



FERMA
RISK MANAGEMENT
SEMINAR 2012

The Asian Perspective

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International SOS

**LIVING AND
WORKING IN A
RISKIER WORLD**

VERSAILLES, FRANCE
22-23 October 2012
Palais des Congrès
de Versailles

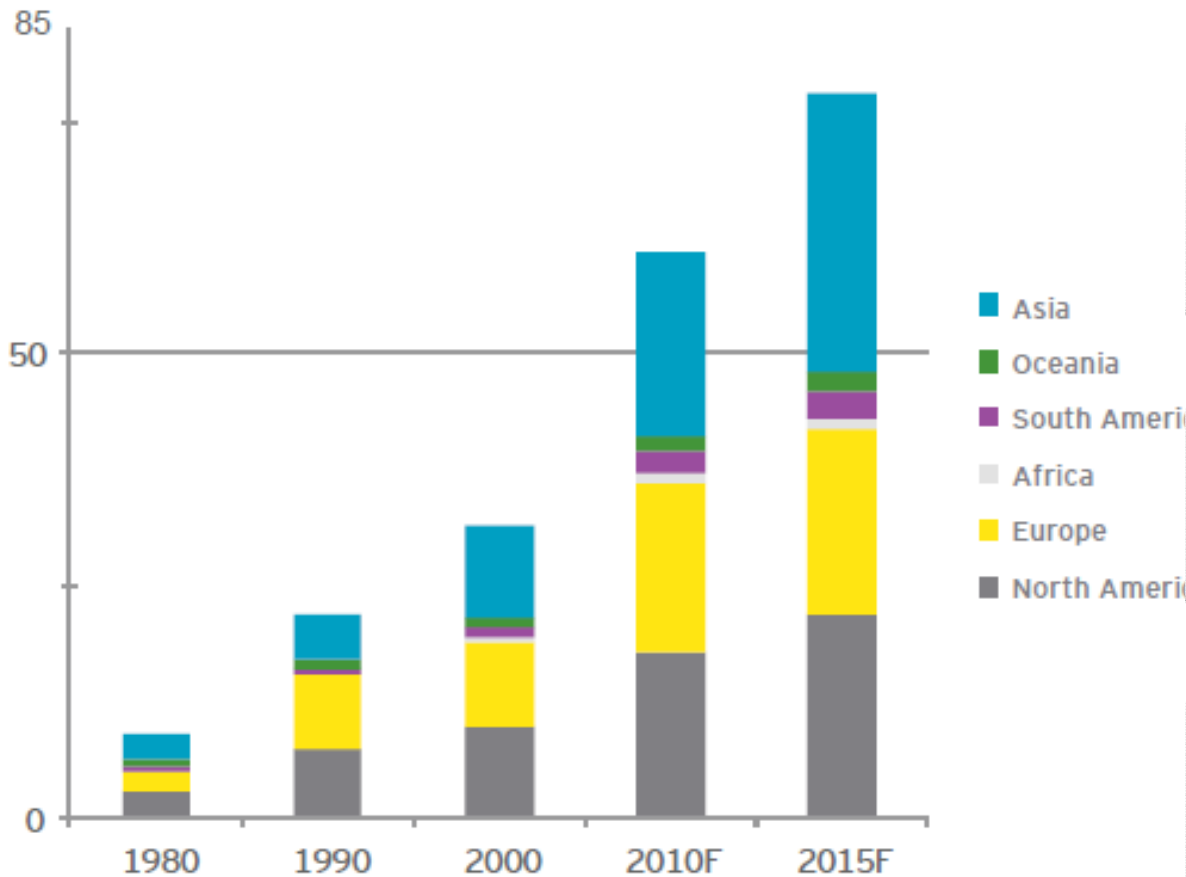


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Still A Dynamic Economy

Predicted GDP by region



Source: International Monetary Fund, Swiss Re Sigma 2005, United Nations statistics division, World Wealth Report, United Nations Population study, Ernst & Young analysis.

