



SOCIETY OF ACTUARIES

**ERM Symposium
April 2009**

T1-ERM Roundtable Discussion

Facilitators

**Aaron Halpert
William Kokontis**

ERM Symposium Potential Round Table Topics

- 1) General
 - a) ERM trends
 - b) Players in the ERM market (vendors, consultants, education, etc.)
 - c) Deep dive on a single risk type
 - d) Topics that cross multiple categories
- 2) Risk Identification
 - a) Environmental scanning, benchmarking and techniques to identify emerging risks
 - b) Risk categorization and definition
 - c) Internal qualitative assessment and prioritization
- 3) Risk Quantification
 - a) Developing risk scenarios
 - b) Quantifying individual risks: Financial risks (market, credit, liquidity, etc.); insurance risks; strategic risks; operational risks
 - c) Quantifying enterprise risk exposure (based on all risks interacting)
 - d) Metrics / key risk indicators (value, capital, etc.)
 - e) Models (economic capital, value-based models, etc.)
 - f) Modeling methods (real-world vs. market-consistent, etc.)
 - g) Economic capital and its integration into ERM
 - h) ALM and its integration into ERM
- 4) Risk Response
 - a) Defining risk appetite and risk thresholds
 - b) Managing exposures to within risk appetite: Exposures include all risks: Financial risks (market, credit, liquidity, etc.); insurance risks; strategic risks; operational risks
 - c) Making decisions with ERM information, including strategic planning, tactical decision-making, pricing, M&A, etc.
 - d) Managing within rating agency requirements and regulatory constraints
- 5) Risk Culture & Disclosures
 - a) Risk Culture
 - i) Risk Framework
 - (1) How ERM is organized functionally (process cycle, scope, decisions, etc.)
 - (2) Defining ERM
 - ii) Risk governance
 - (1) How ERM is organized hierarchically
 - (2) Roles and responsibilities (Board, ERM committee, internal audit, etc.)
 - (3) Policies and procedures
 - (4) Rating agency requirements
 - (5) Regulatory requirements
 - iii) Integration into performance measurement (internal reporting) and performance management (incentive compensation)
 - b) Risk disclosures (integration into external communications)
 - i) Communications to rating agencies, regulators and stock analysts
 - ii) Public disclosures (e.g., published quarterly or annual reports or filings)

Originally developed by Joint Risk Management Newsletter editor Sim Segal, FSA CERA MAAA (US Leader of ERM Services, Watson Wyatt Insurance & Financial Services Inc).