

The Institute of Risk Management

Solvency II Special Interest Group

Date: 7 October 2010



Agenda

9.30 – Welcome

9.40 – Introduction to the IRM's Risk Management in Financial Services Course

10.10 – Solvency II Survey Findings

10.20 – Coffee

10.30 – Paul Brenchley, Director, KPMG

Risk Management in Financial Services

Philip Whittingham, Solvency II SIG Chairman and Course Developer

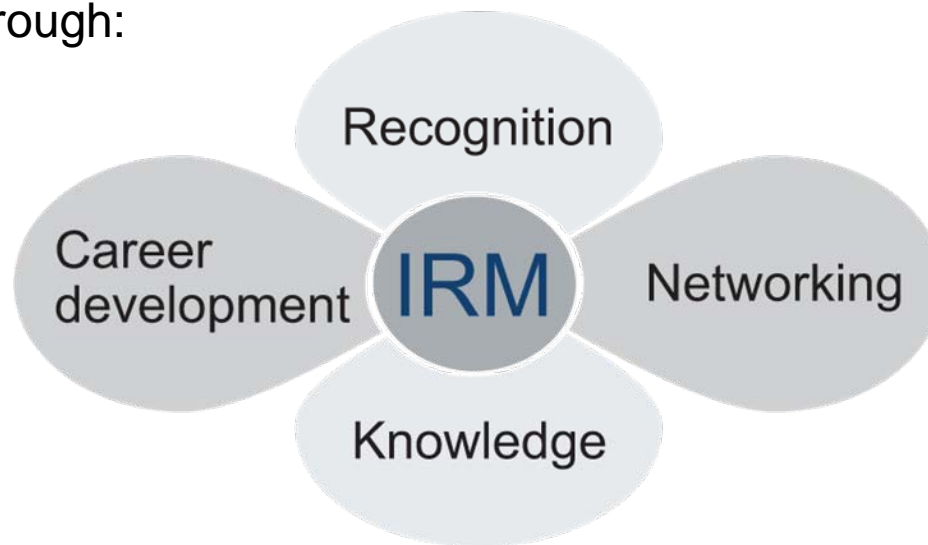
The Institute of Risk Management

IRM is the world's leading enterprise-wide risk education Institute.

Our mission is:

‘Leading the risk profession through delivery of education and life long learning’

We do this through:



Where we are?



The education hub for enterprise-wide risk management

IRM believes risk management should be a multi-faceted discipline.



Learning pyramid

REQUIREMENTS

QUALIFICATIONS



Knowledge

Print



Online



Risk Management in Financial Services

Why this course?

- A specific course dedicated to the financial services sector
- Global financial crisis
- Balance between risk taking and risk avoidance
- Learning from past failures
- Learning from other sectors and across financial services
- Personal skills – communication, leadership and influencing
- Organisational culture and ethics
- Taking a broad enterprise-wide and ‘top down’ view of risk

Risk Management in Financial Services

Course aims

- Provides a thorough introduction to sources of risk
- Describes the tools, techniques, systems, processes and strategies
- Focuses on the importance of personal skills
- Outlines the role of regulation
- Explores the impact of the global financial crisis
- Provides an understanding of the terminology used across the sector
- Develops skills for the application of enterprise-wide risk management

Risk Management in Financial Services

Why banks and insurers?

- They share common risks such as credit, market, operational and liquidity risks.
- There is prescribed regulation to encourage good risk management practice.
- There is a transfer of risk management skills and practice between sectors.
- There is a trend to globalisation and also consolidation.
- Many institutions have combined their banking and insurance entities
- Both sectors are very heavily linked to the wider economy.
- Financial institutions have advanced risk management approaches

Risk Management in Financial Services

Course content

- Unit one: Background to the financial services sector
- Unit two: Key concepts in financial services risk management
- Unit three: Operational risk in financial services
- Unit four: Sources and approaches to risks in banks
- Unit five: Development of the regulatory framework for banks
- Unit six: Sources and approaches to risk in insurance
- Unit seven: Development of the regulatory framework for insurance
- Unit eight: Lessons from failure
- Unit nine: ERM in financial services context