1.5%
Projected 2012 GDP
Eurozone (Eurostat)

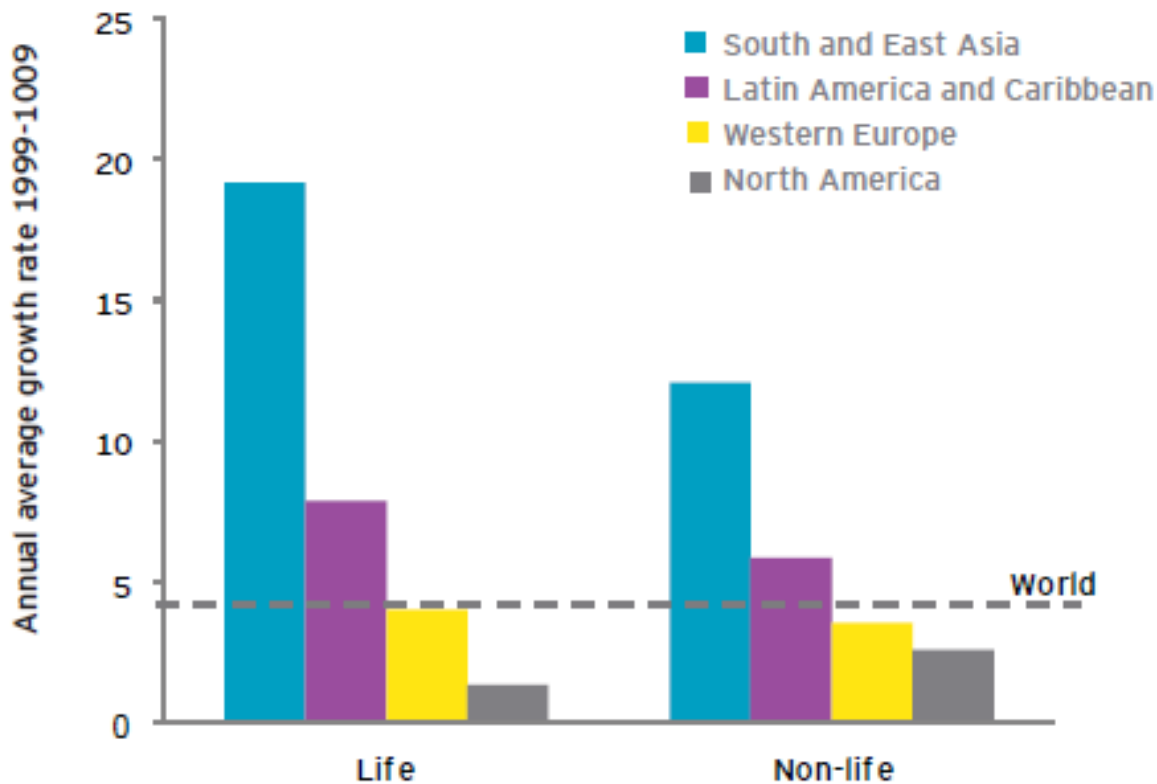
7%
Projected 2012 GDP
Asia-Pacific (IMF)

39%
of the wwde
economy in Asia-
Pacific by 2015



The Insurance Market: The Growth is still there.

Average insurance growth rates by region 1999 - 2009



Source: Swiss Re Sigma No 2/2010, Ernst & Young analysis

Category	Country
Mature	Australia
	Hong Kong
	Japan
	Korea
	New Zealand
	Singapore
	Taiwan
Developing	China
	India
	Malaysia
	Thailand
Emerging	Indonesia
	Philippines
	Vietnam



The Insurance Market: turbulences and constraints

- 2011...a turbulent year for the insurance industry: with a record year for Nat Cat.
- Much of the loss occurred in Asia Pacific.
- Regulators continue to strengthen regulatory requirements.
- Increased Rating agencies' influence.
- IFRS adoption or alignment in progress.
- Heightened focus on quantification of capital requirements:

