

2021-06-18

A practitioners tale

on navigating an uncertain world

Stefan Lundbergh

cardano

Two real-life examples

experienced from the inside



American Skandia



American Skandia



ABP



ABP



Beliefs and Group dynamics



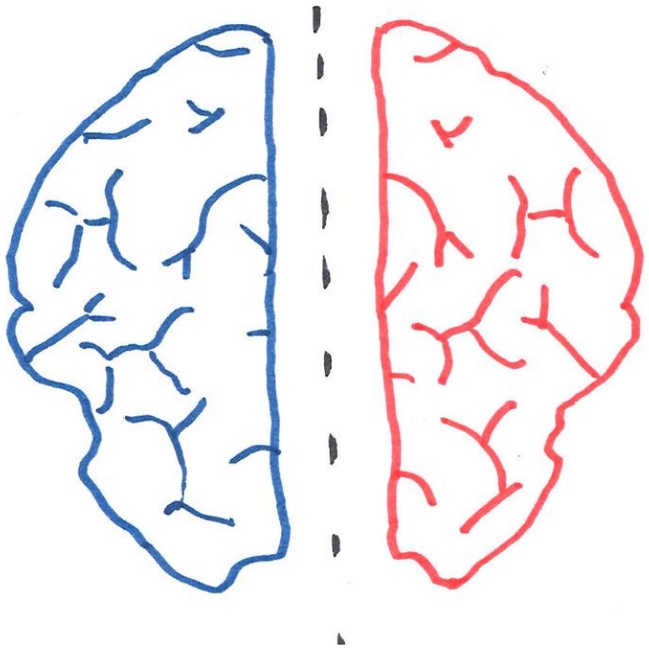
Beliefs



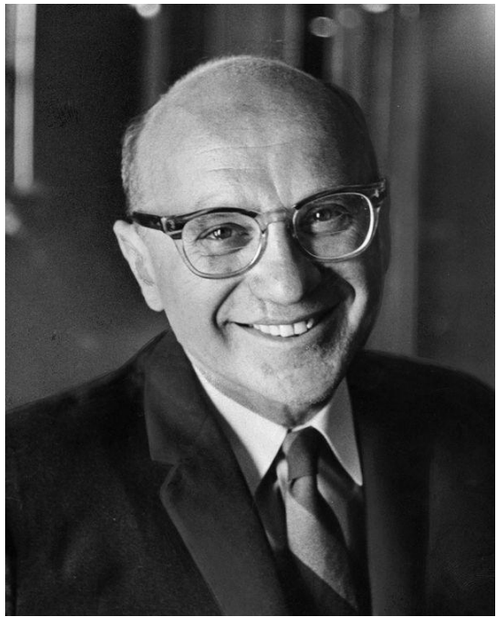


