

# airmic daily

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**Strategic RISK**

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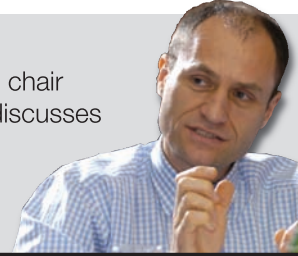
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# AIRMIC research evaluates risk appetite



Paul Hopkin

WHILE THERE is no 'one size fits all' approach to defining and applying the concept of risk appetite, case studies show that there are some common elements of good practice. This was a message that clearly emerged from a report commissioned by AIRMIC.

The research, carried out by Marsh and the University of Nottingham, concluded that the concept of risk appetite was increasingly important to company boards but that there was inconsistency in how it is defined and applied. However, there was a strong desire among practitioners to share best practice and agree consistency of terminology and methodology.

'The focus tends to be on two different sets of metrics with their own risk appetite thresholds – economic prosperity measures and environmental integrity/social contribution and reputation measures,' said Eddie McLaughlin, a managing director in Marsh's risk consulting practice for Europe, Middle East and Africa.

'Increasingly, we are seeing organisations integrating risk appetite within their overall enterprise risk management maturity framework and their annual performance appraisal process,' he added.

The report said the main benefits of

understanding risk appetite include: supporting the better allocation of resources; improving decision-making and making it more consistent, and encouraging more effective risk taking, thereby ultimately supporting the organisation's reputation.

The research identified elements of good practice in the area of risk appetite as follows:

- Start with a 'top down' approach as this aligns better to strategy setting processes in an organisation.
- Balance the requirements of various stakeholders (not just shareholders).

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## Professional in practice

Heath Lambert is the perfect global partner for me. I feel like the team would drive over a cliff to ensure they didn't disappoint

**Mike Lewis**, Director of Risk Assurance, EMI Group Ltd and former European Risk Manager of the Year

 Heath Lambert Group

*Listens, tries harder, delivers*



continued from page 1

- Understand an organisation's strategic objectives and associated risks.
- Align risk appetite with existing management processes (especially personal performance management process).
- Differentiate between short-term and longer term risk appetite.
- Broadly communicate risk appetite in an organisation (beyond senior management).
- Monitor risk appetite changes over time (retrospectively and prospectively).

'Risk appetite is certainly a useful concept within my own organisation and one that we're able to convert into practical benefit,' said AIRMIC deputy chair Paul Howard. 'This research is helpful in putting our activity into context.'

AIRMIC technical director Paul Hopkin concluded that the concept is still developing. 'It's one of the fundamental building blocks of risk management.'

'This research provides a status report on the progress that organisations have made so far as well as giving some practical guidance. It should increase understanding of this area and help organisations develop deliverable objectives,' he said.

## Agreement to speed claims settlements

AIRMIC HAS reached outline agreement with seven of the UK's largest commercial insurers on a scheme to guarantee that big claims are settled promptly, helping companies avoid potential cashflow problems.

The document agreement sets out a framework for losses to be compensated. All parties have signed up to the principles although they will have further discussion on the detailed wording.

The credit crunch has made it more difficult for firms that suffer major property losses to acquire bridging capital from their banks except at prohibitive cost. 'At stake is the ability of companies to make investment decisions and retain or recruit staff. In some cases it can make all the difference to an enterprise's survival chances,' according to association

chief executive John Hurrell.

Under the deal, a loss adjuster would produce a cashflow model for the period of interruption caused by the event. This would show how much the insured had lost in terms of production and sales at any time. The insurer would undertake to protect the client's cashflow position, ensuring that it remains similar to how it would have been in the absence of any loss. The Chartered Institute of Loss Adjusters has been closely involved in the discussion.

The insurers working with AIRMIC in this project are ACE, AIG, Allianz Global Corporate & Speciality, AXA Corporate Solutions, RSA, XL Insurance and Zurich. The loss adjusters Crawford & Company are also involved. AIRMIC hope to conclude the final agreement by the autumn.

