



Insurance Risk Management

Claim and Persistency

Prudential ERM Seminar - 10 September 2015

Alan Merten, Market Leader, Insurance Consulting, Asia Pacific

Muhammad Ismail, Director, Risk Consulting, Indonesia

Agenda

- Why do we run insurance companies?
- How do we run insurance companies?
 - Management of insurance risk & reward
 - Claims – To pay or not to pay, that is the question!
 - Persistency / Renewals – The nirvana of Lifetime Customer Value
- What does the new world mean for us?
- Embedding ERM in the organisation



What is insurance?



Key features of insurance



- (hopefully) Long-term contracts between customer and insurer



- Premiums paid in advance
 - In return, insurer needs to be ready to pay claims/benefits later
 - Amounts can be substantial



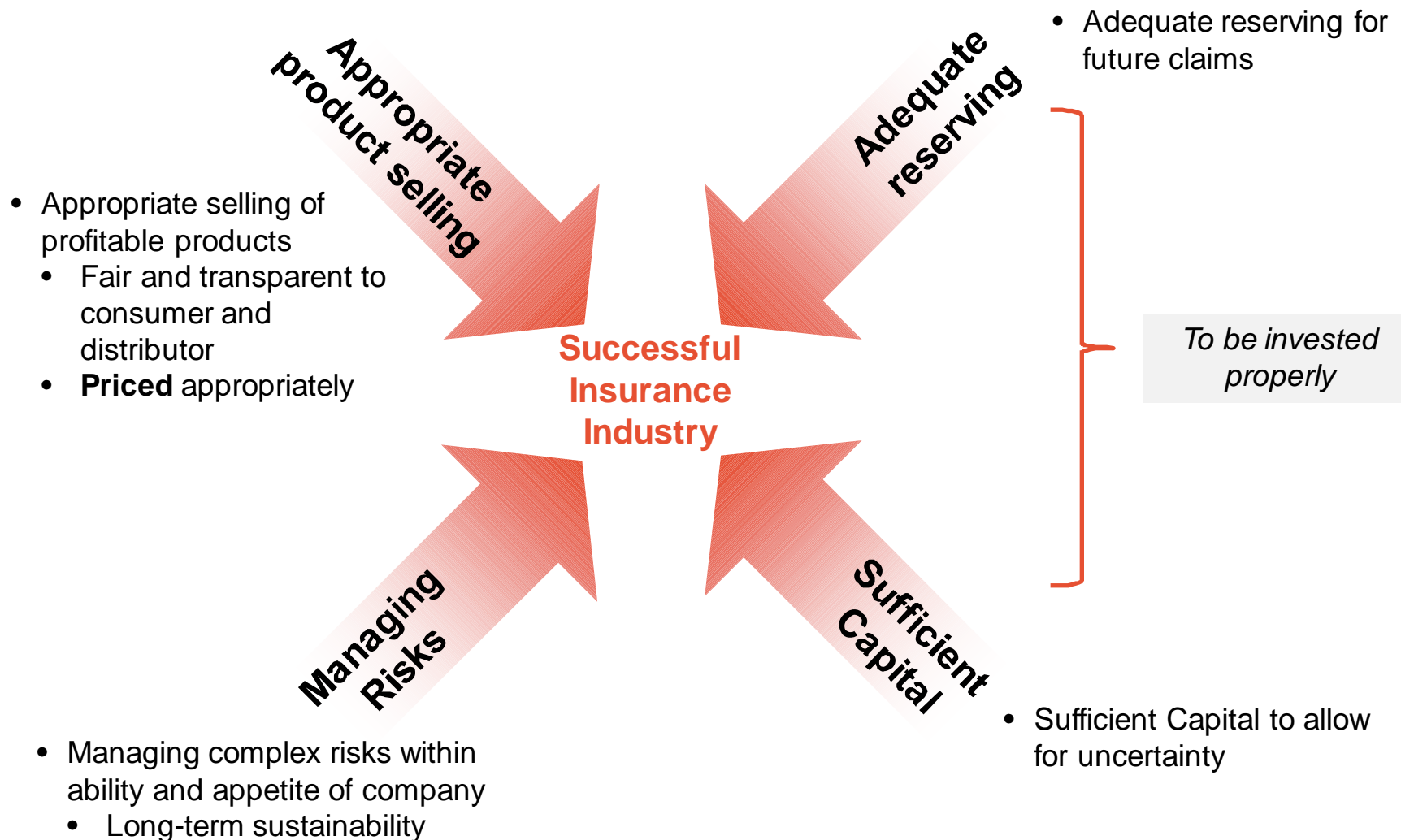
- Consumers need to be able to trust the industry



- Uncertainty and large amounts of money at stake



Key aspects of a successful insurance industry



Dealing with Risk

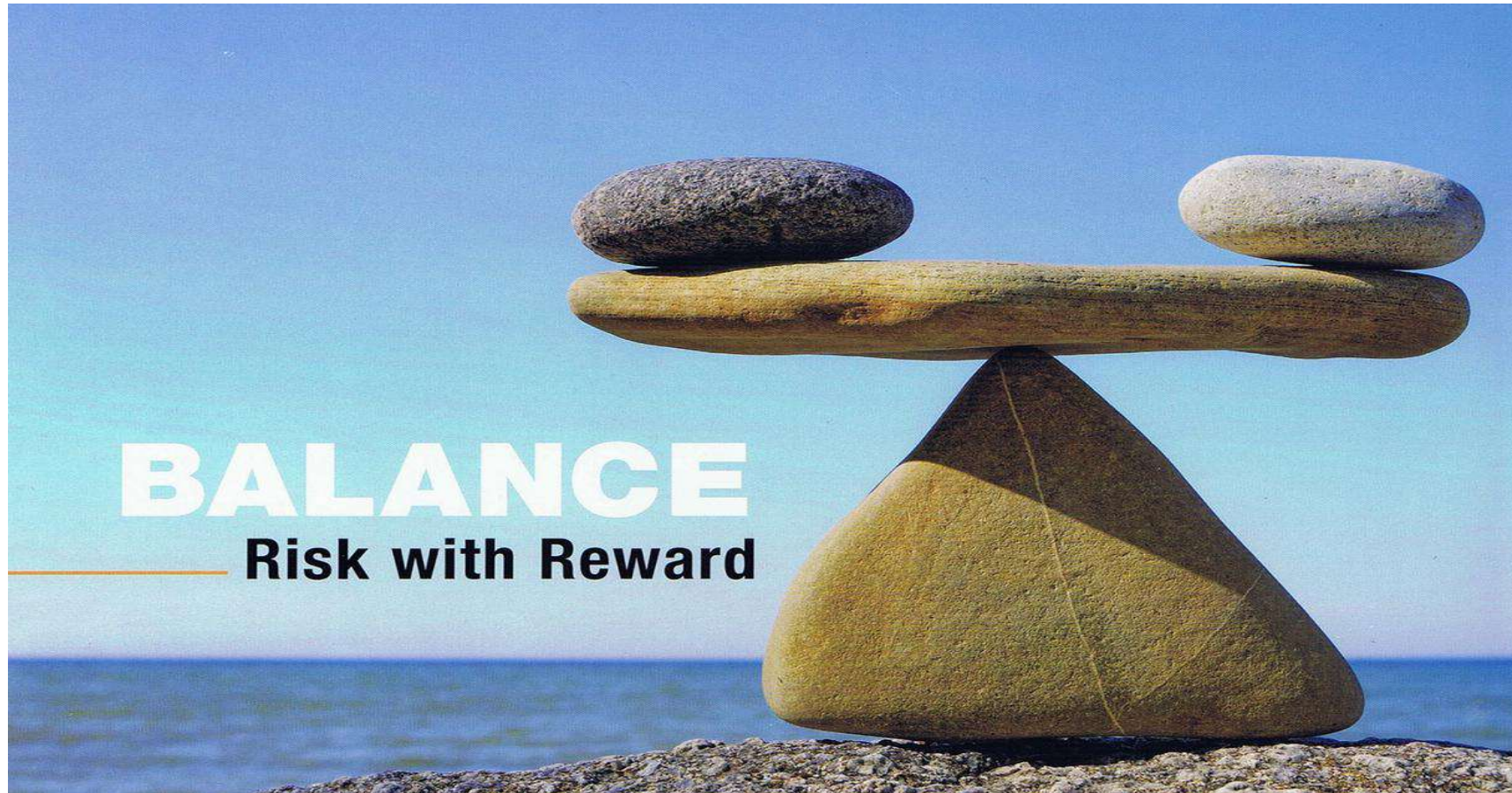
Risk is the possibility of loss and there is an uncertainty element to it.

In dealing with risks, one can:

- **Avoid**
- **Control**
- **Retaining**
- **Transfer**

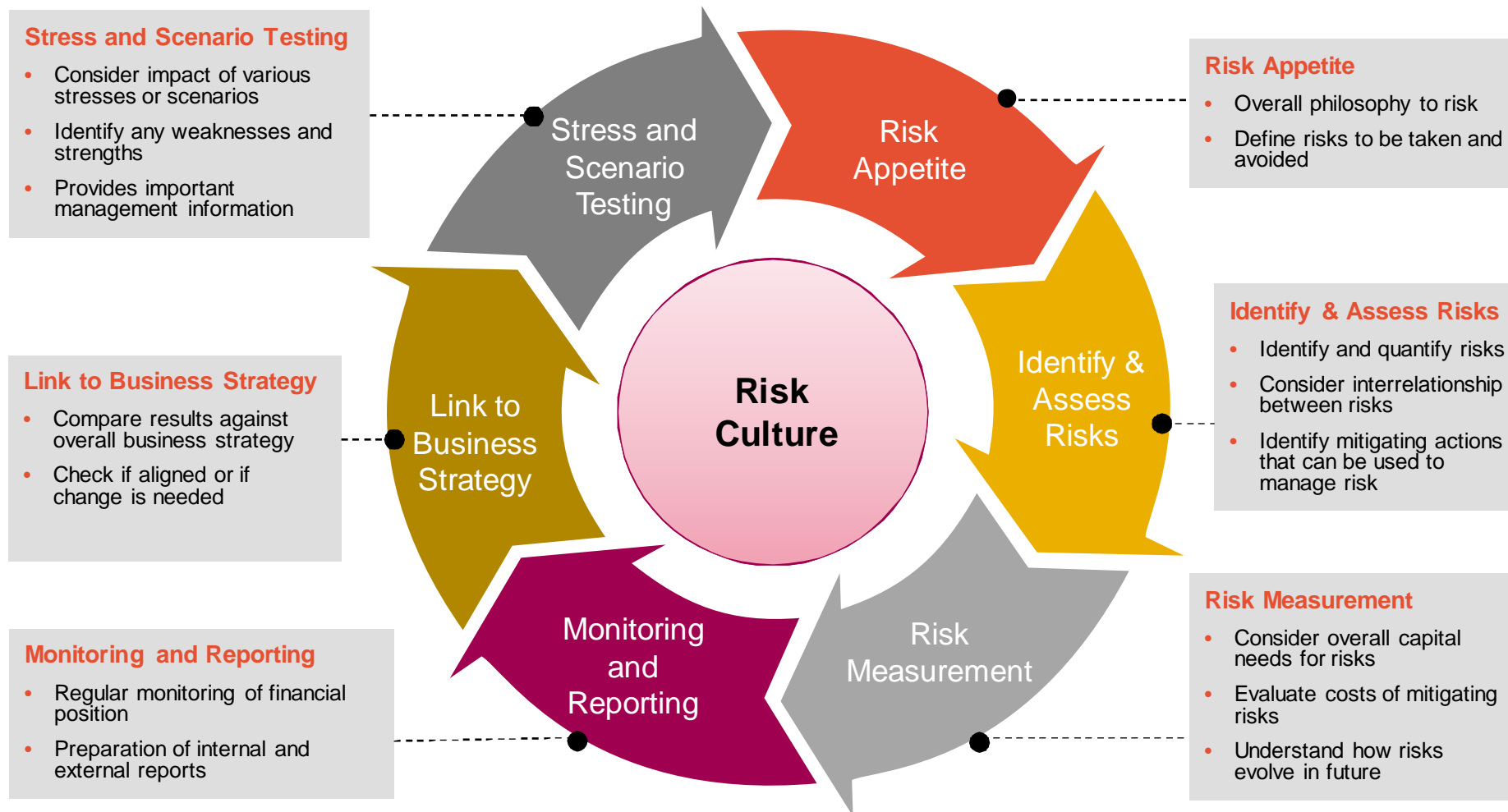


What is risk management: balancing risk and reward



Good risk management allows companies to align risk and reward with business strategy and proactively take advantage of opportunities and protect the downside.

