



An Executive Summary
from a Global Forum Series on Emerging Risks

Emerging Risks for Cross-Border Business

Evolving Multinational Liabilities

Emerging Risks for Cross-Border Business: Strategies for Evolving Multinational Liabilities

Context

Between November 30, 2010 and April 5, 2011, Chartis and the Financial Times collaborated to host a series of forums titled “Emerging Risks for Cross-Border Business: Strategies for Evolving Multinational Liabilities.” These forums were held in the following cities:

- November 30, 2010, New York, New York, USA
- January 25, 2011, Miami, Florida, USA
- February 1, 2011, Sydney, Australia
- March 2, 2011, Frankfurt, Germany
- March 22, 2011, London, England
- April 5, 2011, Chicago, Illinois, USA

At each forum, an expert on global risk delivered an opening address titled “Emerging Risks for Cross-Border Business.” This was followed by a panel discussion on strategies for evolving multinational liabilities. The panelists included global risk managers, representatives from leading policy-focused organizations, academics, researchers and Chartis executives.

Overview

It seems that unthinkable black swan events are occurring regularly. Multinational organizations must constantly deal with natural disasters, political instability, increasing regulation, fiscal crises and a host of other macro risks. In addition to these external risks, companies have risks associated with their assets, reputations, supply chains, technology, people and partners. The number of risks faced by multinational enterprises and their implications are immense.

However, leading organizations are creating frameworks and implementing disciplined processes to identify, understand, prioritize, manage and mitigate their risks. They are elevating the role of risk management to a leadership priority infused throughout their culture. Many companies are viewing risk as an opportunity to improve their competitive position. Companies are also developing partnerships with multinational service companies that have local knowledge and expertise to manage their global risks.

Key Themes

- **In today’s volatile, unpredictable world, multinational organizations face an astounding array of risks.**

At each forum, speakers and panelists described their business context as increasingly global and interdependent. They also see increased turbulence, volatility, change and an apparent increase in low-probability “black swan” events. As one speaker said, “The flip side of economic and social globalization is that risks are becoming more interdependent as well.” Engaging in cross-border business is fraught with risks.

The risks discussed were often thought of as macro risks, affecting countries, regions and the entire world. Other types of risks are business specific, affecting specific industries and companies. Many of the risks discussed at the series of forums are summarized below.

Macro Risks

These include unexpected, individual catastrophic events, like the earthquake and tsunami in Japan, as well as systemic risks, such as increased regulation following the financial crisis. Among the macro risks discussed during the series were:

- *Natural disasters.* Earthquakes, hurricanes, tsunamis and volcanoes can cause enormous loss of life and massive amounts of financial damage. They can also disrupt interconnected global supply chains. While such events occur suddenly and without notice, they can be anticipated and planned for. (A poll nine months after Hurricane Katrina among people who live along the Louisiana coast found 86% had done nothing to fortify their houses.)
- *Resource constraints.* The world faces shortages of food, water and other natural resources. Commodity prices, including oil, are volatile. These resource shortages pose social, political and economic risks.
- *Political risk.* A statement repeated at many forums was, “Political risk is back.” After years of seeming stable, the recent events in Tunisia and Egypt reveal how uncertain the political landscape is. Beyond the Middle East,

political risk exists in Asia, Latin America, Africa and even Europe and the United States.

- *Financial risk.* The government deficits in many developed countries pose a macro risk, with significant implications. The earliest examples are Greece, Ireland and Portugal, all of which have received economic bailouts. The financial risks to sovereign countries will result in austerity policies and increased taxes.
- *Protectionism.* In many countries—especially developed countries where many people are questioning the benefits of globalization—there is a surge in both nationalism and protectionism. Increasing protectionism represents a real challenge for cross-border business.
- *Regulatory risk.* In general, there is a reengagement of government into business. After years of deregulation, there is now tremendous momentum for reregulation. In the wake of the global financial crisis, politicians across the globe—particularly in developed countries like the U.S.—feel compelled to impose new regulations. While forum participants understand the need for some regulation, most are concerned with excessive regulations, unwise regulations and the unintended consequences of regulation.

“There’s going to be new regulation and that regulation is going to come with a price if it’s not being paid appropriate attention to.”

—Christopher Sparro, New York Forum

- *Legal risk.* In some countries, businesses see the legal system as ineffective or extremely slow. Despite the progress in Latin America, concerns remain about the ability of the legal system to resolve disputes. Uncertainty about a country’s legal system can cause a company to avoid entering that market. Anticorruption and antitrust are other legal risks that companies must address.
- *Corruption.* While regulatory risk is a major concern in developed countries, significant corruption is a major risk in many developing countries.

Other macro risks include economic disparity and poverty, terrorism, climate change, pandemics and migration.

