

# Understanding Total Pool Risk Management

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ASSOCIATION  
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# *Why is the MIABC involved in **TPRM**?*

Initially, because it was required  
by our regulator



# Evolution of Risk Management

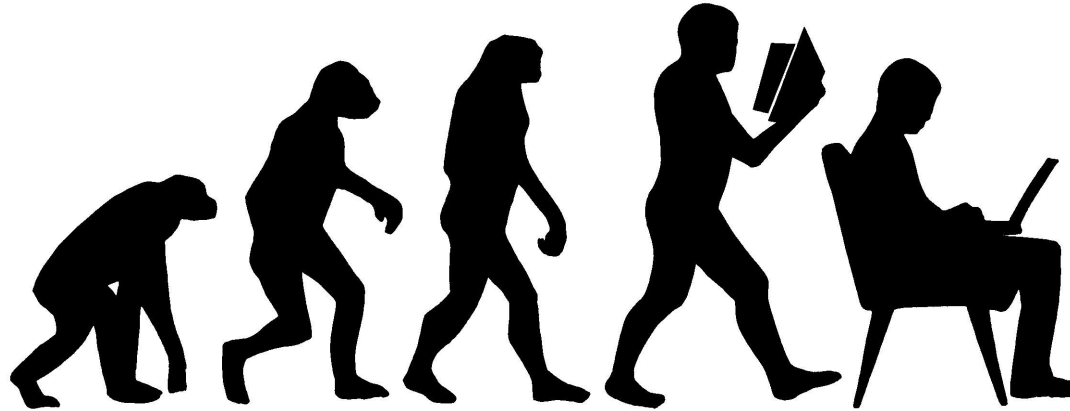
Traditional Risk  
Management



Advanced Risk  
Management



Enterprise-wide Risk  
Management / TPM



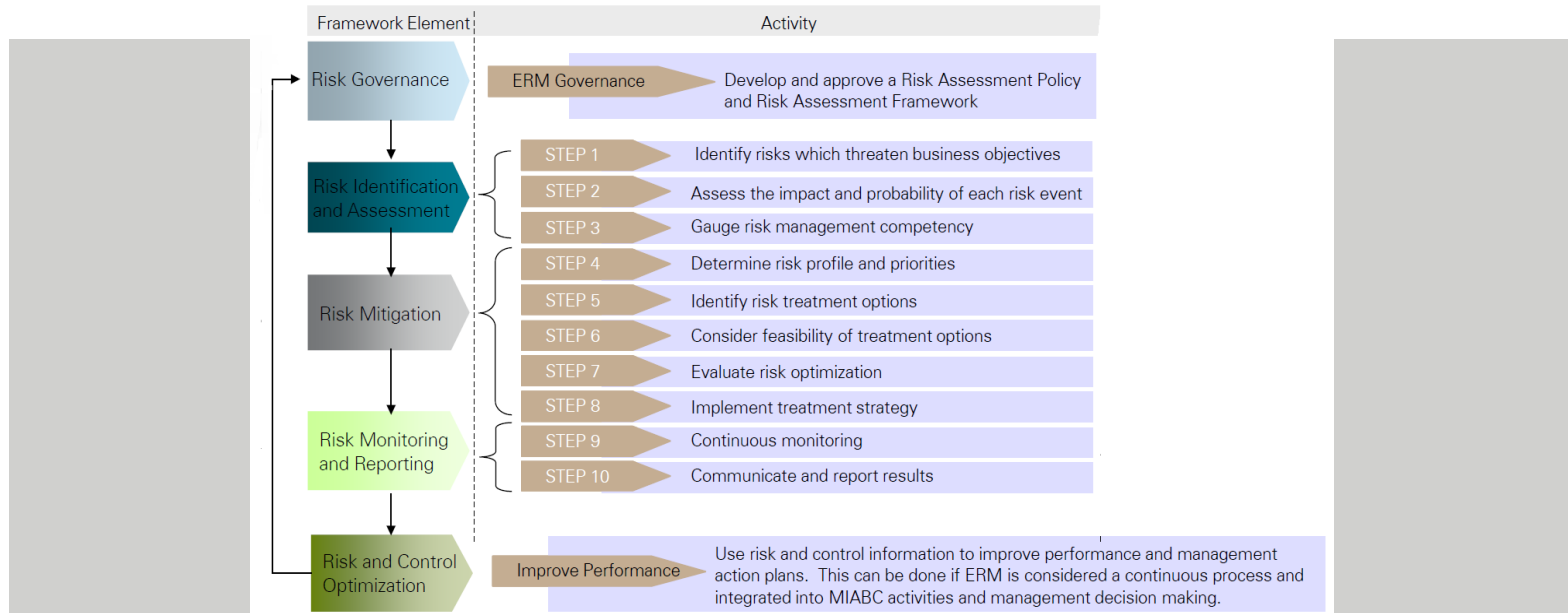
*Risk is bad – focus is  
on transferring risk*

*Risk is an expense – focus is  
on reducing cost of risk*

*Risk is uncertainty –  
focus is on optimizing  
risk to achieve goals*



# Example – One Framework for **TPRM**



# Strategic vs. Operational Risks

- Starts with identifying “Strategic” risks.
- Then shifts to an “Operational” risk group.
- There can be more than one operational risk group per risk.
- MIABC has five operational risk groups: Business Operations; Human Resources; IT; Insurance; and Legal/Regulatory.