Enterprise Risk Management



ERM in the organisation

Which of the following areas present the greatest challenges to your organization in terms of implementing ERM over the next 12 months? Pick 3 out of the below

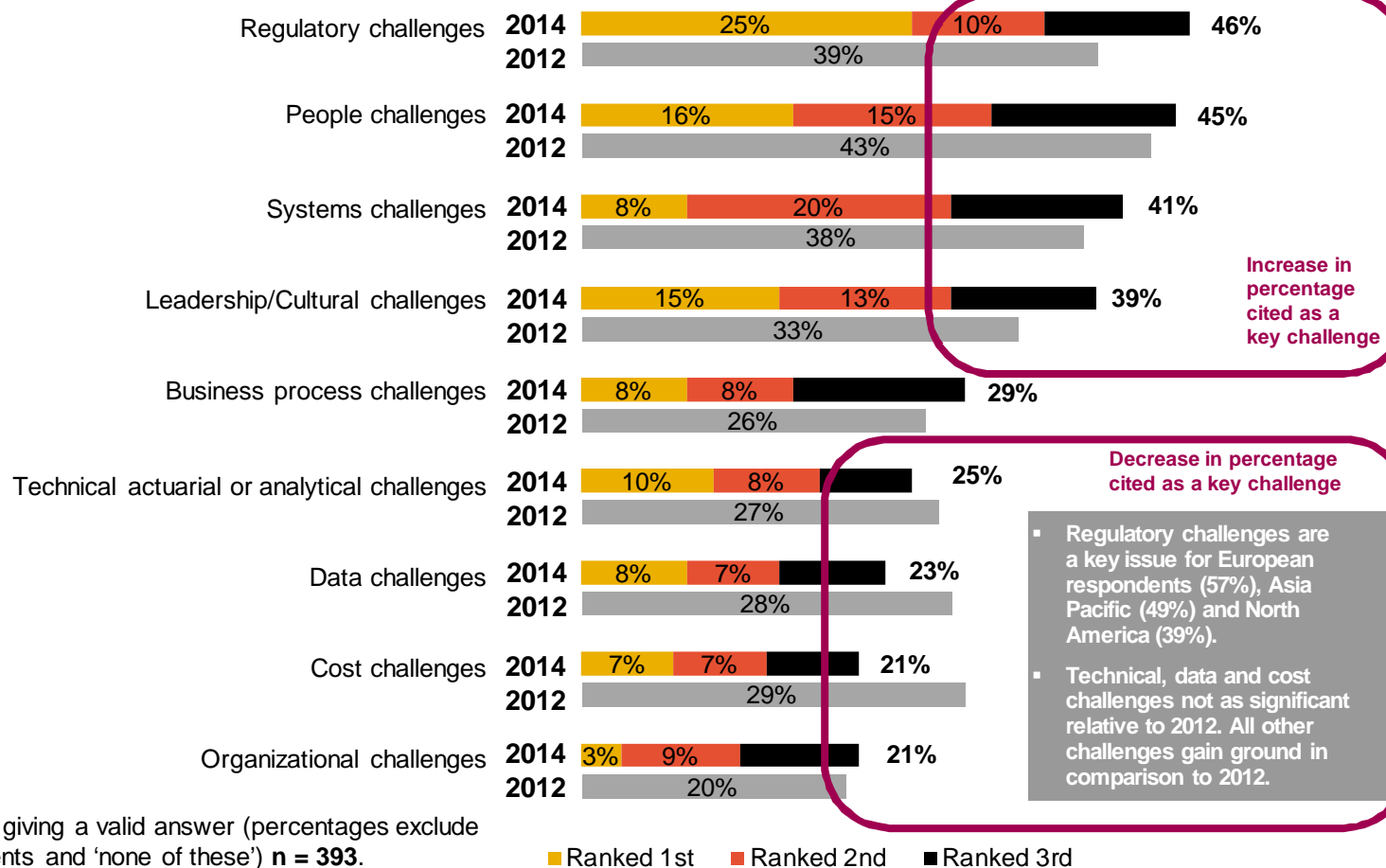


Challenges over the next 12 months	<i>What do we mean?</i>
1. Regulatory	Uncertainty over impact and direction of regulations
2. People	Availability of resources, training, skills and capabilities
3. Systems	Building systems to provide timely information for decision making
4. Leadership / Cultural	Driving implementation of a new process
5. Business process	Redesigning the decision-making process
6. Technical actuarial or analytical	Defining appropriate methodology
7. Data	Gathering timely and accurate data
8. Cost	Too expensive
9. Organizational	Division of responsibilities between risk, finance and actuarial

How do your answers compare to our ERM Survey 2014?

Q.12

Which of the following areas present the greatest challenges to your organization in terms of implementing ERM over the next 12 months?



Base: Those giving a valid answer (percentages exclude non-respondents and 'none of these') n = 393.

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Risk areas

Enterprise risks overview

Market Risk	Equity	Property	Operational Risk	Legal	Compliance
	Interest rate	Volatility		Internal Fraud	Business disruption
	Currency	Inflation		External Fraud	Data governance
	Concentration			Employment practices	Property damage
Credit and Funding Risk	Default	Reinsurance	Other Risks	Process	IT & Systems
	Contingent	Funding Rate		Political	Regulatory
	Settlement			Reputational	Misconduct
Insurance Risk	Longevity	Morbidity		Strategic	Emerging
	Mortality	Catastrophe	Many more...		
	Persistency	New business			
	Expense	Pricing & Underwriting			
	Reserving	Pricing			

Importance of assumptions

Model

- Model is only useful if it is based on reliable input (i.e. assumptions)

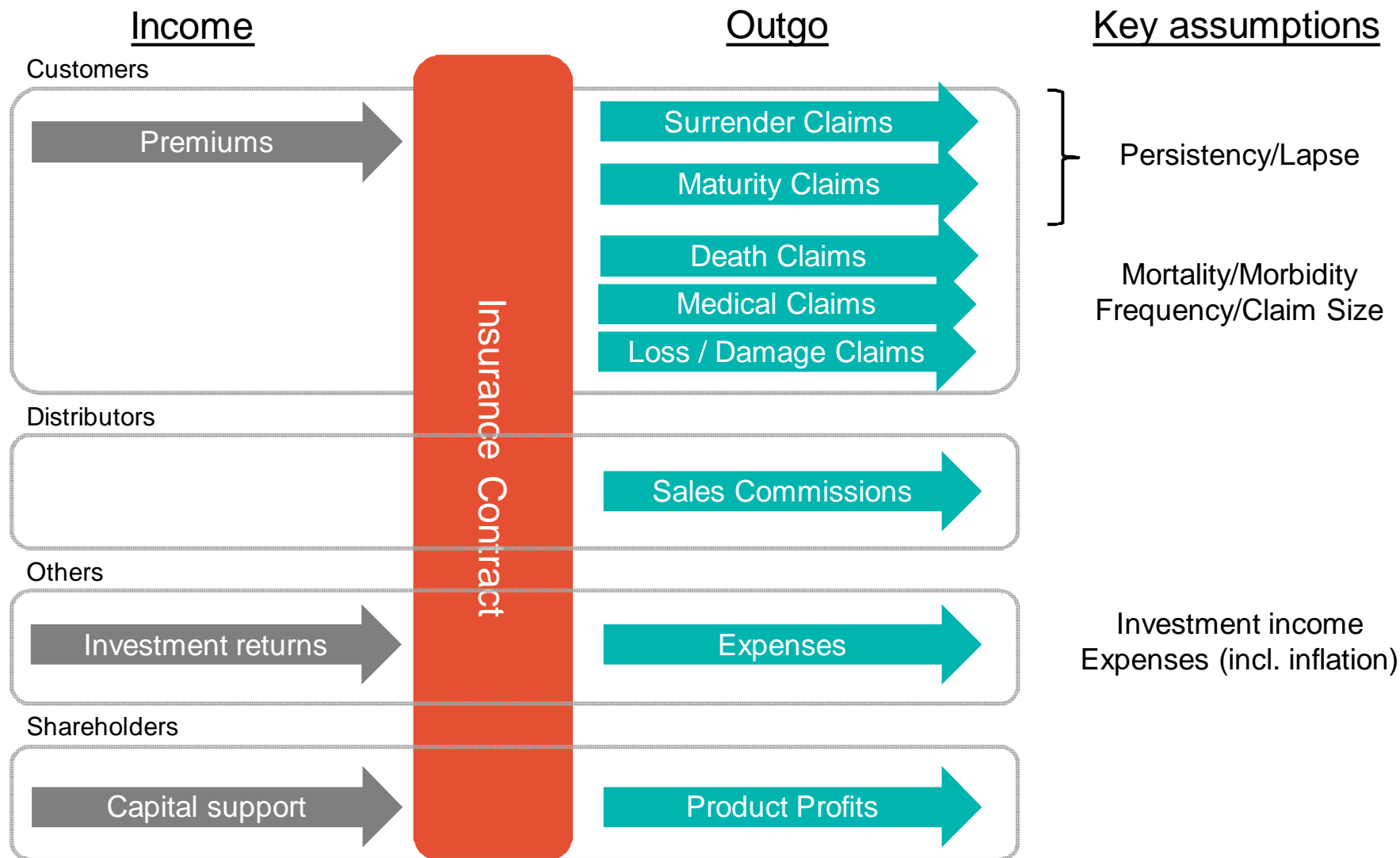
Information

- Information is key to setting assumptions for the initial pricing and ongoing management of products
 - Good information -> effective assumption setting
 - Poor information -> additional margins to allow for uncertainty
 - Impact on
 - Pricing: Competitiveness and profitability of insurer, value and security to policyholders
 - Management: Effectiveness of management

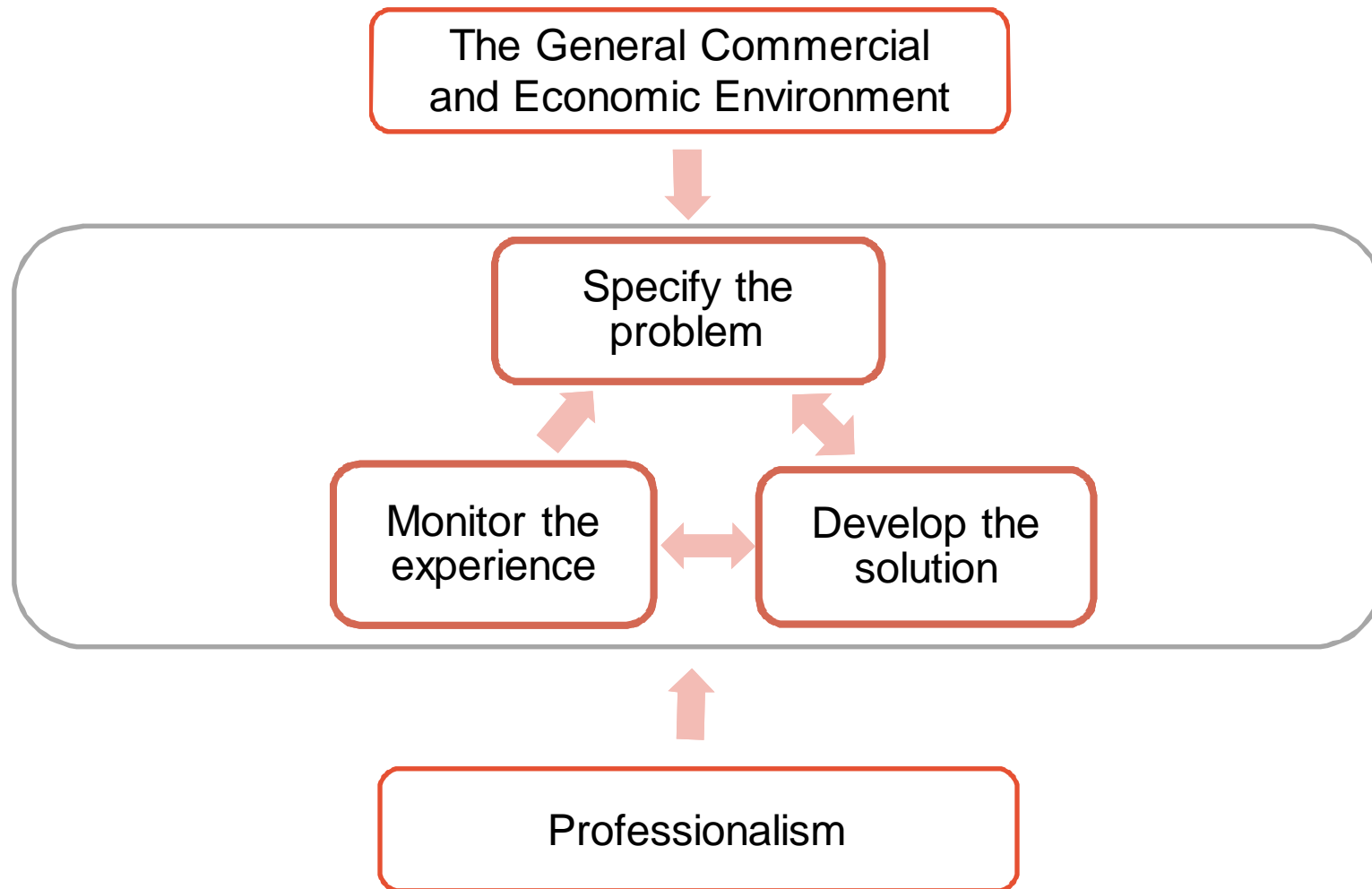
Development of information

- Illustrated by the Actuarial Control Cycle
 - Applied throughout the life cycle of the product, from pricing to management
- Dependent on proper collection of detailed information by
 - Industry/Regulator/Government body
 - Individual companies

