



## Terrorist Attacks in Paris on Friday 13 November 2015 – A Message from FERMA Secretary General and Former AMRAE President Gilbert Canameras

*First I would like to thank all of you who sent supportive messages in the face of the horrible attacks that took place in Paris on 13 November.*

*As US President Barack Obama said, the values of “liberté, égalité, fraternité”, shared by all the people living in democracies, have been threatened. This is why together we must stay strong to defend what we believe in.*

*We, the community of risk managers, are able to bring our knowledge to facilitate the resilience of our companies to such despicable attacks.*

*Today as a much earlier US President Thomas Jefferson believed, “Every man has two countries: his own and France.”*

Gilbert Canaméras  
FERMA Secretary General  
Former President of AMRAE



## Certification Moves Forward

FERMA’s European professional certification project, rimap©, is moving forward following its formal launch at the 2015 FERMA Forum and the award of founder certifications to 49 members of the risk community for their part in developing the project.

The foundation rimap body of knowledge was presented to the FERMA Forum. The next step is to build the rimap examination based on this body of knowledge. With the examination there will be a set of seven reference guides, and FERMA is currently examining tenders from possible authors of these guides.

*(Story continues on page 3)*

## New FERMA CEO Arriving Shortly



Typhaine Beaupérin, a regulatory affairs practitioner who for the last 10 years has been Senior Advisor European Affairs for EUROCHAMBRES, will join FERMA on December 7<sup>th</sup> as its first CEO.

Typhanie has a master’s degree in European Public Affairs from the Institut Supérieur de Management Public et Politique, Brussels; a degree in international business from the Institut Européen de Commerce et de Gestion, La Rochelle (France) and a BA in international business, University of Plymouth Business School in the UK.

### Also in this issue

From the President – Jo Willaert	p. 2
Record Number at the Venice Forum	p. 4
Travel Risk Management and UK Insurance Act	p. 6
International Insurance Programmes	
Two-Minute Survey	p. 7
Free Database Access	p. 8
FERMA-Lloyd's New Programme	p. 9
Edwin Meyer Award	p.10
BRiMA, a New Member Joins FERMA	p.10
Expert Views – Igor Mikhaylov	p.11
European News – Julien Bedhouche	
Threat to EU-US Data Flow	p.12
Swiss Equivalence with Solvency II	p.12
Comparison of Regulatory Costs	p.13
Knowledge Corner	p.14

## Education, communication and leadership

*It was my great pleasure to take over as President of FERMA at the closing of the 2015 FERMA Forum in Venice. My predecessor Julia Graham was one of our most dynamic ever presidents – a challenge to follow. The Forum was again a great event with a higher number of attendees, including an increasing number of risk managers, and a high quality of workshops and debates in a great city. Not only does Venice have centuries of history of culture and commerce, but it also stands for risk management as it adapts to the new challenges of the sea and the canals.*

*Time is passing and the preparation of the Malta Seminar next year in October has started. We have launched the Certification project, rimap, and the journey continues focusing on the first examinations in the first half of 2016. We want to present our first rimap graduates in October at the Seminar in Malta.*

### **My priorities**

*Education and recognition of the function of risk manager will be among my highest priorities for my two years as president. I have, therefore, chosen "EDUCATION - COMMUNICATION - LEADERSHIP" as our themes for this period.*

*"The new risk normal – exceptional is reality" will be the slogan supporting FERMA's work to achieve our strategic objectives: to coordinate, promote and support the development and use of risk management, insurance and risk financing in Europe.*

*Risks have changed dramatically over the recent years. Risk management is now a true added-value in achieving the goals of every company, as new and exceptional exposures become a daily reality. This cannot be managed without professional risk managers, and professionalism requires education, hence rimap.*



*"I have chosen "EDUCATION - COMMUNICATION - LEADERSHIP" as our themes for this period. And 'the new risk normal-exceptional is reality' will be the slogan supporting FERMA's work"*

*Professional communication, by which I mean active listening and presenting courageous, bold and critical ideas to management and people in the field, is probably the number one skill of a professional risk manager that leads to action to improve risk management.*

