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Nota di contenuto	Cover; Contents; Title; Copyright; Foreword: Wherefore ART Thou? The Importance of Principle-Based Structured Finance; Preface; Part One: Integrated Risk and Capital Management; Chapter 1: Real and Financial Capital; Real Capital and The Value of The Firm; Financial Capital and The Value of The Firm; Financial Capital Through an Options Lens; Economic Balance Sheet of The Firm; Chapter 2: Risk and Risk Management; Financial Versus Nonfinancial Risks; Core Versus Noncore Risks; Risk Management Alternatives; Chapter 3: Leverage; Benefits of Leverage To The Value of The Firm; Costs of Leverage Optimal Capital Structure?Chapter 4: Adverse Selection and Corporate Financing Decisions; Adverse Selection and Markets For Lemons; Adverse Selection in Securities Markets; Implications of Adverse Selection in Securities Markets; Chapter 5: Capital Budgeting, Project Selection, and Performance Evaluation; Accounting Metrics For Project Selection and Performance Measurement; Discounted Cash Flow Methods With No Risk Adjustment; Net Present Value Rule; Shareholder Value Added; Economic Value Added and Residual Income; Cash Flow

Return On Investment; Chapter 6: Risk Transfer
Risk Transfer and Equity Capital Risk Transfer and The Value of The Firm; Risk Transfer Versus Risk Capital; Chapter 7: Risk Finance; Cash Flow Distinctions Between Pre- and Postloss Funding; Irrelevance of Risk Finance Under M&M; Motivations For Funding A Retention; Part Two: Traditional Risk Transfer; Chapter 8: Insurance; Insurance Products As Contracts; Insurance Pricing; Moral Hazard and Insurance Contract Design; Adverse Selection and Insurance Contract Design; Insurance Companies; Reserve and Asset-Liability Management at Insurance Companies; Chapter 9: Reinsurance; The Basics Risks of Writing Primary Insurance Motivations For Purchasing Reinsurance; Facultative Versus Treaty Reinsurance; Proportional Reinsurance Treaties; Excess of Loss Reinsurance; Horizontal Layering and Blended Cover; Syndication; Chapter 10: Credit Insurance and Financial Guaranties; Credit Insurance Products; Letters Of credit; Who Bears The Cost of Acquiring Credit Protection?; Distinctions Between Different Credit Protection Products; When is A Guaranty Not A Guaranty?; Chapter 11: Derivatives; What Are Derivatives?; Forward and Forwardlike Contracts; Options
Chapter 12: Credit Derivatives and Credit-Linked Notes Scope of Credit Derivatives Activity; Single-Name Credit Default Swaps; Portfolio Credit Default Swaps; Asset Default Swaps; Equity Default Swaps; Total Return Swaps; Credit-Linked Notes (Recourse); Part Three: Structured Finance; Chapter 13: The Structuring Process; Types of Structured Financial Solutions; Structuring Process; Tranching and Subordination; Chapter 14: Hybrids, Convertibles, and Structured Notes; Hybrids and Convertibles; Structured Notes; Chapter 15: Contingent Capital; Contingent Capital Facilities As Options
(Re)Insurance Applications of Contingent Capital

Sommario/riassunto

Praise for Structured Finance & Insurance"More and more each year, the modern corporation must decide what risks to keep and what risks to shed to remain competitive and to maximize its value for the capital employed. Culp explains the theory and practice of risk transfer through either balance sheet mechanism such as structured finance, derivative transactions, or insurance. Equity is expensive and risk transfer is expensive. As understanding grows, and, as a result, costs continue to fall, ART will continue to replace equity as the means to cushion knowable risks. This book enhances
