

RISK AND INSURANCE
MANAGEMENT SOCIETY

ANNUAL REPORT



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LETTER FROM LEADERSHIP



2020 was a year like none other experienced by the risk management profession, the insurance industry and RIMS.

In the midst of one the hardest insurance markets in several decades, the COVID-19 global health pandemic brought businesses to a stand-still. Around the globe businesses were forced to shut locations, close store-fronts and factories, cancel events, curtail travel and manage workforce challenges. Supply chains were decimated and an overwhelming reliance on technology to continue some aspects of business and maintain communications opened the doors to greater data and cyber security risks.

Throughout the year, risk professionals were called on to act quickly and help their organizations adapt to the changing environment around them. The word “pivot” dominated business conversations as every business leader, every operations manager and every line worker had to shift strategies and change processes to navigate new, and rapidly changing circumstances.

The value of risk management soared as organizations leaned on their risk leaders for critical insight to make informed decisions and strengthen resiliency.

With the spotlight shining brightly on risk management, RIMS had to pivot as well, making sure the Society continued to deliver the resources and support our global membership needed without the ability to host RIMS renowned face-to-face events and Annual Conference & Exhibition.

The pandemic accelerated a digital transformation that allowed RIMS to continue to facilitate the exchange of ideas, best practices and trends, while also providing our members the opportunity to network, advocate for the profession and, most importantly, learn.

We would like to thank our dedicated volunteers who enabled this Society to traverse 2020’s challenges, as well as our Board of Directors who set our strategy and RIMS staff for persevering and executing. Lastly, we commend our global risk management community for their achievements throughout the year and thank them for sharing those accomplishments with RIMS and remaining committed to our Society and advancing this rewarding profession.

Finally, RIMS Annual Report has always focused on new and ongoing initiatives carried-out by the Society throughout the year. However, like with everything else in 2020, this report will be different and showcase how RIMS business areas pivoted in a year like no other.

Sincerely,

A handwritten signature in black ink that reads "Ellen R. Dunkin".

Ellen Dunkin

RIMS 2021 President

A handwritten signature in black ink that reads "Mary Roth".

Mary Roth

RIMS CEO

RIMS BOARD OF DIRECTORS



RIMS 2021 President

Ellen Dunkin, Esq.
Senior Vice President, General Counsel
& Chief Risk Officer
Amalgamated Life Insurance Company



RIMS 2021 Vice President

Patrick Sterling, SPHR, SHRM-SCP
Senior Director, Legendary People and
Risk Management
Texas Roadhouse



RIMS 2021 Treasurer

Jennifer Santiago, RIMS-CRMP, ARM
Director, Risk Management and Safety
Wakefern Food Corporation



RIMS 2021 Secretary

David Arick, ARM
Assistant Treasurer, Global Risk Management
International Paper Company



Kevin Bates
Group Head of
Risk & Insurance
Lendlease



Penni Chambers
Assistant Vice President,
Risk Management
Hillwood a Perot Company



Barry Dillard
Vice President of Risk
Management Services
The Walt Disney World Resort
and Disney Cruise Line



Twane Duckworth
Managing Director—
Risk Management
City of Garland



Christina Gardiner
Manager,
Insurance and Risk
York Region



Christy Kaufman
Vice President,
Risk Management
Zillow Group



RIMS 2021 Ex-Officio
Laura Langone, JD, MBA
Director, Insurance Risk
Rivian



**Kristen Peed, CPCU, ARM-E,
RPLU, CRM, CIC, AAI**
Corporate Director, Risk
Management and Insurance
CBIZ, Inc.

ABOUT RIMS



RIMS, *the risk management society*[®], is a global not-for-profit committed to advancing the practice of risk management throughout the world. We bring networking, professional development, certification, and education opportunities to our membership of 10,000 risk management professionals in over 60 countries. Founded in 1950, the Society represents more than 3,500 industrial, service, nonprofit, charitable, and government entities throughout the world. To access RIMS Risk Knowledge resource library and for additional information about the Society, visit www.RIMS.org.

MISSION AND GOALS

Mission

To educate, engage and advocate for the global risk community.

Strategic Goals

- Ensure a sustainable and adaptable organization
- Equip risk professionals globally to succeed in an evolving environment
- Enhance engagement with members and the broader risk community
- Expand RIMS influence worldwide

RIMS STANDING COMMITTEES, COUNCILS & COMMISSIONS

Annual Conference Programming
Audit and Compliance
Diversity & Inclusion Advisory
Exhibits Advisory
External Affairs
Finance
International
Member and Chapter Engagement
Nominating and Governance
RIMS Canada
RIMS-CRMP Certification
Standards and Practices
Strategic and Enterprise Risk Management
Student Advisory

AWARDS & HONORS

Throughout the year, RIMS honors the commitment of its chapters and the risk profession's trailblazers. Below are the professionals and RIMS chapters that were recognized for their extraordinary contributions to the Society and risk management in 2020.



Harry and Dorothy Goodell Award

Audrey Rampinelli

SVP, Risk Management & Insurance Services
Mastercard

RIMS most prestigious honor, the Harry and Dorothy Goodell Award, pays tribute to an individual who has furthered the goals of the Society and the risk management discipline through outstanding service and achievement. The award is named in honor of RIMS' first president, Harry Goodell.



Heart of RIMS

Laurence Glasser

Director of Risk Management at Amerijet
Holdings, Inc.
RIMS Broward County Chapter

The Heart of RIMS award pays tribute to the legacy of Ron Judd, who served as the RIMS Executive Director for 22 years. Individuals are nominated by chapters for outstanding performance in furthering risk management at the chapter level.



Risk Manager of the Year

Roxsann Wilson

Vice President of Risk Management
Cardinal Health



Risk Management Honor Roll

Jane Sandler

Vice President, Global Risk Management
McKennon Corp

Acquired by RIMS in 2017, The Risk Manager of the Year program – that includes the Risk Management Honor Roll – aims to raise the profile of the risk management profession and the outstanding programs practitioners have implemented within their organizations.



Richard W. Bland Memorial Award

Mark Huphreys

Vice President, Litigation & Risk
Management
Watt Companies

The Richard W. Bland Memorial Award was created by RIMS Kansas City Chapter in 1974 to recognize a member's dedicated commitment in the area of legislation or regulation.



RIMS Rising Star Award

Katherine Dawal

Manager of Risk and Insurance
K+S Potash

Established in 2015, the RIMS Rising Star Award honors up-and-coming risk management professionals under the age of 35 or who have seven or less years of experience in the industry.



Donald M. Stuart Award

Elizabeth "Betty" Clark

Manager, Corporate Risk and Recovery
City of St. John's

Created by RIMS Ontario Chapter in 1979, the award is granted annually to a Canadian risk professional to recognize outstanding contributions to the industry. The award is

RIMS' highest honor for risk management in Canada and is presented at the RIMS Canada Conference.

AWARDS & HONORS *(cont'd)*

2020 Spencer-RIMS Risk Management Challenge **St. Joseph's University**

In partnership with The Spencer Educational Foundation, teams comprising undergraduate risk management and insurance students compete by developing and presenting risk management strategies to a panel of judges at RIMS Annual Conference & Exhibition.

ERM Award of Distinction **Infosys Limited**

Honorable Mentions:

HDFC Life Insurance
HIS Markit

Presented annually at RIMS ERM Conference, the ERM Award of Distinction reviews the scope an organization's ERM program and how it engages different levels throughout the organization; the program's link or connection to the company's overall mission; and its ability to create additional value for the organization.

RIMS ERM Award of Distinction India **Infosys Limited**

Presented annually at RIMS Risk Forum India, the award recognizes organizations that have demonstrated the impact and value of successfully employing an enterprise risk management program in India.

Fred H. Bossons Award **Ronnie Yuen**

Underwriting Assistant
Starr Technical Risks Canada Inc

Each year, the Fred H. Bossons Award honors the risk management professional who earns the highest marks on the three courses required to receive the CRM designation.

CHAPTER AWARDS

RIMS presented its ECHO Awards to outstanding chapters. The ECHO Awards Program – Enhancing CHapter Outcomes – honors chapters that have successfully aligned their programming with RIMS strategic priorities to Innovate, Develop, Engage and Advocate for the global risk community. This year's chapter recipients received ECHO Awards in the following categories:

- RIMS Chapter of the Year – RIMS Nevada Chapter
- Innovation – RIMS New York Chapter
- Resource Development – RIMS Upstate New York Chapter
- Engagement – RIMS Orange County Chapter
- Advocacy – RIMS Broward County Chapter

MEMBERSHIP



With COVID-19 impacting business operations globally, RIMS had to quickly shift its focus to bolster virtual member benefits that would continue to provide exceptional value to the Society's risk management network.

RIMS teams leveraged Opis, online education, Risk Knowledge, Risk Management magazine, and other new technologies to continue to deliver webinars and exceptional networking experiences for members, chapter leaders and their local communities.

Opis, RIMS member-only online community, was used by over 70% of members. This extremely valuable benefit allowed them to share strategies and best practices for navigating risks associated with the global pandemic, as well as other existing, emerging and evolving risks on the horizon.

Adopting the Zoom Meeting digital communication platform allowed RIMS to share its capabilities with chapter leaders. This networking tool empowered chapters leaders to provide highly-relevant risk management insight while also keeping membership engaged. More than 100 chapter meetings were held using the platform.

To help improve member recruitment, engagement and retention, RIMS unveiled the new RIMS Digital Member Badge in June 2020. This allowed members to easily share their badge with peers on social media, and in their email signatures, to show that they belong to an organization that advocates for the risk management profession.

In 2020, RIMS officially welcomed the RIMS India Chapter. The chapter is RIMS 80th and the fifth outside of North America. Led by risk professionals in the country, the chapter continues to have tremendous success gaining support and partnering with leading educational institutions, insurers, brokers and other solution providers. The Society continues to make progress building its network in the ASEAN region (including Singapore) and China.

Diversity and Inclusion

RIMS Diversity, Equity & Inclusion Vision Statement:

RIMS is driven to empower us all to build a highly diverse, equitable and inclusive culture of belonging in our global risk community.

