

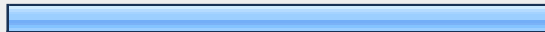
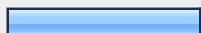
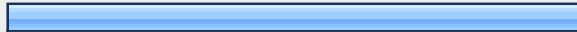
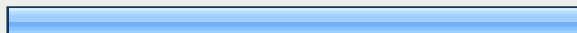
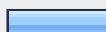
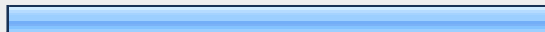

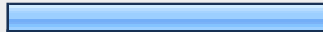


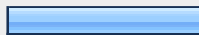




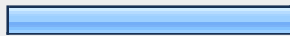


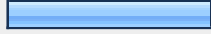


Solvency II SIG Survey on Role of the risk function, skill set of the CRO and resourcing

1. What processes and functions are the risk function responsible for? (Tick as many as appropriate)			
		Response Percent	Response Count
Enterprise Risk Management framework development and maintenance		84.2%	16
Risk assessment		84.2%	16
Risk reporting and creation of risk Management Information (MI)		89.5%	17
Risk quantification and modelling		31.6%	6
<b>Risk governance</b>		<b>94.7%</b>	<b>18</b>
<b>Risk control review and challenge</b>		<b>94.7%</b>	<b>18</b>
Audit and independent challenge		15.8%	3
Risk training		89.5%	17
Business continuity management		42.1%	8
Stakeholder engagement/ communication		52.6%	10
Insurance or reinsurance purchasing		10.5%	2
Programme management/ change management		15.8%	3
	Other (please specify)		2
	<b><i>answered question</i></b>		<b>19</b>
	<b><i>skipped question</i></b>		<b>0</b>

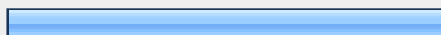

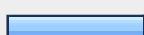
<b>2. Does the risk function have a formal remit and terms of reference?</b>			
		<b>Response Percent</b>	<b>Response Count</b>
The risk function has a formal remit that covers all the activities it is responsible for		31.6%	6
<b>The risk function has a formal remit but it does not cover all the activities undertaken</b>		<b>36.8%</b>	<b>7</b>
A formal remit is being prepared or drafted currently		10.5%	2
The risk function has no formal remit but its responsibilities are well understood through the organisation		15.8%	3
The risk function has no formal remit and its responsibilities are not widely understood		5.3%	1
		<b>answered question</b>	<b>19</b>
		<b>skipped question</b>	<b>0</b>

<b>3. What is the risk function's report line?</b>			
		<b>Response Percent</b>	<b>Response Count</b>
<b>Chief Risk Officer</b>		<b>46.7%</b>	<b>7</b>
Company Secretary/ General Counsel		6.7%	1
Chief Financial Officer		13.3%	2
Chief Executive		33.3%	5
	Other (please specify)		4
		<b>answered question</b>	<b>15</b>
		<b>skipped question</b>	<b>4</b>

4. What are the original qualifications of the members of the risk function? (Tick as many as relevant)			
		Response Percent	Response Count
Risk (MSc/Diploma)		33.3%	6
<b>Finance/ Accountancy</b>		<b>50.0%</b>	<b>9</b>
Legal		5.6%	1
Audit		38.9%	7
Compliance		16.7%	3
Actuarial/ Mathematics		27.8%	5
Insurance		33.3%	6
MBA/ Business degree		33.3%	6
Science/ Engineering		5.6%	1
Other (please specify)			3
		<b>answered question</b>	<b>18</b>
		<b>skipped question</b>	<b>1</b>

5. What has been the change in headcount in the risk function in 2009?			
		Response Percent	Response Count
Slight reduction (10%-25%)		5.3%	1
<b>No change</b>		<b>26.3%</b>	<b>5</b>
<b>Slight increase (10%-25%)</b>		<b>26.3%</b>	<b>5</b>
<b>Significant increase (26%-50%)</b>		<b>26.3%</b>	<b>5</b>
Major growth (51%-100+%)		15.8%	3
		<b>answered question</b>	<b>19</b>
		<b>skipped question</b>	<b>0</b>

