

# 2007 ERM Symposium

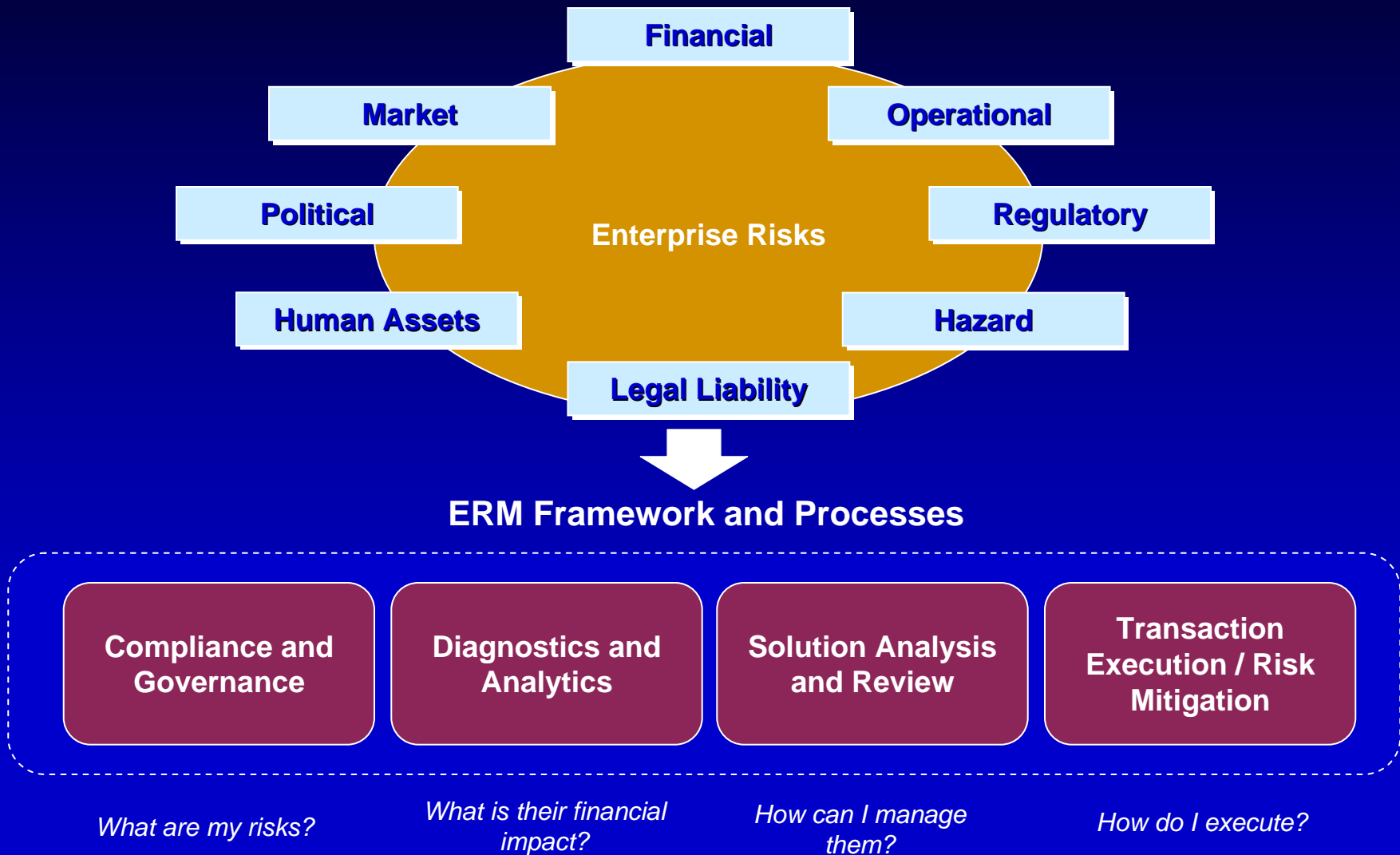
## Session 4L: ERM in Insurance

March 30, 2007

## Today's Speakers

- Moderator: François Morin, Principal, Towers Perrin
- Panelists
  - Susan Cross, Global Chief Actuary, XL Capital
  - Ian Farr, Principal, Towers Perrin
  - Michael Mahaffey, Associate Vice President ERM, Nationwide Financial

# Four Phases of the ERM Process



# Typical issues associated with each phase

## ERM Framework and Processes

### Compliance and Governance

- Risk assessment and process mapping
- Regulatory compliance (SOX, regulators, rating agencies)
- ERM organizational issues
- Board reviews

### Diagnostics and Analytics

- Risk quantification (financial, insurance, operational)
- Dynamic economic capital models
- Asset allocation/ALM
- Regulatory / rating agency capital management

### Solution Analysis and Review

- Optimal hedging
- Reinsurance optimization
- Optimal capital structure
- Property portfolio optimization

### Transaction Execution / Risk Mitigation

- Solution structure
- Broker or syndicate transaction