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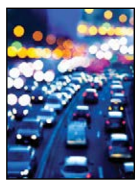

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The term "smart cities" covers a wide range of technological developments that will affect a multitude of aspects of city life. Crucially, it means different things to different cities. For some, the priority may be finding ways to relieve pollution or congestion using sensors and data analysis. For others, it may be about greening.

A major facet of smart city programmes is the opening up of a range of data that stakeholders can access via an online dashboard for a wide range of purposes, from reporting crime to identifying and remedying infrastructure problems.

With global city populations rising each year – including within the 28 megacities, which each have populations of over 10 million people – it's not hard to see why it might make sense to get a handle on efficiency and safety.

From a risk management perspective, the serious issues are less to do with driverless cars and fully automated homes, and more to do with network vulnerabilities.

There's little doubt for anyone involved in a smart city sector that is already worth £16bn that we are now at the embryonic stages of what will be a revolution in technology and urban development, and one in which there is an opportunity to ensure that sound risk and resilience principles can be embedded from the very beginning. This represents a huge opportunity for risk professionals, who are uniquely positioned to bring so much to such exciting, and potentially risky, developments.

Deborah Ritchie
Editor

Insurance Act 2015 welcomed by industry

The much anticipated Insurance Act 2015 is finally here, replacing the Marine Insurance Act – one hundred years old, and more than a little out of touch with modern business. We look at the new rules

The long awaited Insurance Act received Royal Assent in February, implementing reforms to modernise and simplify insurance contract law across the UK.

The provisions of the Insurance Act 2015 will modernise the law, balance more fairly the interests of insurers and buyers; and provide a framework for an effective, competitive and trusted business insurance market.

The new Act will give effect to reforms recommended by the Law Commissions of England and Wales and of Scotland in a 2014 report on Insurance Contract Law.

Professor Hector MacQueen, Law Commissioner leading on the project for Scotland, said: "Our recommendations received strong support from across the insurance market, and we were pleased to see these urgently needed reforms complete their passage through Parliament following the Law Commission procedure for uncontroversial Bills. We look forward to the Insurance Act 2015 coming into force and delivering for the UK a legal framework fit to support our world-leading insurance industry."

Disclosure & misrepresentation

Under a new "duty of fair presentation", business policyholders will still have a duty to volunteer information, but what is required of them is made clearer, and insurers will need to play a more active role in asking questions of the policyholder. A new scheme of proportionate remedies will replace the existing single remedy of avoidance, which allows insurers to refuse the whole of a claim.

> "The new Act provides insurers with clear, robust remedies when a policyholder makes a fraudulent claim"

Warranties

As a result of the new Act, insurers will be liable to pay any claim that arises after a breach of warranty has been remedied such as where a broken burglar alarm has been repaired before the claim arises. And they will no longer be able to escape liability on the basis of the policyholder's breach of a contract term that is shown to be completely irrelevant to the loss suffered. "Basis of the contract" clauses, which can turn any statement from a policyholder into a warranty, will be abolished.

Remedies for fraudulent claims

The new Act provides insurers with clear, robust remedies when a policyholder makes a fraudulent claim. Where any part of a claim is fraudulent, they will be entitled to refuse the whole claim. They will also have the right to refuse any claim arising after the fraud but must pay earlier, valid claims.

Stephen Lewis, Law Commissioner now leading on the Insurance Contract Law project for England and Wales, says insurance contract law had long been out of date and no longer reflected the realities of today's commercial practices. The new Act, on the other hand, underpins a healthy and prosperous society, and enables businesses and individuals to protect themselves against risk.

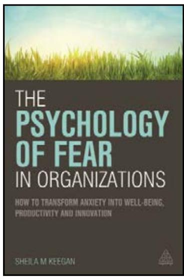
The government did not include in the Insurance Act the Law Commissions' recommendations relating to late payment, but has asked the Commissions to continue to work with stakeholders with a view to introducing a solution to this issue in the future.

The Insurance Act 2015 also includes provisions relating to the 2010 Third Parties Act so that it can be brought into force. The Act, which also derived from recommendations made by the two Law Commissions, simplifies the procedure by which third parties can claim against an insurer when the insured is, in broad terms, insolvent or has been dissolved.

Welcoming the much-needed replacement of the 1906 Marine Insurance Act, which was regarded as out of touch with modern business, Airmic is urging the insurance market to move quickly in implementing the changes.

John Hurrell, Airmic CEO, said: "We are delighted to see this important Bill complete its passage through Parliament. The changes bring this country's insurance contract law for commercial insurance up-to-date and fit for the modern world."

The Act will come into force in August 2016, giving the industry plenty of time in which to prepare.



The Psychology of Fear in Organizations

Sheila Keegan, Kogan Page, ISBN 9780749472542

Reviewed by Deborah Ritchie, editor, CIR Magazine

Here is a book for anyone interested in organisational improvements. The fascinating read explores the emotion of fear within organisations; how it arises, how it can be recognised and how we can deal with it.

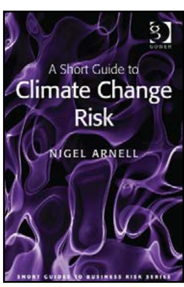
Author Sheila Keegan, a chartered psychologist with a doctorate in organisational change and management, examines how some work environments have become psychologically dangerous places. "We have moved on from the physical dangers that were inherent in the workplaces of the Industrial Revolution, but in some cases we have substituted them with psychological ones," she writes.

Keegan examines how fear can be harnessed to improve productivity and organisational health; identifying priorities and practices that foster healthy working environments as well as highlighting the attitudes and practices that don't, and which result in a demoralised and fearful workforce.

The book also touches on the subject of leadership and megalomania, and on the effect of psychopaths in the workplace. There is also a chapter devoted to resilience, which examines the impact of the resilient workforce on the organisation, and on the economic benefits of building resilience within teams. "In essence, building resilient teams is about effective leadership, team cohesion, mutual support and open, honest communication," Keegan writes.

Praising Keegan's study, Chris Welford, author of *Staying Sane in Business*, heralds this book as a "major contribution to productivity". The anxious mind, he says is "rigid and limited as it seeks to solve problems in more or less the same way, time and time again". He asserts that fear is "the number one enemy of creativity and without creativity there is no innovation".

"The anxious mind is rigid and limited, as it seeks to solve problems in more or less the same way, time and time again. Fear is the number one enemy of creativity"



A Short Guide to Climate Change Risk

Nigel Arnell, Gower, ISBN 9781409453529

Reviewed by Deborah Ritchie, editor, CIR Magazine

"Covering the nature, science, politics, assessment and management of climate change risks, this book is aimed at those who need to know about it as a strategic and operational risk"

Climate change poses a risk to business operations and to markets. But this is just one side of the story. At the same time, climate change can bring opportunities for some businesses. This book is aimed at those people in organisations who need to know about climate change as a strategic and operational risk.

In this book, Professor Arnell presents an overview of the science of climate change and the risks posed by a changing climate. It also introduces methods for assessing and responding to these risks. Current director of the Walker Institute at the University of Reading, and Professor of Climate System Science in the Department of Meteorology, the author trained as a geographer and has also worked as a hydrologist.

Arnell has been researching the impacts of climate change for over 20 years and he helped develop methods used in the UK for assessing climate change impacts on water supply companies. He has also contributed to all the assessment reports of the Intergovernmental Panel on Climate Change (IPCC) since 1995.

A Short Guide to Climate Change Risk focuses on the impacts and consequences of climate change rather than on business use of energy or business and 'sustainability' issues. With chapters on the nature, science and politics of climate change, on the assessment and management of climate change risks, and recommendations for incorporating climate change risks into the organisation's risk register, this guide is designed for use by business students and practitioners across a wide range of sectors, public and private.

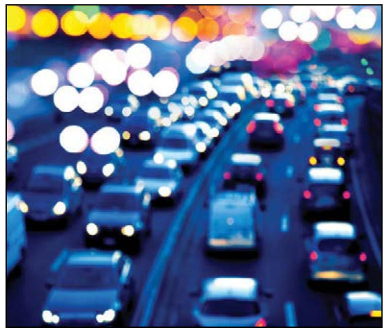
A section on risk assessment will help readers to translate climate change into measurable impacts.

As the trend for connected devices continues to accelerate, the Internet of Things (IoT) is being seen as a major transformational driver within the insurance industry. Indeed, a focus on digital transformation, the advance of the IoT and the adoption of cloud services are among the key trends highlighted in a new Capgemini report as **key developments in technology for insurers** over the coming year. Meanwhile, research from IDC finds that employed consumers working from home currently have an average of 11 IoT devices on their home networks, and nearly one in four have already connected at least one of these devices to their **enterprise networks**. IDC's study focused on the impact that emerging security threats connected with the IoT have on enterprise security.

The decision taken in February to increase the **Diffuse Mesothelioma Payment Scheme** tariffs from 80% on average civil claims to 100% should be welcomed by the asbestos-related victim support groups, according to business law firm DWF.

The long awaited Insurance Bill has received Royal Assent, implementing reforms to modernise and simplify insurance contract law across the UK. **The Insurance Act 2015** will give effect to reforms recommended by the Law Commissions of England and Wales and of Scotland in a 2014 report on Insurance Contract Law.

"A UK government report predicts that driverless car technology could reduce accident rates by up to 90%"



A major government report aims to set the UK apart as a premium location for developing new **driverless car technology**. The first test on public roads is scheduled to take place this summer. With the potential to reduce accident rates by up to 90% (the estimated extent to which human error causes road traffic incidents), it is hoped that these steps might usher in a new age of road safety.

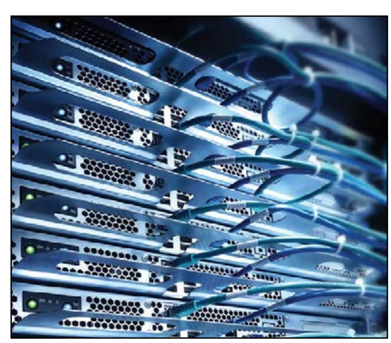
A new industry body is aiming to help British businesses reduce risk across their **vehicle fleets** by establishing best practice in the use of data. Fleet Data Insight has been founded by insurers Zurich, TomTom Telematics, the FTA and the Energy Saving Trust.

Recruiters at Reed are urging employers to reconsider their recruitment and retention strategies, as new research reveals insurance industry professionals rate job satisfaction and **work-life balance** as more important than salary. The poll of 1,600 workers by YouGov asked about attitudes to work, career aspirations and regrets. Findings suggest 41% rate job satisfaction as the single most important aspect of working life, followed by good work-life balance (31%), showing it's no longer just about the salary package which got just 12% of the vote.

After ongoing negotiations with the Association of British Insurers and Flood Re, an agreement has been reached on a number of matters regarding **how Flood Re will operate**. This will enable legislation to be laid in Parliament next year and – once approved by the regulators – enable Flood Re to operate as a reinsurer.

Businesses face new challenges from **a rise of disruptive scenarios** in an increasingly interconnected corporate environment, according to the fourth Allianz Risk Barometer. Traditional industrial risks such as BI and SCM, natural catastrophes, and fire and explosion continue to concern risk experts globally, heading this year's rankings. Cyber and political risks are the most significant movers. The survey was conducted among more than 500 risk managers and corporate insurance experts from both Allianz and global businesses in 47 countries.

The retail sector is the most likely sector of industry to have **cyber insurance** cover, and is also most likely to be US-based. So says information security organisation, the Corporate Executive Programme (CEP), which set out in a recent study to examine current attitudes towards cyber insurance among large and medium-sized enterprises in the US and the UK.



Insurers across the world say **regulatory changes and sustained low interest rates** will continue to be primary environmental challenges over the next three years, according to Towers Watson. While these near-term challenges stand as insurers' top concern, they also express worries about more fundamental issues, such as whether their business models will hold up to new and emerging risks.

A sharp increase in demand for **risk professionals** is leading to elevated salary expectations, with 83% looking to secure a pay rise this year. Most are hoping for a significant increase: 41% expect a minimum rise of up to 10%, with more than one in ten seeking a salary boost of over 10%.