The Diversity, Equity and Inclusion Advisory Council developed a 2020-2022 D&I Strategy. It was reviewed by the Board and presented to Leadership Forum attendees, and received support to move forward with the strategy's goals, programs and initiatives. Its three goals are Driving Intentional & Inclusive Thought Leadership, Focus on the Future, and Create Culture & Capabilities Within Our Communities.

Around the global, social injustices, once again, were brought to the forefront. As organizations employed new strategies to enhance their DE&I initiatives, RIMS held several webinars and published articles on the topic to help guide risk professionals.

Additionally, the Diversity, Equity and Inclusion Advisory Council has worked closely with RIMS chapters, helping them establish chapter board positions dedicated to DE&I initiatives.

RIMS Path to the Board

To address a lack of risk management representation in boardrooms around the world, RIMS launched the "Path to the Board" initiative in 2020.

The program aims to provide risk professionals with the tools, connections, strategies and skills to aspire for and ascend to board director service in their careers. For current board directors, the program will deliver fundamental risk management knowledge and strategies to help them strengthen executive decision-making. RIMS Path to the Board kicked-off with several webinars in 2020 and looks to expand its offerings in 2021.

The Next Generation

The RIMS Rising Risk Professional Advisory Group (RRP) developed a manual titled, "Path to Chapter Leadership: Volunteer Opportunities for Rising Risk Professionals." This guide for chapters helps leaders identify RRP volunteers, building a pipeline of talent to strengthen chapter sustainability. Whether a chapter is looking to create a new RRP Chapter Chair position or to enhance that position, the toolkit was designed to assist them to establish and grow a vibrant local RRP network.

The RIMS Rising Star Award honor was presented to Katherine Dawal, Manager of Risk and Insurance, K+S Potash for demonstrating exceptional initiative, volunteerism, professional development and leadership potential.

Students

RIMS continued to recognize students from around the globe. Though RIMS 2020 was cancelled, the Anita Benedetti Student Involvement Program moved forward with recognizing 36 students, including six from outside of North America. Initiated as a pilot program at the 1978 RIMS Annual Conference, the program recognizes exceptional students involved in the study of risk management, and has grown into a differentiating part of the RIMS Annual Conference.

RIMS also pivoted quickly to host the annual Spencer-RIMS Risk Management Challenge virtually. Eight university teams were invited to participate (narrowed down from 24 team submissions), and each team presented a risk management program to address a specific risk situation to a panel of judges. During the conference, the teams were narrowed down to three finalists and the winner was Hartford University.

STRATEGIC INITIATIVES

RIMS' content team conducts investigative research in developing engaging and relevant program content and identify emerging and popular topics and risk management trends. This in itself is quite an undertaking and the emergence of COVID-19 shifted RIMS strategy and the insight it delivered.

RIMScast and Webinars

RIMScast was launched in September 2018 and continued to grow its worldwide audience throughout 2020. RIMS continued the weekly podcast schedule and by the end of the year posted its 115th episode, reaching approximately 45,000 unique downloads. RIMScast includes sponsored episodes with AXA XL and Gallagher, further generating revenue from this outlet.

The advantage of podcasting is that it can be done in any location. The remote capabilities already in place made the transition seamless. It also offered flexibility for clients and show guests.

Webinar production experienced tremendous growth in terms of production, scheduling, engagement and revenues. Sponsors and clients needed more remote and virtual capabilities and immediately sought RIMS as an outlet for their webinar distribution. Our frequency increased from twice monthly to weekly by the end of Spring. New series (sponsored and non-sponsored) were created and led to longstanding partnerships.

Webinars and Zoom conferences (the Society's adopted technology platform for remote communication) were the focal point of other events, such as RIMS Advocacy Week 2020, RIMS Town Halls, and the RIMS-Bermuda Series (with the BDA).

Special Featured Content

In addition, RIMS Strategic Initiatives produced and led three different interview series to help promote RIMS offerings and value.

1. **The ERM Interview Series**, housed on the RIMS Strategic and Enterprise Risk Management Council webpage, features successful risk management professionals and discusses their organizations' ERM journeys.
2. **RIMS-CRMP Stories**. Launched in 2019, the stories feature insight from experienced and rising risk professionals from all over the world. Their insight is used to promote the value of the RIMS-CRMP certification and inspire others to study for the exam.
3. **The RIMS Risk Leaders Interview Series**. Launched in early 2020, this audio series differs from RIMScast in that it goes in-depth about risk leaders and their career journeys. It explores the topics of diversity, risk philosophy, management and how guests used their risk skills and knowledge to solve critical challenges.

RIMS 2020 ERM Conference

Focusing on the value that enterprise risk management can provide, the tenth annual RIMS ERM Conference program was presented virtually and structured to provide participants with unique opportunities for learning and networking in a virtual and interactive environment. The conference theme was "Catalyzing (Y)our World."

The 2-day ERM Conference featured a thought-provoking keynote by Dr. Andrea Bonime-Blanc, a seasoned risk professional with decades of



experience advising board members on risk management and the author of *From Gloom to Boom*. Day 2 featured a keynote from James Lam, who is widely recognized as the first professional chief risk officer.

The virtual environment was challenging in the pre-recording and preparation of the videos for airing. However, this format gave the RIMS team the opportunity to preview for quality assurance.

Students from various universities participated in the conference through a grant from the Spencer Educational Foundation. Infosys received the ERM Global Award of Excellence. IHS Markit (US), and HDFC Life Insurance (India) received honorable mentions.

Standards Development

RIMS is involved in the following International standards development:

- Co-published the [ANSI/ASIS/RIMS Risk Assessment Standard](#) on May 13, 2020.
- Member of US TAG to ANSI for ISO Technical Committee on risk management. US delegate in plenary meetings. Member of ISO 262 Strategic Advisory Group (SAG) and Working Group on a Risk Management Implementation Handbook.
- Liaison on the ISO 309 technical committee on governance of organizations. Member of Working Group on the main Governance standard.
- Member of US TAG to ANSI for ISO Technical Committee on safety and health standards.

Strategic and Enterprise Risk Management Practices

Members of the Strategic and Enterprise Risk Management and Standards & Practices Councils delivered professional reports and tools:

- [2020 Enterprise Risk Management Benchmark Survey](#) (released in 2021)
- [Closing the Gaps on Reputational Risk Management](#) (Sept. 2020)
- [RIMS Professional Growth Model](#) (Nov. 2020)
- [4th Colloquium Memorandum: The Importance of ESG](#) (Nov. 2020)
- [Pivoting From ERM to SRM](#) (Oct. 2020)
- [Innovation + Strategic Risk Management: A Positive Pairing for a Better Future](#) (Feb. 2020)

KNOWLEDGE & LEARNING



Knowledge and Learning (K&L) continues to research and identify emerging trends and create content that addresses current events relevant to the risk professional community.

Workshops

In 2020, in person events such as workshops were significantly impacted by COVID-19.

The K&L team quickly adjusted to virtual events and completed 20 public and four private workshops to over 200 attendees. Enrollment in workshops rose considerably bringing the average workshop registration from 9 to 16 individuals.

K&L also fostered new relationships with three universities: Hartford University, University of Southern California, and George Mason University. With RIMS, they conducted four public RIMS-CRMP certification virtual workshops.

Content Development

RIMS K&L team developed three new workshops in 2020. “ORSA”, “ORSA for ERM”, and “Risk Appetite Management” were created and developed with the assistance of RIMS volunteers and give attendees important tools for decision-making and strategic analysis. The ORSA courses were debuted for an organization in Hong Kong in the Fall of 2020 and are now available as public courses.

EVENTS & EXHIBITIONS



RIMS 2020, the 58th Annual Conference & Exhibition for RIMS was cancelled in March of 2020 due to COVID-19 and closures of the convention center and hotels in Denver. This was a heartbreaking decision for the Society, as the event was on course to attract more than 10,000 risk professionals. The Events and Exhibitions team successfully managed the cancellation, unraveling contracts with more than 50 hotels, countless venues and hundreds of partner contracts.

Launched in 1963, RIMS Annual Conference & Exhibition typically attracts some 10,000 risk insurance professionals each year at all experience levels, business executives with risk management interests, brokers, insurers and service providers for the ultimate educational and networking experience. The four-day event usually offers keynote presentations, special events and an expansive Marketplace (exhibit hall).

RIMS ERM Conference 2020 was held in November and was conducted virtually. The Events and Exhibitions team evaluated more than 20 virtual platforms for our first fully virtual conference. The conference explored best practices for implementing and sustaining enterprise-wide risk management programs, as well as strategies for risk professionals to demonstrate the value of enhanced risk management capabilities to senior level decision-makers. The event attracted 350 risk professionals, and the feedback was very positive.

The Events and Exhibitions team continued to engage the global risk community delivering the Risk Forum India in December. Delivered virtually, the global forum attracted some 300 risk professionals from the India market. The team continues to support the global development efforts. The global Risk Forums are intended to increase brand awareness and provide regionally specific risk management education to new markets. The India Forum 2020 was supported by local members and RIMS Regional Advisory Groups.

RIMS-CERTIFIED RISK MANAGEMENT PROFESSIONAL CERTIFICATION



Meeting the Challenges During the Pandemic

RIMS certification team has taken many of steps to help mitigate the impact of the pandemic for our RIMS-CRMP certification holders and candidates. Some of the key changes that we quickly implemented included pivoting to a remote proctored exam, offering virtual prep classes and granting exam and recertification extensions to help support our global certification community during these unprecedented and challenging times.

During the pandemic, many of the Pearson VUE testing centers around the world were temporarily closed. The closures resulted in many cancelled exams and candidates were unable to schedule their exams. As the centers started to reopen in the US, Canada and in other countries around the world, we helped our candidates reschedule their exams and waived all extension fees. We also pivoted to remote proctored exams to offer greater flexibility to our candidates. They can now take the exam at a Pearson VUE testing center or remotely from their home or our office. About 55% of candidates are choosing remote exams and we anticipate that this will continue to grow well into the future.

Our instructor led virtual prep courses and remote proctored exams have been very well received and we are getting positive feedback. These changes allow us to be at the frontline in offering educational and certification bundled solutions to meet the specific needs of our chapters, corporations, and the global risk community.