*To execute these skills, a risk manager should show leadership and have the ability to get his or her messages passed to the right people and implemented, while demonstrating authority with respect, objectivity and independence as a partner of the risk owners*

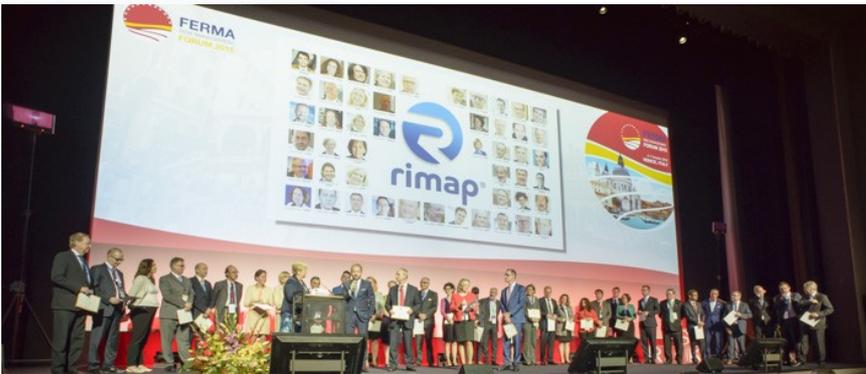
*The function of risk management has arrived at a point of no return; it must now go forward. While I have some initial thoughts on where FERMA should head over the next two years, I want input from colleagues and FERMA members. My approach will draw on my long experience first as a broker and then a risk manager. From my experience as a broker, I like compromise and diplomacy, being able to bring people with a variety of backgrounds together and finding successful solutions. This variety is an added value, not a roadblock to well balanced decisions. I like that kind of challenge, which I think lends itself easily to the role of FERMA president.*

To check Jo Willaert's FERMA TV interview on his presidency at the Venice Forum, click on the banner



## Certification moves forward

*(continued from front page)*



The 49 rimap founders receiving their rimap certificate at the Venice Forum 2015

### Rimap has three elements:

- *Certification for individual risk and insurance professionals. Two categories will be available: rimap and rimap advanced.*
- *Accreditation for education and training providers*
- *Licensing for events providing continuous professional development (CPD)*

For rimap certification, the process is straightforward: read the body of knowledge, apply on line with evidence of relevant qualifications and experience, and take the online examination. Successful candidates will then need to maintain their certification by gaining CPD points from additional activities.

Certification steering committee chairman Michel Dennery also explained that FERMA intends that the body of knowledge and reference guides will evolve in time to keep up to date with advances in risk management. The examination questions will change in line with these developments. “This is a very important aspect of rimap,” he said.



*“The body of knowledge and reference guides will evolve in time to keep up to date with advances in risk management. This is a very important aspect of rimap”*

Download the rimap flyer at  
<http://www.ferma.eu/app/uploads/2015/10/3.rimap-Leaflet.pdf>  
There is a dedicated rimap website at  
<http://rimap-certified.org/>

### Curious?

Check Michel Dennery's FERMA TV interview at  
<https://www.youtube.com/watch?v=AzpH1cy9Gfs>



## Record number at FERMA Forum 2015

**A record number of 1580 delegates attended the FERMA Forum 2015 which took place on the Lido Venice from 4-7 October.**

Following a reception in the glorious setting of the Cini Foundation on the island of St Giorgio on Sunday evening enlivened by live music and an autumn thunderstorm, the Forum got underway on Monday morning in the Palazzo del Cinema and Palazzo del Casino.

FERMA President Julia Graham started by saying, “The title of this FERMA Forum is Living and Working in a Riskier World. Since FERMA celebrated its 40th anniversary in 2014, our world has changed, and perhaps this Forum should be called ‘Living and Working in a New and Riskier World’. In this new and riskier world, our profession is thriving and ready to seize opportunities to take a bigger role in advising and leading risk management in organisations.”

The opening keynote speaker was Mario Greco, CEO of diamond sponsor Generali Group, who said that in an ever more complex world, risk management has become a core business function. “Managing risks should influence everything from strategic decision-making to day-to-day interaction with customers, regulators or suppliers. Good risk management is not a burning platform but the eternal flame.”

