the conference.

Watergate Hotel

2650 Virginia Ave, NW, Washington

Telephone: +1 202 965 2300, Fax: +1 202 965 1173

E-mail: reservations@thewatergatehotel.com

<http://www.watergatehotel.com>

The George Washington University Inn

824 New Hampshire Ave., NW

Washington, DC 20037, Foggy Bottom Metro

Tel: 202-337-6620

Fax: 202-298-7499

E-mail: RESERVATIONS@GWUINN.COM

Melrose Hotel

2430 Pennsylvania Ave., NW, Washington, DC 20037

Telephone: +1 202 955 6400, Fax: +1 202 955 5764

Email: Washington@melrosehotel.com

<http://www.melrosehoteldc.com>

Days Inn Arlington Pentagon

3020 Columbia Pike

Arlington, VA 22204

Tel: 703-521-5570

Fax: 703-979-9127

E-mail: TMadni@hotmail.com

Club Quarters

839 17th Street, NW, Washington DC

Telephone: +1 212 575 0006, Fax: +1 212 391 5525

Email: reservations@clubquarters.com

Residence Inn by Marriott Pentagon City

550 Army Navy Dr.

Arlington, VA 22202

Tel: 703-413-6630

Fax 703-418-1751

Melrose Hotel

2430 Pennsylvania Ave., NW

Washington, DC 20037

Tel: 202-955-6400

Fax: 202-955-5764/775-8489

E-mail: DC-

RESERVATIONS@MELROSEHOTEL.COM

The State Plaza Hotel

2117 E Street, NW

Washington DC 20037

www.stateplaza.com

Tel: +1-202-861-8200 or +1-800-424-2859 (toll free)

Fax: +1-202-587-1354

E-mail: reservations@stateplaza.com

Washington Suites Georgetown

2500 Pennsylvania Ave., NW

Washington, DC 20037

Tel: 202-333-8060

Fax: 202-338-3818/342-1342

E-mail: RESERVATIONS@WSGDC.COM

AGENDA

The 4th Contractual Savings Conference Supervisory and Regulatory Issues in Private Pensions and Life Insurance April 2-4, 2008

Wednesday, April 2nd

Day One – Risk-Based Supervision: The Regulators Perspective

8:00 Registration and Breakfast

9:00 Introduction/Welcoming Remarks

World Bank Group

Chairperson: Aerd Houben, *Head of the Supervisory Strategy Department, De Nederlandsche Bank, Netherlands*

9:15 Risk-based Supervision of Pension Funds: Emerging Best Practices

Richard Hinz, *Pension Advisor, Pension Team, World Bank*

Fiona Stewart, *Financial Affairs Division OECD*

Q&A Session

10:30 Coffee Break

10:45 Risk-based supervision– selected country studies

▪ **Australia – Risk-based Supervision of DC Funds**

Greg Brunner, *Financial Sector Specialist World Bank*

▪ **Chile – Moving Towards Risk-based Supervision**

Solange Bernstein, *Superintendent of Pension Fund Administrators, Superintendency of Pension Fund Administrators, Chile*

▪ **Denmark – Risk-based Supervision of Risk-Sharing Schemes**

Peter Skjodt, *Deputy Chief Executive Danish Insurance Association*

12:15 Lunch - Provided by the World Bank

Chairperson: Ross Jones, *Deputy Chairman, Australian Prudential Regulation Authority*

13.30 Risk-based supervision– selected country studies

▪ **Netherlands – Risk-based Supervision of Traditional DB Plans**

Aerd Houben, *Head of the Supervisory Strategy Department, De Nederlandsche Bank, Netherlands*

▪ **Mexico – Value-at-Risk Approach to RBS**

Luis Mario Hernández Acevedo, *Director General, Planning and Financial Regulation, CONSAR Mexico*

14.30 Challenges of Moving to Risk-based Supervision – Is it the correct choice for all countries?

IOPS Members, World Bank

15:15 Coffee Break

15:30 Risk Management of Pension Funds: A Practitioners View

Susan Mangiero, *Managing Member, BVA, LL*

16:15 Risk Management of DC Plans

Tony Randall, *General Manager APRA*

16.45 Risk Management: The View of Ratings Agencies

David Ingram, *Director, Enterprise Risk Management, Standard & Poor's*

Concluding remarks

Chairperson: Ross Jones, *Deputy Chairman, Australian Prudential Regulation Authority*

Thursday, April 3rd

Day Two – Development of Annuity Markets

Chairperson: John Piggott, *Professor of Economics, University of New South Wales*

9:00 Organizing the Payout Phase: Challenges and Policy Options

Elsa Fornero, *Turin Center for Research on Pensions and Welfare Policies*

? Q&A Session (15 minutes)

10:00 World Bank Annuities Project: An Overview of the Findings and Policy Lessons

Roberto Rocha, *Lead Economist, Operations and Policy Department, The World Bank*

