

Integraal Risicomanagement De zin en onzin ervan ...

Harold Malaihollo
Pelle van Vlijmen

Amsterdam, 20 september 2011



Uw Sprekers

Harold Malaihollo

Director

Deloitte – Financial Risk Management

hmalaihollo@deloitte.nl

Tel nr: +31 (0)6 526 150 91



Pelle van Vlijmen

Director

Deloitte – Financial Risk Management

PvanVlijmen@deloitte.nl

Tel nr: +31 (0)6 123 449 99



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De zin en onzin van integraal risicomanagement

Integraal

Bijvoeglijk naamwoord als iets alles omvat.

Synoniem: volledig / in zijn geheel

integraal

[wiskunde] limiet van de som van onbepaald afnemende termen.

voltallig, geheel: integrale publicatie (bw) (bn).

integraal

1) Algeheel 2) Allesomvattend 3) Bestaande op zichzelf 4) Een geheel uitmakend 5) Een geheel zijnde 6) Geheel 7) Helemaal 8) In zijn geheel 9) Onaflosbare Nederlandse staatsschuldbrief 10) Onverkort 11) Op zichzelf bestaand

Risicomanagement

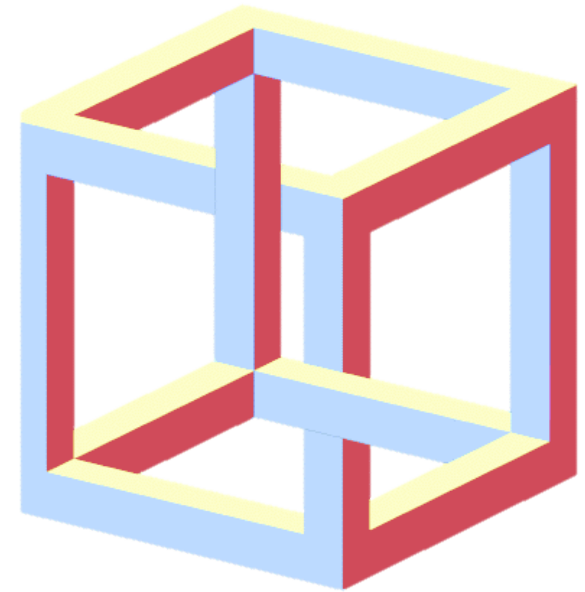
Risicomanagement is het maken van de afweging tussen de voor- en nadelen van het elimineren van risico's en het nemen van een uiteindelijke beslissing.

Risicomanagement

Set aan maatregelen die genomen dienen te worden om de ingeschatte risico's onder controle te houden.

Risicomanagement

`Risicomanagement` is het identificeren en kwantificeren van risico's (bijvoorbeeld in een project) en het vaststellen van beheersmaatregelen.



Integraal risicomanagement, iedereen ziet er wat anders in

Article 44 - Risk management

1. Insurance and reinsurance undertakings shall have in place an **effective risk-management system** comprising **strategies, processes and reporting procedures** necessary to **identify, measure, monitor, manage and report**, on a continuous basis the risks, at an **individual and at an aggregated** level, to which they are or could be exposed, and their **interdependencies**.

That **risk-management system** shall be **effective** and well **integrated** into the organisational structure and in the **decision-making processes** of the insurance or reinsurance undertaking with proper consideration of the **persons who effectively run** the undertaking or have other **key functions**.

2. The **risk-management system** shall **cover** the risks to be **included** in the calculation of the Solvency Capital Requirement as set out in Article 101(4) as well as the risks **which are not or not fully included** in the calculation thereof. The risk-management system shall cover at least the following areas:
 - a) underwriting and reserving;
 - b) asset–liability management;
 - c) investment, in particular derivatives and similar commitments;
 - d) liquidity and concentration risk management;
 - e) operational risk management;
 - f) reinsurance and other risk-mitigation techniques.



