

Respond to the next risk, not the last one

Quantifying operational risk



OVERVIEW

Don't use a risk solution that can only predict the past.

When confronting complex, evolving risks, you need a solution that doesn't just protect against the last threat. Complex Risk Analysis (CRisALIS) is an end-to-end, forward-thinking operational risk quantification and decision solution that allows users to analyze risk data, understand operational risk trends, and make business decisions based on financial metrics.

CRisALIS has been used to show the financial impact and the value of business decisions across the risk spectrum, including: operational risk, cyber risk, vendor risk / TPRM, conduct risk, reputational risk, climate risk, etc. Unlike legacy solutions, CRisALIS addresses the shortcomings associated with frequency-severity and relying on historical loss data for modeling.

Beware solutions using an outdated approach for modeling operational risk:

- Frequency-severity modeling treats frequency and severity as independent variables, which is an inappropriate assumption as frequency and severity can be aligned
- Models that rely on historical loss data cannot account for the new and innovative risks corporations would be expected to face

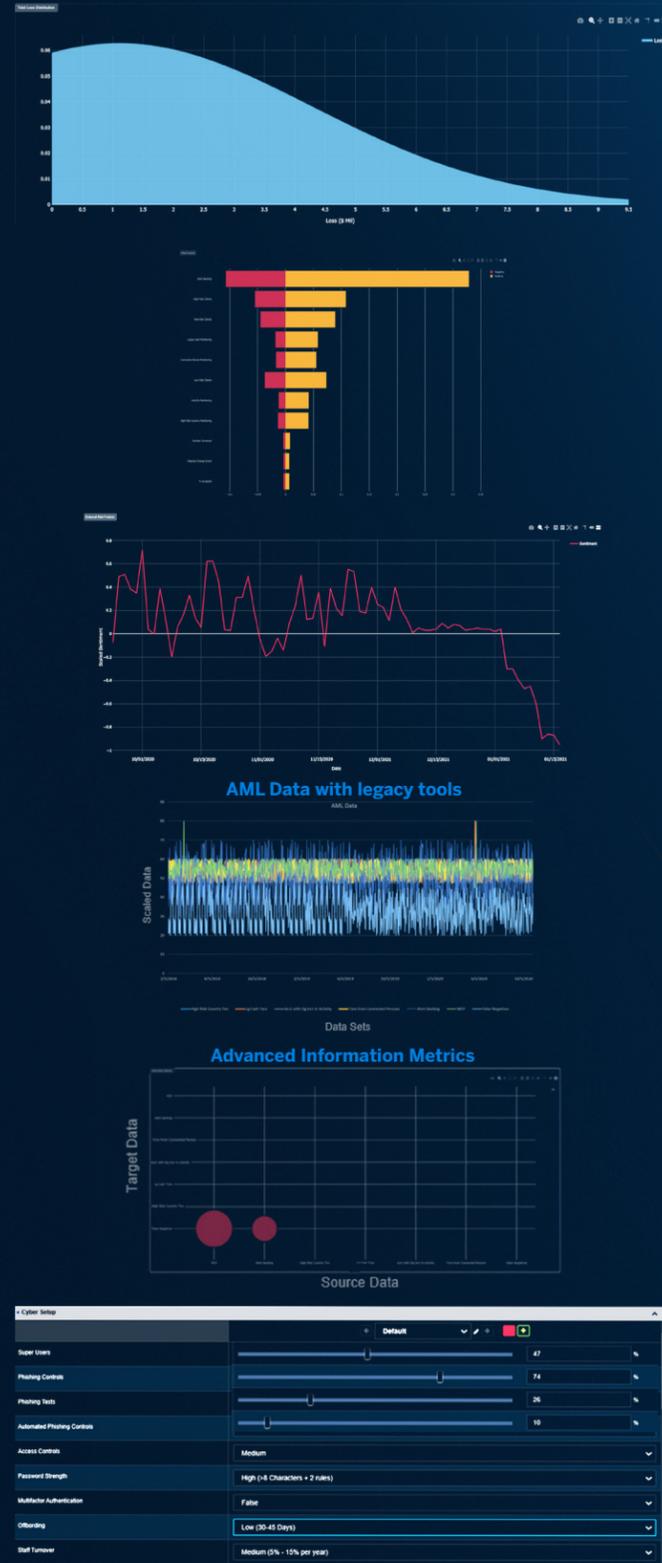
CRisALIS solves the problems associated with outdated modeling:

- Driven by operational data and external risk information, accounts for the interconnected mitigation decisions that a company has made as well as how risks propagate to create losses
- Provides decision makers and risk managers with a more accurate understanding of current vulnerabilities—as well as actionable recommendations for mitigation decisions and sophisticated predictions about potential future losses

CRISALIS

A look inside

All of the tools and visualizations below are presented in a comprehensive dashboard that is fully customizable:



Financial loss distribution shows potential loss in financial terms, allowing firms to understand their exposure and determine their risk appetite.

Creates the ability to determine which mitigation actions will reduce risk most effectively.

The "External Risk Indicators" module offers real-time risk data, enabling firms to analyze and identify external information that impacts operational risk and loss potential.

Advanced information metrics show previously undetected relationships between sets of data. This allows for modeling with the most impactful data and creates additional risk warning signs.

Executives and risk professionals can adjust the inputs to run different scenarios to test the impact of potential mitigation strategies.

BENEFITS

How can CRisALIS help you?



Clarified complexity

Translates operational risk in financial terms that are understood by boards and decision makers



Bolstered decision making

Justifies an operational risk mitigation plan and spending on controls



Future facing

Addresses the shortcomings of frequency-severity and reliance on historical loss data



Strategic acuity

Illuminates operational risk blind spots so risk managers can make more informed risk decisions



Prioritized mitigation

Identifies which risk controls are most effective at mitigating loss, creating the ability "test" and business case mitigation strategies



Regulatory reinforcement

Demonstrates to the regulator that the firm is proactive in mitigating operational risk

FEATURES

Key features



Improved modeling

Addresses the shortcomings of frequency-severity and historical loss modeling



Sophisticated assessments

Risk indication capabilities using data analysis tools that look for anomalies in data sets



Tailored dashboards

Interactive reporting dashboards that quantify operational risk and allow for what-if analysis



Relevant insights

Ability to identify relevant networks and communities in data sets



Impactful analysis

Ability to separate signal from noise to identify the most impactful data for analysis



Reputation protection

Real-time external data analysis to understand a firm's public perception using AI and unstructured data

About Milliman

Milliman is a leading consultant to the insurance industry, advising most of the world's largest insurers.

We combine more than 70 years of risk expertise with advanced data analytics and market-leading technology solutions to help our clients:

- navigate increasingly volatile markets;
- drive product innovation and efficiency;
- protect assets from complex and interconnected risks;
- create groundbreaking solutions to some of society's greatest challenges.

With offices across the globe, we have in-depth knowledge of the local regulations in every market we serve, and we actively invest in research to keep our clients one step ahead in a rapidly changing world.



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Every day, in countries across the globe, Milliman works with clients to improve healthcare systems, manage emerging risks, and advance financial security, so millions of people can live for today and plan for tomorrow with confidence.

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