Following the expiration in December of the US government's backstop for insurers' losses from acts of terrorism, Congress voted in January to reauthorise the **Terrorism Risk Insurance Act**. Chief executive of the International Underwriting Association, Dave Matcham, said he was pleased that Congress has acted to renew TRIA and reduce economic uncertainty. RIMS commended the reauthorisation, and six-year extension of backstop. The Lloyd's Market Association (LMA) welcomed the end to a period of uncertainty that prevailed over the holiday period. TRIA was initially allowed to lapse at midnight on 31 December 2014 after the US Senate failed to authorise the Bill in December prior to its holiday recess.

> "A sharp increase in demand for risk professionals means over 80% will look to secure a pay rise this year"

Lloyd's Register has published new guidance for calculating explosion loads to help improve safety in the **oil and gas** industry. Lloyd's Register's Guidance Notes for the Calculation of Probabilistic Explosion Loads provide recommended practices to help engineers, operators and designers to define blast and explosion loads to control and mitigate risk measures in offshore operations.

The **Small Business, Enterprise and Employment Bill** is currently making its way through Parliament. The Bill contains a number of measures which together represent significant change for companies and Companies House customers. All companies will be affected by at least some changes, as the measures will change legal requirements on companies, including what they file with Companies House – which will impact companies' systems and processes.

Research from Unisys finds gaps in the security of the world's **critical infrastructure**. Nearly 70% of companies surveyed that are responsible for the world's power, water and other critical functions have reported at least one security breach that led to confidential data loss or disruption of operations in the past 12 months, according to a survey released recently in partnership with the Ponemon Institute.

Global insurance company CEOs believe there are more threats than there are opportunities compared to three years ago. This is according to PwC's 18th Annual Global CEO Survey, which includes responses from 80 CEOs in the insurance sector across 37 countries, and which reflects the **heightened environment of change within insurance compared to other industries**. It says 59% of insurance company CEOs believe there are more business opportunities than there were three years ago, but, 61% see more threats. In contrast to data from other industries, over-regulation is seen as a key disruptor with 91% of insurance CEOs considering it to be a threat to their growth prospects.

An **unprecedented cyber robbery** has netted an organised crime gang up to US$1bn over two years, fresh analysis suggests. Analysts from Interpol, Europol and Kaspersky Lab believe that responsibility for the robbery rests with a multinational gang of cybercriminals from Russia, Ukraine and other parts of Europe, as well as from China. The plot marks the beginning of a new stage in the evolution of cybercriminal activity, where malicious users steal money directly from banks, and avoid targeting end users.

Image by robert paul van beets / Shutterstock.com

Tech and the city

Smart cities are set to change our lives in ways we have little chance of predicting. Martin Allen-Smith examines the opportunities and challenges for risk professionals

Most will have seen the news stories about driverless cars and a transportation future in which technology all but removes the element of human error, and with the apparent potential to cut the risk of accidents by up to 90 per cent, according to some estimates. Trials this year have taken place in four UK cities – London, Bristol, Coventry and Milton Keynes – each testing a different version of this car of the future.

This may sound like headline-grabbing stuff, but there is a lot more to this than just another far-fetched vision of the future; it could be said to represent a massive new technological trend that is revolutionising the way our towns and cities will operate in the future. This new reality will have profound implications on the way organisations both private and public sector will operate in years to come.

The term 'smart cities' covers a wide range of technological developments affecting a multitude of aspects of city life. Crucially, it means different things to different cities. For some, the priority may be finding ways to relieve pollution or congestion using sensors and data analysis. For others, it is more about making cities greener with bike-sharing schemes or more open spaces.

In some regions, smart city technology has been built into new cities right from the start – Songdo in South Korea has high-tech functions built in to its infrastructure, whilst Masdar in the United Arab Emirates has been created as a model for green thinking in city planning.

Other cities are having 'smart retro-fits', with Barcelona, San Francisco and São Paulo often cited as smart city standard bearers; but also smaller cities such as Santander, Spain, which has focused a lot of time and investment on integrating sophisticated sensor systems to improve transport, lighting and waste efficiency.

The UK is keen to be at the forefront of smart city development and, as such, the government ran an initiative in 2014 to help boost progress. The victor was Glasgow, which received £24 million to spend on smart technologies. Around half of the money has been spent on an operations centre filled with screens monitored by the police, traffic authorities and emergency services. It has also upgraded its CCTV system and intends to spend on research into how data can be used to predict crime, as well as systems such as intelligent lighting to help reduce the city's massive energy bill.

A key facet of this and many other smart city programmes is the element of opening up a range of city data that stakeholders can access via an online dashboard for a wide range of purposes, from reporting crime to identifying and remedying infrastructure problems.

In Bristol, a joint venture between the city council and the University of Bristol is exploring some of the possibilities, and looking at how they could benefit the city. The initiative revolves around a software-defined network which creates a city operating system from which all the other elements can be run.

Paul Wilson, managing director of the Bristol is Open initiative, explains: "There are many Internet of Things[-related] activities happening in towns and cities across the country and it is taking off at an incredible rate. What we have done though is create a management framework for all of the many smart initiatives in Bristol and this is pretty much unique. Without this framework, each of these would be operating in a quite disparate way with lots of incompatible data coming in."

He adds that by managing it more comprehensively, it is possible to start treating the city as a 'thing' in itself. With global city populations rising each year – including within the 28 megacities, which each have populations of over 10 million people – it's not hard to see why it might make sense to get a handle on safety, efficiency and, ultimately, quality of life. "For example," Wilson says, "the health service creates a lot of traffic, and yet there is no link or communication with the people who manage transport services. If you began to garner all this at some kind of city level, then you could link transport and health in a way that somehow optimises the whole thing."

While some of this may seem a tad fantastical, and will be a journey that Wilson says "will no doubt last the rest of our lives", the foundations are being laid now that will enable us to think and manage at that level in the future.

It is a data-driven future that involves making significant amounts of information available for people and organisations to access and share. And for ordinary citizens, this could herald an age of participation. For example, the Open Data Institute in London even runs challenges inviting people to use open data to come up with solutions for transport, energy or waste management challenges affecting the area in which they live.

Patrick Driscoll, a research fellow at the Danish Centre for Environmental Assessment and who has advised on smart city and cybersecurity initiatives in Denmark and in the US, warns that the resilience of some of these initiatives has to be prioritised – particularly when it comes to the core infrastructure. "Every time you create an access point, you increase vulnerability. This means data security problems, network security problems, considerations over having data and systems in transit, as well as

"Smart city technologies have been built into some new cities right from the start – Songdo in South Korea already has such high-tech functions built in to its infrastructure"

> "In this rapidly changing smart city environment where the stakes are so high, there needs to be some form of mandatory reporting requirement for cybercrime in which incidents are shared and tackled"

data and systems in storage."

"A lot of the organisations that may be expected to be at the heart of smart city initiatives – the utility companies handling energy, waste and water for example – are not accustomed to being in the internet threat environment. They don't know what they're facing and they don't really have a good overview of where the potential downsides could come from."

This scenario of people who are not attuned to the threat environment and without adequate processes to address those threats is a major concern, since, says Driscoll, "it is not a question of if, but when those systems will be compromised. There's no doubt that they will."

Sophisticated surveillance malware, or super-malware, could have profound consequences for large scale aggregated data systems or municipal networks. "It may not matter so much to small scale projects," Driscoll adds, "but when you're talking about traffic lights, street lighting, or the energy grid itself, you can see why the impact could be significant."

Barriers to progress

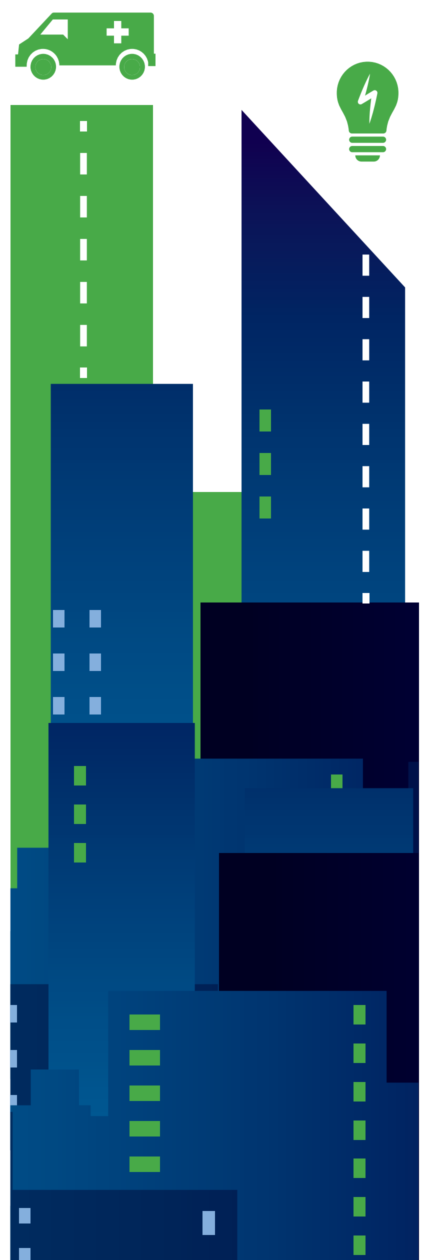
One of the barriers to establishing a strong and resilient smart city development culture could be the lack of willingness to share experiences. This occurs both in terms of guarding the details of breakthroughs and progress on initiatives from other commercial competitors, and also a desire to bury bad news about system or data hacks. Driscoll believes that in this rapidly changing smart city environment where the stakes are so high, there needs to be some form of mandatory reporting requirement for cybercrime in which incidents are shared and tackled.

From a risk management perspective, the serious issues are less to do with driverless cars and fully automated homes, and more to do with network vulnerabilities, the fault tolerances in the systems, and the challenge of integrating lots of data from thousands of sensors.

There are also risks as yet unknown from the social impact of some of the complex data integration that smart cities entail when combined with what could be perceived as a fairly blasé attitude towards regulatory and legal compliance. Linked to the EU 'right to be forgotten' ruling is the question of who owns the data generated by sensors and other components of a smart city network. Regulatory backlash is vital to plan for – in Denmark for example, new laws have just been introduced to restrict the use of 'WiFi sniffers' put in place within three major cities primarily for the purposes of gathering transport and people movement data. The problem is that, in theory, this data could be triangulated to identify the whereabouts and movement of an individual, potentially infringing the individual's right to anonymity. Future regulatory restrictions – and civil liberty concerns – need to be factored in right from the start.

It all adds up to a huge opportunity for risk professionals, who need to insert themselves at the earliest stages of smart city initiatives if these projects are going to have the right balance of innovative development and strong resilience.

Irrespective of the precise ways in which our cities of the future may develop, there are strong drivers for change on a large scale. Estimates suggest that 70 per cent of the world's 9.6 billion people are forecast to live in cities by 2050 (compared to 54 per cent today), making the problems of global urbanisation a major growth industry. There's little doubt for anyone involved in a smart city sector that is already worth £16bn that we are now at the embryonic stages of what will be a revolution in technology and urban development, and it is one in which – perhaps for the very first time – there is an opportunity to ensure that sound risk and resilience principles can be embedded right from the beginning.



interview

Engineering success

Deborah Ritchie speaks to Graeme Watt, chief risk officer of Laird plc, a company with unique and complex challenges when it comes to risk. Prior to working for Laird, Graeme held a number of risk and audit roles at Alliance Unichem (latterly Alliance Boots), BAA, World Duty Free and Somerfield. Before this, he worked for the supply and secretariat branch of the Royal Navy.

What was the impetus for Laird's transformation of its risk processes?

Two things happened in parallel. On the one hand I had an emerging sense that, in relation to our site risk controls (sprinklers and so on), all was not as rosy as our survey reports suggested. I was looking for a risk partner with deep engineering experience to tell me what exactly was missing. At the same time, the company took on a new CEO, who established a clear strategy for the business that would differentiate us as at the cutting edge of innovation, speed and reliable fulfilment.

Laird designs and manufactures products and systems that protect electronics and enable connectivity in mission critical systems. Our solutions are used by a wide range of industries, from protective heat systems in MRI machines within hospitals, to remote control systems for trains and cranes. Absolute reliability and continuity of our business is vital. Excellence in site protection is critical to achieving this.

With this transformation, we sought to set ourselves apart from the competition, and to make this work we needed the right partner. FM Global filled those shoes. I think it's vital to work closely with your insurer to improve risk quality using evidence based on sound data and professional engineering expertise.