## Behaving ethically pays

COMPANIES THAT behave like good citizens will reap the financial benefits, while failing to do so can cause long-term damage, was yesterday's message to delegates from Andrew Tunnicliffe, chief operating officer at Aon Global Risk Consulting.

'Stakeholders such as customers, staff or investors expect firms to show corporate social responsibility. If they don't, people are likely to vote with their feet. This is a critical risk that requires careful management,' he said. He added that recent events such as government bailouts for banks and corporate failures had demonstrated that businesses 'have responsibilities extending beyond quarterly stock price improvement.'

'Even in the heartland of corporate capitalism there is a realisation that they must embrace a sense of responsibility to the individuals, communities and even the global markets they serve,' he said. 'Getting this requirement wrong introduces massive reputational risk which is impossible to cover through insurance.'

Tunnicliffe cited a number of surveys and research papers that would seem to demonstrate how stock market valuation of organisations considered to be socially responsible investments responds positively. According to research by Morgan Stanley and Oxford Analytica, investment in such companies had been predicted to rise from 5% of the UK stock market in 2001 to 15% this year. He expected the upward trend to continue.

Tunnicliffe also debated the cost benefit of embracing compliance and governance standards such as the controversial Sarbanes Oxley legislation. In one study it was noted that investors believed the financial benefits would outweigh the compliance costs resulting in a bidding up of share price when the news of the act was positive.

'Ethical behaviour has been shown to be a good investment. Greed, on the other hand, can be counter-productive, as we have seen recently,' said Tunnicliffe.

He listed financial responsibility, business ethics and integrity, a commitment to safeguarding the environment, a commitment to workforce diversity and stewardship of local communities as being among the hallmarks of a well-run business.

## Consider employees' road safety



WITH ACCIDENTS occurring on our roads every minute, employers must make their staff aware of the many hidden dangers of driving for work. Tiredness and tight deadlines can increase the likelihood of accidents on the roads, thereby putting staff in danger and increasing insurance premiums.

Yesterday, RSA warned employers to take steps to ensure that their staff who drive for work do not drive excessively long distances or drive under pressure to get to meetings or make deliveries as both situations could dramatically

increase the likelihood of an accident. By monitoring staff's working time and deadlines, employers can look after the welfare of their people and potentially prevent their premiums from rising.

Mike Tansey, RSA fleet risk management consultant and Dr Lisa Dorn from Cranfield University discussed how effective fleet management can save businesses money both through their insurance premiums as well as in petrol costs. They also warned that driver behaviour can change around a crash and that it was vital to fully understand the distractions on the roads in order to avoid making a fatal mistake.

Tansey and Dorn used several case studies to analyse the various occasions that accidents occurred because the driver was distracted.

Tansey said: 'If you drive for work you are much more likely to be involved in an accident than similar drivers who do not drive for work. As such, fleet exposures need to be carefully managed in order to minimise loss and suffering and to optimise business potential and reduce operating costs.'

## Leverage risk management

WITH THE economic recession putting even more pressure on the need to gain competitive advantage, Marsh is urging UK manufacturers to put robust and flexible risk management systems in place so that they can identify, mitigate and manage risks better.

The advice following publication of Marsh's new Manufacturing Industry Risk Footprint report which details

the most commonly identified risks that should feature in the risk registers of manufacturers. The report says that, while strategic risk accounts for a large proportion of manufacturers' top risks, the financial crisis means that many companies are looking more closely at operational risks to improve their short-term efficiency and profitability.



**HOT TOPIC**

# Claims

With AIRMIC's considerable focus on improving claims protocols, have claims settlements speeded up – and what should risk managers be expecting from their insurance partners?



**Robert Allen, claims manager, liability claims management, Cunningham Lindsey:**

'In January 2009, AIRMIC published a guide to best practice for Delivering Excellence in Insurance Claims Handling. It described eight components essential to the delivery of excel-

lence, identified as culture and philosophy, communication, people, infrastructure, claims procedures, data management, operations and monitoring/review.

