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CIR
CONTINUITY INSURANCE & RISK

Focus Feature *Construction risk and insurance professionals face a raft of economic and operational challenges this year*

Risk Software Report *Integrated risk, insurance and compliance technology solutions for a unified, agile approach*

Risk Management Awards *The winners of the latest awards have been revealed. We take a look at some of the highlights*

Opening gambit

Reassessing risk in a perfect storm

View: "We cannot make assumptions that the future is all about progress – on occasion, developments will occur that could display characteristics of the past"

Comment

Business resilience has been called into question across financial services, after the collapse of three US banks led to fears that the next global financial crisis may be nigh.

The failure of start-up focused lender, Silicon Valley Bank, New York-based Signature Bank and California-based Silvergate were quickly followed by the news of turmoil at San Francisco-based First Republic Bank (subsequently rescued by a consortium of banks including JP Morgan). In the same week, European banking giant Credit Suisse became the first major global bank to be given a central bank lifeline since the 2008 financial crash.

Could what started as an energy and inflation crisis develop into a credit crisis? At the time of press, research from Allianz Trade suggests that in the US, rapidly tightening monetary policy could create dislocations in funding markets and raise pressure on banks with widening asset-liability mismatches. "The SVB failure is certainly a bellwether of growing frictions in the financial system. In the case of the US, the current (discretionary) band-aid on comprehensive depositor protection has shored up confidence but also entails potential fiscal constraints if more banks are tested by markets on their unrealised losses from fixed-income holdings," it notes, adding that concerns about Credit Suisse (one of the Fed's primary dealers) underscores that the risk of a full-blown contagion remains.

Full blown or not, the failure of the Swiss banking giant could have significant knock-on effects. Whilst the health of the European banking sector has improved considerably in the last ten years, events were enough to lead the European Central Bank to hold an unscheduled supervisory board meeting.

Although US regulators acted swiftly to prevent contagion risk and preserve financial stability by taking over SVB, regulatory shortcomings were still to blame for the neglect of the bank's poor risk management, according to Allianz Trade's analysts, in the wake of whose failure, other banks will have to become even more conservative in their lending.

SVB's UK arm was inevitably swept into insolvency after its parent was taken over, despite its insistence that it was ringfenced. The swift sale of SVB UK to HSBC leveraged post-crisis banking reforms, which introduced powers to safely manage the failure of banks – protecting both SVB UK customers as well as UK taxpayers.

Analysts at Hargreaves Lansdown appeared less concerned about the risks to the wider banking sector, pointing to the Bank of England's judgment in its latest financial stability report that UK banks were sufficiently capitalised and strong enough to deal with even more dire economic outlook. "Smaller tech-focused banks are set for a very rocky ride as the loss of confidence widens but still the risks of contagion to the wider banking sector remain limited," HL's Susannah Streeter said. "Although large retail banks have been sideswiped as investors have re-assessed unrealised losses in their bond portfolios, their revenue streams are much more diverse, with large loans books and retail deposits and, with interest rates being hiked, their net interest margins have risen. Since the financial crisis, banks have bigger capital ratios and have been forced to build up their buffers to prevent another shock, so the prospects for wider insolvency are low."

Meanwhile, the contagion appears not to have spread to Asia, as direct exposures to either SVB or Signature Bank were found by Fitch Ratings to appear to be limited. The weaknesses that contributed to the failure of both banks are among the factors already considered in its assessments for banks in the region, but these are often offset by structural factors, such as regulation, and its expectations that liquidity, were it needed, would be provided by the authorities.

Deborah Ritchie is editor of CIR Magazine

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The past three years have seen organisations weathering storms brought about by trade wars, a global pandemic, geopolitical and economic strife, and even armed conflict in Europe. Analysis of the risk horizon suggests that the year ahead is set to be no less testing

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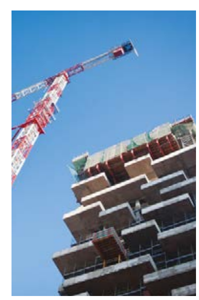

With construction industry output forecast to decline in the first three quarters of the year and supply chain the leading cause of turmoil, the outlook is at best bumpy. Neil Fleming UK underwriting manager, Construction & Engineering, at QBE, examines the risk horizon, and charts a course through the disruption ahead

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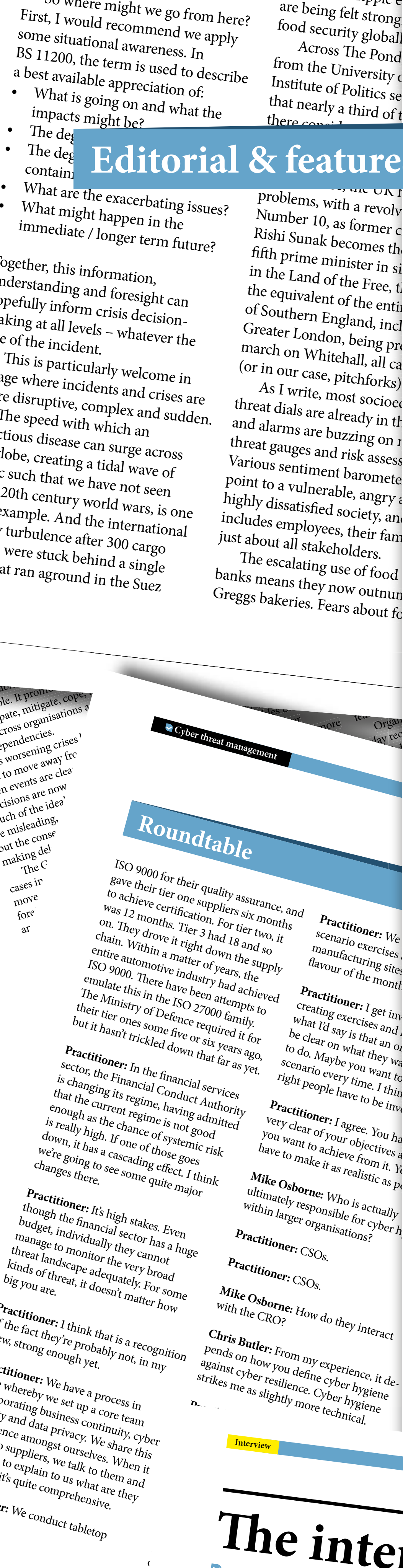
As construction risk and insurance professionals face a raft of economic and operational challenges in the coming quarters, Deborah Ritchie speaks to Neil Fleming, UK underwriting manager, Construction & Engineering, at QBE, about the keys to resilience



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Preparing for a unified approach to managing risk
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CIR
CONTINUITY INSURANCE & RISK

Group editor
Deborah Ritchie
deborah.ritchie@cirmagazine.com
Tel: +44 (0)20 7562 2412

Associate publisher
Steve Turner
steve.turner@cirmagazine.com
Tel: +44 (0)20 7562 2434

Design & production manager
Matt Mills
matt.mills@cirmagazine.com
Tel: +44 (0)20 7562 2406

Publishing director
Mark Evans
Tel: +44 (0)20 7562 2418

Managing director
John Woods
Tel: +44 (0)20 7562 2421

Accounts
Marilou Tait
Tel: +44 (0)20 7562 2432

Subscriptions
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Insurers at forefront of social sustainability agenda

The insurance industry has always been at the forefront of the social sustainability agenda, a new report asserts, and by continuing to hone its impact underwriting and investing activities, will continue to be

The Geneva Association has highlighted the insurance industry's "abundant, inherent social benefit in providing financial stability and peace of mind" to businesses and individuals, estimating that insurers contribute between US$5trn and 5.5trn a year to global financial resilience through insurance claims and benefit payouts.

