

CALL FOR PAPERS AND PARTICIPATION
2009 BOWLES SYMPOSIUM
LIQUIDITY, VALUATION AND FINANCIAL CRISES

Symposium Leader: Dr. Paul Embrechts
Dates: February 12-13, 2009
Location: Atlanta, Georgia

Conference Theme: Liquidity and valuation are the twin spines that form the DNA of the financial markets. On the one hand, we have witnessed tremendous growth in money supply (M2 and M3) at the global scale; on the other we are currently experiencing a dramatic credit crunch following the sub-prime crisis due to lack of transparency and difficulties in valuing risky assets. The unfolding financial crisis brings new questions into the debate between mark-to-market versus “mark-to-model” or “mark-to-what-model”. It also calls for significant changes in the regulatory framework for financial institutions. Against this backdrop, the 2009 Bowles Symposium is dedicated to presenting research on the interplay between liquidity and valuation and on the reconciliation of different valuation approaches/methods within global banking and insurance systems along with the associated regulatory environments. In addition to discussing current risk management issues for financial institutions, the development of new regulations (such as Solvency II for insurance companies or proposed regulations for revising the role of the SEC and/or the Federal Reserve) will be addressed.

Potential Topics:

- Asset pricing in illiquid markets
- Market consistent valuation of insurance liabilities
- “Fair value” accounting for assets and liabilities in illiquid markets
- Best practice research on risk management for banks and insurers
- Measuring and managing liquidity risk and contagion risk

Paper Submissions:

E-mail pdf files by November 30, 2008:

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Partnerships:

This symposium is co-sponsored by the

- Joint Risk Management Section of the Casualty Actuarial Society, the Canadian Institute of Actuaries, and the Society of Actuaries,

- The Enterprise Risk Management Institute International, and the
- Thomas P. Bowles Chair at Georgia State University.

Bowles Symposium: Established in 1995 as a special program of the Georgia State University's Department of Risk Management and Insurance – the Bowles Symposium is an ongoing seminars series that focuses on specific issues relevant to the changing and complex environment in which contemporary actuaries practice. The symposium is organized by an actuary of international caliber who serves as the Bowles Symposium Leader. Previous symposia leaders include Hans Buhlmann, James Hickman, Sam Gutterman, Patrick Brockett, among others.

2009 Symposium Leader: The 2009 symposium leader is **Dr. Paul Embrechts** – Professor of Mathematics at the ETH (Swiss Federal Institute of Technology, Zurich). Dr. Embrechts specializes in actuarial mathematics and mathematical finance. Paul is an Elected Fellow of the Institute of Mathematical Statistics, Honorary Fellow of the Institute of Actuaries and the Faculty of Actuaries and holds an Honorary Doctorate from The University of Waterloo. He served as Editor of the *ASTIN Bulletin*. He is on the Advisory Board of *Finance and Stochastics*, and an associate editor of numerous scientific journals. Dr. Embrechts is a member of the Board of a Life Insurance Company and belongs to various national and international research and academic advisory committees. His areas of specialization include insurance risk theory, integrated risk management, the interplay between insurance and finance, and the modeling of extreme events.

Keynote Speakers: In addition to the symposium leader, the following speakers will give keynote addresses at the 2009 Bowles Symposium.

- **Til Schuermann** (Vice President in the Financial Intermediation Function, Federal Reserve Bank of New York) will discuss how liquidity interacts with financial crises and the role that banks and the central bank play to promote liquidity, the new liquidity facilities established by the Federal Reserve in the recent credit crunch, and research on the efficacy of the programs.
- **Stuart M. Turnbull** (C.T. Bauer Chair of Business Leadership and Professor of Finance at the University of Houston) will address the different factors that contributed to the subprime mortgage credit crisis: the search for yield enhancement, investment management, agency problems, lax underwriting standards, rating agency incentive problems, poor risk management by financial institutions, the lack of market transparency, the limitation of extant valuation models, the complexity of financial instruments, and the failure of regulators to understand the implications of the changing environment for the financial system.