

## **IFRIMA Celebrates Decade of Uniting the World's Risk Managers**

*By Orin M. Kurland*

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This month marks the 10th anniversary of the International Federation of Risk and Insurance Management Associations (IFRIMA), a worldwide umbrella organization dedicated to the advancement of risk management and its practice through education and interaction.

IFRIMA's 1993-1994 chairman, Kevin Knight, risk manager adviser for Australia Post in Brisbane, expresses that the fact that IFRIMA has survived 10 years is a significant accomplishment. "But the fact that in that time IFRIMA has grown and developed an identity of its own, and is meeting a real need by providing the means of global networking for risk managers, as well as having advanced risk management education, gives us reason to celebrate," he says. Of course, there is still much work to be done, notes Guy Lamand, risk manager for FRAMATOME in Paris, and the person in charge of seeing IFRIMA into its second decade as its 1994-1995 chairman.

Since its founding in 1984, the Federation "has grown, developed and created visibility for itself and its members -- practitioners of risk management in industry and commerce," says Hugh Loader, managing director for Tetra Laval Insurance Services Ltd. in Essex, England, who served as IFRIMA's first president. "The coming together of individual associations has helped to create a better understanding on the world stage of not only the risk management practices in one part of the world compared to another, but also the different cultures and concerns around the world," he adds.

Over the past decade, IFRIMA has brought together under one common banner risk management associations spanning six continents. Notes former AEAI President Francois Settembrino, director, Tabacofina Vander Elst, S.A. in Edegem, Belgium: "At birth, IFRIMA was only an idea, shared by a few people. Now, it is reality, with many members around the world."

Originally founded by 12 risk management associations, today IFRIMA comprises 22 organizations: Associacao Brasileira de Gerencia de Risco (ABGR-Brazil); Asociacion de Administradores de Riesgos de la Republica Argentina Asociacion Civil (ADARA); Association Europeenne Des Assures De l'Industrie (AEAI-Europe); Asociacion Espanola de Gerencia de Riesgos y Seguros (AGERS-Spain); Association of Insurance and Risk Managers in Industry and Commerce (AIRMIC- United Kingdom); Association pour le Management des Risques et des Assurances de l'Enterprise (AMRAE - France); Association of Risk and Insurance Managers of Australasia (ARIMA); Asociacion Venezolana de Administradores de Riesgo y Seguros (ASVARS); Belgian Risk and Insurance Management Association (BELRIM); Indian Institute of Insurance and Risk Management (IIIRM); Instituto Mexicano de Administradores de Riesgos, Asociacion Civil (IMARAC); International Risk Management Society of Japan (IRMS/J); Malaysian Association of Risk and Insurance Management (MARIM); Public Risk and Insurance Management Association (PRIMA-U.S. and Canada); Risk and Insurance Society of Singapore (RIMAS); Risk and Insurance Management Society (RIMS - U.S. and Canada); Risk and Insurance Management Society of Nigeria (RIMSON); Risk Management Society of Finland (RMSF); South African Risk and Insurance Management Association (SARIMA); Risk

and Insurance Group of the Federation of Swedish Industries (SIRF); Swiss Association of Insurance and Risk Managers (SIRM); and Society of Risk and Insurance Management of the Philippines (SRIM).

### **The Task at Hand**

Some specific aspects of IFRIMA's mission, as outlined in its constitution, are to make known the needs and viewpoints of risk managers and promote the free exchange of ideas; cooperate with other professional societies and organizations; aid in establishing and maintaining a competitive insurance market with adequate regulatory controls to ensure long-term stability; and encourage and assist in the formation of organizations in other countries.