The RIMS-CRMP was established to set competency requirements to advance the risk management profession. Individuals who earn the certification have demonstrated knowledge, achieved the required risk management competencies, and are dedicated to upholding high standards of ethical and professional practice. The certification explores the following five risk management competency areas: analyzing business models; designing organizational risk strategies; implementing the risk process; developing organizational risk competency; and supporting decision-making.

The RIMS-CRMP Certification is the only risk management certification in the world to hold an accredited status. It received official accreditation by the American National Standards Institute (ANSI) under ISO/IEC 17024:2012 in 2017.

The RIMS-CRMP Global Initiatives

RIMS continues to identify higher education partners to help deliver cutting-edge risk management education for graduate-level students and business executives around the world

RIMS teamed up with many universities and organizations in the US, Canada, India and Singapore to offer exam preparatory courses. Some of our most successful university programs and partnerships in the US includes those with: St. John's, Hartford and George Mason. In India, we have a strong relationship with: TATA AIG and Prudent Insurance Brokers; and in Asia: Hong Kong Federation of Insurers and Lingnan University.

The Society supports the universities through the development and implementation processes to continue to provide the world's risk management community with advantages to excel professionally.

In 2020, there were over 400 RIMS-CRMP certification holders in 23 countries from around the world. Many of our certification holders were from the US and Canada, and our global reach continues to expand into Singapore, India and Australasia as well as many other countries. The Society has a strong pipeline of over 1,000 RIMS-CRMP candidates who are seeking to earn their certification within the next year and a half.

GLOBAL DEVELOPMENT



Due to the global pandemic, RIMS Global Development endeavors outside of North America had to pivot.

Focusing on the expansion of RIMS service delivery and influence globally, RIMS Global Development team explored and assessed targeted stakeholder needs and opportunities that were intended to boost membership development, certification holders, education courses, and revenue growth virtually, in the following geographical countries and areas: India, Singapore, China Mainland, China Hong Kong, and Japan.

Despite all obstacles, the RIMS Global Development team continued to build additional relationships in targeted countries to showcase RIMS advantages to the local risk management communities, setting the stage for revenue-generating agreements that fuel Global growth for years to come.

INDIA

In India, the third annual RIMS India Risk Forum took place in December 2020 but the two half-day event was conducted virtually. There were over 300 registrants from a diverse set of companies, and eight sessions with high-level speakers focusing on a variety of risk management topics. Five local companies sponsored this Forum.

RIMS secured multi-year agreements with Prudent Brokers and JB Boda Brokers in India for a variety of activities ranging from RIMS India Risk Forum sponsorship, webinars, masterclasses, podcasts, magazine advertisements, whitepapers, research reports and blogs.

RIMS also conducted large scale webinars with nearly 1,000 professionals participating, significantly increasing RIMS' visibility in the region.

A digital marketing initiative was conducted during the 4th quarter of 2020 to gain visibility of the RIMS brand and to promote the RIMS India Risk Forum 2020. Learnings from this initiative will be integrated with future marketing initiatives to enhance RIMS presence in India.

RIMS continued to leverage its India WhatsApp and RIMS India LinkedIn channels to promote regional and international risk management content to engage with our subscribers. At the end of 2020, the WhatsApp platform has 400 followers and RIMS India LinkedIn group has 700 members.

Most notably, RIMS India Chapter was approved by the RIMS Board of Directors during the July 2020 meeting. The chapter formed a leadership group to register the entity in India. Activities such as RIMS India website were underway.

Discussions initiated with the government of India to develop the RIMS ORSA course. RIMS created relationships and executed industry level engagements in the form of webinars with corporate bodies such as Confederation of Indian Industries (CII) and National Insurance Academy (NIA). Involving India government representatives and participants opens potential advocacy opportunities for RIMS in the region.

SINGAPORE

In Singapore, RIMS continued to leverage the RIMS Singapore WhatsApp channel to promote regional and international risk management knowledge and engaged with subscribers. There were close to 100 followers in the RIMS Singapore WhatsApp channel.

Singapore has the highest number of RIMS-CRMP Certification holders outside of North America.

In 2020, Singapore Management University (SMU) conducted 2nd and 3rd intakes of the Executive Certificate in Risk Management Leadership Program, which utilized the RIMS-CRMP DaCUM. SMU incorporated RIMS-CRMP exam fees as part of this program in the past year and half.

Nanyang Technological University conducted 3rd intake in 2020 of the Nanyang Enterprise Risk Management Executive Education Program which utilized the RIMS-CRMP DaCUM.

RIMS continued the partnership with Asia Insurance Review on its prestigious Annual Industry Awards in November 2020. Three finalists of its Corporate Risk Manager Awards were all associated with RIMS. The winner, Sharon Xu, is a member of the RIMS' China Regional Advisory Group. Mary Roth, RIMS CEO, presented the award and was featured at this virtual event.

GLOBAL DEVELOPMENT *(cont'd)*

CHINA

In China Mainland, RIMS WeChat account, dedicated to providing in-language risk management contents and news that are relevant to the China market continue to gain followers. There were over 300 followers as of December 2020. Peking University formed a team to participate in the 2020 Spenser-RIMS Risk Management Challenge.

In China Hong Kong, RIMS worked closely with faculties and students of Lingnan University Department of Finance and Insurance, Risk and Insurance Management Program on ABSIP scholarship and RIMS-CRMP certification examination. Their program is aligned with the domains of RIMS-CRMP. Similar effort was underway with Hang Seng University.

RIMS delivered the inaugural Hong Kong Federation of Insurers RIMS bundle education package which included RIMS-CRMP online self-study preparation, live virtual ERM for ORSA, and virtual ORSA courses to HKFI members in November of 2020.

Funding for RIMS Risk Management courses to Hong Kong Confederation of Insurance Brokers was secured from the Hong Kong government and the courses will be delivered in 2021.

RIMS continued its engagement with Insurance Authority of Hong Kong, including RIMS' inclusion on IAHK's BRIEF platform.

RIMS International Council

RIMS International Council continued to fulfill the international needs of RIMS members at large. Five IC members acted as the judges for International ABSIP scholarships. Six IC members became mentors to the 6 International ABSIP scholars. The scholars were from India and China. Deliverables for 2020 included blogs and a webinar on "Risk Management in Response to COVID-19 from Three Institutional Perspectives" which was attended by 180 professionals.

GOVERNMENT AFFAIRS



RIMS Advocacy is guided by the RIMS mission to advocate for the global risk management community, and, in normal years, RIMS External Affairs would focus on a broad range of legislative priorities. However, in 2020, the Society's attention shifted, concentrating on supporting risk professionals' navigation of the devastating business interruptions caused by the COVID-19 pandemic.

When it became apparent that the COVID-19 pandemic would significantly impact organizations' ability to continue routine business activities, RIMS surveyed members to gauge their interest and concerns, including gaining a perspective on the need for a federal pandemic insurance backstop. Findings included:

- 67% of risk professionals anticipate direct business interruption losses due to COVID-19;
- 77% expect the losses to be over \$1M. Included in that group was 36% who estimate losses to be more than \$25M;
- 91% are supportive of a TRIA-type federal loss-sharing program for insurance claims relating to losses resulting from a pandemic or epidemic;
- 65% of risk professionals would be willing to pay up to 5% more in premium.

As a result, the Society issued a letter to the U.S. Department of the Treasury, Congress and the Office of U.S. President Donald J. Trump requesting the creation of a pandemic risk insurance program to accelerate economic recovery. It indicated that a pandemic risk insurance program would provide greater access to capital from lenders and establish a viable insurance market with sufficient, affordable capacity. Additionally, it would create certainty for businesses and organizations of all sizes across the United States and ensure that businesses can meet future pandemic events with greater resilience.

In June, RIMS announced its support for H.R. 7011 the Pandemic Risk Insurance Act of 2020 (PRIA) that was introduced by Congresswoman Carolyn Maloney (D-NY). The bill was reviewed by RIMS External Affairs Committee and it was determined that the proposed legislation would effectively create a Federal program that provides a transparent system of shared public and private compensation for business interruption losses resulting from a pandemic or outbreak of communicable disease. The inclusion of a Pandemic Risk Reinsurance Program within the Department of the Treasury would also help to create a realistic market for pandemic insurance.

The Society also launched a grassroots effort, encouraging RIMS U.S. members to engage congressional leaders regarding a private-public solution to pandemic risk.

RIMS Virtual Legislative Summit

With the pandemic still stifling business, RIMS held its 2020 Legislative Summit virtually between September 14 and 17.

The Summit featured sessions and thought leaders who delivered insightful presentations on the election, as well as federal and state political issues concerning U.S. risk professionals.

The Summit had a heavy emphasis on addressing and advancing the Pandemic Risk Insurance Act (H.R. 7011). This was the key message during virtual congressional visits.

And, while the COVID-19 pandemic permeated every discussion, panelists were also able to weigh in on risks presented by mail-in balloting, natural disasters and cybersecurity developments.

RIMS Richard W. Bland Memorial Award

The Richard W. Bland Memorial Award was presented to Mark Humphreys, Vice President, Litigation & Risk Management for Watt Companies. Mark has been a long-time contributor to RIMS advocacy efforts and chaired the Society's External Affairs Committee in 2020. His term will continue in 2021. The award was created by RIMS Kansas City Chapter in 1974 to recognize a member's dedicated commitment in the area of legislation or regulation.

Promoting RIMS Advocacy Efforts

Florida Insurance Commissioner David Altmaier leads the Office of Insurance Regulation and has oversight of one of the largest insurance markets in the world. He is also the President-Elect of the National Association of Insurance Commissioners (NAIC), and will assume that post in 2021. Prior to his Fireside Chat during RIMS Advocacy Week, Commissioner Altmaier appeared on RIMScast to discuss COVID-19's impact.

Additionally, RIMS External Affairs coordinated the following RIMScast episodes to support the Society's advocacy efforts:

- Post-Election Update with Whitney Craig
- RIMS Advocacy Week & Legislative Summit with Penni Nelson and Manny Padilla
- Cyberrisk News and Trends with Tony Anscombe (Part 1 & 2)
- RIMS Advocacy with Jay Gates
- What the Reauthorization of TRIA Means for Risk Professionals
- The California Consumer Privacy Act with Terri Cotton Santos
- RIMS Advocacy Update and Driver Safety with Mark Humphreys

PUBLICATIONS



In 2020, the Publications department continued its mission to produce industry-leading information and analysis for RIMS members and the risk management community, both in print and digitally.