Then came the highlight of the event – the launch after four years of preparation – of FERMA’s European Certification for professional risk managers, with the award of Founder Certifications to 49 risk professionals who have contributed to its development. The programme, called rimap, is the first such designation and is designed to reinforce the standing of the profession in Europe.

A keynote address organised by host association ANRA, featured the €5.5bn MOSE project to save Venice from rising sea levels. Throughout the Forum, however, sponsors and other service providers took full advantage of the Venetian setting to host receptions in fabulous venues. A few swam in the (chilly) waters of the Adriatic from the Lido beach; no delegates fell into a canal.

*(Story continues on page 5)*

Alessandro De Felice introducing the keynote speaker on €5.5 bn MOSES project to save Venice from rising waters



Mario Greco, Generali Group CEO, at the opening session “*Managing risks should influence everything from strategic decision-making to day-to-day interaction with customers, regulators or suppliers.*”

*rimap certification ceremony at the Venice Forum to reinforce the standing of the profession.*





1580 delegates from around the world to reflect on the profession in a "Riskier World". Welcome reception at the Fondazione Cini,



## More important announcements

Tuesday brought more important announcements. FERMA launched *Travel Risk Management 2015 European Trends*, a joint project with medical and travel security risk company International SOS including a legal review by DLA Piper. The SlideShare presentation on the research and report has since been downloaded more than 3000 times.

Recognising the importance of the *UK Insurance Act 2015* to anyone doing business with the London insurance market, FERMA published *Changes in UK Insurance Law - An Introduction for European Companies* in cooperation with insurance governance specialist Mactavish.

FERMA and Axco Insurance Information Services revealed they are working together to facilitate access for FERMA member associations to Insight Risk Manager, the regulatory database for international insurance programmes, as a free benefit for their members.

FERMA and Lloyd's announced the third edition of their joint training programme for promising risk managers which will start on 21 and 22 April 2016 in London.

The Forum concluded on Wednesday with the formal handover by Julia Graham to her successor as President of FERMA, Jo Willaert, and a presentation from the Malta risk management association MARM which will host the 2016 FERMA Seminar. Jo set the scene for his two years of presidency and thanked all those who had made the event possible. Then, after a final lunch and farewells, all stepped onto the boats for the first leg of their homeward journeys on a beautiful day in Venice.

## Get a feel of the Venice Forum

Check our FERMA TV interviews with our special guests: [Sean Fitzpatrick](#), all Blacks rugby legend and AIG ambassador, [Benno Reischel](#), Head of Europe at Lloyd's, [Geovanni Cecconi](#), on the MOSE project, [Dr Laurent Taymans](#), from International SOS and many more on Youtube – FERMA TV

Videos of the plenary sessions are all available at <http://www.freezebee.tv/webinars/127/421/>



## FERMA publishes important guidance reports for risk professionals

**FERMA has published this autumn two important reports for risk professionals: one dealing with the risks of international travel and the second on the *UK Insurance Act 2015*.**

Both are available to download for free, and there have already been more than 3000 downloads of the SlideShare presentation on international travel risks from the FERMA Forum.

### International travel risks

Most European national health and safety legislation covering employees and contractors applies only within country borders, but today companies frequently send large numbers of people abroad on business. They still have a duty of care for these travellers even if that duty is less clearly defined.

*Travel Risk Management 2015 European Trends* is a joint report by FERMA with the travel risk health and security company International SOS and global law firm DLA Piper. It includes a legal review of European employers' health and safety responsibilities, best practice studies from risk managers in leading European countries, a travel risk management tool box and sources of further information.

The report points out that not only can travel risks be damaging to the individuals who are away from their own country but also potentially to the company's business and reputation.

There has been a high demand for the report which is also available on the websites of EU OHSAs, DLA Piper, and International SOS.

