# back to business

"Being surrounded by talented distribution people and IT people who understand the business" is critical.

-Clark Manning, Jackson National Life Insurance, p.28

#### Regulation/Compliance

## **Security Comes** With Compliance

RSTE BANK GROUP (Vienna, Austria; \$181.4 billion in total assets), a financial investment, loan and insurance services, will deploy Norkom Technologies' (Dublin, Ireland) financial crime solutions across its central European business operations. The software will assist Erste in protecting its business, shareholders and customers from financial crime while complying with all European Union and countryspecific legislation pertaining to financial crimes.

Erste Bank Group initially will deploy Norkom's Anti Money Laundering application in



Erste's Czech and Slovak subsidiaries, followed by its business operations in Austria, Hungary, Croatia

and Central and Eastern Europe. "The Norkom solution enables us to adopt a fully integrated approach to how we manage the prevention of financial crime in our business," says Leopold Fetterle, money laundering reporting office, Erste Bank Group. . —Wendy Toth

#### Risk Management

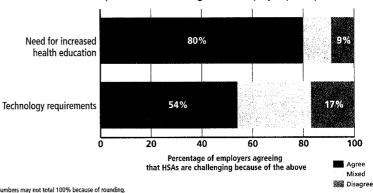
## Terror Models Help Pricing

MPROVEMENTS in computer modeling for estimating commercial property terrorism exposures can help insurers better price coverage, according to David Lalonde, SVP, AIR Worldwide Corp. (Boston). "In the area of catastrophe modeling ... 9/11 was a wake-up call in terms of managing accumulations of exposure across multiple lines of business," Lalonde told attendees at the Casualty Actuarial Society's (Arlington, Va.) annual seminar on ratemaking in New Orleans in March. In its models, AIR, a provider of analytical tools and software systems to help companies manage risk, is concentrating on two main types of potential future terrorist attacks: conventional and chemical/biological/radiological/nuclear (CBRN). "Now, insurers and reinsurers are taking a much broader view of catastrophe risk in addressing the financial exposure of possible future attacks," Lalonde said.

"The ongoing improvement in the level of detailed data being collected in terrorism modeling shows the importance of examining exposures, the types of weapons terrorists might use and their potential targets," Lalonde explained. AIR's conventional attack damage estimates consider multiple effects on the target and surrounding buildings, and CBRN events are modeled using the Department of Defense standard model, which includes the full spectrum of CBRN weapons. AIR also has assembled a team of experts to identify terrorist groups' objectives, capabilities, resources and the history of their attacks. The resulting threat index can be spread across individual landmarks in a geographic area.  $\blacksquare$  —W.T.

### Employers Recognize HSA Challenges

To keep healthcare costs at a minimum, a rising number of employers are seeking to engage employees through consumer-directed health management distribution practices, namely health savings accounts (HSAs). Although HSAs provide tax advantages for both employers and employees, many employers are concerned about the amount of employee education and the technology investments — such as online tools — that will be required to stimulate significant employee participation.



SOURCE: NATIONAL BUSINESS GROUP ON HEALTH/WATSON WYATT "EMPLOYER SURVEY OF TRENDS IN THE HEALTH CARE MARKETPLACE"