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# Risk Management

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# Letter from the Editors

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## WELCOME TO THIS ISSUE OF RISK MANAGEMENT!

We have a variety of papers this time covering different branches of risk management. First, "Managing Systemic Risk in Retirement Systems" by Minaz H. Lalani discusses ways to mitigate the negative impacts caused by the shifting of retirement obligations towards the individual. The author lays out steps for major stakeholders (government, employer, financial institution, and employee) to help prepare for this shift.

Next, Pablo Fernandez, Javier Agirreamalloa, and Luis Corres have a paper called "Market Risk Premium used in five countries in 2011: a survey with 6,014 answers." This paper shows the size of market risk premium by country and respondent. There's also an interesting excerpt of participant's responses that provides further insight into these figures.

Martin Eling and Hato Schmeiser present "Report on the CAS COTOR Risk Premium Project Update." This article summarizes the work done by the Committee on Theory of Risk within CAS. This project is a follow up of an initial project done in 1999 whose mission was a review of the research of risk assessment in property-casualty insurance.

Moshe Milevsky and Huaxiong Huang's article, "Spending Retirement on Planet Vulcan: The Impact of Longevity Risk Aversion on Optimal Withdrawal Rates," speaks about the impacts of risk management to the individual. The article discusses how risk aversion and a guaranteed income stream (pension or annuity) influence an individual's optimal consumption rate over time.

Dave Ingram and Michael Thompson present "Changing Seasons of Risk Attitudes." Their article shows how a firm's economic outlook can influence its success. The article also relates how this outlook can influence risk managers within that firm.

Finally, we have a book review of *Mastering Operational Risk*, by Tony Blunden and John Thirwell. This book is geared towards the individual who is moving into an operational risk position or who needs to become better acquainted with the structure and goals of an operational risk management department.

Enjoy this issue. ■



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