**Economic
Losses
USD 435**

**Insured
Losses
USD 107 B.**

**Risk Based
Capital:
Hong-Kong,**

**2nd Generation
Solvency
Regime: China**

**Solvency II
equivalent:
Japan**

**EU's transitional solvency equivalence scheme:
Australia, Hong-Kong and Singapore**

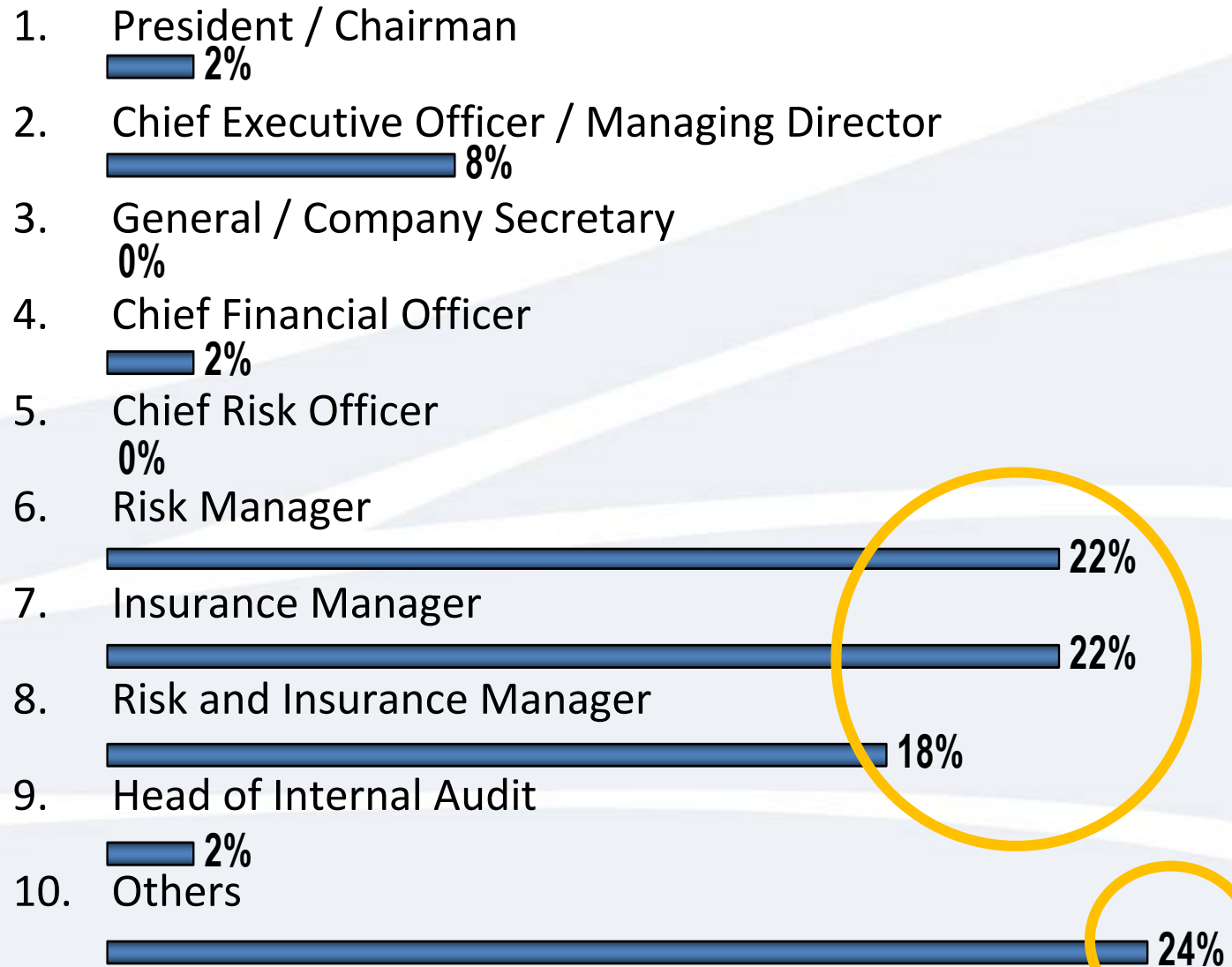


2012 Asia-Pacific Risk Managers Survey

- A panel of 50 Risk-Managers.
- Voting session in Hong-Kong last week.
- 12 themes.
 - Position in your company, Reporting and Sponsoring
 - Top risks
 - External factors and objective for Risk Management
 - Coordination with other risk functions
 - Risk Management and Internal Audit
 - Extent of risk mapping
 - Development of risk management activities
 - Top issues and priorities regarding the Insurance Market
 - Professional Recognition

