



The FERMA Survey – revised and clarified

When the first invitations to take part in FERMA's 2014 risk management survey go out on **17 March**, members will see a considerably simplified questionnaire that is easier and shorter to answer.

The survey project group led by FERMA board member Cristina Martínez is currently refining and clarifying the questions with the help of new and established survey partners, national associations and suggestions from other risk professionals. Its aim is to create a reference report for risk and insurance managers throughout Europe and a tangible basis for members to report to senior management.



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The Seminar in Brussels – fresh and green

FERMA invites you to join your colleagues for a special event. It's the 2014 FERMA Seminar – and celebration of FERMA's 40th anniversary – taking place on 20 and 21 October in Brussels. The event is returning to FERMA's home in Brussels at a central venue called Square and there will be a special gala dinner at an outstanding venue included in the registration, which is free for risk managers. The focus of the Seminar will be the announcement of the results of FERMA's 7th risk and insurance management survey, but this year will see a redesigned programme designed to allow risk managers more time to exchange views and to network.

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Clarity on cyber risks

A new guide to cyber risks designed for entrepreneurs will help risk managers communicate the enterprise wide issues involved to senior managers. The guide is the work of a small team of experts but with guidance from the Secretary General of the International Chamber of Commerce in Belgium, Rudi Thomaes.



FERMA President Julia Graham, who is FERMA's spokesman on cyber risks, said: « We are drawing members' attention to The Belgian Cyber Security Guide because it addresses cyber risks as an enterprise issue and is written in clear language. It does not set out to make us all experts but provides the risk manager with some comfort about the subject ».

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Apply now for free professional development training

Closing date for applications: **Friday 28 February**

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Join FERMA direct

Applications are now open for direct individual and corporate membership of FERMA. Any risk or insurance manager who is not eligible to join a FERMA member association with an interest in European risks can apply. Corporate membership includes up to three individual risk or insurance managers from the same company.

Direct members get:

- ✓ **Free registration** at the FERMA 2014 Seminar.
 - ✓ **Reduced rates** for the FERMA Risk Management Forums
 - ✓ **Access to the FERMA General Assembly**
 - ✓ **Access to FERMA's working groups** on specific projects
 - ✓ **Information about European regulation** and potential to provide comment
 - ✓ **High level networking** with other risk professionals
- FERMA newsletter and other documents

For more information, contact enquiries@ferma.eu

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The FERMA Survey – revised and clarified

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Cristina Martinez

Three new survey partners have joined the project to complement FERMA's long standing survey partners, Ernst & Young and AXA Corporate Solutions. They are XL Group, Zurich Insurance and Marsh.

Cristina says, "We greatly value the contribution of Ernst & Young and AXA Corporate Solutions who have supported us since the first benchmarking survey. They are continuing to work with us while our three new partners challenge us to go beyond our established approach."

There will be three sections in the survey each with its own working group carefully devising its 10 carefully considered questions with the support of three scientific advisors: Marie-Gemma Dequae, FERMA's scientific advisor; Isabel Martinez, FERMA board member; and Julien Bedhouche, FERMA's EU affairs advisor.

There will be an official translation from English into French, Spanish, Italian, German and Polish to encourage additional responses.

Cristina says, "Our aim is to produce a report that has lasting value for both individual risk and insurance managers and member associations to further explore the issues that the survey will highlight."



LLOYD'S

FERMA/LLOYD'S PROFESSIONAL DEVELOPMENT PROGRAMME

Develop your career in risk with the joint FERMA and Lloyd's programme.



FERMA and Lloyd's offer a free professional development programme for talented risk managers with three to five years experience.

Three two-day sessions in 2014-5 with high level market speakers, starting on 24/25 April 2014, to include:

- Insight into emerging risks
- A view of Lloyd's and its approach to risk appetite and management
- Exposure and performance management
- International insurance regulation
- Claims management
- Networking opportunities with underwriters, brokers and other risk managers

Costs: There is no charge for the training. Lloyd's will provide presenters, venue and meals during the sessions. Participants are responsible for their own travel, accommodation and incidental expenses.

