Seven-point plan to measure reputational risk

A business model for identifying the risk, page 5

The future of risk management

Read how the discipline in changing and what is in store for the future, page 6

16 June 2015

StrategicRISK

www.strategic-risk-global.com

Fighting on several fronts at once

Airmic chief executive John Hurrell opened the association's annual conference in Liverpool by telling more than 900 delegates that risk managers must put their heads above the parapet in order to raise the profile of the discipline and insurance to ensure that risk management is put firmly on boardroom agendas

Opening Airmic's annual conference in Liverpool yesterday, chief executive John Hurrell said the campaign to put risk management and insurance firmly on boardroom agendas has made significant advances in the past 12 months. He called on risk managers, brokers and insurers to put their heads above the parapet, but hailed progress made so far on raising the profile of risk and insurance.

Drawing on findings from several reports that are due to launch at the conference this afternoon, Hurrell urged more than 900 delegates to work together to move risk management up the corporate risk ladder.

He added that there are "two fronts to be fought": the 'air war', where Airmic seeks to influence senior decision makers beyond its membership and the 'ground war', where it provides risk managers with the knowledge and resources to gain influence.

Hurrell cited the guidance on risk management from the Financial Reporting Council, which calls on directors to take greater responsibility for risk management: see page 6.

He described the guidance, for which Airmic was consulted, as "the perfect opportunity for risk managers to step up and support their boards".

Speaking to *StrategicRISK*, Hurrell said: "Risk managers have to recognise that, in today's globalised business world, there is timely opportunity for them to put their heads above the parapet and raise the profile of risk. The profile of risk can be improved in two key

Continued on page 4


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Guide to reviewing an insurer's claims services

Revised guide urges risk managers to focus on claims efficiency with an eight-point framework

Airmic will publish tomorrow an updated version of its *Claims Best Practice Guide*. This provides risk managers with practical advice on how to assess their claims-handling capabilities and evaluate insurers' claims services as well as tips on how to place a claim efficiently.

First published six years ago, the guide details eight components that risk managers should consider for successful claims handling, including: (i) culture and philosophy; (ii) structure of the team; (iii) infrastructure; (iv) people; (v) claims procedures; (vi) communication; (vii) data management and monitoring; and (viii) performance review.

The revision follows a survey of Airmic members, in which 65% reported experiencing various claims-handling issues.

Wrong focus

To delve further into the matter, Airmic hosted a number of roundtables throughout 2014 and conducted telephone interviews with risk managers, brokers and insurers to identify the key challenges in managing a claim.

The discussions found that, anecdotally, the insurance industry focuses too much on insurance placement and not enough on claims efficiency.

Speaking before the publication of the guide, Aon chief claims officer EMEA Martin Thomas and member of the claims guide steering group, said: "Up until now, buyers have not given enough attention to an insurer's willingness to pay.

"The ability of an insurer to pay a claim can be clear using a Standard & Poor's rating for example, but there hasn't been enough focus on the willingness of an insurer to deliver against its promise to pay."

'The ability of an insurer to pay a claim can be clear using a Standard & Poor's rating for example, but there hasn't been enough focus on the willingness of an insurer to deliver against its promise to pay'

Martin Thomas, Aon

In the pipeline… a guide to cyber risk and insurance

Airmic is working on a guide on cyber risk, after 86% of its members identified the threat of data loss or theft as one of their top three concerns.

Earlier this year, Airmic conducted a survey of its members. The results, which will be officially announced this afternoon, report a discrepancy between what risk managers want from insurance and what the market offers. Some 63% of members do not have any insurance cover for cyber risk, of which 43% said they have not purchased insurance because there is 'inadequate cover'.

Airmic is now conducting further research and is working with a number of partners to produce a guide that will define cyber risk and outline innovation in the cyber insurance market. The guide is expected later this year.

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Continued from page 1

areas: insurance and risk management.

"First, on insurance: the long-standing soft insurance market has tended to undervalue and commoditise insurance – and insurance is far from being a commodity. Insurance is absolutely an essential piece of financial support for organisations and, the industry – the risk managers, brokers, and insurers – has to raise its game to demonstrate the true value of insurance.

"One of the deliverables at the conference will be a joint paper on the materiality of insurance that Airmic is publishing with PwC [see box on page 7].

