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2016 Joint Risk Management Research Update

2016 has been a busy year for Joint Risk Management Section research. To help the section council generate research to benefit its members, a dedicated group of volunteers oversees the process—including managing the section’s research budget, establishing and implementing a research agenda and managing the studies that are pursued.

Once the research team has identified a topic area to undertake, a project team (POG) is recruited to manage the study—including defining the project scope, preparing solicitation materials to find a researcher, guiding the researcher to perform the study, and reviewing study deliverables. A POG was recently formed to investigate the feasibility of a study on negative interest rates. This study would examine how insurers are preparing for the possibility of sustained negative interest rates, the implications to the insurance industry of a sustained negative interest rate environment and how to adjust models to reflect negative interest rates. Systemically important financial institutions are also an area of study being considered.

Several projects are underway and in various stages. The following projects are in the early or middle states:

1. **Country Risk Officer:** This project will propose a framework for a country risk officer (CRO) and discuss the roles and responsibilities of a CRO. Sim Segal has recently been engaged to perform the research.
2. **ERM Stakeholder Buy-in:** Kailan Shang will identify the factors, processes and practices that lead to both poor and strong levels of enterprise risk management stakeholder acceptance
3. **2016 ERM Emerging Risk Survey:** The tenth survey in the series, Max Rudolph asks risk managers for their thoughts on emerging risks and identifies the trends across time. Look for the survey to be emailed to Joint Risk Management Section members by the end of the year.
4. **Application of Enterprise Risk Management on National Long-Term Care Needs.** This study continues to be defined and explores the impact at a national level of the application of enterprise risk management on Canadian long-term care needs.



5. **Parameter Uncertainty.** Brian Hartman and Robert Richardson are developing a practical methodology for calculating parameter uncertainty for insurance risks.

While you wait for the results from the above studies to be released, there is plenty of recently released research to peruse. All the reports can be found on the SOA website.

1. 2015 Emerging Risk Survey results are now available. View the Max Rudolph authored report at: <https://www.soa.org/Research/Research-Projects/Risk-Management/2015-emerging-risks-survey.aspx>
2. The 2016 ERM Symposium Monograph contains the research papers that were accepted for the 2016 ERM Symposium Call For Papers that helps strengthen the practice of enterprise risk management by opening new perspectives and expanding available insights, methods and tools. <https://www.soa.org/Library/Monographs/Other-Monographs/2016/april/2016-erm-symposium.aspx>
3. Policyholder Behavior in the Tail Risk Management Section Working Group UL with Secondary Guarantee 2015 Survey Results presents a range of assumptions actuaries use in pricing, reserving, and risk management of UL products with secondary guarantees. <https://www.soa.org/Research/Research-Projects/Risk-Management/2015-pbitt-ul-secondary-guarantee.aspx>

As this article illustrates, producing relevant research for its members is a priority of the Joint Risk Management Section Council and council members are interested in hearing from you. If you have an idea for a research project that would benefit Joint Risk Management Section members or would like to help with section research efforts, please contact Louise Francis, research lead for the section, at louise_francis@msn.com or Ronora Stryker, SOA research actuary, at rstryker@soa.org. ■