Candidate requirements:

- Three to five years of risk management experience,
- Risk manager member of a FERMA association,
- Written and spoken business English skills.

Send applications with a cover letter and current biography to Véronique De Hertogh, at veronique.dehertogh@ferma.eu

Closing date for applications: **Friday 28 February**

« The programme vastly broadened my knowledge and I can use what I learned short, mid and long term »

Sabrina Hartush

« I found the FERMA/Lloyd's professional development initiative programme invaluable »

Victoria Tattersdill

Letter from Brussels



Florence Bindelle

I wish a successful and fruitful year to all FERMA members and colleagues. Our members have probably never been so active. The energy generated has a positive impact that is easily measured when we look at all the projects, reports and outcomes.

The FERMA team has not waited to start working on the 2014 agenda. Our survey is taking a new direction to innovate and better fulfil the expectations of the members to have a truly professional tool of reference. The survey team has been increased, and we are grateful for our partners' enthusiasm and precious contributions.

This is also the year we celebrate our 40th anniversary with our members, supporters and friends at an exceptional dinner at the Seminar in October. It will be a unique occasion to remind you of some of the historical steps in the building of FERMA to its present position as the stakeholder for the European risk management profession. We have earned that recognition over time and are proud to represent our members.

We will continue our efforts during the year to contribute to issues that matter for the risk management profession, including the exciting subject of certification; to increase members' knowledge and understanding; and to bring them closer to Brussels whenever possible. The FERMA board is very active and dedicated with a lot of fresh ideas, and it is currently discussing projects with our members to align and support our common strategic goals.

Initiative for new risk managers

Airmic has launched a fastTrack initiative for risk managers who are new to the profession. It is aimed equally at young people starting out their careers and more experienced people such as company secretaries and lawyers who have recently taken on risk management or insurance buying responsibilities.



Kate Wallin

More than 125 members have already signed up to fastTrack, which has been developed by a small group all in their twenties or early thirties. The aim is to create a "comfortable environment for people to learn and explore," according to its chair Kate Wallin.

The plan is to include a programme of events for relatively inexperienced practitioners to learn from experts, from within Airmic's membership and beyond. There will be social events including a gathering at the annual conference, a tailored educational syllabus and an extension of the association's mentoring scheme, whilst there is also a dedicated area of the Airmic website.

The educational activities will include opportunities to train in various aspects of insurance buying and wider risk management throughout 2014. One priority will be to help risk managers gain key business skills such as presentation, negotiation and business-literacy that are necessary to wield influence.

"The skills required to get to the top of our profession will be quite different in 10 years' time from what they have been up to now. Part of our role in developing fastTrack will be to identify what they will be and to point our members in the right direction," Kate said.

Don't forget the FERMA-Lloyd's training initiative! It's a free opportunity for risk and insurance managers to spend three two-day training sessions learning from senior people in the market with an opportunity to sit on a Lloyd's box and shadow a broker. Applications are open until 28 February. For more details, see

<http://www.ferma.eu/risk-management/education/lloyds-programme/>

Clarity on cyber risks

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One of the authors of the guide is Marc Vael, chief auditor at the non-profit IT company SMALS and a member of the Belgian IT security professionals industry body ISACA. He describes it as "a guide written by experts but challenged by entrepreneurs."

During the course of creating the guide over several months in 2013, Mr Thomaes acted as a sounding board for the technical experts who came from leading companies and organisations in the sector. "Sometimes we are a bit biased toward technology. He wanted something that an entrepreneur could understand and we wanted them to read beyond page one," Marc said.

"I think Mr Thomaes finally allowed us to keep the word 'malware'. We persuaded him that business people would know what it means."