"Second, on risk management: raising the profile of risk is the subject of a joint report by Airmic and Tomorrow's Company [see first box on page 7] as well as a related report unveiled today that provides a practical road map for risk managers on how to achieve resilience and support their boards.

> *'Business models are evolving rapidly and more than ever before, boards need to understand the complex, interconnectivity of global risks'*
>
> John Hurrell, Airmic

"Business models are evolving rapidly and more than ever before, boards need to understand the complex interconnectivity of global risks.

"However, the problem within most organisations is that departments operate in silos: treasury does not spend enough time speaking to legal, which does not spend a lot of time talking to HR about all those interconnected risks.

"Frankly, when a business crisis occurs, it is always the board that carries the blame.

"That is why Airmic is calling for senior executive risk leaders who are not risk owners but who can act as a catalyst to bring all of those business functions together into a cohesive risk assessment for the board's consideration."

Connecting the dots

Hurrell then moved on to reveal plans of a new report that the association will publish next year. The report aims to "connect the dots" and identify the factors that lead to successful risk management.

Hurrell said: "We asked ourselves what connects all of the bad [things] that happened in the case studies in *Roads to ruin* with all the good things of *Roads to resilience* and the recently published *Tomorrow's risk leadership*. The connecting piece is people – behaviour and culture.

"This does not only concern the people employed within the business but the extended supply chain of contractors.

"[Airmic is] going to conduct research to identify the drivers that lead to effective risk management based on how people are being managed. [The association] will look at connecting HR departments and the finance function with risk units. The report will touch on ethics, staff retention and business performance.

"The next two or three steps will be to finalise the scope of the report, what we want the product at the end to inform on, who will be our research partner and who will be our commercial partners."

Airmic aims to publish this report at its annual conference next year in Harrogate.

Airmic produces seven-point plan for measuring reputational risk

The guide provides a breakdown of how to identify and measure reputational risk

Airmic and Reputation Institute will today publish a guide detailing a model for measuring and identifying reputational risk.

Reputational risk is often described as an 'intangible asset risk' because it is difficult to identify and measure and challenging to price in terms of insurance.

The risk is often cited as a "subset of other risks" or an underlying consequence of other threats. For example, cyber attacks or supply chain disruption could harm a company's reputation and, in a globalised and highly connected business world, companies are more vulnerable than ever to the threat.

This may explain why reputational risk continues to rank within the top 3 risks for Airmic members.

Before developing the guide, Airmic conducted a survey of its members and found that of those who identified reputational risk as their main concern, only 3% had insurance to cover the risk and one-third said they were confident about managing it.

Those who do not have insurance for the risk said that coverage was either not available, too expensive and/or inadequate.

When asked to explain why reputational risk was difficult to manage, risk managers identified two factors: (i) that there is no consistent view about how to define reputation risk; and (ii) that they do not know how to value the risk.

The guide first defines reputational risk as: "The emotional connection between stakeholders and organisation, which can be measured by the level of trust, admiration, respect and good feeling from its stakeholders".

It then sets out a seven-point plan to help risk managers identify events that are likely to harm their company's reputation, or more specifically, events that could damage a customer's/stakeholder's "level of trust", "admiration", "respect" and "good feeling".

The components that risk managers are advised to assess include:

1. **products and services:** the risks that will reduce customers' confidence in the company's products/services;
2. **innovation:** threats that will reduce customers' perception that the business is innovative;
3. **workplace:** threats that will damage customers' perception that staff are treated well;
4. **governance:** issues that will reduce customers' belief that the company is open, honest, and fair in the way it conducts business;
5. **citizenship:** risks that bring a company's corporate social responsibility into question;
6. **leadership:** threats that bring the company's leadership into question; and
7. **financial performance:** risks that reduce customers' perception of a company's financial strengths.

Speaking before the launch of the guide, Georgina Oakes, Airmic research and development manager (insurance), who was involved in producing the guide, said: "The guide aims to create common language and understanding of reputational risk so that risk managers can better discuss with their peers how best to manage the risk and outline to brokers and insurers the events that could affect their company's reputation.

"At the moment, reputational risk is difficult to quantify and price in terms of insurance. However, the guide provides a breakdown of how best to identify reputational risk, and therefore presenting a more feasible way of measuring and identifying the risk."

Risk management in changing times

A new guide outlines how the risk management function is evolving and reviews how a constantly evolving risk landscape is influencing the profession

Airmic has consolidated the findings of four risk and governance reports into a guide that examines the changing risk landscape and its effects on the risk management function.