What were the main challenges you faced when seeking to implement such change?

The first challenge was around insurance partnering and common standards for auditing the sites. Our sites globally operated in full compliance with local rules, which of course are under different jurisdictions with different standards and enforcement for things like fire protection. To deal with this, we set out to establish what the real pressure points were. In looking for an insurance partner who could help us, FM Global, with whom we have now worked for several years, wouldn't even quote before surveying our top seven or eight sites and they committed to carrying out risk engineering reviews for all operations locations in the first year. That's 29 engineering or manufacturing locations across 18 countries.

Often there can be a number of cultural challenges to overcome. In the US and in Europe, for instance, there are long established safety regulation regimes, which precisely specify requirements such as sprinkler systems, where you can expect a certain level of implementation and quality. The same may not necessarily be the case in other parts of the world, where standards may not be consistently applied. You can be confident that the sprinkler heads that sites would typically obtain in the US will work, but in parts of Asia, say, there is culturally a huge focus on delivering the bottom line and inexpensive but potentially unreliable solutions may have crept in.

interview

This is where working with an expert partner can really make a difference. The vast majority of our general managers have a technical background, so by speaking 'engineering' with them rather than 'insurance', FM Global were able to break down those cultural differences to get real buy in for control improvements. I see FM Global as a company of risk engineers that do insurance rather than an insurance company that does engineering!

I don't have an engineering background, nor do I have an insurance background – which I view as a great blessing. This means I came to ask questions that may never have been asked – challenging the status quo. I do have a Services background, however, some of which was spent in damage control, when you train fighting real fires. It's not the same as watching it on a video. In that sense, some of my early background was really relevant and drew me to this particular organisation, who set fire to things all the time at their research facility in Rhode Island, to test and make sure that their standards and advice are robust.

Beyond site risks, how do you ensure you stay ahead of the curve when it comes to other emerging risks?

In terms of review, we have a risk management framework which is based on a facilitative risk review approach with our seven business units and corporate functions. We are just about to embark on the next round of this having completed a restructure as part of our growth plans. Risk management governance is overseen by a risk governance group chaired by the CEO, and we also conduct a board level risk review periodically for a strategic overlay. All of these go into our risk picture which looks at and attempts to understand the probabilities and impacts of various risks; it also looks at what assurance mechanisms we have in place to mitigate them. Risk and incident monitoring is embedded into our monthly business performance review process, with a risk management report presented to every board meeting

Given the complexities of the supply chain within the electronics industry, how do ensure you adequately manage the risks that may emanate from it?

Within the supply chain, you're really looking ideally for controls that you control yourself, such as your back door quality checks, supplier due diligence and "on the ground" audits. Encouraging supplier compliance on the things you cannot directly control is greatly aided by the threat of competition – so avoiding single source suppliers is a good idea, not just business interruption protection. We have a team of supply chain auditors, who carry out audits on our key suppliers, not just around resilience, business continuity, but also around other CSR aspects. The team is lean, so we prioritise and target their activities.

Supply chain is a most difficult area, as you are relying to a degree on what you are being told. But I am confident in our supply chain management capabilities. Following the 2011 tsunami and a couple of subsequent disasters, our business continuity plans kicked in and we didn't let down a single customer; I would consider that as a successful performance. But you're only as good as your last game, and we don't rest on our laurels. In fact our business continuity plans are currently undergoing an update. Command and control and decision tools are the focus for us here. I actually prefer to think of them as toolkits rather than plans.

I should add that, of course, our partner FM Global has expertise in this area too. Recently they helped a sceptical site to prepare a tailored flood control section for their plan, since FM Global's modelling identified a risk, though no flood had ever been experienced by the site. Fortunately it was in place when parts of Shanghai flooded last year. Our site was back in business within hours not days, and no customer was impacted. And, in my opinion, this is real partnership in action.

Deals with change?

As globalisation has contributed to an expansion in claims activity, Marc Jones examines the directors' and officers' insurance market and asks if D&O policies have become over-complex

With each passing week comes yet more stories of corporate malfeasance. And as many of these allegations often go to court and often also end up with a large price tag attached to them, a sensible company is one which has the latest changes to the D&O market factored into their coverage.

"D&O policies are constantly evolving for two reasons, first is the evolving nature of personal liability and the increased focus on corporate governance taken by many legislators and regulators since the financial crisis," Stephanie Pestorich Manson, EMEA D&O product leader at Aon Risk Solutions explains. "The second is the highly competitive marketplace, especially for risks which are not US-domiciled. As capacity continues to increase and rates fall, insurers are trying to compete on coverage.

"As regulators focus on personal responsibility and we see more internal and informal investigations prior to enforcement actions, policies are evolving to ensure directors have access to legal advice earlier in the process."

Patrick White, deputy managing director, Professional Liability at Markel International, agrees that D&O was changing. "D&O policies, due to participants' bid for market share policies are continuously evolving, with a plethora of extensions of increasing irrelevance," he says. "These extensions mainly focus on minor areas such as public relation expenses in case of bad publicity or areas that, arguably, are already covered and dressed up as an 'extension'."

The driving force behind this evolution was identified in a little more detail by Neil McCarthy, UK & Ireland executive protection manager at Chubb Insurance. "Pressure has come from many sources," he says. "Chief amongst these is the broking community, many of whom have prescriptions for cover features or who may have written their own form for insurers to write on. The ever changing regulatory landscape has led to language-specific expansion and changes in areas like extradition, corporate manslaughter, bribery and derivative proceedings. Finally, internal pressures from shareholders or capacity providers have led to increased differentiation and innovation, much if which manifests itself in increased levels of cover for purchasers."

A example of the kind of event that the D&O market is trying to deal with has been provided by the Insurance Act 2015, which has just been passed through the UK's Parliament.

James Hastings, divisional managing director of Markel International's Professional and Financial Risks Division, highlights the impact this will have on all commercial insurance wordings including D&O and PI. The Insurance Bill will fundamentally change the legal basis of underwriting for the first time since the Marine Insurance Act 1906. The Insurance Bill 2015 will likely come into force at the end of 2016, its headline concepts, including fair presentation of the risk – duty on underwriter to ask questions, proportional remedies – claims are reduced not avoided (avoidance is generally repealed), basis of contract clauses abolished, warranties are only suspensive if breached (and only until remedied) and fraudulent claims terminate the contract but leave prior valid claims intact.

The issue of how complex a D&O policy needs to be represents another interesting challenge. "I don't think complexity is necessarily a good measure. There certainly is no need for a D&O policy to be complex for the sake of

complexity or confusing," Manson says. "What it does need to do is to provide clarity around the cover being provided. Sometimes this means simpler is actually better, but one should also be cautious about whether brevity may lead to ambiguity. The analysis as to whether the insurance policy provides sufficient clarity should not be any different than that which a business would perform for any other large commercial contract. A good test for a minimum standard would be to think about scenarios under which a director or officer might reasonably require their own legal advice (as opposed to replying on a company's internal legal function) and whether cover is available at that stage."

Markel's White agrees: "D&O policies do not need to be complex to do their job properly. As mentioned extensions can be of the minor variety – such as the PR extension mentioned above – a simple rehash of cover that is already there or, rarely, a genuinely useful extension – such as the innocent non-disclosure extension, which allows underwriters to avoid policies only in the event of fraudulent non-disclosure. D&O policies have got over-complex and difficult to read."

"There are no minimum standards but market pressure will dictate that certain levels need to be achieved to have any competitive impact," McCarthy explains. "Brokers and insurers will have different opinions as to the necessary complexity of a product. Some will incline towards a simpler, more digestible and easy to explain policy form. Others will want to demonstrate their product capabilities and engineer D&O policies which highlight the broker's technical excellence. Likewise,

"Policies are evolving to ensure directors have access to legal advice earlier in the process"

a product for the SME market may have to be easier to understand and explain, than one for the plc segment. What is clear is that this with, for example, basis of contract provisions, leave themselves open to criticism whatever the form they are using, so there are some basic standards which straddle the whole market."

Another issue linked to this complexity is that of global compliance – as companies become increasingly involved overseas and as the links between businesses become ever more tangled, how globally compliant do D&O policies have to be?

"With D&O, global compliance is extremely important, particularly in those territories where non-admitted insurance is not permitted and where the local laws governing indemnification of directors by their companies either forbids indemnification or is silent. Without a local policy, a local director could be left without any protection at all," Manson explains.

McCarthy agrees. "This is an increasingly important factor in choice of carrier and is a developing theme," he said. "All D&O programmes will be written on a global basis, so in theory start from the basis that no claim is excluded per se. However, if a claim occurs in a territory where non-admitted cover is prohibited, and the claim is one which in non-indemnifiable, the insurer and the insured may well find it difficult to get the claim legitimately paid. This is where local policies step in and will cover the risk in local language with local currency and local compliance. The disadvantage is that, in theory, you are effectively paying twice to cover the same risk.

"International claims have always been a feature of international business. The Bribery Act has certainly raised awareness of the possibility but we have always seen claims from international jurisdictions on international risks. Globalisation has certainly contributed to the expansion in claims activity and the reach and power of international regulators has increased without doubt. Much greater care needs to be taken because of the tightening and increased collaboration across international law enforcement agencies."

So what is on the horizon for D&O cover? According to McCarthy, in some areas of the market, 'creative' sales rhetoric is being used and this will have a bearing. "Clearly some underwriters are selling products they are unfamiliar with against products they are equally unfamiliar with. That said, the market functions very effectively so it will be this which decides what needs to be addressed in the short and long term."

Manson predicts that claims will be the next focus. "As coverage is very broad on most D&O policies already, we are focusing on how the process of a claim can be improved," he says. "Particularly on London Market placements where there are large quota share layer, trying to reduce the number of claims agreement parties who must agree to a claims payment or consent to costs being incurred can only make the process smoother for D&O."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Bringing forth reform

A number of developments taking place in claims management promise to modernise the claims process, Marc Jones gets the low down

The past few years have seen the start of changes and developments to the world of claims that will have far-reaching consequences. Among these is Write Back, the functionality to allow the IT systems of Lloyd's and IUA carriers to interact with the two market claims systems – Electronic Claim File (ECF) and Insurers Market Repository – which if things go according to plan could be fully in place and live by summer 2015.

When it was first introduced, Lee Elliston, the LMA's senior technical executive and ECF User Group chairman, said: "ECF and ECF2 were steps forward in the way the market reacts and responds to claims. Write Back will fundamentally change the way the London Market deals with claims electronically."

Write Back was created after a series of market workshops that involved carriers and software providers assessing market requirements and looking at benefits to the claims handling process, which led to Xchanging drawing up detailed proposals. Write Back aims to remove any duplication of effort, allow access to more detailed data, a reduced claims cycle time and finally allow 24/7 claims review and response.

According to Lloyd's, software providers and carriers were being engaged throughout January 2015 to discuss commitment to Write Back as an early adopter or as a future user, in order to allow the integration and build of Write Back services, software provider services and carrier systems to enable ramp up in the first and second quarters of this year.

"Write Back kicked off in September 2013 – thousands of man hours have been lost on the claims side in the past so clearly we need to change how we operate," Ashish Saxena, principal consultant (London Markets) at FINEOS Corporation explained. "Real time notification is a major step forwards. Carriers want the ability to be told in real time about developments, as well as lots of information about the claims themselves.

"Write Back is supposed to go live in May. The feeling in the market is that once it goes live it should serve its purpose. The market should be able to meet that deadline.

"You have to focus on what you do, on if your claims platform is in sync with wider ones. If you have just one, in one location, there is a chance that it might be offline at the wrong time. Global offices can help – it's better if you have different offices around the world, in multiple regions. It also gives you flexibility in terms of lines of business. At the same time you also need to link systems in order to consolidate information, which would allow the faster payment of claims. Among the benefits of a single payment system, are greater control of funds and better regulatory control.

The initiative has so far been received well by the market. Says Zoe Woods, director of Claims Operations and claims manager of Casualty Treaty at Markel International: "Write Back is a great development for managing agents that have the capability to adopt and use it. It's far more interactive with your own systems and the fact that virtually it's real-time is a huge plus; and should cut down the turnaround times for claims agreement. Of course, depending on the systems people have currently, they may need to encourage investment and this can be challenging.