'These components create benchmarks for all claim handling organisations and, whilst delivery will undoubtedly represent achieving a standard of service excellence, it raises the question as to whether risk managers actually want their insurers and claims handlers to meet these standards across all insurance classes, and whether in these uncertain financial times, they are happy to pay for such a level of service.

'In the case of first party claims, the answer to these questions is almost certainly in the affirmative – businesses

need and expect material damage and financial loss claims to be expedited – but the issue is perhaps less clear cut in the case of liability losses, especially where such risks are substantially self-insured.

'The incidence of employer's, public and motor liability cases is rising and is predicted to do so for the foreseeable future. The existing legal landscape is already heavily claimant orientated with an emphasis on early settlement and the avoidance of contested litigation. Future proposed changes will increase the pressure to settle, and to settle quickly. With legal costs already outstripping compensation in a high percentage of cases, the incentive to settle is further increased by the per-

ceived risk of higher legal costs.

'At first blush, this might indicate that any means to "speed up claims settlements" would be welcomed by risk managers, but at what cost? Much emphasis is already placed on measuring issues such as protocol compliance and claims lifetimes, but these are essentially measures of speed. What of quality and financial outcomes?

'The balance between "settling fast" and "settling right" has always been a tightrope to be walked by claims handlers. Whilst risk managers should, and do, demand service excellence, this balance should be one that is carefully weighed up when agreeing service standards and key performance indicators.'



**Helen Grimberg, partner, Berryman Luce Mawer LLP:**

'The publication of AIRMIC's guide to best practice at the beginning of the year represented a welcome development for the insurance industry as a whole. By recognising that a speedy

and trouble-free service is one of the most important issues for clients, all parties to the claims handling process can bring their attention to bear on ensuring claims reach a satisfactory resolution. Good claims management is vitally important in this unstable economic climate. It is reassuring that the guide recognises the beneficial effect it can have on the reputation for all involved.

'But there is still more progress which can be made, and it is important to be wary of complacency. Both risk managers and their insurance partners should be looking at all aspects of the claims handling process to determine where greater speed and efficiency sav-

ings can be achieved.

'It is important that the principles contained in the guide to best practice become an integral part of the process of achieving claims settlements. The key to achieving this aim lies in creating a closer and better integrated working partnership between all the parties involved. Forging strong tripartite arrangements between risk managers, insurance partners and lawyers remains the best way to ensure expectations are met on all sides.

'In sustaining these relationships, it is important that both risk managers and lawyers work closely with insurers to help them understand new and developing areas of risk.

'This is especially important in the current regulatory climate, with government passing ever more stringent legislative measures to regulate corporate behaviour at all levels. The impact of the Corporate Manslaughter Act 2007 and Health and Safety (Offences) Act 2008 will begin to be felt over the next 12 months. Additionally, the proposed changes laid out in the Civil Law Reform Bill, Coroners and Justice Bill, and Bribery Bill mean that it is vital for risk managers to keep up to date with the changes.

Nonetheless, whilst the wider economic outlook is unknown, there are certainly reasons for guarded optimism about the next 12 months.'



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# Lessons from the financial apocalypse

StrategicRISK associate editor Nathan Skinner talks to Matt Kimber, UK chief risk officer for Marsh and former head of operational risk for Lloyds/HBOS group

New stats from a global broker offer some insight into the banks' financial risk management nightmare. One of the most revealing findings is that financial services risk managers don't have confidence in their own internal controls. Executives responsible for risk management in 700 organisations across seven sectors were asked their attitudes to risk. Some 120 financial institutions responded. Their answers stand out as the companies most affected by the downturn and the ones with the least confidence in their risk management capabilities – not surprising given that the controls failed totally to avert or even warn of the banking cataclysm.

