

Survey respondents



Sector of activity

- 57% Industry
- 25% Financial services
- 14% Services
- 4% Public sector



32% of risk managers are women



65% have more than 10 years' experience



74% work in large listed or privately held organisations

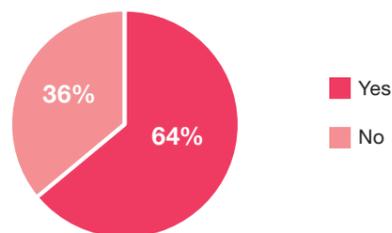
1/3

of respondents are solely dedicated to **enterprise risk management (ERM)** activities, 1/3 perform **both ERM and insurance management (IM)** activities and 1/3 are specifically dedicated to **IM activities**.

64% of risk managers have a qualification in risk management, the same percentage as in 2020

In 2022, the development of **operational skills** is ranked as the first contribution of certification, closely followed by **internal recognition and legitimacy**, ranked first in 2020, and **improvement in employability**.

Do you have a specific qualification in risk and/or insurance management?



The main risk differs depending on the time horizon

Cyber threats remain the 1st concern in 2022 for risk managers.

Top 5 risks within the next 12 months

- ☰ Cyber threats
- ▲ Supply chain or distribution failure
- ▲ Geopolitical uncertainties
- ▼ Uncertain economic growth
- ☰ Over-regulation

Top 3 risks within the next 3 years

- Changing customer behaviour
- Cyber threats
- Uncertain economic growth

Top 3 risks within the next 10 years

- Climate change and environmental damage
- Changing customer behaviour
- Natural disaster

“Supply chain failure” and “geopolitical uncertainties” enter the top 5 short term risks replacing “data fraud” and “availability of key skills”, in the post pandemic crisis context and Russian-Ukrainian conflict.

Changing customer behaviour enters the top 3 risks within the next 3 years directly on pole position.

Long term risks remain the same as 2020.



Post pandemic, Ukrainian war, and successive extreme weather events

The 2020 survey collected data before the massive spread of the coronavirus in Europe. The 2022 survey was launched on the brink of the war in Ukraine. The extent of the crisis in all sectors led to new routines that modify the role and interactions of the risk manager with all the actors in the organisation, as first, second or third line of defence. The intensity of the Ukrainian war and the political uncertainties the world is facing bring to the fore the need to better assess risk regarding strategy and geopolitical changes. In addition, as the occurrence of extreme natural events is increasing at fast pace, organisations need to develop their capacities with regards to climate change risks and more globally for environmental and demographic risks. The risk manager is more than ever working as a business partner.

Key findings

A potential for further development of the use of technology?

As the digital transformation in organisations continues at a fast pace, risk managers' use of digital tools advances more gradually.

The technologies used in risk management remain largely unchanged over the years: **62% data analysis, 54% web-based application, 34% data visualisation, and 20% process automation.**

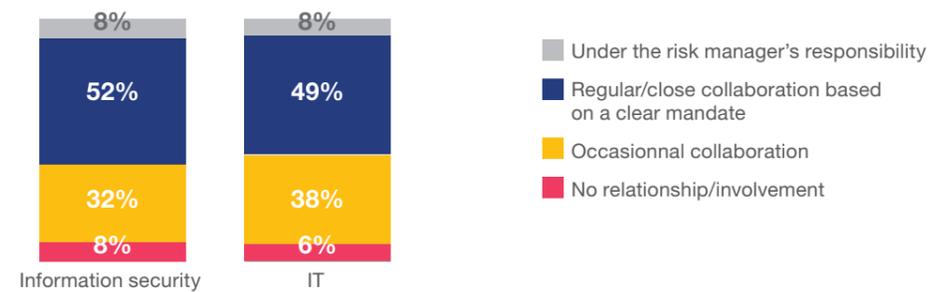
AI, Internet of things, drones and blockchain remain little used.

Among the main obstacles mentioned by risk managers to greater use of digital tools are the significant investments they represent for the function (**45%**) and the lack of perceived added value for the function (**39%**).

67% of risk managers implemented innovative technologies to improve the risk reporting process.

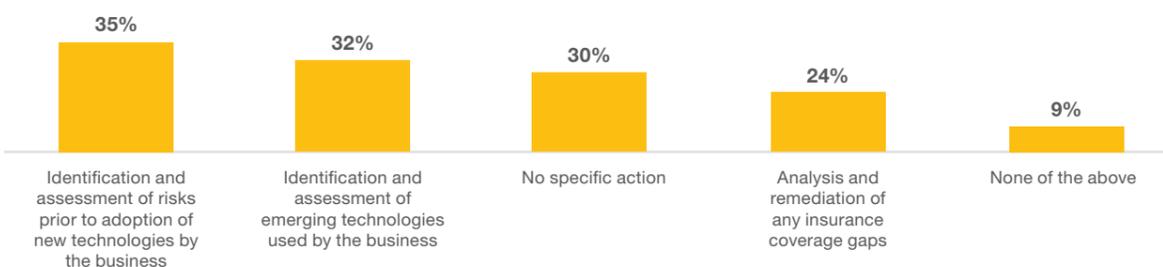
A strong and stable relationship with the IT and information security teams

Risk managers' interactions with IT and information security teams

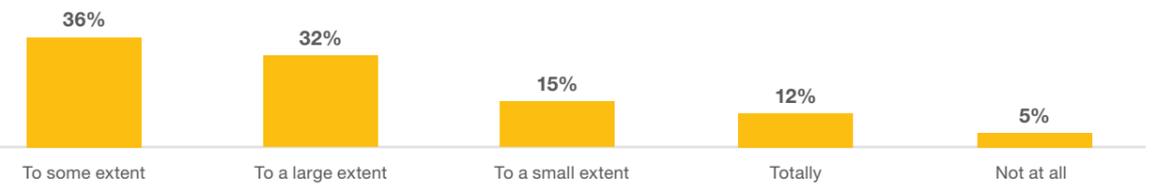


Risk managers' involvement in the management of risks arising from emerging technologies did not change in 2 years

How do you deal with risks arising from emerging technologies?



