

CAC (MPI) CI 2-1 Confidential

Part and Chapter:	PART XII Risk Management Framework	Page No.:	Risk Appetite Statement Part XII RMF Appendix 1 and Top Corporate Risks RMF Appendix 4
PUB Approved Issue No:	17. Risk Assessment and Risk Management		
Topic:			
Sub Topic:			

Preamble to IR:

Part XII – RMF Appendix 1 (Risk Appetite Statement) pages 5 to 8 describe corporate risks and MPI’s associated risk appetite relating to these risks. The risks identified are:

1. Strategic Risk
2. Earnings Risk
3. Solvency Risk
4. Technology Risk
5. People Risk
6. Legal & Compliance Risk
7. Operational Risk
8. Reputation Risk

On average MPI describes its risk appetite as low—some very low and some moderate.

Part XII – RMF Appendix 4 (Top Corporate Risks) page 1 lists and describes MPI’s top 7 risks including the Residual Risk Rating. The 7 risks listed are:

1. [Redated]
2. [Redated]
3. Change/Transformation Execution and Failure – Nova Program
4. Inadequate Capacity
5. Inability to Attract & Retain Talent

- 6. Inadequate Capability
- 7. Corporate Image & Branding

Question:

- a) For greater clarity, please provide a narrative discussion relating/reconciling the Top 7 Corporate Risks to the 8 risks identified in the Risk Appetite Statement.
- b) For the 7 Top Corporate Risks the Residual Risk Rating remains 'High' or 'Critical' after management's mitigation action. For each risk, please describe management actions taken in terms of a mitigation strategy to contain the 7 Top Corporate Risks.

Rationale for Question:

To obtain a clearer understanding of MPI's risk appetite and risk mitigation strategy to protect the policyholders from unintended rate impacting events.

RESPONSE:

- a) The risk appetite statement includes the 8 risks from the MPI's risk universe. These risks may impair MPI's ability to achieve its mission and carrying out its strategic plan. The Top 7 corporate risks are based on the risk categories included in its ERM/ORM risk taxonomy. The reconciliation is depicted in the following table.

Risk Appetite Statement Risk	7 Top Corporate Risk
[Redated]	[Redated]
[Redated]	[Redated]
Operational Risk	Change/Transformation Execution Failure- Nova Program
People Risk	Inadequate Capacity
People Risk	Inability to Attract & Retain Talent
People Risk	Inadequate Capability
Reputation Risk	Corporate Image and Branding

- b) Management's mitigation actions are described in the "risk treatment" section of the risk profiles provided in *PUB (MPI) 1-80 Appendix 3 Top Risk Profiles confidential*.