The research, commissioned by Marsh and carried about by Ipsos, also suggests that the financial industry is undergoing a major overhaul to reengineer its risk management processes. Compared with the other industrial and service companies surveyed risk managers at financial firms were the ones most likely to be receiving attention and funding from senior management. Forty-eight percent of the financial firms asked said the economic downturn had prompted them to formally review their approach to risk management. But they weren't the only ones. The other industries mostly shared their sentiment. Does all this, as Marsh suggests, mean the financial industry has recognised its problems and is committed to solving them?

Britain has seen its share of banks on the brink of failure. According to the Treasury Select Committee, a group of MPs who recently reported on the financial failures that led to the banking crisis, poor corporate governance was in large part responsible. Risk managers weren't able to act as an effective mechanism to balance out the excesses of a booming and complex global financial market, while internal and external breaking systems were too easily ignored or brushed aside. And the dominant culture within banks did not encourage loyal dissent from within. Non-executive supervisory boards share the blame, said the MPs.

'The financial services industry should be reviewing its approach to risk management in four main areas,' says Matt Kimber, UK chief risk officer for Marsh and former head of operational risk for the Lloyds/HBOS group. 'These can be split into governance, the way risk is reported, discussed and challenged in an organisation; frameworks, the components that make up the risk management approach

of the organisation; people and their skills sets, which is one of the most important elements; and culture, which underpins all of the above and is vital for effective risk management.'

He is convinced, as the report shows, that the whole financial industry is investigating these areas with the hope of finding out what went wrong. Kimber thinks corporate governance in the financial services industry is essentially fine. 'The people acting within the governance framework, however, were not challenging enough,' he says. 'Although sometimes hard, you must be prepared to challenge. To think: Can I play devils advocate? That is good

“ **Non-executives should find themselves in the best possible position to challenge conventional truths. But the banking crisis revealed serious deficiencies in the competency of certain non executives** ”

healthy business practice.' But, adds Kimber, it is important not just to challenge for the sake of it. Referring to his role at Marsh, he says: 'I have worked in other organisations where the style of management from the top is much less collaborative and much more directive which is less healthy.'

Non-executives should find themselves in the best possible position to challenge conventional truths. But the banking crisis revealed serious deficiencies in the competency of certain non executives. 'I have worked with non-executives who are incredibly astute and able to challenge at all the right places. Ultimately, it is down to the organisation to choose the right non-executives who understand the business and have the confidence to challenge where it is

appropriate,' comments Kimber.

One of the other insights the Marsh report flags is that financial institutions need to change the way risk management is perceived by their management and employees. 'The risk management department should not be perceived to be just a cost centre or 'deal prevention unit', but understood to make a direct contribution to the organisation's performance,' says the report. That all sounds nice but 'ultimately it boils down to the culture of the organisation and the risk professional to navigate effectively,' notes Kimber.

Another oft heard lesson from the banking crisis is that risk managers should be given the right level of attention from senior managers. Putting a risk manager on the board or having him/her report directly to it seems to make sense if they are to perform the role of trusted adviser. The trouble is, the closer a risk manager is to the board, and the tighter he or she is tied financially to its success, the easier it may be for the C-suite to sway their opinion. At least, that is one train of thought. Kimber subscribes to the former: 'Generally speaking it is preferable for the CRO to sit on the board or report directly to it. I would argue that some CROs have always been trusted advisers; others will be seen as a support function. Effective risk managers can earn their place at the top table.'

And one of the ways risk managers will be able to step up and get noticed is by saving their company money. Budget cuts and a tougher operating environment are making life particularly hard for business. But, looking on the positive side, this could be an opportunity for risk managers to prove their metal. Kimber thinks as businesses reengineer their governance frameworks it is an opportunity for risk managers to make sure good controls are built in. 'Good, effective risk management can help protect your costs and enable your income line.' But he stresses that in order to help steer the ship towards profitability risk managers need to understand all the dynamics and levers of the business. 'The trick to effective risk management is to look for ways to blend a risk management lens with business initiatives, so that decisions are seen as good business sense rather than as risk management protocols. Risk managers need to be well networked in the organisation and they need to be creative and flexible,' he says.