Business-Specific Risks

These are risks that affect specific companies. They include:

- *Reputational.* Companies spend years building their brand, but in today’s world, a company’s reputation can be damaged in an instant. BP and Toyota are the most recent examples. With today’s 24 x 7 media cycle and the emergence of social media and YouTube, an event in one part of the world can be broadcast globally within minutes. Companies need to understand today’s media landscape and have plans to manage and protect their reputation.
- *Operational/supply chain.* With global supply chains and just-in-time inventory replenishment, even a small hiccup in a company’s supply chain can represent a major operational disruption to its revenues and reputation.
- *Asset.* Both tangible and intangible assets of companies are at risk. A company’s physical facilities are at risk from natural disasters. Perhaps more important is the potential loss of critical intellectual property through cyberterrorism.
- *Technology.* Increasingly, multinational companies rely heavily on technology, such as cloud computing. But this reliance creates a risk for organizations if the technology were to go down or be hijacked.
- *Partnership.* Multinational companies don’t exist on their own. Today’s multinational companies have large networks of partners and suppliers. A company essentially takes on the risk of its partners, making the process of selecting partners to manage and mitigate risks critical.
- *Talent.* In many markets, such as Latin America, companies risk a lack of qualified, educated and trained talent in the country, potentially limiting a company’s growth potential.
- *Innovation.* Most industries require companies to continuously innovate to remain competitive. Yet innovation can be difficult and unpredictable.

A question raised at several forums is whether there are more low-probability, high-severity, black swan events now than in the past. There was no clear answer. The increased connectedness of today’s economy means that events in one part of the world will quickly ripple across the globe. There is more media coverage and more immediacy in the flow of information. There is certainly more awareness of risk than in the past, and more disclosure and reporting of risks.

"It does seem that black swan events are occurring more frequently than we have seen in the past."

—Dr. Mark L. Frigo, Chicago Forum

Another major theme was the distinct difference in the risks faced in the developed countries as opposed to those in developing countries. Developed countries have aging populations, face large fiscal deficits and are increasing their levels of regulation. But the risks in developing countries are very different. They include inflationary risks, talent shortages, political stability and corruption.

"The largest risks we are seeing in North America are not the largest risks we are seeing in Latin America or Asia-Pacific. The risk profiles are different in each region."

—Claudia Temple, Chicago Forum

In the short term, the fast-growing emerging economies seem to pose the most risk due to business, legal and political uncertainty. But over time, emerging economies will develop infrastructure and systems to decrease this risk. Since this is where growth is occurring, businesses feel the need to be there. As they go, they should be aware of the challenges.

"Some of the biggest risks are in the countries with the biggest growth potential, and where companies are actively looking at operating, if they aren't already doing so."

—Brian Groom, London Forum

▪ **Multinational companies are employing multiple strategies to identify, manage and mitigate their risks.**

After identifying many of the major risks faced by multinational companies, the global forum panelists detailed strategies multinational companies are using to manage these risks, including:

— *Prioritizing risk management.* While enterprise risk management (ERM) is still a relatively immature field, it is increasingly employed, beyond merely a compliance issue to a strategy. In the most advanced organizations, risk managers are focused on creating value.

"In order to manage global risks, you have to have senior executives in a company that have a global perspective."

—Ralph W. Mucerino, Miami Forum

Those organizations that effectively manage risk on a global basis do so by making it an organizational priority and empowering their risk managers. This is usually driven by a leadership that understands the importance of ERM. Leading organizations typically have a Chief Risk Officer and over the past few years, the importance and power of the risk management function has dramatically increased.

In addition, leading multinational companies are infusing risk management into their culture and DNA. In these organizations, awareness, identification and management of major risks is ingrained in the management process and often an incentive function.

— *Adopting a global risk framework and employing enterprise risk management.* To effectively manage risk, multiple speakers mentioned the importance of having a well-defined global risk framework. While the specific elements of each company's risk framework will differ, the framework might include:

- **The organization's strategy.** Managing risk starts with a clear understanding of the organization's strategy and goals. However, most organizations do not currently link ERM closely to their business strategy.
- **Risk identification.** This entails identifying the key risks that potentially affect execution of the company's strategy. Organizations may identify micro and macro risks, as well as geographical and business-centric risks.

"Most companies need to look at the key operational risks that could really undermine the business . . . and identify what those are."

—Christopher Sparro, New York Forum

- **Understanding and assessing risk.** Once risks are identified, they must be assessed and understood. Firms often outsource this activity to a third party. However, Dr. Frigo and other panelists suggested that this needs to be an organizational competency.

“What organizations need is a repeatable process to do ongoing strategic risk assessments.”

—Dr. Mark L. Frigo, Chicago Forum

- **Prioritization and ranking.** Companies must understand the most significant risks that may impact their strategy and reputation. One panelist mentioned prioritizing his organization’s five most important risks.
- **Mitigation.** Once risks are identified, understood and prioritized, companies can determine the most effective ways to mitigate them. Mitigation entails taking steps to prevent a risk or transfer a liability through insurance.

A clear framework enables an organization to decentralize relevant aspects of its risk management, using a transparent process. Application of the framework should be ongoing, whereby senior management and the board identify, review and assess the company’s progress in prioritizing and mitigating its risks.

“This is about the fundamentals of risk management. You need to know what your risks are, identify them, evaluate them and think through the measures. We have no choice but to develop our risk-management approach in more detail.”

