

PRESIDENT'S REPORT

2015 Activity Report and Outlook

Dear Presidents, Dear Members, Dear Friends,

It is my great pleasure to address for the first time the General Assembly in my capacity of President of FERMA and to welcome you in my country. 9 months have passed now since I have switched from the position of Deputy President to President and I can say that I am a proud President:

- Proud of what has been achieved in 2015 and I thank in this respect my predecessor Julia Graham for the accomplishments as well as the Vice Presidents, the Board members and the FERMA staff;
- Proud of taking part in the design and implementation of a new strategic plan for FERMA, which we will discuss after the coffee break;
- And proud of our network, which is growing and becoming more influential for the benefits of the risk managers community.

I have chosen "LEADERSHIP - COMMUNICATION - EDUCATION" as our themes under my Presidency. My activity report will focus on the highlights around these 3 priority action areas.

You have in your conference pack a complete list of FERMA's achievements from June 2015 up till now and the activities in the pipeline for the second half of 2016 and for 2017. As you can see, much has been achieved, but much remains to be done. As it's today neither the venue nor the moment to report specifically about these actions I'll not explain what you could already read in the documents you received already. It goes without saying that your questions are always mostly welcome.

2015 ACTIVITY REPORT

1. LEADERSHIP

FERMA is the single recognised voice of European risk managers and, as such, its prime mission is to represent the interests of its member associations and their members to the European institutions. This is one of the key findings of the survey carried out among member associations at the beginning of the year.

As such, lobby activities have been intensified to strengthen our political impact and promote the fundamental role of risk managers and the value of ERM methodology to the EU institutions and to other international organisations, notably the OECD (Organisation for Economic Co-operation and Development).

Among the many actions conducted, allow me to focus on one topic, which itself illustrates the inter-connection between the lobby activities and the other projects conducted by FERMA: **CYBER**

As you know, businesses have difficulties with reaching a basic level of protection often due to a lack of risk insights and data driven risk mitigation. The role of the risk manager in this respect is central in order to support the decision-making process, identify and quantify cyber risk and prioritise investments in cyber security. This is what we have told the European Commission in March in our response to the public consultation on public-private partnerships on cyber security. **FERMA used this consultation as an opportunity to make the case for a greater role for risk managers and risk management in cyber security.**

Our paper aroused interest among the Commission and triggered a meeting with Pierre Chastanet (Deputy Head of the Unit "Trust & Security"). Moreover, Commission officials are now encouraging FERMA to take part in the public-private partnership on cyber security that is currently being set up. We are currently investigating the pros/cons.

Our position paper generated visibility in the press with 5 articles referring to our key messages and I was invited in February to speak in the European Parliament on how to tackle cyber threats. As you can see, FERMA is strengthening its voice and position at European level.

In addition, the cyber topic allowed us to **develop for the first time relationship with the OECD**. We are currently discussing a possible partnership with them for 2017/2018 on cyber risk and I would like to thank Julia for her instrumental role in making the initial contact with this recognised international organisation. This opens up a door to discuss with the OECD other important topics beyond the cyber such as BEPS (Base Erosion and Profit Shifting) and the issue of captives.

FERMA is working on a couple of subjects such as the cyber, corporate governance, IBER, etc... where we can show the added value of the risk managers' profession, and which will allow us to position our network as a significant, respected and valued discussion partner on risk management issues on the European and international arena.

To do so, we have at our disposal a great tool – the **European Risk and Insurance Survey**. The survey report gives solid data to help us increase recognition of risk management and risk managers. In this respect, I would like to thank all of you and our sponsors (XL Catlin, Marsh, EY, Chubb and AIG) for the considerable work in promoting the survey. Thanks to your participation, we have been able to establish a representative sample of risk managers (i.e. 640). The survey committee will start the analysis of the data in two weeks. I look forward to seeing the new results to be published at the Seminar in October.

2. COMMUNICATION

For FERMA, its member associations is its reason for being. A common challenge rises from a tendency toward one-way communication to members from the association. I strongly believe,

however, that maintaining two-way communication with national associations is absolutely essential to deliver tangible added-value.

Developing closer working relations with its member associations has therefore been a priority for FERMA over the last months. What is our approach?

