

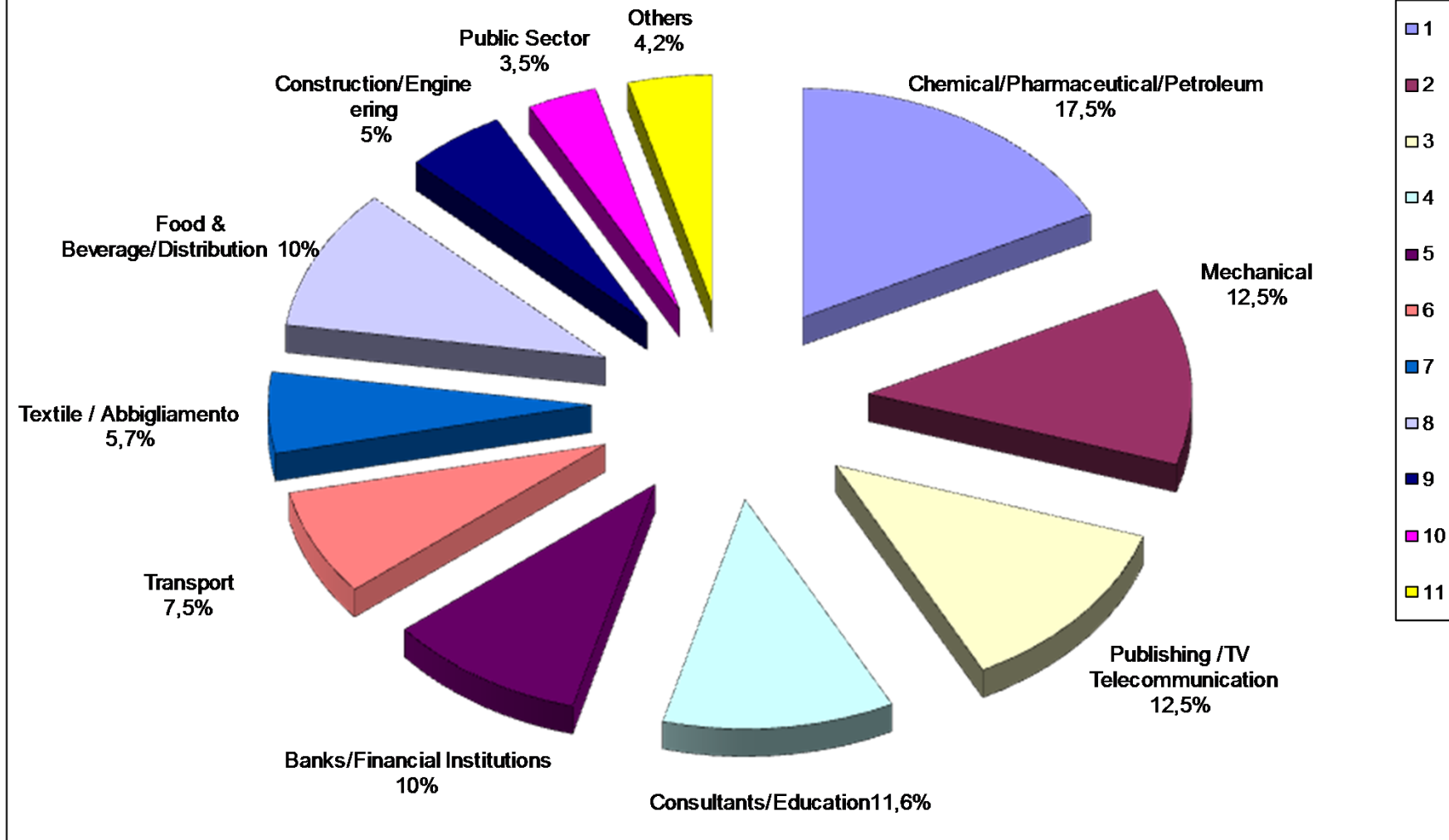
The evolution of Risk Management in Italy

