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**A Primer on Managing Operational Risk  
for Insurance Companies**

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# **A Primer on Managing Operational Risk for Insurance Companies**

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## **Abstract**

This paper will describe operational risk from the insurance company standpoint, including the definition, identification, monitoring, mitigation, and controls that are appropriate and necessary for this risk. Controls are important because companies receive no reward from taking operational risk—it is inherent and widespread. Operational risk is more qualitative than quantitative. I will discuss issues with quantifying and possible solutions.