*Travel Risk Management 2015 European Trends:*  
<http://www.ferma.eu/blog/2015/10/travel-risk-management-2015-european-trends/>

SlideShare presentation:  
<http://www.slideshare.net/FermaForum/20151006-international-travel-and-safety>

### UK Insurance Act and European buyers

The UK Insurance Act 2015 comes into force in August 2016. It will affect everyone doing insurance or reinsurance business in UK insurance markets, including the London market, and so FERMA has published a guide to the new Act in partnership with insurance compliance specialists Mactavish.

The Act deals with risk placement and what a policyholder must tell an insurer, and creates a new duty of "fair presentation". This means that the policyholder must provide material information that it knows or ought to know. The information has to be enough to allow the insurer to write the risk or, failing that, enough to put the insurer on notice that it should ask further questions. FERMA board member Julia Graham, who is now technical director of Airmic, explains that insureds will receive more protection under the law in return for taking a more structured analysis of their risks and the presentation of this to insurers at renewal. "What should risk managers do now?" says Julia. "Take control and plan ahead. It is not too early to start now. While the Act will affect claims outcomes, the most immediate impact will be at placement of renewal."

*Changes in UK Insurance Law - An Introduction for European Businesses* [www.mactavishgroup.com](http://www.mactavishgroup.com)

*Dr Laurent Taymans on Travel Risk Management at FERMA TV at the Venice Forum. For the full video, click on the picture*





# FERMA™

Federation of European  
Risk Management Associations

## Three associations, two minutes and six questions on international programmes

FERMA, RIMS and the South-East Asian risk management association, PARIMA, have launched a two-minute online survey to help them clarify and define the issues which risk and insurance managers face in dealing with international insurance programmes. The aim is to help the associations assess the magnitude of the issues and to lobby for improvements based on solid data.

The survey is now accessible for all risk and insurance manager members of these associations at <http://bit.ly/IIPjoinsurvey>

FERMA Vice-President FERMA project leader Dirk Wegener explains, "We teamed up with RIMS and PARIMA to launch this short online survey because we aim to have a globally consistent reform. This is the beginning of research to collect evidence and design policy options to propose to policy makers in 2016."

Implementing international insurance programmes for multinational organisations is a key priority for most risk managers on a global level. Among the difficulties they can face are:

- Complying with frequently changing regulations;
- Ensuring continuity of cover and sufficient limits in emerging markets;
- Reducing uncertainty in claims performance especially in new territories;
- Avoiding unexpected accumulations of risk across subsidiaries in different territories.



*Dirk Wegener, FERMA vice-president and project leader, "we aim to have a globally consistent reform"*

Together the three regional risk management associations will be able to collect a significant amount of information on the frequency of these issues related to global programmes, their implications on potential cost and liabilities, and impact on company activities and objectives of compliance. This will allow them to better articulate their messages ahead of opening a dialogue with policy makers. The capacity to illustrate and explain loss scenarios is also intended to trigger the interest of policy makers.

The results of this survey will also help determine how buyers, insurers and brokers will work together on similar issues in 2016.



# FERMA™

Federation of European  
Risk Management Associations



*Julia Graham, FERMA board member and technical director at Airmic on “a competitive tool for European risk managers to help navigate international insurance programmes”*

## FERMA facilitates access to access to Axco’s Insight Risk Manager

in the US and PARIMA for the Asia Pacific region. Now, thanks to the FERMA initiative, national associations will be able to offer complimentary access to Insight Risk Manager as a membership benefit.

Several of FERMA’s member associations are already discussing free access for their members, facilitated by FERMA, to an extensive database of international insurance regulatory requirements. FERMA has for several years been investigating ways of helping members with the continuing challenge of regulatory compliance for global insurance programmes and announced this initiative at the FERMA Forum in October.

The database, Insight Risk Manager, is produced by Axco Insurance Information Services specifically for commercial insurance buyers. Launched in June 2014, it provides intelligence on local compliance and regulatory insurance requirements, policy conditions and premium payment terms. It is already in use by FERMA’s UK member Airmic, RIMS

As FERMA board member and now Airmic Technical Director, Julia Graham, explains, “Global companies seeking the benefits of international insurance programmes must navigate staggering complexities in the placement, structuring and delivery of these programmes. FERMA is convinced that the expert content delivered through Insight Risk Manager will equip European risk managers with a competitive tool to help address the key compliance concerns in the purchase of multi-national insurance programmes and we are supporting member associations on the path to make Insight Risk Manager available online for their members.”

