FERMA European Risk Manager Country files
2020

in partnership with
Country files

- France (including Monaco: 21% of respondents) .................................................. 2
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- Central and Eastern Europe (Albania, Armenia, Austria, Bulgaria, Czech Republic, Georgia, Hungary, Kazakhstan, Lithuania, Romania, Russia, Slovenia: 6% of respondents) ..................................................... 26
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Each country file presents a comparison with 2018 when change is noticeable. Comparison is not performed when the trend is consistent, or when the 2018 report did not address the topic (eg digital data).
France
(including Monaco: 21% of respondents)

Who is the risk manager?

- Male: 65%
- Female: 35%
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 33% earn between €60k and €100k per year

Activities of the risk manager

- 46% in charge of Enterprise Risk Management (ERM)
- 30% in charge of both ERM and Insurance Management (IM)
- 24% in charge of IM

Top 3 ERM activities

- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting (87%)
- Development, implementation, and assessment of risk culture across the organisation (76%)
- Definition of the Enterprise Risk Management governance, framework, processes, and/or tools (72%)

Organisation

- 85% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 47% of respondents come from industry

Typical professional experience in charge of Enterprise Risk Management (ERM): 46%

Typical professional experience in charge of Insurance Management (IM): 24%
Top risks for growth prospects within the next 12 months:

- Cyber threats: 62%
- Uncertain economic growth: 21%
- Availability of key skills: 25%
- Data fraud or theft: 16%
- Over-regulation: 31%

In 2018, the Top 5 risks for growth prospects were cyber threats (48%), over-regulation (39%), availability of key skills (28%), changing consumer behaviour (25%) and speed of technological change (25%).

Top trends within the next 3 years:
- Availability of skills (26%)
- Brexit (20%)
- Over-regulation (20%)

Top trends within the next 10 years:
- Climate change and environmental damage (23%)
- Extreme weather events (15%)
- Changing consumer behaviour (11%)

Do you have a specific qualification in risk and/or insurance management?

- Yes: 36%
- No: 64%

Say that a recognised certification matters in practising risk management. 56% are already certified or planning to apply.
Digital transformation

- 39% of respondents use data analysis to perform their risk / insurance activities, among which 11% have the data analysis skills within their teams.
- 22% use data visualisation.
- 11% use process automation technologies, among which 55% have the data process automation skills within their teams.
- 4% use artificial intelligence.

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- 35% Yes
- 50% No
- 15% Plan to
Implications for insurance management

Top concerns regarding the insurance market

<table>
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<th>Concerned</th>
<th>Not concerned</th>
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<td>New regulations</td>
<td>13%</td>
<td>69%</td>
<td>18%</td>
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<tr>
<td>Limitations and exclusions on emerging / specific risks</td>
<td>13%</td>
<td>56%</td>
<td>31%</td>
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<td>Concentration of insurance companies</td>
<td>18%</td>
<td>52%</td>
<td>30%</td>
</tr>
<tr>
<td>Change in market conditions</td>
<td>41%</td>
<td>43%</td>
<td>16%</td>
</tr>
</tbody>
</table>

In 2018

The main concerns regarding the insurance market were: new regulations (93%), limitations and exclusions on emerging / specific risks (93%), concentration of insurance companies (80%) and change in market conditions (76%).

Insurance management strategy for difficult-to-insure risks during the next 2 years

- **Use alternative risk transfer vehicles**: 70%
- **Risk retention**: 60%
- **Create a captive insurance / re-insurance company**: 32%
- **Use an existing captive**: 23%

In 2018

Using alternative risk transfer vehicles was the 3rd strategy with 26%. Using an existing captive was not in the top strategies while lobbying the insurance market was at 2nd position.

57% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers’ compensation, property, terrorism, automobile liability, professional liability.
Who is the risk manager?

