

# The Challenges of Managing and Regulating Pensions: the French System in a European Perspective

Date : **October 24th, 2014** Location : **Auditorium of SCOR – Paris**

## OBJECTIVE

In light of recent financial crises, changing demographics and deteriorating trust in industry players, pension funds face new challenges and risks. This has led to severe **structural reforms** of pension system in many European countries. In efforts to harmonize the industry, new European directives and **regulations** are being implemented and are expected to deeply alter **pension institutions management**.

In view of rapidly changing industry norms, what are the stakes for European pension systems and how to move forward in designing new and adequate retirement solutions ?

The objective of this workshop will be to understand the implications of new European regulation for pension management and communication.

## TARGETED AUDIENCE

Representatives of pension funds, retirement institutions, large companies, insurance and asset management companies, academics, pension fund administration and public sector officials, trade unionists, members of international organizations, regulators.

## PROGRAM COMMITTEE

Program Chair:

**Marie Brière** (Head of Investor Research Center, Amundi ; Affiliate Professor, Paris Dauphine University ; Associate Researcher, Université Libre de Bruxelles ; Managing Editor of *Bankers Markets and Investors*)

Program Committee:

**Jean-François Boulrier** (Managing Director, Aviva Investors Europe)

**Theo Nijman** (Professor, Tilburg University, Scientific Director of Netspar)

WITH THE FINANCIAL SUPPORT OF THE SCOR  
CORPORATE FOUNDATION FOR SCIENCE

Foundation  
**SCOR** for Science

## SPONSORS

**Amundi**  
ASSET MANAGEMENT

**AVIVA**  
INVESTORS

**TOBAM**  
Core Investments

**afg**  
association française  
de gestion financière

**FEDERATION  
BANCAIRE  
FRANCAISE**

INSTITUT  
Louis Bachelier

ASSET MANAGEMENT BY  
**LYXOR**  
SOCIETE GENERALE GROUP

## PARTNERS

**a f 2 i**  
association française  
des investisseurs  
institutionnels

**Amafi** > Association française  
des marchés financiers  
LES PROFESSIONNELS DE LA BOURSE ET DE LA FINANCE

Centre des  
**Professions  
Financières**  
www.professionsfinancieres.com

INSTITUT DES  
**ACTUAIRES**

**Netspar**

PARIS  
**EUROPLACE**

## PROGRAM

8.30 AM – 9 AM Coffee and welcome of participants

9 AM – 9.15 AM Welcome address

**Philippe TRAINAR** (Chief Risk Officer of the SCOR group and member of the executive committee) and **Marie BRIÈRE** (Managing Editor of Bankers, Markets and Investors)

9.15 AM – 10.15 AM **SESSION 1**

### The French pension system and the new European regulatory framework for pension provisions

This session will discuss how the European pension regulatory framework (EIOPA) might impact the French pension industry. The main topics to be addressed include:

- The organization of the French pension system, its regulation and its specificities compared to other European countries (a mostly PAYG system, with partly funded retirement institutions and no clearly defined liabilities, but also supplementary funded retirement arrangements, PERCO, PERP, life insurance products, etc.)
- The disparity of current European pension regulation and the European Union's efforts to create a consistent level of regulation and supervision of institutions for occupational retirement provisions (IORPs)

#### The French pension system in a European perspective

**Jean-Michel CHARPIN** (Member of the Pensions Council)

#### The new EIOPA framework for European Pensions

**Justin WRAY** (Head of Policy Unit, EIOPA)

Discussant: **Florence LEGROS** (Paris Dauphine University)

Moderator: **Jean-François BOULIER** (Managing Director, Aviva Investors Europe)

10.15 AM – 11.15 AM **SESSION 2**

### How European countries are reforming their pension system? Designing new retirement products and adequate regulation

This session will discuss the pension financing issues faced by two European countries, the proposed pension reforms and their impact on pension investment and regulation.

- In 2011, Italy underwent an important pension reform, increasing the retirement eligibility age, applying a DC formula to all workers, indexing the eligibility requirements to changes in life expectancy, etc.
- In the Netherlands, a pension reform is currently debated, proposing the design of “soft pension rights”, indexing retirement benefits to past market performances, etc.

- How to design adequate retirement products and regulation ?
- What possible developments for French pension products ?