However, like every other RIMS department, the pandemic forced us to revamp our processes, and shift magazine production to an all-digital operation. This required creating and implementing new work processes for all facets of production including writing, editing, proofreading and layout, accurately tracking the progress of the various components. This ensured that quality standards and deadlines were met so that members and subscribers would receive the publication as expected, even under difficult circumstances.

In response to pandemic circumstances, we developed the Coronavirus Resource Center, revamped our digital magazine page, and initiated new email marketing campaigns to provide members and readers with easier access to information and content, as well as new opportunities for advertisers, even when they couldn't be in their office.

RIMS also worked to strengthen our digital offerings by initiating the development of a RIMS mobile app and redesigning the Risk Management magazine website. These will allow us to provide dynamic digital content and better functionality to engage with our global audience.

Overall, Risk Management magazine covered a variety of topics for its nearly 18,000 subscribers, with articles on COVID-19, cybersecurity, enterprise risk management, disaster preparedness, climate change, insurance

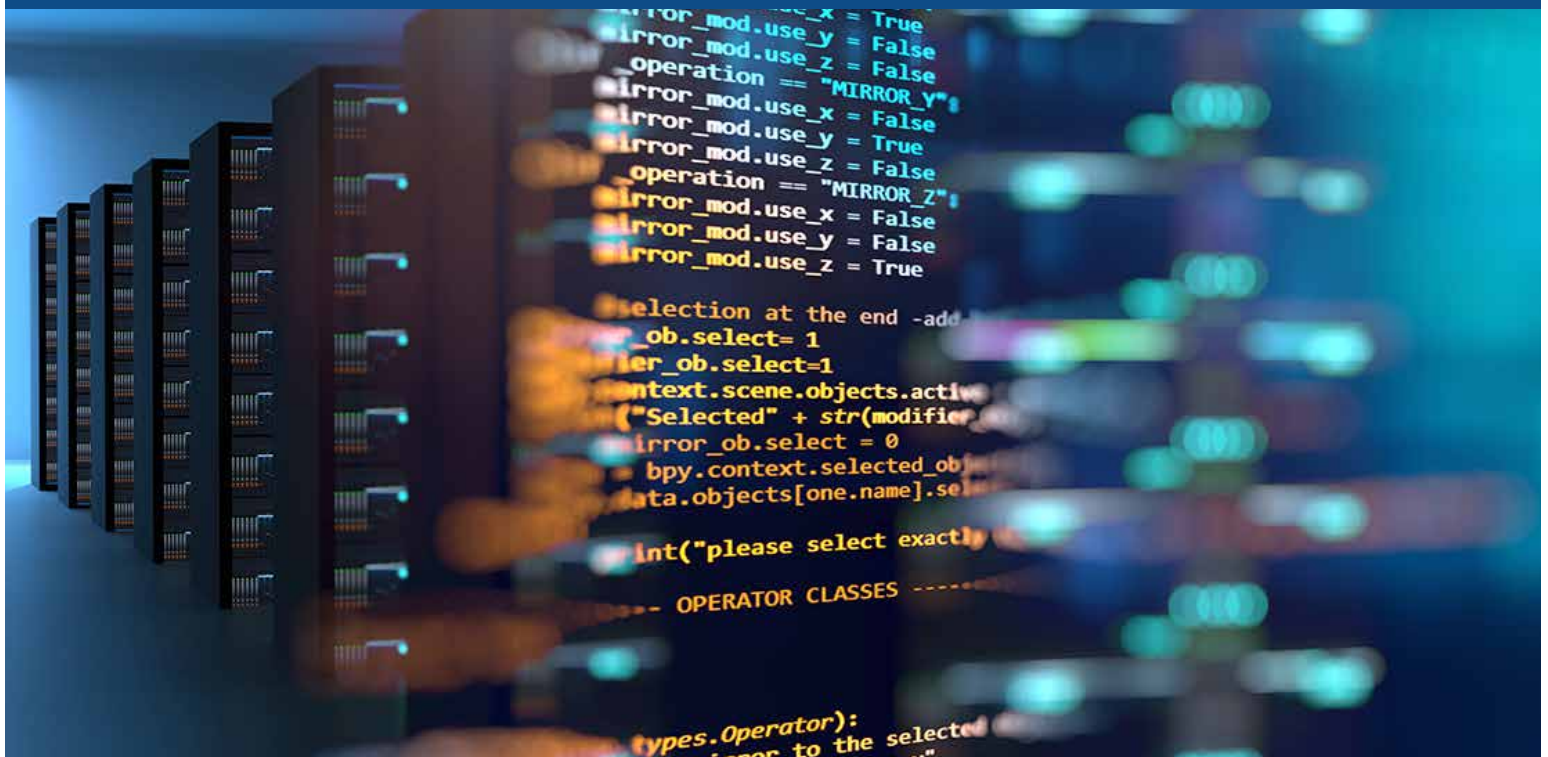
considerations, supply chain concerns and emerging technology risks, as well as a special edition devoted to RIMS award winners, including the Risk Manager of the Year and the Goodell Award recipient. We also published online exclusive content on RMmagazine.com and the magazine's official blog, the Risk Management Monitor to provide readers with additional resources for risk management information.

In recognition of the magazine's high quality, Senior Editor Hilary Tuttle and the magazine itself were recognized as top digital influencers and resources in Analytica's "Who's Who in Risk Management" report, which analyzes social media, blogs, podcasts, etc. to determine the experts that have the most online reach and engagement in a given field.

The department also produced a number of white papers and reports in conjunction with various RIMS departments and committees, including papers on strategic risk management and innovation, remote workforce considerations, enterprise risk management benchmarking, foreign voluntary workers compensation, reputation risk (with Airmic and RepTrak) and business interruption (with Prudent of India).

Finally, in collaboration with the RIMS Canada Council, the department produced three seasonal RCC newsletters, which were distributed to RIMS Canadian membership.

TECHNOLOGY



As businesses were interrupted around the world and RIMS had to quickly adapt to new challenges brought on by the global pandemic, enhancing RIMS technological capabilities became even more critical.

At the onset of the pandemic in the United States, RIMS staff was forced to shift to a remote work arrangement, thus requiring RIMS to activate the latest technologies to support both communication and security.

In 2020, RIMS successfully equipped all RIMS employees to carry-out their responsibilities with both hardware and software. In addition to outfitting them with laptops and other hardware ad-ons, the Society adopted the Zoom communications platform. Zoom provided RIMS with chat, video conferencing, phone, as well as document and screen sharing capabilities. Additionally, Office 365 and Dropbox for Business were implemented remotely to allow for more effective sharing of information and data files among RIMS employees.

With these new technologies in place, the Society was then able to extend these remote communication tools to RIMS Chapters. This enabled chapter leaders to continue to conduct meetings, deliver thought-leading educational programming and engage with their local risk communities.

However, with employees and volunteers accessing into RIMS' technology infrastructure remotely, as well as a greater dependence on technology in general, ensuring the Society's cyber security remained effective was RIMS Information Technology Team's (RIMS IT) top priority.

As RIMS IT managed the new remote work and virtual environment, they maintained 100 percent infrastructure availability and scalability while securing all platforms, at all times. RIMS IT implemented Malwarebytes endpoint protection, as well as Alien Vault SIEM cloud platform, a cutting-edge technology that enables more accurate and more real-time monitoring of both normal and suspicious cyber activity. As another safety measure, RIMS IT also successfully changed the domain administrator password to ensure RIMS data and intellectual property was secure.

RIMS IT played an integral role in the Society's efforts to become more digital/digitizing resources. A first step was bringing the RIMS Risk Management platform in-house. This endeavor included an updated platform that gives the Society greater creative design capabilities, more security while also the ability to obtain better analytics. The move also resulted in significant cost-savings for the Society. RIMS IT also streamlined data relating to the RIMS-Certified Risk Management Professional certification, adding a student category to the application and aligning RIMS-CRMP holders' profiles on netFORUM and the certification portal.

In addition to undertaking these shifts in strategies, RIMS IT continued to deliver exceptional support for all RIMS business areas, allowing them to remain effective and do their part to help advance the risk management profession around the world.

TREASURER'S REPORT 2020

The following commentary highlights the December 31, 2020 audited financial statements of the Risk and Insurance Management Society, Inc. (RIMS) and Subsidiary. The pandemic from COVID-19 had a material financial and operational effect on RIMS in 2020. In adherence with CDC guidelines and certain government orders, RIMS was forced to cancel its Annual Conference and Exhibition, its NextGen Conference, and numerous in-person educational events. RIMS received \$7,555,307 in insurance proceeds to cover losses of the cancellation of the two conferences of which \$3,535,372 was received as of December 31, 2020 with the balance collected in January 2021. Additional measures taken to mitigate the effects of the pandemic on RIMS financial situation include:

- Obtaining a working capital line of credit from a large national recognized bank in the amount of \$3 million to act as a hedge against potential reserve portfolio erosion as RIMS waited for insurance claim payouts to fund operating costs;
- Successful negotiations with the head office landlord to utilize part of the Society's security deposit to cover a portion of rent payments repayable in 2022;
- Cost-cutting measures including a hiring freeze, reduction in travel and discretionary expenses and overall expense management.

Consolidated Balance Sheet

- Net assets at the end of 2020 were \$12,639,754 which represented a \$1,023,288 decrease from the end of 2019.
- As of 12/31/20, investments were down \$2,381,652 due to unrealized and realized gains of \$1,338,897 offset by \$3,765,000 in reserve dollars withdrawn to cover operating expenses pending a final insurance claim payout from the cancellation of RIMS 2020 Annual Conference & Exhibition which was received in January 2021.
- Deferred conference revenue decreased by \$511,835 in 2020. Prior to the conference cancellation, RIMS had collected approximately \$6 million in prepaid cash receipt of which a portion was refunded and the balance retained as deferred revenue and rolled over to RIMS 2021 Annual Conference & Exhibition at the request of the payees.
- Cash and cash equivalents decreased by \$423,328 as RIMS paid supported operating costs from cash on hand in addition to funding from reserves pending final payout of the event cancellation insurance claim.
- Accounts payable and accrued expenses decreased by \$1,000,330 primarily attributable to the annual \$200,000 payment of RIMS 3-year \$600,000 pledge to Spencer Educational Foundation payable over 2019-2021 and \$466,451 reduction in staff bonus and profit sharing accrual at year-end 2020 as these payouts were eliminated as part of cost-containment measures, and lower accounts payable obligations.