For more information, contact Julien Bedhouche in the FERMA office at [julien.bedhouche@ferma.eu](mailto:julien.bedhouche@ferma.eu).



# FERMA™

Federation of European  
Risk Management Associations

## Applications now open for 3<sup>rd</sup> FERMA-Lloyd's training programme

Applications are now open for promising risk managers to join the new FERMA-Lloyd's training programme starting in April 2016. The programme will consist of three, two-day sessions over the course of a year and provides a mix of practical and interactive sessions. Participation is free, not including travel and accommodation.

Topics covered include: Lloyd's and the London insurance market, risk management, exposure management, performance management, international markets, emerging risks, the international regulatory context and claims management.

Planned dates for the programme are

- Part 1: Thursday 21 and Friday 22 April 2016
- Part 2: Thursday 27 and Friday 28 October 2016
- Part 3: TBC April 2017

Also as a result of demand, FERMA and Lloyd's now also envisage a 'masters' day' in the third quarter of 2016 when experienced risk managers can meet senior representatives of the London market to share knowledge and understanding.

More than 40 risk managers from 14 countries across Europe have taken part in the two previous sessions of the training programme, and the reaction has been extremely positive. According to Aysan Sinanlıoğlu, Chief Risk Officer at Dogus Group, Turkey and President of ERMA, "This has been one of the best things I have done

for my professional growth in recent years. The programme is not just about the Lloyd's market; it is in fact equally focused on learning about the London insurance market and the global insurance market. In addition, I connected with over 20 European experienced risk managers from all kinds of industries."

Benno Reischel, Lloyd's Head of Europe, who coordinates the programme says, "We want to make sure risk managers can access the knowledge and experience they need to support them in their jobs. This programme gives them a great opportunity to learn about how insurance can support their business and share knowledge across borders and industries. We are looking forward to receiving the new delegates for the third edition in 2016," said Benno.

For more information and application instructions, see:

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



*Benno Reischel,  
Lloyd's Head of  
Europe on how risk  
managers can  
access the  
knowledge and  
experience they  
need to support  
them in their jobs*

# NEWS @FERMA

## Edwin Meyer Award

To commemorate the life and work of FERMA Secretary General and board member Edwin Meyer, who died suddenly in early 2015, FERMA has created the Edwin Meyer Award for risk management professionals under 30.

This award of €2500 will be granted every two years to a young risk management professional, who is a FERMA association member, for completion of the best paper on a given subject. FERMA plans to issue the first request for papers in January 2016 and make the first award at the FERMA Seminar 2016 in Malta, where the winner will be invited as FERMA's guest to deliver the paper to the Seminar audience.



Edwin's widow Suzanne will present the first award in his memory. Julia Graham, who was President of FERMA at the time of his death and remains a board member, said: "He left a great gap in our profession and in the lives of his family, colleagues and many friends."

## FERMA announces new member: Bulgarian Risk Management Association

FERMA has accepted a new member: the Bulgarian Risk Management Association (BRiMA). This brings FERMA's membership to a total of 23 national risk management associations in 21 European countries.

BRiMA was founded in 2014. It currently has 16 members and most of them have been involved in risk management activities for more than 10 years. Its President Prof. Dr. Zhetcho Kalitchin has been working in risk management since 1993. For the last ten years, he has been a General Manager of Risk Consult Bulgaria, daughter company of Risk Consult Austria.

BRiMA aims to

- Establish risk management principles as a good practice in the corporate management of Bulgarian and international companies;
- Develop good practices for risk management, modern solutions to current problems in the field to keep up with emerging risks and risk evolution;

- Create a community where professionals in this field can share knowledge and experience;
- Help governmental institutions and private sector companies build understanding of risk management approaches and provide resilience for their operations.

