
From: Christian Mathis
To: Penny Anthony; Martyn Thompson; Tanya Stevenson
Sent: 28/05/2010 1:23:26 PM
Subject: UCA RM Project Update

Hi Penny / Martyn / Tanya

You will recall during our strategy meeting on the 20th April that we discussed a number of projects and initiatives that I wish to implement in 2010 in order to deepen my understanding of risk and therefore develop appropriate mitigation strategies which we can then articulate to our internal and external stakeholders.

The purpose of this note is to give you an update on progress relating to such initiatives. I will arrange for the appropriate Willis Web project / task entry to be updated (or created) so we can track progress.

1. Child Protection Risk

- I have met with Jim Mein (Director of the Board of Education) on several occasions to discuss the need for the organisation to develop a more pro-active approach to managing this risk and exposure.
- Jim has met with John Weeks (Head of KGS) and the school's governing council whom are committed to work closely with us to review child protection policy and procedures.
- Jim and I are will implement an inter-school review of child protection measures to ensure that best practice is communicated and shared and that a consistent risk mitigation strategy is adopted throughout the BoE.
- Jim and I will be meeting with all the UCA School Bursars on the **16 June** to address a number of related topics including;
 - BoE's obligations in relation to child protection / welfare and the changing regulatory environment;
 - Impact of exposure from a moral, reputational and insurable risk perspective;
 - KGS – lessons learnt;
 - Current BoE child protection policy and procedures;
 - Role and need to form a BoE child risk protection working group (to review and manage risk exposure);

Following this inaugural meeting of the Bursars the intention is to then convene a meeting with the Heads of each school to ensure that adequate governance is applied to enforcing policy and procedures.

I would naturally welcome any comments or input from either the market or yourselves.

2. BI Review

- I am meeting with Mark Ronan (Head of Aon Risk Accounting) on Friday **4th June** to scope the proposed BI review.
- My initial thought is to have an umbrella style qualitative review of the UCA's overall BI profile and then undertake individual quantitative assessments for each major entity to determine correct basis of declared values, indemnity periods and responsiveness of cover .
- I believe that the priorities for the detailed reviews are Uniting Care Ageing and the BoE which I would like to undertake this year (the other entities can follow next year).
- I will keep you advised on progress and will of course provide you with a copy of the final report.

3. Fraud Risk Control Review

- I have met with both Shane Boyd (Aon Fraud Risk Services) and Deloitte to discuss the above review.
- It is likely that we will engage Deloitte to undertake this year's review, however I am meeting with their Fraud Risk team shortly to discuss their proposal and expected outcomes of the exercise.
- Tanya let me know if you would like to join my meeting with Deloitte to discuss their proposal.
- In the meantime, the CEO of UFS would like to meet with underwriters to explain the breach of debt covenants as per my e-mail dated 11th May.

4. Actuarial Review of Self Insured Managed Fund.

- I have spoken with Debbie about Willis' involvement in this exercise.
- In Debbie's opinion the Willis actuarial team would not have the requisite experience and so she has recommended to me names of her contacts within Finity and E&Y.
- I am meeting with E&Y on 10th June and trying to line up a similar appointment with David Minty of Finity.
- I will probably ask Debbie / Andre to briefly review the scope of the exercise before work is undertaken (to

ensure we are capturing relevant data).

5. BCP Test

- As mentioned to Martyn yesterday, we have appointed Business Risks International to implement the BCP Test which is scheduled for **2nd August**.
- I have introduced BRI to the Senior Management of UR and UFS and project will commence next week.
- As part of the brief BRI will be expected to provide a formal written review of the test including recommendations for improvement.
- I will keep you informed on progress and provide a copy of BRI's final report in mid August.
- Would welcome Thor's comments and potential input / participation in future exercises.

6. RMIS Implementation

- The UR Management Team has supported my recommendation to implement a web-based risk management information system (RMIS).
- Board paper / final project budget is being presented to UR A&R Committee for final sign off on **16th June**.
- RMIS will consolidate the following information into one single database for reporting and analysis;
 - Property (Asset, COPE, Values etc)
 - Claims (maintained by CMA including losses above and below deductible)
 - Policy and premium data
 - Fleet data
 - Risk Registers
 - Renewal and Exposure values
- I am working with internal stakeholders on scoping of data and reporting requirements.
- Reports and outputs will be shared among internal and external stakeholders including Willis and underwriters (as required).
- Will keep you advised on project timetable / progress over the coming weeks.

Catastrophe Modelling

- Exercise to commence after RMIS is implemented and requisite longitude / latitude data is available along with asset values.
- Project likely to commence mid 2011 and will involve Debbie Pilling.

Property Surveys

- I need to scope out requirement / priorities for survey program and review list of sites to be targeted.
- Will schedule meeting mid June with Property Service Manager to discuss and report back to you.

The above is by no means an exhaustive list but an update on projects that are underway. Please feel free to share the above with the insurance market, in the meantime should you have any questions then please do not hesitate to give me a call.

Regards

Christian

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