#### The Italian pension reform

**Elsa FORNERO** (Professor, University of Turin, former Minister of Labor)

« Defined Ambition » : attractive option for others countries ?

**Theo NIJMAN** (Professor, Tilburg University, Scientific Director of Netspar)

Discussant: **Karine BERGER** (Member of the French Parliament)

Moderator: **Christian GOLLIER** (Director of IDEI, Toulouse School of Economics)

11.15 AM – 11.45 AM Coffee break

11.45 AM – 12.45 PM **SESSION 3**

### Managing assets for long run pensions under regulatory constraints

This session will discuss the challenges related to long term pension management under regulatory constraints :

- Pension regulation is not harmonized in Europe and depends on the institution providing pensions and the country's specific regulation. It goes from direct investment restrictions (for retirement institutions in France) to funding ratio constraints or solvency capital requirements.
- What is the impact of regulatory constraints on the ability to invest in risky/ illiquid assets, in derivatives or in alternatives ?

Introduction:

**Pierre CAILLETEAU** (Global Head, Sovereign and Institutional Clients, Amundi)

Panelists:

The impact of regulation on capital requirements on long term investment strategies of pension funds

**Pablo ANTOLIN** (Head of Private Pension Unit, OECD)

Adequate risk measures for regulators

**Yves CHOUEIFATY** (President, TOBAM)

Asset Liability Management in a Notional DC pension system with regulatory constraints and automatic readjustment

**Hans FAHLIN** (CIO, AP2)

Moderator: **Marie BRIÈRE** (Amundi, Paris Dauphine University, Université Libre de Bruxelles)

12.45 AM – 2.00 PM Lunch

---

2.00 PM – 3.00 PM **SESSION 4**

### **Opportunities and risks in illiquid/ alternative asset classes**

The search for yield pushes pension funds and retirement institutions to investigate illiquid or alternative asset classes. This session will discuss:

- What are the opportunities and risks in the alternatives investment space?
- How to define an asset allocation with illiquid assets?

Introduction:

**Serge DAROLLES** (Professor, Paris Dauphine University)

Panelists:

#### **Opportunities in Real Estate, Reits, risk factors and diversification with equities**

**Michel BARONI** (Professor, Essec)

#### **Investing for the long run in Infrastructures**

**Raffaele DELLACROCE** (Senior Economist, OECD),

#### **Private equity performances and the role of PE firms in selecting / managing businesses**

**Zsuzsanna FLUCK** (Professor, Michigan State University; Director, Center for Venture Capital, Private Equity and Entrepreneurial Finance),

Moderator : **Philippe DESFOSES** (CEO, ERAFP)

---

3.00 PM – 4.00 PM **SESSION 5**

### **Longevity risk and management**

Ageing populations and increases in longevity pose new challenges to the management of longevity risk by pension funds, life and health insurers.

The scope of the panel is to discuss:

- Scenarios for longevity evolutions
- Innovations in longevity forecasting models, longevity products and deals
- Design of adequate regulation for longevity risk – impact of longevity regulation on annuity providers, life and health insurance companies risk management

Introduction:

**Pierre-Yves GEOFFARD** (Director, Paris School of Economics)

Panelists:

#### **What scenarios for longevity evolutions ?**

**Vladimir CANUDAS-ROMO** (Associate Professor, IST - EBB/ Epidemiology, Biostatistics and Biodemography)

#### **How to manage longevity risk ? Innovations in longevity deals and regulation**

**Bruno LATOURRETTE** (Chief Actuary, Scor Global Life)

#### **Towards new longevity savings products and insurance contracts ?**

**Sabine LEBOULANGER** (Founder & CEO, SLB Partner - Impacts of regulation and longevity on insurers business model)

Moderator: **James VAUPEL** (Professor, Executive Director of the Max Planck Institute for Demographic Research)

---

4.00 PM – 4.30 PM **Coffee Break**

---

4:30 PM- 5:30 PM **SESSION 6**

### **Reporting and communicating to beneficiaries**

There is a significant degree of undersaving for retirement from individuals. Adequate and transparent information about pension projections is key. This session will review academic proposals and good practices concerning information transparency and communication to members and retirees :

- What is the adequate information to provide to members in terms of future pension projections / composition, return and risk of their investment ?
- How to improve transparency and readability of pension information?

