

## ERM Practice Area and Risk Management Interest Group (RMIG)

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### **Introduction**

It's been an incredible month for financial institutions around the world. Risk management practices have been severely tested by the extreme events and all risk management professionals will have been working tirelessly over the past month to deal with a rapidly evolving situation. This presents a fantastic opportunity for actuaries to demonstrate the value they can add both in the day to day management of risk but also looking to the longer term and how we can all learn from recent experiences.

### **FSA Insurance Sector Briefing**

The FSA have recently issued an Insurance Sector Briefing on risk and capital management which will be an essential read for all actuaries working in risk management:

[http://www.fsa.gov.uk/pubs/other/isb\\_risk\\_update.pdf](http://www.fsa.gov.uk/pubs/other/isb_risk_update.pdf)

### **IAA Practice Note on ERM**

The International Actuarial Association has issued a Practice Note on ERM which provides an excellent overview of good practice in ERM. We'd strongly recommend taking a look at this:

[http://www.actuaries.org.uk/erm/IAA\\_PracticeNote.pdf](http://www.actuaries.org.uk/erm/IAA_PracticeNote.pdf)

### **Educational Developments update**

There's a lot of activity in the profession to develop a global credential in ERM and to develop the "ST9" syllabus on ERM. For a description of these developments look at the following link

[http://www.actuaries.org.uk/erm/education\\_update.pdf](http://www.actuaries.org.uk/erm/education_update.pdf)

### **ERM Practice Area (Vision and Strategic Objectives)**

We have received a number of helpful comments regarding our draft ERM Practice Area Vision and Objectives that we circulated in June. A final version is now available at

[http://www.actuaries.org.uk/erm/erm\\_strategy.pdf](http://www.actuaries.org.uk/erm/erm_strategy.pdf)

### **Global ERM Webinar**

We now have the full session descriptions of the live European session of the 10/11 December Global ERM Webinar "Global Best Practices for Insurers and Re-insurers" which will run from 10.00am – 4.15pm GMT:

- **Market Consistent Risk Management: how the MC approach can help an insurer's Risk management system as well as an appreciation of the shortcomings that must be considered when using market consistent risk management.**

- Does ERM Need an Economic Capital Model: about the full range of ways that an economic capital model can be used as well as ways that ERM objectives can be met by alternate means and situations where economic capital may not be the correct risk measure to best manage risk.
- The Pros and Cons of Economic Capital Models vs. Stress Testing: how best to use the different types of risk models and the pitfalls that must be managed to achieve effective use of both types of models.
- Is ERM Any Real Use in Soft Markets: how an ERM program can be operated to provide meaningful assistance for negotiating a soft market as well as the limitations of ERM in such situations.

It is expected that this event may represent verifiable technical CPD of up to 1.25 hours for each of the four live sessions provided an appropriate record of attendance is kept. If you are watching with a group of people they will all need to sign an attendance list that needs to be kept on file.

Last year's event received very positive feedback so we recommend that you sign up for what looks like some very interesting sessions.

More details of the two-track webcast can be found at:

<http://www.soa.org/meetings-and-events/event-detail/global-best-erm/default.aspx>.

### **ICA and Risk Management**

Friday 10 October 2008, Staple Inn. UK insurers have invested significant amounts of time and money in developing their individual capital assessments, but all too often are failing to translate this investment into better risk management and corporate decision-making. This half-day seminar will offer practical insights into how insurers can move beyond ICAs and towards Enterprise Risk Management.

ICA and Risk Management is aimed at Life insurance actuaries working the risk management area, in the production of ICAs or on Solvency II and those with a more general interest in Enterprise Risk Management.

For more information visit: [http://www.actuaries.org.uk/media\\_centre/?a=135699](http://www.actuaries.org.uk/media_centre/?a=135699)

To book online: [http://www.actuaries.org.uk/members/transactions/conference\\_booking](http://www.actuaries.org.uk/members/transactions/conference_booking)

### **CRO Interview**

Roger Dix's interview will feature in the October issue of The Actuary and a version can be accessed at [http://www.actuaries.org.uk/erm/people/dixinterview\\_july08](http://www.actuaries.org.uk/erm/people/dixinterview_july08)

### **Research: what should a company be doing regards ERM – call for volunteers**

Two international co-operation project proposals are to be initiated looking at what a company should be doing with regard to ERM:

- Comprehensive Actuarial Risk Evaluation (CARE) to develop a white paper that describes a comprehensive evaluation of a risk with the aim of positioning the actuarial profession as the risk professionals who would intend to completely evaluate a risk from all points of view.
- Actuarial Review of Risk Management Practices (ARRMP) to set out a systematic process for actuaries to use when evaluating risk management practices, seeking to set out a systematic process for actuaries to use when evaluating risk management practices.

### **ERM Website team**

Marcus Hurd, our new ERM website Co-ordinator would like to hear from anyone interested in participating in his small team to manage the Profession's ERM Web page.

Click 'reply' to this e-mail to express interest.

**GI and Asset Management input to CPD etc Sub-Committee**

GI or Asset Management practitioners interested in becoming involved; the CPD, Career Support and Development Sub-Committee would like to hear from you. Click 'reply' to this e-mail to express interest.

**“Risk & Investment” (FIERM) Conference – call for volunteers**

The provisional theme for the 2009 *Risk & Investment Conference* – previously known as “FIERM” – is “Managing liquidity – taking advantage of deep water but staying afloat when the tide goes out”. The response to the call for Workshops towards has been good, but it is not too late to become involved.

A list of topics can be accessed at [http://www.actuaries.org.uk/erm/working\\_parties.pdf](http://www.actuaries.org.uk/erm/working_parties.pdf)

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