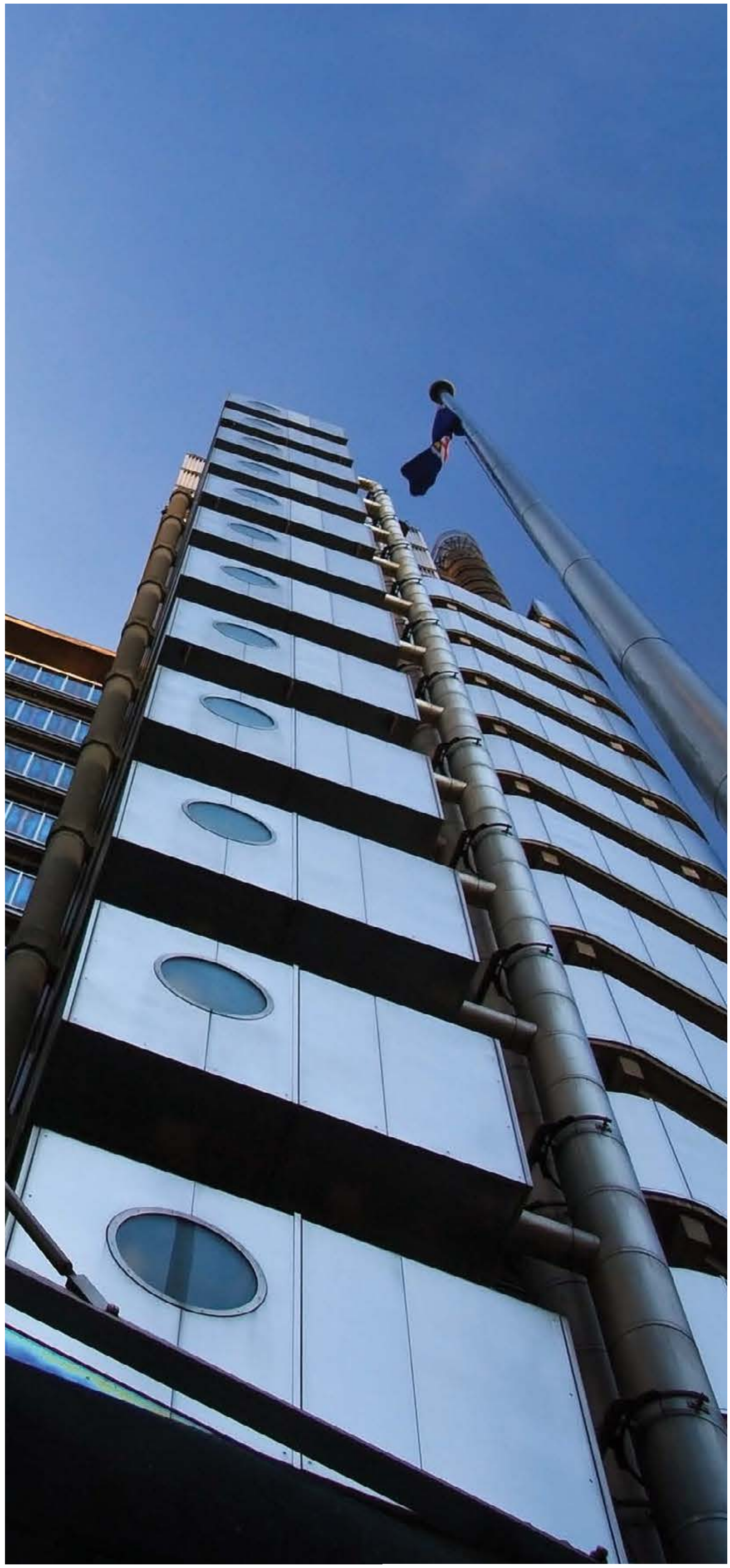
Woods also thinks the completion date looks realistic. "The market group has dedicated a tremendous amount of time and effort into making this work and communicating the benefits," she enthuses.

ECF and CLASS

The ECF is a combination of the Insurers' Market Repository and the Claims Loss Advice and Settlement System (CLASS). The Lloyd's Market Association has commissioned Xchanging to provide an integrated service to Lloyd's managing agents, while the services remain as two separate systems for brokers and companies. This enables claim file documents to be submitted electronically and shared by subscribing underwriters, whilst CLASS provides users with access to financial data and claims processing and basic workflow functionality

ECF should allow brokers to supply an entire claims file to all insurers "on risk", electronically, at the same time, so that in theory all insurers will therefore have concurrent, contemporaneous access to the claims file and eliminating the need for the broker to serially present the claims file to different insurers individually. The major benefit of this is that it will greatly reduce the length of the overall claims lifecycle, from first advice to settlement; providing assureds with a greatly improved service.

As the London Market Group points out: "The current claims process in the London market is paper intensive with documents being shipped from brokers regional offices to London offices and then taken by hand around the London market for review and agreement by underwriters. The process is supported in some areas by some technology, notably CLASS in the IUA market and the use of different EDI messages to carriers in the Lloyd's and



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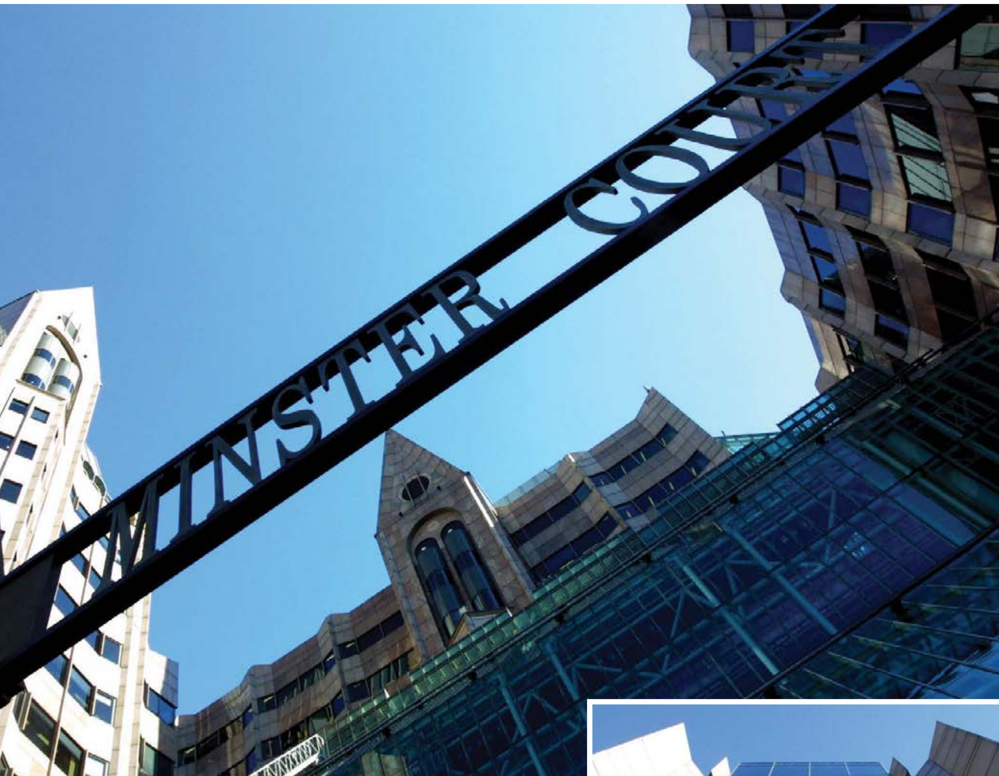


Image by IUA

IUA markets. This process is inefficient and time consuming resulting in delays in service to clients, unnecessary cost to brokers and carriers and the lack of readily available claim information to all parties."

Asked how the ECF process changes have been going, Markel's Woods says there is a constant programme of change and that work to implement those changes is vast. "We appreciate changes need to be prioritised to give the most amount of benefit to the highest number of users and this is very important as it will ensure that the investment is being made in the right places," she explains.

CTP

Meanwhile, the Claims Transformation Programme (CTP) is another project underway that aims to transform the way the market handles claims to enhance the experience of the customer. The objective is to remain ahead of competitor markets with regard to complex claims service and to be competitive on standard claims. This will enable Lloyd's to attract and retain quality business, maintaining and enhancing the market's reputation.

The review considered brokers' and customers' requirements, the opportunities presented by electronic trading, options for shared claims services and the skill sets needed by managing agents to meet the challenges of a changing market. The role of the Lloyd's Performance Management Claims team in facilitating change and enhancing claims performance across the market was also considered.

According to Lloyd's, to achieve the ultimate objective of enhancing the customer experience, eight CTP workstreams were originally defined: Broker Portal, Volume Claims, Large Loss Coordination, Governance & Monitoring, Roll-Out & Legacy, Claims Reporting Suite, Process Efficiency and the Claims Talent Programme.

"The Claims Transformation Programme should really be looked at over the long-term, since transformation began in 2006, you can really see the phenomenal amount of changes and benefits to the way we manage claims today," Woods says.

"The past year the largest change was CTP legacy, this now places all open claims on the 2010 claims scheme, (the scheme which reduced the number of agreement parties on a claim depending on its value or complexity). This has gone smoothly and we still continue to move away from paper files onto ECF too."

However, one last question needs to be asked – do all these changes go far enough? Woods has the last word: "Claims management is a key differentiator. The market still needs to improve providing excellent claims service to reflect the level of complexity of each claim. There needs to be increased segmentation so that less complex claims can be dealt with much faster and with more time can be given to complex, specialised ones.

"Payment should also be improved. If a competitor market can transfer payment of claim to a policyholder in 24 hours and it's taking us longer then that's a problem," she adds.

This is an area where further investment and the systems to support it may be needed, but for now, the market is certainly moving in the right direction.

Resilient infrastructures

Regulation and a raft of technology related influences are changing infrastructure strategies, particularly those for which technology is so fundamental to their business. David Adams talks to the vendors and practitioners to find examples of best practice

What happens under the hood of an organisation's business continuity capability – maintaining the infrastructures that support continuity strategies – is more complex than was once the case. Such infrastructures must now be extremely flexible: capable of adapting to changes in the structure of the organisation, to changes in strategic direction caused by other external events (including issues that don't directly affect the organisation but still spook the board); and to technology changes that affect either the nature of the business assets requiring protection or the means used to protect them.

The level of resources allocated to the upkeep of these infrastructures may be strongly influenced by industry-specific regulation. Noel Carey, business continuity and resilience consultant at IBM Global Technology Services, believes there have been noticeable changes in emphasis at both the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA) during the past year, with both investigating the continuity arrangements of financial companies in more detail.

Attaining and maintaining regulatory compliance is challenging for many companies, but becomes a hugely complex task for multinationals in particular. They may also be subject to quite different regulatory approaches in different markets, notes John White, head of business resilience for KPMG in the UK. In some Eastern jurisdictions the regulatory approach to resilience tends to be more prescriptive, whereas in the UK there is a trend to push the onus back onto individual organisations to employ resilience approaches tailored to specific risks faced by that organisation.

In some cases, regulatory requirements may also have a knock-on effect on the continuity infrastructure strategies of companies working within the supply chains of the directly regulated organisation. Examples could include service providers working for government or public sector organisations, as well as suppliers working with financial sector companies.

Other suppliers of larger organisations are also under pressure to improve continuity arrangements – those working with larger manufacturers or retailers, for example. Chris Coulson, data services product manager at Phoenix IT Infrastructure Services, says he sees an increasing number of clients asked to provide not just proof that the organisation has continuity plans in place, but some of the detail within those plans and the results of continuity testing.

Technology as an enabler

For a growing number of organisations, their technology really is their business. Travel wholesaler GTA now entrusts Sungard with the hosting of all its live production systems, including its reservation system, which can handle over 100 million searches and tens of thousands of bookings a day. With an estimated downtime of £6 a second, not only could a systems failure prove costly for GTA in the short term, it could also cause serious reputational damage in the social media age.

This demand for high availability is also encouraging many organisations to look carefully at the capabilities of early warning systems and crisis management strategies. That means communications are a crucial part of the continuity infrastructure, because senior management must be kept informed and media requests for information handled effectively as events unfold.