From Insurance to the Risk Management Process

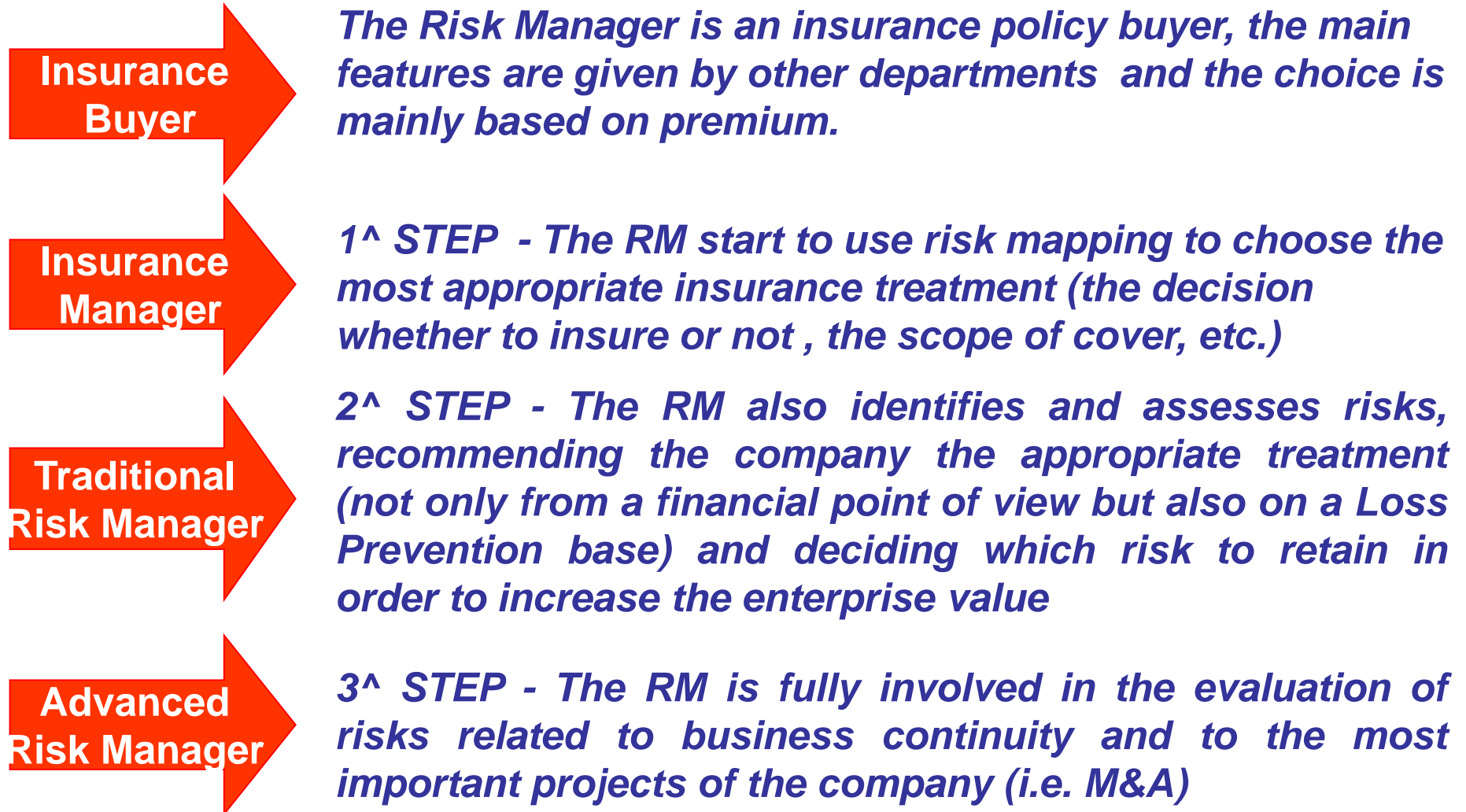
by Paolo Rubini
President of ANRA

- **ANRA: the Italian Association of Risk & Insurance Manager**
- **Established in 1972**
- **150 members – No SMEs (number of SME in Italy: over 4 Mln)**
- **50 associates (mainly brokers)**
- **New associates: consultants in Risk Management**
- **Overall turnover of ANRA members: in excess of 250 billion €**
- **Member of:**
 - **FERMA, Federation of European Risk Management Associations**
 - **IFRIMA, International Federation of Risk and Insurance Management Associations**