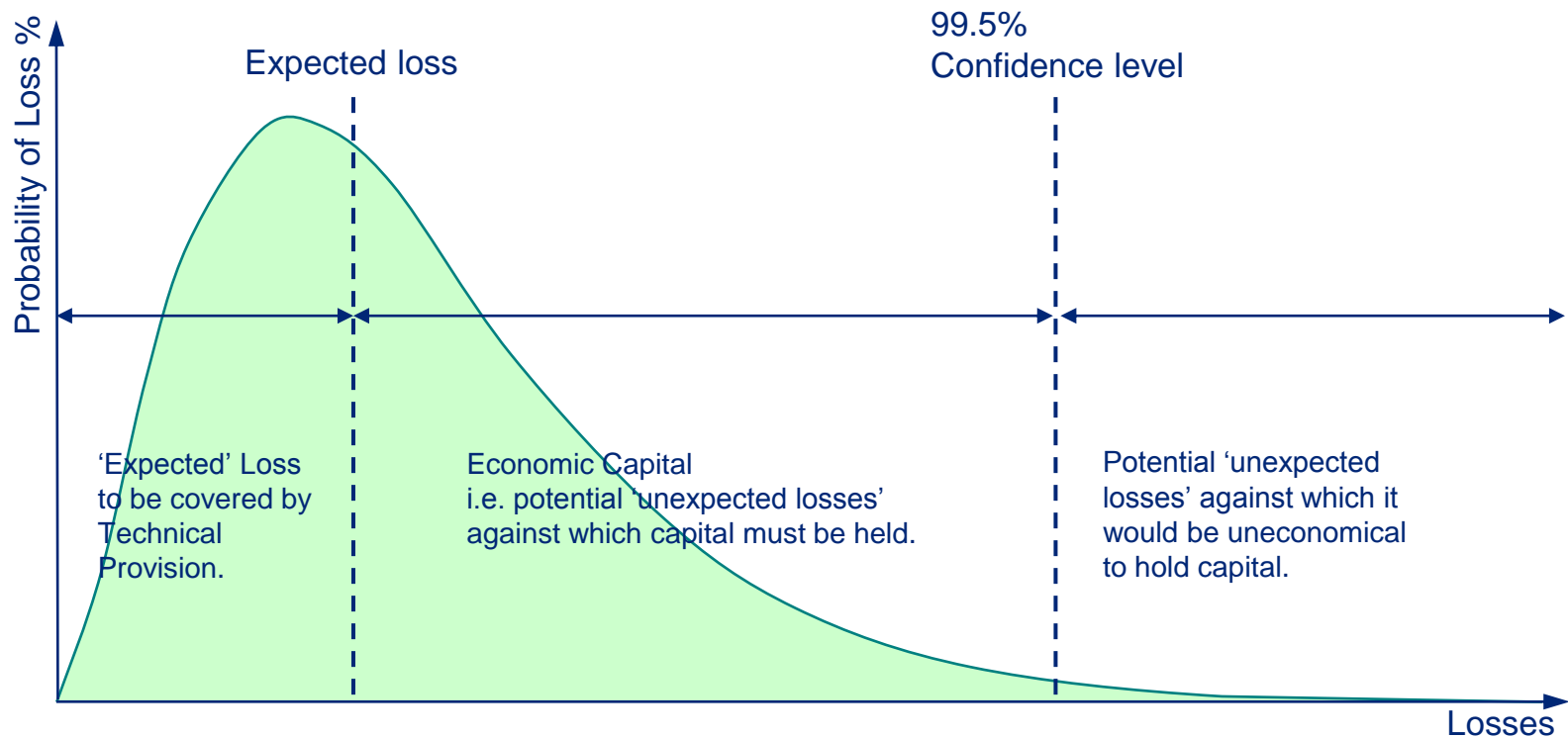
What do you see?

Operational risk

1. The operational risk management framework needs to be closely **integrated** into the **risk management processes** of the undertaking. Its output must be an **integral part** of the process of monitoring and controlling the undertaking's operational risk profile.