Another consequence of a connected infrastructure is the increased vulnerability to the ever-evolving threats posed by cyber attack, whether indiscriminate or targeted. That means the continuity infrastructure must offer the organisation greater protection from such cyber threats – and that the security used to protect that infrastructure itself must be as robust as that used to protect mission critical systems and data.

Technological change continues to be a major influence too. High speed, resilient networks and broadband connections mean more staff can work remotely, via mobile technologies and/or services such as Sungard's new Desktop as a Service (DaaS) offering, launched in the UK and Ireland in January. The DaaS solution was developed in partnership with Cisco, Citrix and NetApp. It offers 100 per cent availability on a gold service level agreement and 99.95 per cent availability for silver and bronze customers, allowing constant or near-constant access to an end user's desktop, from any device, in any location.

The other key technology trends relate to data. There is now a greater emphasis on datacentre replication to ensure resilience and continuous availability of data, in part for regulatory reasons, but also because more organisations are now seeking to implement big data projects, drawing on unstructured data from multiple feeds, inside and outside the organisation to create actionable business intelligence. For a growing number of organisations, guaranteed access to such data is now a non-negotiable business need.

Private dental payment plan provider Denplan and its parent company Simplyhealth are now clients of Phoenix, following a decision to consolidate continuity and recovery arrangements previously split between two providers and multiple systems. "[Before] we were only vaulting a small amount of our data, with the rest just backed up," says Steven Marwick, IT services manager at Denplan. "We ended up transferring all our backups to the Phoenix data vaulting solutions. That means all our data is available from their datacentres immediately if we have to invoke. We did recovery testing in November with Phoenix and it was the quickest we'd been able to recover."

But perhaps the most significant technology change in business continuity infrastructure strategies in recent years has been increased adoption of virtualisation/orchestration and cloud technologies. Phoenix is currently working with a soft drinks manufacturer that supplies a number of the major UK supermarkets. It is using virtualisation to help increase the speed of systems recovery, from 48 hours today to just a few hours when the implementation is complete.

Another Phoenix client, Advice Direct Scotland, now outsources its IT and communications infrastructure to a cloud-based managed service, improving the availability and the resilience of telephone, email and social media advice and trading services.

There is still a degree of nervousness within some organisations about entrusting sensitive customer or business data to the cloud, but this is gradually disappearing, particularly if the cloud service provided is 'private' – hosted entirely within the provider's secure facilities. Equinix enables its clients to work with multiple cloud service providers via secure private connections from its datacentres without the need for a public internet connection.

Elsewhere, EthosData, a virtual dataroom provider that helps businesses including financial, legal and accountancy firms exchange information securely has outsourced hosting of its infrastructure to a Sungard managed cloud service. All the data is hosted in the UK, in accordance with data protection legislation.

Another investment manager, Liontrust, has worked with Sungard to create a hybrid cloud/in-house solution, incorporating Infrastructure as a Service (IaaS), electronic data vaulting and disaster recovery in the cloud, for core systems including its research database, trading platform and email.

But organisations seeking to increase their use of cloud within business continuity infrastructures also need to consider how these arrangements alter the organisation's risk profile, by increasing reliance on the provider; and perhaps also increasing the complexity of the overall IT infrastructure. Only careful planning and management of communications, systems and processes and related dependencies and risks will minimise or mitigate any potential negative consequences.

Many organisations also need to consider other fundamental issues that could undermine their resilience, says Martin Caddick, director, business resilience at PwC: in particular a lack of effective communication between IT and the business, which can lead either to recovery processes being left untried and untested, or to overspending. KPMG's White says he thinks the most important step taken by those organisations aiming for best practice in business continuity infrastructure strategy is integrating risk management, business continuity, resilience, data protection, crisis management and other related functions.

However, set against all this, the other major influence on continuity infrastructure strategy seen in recent years has been pressure to cut costs. Although it can be easier to get budget today than has been the case for most of the past seven years, there is still a strong emphasis on cost efficiency.

The danger, says White, is that if organisations refuse to spend money on improving resilience year after year, when the organisation finally does put new measures in place they end up costing more to implement than would have been the case if done sooner and risks are increased during the transition period. "It's always cheaper to build it in than to bolt it on later," he says. "And it's cheaper to build it and not need it than it is to need it but not have it."

But organisations also need to avoid becoming fixated on the technology, he adds. Ultimately, people are the single most important element of any continuity strategy: "the right people, with the right training, empowered to make decisions by the information that they need". The infrastructure provides the information and means the organisation can take any necessary action, but without the right people even the best infrastructure in the world may not offer the protection an organisation needs.

The revolution in risk technology begins

Global corporates are moving away from all-singing all-dancing enterprise governance, risk and compliance (GRC) platforms in favour or more targeted solutions. Helen Yates reports

Many risk experts argue businesses are operating in an increasingly risky world. Supply chains are becoming leaner, the climate is changing, sea levels are rising, technology is evolving at a pace few can keep up with, cyber liability is growing and as nations we are using increasingly prototypical technology to extract harder to get at resources. The past is no longer a good proxy for the future.

Within this environment, organisations need better ways of measuring and managing their risks, both in order to limit the downside but also to seize the upside. "The best run organisations understand risk is an inevitable part of doing business," thinks John White, UK head of business resilience, KPMG. "The efficiencies that come with the application of lean/Six Sigma/just-in-time operational practices are not free. When we carve flexibility out of our supply chain in a drive to reduce cost, we become pregnant with risk. In doing so, we remove the natural process buffers that help absorb the effects of unexpected disruptions without due thought for the consequence."

Technology vendor Sword Active Risk has controversially argued that in today's world spreadsheets should be banned from the risk management process. It argues risk management is no longer a standalone function and that it should be better integrated into strategic planning and decision-making of an organisation by using the appropriate technology.

And many risk managers are waking up to the value such software can bring. "As a dedicated system it records the information in the way the risk manager wants it recorded," says Paul Hopkin, technical director of Airmic. "And therefore can produce the sorts of reports that a head of risk or CRO would want. So you tailor the information to produce very well focused risk management reports and you can collect the data and update the data and because it's a dedicated system it gives you deeper insight."

Compared to a more traditional approach using spreadsheets, risk software offers greater visibility into how risks change over time. And crucially, they allow risk information to be presented in a way that is more digestible to the various stakeholders within an organisation.

"You can imagine someone who is responsible for health and safety," says Mark Brown, product director of Sword Active Risk. "The ability to talk about the potential number of fatalities against KPIs they are responsible for, they can understand that and can therefore make key decisions. But when you turn around and say you have a medium level risk against health and safety, that doesn't mean a lot to them."

Move over GRC

The appropriate technology for monitoring

operational and enterprise risk is no longer a 'box tick' compliance solution. The next step in the revolution is here, with software tools for operational risk management (and enterprise risk management) becoming more distinct. Earlier this year, technology researcher Gartner revealed that as more enterprises have matured their risk management and compliance functions, the market has reached a point where buyers want targeted solutions that fit their needs for specific areas.

The shift away from generic GRC platforms may mean risk managers are gaining better, more targeted and scalable systems with which to support their ERM, but on the other hand a dedicated risk solution could mean risk information gets sidelined. Rather than encouraging greater integration, separate systems could cause the CRO, the head of audit, the CFO and the head of compliance to remain the chiefs of their own fiefdoms.

"Because they are dedicated systems that record management information in a sometimes quite separate system from how management records its other information therein lies a weakness," thinks Hopkin. "It will produce reports the risk manager loves and is happy with, but because it is a separate data stream the obstacle that can create is senior management will not see this as information that is in the mainstream of running the business."

The various systems used for risk and compliance must be able to talk to each other. "It's a question of aligning the database with the other sources of information the organisation uses," says Hopkin. "If you can't integrate then the next best thing is aligning risk management information: having the risk management system so it can produce reports that are compatible and supportive of the financial figures, investment proposal and other reports that are of interest to the board - that risk management is embedded in those reports and isn't a separate item from a separate IT system."

The benefits of risk management software

- Improved EBITDA [earnings before interest, taxes, depreciation and amortisation) – up to three times, according to the Ernst & Young study in 2012
- Improved visibility – Enhanced visibility and accountability builds confidence in the risk management process
- Actionable information – supports more effective strategic planning and decision making
- Better resource allocation – across the enterprise leads to better asset utilisation
- Achieve goals – Increased ability to deliver capital projects on time and on budget
- Better relationships with insurance providers, regulators and stakeholders

And to be successful, tools for operational risk management need buy-in from the top. The lone head of risk will struggle to gain buy-in from other heads of department, thinks Brown. And this is an issue because in order to be effective, risk management information systems need input from all relevant business functions. "If it's top down it can be very quick and everyone understands they have to do it."

How to interface with such risk technology is also important. The ability to input data on an iPhone or iPad in a user-friendly manner, that allows reports to be downloaded in real-time, will encourage greater collaboration.

The mobile aspect of the technology is a big area of focus, explains Brown, who gives the example of getting crucial insight from a senior engineer out in the field or on an oil rig. "It's about how we give those users the right interface to participate in the process in a way that doesn't hinder their day-to-day activities in a shared environment, without it being a laborious task but still completing the process."

No longer is operational risk being bundled together with governance and compliance. Instead, there is a shift from platform-centric to targeted solutions. With this comes a step change in the use of risk management information systems.

No longer is GRC just about fulfilling the needs of corporate compliance. "From the board level down there needs to be an acceptance that risk management is a business driver as oppose to being just another business cost," he says. "Most of our customers, around 70 per cent now, are very active in 'opportunity management'. As well as looking at the things that could harm your business they are asking 'what are the things that could reduce costs and could generate revenue'?"

An arm, not a brain

While risk management information systems promise to offer deeper insight into enterprise-wide risks, any output is subject to uncertainty. As risk systems become more widely used and senior management become more familiar with the reports and insight they generate, one concern could be that boards could come to rely too much on the numbers.

"It is important to remember that risk management information systems provide insight, but not the answer," says KPMG's White. "Good decisions are based upon good information, and it is in the provision of this information that risk software comes to the fore."

"We must not forget, however, that the outputs of any software system are only as good as the information fed into it," he continues. "An effective risk manager will understand the benefits and limitations of using software. He or she will consider the way human factors (preference, bias, other motives) come into

play when collecting data, and ensure that the consumers of risk information understand the context within which it is provided."

"There are rarely absolute answers in risk management," he adds. "Uncertainty is almost always present. Risk software helps us improve our odds, but it can't guarantee we will beat them. Larger data sets and higher quality data can help increase the accuracy of risk forecasting. In any situation, the risk manager should be able to articulate the level of uncertainty within which risk profiles are presented."

The new generation of risk solutions will need to show they can offer useful information on both easy-to-measure risks as well as more intangible exposures. They will need to show they are more than just "glorified databases", but have the ability to filter and analyse both quantitative and qualitative risk information to provide useful insight. Getting to a point where risk systems are more intelligent in their interpretation of the data is down to a combination of both process and software.

"The rate of environmental change in the global business environment is increasing exponentially," says White. "Some of the assumptions risk management may have been built on five years ago may not be true anymore and it probably won't be true in five years'ip time. It's important we continually challenge the way software is used and depended upon in the organisation so we work with it, rather than have it direct the work we do."

Global risks: Transforming times

The biggest threat to the stability of the world in the next 10 years comes from the risk of international conflict, according to the latest edition of the World Economic Forum's Global Risks report. Deborah Ritchie reports

In his preface to the 10th edition of the World Economic Forum's *Global Risks Report*, Klaus Schwab points to "profound transformations" to global context, as ongoing political, economic, social, environmental and technological developments are challenging so many assumptions. "Across every sector of society, decision-makers are struggling to cope with heightened complexity and uncertainty resulting from the world's highly interconnected nature and the increasing speed of change," he writes. "Faster communication systems, closer trade and investment links, increasing physical mobility and enhanced access to information have combined to bind countries, economies and businesses more tightly together."

Schwab says that within the coming decade, our lives and businesses will be transformed by forces that are already under way. Among them climate change, societal pressures and technology. "The effects of climate change are accelerating and the uncertainty about the global geopolitical context and the effects it will have on international collaboration will remain," he explains. "At the same time, societies are increasingly under pressure from economic, political and social developments including rising income inequality, but also increasing national sentiment. Last but not least, new technologies, such as the Internet or emerging innovations will not bear fruit if regulatory mechanisms at the international and national levels cannot be agreed upon."