To be published this afternoon, *The changing world of risk management*, draws together findings from Airmic's *Roads to Resilience*, its Financial Reporting Council implementation guide (published in May, see right), the recent *Tomorrow's risk leadership* (a joint Airmic and Tomorrow Company's report) and *Looking through the risk lens* published by the Chartered Institute of Management Accountants (CIMA).

These reports cite globalisation, interconnected risks, technological advancement and a constantly evolving risk landscape as factors that have complicated and changed the risk role. Achieving business resilience is now harder than before.

The guide outlines the current state of risk management and forecasts how the function will evolve. It aims to provide risk managers with the tools to "elevate their practical skills" and help them lead the risk debate in their companies.

> *'Everyone is making moves to become more resilient, but few risk managers feel they have achieved this'*
>
> Katie Moore, Airmic

Speaking to *StrategicRISK* before the guide's publication, Katie Moore, Airmic research and development manager, who was involved in producing the document, said: "The report takes a view on where risk management currently is in terms of resilience. The message was resoundingly clear: everyone is making moves to become more resilient, but few risk managers feel they have achieved this, so there is a lot of room for growth and improvement.

"The report will detail findings from a resilience survey that Airmic conducted in January 2014. It asked members to rate their business resilience and provide a rating for where they aim to be 12 months down the line.

"We took this feedback and the initial research done for *Roads to Resilience* to determine the key characteristic of each principle of resilience. We also detail examples of best practice."

Tomorrow's Company risk leadership report feeds into this guide to provide a definition of the roles and responsibilities of tomorrow's risk leaders: see page 7.

The new guide also provides advice on how risk managers can use CIMA's business model to ensure risk management reaches every part of the business.

Six steps to ensure boards are FRC-compliant

Airmic is calling on risk managers to assist boards in meeting their risk management obligations, as set out in the Financial Reporting Council (FRC) 2014 risk management guidance.

Risk management, internal control and related financial and business reporting replaces the Turnbull Guidance (2005), and outlines six responsibilities of the board, including those related to: risk management processes; principal risks and risk appetite; risk culture and risk assurance; risk profile and risk mitigation; monitoring and review activities; and risk communication and reporting.

Airmic states in the guide: "The role of the risk manager in helping their board achieve compliance with their risk management responsibilities is extensive." "There is a clear and increasing need for in-house risk management expertise to help boards and management to fulfil the obligations."

The guide sets out steps risk managers should take to achieve the FRC's objectives:

- planning, designing and facilitating the implementation of the overall risk management process for the company;
- taking account of the effect of related risks materialising at the same time, including catastrophic risk combinations;
- establishing mechanisms for monitoring the influence of the risk culture to ensure it is achieved in practice;
- evaluating the procedures for assessing and responding to emerging risks, including reports to the board;
- establishing processes for senior management to monitor the systems of risk management and evaluate risk performance; and
- establishing suitable 'risk radar' arrangements to provide early warning of changes in the internal and external risk environment.

How a new role could help firms avoid major crises

Executive risk leaders would report directly to the board and be in a position to influence the strategic direction of the business

Themed 'Raising the profile of risk', Airmic's annual conference will provide risk managers with plenty of opportunity to discuss the findings of the association's latest report, *Tomorrow's Risk Leadership*.

Published by global business think tank Tomorrow's Company in collaboration with Airmic and Good Governance Forum members, the Chartered Institute of Management Accountants, InterContinental Hotels, Korn Ferry, PwC and Zurich, the report sets out a strong case for why a new role in risk management – the executive risk leader – should be created.

The report states that boards are failing to navigate today's increasingly complex risks and that such failure could result in loss of value and erode resilience.

Appointing an executive risk leader who reports directly to the board and whose role is to influence the strategic direction of the business, will help companies avoid the next big crisis, the report suggests. In the UK financial services sector, the chief risk officer provides boards with this support, but other sectors are loosing out, according to John Hurrell, Airmic's chief executive officer.

"Through conversations with our members, we know anecdotally, either the chief finance officer or legal/company secretary will notionally be the mouthpiece for risk managers at board level. However, these professionals are not working on risk full time.

"At Airmic, we believe that the executive risk leader is a dedicated function and should be a full-time executive role.

