

REPORT ON THE INTERNATIONAL ASTIN/AFIR COLLOQUIA 1999

The 30th International Colloquium and the 9th International AFIR Colloquium were held in Tokyo from 22 to 27 August 1999 in the Keio Plaza Hotel, Tokyo, Japan. This meeting allowed actuaries from around the world to participate in the celebration of the 100th birthday of the Institute of Actuaries of Japan. The conference attracted around 320 delegates of whom 119 attended both ASTIN and AFIR. An alternative analysis of the statistics showed that about 180 participants had endured the long flights from outside Asia to attend: a credit to the marketing skills of the organisers!

Informal proceedings opened on Sunday evening with a welcome buffet in the conference hotel. Formal ASTIN proceedings opened the following morning with speeches of welcome from Mr Levay, president of ASTIN, and Mr Yoshizoe, chairman of the organising committee. This was followed by two keynote lectures. The first was given by Professor Akaike (well known for his development of the *Akaike Information Criterion* for model selection). He described how the process of statistical reasoning and model building needed to keep in mind the different sources of information: established knowledge; empirical findings; and observational data. Secondly, Dr Stanard gave a thorough account of how actuarial theory fits into the management process of a non-life insurance or reinsurance operation.

The remainder of the day was devoted to working sessions. These covered the subjects of Rating Models, Bonus-Malus Systems and Risk Classification & Analysis. These papers set a high standard (both in terms of the quality of the research and the presentation) which was maintained right through the week. In the evening a splendid dinner was held at Chinzan-so, sponsored by Swiss Re. This was situated next to a beautiful Japanese garden which was sufficiently well lit to allow us to wander around late into the evening.

Day two of the ASTIN part of the meeting continued with further working sessions. These covered Risk Models, Loss Reserving and some miscellaneous topics. In the afternoon ASTIN and AFIR participants joined together to go on excursions within Tokyo. Three options were available including the imperial gardens, shrines, temples and a famous museum. Everyone had thoroughly enjoyed themselves but regretted that they had not had more time to explore these sites. AFIR participants then had time for a quick change before the informal welcome reception for the AFIR colloquium.

Wednesday was the joint day for the ASTIN and AFIR colloquia. The opening session included welcomes from Mr Levay, Mr Clement-Grandcourt, Vice-President of AFIR, and Mr Nishibe, President of the Institute of Actuaries of Japan. Two keynote lectures followed which were of interest

to both ASTIN and AFIR participants. Professor Bühlmann started by discussing how credibility theory could be used to assess the performance of investments. He concluded by illustrating how an alternative tool familiar to engineers, the Kalman filter, could be used to predict stock returns. Second, Dr Ho (one of the originators of the Ho & Lee interest-rate model) talked about corporate performance measurement. Like some previous keynote lecturers he stressed the importance of looking at the bigger picture. The remainder of the day was devoted to working sessions covering such diverse topics as catastrophic risks, risk management and asset-liability management.

The joint day concluded with a wonderful banquet held within the conference hotel. This gave participants further opportunity to meet socially and enjoy the company of our Japanese hosts.

Proceedings on the Thursday were opened by Mr Hayashi, chairman of the scientific committee. There then followed two keynote lectures. Professor Delbaen, started us off with an excellent talk on coherent risk measures. This pointed out the hazards of using Value-at-Risk as a risk measure and discussed various alternatives which satisfy a list of requirements for coherence. This was followed by a lecture given by Professor Kusuoka of the University of Tokyo. This gave a most interesting account of the key theoretical developments over the 20th century which have given us the foundations of modern mathematical finance. Subsequent working sessions covered risk management, optimization, and interest-rate modelling. The day was rounded off with the AFIR dinner, sponsored by Munich Re, at Happon, a similar venue to Monday night adjacent to delightful gardens.

Friday opened with the final keynote lecture delivered by Dr Kariya, a founder member of the Japanese Association of Financial Econometrics and Engineering. He discussed, using examples, how he thought that the currently distinct businesses of finance and insurance would converge over the coming decades. Working sessions covered investment modelling, insurance guarantees and derivatives.

We must all thank the Institute of Actuaries of Japan for organising this excellent and smooth-running event and give them best wishes for the next 100 years.

The next colloquia will be held in Tromsø (AFIR, June 20-23, 2000) and Sardinia (ASTIN, 18-21 September, 2000). Further information about these conferences can be found in this volume or on the IAA/AAI website (<http://www.actuaries.org>).

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