To help shed light on these issues, the WEF's comprehensive analysis of global risks features an annual assessment by industry experts on the top global risks in terms of likelihood and potential impact over the coming 10 years, and finds interstate conflict with regional consequences as the number one global risk in terms of likelihood, and the fourth most serious risk in terms of impact. In terms of likelihood, as a risk it exceeds extreme weather events, failure of national governance systems, state collapse or crisis and high structural unemployment or underemployment.

The Global Risks Landscape, a map of the most likely and impactful global risks, puts forward that, 25 years after the fall of the Berlin Wall, "interstate conflict" is once again a foremost concern.

"Twenty-five years after the fall of the Berlin Wall, the world again faces the risk of major conflict between states," said Margareta Drzeniek-Hanouz, lead economist, World Economic Forum. "However, today the means to wage such conflict, whether through cyber attack, competition for resources or sanctions and other economic tools, is broader than ever. Addressing all these possible triggers and seeking to return the world to a path of partnership, rather than competition, should be a priority for leaders as we enter 2015."

This year differs markedly from the past, with rising technological risks, notably cyber attacks, and new economic realities, which remind us that geopolitical tensions present themselves in a very different world from before.

In looking at global risks in terms of their potential impact, the almost 900 experts that took part in the survey rated water crises as the greatest risk facing the world. Other top risks alongside that and interstate conflict in terms of impact are: rapid and massive spread of infectious diseases, weapons of mass destruction and failure of climate change adaptation.

Notably, geopolitics are increasingly influencing the global economy, and these risks account for three of the five most likely, and two of the most potentially impactful, risks in 2015.

Additionally, three risks stand out as having intensified the most since 2014 in terms of likelihood and impact. These are interstate conflict with regional consequences, weapons of mass destruction and terrorist attacks.

The study also highlights a continuing concern over the world's ability to solve its most pressing societal issues, as societies are under threat from economic, environmental and geopolitical risks. Indeed, societal risk accounts for the top two potentially impactful risks.

Also noteworthy is the presence of more environmental risks among the top risks than economic ones. This comes as a result of a marked increase in experts' negative assessment of existing preparations to cope with challenges such as extreme weather and climate change, rather than owing to a diminution of fears over chronic economic risks such as unemployment and underemployment or fiscal crises, which have remained relatively stable from 2014.

Interconnectivity

This year's *Global Risks Report* offers analysis of the risks posed by a resurgence of interlinked economic and geopolitical power plays, the rapid urbanisation of the developing world and the exciting realm of emerging technologies, from synthetic biology to artificial intelligence.

The WEF's report considers how best to build sufficient resilience to mitigate the challenges associated with managing the world's rapid and historical transition from predominantly rural to urban living.

"Without doubt, urbanisation has increased social well-being. But when cities develop too rapidly, their vulnerability increases: pandemics; breakdowns of or attacks on power, water or transport systems; and the effects of climate change are all major threats," said Axel P. Lehmann, CRO at Zurich Insurance Group.

The rapid pace of innovation in emerging technologies, from synthetic biology to artificial intelligence, also has far-reaching societal, economic and ethical implications. Developing regulatory environments that are adaptive enough to safeguard their rapid development and allow their benefits to be reaped, while preventing their misuse and any unforeseen negative consequences is a critical challenge for leaders.

Top 10 risks in terms of impact

- Water crises
- Spread of infectious diseases
- Weapons of mass destruction
- Interstate conflict
- Energy price shock
- Critical information infrastructure breakdown
- Failure of climate-change adaptation
- Fiscal crises
- Unemployment or underemployment
- Biodiversity loss and ecosystem collapse

Top 10 risks in terms of likelihood

- Interstate conflict
- Extreme weather events
- Failure of national governance
- State collapse or crisis
- Unemployment or underemployment
- Natural catastrophes
- Failure of climate-change adaptation
- Water crises
- Data fraud or theft
- Cyber attacks

Trends for 2015

- Ageing population
- Climate change
- Environmental degradation
- Growing middle class in emerging economies
- Increasing national sentiment
- Increasing polarisation of societies
- Rise of chronic diseases
- Rise of hyperconnectivity
- Rising geographic mobility
- Rising income disparity
- Shifts in power
- Urbanisation
- Weakening of international governance

John Drzik, president of Global Risk and Specialties at Marsh, said: "Innovation is critical to global prosperity, but also creates new risks. We must anticipate the issues that will arise from emerging technologies, and develop the safeguards and governance to prevent avoidable disasters."

Profound instability

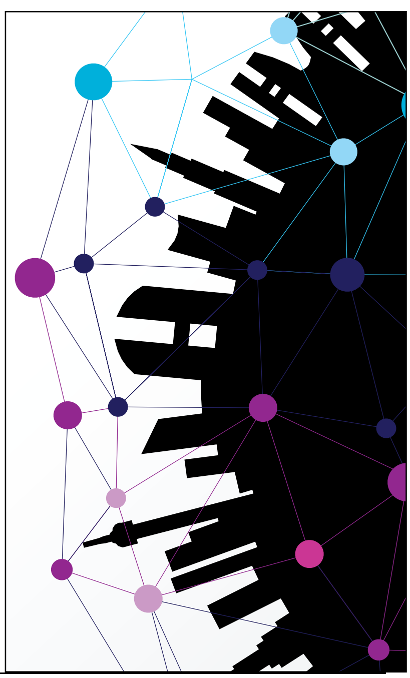
The report also provides analysis related to global risks for which respondents feel their own region is least prepared, as well as on the global risks on which they feel most progress has been made over the last 10 years. It also presents for the first time country-level data on how businesses perceive global risks in their countries, as well as examples of risk management and resilience practices related to extreme weather events.

The findings suggest a continued high level of concern about failure of climate-change adaptation and looming water crises, challenges that can threaten social stability (perceived to be the issue most interconnected with other risks in 2015) and additionally aggravated by the legacy of the global economic crisis in the form of strained public finances and persistent unemployment.

Writing in the report, Espen Barth Eide, managing director and member of the managing board at the World Economic Forum says profound social instability highlights an important paradox that has been smouldering since the crisis but surfaces prominently in this year's report. "Global risks transcend borders and spheres of influence and require stakeholders to work together, yet these risks also threaten to undermine the trust and collaboration needed to adapt to the challenges of the new global context," he writes. "The world is, however, insufficiently prepared for an increasingly complex risk environment. For the first time, the report provides insights on this at the regional level: social instability features among the three global risks that Europe, Latin America and the Caribbean, and the Middle East and North Africa are least prepared for.

"Other societal risks, ranging from the failure of urban planning in South Asia to water crises in the Middle East and North Africa, are also prominent. And capacity to tackle persistent unemployment – an important risk connected with social instability – is a major concern in Europe and sub-Saharan Africa."

Read the report in full at weforum.org



Global Risks 2015

ECONOMIC
- Asset bubble in a major economy
- Deflation in a major economy
- Energy price shock to the global economy
- Failure of a major financial mechanism or institution
- Failure/shortfall of critical infrastructure
- Fiscal crises in key economies
- High structural unemployment or underemployment
- Unmanageable inflation

ENVIRONMENTAL
- Extreme weather events (such as floods, storms)
- Failure of climate-change adaptation
- Major biodiversity loss and ecosystem collapse (land or ocean)
- Major natural catastrophes (such as earthquake, tsunami, volcanic eruption, geomagnetic storms)
- Man-made environmental catastrophes (such as oil spill, radioactive contamination)

GEOPOLITICAL
- Failure of national governance (such as corruption, illicit trade, organised crime, impunity, political deadlock)
- Interstate conflict with regional consequences
- Large-scale terrorist attacks
- State collapse or crisis (such as civil conflict, military coup, failed states)
- Weapons of mass destruction

SOCIETAL
- Failure of urban planning
- Food crises
- Large-scale involuntary migration
- Profound social instability
- Rapid and massive spread of infectious diseases
- Water crises

TECHNOLOGICAL
- Breakdown of critical information infrastructure and networks
- Large-scale cyber attacks
- Massive incident of data fraud/theft
- Massive and widespread misuse of technologies (such as 3D printing, artificial intelligence, geo-engineering, synthetic biology)

Source: World Economic Forum

CIR | Risk Management AWARDS 2015

WELCOME

Welcome to the 6th annual Risk Management Awards. This year risk management faces up to newer challenges as well the more well rooted issues, and has gained a more public face due to mainstream coverage. Our awards reflect these changes and this has meant that there are several new categories that take up the challenge of keeping both business and public safe. The increasing complexity and geographic spread, coupled with technology, mean that the discipline needs to communicate its success to a wide audience, and through *CIR Magazine* we achieve recognition of the best practice to a global audience across several disciplines.

Choose your categories

Individuals and Teams

1. Risk Management Champion Award
2. Risk Manager of the Year
3. Newcomer of the Year
4. Risk Management Team of the Year

Risk Management Practice

5. Cyber Security Initiative of the Year
6. Risk Management Programme of the Year
7. Major Capital Projects Award
8. Public Sector Risk Management Award
9. ERM Strategy of the Year
10. GRC Initiative of the Year
11. International Risk Management Award
12. User Implementation Award – **NEW**
13. Public Safety Award – **NEW**
14. Consumer Risk Award – **NEW**

Products & Services

15. Risk Management Product of the Year
16. Risk Management Software of the Year – Financial Risk
17. Risk Management Software of the Year – Risk Analysis & Modelling
18. Risk Management Specialist Company of the Year
19. Cyber Security Product – **NEW**
20. Risk Management Recruiter of the Year – **NEW**

Open Categories

21. Best Use of Technology in Risk Management
22. Risk Management Innovation of the Year

All companies must have UK office (excepting International Category)

ENTER NOW: *cirmagazine.com/riskmanagementawards*

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Business Continuity/Resilience Manager of the Year

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CALL FOR ENTRIES

The Business Continuity Awards recognise those business continuity, security, resilience and risk professionals whose innovative strategies and industry savvy make them stand out above the rest. Judged by an independent panel of experts for exceptional performance, the awards provide an opportunity to for organisations and individuals to showcase their best products, projects and people.

The awards are free to enter, and we have new criteria for all categories this year, as well as four new categories. The extended deadline for entries is 5 March 2015.

1. Business Continuity/Resilience Manager of the Year
2. Lifetime Achievement
3. Public Sector Continuity Manager of the Year
4. Not-for-Profit Continuity Manager of the Year
5. Business Continuity Consultant of the Year
6. Industry Newcomer of the Year
7. Industry Personality of the Year
8. Student of the Year
9. Business Continuity/Resilience Team of the Year
10. Best Contribution to Continuity & Resilience
11. Business Continuity/Resilience Strategy of the Year
12. Most Innovative Product of the Year
13. Business Continuity Management Planning Software of the Year
14. Most Innovative Solution of the Year
15. Specialist Company of the Year
16. Cloud Services Provider of the Year
17. Most Effective Recovery of the Year
18. Business Continuity/Resilience Strategy through Partnership
19. Transformation of the Year
20. Supply Chain Strategy of the Year
21. Initiative of the Year
22. Resilience in Infrastructure & IT Service Delivery - **NEW**
23. Incident Management Award - **NEW**
24. Cyber Security Programme of the Year - **NEW**
25. International Award - **NEW**

Business Continuity Consultant of the Year

Category Sponsored by clearview

ClearView provides business continuity management software to organisations managing business continuity activities in the full end to end process, from threat assessment/BIA, to plan development, testing and exercise management, through to interactive incident management and communication.

As one of the fastest growing companies in this area internationally and with a global client base, ClearView has established a name for ease of use, simplicity and clarity of purpose. In practice this means that end users find processes and screens clear and intuitive, whilst central administrators have automated processes that enable them to focus on key activities rather than mundane tasks. And this functionality can be accessed by users on laptops and the full range of mobile devices.

Together with comprehensive reporting and activity dashboards, there is effective corporate governance and adherence to international standards. This successful approach involves active collaboration with both clients and business continuity consultants with unrivalled industry expertise, resulting in solutions configured to each client's individual needs, which are practical, flexible, cost-effective and deliver real commercial benefits.