—Edwin V. Meyer, London Forum

- *Looking at trends.* A valuable way to look at risks is to evaluate the trends and progress. Have risks improved/worsened from one year to the next?
- *Considering multiple scenarios.* An important part of the process involves envisioning a wide range of different scenarios. In undertaking this process, panelists encouraged organizations to think outside the box, consider very uncomfortable scenarios and involve contrarians in the process.
- *Ensuring compliance.* While organizations may not be in favor of regulation, they should fully comply with it. Failing to do so can result in fines and reputational damage. Compliance entails leaders who clearly articulate the company’s policies to all employees and partners, and encourage compliance by them.
- *Engaging in lobbying and advocacy.* While compliance is necessary, a way to address regulatory risk is to actively participate in the process of defining the regulations. Panelists recommended that companies engage in

lobbying (which need not be thought of in negative terms) and give voice to their concerns. Part of this process should also involve developing relationships with officials at the state and local level.

At the Frankfurt forum, a panelist described German Chancellor Angela Merkel discussing how the political climate makes new regulations essential, yet still calling on the business community to advise on the substance of the regulations.

Also, with free trade at risk in some countries, multinational companies need to advocate for trade and a continuing decrease in trade barriers.

- *Performing rigorous due diligence.* In discussing entry into emerging markets, panelists agreed that companies must engage in thorough due diligence to understand the specific risks in a country, as well as the risks related to an acquisition. Companies often fail to engage in the level of due diligence that is required (panelists emphasized that due diligence won’t eliminate a company’s risks, but it will enable the company to enter a market with its eyes wide open).

“It’s a matter of understanding the risks before making the leap.”

—Ralph W. Mucerino, Miami Forum

- *Developing local organizations.* Several panelists mentioned the benefits of having executives and other staff in the markets where a company is doing business. This can include local legal counsel and local regulatory expertise. These individuals will understand the risks that the organization faces firsthand.

“If you have a local presence, there’s a barometer in place that gives off the warning signals of what’s going on locally.”

—Ralph W. Mucerino, Miami Forum

- *Managing risk through partnerships.* Companies are well served by creating a network of service providers in a local market. This network will be familiar with a market’s culture, regulation, laws and overall business climate. Partners who are familiar with the local market can help identify and mitigate risks as well as growth opportunities. An example is Walmart, which has required all of its partners to have appropriate enterprise risk-management strategies in place, thereby mitigating its own risk.

“Don’t try to manage risk alone.”

—Ralph Brand, Frankfurt Forum

— *Seeing risk as an opportunity.* Organizations evaluate risk differently. Most organizations consider minimizing risks only. However, there are some organizations that view volatility, uncertainty and risk as a business opportunity. A risky climate can provide an opportunity for new products or services, and can reward companies that make calculated decisions to take certain risks.

“It’s not just about protecting your assets; it’s about making money [from risks].”

—Dr. Erwann O. Michel-Kerjan, New York Forum

— *Banding together to combat corruption.* It is extremely difficult for one company to combat corruption. Instead of going it alone, the best way to fight corruption is by all companies in an industry banding together and agreeing on anticorruption policies.

▪ **Insurance is a critical part of how a company manages its risk.**

Several panelists explained that purchasing insurance is not a substitute for an effective enterprise risk-management strategy. Companies shouldn’t merely purchase insurance; they must first identify, prioritize and then work to mitigate their key strategic risks.

“Risk management comes first. Only when you are through all the procedures and have exhausted all the possibilities of mitigating risk, whatever may be left as residual risk, that is when insurance comes in.”

—Ralf Oelßner, Frankfurt Forum

An insurance company can be a partner in the risk-management process. Once key risks are identified and mitigated, insurance is a key strategy in transferring residual risk.

“Insurance is one effective tool to mitigate risks.”

—Ralph Brand, Frankfurt Forum

In making decisions about insurance, panelists advised companies to think about an insurer’s global reach as well as its local knowledge and expertise. (Most multinational companies want both.) Insurers can be valued partners in helping multinational companies assess

their risks, understand a local market and be attuned to the laws and regulations.

In considering potential insurers, it is important to look for a partner with experience, expertise and a long-term commitment to a region and country. Also, companies should look for an insurer with effective risk management and capital management in place. In addition, firms should look for an insurer that is focused on innovation. As the world changes, the needs of multinational firms will change. Insurers must understand the needs of the market and must respond with new products and services. This can include political risk coverage, environmental coverage and other types of products and services.

Other Important Topics

At the six Global Forums, a wide range of different topics were discussed, including:

- **Progress in Latin America.** Multiple panelists at the Miami forum remarked that Latin America has made considerable progress over the past 20–30 years. Most countries are democracies, the governments are more stable, it is easier to do business there, GDP is growing rapidly and significant opportunities exist. While risk and uncertainty remain (highlighted by surprising protectionist regulations in Brazil), the overall climate has improved significantly, and the outlook is generally positive.
- **Impact of the disaster in Japan.** The consensus among participants is that Japan will recover. The mantra will be “build back better.” This event is significant for the insurance industry, particularly reinsurers, and it will have significant consequences, but there is no risk that repayment won’t occur. For companies doing business with Japanese companies, supply chains have been disrupted. Those companies with the best disaster response plans will fare the best. Longer-term impacts include greater analysis of nuclear facilities that sit along areas of seismic activity and damage to the nuclear industry; Professor Alyson Warhurst noted in the London forum that already 40% of China’s nuclear capacity has been cancelled.
- **Australia’s situation.** Australia fared relatively well in the most recent economic crisis, and the country’s economy continues to perform well. A risk for Australia is that this positive performance could breed complacency and alleviate pressure for reform. A likely change for Australia in coming years is a shift in capital investment. Historically Australian capital has been invested in

Australia, New Zealand and the United States. But as Australia's trading relationships have shifted, so too may its capital flows.