Consolidated Statements of Revenues and Expenses

Total Revenues excluding investments decreased by \$10,283,400

- Revenue from all RIMS events decreased by \$10,258,267 primarily due cancellation of RIMS 2020 Annual Conference and Exhibition, the NextGen event, and RIMS Canada Conference for which RIMS receives a management fee.

- The RIMS ERM Conference revenue was converted from an in-person to a virtual event resulting in decreased revenues from this source of \$216,535 in 2020 from 2019.

- Membership dues revenue were also affected by pandemic disruption resulting in a \$181,431 decrease in dues revenue.
- RIMS Canada Council revenue decreased by \$225,233 due to the cancellation of the 2020 event.
- GRMI revenue decreased by \$40,943 exclusive of investments and foreign exchange, as GRMI was able to quickly pivot to virtual exams from in-person testing.
- Despite the pandemic, revenue from Knowledge & Learning's professional development increased by \$85,295 as RIMS rolled out additional courses in virtual format.
- Publication revenue decreased by \$115,492 due to lower print advertising revenue as well as the effect of reduced membership on magazine subscriptions included in the membership fee.
- Online advertising and RIMS marketplace revenue decreased by \$36,764 due to lower sales and placement inventory.

Program Expenses decreased by \$4,180,569

- Decrease in expenditures is directly related to the cancellation of RIMS 2020.

Supporting Services Expenses decreased by \$1,582,187

- Supporting Services includes General and Administration, Information Technology, Finance and Accounting, and Client Services.
- \$600,000 of the reduction is attributable to the grant pledged to Spencer Educational Foundation in 2019, cost containment measures, virtual Board meetings replacing in-person meetings, and related-party expenses attributable to the carve out of the Singapore Branch from other operating costs in 2020.

Consolidated Statements of Cash Flows

- The significant changes from 2019 to 2020 on this schedule have been discussed above.

RIMS pledges to provide timely and innovative information, education, content, networking and advocacy to its members. The efforts of all the staff and volunteers who contribute every day to the success of this organization are greatly appreciated.

Respectfully submitted,



Jennifer Santiago
RIMS Treasurer

**Risk and Insurance
Management Society, Inc.
and Affiliate**

Consolidated Financial Statements
and Supplementary Information
Year Ended December 31, 2020

Risk and Insurance Management Society, Inc. and Affiliate

Consolidated Financial Statements and Supplementary Information
Year Ended December 31, 2020

Risk and Insurance Management Society, Inc. and Affiliate

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Independent Auditor's Report

The Board of Directors
Risk and Insurance Management Society, Inc. and Affiliate
New York, New York

Opinion

We have audited the consolidated financial statements of Risk and Insurance Management Society, Inc. and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

COVID-19

As more fully described in Note 3 to the consolidated financial statements, the Organization has been materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of operational revenues, expenses and change in net assets, consolidating schedule of financial position and schedule of activities on pages 24, 25, and 26 are presented for purposes of additional analysis and are not required parts of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and to other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

Information for the year ended December 31, 2019 is presented for comparative purposes only and was extracted from the consolidated financial statements of Risk and Insurance Management Society, Inc. and Affiliate for that year, on which we expressed an unmodified opinion dated May 5, 2020.

BDO USA, LLP

May 19, 2021

Risk and Insurance Management Society, Inc. and Affiliate

Consolidated Statement of Financial Position (with comparative totals for 2019)

<i>December 31,</i>	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 4)	\$ 1,645,814	\$ 2,069,142
Investments, at fair value (Note 6)	11,073,431	13,455,083
Advertising receivables (Note 4)	143,366	99,625
Insurance proceeds receivable	3,535,572	-
Other receivables	333,232	625,145
Prepaid conference expenses	135,537	405,424
Other current assets	606,965	875,213
Total Current Assets	17,473,917	17,529,632
Investments Held for Chapters	82,584	72,209
Property and Equipment, Net (Note 7)	663,969	848,229
Intangible Assets	605,817	565,380
Total Assets	\$ 18,826,287	\$ 19,015,450
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 523,129	\$ 832,447
Accrued payroll and related benefits	151,420	617,871
Contributions payable to affiliate, current portion (Note 8)	200,000	200,000
Contract liabilities (Note 4)	4,608,285	4,888,685
Total Current Liabilities	5,482,834	6,539,003
Contributions Payable to Affiliate, net of current portion (Note 8)	-	200,000
Deferred Rent	621,115	587,772
Liability for Chapter Investments	82,584	72,209
Total Liabilities	6,186,533	7,398,984
Commitments and Contingencies (Notes 9 and 10)		
Net Assets		
Without donor restrictions	12,639,754	11,616,466
	\$ 18,826,287	\$ 19,015,450

See accompanying notes to consolidated financial statements.

Risk and Insurance Management Society, Inc. and Affiliate

Consolidated Statement of Activities (with comparative totals for 2019)

<i>Year ended December 31,</i>	2020	2019
	(Without Donor Restrictions)	
Revenues, Gains and Other Support		
Conferences (Note 3)	\$ 658,578	\$ 10,543,131
Membership dues	2,101,433	2,282,864
Advertising	155,746	665,766
Publications	736,083	780,802
Membership and chapter services	288,022	420,069
Education, certification and GRMI	925,526	852,707
Other revenue	979,027	582,476
Investment income, net	1,338,897	2,415,969
Total Revenues, Gains and Other Support	7,183,312	18,543,784
Expenses		
Program services:		
Conferences	1,702,512	5,328,865
Publications	787,955	879,259
Global initiatives	716,061	879,098
Government affairs	506,221	441,519
Knowledge and learning	1,147,411	937,420
Certification	189,478	291,169
Membership	431,776	608,709
Sales and marketing	1,268,625	1,612,526
Global Risk Management Institute	302,122	254,165
Total Program Services	7,052,161	11,232,730
Supporting services:		
General and administration	6,272,587	7,873,065
Member and client services	394,506	376,215
Total Supporting Services	6,667,093	8,249,280
Total Expenses	13,719,254	19,482,010
Change in Net Assets , before foreign currency exchange gain and gain from insurance proceeds	(6,535,942)	(938,226)
Gain from Insurance Proceeds (Note 3)	7,555,307	-
Foreign Currency Exchange Gain (Notes 12 and 13)	3,923	30,861
Change in Net Assets	1,023,288	(907,365)
Net Assets , beginning of year	11,616,466	12,523,831
Net Assets , end of year	\$ 12,639,754	\$ 11,616,466

See accompanying notes to consolidated financial statements.

Risk and Insurance Management Society, Inc. and Affiliate
Consolidated Statement of Functional Expenses

	Program Services											Supporting Services		Total	
	Conferences	Publications	Global Initiatives	Government Affairs	Knowledge & Learning	Certification	Membership	Sales and Marketing	Global Risk Management Institute	Total Program Services	General and Administrative	Member and Client Services	Supporting Services		2020
Expenses															
Salary and benefits	\$ 843,291	\$ 489,236	\$ 320,097	\$ 361,809	\$ 664,641	\$ 130,665	\$ 206,110	\$ 1,050,123	\$ -	\$ 4,065,972	\$ 2,675,394	\$ 362,787	\$ 3,038,181	\$ 7,104,153	\$ 7,638,918
Office and admin	465	179	1,518	-	3,511	337	-	11,584	10	17,604	1,472,945	-	1,472,945	1,490,549	1,650,737
Conferences and events	785,906	-	10,656	-	-	-	-	7,687	-	814,249	-	-	-	814,249	4,463,624
Technology expenses	-	-	-	-	-	-	-	-	-	-	670,366	-	670,366	670,366	585,798
Related-party expenses	-	-	-	-	-	-	-	-	-	-	481,779	-	481,779	481,779	282,129
Marketing	-	62,493	47,341	-	47,745	19,901	83,853	127,464	-	388,797	-	-	-	388,797	495,373
Course development and dissemination	-	-	-	-	387,481	-	-	-	-	387,481	-	-	-	387,481	195,329
Professional fees	-	-	81,420	-	-	-	-	-	-	81,420	226,390	31,719	258,109	339,529	435,691
Bank/DC charges	-	-	-	-	-	-	-	-	361	361	248,346	-	248,346	248,707	394,061
Editorial and circulation expenses	131	233,638	507	42	2,278	-	1,082	-	-	233,638	194,627	-	194,627	233,638	279,386
Board and committees	-	-	-	-	-	-	-	-	180,281	4,050	11,000	-	11,000	198,677	474,097
Grants and contributions	-	-	-	-	-	-	-	-	-	180,281	-	-	-	191,281	725,976
Singapore branch-prior years	-	-	163,756	-	-	-	-	-	-	163,756	-	-	-	163,756	-
Certification	-	-	-	-	-	37,575	-	-	121,470	159,045	-	-	-	159,045	207,656
Government affairs	-	-	-	142,123	-	-	-	-	-	142,123	-	-	-	142,123	180,379
Government expenses	-	-	-	-	-	-	-	-	-	134,453	-	-	-	134,453	301,446
Memberships	840	1,589	-	-	11,367	500	3,151	40,646	-	58,093	22,089	-	22,089	81,082	144,407
Dues and subscriptions	-	-	78,780	-	-	-	-	-	-	78,780	46,120	-	46,120	124,900	60,020
Singapore branch - 2020	-	-	3,995	1,493	6,089	-	344	-	-	11,949	105,767	-	105,767	117,716	381,859
Miscellaneous	28	-	-	-	-	-	-	-	-	-	98,772	-	98,772	157,074	157,074
HR and other personnel	11,084	745	7,991	291	7,161	500	2,650	1,391	-	32,419	9,618	-	42,037	408,374	408,374
Travel	41,992	-	-	-	-	-	-	-	-	41,992	-	-	-	41,992	-
Prior-year adjustments	-	-	-	-	-	-	-	-	-	25,339	-	-	-	25,339	-
Sales expenses	-	-	-	-	-	-	-	25,339	-	25,339	-	-	-	25,339	-
Staff training	8,175	75	-	463	2,197	-	117	4,391	-	15,418	7,243	-	7,243	22,661	67,964
Strategic initiatives	-	-	-	-	14,941	-	-	-	-	14,941	-	-	-	14,941	28,658
Tax expense	-	-	-	-	-	-	-	-	-	-	1,231	-	1,231	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 1,702,512	\$ 787,555	\$ 716,061	\$ 506,221	\$ 1,147,411	\$ 189,478	\$ 431,776	\$ 1,268,625	\$ 302,122	\$ 7,052,161	\$ 6,272,587	\$ 394,506	\$ 6,667,093	\$ 13,719,254	\$ 19,482,010

See accompanying notes to consolidated financial statements.

