



## **Risk assessment and risk transfer from an insurers' point of view**

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Risk, a word that causes a lot of associations in human brains. Many of us don't like risks. Since hundreds of years insurance is the most common way to get rid of the financial consequences when risks convert to damages. This article deals with commercial risks and the possibilities of risk transfer, an important task within the field of risk management. For commercial entities it is very important to transfer risks, threatening the competitiveness or even worse the existence of a company. At the beginning of insurance it was more the less a bet between merchants and rich people. Later on mutual societies were taking place. Today we see a complex insurance industry with insurers, reinsurers, self insuring possibilities via captives and much more. This complex system, with all the different ways to deal with risk transfer requires a professional risk assessment! Risk assessment is based on knowledge about the threatened assets, the likelihood that they will be damaged, the threats and the possibilities to protect these assets. Assets may be tangible or intangible. Assessing risks is not a precise calculation that delivers a result without any doubt. But insurers and insured need a basis to fix a premium, both of them can agree. This contribution will present a system to assess risks and to find the right risk-transfer-premiums.