- **Tunisia and Egypt—why now?** Nicholas Davis from the World Economic Forum shared his perspective on why the uprisings in Tunisia and Egypt have occurred at this time. Prevailing conditions include youth unemployment, income and wealth disparities, corruption, lack of political freedom, repression and food inflation.

Add to those factors the indirect impact of the global financial crisis, which closed the release valve of migration for the region. Also, social media had a significant impact. The impact was not just in communication, but in the attempt by the government to censor Internet content and availability. More than anything, Mr. Davis believes that the repression of the press and Internet are what brought down the Mubarak regime.

- **Demographics.** Across the globe, demographics and a generational shift are playing a huge role. In Egypt, young people (including the children and grandchildren of the generals) drove the changes that occurred. Throughout the Middle East there is a generation of young and unemployed people, who are full of rage. Demographics will also be a factor in China, which has a disproportionately high population of young men, and in the West, which has an aging population and a declining birth rate.
- **Cat bonds.** The market for catastrophe bonds is growing; Dr. Michel-Kerjan estimates it to be about \$13 billion. States, countries and even event organizers can issue a bond to transfer risk to investors. An example is the issuance of a cat bond for the FIFA World Cup. Cat bonds are just one type of alternative sources of capital that may be appropriate in a specific situation.

- **Alternatives to litigation.** The process of litigation, including the discovery/e-discovery process, imposes a tremendous cost on the participants. Effective alternatives exist, such as private dispute resolution, mediation and arbitration. While alternatives are increasingly used in the United States, many other countries lag behind in their use of litigation alternatives.
- **Risks for SMEs.** Small and medium-sized enterprises that do business across borders face the same risks as larger enterprises. However, they often lack the resources and expertise to mitigate these risks.
- **Complexity of sanctions.** Many multinational companies face the dizzying task of complying with the wide array of sanctions that exist. Large companies with more employees and contractors struggle to manage all of the details of complying with sanctions.
- **Quantitative analysis.** Notably, none of the panelists believe that there is too much analysis or an overreliance on quantitative methods. All panelists see great value in the measurement of risk and in quantitative analysis. However, panelists agreed that decisions need to balance both quantitative analysis and qualitative information.

Additional Resources

A few additional resources were recommended by the panelists, including:

- The World Economic Forum's *Global Risks 2011, Sixth Edition*, which can be found at <http://www.weforum.org/issues/global-risks>.
- *Embracing Enterprise Risk Management: A Practical Approach for Getting Started* by Dr. Mark Frigo. A copy is available on his website at www.markfrigo.com.
- At one forum a panelist strongly recommended reviewing materials from the Conference Board about risk management. www.conference-board.org

Speaker & Panelist Biographies

New York Forum

Kathy Bryan, President and CEO, CPR: International Institute for Conflict Prevention & Resolution

Kathy Bryan is the President and CEO for the International Institute for Conflict Prevention and Resolution (CPR Institute), an international non-profit dedicated to providing resources and information in commercial conflict prevention and dispute management. Prior to taking the helm at the CPR Institute, Ms. Bryan was the head of worldwide litigation for Motorola and a corporate vice president of Motorola's Law Department where she developed and implemented innovations in litigation management techniques. She is a frequent guest lecturer speaking on various litigation and ADR topics in the United States, Europe and Asia at Bar Associations, business conferences and educational forums and has published numerous articles in national legal and business publications. Ms. Bryan earned a Bachelor of Arts degree from the University of Massachusetts in Boston, and a law degree from Northeastern University School of Law.

Clive Crook, Chief Washington Commentator and Associate Editor, *Financial Times*

Clive Crook is FT's chief Washington commentator and writes about the intersection of politics and economics. Before moving to the United States in 2005, he was Deputy Editor at *The Economist*, and before that the magazine's Economics Editor, Washington Correspondent and Economics Correspondent. Previously he was an official with the HM Treasury. Mr. Crook was educated at Bolton School, Magdalen College, Oxford, and the London School of Economics. In addition to writing for the FT, Mr. Crook is a Senior Editor at *The Atlantic Monthly* and a Columnist with *National Journal*.

Dr. Erwann O. Michel-Kerjan, Managing Director, Wharton Risk Management and Decision Processes Center

Dr. Erwann Michel-Kerjan is an authority on managing the risks, financial impact and public policy challenges associated with catastrophic events. He teaches Value Creation in the Wharton MBA program and is also the Managing Director of the Wharton Risk Management and Decision Processes Center, which conducts research on extreme events. Dr. Michel-Kerjan has worked with many top decision makers helping multinational corporations and governments address the new risk landscape and create sustainable value. In 2007, he was honored by the World Economic Forum (Davos) as a Young Global Leader. He has served as chairman of the OECD Secretary-General Board on Financial Management of Catastrophes since 2008 and has also served on the Global Risks Network of the World Economic Forum (Davos) since 2005. Dr. Michel-Kerjan has authored or coauthored more than 60 publications and given over 100 public speeches, and his views regularly appear in leading media.