1. **I would like to encourage more interaction between members, and for members to become more involved in FERMA's activities.** For the first time, members were asked to lead 3 sessions at the FERMA seminar taking place in October in Malta. I am pleased that AIRMIC, BELRIM and MARM took up the challenge. I'm also delighted to see that many of you invite representatives from other associations at their events. I can only encourage it as it is a source of collective intelligence and development.
2. **It's important to enhance the members' feeling of belonging to a European network.** To highlight the distinctive role of our network and strengthen our image towards third parties, FERMA has developed a booklet on the role and functioning of the European risk management associations. I'm delighted to offer you a first print of this booklet, which will be enriched over the coming months with more data and information on our network. Thank you for having provided quickly the necessary information. I trust that this booklet will not only increase our common knowledge on each national association but also contribute to shape the brand and image of FERMA and national associations.
3. **Ferma has to listen to the members.** I have started to travel with the CEO across Europe to meet member associations. So far, I have attended the AMRAE annual conference held in Lille at the beginning of February. At the end of February, I travelled across the Channel to meet Airmic and participated in their annual congress in June. I was in Sweden in March to visit Swerma, in the Netherlands in May for the NARIM Congress and in Bulgaria to meet our new member BRIMA. As such, I would like to welcome President Zhetcho today for his first FERMA General Assembly. FERMA will continue these trips in order to listen to your needs and respond. You can expect our visit!
4. **Finally Ferma clearly has to identify the expectations and various needs of the members.** FERMA conducted a survey among you to get your feedback on where FERMA can improve and to understand your needs. This helped FERMA develop a long-term political vision and mission, which I will present after the coffee break. This new strategic vision will provide the basis for a new Business Plan. Work has started and will continue over the coming months with the objective to present the plan at the end of the year.

3. EDUCATION

Bringing the certification project rimap to implementation has been and remains a top priority for FERMA so as to achieve recognition of the critical importance of the professional standing of risk managers.

FERMA have been the first organisation to promote the idea that professional risk managers should be certified in order to fulfil the overall expectations about risks. Today, we are leading a trend which is followed worldwide, as some competitors aspire to develop their own certification programme. This is the evidence that we in FERMA, together with you the associations, are the pioneers of the professionalism in risk management.

Since the last General Assembly, FERMA has achieved a number of notable successes within the €200.000 allowance:

- During the summer 2015, **49 risk professionals became rimap founder** by testing the certification criteria, the online registration and examination platform. It helped us to fine-tune the programme, the wording and acquire the necessary experience on how to build a solid examination.
- After having kept the secret since May 2015, **the name “rimap” was unveiled in October in Venice**. Rimap is now the official name for the FERMA Certification programme. It stands for Risk Management Professional.
- At the Forum, three founding documents were presented:
 - The **‘Body of Knowledge’** presenting the required core competencies for a risk manager. The Body of Knowledge is now acknowledged as a solid foundation for the risk management profession.
 - The **rimap Code of Ethics** to shape and inform the professional behaviour and attitude of a risk manager.
 - The **list of activities eligible for CPD points** necessary to maintain the rimap certification.
- A **partnership on rimap was agreed with PARIMA** in Singapore in November 2015. Rimap will be also the name of the certification in Asia Pacific. FERMA and PARIMA are working jointly on developing the future examination system.

Moreover, many member associations have decided to reinforce their education programme, and some have already applied for accreditation. Today, I am proud and delighted to announce the **accreditation of the first 6 risk management programmes operated by or with agreement of a national association**. Having rimap accredited education programmes is a building block in our long term initiative to place risk management firmly among the professions. I am delighted with the support we received from the 6 member associations who have worked closely with FERMA and the education bodies to achieve this first set of accreditations. Others will follow. I invite ANRA, BELRIM, FINNRIMA, MARM, POLRISK and SWERMA to stand up for an ovation.

What is next?

With your representatives in the knowledge team, we are working on the very first exam for rimap first level, which is going to be launched this year in Malta. In parallel to that, we are developing reference guides that are based on the Body of Knowledge. I want here to underline the active involvement of the Knowledge Team, which is essential for reaching a high level of quality.

Last, we have received some demands for licensing some risk management events as contributors for the Continuous Professional Development (CPD). We have so far confirmed to Lloyd's the license for the FERMA/Lloyd's Professional Development Programme. Other events will follow, notably the FERMA Seminar in October. I want to take advantage of your presence here to recall that this is the best way to promote rimap. You can apply for the license of your events and thus allowing attendees to your congresses, seminars or conference to receive CPD points for rimap. This way, they will understand that maintaining the rimap certificate is easy.

Rimap is a long journey but it has all the signs that the journey is paying off. I would like to make a special thank to Michel Dennery and the certification steering committee for their hard work and dedication to the certification project.

