



MAKING **EUROPE** RISK-READY FOR A **BRIGHTER** FUTURE

FERMA

The voice of Risk
Managers in Europe

2024-2029
MANIFESTO



In this policy manifesto 2024 - 2029, FERMA asks EU policy makers to:

1

SIMPLIFY THE REGULATORY MAZE TO KEEP EUROPEAN COMPANIES COMPETITIVE



2

SUPPORT THE TRANSITION TO NET-ZERO BY TAKING A RISK MANAGEMENT APPROACH



3

BUILD A MORE CYBER SECURE AND RESILIENT EU



4

BOLSTER THE EU'S PREPAREDNESS AND RESPONSE CAPABILITIES FOR FUTURE CRISES



We believe actions in these areas will help make Europe risk-ready for a brighter future.

1 SIMPLIFY THE REGULATORY MAZE TO KEEP EUROPEAN COMPANIES COMPETITIVE



FERMA and its Members have observed the proliferation of new rules and requirements over the past five years. Beyond helping their organisations comply, Risk Managers also strategically assess possible impacts, risks and opportunities. As such, there is a growing risk that companies get lost in the maze of rules and requirements.

But there are reasons for optimism, upon which FERMA urges policymakers to build. In this respect, FERMA welcomes two developments:

- 1) the increased use of risk-based concepts at the heart of policy (for example the EU Artificial Intelligence Act and the Corporate Sustainability Due Diligence Directive [CS3D]); and
- 2) the growing importance of risk assessment tools to guide policymakers' decisions (for example the EU Climate Risk Assessment [EUCRA]).

Simpler rules and simplified processes help EU enterprises stay competitive. Reliable and robust data and evidence on risks, impacts and opportunities, leads to better decision-making.

Related policy

[EU Better Regulation agenda](#)

[Fit for Future Platform](#)

[EU Climate Risk Assessment](#)

[Solvency II](#)

FERMA's contribution

Forthcoming paper on the Cyber reporting stack

Companies face a myriad of reporting requirements at different levels (local, national and European) for the same cyber incident. Simplification of duplicate and complicated reporting would enable them to devote their resources to assessing, managing and responding to cyber risk.

FERMA ASKS EU POLICYMAKERS TO:

- ▶ Task the Fit for Future Platform (F4F) with holistically reviewing thematic policy areas to identify overlaps and areas for simplification with a view to providing the European Commission with clear and actionable recommendations (for example the Cybersecurity Policy and the Green Deal-related policies).
- ▶ Focus on supporting the implementation of adopted legislation in concert with impacted stakeholders, especially by means of guidance for enterprises (for example the reforms on proportionality in Solvency II).
- ▶ Carry out risk assessments for thematic areas (such as cyber), building on the success of the EUCRA to inform policymakers, businesses and citizens about the risks, impacts and opportunities.

2 SUPPORT THE TRANSITION TO NET-ZERO BY TAKING A RISK MANAGEMENT APPROACH



Meeting net-zero targets will require the largest capital reallocation in history. Transition plans will be essential roadmaps to take enterprise and society towards this goal. Failing to plan is planning to fail.

FERMA welcomes initiatives such as the EU Climate Risk Assessment, which we believe provides the necessary risk-based information for policymakers to chart a path forward.

At enterprise-level, Risk Managers are vital to strategically assessing the risks and opportunities in their operations across the value chain. Risk Managers also help manage the physical risks related to climate change, including the increased frequency and severity of natural hazards.

At this stage of the transition, obtaining insurance coverage is a pressing issue for all enterprises. The (re)insurance industry must do more than it is currently to support companies make the transition. Tackling the climate insurance protection gaps related to the physical and transition risks should be high on the agenda for this term.

FERMA ASKS EU POLICYMAKERS TO:

- ▶ Continue to conduct European Climate Risk Assessments (EUCRA), with an emphasis on publicising “success stories” that document how organisations, governments or citizens successfully address climate risks.
- ▶ Task the European Commission with setting up an Expert Group on Climate Protection Gaps to put forward policy recommendations for the next EU Adaptation Strategy, building on the work of the EU Climate Resilience Dialogue.
- ▶ The European Parliament's Committee on Economic and Monetary Affairs to hold a public hearing on the (in)ability of enterprises to obtain insurance coverage in the net zero transition. This is vital to ensure that insurance coverage concerns become a mainstream issue in the same way that access to finance is.

