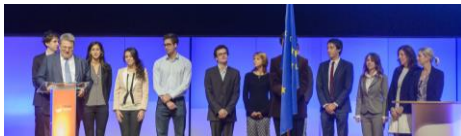


FORUM REPORT



The Forum in Numbers

1466 registrations from 34 countries

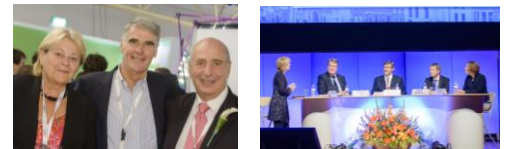
48 exhibitors

3600 meals

8000 coffees and teas

69 speakers

3 keynotes, 3 panels and 15 workshops



This year's very successful Forum is now behind us. Everyone was very pleased with the organisation and quality of services. And not only that. The speakers were also a great source of inspiration. Bertrand Piccard and Karel Van Hulle immediately set the level very high during the opening keynotes, the three different panels were also knowledgeable, and some workshops were so successful we had to close the doors and refuse more attendees! Gilles Desclaux concluded the event with some amazing insights into military risk management in the final keynote.

We had about 4 000 visits on our website during the Forum, and more than 70 per cent came from outside the Netherlands. The twitter reach was more than four times than the previous Forum in Stockholm in 2011. FERMA TV recorded more than 20 interviews which were posted immediately on the 'Forum Live' and 135 pictures were shared on Flickr.

The award for best exhibition stand went to Marsh. The 'mindball' game as well as the visual impact of the booth and communication convinced the FERMA jury.

The Young Professionals' Breakfast discussed careers, and no doubt that the experiences shared by ACE Europe's Andrew Kendrick will influence the young risk managers and students who came to make an early start.

The newly elected FERMA President, Julia Graham, looked with pleasure at more than 200 women gathered for the Ladies in risk management lunch.

We're now putting our efforts into the celebrations for FERMA's 40th anniversary during the Seminar that will take place in Brussels from 20 to 21 October 2014.

Forum presentations are available at: <http://www.ferma.eu/ferma-forum-2013/presentations/>

Password: MAASTRICHT

Greater diversity would improve industry expertise and drive innovation

Ninety-nine out of 100 risk professionals interviewed at the FERMA Forum believe that diversity in terms of age, gender and cultural background is important to future business success.

According to research carried out by ACE, which sponsored the Ladies in risk management lunch, an overwhelming 87 per cent of interviewees also believe that diversity within the sector has improved over the last five years.

However, the majority (56 per cent) of respondents think there is still work to be done to improve diversity in their own businesses. The top three improvements they would like to see at their own companies are: more women in senior roles, a greater range of cultures and nationalities, and more younger staff making their way up the ranks.

Pat Goudarzi, director of sales and distribution for ACE in Continental Europe, said: "One of the main improvements that respondents want to see in the future is an increase in the number of women in senior roles. While there is clearly room for improvement, there are also clear signs of progress as demonstrated by the number of women joining the ladies' lunch at the FERMA Forum".

ACE's research was carried out between 30 September and 2 October at the 2013 FERMA Forum in Maastricht. 100 respondents were interviewed from insurance, risk management, broking and service functions across the sector.

Features of the keynotes, panels and ladies in risk management lunch

Solvency 2 delays hurt insurers and customers



Further delays to the implementation of Solvency 2 will compromise the ability of European insurers to deliver protection for their clients in a riskier world, said Professor Karel Van Hulle, the opening keynote speaker. The former head of pensions and insurance for the European Commission said Solvency 2 was not likely to enter into force before 2016, a date which has since been confirmed, and he urged the European organisations involved to conclude their discussions as soon as possible in the interest of all stakeholders.

Learning to work with unknowns

Bertrand Piccard, initiator, chairman and pilot of Solar Impulse, shared his fantastic experience of building a successful zero fuel airplane and flying day and night powered by the sun. The goal of his project was to create a revolution in the



mindset of people. And as a psychiatrist, which he is also, Dr Piccard gave a lesson on working with the unknowns in the world; you have to dare to go outside the safety of your usual environment. Inspire and motivate others, he said.

A triologue on insurance – three panel discussions

Triologue, a word apparently invented by the European Commission. Or was it a three way marriage as Cathy Smith, the panel discussions moderator, suggested? Either way, the issues of the insurance industry got a thorough discussion across the three panels: risk managers, insurers and brokers.

Commercial insurance buyers would like more good and timely data, more consistent interpretation of policy wordings and better communication from their insurers about how they arrive at their underwriting decisions, to name a few comments from the risk managers' panel. At the same time, when asked how many points out of 10 they would give overall to the insurance industry as partners, all four risk managers put them at 7 or more.

At their panel discussions, the insurers and brokers took on board the comments of risk managers. They reacted to the comments that while insurers' ability to pay was one thing; their willingness to pay was another. The insurers admitted there was work to be done here, but pointed out that major events are very often fortuitous and so not what was imagined when the policy started. That's when judgement was needed and things could get tricky. The brokers pointed out there was a lack of innovation to deal with the impact of slow settlement on a company's cash flow. No immediate proposals were on offer, but insurers and brokers stressed the importance of dialogue and collaboration.

