

Pascal Stopnicki, president of the Effisoft group, expresses himself on the evolution of the Risk Management: *From insurance management to risk management.*

Risk Management is an activity which consists of measuring and evaluating risk and then developing diverse strategies intended to keep the risk under control. These strategies will include risk transfer and risk reduction through avoidance or prevention, both aimed at reducing the harmful effects and accepting tolerable consequences of the risk.

Let us enjoy a quick recent history of Risk Management. In the decade or so prior to 2000, Risk Management was marked by three definitive periods:

- At the end of the 80's, Risk Management typically consisted of management of losses, and to a lesser degree, policies and insurance's premiums.
- In the early 90's, needs increase: Risk Managers start to apply a more global management of insurance (policies, premiums, losses). At the same time loss control recommendations are identified and communicated and crisis survival plans are developed (Business Continuity plans).
- At the end of the 90's, the stakes go up for Risk Management activities: It is the emergence of the actual risk management, notably with the development of the concept of "risk mapping". Henceforth Risk Management is about identifying risk (residual risk, targets or raw) evaluating them, defining the measures of control and having deductible simulations and incident "as if" scenarios to analyze and use in the development of risk management programs.

Nowadays, Risk Managers are confronted with dual challenges: risk management and insurance management. Theoretically, insurance is one means of controlling risk. However, in practice, one observes companies often manage these two issues separately. And yet, risk management and insurance management are two concepts undeniably complementary to securing the company's permanent stability.

From the moment their inseparability is recognized, the risk manager is faced with managing a complex and important data flow: That related to the risk management activities of risk mapping, loss prevention, controls, and data analyses as well as that related to the insurance management activities of insurance purchase, premium calculations and their allocation, the tracking of payments and managing losses.

In this context, the control of the information is essential for good management of the risk and insurance of a company. The globalization and the proliferation of large industrial groups particularly exposed to risk find the collection and consolidation of diverse data disseminated between many international subsidiaries even more complex and difficult to manage. The collection, management and diffusion of the information often demands the set up of specific software tools to support the process.

The emergence of new technologies, particularly the internet, have promoted the development of suitable and efficient software allowing risk managers to:

- Collect and efficiently share the information
- Manage all of the processes involved in today's risk management: both those related to "risk management" and those related to "insurance management"
- Analyze data in order to define and refine the risk management program by optimizing the global risk cost.

From this dual challenge, risk management has become a key issue for companies. It is an important tool for operational management and support of strategic decision making that demands active support from senior management with a sustained communication and ongoing updates between all parties.

About Effisoft :

Effisoft is an international group providing software for professionals of insurance, reinsurance and risk management for 15 years. Effisoft touches a clientele of more than 200 companies worldwide thanks to its geographical settings (Paris, London and Boston). Effisoft counts among its customers one insurer out of 2, numerous small and medium sized businesses and the major actors of the CAC40, the FTSE and the NYSE.

This article was published in **Journal du Net**, one of the most known virtual French magazine specialized in the insurance market.

JDN management

The screenshot shows the JDN management website interface. At the top, there is a navigation bar with menu items: Fichier, Edition, Affichage, Favoris, Bouquets, Préférences, Aide. Below this is a search bar with the text "Rechercher sur Internet" and a "Mes réglages" link. The main header features the JDN management logo and a search box. A secondary navigation bar includes links for "Economie", "Management", "e-Business", "Finance", "Solutions", "Développeurs", "Science", "Votre high-tech", "Emploi", "NOUVEAU CopainsPro", "Séminaires", and "Etudes".

The main content area displays a news article titled "L'évolution du Risk Management : de la gestion des assurances à celle des risques" by Pascal Stopnicki. The article text reads: "Pour maîtriser leurs risques, les entreprises ne peuvent plus se contenter de bien gérer les polices d'assurances. Le métier de Risk Manager consiste aussi à identifier les menaces et à imaginer les scénarios de sortie de crise." Below the article, there is a section for "L'AUTEUR" identifying PASCAL STOPNICKI as the "Directeur général, Effisoft".

On the left side, there is a sidebar with navigation categories: "ENTREPRISE" (RH, Marketing, Communication, Finance, Innovation, Relation client, etc.), "CARRIERE" (Emploi, Formation, etc.), and "BOURSE" (CAC 40, Nasdaq, Dow Jones, SBF 120, Nikkei 225). At the bottom of the sidebar, there is a "JDN Finance" link.

On the right side, there is an advertisement for "Cetelem Presto" with the text "La solution de crédit online" and "de garanties de paiement", "de rapidité dans les livraisons", "de simplicité dans l'intégration à votre site". Below the ad is an "ESPACE AUTEUR" section with a form for user registration.