



# Risk co-sourced services

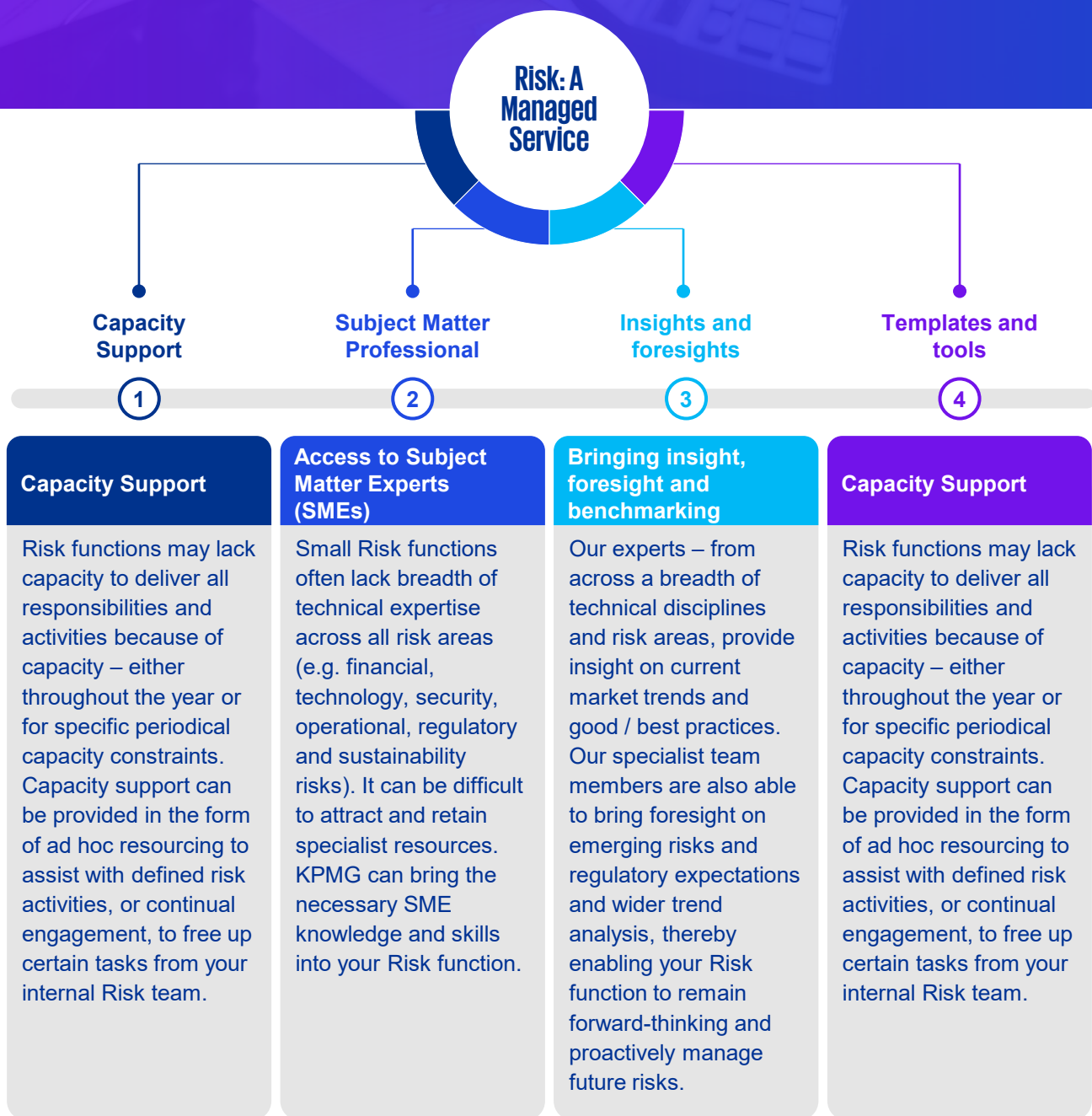
You have more important things to focus on—from short-term objectives to long-term plans. We become an extension of your team.



March 2023

# Why you should consider co-sourcing Risk functional activities

A co-sourced approach can give you the best of everything – immediate access to the skills you need, support to help develop your staff’s potential, and help to enhance corporate governance. Co-sourcing can provide you with the opportunity to tap into specific skill sets, industry knowledge and global resources on an ‘as needed’ basis. At KPMG, we can provide you with the specific skills you need on demand — achieving a level of flexibility which can be critical in effectively dealing with a range of operational issues. You keep control while we help you deliver.



# KPMG's Approach



Our approach is tailored to your specific needs – in terms of the topics and frequency of our activities, skilled and bespoke resourcing aligned to each need and delivery within a structured approach to ongoing engagement management and delivery.



## ● Service Inventory Review

We have developed a schedule of areas where we consider co-sourced support could bring value to a Risk function, which we use to identify areas where we can provide support. Our Service Inventory sets out illustrations to facilitate a broad discussion of where we can support your team to optimize Risk functional activities.