10:30 Coffee Break

10.45: Case Studies

▪ **Annuities in Chile: Promising Outcomes in a Decentralized Model**

Roberto Rocha, *Lead Economist, Operations and Policy Department, The World Bank*

▪ **Annuities in Switzerland: Can Price Controls be Effective?**

TBA

▪ **Annuities in Australia: Why are they not popular?**

Greg Brunner, *Financial Sector Specialist, The World Bank*

▪ **Q & A Session (15 minutes)**

12:30 Lunch –Participants on their own

Chairperson: TBA

14:00 Case Studies

▪ **Annuities in Sweden: Risk-sharing with a Monopoly Provider**

Ed Palmer, *Uppsala University and Swedish Social Insurance Agency*

▪ **Annuities in Denmark: Risk-Sharing in Accumulation and Payout Phases**

Peter Skjodt, *Deputy Chief Executive Danish Insurance Association*

▪ **Private Annuities in the US: Sharing the Risks**

Mark Warshawsky, *Director, Retirement Research, Watson Wyatt. Worldwide (to be confirmed)*

15:30 Coffee Break

15.45 Dealing with Longevity Risk

John Piggott, *Professor of Economics, University of New South Wales*

16.30 Longevity Bonds – Can the Market Deliver?

Craig Thorburn, *Senior Financial Sector Specialist World Bank*

17.00 Panel Discussion – Option and Challenges for the Payout Phase

IOPS Panel Members/Reforming Countries Approaching the Payout Phase, OECD

18.15 Concluding remarks on annuities

19:00 Conference Dinner

Friday, April 4th, 2008

Day Three – Competition and Consumer Issues

Chairperson: Gregorio Impavido, *Senior Financial Economist, IMF.*

9:00 Competition: General Trends in Competition Policy

Esperanza Lasagabaster, *Senior Financial Economist, World Bank*

10:00 Coffee Break

10:15 Policy Options to Enhance Efficiency and Lower Fees

Salvador Valdes Prieto, *Professor, Catholic University of Chile*

Q&A Session (15 minutes)

11:15 Optimal Portfolios for Pension Funds

David Blake, *Professor of Pension Economics, Cass Business School, London*

Q&A Session (15 minutes)

12:15 Lunch – participants will be on their own

Chairperson:

Gregorio Impavido, *Senior Financial Economist, IMF.*

Panel Discussion – Country Studies

13: 30 Sweden: Competition in the Pensions Sector – A Low Cost Model

Ed Palmer, *Uppsala University and Swedish Social Insurance Agency*

14.15 Chile: Plans to Encourage Competition

Solange Bernstein, *Superintendent of Pension Fund Administrators, Superintendency of Pension Fund Administrators, Chile*

15.00 Mexico: How much confusion is there in consumer choice?

Moisés Schwartz Rosenthal, *President, Mexican Commission for the Retirement Savings System (CONSAR)*

15:45 Coffee Break

16.00 Eastern Europe: Strategies to Address High Fees

TBA

16:30 Creating a Competitive Pension System – The Case of New Zealand

Peter Martin, *Director, New Zealand Treasury*

17:00 Concluding remarks on competition issues

Gregorio Impavido, *Senior Financial Economist, IMF.*

17.30 End of Conference Remarks

The 4th Contractual Savings Conference Regulatory and Supervisory Issues in Private Pensions and Life Insurance

April 2-4, 2008 · Washington, DC

š Mr. š Ms. š Dr.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address: _____

Street Address: _____

City _____ State/Province _____ Postal Code _____ Country: _____

Business Phone _____ Business Fax _____

Email: _____

Participation Fee

The participation fee is USD1,100 and covers admission to all seminar sessions and activities. Payment must be received within 10 days of registration to confirm attendance. Accommodations are not included in the registration fee.

Payment may be made by credit card, check, or wire transfer. Please specify the method of payment:

Credit Card Check Wire Transfer

If paying by credit card:

Visa MasterCard AMEX Card Number: _____

Expiration Date: _____ CVS (three digit number in the back of the card): _____

If paying by check, please:

- Make check payable to **IFC**
- Indicate "Contractual Savings" Conference on check
- Mail check to address below:

If paying by wire transfer, please send payment to:

Bank-Fund Staff FCU, Washington, D.C.
Account Name: International Finance Corporation
ABA No.: 2540-7417-0
Account number: 218310 S8.3
For Reference to: **Contractual Savings**
Ref.: _____ (participant name & Country)

Cancellation Policy

Cancellations received after 12 midnight EST, March 24, 2008 or no-shows will forfeit 100% of the seminar participation fee.

Please forward check payments and/or requests for further information no later than September 1, 2007 to:

Demet Cabbar
IFC-The World Bank Group
2121 Pennsylvania Ave. NW, MSN F4K-277
Washington, DC 20433

Tel +1-202-458-9835
Fax +1-202-522-3480
dcabbar@worldbank.org



THE WORLD BANK



International
Finance Corporation
World Bank Group