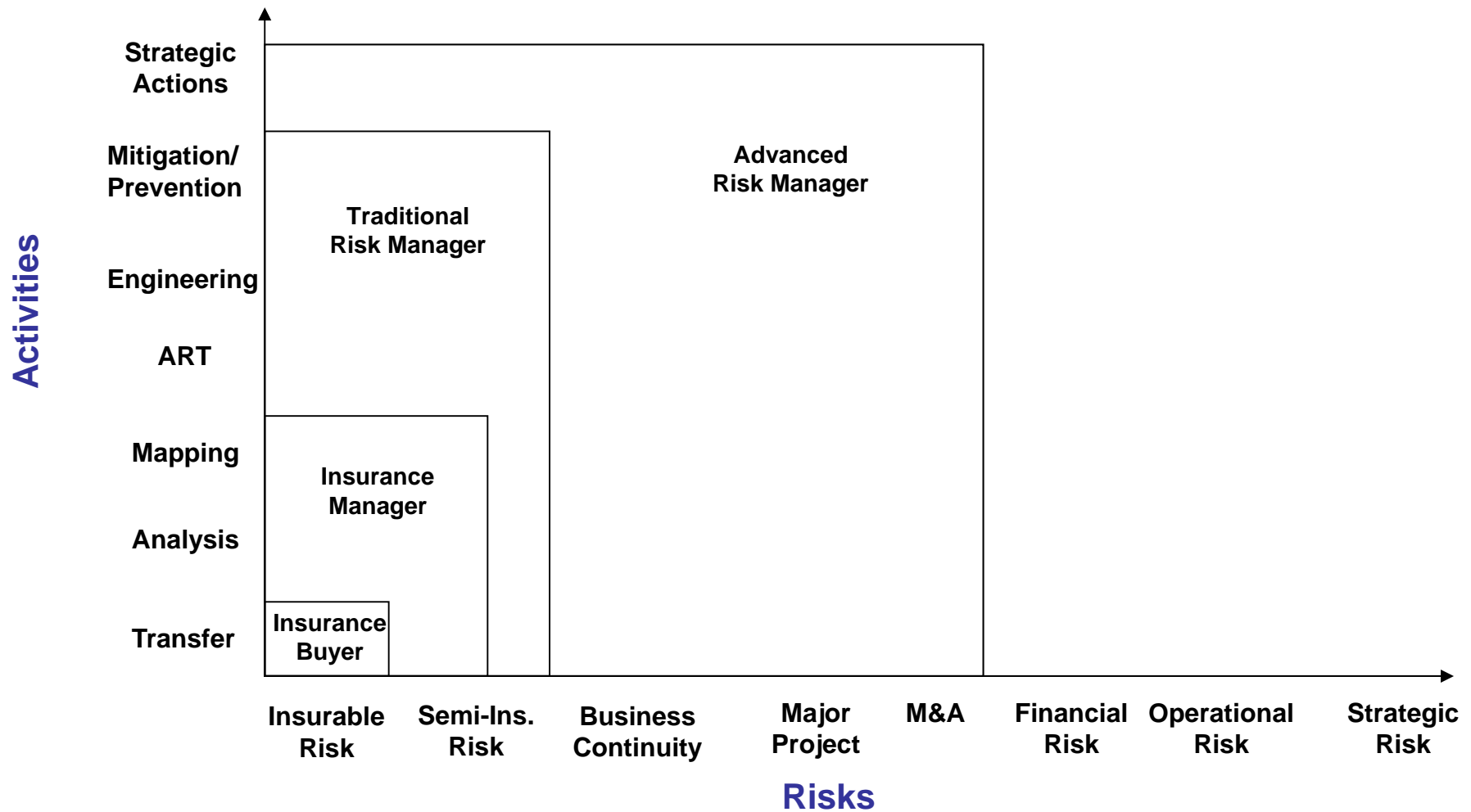
ANRA MEMBERS BY SECTOR



The evolution of Risk Management culture