Ladies in risk management lunch

FERMA's Ladies in risk management lunch were @lunch to hear full time independent director Sanna Suvanto-Harsaae and DLA Piper board member Janet Legrand talk about getting more women into top management and on to the board. Neither believes that quotas are the answer now. In Norway, where there are quotas, board appointments had the effect of reducing the number of women in senior management, said Sanna. She and Janet argued that women should equip themselves with a professional skill which is valuable to the board and in-depth knowledge of their business – and then knock firmly on the door.



Young risk professionals: careers at breakfast



Andrew Kendrick, President of ACE European Group, hosted the breakfast event for 70 young professionals from across the spheres of corporate risk management, broking, insurance, loss adjusting and other related functions. Sharing some of his own experiences from a 37 year career in insurance, he said that, in his view, corporate risk management today offers better career prospects than ever before.

He said: “The profile of risk management has been rising since the global financial crisis. Today, it is a much better appreciated discipline. It is one which touches and interacts with every part of the company. It offers a real insight into business strategy and operations. It, therefore, not only offers increased career potential within the finance function, but also increasingly a springboard to a more general management role.”

With the help of Sjaak Schouteren, manager business development at Cunningham Lindsey Nederland and founder of Young Insurance Nederland, Titus Tiel Groenestege, director risk & insurance at Pon, and Jurrit Herber, insurance manager at Insurance Management (AIS), Andrew led the audience in a debate on three quite provocative questions and statements:

- “Young people all think they can reach the top – but are they willing to go the extra mile?” This attracted a wide variety of views from across the spectrum. While some agreed that younger employees could sometimes be guilty of lack of commitment, there was general consensus that successful career development requires a two-way commitment, both from the company and the individual.
- “Since young people are not loyal anymore, it's logical that companies are cautious about investing in their young talent.” From the corporate viewpoint, Andrew argued that loss of talent to a broker, client or other service company was not a sign of failure, and companies should see it as contributing to the continued development of the industry’s skill base.
- “Never start at a broking company or insurer – always start on the client side.” This elicited some interesting examples of personal commitment, with two of the risk managers stating that client-side roles were not always easy to come by, and that it had taken them nine and 13 years respectively to secure their in-house roles.



Andrew highlighted that, in his experience, patience is an important quality for anyone serious about their career development. In his view, it didn’t matter what order a career followed, but he had found that someone who spent time on the insurance, broking and client sectors could see the equation from every side and would present a well-rounded candidate for any employer.

A final question to Andrew was about his biggest mistake in his career. After a moment of reflection, he cited a lack of self confidence in the early stages that seemed to slow down his progression. Looking back, however, he said he believed the years of patient learning had ultimately been very well rewarded.



Some workshop highlights

International programmes

The news on international programmes tends to be bad or 'not so bad'. Regulators are increasingly inquisitive and reinforcing their exchanges of information. Tax authorities are developing proactive audits, especially in developed markets like the EU, USA, Canada and New Zealand. Tax rates on insurance products are tending to rise, although not always as much as in the Netherlands where they went from 6 to 21 per cent. To support compliance, insurers need to know the client's geographical footprint, local regulation and tax situation, as well as its risk management philosophy.

Risk management influencing the balance sheet

The panel of risk professionals tried to identify the impact of sound, integrated risk management on both sides of the balance sheet. They agreed that in bad times high maturity integrated risk management adds value. It brings stability to the results so commending a higher price/earnings (P/E) ratio for the shares, but to achieve the real reward requires it to be embedded in decision making at all levels.

Social media – a risk management challenge

Businesses need to consider social media's impact across all stakeholder groups and internal functions. It touches all stakeholders, internal and external, and all departments, including research and development, human resources, marketing and sales, and not just IT, Therefore, all of these functions should be involved in setting the social media policy of the organisation. Risk managers should build up their knowledge, act as negotiators between conflicting departments and finally bring the social media risk question where it belongs: at board level.

Climate change – new challenges and new approaches

It's impossible to argue with the figures. Natural catastrophe losses are costing insurers more because of increasing frequency and severity. But the reasons are less simple. They are partly the result of rising insurance penetration and growing sums insured. At the same time, these natural phenomena have socio-economic impacts, affecting the supply of clean water, human health and economic development, for instance.

An inevitable question from risk managers is: are we covered? In the context of a market driven by reinsurers, insurers could make the difference through their expertise and use of their pricing structures to stimulate resilience measures. At the same time, insurers alone cannot drive sustainable development. Collective involvement is necessary, but when faced with difficult situations and emotionally charged issues, public authorities are more comfortable falling back on familiar models and knowledge even when they have been contradicted than venturing into the unknown.

Travel

The traditional focus of travel, health and safety, is shifting from loss management and responsiveness to prevention and greater emphasis on the usage of analytics.

Most popular workshops

- Enterprise risk management – fact or fiction
- Global risk mapping
- How to embed risk management as a strategic activity
- Risk communication
- Cyber risks