- Male: 70%
- Female: 30%
- Male: 70%
- Female: 30%
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 34% earn between €60 k and €100 k per year

Organisation

- 77% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 46% of respondents come from industry

Activities of the risk manager

- 28% in charge of Enterprise Risk Management (ERM)
- 29% in charge of both ERM and Insurance Management (IM)
- 43% in charge of IM

Top 3 ERM activities

- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting
  - 79%
- Design and implementation of risk controls / prevention
  - 73%
- Definition of the Enterprise Risk Management governance, framework, processes, and/or tools
  - 73%

In 2018

- 35% ERM
- 27% both ERM and IM
- 38% IM

The alignment and integration of risk management as part of the business strategy was the 1st ERM activity but is not in the Top 3 in 2020. The development of risk maps was 2nd, and the definition and implementation of ERM was already 3rd. Designing risk controls was not in the Top 3.
Top risks

Top 5 risks for growth prospects within the next 12 months

- Cyber threats (46%)
- Over-regulation (23%)
- Availability of key skills (32%)
- Geopolitical uncertainty (24%)
- Uncertain economic growth (32%)

Do you have a specific qualification in risk and/or insurance management?

- Yes: 33%
- No: 67%

In 2018

Cyber threats were less of a concern to risk managers with 36%. The speed of technological change (33%) and the changing of consumer behaviour (28%) were in the Top 5, while geopolitical uncertainty and uncertain economic growth were not.

Top 3 within the next 3 years

- Speed of technological change (20%)
- Cyber threats (18%)
- Changing consumer behaviour (18%)

Top 3 within the next 10 years

- Climate change and environmental damage (15%)
- Changing consumer behaviour (13%)
- Geopolitical uncertainty (10%)

Certification

79% say that a recognised certification matters in practising risk management. 66% are already certified or planning to apply.

Do you have a specific qualification in risk and/or insurance management?

- Yes: 33%
- No: 67%
Digital transformation

- 62% of respondents use data analysis to perform their risk / insurance activities, among which 11% have the data analysis skills within their teams.
- 30% use data visualisation.
- 34% use process automation technologies, among which 47% have the process automation skills within their teams.
- 11% use artificial intelligence.

43% in 2018

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- 21% Yes
- 12% No
- 67% Plan to
Implications for insurance management

Top concerns regarding the insurance market

- New regulations: 13% Extremely concerned, 30% Concerned, 57% Not concerned
- Limitations and exclusions on emerging / specific risks: 34% Extremely concerned, 59% Concerned, 7% Not concerned
- Concentration of insurance companies: 20% Extremely concerned, 24% Concerned, 57% Not concerned
- Change in market conditions: 39% Extremely concerned, 49% Concerned, 12% Not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 77% Concerned
- Use alternative risk transfer vehicles: 54% Concerned
- Use an existing captive: 26% Concerned
- Create a captive insurance / re-insurance company: 15% Concerned

68% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.

In 2018

The use of an existing captive was not in the top strategies, by contrast with lobbying the insurance market.
Nordic countries
(Denmark, Finland, Norway, Sweden: 17% of respondents)

Who is the risk manager?
- Male: 63%
- Female: 37%
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 38% earn between €101 k and €150 k per year

Activities of the risk manager
- 30% in charge of Enterprise Risk Management (ERM)
- 34% in charge of both ERM and Insurance Management (IM)
- 36% in charge of IM

Top 3 ERM activities
- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting
  - 84%
- Development, implementation, and assessment of risk culture across the organisation
  - 78%
- Definition of the Enterprise Risk Management governance, framework, processes, and/or tools
  - 78%
**Certification**

Do you have a specific qualification in risk and/or insurance management?

- Yes: 44%
- No: 56%

71% say that a recognised certification matters in practising risk management. 45% are already certified or planning to apply.

**Top risks**

Top 5 risks for growth prospects within the next 12 months

- Cyber threats: 50%
- Uncertain economic growth: 28%
- Changing consumer behaviour: 14%
- Data fraud or theft: 16%
- Availability of key skills: 21%

In 2018

The speed of technological change was the 5th concern (30%). Data fraud or theft was not included in the Top 5.