The evolution of Risk Management culture



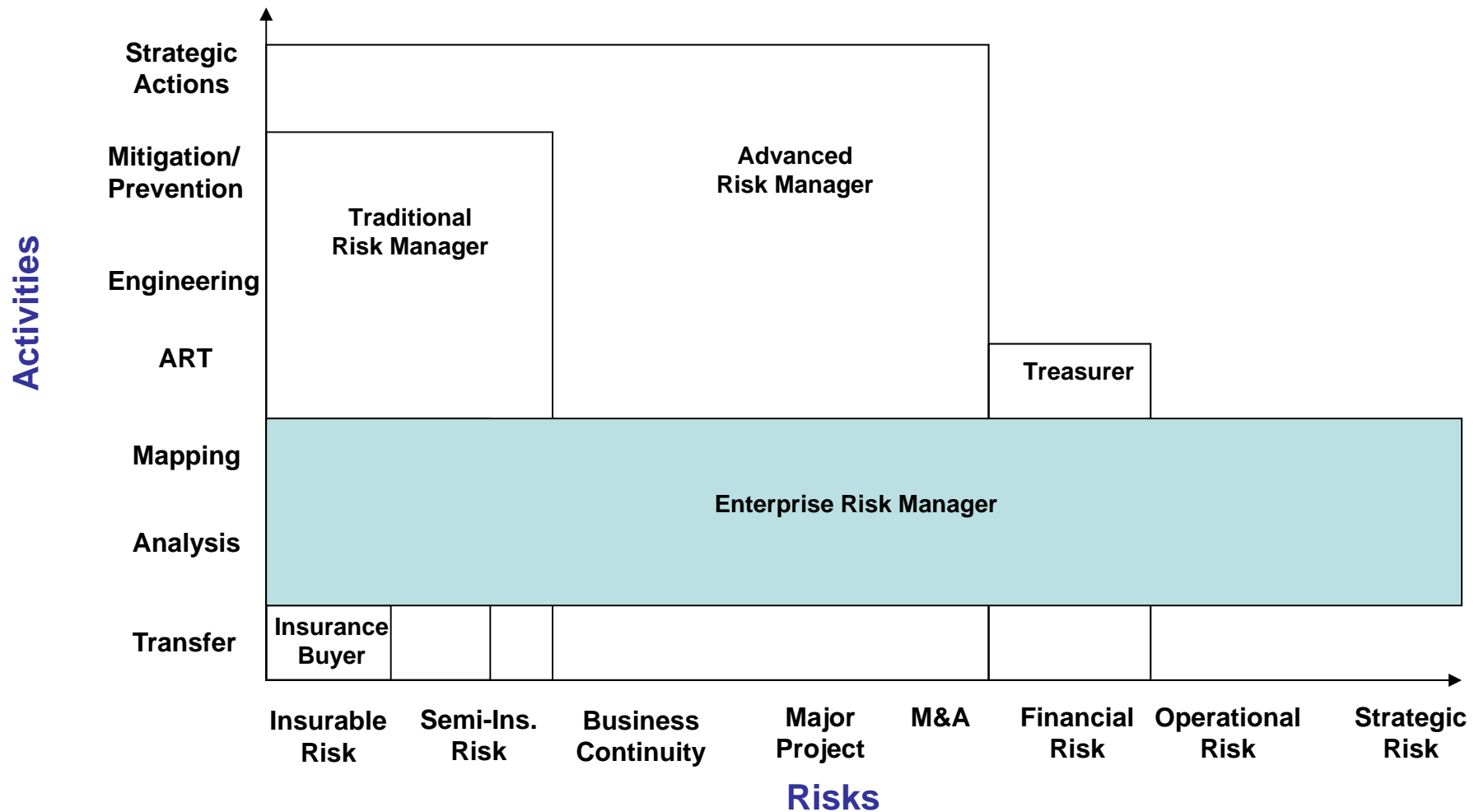
The evolution of Risk Management culture