Dr Kalitchin adds, "Certification of specialists in the field of risk management is one of our top priorities. The launch of FERMA's rimap professional development programme was, indeed, one of the most significant events of the FERMA Forum in Venice. At BRiMA we have a project for becoming a certification body of rimap and with close cooperation with FERMA to launch a course for risk management professionals' certification in Bulgaria."

## Data science tools are risk managers' friends

Igor Mikhaylov



*Compared to engineering and many other professions, risk management is relatively new. Financial risk management is about 60 years old, and enterprise-wide risk management is even younger. In addition, risk management constantly evolves. Risk managers started as insurance managers and then expanded their attention to all kinds of risks throughout a whole organisation.*

During the last 10 years, we have seen a major shift. Before that, it was mainly a task to educate functional experts on what is risk management and emphasise the importance of proactively managing risks. Risk managers helped them to assess risks by using mathematical methods for the **top** priority risks. At the same time, we relied heavily upon expert judgments when assessing probability and impact scenarios.

The risk management community did a good job. Teaching the basics is more of an exception now. Risk management integrates into key decision-making processes. It gradually becomes a norm when departments do sophisticated analyses of risks and Value at Risk (VaR) analysis for their own purposes, not at the request of the CRO or other centralised function.

### Old-school

At the same time, the old-school expert judgments we applied while modeling risks are less reliable now. In a constant environment, 10 to 20 years of experience would have been of great value. Such experts could compare real life scenarios with theoretical models...

Nowadays, however, equipment and processes are constantly changing, and business operations are scaling up rapidly. The environment is changing at a rising pace. Do experts have statistically significant amounts of observations in comparable environmental conditions to make good enough judgments?

The good news is that we do not have to rely on expert judgments alone any more. Lack of information for risk assessment has changed to an excess of data. With massive amounts of data available, analytical tools help to test and enrich expert judgments. A new ability to test hypotheses, elaborate detailed factor analysis and break out solitary risk impacts from other influences makes a change to our profession.

With data mining tools, there is less expert part in judgments, but more analytics. Combining brainstorming for worst case scenarios and solid data analytics for real-time operations, we get the best of two worlds.

### Use data science tools

I believe risk managers of today and tomorrow should utilise data science tools to a large extent. Having done with teaching the basics, we now need to educate functional experts how to use the excess of data available to assess risks.

As a centralised function, risk management can take into account all possible types of factors while functions mainly specialise in their narrow sectors of responsibility. Conjoined factor analysis helps us to see a complete picture.

This is a new level of proficiency in risk management. It grows up from consolidation of others' information to giving back a new value. Quarterly risk reporting becomes obsolete. Real-time information on risks should and can be provided to management online with risk management dashboards.

As we see the risk management profession is evolving. Insurance and financial risk managers require knowledge on statistics and mathematical modeling. Implementation of the new risk-management function in a company and integration with decision-making processes requires more of change management and MBA-type of knowledge. Data analytics requires programming skills, in addition.

Does this evolution seem chaotic or have all these steps anything in common? There are three major pillars: management skills, analytics and mathematics. Risk modeling, scenario analysis and statistics are the natural instruments of our profession. Data science is the next level of using the same tools in a new data-rich environment.

I believe, besides governance basics and ethics, future risk management professionals will benefit from a solid knowledge of those three pillars.

*Igor Mikhaylov is Chief Risk Officer in a major Russian natural resources company and a former FERMA board member. He holds an equivalent of a master's degree in applied mathematics and physics, and an MBA from IE Business School, Brown University. He is a founder of the largest Russian-language social network on risk management "О рисках по-русски" [About risks in Russian].*



## Comparing the Cost of Regulatory Regimes in the EU

In a policy statement of June 2015 (1), the British Prudential Regulatory Authority (PRA) suggested raising the regulatory fees for the UK insurance industry by an average of 4.7 per cent.

The PRA increase is partly caused by the Solvency II workload and the additional resources needed to deal with the review of hundreds of submissions and applications from the insurance industry (2).

The Solvency II regime will enter into force on 1 January 2016. Although it is establishing an EU wide supervisory regime for the insurance sector, each national insurance regulatory authority will remain responsible for the costs of the regulatory activities to be paid by insurers and brokers in its jurisdiction.

