



**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

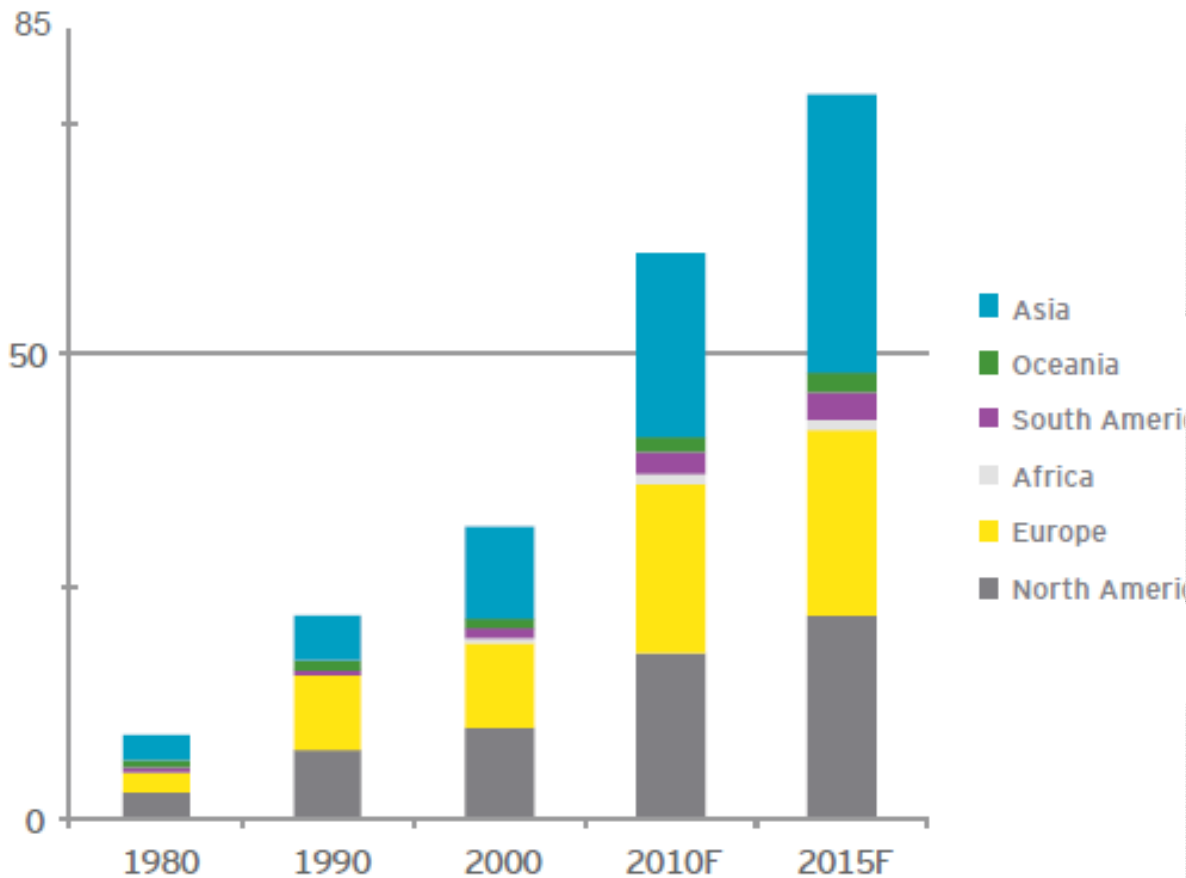


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# Still A Dynamic Economy

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)