Risk Management in Financial Services

Course structure

- Takes one year to complete
- Two intakes per year
- Available across the world
- Distance learning with online support
- Complementary student membership whilst studying
- Subscription to Risk Management Professional magazine
- Assessed through a 3 hour written examination
- Successful completion leads to Specialist membership of IRM

To register your interest in this course, please email Barbara Asieduah on barbara.asieduah@theirm.org or telephone +44(0)20 7709 9808

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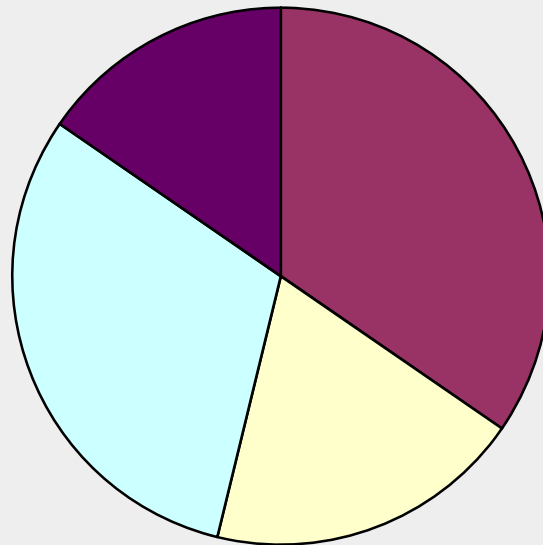


Solvency II Survey Findings

October 2010 SIG

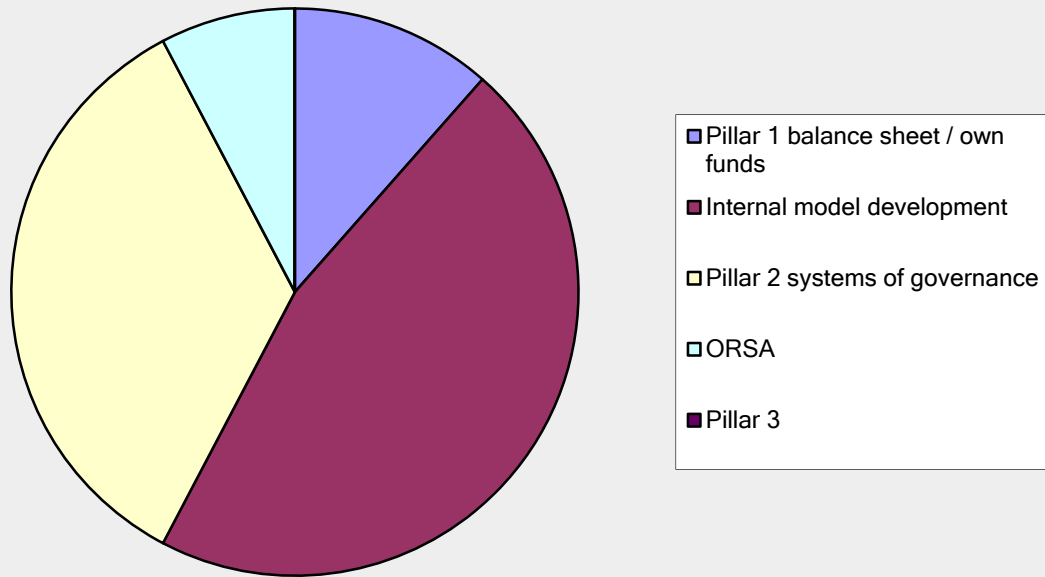
(26 Participants)

What do you see as the biggest implementation challenges for your firm for Solvency 2?

