QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1860

Insurance Risk Appetite & Governance Training Course

INSURANCE RISK MANAGEMENT
INSURANCE & RISK MANAGEMENT

DURATION
5 Days

DELIVERY
Classroom

Course Overview

This advanced training course provides a comprehensive and practical framework for developing, implementing, monitoring, and governing risk appetite within insurance companies. It focuses on how insurers can translate business strategy and risk objectives into clearly defined risk appetite statements, limits, thresholds, and monitoring mechanisms that support sound strategic, financial, and operational decision-making.

The course examines the relationship between risk appetite, risk capacity, risk tolerance, solvency, capital adequacy, profitability, liquidity, and enterprise risk management. Participants will learn how to identify material risks, assess acceptable levels of exposure, establish appropriate limits, and develop key risk indicators that enable management to identify emerging threats and take timely corrective action.

A strong emphasis is placed on insurance risk governance and the roles of the Board of Directors, Board committees, executive management, risk management, actuarial functions, compliance, internal audit, underwriting, investment, and reinsurance teams. Participants will learn how to establish clear accountability, escalation processes, oversight mechanisms, and reporting structures that support effective risk governance.

Through practical exercises and insurance case studies, participants will develop the ability to build an integrated risk appetite framework, establish quantitative and qualitative risk limits, monitor deviations, manage breaches, and communicate risk exposures to senior management and the Board. The course also demonstrates how risk appetite can be integrated into underwriting, investment, reinsurance, capital planning, business strategy, and long-term organizational resilience.

Objectives

- By the end of the course, participants will be able to:
- Analyze the concept of risk appetite and its role in insurance company management.
- Distinguish between risk capacity, risk appetite, risk tolerance, and risk limits.
- Identify and classify material risks arising from insurance and investment activities.
- Develop an integrated risk appetite framework aligned with business strategy.
- Establish appropriate risk exposure limits and early-warning thresholds.

- Develop key risk indicators for effective risk monitoring.
- Link risk appetite to capital planning, solvency, and financial resilience.
- Evaluate the roles of the Board, executive management, and committees in risk governance.
- Develop effective escalation, accountability, and risk-breach management mechanisms.
- Integrate risk appetite into underwriting, investment, and reinsurance decisions.
- Strengthen risk reporting and communication to senior management and the Board.
- Develop sustainable governance practices and continuous improvement mechanisms for the risk appetite framework.

Who Should Attend

This course is designed for professionals and managers working in insurance risk management, governance, solvency, capital management, underwriting, reinsurance, investment, actuarial functions, compliance, and internal audit.

It is particularly relevant for Chief Risk Officers, risk managers, governance professionals, actuaries, underwriting managers, capital and solvency specialists, investment managers, reinsurance specialists, compliance officers, internal auditors, and members of risk committees.

The course is also suitable for Board members, executive management, senior leaders, and decision-makers who need to understand how risk appetite can be connected to business strategy, capital, solvency, performance, enterprise risk management, and major decision-making within insurance organizations.

Learning Outcomes

- Upon completion of this course, participants will be able to:
- Explain the fundamental concepts and importance of risk appetite in insurance.
- Assess the relationship between business strategy and the risk appetite framework.
- Classify insurance, financial, operational, market, credit, liquidity, and strategic risks.
- Determine appropriate levels of risk capacity, appetite, tolerance, and limits.
- Design a practical enterprise-wide risk appetite framework.
- Develop quantitative and qualitative key risk indicators.

- Establish risk limits and early-warning thresholds for material exposures.
- Link risk appetite to capital adequacy and solvency management.
- Integrate risk appetite into underwriting, investment, and reinsurance activities.
- Evaluate the effectiveness of insurance risk governance structures.
- Develop escalation and corrective-action processes for risk-limit breaches.
- Prepare clear and decision-useful risk reports for senior management and the Board.
- Assess the impact of adverse scenarios on risk appetite and organizational resilience.
- Strengthen risk culture, accountability, and risk ownership across the organization.
- Develop a continuous improvement plan for the insurance risk appetite and governance framework.

Course Outline

DAY 01

Fundamentals of Risk Appetite in Insurance

- Definition, purpose, and strategic role of risk appetite.
- Relationship between business strategy and enterprise risk management.
- Risk capacity, risk appetite, risk tolerance, and risk limits.
- Identification and classification of material insurance risks.
- Insurance, financial, market, credit, liquidity, operational, and strategic risks.
- Sources of risk exposure across insurance activities.
- Principles for establishing acceptable levels of risk.

> **PRACTICAL APPLICATION**
> Develop an initial risk map and establish risk appetite and capacity levels for a representative insurance company.

DAY 02

Risk Appetite Framework and Risk Indicators

- Components of an effective insurance risk appetite framework.
- Translating business strategy into risk limits and thresholds.

DAY 02 — CONTINUED

- Establishing exposure limits and early-warning levels.
- Key risk indicators and their relationship with performance indicators.
- Capital, solvency, profitability, and liquidity indicators.
- Underwriting, claims, reinsurance, and investment risk indicators.
- Risk trend monitoring and identification of deviations.

PRACTICAL APPLICATION

Design a risk appetite framework incorporating risk indicators, limits, thresholds, and escalation requirements.

DAY 03

Insurance Risk Governance and Accountability

- Principles of effective risk governance in insurance companies.
- Board responsibilities for risk oversight and accountability.
- Role of risk committees and executive management.
- Responsibilities of the risk management and control functions.
- Role of actuarial, compliance, and internal audit functions.
- Allocation of responsibilities across the lines of defense.
- Risk culture, accountability, and risk ownership.

PRACTICAL APPLICATION

Assess an insurance company's risk governance structure and identify governance strengths, weaknesses, and improvement priorities.

DAY 04

Integrating Risk Appetite into Insurance and Financial Decisions

- Integrating risk appetite into underwriting decisions.
- Managing portfolio and sector exposure limits.
- Risk appetite, capital management, and solvency considerations.

DAY 04 — CONTINUED

- Integrating risk appetite into investment decisions.
- Reinsurance and counterparty risk management.
- Using stress testing and scenario analysis to support risk decisions.
- Managing risk-limit breaches, corrective actions, and escalation.

PRACTICAL APPLICATION

Analyze a risk-limit breach and develop an appropriate corrective-action and escalation plan.

DAY 05

Risk Reporting, Monitoring and Continuous Improvement

- Monitoring compliance with the risk appetite framework.
- Risk reporting to senior management and the Board.
- Designing effective risk dashboards and key risk indicators.
- Evaluating the effectiveness of risk limits and early-warning thresholds.
- Reviewing risk appetite in response to strategic and market changes.
- Linking risk appetite to strategic planning, capital, and business performance.
- Strengthening enterprise-wide risk culture and accountability.
- Continuous improvement and organizational resilience.

FINAL WORKSHOP

Develop an integrated insurance risk appetite and governance framework covering risk classification, risk capacity, appetite levels, limits, key risk indicators, governance structures, escalation mechanisms, reporting, and continuous improvement.

Register or Request More Information

Course page: https://quest-training.com/courses/insurance-risk-appetite-governance-training-course
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