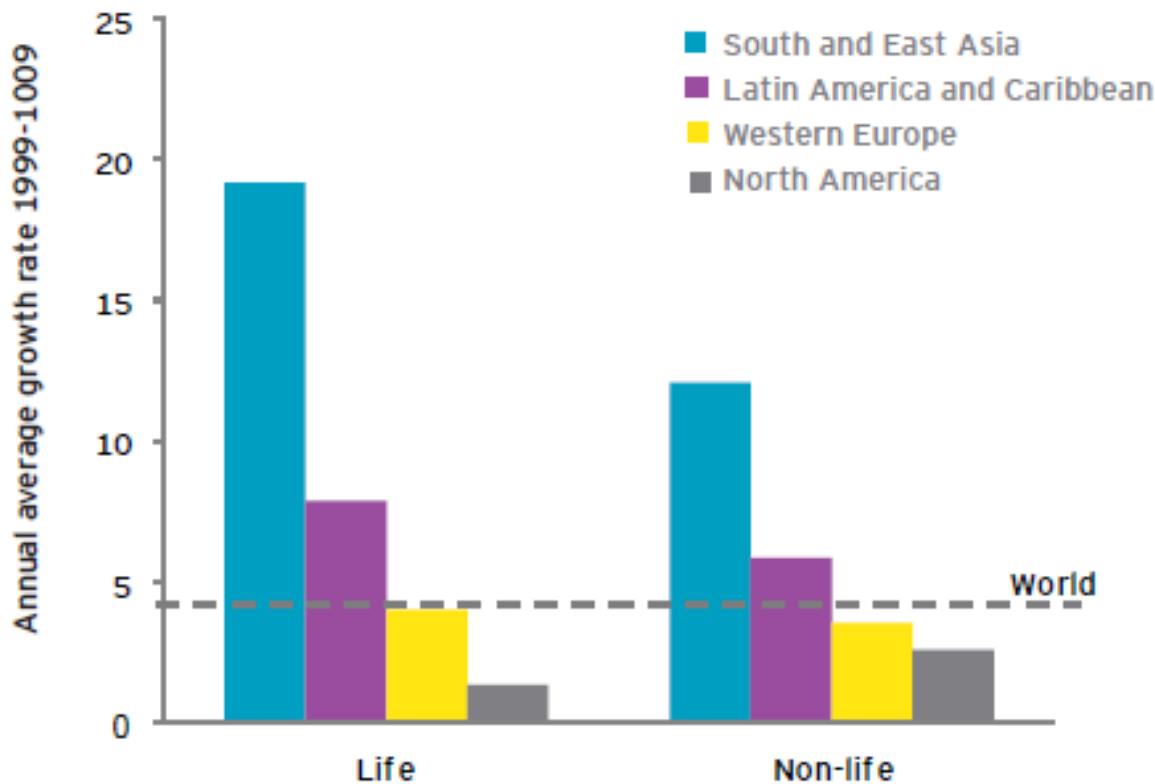
**7%**  
Projected 2012 GDP  
Asia-Pacific (IMF)

