

Milestone One

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The following operating risk management proposal is developed for the chief risk officer. This permits Company XYZ to report its instantaneous in-house losses from fraud claims via prioritizing its SIU's (Special Investigation Unit) restricted assets contrary to the utmost doubtful auto/vehicle accident physical damage claims. Throughout the recent management and risk self-evaluation, it was disclosed that the organization encountered more than just operating losses accomplish to fraud individual injury claims, principally from vehicle accidents. This analysis resultant in a requirement for a more solid operational risk control and management initiative that is parallel to their current programs for marketplace risk, insurance risk and credit risk.

Organizational Background and Goals

Company XYZ has set a robust base evaluating market risk, insurance risk and credit risk using data analytics. Throughout their current risk and control self-evaluation, it was disclosed that they encountered more than what operational harms ensue to fraud individual harm claims, principally from vehicle accidents. Such evaluation results in a requirement for a more solid ORM (Operational Risk Management) initiative that equivalent to their current programs for marketplace risk, insurance risk and credit risk. This company is a casualty and property insurance firm that has a solid record of examining insurance and credit risks. Their objective is to make a risk management plan that would work at the similar high-level as the other divisions and have a solo CRO (chief risk officer) to address to.

Executing the SAS platform would permit the company to make dashboards for the individual agents to be capable to effortlessly identify fake claims and decrease the quantity of payouts for those similar claims. The XYZ Corporation has previously launched SIU (special

investigation unit) to assess and monitor the claims that were received. As the corporation previously observes a requirement to decrease the quantity of fraud claims, formerly it is a necessity to strengthen the staffing of the SIU division. Additional training must be implemented, such that the workers realize how to recognize and detect fraud claims. The suitable training would imply superior precision in evaluating the risk privileges. The existing system the corporation has at present is acquiring excessive payments for the fraud claims. Using a suitable SIU (special investigation unit), it would decrease the payments or compensations being made and support to identify fraudulent claims. The SAS system has an extraordinary system ready that accepts the industry norms in assertions and can provide them within the system to recognize fraud effortlessly.

Established Programs, Strategies, Practices and Policies

It is recognized by the company that its industry norm SIU would be suited for operational threat functionality to start reinforcing the risk management initiative's infrastructure. Via capitalizing into the data analytics, the corporation will be capable to manage doubtful claims and observe them that it is the general priority. Conversely, it would empower SIU to avoid operational harms and fraudulent claims. The organization will likewise capitalize into the RM system part of the company. The RM system would integrate risk information, visualization of both external and internal harms. The CRO (chief risk officer) is the manager of all risk initiatives (Alexander, 2003).

XYZ Company is on target to fulfill its anticipations of high-performance operational risk plan that could be equated to additional risk initiatives. The corporation need to set up a solid framework of threat process to help in making accurate choice. One of the utmost significant

building blocks is control and risk self-assessment. Control and risk self-assessment supports the measures and identify the risk level the corporation takes on.

Recommended Practices and Techniques

There are several guidelines and regulations offered for seven risk categories, which could be used by any event or incident of operational risk management. Those types could be incorporated into the company's agenda in internal and external fraud, business or corporate practices, system failure, execution and management process handling (Chapelle, 2019).

Support for Enhancement of Risk Assessment Potential

The improvement of risk evaluation is a crucial element to successfully handling the massive quantity of fraud private vehicle injury claims. The company XYZ comprehends the value of capitalizing into analytical approaches to enhance efficiency of information management, recognizing trends and patterns, helping users in predicting and monitoring fraud insurance claims that would enhance the overall productivity of claim dispensation (Beroggi & Wallace, 2020).

Works Cited

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