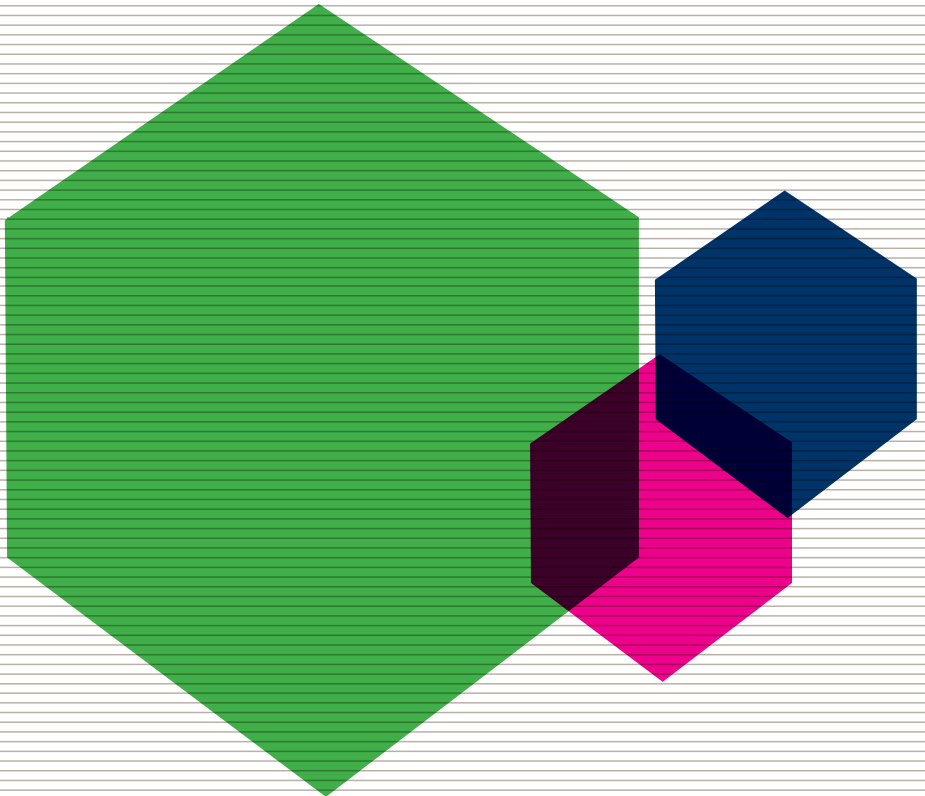




# ENTERPRISE RISK MANAGEMENT TECHNIQUES AND PRACTICES

New York  
August 1—3 2011





## ENTERPRISE RISK MANAGEMENT TECHNIQUES AND PRACTICES

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### About the course

Advancements over the past decade combined with the lessons learned from the recent global financial crisis have substantially increased the value that can be realized from implementing effective Enterprise Risk Management. Sophisticated techniques are now in widespread use for quantifying and managing financial and non-financial risks. Companies are becoming more effective at using ERM as a strategic decision making framework to run the business. Risk optimization is being used to achieve dramatic results within a risk management framework. While there still exists a wide range of practice among companies, industry best practices continue to emerge and evolve.

### Learning outcomes

ERM Techniques and Practices is a hands-on training course taught in a classroom setting. This course is designed to provide training to both risk professionals and decision makers and help advance practice in the ERM field. ERM Techniques and Practices use the same format as the internationally acclaimed Asset Liability Management Techniques and Practices that has been conducted globally since 2003.

- Learn how to execute ERM at strategic level to run business and drive decision making
- Learn how to integrate ERM with strategic planning
- Participate in a mock Risk Committee meeting
- Practice each step of risk control process as part of a case study group
- Templates and hands-on experience of drafting an ERM framework and risk appetite statement
- Blueprint for implementing a best practice ERM framework

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## **CFA**Institute CE Qualified Activity

CFA Institute has approved this program, offered by Nexus Risk Management, for 20 CE credit hours. If you are a CFA Institute member, CE credit for your participation in this program will be automatically recorded in your CE Diary.

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### Course highlights

- Live hands on-training (each participant must bring laptop)
- Leading edge techniques and practices insight on how to prepare for rating agency and regulatory reviews
- Practical direction on how to execute ERM at a strategic level and realize real bottom results
- Extensive use of case studies
- Valuable tools, utilities and models are provided

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### Coming up in 2011

#### ERM Techniques and Practices

Hong Kong, 16 – 18 May 2011

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#### ALM Techniques and Practices

Seoul, 20 – 22 June 2011

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#### Dynamic Hedging Program Series

Seoul, 23 – 24 June 2011

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#### ALM Techniques and Practices

Brussels, 12 – 14 September 2011

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#### ALM Seminar

Brussels, 15 – 16 September 2011

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#### ALM Techniques and Practices

Chicago, 3 – 5 October 2011

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#### ALM Seminar

Chicago, 6 – 7 October 2011

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For more information visit: [nexus-risktraining.com](http://nexus-risktraining.com)



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### Who should attend?

