



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

ENTERPRISE RISK MANAGEMENT POLICY



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/ERM/2008/02	Version No	5.0
Initial Approved Date	11 September 2008	Last Reviewed Date	6 December 2019
TITLE	ENTERPRISE RISK MANAGEMENT POLICY		

TABLE OF CONTENTS

1.0	PURPOSE.....	1
2.0	OUR COMMITMENT TO ERM	1
3.0	OUR ROLES AND RESPONSIBILITIES.....	1
4.0	ERM POLICY REVIEW	3

Approved by the Board of Directors at the Board Meeting No. 65 on 6 December 2019



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/ERM/2008/02	Version No	5.0
Initial Approved Date	11 September 2008	Last Reviewed Date	6 December 2019
TITLE	ENTERPRISE RISK MANAGEMENT POLICY		

1.0 PURPOSE

1.1 Perbadanan Insurans Deposit Malaysia (“PIDM” or “Corporation”) recognises that the management of risk through Enterprise Risk Management (“ERM”) is an integral part of sound corporate governance. This ERM Policy states and affirms our commitment to sound ERM which enhances our ability to deliver the Corporation’s mandate and objectives.

2.0 OUR COMMITMENT TO ERM

2.1 The Corporation is committed to ERM and will ensure that:

- (i) the Corporation will foster a risk management culture in all aspects of the Corporation’s business and affairs;
- (ii) the ERM Policy and ERM Procedures will be benchmarked against and kept abreast with best practices in ERM;
- (iii) the Board Risk Policies, Corporate Board Risk Report, ERM Policy and ERM Procedures are communicated to all employees and are effectively integrated into their day-to-day operations; and
- (iv) significant risks that impact or may impact the Corporation’s mandate and objectives are being consistently and continuously identified, assessed, evaluated, managed, monitored and reported to enhance the Corporation’s ability to deliver its mandate and objectives.

3.0 OUR ROLES AND RESPONSIBILITIES

3.1 The Board of Directors (“Board”) will ensure sound ERM is carried out in accordance with Standard No. 10 on Significant Risks of the Board Governance Policy of the Corporation.

3.2 The Board will:

- (i) obtain an understanding of the significant risks of the Corporation’s business;



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/ERM/2008/02	Version No	5.0
Initial Approved Date	11 September 2008	Last Reviewed Date	6 December 2019
TITLE	ENTERPRISE RISK MANAGEMENT POLICY		

- (ii) ensure that appropriate and relevant ERM process to manage these risks has been implemented and subsequently review the ERM process regularly; and
 - (iii) obtain reasonable assurance, on a regular basis, that the ERM process is being adhered to, and continues to effectively manage the risks affecting the Corporation.
- 3.3 In addition, the Chief Risk Officer (“CRO”) (or, in his/her absence, a representative from the ERM Division) should regularly attend all scheduled Board meetings.
- 3.4 In this regard, the CRO will:
- (i) facilitate the identification of risks to the Corporation and assess the significance of the risks to the achievement of the Corporation’s mandate, objects, strategies, plans and operations;
 - (ii) recommend Board Risk Policies for the Corporation’s significant risk categories and/or sub-risk categories to the Board via the Audit Committee (“AC”); review these Board Risk Policies periodically to ensure that the Board Risk Policies remain appropriate and relevant; and report to the Board via the AC on the results of these reviews;
 - (iii) provide the Board via the AC regularly (at least annually) with a Corporate Board Risk Report that will enable the Board to understand the management of the Corporation’s significant risks and enable the Board to be aware of any situations in which those risks are not being managed in accordance with established Board Risk Policies, if any; and assess whether the Corporation’s Board Risk Policies remain appropriate and relevant under the circumstances and are being followed; and
 - (iv) provide the Board via the AC (at least triennially) with reports that will enable the Board to assess whether the Corporation has an appropriate and effective ERM process.
- 3.5 The Board, through its AC, will provide oversight on all ERM activities. The AC’s responsibilities in regards to ERM is described in the Charter of the AC.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/ERM/2008/02	Version No	5.0
Initial Approved Date	11 September 2008	Last Reviewed Date	6 December 2019
TITLE	ENTERPRISE RISK MANAGEMENT POLICY		

- 3.6 The ERM Committee, a senior management committee, provides oversight and direction for the implementation and consistent application of the ERM Policy and ERM Procedures. The ERM Committee will also champion, manage and monitor ERM activities at a corporate-wide level. The CRO will provide recommendations and reports to the Board via the AC on the significant risks affecting the Corporation and how these risks are being managed.
- 3.7 The Strategic Planning and ERM Working Committee (“PERM Working Committee”) (comprising representatives from each division) supports the ERM Committee in facilitating and coordinating ERM and strategic planning activities at an operational level across the Corporation. This includes updating the status of risk assessment and risk action plans of ERM, and strategic planning activities of the respective divisions.
- 3.8 As secretariat to both the ERM Committee and PERM Working Committee, the ERM Division is responsible for the development, implementation and maintenance of the ERM Policy and ERM Procedures for the Corporation. The ERM Division will assist Management by providing advice on ERM activities and provide an assessment to improve the Corporation’s ERM capabilities; and suggests appropriate recommendations, where required.
- 3.9 ACS will perform an independent assessment and validation on the effectiveness of, and compliance to the ERM Policy and ERM Procedures and thus provides assurance to the AC and the Board regularly that the Corporation has an effective ERM process and Board Risk Policies are being adhered to.
- 3.10 The CRO will provide the Board with an annual ERM Management Representation Letter that confirms the Corporation’s risks are being managed and that the Board Risk Policies and ERM process continue to be appropriate and relevant.
- 3.11 All PIDM employees will manage and report risks at source and recognise that ERM is everyone’s responsibility.

4.0 ERM POLICY REVIEW

- 4.1 The ERM Division shall review the appropriateness of the ERM Policy periodically to ensure that it remains current and relevant, and shall recommend changes, if any, to the Board via the AC.



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

Ref No	BOD/ERM/2008/02	Version No	5.0
Initial Approved Date	11 September 2008	Last Reviewed Date	6 December 2019
TITLE	ENTERPRISE RISK MANAGEMENT POLICY		

4.2 Any amendments to the ERM Policy shall be approved by the Board.

- end -