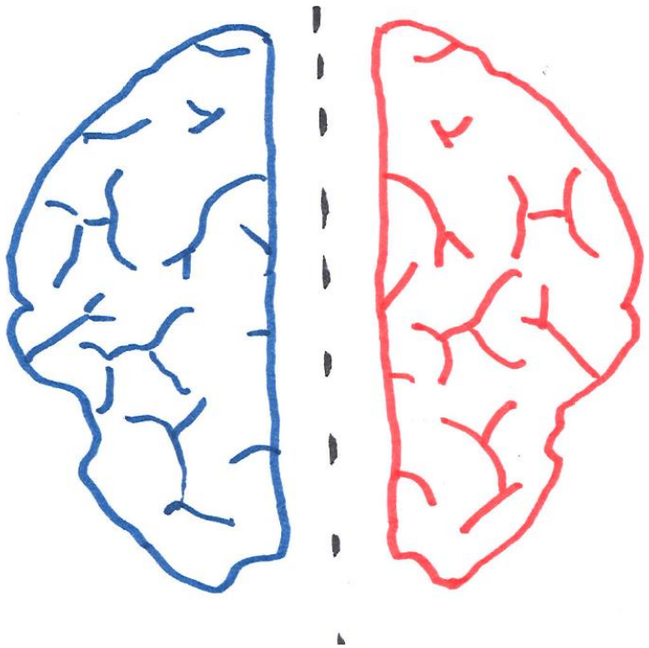


Theory vs Practice

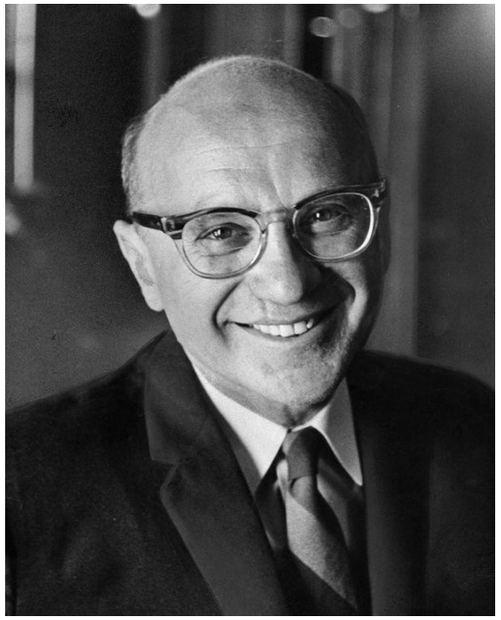


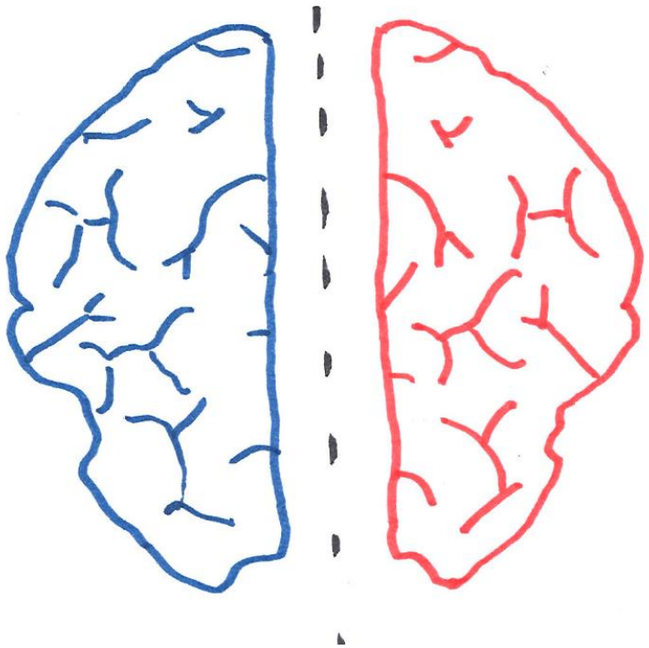
Theory vs Practice





Theory vs Practice







The Bean Counters Curse

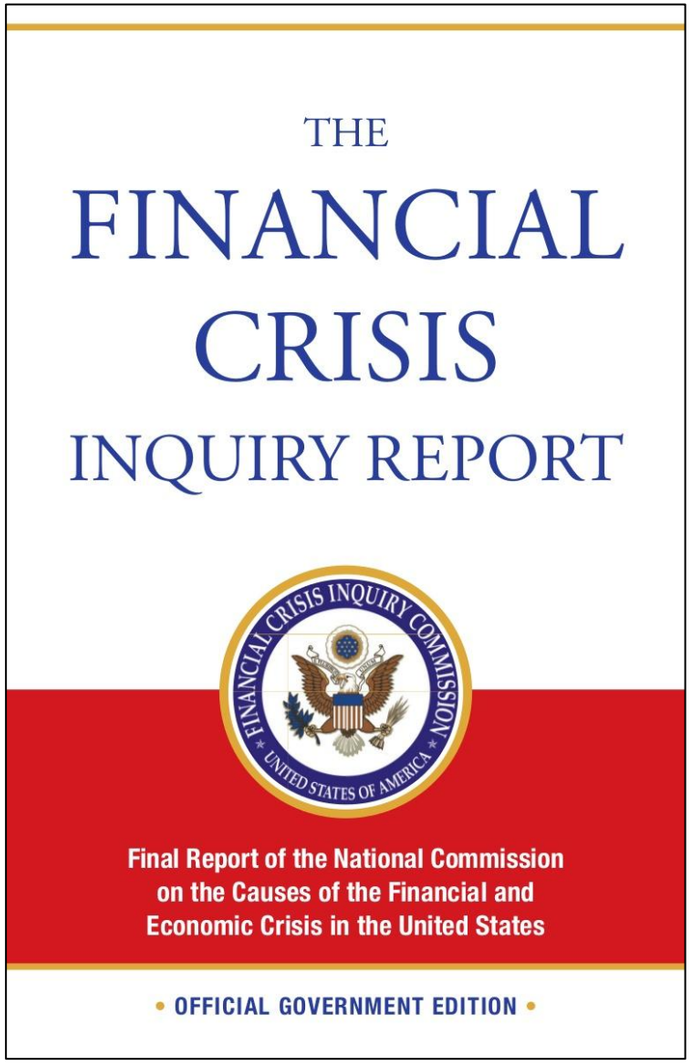


IBG YBG

Difference in time horizons

⇒ Moral Hazard