**Top 3 within the next 3 years**

- Speed of technological change (17%)
- Changing consumer behaviour (17%)
- Cyber threats (15%)

**Top 3 within the next 10 years**

- Climate change and environmental damage (18%)
- Natural disaster (9%)
- Availability of key skills (8%)
Digital transformation

- **56%** of respondents use data analysis to perform their risk/insurance activities, among which 15% have the data analysis skills within their teams.
- **34%** use data visualisation.
- **19%** use process automation technologies, among which 47% have the process automation skills within their teams.
- **7%** use artificial intelligence.

37% in 2018

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- **11%** Yes
- **71%** No
- **18%** Plan to
Implications for insurance management

Top concerns regarding the insurance market

The main concerns regarding the insurance market were: limitations and exclusions on emerging / specific risks (78%), new regulations (69%), change in market conditions (52%) and the concentration of insurance companies (45%).

In 2018

The main concerns regarding the insurance market were: limitations and exclusions on emerging / specific risks (78%), new regulations (69%), change in market conditions (52%) and the concentration of insurance companies (45%).

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 77%
- Use an existing captive: 33%
- Use alternative risk transfer vehicles: 24%
- Create a captive insurance / re-insurance company: 9%

Using an existing captive was not in the top strategies, while lobbying the insurance market was 2nd with 43%.

67% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers’ compensation, property, terrorism, automobile liability, professional liability.

59% in 2018
Mediterranean countries (Cyprus, Greece, Malta, Portugal, San Marino, Spain, Turkey: 13% of respondents)

Who is the risk manager?
- Male: 65%
- Female: 35%
- Typically between 36 and 45 years
- Usually has more than 10 years of professional experience
- 82% earn less than €100 k per year

Activities of the risk manager
- 35% in charge of Enterprise Risk Management (ERM)
- 41% in charge of both ERM and Insurance Management (IM)
- 24% in charge of IM

Top 3 ERM activities
- Development, implementation, and assessment of risk culture across the organisation: 86%
- Alignment and integration of risk management as part of business strategy: 74%
- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting: 67%

76% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
53% of respondents come from industry

In 2018
- 40% ERM
- 34% both ERM and IM
- 26% IM

In 2018
- 2nd and 3rd positions were reversed.
Certification

80% say that a recognised certification matters in practising risk management. 73% are already certified or planning to apply.

Do you have a specific qualification in risk and/or insurance management?

- Yes: 55%
- No: 45%

Top risks

Top 5 risks for growth prospects within the next 12 months

- Cyber threats: 42%
- Uncertain economic growth: 30%
- Data fraud or theft: 25%
- Availability of key skills: 27%
- Changing consumer behaviour: 23%

The uncertain economic growth, over-regulation and climate change were in the top concerns while the availability of key skills, data fraud or theft and changing in consumer behaviour were not identified in the Top 5.

Top 3 within the next 3 years
- Geopolitical uncertainty (20%)
- Changing consumer behaviour (20%)
- Asset bubbles in a major economy (20%)

Top 3 within the next 10 years
- Climate change and environmental damage (17%)
- Terrorism (12%)
- Social instability (11%)
Digital transformation

60% of respondents use data analysis to perform their risk / insurance activities, among which 37% have the data analysis skills within their teams.

36% use process automation technologies, among which 20% have the process automation skills within their teams.

38% use data visualisation.

11% use artificial intelligence.

34% in 2018

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- Yes: 24%
- No: 59%
- Plan to: 17%
Implications for insurance management

Top concerns regarding the insurance market

- New regulations: 13% extremely concerned, 21% concerned, 66% not concerned
- Limitations and exclusions on emerging / specific risks: 32% extremely concerned, 55% concerned, 13% not concerned
- Concentration of insurance companies: 8% extremely concerned, 32% concerned, 60% not concerned
- Change in market conditions: 55% extremely concerned, 38% concerned, 7% not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 87%
- Use alternative risk transfer vehicles: 45%
- Use an existing captive: 30%
- Create a captive insurance / re-insurance company: 11%

In 2018

Lobbying the insurance market was the 3rd strategy, while the use of an existing captive was not identified among the top strategies.

43% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.

50% in 2018
Italy
(including Vatican City: 11% of respondents)

Who is the risk manager?

- Male: 72%
- Female: 28%
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 31% earn between €60k and €100k per year

Activities of the risk manager

- 42% in charge of Enterprise Risk Management (ERM)
- 29% in charge of both ERM and Insurance Management (IM)
- 29% in charge of IM

Top 3 ERM activities

1. Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting (91%)
2. Development, implementation, and assessment of risk culture across the organisation (82%)
3. Design and implementation of risk controls / prevention (75%)

In 2018

The 3rd position, the development and implementation of ERM, was replaced this year in the Top 3 by the design of risk controls.
Certification

Do you have a specific qualification in risk and/or insurance management?

- Yes: 45%
- No: 55%

84% say that a recognised certification matters in practising risk management. 74% are already certified or planning to apply.

Top risks

Top 5 risks for growth prospects within the next 12 months

- Cyber threats: 39%
- Uncertain economic growth: 32%
- Geopolitical uncertainty: 23%
- Data fraud or theft: 32%
- Over-regulation: 18%

The speed of technological change was at the 4th position while data fraud or theft only emerges in the Top 5 this year.

In 2018

Top 3 within the next 3 years
- Uncertain economic growth (26%)
- Over-regulation (23%)
- Speed of technological change (21%)

Top 3 within the next 10 years
- Changing consumer behaviour (16%)
- Extreme weather events (14%)
- Climate change and environmental damage (11%)
Digital transformation

- 62% of respondents use data analysis to perform their risk / insurance activities, among which 25% have the data analysis skills within their teams.
- 54% use data visualisation.
- 30% use process automation technologies, among which 41% have the process automation skills within their teams.
- 11% use artificial intelligence.
- 56% in 2018.

Implications in ESG

- Is the risk manager playing a specific role regarding ESG-related risks in their organisation?
  - Yes: 13%
  - No: 41%
  - Plan to: 46%
Implications for insurance management

Top concerns regarding the insurance market

New regulations | Limitations and exclusions on emerging / specific risks | Concentration of insurance companies | Change in market conditions
--- | --- | --- | ---
25% | 26% | 60% | 20%
29% | 14% | 43% | 20%
46% | 6% | 51% | 60%

Extremely concerned | Concerned | Not concerned

In 2018

The main concerns regarding the insurance market were: limitations and exclusions on emerging / specific risks (85%), new regulations (83%), concentration of insurance companies (50%), and change in market conditions (48%).

In 2018

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 41%
- Use alternative risk transfer vehicles: 35%
- Use an existing captive: 8%
- Create a captive insurance / re-insurance company: 6%

Lobbying the insurance market and the use of alternative risk transfer vehicles were respectively the 2nd and 3rd favourite strategies. In 2020, using alternative risk transfer vehicles or existing captives rose in preference.

71% in 2018

43% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.
Germany
(7% of respondents)

Who is the risk manager?

- Male: 79%
- Female: 21%
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 51% earn more than €151 k per year

Organisation

- 87% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 76% of respondents come from industry

Activities of the risk manager

- 14% in charge of Enterprise Risk Management (ERM)
- 21% in charge of both ERM and Insurance Management (IM)
- 65% in charge of IM

Top 3 ERM activities

- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting | 81%
- Development, implementation, and assessment of risk culture across the organisation | 81%
- Definition of the Enterprise Risk Management governance, framework, processes, and/or tools | 81%
**Certification**

Do you have a specific qualification in risk and/or insurance management?

- **Yes**: 15%
- **No**: 85%

80% say that a recognised certification matters in practising risk management. 30% are already certified or planning to apply.