*The industry research report, 'New risk management insights for financial institutions', is available from Marsh.*





Brian Hugh Cunningham, BMW Group, Peter Chart, Teceris, Andrew Hanton, DSG International



David Parker, KLA, Clive Nicholls, Crawford, Cleo Curl, Luminar Group Holdings



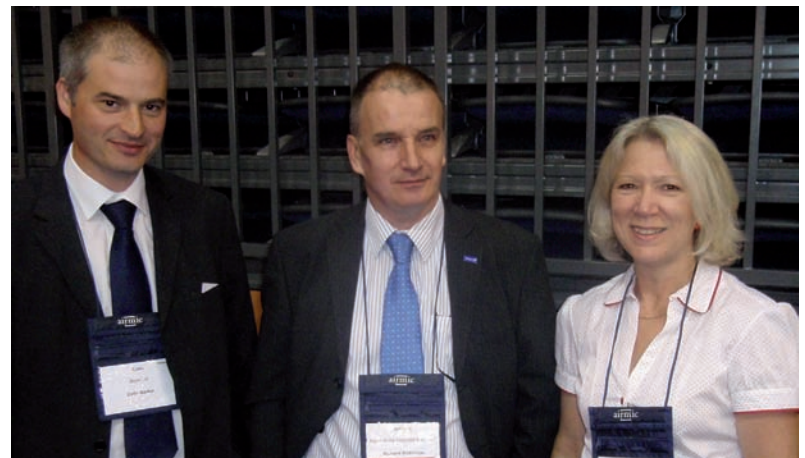
Kevin Lutz, ACE European Group, Jane Wicks, Bob Davis, Ace European Group



Lee Mulligan, Audra Eyre, Claire Curtis, Kate Rossini, DLA Piper



Raymond Tannock, Tim Martin, Lee Clarke, Allied World Assurance Company



Colin Barker, Bayer Business Services, Richard Robinson, Allianz, Janice Harling, Bayer Business Services



Bournemouth Pier



Nicholas Bailey, BBA Aviation, David Hertzell, Law Commission





Alan Burton, RFAS, Terry Pullen, BT Claims Ltd, Archana Makol, BT



Margaret Campbell, Reed Smith, Simon Kilgour, Reynolds Porter Chamberlain



Chris Backwell, Alstom, Steve Willis, International Power



Edward Thomas, Ursula Timpson, Russ Timpson, The Fire Strategy Company



Bryan Foster, Julie Hegarty, Iain Wright, Tokio Marine Europe



Lloyd's Yacht chartered by Allied World Assurance



David Weeks, Home Retail Group, Robert Parry, Zurich



Florence Bindelle and Paul Taylor, FERMA





# RISK MANAGEMENT INFLUENCING OUTCOMES

Sue Copeman interviews AIRMIC's next chairman, Paul Howard

**What do you see as the greatest challenges in your forthcoming year as chairman? And what's your theme for the year?**

The greatest challenge has to be related to the unprecedented period of economic uncertainty in which we find ourselves where a lot of the existing thoughts and ways of working that people had are inevitably having to change.

My theme for the year is 'risk management influencing outcomes'. I feel this involves two areas. First, I believe there's never been a better time to be a member of AIRMIC, primarily because of the networking opportunities that it gives you and the opportunity to share and check out your views with others. By discussing things with your peers, comparing and discussing strategies, you will get better quality results whatever the level of uncertainty. There's a lot we can pick up from other people.

Second, risk managers, even if their own business is weathering the recession, will have to interact with a number of different suppliers who may themselves be experiencing various issues so it is equally important that we work with them for the mutual benefit of our respective organisations. At a time when resources are even scarcer, risk managers are going to have to be much smarter in the solutions we offer and really review the cost benefit of any situation. These are key ways in which we can 'influence outcomes'.

