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# Chairperson's Corner

By Tom Weist

To all of the devoted *Risk Management* readers, I hope 2017 is off to a good start. As I began writing this Chairperson's Corner, I contemplated various risk topics to write about for the initial article of the New Year. The first thing that came to mind was actually on a personal note. My girls love their trampoline, but it makes me nervous. We have all read numerous stories related to injuries in these huge backyard toys. And trampolines usually made the list in discussions with colleagues on the risks in homeowners insurance. Well, between the time when I started and ended this article, my oldest daughter landed in the ER from a wrong move in a triple flippity-do. Funny thing is that it happened in the gym with coaches present on the cushy mats, not in the unsupervised trampoline. I guess unfortunate events can happen anywhere, even with risk mitigation.

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Moving on from my backyard dangers, I don't need to look far to see the gloom and doom around me. Two historic events, Brexit and the Trump inauguration, will undoubtedly have large impacts to the insurance industry. The P&C industry is in the softest pricing market in decades. Climate change seems to be contributing to a higher frequency of extreme events year after year. Throw in the excess capital in reinsurance and you have the ingredients for a tough year (or two or three ...).

President Trump has various proposals that will impact insurance. Repealing the ACA without having a replacement ready could create serious confusion and chaos for A&H insurers. By the time you read this, Trump will have been in office for a couple of months. I am hopeful that we have a clearer picture of the future of health care.

Brexit will eventually get moving along. Teresa May officially needs approval from parliament for invoking article 50 and

beginning to withdraw from the EU. The vote is due by the end of March. Will it be a difficult transition? What will a future London look like? Based on the tone coming from some EU countries, it doesn't seem like Britain will get to have their cake and eat it too. There will be some impact to our industry. How much? We will have to wait and see. The process will be slow and we can look forward to the next two years of watching this play out.

On a positive note for U.S. insurers, there is the potential that interest rates rise and taxes are lowered. Both should be beneficial to our domestic industry. Depending upon where you are sitting however, the opposite may be true for insurers outside the U.S. where interest rates may remain negative and lowered U.S. taxes would level the playing field. Another possible improvement from a business perspective is having Republican majorities in both chambers of the U.S. Congress. This is generally a positive for the future judicial environment, and in turn insurance enterprises. Perhaps for 2017 we need to plan for the worst and hope for the best as the saying goes.

While we plan (and/or hope) for 2017, the JRMS is pushing our goals forward for the year. At the top of the list, we are gearing up for the ERM Symposium. We have a revised format, a host of new speakers and will be located in New Orleans for the first time. Next, we have an RFP for a Risk Game underway. This will add an exciting twist to various meetings in the future. Moderators and presenters are being recruited for ERM presentations at the SOA Life & Annuity and Health meetings as well as the CAS Spring meeting. Our Risk Management E-Library will be expanded with new literature and re-introduced to our members. In addition, we have research being done on Negative Interest Rates, Country Risk Officer, Application of ERM National Long-Term Care Needs and Parameter Uncertainty. Finally, be on the lookout for networking events sponsored by the JRMS. These gatherings give you a chance to catch up with current members and help recruit new, like-minded individuals to participate in advancing risk management.

My best wishes for a prosperous 2017 and I look forward to meeting many of you through the various conferences and activities of the JRMS. ■



Tom Weist, FCAS, CERA, MAAA, is chief actuary at Tokio Marine HCC. He can be reached at [tweist@tmhcc.com](mailto:tweist@tmhcc.com).