**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,**

**2<sup>nd</sup> Generation  
Solvency  
Regime: China**

**Solvency II  
equivalent:  
Japan**

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

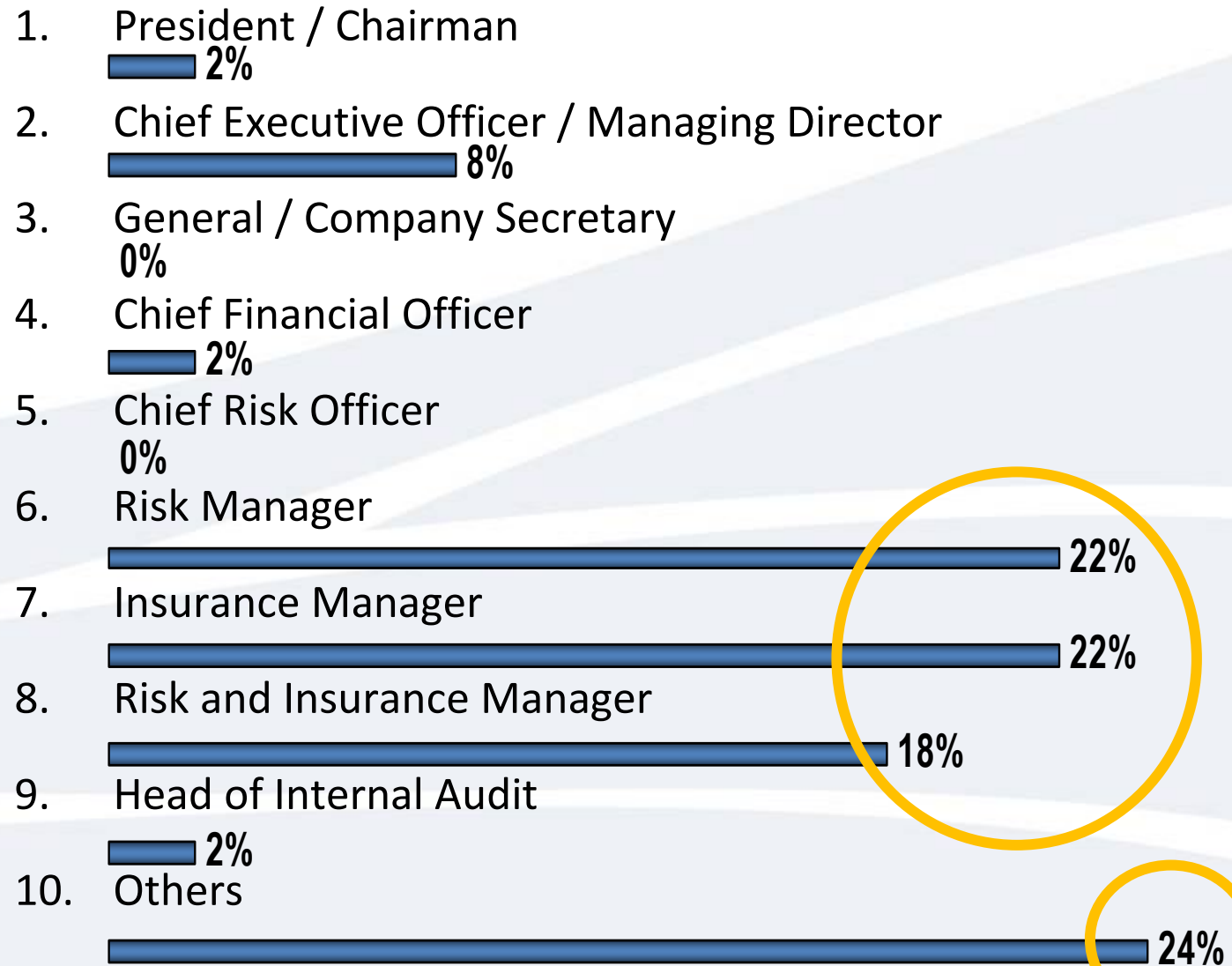


## 2012 Asia-Pacific Risk Managers Survey

- 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?



