


Emerging Risks

ERM Symposium – CS24
May 3, 2019 11 am – 12:15 pm
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2




Survey of Emerging Risks

- **Annually since 2008**
- **Sponsored by Joint Risk Management Section**
 - Canadian Institute of Actuaries (French translation)
 - Casualty Actuarial Society
 - Society of Actuaries
- **Mix of quantitative and qualitative**
- **Expect full report to be released in late summer**




2



**Survey of Emerging Risks
5 Categories**


- **Economic**
- **Environmental**
- **Geopolitical**
- **Societal**
- **Technological**



3


Survey of Emerging Risks
23 Risks (Slide 1 of 2)

Economic	Environmental
<ul style="list-style-type: none">• Energy price shock• Currency shock• Chinese destabilization• Asset price collapse• Financial volatility	<ul style="list-style-type: none">• Climate change• Freshwater loss• Tropical storms• Earthquakes• Severe weather

4 

Survey of Emerging Risks
23 Risks (Slide 2 of 2)

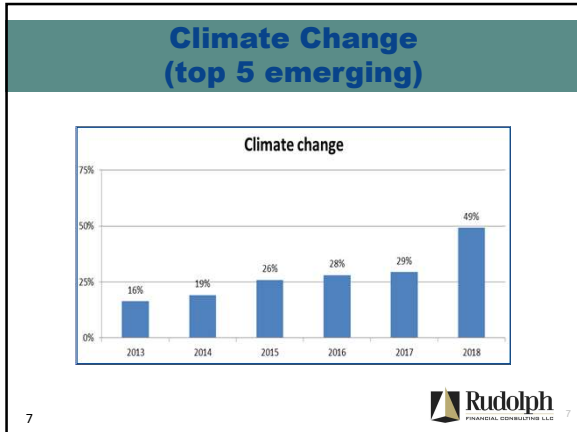
Geopolitical	Societal
<ul style="list-style-type: none">• Terrorism• Weapons of mass destruction• Interstate/civil wars• Failed and failing states• Transnational crime• Globalization shift• Regional instability	<ul style="list-style-type: none">• Pandemics• Chronic diseases• Demographic shift• Liability regimes/regulations

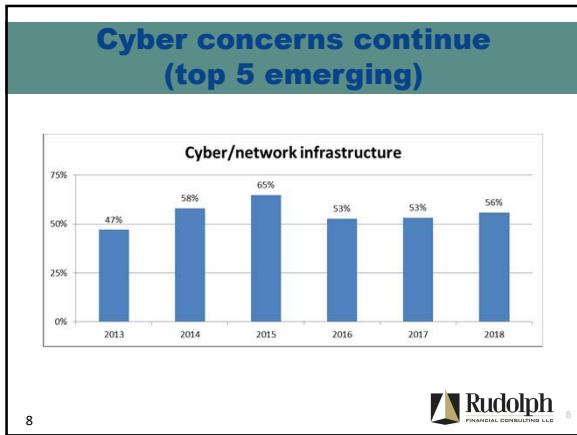
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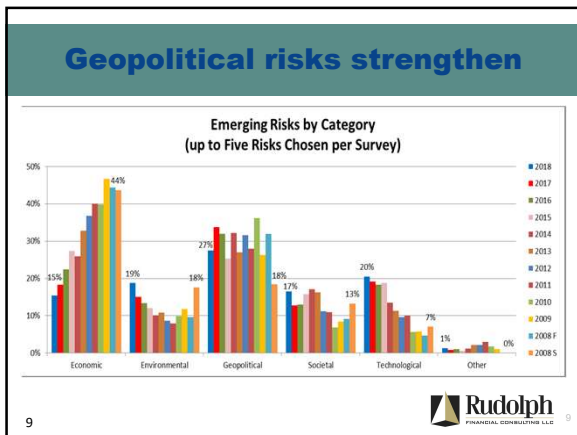
Questions Asked

- **Current risk**
- **Top 5 emerging risks**
- **Top emerging risk**
- **Emerging risk combinations**

6 










Top (5) Emerging Risks Over Time

Year	2015	2016	2017	2018
1	Cyber/network infrastructure	Cyber/network infrastructure	Cyber/network infrastructure	Cyber/network infrastructure
2	Financial volatility	Financial volatility	Terrorism	Climate change
3	Terrorism	Terrorism	Technology	(Disruptive) Technology
4	Asset price collapse	Technology	Regional instability	Demographic shift
5	Regional instability	Retrenchment from globalization	Asset price collapse	Financial volatility

 10

- ### Top Current Risks
- **Climate change (12%)**
 - **Cyber/network infrastructure (12%)**
 - **Financial volatility (11%)**
 - **Asset price collapse (8%)**
 - **Technology (7%)**
-  11

- ### Top Emerging Risks
- **Climate change (22%)**
 - **Cyber/network infrastructure (15%)**
 - **Technology (13%)**
 - **Financial volatility (5%)**
 - **Demographic shift (5%)**
-  12

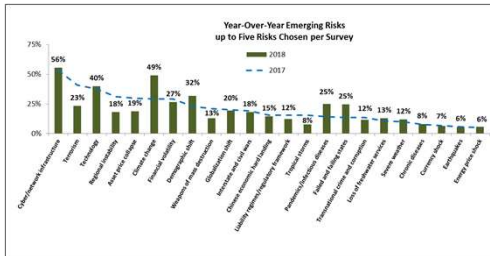
Top Risks in Combination

- Financial volatility (11%)
- Cyber/network infrastructure (10%)
- Terrorism (9%)
- Asset price collapse (7%)
- Globalization shift and Regional instability (tied with 6%)

13



Changes from prior year



14



To access surveys/articles

<https://www.soa.org/research-reports/2015/research-emerging-risks-survey-reports/>

Articles based on the Survey of Emerging Risks
SOA blog for Canadian members

ERM practitioners' advice for the next generation

<https://www.soa.org/Files/Research/Projects/erm-lessons-master.pdf>


How a risk team adds value

<https://blog.soa.org/2019/02/22/how-a-risk-team-adds-value/>

15




Thank you!
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 - Private investor/writer/researcher
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- Professionalism
 - Nebraska Actuaries Club President
 - SOA Board of Governors
 - SOA President's Award
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16
