

Filomeno Mira Candel

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Mr. Mira Candel stopped working three years ago and is enjoying his retirement. However on recently receiving the “AGERS” award he reminisced about his past and activities in the world of Risk Management. Filomeno Mira is convinced that the Global Risks Unit is not far off its objective of becoming the world’s most trusted insurance company for companies.

“Risk and Insurance Management” (hereafter, R&IM): We would like to put a question to a restless professional like yourself who has undoubtedly retained an active interest after retiring from work. Could you tell us what you have been busy doing over these past three years?

Filomeno Mira Candel (hereinafter F.M.C.): To tell you the truth, I’ve spent my time as a “good pensioner” should, that is, with my family (including my dogs and long periods in a small village), socializing (basically with friends, former MAPFRE colleagues, traveling, lunches, etc.), and personal interests (hobbies, reading, music, languages, sports, etc.)

But practically no work and I don’t miss it at all because life is full of wonderful opportunities, especially for those of us who are restless and multifaceted. I’m not very good at it, but I’ve got a PC and a smart device, I arrange my affairs... Therefore, I don’t really have time to get bored, quite the opposite and apart from that, my “departure” from MAPFRE was staggered, so there wasn’t a very abrupt change in my lifestyle.

R&IM: In December, you received the “AGERS Award” for your contribution to Risk Management in Spain and Latin America. What did this further recognition mean to you?

F.M.C.: It was like a return to the past and the activities I undertook during my professional life in this field. I felt a deep nostalgia as well as satisfaction and pride when I was reminded of all that we had achieved in MAPFRE in the field of Risk Management in a spirit of innovation and creativity.

I would like to thank AGERS both for the Award itself and for giving me the chance to recall such

a satisfying part of my professional career among so many friends – I was moved by the number of people attending. It will also be hard for me to forget Gonzalo Iturmendi’s kind and touching words in his presentation.

CURRENT CONCEPT

R&IM: As a long-standing student of this discipline, what would you consider the most correct view of Risk Management to be at this time?

F.M.C.: I used to like to define Risk Management as that small area of business activity aimed at restricting the long term costs of risk to a minimum. I feel that this view remains just as valid today, but I think that there has been little progress in the quantitative measurement of the total cost for risks.

R&IM: What is your current view of the world of Risk Management and the progress made in our country?

F.M.C.: The creation of AGERS more than 30 years ago boosted the development and implementation of the Risk Management concept in Spanish companies. It has also been greatly influenced by the development and sophistication of the insurance industry launched by economic development, the workings of the European Single Market, the presence of multinationals, etc. As in so many other areas, Spain has been an example by fully integrating current management trends.

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R&IM: How have risk management strategies in companies become more sophisticated in recent years?

F.M.C.: First of all, there has been an ever increasing influx of highly qualified personnel to undertake these tasks in companies. I would say that this has greatly contributed to the sophistication and professionalization of this activity. The globalization of the economy and society has also been a great influence and has brought about a world, which is more permeable, more easily enriched by other people's experiences.

R&IM: For those interested in finding everything out about this discipline, what sources would you recommend?

F.M.C.: There are numerous academic publications, which present this discipline accurately and methodically. For example, from American Universities I would mention "Risk Management and Insurance Perspectives in a Global Economy",

by Harold D. Skipper; and "Introduction to Risk Management and Insurance", by Mark Dorfman. In Spanish, among recent works I would highlight "Proceso de gestión de riesgos y seguros en las empresas" (Risk management and insurance process), by Isabel Casares, etc...

But I think it is essential to regularly read current magazines relating to risk management practice in general or to underwriting, coverage, reinsurance, claims, etc. My favorites are the RIMS (North American Risk Management Society) and the annual reports on Global Risks from the World Economic Forum. And then of course there's the magazine published by MAPFRE, "Gerencia de Riesgos y Seguros" (Risk and Insurance Management), the longest standing in the Spanish language.

Specialist congresses and seminars play a similar role. But for me the best learning comes from your own experience with claims, accidents and incidents and, better still, the experiences of others. I recommend, for example, the Munich Re claims bulletin ("Schadenspiegel").

ROLE OF ASSOCIATIONS

R&IM: In your opinion, what role should the associations play in Risk Management in Spain today?

F.M.C.: Their basic functions are to provide information on the concept for companies and that of training professionals, by means of courses, seminars, magazines, etc. They should also generate opinion and visibility on this activity in the media and before public bodies and institutions with background articles, physical presence, participation in global events, etc.

R&IM: In general, is a risk management culture being extended to all levels within the company environment?

F.M.C.: I would distinguish according to the size of the companies, and between local and multinational companies. In small and medium-sized companies there's still a long way to go although insurance brokers and consultancies could accelerate the process and make it easier. In general, the culture is widely extended among multinationals. The level the function reaches within the company is quite a different matter. Here I would say that progress has been made in involving Senior Management in defining strategy, monitoring, etc. especially given the appearance of new risks, which have severe economic, media and legal repercussions.