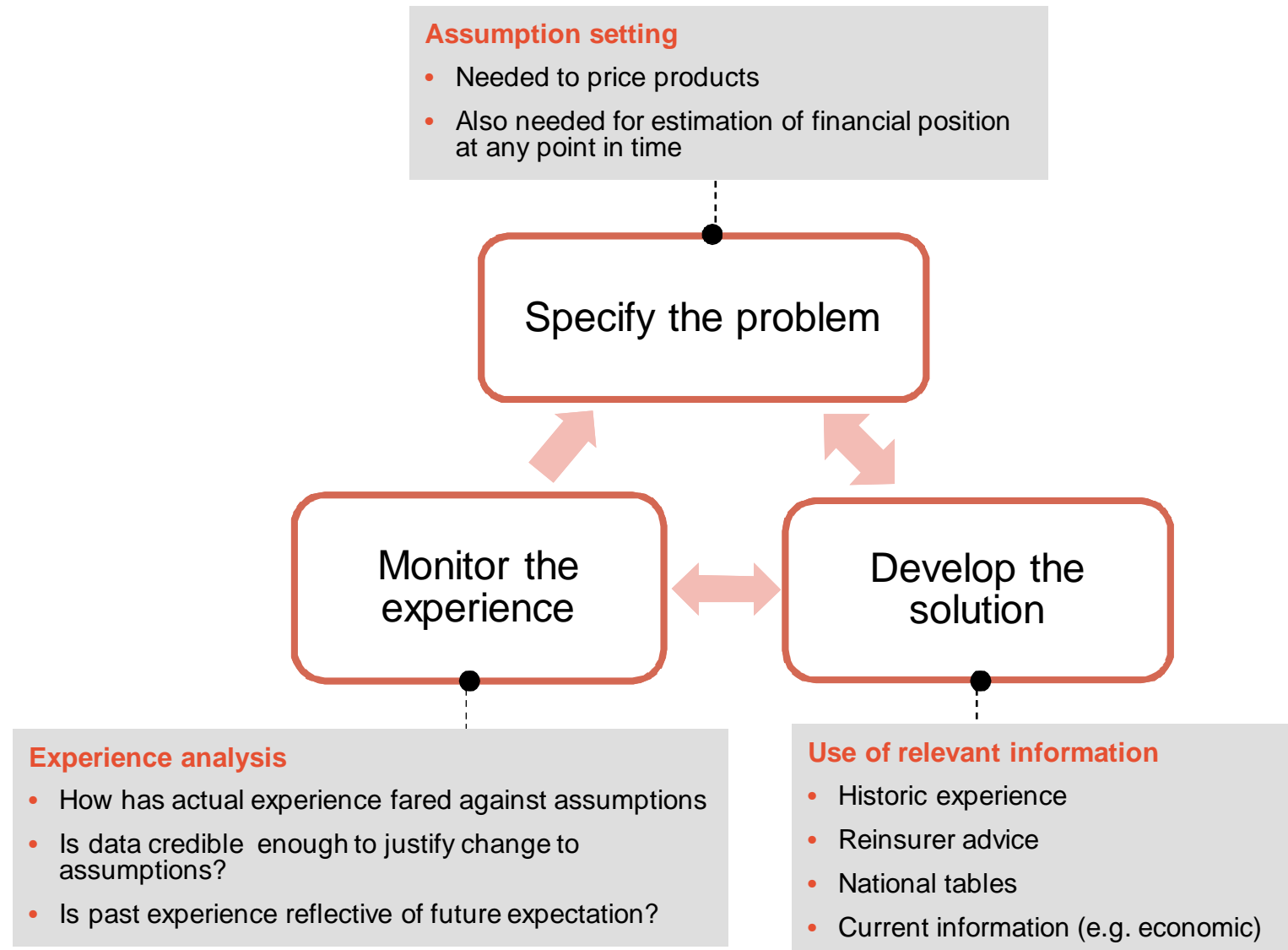
Key assumptions needed for pricing



Actuarial Control Cycle



Actuarial Control Cycle – Assumption setting



Example

Term Assurance Product

- Policy lasts for 10 years
- Policyholder pays a fixed premium every year
- If policyholder
 - dies during policy term, beneficiary receives a fixed lump sum payout
(e.g. IDR100m)
 - survives till the end of the policy, no benefits are paid
- Policyholder can terminate policy at any time

- **How to determine an appropriate premium to charge?**

Example – Transfer Risk: the Impact of Reinsurance

- Sample projected cashflows for term assurance product

	1	2	3	4	5	6	7	8	9	10
Premium	1,000	850	765	708	672	639	619	601	583	565
Reinsurance premium	(389)	(330)	(304)	(295)	(301)	(314)	(340)	(369)	(400)	(429)
Claims	(505)	(429)	(395)	(383)	(391)	(408)	(441)	(479)	(519)	(557)
Reinsurance claims	353	300	276	268	273	285	309	336	363	390
Expense	(100)	(43)	(38)	(35)	(34)	(32)	(31)	(30)	(29)	(28)
Commission	(500)	(255)	(77)	(28)	(27)	-	-	-	-	-
Increase in Reserve	(540)	74	(72)	(86)	(44)	(15)	53	129	210	290
Investment Income	21	25	29	31	32	32	31	27	21	12
Gross Income	(659)	193	184	179	181	188	200	214	229	243
Tax	165	(48)	(46)	(45)	(45)	(47)	(50)	(54)	(57)	(61)
Net Income	(494)	145	138	135	136	141	150	161	172	182

Source: Sample cashflows from financial modelling software MoSes™

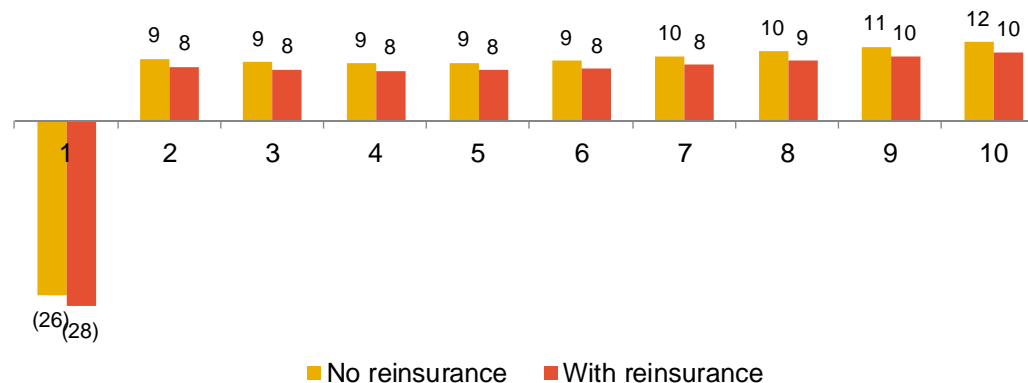
	No Reinsurance	With Reinsurance
Payback Period	4	5
Breakeven Year	2	2
IRR	33%	25%
Profit Margin (% annual premium)	49%	34%

- Usage of reinsurance reduces overall profits as profits are shared with the reinsurer

Example – Impact of Reinsurance

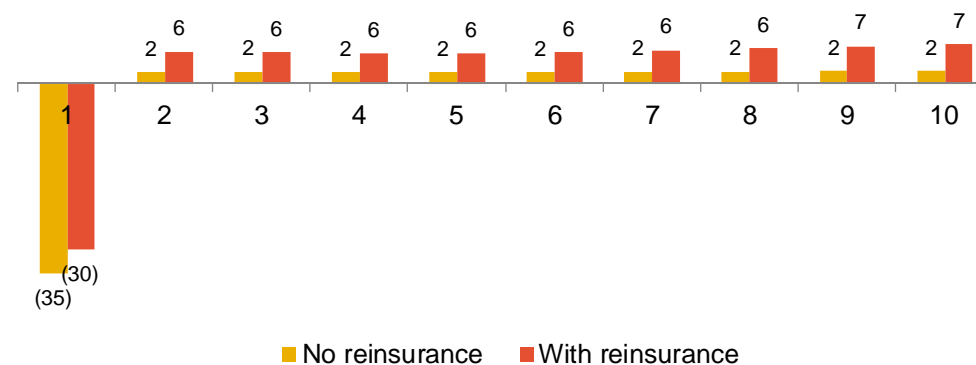
If results are according to plan,

	No Reinsurance	With Reinsurance
Payback Period	4	5
Breakeven Year	2	2
IRR	33%	25%
Profit Margin (% annual premium)	49%	34%



If claims are 40% higher than expected,

	No Reinsurance	With Reinsurance
Payback Period	-	6
Breakeven Year	2	2
IRR	-10%	13%
Profit Margin (% annual premium)	-38%	7%



Reinsurance helps reduce volatility of results

Mortality / Morbidity

What?

- Comparison with industry tables
- Comparison with reinsurers' rates
- Comparisons with pricing assumptions

Considerations

Frequency

Volume of data / credibility

Adjustments

Selection

Male / female

Non-smoker / smoker

AIDS (talk to reinsurers)

Lapses / Persistency

What?

- **Monitoring trends**
- **Comparison with industry data**
- **Comparisons with pricing assumptions**

Considerations

Frequency

Analyse by plan code

Analyse by duration

Base plans/ riders

Distribution channel

How strong do risk factors impact financial results ?

Consider impacts of mortality and persistency risk factors on profit margin for various typical product types :

Change in profit margin (illustrative)	Educational Endowment	SP MRTA	15 Pay Wholelife
Mortality +20%	- 0.45%	- 6.60%	- 2.50%
Mortality +40%	- 0.90%	- 13.20%	- 6.40%
Lapse +20%	- 0.80%	- 0.30%	+ 0.30%
Lapse +40%	- 1.70%	- 0.60%	+ 0.50%

Mortality risk has a strong impact on SP MRTA and also but less on 15-Pay Wholelife, and a very little impact on Educational Endowment. More sophisticated monitoring needs to be performed on mortality experience of SP MRTA and 15-Pay WOL.

Lapse risk has little impacts on all those products.



In performing an experience analysis, the impact on results should be considered, before going into too much detail.

Key assumptions – life insurance example

	Discount rate	Investment return	Bonus policy	Decrement rate	Expenses
Par / Universal Life	✓✓✓	✓✓	✓✓✓	✓✓	✓
Unit Linked	✓✓✓	✓✓	-	✓✓	✓✓✓
Non Par Protection	✓✓✓	✓	-	✓✓✓	✓✓✓
Non Par Savings	✓✓✓	✓✓✓	-	✓✓	✓✓



What about for your overall business???????

ERM in the organisation

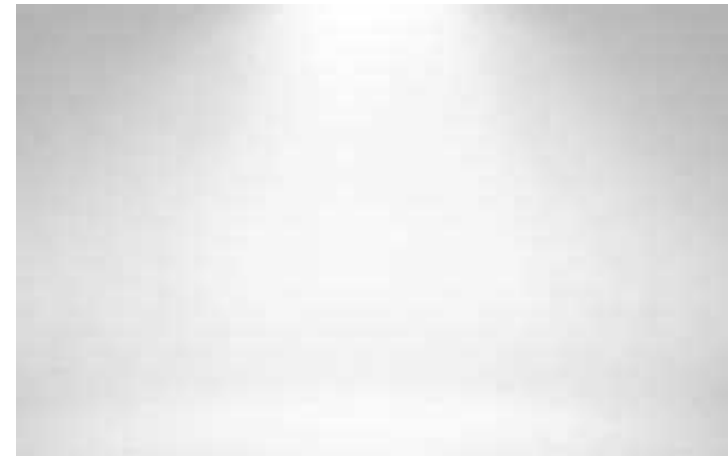
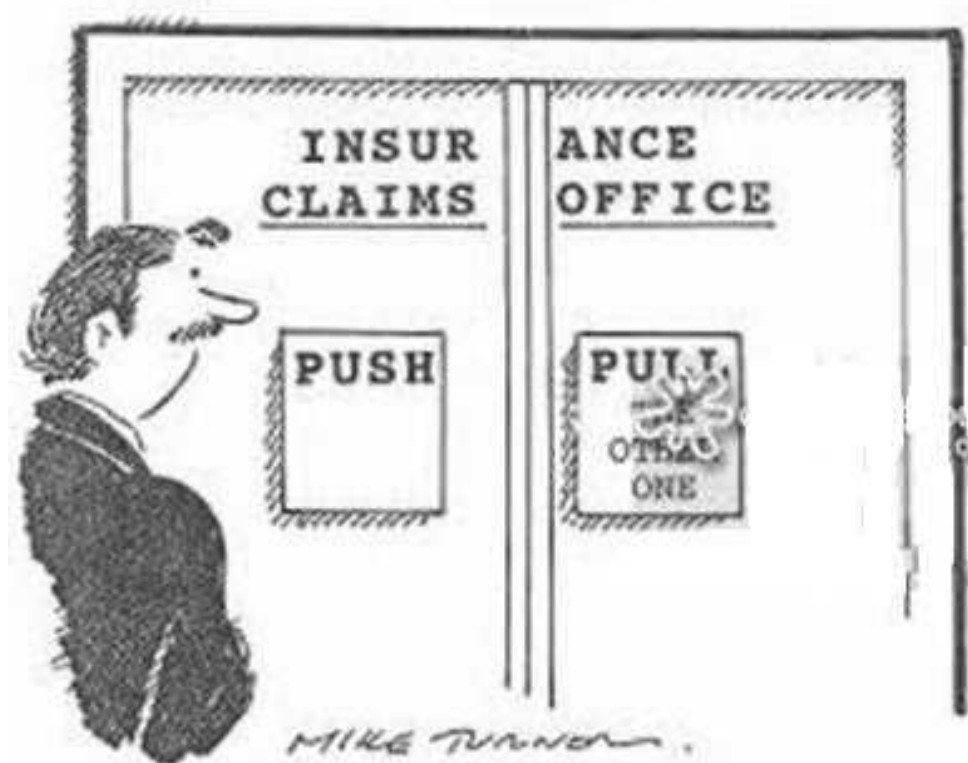
What are the main challenges in understanding your company's persistency/renewal experience?