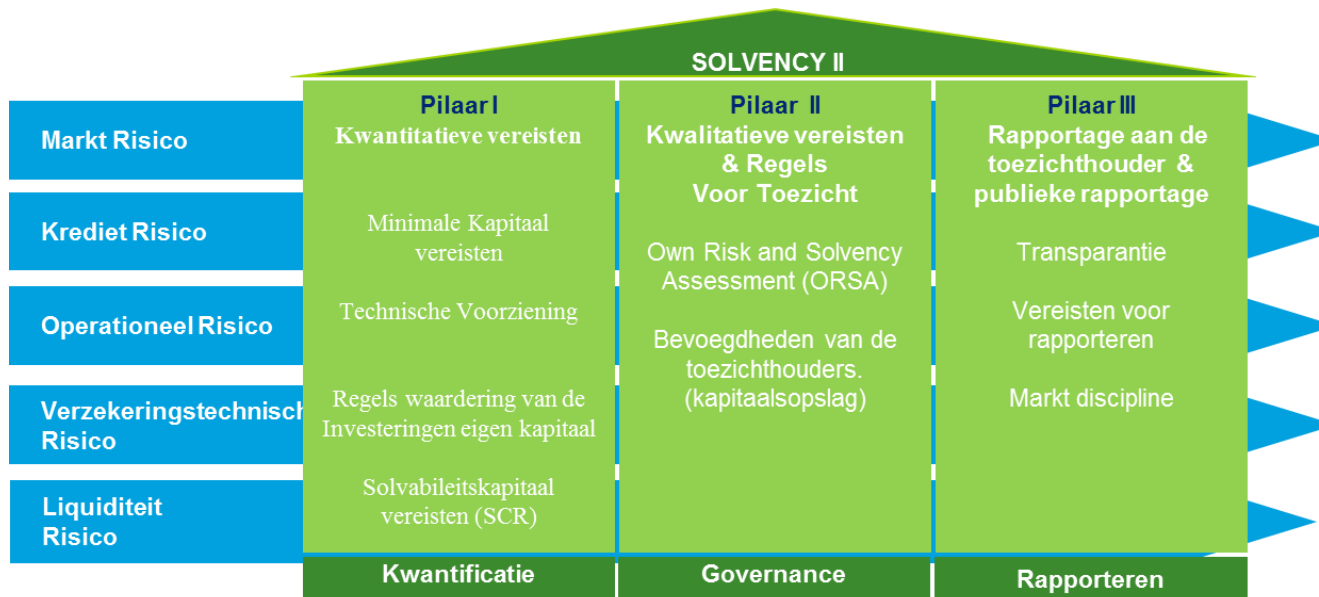
Wat is Economisch Kapitaal

- Economic Capital covers the loss between the expected loss (EL) and the extreme loss associated with the chosen confidence level.
- Economic Capital can be viewed as the “demand” for capital, resulting from the Institution’s risk exposures.
- Available capital should exceed Economic Capital.