The report contains top 10 security principles, top 10 must do security actions, a self-assessment questionnaire and security

case studies. It is available free to download from <http://www.iccbelgium.be/index.php/activities/becybersecure>



Sabine Desantoine

BELRIM board member Sabine Desantoine comments, "BELRIM knows that cyber risks are high on the list of top risks for Belgian risk managers (and in any country actually), as data is key to any organisation and business, and we have been active in alerting members on the subject. The guide is indeed interesting and has been prepared by some important experts in the cyber risks domain."

As Julia says, "The pace of change in cyber security risk is exceeding the ability of most organisations to keep up with managing it and so the risk gap is widening. There is a general lack of confidence in the subject at the boardroom table and with some risk managers. Guides like this help us start to move the subject out of the IT department and into the enterprise level where it belongs."

Strength from diversity



Julia Graham

FERMA is currently assessing how to assess and promote improvements in diversity across the profession led by President Julia Graham. She says, "As with any role, appointments should be based on merit, objective criteria and with regard to the benefits of diversity, including gender. Evidence shows that decisions are inevitably better made when the full range of gender, race and experiences is involved."

FERMA, she says, is a good example of a diverse organisation with its female president (the second), 40 per cent women and a good range of age, backgrounds and cultures represented on the board. She adds, however, "FERMA can do better and risk manager and insurance manager diversity could be better. I don't support diversity quotas, but I did make a pledge when I took up office at FERMA to champion improvements in diversity across our profession."

One step is the inclusion of a question on diversity in the section on the profession in the FERMA risk and insurance management survey which will be launched in March. This will help FERMA gather more relevant data about the profile of people now in the profession.

At the Forum in October 2013, FERMA organised a lunch for women risk professionals with the topic 'women on boards'. There were two speakers from different backgrounds with extensive experience at that level: Janet Legrand, partner and senior elected board member at the law firm DLA Piper and Sanna Suvanto-Harsaae, full time non-executive board professional and business advisor at Scandinavian companies.

Julia refers to the 2007 McKinsey study, *Women Matter*, which provided clear evidence that companies with strong female representation at board and top management level performed better than those without, and that gender diverse boards have a positive impact on corporate performance.

She adds, "The trend for transparency of corporate reporting across Europe on diversity will no doubt apply a 'stick' to some organisations which have been slow on the uptake of the diversity agenda."

A copy of the report can be obtained at the following address: <http://www.icmif.org/icmif-woman-in-leadership-positions>

Member diversity initiatives

At the same time, some FERMA member associations are taking their own initiatives.

BELRIM held a Ladies Mind Risk Event in January to kick-off a yearly series of activities targeted at women in risk management. Members Catherine Van Cauwelaert (EUROCLEAR) and Sabine Desantoine (ING) were the driving forces behind this event.

The guest speaker was Lieve Mostrey chief operating officer at Euroclear, the world's largest securities settlement system, on the topic: "Which added value can top executive women bring in the area of risk management?"

Lieve gave an interactive presentation of her personal views and 30 years of experience on diversity in general and on gender diversity in particular and some tips for women on how to move up the corporate ladder.

Mixed teams make a difference in a global world, she said. "Any decision requires analysis on many dimensions. We are all programmed and equipped differently to analyse certain aspects. Very often corporate organizations are mono-cultural, mono-educational, mono-experienced, so obviously when it comes to decision making many aspects are missed out on."

Gender, Lieve said, is only one aspect of diversity. Culture is another aspect. A culture that gives value to diversity is needed to make wise decisions and that is the core of risk management. A full report of the event is available at <http://bit.ly/1b3UJuJ>.

Airmic is trying to identify why women are so scarce at risk management events. It estimates that women are now 40 per cent of members, but they represent only about 10 to 15 per cent of the attendance at events.

Airmic chief executive John Hurrell said he would welcome suggestions from women members on how the association could engage them better. "Are there more things we could be doing to encourage women to take part in our events? I honestly don't know. If anyone has any views on the subject I would love to hear them."

