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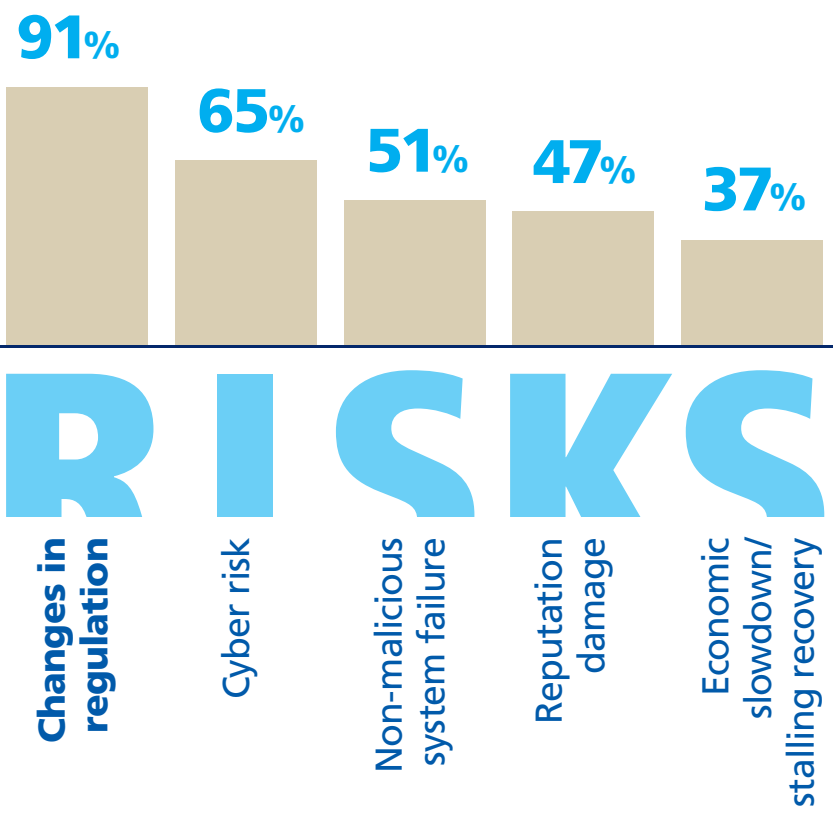
Financial Institutions Industry Community

Survey results



May and June 2014 we carried out a survey in association with StrategicRisk magazine to look at risk management across financial institutions.

What are the top five risks facing the financial services industry?



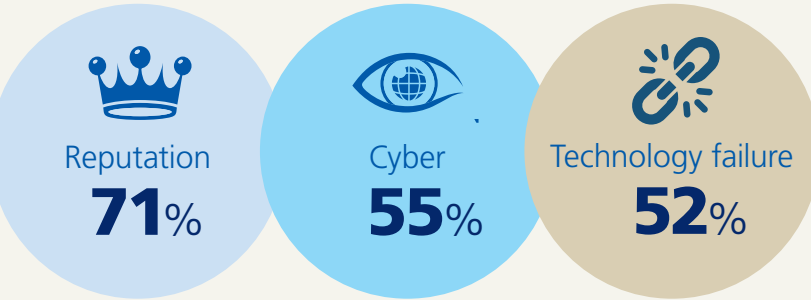
Other risks on the radar:

Outsourcing, political risk, internal fraud, longevity, financial misreporting, retention and acquisition of talent

• **Regulatory risk** was chosen as the number-one risk to their business by risk managers.

The difficulty of insuring risks

Which risks are the hardest to insure?

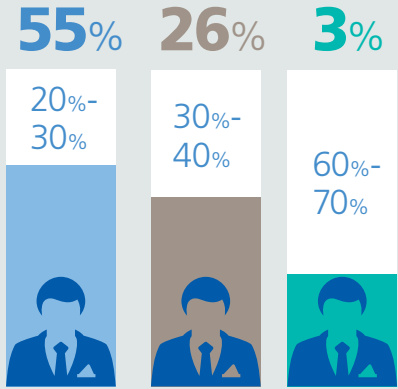


So three of the top five risks are also considered the hardest to insure

Other risks mentioned:

Regulation costs, human errors that damage only the institution, liquidity, supply chains, natural catastrophes

What percentage of your firm's risks are insurable?



For 70% of a firm's exposures, most insurers have no solution.
Survey respondent

How can insurers help firms to identify, manage and transfer risk?

What would improve relationships?



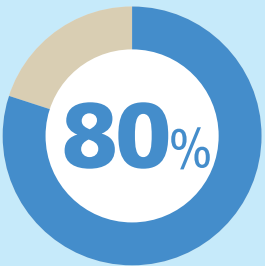
What are the most important factors when choosing a policy?

Cover	8.65
Claims service	8.48
Service levels of the insurer	7.38
Industry specific expertise and knowledge of the insurer	7.00
Insurer's financial rating	6.90
Price	6.85
Relationship with the underwriters	6.55
Overall brand/reputation of the insurer	6.10
Access to a relationship manager	6.08
Risk engineering	5.69
Range of products	5.55

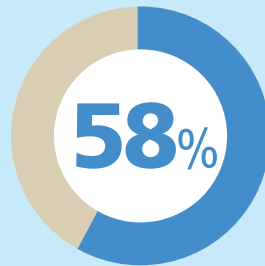
Risk managers feel their role is driven mainly by regulatory changes.



Percentage of risk managers who feel risk management practices in the industry are improving:



Percentage of risk managers who feel the primary driver of this improvement is regulation:



Other factors put forward:

Advances in technology, the elevation of risk management to board level.



Practices are only improving through changes in regulatory requirements. I am not sure if this means that risk management is embraced or if it is merely done to comply.
Survey respondent

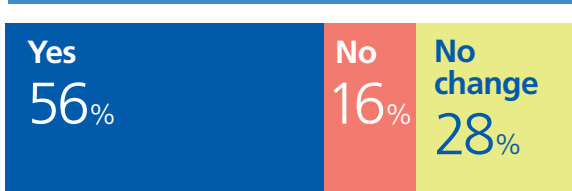
Regulators are enforcing fast change in the compliance and risk control area, withholding the development of risk management.
Survey respondent

I would love to see some true strategic risk assessments completed by financial institutions rather than merely those required for regulatory purposes.
Survey respondent

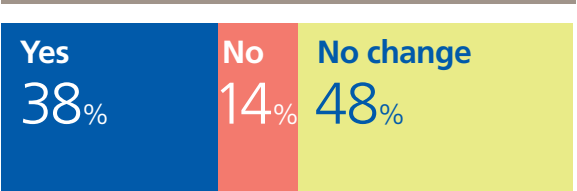
How has the financial crisis affected risk management?



Our firm has become more risk averse



Has the economic crisis improved risk management's stature within the business?



Is risk management seen as a key part of the business?

The average rating for successfully embedding a risk management culture suggests not –

5.79 out of **10**



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