

# Learning from the pandemic:

## Global programmes must lead the way on contract certainty and data analytics

### ◇ PANDEMIC

news@commercialriskonline.com

@COMRISKONLINE

**T**he pandemic threw up real challenges that strained the relationships between risk managers and their insurers, but with a renewed focus on contract certainty and data analytics, there is mounting interest in global programmes to help multinationals face up to an extremely difficult risk landscape.

Alain Throo, client management leader at AXA XL, said Covid-19 focused the whole world on the insurance industry to see whether it would pay business interruption losses as companies locked down and events were cancelled.

While conceding that the insurance industry's response dented its reputation, he believes the experience has thrown up some clear lessons and created some real opportunities to improve, not least on contract certainty.

"Covid-19 highlighted that in the P&C market, wordings needed to become clearer and more consistent," said Throo.

"Contract certainty must be delivered. It is one of the big lessons learnt from the pandemic. There needs to be more consistency. At the end of the day, the relationship between carrier and insured is what matters most and that needs to be fair from both sides. That means contract certainty and clear understanding of what wordings entail. So we need greater clarity about what is and what isn't covered," he said.



### TIME OF CHANGE

Brian Grabek, head of multinational insurance at Sampo International, said we are living through a time of great change and unprecedented challenges, not least with the pandemic and global supply chain issues.

Historically, insurers have been slow to adapt and explain the new risks they can and cannot take on. However, Grabek believes the current environment provides the insurance industry with the opportunity to show its value by discussing emerging trends with insureds and having candid conversations about difficult areas of cover, to deliver more certainty and predictability in their programmes.

Grabek also believes technology and data analytics provide an opportunity to drive faster progress and change within the P&C insurance industry by delivering insights into big, emerging risks such as climate change, cyber and global supply chain issues.

"We have to learn how to utilise technology more effectively to thoroughly understand the defining issues of the future and get ahead of them. I think it starts by doing a better job of leaning in and listening

to clients, and understanding their needs and the future goals of their businesses," he said.

"Clients value our extensive advisory and risk management capabilities. As a global insurer, they value our knowledge of local markets and how each country operates. They value the insight we provide into emerging and evolving risks, enabling them to seamlessly adapt – which is essential to what we do. Of course, providing a commensurate price for the risk we are taking is a big part of it, but the services provided and how we evaluate and analyse emerging trends and data are really at the forefront of the value that we provide," he added.

Antonio Vianello, head of multinational programmes and network management at Generali Global Corporate & Commercial, also believes technology and risk analysis are key to helping multinational programme clients.

He too predicts that successful insurers will provide risk analysis and offer mitigation advice beyond traditional risk transfer. How insurers structure and share data is now vital, he said.

Vianello stressed that insurers need to help risk managers think the unthinkable and predict the risks ahead. He noted that global programmes can leverage global data and are therefore a great tool to deliver on this promise.

"We have experienced an increase in global programmes. Risk managers understand even more the benefit of partnering with a global carrier and building a global programme for their international exposure. What they seek is the ability to provide regulatory and market insights

**Brian Grabek believes the current environment provides the insurance industry with an opportunity to show its value**

from every country in the world. The ability to provide updated data and structure that data so it can be consumed by the risk manager is key. The pandemic and supply chain disruption have increased risk managers' understanding that they need that service and information. This has reinforced the opportunity to partner with our clients," said Vianello.

But he also stressed the importance of balancing digitisation and analytics with the relationship and personal touch. "We need to understand clients' business and concerns, which relies on human relationships and being more service-driven than process-driven," he said.

**CLOSE RELATIONSHIP**

Grabek agreed that value-added insurance services, as well as a focus on risk prevention and mitigation, are the way forward for global insurers. However, he said there is

no replacement for close interaction with brokers and clients to understand how to properly deploy services. "Personal interaction was missing due to the pandemic, and our relationships and value may have suffered at times as a result," he said.

"Risk management is not an annual conversation; it happens throughout the year. So I think the relationship between the carrier, broker and the corporate risk managers has become tighter. It is not just about risk transfer, it is about risk advisory, risk mitigation and loss prevention, which continued to evolve coming out of the pandemic," argued Grabek.

And he thinks risk managers are increasingly coming to insurers about managing emerging and systemic risks, as well as day-to-day issues.

"Every day we are having conversations with risk managers about the recent issues affecting

their current programmes and the global long-term trends, to assist them in their future business planning. Risk managers have to advise the c-suite about these emerging risks as they become more prominent. We are increasingly talking about both with clients," said Grabek.

Throo said there are four important aspects to global programmes – certainty and consistency of cover and limits, compliance, cost reduction and transparency – as multinationals leverage their scale and transparency through centralised information management. He believes the pandemic highlighted the value of these benefits and the merits of cross border coverage.

Throo said risk managers now want more control over their coverage than ever, and this is much easier through a centralised insurance-buying approach.



# We make a complex world simple

**TMF Group is a leading provider of critical administrative services, helping clients invest and operate safely around the world.**

Our 9,100 experts and 120 offices in 85 jurisdictions worldwide serve corporates, financial institutions, asset managers, private clients and family offices, providing the combination of accounting, tax, payroll, fund administration, compliance and entity management services essential to global business success.

We know how to unlock access to the world's most attractive markets – no matter how complex – swiftly, safely and efficiently. That's why more than 60% of the Fortune Global 500 and FTSE 100, and almost half the top 300 private equity firms, work with us.

Our unique global delivery model, underpinned by our innovative digital platforms, means we can cover sectors as diverse as capital markets, private equity, real estate, pharmaceuticals, energy and technology, with experts on the ground providing local support.

With year-on-year growth averaging 8% since 2013, TMF Group is a trusted and reliable partner. Whether operating across one border or many, with a handful of staff or several thousand, we have the business-critical support you need to expand, operate and grow while remaining compliant, everywhere.



Interested in finding out more?

[www.tmf-group.com](http://www.tmf-group.com)