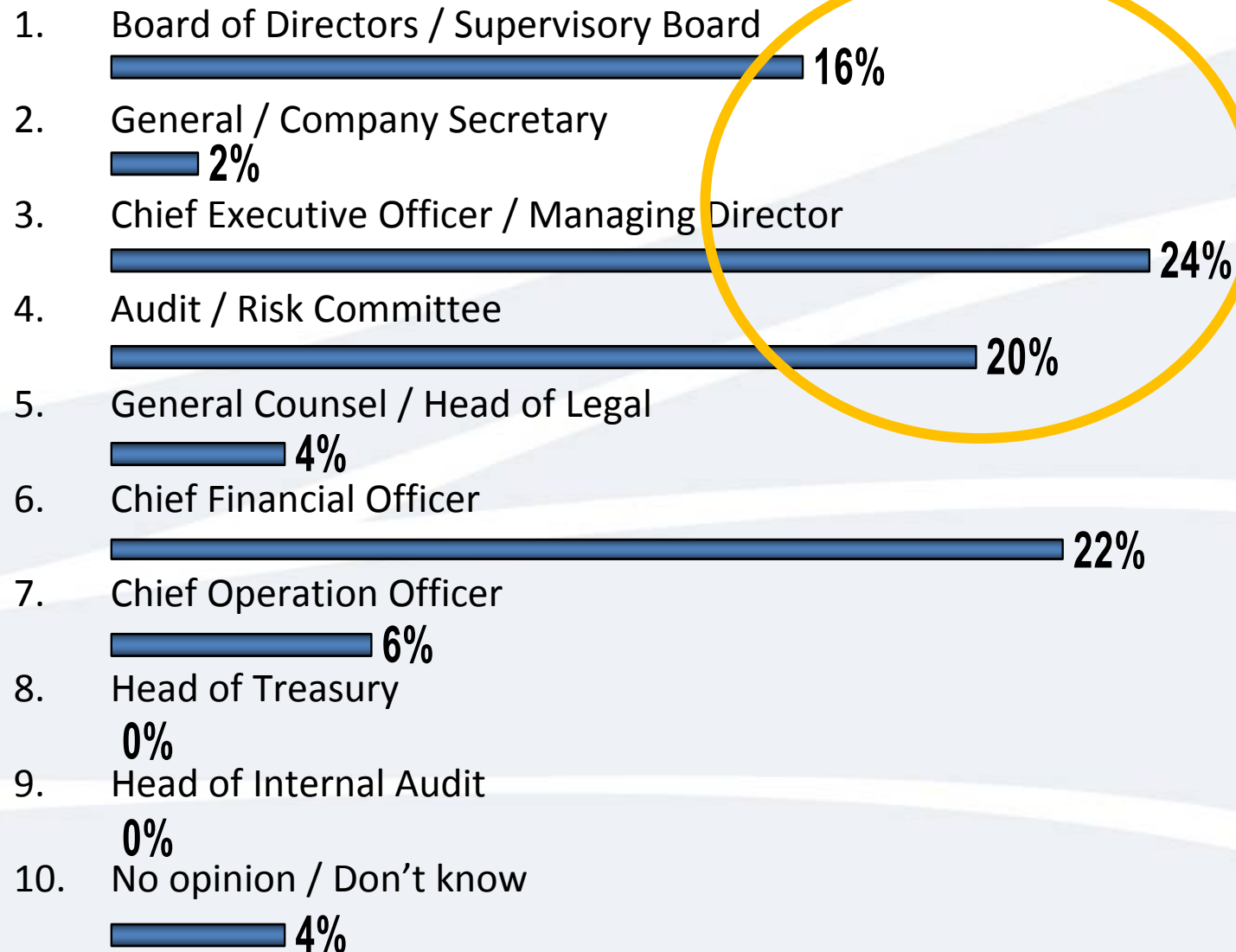


What is your primary position within your company?



