



# Fidelman & Co.



## QUESTION

### Risk Managers - Insurance Purchased and Number of Assets Overseen

---

## INSIGHTS

- Data on the dollar amount of insurance purchased and the total number of assets that risk managers oversee in the US are unavailable, however, our research indicates that the risk management market was worth \$5.44 billion globally and that risk managers oversee over \$13.6 trillion in assets globally.
- The global risk analytics market was worth \$13.72 billion in 2016 and is expected to grow rapidly with a CAGR of 17.2% and reach \$41.89 billion in 2023.
- The risk management market is expected to reach \$15.96 billion in 2025.

## OVERVIEW

While we were unable to find enough information to answer your question after an extensive search, we have pulled together some relevant data we came across during the course of our research below. We estimated that the risk management market was worth about \$5.44 billion in 2016 and that risk managers oversee over [\\$13.6 trillion \(1\)](#) in assets globally. However, we were unable to find enough data to determine the amount of insurance purchased by the risk managers or the risk management industry nor the number of assets under their care in the US. Below, you will find more details.

## METHODOLOGY

We searched insurance industry reports and databases, risk management reports, trusted media sources, government databases, and other financial information sources such as McKinsey, Deloitte, Statista, and other similar publications. However, after an exhaustive search, we were unable to find data on the amount of insurance purchased by risk managers or the number of assets that risk managers oversee. The reason such data is unavailable may be due to the very niche nature of the requested data and may also be because risk managers do not disclose their spending on insurance publicly. In addition, survey on the industry hasn't focused on risk managers insurance spending either. The major risk managers also handle assets for multinationals that have assets spread all over the world and reports on assets being managed are not broken down into those in the US and those abroad.

The insurance data we came across were for the broader insurance industry and our attempt to find indirect data that would enable us to triangulate the amount of insurance purchased by risk managers or the number of assets under risk managers was unsuccessful. Due to the nature of the data and the limited quantitative information pertaining to the space, we were unable to attempt any triangulation that would provide reliable estimates for the dollar amount of insurance purchased and the total number of assets that risk managers oversee.

## RELATED FINDINGS

A [Deloitte report \(1\)](#) on the 77 biggest asset management firm globally noted that the firms had over [\\$13.6 trillion \(1\)](#) in combined assets. [Deloitte's 2017 report \(1\)](#) on the risk management industry is the most comprehensive report on the industry we were able to find but the report doesn't mention insurance premium paid by risk managers. In addition, it is unclear from [Deloitte's report \(1\)](#) how much of the asset is domiciled in the US.

In 2016, "[the U.S. insurance industry's \(2\)](#) net premiums written totaled [\\$1.1 trillion \(2\)](#)."

Premium by life/health (L/H) insurers accounted for [53% \(2\)](#) of the total premiums while premiums by property/casualty (P/C) insurers accounted for [47% \(2\)](#). The US accounts for [28% \(5\)](#) of the total global insurance premium. Again, all our effort to find any data that would give us an idea of the percentage or amount of the premium that is from risk managers or the risk management industry didn't yield any concrete result.

The global risk analytics market was worth [\\$13.72 billion \(3\)](#) in 2016 and is expected to grow rapidly with a CAGR of [17.2% \(3\)](#) to reach [\\$41.89 billion \(3\)](#) in 2023.

[A report \(4\)](#) on the global enterprise governance, risk and compliance market noted that risk management is the largest solution in 2016 in the market and that the risk management segment will reach [\\$15.96 billion \(4\)](#) in 2025. The 2016 market size is not available, however, if we assume the risk management segment will grow at the same CAGR of [12.7% \(4\)](#) from 2016 to 2025 as the entire enterprise governance, risk, and compliance market, we would have that the 2016 market size of the risk management market is about \$5.44 billion. We calculated the \$5.44 billion estimate with an [online CAGR Calculator \(6\)](#). We inputted the following value into [the calculator \(6\)](#) to get the \$5.44 billion 2016 market size: Final Value (i.e. 2025 market size) - [\\$15.96 billion \(4\)](#); Growth Rate = [12.7% \(4\)](#); Period - 9 years ([2016 -2025](#)) ([4](#)).

## CONCLUSION

To wrap up, after an extensive search we were unable to find data on the dollar amount of insurance purchased and the total number of assets that risk managers oversee in the US, however, the risk managers globally oversee more than \$13.6 trillion in assets and the risk management industry was worth about \$5.44 billion in 2016 and is expected to reach \$15.96 billion in 2025.

## SOURCES

1) Global risk management survey: 77 financial services institutions around the world have total combined assets of \$13.6 trillion

<https://www2.deloitte.com/insights/us/en/topics/risk-management/global-risk-management-survey.html>

2) Facts + Statistics: Insurance industry overview: The U.S. insurance industry's net premiums written totaled \$1.1 trillion in 2016

<https://www.iii.org/fact-statistic/facts-statistics-industry-overview>

3) Global Risk Analytics market is expected to grow from \$13.72 billion in 2016 to reach \$41.89 billion by 2023 with a CAGR of 17.2%.

<https://www.reuters.com/brandfeatures/venture-capital/article?id=15890>

4) Enterprise Governance, Risk and Compliance Market Worth \$64.6 Billion by 2025

<https://www.prnewswire.com/news-releases/enterprise-governance-risk-and-compliance-market-worth-646-billion-by-2025-grand-view-research-inc-649007503.html>

5) US has 28 percent of the world's insurance business, premiums are more than \$1 trillion. In the United States, the insurance business is generally viewed as three distinct segments, property/casualty, life and health.

<https://www.iii.org/publications/commercial-insurance/introduction>

6) CAGR calculator - Omni

<https://www.omnicalculator.com/finance/cagr>