**Chief Risk Officer** looking to gain further depth and able to participate in an exchange of emerging risk practices with other CRO's and risk professionals

**Senior Executive** looking to stay on top of latest developments in ERM and learn how to implement ERM as a strategic decision making framework

**Board Directors** ultimately responsible for the risk management of the company who want to gain more in-depth understanding of ERM

**Actuaries** looking to acquire practical knowledge of ERM techniques and practices

**Chartered Enterprise Risk Analyst and other Risk Professionals** already well acquainted with quantitative theory and practice wanting to stay on top of the latest techniques and practices

**Regulators and Rating Agency Analyst** wanting to keep up with the latest techniques and practices

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### What some of our participants said:

"This course provides me with a comprehensive overview of risk management techniques and best practices that I can apply to my job immediately."

"An excellent programme for senior risk officers seeking to advance / improve their performance on the job."

"I really enjoyed this 3-day training course. Thank you!"

"Great overview of the current state of ERM, how it is evolving in response to the financial crisis and increased regulatory oversight and how it can be used to improve strategic planning"

"Great event - very interactive."

"There were plenty of case studies where I had a chance to actually work on some real stuff."

"I enjoyed the lectures and the use of actual examples (stories) to tie the lecture material to reality."

"Being an actuary, I am not wild about case studies and "team" exercises. However, the ones we did actually worked out pretty well and were not only instructive, but enjoyable as well."

"Very knowledgeable and open faculty. Very open to ideas and willing to spend the time to address questions and clarify issues."



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## Course materials

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### Pre-course package

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1. Detailed course overview
  2. Pre-Reading Package
  3. Bibliography/List of suggested background readings
  4. SOA Specialty Guide on Economic Capital
  5. SOA Enterprise Risk Management Specialty Guide
  6. Survey questionnaire
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### On-site Package

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1. Hand-outs of All Presentations (Bound Copy and CD)
  2. Practice Sessions
  3. Case Study Material
    - Annual reports
    - Regulatory frameworks regarding risk management
  4. Sample Policy Templates
    - Risk Appetite Statement and ERM Framework
    - Capital Management Framework
  5. Sample ERM Report Template
  6. ERM Committee Package
    - Agenda
    - Minutes
    - Reports
  7. Group Assignments
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## About

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Nexus Risk Management is a leading financial risk management company with offices in Toronto and Seoul providing financial institutions with sophisticated tools, training, expertise and execution to manage risk with the sharp focus needed to achieve their financial objectives. Worldwide Nexus Risk Management works closely with insurance companies and pension plans, rating agencies and regulators, leading experts from academia and the investment industry as well as reinsurers and other counterparties. Nexus Risk Management is committed to bringing together deep industry knowledge, leading edge techniques and best practices from around the world. [nexusrisk.com](http://nexusrisk.com)



Risk is the undisputed number one publication for financial risk managers, derivatives dealers, corporate hedgers and institutional investors. Risk Training was launched 15 years ago and is the flagship brand of Incisive Training. We offer over 100 courses a year and our portfolio extends to the UK, Europe, North America, Asia, Middle East, South Africa and Australia.

We have developed a reputation for the timeliness and the relevance of our course content, and the expertise and professionalism of our tutors.

We believe that education, the meeting of minds and sharing of best practice is critical for the functioning and development of the financial markets. Our aim has always been to provide honest independent training on business critical matters, to respond swiftly to changing regulation and to provide clients with the knowledge they need to advance in their careers.



The Society of Actuaries is an educational, research and professional organization dedicated to serving the public and more than 21,000 members. The SOA's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk. [soa.org](http://soa.org)



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## Course tutors:

### Charles L. Gilbert, FSA, FCIA, CFA, CERA

Charles L. Gilbert is president and founder of Nexus Risk Management providing advanced risk management solutions to financial institutions globally. Mr. Gilbert works with several insurance and reinsurance companies worldwide to implement and execute dynamic hedging programs, Asset Liability Management and Enterprise Risk Management.

Mr. Gilbert has been actively involved in managing risks associated with insurance company portfolios, serving on industry task forces and conducting research for both the Society of Actuaries and Canadian Institute of Actuaries. Mr. Gilbert was also responsible for launching one of the first dynamic hedging initiatives for a major actuarial consulting firm in 2000 and is recognized as a thought leader in ERM and ALM.

Mr. Gilbert has close to 25 years of experience in the life insurance industry and has personally trained over 1,000 risk professionals, regulators, rating agency analysts and senior management on risk management worldwide.

### Robert M. Mark, PHD

Robert M. Mark is the Founding Chief Executive Officer of Black Diamond Risk which provides corporate governance, risk management consulting, risk software tools and transaction services. Dr. Mark is also the Founding Executive Director of the Masters of Financial Engineering Program at the UCLA Anderson School of Management. In 1998, he was awarded the Financial Risk Manager of the Year by the Global Association of Risk Professionals. He is the Vice Chairperson of the Board of the Professional Risk Managers' International Association. Previously, Dr. Mark was Senior Executive Vice-President and Chief Risk Officer at the Canadian Imperial Bank of Commerce where he had global responsibility for all credit, market, and operating risks for CIBC and its subsidiaries. Dr. Mark is an Adjunct Professor and co-author of Risk Management (2000) and The Essentials of Risk Management (2005). Dr. Mark served on the board of ISDA as well as the Chairperson of the National Asset/Liability Management Association.

