



Evolving with the risks



Mr Julian James



Mr Paul O'Neill

In its goal to become a truly global insurer, Sompo has been cementing its footprint in Asia, building a team that can understand and address the risks that its Asian clients face. *Asia Insurance Review* spoke to **Sompo's Messrs Julian James and Paul O'Neill** about the risks they think are the most pressing, and the carrier's approach to managing those risks for its clients.

By Ahmad Zaki

Of the various risks that organisations are grappling with, inflation frequently appears at the top of the list. For Sompo's clients who have inflation as one of its major exposures, one of the recommendations is to ensure that they get the proper valuation carried out so that they understand exactly what exposure they have, said Sompo president of commercial lines Paul O'Neill.

"Inflation links into how we will deal with claims and also links into supply-chain issues. If I look at something like energy transition and the high demand for renewables in Asia such as offshore solar panels, then you naturally have a supply and demand issue that the OEMs face

because they're trying to supply the clients with the components they need from, wind turbines to solar panels, to ensure that they can meet their business needs," he said.

"Another risk for a lot of clients in that space is making sure that the underlying quality of the goods that they are receiving are of a level that ensures that they will work in a sustainable way. When we work with clients, we will look at where their existing assets are in their existing supply chain and maybe assess the potential bottlenecks that could result in a business interruption event and how long that could be."

He also said that Sompo has the expertise and experience across

the globe to help clients who are investing into sustainable energy and technology and can pinpoint exactly where some of the best practices are being applied.

"Because we can see claims, we can learn lessons from what's been happening around the globe. So, the one thing insurance can offer is that discussion with clients, and pass on those lessons to them," he said.

"I think many of these risks are interlinked. And I think that our job is to make sure that we keep on top of not just the products we're providing, but on top of global issues and global risks. So, when we're speaking to a client in Asia, they in many ways have similar challenges and clients around the rest of the

world, and we can help them by applying the lessons we learned from past incidents.”

Flexibility and the future of work

Another new risk that is yet to be fully understood is in hiring, and the new demands that employers have for the people they work for. Employees are far more conscious of their social and environmental impact and want to know that the organisation they work for is also cognizant of these issues.

“I think we’re what we’re seeing, and this is a global comment, is a need to, for us as an employer, to be flexible in our approach,” said Sampo CEO, global markets, commercial P&C Julian James. “The days when you needed to be in the office at nine in the morning, and then you’d leave at five in the afternoon are over. And we find that, in terms of our employment offering, we need to be flexible in terms of time within the office. We need to be flexible and recognise that people go through different phases of their own lives, and that time at home is more important than time in the office.”

However, after the initial inertia of remote offices and working from home in the early days post-COVID, Sampo has seen a real thirst for people to come back into a physical community, all across the globe. “I think people recognise that they do value the social interaction, they value the ability to share knowledge, which is easier when you can do it face to face,” he said.

The days of lockdown and restricted travel are a distant memory for most people now, and many employees, according to Mr James, have shown that they value the ability to be able to move around different parts of the world. “At some point, one of the benefits that we have

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is that we have the ability to send people to different parts of the world. We have a lot of Japanese people, for instance, in our office in London, we have Japanese people sitting in Singapore and elsewhere,” he said.

“And we send people on global training programmes and we move people from Singapore to go and work in New York or in London for three months. And just being part of an interconnected world where people can actually, share expertise and be part of a global community and understand different cultures, we think is what we should be doing as a responsible employer.”

But it all comes back to flexibility. And that’s where Mr James thinks the industry needs to head towards. “We need to be flexible in terms of the benefits we give people. We need to be flexible in terms of how they work. We need to be flexible in terms of how we can develop them, and how they want to develop themselves. And that’s where the world is changed a lot in the 40 years that I’ve been working in the insurance world.”

New security risks

However, increased demands for flexibility in working hours has brought about new security risks that

were not previously on anyone’s radar.

“I’m sure there are plenty of risks that neither of us are thinking about,” said Mr James. “Even having a company mobile phone that someone accidentally leaves behind in a restaurant or train, and then someone picks it up and has access to all the company data, is a risk that has been around for a long time.”

An organisation, he said, needs to have safety valves that can close that down and protect a company’s data, and ensuring security around sending messages. “We spend a lot of time trying to mitigate those risks and stay on top of them. But fundamentally, there’s nothing particularly different from 20 years ago, when someone would have a confidential presentation in their briefcase and they’d leave it on an airplane,” he said. “And actually, some ways it’s easier to control some of these risks in an electronic world and with an electronic footprint. The risks are always evolving and we’re always learning new ways of dealing with it and it’s just a question of staying on top of it.”

According to Mr O’Neill, it is about making sure that you can identify those risks consistently. “You have to carry out qualitative and quantitative risk analysis all the time. And it’s just how you control the parameters of that. So that’s why we spend a lot of time in getting the right people on board to understand that. By having the right people in IT and operations, we can make sure we communicate clearly with our employees about the security that they have to maintain. It’s an evolving mindset. We just have to evolve with it.”

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