"In the finance sector, a similar role exists in the chief risk officer, but outside this sector, few businesses appoint chief risk officers or executive risk leaders. These professionals are few and far between. For instance, significant capital-generating organisations in oil and energy industry may appoint a risk manager of this seniority, but this role does not exist in the average global manufacturing or retail companies – but it should."

> *'At Airmic, we believe that the executive risk leader is a dedicated function and should be a full-time executive role'*
>
> John Hurrell, Airmic

What skills should an executive risk leader have?

The report sets out the skills required of an executive risk leader, under for key headings (Strategic partnership, Executive leadership, Culture, Organisational capability). As such, the executive risk leader is someone who:

- aligns business with balanced risk/reward approach for effective commercial business decisions;
- establishes the right culture with the board and executive committee;
- constantly considers future challenges including succession and 'future-proofing' function;
- creates an enterprise-wide function that balances framework, policy and process with forward-thinking capability; and
- considers internal and external factors in the design and coverage of the function.

Cover, but not at all costs

New report says boards are too focused on the price of insurance, at the expense of efficacy

Risk managers are urged to shift their focus away from assessing the cost of insurance and consider more the efficacy of cover when purchasing insurance, particularly, that defined as 'critical cover', according to a new report published today by Airmic and PwC.

Airmic defines critical insurance as insurance that is vital to business performance. The association suggests that without such cover, customer confidence or a company's ability to do business could be affected. Alternatively, in the event of an unsuccessful claim, businesses could suffer "catastrophic financial consequences".

Speaking to *StrategicRISK* before the publication of the report, Georgina Oakes, Airmic research and development manager, who was involved in producing the report, said: "Airmic members report that the board is too focused on total premium, spend rather than ensuring that insurance is effective and sufficiently backed up by risk controls.

"So, [Airmic is] asking insurance managers to look at these insurances differently and focus on the efficacy of these offerings.

"For critical insurances in particular, the focus should not be on price but on ensuring that insurance acts as expected. For instance, if claims are delayed or declined, there could be severe financial consequences such as debt, cash flow, [breaching] banking covenants."

With several types of business insurance, the guide set out three categories to which insurances belongs, including:

- mandatory: insurances that are required by law, supplier contract or trade body agreements;
- critical: insurances considered as 'critical' to business performance; and
- optional: insurances that are optional to buy and do not critically affect business performance, but may provide valuable service benefits.

> *'Airmic members report that the board is too focused on total premium'*
>
> Georgina Oakes, Airmic

Complexity creates chaos

As safety systems and risk mitigation become more complicated, the likelihood of a crisis increases

The collapse of the Lehman Brothers in 2008 and the incidents that brought Lloyd's to the brink of bankruptcy in the 1980s have many similarities, offering fundamental lessons in risk management.

Ahead of his keynote speech yesterday, economist and journalist Tim Harford spoke to *StrategicRISK* about how, at a basic level, there are common factors between corporate and industrial crises, namely that safety systems are too complex, create unintended consequences and fail to mitigate the primary risk.

Harford mentioned two incidents that brought Lloyd's of London to its knees: the London Market Excess of Loss (LMX) spiral, which began in 1983, and the Piper Alpha oil rig explosion in 1988.

The LMX spiral involved Lloyd's LMX syndicates reinsuring each other and issuing excess-of-loss policies to deal with major losses relating to asbestos-related claims, instead of transferring risks elsewhere. This reduced the funds available to pay losses. Similarly, the Piper Alpha oil rig in the North Sea explosion triggered several excess-of-loss policies. The initial cost to Lloyd's was $1bn (€645m) – one of the largest single insurance claims ever made – but after several excess-of-loss policies, the total of claims across the market reached about $16bn, according to the *Financial Times*.

The same level of complexity contributed to the latest financial crisis, argues Harford, because firms were using multiple ways to insure themselves against risk, such as credit default swaps, which "made everything more complicated, and complexity creates unintended consequences," he says.

When the financial crisis began, regulators had poor information about what was going on and didn't have the information they needed to make decisions

Points of action

Harford then went on to explain that complex safety systems can lead to and exacerbate risks. He outlined three points of actions for risk managers to avoid overcomplicated systems.

"The first point is to reduce the fundamental hazard – the primary risk to the business," Harford says. By way of example, he explains that the fundamental risk in the financial sector is bankruptcy. "Financial firms fund themselves through debt or equity, but borrowing money increases the fundamental risk of bankruptcy because the firm may not be able to repay the money. "Underpinning the financial crisis were extreme levels of borrowing and leverage, which meant firms had a low margin for error if things went wrong."

