

Guaranteed Saving Products

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The aim of the report

- Overview of guaranteed saving products (GSP)
- GSPs under Solvency II and IORP framework
- Alternatives for saving products with fixed and variable outcome
- Consumer perception of guarantees

Saving products

- Typologies
- Time horizon
- Flexibility
- Incentives
- Purposes
- Guarantees

Guarantee of what and for how long

- Fixed outcome
- Nominal value of premiums
- Guarantee linked to a benchmark
- Conditional guarantee (based on macroeconomic and demographic variables)

The aim of the guarantee

- For policyholder
- For insurers
- For economy

GSP under Solvency II and IORP



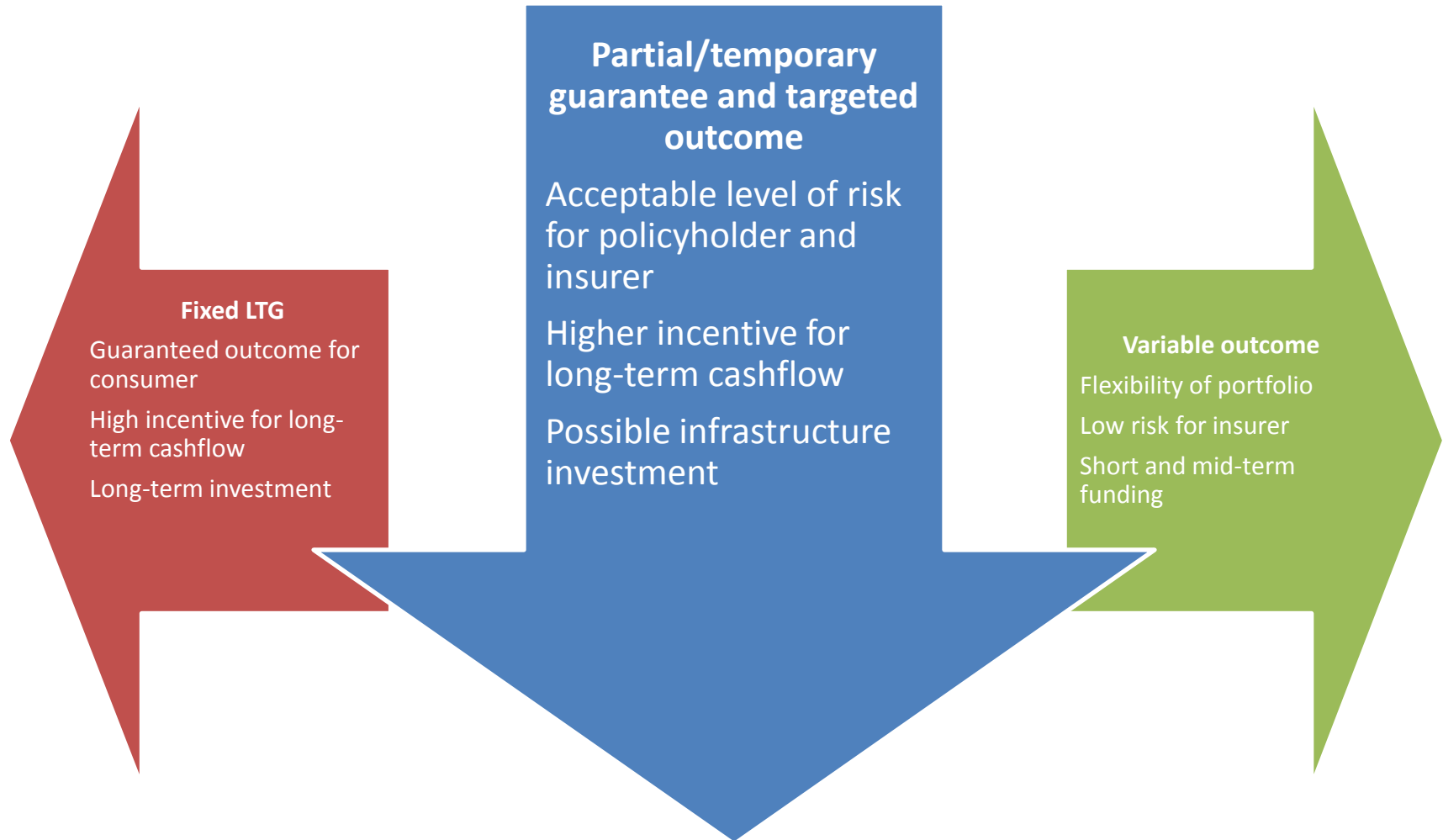
Fixed LTG

Guaranteed outcome for consumer
High incentive for long-term cashflow
Long-term funding

Variable outcome

Flexibility of portfolio
Low risk for insurer
Short and mid-term funding

Alternatives for GSP with fixed and variable outcome



Alternative for GSP with fixed long-term guarantees and variable outcomes

- Return smoothing mechanism
- Semi-guarantee linked to benchmark
- Targeted aim life insurance

Issues

- Benchmarking
- Set and scope of variables
- Guarantees of guarantees (IGS)
- The role of supervisor
- Consumer protection (communication about risk sharing)

Consumer protection

- Do guarantees matter for consumers?
- Costs vs. outcomes of guarantee.
- What is the perception of different guarantees?



Thank you!

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