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ERM Symposium in Miami April 19–20, 2018

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Enterprise Risk Management is an established discipline. It's been around, for actuaries anyway, since at least 2001. ERM is already recognized as vital for all businesses, especially financial services businesses. So. What's new!? Aren't we all experts already?

Well, no. New risks are emerging all the time, quantification of many risks is still problematic, and there's still plenty of thinking in silos. The ERM Symposium, now in its 15th year, has helped to establish and advance the science—but is still needed to advance our risk preparedness.

197 attendees this time around would agree. They traveled to the Marriott Miami Biscayne Bay for two days of continuing education. They weren't disappointed.

For 2018, the symposium sponsors included the Casualty Actuarial Society, as well as the Canadian Institute of Actuaries and of course the Society of Actuaries. The organizing committee, composed of members from the sponsoring associations but also non-actuaries providing a different perspective, worked hard to present a fresh look and to appeal to a wide audience. They developed tracks for participants with backgrounds in life, health, finance, and property-casualty areas. They ensured sessions were available for very experienced practitioners as well as those getting immersed in the technical details of modeling risks. They encouraged the speakers to bring fresh, new content.

Perhaps most importantly, the sessions were organized to permit much more audience participation than usual. The increased interaction helped to develop wider perspectives than any one expert might present.

There were 31 sessions in the two days, including three general sessions for all attendees. Our featured keynote speaker was James Lam, who is considered by many to have been the first dedicated Chief Risk Officer (at Fidelity Investments). He led off the symposium with several provocative thoughts. For example, what level of precision should be sought? 99th percentile? 99.5? 99.96? The precision may be illusory—better perhaps to concentrate on providing usable information. Sometimes less

detail is more useful. And how best is ERM integrated with operations on a continuing basis. James has recently published a new book, *Implementing Enterprise Risk Management*, which he discussed briefly.

Our second keynote speaker was Chandu Patel, FCAS. He presented a case study followed by a lively audience discussion period. His example was a property-casualty reinsurance writer expanding rapidly in a risky new area. What is the correct role for the chief risk officer in staving off undue business concentration risk? Many attendees will likely claim professionalism continuing education credit for the session.

A real highlight of the symposium was the Chief Risk Officer panel discussion, which led off the second day. Thanks go to CROs Nick Silitch, Prudential, Tom Wilson, Allianz, and Dave Brentlinger, OneAmerica, for candidly sharing their perspectives, experience and advice. One interesting topic was how best to serve the needs of the Board of Directors. How much detail should be provided? How should the CRO prepare for board members' unpredictable questions? And how does the ERM function add value to the organization. There was also plenty of time in this session for audience members to ask questions and make comments from their own experience.

The concurrent sessions received generally excellent reviews. One, on Cyber Risk, was a little scary, in terms of how easily one's personal information stored electronically could be hacked. A major casino in Las Vegas lost information when a hacker gained access to their systems through a device controlling the fish tank! Operational risk continues to be a challenge to quantify. The regulatory framework continues to be helpful but is growing in complexity.

Thanks go out to several people who helped to make this symposium a success. The organizing committee of 19 people, led by Mike McLaughlin, along with David Schraub and Ryan Smith of the SOA staff, worked for many months in advance. All the speakers came well prepared and gave interesting new information. The commercial sponsors helped to finance the symposium and provided solid information to attendees. The hotel and staff were fully cooperative and there were few if any logistical hitches.

And of course your suggestions for improvement for next year will be welcomed! ■



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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 dscbraub@soa.org, or cheryl.by.liu@FWD.com.

National Risk Management: A Practical ERM Approach for Federal Governments

Joint Risk Management Section

<https://www.soa.org/Files/resources/research-report/2018/national-risk-management.pdf>

Policyholder Behavior in the Tail Joint Risk Management Section Working Group Variable Annuity Guaranteed Benefits 2017 Survey Results

Society of Actuaries

<https://www.soa.org/Files/resources/research-report/2018/variable-annuity-benefits-survey.pdf>

Effective ERM Stakeholder Engagement

Joint Risk Management Section (CAS, CIA and SOA)

<https://www.soa.org/Files/resources/research-report/2018/effective-erm-stakeholder.pdf>

11th Annual Survey of Emerging Risks

Joint Risk Management Section (CAS, CIA and SOA)

<https://www.soa.org/Files/resources/research-report/2018/11th-emerging-risk-survey.pdf>

Major Trends and Emerging Risk Radar: April 2018 Update

The CRO Forum

https://www.thecroforum.org/wp-content/uploads/2018/05/CRO-ERI_Emerging-Risk-RadarTrends_Apr2018_FINAL.pdf

Supporting On-Going Capture and Sharing of Digital Event Data

The CRO Forum

https://www.thecroforum.org/wp-content/uploads/2018/02/201802_CROF_Capture_and_sharing_of_digital_event_data.pdf

Political Risk Insurance: A Primer

Milliman

<http://us.milliman.com/insight/2017/Political-risk-insurance-A-primer/>

The Global Risks Report 2018

Oliver Wyman

<http://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2018/January/Global-Risks-Report-2018.pdf> ■

JRMS e-Library

About five years ago the Joint Risk Management Section established an e-library for its members. Over the last three years, it has added a number of books from the Skills and Knowledge Inventory (SKI) for Risk Management. It can now be said that the library contains all the available books for the ERM SKI.

For those of you who are not familiar with the SKIs, each practice council in Canada establishes a list of books, papers and articles with which a practitioner in that area should be familiar. While some of the papers and articles are Canadian specific, the texts are of interest to anyone interested in risk management.

Joint Risk Management Section members can download the books from the Society of Actuaries website for free. At the end of two weeks the books disappear, but can be immediately downloaded again if one is not finished reading the book. ■