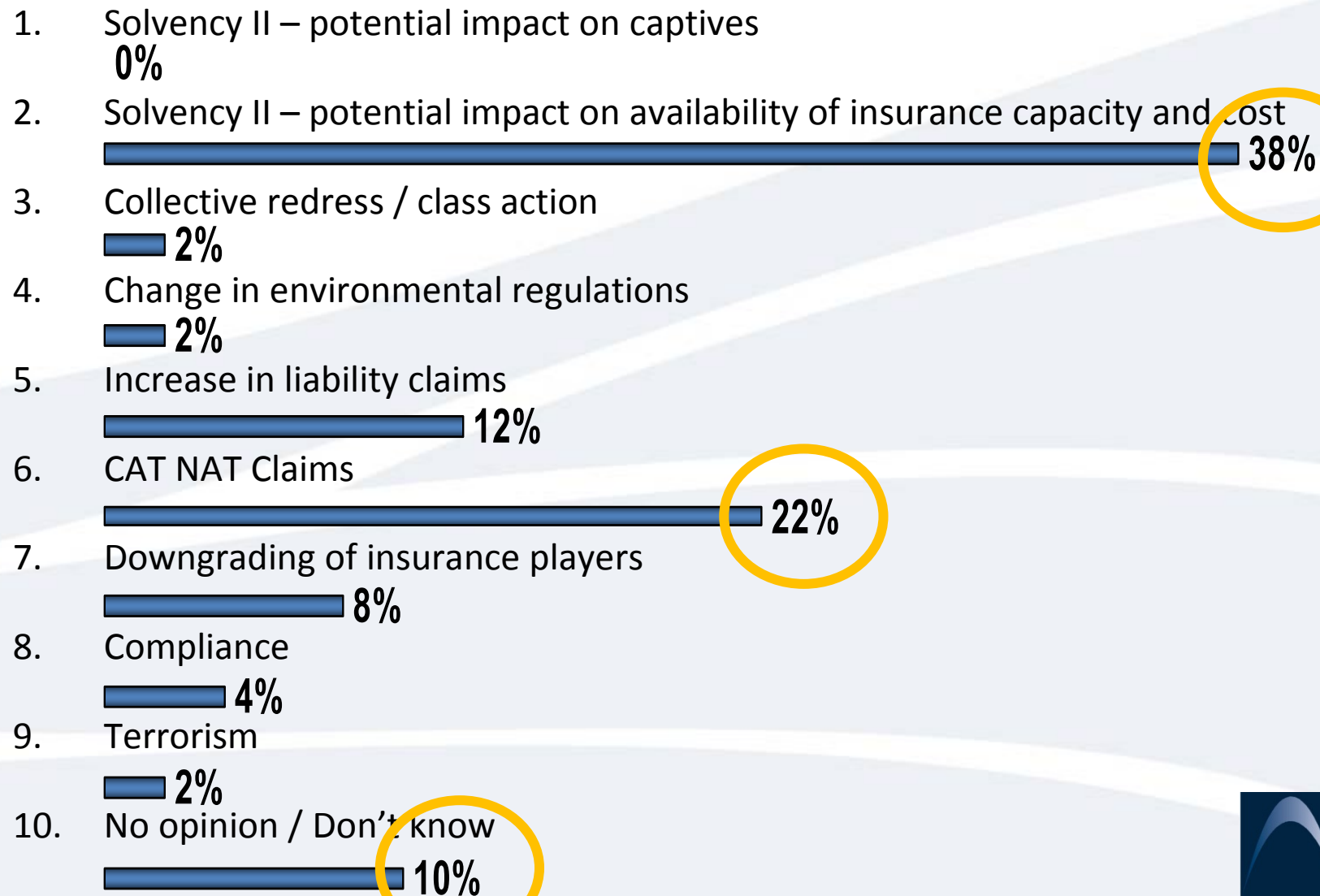


## To whom does Risk Management report?





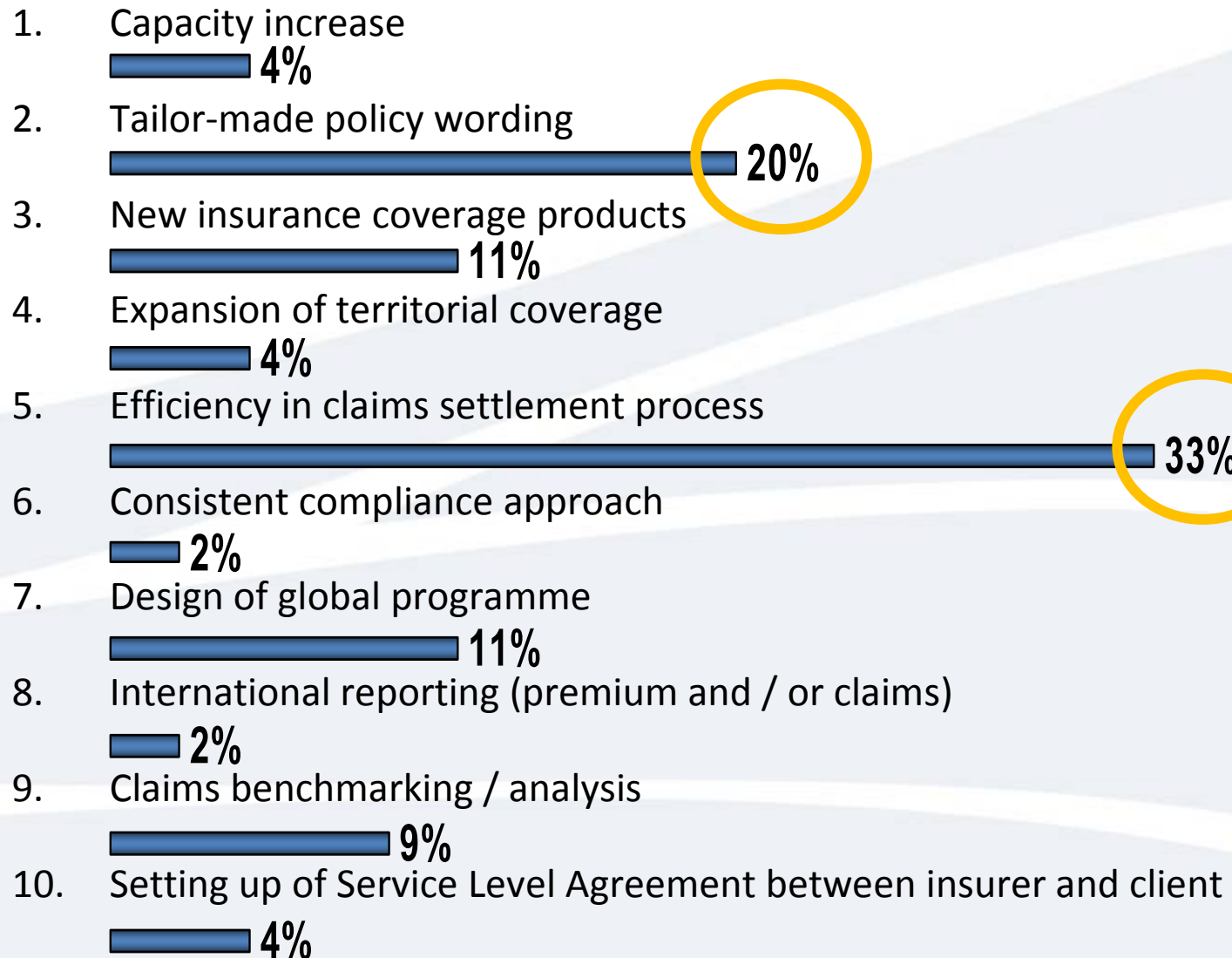
## Identify the top issue about the insurance market?