6. What is the average number of years of experience within the risk function in a risk or risk-related role?			
		Response Percent	Response Count
Less than 2 years		10.5%	2
2 to 5 years		31.6%	6
<b>6 to 10 years</b>		<b>42.1%</b>	<b>8</b>
11 to 15 years		10.5%	2
16 years +		5.3%	1
		<b><i>answered question</i></b>	<b>19</b>
		<b><i>skipped question</i></b>	<b>0</b>

7. How is the risk function or capability structured in your organisation?			
		Response Percent	Response Count
<b>Centralised in one team</b>		<b>72.2%</b>	<b>13</b>
Decentralised into business units or regional structures		0.0%	0
Decentralised by functional expertise		5.6%	1
A hybrid of a small centralised team and localised co-ordinators		22.2%	4
		Other (please specify)	1
		<b><i>answered question</i></b>	<b>18</b>
		<b><i>skipped question</i></b>	<b>1</b>

8. Does the risk function have a formalised succession plan in place for all key roles?			
		Response Percent	Response Count
A formal succession plan is in place and is up to date		5.3%	1
A partial succession plan is in place or is not up to date		21.1%	4
A succession plan is being prepared or planned		10.5%	2
<b>No succession plan exists and there are no immediate plans to create one</b>		<b>63.2%</b>	<b>12</b>
		<i>answered question</i>	<b>19</b>
		<i>skipped question</i>	<b>0</b>

9. Headcount of risk function (ERM related resources, excluding compliance, audit, actuarial, legal etc)			
		Response Percent	Response Count
1		21.1%	4
<b>2 to 5</b>		<b>73.7%</b>	<b>14</b>
6 to 10		5.3%	1
11 or more		0.0%	0
		<i>answered question</i>	<b>19</b>
		<i>skipped question</i>	<b>0</b>

10. Does your organisation have a Chief Risk Officer (CRO) in place currently?			
		Response Percent	Response Count
Yes		47.4%	9
No, but planning to do so		5.3%	1
No, and no plans exist to create the role		47.4%	9
		<i>answered question</i>	19
		<i>skipped question</i>	0

11. If your organisation has a CRO, how long has this role existed?			
		Response Percent	Response Count
Less than 1 year		11.8%	2
1 to 2 years		23.5%	4
3 to 5 years		17.6%	3
More than 5 years		0.0%	0
Not applicable		47.1%	8
Don't know		0.0%	0
		<i>answered question</i>	17
		<i>skipped question</i>	2

12. What functions report to the CRO (or Head of Risk)? (Tick as many as relevant)

		Response Percent	Response Count
ERM (Risk Management)		94.1%	16
Compliance		47.1%	8
Legal		17.6%	3
Audit		29.4%	5
Actuarial		29.4%	5
Business Continuity		23.5%	4
Company Secretary		17.6%	3
Human Resources		5.9%	1
IS/ IT		0.0%	0
Other (please specify)			4
		<b><i>answered question</i></b>	<b>17</b>
		<b><i>skipped question</i></b>	<b>2</b>

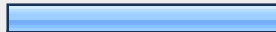
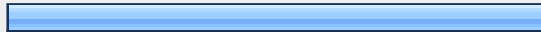
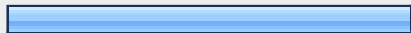
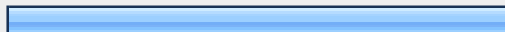
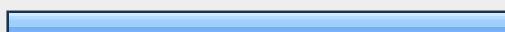
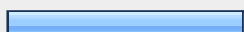


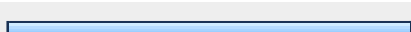
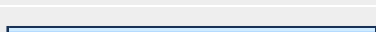
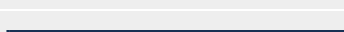