The Geneva Association is a global organisation representing insurance companies headquartered in 26 countries around the world, which manage US$21trn in assets; employ more than 2.5 million people; and protect 2.6 billion people.

In its report, *The Role of Insurance in Promoting Social Sustainability*, the association addresses growing expectations around social impact, and advises insurers to further hone their impact underwriting and investing activities, as well as to conduct due diligence on risks linked to their clients, investors and operations – from human rights violations to algorithmic bias.

"Clearly businesses need to do more to promote social sustainability, particularly in light of the repercussions of the pandemic and Russia-Ukraine war," says Jad Ariss, managing director of The Geneva Association. "Insurers have always been – and will continue to be – at the forefront of this agenda; the very essence of the insurance business is protecting society, providing financial security and peace of mind, and supporting recovery from shocks. That said, insurers can build out their impact in this space and need to address the absence of suitable metrics."

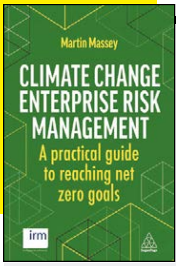
The Geneva Association's report puts forward a framework for insurers to assess their 'social footprint', inspired by the Greenhouse Gas Protocol's approach to carbon emissions disclosure:

- Scope 1 is an insurer's social impact on its employees.
- Scope 2 is the insurer's impact on communities.
- Scope 3 – by far the most important – is the insurer's social impact across the value chain, from risk-taking and servicing to investing – upstream (value-chain partners) and downstream (customers and investees).

Author of the report, Kai-Uwe Schanz, deputy managing director and director of socio-economic resilience at The Geneva Association, adds: "The report recommends insurers to adopt a three-tier approach to managing social sustainability. First, maximise the inherently positive social impacts of insurance; second, protect those benefits by carefully mitigating potentially negative impacts; and, third, explore the scope for additional, commercially viable social benefits.

"Based on this approach, we believe that insurers can further enhance their role in providing socially relevant products and working to close protection gaps. This is more important than ever as the transition to a net-zero economy needs to be socially just and inclusive."

Inspiration for resilience professionals



Climate Change Enterprise Risk Management: A Practical Guide to Reaching Net Zero Goals

By Martin Massey
Kogan Page, 2022
koganpage.com

Developing and then executing a resilient climate change enterprise risk strategy is a challenge for companies everywhere. Having a blueprint that can be tailored to any organisation must surely be one of the most useful tools for risk professionals and business leaders today. It is this that Kogan Page's latest book seeks to achieve.

Martin Massey's *Climate Change Enterprise Risk Management* sets out to equip readers with a practical roadmap, offering expert guidance on creating a robust framework that can identify and manage climate threats and opportunities, and increase the visibility of climate risk management activities at board level. He also advises on how and when to implement techniques such as thresholds, mitigation strategies, monitoring capabilities and risk appetite metrics.

Massey, as some readers will know, has worked for some of the leading global insurance and risk consulting firms and has over 30 years of industry experience. The chair of the Institute of Risk Management's Climate Change Special Interest Group is particularly well placed to tackle one of the most important risk issues of the day, having helped to design and launch the IRM's climate change training course, and authored the institute's *Climate Change Practitioners Guide* in 2021.

Massey's latest book covers both existing best practice risk management tools and how they can be adapted for climate enterprise risk management, in addition to introducing helpful new interdisciplinary tools, such as stakeholder mapping.

Supported by global case studies across a variety of industries including the insurance, finance, infrastructure, oil and gas, legal and auditing sectors, this expansive and fully indexed tome features a helpful glossary for practitioners looking to get to the detail in this complex arena.

Further, as Paul Mahon, head of technical development at Cornish Mutual points out in his praise for this impressive publication, Massey has written a book which will not only be welcomed by the risk management community, "but more importantly by their children and grandchildren as we wrestle with the changes required for a net zero future".

"Massey has written a book which will not only be welcomed risk practitioners, but more importantly by their children and grandchildren as we wrestle with the changes required for a net zero future"

This is a must-read for all practitioners managing climate risk, and one that chief risk officer at R&Q, Susan Young, hails an "insightful, informative and a great one stop shop among a plethora of thought leadership out there on the topic".

Crucially, this book contains practical guidance on how to incorporate climate risk management into existing risk management frameworks, and, equally, how to start from scratch.

News briefing

A round-up of the latest industry news

Shifting geopolitical alignments are contributing to a division amongst opposing blocs across the globe, according to the latest WTW/Oxford Analytica *Political Risk Index*. Of the 61 countries and territories analysed, 25 lean West, towards the US and/or Europe; 18 lean East, opposing the Western powers on many key issues; and another 18 are "attempting to remain neutral".

Business leaders must take action and undertake scenario planning to be ready for future geopolitical incidents. This was the advice issued by the Chartered Institute of Internal Auditors and Airmic in a joint report published one year after the start of the war in Ukraine.

Mirroring these two reports, law firm Browne Jacobson predicts that insurance claims across all business lines are set to increase in frequency and severity over the next 12 months, due to the coalescing forces of geopolitical instability and recessionary pressures, among other factors.

Risk managers can expect multiple challenges arising from a 'trilemma' in the renewables industry in the year ahead. Another report from WTW, this time its *Renewable Energy Market Review 2023*, points to the challenges emanating from the convergence of a need for net-zero energy security, unsettled global macroeconomics and rising demand for renewable energy in an era of squeezed supply.

Business continuity, resilience and disaster recovery specialist, Databarracks, launched a new business continuity incident response service to guide customers through the non-IT aspects of incident response. Clients can now choose to use their resource allocation from the Databarracks business resilience services team to chair their crisis management team, brief executives, or to provide advice and recommendations.

Food and beverages were found by the British Standards Institution to be the most commonly stolen commodities. BSI's latest annual *Supply Chain Risk Insights Report* shows that thefts from hijacking have fallen as a proportion of cargo theft from 24.4% to 17%. These are now second to theft from facilities, which now account for more than a quarter of total thefts.

Separate research conducted by Gartner found that enterprise risk management teams are struggling to effectively mitigate third-party risk in an increasingly interconnected business environment. The characteristics of third-party risk undermine the effectiveness of a typical ERM set-up, it concluded.

