



SOCIETY OF ACTUARIES

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Chairperson's Corner

By Barry Franklin

AS WE ENTER THE HOME STRETCH OF THE CURRENT OPERATING YEAR FOR THE JOINT RISK MANAGEMENT SECTION (JRMS) it's natural to assess how well we are doing in meeting the primary objectives established for the section council this year:

1. Increase level of communication and interaction with section members
2. Expand ERM educational opportunities for section members and sponsoring organizations
3. Continue to foster risk management research
4. Support promoting the actuarial profession as risk managers.

Before looking at each of these objectives, it's useful to consider that the JRMS is a collaborative undertaking of three independent sponsoring actuarial organizations—the Casualty Actuarial Society, the Canadian Institute of Actuaries and the Society of Actuaries—each organization having a unique perspective and unique set of member and stakeholder needs and priorities. In the competitive landscape within which we operate today it is a testament to the sponsoring organizations and the JRMS membership that we continue to be a model for collaboration and cooperation. Each sponsoring organization acts independently to meet the unique needs of its own members in the foregoing areas, while coming together under the banner of the JRMS to advance the science of risk management in general and promote the role of the actuarial profession within risk management.

So, now...how are we doing?

INCREASE LEVEL OF COMMUNICATION AND INTERACTION WITH SECTION MEMBERS

This represents the third issue of Risk Management published so far this year (available in French and English). We are about to publish a series of essays on "How to Review an ORSA Process," and have sent multiple email blasts and social media based messages to JRMS members regarding research opportunities, upcoming risk management related events and other items of interest. More than 600 JRMS members have now joined the JRMS LinkedIn group. We have also sponsored several JRMS networking events as well as CERA receptions

at large meetings of sponsoring organizations. In short, your section is doing a lot to reach out to members and encourage interaction and networking.

Expand ERM educational opportunities for section members and sponsoring organizations

Aside from the articles and essays published in Risk Management and e-books, the JRMS provides support for risk management themed sessions at educational meetings held by the sponsoring organizations, identifying topics and recruiting moderators and panelists. The JRMS has long been associated with the successful ERM Symposium, working with the organizing team to provide leading edge content and quality speakers—and this year is no exception. For this year's symposium, the JRMS is providing speakers the opportunity to have a professional coach assist them in preparing their presentations, and is also sponsoring symposium registration for members of the North American CRO Council to enhance networking and learning opportunities for attendees. We also provide web-based learning opportunities, leveraging content from JRMS sponsored research as well as content from other sources. In fact, each of the sponsoring organizations has offered ERM educational events for their members in some form over the past year, and the JRMS is working to share that content with section members through webinars, essays and articles. When it comes to educating actuaries in the discipline of risk management, more is better and quality counts.



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CONTINUE TO FOSTER RISK MANAGEMENT RESEARCH

Sponsoring and publishing relevant research is an area where the JRMS provides significant value and enhances the profile of the actuarial profession within risk management. Topics addressed by JRMS sponsored research this year include reviewing an ORSA report, challenges in model validation, a survey of emerging risks, the development of a universal taxonomy for risk, and others still taking shape. One exciting research development this past year has been offering free access to a risk management e-library for all JRMS members.

Hopefully members will take advantage of this benefit and we can use this vehicle to provide free access to even more practical risk management research in the future.

Support promoting the actuarial profession as risk managers.

In the end, all of the previous objectives really support this overarching objective of promoting the actuarial profession as risk managers, thereby creating opportunity for all JRMS members regardless of which sponsoring organization they might call home. If we execute the first three faithfully, we will ultimately succeed with

the fourth as well. In the meantime, JRMS will continue to encourage actuaries to pursue the CERA credential, provide networking and education opportunities for actuarial risk management professionals and strive to highlight areas where actuaries are making a difference in risk management.

Now that you know my perspective on the performance of the JRMS, it is your turn to share. Tell us how we are doing, what objectives are important to you, and how section leadership can better serve its members and the profession. ■

Recent Publications in Risk Management

As an ongoing feature in Risk Management, we will provide recent publications we find noteworthy to our readers. Please send suggestions for other publications you find worth reading to dschraub@soa.org or cheryl.liu@pacificlife.com.

Risk Governance and Culture: Principles and Practices in the Insurance Industry North American CRO Council, February 2014

This paper was developed by the North American CRO Council in collaboration with Oliver Wyman. This paper highlights key considerations in further strengthening risk governance and culture, as well as approaches to implementing sound practices in risk management.
http://www.crocouncil.org/images/NA_CRO_Council_-_Risk_Governance_and_Culture_-_February_2014.pdf

Summary of Standard & Poor's Enterprise Risk Management Assessment Standard & Poor's, May 2013

Standard & Poor's Rating Services published this article in May 2013 to help market participants better understand its approach to assessing insurance companies' enterprise risk management.
http://www.standardandpoors.com/spf/upload/Ratings_US/Enterprise_Risk_Management_5_7_13.pdf

Stress Testing and Scenario Analysis IAA, July 2013

International Actuarial Association Insurance Regulation Committee released this paper in July 2013. This paper provides an actuarial perspective on scenario analysis and stress testing.
http://www.actuaries.org/CTTEES_SOLV/Documents/StressTestingPaper.pdf

2014 EY Asia-Pacific Insurance Outlook EY, 2014

[http://www.ey.com/Publication/vwLUAssets/EY_-_2014_Asia-Pacific_insurance_outlook/\\$FILE/EY-2014-EY-Asia-Pacific-insurance-outlook.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_2014_Asia-Pacific_insurance_outlook/$FILE/EY-2014-EY-Asia-Pacific-insurance-outlook.pdf)

Creating value through enterprise risk management Milliman Risk Institute Survey, May 2014

Milliman Risk Institute's 2014 enterprise risk management (ERM) survey takes focus on how market participants can understand the value creation resulting from ERM activities.
<http://www.milliman.com/uploadedFiles/insight/2014/milliman-risk-institute-survey-2014.pdf>