Harford's second point concerns poor lines of communication, which is often at the heart of accidents and disasters.

"When the financial crisis began, regulators had poor information about what was going on and didn't have the information they needed to make decisions.

"When the regulators cut the Lehman Brothers off, they were merely guessing the consequences. They didn't know who Lehman Brothers owed money to or where the distress might spread in the system."

Harford's final point is to protect and reward whistleblowers, because employees are usually the first to spot malpractice. However, he says individuals may be discouraged to report malpractice by historical cases of whistleblowers being treated as scapegoats and punished through criminal prosecutions and/or relieved of their position.

Firms should encourage whistleblowing to reduce the risk of insider crime and prevent a crisis from unfolding, Harford argues.

"It's not complicated; to encourage whistleblowers a firm must protect and reward individuals who come forward," he says.

Risk may differ across industry, but the basics of risk management are universally applicable, according to Harford. Simply put: complexity creates chaos.

Insurance law update

The new Insurance Act 2015 introduces fundamental reforms and will radically transform the landscape for insureds and insurers alike. Paul Lewis, partner at Herbert Smith Freehills, explains how a new what policyholders should know about the changes, how to prepare for the Act coming into force next year and how a briefing created in partnership with Airmic and published today might help

Q&A

What can risk managers expect from the Airmic/Herbert Smith Freehills' briefing on the Insurance Act 2015?

Herbert Smith Freehills and Airmic have worked to produce a briefing on the new Act that aims to assist policyholders wishing to amend their current policies to take advantage of some of the benefits of the Insurance Act 2015 before it comes into force in August 2016. The briefing includes an endorsement that might helpfully form the basis of discussions with insurers.

It is important for policyholders to be aware that not all sections of the endorsement in the briefing will be appropriate for everyone and this is not a 'one-size-fits-all' approach. I would urge policyholders to discuss the options with their insurance broker in the first instance and consider seeking independent legal advice.

Partners from Herbert Smith Freehills, including me, are at the Airmic Conference (meeting room 3) to offer delegates free one-to-one sessions to discuss the Act and the effect it may have on their business.

Why was new legislation deemed necessary?

The current law is based on the Marine Insurance Act 1906 whose provisions, unsurprisingly, were considered outdated for the modern insurance market. It was also felt that the current law was imbalanced in favour of insurers and this was putting the English insurance market at a competitive disadvantage in the global arena.

The new Act provides for a new duty of fair representation, so how can policyholders prepare for a reasonable search?

Under the new Act, an insured is required to disclose every material circumstance that they know or ought to know. The Act states that the insured 'ought to know' what is revealed by a 'reasonable search'. Policyholders will need to consider what information should be collected from whom within their organisation bearing in mind the nature of their business, its geographic scope and the type of policy being placed, in order to comply with this duty. Thought will need to be given as to how best to conduct such a search and collate the information provided. It will be crucial for policyholders to keep an audit trail of the searches carried out so that they can, if required, demonstrate to insurers that they carried out a reasonable search and seek to avoid any suggestion by insurers that the policyholder is in breach of its duty of fair presentation.

It is important to remember that in addition to the reasonable search, the insured is also required to disclose material circumstances that it 'knows' and the Act is prescriptive as to whose knowledge is relevant for these purposes – it is the knowledge of senior management and those individuals involved in the process of procuring the insurance.

Policyholders should act now to educate these individuals on the requirements of the Act and what information they will need to provide so that they are ready when the Act comes into force.

What are the main changes in respect of warranties and basis clauses?

Policyholders will welcome three significant changes in this area:

- under the Act, a breach of warranty will no longer automatically take the insurer off risk. The Act makes warranties 'suspensive conditions', which means that the insurer's liability will be suspended while the insured is in breach of a warranty but can be restored if the breach is subsequently remedied;
- the Act abolishes 'basis of contract' clauses, which turn the insured's precontractual representations (including answers to questions on a proposal form) into warranties; and
- the Act also provides that a warranty or other term would tend to reduce the risk of loss of a particular kind or loss at a particular location or time, an insurer cannot rely on the insured's breach of such a term to avoid paying that claim if the breach could not have increased the risk of the loss.

What are the main elements to watch out for when contracting out?