### Max J. Rudolph, FSA, CFA, CERA, MAAA

Max J. Rudolph is the founder of Rudolph Financial Consulting, LLC. He focuses on risk management tools that help organizations make better decisions. His specialty is using common sense and being skeptical of popular practices. Over 25 years of financial modeling expertise have led to best practice strategies related to enterprise risk management (ERM), asset liability management (ALM), liquidity, capital management and emerging risks. Max is also a successful personal investor and writes a monthly newsletter covering risk management and investment topics, including his well received annual financial predictions. He is an award winning author who frequently presents and writes on how to implement various tools given limited resources. Many of his articles and presentations can be found at [www.rudolphfinancialconsulting.com](http://www.rudolphfinancialconsulting.com).

Max has completed SOA research projects relating to Emerging Risks and ERM Practices at Health Insurance Companies and served on numerous POGs including those covering pandemics and Delphi methods. Max was named a thought leader in the ERM discipline and awarded the Chartered Enterprise Risk Analyst designation by the Society of Actuaries. He received the SOA President's Award in 2010. Max served the actuarial profession as a member of the SOA Board of Governors, Chair of the SOA's Investment Section, and Chair of the American Academy of Actuaries' Economic Scenario Work Group. Max has chaired the ERM Symposium, Investment Actuary Symposium and the CERA Experienced Practitioner Pathway Seminar. He graduated from Michigan Technological University with degrees in Mathematics and Engineering Administration. Max is past President of Omaha Morning Rotary and resides in Omaha, Nebraska.



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# Day 1

New York  
Monday 1 August 2011

0730	Registration
0800	Breakfast
0830	<b>Welcome, Course Overview and Introductions</b>
0845	<b>Lecture</b>
L1	Overview of ERM Practices
L2	Lessons from the Global Financial Crisis
1000	Break
1015	<b>Case Study</b>
C1	Identify Successes and Failures of Leading Companies
1130	<b>Lecture</b>
L3	Implementation of a Strategic ERM Framework
1200	Lunch
1300	<b>Lecture</b>
L4	Categories of Risks and Strategies
L5	Identifying Sources of Risks
1400	<b>Application Exercise</b>
A1	Risk Inventory
1445	Break
1500	<b>Lecture</b>
L6	A Process for Determining Risk Appetite
1545	<b>Case Study</b>
C2	Draft Risk Appetite Statement
1700	<b>Lecture</b>
L7	Risk Tolerance, Risk Limits and Constraints
1730	Reception with Faculty / Informal Question and Answer
1900	End of Day 1

# Day 2

New York  
Tuesday 2 August 2011

0800	Breakfast
0830	<b>Lecture</b>
L8	Risk Measures and Monitoring
0915	<b>Case Study</b>
C3	Prepare Risk Report for Risk Committee
1000	<b>Lecture</b>
L9	Risk Prioritization
1030	Break
1045	<b>Lecture</b>
L10	Economic Capital
1130	<b>Lecture</b>
L11	Risk Aggregation, Diversification and Concentration
1200	Lunch
1330	<b>Lecture</b>
L12	Building Risk Management Culture
L13	Organizational Structure
1345	<b>Lecture</b>
L14	Risk Response and the Risk Control Process
L15	Active Risk Taking Process
1445	Break
1500	<b>Case Study</b>
C4	LTCM Case Study
1545	<b>Lecture</b>
L16	Emerging Risk and Extreme Event Risk Management
1615	<b>Lecture</b>
L17	Rating Agency and Regulatory Developments
1645	<b>Case Study</b>
C5	Evaluate Quality of ERM Using Risk Assessment Criteria
1730	End of Day 2

# Day 3

New York  
Wednesday 3 August 2011

0800	Breakfast
0830	<b>Lecture</b>
L18	Effective Strategies and Incentives
L19	Leveraging ERM to Manage the Firm
0930	<b>Case Study</b>
C6	Evaluating Hedging Strategies
1000	<b>Lecture</b>
L20	Effective Communications
1030	Break
1045	<b>Case Study</b>
C7	Working Session – Prepare Presentations for Case Study C8
1200	Lunch
1300	<b>Case Study</b>
C8	Participate in Mock Risk Committee Meeting
1500	Review and Closing Remarks / Question and Answer
1515	End of Techniques and Practices

All lectures and course materials will be conducted in English.

### Application

Exercises where participants learn by applying tools and techniques to real-life examples. The exercises in the application sessions are designed to be completed by each participant individually. All applications require the use of a laptop computer. ALM tools and analytics will be provided.

### Case study

The case study approach will be used heavily throughout this course. Participants will interact with other industry professionals and learn through doing. Small workgroups will be assigned for the case studies. Some case studies will require the use of a laptop computer.

