

# 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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