

Risk A/T[®] Work

"An ounce of prevention is worth a pound of cure." Benjamin Franklin 1736



We are pleased to introduce the next edition of

Risk A/T[®] Work, a forum dedicated to sharing safety and loss control tips with our brokers and insureds.

Risk A/T[®] is our proprietary risk management approach which promotes informed risk analysis based on two behavioral factors — **A**ptitude and **T**olerance.

ABOUT US

Sompo International Insurance works through a global distribution network of retail and wholesale brokers and MGUs to provide high-quality and responsive services to a broad range of clients from large multinationals to small businesses. We offer diverse specialty capabilities across a broad range of products and industry verticals.

If you would like to subscribe to **Risk A/T[®] Work**, please contact Victor Sordillo at vsordillo@sompo-intl.com

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Re-Evaluating Supply Chain Risks

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Globalization, just-in-time purchasing and delivery, and the reliance on remote sources of product or services have increased the vulnerability to an interruption in business. This has certainly been amplified by the COVID-19 pandemic. Few had predicted such highlighting of interdependencies.

Although it may not be possible to make many rapid changes in the structure and dependence today, businesses need to learn from this event and alter its operations to prevent a reoccurrence. During this crisis, you should reassess your product and workflow and update your Business Continuity Plan based on this reassessment.

Prior catastrophic events, such as Hurricanes Harvey, Irma and Maria, resulted in significant challenges but were localized and provided a greater number of alternatives for restoration of normal activity. A worldwide pandemic, as we are in today, presents a greater challenge and an opportunity to revise your contingency plans while assessing your exposure to a slow down or shut down.

Some of the major considerations are as follows:

- sole or limited sources of manpower, expertise, raw material, components and finished goods
- specialized equipment, machinery or critical spare components
- transportation, packaging and potential customs regulations & requirements
- quality control, testing or approvals

Location of your vendors and the protection of their people and facilities is a critical component of your plan. If your sources are not controlling risk and planning for contingencies, the probability of the failure of your operations increases.

Technology can also be a major contributor to reducing your risk of interruption in the future. Robotics can supplement manpower, advanced manufacturing, such as 3-D printing, can provide for a source of critical components, and the Internet of Things can improve the monitoring of critical equipment, sources of damage such as pipe leaks or steam/hydraulic pressure and safety system such as fire sprinklers. In addition, digitized CAD drawings and computer assisted design systems can provide backup models for retooling and re-startup.

We Are Here To Help

Your Sompo International Risk Control team is available to assist you and provide support during this time of concern. If you need us, please call your Sompo GRS Risk Control Specialist or our emergency hotline at +1 877 667 5733 or email GRSRiskControlQuestions@sompo-intl.com.