



Risk Appetite Framework for Insurance

Challenging your business model

A fresh take on risk and valuation

Set functional risk limits which are consistent with your overall risk appetite

RISK APPETITE STATEMENT

RISK CAPACITY LIMITS

INTERESTS OF SEVERAL DIFFERENT STAKEHOLDERS

Implementing a Risk Appetite Framework entails setting limits on all key risks, regular monitoring of the entity's risk profile and taking remediation actions in case of breaches. To set the limits consistently across all risks and sub-risks, a top-down approach is typically used, broadly consisting of 2 steps:

1. Defining Risk Appetite Statements
2. Translating these statements into risk limits across all risks

When risk limits are breached, the entity should define remediation plans.

Finalyse has the capacity and expertise to work in co-creation mode to define and implement a Risk Appetite Framework, which will rely on risk limits understood and applied by the 1st and 2nd lines of defence consistently. Such framework will be effectively integrated in your value chain.

Having worked with institutions of various sizes, we tailor the service to the individual needs of each client and provide end-to-end solutions from the concept design to the implementation including the selection and customisation of appropriate software and IT tools.



For more information, visit
www.finalyse.com/risk-appetite-framework-for-insurance

Benefits

- The Board's and management's risk appetite is translated into risk limits which can be used at all levels of the company.
- Limits are set consistently across all key risks.
- The high degree of automation for monitoring the entity's overall risk exposure makes it close to real time.
- Tailor-made information and metrics ensure faster remediation of risk limit breaches.

Motivation

Besides being a regulatory requirement for insurers since the introduction of Solvency II in January 2016, a Risk Appetite Framework lies at the core of risk management for insurers. Working with Finalyse on the design of a Risk Appetite Framework, you will benefit from the broad experience we have accumulated in the area of risk management.

AMSTERDAM

BRUSSELS

BUDAPEST

DUBLIN

LUXEMBOURG

WARSAW