**Top risks**

**Top 5 risks for growth prospects within the next 12 months**

- **Cyber threats**: 45%
- **Natural disaster**: 16%
- **Uncertain economic growth**: 25%
- **Changing consumer behaviour**: 18%
- **Over-regulation**: 20%

**Top 3 within the next 3 years**

- Availability of key skills (20%)
- Cyber threats (20%)
- Extreme weather events (20%)

**Top 3 within the next 10 years**

- Climate change and environmental damage (18%)
- Speed of technological change (18%)
- Availability of skills (11%)
Digital transformation

- **47%** of respondents use data analysis to perform their risk / insurance activities, among which 30% have the data analysis skills within their teams.
- **41%** use data visualisation.
- **48%** use process automation technologies, among which 48% have the process automation skills within their teams.
- **7%** use artificial intelligence.

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- **26%** Yes
- **67%** No
- **7%** Plan to
Implications for insurance management

Top concerns regarding the insurance market

- New regulations: 17% Extremely concerned, 17% Concerned, 66% Not concerned
- Limitations and exclusions on emerging / specific risks: 31% Extremely concerned, 12% Concerned, 57% Not concerned
- Concentration of insurance companies: 50% Extremely concerned, 48% Concerned, 2% Not concerned
- Change in market conditions: 62% Extremely concerned, 36% Concerned, 2% Not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 95%
- Use alternative risk transfer vehicles: 44%
- Use an existing captive: 34%
- Create a captive insurance / re-insurance company: 20%

67% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.
Central and Eastern Europe
(Albania, Armenia, Austria, Bulgaria, Czech Republic, Georgia, Hungary, Kazakhstan, Lithuania, Romania, Russia, Slovenia: 6% of respondents)

Who is the risk manager?
- Male: 67%
- Female: 33%
- Typically between 36 and 45 years
- Usually has more than 10 years of professional experience
- 59% earn less than €40k per year

Organisation
- 70% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 43% of respondents come from industry

Activities of the risk manager
- 20% in charge of Enterprise Risk Management (ERM)
- 48% in charge of both ERM and Insurance Management (IM)
- 32% in charge of IM

Top 3 ERM activities
1. Development, implementation, and assessment of risk culture across the organisation: 65%
2. Design and implementation of risk controls / prevention: 59%
3. Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting: 53%

43% of respondents come from industry

70% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
Top risks

Do you have a specific qualification in risk and/or insurance management?

- Yes: 29%
- No: 71%

91% say that a recognised certification matters in practising risk management. 84% are already certified or planning to apply.

Top 5 risks for growth prospects within the next 12 months

- Uncertain economic growth (44%)
- Changing in consumer behaviour (15%)
- Cyber threats (38%)
- Availability of key skills (18%)
- Geopolitical uncertainty (23%)

Top 3 within the next 3 years

- Cyber Threats (33%)
- Geopolitical uncertainty (28%)
- Increasing tax burden (26%)

Top 3 within the next 10 years

- Climate change and environmental damage (23%)
- Natural disaster (18%)
- Extreme weather events (15%)

Do you have a specific qualification in risk and/or insurance management?

- Yes: 29%
- No: 71%

91% say that a recognised certification matters in practising risk management. 84% are already certified or planning to apply.

Top 5 risks for growth prospects within the next 12 months

- Uncertain economic growth (44%)
- Changing in consumer behaviour (15%)
- Cyber threats (38%)
- Availability of key skills (18%)
- Geopolitical uncertainty (23%)

Top 3 within the next 3 years

- Cyber Threats (33%)
- Geopolitical uncertainty (28%)
- Increasing tax burden (26%)

Top 3 within the next 10 years

- Climate change and environmental damage (23%)
- Natural disaster (18%)
- Extreme weather events (15%)

Do you have a specific qualification in risk and/or insurance management?

- Yes: 29%
- No: 71%

91% say that a recognised certification matters in practising risk management. 84% are already certified or planning to apply.