Christopher Sparro, President, Specialty Markets, Chartis

Christopher L. Sparro is President of Specialty Markets, the operating segment of Chartis U.S. designed to provide customers with one point of contact for all of their specialty insurance coverage and service needs. As President, Mr. Sparro is responsible for overseeing the Aerospace, Environmental, Growth Enterprises and WorldSource divisions of Chartis and leveraging the synergies among these divisions. In addition, he is also responsible for overseeing Chartis U.S.'s multinational business initiatives. Mr. Sparro first joined the company in 1990 and has held several senior-level positions, including President of both the Middle Market and Corporate divisions of Management Liability for Executive Liability and Zonal Executive of the Greater New York region for Chartis U.S. Before being appointed President of Specialty Markets in July 2010, Mr. Sparro was President of WorldSource, a division of Chartis. Mr. Sparro holds a B.S. in Business Computer Information Systems and an M.B.A. in Banking and Finance from Hofstra University.

Steve Truono, Vice President, Global Risk Management & Insurance, Starwood Hotels & Resorts Worldwide, Inc.

Steve Truono is Vice President, Global Risk Management & Insurance for Starwood Hotels & Resorts, Worldwide, Inc. He leads a team of 13 professionals in managing the Company's worldwide risk management initiatives. Prior to joining Starwood, Mr. Truono spent 13 years leading Avon Products' Risk Management & Safety responsibilities. Other previous positions include Corporate Manager, Safety & Property Loss Prevention, JWP International; Safety Engineering Consultant, Marsh & McLennan; and Sr. Loss Control Representative, Liberty Mutual Insurance Company. Mr. Truono is a Certified Safety Professional and has his Associate in Risk Management (ARM) with honors through Insurance Institute of America. He serves on several insurance company Client Advisory Boards, is an active member of the American Hotel & Lodging Association Risk Management Committee and the Metropolitan NY Risk Manager Roundtable and is a member of RIMS. He is also a Past President of the New York Metropolitan Chapter of the American Society of Safety Engineers.

Miami Forum

Luis Barretto, Vice President, Surety Bonds Trade Credit and Political Risk Insurance, Odebrecht Group

Luis Barretto has more than 16 years of experience in the surety bond industry. He joined Odebrecht in 2007 to lead its growing international surety bond program and has worked on the issuance of more than US\$10 billion in new guarantees for projects in the Americas, Europe and Africa. Mr. Barretto started his career in the surety industry at the first Brazilian monoline surety company (SBF), where he became Director in 2001. Mr. Barretto has written two awarded papers by the Brazilian National Insurance Academy related to guarantee transactions in the Brazilian infrastructure and agricultural sectors. Mr. Barretto has also worked in the structured finance field with Rio Bravo Group and Moody's Investor Services, and has participated in the structure and issuance of large and complex guarantee transactions in the infrastructure sector in Latin America. Mr. Barretto has a degree in Business Administration from Fundação Armando Álvares Penteado (São Paulo, Brazil) with a Masters in International Management (MIM) from Thunderbird School of Global Management (Arizona, USA).

Kathy Bryan, President and CEO, CPR: International Institute for Conflict Prevention & Resolution

See New York Forum.

Manny Diaz, Senior Partner of Lydeckher Diaz and Former Mayor of Miami

Manny Diaz has been a force in local, state and national politics for nearly three decades. He was first elected City of Miami Mayor in 2001. He was re-elected to a second term in 2005, and was chosen to lead the United States Conference of Mayors as its president in 2008. During his two-term tenure, Diaz was recognized for transforming the City of Miami and for many nationally recognized innovative programs. He has been named as one of America's Best Leaders by US News and World Report and The Center for Public Leadership (Kennedy School of Government) and has won numerous awards. He is a member of the Homeland Security Advisory Council of the US Department of Homeland Security and serves as Vice-Chairman of the Alliance for Digital Equality Board of Directors. He also serves as the Chair for Fair Districts Florida and is a member of several boards. He recently served as a Resident Fellow at Harvard's Institute of Politics, and has now resumed his corporate and real estate law practice as a senior partner at Lydeckher Diaz.

Ralph W. Mucerino, Senior Vice President of Chartis Inc., Chief Operating Officer of Chartis International and Chairman, Chartis Global Marine and Energy

Ralph W. Mucerino is Senior Vice President of Chartis, Chief Operating Officer of Chartis International and Chairman of the company's Global Marine and Energy division. Prior to his current positions with Chartis, Mr. Mucerino held a number of senior management positions in the U.S. and international business units of American International Group, Inc. (AIG), including responsibility for reengineering AIG's foreign non-life insurance operations worldwide, managing the general insurance businesses for AIG's European operations, assuming responsibility for the Africa-Middle East region, and serving as President of the Far East Region, President of AIG Global Energy and President of the newly created AIG Global Marine and Energy division. In 2007, Mr. Mucerino, together with his duties as President Global Marine and Energy, was given the challenge of establishing two new business practices, Financial Institutions Practice (Non-U.S.) and Alternative Energy and Eco-Practice (Global). Mr. Mucerino has a degree in Business Administration from St. John's University.