**Enterprise
Risk Manager**

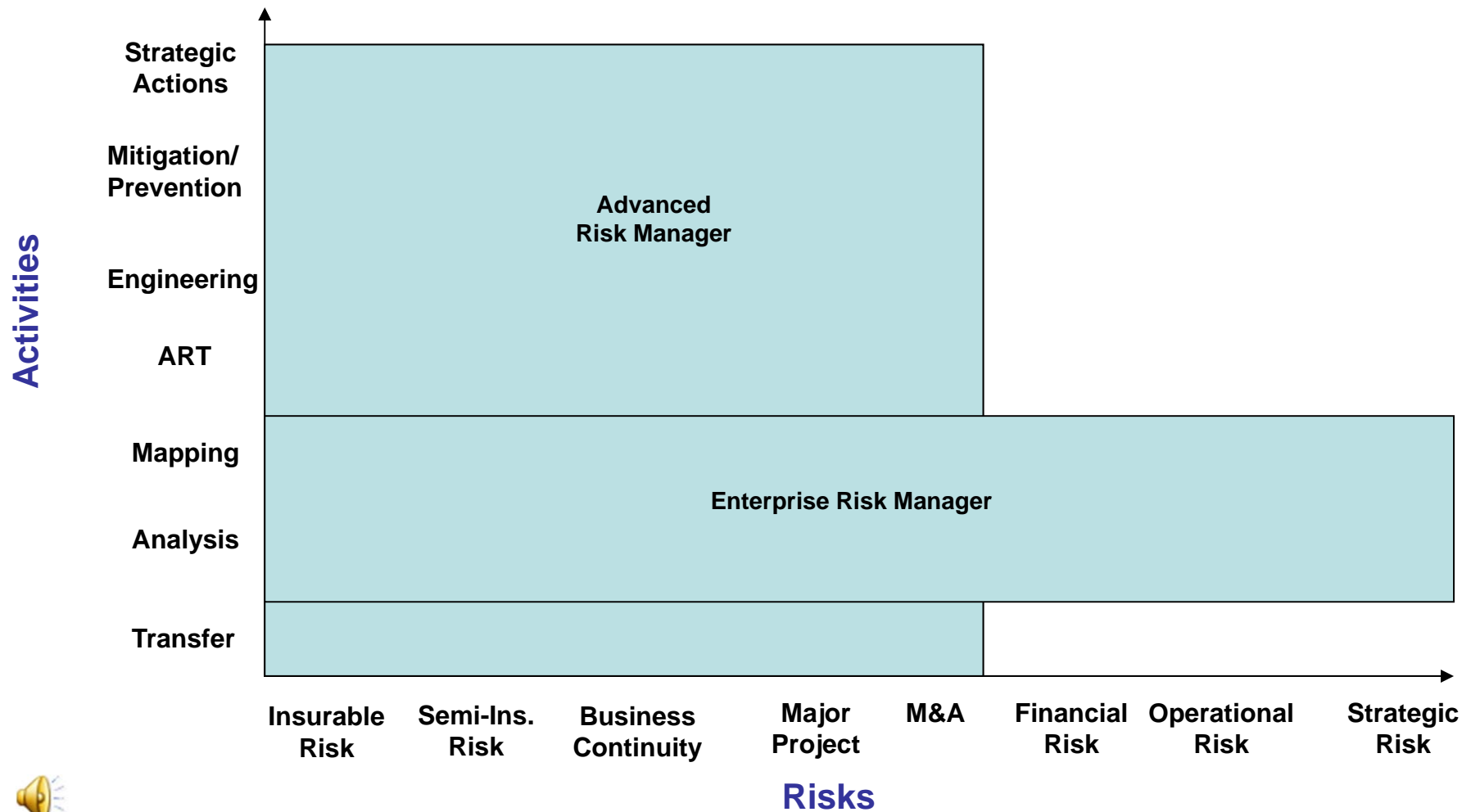
Work in Progress: the Enterprise Wide Risk Manager

A professional not directly involved in the risk management but acting as a facilitator of the process analysis and risks assessment, since the operational department are the risks owners and have the leverages to manage them.

The evolution of Risk Management culture



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The evolution of Risk Management culture

Risk Management in Italy:

Only **Large Companies** can afford it IB => IM => RM => ERM / CRO

SMEs can only rely on Brokers' or Risk Management Consultants' advise

The relevance of Risk Management in Italian companies:

1. Large Corporations: a formal ERM process has to be designed and approved by the Board. The Risk Manager is deemed to be the owner of the methodology/design of the process; he would also receive from the Board the input concerning the risk tolerance of the company, and will have to address a periodical report to the relevant stakeholders: Board, Internal Control Committee, Chief Compliance Officer; Auditors (internal or external, rating agencies). The ISO 31000 are becoming the reference point. The construction of the process will require a high degree in the management hierarchy, but still in conjunction with a comprehensive knowledge about insurance (not so easy to meet).
2. S&M Enterprises: in an external environment subject to increasing volatility, the Risk Management is going to become one of the elements that will make the difference between the resilient and non resilient companies. The cost of capital will increasingly depend on the level of risk awareness of the company, as well as on the RM systems in place