Related policy

[EU Better Regulation Agenda](#)

[EU Climate Resilience Dialogue](#)

[EU Climate Risk Assessment](#)

[EU Adaptation Strategy](#)

FERMA's contribution

Insuring the transition White Paper

FERMA is concerned that the shortage of insurance capacity is holding back the transition to low carbon activities.

EU Climate Resilience Dialogue report

This report will highlight ways in which the climate protection gap can be narrowed, highlighting possible actions of various stakeholders. FERMA is an active member of the dialogue acting as co-rapporteur.

3 BUILD A MORE CYBER SECURE AND RESILIENT EU

Over the course of the last five years, the digital threat landscape has been dramatically altered by the Pandemic, the rise of remote working, wars and conflict, as well as the rapid developments of Artificial Intelligence (AI). Over the same period, the regulatory response has been rapid, and far-reaching.

Enterprises must continue to focus on prevention and risk management. We cannot let our guard down. While remaining vigilant is crucial, the insurance industry, regulators and policymakers could all support enterprises better by facilitating more accurate quantification of cyber risk exposures.

As time moves on, the topics of AI and cybersecurity increasingly overlap. On both fronts, risks arising from liability concerns will challenge organisations while they seek to make the most of the opportunities offered by AI.



Related policy
EU Cybersecurity Strategy
NIS2 Directive
Cyber Resilience Act
DORA
EU AI Act
FERMA's contribution
Cyber Insurance Dialogue <i>European risk and insurance industry calls for greater collaboration on cyber risk, and highlights need for coordination between all stakeholders on solutions for evolving cyber risks.</i>

FERMA ASKS EU POLICYMAKERS TO:

- ▶ Build upon ENISA report on Cybersecurity for SMEs, and develop common EU cybersecurity standards with the support of the relevant stakeholders aimed at increasing EU-wide cyber risk management.
- ▶ Revise the EU Cybersecurity Strategy. FERMA looks to the European Commission and the High Representative to integrate cyber risk management and cyber insurance into the review.
- ▶ Assess potential for a cyber reinsurance pool or backstop-mechanism at EU-level to provide financial support to EU enterprises for catastrophic cyber risks that the private insurance market cannot cover alone. FERMA values a multistakeholder approach and advocates for a joint taskforce led by the European Commission, EIOPA, and ENISA.
- ▶ Consult FERMA as the representative of the Risk Management community for the work of the EU AI Office.

4 BOLSTER THE EU'S PREPAREDNESS AND RESPONSE CAPABILITIES FOR FUTURE CRISES

FERMA and its Members have observed a marked shift in the way geopolitics influences the risk landscape over the past five years. The impacts, risk and, sometimes, opportunities stemming from the increasingly tense geopolitical landscape often cross over into the web of security risks and supply-chain disruptions.

The Council of the EU has been right-minded to focus on how the EU can better respond to future crises and bolster preparedness and response capabilities.

While initiatives like the Critical Raw Materials Act, with its emphasis on risk management, are a positive step, the EU can and should go further. To truly enhance its geopolitical resilience, the EU must prioritise risk management across all levels – from fostering cross-sectoral and cross-border cooperation to establishing robust crisis preparedness and response tools. By implementing a holistic risk management strategy, the EU can navigate the complexities of the current geopolitical environment and ensure long-term security and prosperity.

Businesses have deep expertise, built up over many years, in using Risk Management to navigate these challenges, and the EU would, we believe, benefit from consulting with organisations like FERMA on this issue.