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R&IM: And outside companies, in daily life, is there a growing aversion to risk?

F.M.C.: As society becomes more mature and more transparent, individuals and families are increasingly incorporating risk management more rationally. This has led to a greater awareness of risk and a trend toward aversion, which in turn is increasingly transferred to insurance companies or to the State in the form of demands on public well-being policies.

“As society becomes more mature individuals and families are increasingly incorporating risk management more rationally”

PRIORITY RISKS

R&IM: Which risks currently cause managers the greatest headache?

F.M.C.: This depends on the type, size and location of the company, but I'd say that reputational risks are a priority, in general; and especially those derived from legal responsibilities, physical or personal security, and those arising from nature and a climate which is increasingly more unpredictable.

R&IM: FERMA recently warned in its response to an EC query on public-private collaboration on matters of cybersecurity, that the Boards of organizations need to understand that cyber risk is not only an IT risk, it is also a company risk. What do you think of this view?

F.M.C.: The most significant risks emerging in the future may well be cyber risks and their management obviously corresponds to both the

public and the private sector, as they can also affect the company in the form of material damages, but above all in monetary and reputational damages with legal repercussions.

“The most significant risks emerging in the future may well be cyber risks and their management obviously corresponds to both the public and the private sector”

R&IM: What value do you place on captive companies and other risk transfer formulas in the Spanish market?

F.M.C.: At the time, captive companies appeared as an almost essential means or instrument for good economic-financial risk management although there were some dubious fiscal aspects. Alternative management was seen as imaginative formulas for transferring or sharing uninsurable or new risks. I don't honestly know what the current situation is with these formulas, but I don't think captive companies have been very developed, taking into account the requirements for transparency and fiscal uniformity within the EU; neither do I think that the results obtained from these alternative formulas have been very favorable.

GLOBAL RISKS

R&IM: The Global Risks Unit would like to become the most trusted global insurance company for companies all over the world. How near are they to achieving this?

F.M.C.: This is a very ambitious objective which I understand is limited to Spain, Latin America, and increasingly, to Europe. MAPFRE has one of the best records in innovation, services and products relating to industrial risks and therefore it is already

qualitatively very close to reaching this objective. But it still needs to grow so that it also has the size. It's just a question of time, a few years perhaps, although I understand that the most important factor is technological and qualitative and not economic leadership.

“MAPFRE has one of the best records in innovation, services and products relating to industrial risks”

R&IM: In your opinion, what are the main strengths of this Unit?

F.M.C.: I mentioned some of this in the previous answer. I would also add the ITSEMAP Service Area, its historical vocation for industrial risk (MAPFRE Industrial created in 1970), its alliance with Factory Mutual and the support of the MAPFRE International Network and MAPFRE RE.

R&IM: What is there left for you to discover in the field of Risk Management?

F.M.C.: I'll finish as I started. I'm fully retired and to continue broadening my knowledge of Risk Management is not a task I have in hand, although I take a great interest in social and technological change and what it means for the company. The discovery of new areas in current risk management is now somebody else's job. I would very much like it if MAPFRE were to devote their attention to this task in line with the new times and trends. ■

WE HAVE MUCH TO DISCOVER



A road, canal and port engineer as well as the holder of a double degree in Economic and Business Studies and in Actuarial and Financial Sciences, Filomeno Mira Candel has been and still is a MAPFRE man. He joined the Group at the age of 23, having just completed his university studies, and specialized in the large risks and industrial risks sector.

He soon discovered the need to incorporate risk management strategies into all types of companies and made an in-depth study of the techniques, procedures and philosophy of Risk Management and its application to the company, a discipline that he has also taught and on which he has given conferences.

But his contribution to the world of Risk Management doesn't end here. Under the Editorship of Filomeno Mira, the pioneering magazine "Risk and Insurance Management" became a benchmark of its kind, not only in the Spanish market but at an international level as well, mainly in Latin American and Portuguese-speaking countries thanks to the release of a version of this publication in that language.

For all this and much more, Filomeno Mira was admitted to the European Risk Management Hall of Fame in 1998.

At the end of 2013, Filomeno Mira Candel left the Board of Directors and Audit Committee of MAPFRE after 40 years of intense work inside the Spanish group, which grew with him and alongside him.

Like a "good pensioner" he now spends his time with his family, socializing and enjoying his hobbies... "The happiness you feel is incomparable when you sit down on Sunday evening to remember and compare this moment with the drama of preparing the week ahead when you were still working", he recognizes but without losing sight of social and technological change and what it means for the company.

Filomeno Mira encourages the young professionals at MAPFRE to continue investigating new areas within the discipline of Risk Management. In his opinion, "there's much to discover, especially given the new risks".