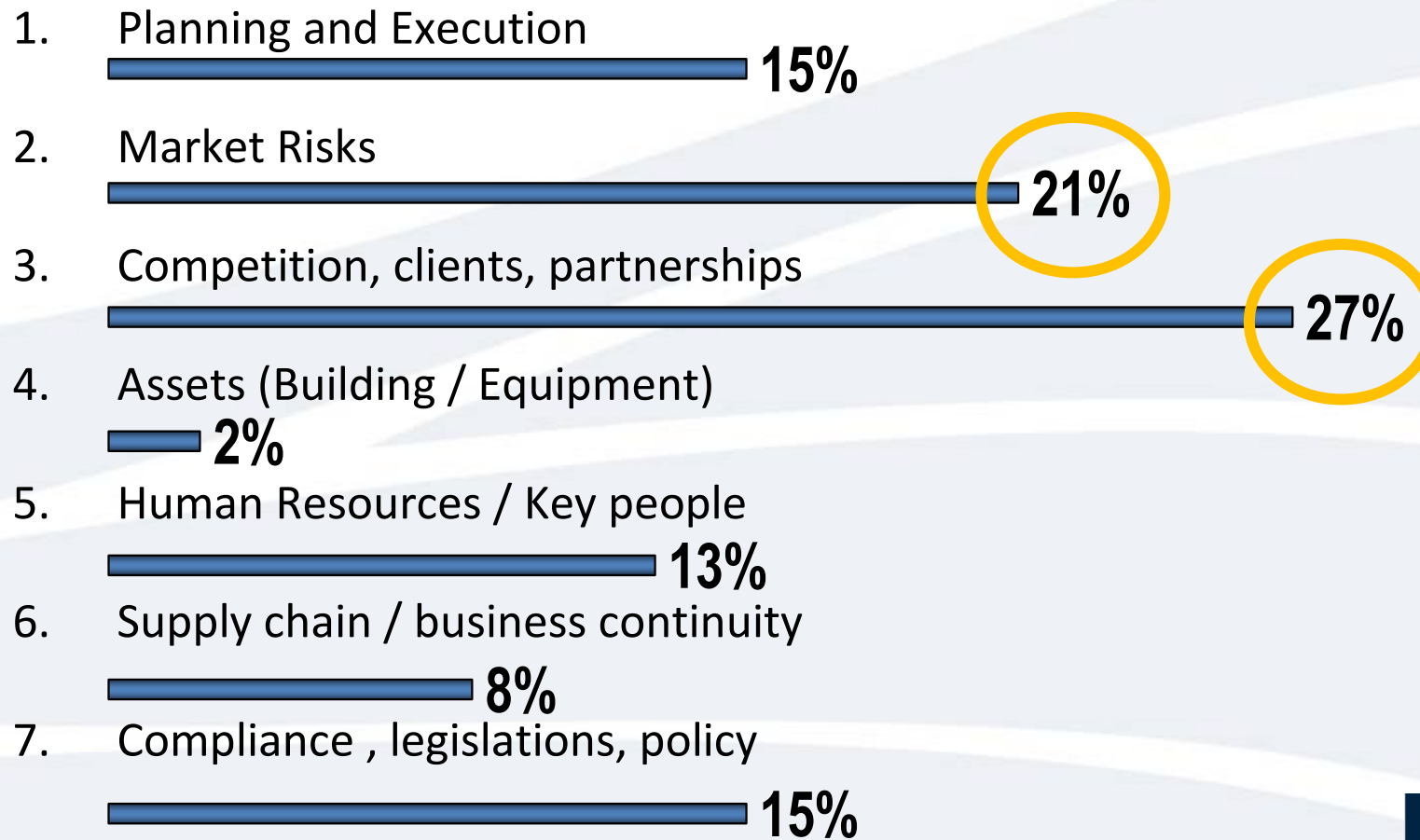


## Which of the following key area should insurers prioritize for improvement?





## 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?

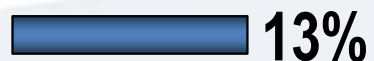
1. Full coordination



2. Some coordination



3. Totally working independently ("in silos")