Top 5 risks for growth prospects within the next 12 months

- Uncertain economic growth (44%)
- Changing in consumer behaviour (15%)
- Cyber threats (38%)
- Availability of key skills (18%)
- Geopolitical uncertainty (23%)

Top 3 within the next 3 years

- Cyber Threats (33%)
- Geopolitical uncertainty (28%)
- Increasing tax burden (26%)

Top 3 within the next 10 years

- Climate change and environmental damage (23%)
- Natural disaster (18%)
- Extreme weather events (15%)
Digital transformation

45% of respondents use data analysis to perform their risk / insurance activities, among which 29% have the data analysis skills within their teams

52% use data visualisation

31% use process automation technologies, among which 67% have the process automation skills within their teams

10% use artificial intelligence

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- Yes: 35%
- No: 45%
- Plan to: 20%
Implications for insurance management

Top concerns regarding the insurance market

- **New regulations**: 17% Extremely concerned, 28% Concerned, 55% Not concerned
- **Limitations and exclusions on emerging / specific risks**: 28% Extremely concerned, 11% Concerned, 61% Not concerned
- **Concentration of insurance companies**: 6% Extremely concerned, 61% Concerned, 33% Not concerned
- **Change in market conditions**: 22% Extremely concerned, 22% Concerned, 67% Not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- **Risk retention**: 56%
- **Use alternative risk transfer vehicles**: 44%
- **Create a captive insurance / re-insurance company**: 22%
- **Use an existing captive**: 11%

50% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.
United Kingdom and Ireland
(4% of respondents)

Who is the risk manager?
- Male: 69%
- Female: 31%
- 56% earn between €60 k and €150 k per year
- Typically between 46 and 55 years
- Usually has more than 10 years of professional experience
- 83% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 48% of respondents come from industry

Activities of the risk manager
- 18% in charge of Enterprise Risk Management (ERM)
- 41% in charge of both ERM and Insurance Management (IM)
- 41% in charge of IM

Top 3 ERM activities
- Development, implementation, and assessment of risk culture across the organisation: 88%
- Definition of the Enterprise Risk Management governance, framework, processes, and/or tools: 88%
- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting: 81%

In 2018
- 27% ERM
- 33% both ERM and IM
- 40% IM

The order of the top 3 ERM activities was different:
- 1st: Risk identification (92%)
- 2nd: Development and implementation of ERM (86%)
- 3rd: Development and assessment of risk culture across the organisation (84%)
Certification

Do you have a specific qualification in risk and/or insurance management?

- Yes: 22%
- No: 78%

63% say that a recognised certification matters in practising risk management. 76% are already certified or planning to apply.

Top risks

Top 5 risks for growth prospects within the next 12 months

- Cyber threats: 50%
- Uncertain economic growth: 33%
- Extreme weather events: 30%
- Climate change and environmental damage: 30%
- Speed of technological change: 30%

Top 3 within the next 3 years
- Cyber threats (30%)
- Asset bubbles in a major economy (25%)
- Changing consumer behaviour (25%)

Top 3 within the next 10 years
- Climate change and environmental damage (20%)
- Populism (10%)
- Availability of key skills (10%)

In 2018
The changing of consumer behaviour and the availability of key skills were ranked in the Top 5, while this year the speed of technological change and extreme weather events emerge in the Top 5.
Digital transformation

- 60% of respondents use data analysis to perform their risk/insurance activities, among which 42% have the data analysis skills within their teams.
- 49% in 2018 use data visualisation.
- 47% use process automation technologies, among which 44% have the process automation skills within their teams.
- 16% use artificial intelligence.

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

- Yes: 23%
- No: 59%
- Plan to: 18%
Implications for insurance management

Top concerns regarding the insurance market

- New regulations: 10% Extremely concerned, 40% Concerned, 50% Not concerned
- Limitations and exclusions on emerging / specific risks: 20% Extremely concerned, 20% Concerned, 60% Not concerned
- Concentration of insurance companies: 10% Extremely concerned, 35% Concerned, 55% Not concerned
- Change in market conditions: 30% Extremely concerned, 55% Concerned, 15% Not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 90%
- Use an existing captive: 45%
- Use alternative risk transfer vehicles: 40%
- Create a captive insurance / re-insurance company: 15%

In 2018

Lobbying the insurance market to develop solutions was in the 2nd position, instead of using an existing captive.