What is your association doing? Julia would like to know. If you have initiatives to encourage more diversity among risk managers in your country, please email the FERMA office at enquiries@ferma.eu



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AGERS appoints a new executive manager



Alicia Soler

AGERS has appointed its new executive manager, Alicia Soler. Alicia has a career spanning nearly two decades in various fields in the insurance sector. With a degree in law from Valencia University, her experience began in the broking sector in Valencia. On moving to Madrid she was responsible for the successful creation of the insurance department for Grupo Bartolomé, a key holding group in the

automotive industry. She subsequently joined the Association of Alcobendas Entrepreneurs.

Former president of AGERS, Miguel Ángel Zarandona, says, "Alicia Soler's appointment is without doubt the reinforcement that AGERS needs to carry out new objectives and support current ones, always for the good of risk management." FERMA executive director Florence Bindelle says, "I welcome the appointment of Alicia and look forward working with her."

Greater transparency in risk mapping



Dr. Jürgen Schimetschek

For more than 35 years, the independent CRESTA initiative has dedicated itself to devising a universal standard for accumulation control of natural catastrophe risks. In 2013, the previous standard underwent a comprehensive reform, and many new countries and functions were added to the online platform, Cresta.org.

The worldwide demand for a precise cartographic basis for estimating risk and damages from natural catastrophes continues to grow. CRESTA zones provide an universal standard for the exchange of aggregated, insurance-relevant information among insurers and reinsurers.

The acronym CRESTA stands for **C**atastrophe **R**isk **E**valuating and **S**tandardizing **T**arget **A**ccumulations. Founded in 1977, this independent initiative dedicates itself to providing a universal standard for accumulation control of natural hazards. Sponsored by Munich Re and Swiss Re, access is free to industry users.

The 2013 revisions have expanded the CRESTA coverage very significantly. Previously, zones were available for 86 countries, along with supplementary subzones. The expanded database now covers 137 countries.

The reformed 2013 CRESTA zones are also now defined on the basis of official boundaries rather than by hazard. Postcodes and administrative regions offer worldwide coverage at a detailed level. These are also commonly used and clearly defined regional levels for which a high-quality cartographic basis is available thanks to GfK, one of the world's largest

market research organisations and the official supplier of the worldwide CRESTA zones.

Based on GfK GeoMarketing's worldwide postal and administrative boundaries, CRESTA zones fit seamlessly with GfK's postal and administrative maps. This allows effortless transfer of data from various regional levels to the CRESTA zones.

High and low resolution

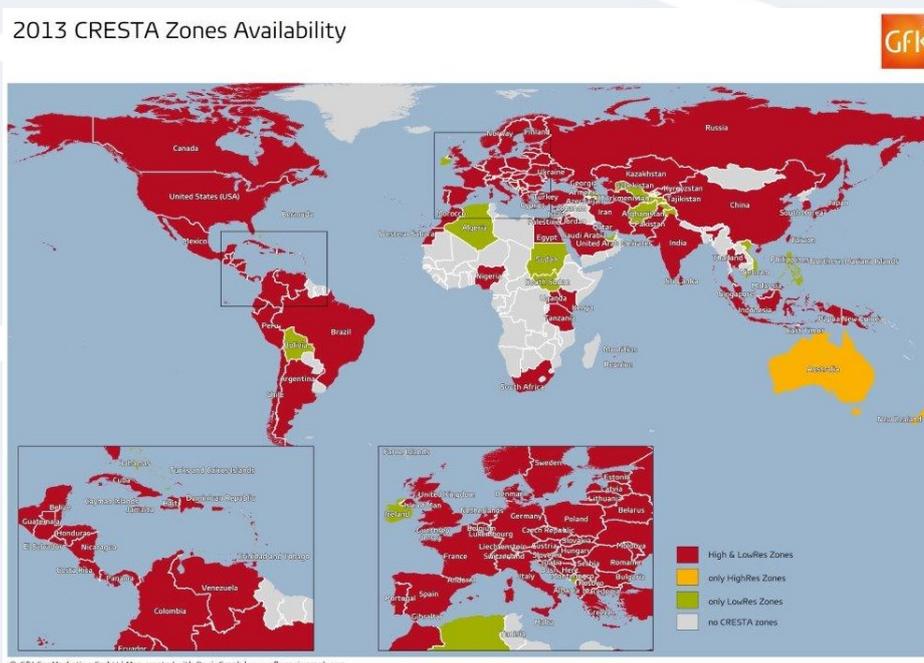
The new CRESTA zones are available in two resolutions: high (HighRes) and low resolution (LowRes). In the past, users had access to approximately 43,000 zones; following the reform, this has been expanded to around 250,000 high-resolution zones.