Jon Mitchell, business continuity specialist
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Industry Personality of the Year

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Lifetime Achievement

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Phoenix is a full-service business continuity provider. As well as your IT systems, people and business recovery, we integrate complementary solutions that enable our customers to Recover Smarter.

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Phoenix is one of the UK's leading providers of Cloud, business continuity and managed IT services, helping businesses to innovate and grow while cutting costs and risk. It is a complete end to end services provider. Phoenix delivers services to over 3,600 organisations in the UK across a number of sectors.

For more information call 0844 863 3000, or email enquiries@phoenix.co.uk

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Business Continuity/Resilience Team of the Year

Category Sponsored by (x)matters

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- Intelligent alerting routes specific messages to impacted parties: response teams, management, employees, customers, partners
- Easy integration with existing enterprise systems: employee lists, alerting systems, weather, CRM, dispatch
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xmatters.com

Student of the Year

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The Business Continuity Awards Gala Dinner & Ceremony 11th June 2015 – BOOK YOUR TABLE

As always, the awards provide an evening networking with hundreds of the biggest names in the business continuity field, combined with a night of celebration and entertainment. The Business Continuity Awards 2015 are a great way to recognise and reward staff for their hard work, catch up with friends in the industry, and to develop client relationships. Join us and celebrate in style. Early booking is advised as tables will be allocated closest to the stage on a first booked basis

Timings for the evening:

7:00pm:	Champagne reception
8:00pm:	Three-course dinner followed by the official awards presentation, hosted by celebrity compère
11:00pm:	After show party, casino and paying bar
2:00am:	Carriages

Dress code: Black tie

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Risk committees: Concepts and advantages

Risk committees are an effective tool for bridging the operational gap, better understanding the risks taken and educating stakeholders about risk strategy, tolerance and appetite, RIMS' latest report says

The financial crisis of 2008 is considered by many the worst financial collapse since the Great Depression. Its impact damaged and destroyed some of the world's most established financial institutions, and its ripple effect nearly brought the entire US economy, as well as many other economies around the world, to a grinding halt.

The lack of risk management controls or the deterioration of risk management controls allowed human error, distraction and even greed to flourish in the affected organisations. Blinded by profits and profit based incentives, boardrooms and C-suites solely focused on financial gain with little or no concern for the consequences of ignoring established risk management controls.

In order to monitor risks that influence the various business units throughout an organisation, many have turned to risk committees: a composite of executives who each bring varying skills and perspectives and can contribute to the overall success of the risk identification, assessment and mitigation process.

Risk committees have proven to be an effective tool for risk professionals to bridge the operational gap, understand more deeply the risks taken and educate key stakeholders throughout the organisation about the entities' risk strategy, tolerance and appetite. These are the findings of US risk management association RIMS' new executive report, *Exploring the Risk Committee Advantage*.

The report defines the risk committee concept with insight on the types of committees and roles risk professionals can take during its implementation, facilitation and the communication of its findings. It also highlights the value of developing a strong operational risk committee, while reviewing regulations and potential challenges.

"Breaking down the silos within an organisation and getting everyone thinking about risk is a goal towards which many risk professionals aim," says RIMS president Rick Roberts. "A risk committee is a sure-fire way to achieve this fundamental risk management objective."

Based on interviews with practicing risk professionals from RIMS Board of Directors, the report defines the risk committee concept with insight on the types of committees and roles risk professionals can take during its implementation, facilitation and the communication of its findings.

Contributors to this report include Gordon Adams, chief risk officer, Tri-Marine International; Gloria Brosius, director, risk management and insurance programmes, Farm Credit Council Services; Rick Roberts, director of risk management and employee benefits, Ensign-Bickford Industries; and John Phelps, Director, Business Risk Solutions, Blue Cross and Blue Shield of Florida and the 2013 RIMS president.

"There is a lot of regulation that touches the surface of risk management and the formation of a risk committee, but there is very little that actually mandates it for every organisation," Phelps says. "But the regulations that were designed for financial institutions have become a best-practice and have been quickly adopted by other industries. Now if you want to stay competitive, adapting to these requirements is something your organisation needs to achieve."

To read the report in full, visit rims.org

View from AIRMIC

John Hurrell is chief executive at Airmic

A survey of Airmic members taken last year showed that a huge 90% of risk managers see reputational risk as one of their biggest concerns. Yet only a very small minority buy insurance cover. The rest feel that either the cover is not adequate or available, or that the information requirements are unreasonable.

It's easy to see why reputation is of such concern. Reputation can be a company's most important asset, making the difference between success and failure; something that is magnified as events travel ever faster round the world via 24/7 news and social media. Yet it is extremely hard to manage and mitigate because of its complexity; as yet there still exists no common definition of exactly what is meant by 'reputational risk'.

In order to move this issue forward, there needs to be more dialogue involving risk professionals, brokers and insurers. To have a meaningful discussion, however, we need to be better understand exactly what reputational risk is. And to make this happen, the risk profession needs to be more effective in articulating its needs and wants to the insurance providers, so that the right solutions can be found to what is unanimously considered (at least among Airmic members) a major concern for businesses.

To this end, Airmic is working with the Reputation Institute to develop a more sophisticated understanding of reputation, and to create a framework that will identify the key drivers of a company's reputation along with the main events that could adversely impact those drivers. It will also lay the groundwork to explore and quantify the link between a drop in reputation and the subsequent drop in revenue. This will enable us to analyse the perceptions between different stakeholders, and define a strategy to close these gaps – through both risk management and insurance.

Risk professionals are masters at managing operational, financial and regulatory risk, but understandably struggle to get to grips with reputational risk. Tackling it will no doubt be tricky – but we at Airmic are looking forward to the challenge.

airmic

View from the CII

David Thomson is director of policy and public affairs at the CII

The long awaited, updated Insurance Bill, which is aimed at modernising the legal underpinning for commercial insurance, was originally received with some concern. Some in the industry felt it might impede on the competitiveness of the UK insurance market. However, it is now seen as vital in order to ensure the law keeps up with the modernisation of the insurance sector.

Most of the current reforms relate to placement and what a policyholder has to tell an insurer. People are now able to access information at the tip of a finger, and can find answers that would have originally taken hours in a mere second. This dramatic change in the accessibility of information has resulted in many professions having to update their laws and the world of insurance is no exception.

As it stands, the way in which information from the policyholder is given to the insurer is not up to date. The commissions have introduced a concept of 'fair presentation'. This means a policyholder is relied on to provide all information that is known or ought to be known. The insurer must have all the information necessary to write a risk or at least allow the insurer to know that there is additional information that must be collected. The policyholder is not required to provide information that the insurer already knows or ought to know. Guidance is given by the Bill in order to make it clear who is required in the company to deliver this information but, the policyholder is obliged to carry out a reasonable search for material information. A new proposal for warranties was also addressed, involving how cover is dealt with if the policyholder is in breach of warranty. As it stands breach of warranty will immediately cancel out the policyholder's cover. The Bill looks to suspend cover while they are in breach but will restore it once the policyholder has rectified the situation. These areas addressed in the Bill are to be implemented as a default regime and make it possible to contract on different terms. However, in doing so insurers must ensure clarity on any new terms it wishes to apply. As I write, the Bill is currently going through its parliamentary stages and is expected to become law in early 2015.

CII

View from ALARM

Wayne Rigby is vice-chairman of Alarm

The UK government announced in December 2014 its latest plans for the country's roads and highways in the form of the National Infrastructure Plan. With continued funding cuts affecting public services, it is welcome news that further funding of £15 billion will be committed to the Road Investment Strategy between 2015/16 and 2020/21. This is in fact the largest investment announced for road infrastructure in the UK since the 1970s. In addition, the National Infrastructure Plan provided details of the £5.8 billion being committed to local highways maintenance in England over the next six years. The need to ensure that this valuable infrastructure asset it is kept in good order is of importance to both Highway Authorities and the public who utilise the network.

The topic of potholes is one that seems to be of particular interest to the public and media, which – predictably – uses the subject to highlight only negative issues. Very rarely does a local or national news story highlight the excellent work that is being achieved by local authorities in maintaining the highway network and ensuring road users have safe journeys when walking, cycling or driving. Nor does it detail the Highways Authority's duty under the Highways Act.

The highlighting of 'issues' with the road network, and the often absence of an objective view of what is reasonable, often gives the impression that a local authority will be responsible for any damage or injury that occurs on the highway, this in turn often creates an increase in insurance claims and Freedom of Information requests putting additional pressure on resources that could be utilised elsewhere.

Many local authorities have high repudiation rates for these claims, however there are still lessons to be learned. With this in mind, Alarm is currently working on an extensive Highways Guidance document, aimed at helping local authorities tackle this issue. Our annual National Forum, taking place in Birmingham in June, will, I am sure, serve as an excellent platform for launching what we feel will be vital guidance for our members.

alarm

View from the IOR

Simon Ashby is chairman of the Institute of Operational Risk

Sir Robert Frances recently published his independent review into creating an open and honest reporting culture within the NHS to help prevent future scandals like the poor patient care provided by the North Staffordshire Trust.

This report is essential reading for all directors, senior managers and risk managers. It highlights the necessity of effective reporting, and in particular the valuable role that whistleblowing can play, when unsafe or excessively risky organisational practices go unchecked.

It amazes me that whistleblowers in the NHS, or any other organisation for that matter, should ever have to be concerned about speaking up. After all no organisation can survive without staff who put key and potentially vulnerable stakeholders (such as patients) first and who are prepared to challenge potentially destructive elements of the status quo. Yet they are often labelled as disloyal, self-interested or as a trouble maker. Surely speaking up for the organisation's stakeholders and or highlighting concerns about unsafe or risky practices is the mark of a true professional? Directors and senior managers who treat whistleblowers badly are not fit to lead organisations, in my view.

As risk managers we must ensure that our organisational cultures support an open and honest reporting environment where staff feel safe to raise concerns. Indeed such information is vital, helping to identify potential control weaknesses and the potential for future loss/crisis events. We cannot manage risk in a bubble and without the eyes and ears of all staff members we cannot hope to ensure that risks are managed effectively. Members of staff who are prepared to communicate concerns in a prompt and professional manner should be rewarded, not punished.

I really hope that the report helps to change the negative perception that some people seem to have of whistleblowers. It is our job as risk managers to support this change. I would advise any risk professionals to ensure they take the time to reflect carefully on the recommendations contained within this important report.

THE INSTITUTE OF OPERATIONAL RISK

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Witt O'Brien's Ltd. (formerly known as LINK Associates International) is a global leader in helping organisations to be Crisis Confident. With tailored services in business continuity, crisis communications, crisis management, emergency management and safety management, we can help you to control the outcome.

Consultancy and Training
We were one of the world's first companies to be certified to the British Standard for a Business Continuity Management System, BS25999:2 and our consultants have an in-depth knowledge of the international business continuity standard, ISO22301. Our comprehensive, hands on business continuity training programmes are in line with the ISO22301 standard and the BCI's Good Practice Guidelines.

Exercises and Simulations
We conduct crisis simulations at large scale and in great depth. From short scenarios running over a hour or two to complex multi team exercises lasting a few days, we provide a unique experiential learning programme which takes an in-depth look into managing risk within a realistic high pressure environment.

We offer assistance in the implementation of every aspect of the Business Continuity Management (BCM) lifecycle including:

- Establishing and managing a BCM programme
- Understanding your business through Business Impact Analysis
- Developing the continuity strategies that will keep your business running
- Developing and implementing plans, exercising, maintaining and reviewing
- Embedding BCM within your organisation

Whether you're looking for certification to ISO22301 or simply need advice on refreshing your arrangements, we'll work closely with you to create a tailored solution that will deliver the results you need.

BUSINESS CONTINUITY SOFTWARE

THE ONE VIEW

Contact
+44 (0) 333 011 0333

hello@pinbellcom.co.uk
www.TheOneView.co.uk

Specialising in Business Continuity and programme management, PinBellCom are **Winners of the BCI European Innovation of the Year Award 2014,** Sslution providers to Marks and Spencer – European BCI & CIR Award Winners 2014. We work closely with partners and clients in most market sectors including: Retail, Healthcare, Education, Logistics and Manufacturing. Our products, **TheOneView** and BCP4me are:

- Scalable – from primary school to multi-national corporations
- Cost effective – single user, site and enterprise licensing
- Intuitive - requires minimal training or implementation costs
- Securely hosted on or off site
- Innovative – leading edge and adaptable solutions

Our Business Impact Assessment tool uses a unique 'Heat Map' and 'I.T. Gap analysis' to support, prioritise and define pragmatic recovery plans.