Related policy
EU Strategic Foresight
EU Critical Raw Materials Act
EU Foresight Network
FERMA's contribution
Thought Leadership <i>In 2024, FERMA has launched i) an Enterprise Risk Management Committee; and ii) a Foresight Committee. We stand ready to contribute the expertise of these groups to EU policymaking.</i>

FERMA ASKS EU POLICYMAKERS TO:

- ▶ Create a permanent function of Risk Manager within the European Commission, with a Commission Executive-Vice-President responsible for Risk Management. The most natural fit would be to add Risk Management responsibilities to the portfolio of the Commissioner for Strategic Foresight.
- ▶ Invite FERMA to join the EU Foresight Network, bringing the unique expertise of our network in this area.
- ▶ Invite FERMA to join one of the working groups to support the work of the EU Critical Raw Materials Board.
- ▶ Offer tools, such as funds and facilitation guidelines, for enterprises to cope with supply shocks in times of crisis or emergency. This should be one of the considerations for the European Council, the European Commission, together with the High Representative when developing a future preparedness strategy.
- ▶ Ensure a Europe-wide offer of risk management training for public and private organisations, using the Rimap certification as inspiration.

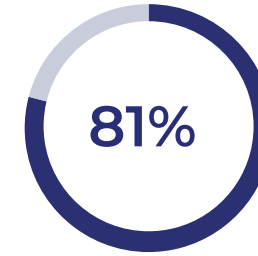
This is FERMA:
The Federation of European Risk Management Associations

We bring together **23 risk management associations in 22 European countries, representing more than 5.500 risk managers** active in a wide range of business sectors from major industrial and commercial companies to financial institutions and local government bodies. We provide the means of coordinating risk management and optimising the impact of these associations at a European level.

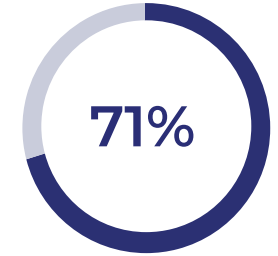
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- AIRMIC - UK
- ALRiM - LUXEMBOURG
- AMRAE - FRANCE
- ANRA - ITALY
- APOGERIS - PORTUGAL
- BELRIM - BELGIUM
- BRIMA - BULGARIA
- CZRMA - CZECH REPUBLIC
- DARIM - DENMARK
- ERMA - TURKEY
- FINNRIMA - FINLAND
- GVNW - GERMANY
- HARIMA - GREECE
- IGREA - SPAIN
- MARM - MALTA
- NARIM - THE NETHERLANDS
- NORIMA - NORWAY
- RUSRISK - RUSSIA (SUSPENDED)
- RVA - LITHUANIA
- SI.RISK - SLOVENIA
- SIRM - SWITZERLAND
- SWERMA - SWEDEN



Profile of the European Risk Manager

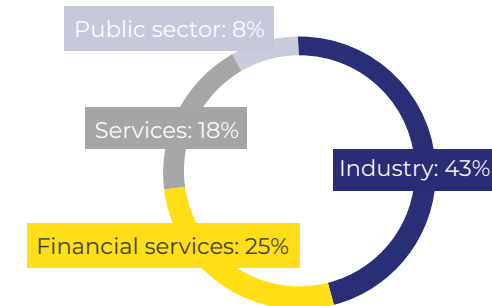


Work for a large organisation (over 250 employees)

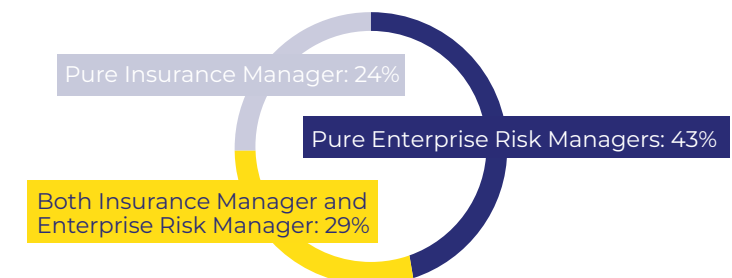


Report to Board or Top Management

Risk Managers are mostly in Industry, but work across other sectors too



Most have pure Enterprise Risk Management as their responsibility, but many responsible for insurance management too



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FERMA

Anticipating changes
Shaping the future



RISK LEADERSHIP AT THE HEART OF EUROPE

Making Europe risk-ready for a Brighter Future