

Client	The client is a recently established European Life Insurance company looking to become the largest provider of tax compliant investment product to expatriate high net worth individuals (with assets > €10million), exploiting advantages inherent to the life insurance product and the company's subject matter expertise in cross border tax and regulatory legislation.
---------------	--

Project Name	Risk and Capital Adequacy Assessment Review
---------------------	---

Project Start Date	May 2008	Project End Date	June 2008
---------------------------	----------	-------------------------	-----------

Industry	<input type="checkbox"/> Commercial banking	<input checked="" type="checkbox"/> Insurance
	<input type="checkbox"/> Investment banking	
	<input type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management
	<input type="checkbox"/> Retail banking	
		<input type="checkbox"/> Corporate

Category of Service	<input checked="" type="checkbox"/> Performance measurement and monitoring	<input type="checkbox"/> Regulatory compliance and reporting
	<input checked="" type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process improvement
	<input type="checkbox"/> Specialised risks	<input type="checkbox"/> Training and people change
	<input type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation

The Challenge	<p>The client is seeking to diversify both its product and market. In seeking to expand its distribution network, potential business partners focused initially on the small size and short history of the company and the feasibility of both the business and the strategy for growth, culminating in a concern for both the sustainability of the product and the longevity of the company.</p> <p>For this purpose, the Client sought an independent review of the current risk and capital management framework and confirmation that where weaknesses are identified they are being addressed. The review would enable the client to address the concerns raised by its potential business partners and enable conversations to focus on the potential business advantages being proposed.</p> <p>avantage applied its proprietary approach to assess the adequacy of capital required for the risks inherent to the business. Our review covered the more traditional risk types (credit, operational, insurance, etc.) as well as the strategic, business and reputational risks.</p> <p>The challenge was to apply a comprehensive approach that could support a rigorous due diligence review from the perspective of a potential business partner and assist management in enhancing the capital and risk management framework.</p>
----------------------	--

Approach and Solution	Having agreed an outline report template, regular meetings with senior management were used to capture the underlying data and information for
------------------------------	--

	<p>preparing the report. Our approach relied on the use of our proprietary assessment tool (IRPM[®]) which was used to apply not only rigour to the approach but also ensure that suggested recommendations were pragmatic and aligned with industry practice.</p>
<p>Results and Benefits</p>	<p>The client received confirmation that the risk and capital management framework currently in place was fit-for-purpose. Detailed recommendations were provided where weaknesses were identified.</p> <p>Although too early to assess the benefits that might accrue from an expansion in their network of business partners, the client provided positive feedback and acknowledged that significant know-how was transferred and best practices applied throughout the project, reinforcing the current risk and capital management practices.</p>
<p>Software used</p>	<p>Not applicable.</p>