Even well-established industries in stable democracies must be prepared for the possible impact of increasingly disruptive and potentially violent activism. This was the message from risk advisory, CHC Global, whose latest annual *Malicious Risk Report* highlighted the growing risks from grassroot movements, strikes and civil commotion – which, it warned, look set to disrupt organisational resilience for some time to come.

Post-Covid recovery is far from complete for companies in the leisure and hospitality sectors, as they struggle with a wide array of strategic risks in the aftermath of the pandemic. Around half the US$300m+ firms polled by the team at WTW as part of its inaugural *Global Leisure and Hospitality Risk Outlook 2023 Report* are still some way from business as usual.

For the full story behind all these headlines, visit **cirmagazine.com**

The UK government detailed its plans to regulate cryptoasset activities, promising a broad system that is consistent with its approach to traditional finance, and which "mitigates the most significant risks, while harnessing the advantages of crypto technologies". The proposals will place responsibility on crypto trading venues for defining the detailed content requirements for admission and disclosure documents. They will also look to strengthen the rules around intermediaries and custodians.

Equally downbeat notes were struck by Aviva's third annual *Risk Insights Report*, which found that confidence in the UK economy had plummeted amongst the 1,200 participants in its study, who cited the onslaught of aforementioned risks in their reasoning.

Insurance valuation specialists at Charterfields said traditional approaches to updating declared values, including the use of the Consumer Price Index, are out of sync with how prices have changed for many assets. Its own analysis of commercial locations assessed over the last four years suggests that as many as 88% of them were underinsured.

As companies continue to adopt hybrid working practices, security professionals are increasingly using access data to understand trends and space usage; and find and prioritise unusual activity, according to a benchmark study published Brivo. Its *2023 Top Security Trends Report* suggests that the ease with which employees and tenants access buildings is a key consideration for security professionals, who pointed to growing expectations for frictionless access into workplaces.

The National Cyber Security Centre published a new addition to its supply chain guidance, with a focus on the process of supply chain mapping. The guidance details a number of aspects of supply chain mapping, exploring its value and how it can benefit an organisation; what information it will typically contain; the role of sub-contractors that suppliers may use – and what this means when agreeing contracts.

Safeguarding actions are needed to combat the evolving risk landscape in the delivery of telemedicine, according to the Bayes Business School (formerly Cass Business School) and insurance broker, Lockton. The specific cyber and ethical risks posed by telemedicine to care homes could even outweigh its value unless they are urgently addressed, the report's authors asserted.

The total economic cost of the devastating earthquakes to hit Turkey could exceed US$25bn, with potential insured losses of over US$5bn, according to risk modellers at Moody's. Meanwhile, US economic losses from the recent California flooding could reach US$5-7bn, the company said.

A survey of over 2,000 staff found that bullying in the workplace is often dismissed as 'banter', with 32% of employees reporting having experienced such a situation. Law firm Irwin Mitchell's poll found that 45-54 year olds are the most likely age group to have experienced this type of bullying.

The interview

A raft of new rules are heading the financial services sector's way. Deborah Ritchie speaks to Michael Faber about the most significant of these, and, importantly, how well prepared the sector is to comply

Financial services regulators have been busy lately, and a number of new rules are coming into force at the same time. Which are the most important of these?
It has indeed been a busy time in financial services regulation, and it doesn't look like it will let up any time soon. The current regulatory initiatives are very sensible in my view, particularly those that focus on the consumer – improvement is something that all of us want to see as consumers of financial services.

The consultation papers from the Bank of England, PRA and FCA in 2018 on operational resilience focused on the client or customer, introducing the words 'intolerable harm', 'important business services' and 'impact tolerance'. These are not to be confused with recovery time objective or maximum tolerable period of disruption. Initial compliance was set for March 2022, with a date of March 2025 for remediation of vulnerabilities.

New PRA rules on third party risk management were developed around the same time, and while the operational resilience regulations also covered third parties, this was a very specific and targeted regulation for all firms covered under the PRA.

Next is the Digital Operational Resilience Act, or DORA, which was agreed in the EU in November 2022, and is now being rolled out through EU member states. The goal of DORA is to ensure that all FS firms in the EU and their suppliers have consistent and appropriate IT systems and services, including IT risk management frameworks, cyber threat protection, operational resilience planning and testing, and a suitable oversight of third parties and outsourcing.

Next is Consumer Duty, which is a considerable and very important undertaking. Back in July 2022 the FCA published new rules and guidance that required regulated firms, and I quote, "to act to deliver good outcomes for retail customers". In essence this is about ensuring that FS firms focus on working well for its consumers, that they understand the needs of their consumers, and support them in making the right decision for them regarding their financial needs. Particularly relevant in the current economic climate.

Lastly, the Financial Services and Markets Bill has now passed through the House of Commons and is currently going through stages of agreement in the Lords. The Bill includes revoking all EU retained law relating to financial services, although wouldn't be revoked until new laws were in place to replace it. Another element is associated with the development of a framework for the designation of critical third parties. The UK FS regulators would, in turn, be given more powers to provide regulation over these CTPs with the aim of ensuring their ability, including transparency, to deliver highly resilient services to the sector.

What more needs to be done to fulfil these new duties?
Regulation is so often seen as just a 'need to comply' – without considering leveraging the benefits of such work, which I find disappointing. What we are trying to do, and I hope that firms are trying to do more, is instead of doing a tick box exercise, asking how they can turn this into a business benefit rather than just a cost.

"Forget Bitcoin. The real asset is the technology and what it can achieve over time with smart contracts"

Separately, there is more work to be done in third party management. There are obviously benefits to being able to control one's third parties but sometimes there's no global policy for this, so contracts are negated on an individual basis.

The last thing, with all these regulations and compliance, is about the need to embed processes, and make them a part of BAU.

You recently made the move from a career within financial services to joining a consultancy practice. How has your career to date prepared you for this move?
The team and I really enjoy working together for a growing boutique consultancy. Each of us has at least 20 years' experience as practitioners in the finance sector, and we are all happy to roll up our sleeves and do what is needed.

The skillsets that come from any risk or resilience-related work is far wider than the risk field alone, and we have been involved in business transformation, change, project and programme delivery, as well as business process modelling.

We have also been working

outside of financial services, with other sectors, including most recently the medical devices manufacturing field, and what we have found is that the skills we have learnt within the finance sector can be transferred to any industry or sector. Good practice (often driven by the regulators) in the finance sector, is going to be good practice for any industry or sector.

Take consumer duty – for any company that provides a product or service to a customer, ensuring that whatever is developed for the consumer is appropriate for that consumer and is understood. There must also be sufficient management information to continually assess both the journey and that the product or service still meets any change in requirements. Happy customers usually return...