Adam Thomson, Mexico City Bureau Chief, *Financial Times*

Adam Thomson is the FT Mexico and Central America correspondent, a position he has held for the last five years. He was born in London and was educated at University College School in Hampstead. He studied Latin American Studies at the University of Liverpool from 1988 until 1992 and then left to pursue journalism in Colombia where he eventually became the FT correspondent in Bogota in 1997. In November 1999, he returned to London to become an editor on the FT's World News desk. During his three years at the newspaper's main office, he also worked as assistant features editor, commissioning and editing outside contributions for the opinion pages. In early 2003, and before taking up his present position in Mexico City, he went to Buenos Aires where he worked for almost three years as the FT southern cone correspondent.

Sydney Forum

Bruce Abrams, Director, Chartis International Risk Management

Bruce Abrams has worked in the insurance industry for 31 years, specializing in International insurance. Mr. Abrams joined AIG in 1990 as Midwest Regional Manager for AIU in Chicago. In 1993 he was appointed Senior Vice President of Commercial Lines & Branch Operations for AIG Europe (UK) Limited in London, where he was responsible for all AIU's Commercial Lines and Branch activities throughout the United Kingdom and Ireland. In 1996 he was promoted to Senior Vice President and Director of Captive

Operations for American International Company, Ltd. in Bermuda. Mr. Abrams was appointed Senior Vice President of the Commercial Lines Division of American International Underwriters in 1998 and President of International Risk Management of AIG Global Risk Management in 2002. He was named Senior VP and Director of International Risk Management of AIG's Major Account Practice in 2007. He is currently responsible for Chartis International's global Risk Management business.

Eamonn Cunningham, Chief Risk Officer, Westfield Group

Eamonn Cunningham joined Westfield in 1986 and was promoted to the position of Vice President, Global Risk Management in 2001, then to Chief Risk Officer in 2005. In his current role he is responsible for the direction of the Risk Management practice within the Westfield Group globally. This covers risk management activities in Australia, New Zealand, United States and the United Kingdom. Mr. Cunningham is a past Chairman and current member of the Risk Management Committee of the Property Council of Australia. He holds a Bachelor of Commerce degree from University College Galway, Ireland. A Chartered Accountant having trained with Price Waterhouse, he is a Fellow of the Institute of Chartered Accountants in Ireland.

Joe Garbutt, Director of Policy, The Institute of Internal Auditors, Australia (IIA)

Joe Garbutt commenced as Director, Policy with the Institute of Internal Auditors (IIA) - Australia in June 2010. He had been with National Australia Bank since 2005 where he was Head of Group Regulatory Strategy. Mr. Garbutt started his career in UK local government internal audit and spent ten years working in that sector and the National Health Service. He has also had a subsequent twenty-year financial services career with a mutual insurance company and UK and Australian banks undertaking senior roles in Internal Audit, Compliance, Governance and Anti-Money Laundering. Joe passed a specialist computer auditing qualification with the UK IIA in 1993, and is a Fellow. He also has fellowships in accountancy and banking and certificates in financial planning and anti-money laundering.

Ben McLannahan, Asia Lex Writer, *Financial Times*

Ben McLannahan was appointed Lex writer for FT in August 2007, covering a range of different sectors including media, oil, hedge funds and credit markets. Previously, he was the London Correspondent for *Institutional Investor* covering capital markets and investment banking. Between 2001 and 2006, Mr. McLannahan was a senior editor for *CFO Europe* within the Economist Group, covering accounting, reporting, IR and capital management. He was also a contributor to *Intelligent Life* magazine. He has worked as a senior reporter for *Legal Business* magazine and as an English teacher in Japan. Mr. McLannahan has an MA in English Literature from Cambridge University.

Mark Thirlwell, Program Director - International Economy, The Lowy Institute for International Policy

Mark Thirlwell is the Director of the International Economy program at the Lowy Institute for International Policy. He began his career as an economist in the Bank of England's international divisions, where he focused mainly on emerging market issues. He also spent some time in the Bank's UK structural economic analysis division and subsequently joined JP Morgan where he was a vice president in the economic research department with responsibility for Central and Eastern Europe. Before joining the Lowy Institute, he was senior economist at the Australian Export Finance and Insurance Corporation from 1999 to 2003, where he worked on country risk issues, with a particular emphasis on East Asia. Mr. Thirlwell is a graduate of Cambridge University and has an MPhil degree in economics from Oxford. He also has a postgraduate qualification in applied finance from Macquarie University.

Frankfurt Forum**Ralph Brand, Managing Director, Chartis North Europe**

Ralph Brand is the Managing Director responsible for the Chartis operations in Northern Europe. Based in Frankfurt, he has responsibility for 13 countries including Germany, Austria and Switzerland. He has been with Chartis for over 10 years and has extensive experience of the European risk environment having worked in France, Sweden and Germany in a variety of regional positions. He joined Chartis as Manager of Liabilities for Continental Europe before spending two years leading Chartis' Major Accounts business. Prior to working at Chartis, Mr. Brand held a number of positions at Allianz both inside and outside Germany. In addition to his current role he also oversees the Chartis German and Austrian operations. He is a graduate from the university in Rendsburg, Germany with a degree in Economics in Marketing and Foreign Trade.