4. FORUM 2015

I will finish this activity report with the Forum 2015. It is only 8 months since October when we enjoyed our very successful Forum in Venice. The event attracted the highest number of attendees ever with 1.580 participants (1466 in Maastricht) from 39 countries including an increasing number of risk managers (358 compared to 326 in Maastricht), and a high quality of workshops and debates.

On behalf of the FERMA Board, I would like to thank the members of the Forum Committee, our partners and sponsors, the FERMA staff team, our host - ANRA - and all of our associations and your members for making the Forum such a success.

This was the past, let's look now at the future!

OUTLOOK

1) FORUM 2017

The Forum 2017 will be in Monte Carlo from 15-18 October. We are already shaping up an exciting programme around the theme "**Risk Manager in Pole Position**". Why this title? Because it is dynamic, easily understandable in many languages and most importantly because it conveys the images of risk, performance, anticipation, prevention, crisis management, team spirit and new technologies. The connection with the profession is self-evident.

And I can say that the Forum Committee under the chairmanship of Gilbert Canameras is already in the starting block. Ideas are popping up and the call for proposals for speakers and workshops is now published to enrich the programme.

2) 2017 - THE YEAR OF THE LEADERSHIP

2017 will be the year of “LEADERSHIP”; the year of the risk manager in pole position.

By “leadership”, I mean that the risk manager should ensure his or her position is understood and integrated throughout the company. The risk manager supports the decision-making process. His/her role is to enable the company to take risks as there is no entrepreneurship (and thus no business) without taking risk.

To support this goal of increasing risk management leadership and enhancing risk managers’ strategic influence, FERMA will:

1. Strengthen the lobbying activities through a range of interconnected actions:

- Professional monitoring of the developments at EU level;
- Deeper, sharper, better positions;
- Increased policy inputs from members notably with the creation of a European Affairs Committee in charge of setting up lobbying priorities, appointing experts for the working groups and coordinating the contributions from the association
- Building coalitions;
- Developing activities/projects relevant to members related to those policies (surveys, research papers, events, EU funded projects)

Some of the actions in the pipeline include:

- Working breakfast at the European Parliament on 28 June about corporate transparency and country by country reporting, in collaboration with the internal auditors confederation (ECIIA);
- EC call for proposals on the quantification of cyber risks: assessment of the feasibility for FERMA to enter a research consortium

2. Improve corporate communication and the visibility of the network

FERMA communication strategy will be reviewed:

- The communication method used (target groups, topics, etc...) will be revisited to ensure timely and appropriate communications with members.
- FERMA communication tools will be modernized in order to enhance communication with our members, facilitate an interactive way of cooperation and give more visibility to the public on our network and members. You have probably already noticed the changes brought to the newsletter in terms of content. The next step is to make it attractive visually.
- The cooperation among press and communication officers in member organisations will be reinforced so as to convey a coordinated image of risk management associations throughout Europe, and to promote their activities and values among national, regional and local publics as well;
- A strategic partnership with the main sponsors will be proposed.

3. Enter a phase of consolidation for rimap

Having certified professional risk managers will assist the risk manager in proving his or her value to the organization.

2017 will be the year of the consolidation for rimap. After two years of intensive work to put in place the structure and the examination for the rimap basic, we have to embark on a new phase of consolidating and managing our achievements. FERMA has developed the necessary tools for rimap to take off. The associations now need to take the ownership of the certification programme. This is why we will work on a new cooperation model and a new governance for rimap.

My objective is to make rimap a success for the profession and for you the associations.

3) Forum 2019

As you know, we have reviewed the selection process in order to better take into account your feedback and those of the sponsors. And I listened to you presidents in the first place, but also to our sponsors, I prefer the word “partners”. The venue needs to be the best compromise between your wishes and needs and those of our partners, but at the end of the day the success of the forum is also depending on the logistics. I won’t come back on the process as you have it on the slide but I’ll be happy to reply to your questions during the coffee break.

The FERMA Board met yesterday to decide on the hosting city for the Forum 2019. I am delighted to announce that the choice is BERLIN. I congratulate both German associations, DVS and Bfv, recently merged with the name GvW for their support. BERLIN was back in 1999 also the first city of the new FORUM-formula, until 1998 the Forum took traditionally always place in Monte Carlo. So after 20 years in 2019 the FERMA FORUM will be back in Berlin.

I would like to conclude by thanking the President of each National association for their advices, Dirk, Marisa and Cristina, my Vice Presidents, Anders, my treasurer, each member of the Board for their dedication, Gilbert for his day-to-day support and the FERMA team for their good work.

Jo Willaert
President