Risk and Insurance Management Society, Inc. and Affiliate

Consolidated Statement of Cash Flows (with comparative totals for 2019)

<i>Year ended December 31,</i>	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 1,023,288	\$ (907,365)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	214,261	264,506
Gain on disposal of fixed assets	-	-
Provision for bad debt	-	13,054
Realized gain on investments	(699,636)	(814,458)
Unrealized gain on investments	(553,007)	(1,343,200)
Decrease (increase) in assets:		
Advertising receivables	(43,741)	90,664
Insurance proceeds receivable	(3,535,572)	-
Other receivables	308,851	35,110
Prepaid conference expenses	269,887	110,349
Other current assets	268,248	38,180
Assets limited as to use	-	136,777
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(326,256)	158,482
Accrued payroll and related benefits	(466,451)	(7,659)
Contributions payable to affiliate	(200,000)	400,000
Contract liabilities	(280,400)	(292,090)
Deferred rent	33,343	33,342
Net Cash Used in Operating Activities	(3,987,185)	(2,084,308)
Cash Flows from Investing Activities		
Purchases of investments	(17,873,700)	(10,875,998)
Proceeds from sale of investments	21,507,994	12,371,013
Purchases of property and equipment	(30,000)	(264,733)
Purchase of intangible asset	(40,437)	(62,744)
Net Cash Provided by Investing Activities	3,563,857	1,167,538
Net Decrease in Cash and Cash Equivalents	(423,328)	(916,770)
Cash and Cash Equivalents, beginning of year	2,069,142	2,985,912
Cash and Cash Equivalents, end of year	\$ 1,645,814	\$ 2,069,142

See accompanying notes to consolidated financial statements.

Risk and Insurance Management Society, Inc. and Affiliate

Notes to Consolidated Financial Statements

1. Description of the Organization

Risk and Insurance Management Society, Inc. (RIMS or the Society) is a global not-for-profit organization committed to advancing the practice of risk management. RIMS brings networking, professional development, certification, education and advocacy opportunities to its membership of 10,000 risk management professionals in over 60 countries. Founded in 1950, the Society represents more than 3,600 industrial, service, not-for-profit, charitable and governmental entities. RIMS has 79 chapters across the United States, Canada, New Zealand, Australia, Japan, Mexico, and India.

Global Risk Management Institute, Inc. (GRMI), a related organization through identical board membership, was incorporated in 1999 to engage in activities that support and encourage the advancement of the study of subjects related to risk management and increase the qualifications of risk management professionals across businesses and industries. GRMI administers the RIMS Fellow® (RF) and the Canadian Risk Management® (CRM) designations.

During 2011, RIMS assisted in the establishment of the RISK PAC. The RISK PAC was established to educate U.S. congressional candidates and lawmakers about the practice of risk management and to make contributions to candidates for federal office. The RISK PAC trustees are separate from the trustees of RIMS, and RIMS does not directly control the RISK PAC. Accordingly, the operations of the RISK PAC have not been included in the financial statements of RIMS.

2. Principles of Consolidation

The consolidated financial statements include the accounts of RIMS and GRMI (hereafter referred to collectively as the Organization). All intercompany transactions and balances have been eliminated in consolidation.

3. Impact of COVID-19

On March 15, 2020 the Centers of Disease Control and Prevention (CDC), the leading public health institute in the United States, recommended that event organizers cancel or postpone in-person events that consist of 50 people or more everywhere in the United States, including conferences and other types of assemblies. In adherence with the CDC's guidelines, RIMS regretfully canceled its 2020 Annual Conference and Exhibition. RIMS received \$7,555,307 in insurance proceeds to cover the losses of the cancelation of the Annual Conference and Exhibition and the NextGen Conference. Of these insurance proceeds, \$3,535,572 was receivable as of December 31, 2020 and were collected in full subsequent to year-end.

To address the decline in operating cash flows caused by the COVID-19 pandemic, the Organization instituted the following measures:

- Effective May 15, 2020, the Organization obtained a working capital line of credit from a large nationally recognized bank in the amount of \$3,000,000 (Note 14). During the calendar year ended December 31, 2020, there were no drawdowns on the line of credit.
- As a result of the COVID-19 pandemic, the Organization was able to negotiate with its landlord to utilize part of its security deposit to cover a portion of rent payments repayable in 2022.

Risk and Insurance Management Society, Inc. and Affiliate

Notes to Consolidated Financial Statements

- The Organization liquidated a portion of its investment portfolio, approximately \$3.5 million, to assist in meeting its operating cash demands.
- Other cost-cutting measures occurred throughout the Organization, including a hiring freeze, the elimination of current year profit sharing and merit increases, reduction in travel and discretionary expenses, and overall expense management that resulted in savings in 2020 and will result in savings for the foreseeable future.

The Organization believes that it has sufficient along with available borrowing capacity under its existing revolving credit facility to fund its operations and satisfy any obligations with respect to the return or application of deferred revenue over the next 12 months. The Organization will be hosting the Annual Event virtually in 2021.

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief and Economic Security Act (the CARES Act). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also apportioned funds for the Small Business Administration (SBA) Payroll Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 pandemic. Management continues to examine the impact the CARES Act may have on its business. The provisions of the CARES Act did not have a material impact on the 2021 financial condition, results of operations, or liquidity.

On December 27, 2020, Congress enacted the Consolidated Appropriations Act, 2021 (the Act), which includes \$900 billion in stimulus relief as a result of COVID-19. The Organization is currently evaluating the impact of the Act and has received a PPP loan in 2021. Please see note 15 for more information.

4. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

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These classes are defined as follows:

With Donor Restrictions - This class consists of net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization, pursuant to those stipulations. When such stipulations end or are fulfilled, such donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities. Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or other removed by actions of the Organization are classified as net assets with donor restrictions - perpetual in nature.

Without Donor Restrictions - This class consists of the part of net assets that is not restricted by donor-imposed stipulations.

Cash and Cash Equivalents

Cash and cash equivalents include operating cash accounts, petty cash and highly liquid short-term instruments with original maturities of three months or less, except money market funds held for long-term investment purposes.

Advertising Receivables

Advertising receivables represent amounts due from clients for advertisements placed in The Risk Management magazine, as well as on the RIMS website, and are due under normal trade terms from these clients. Senior management reviews accounts receivable on a regular basis to determine if any receivables will potentially be uncollectible.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. U.S. GAAP established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the evaluation of the asset or liability and their placement within the fair value hierarchy. The Organization classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP as follows:

Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

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Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly. The fair value of such investments is estimated using recently executed transactions, buy/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility.

Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Investment Income, Net

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Investments of the Organization are valued at fair value in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statement of activities.

Net investment income is presented net of direct external expenses when incurred. The Organization had no internal investment expenses for 2020.

Contract Assets

Amounts related to services provided to customers that have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances typically consist of services provided to customers who are still receiving services at the end of the year. There were no contract assets as of December 31, 2020.

Property and Equipment

Property and equipment are reported at historical cost. The Organization depreciates property and equipment using the straight-line method (half-year convention in the year of acquisition or placement into service) over the estimated useful lives of the assets.

The estimated useful lives of the assets are as follows:

	Estimated Useful Lives (Years)
Computer software	4-7
Furniture and office equipment	7
Computer hardware	3-4

Leasehold improvements are amortized over the term of the lease or the life of the improvement, whichever is less. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred. It is the Organization's policy to capitalize fixed-asset purchases in excess of \$5,000.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying

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amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. During 2020 management evaluated the need for impairment and, as of December 31, 2020, there have been no such losses.

Indefinite-Lived Intangible Assets

RIMS owns trademarks with an indefinite useful life. The trademarks' carrying amount is tested for impairment in accordance with Accounting Standards Codification (ASC) 350, *Intangibles - Goodwill and Other*, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of the indefinite-lived intangible asset with its carrying amount. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. During 2020 management evaluated the need for impairment and, as of December 31, 2020, there have been no such losses.

Contract Liabilities

Contract liabilities consist of payments made by customers for goods and services not yet performed or delivered and are expected to be performed or delivered within the next fiscal year. Contract liabilities consist of membership dues, professional development, magazine subscriptions, conference attendance, sponsorships and exhibit fees received in advance. Revenue related to membership dues is recognized over the membership period. Revenue related to magazine subscriptions is recognized over the related subscription period. Revenue and related expenses applicable to the conference, professional development and exhibits are recognized in the financial period when the event is held. For the year ended December 31, 2020, the Organization had contract liabilities totaling \$4,608,285.

Deferred Rent

A deferred rent liability has been recorded to reflect the benefit of lease incentives included in the office space lease. The benefits of these incentives, including free rent and a tenant improvement allowance, will be recognized equally over the term of the lease.

Income Taxes

RIMS is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code (the Code). RIMS is subject to tax on its net revenue from unrelated business income from mailing list rentals and advertising. RIMS Canada Council, formerly the Canadian Risk Management Council, a program of RIMS, is exempt from tax under Canadian tax laws.

GRMI has qualified as a charitable organization that is exempt from tax under Section 501(c)(3) of the Code and, therefore, has made no provisions for income taxes in the accompanying consolidated financial statements. GRMI has been determined by the Internal Revenue Service (IRS) to not be a "private organization" within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended December 31, 2020.

Under ASC 740, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any

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material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2020, there were no interest or penalties recorded or included in the consolidated statement of activities. The Organization is subject to routine audits by a taxing authority. As of December 31, 2020, the Organization was not subject to any examination by a taxing authority.