While Mr. Settembrino acknowledges that "the goals were always very ambitious," he notes that IFRIMA has been successful to varying degrees, citing advances in risk management education and that several forums, such as the annual RIMS Conference and the biannual AEAI/RIMS Monte Carlo Forum, are now paying more attention to the exchange of ideas on an international scale. Furthermore, the growth in membership from 12 to 22, particularly in Southeast Asia, Africa and South America, attests to IFRIMA's success in assisting and welcoming organizations from other countries. Other evidence of IFRIMA having achieved the goals it set for itself include an exchange of national reports between all members on a semiannual basis, increasing inter-participation in each member's conferences, and "the development of funding options for the Federation to carry out its work," Mr. Knight says.

IFRIMA's focus, however, has revolved primarily around risk management education, and it was their need for international education that spurred much of IFRIMA's membership into greater involvement. "The past five years have seen us move from a situation of education being an unmet and undefined need in most member countries, to now where we have a model risk management syllabus that is being actively developed by some members in Europe (via AEAI) and in Australasia (via the Australian Institute of Risk Management)," Mr. Knight says. He also expects that, in time, these education programs will extend to other areas, especially in South America, Asia and South Africa.

The model risk management education syllabus was developed through the work of IFRIMA's Education Liaison Committee, which was set up in 1990. The syllabus is intended to be used either as a stand alone professional development exercise for those currently involved in risk management, or as an integral part of a business school degree course.

### **Setting Its Sights**

This past October, IFRIMA's board established a strategic planning committee to address the future direction of the Federation. This step was, in the words of Mr. Knight, "a most encouraging development as it clearly indicates the increased maturity and confidence of the organization." Regardless of the activities this committee chooses to map out for the Federation, in the abstract, IFRIMA will strive to promote the free exchange of ideas and information on risk management, the professional development of risk management practitioners, the advancement of risk management practices within developing countries, and the creation of national and regional risk management associations.

On this last item, until recently, RIMS and AEAI represented the only regional risk management associations. But in 1993, following the development of several risk management associations in South America, a regional association -- ALARYS-- was formed. What about other regions? Mr. Knight states that while he is a strong advocate for an Asia Pacific or Indian Pacific regional association, he believes that such a body is still some years away.

According to Mr. Lamand, there are several steps IFRIMA must take in order to further its goals. First, and perhaps the most basic step, is to reinforce the "federation" concept, which includes "a more systematic use of the IFRIMA logo and the creation and displaying of a flag to symbolize the members' unity." Furthermore, local and regional meetings by the member associations should be held more frequently. And all international conferences to be sponsored by IFRIMA, "should always be held with the goals of showing the membership's unity, and being differentiated from other conferences arranged by commercial organizations that do not necessarily develop ideas that are very meaningful to IFRIMA members." Moreover, conferences sponsored by IFRIMA members must be perceived as being organized solely for risk management professionals.

Another important step Mr. Lamand feels that IFRIMA must take is to reinforce an image of professionalism. In order to do that, he believes IFRIMA needs to establish an international definition for the concept and function of risk management, create a basic set of risk management skills (but stressing that the function, above all else, is based on experience), and develop formalized methods of risk analysis.

Mr. Lamand reports that major strides were taken recently to improve the exchange of information between members. At present, members provide information regularly to IFRIMA on the status of their associations, legislative news affecting risk and insurance in their countries, news on the state of their local markets, and notice of relevant conferences being organized. "This information is useful," Mr. Lamand asserts, "since it will enable the members to verify rumors circulating regarding insurers and brokers and what is taking place in certain countries." Notes William J. Kelly, Senior Vice President for J.P. Morgan in New York and the vice president -- international for RIMS, "IFRIMA has provided me with an important information network when researching international issues, and its delegates have been most willing to provide such assistance."

Forming the Federation Prior to IFRIMA's formation, "the international organization was an informal network. RIMS had the International Cooperation Committee, AIRMIC had an international director, and AEAI had vice presidents separately responsible for matters within and outside the European Community (EC). In addition, many contacts existed on a one-to-one basis, providing access to the resources of a national association," recalls Mr. Loader. The 1970s witnessed an in-creasing number of foreign delegates attending the annual RIMS Conference, AEAI was established as an umbrella organization advancing the risk management cause within the EC, and liaisons between RIMS and the emerging risk management groups in Europe, Australia, Japan and South Africa began to form stronger bonds.

