

THE IMPORTANCE OF MARKET SECURITY

WHAT YOU DON'T UNDERSTAND DOESN'T GET MONITORED

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Reinsurance Counterparty Risk (RCR)

An increased focus on market security

We have observed:

- With increasing regulatory pressures and the fast-changing economic landscape, counterparty risk management is moving up the strategic agenda of many companies.
- We have seen our clients moving from basic oversight to a more broad and deeply involved credit and exposure monitoring.
- Data and analytics is now the key tool to gain more insight into exposures of different types of credit risks and to make credit risk decisions with more agility.

A good RCR management framework is the one that:



Monitors both quantitative and qualitative factors on a regular basis.



Allows you to make proactive, informed decisions.



Keeps evolving and is able to adapt to change with agility.



Is tailored to your specific needs, strategy and risk appetite.

The increased importance of robust and pro-active RCR management has led to many companies investing in their capabilities

Key Considerations When Using Credit Ratings

Some areas to look out for



Have your
own view of
risk



Know your
counterparty



Know your
rating
agencies



Be aware of
rating
sensitivities



Be aware of
criteria
differences

Your own internal guidelines always come first, with credit ratings being an important input but it should not be the only one

THANK YOU!



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