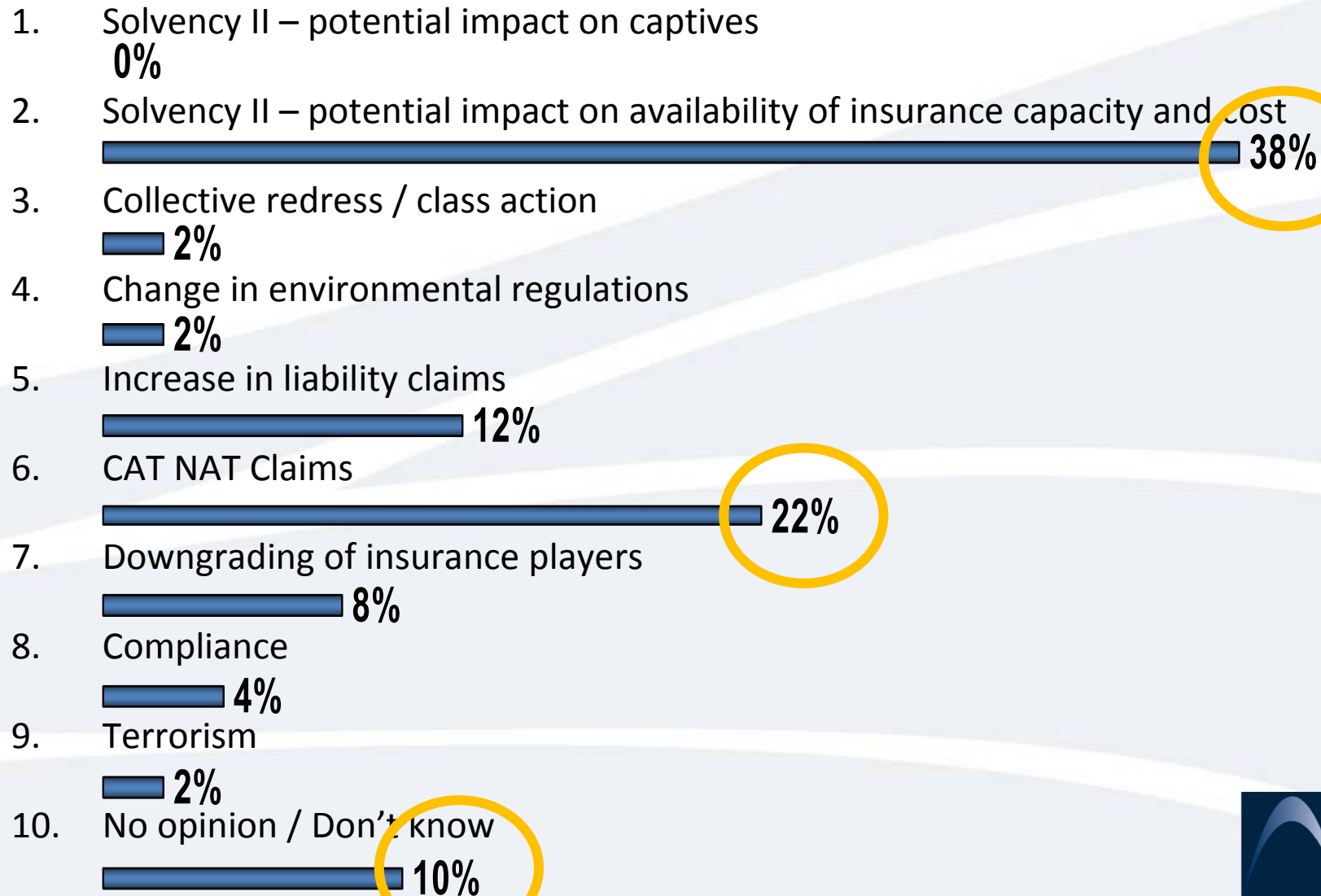


To whom does Risk Management report?