The ability to choose between two resolutions gives users flexibility depending on the task at hand. For example, the low-resolution zones – which often correspond to two digit postcodes or the first administrative level – are ideal for preliminary risk analyses, calculating insurance premiums and carrying out reporting activities.

The high-resolution zones offer a much greater level of detail, often corresponding to five digit postcode level. These zones are perfect for natural catastrophe modelling, planning in hazard-prone areas and geocoding granular market data.

By Dr. Jürgen Schimetschek, head of the CRESTA secretariat and risk manager in corporate underwriting/ geospatial-solutions at Munich Re.

More information at www.cresta.org



© GfK GeoMarketing GmbH | Map created with RegioGraph | www.gfk-regiograph.com

The graphic illustrates the zones now covered by CRESTA



What to expect in Europe before the elections



Julien Bedhouche

This is election year for the European Union. From 22 to 25 May, a new European Parliament will be elected, followed by a new European Commission for the next five years.

What should we expect from the European Commission before the elections in May? Regarding the current relevant files for FERMA, we will see new these developments during the next five months.

Environmental liability:

The review of the Environmental Liabilities Directive (ELD) will come to an end with the final report for the Commission expected at the end of April. It will be based on the latest studies that will be completed by February over the scope, exemptions and legal aspects of the ELD. The final report will draw conclusions and is meant to suggest different possible options for the new Commission that will take office in November 2014. These options may include a mandatory financial security regime, and an extension of the scope of liable operators or type of environmental damages but this is not definite.

Solvency 2:

The implementing measures, technically known as delegated acts in EU jargon, will describe precisely how the Solvency 2 regime will be applied to the insurance sector. At this stage, the Commission has specifically indicated to the industry that only a few matters will subject to discussion. The Commission will discuss the drafts with member states at the end of January 2014 and will send the draft delegated acts to the European Parliament and Council in July for their approval.

Insurance contract law:

The last meeting of the expert group on European insurance contract law took place on 23-24 January where the members finalised their report for a possible release in February. The report will likely contain sections on liability, life and motor and will deal with possible obstacles to cross-border insurance provision arising from contract law.

For more details about the objective of this group and its report, please refer to this previous article in May 2013 at (<http://bit.ly/15W1YTE>). In addition to this article, the full list of the participants to the group is available ([here](#)).



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The technical committee is still working on the programme but FERMA's events coordinator Véronique De Hertogh provides a preview. "There will be fewer panels but we will have roundtables. There will also be a closed session for risk managers only so they can be open about their views."

Véronique adds that reducing the ecological footprint of the event is among the planning aims for the Seminar – along with

increased convenience for those attending. The Square is in central Brussels, so everything is in walking distance or public transport with direct connections to Brussels Airport and Brussels Midi Station.

"Come and find out the Brussels advantage," she says.

Seminar calendar:

- End of March: Seminar website opens
- Early April: Registration opens



FEDERATION OF EUROPEAN RISK MANAGEMENT ASSOCIATIONS - FERMA AISBL

This newsletter is produced by FERMA. If you have any questions concerning this Newsletter, please contact Florence Bindelle at FERMA on +32 2 761 94 32 – email: florence.bindelle@ferma.eu

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