## ● Determine Scale, Approach and Timing

Once we have identified what we can help you with, we work with you to develop how we can best support you, when the support is needed and who can best support execution of the support, to ensure that the right skills from our team are engaged to support you.

## ● Service delivery

For each activity you would like us to support, we will agree timing, the right resources and budget, to agree these with you, before formalising in a Statement of Work. Our recommendation is that these services sit within a Risk Master Services Agreement, to enable us to respond swiftly, contractually, to any changes you may desire going forwards.

We will define what good looks like from our service, and track performance against these standards, to ensure we delivery what we promise and through a culture that looks to continually improve our service delivery.

# How we can help

## Risk Framework Facilitation & Oversight

What we do	What we give you	How often
Facilitate an 'emerging risk' review	Emerging risk dashboard	Bi-annually
Facilitate the review and update to assessments within the risk register to assess: (i) whether all significant risks are identified; (ii) appropriateness of inherent/ residual risk scoring; and (iii) appropriateness/ adequacy of controls/ risk mitigants	Updated risk register	Quarterly
Perform testing of design adequacy/ effectiveness of key controls within the risk register	Bespoke report	As required
Prepare Risk Update papers for the Board, including: (i) regulatory consultations/ pronouncements; and (ii) market themes and trends	Regulatory update paper	Quarterly
Writing / refresh of risk policies/ procedures	Updated risk policies	As required
Support the risk incident/ event management process, including: (i) preparing an ongoing log of any risk events, issues or 'near misses', (ii) facilitating the development of remediating action plan; (iii) facilitating 'lessons learned' and 'read across' sessions to mitigate the risk of repetition	Incident, event, near misses log	As required
Support the development of an appropriate approach to ESG and sustainability/ climate change risk management, and support the integration of ESG considerations into the Enterprise Risk Management ('ERM') framework	Either bespoke ESG/ sustainability/ climate change risk papers or integration into existing ERM framework documentation	As required
Facilitate a periodic assessment of the ERM framework	ERM framework facilitated review	Annually
Support the preparation of Board Risk Committee papers	Board Risk Committee papers	Quarterly

# How we can help


## Strategic Risk and Capital Management

What we do	What we give you	How often
Undertake a desktop review of the annual strategy/ financial plan (including sensitivity analysis)	Strategy – key risk considerations paper for Board/ executive management, setting out key considerations	Annually
Support stress tests/ scenario analysis ('ST/SA')	Bespoke report	Quarterly
Support the preparation of the CISSA report (or undertake a desktop independent review of the CISSA report)	CISSA report/ bespoke report setting out considerations (for management) based on a desktop review of the CISSA report	Annually
Support a review of the BSCR calculation, as a desktop review, to assess reasonableness of classifications and methodology adopted	Bespoke report	Annually



# How we can help

## Underwriting Risk



What we do	What we give you	How often
<p>Support deep dives on specific product/ business lines to assess price adequacy/ underlying profitability and/ or wider underlying trends in performance</p> <p>Support exposure modelling reviews (either as primary review or as part of second-line of defence monitoring)</p> <p>Trend or thematic analysis on underwriting performance and/ or claims trends</p> <p>Support the development and performance of reviews relating to sustainability/ climate change risk assessment</p>	Bespoke report	As required
<p>Support the data collation and calculation/ assessment of adherence to underwriting risk tolerances/ key risk indicators</p>	Risk tolerance/ key risk indicator report	Quarterly

## Reserving Risk



What we do	What we give you	How often
<p>Risk function 'peer review' on reserving adequacy</p> <p>Support Risk functional review on reserve reporting to the Board/ Risk Committee</p> <p>Trend or thematic analysis on underwriting performance and/ or claims reserving trends</p>	Bespoke report	As required
<p>Support the data collation and calculation/ assessment of adherence to reserving risk tolerances/ key risk indicators</p>	Risk tolerance/ key risk indicator report	Quarterly

# How we can help

## Credit, Liquidity and Market Risk



What we do	What we give you	How often
Support the data collation and calculation/ assessment of adherence to credit/ liquidity/ market risk tolerances/ key risk indicators	Risk tolerance/ key risk indicator report	Quarterly
Perform a desktop review of liquidity modelling and projections undertaken by management for reasonability	Bespoke report	As required

## Operational Risk



What we do	What we give you	How often
Support the data collation and calculation/ assessment of adherence operational risk tolerances/ key risk indicators	Risk tolerance/ key risk indicator report	Quarterly
Review and assess information technology, security and data privacy reporting, to provide Risk function oversight and challenge to technology/ security and privacy risks	Summary paper on key considerations relating to operational risk management	As required
Review and assess information relating to people risks		
Review of outsourcing governance for specific outsourcing relationships		

# Your team

Experience, knowledge and expertise.

Your core team is ready to deliver with consistency, quality and at speed.



**Ian Gardner**  
*Partner, Advisory*

Ian leads our GRCS service line at KPMG in Bermuda and across the KPMG Islands Group/ International Financial Services Practice. Ian specialises in governance, regulation, risk management and internal audit services to the insurance sector. He brings some 26 years' experience in the insurance sector from working in roles across the UK, Bermuda and in Emerging Markets.