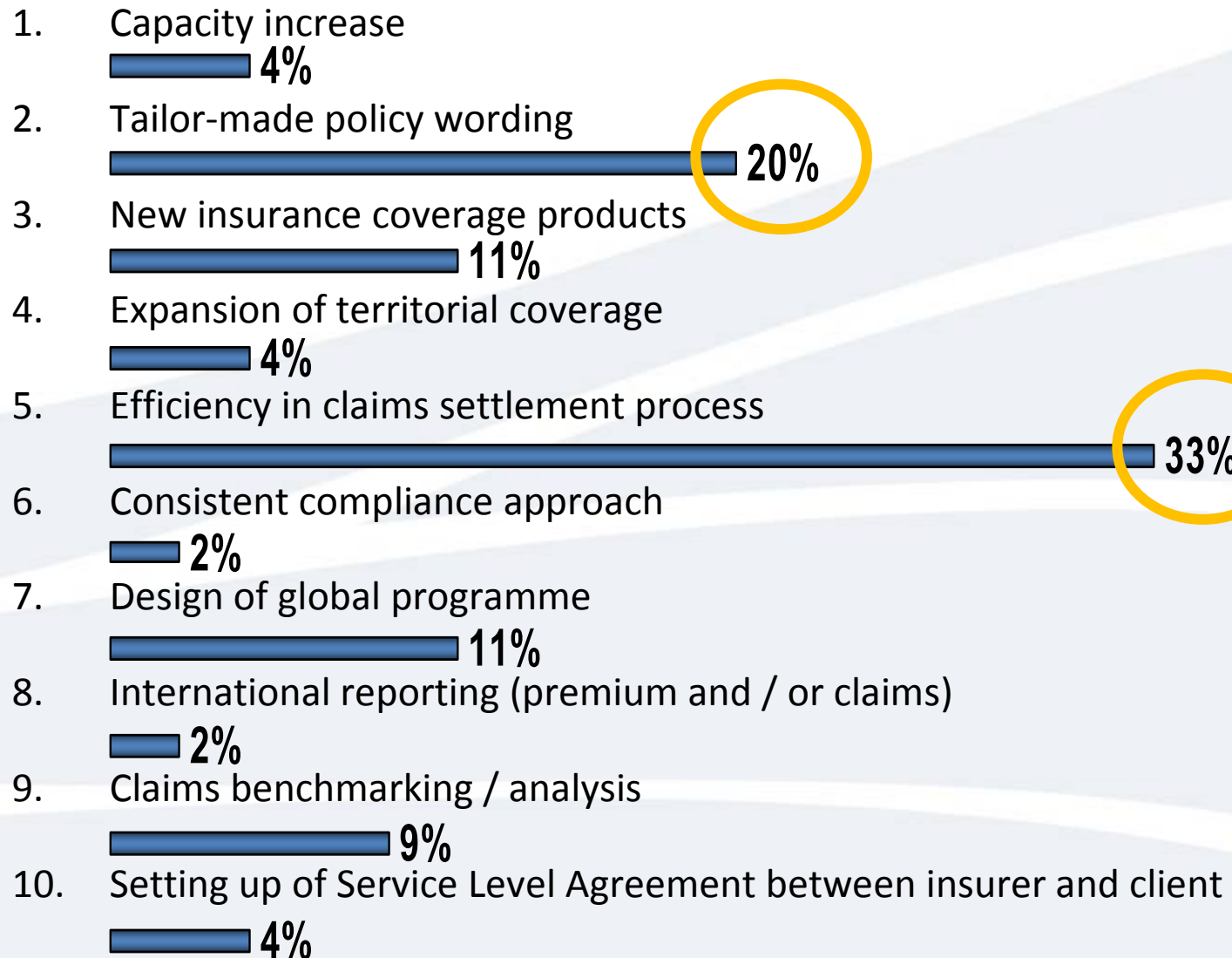


Identify the top issue about the insurance market?