Nicholas Davis, Co-Editor, *Global Risks 2011*, 6th Edition, Associate Director, Deputy Head of Strategic Risk Foresight, Risk Response Network, World Economic Forum

Nicholas Davis is Associate Director and Deputy Head of the World Economic Forum's Strategic Risk Foresight team in Geneva. In this role he leads a range of multi-stakeholder scenario projects and is Co-Editor for the Forum's *Global Risks Report*. He is the author of a number of World Economic Forum publications, including *The Future of the Global Financial System*, *The Middle East*

and *North Africa at Risk 2010* and the forthcoming *Global Risks 2011, Sixth Edition*. Previously he served as Director at Oxford Investment Research. Mr. Davis holds a Bachelor of Laws from the University of Sydney and an MBA from the University of Oxford. He is a fellow of the Royal Society of the Arts in the United Kingdom and was the recipient of the Australian Leadership Award in May 2009.

Jon Marks, Chairman Cross-border Information, Researcher Royal Institute of International Affairs, Chatham House, London

Jon Marks is chairman of Cross-border Information, with special responsibility for maintaining editorial quality and developing business strategy. He is editorial director of Cbl's *African Energy*, *Gulf States Newsletter* and other publications. As well as his Cbl responsibilities Mr. Marks is an Associate Fellow of the Royal Institute of International Affairs (Chatham House) and of the Royal United Services Institute. He is the author of several books and academic papers on North African politics, security and business, as well as on various aspects of finance. Mr. Marks holds a BA (Hons) in politics from the University of Kent, Canterbury, and an MSc in African Government & Politics from the London School of Economics; he carried out doctoral research on Algeria's Mozabite community at London University's School of Oriental & African Studies (SOAS), which included fieldwork in Algeria and research in the Archives de la France d'Outre Mer in Aix-en-Provence, France.

Ralf Oelßner, Supervisory Board Member, Albatros Versicherungsdienste GmbH and Delvag Luftfahrtversicherungs-AG and Honorary Member, Deutscher Versicherungs-Schutzverband e.V. (DVS)

Ralf Oelßner is Supervisory Board Member of Albatros Versicherungsdienste GmbH and of Delvag Luftfahrtversicherungs-AG. He is Honorary Member of Deutscher Versicherungs-Schutzverband e.V. (DVS) and has seats on numerous supervisory and advisory bodies in the German and Bermudian insurance industry. Before that, Mr. Oelßner was Managing Director of Albatros Versicherungsdienste GmbH, CEO of Delvag Luftfahrtversicherungs-AG and Chairman of Deutscher Versicherungs-Schutzverband e.V. (DVS). He was the representative of Lufthansa in national and international insurance associations.

Quentin Peel, Associate Editor and Chief Germany Correspondent, *Financial Times*

Quentin Peel joined the FT in 1975 on the foreign desk and has held several overseas positions, including South Africa Correspondent, African Editor, EU Correspondent, Brussels Bureau Chief, Foreign Editor, Moscow Correspondent and Moscow Bureau Chief. He served as the International Affairs Editor for 12 years and was appointed Chief Correspondent in Germany in January 2010. Before joining the FT, Mr. Peel worked with Thomson Regional Newspapers and the Newcastle Journal. He is a graduate of Queen's College in Cambridge.

London Forum

Brian Groom, UK Business and Employment Editor, *Financial Times*

Brian Groom was appointed FT's UK Business and Employment Editor in January 2009, having spent four years as Comment and Analysis Editor. Prior to that, Mr. Groom was the Editor of the continental European edition for three years, and before that he was Political Editor and UK and Regional Affairs Editor. He first joined FT in 1978, writing on labor issues. He was part of the team that launched the European edition in 1979 and he became UK News Editor in 1985. Between 1988 and 1997, Mr. Groom worked on *Scotland on Sunday* where he was Deputy Editor until 1994 and then Editor for three years. Mr. Groom graduated from Balliol College, Oxford, in 1976.

Edwin V. Meyer, General Manager, Risk and Insurance, ArcelorMittal

Edwin Meyer is the General Manager, Risk and Insurance Management, at ArcelorMittal and has global responsibility for setting the organization's insurable risk strategy. Mr. Meyer began his career with Industrial Risk Insurer, where he became Manager for Europe, Middle East and Africa. Thereafter he joined Sedgwick, holding positions in Amsterdam and Germany. He then held senior positions at St. Paul International Insurance Company and Marsh Inc. Throughout his career, Mr. Meyer has been working internationally with a focus on risk management and insurance, servicing the needs of global clients. He has been a director of various Captive insurance companies in various territories and now handles ArcelorMittal's two Captives. He is the Chairman of the Insurance Committee of the Wirtschaftsvereinigung Stahl in Germany and a member of several boards and associations. Mr. Meyer is an Insead alumnus.