From an operational resilience perspective, formalising what constitutes important business services are, mapping end-to-end all the processes involved, including resources such as the systems and technology used, people, facilities and information. Understanding where disruption can occur, when a disruption can cause 'harm' to a customer and putting in steps to ensure that 'intolerable harm' to customers does not occur.

Finally, whatever we do as a business, we are most likely to have some reliance on a third party, and often they're critical. Knowing about their controls, compliance, and incident and crisis management teams and plans is essential in case something goes wrong, which, history tells us, will happen at some stage.

Michael Faber, senior consultant at Shapes First

Regulation aside, what's on the risk horizon for the financial services sector?

From my point of view, risk is everything, so I just talk about the "horizon" rather than the "risk horizon"!

To begin with, there will certainly be more regulation, or at least an expanding of the scope of existing regulations to reach further into the sector (for example, senior managers regime to payments services and e-money firms, or operational resilience to previously out of scope firms that offer services to retail customers).

I can also see a degree of consolidation in the offing, with firms looking to diversify quickly or increase market share – this is happening all the time, anyway, but it's only the big deals that make the headlines.

There will also be continued activity in the financial services space among the GAFA Big Tech firms, Google, Amazon, Facebook and Apple, which are using their significant reach to provide financial services in some form or another.

Finally, digital assets are here to stay (for now). Forget Bitcoin, though – the real asset is the technology and what it can achieve over time, with smart contracts just one example.

A number of the areas I have highlighted are included in the chancellor's package of reforms announced in December, known as the Edinburgh Reform. The aim is to support the government ambitions for the UK to be the "world's most innovative and competitive global financial centre".

We will have to wait and see if this will be achieved, and how much more legislation and regulation will be required to get there.

Interview by Deborah Ritchie, Editor, CIR

Opening gambit

The past three years have seen organisations weathering storms brought by trade wars, a global pandemic, geopolitical and economic strife, and more recently even armed conflict in Europe. A reappraisal of the risk horizon will help businesses prepare for yet more testing times to come. Deborah Ritchie reports

Businesses face an "historically broad and deep set of risks" this year. These risks are interconnected in nature and, for some companies, pose an existential threat. These were amongst the stark warnings from risk consultancy, Control Risks, whose latest *RiskMap* identifies the top risks for businesses as fractious geopolitics, armed conflict, disrupted energy systems and economic strife. If ever there was a 'perfect storm' of risks, it is now.

Geopolitical risks

There will be a continuing risk of escalation and overspill from the Ukraine-Russia conflict, the report's authors warn. The complex commercial, operational, reputational, supply chain and sanctions risks from this war means many are considering what these would look like in the event of a conflict in East Asia.

Whilst armed conflict between the US and China is very unlikely in 2023, it is this relationship that poses the greatest geopolitical risk for businesses in 2023, according to the report, as competition and confrontation "move from the trade and technology realms into the military domain".

The prospect of an accident or miscalculation involving US and Chinese military vessels operating in Asia is something that businesses should be aware of, as well as efforts to decouple critical supply chains.

Similar notes were struck in a recent joint report from the Chartered IIA and Airmic, which went as far as to urge organisations to be in a permanent state of readiness "that recognises the nature of today's crises".

Published one year after the beginning of the war in Ukraine, *Navigating Geopolitical Risk* highlights the challenge of responding to once-in-a-generation events that today are occurring with far more frequency.

With geopolitical tensions rising around the globe, they warn that businesses may not be prepared for the next big crisis. The report's

"Whilst armed conflict between the US and China is very unlikely in 2023, it is this relationship that poses the greatest geopolitical risk for businesses in 2023"

authors advise businesses to resist the temptation to be events-led, instead undertaking scenario planning to be agile for future geopolitical incidents or crises.

"Geopolitical risk is becoming far higher in profile on the risk radar of most businesses and is a board agenda item – and one which demands a collaborative response from risk and internal audit professionals," comments Julia Graham, CEO, Airmic. "Building resilience is imperative. Businesses need to be prepared to deal with significant disruption caused by geopolitical incidents."

Hoe-Yeong Loke, head of research at Airmic, says that geopolitics has not been so turbulent and unpredictable since the end of the Cold War. "Nevertheless, geopolitics is not a game of predicting future events," he adds. "To build resilience in a challenging world, scenario planning and horizon scanning are key for organisations preparing for geopolitical risk."

Amongst its key recommendations, the report proposes that boards, and the internal audit and risk management functions recognise geopolitical risk as a strategic risk to the business, adding that it does not sit in a silo but instead exacerbates and intensifies a myriad of other business-critical risks such as supply chains, legal and compliance, reputation, financial liquidity and cyber security. This includes planning that is constantly challenged, stress-tested and with regularly updated baseline assumptions about the likelihood and impact of the risks they could face.

Anne Kiem, chief executive of the Chartered IIA, comments: "With geopolitical risk still growing in severity, business leaders must learn lessons from the conflict in Ukraine, by making sure they are properly prepared for the next big crisis that could be coming down the track. Internal auditors, working in partnership with risk management, have a vital role to play in supporting organisations' preparedness for major geopolitical incidents."

An upside amid uncertainty?

Finding an upside amid such high levels of uncertainty is a challenge in itself, but, as Control Risks CEO, Nick Allan notes in his foreword to the firm's *RiskMap* report, companies still see opportunity ahead.

"In Asia, the prospect of a post-Covid China may well provide a big boost to regional growth prospects in addition to the opportunity that can be found in countries that are benefiting from supply chain reassessments, such as Vietnam and Indonesia. Energy producers in Africa can at least look to improve government revenues and gas fields, such as those in Mozambique, have become strategic priorities despite operational challenges. In Latin America, institutional robustness in Brazil, Chile, Mexico and Colombia provides a level of reassurance for investors that some had questioned." he asserts.

"The view from the US is mixed. A very strong dollar makes international assets cheap and the flexibility and dynamism of the domestic market, coupled [with] energy self-sufficiency, makes many optimistic that US firms will prosper more than others in 2023."

Post-pandemic, he adds, for organisations that are able to build resilience and plan for the medium term, there are "anchor holds of opportunity".

Covid: It's not over yet

It is hard to believe it has been three years since the Covid-19 pandemic was declared. At the time of press, there had been 759,408,703 confirmed cases of Covid-19 globally, and 6,866,434 deaths, according to the World Health Organisation. Whilst much of the world has begun to find its 'new normal', and even China is reopening its borders to foreign visitors for the first time since the beginning of the pandemic, Covid-19 lingers in some form or other for many businesses and societies. It is in the Western Pacific that the most recent spike in cases has been recorded, with numbers reaching an all time high there in December.

Covid will likely be with us forever, albeit in a much milder form. In many other ways, Covid is certainly not over yet, as unresolved business interruption-related issues remain for insurers in 2023.

Law firm DAC Beachcroft anticipates further cases dealing with other aspects of causation and aggregation will now be litigated in the wake of the Stonegate, Various Eateries and Greggs trilogy, decisions which brought a degree of clarity to the insurance market on aggregating occurrences, causation and how furlough is to be treated going forward.