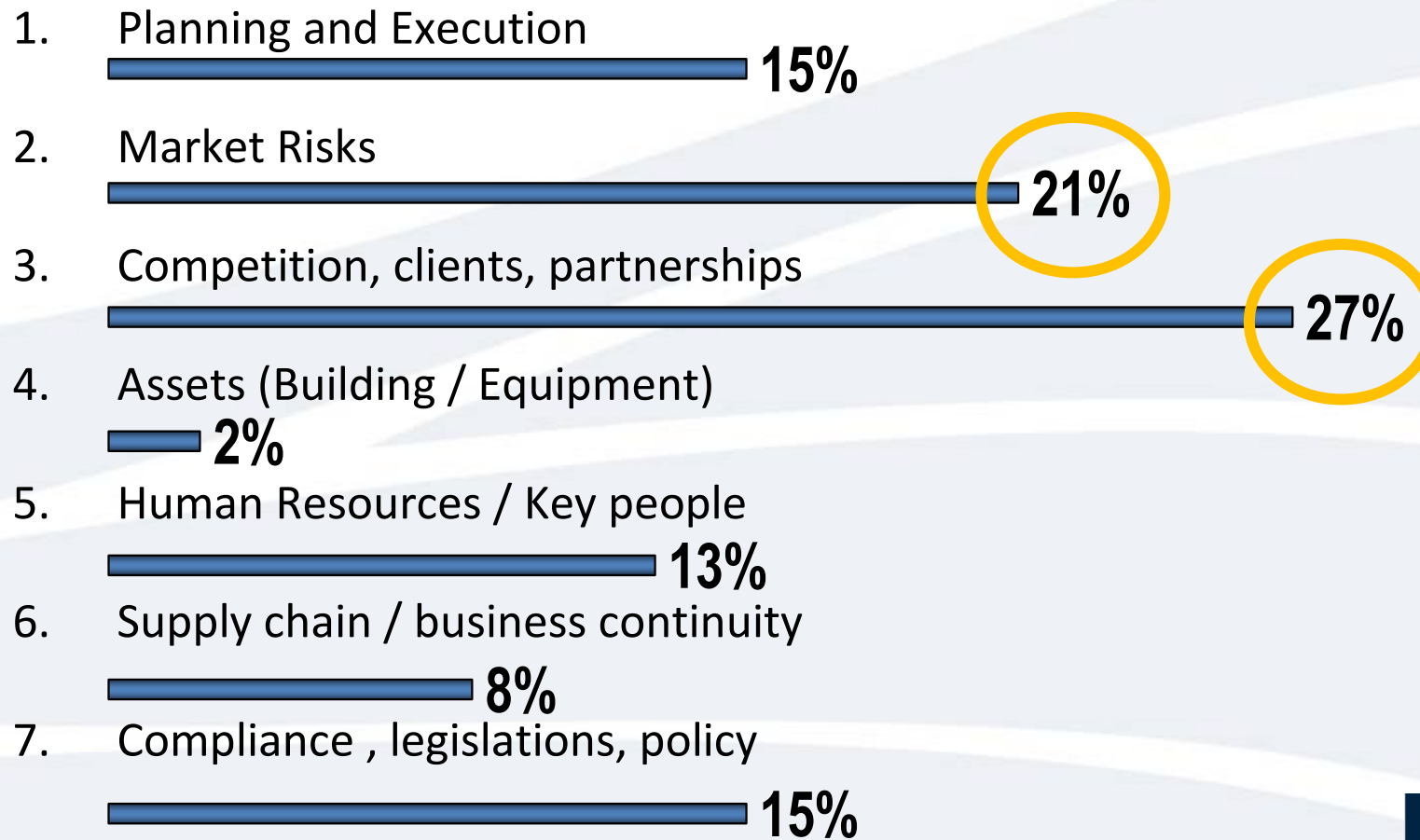


Which of the following key area should insurers prioritize for improvement?





What is your TOP risk?












What are the main external factors triggering risk management in your company?

1. Clear requirement from shareholders
20%
2. Catastrophic event, major crisis, reaction to unexpected losses
40%
3. Major insurance issues (cost, availability)
4%
4. Legal, regulatory and / or compliance requirements
31%
5. Analysts / rating agencies pressure
0%
6. Corporate social responsibility (CSR)
2%
7. Pressure from markets (e.g. competitors, suppliers etc)
2%
8. No opinion / Don't know (exclusive answer)
0%



What is the main objective of your company's top management for risk management?

1. Provide a reasonable assurance that major risks are identified, prioritized, managed
 56%
2. Align risk appetite and strategy (integrate risk appetite within decision making)
 21%
3. Secure investments / acquisitions / projects
 2%
4. Enhance external reputation with investors and stakeholders
 2%
5. Minimize operational surprises and losses
 14%
6. Provide integrated responses for independent risks
0%
7. Rationalize capital and improve predictability of delivering business plans
 2%
8. Decrease the cost of risk
 2%
9. No opinion / Don't know (exclusive answer)
0%



In your company, how well are the various risk functions coordinated?

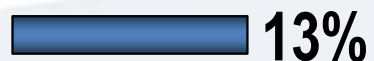
1. Full coordination



2. Some coordination



3. Totally working independently ("in silos")



4. No opinion / Don't know





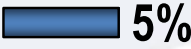
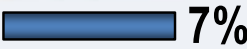




What type of relationship is there between risk management and internal audit?

1. Risk Management reports to Internal Audit
■ 2%
2. Internal Audit reports to Risk Management
■ 2%
3. Separate reporting lines
■ 39%
4. A very close relationship (sharing of diagnostics, mutual influence)
■ 14%
5. Coordination and cooperation on the audit plan
■ 16%
6. Coordination and cooperation exist on a limited, informal basis
■ 16%
7. There is no particular relationship
■ 7%
8. No opinion / Don't know
■ 5%



In terms of being recognized as a professional risk manager, what do you think that risk managers should have?

1. Registration to a professional institute (as for lawyers, engineers, accountants)
 25%
2. Professional qualifications (ARiMI, Institute of Risk Management etc.)
 55%
3. Undergraduate degree in a risk based subject
 5%
4. Post-graduate degree in risk based subject
 7%
5. Others
 5%
6. No opinion / Don't know
 5%



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Thank You For Your Attention.

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ありがとう

감사합니다
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Terima kasih

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Cảm ơn bạn