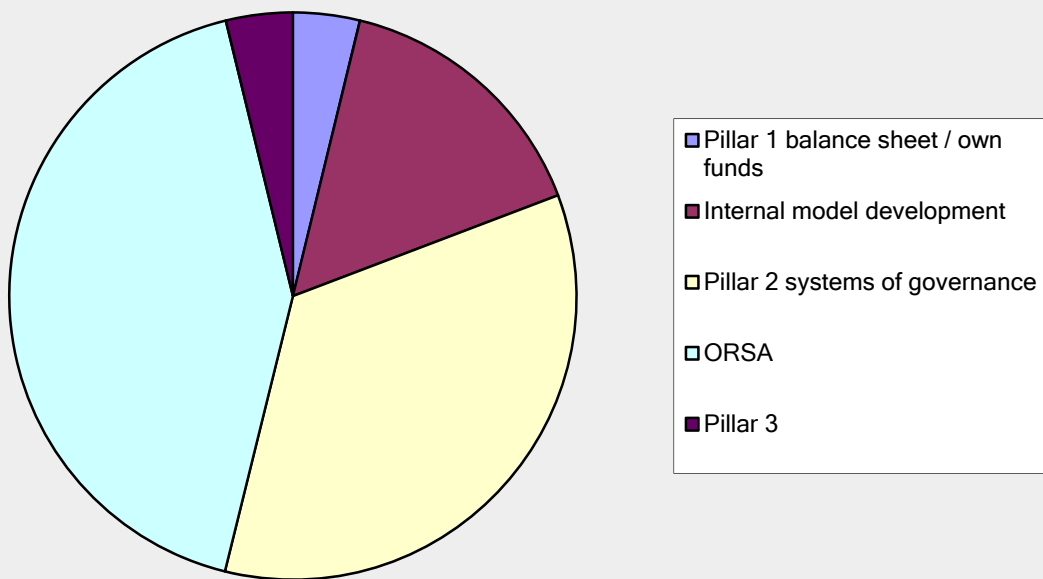


- Pillar 1 balance sheet / own funds
- Internal model development
- Pillar 2 systems of governance
- ORSA
- Pillar 3

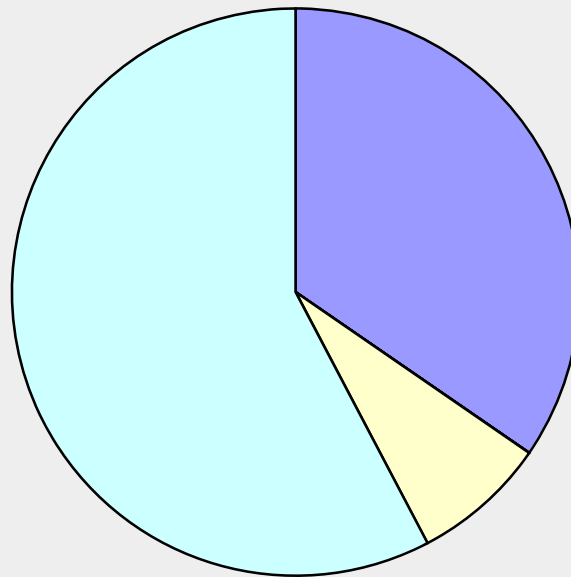
Where is the most Solvency 2 activity currently happening?



Where do you think the most activity will be next year?

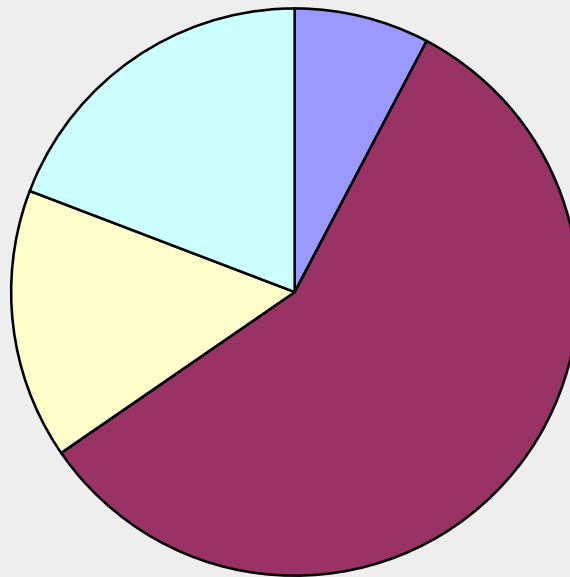


What are the biggest practical challenges in implementing Solvency 2?



- A lack of resources
- A lack of budget
- A lack of senior management buy-in
- Uncertainty as to the final rules

Where would you welcome greater certainty as to the final rules?



- Internal models requirements
- ORSA requirements
- Equivalence / groups requirements
- Pillar 3 requirements