**How can risk managers communicate to the board? And how can we promote the importance of the risk manager's role?**

Obviously it will vary from organisation to organisation. I think there has never been a better time for risk managers to step up to the challenge. But we must be proactive rather than sitting back and expecting that people are going to come to us. And

this means actively demonstrating how you and risk management can make a difference. There were a lot of the things that we started in AIRMIC in Julia's year as chairman, such as the AIRMIC Academy. They've started to work really well and I think that this year we'll be looking to extend them with a slightly different focus. If this year's focus has been on technical skills, in the next year we'll also be focusing on some of the softer skills, such as those relating to influencing strategies. One of the things that I'm really keen to do is to get an actual board member along to one of our sessions so that we can talk to them about the best ways to influence the board and what type of issues, as a board member, they want to hear about.

“**At a time when resources are even scarcer, risk managers are going to have to be much smarter in the solutions we offer and really review the cost benefit of any situation**”

If they want to promote their role, risk managers need to step out from the traditional view of their role – buying insurance and/or running health and safety schemes. As important as those things are, risk managers have to recognise that they are senior managers within their organisations and be prepared

to play an appropriate leadership role within those organisations.

**Do you think there's a place for corporate risk officers in the UK?**

I think that the risk management role probably resembles that of an internal consultant. It's about really making sure that risk is considered and embedded within the usual decision making processes within the organisation.

Ultimately, the chief risk officer is the CEO. If risk is embedded in the organisation then it should be integral to all decisions. I don't think your title matters that much.

**Where would you like to see AIRMIC positioned in five years time?**

I'd like to see it build on its existing strengths. It has a good position within its traditional marketplace. I would like to see it continue to expand beyond that to be the first choice for risk management views and leadership in the UK for the media, other professions and our political institutions.

It is important for AIRMIC, particularly in the current difficult times, to have a distinct voice that it can use to represent the feelings and views of its members. If there are key issues our members should expect AIRMIC to represent them in that particular situation.

**What new things is AIRMIC pioneering?**

We are launching some new research and strategies at this conference. I'd like to particularly stress two examples.

Last year we launched our research on enterprise risk management (ERM) and said that would be the first in a series of work on important areas. This year we will be launching some research on risk appetite that we've worked on jointly with Marsh and

Nottingham University. I believe that we need to be an important contributor to debate on such key subjects. Our research is not going to be the first or last word on such subjects as ERM or risk appetite but it gets people debating those subjects and that can stimulate further research and discussion in those particular areas.

We are also launching a career template, giving would-be or existing risk managers an idea of how their careers can develop and the skills that they are likely to need in progressing their careers in their chosen directions.

What we're doing in both these areas is not prescriptive but it does provide something that individuals can look at, relate to their own circumstances and hopefully use to develop their approach.

We have got a number of members who, unfortunately in the current economic circumstances, are now between jobs. AIRMIC allows such individuals to have a 'reserve' status so that they can continue to be a member of the association and attend relevant meetings and events. This means that they can keep abreast of current issues that are relevant to their future careers. Another issue that we've recently tried to help members with is the value identification for a risk management department. We are aware that organisations are focusing on what's going on in their business and trying to rationalise down in some

areas. So they want to know what value you add to the organisation, and we believe that we're providing some valuable pointers here – as well as enabling members to keep their skills up to date.

#### **What are you looking forward to most in your year as chairman? And what are you looking forward to least?**

I'm really looking forward to meeting a lot more members – particularly those outside London. I will be having a series of 'what's on your mind?' sessions around the country to catch up with some of our members and see what is important for them at present. Working as I do for an organisation that has got locations all around the country means it's quite easy for me to combine that with my day job.

Obviously too, I'm looking forward to working with the other members of the council and the secretariat in pushing forward the next stages of strategy. I feel that the work that Paul Hopkin is doing on the technical side and the influence and activities of John Hurrell, our now not so new chief executive, are really helping to advance AIRMIC's profile.

One of the other great things about being chairman of AIRMIC is that it's a superb opportunity. Effectively, you are the chairman of a small business for a year. This can help anyone who might be considering taking on non-executive posts in their future – it's really a good development for that.

