

NEWS RELEASE

Immediate Release

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International Actuaries: Embrace Risk Management to Prevent Future Financial Crisis

OTTAWA – 10 Feb. 2009 – The **International Actuarial Association** announced today a global risk management framework to improve financial governance and help prevent future financial crises. The framework, which includes components such as counter cyclical regulatory arrangements and improved enterprise risk management, serves as a model for its member organizations to recommend reforms, improvements, and solutions applicable across the financial services sector within their respective jurisdictions.

“Recent developments in the global financial markets have raised serious questions about the management and oversight of financial services industries,” said **Katsumi Hikasa**, the president of the International Actuarial Association, which represents the profession globally. “Actuarial methods can help to manage uncertainty and mitigate the impact of risk. The worldwide actuarial profession believes that tools and methodologies being developed in the emerging field of enterprise risk management will become increasingly important to both financial market participants and regulators in the future.”

Tony Coleman, chair of the International Actuarial Association’s Enterprise and Financial Risk Committee, said that based on lessons learned from the financial crisis, the association has outlined initiatives that will help prevent future financial crises. The key initiatives are identified in a summary paper, *Dealing with Predictable Irrationality – Actuarial Ideas to Strengthen Global Financial Risk Management*. The paper urges a combination of “systemic level” initiatives, such as introducing national Chief Risk Supervisors and “entity level” initiatives such as the application of risk management concepts and improved risk governance. To read the entire statement, visit http://www.actuaries.org/CTTEES_TFRISKCRISIS/Documents/IAA_Financial_Risk_Management_EN.pdf.

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