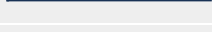
**13. What was the original qualification(s) of the CRO (or Head of Risk)?**

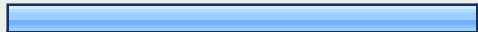
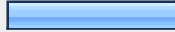
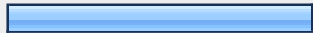


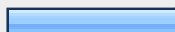

		Response Percent	Response Count
Risk (MSc/Diploma)		11.1%	2
Finance/ Accountancy		38.9%	7
Legal		5.6%	1
Audit		0.0%	0
Compliance		5.6%	1
<b>Actuarial/ Mathematics</b>		<b>44.4%</b>	<b>8</b>
Insurance		22.2%	4
MBA/ Business degree		5.6%	1
Science/ Engineering		5.6%	1
Other (please specify)			2
		<b><i>answered question</i></b>	<b>18</b>
		<b><i>skipped question</i></b>	<b>1</b>

14. what was the CRO (or Head of Risk) previous roles(s)? (Tick as many as relevant)			
		Response Percent	Response Count
CRO in another organisation	<input type="checkbox"/>	10.5%	2
Operations Director/ COO	<input type="checkbox"/>	5.3%	1
Head of Risk/ Risk Manager	<input type="checkbox"/>	26.3%	5
<b>Chief Actuary</b>	<input type="checkbox"/>	<b>31.6%</b>	<b>6</b>
Risk or Management Consultant	<input type="checkbox"/>	10.5%	2
Underwriter	<input type="checkbox"/>	5.3%	1
Broker	<input type="checkbox"/>	10.5%	2
Head of Compliance	<input type="checkbox"/>	10.5%	2
Lawyer/ General Counsel/ Company Secretary	<input type="checkbox"/>	5.3%	1
Auditor (internal or external)	<input type="checkbox"/>	15.8%	3
	Other (please specify)		1
	<b><i>answered question</i></b>		<b>19</b>
	<b><i>skipped question</i></b>		<b>0</b>


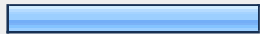

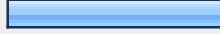


15. What is the level of dedicated resources (spending 50% of their time) on your Solvency II programme?							
	0	1	2	3	4	5 or more	Response Count
Project Management	18.8% (3)	<b>56.3%</b> <b>(9)</b>	12.5% (2)	6.3% (1)	0.0% (0)	6.3% (1)	16
Risk Management	5.6% (1)	<b>55.6%</b> <b>(10)</b>	16.7% (3)	22.2% (4)	0.0% (0)	0.0% (0)	18
Actuarial	17.6% (3)	<b>41.2%</b> <b>(7)</b>	11.8% (2)	5.9% (1)	11.8% (2)	11.8% (2)	17
MI/ Data specialists	26.7% (4)	<b>46.7%</b> <b>(7)</b>	13.3% (2)	13.3% (2)	0.0% (0)	0.0% (0)	15
Finance	25.0% (4)	<b>43.8%</b> <b>(7)</b>	6.3% (1)	12.5% (2)	0.0% (0)	12.5% (2)	16
Compliance/ Legal	<b>40.0%</b> <b>(6)</b>	<b>40.0%</b> <b>(6)</b>	13.3% (2)	0.0% (0)	6.7% (1)	0.0% (0)	15
Human Resources	<b>73.3%</b> <b>(11)</b>	13.3% (2)	0.0% (0)	6.7% (1)	0.0% (0)	6.7% (1)	15
Communications	<b>76.9%</b> <b>(10)</b>	23.1% (3)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	13
	<b>answered question</b>						<b>18</b>
	<b>skipped question</b>						<b>1</b>

16. What workstreams have you defined within your Solvency II programme? (Tick as many as relevant)

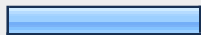
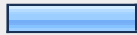
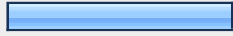