Introduction:

**Didier DAVYDOFF** (Director, European Savings Observatory)

Panelists:

#### **Communication in the French retirement system**

**Laure DELAHOUSSE** (Director of Pensions Savings, French Asset Management Association)

#### **Reporting standards and communication for individual savings' pension products**

**Giovanna NICODANO** (Professor, University of Turin, CePR and Netspar)

#### **Communicating about individual projected future pensions and about the actuarial balance sheet of the pension system: The Orange Envelope and the Orange Report**

**Ole SETTERGREN** (Director of Research, Swedish Pension Agency)

Moderator: **Theo NIJMAN** (Professor, Tilburg University, Scientific Director of Netspar)

---

5.30 PM **Closing address**

**Denis KESSLER** (Chairman and Chief Executive Officer, SCOR)

---

5.45 PM – 6.30 PM **Cocktail**

# ABOUT BANKERS, MARKETS & INVESTORS

<http://www.revue-banque.fr/bankers-markets-investors>



Founded in 1993.

Offers cutting edge research on investment, risk management, portfolio allocation, etc.

Each bi-monthly issue of BM&I offers 5 articles by leading experts (researchers and practitioners) on a variety of issues.

BM&I articles provide theoretical and practical tools to :

- Keep up to date with the latest investment and risk management techniques
- Explore new investment strategies, financial products
- Examine new trends in asset management, risk management
- Examine latest trends in regulatory and legal developments

## EDITORIAL BOARD

Managing Editor: **Marie Brière** (Amundi, Paris Dauphine University and Université Libre de Bruxelles)

Founding editor: **Jean-François Boulier**, Aviva

## EDITORIAL BOARD MEMBERS

**Sanvi Avouyi-Dovi**, Banque de France

**Philippe Bertrand**, IAE Aix and Kedge Business School

**Bruno Biais**, Toulouse School of Economics

**Zvi Bodie**, Boston University

**Alain Chevalier**, ESCP Europe

**Philippe Desbrières**, IAE Dijon

**Nicole El Karoui**, École Polytechnique

**Antoine Frachot**, GENES (ENSAE)

**Edith Ginglinger**, Paris Dauphine University

**Christian Gourieroux**, CREST, Toronto University

**Ulrich Hege**, HEC Paris

**Georges Hübner**, HEC Management School, University of Liège

**Monique Jeanblanc**, Evry University

**Lionel Martellini**, Edhec

**Kim Oosterlinck**, Université Libre de Bruxelles

**Patrice Poncet**, Essec

**Sébastien Pouget**, Toulouse 1 University, Toulouse School of Economics

**Flavio Pressacco**, Udine University

**François Quittard-Pinon**, EM Lyon

**Luc Renneboog**, Tilburg University

**Michael Rockinger**, HEC Lausanne

**Ronnie Sadka**, Boston College

**Stephen Schaefer**, London Business School

**Ariane Szafarz**, Université Libre de Bruxelles

**Nizar Touzi**, École Polytechnique

**Bas Werker**, Tilburg University

&
BANKERS, MARKETS  
INVESTORS
REGISTRATION FORM

An academic and professional review

## The Challenges of Managing and Regulating Pensions: the French System in a European Perspective

**DATE:** October 24<sup>th</sup>, 2014 – 8.30 AM to 6.30 PM **LOCATION:** Auditorium of SCOR – 5 avenue Kléber 75016 Paris

REGISTRATION FEES	
<input type="checkbox"/> <b>Professionals</b>	<b>FREE</b>
<input type="checkbox"/> <b>Academics/Press</b>	<b>FREE</b>

**Free : Invitation BMI**

**Please return this registration form to :**

REVUE BANQUE  
18 rue La Fayette 75009 Paris  
• Fax : 01 48 24 12 97  
• Email : [contact@revue-banque.fr](mailto:contact@revue-banque.fr)

\* Registration fees include : Participation in all sessions, coffee and refreshments during breaks, lunch, Cocktail, 1 year subscription for Bankers, Markets & Investors review (for professional only).

Establishment .....

Name, surname .....

Function .....

Department .....

Adress .....

Zip Code ..... Country .....

Telephone ..... Fax .....

Email .....

Invoice Adress (if différent) .....

.....

.....

.....

Signing and official stamp

