

San Antonio Spring Meeting Session 20 PD, Chief Risk Officer Forum

Questions for Discussion:

1. In light of your background, In what ways do you see ERM being different in different financial services businesses?
2. What have been the key areas of concentration for you in the past year? What do you expect to concentrate on in the next year?
3. What is the Risk Management Mandate in your company?
4. Risk management is not now required by regulators of insurance companies. What are the other drivers of ERM in your organization?
5. What are your greatest challenges in accomplishing your objectives; organizational, technical, political?
6. How are you dealing with Operational Risk at this time? How would you like to be dealing with it?

Additional Questions:

- A1. How does the ERM idea of putting all risks onto the same measurement basis work with risks that have very different time horizons?
- A2. Are you having any trouble finding enough qualified people to staff your risk management departments?
- A3. Risk management is not now required by regulators of insurance companies. What are the other drivers of ERM in your organization?
- A4. How comprehensive would you say that your risk limits are? How consistent are they (is the limit for credit diversification consistent with your life insurance retention limits)?
- A5. What is your relationship with the Board? How often do you get to talk to the board? Is the CEO/COO/CFO always present for all of those discussions?
- A6. What steps have management of your company taken to better understand the key risks of the company and the risk management issues?
- A7. Do you have a system in place for calculating the economic capital for your company? If so, what were the most difficult aspects of putting that system in place?
- A8. What would you say is the value to your organization of the risk management process as it now stands. What added value would you see if the total resources dedicated to risk management were doubled?
- A9. What is the process in your company for review of risk and risk management of new ventures and products? How is your department involved?
- A10. Does your risk assessment work off of (a) Market Values (b) Financial statements (c) Cashflow models? If the answer is more than one, where are each used and how comparable are the results thought to be?
- A11. Is there a regular review process in your company of your risk management process? Who performs that review? Who gets to see the results of that review?
- A12. Does your department have any role in the way that your company looks prices for risky transactions where there is no market price?