Revenue Recognition

The Organization adopted ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, on January 1, 2019. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers that the Organization has identified.

The results of ASC 606 did not have a material impact on the consolidated financial position, changes in net assets, cash flows, business processes, controls or systems of the Organization.

Revenues with customers is comprised of:

December 31, 2020

Conferences	\$	658,578
Membership dues		2,101,433
Advertising		155,746
Publications		736,083
Membership and chapter services		288,022
Education, certification and GRMI		925,526
Other revenue		979,027
Total Revenue from Contracts Subject to ASC 606		5,844,415
Net investment income (not subject to ASC 606)		1,338,897
Total Revenues, Gains and Other Support	\$	7,183,312

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Receivables and contract balances from contracts with customers for 2020 are as follows:

	Receivables	Contract Assets	Contract Liabilities
Beginning of year	\$ 724,770	\$ -	\$ 4,888,685
End of year	476,598	-	4,608,285

Conference revenues are recorded as revenue when the applicable conference has occurred. Conference revenues are earned through multiple conferences. Sales of registrations to attend conferences are derived from a wide range of individuals and corporations prior to and at the conferences. Conference registration revenues are deferred until the point in time in which the conferences occur.

Membership dues are considered non-refundable exchange transactions from organizations and individuals signing up for a membership. Membership dues are recorded as revenue during the applicable membership period. The portion of such dues that has not been recognized represents a contract liability at year-end. Each year, performance obligations include allowing members access to networking and mentoring, providing exclusive content, such as Risk Management Magazine, and enabling members to take advantage of various discount promotions and preferential pricing on conferences, workshops, and online content. A portion of the membership revenues is recorded under publications revenue in the consolidated statement of activities and revenues are recognized when the publications are issued. The other membership benefits are not distinct. These benefits are bundled and considered a single performance obligation. The Organization accounts for these bundled performance obligations under membership revenue in the consolidated statement of activities and recognizes the sale of memberships over time based on the duration of the membership.

Advertising revenues and publications revenues are recorded as revenue when the applicable publications are issued. The Organization's performance obligations are satisfied at a point in time and the contractual consideration for a given year is recognized once those performance obligations are fulfilled.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk Concentration

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents, and investments held at financial institutions that management deems to be creditworthy. At times and at year-end, the Organization's operating cash account materially exceeded the federally insured limit. Investments are subject to market fluctuations and principal is not guaranteed. These financial institutions have strong credit ratings and management believes credit risks related to these deposits are minimal.

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Methods Used for Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Certain categories of expenses are attributable to one or more program or supporting functions of RIMS. Those expenses include depreciation and amortization, the CEO's office, telephone expenses, personnel costs and general third-party processing expenses, and the information technology department. Although these expenses are attributable to more than one function, these expenses are captured within the management and general function of the summarization of functional expenses and are not allocated to Organization's programmatic functions for financial reporting purposes.

Comparative Financial Information

The consolidated financial statements include certain prior-year summarized comparative information. With respect to the consolidated statement of financial position, consolidated statement of activities and consolidated statement of cash flows, the prior-year amounts are presented on a consolidated basis rather than by affiliate. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current-year presentation.

Accounting Pronouncements Issued but Not Yet Adopted

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU 2020-05 deferred the effective date for this new standard for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

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5. Liquidity and Availability of Resources

RIMS's financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

December 31, 2020

Cash and cash equivalents	\$ 1,645,814
Investments, at fair value	11,073,431
Advertising receivables	143,366
Insurance proceeds receivable	3,535,572
Other receivables	333,232
Resources Available for General Expenditures	\$ 16,731,415

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization keeps cash in excess of daily requirements in interest-bearing cash and cash equivalents accounts. Investments, further discussed in Note 6, include money market funds, and foreign and domestic publicly traded mutual funds, all of which can be liquidated within 12 months. Additionally, as discussed further in Note 14, the Organization has a \$3 million line of credit available as well.

6. Investments and Fair Value Measurements

The following table shows, by level within the fair value hierarchy, the Organization's financial assets that are accounted for at fair value on a recurring basis as of December 31, 2020. The financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy levels. There were no transfers between levels during the year ended December 31, 2020.

December 31, 2020

Asset Category	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	\$ 1,376,499	\$ -	\$ -	\$ 1,376,499
Alternative strategy mutual funds	636,449	-	-	636,449
Domestic equity mutual funds and ETFs	3,255,330	-	-	3,255,330
International equity mutual funds	2,772,405	-	-	2,772,405
Fixed-income mutual funds	3,032,748	-	-	3,032,748
	\$ 11,073,431	\$ -	\$ -	\$ 11,073,431

The Organization's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with U.S. GAAP, as discussed in Note 4. A description of the valuation

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techniques applied to the Organization's major categories of assets measured at fair value is as follows:

Money Market Funds

Money market funds are valued at cost, which approximates fair value due to the short-term maturity of the instruments.

Equity and Fixed-Income Mutual Funds

The Organization has investments in mutual funds, which are invested primarily in investment-grade bonds and equity securities. For these investments, the Organization has ownership interest in the mutual fund, but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. Each mutual fund's net asset value (NAV) is the value of a single share that is actively traded on national securities exchanges. The mutual funds are valued on a daily basis at the close of business day. These funds are valued primarily on the basis of market quotation or on the basis of information furnished by a nationally recognized pricing service based on observable market data and are classified as Level 1 within the fair value hierarchy.

Exchange Traded Funds (ETFs)

The Organization has investments in exchange traded funds. These holdings in ETFs are determined by quoted market prices. These investments can be liquidated daily. The valuation of these investments is based on Level 1 inputs within the hierarchy used in measuring fair value.

7. Property and Equipment, Net

Property and equipment, net, consists of the following:

December 31, 2020

Leasehold improvements	\$	252,931
Computer software		3,068,038
Furniture and office equipment		1,173,672
Computer hardware		1,190,093
		5,684,734
Less: accumulated depreciation and amortization		(5,020,765)
	\$	663,969

Depreciation and amortization expense was \$214,261 in 2020.

8. Related-Party Transactions

The Organization provides office space and administrative services to Spencer Educational Foundation, Inc. (the Foundation), an affiliated organization, for which it receives administrative fees. The fees from the Foundation amounted to \$619,244 in 2020 and include reimbursement to RIMS for salaries paid by RIMS on the Foundation's behalf. The fees are included in other revenue on the consolidated statement of activities. The Foundation had \$76,410 due to the Organization at the end of 2020.

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During 2019, the Board of Directors of RIMS approved a \$600,000 three-year pledge to the Foundation. The first and second payments of \$200,000 were made in 2019 and 2020. The final payment will be made in 2021.

9. Pension Plan

The Organization has a defined contribution 401(k) profit-sharing plan (the Plan) that covers all employees who have attained the age of 21 and have completed at least 60 days of service. The Plan matches up to 50% of the participant's first 4% of salary. In addition, during 2020, The Organization made a safe-harbor contribution of 4% of staff's compensation each payroll period and may make a discretionary profit-sharing contribution to the Plan at the end of each plan year. In 2020 the Organization did not elect to make a discretionary profit-sharing contribution. The total employer contributions for this Plan amounted to \$338,224 for the year ended December 31, 2020.

10. Commitments and Contingencies

During 2018, the Organization entered into a new lease agreement for office space. The rental agreement is for 15 years and eight months, effective November 1, 2018, with future commitments as follows:

Year ending December 31,

2021	\$	789,968
2022		789,968
2023		843,488
2024		854,193
2025		854,193
Thereafter		7,055,116
Total	\$	11,186,926

As part of its lease, the Organization was required to provide a security deposit and prepaid rent totaling \$440,949. During 2020 the security deposit was drawn down by the landlord to cover a portion of rent expense. The balance of the security deposit at December 31, 2020 was \$267,863, which is included in other current assets of the consolidated statement of financial position.

Rent expense for office space, including escalation and maintenance charges, was \$858,972 for the year ended December 31, 2020 and is included in office and admin expense on the statement of functional expenses.

The Organization has entered into various contracts for future conferences and events. Due to the nature of these contracts, it is impractical to estimate the total commitment.

11. Description of Programs and Supporting Services

Conferences

This department is responsible for the planning and production of RIMS Annual Conference & Exhibition, RIMS ERM Conference, RIMS Risk Summits and RIMS Risk Forums. RIMS Annual Conference & Exhibition is the definitive event for risk professionals, attracting approximately 10,000 risk professionals (member, non-members and exhibitors) worldwide. This prestigious event offers its

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attendees the widest range of educational programs, networking opportunities and communications of significant happenings that impact risk management.

Publications

Risk Management magazine is RIMS's flagship publication. It is produced ten times per year and includes articles of interest to professionals responsible for risk and insurance management in business and industrial firms, public administration and government, insurance companies, agents and brokers, business services and others allied to the field. By providing in-depth analysis of the world of risk, Risk Management magazine is a vital source of pertinent information for business. The magazine is supported by its official blog, the Risk Management Monitor, which offers daily coverage and analysis of the latest risk-related news and issues. Risk-Wire, distributed twice per week, is an exclusive news service for RIMS members that provides an executive summary and links to the most important risk management stories of the day. Additional online resources that provide today's risk professionals with knowledge, tools and resources they need to be successful include the Strategic & Enterprise Risk Center, the International Center for Risk Management and Risk Knowledge. These are available to both members and the general public.

Professional Development

The Society offers educational programs through in-person and online courses, workshops, webinars, RIMScast (a podcast series), Chapter events and in-company training. Online courses are also offered through partnerships with vendors. RIMS offers the only competency-based risk management credential, an accredited RIMS-CRMP certification that validates performance ability, technical knowledge and commitment to risk management quality standards. It represents the standard of education, experience and ethics that the discipline requires. It also administers the GRMI programs for the Canadian Risk Management® (CRM) designation. RIMS Global Development department has expanded RIMS's presence and educational opportunities in India and Asia. In 2020 RIMS added India to its community of international chapters.

Marketing

RIMS employs a centralized approach to its marketing and communications efforts, and has unified this service for all its products, services and events under a single division. This methodology enables RIMS to maximize its impact and make the best use of its budget by cross-marketing its strategic objectives in all its communications efforts. Marketing programs involve an integrated approach primarily focused on electronic, web-based and print materials and communications, social media, advertising, publishing, and media relations. RIMS Marketing also supports RIMS Marketplace, an online directory of relevant service and solution providers. Using this approach, the department fulfills its mandate to expand awareness of risk management to a broad audience.