"Aside from the almost inevitable appeals on these issues, unresolved issues remain, including over coverage for venues which never had to close, and issues arising out of loss of income for reasons other than inability to trade. Insurers will also have to deal with questions in relation to quantum arising from deaths,

"Post-pandemic, for organisations that are able to build resilience and plan for the medium term, there are 'anchor holds of opportunity'"

"Whilst much of the world has begun to find its 'new normal', and even China is reopening its borders to foreign visitors for the first time since the beginning of the pandemic, Covid-19 lingers in some form or other for many businesses and societies"

Long Covid and other causes which might extend the cover available for insureds," the law firm reports in its *Informed Insurance* predictions for the year. "A series of litigated claims that will address coverage under various 'at the premises' disease clauses are also due to be heard in 2023. It also remains to be seen whether policyholders will try to unravel any of the Divisional Court's findings on those prevention of access clauses left unaffected by the Supreme Court judgment in the FCA test case."

Speaking to *CIR Magazine*, Jonathan Mitchell, partner at DAC Beachcroft, says it is important to note that the emphasis appears to be on guidance at present, but employers will need to be live to the possibility of claims if guidance is not followed. "Covid regulations have not been in place since 2021, however Covid-19 and flu continue to be a risk that must be effectively managed. At present, most employers may simply suggest that employees who have cold/flu or Covid-19 symptoms self-certify or work from home. In reality, this is probably no different to arrangements prior to the pandemic. There is, however, flexibility for employers to develop and adapt control measures specific [to] their needs. If new guidance is given, it would be a brave employer who chose not to follow any updated guidance without having first considered the risk."

Whilst many employers have adopted a new hybrid working model following the lifting of Covid-19 restrictions, should updated work-from-home advice be issued, then employers will need to consider existing home working risk assessments and ensure they are up-to-date, he adds. "Of great importance is that the prevalence of various transmittable respiratory diseases in the community will make it incredibly difficult for an employee to demonstrate that they caught a virus in the workplace and to establish a breach of duty."

Wider claims trends

In other major claims developments, DAC Beachcroft's international experts anticipate that claimant representatives will continue to test the waters for occupational and environmental air pollution exposure claims, particularly where illness and/or injury can be clearly evidenced.

"Research and reporting around the physiological impact of exposure to diesel emissions continues at pace, with recent reports highlighting that toxic air particles are found even in the bodies of unborn babies," the law firm notes in its annual predictions report. "Significant hurdles remain for large scale actions, but the judiciary has shown it is prepared to be flexible in assigning responsibility for the consequences of air pollution where local and national regulators were involved. Whether such flexibility will extend to liability in negligence for exposure remains to be seen."

In a related development, employers in the UK are advised to be aware of the Health and Safety Executive's plans for the year to reduce work-related mental health issues and stress. DAC Beachcroft anticipates that HSE inspectors will take "keen interest in company policies for managing stress in the workplace during future investigations of workplace incidents".

Construction sites, in particular, are a key focus for the Executive, which will be visiting sites to check employers and workers know the health risks in relation to moving and handling materials.

More widely, the law firm expects to see progression of objectives such as the launch of an occupational health and safety qualification in prevention and management of work-related stress.

Cyber risk landscape evolves

Sophisticated cyber attacks are increasingly targeting critical national infrastructure, including gas, steel and power plants – attacks that can create systemic exposures for insurers whether they offer cyber cover or not.

The 2021 Colonial Pipeline ransomware attack was a high-profile example of the growing cyber threat for critical national infrastructure. The attack shut key conduits delivering fuel from Gulf Coast refineries to major East Coast markets for days, which led to panic-buying at petrol pumps and had a knock on effect across a number of industries, including aviation. The largest cyber attack against CNI in the US led to a State of Emergency being declared, and forced the government and companies to consider the reality of this risk, as more systems are moved online. In the UK, a cyber attack on South Staffordshire Water in 2022 claimed to have poisoned water supplies at the treatment plant in the middle of the country's worst drought in history. These attacks are anticipated to continue to pose a threat, their effect cascading cross sector, and often – as with so many risks – without geographical borders.

Deborah Ritchie is editor of CIR Magazine

Political risks at new high

Inflationary pressures, the global energy crisis and heightened socioeconomic tensions have driven global political risks to a five-year high, according to analysis conducted by Verisk Maplecroft

The wide-ranging fallout from rising inflation, an ongoing global energy crisis, and heightened socioeconomic tensions look set to drive civil unrest and resource nationalism throughout the year, and well into the foreseeable future, according to a report published earlier this quarter by risk analysts at Verisk Maplecroft, which shows political risks at a five-year high globally.

After two years in the grip of Covid-19, the war in Ukraine took over as the main driver of risk in 2022. Ukraine is now the 5th highest risk country on Maplecroft's proprietary Conflict Intensity Index, down from 24th at the start of the year. Russia has fallen to 26th highest risk, down from 33rd in Q1-2022.

Outside of Europe, 2022 was a year "defined by conflict at a global level", with 26 countries experiencing a "significant uptick in risk" on the index over the past year, compared with just three in the prior year.

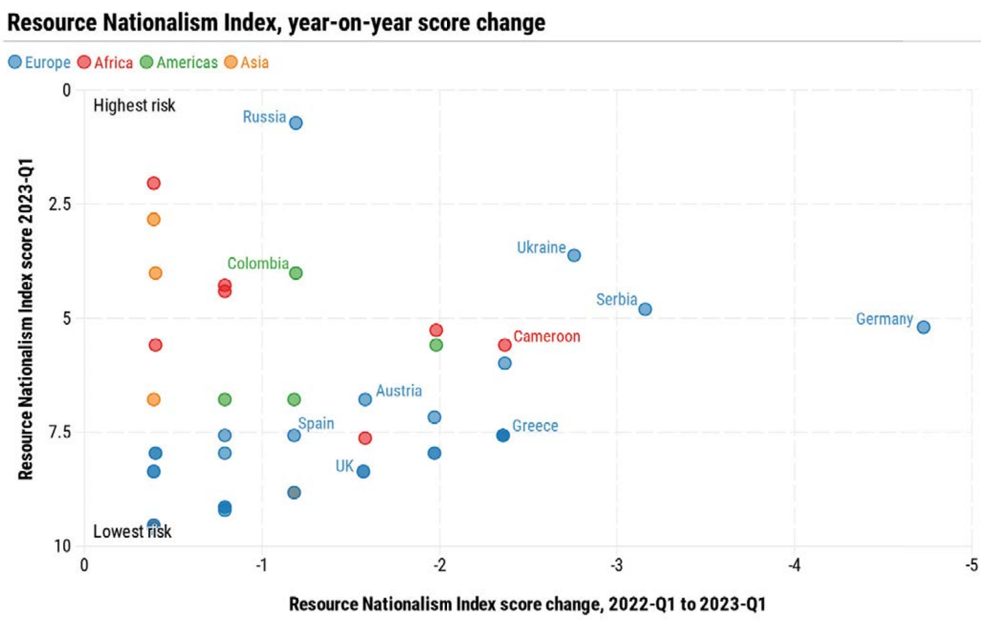
"The fallout from armed conflict will remain a key risk trend for corporates, investors and insurers in 2023," says Hugo Brennan, head of EMEA research at Verisk Maplecroft. "The war in Ukraine is likely to escalate as both sides prepare for spring offensives; conflict and insecurity will continue to destabilise pockets of Africa; and interstate tensions risk tipping over into fighting in parts of the Caucasus, Central Asia and the Balkans."