Jan Randolph, Head of Sovereign Risk Group, IHS Global Insight

Jan Randolph is Director of the Sovereign Risk Services at IHS Global Insight. He is a seasoned International Economist and Country Risk Manager, with over 13 years direct experience with the Global British Banks in London at the Head Office and senior policy-making, risk management level. Mr. Randolph has full cross-border financial credit authorization from bank-awarded

Sovereign and Financial Institution Credit Signatures. He was appointed as economics and financial advisor to the Confederation of British Industry (CBI) for its "Doing Business in Eastern Europe" project (1995-1996) and has presented original research on Globalization to the UK Government's Foreign Office (2001). Mr. Randolph currently directs Sovereign and country credit ratings covering every country in the world. He is lead author of IHS Global Insight's quarterly "Sovereign Wealth Fund Tracker" and the unique 204 Global Ratings "Sovereign Risk Reviews." He is a seasoned and regular media commentator on global economic, country risk and financial market issues for all the world's leading media outlets.

James Shea, Managing Director, Chartis, UK

James Shea is the Managing Director responsible for the Chartis insurance operations in the United Kingdom with an extensive knowledge of international insurance and risks. Prior to his current role, Mr. Shea was Regional President of the Central Europe and CIS Region responsible for Chartis operations in 14 countries. During his career with Chartis he has also headed up the group's non US Financial Lines division, specializing in Management Liability risks such as Directors and Officers and Professional Indemnity as well as Financial Crime and held both general and underwriting management positions in Tokyo (covering Japan and Korea) and Continental Europe based in Paris. He is a graduate of McGill University in Montreal, Canada.

Professor Alyson Warhurst, Chief Executive Officer, Maplecroft

Professor Alyson Warhurst is currently CEO and Founder of Maplecroft, the global risk advisory firm and issue mapping specialist. Previously, Professor Warhurst was the Chair of Strategy and International Development of the Warwick Business School (1999 to 2009) and an Honorary Professor from 2010. She was the Inaugural winner of the Faculty Pioneer "Beyond Grey Pinstripes Award" and is also a regular winner of the "Outstanding Teacher Award." Professor Warhurst has been a member of the faculty of the World Economic Forum since 2000 and is also a member of Clinton Global Initiative, a Board Director of Transparency International UK, a member of the UN Human Rights Working Group and an Adviser at Board level to global companies and organizations. She is the author of several books and more than one hundred articles on sustainability, risk and responsibility. Additionally, she is a *Business Week* columnist and speaker on topics including human rights, ethical supply chains, global risks, corporate reputation and CSR.

Chicago Forum**Clive Crook, Chief Washington Commentator and Associate Editor, *Financial Times***

See New York Forum.

Mark L. Frigo, PhD, CPA, CMA, Director, The Center for Strategy, Execution, and Valuation and Strategic Risk Management Lab and Ledger & Quill Alumni Foundation Distinguished Professor of Strategy & Leadership, DePaul University

Dr. Mark L. Frigo is Director of the Center for Strategy, Execution and Valuation and the Strategic Risk Management Lab in the Kellstadt Graduate School of Business at DePaul University in Chicago. He is Ledger & Quill Alumni Foundation Distinguished Professor of Strategy at DePaul. Author of six books and over 95 articles, his work is published in leading business journals. His professional career has included corporate strategic planning, mergers and acquisitions and management consulting with KPMG. He is a recognized thought leader and advisor in strategic risk and enterprise risk management and has presented executive workshops and keynote presentations to Fortune 100 companies, trade associations and professional organizations throughout Europe and North America. Additionally, he is the co-creator of the Return Driven Strategy framework. Dr. Frigo is a CPA, a Certified Management Accountant and holds a PhD in Econometrics.

Asheesh Goel, Partner, Ropes & Gray

Asheesh Goel is Partner in Ropes & Gray's Chicago office, focusing on securities enforcement matters, including internal investigations, government investigations and enforcement actions. Over his career, Mr. Goel has developed substantial depth advising clients on the Foreign Corrupt Practices Act and other related anti-corruption laws, financial statement and disclosure issues, insider trading, auditor issues and industry matters. Prior to joining the firm, Mr. Goel was a Branch Chief with the Securities & Exchange Commission, Division of Enforcement, where he spearheaded numerous high-profile investigations and litigation involving financial statement and disclosure fraud, the Foreign Corrupt Practices Act, insider trading, investment advisory fraud, auditor misconduct and broker-dealer misconduct.

Christopher Sparro, President, Specialty Markets, Chartis

See New York Forum.

Claudia Temple, Assistant Treasurer, Global Risk Management & Insurance, Kraft Foods Inc.

Claudia Temple is Assistant Treasurer of Global Risk Management and Insurance for Kraft Foods Inc. She earned her Bachelor of Science degrees in occupational safety and organizational development from Illinois State University and her MBA from Kellogg School of Management. She is a Certified Safety Professional (CSP) and started her career as a safety engineer for General Electric in 1985. Her risk management career started while at Borg-Warner Automotive and continued at Brunswick Corporation. Ms. Temple is an active member of the Risk Management Society in Chicago, was named one of Business Insurance's "Women to Watch" in 2006 and was named one of the "Risk Innovators" in 2010 by Risk & Insurance. She is a past chair of the MAPI Risk Management Council, as well as a member of the ACE, Zurich and FM advisory boards. During her career, she has played an active role in Washington, DC, through the Labor Policy Association (LPA), and has represented the United States at the International Labor Association, a United Nations agency.

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