⇒ Career Hazard



Thinking ahead…

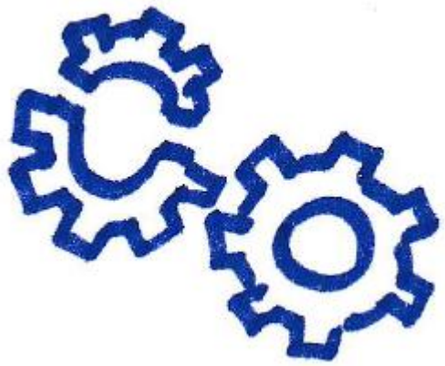


Fixed Nominal Annuities

Unattractive real return on bonds

Cost of regulatory capital

Charges for systemic risks

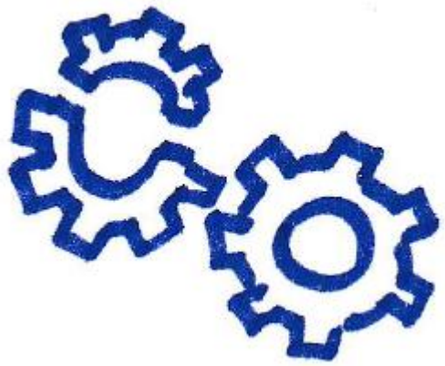


Fixed Nominal Annuities

Unattractive real return on bonds

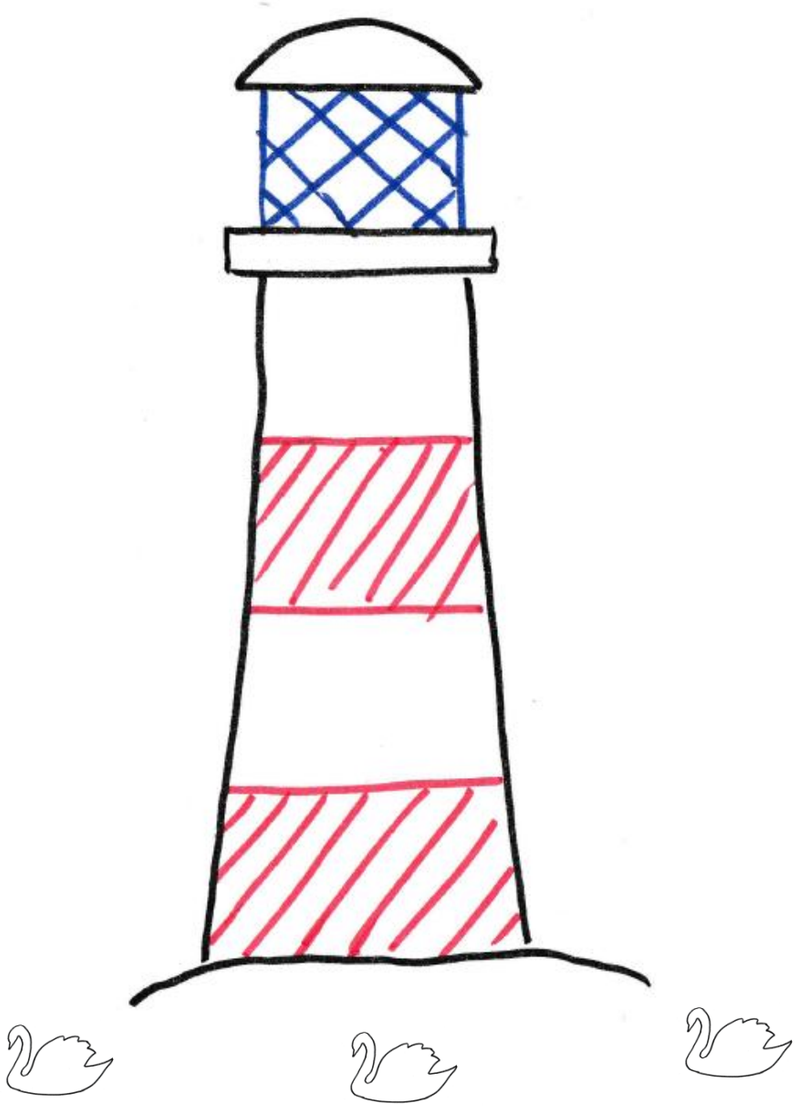