Resource nationalism

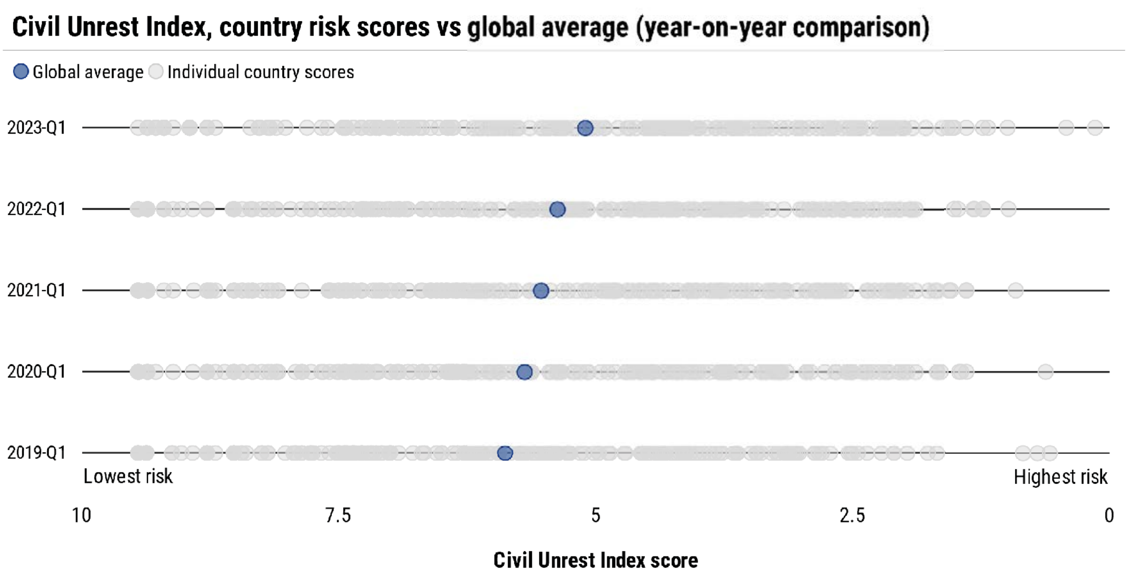
A wave of state interventionism is being seen across the globe, as efforts to shield consumers from surging prices have led to a significant uptick in risk in Europe. According to Maplecroft's Resource Nationalism Index. Some 25 of the 27 EU member states witnessed a significant uptick in risk. Germany, which in September placed a subsidiary of Russian oil company, Rosneft, under trusteeship of the state regulator, fell from 142nd to 40th highest risk on the Index - the largest annual downgrade registered by any country since the RNI launched in 2012.

"The cost-of-living crisis is forcing Western governments to take unprecedented steps to protect consumers and domestic industries," adds Brennan. "2023 will be a year where respect for free markets takes a back seat to state intervention and industrial policy in Brussels, London, Washington and beyond.

"This upheaval added fuel to social and political pressures that had simmered since the outbreak of the pandemic. Data from our Civil Unrest Index shows that



Risk scores are allocated on a scale running from 0 to 10, with 0 indicating highest risk. A deterioration of 0.35 or more is considered a significant change on the RNI. Source: Verisk Maplecroft



Risk scores are allocated on a scale running from 0 to 10, with 0 indicating highest risk. Source: Verisk Maplecroft

48 countries registered a significant uptick in risk throughout 2022, the biggest ever annual rise recorded in the index. The impact of this was felt worldwide, stretching from Europe – where farmer protests roiled the Netherlands, France and Italy – through to emerging markets including Sri Lanka, Peru and Kenya."

Political stability has been tested across the world as a result of widespread civil unrest. In July, protests driven by socioeconomic unrest forced the resignation of the Sri Lankan president. Some 25 countries registered a significant uptick in risk on the Government Stability Index throughout the year, including Pakistan, Serbia and Italy. And in Brazil and Peru, socioeconomic pressures that bubbled in 2022 are likely to worsen in the year ahead.

"As the social pressure cooker proves increasingly unable to contain the discontent of populations facing protracted economic hardship, the frequency and magnitude of the backlash against political institutions will remain near boiling point throughout 2023," says Jimena Blanco, chief analyst at Verisk Maplecroft. "It is likely no region will be spared, but the Americas will be particularly hard hit."

Supply chain

Whilst a raft of new supply chain due diligence laws have arrived in recent years, Maplecroft's data shows little progress being made when it comes to tackling human rights abuses at ground level. China, India, Vietnam, Cambodia, Pakistan and Mexico all registered downgrades on the Modern Slavery Index, highlighting the uphill battle faced in this arena.

"Worsening economic conditions inflate modern slavery risks and expose businesses to greater reputational and legal challenges," says Sofia Nazalya, senior human rights analyst at Verisk Maplecroft. "Companies that approach human rights due diligence as a box-ticking exercise are unlikely to meet the stringent requirements arising out of emerging EU legislation. To be on the front foot for the year ahead and beyond, businesses must make informed sourcing decisions that depend on credible data."

Climate

Finally, Maplecroft's data uncovers the interconnectivity between social, political and environmental risks, as slow progress on policy was shown to exacerbate the escalating physical threats faced by half of the world's population (some 3.9bn people) who now live in areas rated high or extreme risk of climate vulnerability.

"Governments and regulators will continue to move to address climate and natural capital risks in 2023, whether by introducing more stringent laws and policies affecting operations or man-dating greater transparency from organisations around the risks and opportunities they forecast in the future," says Will Nichols, Verisk Maplecroft's head of climate and resilience. "Corporates and investors will need to anticipate these trends to ensure they can effectively navigate stakeholder requirements."

Unique problems, unique solutions

Hugh Sparks, Managing Director International Onshore, Energy & Mining, and a senior loss adjuster for Charles Taylor in London, discusses the innovative solutions devised by the firm to address the challenges of claims stemming from the war in Ukraine

In 2022, Russia's invasion of Ukraine sparked the first land war in Europe since the Balkan conflict of the 1990s. At that time, damage to property in a war zone was impossible to assess until the fighting had stopped. Today, Charles Taylor is using cutting-edge technology and data collection tools to find solutions to handling claims emerging from the war in Ukraine.