(choose your top 2)

1. Lack of data
2. Inaccuracies of data
3. Lack of people (with competence) to analyse
4. Can't do anything about improving it so we don't spend time on it
5. Low priority to spend time on vs other things



Let's remember though - we are in the business of paying claims...



<https://www.youtube.com/watch?v=RXUvZxjJhig>

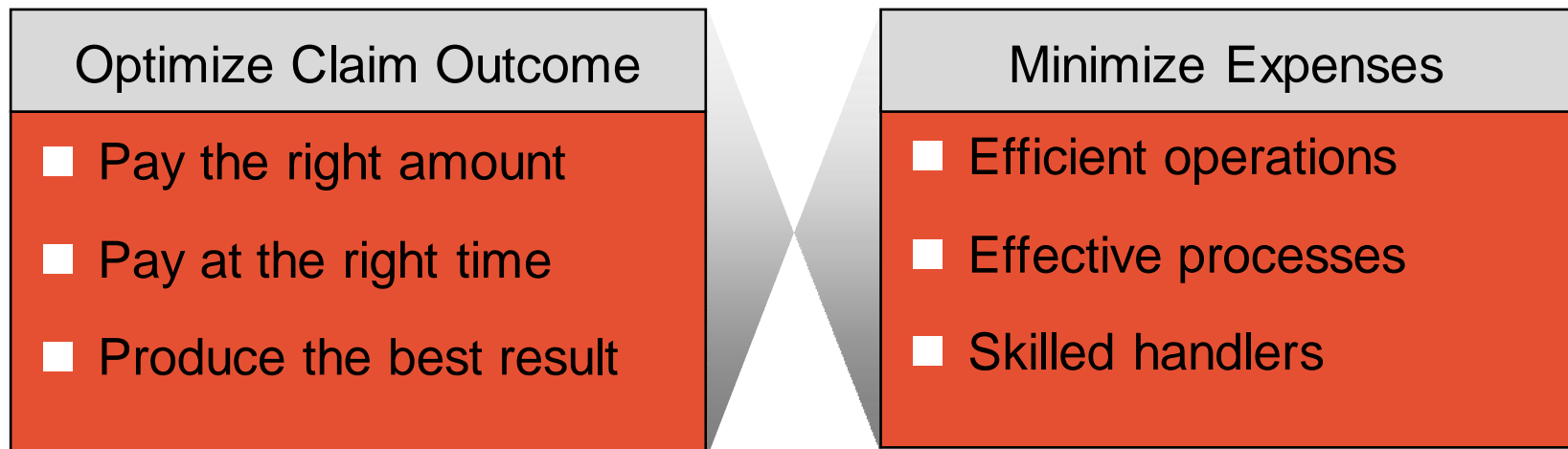
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Goals for managing claims have not changed over time

Primary goals for claim management are consistent and clear across the industry



Claims Philosophy

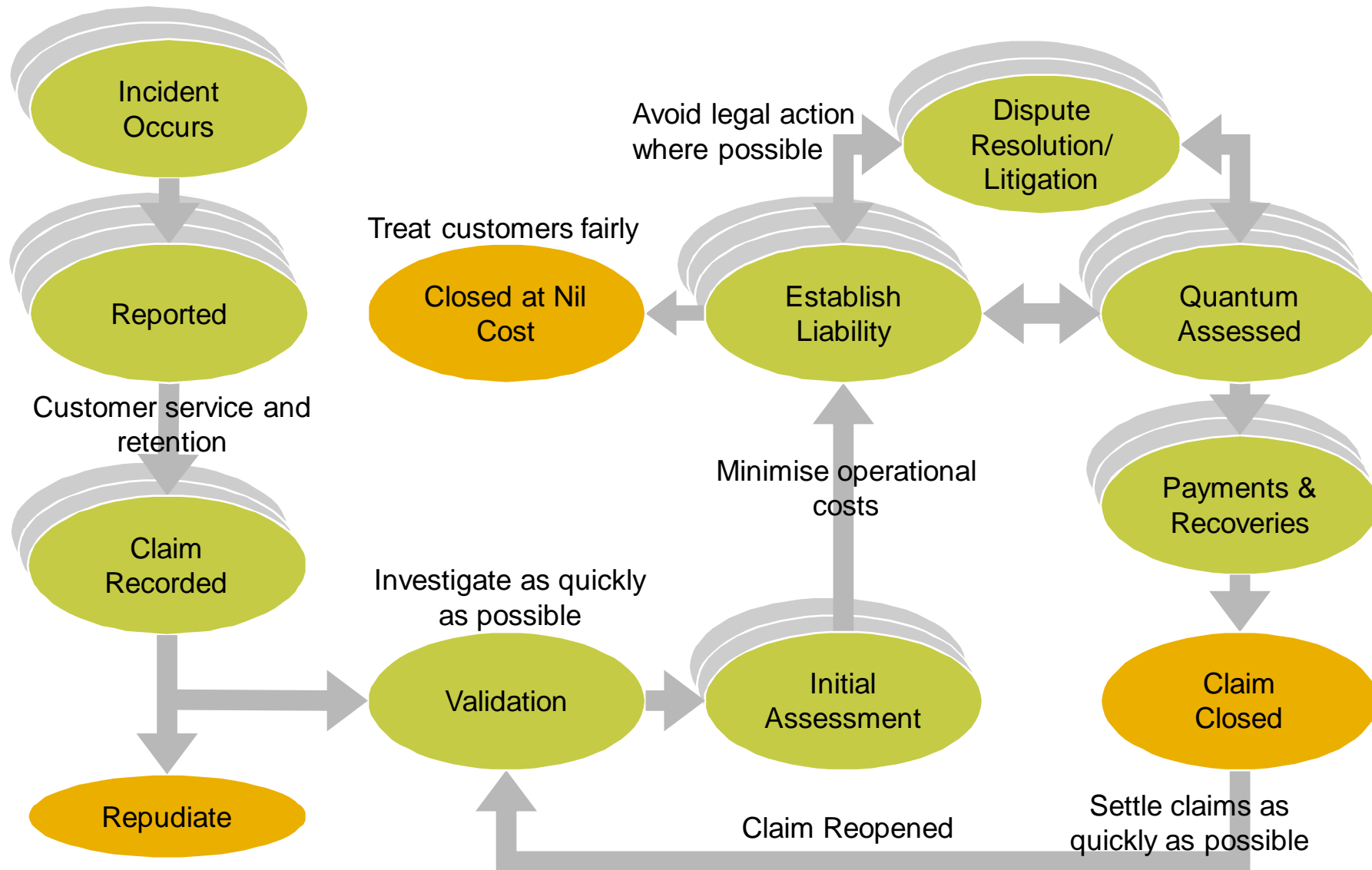
What is a claims philosophy?

A high level **written approach to claims management** that is distributed throughout the company

The aim:

- Describes the required **balance** of **service level** and **costs**
- Ensures potentially **conflicting requirements** are formed into a **cohesive approach** to claims
- **Informs** the **role** of the **claims department** and **claims manager**
- **Sets** the **standards** that will be required from the **claims management**
- **Approach** to **outsourcing**

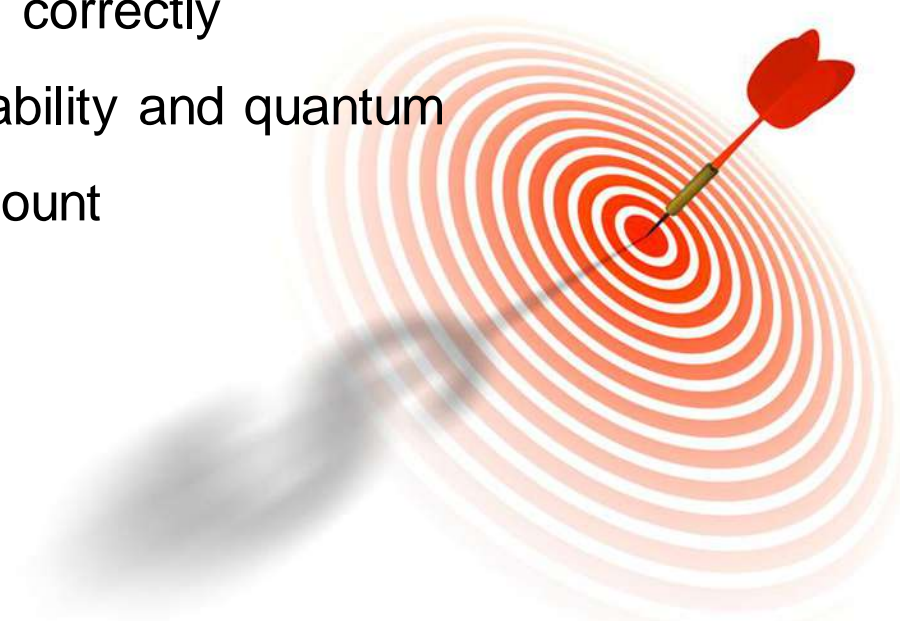
What is Claims Management



Overpayment of Claims

For what reasons would claims be over-paid?

- \$ Cause of loss wasn't within scope of policy
- \$ Excess was not properly applied
- \$ Claim was covered and paid under more than one policy
- \$ Loss date was not within the effective policy dates
- \$ Under-insurance not calculated correctly
- \$ Insufficient investigation in to liability and quantum
- \$ Depreciation not taken into account
- \$ Inappropriate expert hired
- \$ Wear and tear not applied
- \$ Recoveries not made in time
- \$ Fraud & Over-servicing



Managing Claims

What statistics will be useful to monitor the claim performance?