FERMA would like to know more about such fees as they are eventually included in the premiums paid by European organisations. This UK example, however, highlighted the absence of a comparison tool for differences in regulatory regimes in European countries and how their fees from insurers and brokers differ.

(1) Page 9  
<http://www.bankofengland.co.uk/pradocuments/publications/ps/2015/ps1315.pdf>

To get more insight and overview of the cost and fee structures of the different regulatory regimes in the member countries of the EU, FERMA recently consulted with EIOPA and industry representatives in Brussels, and it is already clear that it is not an easy task.

Important variables make a comparison in costs across the national regulatory structures not straightforward. Local insurance regulators are organised in a variety of structures with different scopes of work regarding their missions and tasks assigned by the authorities. The size of the insurance market and number of stakeholders, as well as their complexity, turn comparison into a difficult exercise.

Representing a large portion of insurance corporate buyers, FERMA believes the development of comparison tools would be beneficial to understand the discrepancies between insurance players within the European Union. But at this stage, it might turn out to be an impossible exercise.

(2)  
<http://www.bankofengland.co.uk/pradocuments/solvency2/edletter24sept15.pdf>

*Another European affair on page 13*

## Swiss Equivalence with the Solvency II Regime

As from 1 January 2016, Swiss (re)insurers will be able to continue using the Swiss supervisory rules regarding solvency calculation, group supervision and reinsurance contracts without suffering any disadvantage compared to EU (re)insurers established in the EU.

Although the equivalence was expected because of the reputation and sophistication of the Swiss insurance industry, the process that led to this decision had taken more than six years since the adoption of the Solvency II Directive in 2009.

The delegated act 2015/1602 was first published last June 2015 by the European Commission. The European Parliament and the Council of the EU had a scrutiny period of three months to veto the decision.

Neither legislator objected to the decision, which was consequently published in the Official Journal of the European Union on 24 September 2015.

Solvency II equivalence decisions with third countries are of crucial importance for EU corporate insurance buyers. They simplify the access of external (re)insurers to the EU insurance market and, therefore, ensure broader access to global insurance capacities and greater distribution of risks beyond the borders of the European Union across the insurance industry.

On 24 September, the Swiss insurance supervisory regime was officially designated as the first to receive a full equivalence decision from the European Union as regards the Solvency II regime.

Sources:  
<https://www.news.admin.ch/message/index.html?lang=en&msg-id=59099>  
<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1446115650398&uri=CELEX%3A32015D1602>  
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015D1602&from=FR>



## Data flow between the EU and the US under threat

A decision from the European Court of Justice (ECJ) against what is known as Safe Harbor Framework is changing the legal landscape for businesses dealing with personal data across the Atlantic.

The ECJ decision overturns the Safe Harbor decision adopted by the European Commission on 26 July 2001. This allowed a free flow of personal data between the EU and US, as long as the US company involved subscribed to a series of data protection principles issued by the US Department of Commerce.

The Commission's Safe Harbor decision was an exception to the general European ban on transferring EU citizens' personal data to jurisdictions outside the EU where it was considered that local laws did not provide adequate legal protection for privacy. This exception no longer applies.

The ECJ decision affects internet companies and industries ranging from information and computer services to pharmaceuticals, travel and tourism services, healthcare and credit card services. Note that financial services and telecommunication industries were not covered by the Safe Harbor (1).

The Commission's Safe Harbor decision was the cornerstone of the transatlantic data flow. Thousands of US and EU companies relied on this decision to circulate and process the data of EU clients in a legal manner (2).

In a statement shortly after the ECJ judgement, the National Data Protection Authorities warned: "In the context of the judgment, businesses should reflect on the eventual risks they take when transferring data and should consider putting in place any legal and technical solutions in a timely manner to mitigate those risks and respect the EU data protection *acquis*."

