

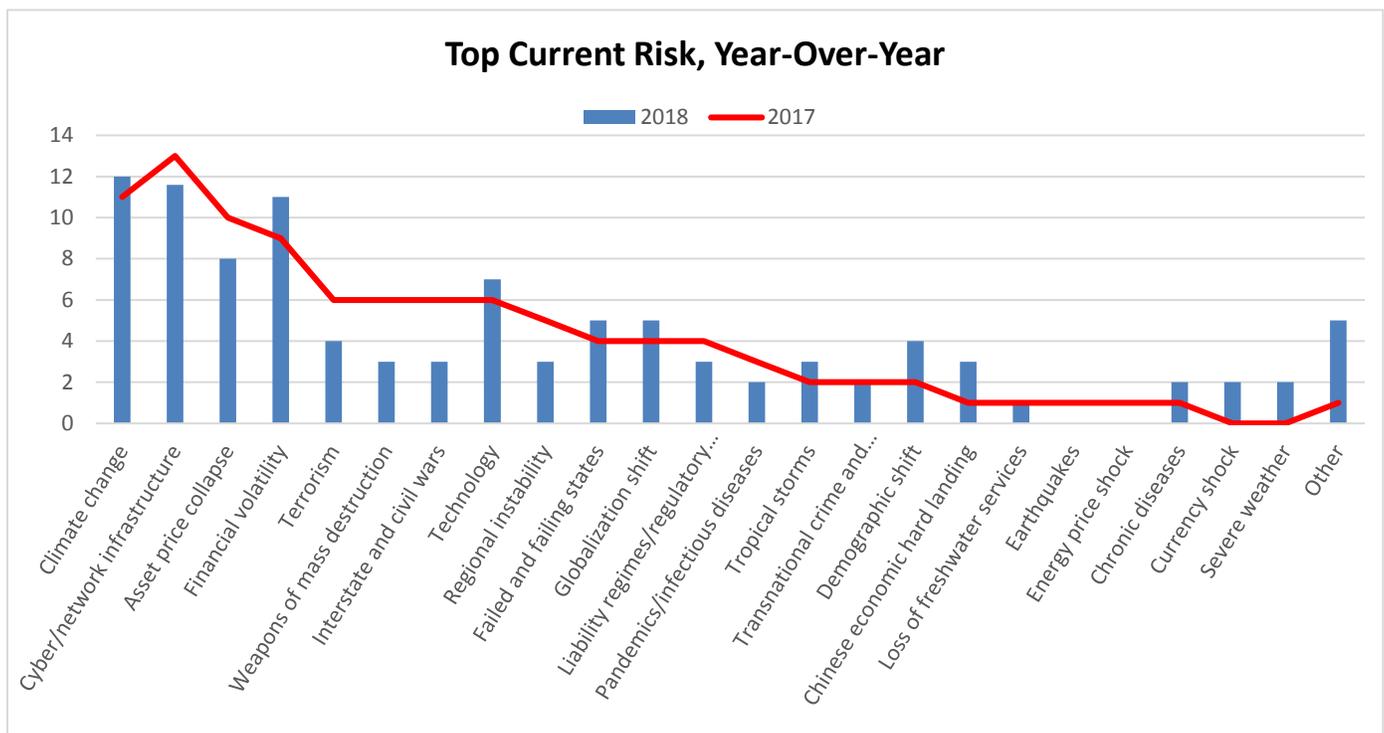
Twelfth Annual Survey of Emerging Risks: Summary of Findings