If there's any possibility of getting to the site in person, though, "make it happen", says Hugh Sparks, a senior loss adjustor and managing director at Charles Taylor who specialises in large, complex and sensitive losses. Sparks recently completed his second trip to Ukraine, to a large production facility 100km from the front line that was struck by three missiles in December 2022. The five-day trip involved fastidious planning and security protocols and was well worth it, despite yielding only six or seven hours on-site, says Sparks, who notes that Charles Taylor is currently the only foreign insurance services provider making efforts to visit sites in Ukraine.

But what happens when an on-site visit is not possible? For claims such as these, Sparks and his team have been working to devise a reliable mechanism whereby a claim can be settled using only intelligence gathered remotely. Dubbed the 'layering process', this new methodology uses information from varied sources to perform a credible damage assessment and valuation of a site that cannot be reached in person. "It's like you start with a 'painting by numbers' scene and have to fill in the colours," says Sparks, who talked us through one scenario involving a facility just outside Mariupol, deep behind Russian lines.

The five-step layering process starts with a high-quality satellite image of the plant, abandoned when Russia invaded in February 2022. Satellite images are quick and inexpensive to obtain once latitude and longitude coordinates are provided, and will show the condition of the roof, including holes and other damage. But, as Sparks is quick to point out, "what we need to do is establish what the use of that building is, and particularly what production equipment is inside".

The next step, therefore, is to obtain a site plan from the insured; this shows the number of buildings and where they're situated, and can be overlaid onto the satellite image to begin to better understand the usage of the site. Next come construction drawings, provided by the owner of the plant. These supply further details of the make-up of a building and can help define the extent of the damage seen on the satellite images.

The following step requires the insured to populate the building by sharing detailed information about the equipment inside, such as its use and location. For the final layer, it is important to understand what type of ordnance has affected the site. For this expert assessment, Charles Taylor consults a former British Army explosives expert who can identify the ordnance used and provide information on the range and explosion patterns of different types.

With the picture now "coloured in", Sparks and his team can build a detailed financial scenario, allowing them to adjust for losses sustained not only via damage to property but also from business interruption, which will likely be prolonged for many months after the war's end, as reconstruction efforts grind into gear.

Meanwhile, the focus is on servicing Charles Taylor's clients as efficiently and thoroughly as possible, whatever the challenges. "The days of saying 'we can't get there, we can't tell you anything' are probably long gone," adds Sparks, who himself is preparing for his third trip to Ukraine since the war began.

To find out how Charles Taylor can help you, please visit charlestaylor.com or scan

In flux

A survey of Airmic members reflects a perception that the insurance market is softening, but with an expectation that conditions will deteriorate over the course of the year. CIR examines the highlights of Airmic's latest *Pulse Survey*

With inflationary pressures at a record high, and other economic and political pressures bearing down globally, there is much cause for concern for risk and insurance professionals in the first quarter of the year.

And while the UK is not overly affected by the direct impacts of extreme weather events and other natural catastrophes, the result of global events in this arena have put pressure on reinsurance rates – rises that will inevitably mean an increase in rates in the primary market across a number of property casualty lines.

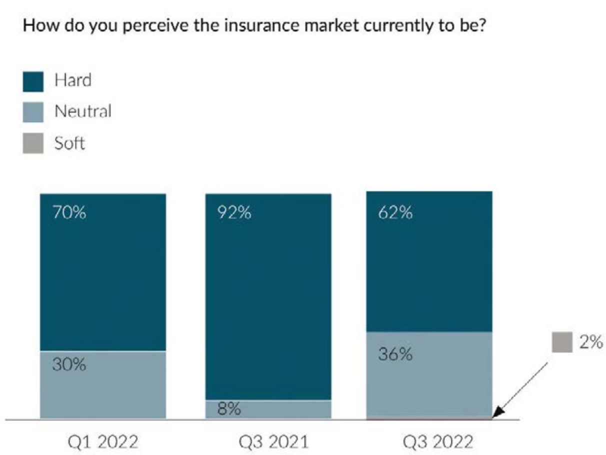
A retreat in capacity across cover for geopolitical and geoeconomic risks has meanwhile been witnessed by risk and insurance professionals, as events in Ukraine continue to unfold, almost one year after Russia's invasion of the country in February 2022.

All of this has contributed to what Airmic's latest *Pulse Survey* referred to as a "gruelling" renewal process for its members – one that has been exacerbated by "excessive demands for data" and "delay in delivering terms". It is no surprise, then, that the use of captives – complex though they may be – has grown, as members of the UK's risk and insurance association increasingly seek alternative means of risk transfer.

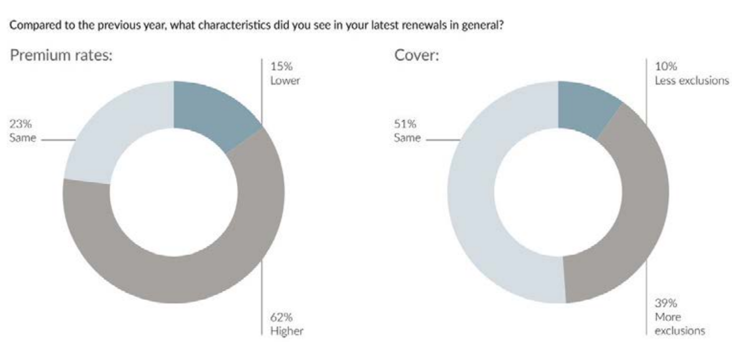
All that said, on the whole, Airmic members perceive the insurance market to be softening, a trend that started in 2021, according to this dataset.

And while 30 per cent of respondents believe market conditions may still deteriorate in 2023, 'green shoots' of recovery can be seen the slowing pace of increases across directors' and officers' liability.

Respondents generally reported how relatively straightforward their latest D&O renewals had been compared with their experience over last two years. They also reported benefitting from rate reductions



Source: Airmic



Source: Airmic

"Airmic members remarked on how relatively straightforward their latest D&O renewals had been, compared with their experience over last two years"

Source: Airmic

and additional capacity. Meanwhile, higher premium rates accompanied by more exclusions are being witnessed, most notably in cyber policies.

"Challenges in cyber continue with excessive demands for data and delays in delivering terms, often for too little cover at too much cost," the report states. "Airmic members would like to see greater willingness from the insurance market to engage with members on designing policy coverage to meet their needs."

ESG

As environmental, social and governance issues play an ever greater role in underwriting strategies, a shift in attitudes is being seen amongst

"In ESG, a shift in attitudes is being seen amongst insurers, which, besides asking more questions around the spectrum of issues, are introducing new standard clauses relating to them"

insurers, which, besides asking more questions around the spectrum of ESG issues than they ever have before, are introducing new standard clauses relating to ESG elements.