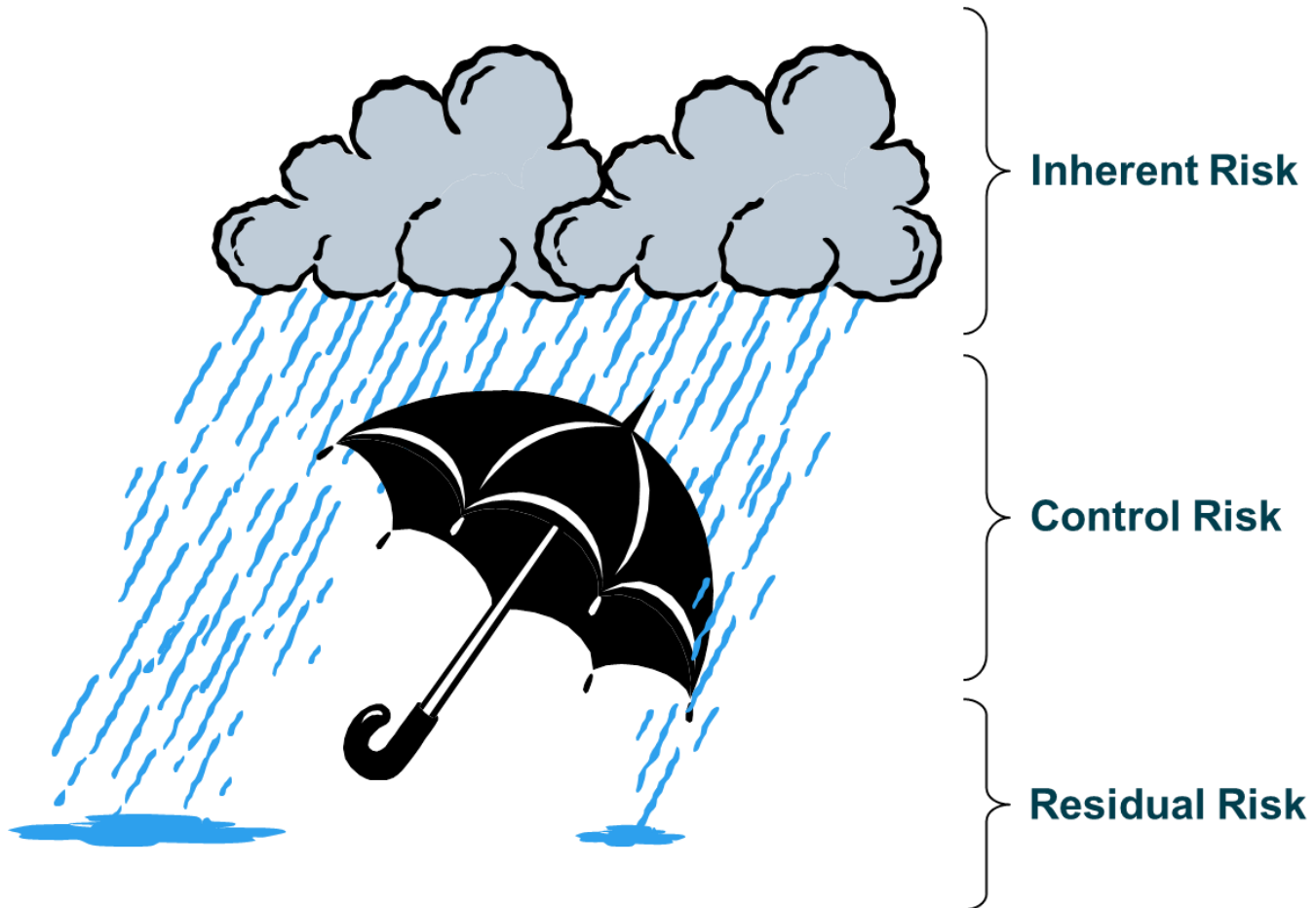


De drie pijlers

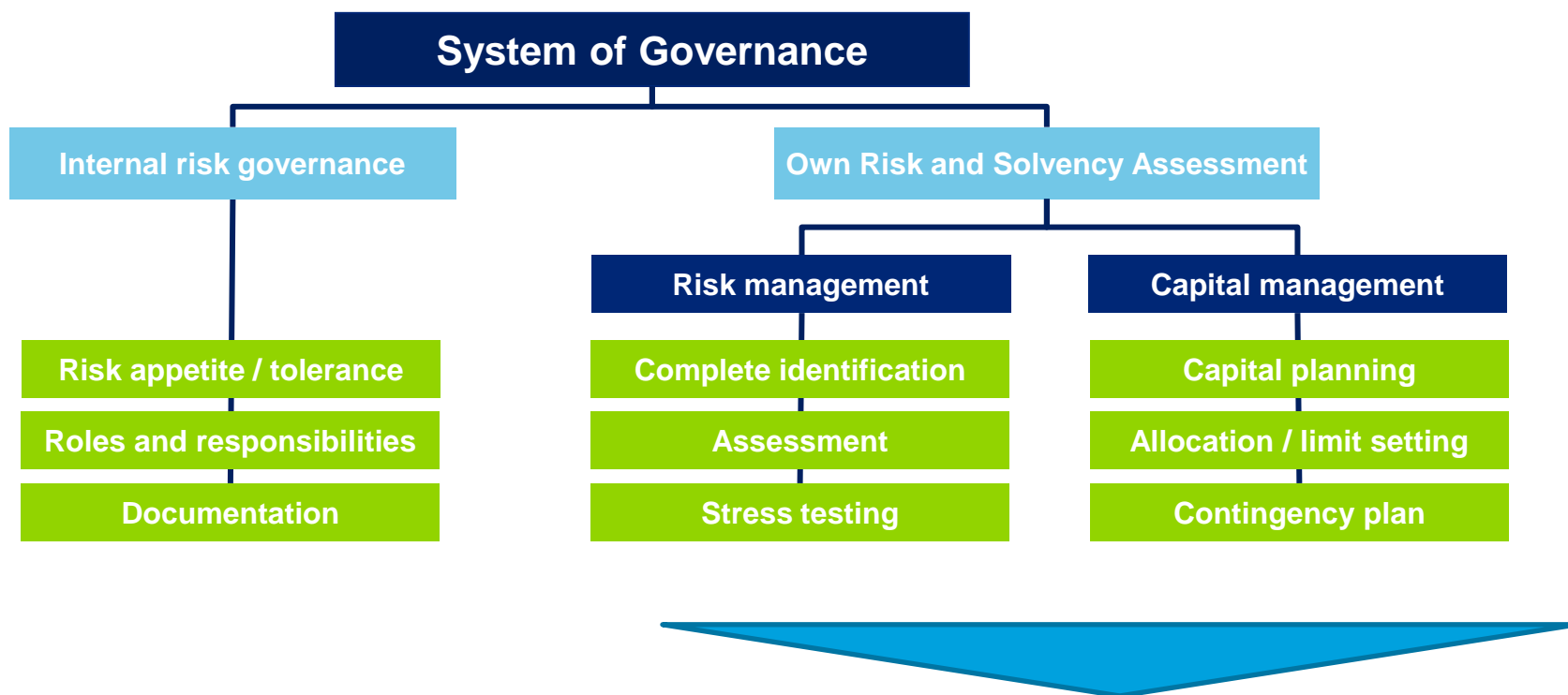
- Solvency II is gebaseerd op drie begeleidende principes waar marktrisico, krediet risico, operationeel risico en verzekeringstechnische risico als belangrijkste risico's voor een verzekeraars dwars door heen lopen.
- Solvency II is bedoeld om verzekeraars te **belonen** voor het goed meten beheersen van hun risico door lagere kapitaalvereisten (en daarmee eventueel lager prijzen en competitief voordeel)
- Solvency II dekt kwantitatief zowel als kwalitatieve aspecten van risico's.