Our BC Programmes align to relevant Standards. We can provide dependency gap analysis, **cloud readiness assessments**, security profiling, Incident management, escalation, trending and dashboard reporting, programme management through in-line audit and assessment dashboards and **genuine mobile app** to increase access and engagement in over 100 countries.

"We help the Business Continuity function to drive bottom line value and process improvement"

BUSINESS CONTINUITY SOFTWARE

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Sungard AS Business Continuity Management Planning Software

Assurance^{CM}

Brand new to this edition of the report is Assurance^{CM} which was designed by users, for users. This next-generation business continuity software and risk management solution removes the barriers to organisation-wide engagement and builds greater confidence in contingency plans. It's about extending beyond simply addressing compliance requirements. It's also about knowing teams are prepared to recognise threats to the business and empowering them to engage locally before incidents lead to major disruptions.

So far our users rate the Assurance^{CM} experience as:

Intuitive – Simple and easy, get your program up and running with minimal training

Aware – Merge external happenings with enterprise plans and gain real-time contextual insight to act decisively

Alive – Eliminate manual data management and trust that your data is accurate and up-to-date

Efficient – Yet secure to help you work smart, engage users and delight stakeholders on program effectiveness

Independent – SaaS and mobile, connect quickly to people and information that matters the most

And a 99.99% SLA availability guarantee.

Plans and testing do not deliver outcomes, people do. **Sungard AS Assurance^{CM}** is about enabling you to take what we learn back into the business continuity/disaster recovery planning cycle and share it across the company for better outcomes.

ASSURANCE^{NM} (NOTIFICATION MANAGER)

Introducing our new powerful emergency notification tool, designed for when you need it most to ensure the effect send of critical alerts to your key recipients at any time, using any device, and get the response you need.

Assurance^{NM} Alerting and Mobile Services from Sungard Availability Services (powered by Send Word Now®) leverages a variety of communication methods to transmit tens of thousands of voice and text messages in minutes. The Assurance^{NM} communication solution is built on an award winning platform that is used by both public and private sector organisations worldwide, offering them market leading capabilities and superior performance which Sungard AS customers can rely on. For more information please contact Sungard AS:

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Dalton Hall Business Centre
Dalton Lane
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www.mataco.co.uk

Mataco is a business continuity planning tool that offers support for all aspects of the BCM process:

- It is aligned to BS 25999 and ISO 22301
- It provides secure off-site hosting accessible from anywhere
- Mobile Mataco is also included, enabling access to all contact lists and Plans from mobile devices
- Updates to business data, such as phone numbers, teams, actions, resources, suppliers is done once in one place and the updates are automatically made in all Plans containing the data.
- BIA data can be imported into Mataco from Excel
- Mataco supports the monitoring and control of reviews and exercises
- The Reporting facility enables quick and easy reporting on BIA data with export to Excel. Reports can be developed to meet specific client requirements.
- Mataco will deliver improved control and reduce maintenance time
- An audit trail tracks all changes made to the data

BUSINESS CONTINUITY, DISASTER RECOVERY

Call 0844 863 3000
enquiries@phoenix.co.uk
http://www.phoenix.co.uk

Phoenix is a UK leader and award-winning provider of business continuity and IT disaster recovery services. Our consultants and award-winning Shadow-Planner software help you build resilience and plans to protect your business. Our UK Worakarea and flexible remote working solutions enable your staff to work from virtually any location, uninterrupted. And our IT DRaaS portfolio helps you achieve RPOs and RTOs for data and applications that your business demands. We've been employing great people and delivering leading-edge services for 25 years and have the widest business continuity network of any UK based provider with 18 secure, state-of-the-art centres equipped to the highest standards. Phoenix has genuine local presence and local knowledge, nationwide - and is a company you can trust.

Phoenix has a comprehensive portfolio of Business Continuity solutions, available as fully managed services or with a bespoke level of support to supplement your own resources:

BCM Assurance: BC Consultancy | Managed BCM | ITDR Managed Services | Shadow-Planner BCP software
Traditional BC / IT DR Services: Workarea Recovery | Mobile Datacentres | IT Server Recovery | Rack Hosting | Voice & Data Network Recovery
Recover Smarter – DRaaS Solutions: Cloud Backup & Recovery Services | Virtual Disaster Recovery | Archive as a Service| End Point Backup | Emergency Office – virtual desktop access

We also provide Cloud, Hosting and Managed IT Services and have 28 regional sites, employing 2,300 people, including 1,300 technology specialists. Established in 1979 and fully listed on the London Stock Exchange, Phoenix has a turnover of £230 million.

For more information call **0844 863 3000**, email **enquires@phoenix.co.uk** or visit **phoenix.co.uk**

BUSINESS CONTINUITY SOFTWARE

SHADOW PLANNER

Call +44 (0)844 863 3000
Email enquiries@phoenix.co.uk

http://www.phoenix.co.uk

phoenix

Phoenix Shadow-Planner enables you to plan, develop, test and execute more streamlined and structured Business Continuity strategies. Taking the pain out of the entire process, Shadow-Planner helps your people work smarter and faster – and enables your business to deliver against its BC commitments more quickly, efficiently and cost effectively.

Designed by specialists in business continuity, this suite of integrated software supports the entire Business Continuity Management (BCM) lifecycle: from impact analysis through developing plans to testing and reporting. Phoenix can also support you every step of the way, helping you create the strongest and most effective plans to minimise downtime and ensure you can work 'business as usual'.

Shadow-Planner is based on four core modules:

- Business Impact Analysis (BIA)
- Business Continuity Planning
- Notification
- Mobile Plans (currently on Blackberry and iPhone)

Organisations in the financial services sector, public sector and others in regulated industries have used Shadow-Planner to help comply with business continuity standards such as ISO 22301 and other specific codes of practise.

How you benefit

A low cost solution, requiring no local cap ex or hardware investments, you can:

- Save time and money
- Eliminate duplication and inaccuracy
- Get rid of inefficient, inaccurate and risky manual approaches - Word documents and spreadsheets
- Reduce risk - better meet governance
- Ensure all essential data (plans, contacts, documentation and more) are in a single secure location, at your fingertips
- Have an assurance that all data is regularly reviewed, updated and consistent
- Mitigate against costly downtime
- Access and update BC plans anytime, anywhere – from desktop, mobile, tablet...
- Protect and enhance staff productivity, with security via appropriate access levels
- Achieve faster ISO22301 BC certification

Phoenix is an acknowledged leader and award-winning provider of business continuity and disaster recovery services. Our flexible remote working solutions enable your staff to work from virtually any location, uninterrupted. And our award-winning Shadow-Planner software will help you plan to protect your business against unforeseen circumstances

Contact Phoenix to find out more about the unique benefits of Shadow-Planner. Call 0844 863 3000
email enquires@phoenix.co.uk or visit phoenix.co.uk

CLAIMS HANDLING & RISK MANAGEMENT SOFTWARE SOLUTIONS

JCAD

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(JCAD an ISO9001 accredited company)

JC Applications Development Ltd are market leaders in the development & implementation of highly effective software for the Claims Handling and Risk Management markets. Our commitment to providing simple to use yet feature rich applications has enabled us to grow a successful and satisfied client base of over 160 organisations, with over 200 successful implementations to our name.

Although our clients can occupy very different sectors of business, for instance; UK Central & Local Government, US Government, Housing Associations, Construction and Insurance, sentiments converge when looking for a proven technology solution provider.

So, if you are looking to improve your Corporate Governance and reduce costs through better claims management or wish to easily embed risk management throughout your organisation, then we look forward to talking with you.

RISK MANAGEMENT SOFTWARE & CONSULTANCY

STARS

STARS
Tower Place, London
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www.csstars.com

STARS is the global leader in technology, analytics and data services solutions across risk, safety and claims management for many of the world's largest corporations. A business unit of Marsh Inc., STARS supports more than 750 customers in 25 countries and has a trusted data store of over 60 million claims amassed through decades of operation. With the industry's single largest risk database, STARS uniquely enables its customers to accurately analyse trends, gain industry insights, optimise decision-making, and reduce costs across the entire risk lifecycle.

STARS industry leadership and 40 years of continued innovation fosters deep client engagement around four key attributes – network, data, platform, and people. The STARS client network facilitates and encourages open community sharing of best-practices. And with an ever-growing database of risk, safety and claims information currently at more than 125TB, STARS Big Data provides unparalleled benchmarking data to help clients derive actionable insights, drive measureable value, and achieve rapid ROI. Architected for the Cloud, the proprietary STARS platform is easy-to-use, simple to maintain, and secure, complying with the industry's most stringent requirements. The knowledge and expertise of STARS people drives a collaborative, client-focused approach to deliver world-class solutions helping businesses manage risk intelligently, proactively and cost effectively.

RISK MANAGEMENT SOFTWARE & CONSULTANCY

Ventiv Technology
(Formerly Aon eSolutions)
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Inform decision-making | reduce losses | improve productivity | optimise total cost of risk

All of these benefits are possible using Ventiv Technology's RiskConsole, a web-based risk management information system. Here are some examples of how we have helped clients:

- International mining giant Mosaic Company generated a 10.7% reduction in excess liability premium and reduced the data-gathering process for renewals from eight weeks to a fortnight.
- Tesco reduced indemnity spend; improved store safety; reduced accidents; and implemented successful risk-mitigation programmes with RiskConsole.
- Stagecoach Group uses RiskConsole to produce numerous reports at the click of a button; automatically matches claims with vehicle and depot; and accesses 20 years of motor claims and financials from RiskConsole.

Today, over 700 clients rely on Ventiv Technology to provide reliable and workable insights on all their enterprise-wide risk and exposure data.

To discover how Ventiv Technology and RiskConsole can help your organisation visit www.ventivtech.com.

NTT DATA Figtree Systems

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www.figtreesystems.com

NTT DATA Figtree Systems is a specialist software provider for Risk Management Information Systems. This award winning system is used by clients globally for Incident and OH&S Management, Claims Management, Corporate Insurance and Employee Benefits Management, Fleet and Asset Management and Enterprise Risk Management.

By using system features such as workflow automation, document management and creation, reports and dashboards, smartphone and web-based data-capture and email notifications, clients have increased productivity, lowered costs and improved their risk management processes. The configurability aspect of the system ensures that variations in business processes are also catered for very easily.

The system is available in the traditional client-server model as well as a SaaS model from ISO27001 compliant datacentres. Incident and OH&S management provides an easy way to log an incident or hazard from either a mobile device or a web browser. An initial incident notification would only require some basic details to be filled in. Configurable workflow rules notify the relevant personnel to review the forms.

Claims management processes including first notification of loss, reserve-setting, payments and recoveries are comprehensively covered by the system. Loss adjusters and insurers can also collaborate in this process. All types of claims including motor, property, life and disability, liability and workers compensation claims are managed using the system.

The enterprise risk management process of risk assessment, risk treatment, risk monitoring and risk reporting can also be performed. A graphical matrix of severity and impact gives a summary of risks at business unit levels, as well as the enterprise level.

Risk Management on the Cloud

PAN Software
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Achieve World-Class Enterprise Risk Management
riskcloud.NET makes Enterprise Risk Management easy, achievable and affordable.

Complying with ISO 31000 Risk Management Standard **riskcloud.NET** helps organisations achieve world-class enterprise risk management in a single consolidated web environment.

riskcloud.NET comprises of 10 integrated modules:
- **Corporate Governance -** Align activities to achieve organisational strategic and operational objectives
- **Risk Management -** Identify, assess, control and manage potential impacts and opportunities
- **Compliance -** Meet regulatory and internal obligations
- **Business Continuity -** Scope and plan for potential disasters or business interruptions
- **Incident Management -** Log, manage and track incidents through to resolution
- **Health & Safety -** Provide a healthy and safe working environment
- **Environment Management -** Help minimise your environmental liabilities and maximise the efficient use of resources
- **Audit Management -** Manage and conduct system and ad-hoc audits
- **Claims Management -** Advanced case management tools for workers compensation claims management
- **Risk Analytics -** Analyse your data