



ORIC  
INTERNATIONAL



Leading the way  
on operational risk

over  
**13,500**

member submitted risk events

Operational risk  
losses and near misses from  
over 65 countries, totalling more than

**£6.7 bn**

**2,500**

key risk indicators



over  
**1,000**

member submitted scenarios

# Who we are

ORIC International is the leading operational risk consortium for the insurance and investment management industries globally.

Since our founding in 2005 we have steadily grown, and we currently support more than 40 firms across 4 continents. The consortium is jointly owned by its members and is not-for-profit, which means we use our income to develop and improve the services and resources we provide our members.

Our mission is to lead the advancement of operational risk management and measurement for the (re)insurance and asset management sector. By fostering best practice amongst our members we have a positive impact on the industry, helping to raise the bar on operational risk.

## WHAT SETS ORIC INTERNATIONAL APART?

- We provide unrivalled insight into trends and common root causes in operational risk, driven by the data provided by our members on their operational losses and near misses.
- We help firms benchmark across a number of areas of their risk framework, including operational loss experience, stress and scenario testing, operational risk capital modelling and emerging risk.
- We run forums and working groups for our members on the topics they want to explore. Meetings are held under the Chatham House Rule and participants can be assured of confidentiality, therefore creating a safe environment in which to have open and honest discussions.
- The ORIC International team comprises experienced risk professionals who have worked across all elements of enterprise risk frameworks at a number of diverse insurance and investment management firms.

*“ORIC International has provided first class support, helping us enhance our approach to operational risk management. They have worked hard to understand our business and the strategic operational risk challenges we face, and have delivered timely insight to support our development and delivery of value-add solutions.”*

**HEAD OF OPERATIONAL RISK GOVERNANCE, LEGAL & GENERAL**

# ➤ Our services

## LOSS DATA

Since 2005 we have collected nearly 14,000 operational losses and near misses from our members. While anonymised, these events include a description of what happened to that firm, how it occurred, the financial and reputational impacts, and what recoveries were made. All events are categorised according to the ORIC International taxonomy, which is aligned with the Basel II taxonomy.

All submitted events are subject to robust data standards and are reviewed by the team to ensure the aggregate data set consists of high quality information.

Using the advanced analytics on our ORIS platform, firms can benchmark their own loss profile against the wider industry as well as peer groups. The insight gained can help Risk teams to engage with their businesses and improve the identification, measurement, management and reporting of operational risk events.

We also provide members with a quarterly 'Trendwatch' report, which gives insight into trends emerging from the consortium's submitted risk events. This includes deep dives on core operational risk and related topics such as change management risk, conduct risk and cyber/digital resilience.


## PUBLIC NEWSFLASH SERVICE

To complement the loss data collected from our members, we also provide a public newsflash service. We use AI to find relevant operational risk events in the public domain from reputable global sources, which are then categorised and tagged to form an easily searchable database, which currently contains over 34,000 newsflashes.

Users can set up automated notifications to ensure they are alerted to emerging events according to a number of variables, including region, business line, risk category and key words.

*"I am proud to have been involved in the development of the capital benchmarking survey, and I am particularly pleased that the survey covers the end-to-end process, making it one of the most comprehensive capital benchmarking surveys published to date."*

SENIOR OPERATIONAL RISK MANAGER, AVIVA GROUP



600+

risk professionals have attended our forums, working groups and events during the past year

## CYBER DATA

Cyber risk and digital resilience constitute one of the most pressing yet hard to define challenges in today's operational risk landscape.

We have established a cyber working group to help members better understand the rapidly evolving nature of cyber threats, and in order to provide insight we are planning to capture relevant risk events under a bespoke taxonomy. By capturing loss and near miss data under a classification system specifically designed by ERM and CISO professionals for cyber and digital risks we aim to provide ORM and CISO teams with insight into the most common control failings, system vulnerabilities and attack vectors.



## CAPITAL BENCHMARKING

We run an annual capital benchmarking survey, in which participants are asked to answer a comprehensive question set covering topics such as number and type of internal resources deployed, model type, parameterisation and use of internal and external loss data.

Our analysis of the resulting data, and the bespoke reports we create for participants, allow us to help firms benchmark their approaches and methodology against other participants and identify areas for development in line with best practice.

## SCENARIO BENCHMARKING

We run an annual survey of members' operational risk scenarios, capturing not just the storyline but also the frequencies and impacts as estimated by their own subject matter experts. Our database contains over 1,000 unique scenarios, and we are adding more with each iteration of the survey.

As part of the scenario workstream we bring in expert strategic partners, with broad experience of the industry, to provide training and Q&A sessions. Members benefit from learning about evolving best practice in stress and scenario testing, and how they can deliver greater value to the business through deeper understanding of potential material risks to strategy and the business plan.

*"Through ORIC International's thought leadership papers, and in particular their 'Diversification Benefit' paper, we were able to reduce correlations in certain instances which had a meaningful impact on our operational risk capital."*

HEAD OF RISK, ASPEN

## EMERGING RISK

We run an annual survey of members' emerging risks across the ERM universe, which we categorise using the standard PESTLE classification. We use the data to assess the consortium's view of these emerging risks' estimated impact, timescale and velocity and how they are likely to impact their respective businesses.

We provide members a report with radar sweeps visually plotting identified risks against a scale of impact and proximity. Risk teams find this annual report to be very useful when talking to senior management, risk committees and boards about potential unforeseen exposures they may face in their strategy and business plan.



## COMMUNITY

What truly sets us apart is the community we have built within the consortium. The member network brings together hundreds of risk professionals, covering operational risk, financial crime, information security and other core disciplines.

These risk professionals participate in, and lead, the various working groups we run. The topics are chosen by the membership, and the outputs of their work are shared with the consortium.

Our current forums and working groups include:

- Senior Leader ERM forum
- ORIC Member forum
- Internal model working group
- Scenario working group
- Cyber working group
- Loss reporting working group

Our working groups, forums and events provide our members with the ideal opportunity to discuss common areas of interest and expand their professional network.

We also hold events on industry priorities, such as operational resilience and cyber risk, which see regulators, CISOs and CROs take part in panel discussions, giving audience members an opportunity to put questions to the experts.

## THOUGHT LEADERSHIP & PUBLICATIONS

Through working with our members and carefully selected strategic partners we have published thought leadership on a range of topics, including:

- Outsourcing and third party risk management
- Creating value from risk events
- ICAAP benchmarking and best practice
- Internal models and risk capital calculation
- Operational risk dependencies
- Correlations survey

## LIBRARIES

### Key Risk Indicators

- We have a comprehensive library of over 2,500 key risk indicators for members to use as a completeness check for their own set of indicators. Our KRIs are documented in detail, including links to risk categories, business functions and guidance on how to implement them in the business.

### Operational Risk Scenarios

- In collaboration with our members we have developed a library of benchmark operational risk scenarios. These 38 scenarios, documented in detail, allow firms to consider the completeness of their own scenario universe and how they are linked to their risk profile. Each of the member submitted scenarios collected through the annual survey is linked to one of the 38 benchmark scenarios to provide greater context.



# Member list



## GET IN TOUCH

T +44 (0)203 917 1750

E [enquiries@oricinternational.com](mailto:enquiries@oricinternational.com)

[oricinternational.com](http://oricinternational.com)



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