

## Manage Pressing Risks in an Era of Uncertainty

*When risk management is effective, typically nothing bad happens. But, if you're blindsided by a problem, your credit union reputation takes the hit. Don't let not knowing which emerging risks are around the corner take the blame.*

*Credit unions that stay current on emerging risk trends and integrate risk management into their day-to-day business plans and operations are more likely to minimize losses.*



Keeping ahead of the complex array of ever-changing risks, compliance issues, and industry regulations requires keen awareness, effective preparation, and loss control scrutiny. While each credit union has its own unique risk footprint, our Risk Consultants have collaborated to put together these **ten emerging risk areas** that should be on your radar.



### Ransomware

Ransomware claims increased 239% and the average ransom payment has climbed exponentially - Q2 2020 was \$178,254 - according to Beazley.



### Operational Considerations

New work environments and external factors drive risk related to Employee Safety & Wellness • Internal Controls • Remote Working Capabilities • Absenteeism Planning

### Resiliency Planning

The perfect storm of challenges in 2020 highlighted the importance of deliberate business resiliency planning. Many found not all plans were fully sufficient.



### Fraud & Scams

Fraudsters have jumped on the opportunity to exploit weak security measures (P2P, kiting, fraudulent instruction) as employees and members adjust to a new environment.



### Default Management

Collections is a balancing act - between being empathetic while members are under financial stress and needing to collect on loan debt. It is critical to rethink your loan and collection strategies and risks.



### Employment Practices

Risks related to different remote management styles, cultural issues, rethinking roles, and even staff adjustments or reductions can drive potential risk and litigation.

### Employee Dishonesty

Adjusting business practices can result in more lax internal controls. Employee & Director Dishonesty and Faithful Performance account for 47% of Bond claim dollars paid over the last 5 years.



### Digital Transformation

The pandemic influences on member preferences are far-reaching. Strategic decisions to move forward with a digital transformation should carefully consider risks too.



### Mergers & Acquisitions

M&A can drive measurable benefits. However, they can come with unanticipated complications, challenges, and mistakes if proper oversight is not in place.



### Compliance & Regulations

As regulations across the financial services industry evolve, credit unions must work to understand and revamp compliance initiatives.

Stay tuned as more risk details, actionable insights, and mitigation tips are shared throughout 2021.

Can't wait? Contact our Risk Consultants at [RiskConsultant@cunamutual.com](mailto:RiskConsultant@cunamutual.com) or **800.637.2676**.

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