Member and Chapter Services

This department is responsible for maintaining, supporting, engaging and enlarging membership and Chapter services activities. Administrative services and support are provided to RIMS's 79 chapters, including leadership information, support of websites, development of resource materials, and provision of both traditional face-to-face and online training of Chapter officers. Other activities include the Student Advisory Council and Member and Chapter Engagement Committees, the RIMS online store, RIMS Career Center/Job Bank, RIMS Benchmark Survey and RIMS Compensation Survey. The development of tomorrow's risk management leaders is essential. Member and Chapter Services

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contribute to this through various initiatives, including the Rising Risk Professional Community, the RIMS Anita Benedetti Student Involvement Program, the RIMS Risk Challenge and the Student Resource Center. In 2015, RIMS launched a virtual membership engagement resource, OPIS, aimed at streamlining the process of researching risk management issues and building professional relationships.

Government Affairs

Government Affairs focuses on U.S. federal, state and Canadian federal and provincial legislative and regulatory issues that impact the risk management community. In addition, the department prepares witnesses and drafts testimony for members appearing before governmental and non-governmental bodies. It maintains a standing External Affairs Committee that is responsible for crafting RIMS position statements, composing letters to members of Congress, and establishing RIMS legislative priorities. Furthermore, it conducts lobbying at all levels of government through an assortment of strategies, including the annual RIMS Legislative Summit, which brings risk professionals to Washington, D.C. to further the agenda of the risk management community. The Government Affairs department maintains contact with its members throughout North America regarding all legislative development via the RIMS website, newsletters and e-mail alerts. In 2020, RIMS incurred expenses of \$142,164 related to advocacy efforts.

Strategic and Enterprise Risk Practice

This practice enlarges the value proposition for risk management as a strategic business discipline to encompass value creation and capture (the upside of uncertainty), as well as value protection (the downside of uncertainty). In leading new research and the development of innovative—yet pragmatic—strategic and operational risk practices that are applicable across all types of organizations, the practice's main objective is to drive incremental and recurring revenue streams for RIMS by broadening its membership and delivering specific products and services that provide unique and practical value for its current and new members. The department serves as a "voice of the enterprise risk practitioner" for RIMS's other departments with respect to the content of conferences, publications, marketing, interviews, workshops, surveys, seminars, webinars, etc., and serves as an internal consultant for RIMS's own ERM program.

General and Administration, Finance, and IT

This includes the office of the CEO, COO, Finance and Administration, General Counsel, Governance, Board of Directors, information technology, and other support functions. The majority of expenses relate to salaries, rent, computer systems, records management and other support functions.

Membership, Recruitment, and Retention

This includes all member marketing, recruiting and retention expenses, including membership packets, benefits brochures and the RIMS booth used during the Annual Conference & Exhibition. This area also reviews and monitors program goals for member recruitment and retention.

12. Foreign Currency Translation

The Organization has bank accounts in Canada. The cash balances in these accounts are translated at the rates of exchange at the consolidated statement of financial position date. The effect of such

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translation adjustments for the year ended December 31, 2020 was an increase in net assets of \$3,923.

13. RIMS Canada Council

The RIMS Canada Council (RCC) is a committee of RIMS. The RCC supports, promotes and coordinates risk management in Canada by means of standing subcommittees. The RCC also coordinates the annual RIMS Canada Conference, hosted by one of the ten local Canadian chapters.

Assets and liabilities of the RCC are as follows:

December 31, 2020

Cash and cash equivalents	\$	433,808
Accounts receivable		174,786
Prepaid conference expenses		116,137
Net Assets	\$	724,731

Revenues and expenses of the RCC are as follows:

Year ended December 31, 2020

Other revenue	\$	-
Interest and investment income		-
Foreign exchange transaction gain		-
Expenses		(37,782)
Change in Net Assets	\$	(37,782)

14. Short-Term Note Payable - Bank

The Organization has a \$3 million working capital line of credit from Commerce Bank, which is a revolving credit line, payable at the Wall Street Journal Prime Rate, but limited by a minimum rate of 2.10% at December 31, 2020. There were no drawdowns on the line in 2020.

15. Subsequent Events

In February 2021, RIMS applied for and received a loan under the Paycheck Protection Program (PPP) administered by the United States Small Business Administration (SBA) in the amount of \$1,284,000. As mentioned in Note 3, the PPP was legislated as part of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), and is a program designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loan may be partially or fully forgiven if the Organization keeps its employee counts and employee wages stable. If not forgiven, the loan requires monthly payments of principal and interest at 1.00% and is due February 2026.

The Organization has evaluated subsequent events through May 19, 2021, which is the date these consolidated financial statements were available to be issued. No additional events arose during the period that would require additional disclosures.

Supplementary Information

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Consolidated Schedule of Operational Revenues, Expenses and Change in Net Assets

Year ended December 31, 2020

	(Without Donor Restrictions)
Revenues, per consolidated income statement	\$ 7,183,312
Less: gain on investments	(1,338,897)
Total Operational Revenues, Gains and Other Support	5,844,415
Expenses, per consolidated income statement	13,719,254
Board-designated expenses:	
Global Risk Management Institute	180,281
Global development	168,569
Total Operational Expenses	13,370,404
Change in Operational Net Assets, before foreign currency exchange loss	(7,525,989)
Gain from Insurance Proceeds	7,555,307
Foreign Currency Exchange Loss	3,923
Change in Operational Net Assets	\$ 33,241

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Consolidating Schedule of Financial Position (with comparative totals for 2019)

December 31,

	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Eliminations	Consolidated	
				2020	2019
Assets					
Current					
Cash and cash equivalents	\$ 977,659	\$ 668,155	\$ -	\$ 1,645,814	\$ 2,069,142
Investments, at fair value	9,729,850	1,343,581	-	11,073,431	13,455,083
Advertising receivables	143,366	-	-	143,366	99,625
Insurance proceeds receivable	3,535,572	-	-	3,535,572	-
Other receivables	321,944	22,314	(11,026)	333,232	625,145
Prepaid conference expenses	135,537	-	-	135,537	405,424
Other current assets	606,965	-	-	606,965	875,213
Total Current Assets	15,450,893	2,034,050	(11,026)	17,473,917	17,529,632
Assets Limited as to Use	-	-	-	-	-
Investments Held for Chapters	82,584	-	-	82,584	72,209
Property and Equipment, Net	663,969	-	-	663,969	848,229
Intangible Asset	605,817	-	-	605,817	565,380
	\$ 16,803,263	\$ 2,034,050	\$ (11,026)	\$18,826,287	\$ 19,015,450
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	\$ 513,379	\$ 20,776	\$ (11,026)	\$ 523,129	\$ 832,447
Accrued payroll and related benefits	151,420	-	-	151,420	617,871
Contributions payable to affiliate, current portion	200,000	-	-	200,000	200,000
Contract liabilities	4,608,285	-	-	4,608,285	4,888,685
Total Current Liabilities	5,473,084	20,776	(11,026)	5,482,834	6,539,003
Contributions Payable to Affiliate, net of current portion	-	-	-	-	200,000
Deferred Rent	621,115	-	-	621,115	587,772
Liability for Chapter Investments	82,584	-	-	82,584	72,209
Total Liabilities	6,176,783	20,776	(11,026)	6,186,533	7,398,984
Net Assets					
Without donor restrictions	10,626,480	2,013,274	-	12,639,754	11,616,466
	\$ 16,803,263	\$ 2,034,050	\$ (11,026)	\$18,826,287	\$ 19,015,450

Risk and Insurance Management Society, Inc. and Affiliate

Consolidating Schedule of Activities (with comparative totals for 2019)

Year ended December 31,

	Risk and Insurance Management Society, Inc.	Global Risk Management Institute	Eliminations	Combined	
				2020	2019
Revenues, Gains and Other Support					
Conference	\$ 658,578	\$ -	\$ -	\$ 658,578	\$ 10,543,131
Membership dues	2,101,433	-	-	2,101,433	2,282,864
Advertising	155,746	-	-	155,746	665,766
Publications	736,083	-	-	736,083	780,802
Membership and chapter services	288,022	-	-	288,022	420,069
Professional development	582,472	343,054	-	925,526	852,707
Other revenue	999,027	25,000	(45,000)	979,027	582,476
Investment income, net	1,173,222	165,675	-	1,338,897	2,415,969
Total Revenues, Gains and Other Support	6,694,583	533,729	(45,000)	7,183,312	18,543,784
Expenses					
Program services:					
Conferences	1,702,512	-	-	1,702,512	5,328,865
Publications	787,955	-	-	787,955	879,259
Global initiatives	716,061	-	-	716,061	879,098
Government affairs	506,221	-	-	506,221	441,519
Knowledge & learning	1,147,411	-	-	1,147,411	937,420
Certification	189,478	-	-	189,478	291,169
Membership	431,776	-	-	431,776	608,709
Sales and marketing	1,268,625	-	-	1,268,625	1,612,526
Global Risk Management Institute	-	347,122	(45,000)	302,122	254,165
Total Program Services	6,750,039	347,122	(45,000)	7,052,161	11,232,730
Supporting services:					
General and administration	6,272,587	-	-	6,272,587	7,873,065
Member and client services	394,506	-	-	394,506	376,215
Total Supporting Services	6,667,093	-	-	6,667,093	8,249,280
Total Expenses	13,417,132	347,122	(45,000)	13,719,254	19,482,010
Change in Net Assets, before foreign currency exchange gain (loss) and gain from insurance proceeds					
	(6,722,549)	186,607	-	(6,535,942)	(938,226)
Foreign Currency Exchange Gain (Loss)					
	(4,481)	8,404	-	3,923	30,861
Gain from Insurance Proceeds					
	7,555,307	-	-	7,555,307	-
Change in Net Assets	828,277	195,011	-	1,023,288	(907,365)
Net Assets, beginning of year	9,798,203	1,818,263	-	11,616,466	12,523,831
Net Assets, end of year	\$ 10,626,480	\$ 2,013,274	\$ -	\$ 12,639,754	\$ 11,616,466