Then, in 1981, the first biannual risk management forum, co-sponsored by AEAI and RIMS, was held in Monte Carlo. According to Mr. Loader, he and Ron Judd, the former long-time executive director of RIMS, first discussed at this forum the possibility of forming an international risk management umbrella organization. Despite his initial misgivings, Mr. Loader was persuaded by Mr. Judd "that a

federation of associations would be advantageous. Europe already had its own regional association of national risk management associations (AEAI), so really the addition of a few other interested individuals seemed like a good idea." Mr. Knight adds that "indeed, if IFRIMA had not been formed in 1984, the need for such an organization would have arisen by the late 1980s as the globalization of enterprises created the need for the exchange of local risk management knowledge with offshore risk managers."

At the April 1982 RIMS Conference in Washington, D.C., discussions continued about the possible formation of an international risk management umbrella organization. In a memorandum concerning this meeting, William Mather, the RIMS vice president, business and industry liaison at that time, noted that there was "general agreement that because of different structures of present risk management groups, a federation type of organization would best respond to the views expressed by a majority of the groups." To this day, "the federation format has worked well, allowing for equal participation by any association wishing to contribute rather than having a dominating situation by the larger associations," Mr. Loader explains.

Further discussions about an international federation were held at the 1983 RIMS Conference by a "group of interested people representing eight countries. Mr. Loader was charged with the task of revising Mr. Mather's first draft of a constitution. Giving credit to Jean-Claude Cusset of GACI (one of two French risk management associations -- the other being ACADEF -- that merged last year to form AMRAE) as "one of the influential individuals who negotiated a mutually acceptable wording for all of the participants," Mr. Loader then had these new draft documents presented to the same group of people for discussion at the RIMS Conference in New York on April 2, 1984. After some minor amendments, this draft was accepted and signed on behalf of all 12 initial member organizations. Mr. Loader of AIRMIC was elected president; Michael McDonald of RIMS, executive vice president; James Royer of ARIMA, vice president; Jean-Claude Cusset of GACI, secretary; and Luiz Paulo De Oliveira of ABGR, treasurer. Other founding organizations were: ACADEF, AEAI, IMARAC, GAI/VVI (BELRIMS's Belgian predecessor), IRMS/J, SIRF and VIV (West Germany).

IFRIMA was now officially established as a not-for-profit organization, administered by a board of directors (composed of one director from each member association) and elected officers. RIMS has performed the secretariat function for IFRIMA since its inception, and is currently administered by Anita Benedetti, RIMS deputy executive director. Application for membership in IFRIMA is open to any not-for-profit risk and/or insurance management association or group whose members are, or employ, risk and insurance managers. Several other risk management associations, including those in Germany, Holland and Italy, have chosen for practical reasons to be represented in IFRIMA through the umbrella organization, AEAI.

Strength in Unity IFRIMA derives its strength and influence from its members' involvement and their ability to appear as a true united front. "The coming together of members to achieve common goals was the reason IFRIMA was created. It is still the reason for us to persevere with developing IFRIMA into a strong and independent federation of equals," says Mr. Knight.

For IFRIMA to achieve its goals, it will need a greater amount of involvement and personal commitment from its members. "But when given the challenge -- as was done with education -- the membership can respond and produce a meaningful and relevant product for the global risk

management community. Having done so once, there is no reason why it cannot continue. All it needs is the will to do so and sufficient people to make it happen. Without participation and commitment, nothing worthwhile can be achieved," Mr. Knight says. Echoing these sentiments, Mr. Lamand states that "the members of IFRIMA took 10 years to come to know and understand each other. I hope that it will take fewer years than that to learn how to work together.

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