Article from

Risk Management
December 2016
Issue 37

Editor's Note

By Robert He and Baoyan Liu (Cheryl)

In "The Optimal Timing of Risk Management," Kailan Shang discusses methods of determining the appropriate timing of implementing a risk management strategy or investing in risk management projects. Like investment timing, it is important to consider the timing in risk management decisions to maximize the gain of risk management projects. This topic is a very broad and important topic; the editors appreciate the author bringing this key topic to the actuarial community.

Sylvestre Frezal gives new thoughts to several common practices in the industry and suggests new ways to handle challenges in "Risk/Return, a Chimera?"

We have a short update on ORSA processes and two articles on cyber risks.

"Estimating Probability of a Cybersecurity Breach" is based on research from Professor Shemyakin and his team from University of St. Thomas. This article discusses how to estimate probability of a cybersecurity breach for a specific database application.

"Cyber Risk is Opportunity" is an award winning essay by Michael Solomon. The paper outlines the key risks of cybersecurity and the value actuaries are positioned to add. The essay concludes that the growing need for this coverage represents opportunity for actuaries.

As usual, we would like to give a special thank you to David Schraub, Cheryl Liu and Kathryn Baker for helping us pull together this issue of the newsletter. ◼
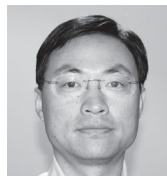
Robert He, FSA, CERA, is VP ALM & Capital Markets at Guggenheim Insurance. He can be reached at *robert.he@guggenheiminsurance.com*.

Baoyan Liu (Cheryl), FSA, MAAA, is senior manager, financial risk management at FWD Life Insurance Company (Bermuda) Limited in Hong Kong. She can be reached at *cheryl.by.liu@fwd.com*.