If parties want to contract out of the default regime under the Act, any term that puts a policyholder in a worse position than it would be under the Act must meet certain 'transparency requirements':

(i) the insurer must take sufficient steps to draw the disadvantageous term to the insured's attention before the contract is entered into or the variation agreed; and

(ii) the disadvantageous term must be clear and ambiguous as to its effect.

Policyholders should note that it will be sufficient for (i) above for an insurer to draw the disadvantageous term to the attention of the broker. It should also be noted that parties cannot contract out of the prohibition on 'basis of contract' clauses.

What practical steps should policyholders take before the Act comes into force in 2016?

It was also felt that the current law was imbalanced in favour of insurers and this was putting the English insurance market at a competitive disadvantage in the global arena

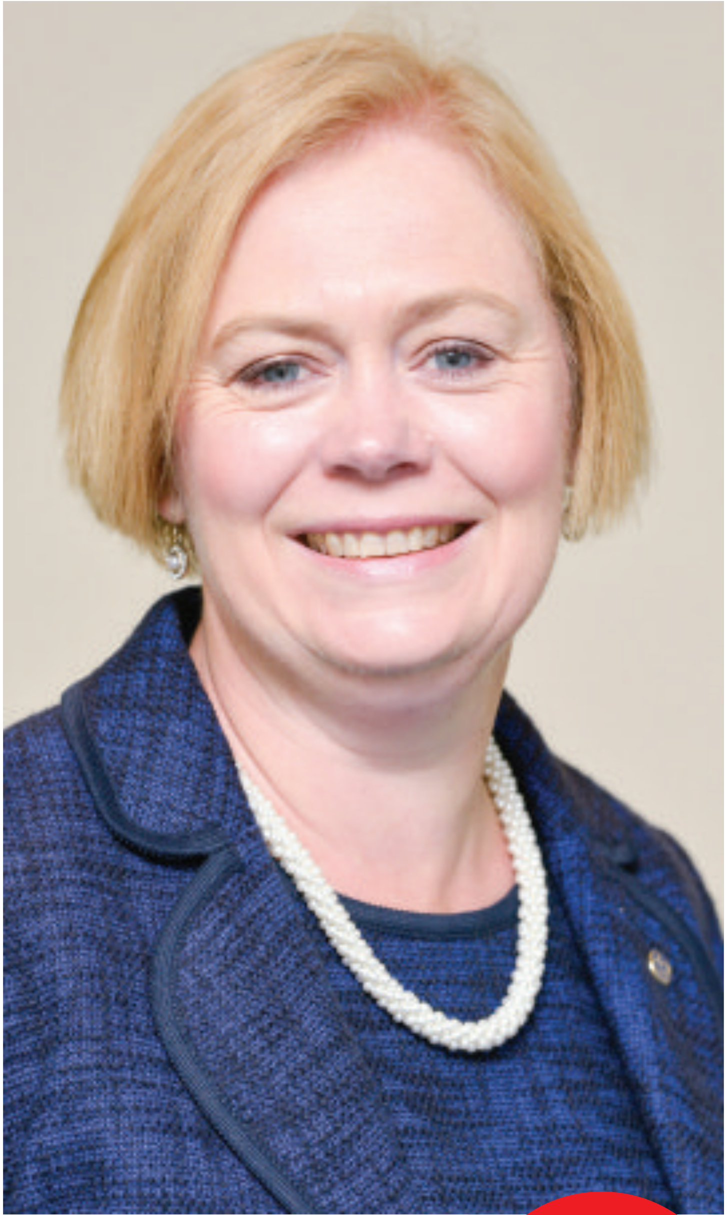
Policyholders should think about two things.

First, policyholders should consider with their broker whether they want to amend their current policies to take advantage of some of the benefits that the new Act offers now. As mentioned above, the Airmic/Herbert Smith Freehills briefing on the Act contains a sample endorsement that could form the basis of any discussions with insurers on this.

Second, policyholders should take steps now to educate those involved in their organisation with the placement process to ensure that those involved in gathering and providing information for the underwriting presentation are aware of the new duty of fair presentation and what it involves. This should ensure compliance with the new duty of fair presentation when the Act comes into force in August 2016.