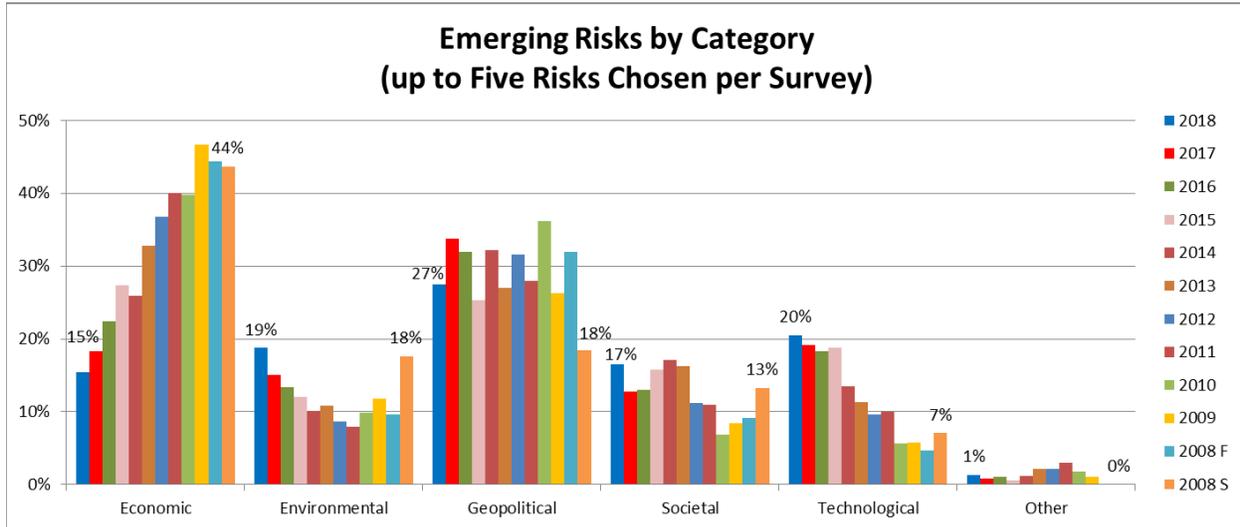
For the first time in the survey’s history, climate change ranked as both the top current risk and leading emerging risk – breaking cyber risk’s four-year streak as number one – according to the 12th Annual Emerging Risks Survey of Risk Managers from the Joint Risk Management Section (JRMS) of the Canadian Institute of Actuaries (CIA), Casualty Actuarial Society (CAS), and the Society of Actuaries (SOA).

The following summary highlights key findings from research conducted by Max Rudolph, FSA, CERA, MAAA, and owner of Rudolph Financial Consulting.

Climate Change Takes the Top Spots

According to the survey fielded in November 2018, risk managers perceive climate change (12.0 percent), cyber risk (11.6 percent), and financial volatility (11.2 percent) to be the three greatest current risks. While climate change edged out other risks this year, it is important to note that cyber risk – the previous top risk – is still a strong threat, ranking second among the current risks. The emerging risks, as ranked by 267 risk managers from across the globe, follow a similar pattern with climate change ranking first (22.2 percent), cyber risk ranking second (14.8 percent), and technology in third place (13.2 percent).





Year-over-Year Comparisons

- Climate change surpassed cyber risk as the top current risk, top emerging risk, and top emerging risk combinations. However, cyber risk remained first when respondents were asked to rank the top five emerging risks at 55.8 percent.
- Geopolitical risk maintained the lead in 2018 among emerging risks by category, but the risk level decreased from 2017. This is unusual given that this category historically increases during even-numbered national election years. The change could be attributed to a decrease in rankings among top five emerging risks across terrorism, regional instability, weapons of mass destruction, and liability regimes.
- While global economic expectations remain relatively stable, they are down from 2017 with a majority (67 percent) forecasting moderate or poor expectations for 2019.
- After dropping off the top five emerging risks list in 2017, financial volatility has reappeared, ranking number five. Demographic shift has also appeared for the first time in the last four years, correlating with an increase in societal risk as an emerging category.
- Societal risk as an emerging risk category increased due to the combined impact of an influx of pandemics and infectious diseases, as well as the demographic shift.

About the Survey

A total of 267 risk managers from across the globe participated in this online survey in November 2018. The research was funded by the Joint Risk Management Section (JRMS) of the CIA, CAS and SOA. For more information, [visit the JRMS page](#).