**Frequency and severity
split by claim type**



**Incurred losses vs.
ultimate claim cost**



Average claim size



Trends in claim cost



Speed of reporting



**Operational cost per
claim**

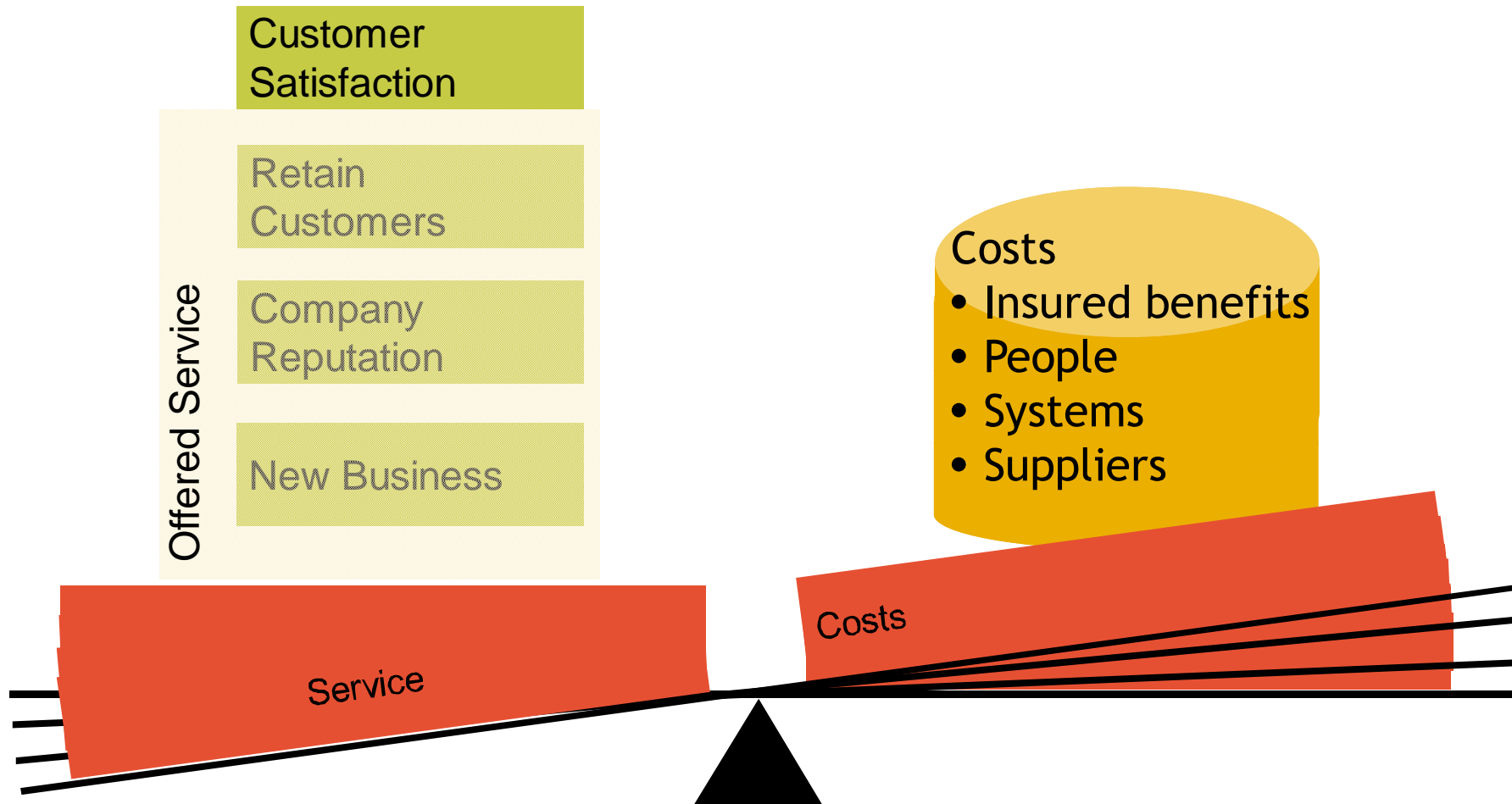


Speed of settlement



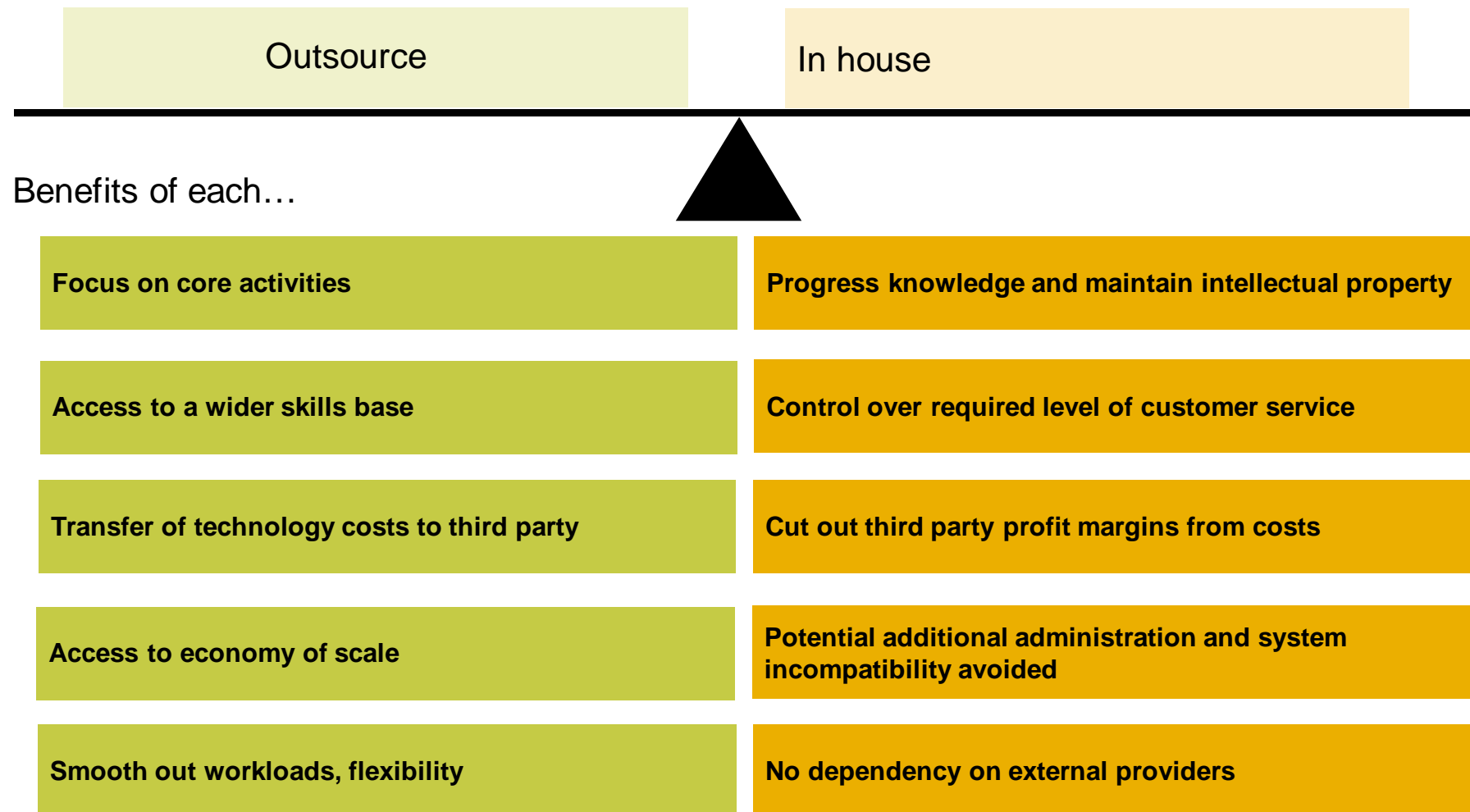
**Identifying large
claims**

A Balancing Act



A Balancing Act

Another element to the cost service balancing act is the decision on whether to outsource or keep the work in-house.



If you outsource – manage vendors well!

Towers Watson Vendor Accountability Model – Medical TPA example

	Define	Measure	Analyze	Improve	Control
Partner Integration	<ul style="list-style-type: none"> Vendor role Workflows Areas for collaboration 	<ul style="list-style-type: none"> Quarterly status assessments Annual performance reviews 	<ul style="list-style-type: none"> Experiences of patients, vendor partners and key constituents 	<ul style="list-style-type: none"> Strive toward a seamless, member-centric experience 	<ul style="list-style-type: none"> Update contract terms
Health Improvement	<ul style="list-style-type: none"> Clinical outcomes Improvement to member health 	<ul style="list-style-type: none"> Assess aggregate population results 	<ul style="list-style-type: none"> Clinical data Utilization statistics 	<ul style="list-style-type: none"> Health status of members Retention and productivity 	<ul style="list-style-type: none"> Partner linkage to common goals
Operational Performance	<ul style="list-style-type: none"> Service metrics Cost impact 	<ul style="list-style-type: none"> Quarterly reviews of self-reported results Periodic on-site comprehensive audit 	<ul style="list-style-type: none"> Administrative best practices Opportunities for process improvement 	<ul style="list-style-type: none"> Process effectiveness and efficiency Optimal use of resources 	<ul style="list-style-type: none"> Update performance standards
Value to Members	<ul style="list-style-type: none"> Perceived value Real value 	<ul style="list-style-type: none"> Annual reviews of vendor's satisfaction data Customized member survey 	<ul style="list-style-type: none"> Member satisfaction Impact on health and wellness 	<ul style="list-style-type: none"> Overall experience Relevant needs being met 	<ul style="list-style-type: none"> Update expectations
Financial Results	<ul style="list-style-type: none"> ROI Claims cost Administrative costs 	<ul style="list-style-type: none"> Monthly, quarterly and annual financial analysis Annual review of external indicators 	<ul style="list-style-type: none"> Cost drivers External influencers 	<ul style="list-style-type: none"> Reduce per unit costs Mitigate overall rate of increase 	<ul style="list-style-type: none"> Update expectations

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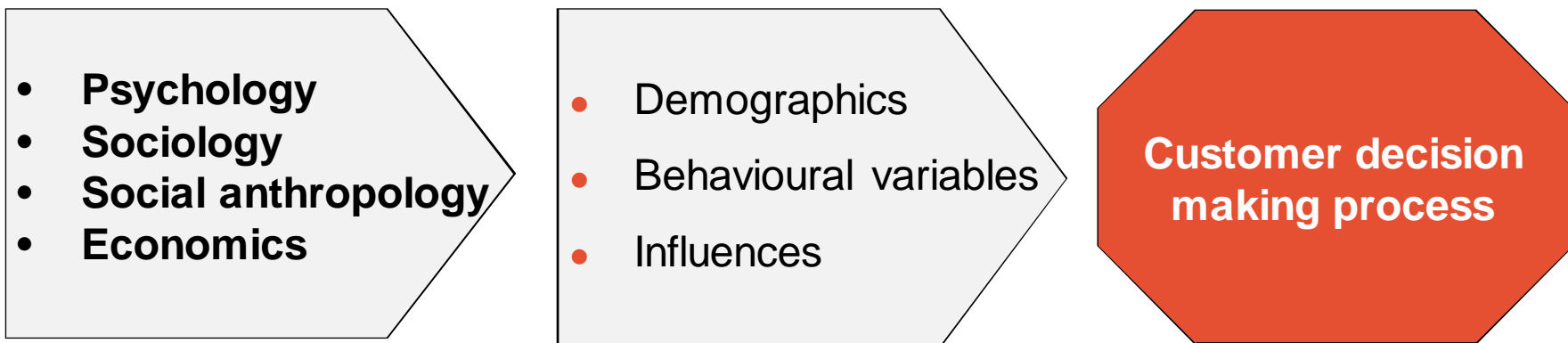
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Providers can reap benefits by attempting to understand consumer behaviour

Consumer behaviour is 'the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires.'

Belch and Belch



With the current climate and internal pressures keeping existing customers is paramount

**Consumers are more likely to be resistant to approaches by providers
Providers are more cautious in their spending**



Customer acquisition must be as efficient as possible
e.g. it is preferable to sell to customers who are likely to exhibit higher persistency

- Existing customers are cheaper to keep than new ones are to acquire
- It is cheaper to sell more to existing customers than to sell to new ones

**How can you hold on to existing customers, maximise the value from them
and more effectively target new customers?**

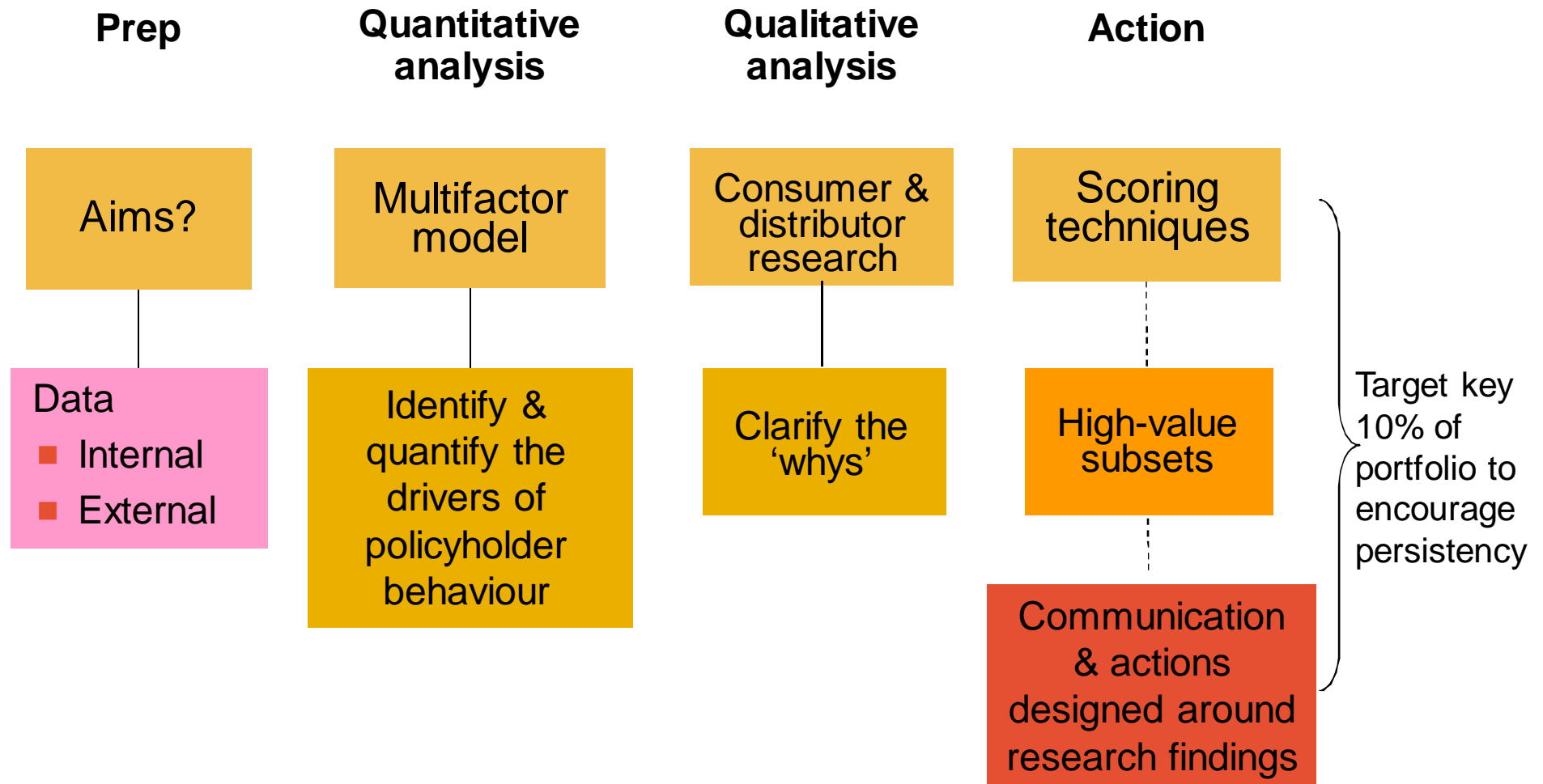
Lapse or non- renewal

Why don't customers stay with us?