I'm really looking forward too to introducing something which I believe is very important. In my year, I want to have a chairman's charity. I know that many members are involved in their own charitable initiatives but I think that, as an organisation, we can also do something. So there will be a number of events to raise money for charity and I hope we can make a meaningful contribution.

As far as things I'm not looking forward to are concerned, I think these fall into the area of 'unknown unknowns'. I'm sure that my year as chairman is going to produce some things that I'm not expecting – key major events where AIRMIC will be asked to contribute and have an opinion. That's something you cannot necessarily plan for.

#### **What are your personal interests?**

Very sadly I am about to enter my 41st year as a Leyton Orient season ticket holder, as always dreaming that this year will be our year. I am a keen runner – I have just done my seventh marathon. I am a cycle commuter – I cycle to my office in Holborn from Chingford and back, and I'm keen on walking, most recently in the Alps and the Lake District. I also like to travel and am a keen scuba diver.

*Paul Howard is the next chairman of AIRMIC and head of group insurance and risk management, J Sainsbury plc*

# How well do you know your insurer?

AS THE STRENGTH of insurers comes under the spotlight, risk managers need to understand how to accurately assess their exposures in this area, the AIRMIC conference heard yesterday.

When the global economic downturn started to bite during 2008, 25 banks failed – but no major insurers did. Nevertheless, insurer counterparty risk rose the agenda and companies began paying more attention than ever before to the strength of their carriers.

As a result, risk managers need to be able to analyse their exposures in detail, if only to give the board reassurance about their insurance programme – and the relative strength and resilience of the sector.

Philippe Gouraud, head of the major accounts practice at AIG UK Limited, said that there are several ways that risk managers and finance directors can do this. These centre on:

- **Security** – understanding the relative security of insurers' business models, whose unique inverted

cashflow cycle explains their greater resilience, compared with other parts of the economy.

- **Regulation** – considering the stringent regulatory requirements that govern the insurance industry.

- **Analysis** – carrying out detailed analysis of their specific exposure to their insurers, as well as any relevant mitigation measures.

Gouraud said: 'The recent turmoil has forced companies to take a closer look at their insurers' counterparty risks, and many have realised that the precise assessment of each exposure is in fact very complex due to the nature of insurance.'

'However, one interesting point to note is that, despite the financial crisis, the general insurance industry has remained stable and shown its resilience. This is because companies tend to be well-capitalised and operate within a highly-regulated environment, which helps maintain market confidence and discipline.'



Philippe Gouraud



# Around the exhibition

## Bringing a little magic to AIRMIC

THIS YEAR, independent specialist insurance and reinsurance broker Miller Insurance Services Limited (Miller) is hosting a stand with the theme 'delivering magical solutions'.

To tie in with the theme, Miller has award-winning magician Peter Wardell performing at its stand throughout the conference. Also on the Miller stand is a team led by Jon Warwick (director – corporate risks UK and Europe) and Adam Piper (development director – corporate risks UK and Europe).

They are inviting visitors to complete a light-hearted risk management survey with a magical twist, with a chance to win a £250 Charity

Voucher(TM) to donate to one of 500 charities.

Warwick says: 'Times are tough, so we could all use a little magic in our lives. Risk managers are facing real challenges around the impact of the economic downturn – credit is hard to find, fraud and crime are increasing – and whilst brokers are not magicians, we thought it would be fun to see what risk managers would want us to magic up for them – and to entertain them on our stand with a few tricks.'

'Companies are increasingly recognising the value of an independent specialist to address today's complex risk issues and we aim to position Miller as broker of choice.'



