

## **Risk managers need help to deliver educated global programme message to board says Ferma president**

By Ben Norris, St Julian's, Malta  
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**Julia Graham, President of Ferma, said yesterday that risk managers are struggling to get to grips with some of the complexities surrounding global programmes and therefore find it challenging to explain these and potential solutions to their boards.**



Julia Graham, President of Ferma, at Malta International Risk & Insurance Congress 2014

Speaking at the Malta International Risk & Insurance Congress 2014 on a day in which the intricacies of global programmes were laid bare, she called for a collaborative effort between buyers, insurers and brokers to help Ferma members bridge this knowledge gap and deliver more informed feedback to their boards of directors.

"Global programmes are a very complex area that even some of our insurance and broking panellists find challenging, so it is certainly the case that risk managers can find it a challenge too," said Ms Graham at the event held in association with the Malta Financial Services Authority (MFSA) and organised by Commercial Risk Europe. She conceded that there is a lack of knowledge among some risk managers on areas of multinational programme compliance, regulation and insurance solutions.

**Her concern is that if risk managers don't understand the issues fully they cannot convey them to the board.**

"How on earth can you persuade the board what to do if you don't really understand the subject yourself? I think this whole area is something where maybe the risk community should challenge some of our colleagues in the risk transfer industry to educate us all a bit more," she said.

Adding: "The whole area is very complex and I think education is needed from the ground up. Gaining access to the board is not the issue, the issue is when you get the access to know what you are talking about. It's about raising the level of the risk management profession so we can talk about these sorts of issues-you have to know what you are talking about when you discuss things with the board. It is about being able to behave in a professional way when you get the access."

Experts from the risk transfer community agreed on the need to boost understanding of the vagaries of global programmes amongst insurance buyers and key business decision makers.

Participants said "I think you are right that boards of the customers don't actually understand the complexity. For example, most will expect the coverage to be bought from an internationally rated insurance company which affects the extent to which they see the need for local policies."

Training risk management teams or the person in charge is key

Some other participant said: "I see clients from one end of the work to the other and I go through my training deck with them and their tax department and finance. When we are all on the same page they say no one has ever told us this before. So it is very much education."