## COURSE DETAILS

**Course Code:** F71CB  
**Full Course Title:** Actuarial Risk Management 2  
**SCQF Level:** 11  
**SCAF Credits:** 15  
**Available as Elective:** No

### DELIVERY LEVEL

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<th>Postgraduate Research</th>
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**Additional Information:**

### COURSE AIMS

The aims of this course (and of Actuarial Risk Management 1) are:

- To provide students with a thorough grounding in the strategic concepts required to manage the business activities of financial institutions and programmes
- To provide students with an understanding of the various types of risk faced and the processes used to manage those risks
- To teach students to make use of those processes in order to formulate, justify and present plausible and appropriate solutions to business problems

### LEARNING OUTCOMES – SUBJECT MASTERY

- Be able to design appropriate models and make appropriate recommendations based on their results
- Be able to discuss the different approaches to investment management
- Be able to explain why provisions need to be established
- Know how to establish provisions for different types of liabilities, if necessary taking into account the assets backing them
- Be able to describe how a company is managed on an ongoing basis, particularly in respect of projecting future results, reporting results and managing assets, capital and any surplus arising
- Be able to discuss the issues surrounding the management of options and guarantees
- Be able to explain how actual experience is monitored and taken account of
- Be able to describe/explain the principal terms used in financial services and risk management

### LEARNING OUTCOMES – PERSONAL ABILITIES

- Demonstrate the ability to learn independently and as part of a group
- Manage time, work to deadlines and prioritise workloads
- Present results in a way that demonstrates an understanding of the workplace, market place and general environment
- Understand the importance of risk management

### SYLLABUS
Solving a commercial problem

- The requirements and use of a model and how its results should be tested
- How model assumptions should be determined
- The expenses that should be considered
- How costs of providing benefits based on contingent events should be determined
- How prices should be set to pay for benefits based on contingent events
- The principles, objectives and measures of investment management
- The approaches to establishing provisions
- The relationship between assets and liabilities

Living with the solution to a commercial problem

- Approaches to maintaining profitability
- How expected results can be projected
- How actual results are reported and what systems are required to do this
- The issues facing the providers of benefits on contingent events relating to the reporting of risk
- The principles of asset management and allocation
- The principles of capital management
- The management of surplus and the issues surrounding its distribution/retention
- The issues that need to be taken into account on insolvency or closure
- The issues surrounding the management of options and guarantees

Ongoing monitoring

- How experience is monitored and models/assumptions revised

Principal terms

- The principal terms used in financial services and risk management

COURSE RELATIONSHIPS

<table>
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<tr>
<th>Course Code</th>
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LOCATION AND ASSESSMENT METHODS

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