		Response Percent	Response Count
Risk Strategy/ Target Operating Model		44.4%	8
<b>Risk Governance and Policies</b>		<b>88.9%</b>	<b>16</b>
Risk Assessment/ Risk Management		66.7%	12
Internal Model		83.3%	15
ORSA		83.3%	15
Capital allocation/ performance measurement		38.9%	7
Use Test/ Validation		44.4%	8
Systems		44.4%	8
Management Information		66.7%	12
External reporting/ Disclosure		61.1%	11
Internal Communication/ Training		55.6%	10
Reserving		44.4%	8
Aggregations		33.3%	6
Exposure management		33.3%	6
	Other (please specify)		5
	<b>answered question</b>		<b>18</b>
	<b>skipped question</b>		<b>1</b>

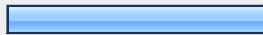
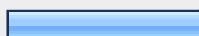
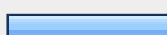
17. What are the primary challenges in resourcing the Solvency II programme? (Tick as many as relevant)			
		Response Percent	Response Count
Releasing staff from business-as-usual roles		77.8%	14
Identifying back-fill resources to allow release of staff to Solvency II		27.8%	5
Securing additional staff with insurance industry experience		50.0%	9
Securing additional staff with programme management skills		5.6%	1
Securing additional staff with change management skills		5.6%	1
Holding on to talent from competitor pressures		27.8%	5
Orientating/ Training new staff		22.2%	4
	Other (please specify)		2
	<b>answered question</b>		<b>18</b>
	<b>skipped question</b>		<b>1</b>

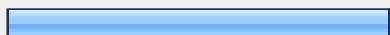
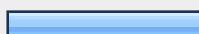

**18. What are the most difficult resources to secure in terms of quality and quantity of staff? (Tick those that are relevant)**

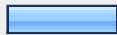
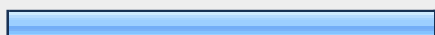

		Response Percent	Response Count
Project Management		17.6%	3
Risk Management		41.2%	7
<b>Actuarial</b>		<b>52.9%</b>	<b>9</b>
MI/ Data specialists		35.3%	6
Finance		5.9%	1
Compliance/ Legal		5.9%	1
Human Resources		0.0%	0
Communications		0.0%	0
		<b>answered question</b>	<b>17</b>
		<b>skipped question</b>	<b>2</b>

**19. Organisational headcount**

		Response Percent	Response Count
1 to 100		31.6%	6
101 to 500		21.1%	4
<b>501 to 5,000</b>		<b>36.8%</b>	<b>7</b>
5,001 to 50,000		10.5%	2
50,001+		0.0%	0
Don't know		0.0%	0
		<b>answered question</b>	<b>19</b>
		<b>skipped question</b>	<b>0</b>

20. Organisation turnover			
		Response Percent	Response Count
Up to £200m		42.1%	8
£200m to £1bn		31.6%	6
£1bn to £5bn		26.3%	5
More than £5bn		0.0%	0
Don't know		0.0%	0
		<b>answered question</b>	<b>19</b>
		<b>skipped question</b>	<b>0</b>

21. Domicile of organisation's overall headquarters			
		Response Percent	Response Count
UK		63.2%	12
Other EU		0.0%	0
Switzerland		0.0%	0
North America/Caribbean		31.6%	6
Asia/Middle East/Africa		5.3%	1
		Other (please specify)	0
		<b>answered question</b>	<b>19</b>
		<b>skipped question</b>	<b>0</b>

22. Primary type of business			Response Percent	Response Count
Mono-line insurer			17.6%	3
<b>Multi-line General insurer</b>			<b>70.6%</b>	<b>12</b>
Life insurer			0.0%	0
Composite insurer			11.8%	2
Captive			0.0%	0
Consultant or service provider			0.0%	0
		Other (please specify)		1
		<b><i>answered question</i></b>		<b>17</b>
		<b><i>skipped question</i></b>		<b>2</b>