



Insurance Institute

NEWS RELEASE

For immediate release

NEW COURSE **The business of risk - why ERM knowledge is vital for insurance industry**

(Toronto, ON – October 14, 2011) – Insurance is a business that thrives on risk, yet potential insurance leaders may fall short in understanding how risks interact with each other in organizations – the essence of Enterprise Risk Management (ERM). ERM is an increasingly important practice in the business world and is vital for insurance leaders to understand.

The **Insurance Institute**, the industry's premier source for education, is giving tomorrow's insurance leaders the preparation they need with the **'Enterprise Risk Management in the Insurance Sector' course**, to be launched in Winter 2012 as part of the **new FCIP program**.

Failure of an insurance leader to understand ERM could have damaging effects on an insurance organization. ERM requires leaders to look at an organization's individual risks in a holistic way, and to understand and manage these risks in order to minimize their effects on the organization's capital and earnings.

John Phelan, FCIP, ARM (retired Chairman and CEO of Munich Reinsurance America Inc. and non-executive director of Everest Re Group, Ltd and Western World Insurance Group and a member of the Institute's FCIP Curriculum Committee), says that insurance leaders need to understand how a myriad of risks – insurance, investment, economic and so on – interact with each other to provide both opportunities and threats to their organizations.

"A simple example might be where an insurance company has relationships with a particular organization involving insurance risk, investment risk and service risk. If that organization suffers an insured loss which compromises its ability to deliver a critical service and negatively affects its share price, the insurer will face multiple impacts from that one event. Sovereign debt in Europe is currently a topical example of a risk which can have far-reaching consequences," says Phelan.

"Organizations with strong ERM cultures will more quickly identify and more effectively manage vertical and horizontal exposure to risks which will continue to be generated by an ever-changing and complex social and business environment."

The Insurance Institute's new FCIP program is offering future insurance leaders the opportunity to gain a comprehensive understanding of strategic leadership and advanced management principles, such as ERM, with a focus on how they relate specifically to insurance organizations.

Enterprise Risk Management (ERM) in the Insurance Sector, part of the new FCIP program, provides the concepts and tools needed to understand enterprise risk management in the property and casualty (P&C) insurance industry, and examines how to use it to create value and help organizations achieve their objectives.

As with all six important courses in the new FCIP program, the ERM course is built on a solid foundation of educational excellence and real world knowledge. Developed by Dr. Georges Dionne, Professor of

Finance at HEC and holder of the Canada Research Chair in Risk Management, it included input from Phelan and a number of other experienced industry leaders.

Peter Hohman, MBA, FCIP, ICD.D, president and CEO, Insurance Institute, says that the new FCIP has been created specifically for Chartered Insurance Professionals who aspire to leadership roles.

“The new Fellowship program provides the knowledge critical for success in our industry and a skill set that will be seen as vital to career advancement,” said Hohman. “When someone has achieved the FCIP designation via this new program, they will have the tools necessary to realize their career aspirations. It sets a high standard of excellence for insurance students and the insurance industry as a whole.”

Enterprise Risk Management (ERM) in the Insurance Sector will be offered for the first time in Winter 2012. Potential students must apply for entry into the new FCIP program, and are advised to take the courses in the recommended order.

The six courses that make up the new FCIP program are:

1. Strategy in the P&C Insurance Sector (*offered Winter 2012*)
2. Leading in the Insurance World (*offered Winter 2012*)
3. Financial Management for Insurance Leaders (*offered Winter 2012*)
- 4. Enterprise Risk Management (ERM) in the Insurance Sector** (*launched Winter 2012*)
5. Emerging Issues: Implications for the P&C Insurance Leader
6. Integrative Learning for the P&C Insurance Sector

For more information on the new FCIP Program including course descriptions, entrance requirements, syllabus, admission information and registration deadlines, visit www.insuranceinstitute.ca/newFCIP.

Background to the new FCIP: Launched in September 2010, the new Fellowship is the pinnacle of learning in the insurance industry and provides a comprehensive understanding of strategic leadership and advanced management principles, tailored to the insurance industry. It resulted from the commission of market research into the industry and took more than two years to develop. The new FCIP’s advanced and intensive curriculum was developed by an industry CEO advisory panel, academics from leading Canadian business schools and industry subject-matter experts. The latest learning techniques are used in the delivery of the program with university-level faculty and industry experts delivering the course material.

Entry requirements include a CIP designation and an undergraduate degree from a Canadian university (or equivalent).

About the Insurance Institute: The Insurance Institute, with its 36,600 members, is the educational arm of the property and casualty insurance industry in Canada. It is the industry’s premier source for professional development, and is known for its internationally recognized Chartered Insurance Professional (CIP) and Fellow Chartered Insurance Professional (FCIP) designation programs. Its mandate is to help people employed in the p&c insurance industry stay current with an evolving world and stay connected with their employer’s business and the needs of their clients. The Insurance Institute offers flexible learning options that include in-class, distance learning and web classes.

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An **interview** is available with Peter Hohman, president & CEO, Insurance Institute.

For more information, please contact:

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