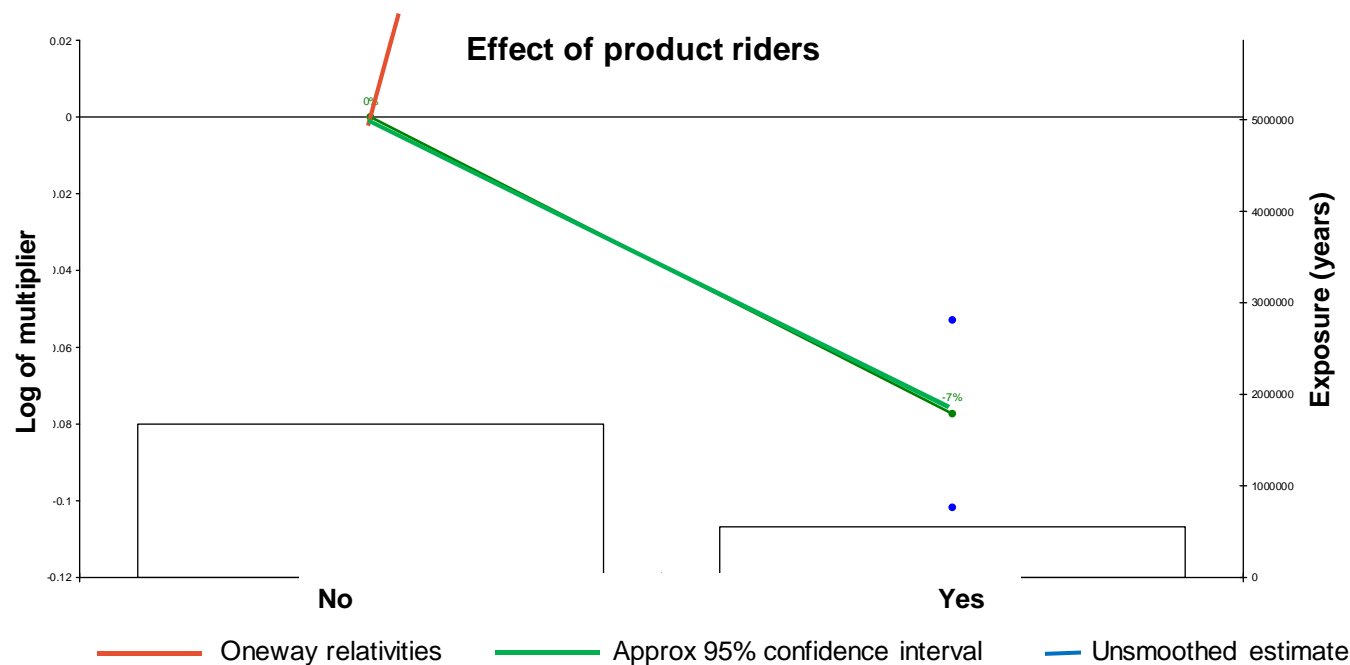
- 💣 Loss of relationship – seller moved from insurer
- 💣 Couldn't afford to keep paying
- 💣 Found alternative provider – price, quality, convenience
- 💣 Didn't see value in policy
- 💣 Dissatisfaction with insurer service
- 💣 Inconvenience of paying
- 💣 Was convinced to buy something they didn't really want
- 💣 Salesperson churned the policy
- 💣 Forgot to renew
- 💣 Product paid-out or matured (and no re-capture)
- 💣 Changing needs

A process for more informed portfolio management

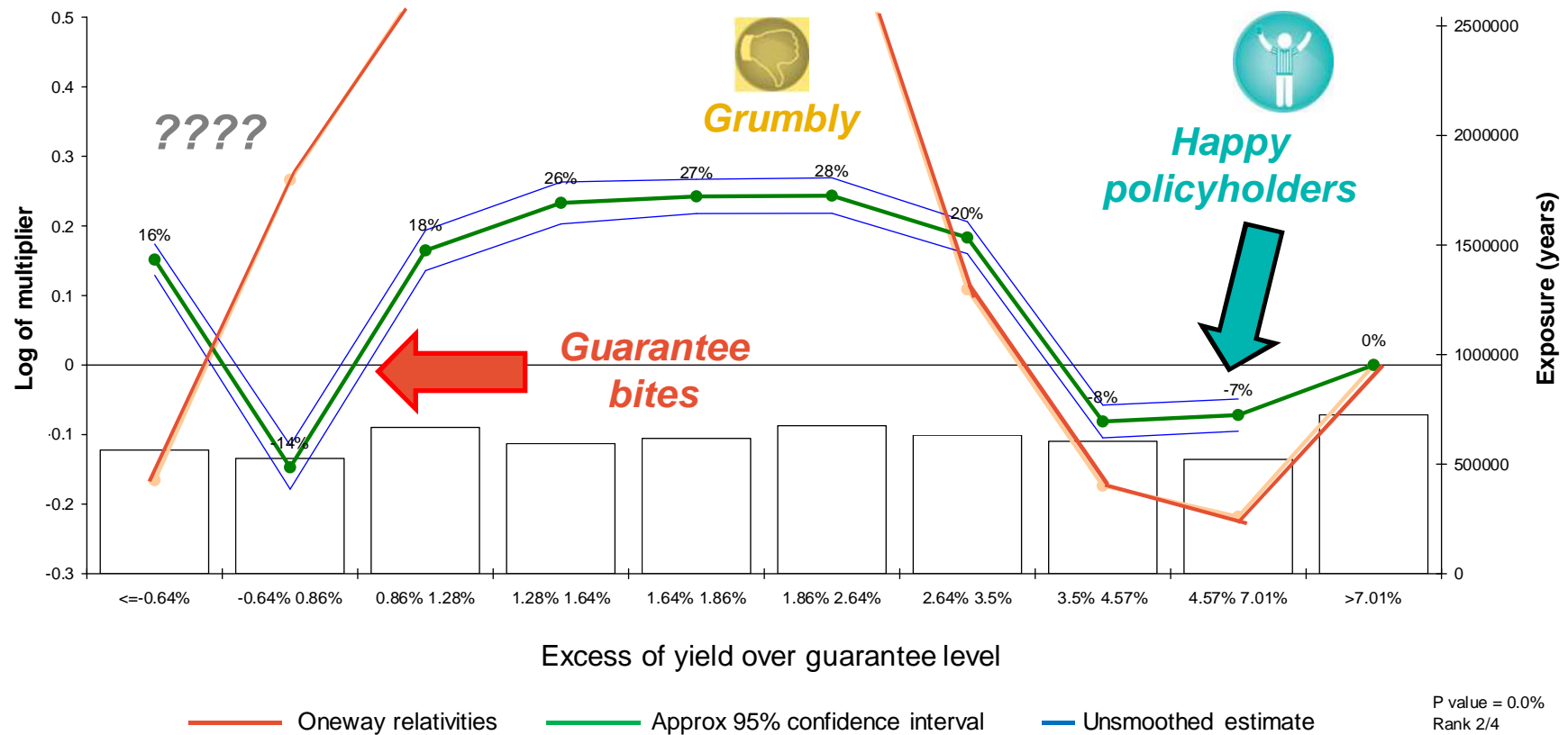


Experience analysis & assumption setting

- Investigate policyholder persistency & renewals for predictive purposes (ideally use multifactor models)
- Identify what factors influence lapse/surrender behaviour, and quantify that influence
- One of the factors can be an explicit time period factor (e.g. year or quarter of exposure) – by isolating time trends, renders other factors more accurate
- Use techniques such as generalised linear models (GLMs) to guard against correlations in data (e.g. normally see a strong correlation between policy duration and policyholder age)



Dynamic Policyholder Behaviour – Factor based on (own fund yield – guarantee)



Source: Towers Watson study of a European bancassurance business

Example 1: Manage persistency/renewal levels

Proposed analysis

1. Analyse in-force portfolio to identify customer groups with high “lifetime value”
2. Analyse own proprietary data to identify, as far as possible, drivers of retention using latest analytical techniques (e.g. GLM)
3. Determine (with distributor) how to communicate and influence high value customers

Examples of data sources to be considered

- Econometrics (e.g. historic and prospective data for interest rates, investment returns, affordability statistics)
- Socio-demographics (e.g. birth, marriage, divorce rates, migration, revenue income)
- Credit scoring (with bank partner or from 3rd party)
- Sentiment analysis – customers behavioural data

Potential benefits (throughout product cycle)

- Assess extent of persistency risk within key in-force portfolio groups
- Influence distribution, pricing, underwriting and marketing decisions (2nd line supporting 1st line of business)
- Increase value of in-force portfolios
- Improve long-term relationships with high value clients

Example 2: Product mis-selling management

Proposed analysis

1. Analyse Big Data sources to understand consumers' views and opinions on the major product groups being offered. Start with your own data!
2. Cast net locally or globally; feed in trends in global insurance perspectives.
3. Assess satisfaction/dissatisfaction trends, sentiment, expectations and identify regulatory and legislative opinion.

Examples of data sources to be considered

- Recorded customers' calls
- Complaints log
- Customers satisfaction surveys
- Ombudsman complaint data
- Non-purchase call logs
- Customer associations data
- Experian – Hitwise
- Social media

Potential benefits (throughout product cycle)

- Identify emerging product risk, assess its impact and undertake swift remedial action
- Minimize reputational risk / protect your brand
- Determine appropriate level of sales compliance activity
- Key input into product design and the renewal process – pre-emptive intervention possible to promote loyalty
- Meet regulatory expectations as well as customer perception

Deciding what action to take to maximise persistency/renewals

Looking to keep policyholders with high scores (high surrender propensity) *and* high value to the company (PVFP).

The provider could implement distributor or direct marketing activity to those with high scores with messages designed to counteract reasons for surrender as indicated in the qualitative research.

Scores could be used by call centres responding to surrender requests.

		PVFP	
		High	Low
Score	High		?
	Low	?	



Don't forget the basics, such as aligning incentives and communicating with your distribution partners about this

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Technology Innovations will Advance Healthcare According to a Recent Study Commissioned by Intel

72% Receptive to connecting remotely with their doctor

50% Trust a diagnosis delivered via video conference from their doctor



Other findings:

- 66% Prefer a personalized healthcare regimen
- 53% Trust a test they personally administered as much or more than a doctor
- 43% Trust themselves to monitor their own blood pressure and other basic vitals

Source: Intel

This survey was conducted online by Penn Schoen Berland on behalf of Intel in Brazil, China, France, India, Indonesia, Italy, Japan and the United States from July 28 to Aug. 15, 2013. It was conducted among a representative sample of 12,000 adults ages 18 and older with a margin of error of plus or minus 0.89 percentage points.