**Lukas Ehlers**  
*Senior Manager, Advisory*

Lukas is an experienced actuary with more than 12 years' experience in the property and casualty insurance industry.

He has provided extensive support to numerous insurers, government agencies and other industry stakeholders on traditional and non-traditional actuarial projects, ranging from rate making, reserving and capital modelling to developing and implementing systems, processes, and databases on behalf of actuarial, underwriting and finance business units.



**Arthur Huang**  
*Manager, Advisory*

Arthur is a Manager in KPMG's Governance, Risk and Compliance service line (GRCS) in Bermuda. He manages a client portfolio delivering risk management and internal audit services to the insurance sector. He has both external and internal audit experiences, having worked at another Big 4 firm in Toronto on a number of financial institution clients and at Sun Life's internal audit function, combining five years' experience across Canada and Bermuda.





# Your team

We embed experienced professionals, tailored to your specific requirements. Our client-centric focus seeks to deliver a collaborative, integrated and multi-disciplinary approach backed by the functional, technical and industry expertise of KPMG professionals.

An extensive team is available across a wide range of specialisms and can deliver scalable services – all designed to help you better predict or reduce costs, access expert talent, and achieve seamless change.

We become an extension of your team.



## Governance and regulation

- Governance
- Prudential regulation
- Conduct regulation
- Financial crime
- Taxation
- Enterprise risk management



### Ian Gardner

Director, Governance, Risk  
T: 1-441-294-2721  
C: 1-441-331-50878  
iangardner@kpmg.bm



### Kateryna Kotelnikova

Assistant Manager  
Financial Crime  
T: 1-441-294-2725  
katerynakotelnikova@kpmg.bm



### Will McCallum

Partner, Head of Tax  
T: 1-441-294-2645  
C: 1-441-331-5064  
willmccallum@kpmg.bm



## Financial Risk Management

- Pricing
- Reserving
- Risk based capital
- Data management
- Predictive learning, AI and robotics



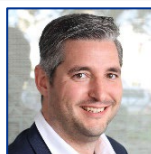
### Anam Khan

Director, Financial Risk  
T: 1-441-294 2662  
C: 1-441-703-0446  
anamkhan@kpmg.bm



### Kevin O'Reilly

Director, Financial Risk  
T: 1 441-294-2702  
kevinoreilly@kpmg.bm



### Lukas Ehlers

Senior Manager  
Actuarial Services  
T: +1 441 295 5063  
lehl1@kpmg.bm

# Your team



## Technology and Security

- IT infrastructure
- Security
- Privacy
- Outsourcing
- Operational resilience
- Data warehousing
- Change management



### Troy Dort

Director, Digital Advisory  
T: 1-441-295-5063  
tdort@kpmg.bm



### Pinar Karabacak

Senior Manager, IT Advisory  
T: 1-441-295-5063  
pkarabacak@kpmg.bm



## Corporate finance

- Financial reporting
- Financial controls
- Corporate finance
- Fraud management
- Strategy and financial planning



### Mark Allitt

Partner, Head of Advisory  
T: 1-441-294-2669  
C: 1-441-331-5106  
markallitt@kpmg.bm



### Richard Hobday

Director, Corporate Finance  
T: 1-441-294-2600  
C: 1-441-524-0018  
richardhobday@kpmg.bm

**IMPORTANT NOTICE:** The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

This non-binding document does not constitute an offer capable of acceptance. It is in all respects subject to the negotiation, agreement and signing of a specific engagement letter or contract including agreement of the scope of services and to the satisfactory completion of KPMG's applicable client and engagement acceptance procedures, including independence and conflict of interest checks and, where applicable, audit committee approval. If these procedures lead KPMG to decline the engagement or client, KPMG reserves the right to withdraw this proposal without prejudice. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.



**Ian Gardner**  
Partner, Advisory  
Governance, Risk &  
Compliance Services

**T:** 1 441 294 2721

**C:** 1 441 331 5087

[iangardner@kpmg.bm](mailto:iangardner@kpmg.bm)



**Lukas Ehlers**  
Senior Manager, Advisory  
Financial Risk Management

**T:** +1 441 295 5063

[lehlere1@kpmg.bm](mailto:lehlere1@kpmg.bm)



**Arthur Huang**  
Manager, Advisory  
Governance, Risk &  
Compliance Services

**T:** 1 441 294 0719

**C:** 1 441 535 0366

[arthurhuang1@kpmg.bm](mailto:arthurhuang1@kpmg.bm)



[kpmg.bm](http://kpmg.bm)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

© 2023 KPMG, a group of Bermuda limited liability companies and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

All rights reserved. "Partner" is a stylistic designation referring to a shareholder, director or employee of equivalent standing of one or more KPMG group of companies in Bermuda. The use of the term "Partner" does not connote any partnership as a matter of law.

**Document Classification: KPMG Public**