One year on

Before handing over the baton to Patrick Smith, Helen Pope reviews her year as chair, speaking fondly about the success of an international insurance compliance programme that has gone global during her tenure



Looking back on your year as Airmic chair, of which achievement are you most proud?
Insight Risk Manager – an international insurance compliance database developed by Airmic and Axco is very close to my heart. So if I had to single out one achievement that I am most proud of, it would be the launch of this database.

Insight Risk Manager provides guidance on the rules covering admitted and non-admitted insurances by jurisdiction. The tool was launched last year at Airmic's annual conference in Birmingham with 30 countries registered on the database. That number has now expanded to 70.

RIMS, the US-based risk management association, is now offering the database to its membership. Are other risk management associations likely to sign up and offer the tool to their members?
It was great to support Axco with the launch of the database at RIMS' annual conference in New Orleans, US, this April. Insight Risk Manager is going global, which is a fantastic achievement.

Additionally, the FERMA and the Pan-Asia Risk and Insurance Management Association are still in discussions with Airmic and Axco about offering the database to their risk manager members.

What challenges did you face when building the database?
It has taken about seven years to build the database and get it ready for launch, but we got there in the end! I remember peers commenting that the database would never get off the ground or that it would not be ready in my lifetime. Many felt it would be challenging to get different parties, particularly insurers, to provide us with the necessary data because of confidentiality considerations, but we had the support of brokers. Our aim with the global compliance database is to provide risk managers with the data or information that they need to devise a global insurance programme. Having the right insurance programme is important for modern risk managers because compliance has become crucial.

***StrategicRISK* interviewed you this time last year when you were about to step into the role of Airmic's chair. You outlined some big plans, one of which was to attract more young people to the industry. How have you done that during your tenure?**
At the risk of sounding cliché, the industry is still on a journey to attract young talent.

Airmic had its first fastTrack conference this year and that was a major achievement; there was a real buzz during that event.

Q&A

The association will further support the professional development of tomorrow's risk leaders and is calling on insurers and brokers for support.

We still have some way to go. School-aged children for instance do not aspire for a career in insurance and we aim to change that.

You also mentioned during your first press interview as Airmic chair that more openness, trust and transparency between insurers and insurance buyers are required. Has there been much improvement here?
More work will always need to be done. However, the International Underwriting Association and Lloyd's have joined forces with Airmic to drive innovation and that would not have happened a few years ago, so that in itself is innovative.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Quiz

1

Liverpool FC legend and former captain Steven Gerrard played 17 consecutive seasons for the club before his final game in May. He leaves the club holding the record for most…

- Goals
- Appearances
- Red cards
- League titles

2

Of those eligible to vote in the 2010 UK general election, 65.1% cast their vote. What percentage of those eligible to vote in 2015 participated in the democratic election?

- 66.1%
- 75.3%
- 64%
- 67.1%

3

According to US financial software company Kamakura chief executive Donald Van Deventer, "The only virtue of being an aging risk manager is that....

- "You are closer to retirement"
- "You have a large collection of your own mistakes that you know not to repeat"
- "The executive team no longer expects you to predict the next disaster"
- "You have an encyclopaedic knowledge of corporate risk"

4

Airmic was formed in the same year that: the Beatles began recording their first album; Martin Luther King delivered his "I have a dream speech"; US president John F Kennedy was assassinated and Everton FC won the Division One title. Name the year.

- 1961
- 1962
- 1963
- 1964

5

If children's fictional character Pinocchio said "my nose will grow now", what would happen?

- His nose would grow
- His nose would stay the same
- His nose would both grow and stay the same in parallel universes
- He would be asked for a report detailing growth in six months' time

6

Who said: "One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors"?

- Russell Brand
- Lord Alan Sugar
- Plato
- Ché Guevara

7

In the TV series *Star Trek*, of what heritage was Leonard Nimoy's character Commander Spock?

- Vulcan
- Klingon
- Human
- Half-human and half-Vulcan

8

Which Shakespeare play features a character called Caliban?

- *Hamlet*
- *Romeo and Juliet*
- *The Tempest*
- *Macbeth*

9

Facebook rejected job applications from Jan Koum and Brian Acton in August 2009. Five years later, the company acquired the former applicants' start-up messaging service Whatsapp for…

- €1bn
- €960m
- €6.9bn
- €19.6bn

10

Renowned US author and literary critic TS Elliot once said: "Only those who will risk going too far…

- can go too far"
- can turn a joke into an incident"
- will not be on a risk manager's Christmas card list"
- can possibly find out how far it is possible to go"

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