Integraal risicomanagement



System of governance – link risicomangement en kapitaalmanagement



Definition of the ORSA

“The ORSA is the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a (re)insurance undertaking faces or may face and to determine the own funds necessary to ensure that the undertaking’s overall solvency needs are met at all times.”*

* Source: §9 of CEIOPS' Issues Paper on the Own Risk and Solvency Assessment, CEIOPS-IGSRR-09/08, May 2008

Governance volgens Solvency II (artikel 41 & 43)

- Insurers need an **effective and transparent system of governance**, with clear and appropriate **segmentation of responsibilities**.
- Companies must have **written policies** on each of the following, which are reviewed at least annually:
 - Risk management
 - Internal control
 - Internal audit
 - Actuarial
 - Outsourcing (if relevant)
- The insurer must ensure **continuity** and regularity in its activities. It must have appropriate and **proportional** systems resources.
- In addition, the insurer needs procedures to ensure this continuity and regularity, with suitable contingency plans.
- Employees of the insurer must be **‘fit and proper’** and the insurer must demonstrate this for key individuals to the supervisory body.

Governance volgens Solvency II

Risk management function

- The undertaking shall embed the risk management function in the organizational structure and organize the associated reporting lines in a manner which ensures that the function is objective and not responsible for the results of operational business.
- The tasks of the risk management function shall include:
 - Assisting the administrative or management body and other management in the effective operation of the risk management system;
 - Monitoring the risk management system;
 - Maintain a vision on the risk profile.
 - Reporting details on risk exposures and advising the administrative or management body with regard to risk management matters in relation to strategic affairs like corporate strategy, mergers and acquisitions and major projects and investments.

Actuariële Functie

Actuarial Function (I)

- In coordinating the calculation of the technical provisions the actuarial function shall at a minimum:
 - To assess the sufficiency of technical provisions and to ensure that their calculation is consistent with the underlying principles;
 - To assess the uncertainty associated with the estimates;
 - To compare and justify any material differences among the estimates for different years;
 - To compare best estimates against experience;
 - To assess the sufficiency and quality of the data used in the calculation of technical provisions;
 - Ensure that homogeneous risk groups for an appropriate assessment of the underlying risks are identified;
 - Consult any relevant market information and ensure that it is integrated into the assessment of technical provisions;

Actuariële Functie

Actuarial Function (II)

- Regarding the overall underwriting policy, the opinion to be expressed by the actuarial function should at least include the following issues:
 - Analysis of the sufficiency of the premiums to cover future losses;
 - Considerations regarding inflation, legal risk, change of mix, anti-selection and adequacy of bonus-malus system(s) implemented in specific line(s) of business.
- The actuarial function shall be objective and free from influence of other functions or the administrative or management body. In order to be able to provide its opinions in an independent fashion, the actuarial function should be constituted by persons who verify a sufficient level of independency between them.
- The actuarial function shall at least annually produce written reports to be submitted to the administrative or management body.

Markt practice (advies DNB)



Key principles of the approach include:

- Heads of organisations businesses have **primary accountability** for the performance, operations, compliance and effective control of risks affecting their business (the “first line of defence”).
- The risk management functions (the “second line of defence”):
 - ✓ **coordinate, oversee and objectively challenge the execution, management, control and reporting of risks**
 - ✓ are “independent” of the management & personnel that originate the risk exposures
 - ✓ have the power to escalate / veto high risk business activity
- The internal assurance function (the “third line of defence”) is “independent” of both the businesses & risk functions and **provide independent and objective assurance** on the design and effectiveness of the overall system of internal control, including risk management activity performed by functions in both the 1st and 2nd lines of defence.

Stellingen I

- Ik heb een three lines of defence model, nu ben ik governance technisch Solvency II proof...
- Handig, de risk management function managet mijn risico's, goede scheiding van rollen
- We hebben een afdeling "actuariaal en risicomanagement", daar zijn de RM & actuariële functies belegd





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