Cost of regulatory capital

Charges for systemic risks



=> really bad value for customer

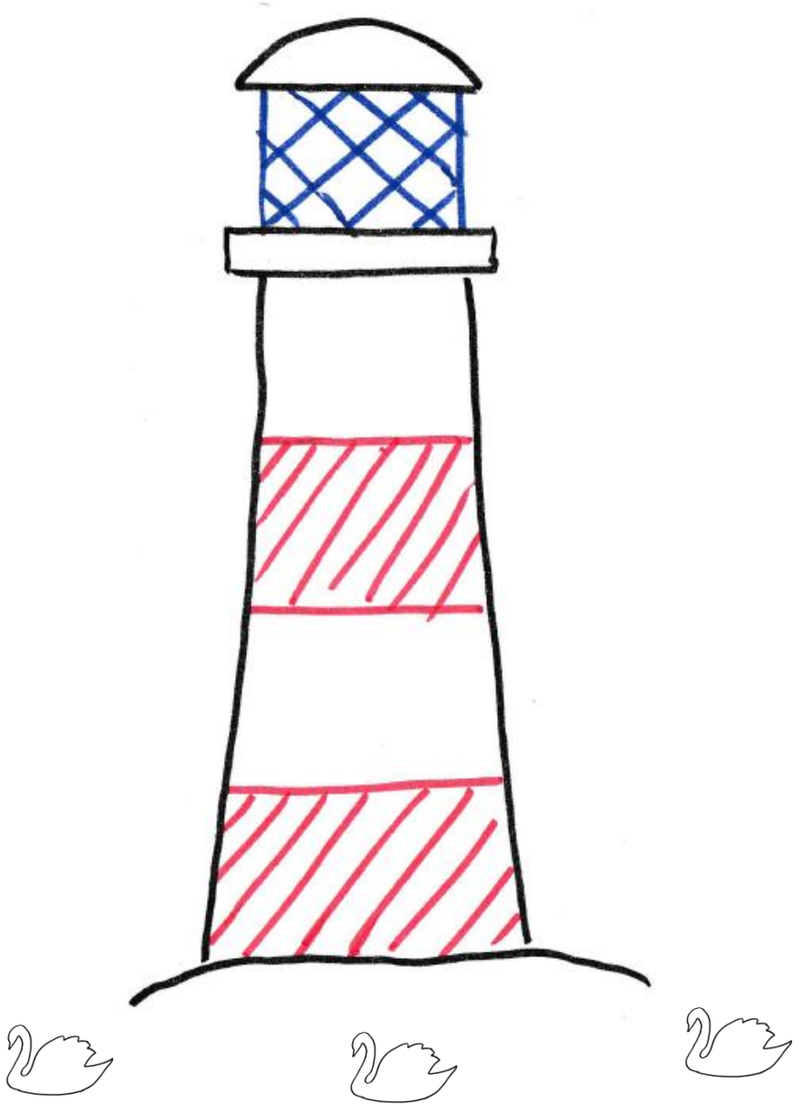
Lesson from the Dutch CDC debate



Key principle

- Pool diversifiable risk
- Don’t pool systemic risk

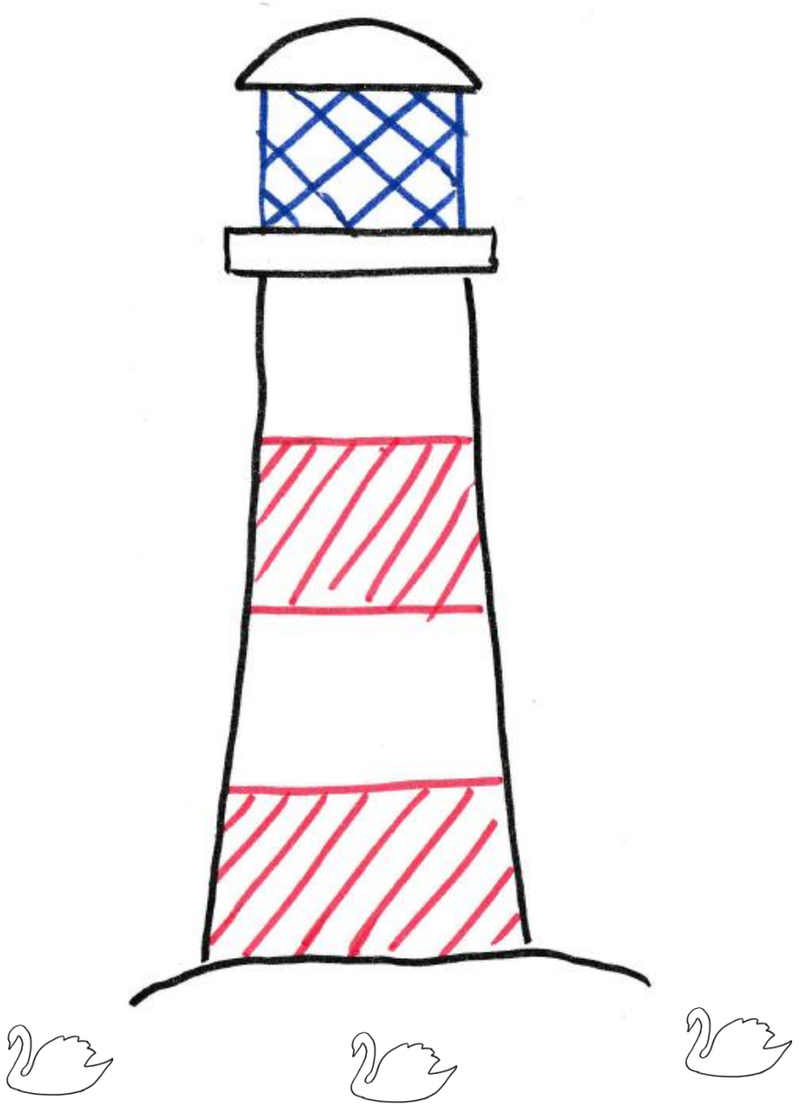
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Key principle

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Lesson from the Dutch CDC debate



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One possible way – a modern tontine

- Pool individual longevity risk is the 8th wonder of the world
- Passing on systemic risk to individual

Dank u wel!