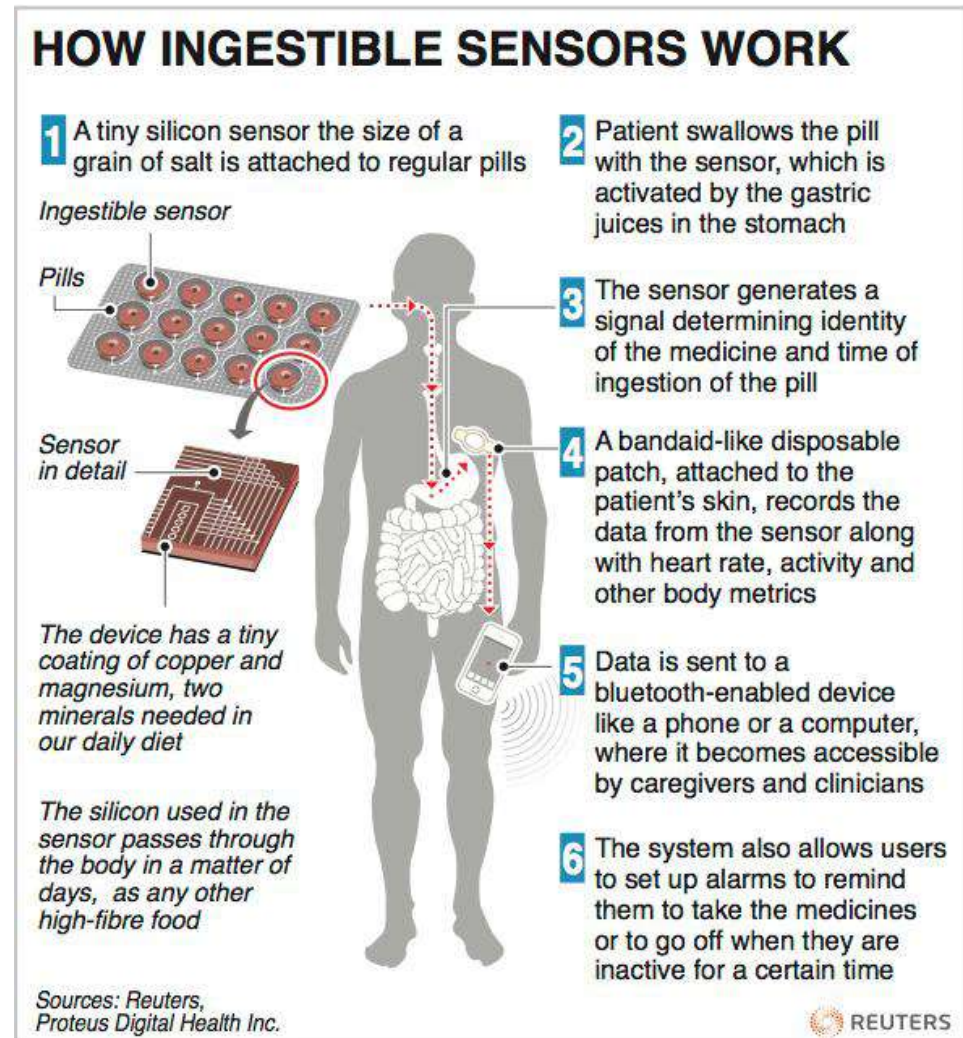
Future of Medicine - Ingestible Sensors and Mobile Connectivity

Patient can view data generated from a digital pill via a secure app on their smartphone and receive notifications and reminders

- Patients with chronic illnesses will benefit the most
- Some ingestible digital pills are approved by the US Food and Drug Administration
- Doctors can monitor how a patient reacts to a drug, the dosage timing, physiologic response
- Reduce cost of developing new drugs by providing real-time data about the body's reaction to the drug



Source: Reuters
towerswatson.com



Mobile Payments to Facilitate Premium Payments

A single approach does not work for all markets

Enables unbanked customers to make payments via their mobile phones



- Launched in Kenya in 2007 by Safaricom
- Used by over two-thirds of the adult population and 25% of Kenya's GDP moves through this network
- Can be used to make payments to family, friends, bill payment, salary payment and premium payment
- Service offering has expanded from payments to loans and savings products
- Has expanded into 8 more markets in Africa, Asia and Eastern Europe
- Safaricom and Britam have partnered to provide health insurance to low income Kenyans

Mobile payment using credit cards via smartphones in the Philippines



- AXA and Metrobank have launched MSwipe, the Philippines' first mobile payment solution
- MSwipe allows AXA's agents to use their registered smartphones and tablets to receive credit card payments for their customers' premiums
- Customer receive an e-receipt via e-mail

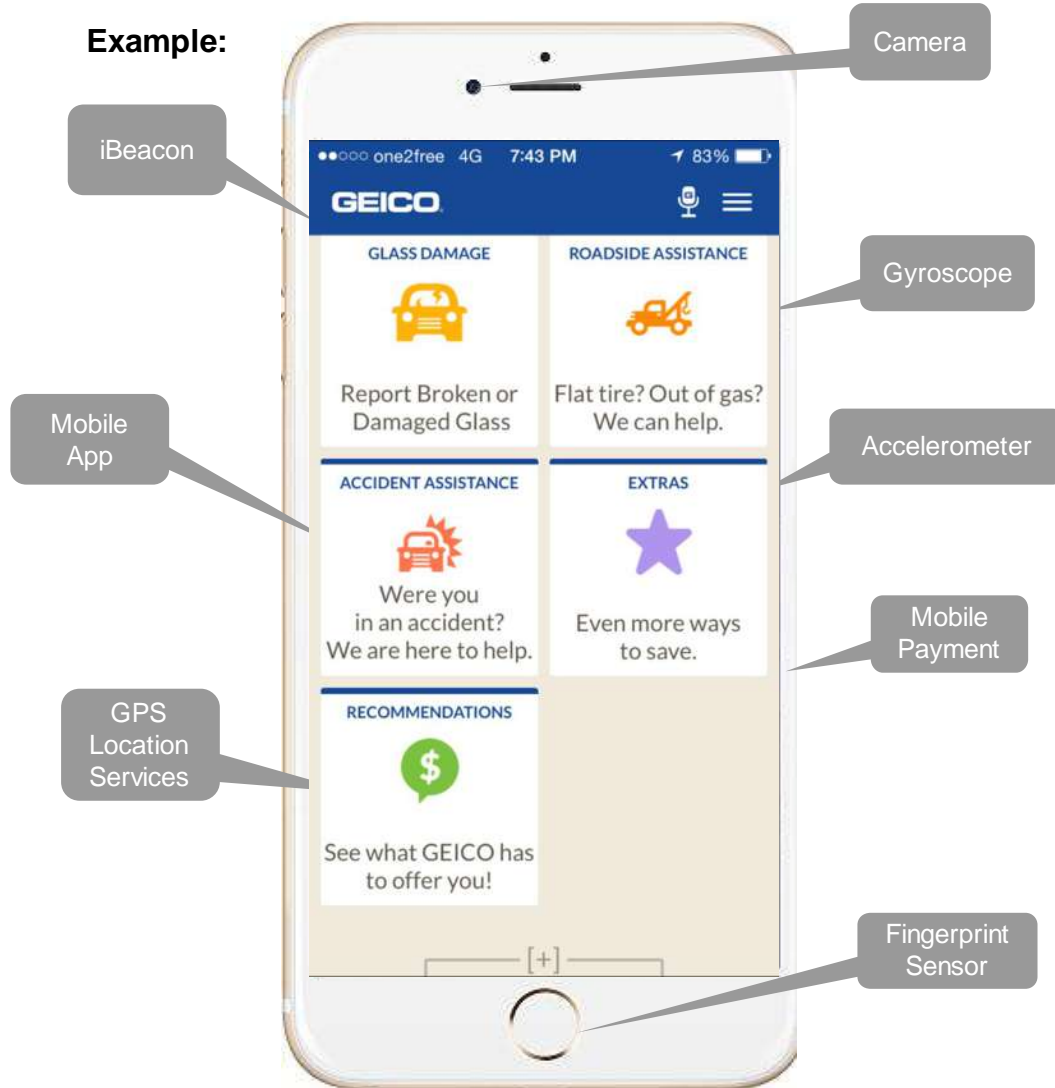


Source: AXA Philippines, The Economist

Smartphones

Provides many benefits for insurers and customers

Example:

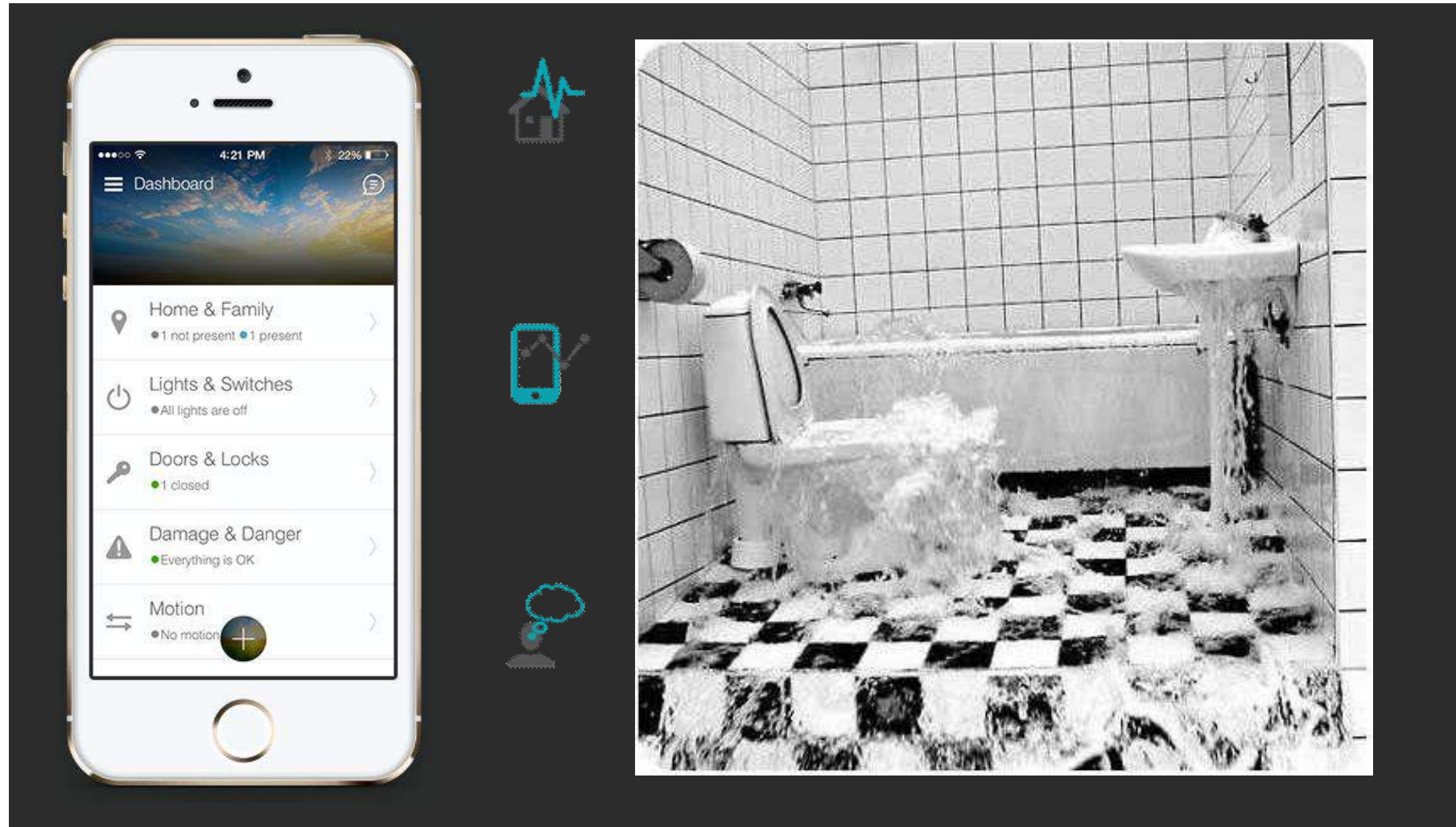


Benefits:

Digital Distribution Channel	Reduce Claims Cost
Customer Self-service	Mobile Payments
Usage Based Insurance (UBI)	Innovative Insurance Products
Claims Filing and Management	Marketing
Customer Engagement	Sales Tool for Agents / Brokers

Smart Home

Write more profitable homeowners policies based on live data and mitigate loss



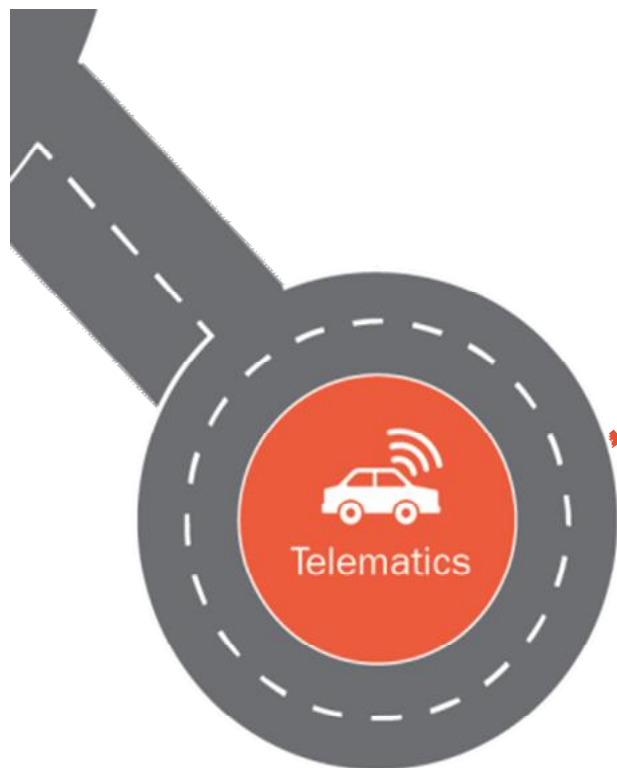
Source: www.smarthings.com
towerswatson.com

