

The Actuary in Managing Risks: Importance of 2nd Opinion

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Embracing Challenges for Growth and Opportunities

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Agenda

- The Actuary: Go-to person for advice
- Formal 2nd Opinion in an ERM context
- 2nd Opinion on Key Insurance Processes
- Risk mitigation vs. Risk avoidance

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The Actuary: Go-to person for advice

- Products
- Underwriting
- Claims
- Business projections
- Etcetera

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Formal 2nd Opinion in an ERM Context

- Value of a formal 2nd Opinion
- Risk Management framework : Three Lines of Defense
 - Importance of independence
- Risk-based 2nd Opinion
 - Looks at risk categories
 - According to key insurance processes

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2nd Opinion on Key Insurance Processes

- Insurance risks



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2nd Opinion on Key Insurance Processes

- Financial risks



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2nd Opinion on Key Insurance Processes

- Operational risks



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2nd Opinion on Key Insurance Processes

- Other risks



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Risk mitigation vs. Risk avoidance

- Role of the Actuary as a risk manager is not to prevent the business from taking risks but to properly identify and manage the risks the business is willing to take.

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“Green light, STOP - if you want to see where you are taking the most risk, look where you are making the most money.”

-Paul Gibbons, *The Science of Successful Organizational Change: How Leaders Set Strategy, Change Behavior, and Create an Agile Culture*

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