91% of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.

54% in 2018
Switzerland
(4% of respondents)

Who is the risk manager?

- Male: 68%
- Female: 32%
- Typically between 36 and 45 years
- Usually has more than 10 years of professional experience
- 67% earn between €101k and €200k per year

Organisation

- 93% of respondents work within large companies (>250 staff headcount, >€50 m turnover)
- 70% of respondents come from industry

Activities of the risk manager

- 0% in charge of Enterprise Risk Management (ERM)
- 50% in charge of both ERM and Insurance Management (IM)
- 50% in charge of IM

Top 3 ERM activities

- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting
- Development, implementation, and assessment of risk culture across the organisation processes and/or tools
- Design and implementation of risk controls / prevention strategy

In 2018

- 10% ERM
- 50% both ERM and IM
- 40% IM

Top 3 ERM activities

- Development of risk maps: risk identification, analysis, evaluation, prioritisation and reporting: 80%
- Development, implementation, and assessment of risk culture across the organisation processes and/or tools: 60%
- Design and implementation of risk controls / prevention strategy: 60%

In 2018

The 2nd position was developing an ERM framework and governance and the 3rd was aligning risk management as part of the business strategy. Risk mapping development was already in 1st position.
### Top risks

#### Top 5 risks for growth prospects within the next 12 months

- **Cyber threats**: 48%
- **Geopolitical uncertainty**: 36%
- **Changing consumer behaviour**: 24%
- **Speed of technological change**: 20%
- **Uncertain economic growth**: 20%

#### Top 3 within the next 3 years

- Climate change and environmental damage (36%)
- Availability of key skills (28%)
- Data fraud or theft (20%)

#### Top 3 within the next 10 years

- Extreme weather events (24%)
- Asset bubbles in a major economy (8%)
- Natural disaster (8%)

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### Certification

Do you have a specific qualification in risk and/or insurance management?

- **Yes**: 27%
- **No**: 73%

87% say that a recognised certification matters in practising risk management. 58% are already certified or planning to apply.

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In 2018, Climate change and environmental damage were in the top concerns instead of the speed of technological change, which emerges in this year’s Top 5.
Digital transformation

65% of respondents use data analysis to perform their risk / insurance activities, among which 27% have the data analysis skills within their teams.

36% use data visualisation.

42% in 2018

28% use process automation technologies, among which 29% have the process automation skills within their teams.

8% use artificial intelligence.

Implications in ESG

Is the risk manager playing a specific role regarding ESG-related risks in their organisation?

8% Yes
12% No
80% Plan to

FERMA European Risk Manager Country files - 2020
Implications for insurance management

Top concerns regarding the insurance market

- New regulations: 26% Extremely concerned, 56% Concerned, 18% Not concerned
- Limitations and exclusions on emerging / specific risks: 30% Extremely concerned, 11% Concerned, 59% Not concerned
- Concentration of insurance companies: 15% Extremely concerned, 22% Concerned, 63% Not concerned
- Change in market conditions: 37% Extremely concerned, 59% Concerned, 4% Not concerned

Insurance management strategy for difficult-to-insure risks during the next 2 years

- Risk retention: 85%
- Use alternative risk transfer vehicles: 48%
- Create a captive insurance / re-insurance company: 22%
- Use an existing captive: 22%

Of respondents estimate that the involvement of their captive over the next 2 years will be more important in traditional lines of cover. Examples include employee benefits, general / third party liability, employers’ liability / workers, compensation, property, terrorism, automobile liability, professional liability.

In 2018

Lobbying the insurance market to develop solutions was in 1st position. The use of an existing captive was not among the strategies.

38% in 2018