



**Actuarial Risk Management**  
Global Actuarial Consultancy

**Strategies & Risk  
Solutions for Executives**

## To Our Subscribers

We want to thank our new subscribers and welcome everyone to the sixth issue of the ARM quarterly newsletter! During the past 3 months, our list of subscribers has reached a total of 300! We hope that you all find this publication valuable. With a few short articles meant to provide unique insights, we present ideas about how to address specific problems and introduce potential risks that may not yet be on your radar.

The primary authors are Dave Ingram and Max Rudolph. We have been active participants in the risk management, actuarial, investment and insurance spaces for many years.

Subscribers are encouraged to suggest topics for articles and ask questions of the authors during our follow-up webinars and podcasts. Ever cognizant of regulatory requirements, leveraging them to add value to your company in practical ways, will be our focus.

Published by Actuarial Risk Management (ARM), the Strategic and Risk Solutions for Executives (SRSE) subscription is free to all.

A free webcast is also available and our podcasts covering these topics is called [Crossing Thin Ice](#). If you would like to further engage the authors as consultants or for continuing education purposes, please reach out. More info can be found throughout this newsletter. We hope to help you find a solution that meets your needs!

For more details  
Visit [actrisk.com](http://actrisk.com)

Listen to [Crossing Thin Ice](#) on your favorite podcast platform

We hope you will join us on our journey!

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<https://www.surveymonkey.com/r/AMRSRSE>

The content of this newsletter is meant to be educational and thought provoking. Nothing in it should be construed to be investment advice.



# After COVID

In his book, *The Survivor's Club*, Ben Sherwood talks of several common reactions that people have to a near death situation:



1. Some want things to be like they were before. They want the experience to be forgotten completely.

2. Some are willing to accept some memory of the crisis, but do not want to remember the really bad parts - the uncertainty of survival, the struggle and the unpleasantness. They want to whitewash their memory.

3. Others will always make it a joke - never allowing their crisis to be taken seriously by anyone around them.

4. Some turn the event into a heroic story, often painting themselves or sometimes another as the hero.

5. Others consider themselves veterans of a war against adversity or perhaps graduates of a particularly difficult course from the school of hard knocks.

I imagine that we will see all five reactions to our COVID experience. Impressions from history are that the prevailing reaction to the 1918 Influenza Pandemic were largely from group 1. In May and June 2021, we saw lots of group 1 reactions in the U.S. But July and August 2021 showed us that was premature.

We would be best served by a group 5 reaction.

Many companies that were among the first wave of serious practitioners of ERM had survived a near death experience in their recent past. They had been over concentrated in one of the long list of major hits to the insurance and financial systems over the past 10 years.



## After COVID (cont'd)

At every single one of these firms, managers who lived through those days of uncertainty, when they were going through the darkest days and perhaps went home more than once not knowing if their employer would open again in the morning all have the exact same mantra “NEVER AGAIN”.

To these firms, there is no question about whether they will take ERM seriously the next time that things get tough. That is because at these firms, ERM is not some sort of management buzz word, it is the logical path to accomplishing their key goal for the future “NEVER AGAIN”.



They do not struggle to develop an agenda for their Risk Committee meetings. They know how to focus on the real risk and risk management issues that are life and death. They will make sure that they are aware of their concentrations, that all of their risk mitigation strategies are working and if not they will not hesitate to make changes so that they will be effective. They are always on the lookout for the next change in the environment that means that yesterday's rules are out the window and are ready to take those actions that might put them enough ahead of the crowd to miss the next big loss event. This is because they are clear about why they do all of this, “NEVER AGAIN”.

So these firms fall into the fifth group - the graduates of the school of hard knocks. What they learned is that risk management is really important.

Other firms went through those same events and did not have that near death experience. Most of those firms had one of the other four reactions to their losses. They want to forget about it as quickly as possible. They create a whitewashed history. They create a heroic story that has as its base the idea that they will always be the survivors.

They went to the school of hard knocks, passed the course and may not have really learned anything.

[Sign up for the associated June 22 webinar](#)



# Strategic Risk Focus for Insurance Company Board Members and Executives

Two-part training program on May 24 and June 7 at 2 pm ET leveraging CGAD requirements to demonstrate the importance of risk management processes and the most common current concerns. Register for free: [Part 1](#) and [Part 2](#)

*Additionally for a fee, we offer a private session customizing Part 1 and/or Part 2 to incorporate specific information that reflects your company's unique ERM program, key risks and Board role for just your Board members and Executives.*

## Part 1 (May 24)

### ERM & Board Role

- General introduction designed for new board members and executives and as a refresher for current board members and executives who have been less involved in ERM in the past
- Primary components of Insurer ERM Program
- Fundamental Board roles in ERM

## Part 2 (June 7)

### Current Focus of Insurer ERM Programs

- Provides broad perspective on risks most concerning to over 200 insurance executives for 2023 (identified in ARM's Dangerous Risks Survey) and the level of ERM practice by over 60 insurers (from ARM's ERM Practices Study)
- Essential background for board members to provide meaningful oversight to management in the area of ERM

[Free registration for Part 2 here](#)



While Enterprise Risk Management is a continuous process, Own Risk Solvency Assessment (ORSA) and NAIC Corporate Governance Annual Disclosure (CGAD) require insurance company leaders to annually report on their risk management program including direct Board involvement.

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ARM is the leading next generation actuarial and consulting firm and since 2006 continues to work with many Top 30 accounting firms, including BDO USA, LLP and members of the global BDO network.

## Insurance companies continue to trust and rely on ARM. You can too. It's that simple.

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# Strategies & Risk Solutions for Executives

Now providing three ways for you to get insights, strategies and solutions from ARM consultants to help resolve your risk issues.

## Newsletter

- 3 to 6 articles quarterly
- Written by Dave Ingram, Max Rudolph and other ARM consultants focusing on risks faced by insurers and risk management strategies
- Available on the ARM website

## Webcast

- One-hour live webcast once each quarter following the newsletter publication
- Webcast includes brief presentations, interviews with authors and live Q&A with your questions answered regarding the newsletter topics

## Podcasts

- Two per month
- Delivered by Dave Ingram & Max Rudolph
- Presenting material from the newsletters and webcasts in a totally audio format.
- Available wherever you usually download podcasts

\* No charge to subscriptions to all three services



While insurers have been challenging by low interest rates and the pandemic, the next few years will see a radically changing environment for insurers. We will be using this provocative platform to identify emerging risks and delve into what we see as the drivers of future success.

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Sign-up to receive notices for all three automatically at <https://www.surveymonkey.com/r/AMRSRSE>