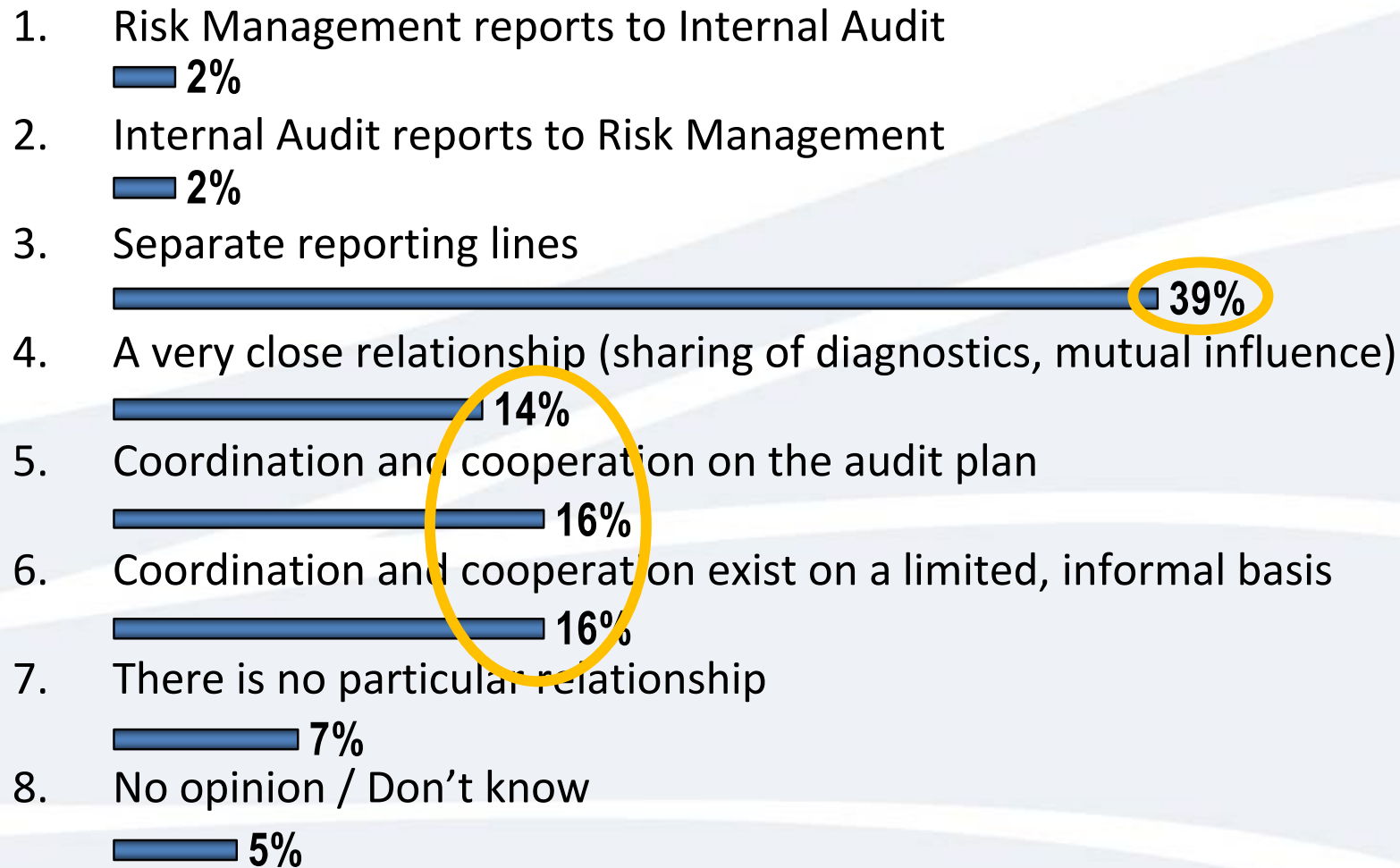


4. No opinion / Don't know





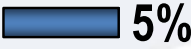
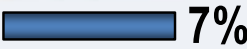




## What type of relationship is there between risk management and internal audit?





## 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*

ကျစ်ပု ဝေ

**Cảm ơn bạn**