## A refreshing approach to risk management with Hill Dickinson



HILL DICKINSON is using the occasion of the AIRMIC conference to launch its new motor solutions and casualty solutions and these are a key focus on its stand. The new solutions are an enhancement of existing strategies, reflecting client feedback and aimed at helping clients achieve the following objectives:

- reducing claims costs
- decreasing claims volumes
- reducing the lifecycle of claims

- combatting fraud
  - protecting reputation and brand.
- Hill Dickinson says the new solutions will provide clients with absolute transparency of a clearly priced product and the flexibility of a core service with optional extras. This means that there are no hidden costs or fees and clients only pay for what they need. Yesterday, Hill Dickinson launched with champagne and strawberries. Today they're offering smoothies to cure any hangovers!

## Choosing well with AIG?

AT ITS EXHIBITION stand this year, AIG has the theme of – 'The right choice – always have been, always will be.' Visitors can participate in a competition for which the prize is a Manchester United shirt, signed by Carlos Tevez. Present on its stand are Lex Baugh (managing

director, AIG UK Limited); Philippe Gouraud (senior vice president – head of major accounts practice), and Kelly Lyles (executive director, commercial lines). They expect that most of the questions from risk managers that they will be ferrying will be related to the effect of the recession on the market.



# Keeping cool with BLM

Berrymans Lace Mawer has returned to the AIRMIC exhibition for a third consecutive year. Their message in 2009 is 'don't leave risk to chance' and their seaside themed stand includes a tombola, with the chance of winning the top prize of a digital camera.

This afternoon BLM will also be hosting a workshop session on 'protecting the board – a 360° appraisal of current legal risks'. In addition, its expert team on stand 32 has been joined by Helen Devery and Helen Grimberg from its corporate risk

team, and Ian Finlayson from its claims management services division. They are on hand throughout the conference to offer advice and assistance in these key business areas.

Of particular note the year is the launch of the firm's 24 hour safety, health and environment emergency helpline, designed to provide risk managers with a quick response whenever and wherever they need legal assistance.

Throughout the conference Berrymans is giving away fresh, locally produced ice cream.



# New launch from van Oppen

Van Oppen & Co Limited, innovator of the award-winning VOCOL renewal plan, is using the occasion of the AIRMIC conference to launch its new 'VOCOL Health Check'. This is a 'quick and painless' health check of your underwriting submission and the underlying process to deliver it. For each class of insurance van Oppen will benchmark key features of your prior year's renewal submission against best practice, so you can plan improvements for the future.

The company says that the VOCOL Health Check is a

direct response to its customers' requirement to take control of their own data gathering and presentation process.

TBIAS Group Ltd acquired van Oppen & Co Limited in January 2009. The VOCOL Renewal Plan and VOCOL Health Check have been integrated into TBIAS Group's business systems – an integrated modular business approach to delivering risk and insurance services. And so Mike Koster and Chris Valentine of TBIAS have joined the staff of van Oppen & Co and Effisoft on Stand 3 this year.

# Moving stories

Steve Hatherall, global customer management director commercial, RSA, explained that 'moving stories' – keeping customers moving and how to bring insurance solutions to everyday business – is the theme of RSA's stand this year.

He expected delegates' focus to be on financial security and how RSA can help them

through these difficult times. He also anticipated some questions relating to fleet risk management, following yesterday's RSA/Cranfield University workshop on this subject.

RSA is backing its theme with the gift of a digital photo frame, attached to a key ring, which should be in great demand.



# FM Global's three pillars

FM Global's stand this year is focusing on the three pillars of what the company believes are the most valuable aspects of its service delivery to clients – partnership, its engineering abilities and helping its clients protect their business continuity.

Martin Fessey, vice president, international operations, market and business development, FM Global, said: 'We are living through some challenging times and we expect to be discussing with our clients how we can help them proactively manage their property risk and their business generally.

'It's a time when the topic of risk management is

even more important than before because the consequences of a loss now are potentially more severe,' he added.

Has the recession resulted in companies cutting their investment in risk management? Fessey said that it is more a case of growing emphasis by clients on 'making the right investment in the right area for the right reasons'.

He also said that the growing complexity of supply chains is leading to a greater focus on managing the related risks.

FM Global is offering visitors to its stand a lap top phone charger and an aluminium torch.