### US surveillance programmes

The 6 October 2015 decision by the ECJ that the Safe Harbor decision was no longer valid came as a result of recent illustrations of US authorities' access to EU citizens' personal data with surveillance programmes. The scheme had already been criticised in 2013 by some national data protection authorities which found the Safe Harbor principles very general in their formulation and relying too much on self-certification and self-regulation.

On 26 October 2015, EU Commissioner Věra Jourová indicated that intensive technical discussions are ongoing between the EU and the US Department of Commerce to reach a new agreement Safe Harbor 2.0 before the end of 2015.

The European data protection authorities have collectively announced that they could start taking enforcement actions towards companies if EU and US authorities do not find a solution before January 2016. In the meantime, other legal data transfer tools used by companies such as Standard Contractual Clauses or Binding Corporate Rules can still be used under the supervision of local data protection authorities.

(1)

[http://ec.europa.eu/justice/data-protection/files/com\\_2013\\_847\\_en.pdf](http://ec.europa.eu/justice/data-protection/files/com_2013_847_en.pdf)

(2) <https://safeharbor.export.gov/list.aspx>

*Standard Contractual Clauses or Binding Corporate Rules available online at*

[http://ec.europa.eu/justice/data-protection/international-transfers/binding-corporate-rules/tools/index\\_en.htm](http://ec.europa.eu/justice/data-protection/international-transfers/binding-corporate-rules/tools/index_en.htm)

## Cyber Risks

*European Cyber Risks Survey 2015*

Marsh, English

<http://uk.marsh.com/Portals/18/Documents/European%202015%20Cyber%20Risk%20Survey%20Report-10-2015.pdf>

## Insurance

*L'Etat du Marché de l'Assurance IARD 2015*

AMRAE (French)

<http://www.amrae.fr/lamrae-publie-l%C3%A9dition-2015-de-letat-du-march%C3%A9-de-lassurance-iard-0>

*Under insurance in property is a growing, global challenge*

Swiss Re, (English and other languages)

[http://www.swissre.com/media/news\\_releases/Underinsurance\\_in\\_property\\_is\\_a\\_global\\_and\\_growing\\_challenge\\_says\\_latest\\_Swiss\\_Re\\_isigmai\\_study.html](http://www.swissre.com/media/news_releases/Underinsurance_in_property_is_a_global_and_growing_challenge_says_latest_Swiss_Re_isigmai_study.html)

## Risk management

*The changing role of the risk manager*

ACE (English)

[http://www.acegroup.com/eu-en/assets/ace\\_changing-role-of-risk-managers.pdf](http://www.acegroup.com/eu-en/assets/ace_changing-role-of-risk-managers.pdf)

*The Future of Risk and Insurance*

Strategic Risk (English)

<http://www.strategic-risk-global.com/the-future-of-risk-and-insurance/1415651.article>

*Under-rated Threats*

Aon (English)

<http://www.aon.com/2015GlobalRisk/attachments/2015-Underrated-Threats-Executive-Summary.pdf>

## Member association publications

### AGERS

Report of seminar on international insurance programmes seminar (Spanish)

<http://www.agers.es/wp-content/uploads/2015/10/Newsletter-Foro-PSI-Barelna.pdf>

### AIRMIC

**Airmic News (English)**

<http://www.airmic.com/airmicnews>

### AMRAE

**Atout Risk Manager (French)**

<http://www.amrae.fr/atout-risk-manager>

### DVS

**Versicherungspraxis (German)**

[http://www.dvs-schutzverband.de/fileadmin/user\\_upload/VP\\_10-2015\\_Inhalteverm.pdf](http://www.dvs-schutzverband.de/fileadmin/user_upload/VP_10-2015_Inhalteverm.pdf)

## FEDERATION OF EUROPEAN RISK MANAGEMENT ASSOCIATIONS - FERMA AISBL

This newsletter is produced by FERMA. If you have any questions concerning this Newsletter, please contact FERMA on +32 2 761 94 32 – email: [ferma@ferma.eu](mailto:ferma@ferma.eu) ©Copyright 2015 FERMA. All Rights Reserved. No distribution or reproduction of this issue or any portion thereof is allowed without our written permission except by the recipient for internal use only within the recipient's own organisation.