

The aim of this paper is to outline the risks that banks and insurance companies are exposed to, as the institutions that we frequently come to contact, to compare different risk profiles of these two institutions with respect to their dissimilar business nature and unequal regulation. Main attention is given to three fundamental phases of the risk management process: identification, quantification and control of risks. We also focus on the legislative and regulatory framework of banking and insurance on the domestic, European as well as international level including expected future development. This paper pursues to be as up to date as possible, works with current versions of law, ordinances and regulatory concepts such as New Basel Capital Accord or Solvency II.