

WENCHU LI

Fox School of Business, Temple University
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EDUCATION

Ph.D. in Risk Management and Insurance Fox School of Business, Temple University, Philadelphia, PA	Expected 2023
M.S. in Actuarial Practice College of Business and Economics, Australian National University, Canberra, Australia	2017
B.S. in Economics (Major in Finance) School of Finance, Henan University of Economics and Law, Henan, China	2014

RESEARCH INTERESTS

Insurance Company Investments, Variable Annuities, Sustainability and ESG Risks

WORKING PAPERS

"Basis Risk in Variable Annuities" with Thorsten Moenig and Maciej Augustyniak

- **Abstract:** Variable annuities are popular personal savings and investment products with long-term guarantees that expose U.S. life insurers to extensive financial risks. Hedging these guarantees is critical but complicated by basis risk, i.e. the discrepancy in returns between the underlying mutual funds and suitable hedging instruments. Enhancing classical fund mapping methods with data analytic techniques, we document in a comprehensive empirical analysis that basis risk significantly impairs hedging effectiveness: at the fund level, even under the most favorable conditions, at least 20% of the insurer's loss volatility cannot be eliminated through hedging.

"Sustainable Investing in Corporate Bonds: Evidence from the U.S. Life Insurance Companies"

- **Abstract:** Investment strategies involving environmental and social considerations have gained rising attention in recent years. However, the largely voluntary disclosure and reporting requirements make it harder to obtain a comprehensive view of the actual integration extent of sustainable investing in the decision-making process. This study examines U.S. life insurers' incorporation of socially responsible investment (SRI) in corporate-bond holdings. By merging life insurers' year-end corporate-bond holdings data with bond issuers' corporate social responsibility (CSR) scores constructed using the MSCI KLD database for 2005-2019, the preliminary evidence shows that life insurers are more likely to invest in bonds issued by firms with CSR scores, and the current MSCI database assessment criteria align with life insurers' existing investment preference.

Work-In-Progress

"Basis Risk Diversification in Variable Annuities Portfolios" with Thorsten Moenig and Maciej Augustyniak

RESEARCH PRESENTATIONS

57th Actuarial Research Conference (ARC), Champaign, IL	Aug 2022
2022 American Risk and Insurance Association (ARIA) Annual Meeting, Long Beach, CA	Aug 2022
25th International Congress on Insurance: Mathematics and Economics (IME)	Jul 2022
24th International Congress on Insurance: Mathematics and Economics (IME)	Jul 2021
S. S. Huebner Foundation/ARIA 2021 Doctoral Colloquium	Mar 2021
50th Financial Management Association (FMA) Annual Meeting	Oct 2020
55th Actuarial Research Conference (ARC)	Aug 2020
4th World Risk and Insurance Economics Congress (WRIEC)	Aug 2020
Online International Conference in Actuarial Science, Data Science, and Finance	Apr 2020
University of Georgia Ph.D. Student Research Symposium, Athens, GA	Feb 2020
1st Simon Conference for Young Researchers in RMI, East Lansing, MI	Nov 2019

TEACHING EXPERIENCE

Teaching

Actuarial Corporate Finance (AS5106)	Spring 2022
- Co-taught with Professor Thorsten Moenig	
- Graduate level, online, asynchronous video class	
Actuarial Economics (AS5105)	Fall 2021
- Instructor of record	
- Graduate level, in-person, synchronous class	
Actuarial Corporate Finance (AS5106)	Fall 2020
- Co-taught with Professor Timothy Luedtke	
- Graduate level, online, synchronous class	

Teaching Assistant

Seminar in Risk Theory (RMI9003)	Spring 2020
- Professor J. David Cummins	
- Doctoral level	
Advanced Theory of Interest (AS2504/5107)	Fall 2019 & Fall 2020
- Professor Thorsten Moenig	
- Undergraduate and graduate levels	
Theory of Interest (AS2502/5101)	Fall 2018 & Spring 2021
- Professor Thorsten Moenig	
- Undergraduate and graduate levels	

Teaching-related Training

Fox Online Teaching Certificate, Fox School of Business, Temple University	Aug 2020
Fox PhD Summer Teaching Academy, Fox School of Business, Temple University	May 2020

AWARDS AND SCHOLARSHIPS

2022 Spencer Doctoral Candidate Scholarship	2022
S. S. Huebner Foundation/ARIA 2021 3MT Competition Scholarship	2021
First Place of the 10th Annual Ph.D. Student Research Competition (2nd year category) - Fox School of Business, Temple University	2020
Runner-up of the "Best Presentation Award" - 1st Simon Conference for Young Researchers in Risk Management and Insurance	2019
Second Place of the 9th Annual Ph.D. Student Research Competition (1st & 2nd year category) - Fox School of Business, Temple University	2019

PROFESSIONAL CERTIFICATES

Associate of the Society of Actuaries (ASA, *in progress*)
- Passed all exams, currently working on FAP modules
Institute of Actuaries of Australia (IAA): Part I
Chartered Financial Analyst (CFA): Level I
Certification of Securities Professional (Securities Association of China)

PROFESSIONAL AFFILIATIONS

American Risk and Insurance Association	Since 2020
Financial Management Association	Since 2020
The American Finance Association	Since 2020

PROGRAMMING EXPERIENCE

STATA, RStudio, Python, L^AT_EX, SAS, Eviews, SPSS, VB

Last updated: August 17, 2022