



This abstract summarises the report on “Emerging Risks” which was approved by the DAV committee Enterprise Risk Management on 22.03.2021. The complete publication (in German language) is available [here](#).

## Emerging Risks

Not all risks can be assessed in a traditional actuarial manner, because for some the available data is so sparse that the outcome relies heavily on assumptions and expert judgement. This applies especially to „emerging risks” which are new or rapidly changing risks, and for which mitigation actions – be it via reinsurance or via internal controls – are often not implemented yet by companies.

Supervisors expect the risk management function to identify and assess emerging risks. To support actuaries with this task, the DAV has published this report. It covers the regulatory framework, the categorisation, analysis and assessment of emerging risks (the latter including relevance, time horizon and probability of occurrence) and link to other types of risks, before giving an overview over relevant publications on the topic.

The main part of the report contains a list of around 30 relevant emerging risks which were extracted from external sources and applied to the German market. They are described with respect to their potential impact on life and health insurance, property and casualty insurance, assets and insurance operations and have references attached.

Actuaries can use the report as a basis to start a discussion around the company-specific identification, analysis and assessment of emerging risks.

The report covers the following risks:

- 3D Printing
- Autonomous Machines
- Critical Infrastructure Blackouts
- Blockchain and Digital Currencies
- Cyber Risks
- Digital Misinformation
- Endocrine Disruptors
- Obesity
- Monetary Policies and Growth of Leverage
- Genetically Modified Organisms
- Shift in Geopolitical Landscape / Protectionism / Geopolitical Conflict
- Legal and Regulatory Uncertainty
- Climate Change
- Collective Redress
- Artificial Intelligence
- Supply Chain
- Medical Advances
- Nanotechnology
- Evolving Terrorism
- Pandemics
- Passive Investment
- Plastics and Microplastics
- Skills Shortage and Reskilling
- Antimicrobial Resistance
- Resource Supply Scarcity, Food and Water Supply
- Sharing Economy
- Synthetic Biology
- Transition Risk and Stranded Assets
- Environmental Pollution
- New Frontiers for Resource Extraction
- Shifting Range of Pathogens



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*Reports on findings are summaries of the results of work carried out by DAV committees or working groups,*

- where their application can be freely decided upon within the framework of the code of conduct,*
- that should inform discussion of the current opinion among actuaries or also among the broader public.*

*As working results of a single committee, they do not, for the time being, represent any recognised position within the DAV and do not comprise any actuarial standards of practice. In this respect they are clearly distinguishable from any standards of practice.*