

## 60 SECONDS WITH.... Mike Thornton



### Who are you?

Mike Thornton, and I've just been appointed to run the risk management teams for the newly merged AMP / AXA business.

### How did you get into Enterprise Risk Management?

As actuaries, we all have an important role to play in protecting our businesses. Whether you're involved in pricing, valuation, reinsurance, or some other field, actuaries are typically well placed to identify and actively manage risks.

I didn't see a huge difference in roles between a Chief Actuary and a CRO, and simply told my boss that I was keen to add the CRO title to my business card! It took a little while for this to occur, and in practice, I retained my existing Chief Actuary responsibilities and took responsibility for managing the operational risk team.

Prior to that, AXA didn't really have a CRO, and I guess I saw an opportunity to develop an ERM capability across our business, and at the same time extend the remit of my role.

### What skills do you need to be successful as a CRO?

We all have our strengths and weaknesses, and in all positions, it's important that we play to our strengths and manage our weaknesses. In my case, I'm keen to encourage diversity, and ensure the skills and experiences of others complement my own.

As an actuary working as a CRO, I do think that my leadership and communication skills are critical. I need to be able to understand complex, technical issues, but I also need to be able to explain these in

simple terms to executives and Boards. More importantly, if I am to be effective in my role, I need to be able to engage and influence others, initiating cultural changes across the business. It is these softer skills that are perhaps more challenging for actuaries.

### What do you think most actuaries get wrong when it comes to ERM?

I think there's a tendency to assume that others own this space, and that actuaries are missing some valuable piece of knowledge or experience. That simply is not the case, especially in insurance, where actuaries have a good, broad understanding of the business; from product design and asset management, to underwriting and reinsurance.

### I would like to see more actuaries 'backing themselves' and proactively taking steps to work in this area.

Can you give one concrete example of how ERM has helped a firm's bottom line?

That's easy! I see risk management as an enabler, something that gives the business comfort that we can take on risks in a considered and measured way. Perhaps the best example at AXA relates to the North product. Here, risk management is an integral part of the product design and hedging program, and was instrumental in ensuring the business was comfortable with the risks we were taking on. Three years on, we now have a leadership position in a market that may well be strategically important for the future.

### What keeps you awake at night?

Not a lot. I like to ensure I have a plan in place for anything that's troubling me.

