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Nota di contenuto	Alternative Risk Transfer; Contents; Acknowledgements; Biography; PART I: RISK AND THE ART MARKET; 1 Overview of Risk Management; 1.1 Risk and return; 1.2 Active risk management; 1.2.1 Risk management processes; 1.2.2 Risk management techniques; 1.2.3 General risk management considerations; 1.3 Risk concepts; 1.3.1 Expected value and variance; 1.3.2 Risk aversion; 1.3.3 Risk transfer and the insurance mechanism; 1.3.4 Diversification and risk pooling; 1.3.5 Hedging; 1.3.6 Moral hazard, adverse selection and basis risk; 1.3.7 Non-insurance transfers; 1.4 Outline of the book 2 Risk Management Drivers: Theoretical Motivations, Benefits, and Costs 2.1 Maximizing enterprise value; 2.2 The decision framework; 2.2.1 Replacement and abandonment; 2.2.2 Costs and benefits of loss control; 2.2.3 Costs and benefits of loss financing; 2.2.4 Costs and benefits of risk reduction; 2.3 Coping with market cycles; 2.3.1 Insurance pricing; 2.3.2 Hard versus soft markets; 2.4 Accessing new

risk capacity; 2.5 Diversifying the credit risk of intermediaries; 2.6 Managing enterprise risks intelligently; 2.7 Reducing taxes; 2.8 Overcoming regulatory barriers

2.9 Capitalizing on deregulation 3 The ART Market and its Participants; 3.1 A definition of ART; 3.2 Origins and background of ART; 3.3 Market participants; 3.3.1 Insurers and reinsurers; 3.3.2 Investment, commercial, and universal banks; 3.3.3 Corporate end-users; 3.3.4 Investors/capital providers; 3.3.5 Insurance agents and brokers; 3.4 Product and market convergence; PART II: INSURANCE AND REINSURANCE; 4 Primary Insurance/Reinsurance Contracts; 4.1 Insurance concepts; 4.2 Insurance and loss financing; 4.3 Primary insurance contracts; 4.3.1 Maximum risk transfer contracts

4.3.2 Minimal risk transfer contracts 4.3.3 Layered insurance coverage; 4.4 Reinsurance and retrocession contracts; 4.4.1 Facultative and treaty reinsurance; 4.4.2 Quota share, surplus share, excess of loss, and reinsurance pools; 4.4.3 Finite reinsurance; 5 Captives; 5.1 Using captives to retain risks; 5.1.1 Background and function; 5.1.2 Benefits and costs; 5.2 Forms of captives; 5.2.1 Pure captives; 5.2.2 Sister captives; 5.2.3 Group captives; 5.2.4 Rent-a-captives and protected cell companies; 5.2.5 Risk retention groups; 5.3 Tax consequences; 6 Multi-risk Products

6.1 Multiple peril products 6.2 Multiple trigger products; PART III: CAPITAL MARKETS; 7 Capital Markets Issues and Securitization; 7.1 Overview of securitization; 7.2 Insurance-linked securities; 7.2.1 Overview; 7.2.2 Costs and benefits; 7.3 Structural features; 7.3.1 Issuing vehicles; 7.3.2 Triggers; 7.3.3 Tranches; 7.4 Catastrophe bonds; 7.4.1 Hurricane; 7.4.2 Earthquake; 7.4.3 Windstorm; 7.4.4 Multiple cat peril ILS and peril by tranche ILS; 7.4.5 Bond/derivative variations; 7.5 Other insurance-linked securities; 8 Contingent Capital Structures; 8.1 Creating post-loss financing products

8.2 Contingent debt

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#### Sommario/riassunto

A practical approach to ART—an alternative method by which companies take on various types of risk. This comprehensive book shows readers what ART is, how it can be used to mitigate risk, and how certain instruments/structures associated with ART should be implemented. Through numerous examples and case studies, readers will learn what actually works and what doesn't when using this technique. Erik Banks (CT) joined XL Capital's weather/energy risk management subsidiary, Element Re, as a Partner and Chief Risk Officer in 2001.

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