

May 16, 2017 --- Portland Actuarial Club Luncheon

Title:

"Reputation Risk and Reputation Risk Insurance"

Speaker

Joan Schmit

When: Tuesday, May 16th, 2017 from noon to 1:30 pm

Where: Sentinel Hotel – Library Room, 614 SW 11th Ave. Portland, OR 97205

RSVP: Please RSVP by **Thursday, May 11th at 10:00 am** using our website:

www.PortlandActuarialClub.org/contact/rsvp

Description

An organization's reputation is often its most valuable asset. Resources are required to create and maintain a positive reputation, which can be damaged when stakeholders perceive the organization's actions as differing dramatically from those stakeholders' expectations.

Following the massive loss in shareholder wealth from the BP Gulf oil spill in 2010 and the Fukushima nuclear event in 2011, insurers began searching for ways to accept the risk of "reputation damage." Most resulting products covered underlying PR and response costs, but not the actual effects of the damaged reputation.

Today we see most of the insurance associated with reputation damage as part of a cyber policy, another emerging insurance product with similar issues of limited data, potential catastrophic effects, and varied product provisions. My intention in meeting with the Portland Actuarial Club is to discuss what we believe reputation is, how we might measure it, and what insurers might be able to do in developing a robust market for it. I look forward to hearing your thoughts and sharing my own. Along the way I will share what I know about existing reputation risk insurance products.

Joan T. Schmit

Joan T. Schmit holds the American Family Insurance Distinguished Chair in Risk Management and Insurance at the University of Wisconsin, Madison, where she has been on the faculty since 1988. She also serves as an affiliate faculty member in the Nelson Institute for Environmental Studies, the Peking University China Center for Insurance and Social Security Research and in the risk management and insurance institute at the University of St. Gallen in Switzerland.