

Hanover Stone Solutions (HSS) provides customized enterprise risk management solutions to organizations that recognize the value of using risk-based decision-making processes to manage risk and return across all phases of their operations.

The HSS model utilizes highly experienced advisors and partner firms to meet the unique needs of each client while providing maximum flexibility and eliminating any potential conflicts of interest or hidden agendas. HSS is also a more cost-effective and timely alternative that focuses on the operational aspects of ERM, not just compliance.

*Hanover Stone Solutions defines ERM as the process of planning, organizing, leading and controlling the activities of an organization in order to meet business objectives, while minimizing the effects of risk on an organization's earnings & capital, while increasing shareholder value.*

**Hanover Stone Solutions Believes:**

ERM requirements for insurers today are broader than historical audit, regulatory, or board driven compliance requirements. The Board of Director's role is expanding, as governance and cyber-risks command increased regulatory attention.

The objective of ERM is to improve performance, using risk-based decision-making processes that effectively leverage all of an organization's capabilities. All companies have a risk profile, which is the level of risk a company is willing to take in pursuit of its goals and objectives. The question is do senior management, employees, the board of directors, regulators and other key stakeholders share a mutual understanding of the risk profile? A strategic-focused ERM is a key solution.

HSS can assist Carriers in establishing an ERM program that is ORSA compliant

HSS can assist Carriers in completing an ERM program that will be ORSA compliant

HSS can evaluate existing ERM programs for stakeholders and ORSA compliance

**Applying a Business Objectives Driven Approach to an ERM Framework**



Insurers should focus on the combination of strategic planning, risk and economic capital results in good business decisions. The aim is to meet strategic objectives and generate an optimum return for shareholders

The benefits of a full ERM implementation are increased management accountabilities, better governance, and consensus on strategies that lead to better returns. HSS is committed to the following:

- ✎ Building measurable value in operating and financial results
- ✎ Assisting regulators in the ORSA reporting process
- ✎ Helping insurers develop and implement ERM plans that comply with all NAIC and ORSA regulatory requirements
- ✎ Delivering tools & insights insurers need to focus on business opportunities, issues and key risks that really matter to the enterprise

**The HSS Enterprise Risk Management Approach**

ERM Framework	Risk Assessment	Risk Capital	Report
<ul style="list-style-type: none"> <li>• Risk Culture/Governance</li> <li>• Risk Strategy</li> <li>• Risk ID/Prioritization</li> <li>• Risk Appetite, Tolerance &amp; Limits</li> <li>• Risk Controls</li> <li>• Reporting/Communication</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Risks</li> <li>• Insurance Risks</li> <li>• Financial Risks</li> <li>• Operational Risks</li> <li>• Emerging Risks</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Models</li> <li>• Financial Models</li> <li>• Rating Agency Models</li> <li>• Prospective Solvency Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Synthesis of Key Themes</li> <li>• Perform a Gap Analysis</li> <li>• Deliver Recommendations</li> <li>• Develop ORSA report</li> </ul>

# Hanover Stone Solutions ERM Team

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