

Airmic Conference Seminars : 14 June, 2017

S2 Risk Culture

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Seminar Agenda

Background – why the focus on culture?

Framework for evaluation – introducing the Risk Culture Profiling Tool

Insights and debate with audience and panel members:

- Elina Lusted, Assistant Claims Manager, QBE Financial & Specialty
- Maria Trouli, Enterprise Risk Manager at Paym
- Mark Butterworth, Managing Director of Condie Risk
- Terry Renouf, Consultant and former Senior Partner & Managing Partner at BLM Law

Q&A



Background to the Risk Culture Profiling Tool

- Recognised need for wider-reaching approach to managing risk
- Claims happen but ...
- Many businesses with mature systems and controls – not enough
- Operational rules can only go so far
- Lots of research and theory, but nothing readily available as a practical tool
- 2015: QBE survey of 377 businesses: only 3/10 felt they had a positive risk culture embedded www.qbeeurope.com/news/research

Framework for Evaluation: QBE's Risk Culture Profiling Tool



31 evaluations across
7 aspects of culture





Framework for Evaluation

Leadership

- Positive risk ethos
- Embedded in strategy and planning
- Risk appetite and tolerance framework
- Leading by example

People, Training and Development

- Appropriate resources
- No-blame culture
- Accountability
- Monitoring buy-in
- Training and development support
- Evaluation of learning
- Understanding of approach





Framework for Evaluation

Reward & Recognition

- Alignment of incentives
- No overpromising/mis-selling
- Part of performance review

Communications

- Visible across the organisation
- Stakeholder communications
- Sharing risk information
- Effective documentation

Operations

- Effective Compliance
- Assessing Controls
- Proactive Supervision
- Embedded Values
- Supplier Values





Framework for Evaluation

Product / Service Evaluation

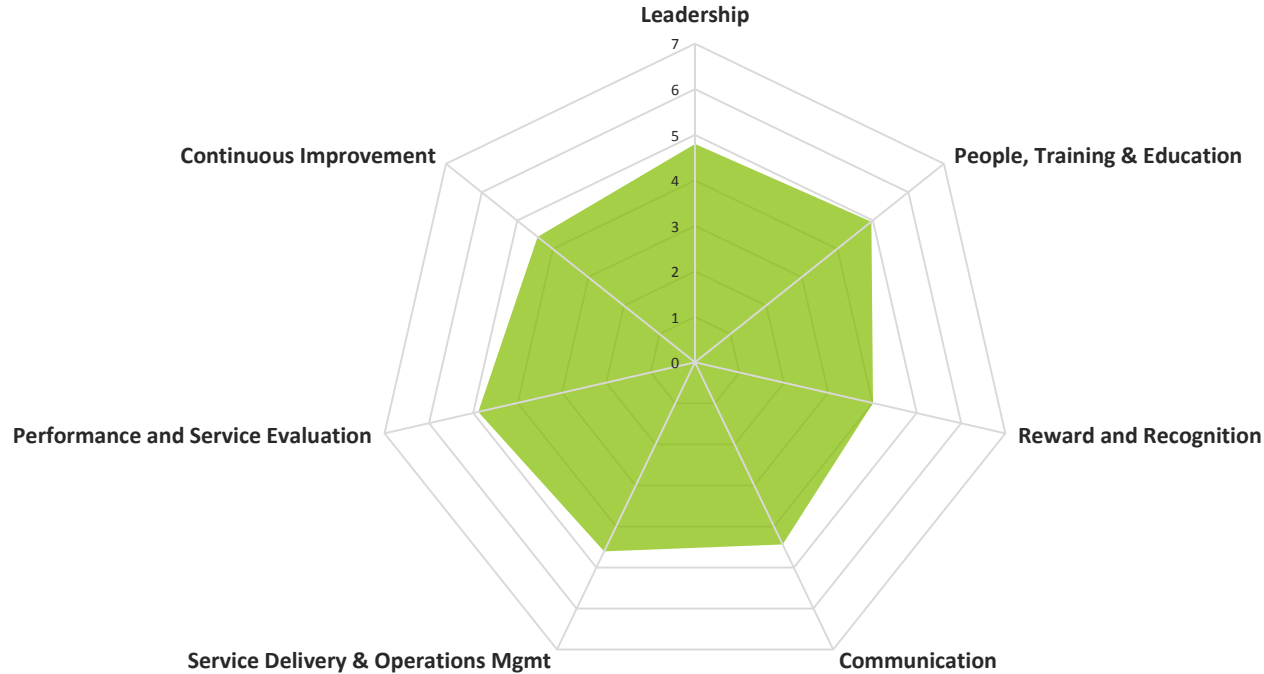
- Effective control measures
- Customer feedback process
- Optimised learning
- Profitability and viability

Continuous Improvement

- MI to drive improvement
- Effective risk radar
- Emerging risks
- Demonstrating value



Findings so far: Average Ratings by Section





QBE Risk Culture Profiling Tool – Result Highlights

Since introducing QBE's Risk Culture Profiling Tool we've been able to capture the ratings of our responses so far as they relate to 31 evaluations across a range of factors important to risk culture including:

- Leadership
- People
- Training and Education
- Reward and Recognition
- Communication
- Service Delivery and Operations Management
- Performance and Service Evaluation
- Continuous Improvement.

Highest scoring

5.3

Avoiding
Blame Culture

5.3

Risk Management
Resources

5.2

Expectations of
Leaders for Risk
Culture

Highest and lowest rating based on a self-assessment scale of 1-7.

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- Leadership
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- Reward and Recognition
- Communication
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- Performance and Service Evaluation
- Continuous Improvement.

Lowest scoring

4.0

Stakeholder
Communication

3.6

Performance
Review

3.4

Risk Culture
Incentives

Highest and lowest rating based on a self-assessment scale of 1-7.

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Summary of Benefits

- Comprehensive framework for evaluation
- Recommended group discussion – starts the debate
- Single assessment or more flexible e.g. different levels / locations
- Clear role for Risk Managers in the process
- Reference data – qualitative, quantitative and benchmarking
- CPD / Learning & development activity for those involved
- Demonstrates to stakeholders the ongoing drive for improvement



Thank you – Any Questions?

To access to the Risk Culture Profiling Tool:

Airmic Members

<https://www.airmic.com/corporate-culture-toolkit>

QBE Clients

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