

ENTERPRISE RISK MANAGEMENT

ERM

Symposium

Where Cutting Edge Theory Meets State of the Art Practice

2012 ERM Symposium
April 18-20, 2012

Washington Marriott Wardman Park
Washington, D.C.

**Chief Risk Officer
Roundtable**



Agenda

Part 1:
North American
CRO Council

- Mike Mahaffey – Nationwide
- Mike Temple – Unum Group
- Betsy Ward – MassMutual
- *Moderator: Mark Scanlon – Towers Watson*

Part 2:
Financial
Services CRO
Discussion

- Barry Franklin – Zurich Financial Services
- Bob Mark – Black Diamond, Inc.
- Hilmar Schaumann – Fortress Investment Group
- Walter Smiechewicz – First Niagara Financial Group
- *Moderator: Mark Abbott – Guardian Life*





Overview of the North American CRO Council

Panel discussion at the ERM Symposium

Washington, DC

April 18-20, 2012

Introduction to the CRO Council



Mission

- The North American CRO Council is a professional risk management group that seeks to develop and promote sound practices in risk management throughout the insurance industry
 - Council members represent Chief Risk Officers of leading insurers based in North America, who as a group, aim to provide thought leadership and direction on the advancement of risk management and risk-based solvency and liquidity assessments
-

Formation

- Developed and provisionally organized in 2010
- Founding membership and structure formalized in Q2-2011

CRO Council Membership



Membership Criteria

- Physical headquarters in United States, Canada, or Bermuda
 - Global insurance revenues of >\$6B; major operations in North America
 - CRO (or equivalent) with enterprise responsibility
 - Economic risk / capital modeling commitment
-

Member Companies

- 11 of the 15 largest North American Life insurers
 - 12 of the 15 largest North American P&C insurers
-

Operational Support

- Anti-trust and governance counsel provided by Dewey & LeBoeuf LLP
- Secretariat support provided by Towers Watson

CRO Council Members



Company	CRO	Company	CRO
ACE Group	Sean Ringsted	New York Life	Gideon Pell
American Family Mutual	Mary Theilen *	Northwestern Mutual	Gary Poliner
American International Group	Sid Sankaran	Pacific Life	Hank McMillan
Allstate	Steve Verney	Principal Financial	Greg Elming
Chubb Group	Joel Aronchick	Progressive	Sara Stehlik
CNA Financial	Mark Verheyen	Prudential Financial	Helen Galt
Genworth Financial	Michel Perreault	Reinsurance Group of America	Michael Stein
Great-West Lifeco	Alex Guertin	State Farm	Diane Kerr
Guardian Life	Michael Slipowitz	Sun Life	Mike Stramaglia
The Hartford	Robert Rupp	TIAA-CREF	Stephen Gruppo
Lincoln Financial Group		Travelers	William Hannon
Manulife Financial	Rahim Hirji	Unum Group	Mike Temple
MassMutual	Elizabeth Ward	USAA	Torben Ostergaard
Nationwide	Michael Mahaffey	XL Capital	Jacob Rosengarten

CRO Council – 2012 Working Group Structure



Chair

- Mahaffey

Vice Chair

- Ward

Executive Committee

- Mahaffey

- Ward

- Stein

Committee Membership

- Ringsted
- Stein
- Verney
- Ward

- Aronchick
- Galt
- Kerr
- Mahaffey
- McMillan
- Poliner
- Rupp
- Stein

- Galt (C)
- Gruppo
- Kerr
- Mahaffey
- Ostergaard
- Rupp
- Verheyen

- Verney (C)
- Pell
- Perreault
- Stramaglia
- Ward

- Ringsted (C)
- Aronchick
- Elming
- Hirji
- McMillian
- Slipowitz

- Galt (C)
- Elming
- Ostergaard
- Pell
- Poliner
- Rosengarten
- Rupp

- Guertin
- Hirji
- McMillan
- Ringsted
- Slipowitz
- Stehlik
- Verheyen

STATE

FEDERAL

INT'L

RATING

EMERGING

MODELING

Administration

External Affairs

Sound Practices

Key activities since inception



Responses on
Risk
Management
Related
Industry Issues

- **Rating agency:**
 - Standard and Poor's – Request for Comment on Level III ECM Reviews
- **Regulatory:**
 - NAIC – Request for Comment on ORSA Guidance Manual
 - Federal Insurance Office (FIO) – Request for Comment on Modernizing the System of US Insurance Regulation
 - IAIS – Request for Comment on Risk Management Assessment for Internationally Active Insurance Groups

Interaction with
Industry
Stakeholders

-
- Rating agency meetings (A.M. Best, Fitch, Moody's, S&P)
 - NAIC ERM Education (7/11)
 - Group Solvency Issues Working Group (10/11)
 - Federal Reserve ERM Education (11/11)

CRO Council perspectives on ERM



- This depiction reflects a ‘consensus view’ of CRO Council members
 - Not all have adopted approaches as presented
 - Variations reflect meaningful differences in products, markets, strategies, managements, and cultures
- It is also important to differentiate between aspirational goals for ERM, and common ERM practices as implemented today
- Proportionality is a key consideration and each insurer is at a different point in the ERM journey



CRO Council Contact Information

The North American CRO Council welcomes the opportunity to continue to work with other stakeholders in the ongoing development and promotion of sound practices in risk management throughout the insurance industry

Michael W. Mahaffey

chairperson@crocouncil.org

Towers Watson

secretariat@crocouncil.org

Agenda

Part 1:
North American
CRO Council

- Mike Mahaffey – Nationwide
- Mike Temple – Unum Group
- Betsy Ward – MassMutual
- *Moderator: Mark Scanlon – Towers Watson*

Part 2:
Financial
Services CRO
Discussion

- Barry Franklin – Zurich Financial Services
- Bob Mark – Black Diamond, Inc.
- Hilmar Schaumann – Fortress Investment Group
- Walter Smiechewicz – First Niagara Financial Group
- *Moderator: Mark Abbott – Guardian Life*