Risk managers think open access to aggregated and anonymised historical claims and loss data on large risks would improve risk management practices

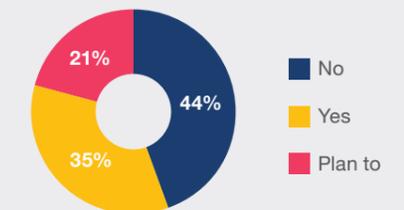


Almost all risk managers believe that access to historical claims and loss data on large risks would be useful in the development and improvement of risk management practices; 44% say they agree totally or to a large extent.

Transitioning towards sustainability has become a focal point and integrating ESG risks is key to achieving this target

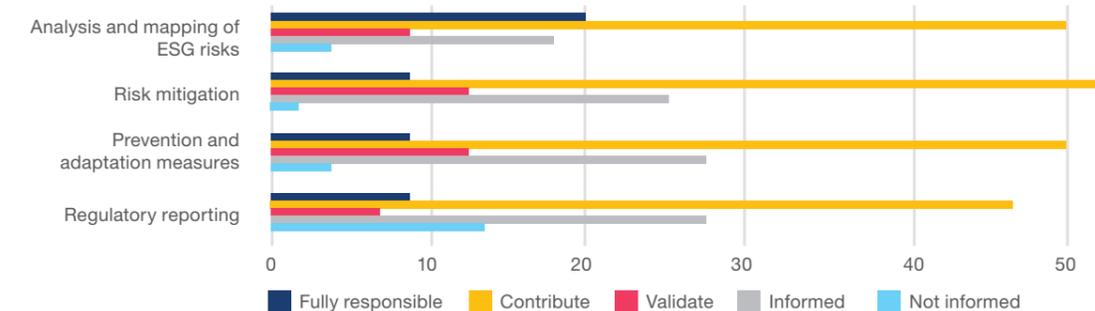
Is the risk manager playing a specific role regarding ESG-related risks?

56% of risk managers say they are playing/are planning to play a specific role regarding ESG-related risks (**40% in 2020**)



Type of role played in regard to ESG

Regarding the type of role played in relation to ESG, risk managers mainly contribute to the analysis and mapping of ESG risks (70%). They are involved in the risk mitigation (63%), prevention and adaptation measures (58%) and regulatory reporting (54%).



Many risk managers are facing challenges integrating ESG-related into the ERM framework, facing notably difficulties of quantifying and qualifying sustainability risks (respectively 54% and 34%), and the limited knowledge of sustainability risks (29%). While the topic is becoming a major concern, not all risk managers yet feel sufficiently equipped to address it.

54% of the risk managers' organisations identify the **climate change risk** on the risk map, and 46% are working on transitional **climate change risk** (regulations, market, technology and reputational). Only 15% do not work on this risk.

Tougher insurance market conditions lead to alternative strategies

Results show the triple crunch that risk managers face in buying insurance protection:

- 78%** | are heavily impacted or face a major impact: in terms of increase in premium
- 71%** | in terms of reduction in capacity
- 62%** | in terms of limitations and exclusions on specific risks

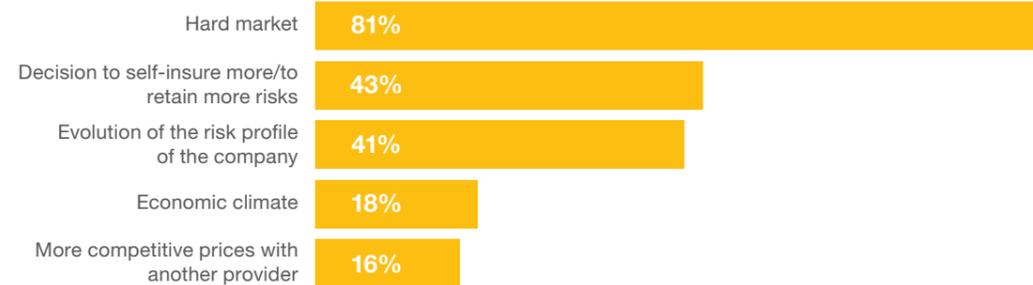
61%

of risk managers have observed a **reduction in cyber risk coverage** in the last years

Consequently, risk managers have adapted their insurance strategy over the past 12 months consisting of:

- Changing the insurance buying patterns (review needs, limits...) • **66%**
- Strengthening loss prevention activity • **40%**
- Negotiating long-term agreement or roll-overs • **31%**

Reasons for these changes



Risk managers are adapting their insurance strategy over the next 2 years focusing on:

- Risk retention • **73%**
- Use of an existing captive • **35%**
- Use of alternative risk transfer vehicle • **29%**
- Creation of a captive insurance/re-insurance company • **12%**

37.5%

of risk managers' organisations own or share a captive (stable from 2020)

15% in 2018 to **47%** in 2022

The interest in captives has gone up significantly over the past 4 years.

In addition, **41%** of the respondents believe that some of their company's activities or locations will become uninsurable in the future, illustrating the growing concern about insuring risks that are seen as systemic (e.g. cyber, climate change).

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