

ERM Practice Area and Risk Management Interest Group (RMIG)

Dear Member, (*scroll down to find out more about*)

RMIG/ERM (Actuaries) Practice Area roles and co-operation

The Role of the CRO in ERM

Finance, Investment & ERM (FIERM) Conference

INARM – the International Network of Actuarial Risk Managers

Enterprise Risk Management Symposium materials

Enterprise Risk Management Sessional Meeting Paper

Your involvement

You have indicated that you fall within the Enterprise Risk Management (ERM) Practice Area and / or have signed up to the Risk Management Interest Group (RMIG). The overall numbers who fall within these categories are currently 1,486.

We will send you a monthly e-mail notifying of events and briefly updating you on progress.

You may have wondered “Why both ERM Practice Area and RMIG?” In brief, their respective goals and targets are different but complementary.

RMIG

http://www.actuaries.org.uk/members/migs/topical_groups/risk_management

Many will recall Paul Stanworth’s original e-mail of 21 December 2005 which stated:

To set this initiative up, councils have endorsed a ‘manifesto’ for this task force based on four cornerstone beliefs:

All actuaries are risk managers now - The world understands risk and management of it, which is what actuaries have always been doing all along

Risk management is much more than risk measurement - Value is created by taking some risks and avoiding others – it is active

Follow the money: focus on firms - Banks, insurers, other financial firms, and other sectors spend vast sums on managing risk – we actuaries should clearly understand how and why

Choose our niche, but not our tomb - We will find ourselves working alongside professionals from a range of backgrounds – we all have distinct skills to bring to bear

ERM Practice Area

<http://www.actuaries.org.uk/erm>

On 29 October 2007 a number of Presidents signed a statement of intent to establish a global risk management qualification in recognition of the fact that ERM is a rapidly developing area, particularly in the Financial Services sector.

With the aim of achieving recognition of actuaries as leading professionals in the field of Enterprise Risk Management, The Actuarial Profession in the UK have instigated an ERM Practice Area within the new structure launched on 1 March.

A number of definitions of Enterprise Risk Management exist. COSO, for example, define Enterprise Risk Management as *the process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.*

The Role of the CRO in ERM

Fittingly, the first event to be staged since the launch of the ERM Practice Area and the RMIG was the RMIG-sponsored networking evening of 12 May, whose Chairman – Jules Constantinou – and speakers – Colin Ledlie and Roger Dix – are all members of the ERM Practice Area Executive Committee. The presentations for the evening can be found at

http://www.actuaries.org.uk/__data/assets/powerpoint_doc/0020/132860/networking20080512Ledlie.ppt

http://www.actuaries.org.uk/__data/assets/powerpoint_doc/0004/132871/networking20080512Dix.ppt

The podcast, which includes the really useful Q & A session that followed, should be on the website shortly.

There will be a re-run of this event in Glasgow on 26 June, but with Tom Burns, Head of Risk Management, National Australia Group (Europe) speaking with Colin Ledlie and Gordon Wood in the Chair:

http://www.actuaries.org.uk/__data/assets/pdf_file/0003/132798/networking20080626.pdf

FIERM Conference - 15-17 June 2008 - Deansgate Hilton, Manchester

It is not too late to join the 124 delegates registered for this year's Finance, Investment, and Risk Management (FIERM) Conference in Manchester, an opportunity to reflect on the most interesting year on financial markets.

Highlights will include sessions on:

- How valuable is liquidity?

- Liquidity risk and the credit crunch

- Modern approaches to financing pensions, and

- Complexity economics and its implications.

To register online: http://www.actuaries.org.uk/members/transactions/conference_booking and click on "FINANCE AND INVESTMENT". Contact in the Event Management Division: Kate Harris (kate.harris@actuaries.org.uk or tel +44(0)207 632 2143)

INARM – International Network of Actuarial Risk Managers

This is an international network for actuaries and some others sharing an interest in risk management. There is a list serve which you can join for free through <http://www.soa.org/professional-interests/joint-risk-management/jrm-inarm.aspx> and you can also sign up to the visible network on LinkedIn and to a regular weblog.

Enterprise Risk Management Symposium

The following link provides you with access to slides and discussions of the recent ERM Symposium in Chicago. Risk Management practitioners who weren't able to attend the recent event may find much of the material useful. <http://www.ermssymposium.com/handouts.php>

Enterprise Risk Management Sessional Meeting

The podcast of Michael Tripp's Institute Sessional Meeting Paper on 28 April can now be accessed at http://www.actuaries.org.uk/__data/assets/file/0018/132633/sm20080428.mp3

Your involvement

The ERM Executive Committee met for the first time on 16 April and meets again on 9 June. The RMIG Committee and its Events Group continue to meet as required. In future e-mails, both groups will make known their need for volunteers to participate in future work as things get underway.

Colin Ledlie

Chairman
ERM Practice Area Committee

Jules Constantinou

Chairman
RMIG Committee