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Claims Processing

Real-time video appraisal app designed to help customers settle claims more quickly and conveniently





Self-selection



20+%

Average discounts: 12% - 25%
Maximum discounts: 30% - 50%

Pricing



10x

Differential in loss ratio
from TW DriveAbility score

Retention



40%

Improvement in retention
cited by Progressive

Behaviour change



30+%

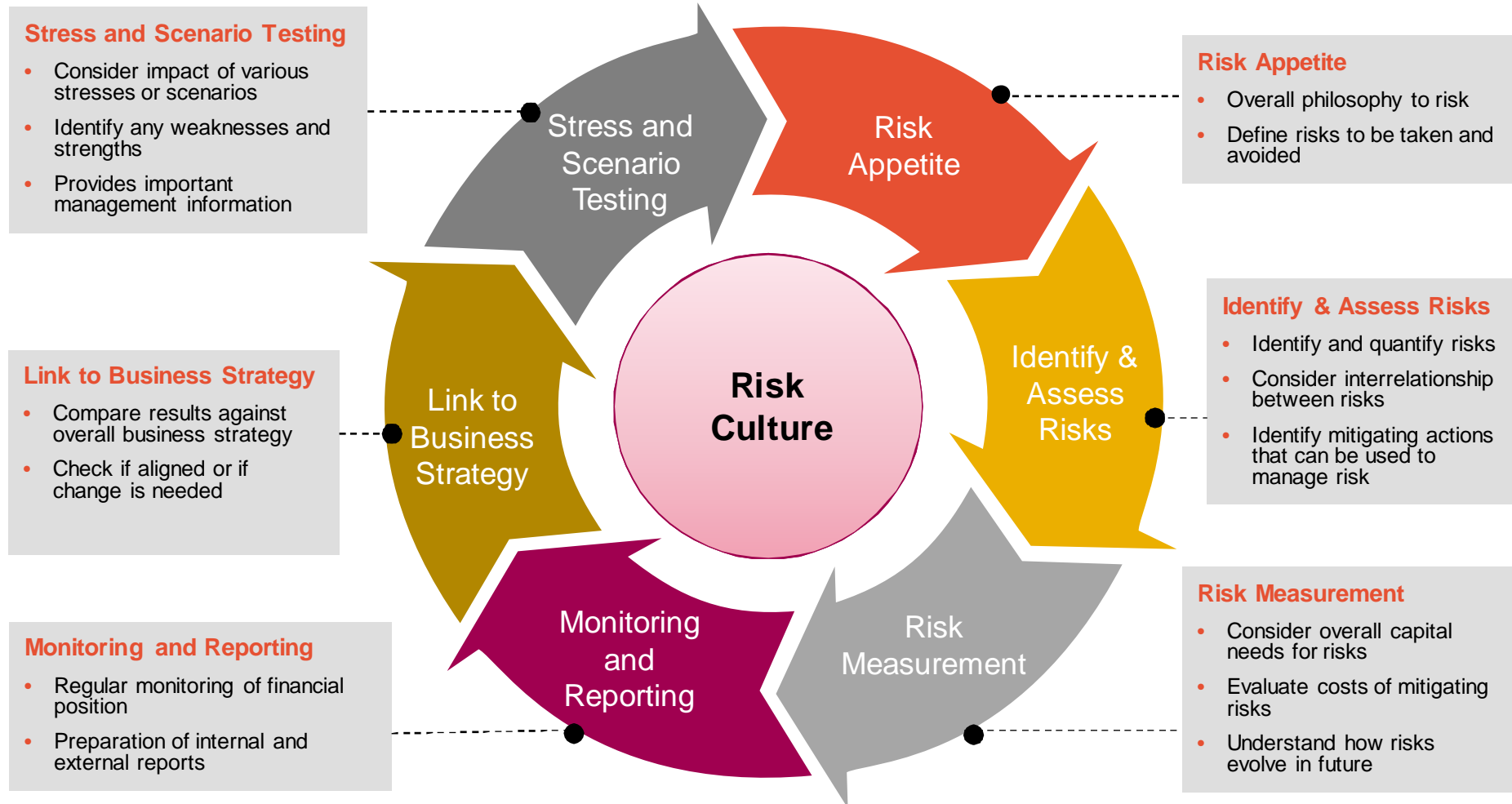
Reduction in claims costs
Young driver: 30% - 40%
Commercial fleet: 54% - 93%

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Enterprise Risk Management



What is risk culture

“Risk culture can be defined as individual and group **behaviour** within an organization that **determines** the way in which the company **identifies, understands, discusses** and **acts** on the risks the organization confronts and takes.”

Source: “Reform in the Financial Services Industry: Strengthening Practices for a More Stable System.” Institute of International Finance, 2009

Although there are some universal aspects of risk culture, it varies between organisations, in keeping with business strategy, markets, maturity etc.

Risk culture failures

BBC NEWS | Business | Insurance bosses jailed for fraud - Windows Internet Explorer

File Edit View Favorites Tools Help

Convert Select

http://news.bbc.co.uk/1/hi/business/7059381.stm

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Last Updated: Wednesday, 24 October 2007, 11:05 GMT 12:05 UK

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Insurance bosses jailed for fraud

A former insurance chief has been jailed for seven years after being convicted of defrauding investors.

Michael Bright, 63, was in charge of Independent Insurance when it collapsed in 2001 in one of the industry's most high-profile insolvencies.

Finance director Dennis Lomas received a four-year sentence. Deputy manager Philip Condon was given three years.

A jury had heard how the trio masked the firm's financial problems by withholding details of claims.

Probe

About 1,000 jobs which had previously been lost were regained when the Serious Fraud Office announced the firm's closure.

The SFO said it had made a £22m profit from the case.

SEE ALSO

- Businessmen guilty over cover-up
- Independent investigated for fraud
- Independent faces fraud probe

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- Serious Fraud Office
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Lloyds caught up in ANOTHER scandal: Call centre workers told to 'play the system' and mislead customers who were complaining about PPI mis-selling

- Workers told to ignore potential fraud and fake information on loan sales
- Secret document reveals that customer evidence has been lost
- Call centre operated on the basis that PPI was never mis-sold
- Lloyds Banking Group suspended its contract with Deloitte over the matter
- Scandal was revealed by an undercover reporter working at the call centre

By RICHARD HARTLEY-PARKINSON

PUBLISHED: 09:47, 11 June 2013 | UPDATED: 14:04, 11 June 2013

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J.P. Morgan Unit Shifts Operations

Shares fell 11.2012, 12:47 a.m. ET

Dimon's \$2 Billion Blunder

Losses on Massive Trading Bet Gone Wrong; Dimon's Mea Culpa

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under new pressure as 'rogue' loses \$2bn

Bank of America's chief executive, Mr. Dimon, is under new pressure as a \$2 billion trading loss at the bank's London branch has been revealed.

Earlier, ex-Barclays executive Jerry del Missier told MPs he was instructed by Mr Dimon to manipulate the bank's Libor interest rate submissions.

Barclays has been fined £290m after admitting to manipulating Libor.

Greg Kaufmann: Congress Turns Its Back on Rural America

The AIG Bailout Scandal

As Elizabeth Warren's devastating Congressional report Reserve used taxpayer money to bail out the insurance the major banks to clean up the mess they helped create

William Greider August 6, 2009

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The government's \$182 billion bailout of insurance giant AIG should be a lesson for understanding the financial crisis and its costly aftermath. International Group explains the larger catastrophe not because this bailout in history but because AIG's collapse and subsequent rescue critical elements, including delusion and deception. These financial elements, complicated, but this account focuses on something more mortals confusion in high places, and the failure of governing institutions to fix public.

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PPI bill for banks expected to hit £9bn

By SEAN POULTER

Last updated at 9:21 AM on 10th May 2011

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Last Updated: Monday, 8 October 2007, 16:25 GMT 17:25 UK

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RBS secures takeover of ABN Amro

A consortium led by the Royal Bank of Scotland has won the battle to buy the Dutch bank ABN Amro.

About 86% of ABN Amro's shareholders have accepted a 71bn euro (\$98.5bn; £49bn) offer to clinch Europe's biggest ever banking takeover.

The RBS consortium, which also includes Dutch bank Fortis and Spain's Santander, is now expected to break up the Dutch lender.

SEE ALSO

- Barclays abandons ABN Amro offer
- Barclays investors back ABN bid
- ABN says Barclays bid is too low
- Share falls weakens Barclays' bid
- Europe backs Barclays bid for ABN

RELATED INTERNET LINKS

- Royal Bank of Scotland
- Barclays
- ABN Amro

Barclays: FSA regulator criticises 'culture of gaming'

A senior banking regulator has told MPs Barclays had a "culture of gaming" that emanated "from the top".

The Financial Services Authority's Andrew Bailey also said former Barclays chief executive Bob Diamond's recent evidence to MPs was "highly selective".

Earlier, ex-Barclays executive Jerry del Missier told MPs he was instructed by Mr Dimon to manipulate the bank's Libor interest rate submissions.

Barclays has been fined £290m after admitting to manipulating Libor.



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Last Updated: Friday, 15 April, 2005, 06:26 GMT 07:26 UK

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Boss of 'Australian Enron' jailed

Raymond Williams, the former boss of insurance firm HIH, has been jailed for four-and-a-half years for his part in Australia's biggest corporate collapse.

Dubbed Australia's Enron, HIH went bust in 2001 with debts of A\$5.3bn (£2.1bn; \$4.1bn).

Nine former executives were charged over the scandal and Williams, known for big spending, admitted misleading and reckless corporate behaviour.

Williams's lawyers will appeal against the "manifestly excessive" sentence.

Nationwide

The scandal affected tens of thousands of policy holders across the country.

Ray Williams is 'disappointed' by the length of his jail sentence

"Most institutions have a set of values to which they ascribe however, in many cases there is clearly a gap between what they claim to believe and do, and what they actually do. These values also tend not to be aligned or lived by the employees meaning the firm does not practice what it preaches..."

H. Sants, FSA CEO, 17th June 2010

Risk Culture

The risks to which my company is exposed are assessed and reported on a regular basis (choose one)

1. Strongly Agree
2. Agree
3. Neutral
4. Don't Agree
5. Strongly Disagree



Risk Culture

I can report on unacceptable risks being taken by senior personnel without adverse consequences for me personally (choose one)

1. Strongly Agree
2. Agree
3. Neutral
4. Don't Agree
5. Strongly Disagree



Risk Culture

All things considered, my organisation as a whole is doing a good job in taking the right risks to exploit new business opportunities (choose one)

1. Strongly Agree
2. Agree
3. Neutral
4. Don't Agree
5. Strongly Disagree



Risk Culture Survey example questions: how does your organisation measure up?

Category	Coverage	Example question
Organisational Culture	The values and norms of behaviour within the organisation generally support effective management of risk	<i>I can report on unacceptable risks being taken by senior personnel without adverse consequences for me personally</i>
Risk, Appetite, Strategy & Policies	The company's attitude towards risk is clear and appropriate	<i>All things considered, this organisation as a whole is doing a good job in taking the right risks to exploit new business opportunities</i>
Leadership Commitment	Leadership throughout the organisation have a focus on risk appropriate decision-making communication and behaviour	<i>Leaders in this organisation actively promote and discuss risk management issues on a day-to-day basis</i>
Roles and Organisational Structure	Roles, responsibilities and rewards are determined in keeping with effective risk management	<i>It is clear how risk management responsibilities are shared between departments</i>
Process & Controls	Risk controls and process are appropriate, clear, timely and effective	<i>Risk management policies and procedures are adhered to on a day-to-day basis in this organisation</i>
Reporting & Management Information	There is effective reporting and documentation of risk activity	<i>The risks to which my business unit is exposed are assessed and reported on a regular basis</i>
Technology & Infrastructure	IT systems are designed in a way that supports effective risk management	<i>Risk Management is built into our organisation's IT systems</i>
Tools & Methodology	The approaches to manage risk are clearly understood and appropriate to the need	<i>Regulatory requirements relating to risk management are clearly explained at all appropriate managerial levels</i>

Risk Culture

Are you planning to invest in people, process or tools to improve your analysis of insurance risk experience in the coming 12 months? (choose one)

1. Yes, minor investment
2. Yes, significant investment
3. No



Any Questions

For more information, please contact:

Alan Merten

Market Leader, Insurance Consulting, Asia Pacific

+65 6880 5684

alan.merten@towerswatson.com

Muhammad Ismail

Director, Risk Consulting, Indonesia

+6221 2971 0780

muhammad.ismail@towerswatson.com



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