# Strategic Risks

Risk Management at a higher level

Examples:

- Replacement of legacy RMIS
- CEO Succession
- COVID-19



# Identifying Strategic Risks

Draw on knowledge from various sources:

- Staff
- Management Team
- Member Advisory Groups
- Board of Directors
- Other pools
- AGRiP & other partners



# Emerging Risks

Potential or Prospective Risks for Strategic Register

Examples:

- New or amended legislation
- Court decisions
- Climate change





# Operational Risk Registers

Each organization will have their own operational risks.

At the MIABC, we have identified five:

- Business Operations
- Human Resources
- Insurance
- Information Technology
- Legal / Regulatory



# Heatmap



Risk Profile for 3. Human Resources



Ref Number	Description	Current Rating	Target Rating	Trend
24	3.4 Succession Risk: The risk from not being able to identify and develop internal people to fill key leadership roles within the organization.	Moderate	Low	Improving
23	3.3 Employee Concentration Risk: The risk of loss or exposure due to heavy reliance on individual staff.	Moderate	Moderate	Stable
22	3.2 Employee Retention Risk: The risk of being unable to retain quality staff.	Moderate	Low	Improving
21	3.1 Employee Recruitment Risk: The risk of loss due to not being able to attract and recruit quality staff.	Moderate	Low	Improving
25	3.5 Employee Integrity Risk: The risk of loss or exposure due to illegal or unethical actions (includes theft and fraud).	Low	Low	Stable

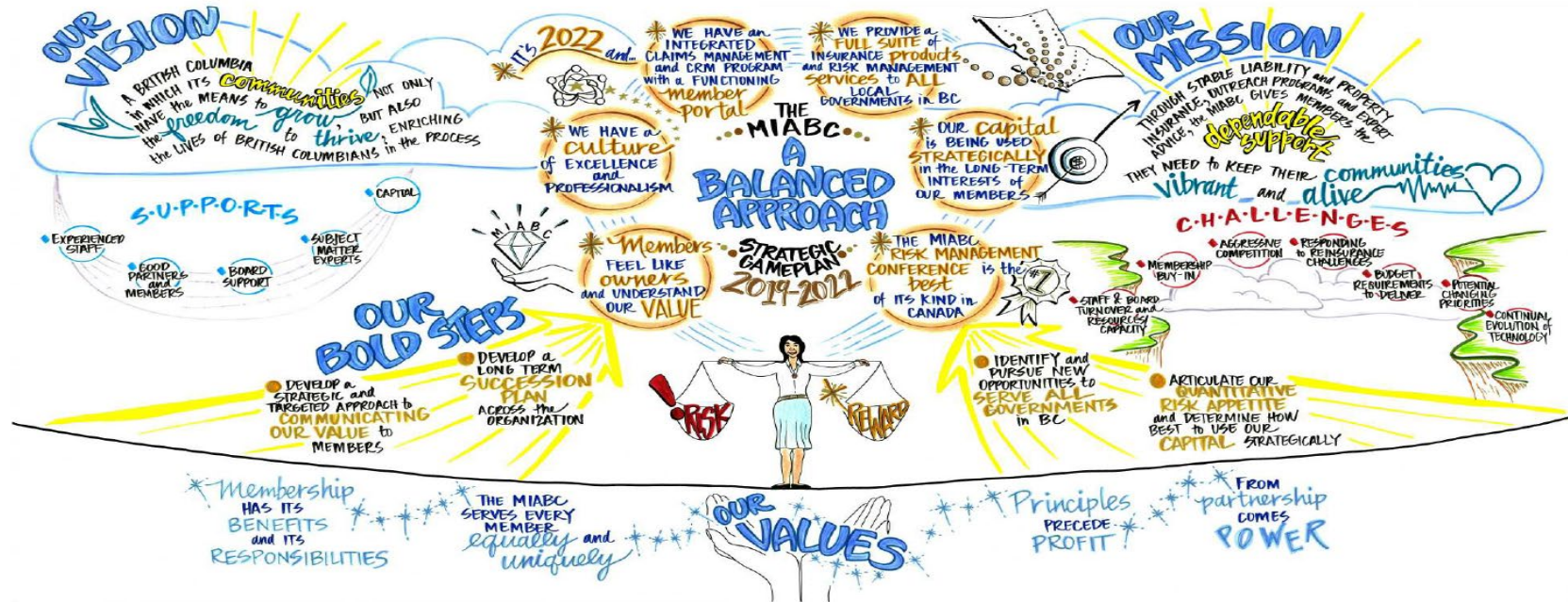


# Board's Role in TPRM

- Board oversight.
- The MIABC's management team oversees the TPRM program.
- Quarterly Reports
- Board's "Risk Appetite Statement" (RAS).



# MIABC's Strategic Plan



# Challenges

- Commitment.
- Quantifying risk rating and measuring progress.
- Maintaining momentum and continued monitoring and assessment.
- Time.



# Benefits

- Evolved approach to risk management including assessment of risks associated with not taking certain risks.
- Highlights areas of concern and the order / priority focus our efforts and resources.
- Encourages cross-departmental, enterprise-wide interaction and cooperation.





# Questions?