The survey points to an August 2022 survey of insurers conducted by Marsh, in which 79 per cent of respondents indicated that they would offer incentives such as premium credits, or more favourable terms and conditions, to insureds that were able to show "positive ESG metrics".

Airmic considers that there needs to be a greater level of collaboration within the insurance industry on how to deal with climate risks, and on the measurement, management and financing of those risks, in view of the climate commitments insurers have made through the Net-Zero Insurance Alliance and other initiatives across the industry.

Responding to the survey, Heidi Carslaw, managing director at Mactavish, notes that the aggregate impact of successive crisis or significant economic developments (including Brexit, Covid, the Ukraine

"There needs to be a greater level of collaboration within the insurance industry on how to deal with climate risks, and on the measurement, management and financing of those risks"

War, inflation, interest rates and general political turmoil) are together bringing about "significant changes in almost every part of every sector" – something that is both changing risk and changing where risk resides in terms of ownership.

"This has significant implications for both risk management and insurance, and we don't believe we have yet seen the impact of this on insurance pricing – and we won't until the longer-term impact of these multiple crisis starts to come through in a change in the pattern of low probability, high severity loss events," she adds. "We expect the next five years to be very difficult for the insurance market with a growing number of surprises in terms of loss trend developments."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__Charting a course__ As construction risk and insurance professionals face a raft of economic and operational challenges in the coming quarters, Deborah Ritchie speaks to Neil Fleming, UK underwriting manager, Construction & Engineering, at QBE about the keys to resilience

__Managing supply chain risk in the UK construction sector__ With construction industry output forecast to decline in the first three quarters of the year and supply chain the leading cause of turmoil, the outlook is at best bumpy. Neil Fleming examines the risk horizon, and charts a course through the disruption ahead

Managing supply chain risk in the UK construction sector

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Managing supply chain risk in the UK construction sector

With construction industry output forecast to decline in the first three quarters of the year and supply chain the leading cause of turmoil, the outlook is at best bumpy. Neil Fleming UK underwriting manager, Construction & Engineering, QBE examines the risk horizon, and charts a course through the disruption ahead

This is a time of great innovation and opportunity in the UK construction sector. The global construction industry is forecast to grow 70 per cent by 2025, while the UK's target to reduce emissions to 20 per cent of 1990 levels by 2050 is creating huge opportunities for companies that design and build greener buildings and structures.

However, the sector is not without its challenges. With uncertainty in the aftermath of Brexit, a growing skills shortage and quality control climbing the agenda, construction firms need to ensure that they are monitoring and actively managing their risks.

The outlook for the industry will be as bumpy as 2022, with output forecast to decline in the first three quarters of the year. Supply chain disruption is the leading cause of anticipated mid-air turbulence. Geopolitics and domestic developments far from the UK will continue to affect access to materials and their price.

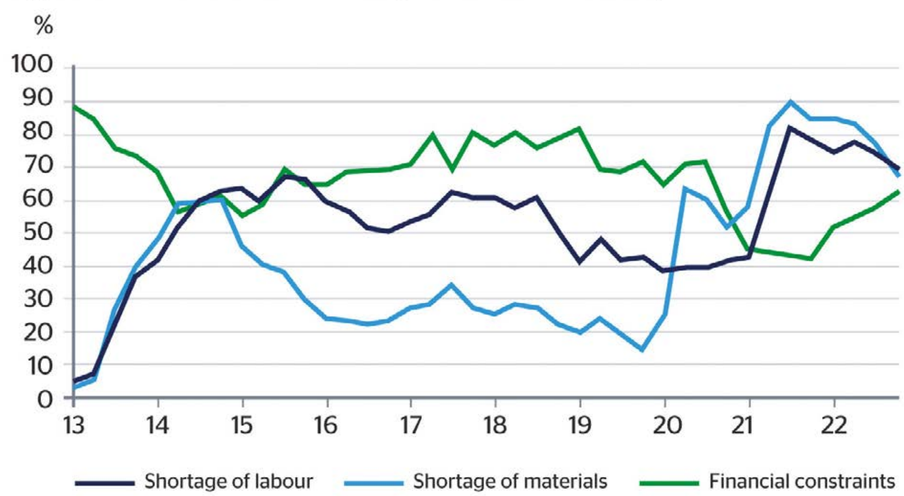
The reopening of China's economy following the end of the zero Covid strategy and the ongoing conflict in Ukraine are two key international drivers of potential disruption. The post-Brexit realignment of UK-EU relations appears to be largely heading in a positive direction, but that could quickly change if the issue of Northern Ireland's customs status is not resolved.

Meanwhile, domestically, demand for the work of the construction sector – particularly in relation to large infrastructure projects, but also smaller projects and homebuilding – remains affected by political vacillating and high demands on public spending. Although elections are unlikely before 2024, 2023 is the year in which the government and opposition will essentially go into campaign mode. Expect big promises on investment in building infrastructure to "level up" the country, which create potential opportunities in the coming years.

Since the first pandemic lockdown, a shortage of material inputs has been the largest factor constraining construction activity in the UK. Scarcity of inputs was cited by an average of 78 per cent of construction firms as a brake on output across the four RICS Construction Market Surveys conducted in 2022, compared with 74 per cent for shortages of labour and 56 per cent for the firms' financial position.

This is the highest percentage balance since the question was first asked more than a decade ago. According to the Office for

Figure 1: What factors are limiting construction activity?



Source: RICS

National Statistics survey evidence released in December, 39 per cent of construction firms attributed this to global production shortages, 21 per cent to the pandemic, nine per cent to increased cost inflation, and six per cent to transport issues.

Looking forward, the construction industry's supply chain is particularly vulnerable when it is reliant on inputs which are not produced domestically and supplies from abroad are sourced from a single or only a few countries. Examples of imported inputs where supply is heavily dependent on particular overseas countries are: bitumen and asphalt (68 per cent of which is imported from the Netherlands), road rollers and tamping machines (68 per cent from Germany) and oriented strand board (38 per cent from Latvia).

There are broader indicators of supply chain concentration risk. Around 18 per cent of total construction material imports are sourced from China, which might be vulnerable to Covid lockdowns or geopolitical risk. While trade data suggests 57 per cent of construction material imports arrive by sea, where issues with ports may be a potential problem.

Profitable turning unprofitable

Research commissioned by QBE shows that three in five (59%) UK construction companies that have been hit by supply chain issues over the past year have seen once profitable projects turning unprofitable.

In a February 2023 survey of senior leaders in the construction industry, 83 per cent of respondents said they had experienced an issue with their supply chain over the past 12 months, while 85 per cent said that they expected supply chain issues to pose a challenge in the next 12 months.

Some 85 per cent of respondents went on to say that the cost of importing construction materials had increased at a rate higher than inflation over the past year. Nine out of 10 (89%) of those impacted by supply chain issues also said that they were currently experiencing a shortage of materials.

"The old methods of boosting stock levels and ordering further in advance than normal still have a place. Albeit, they come at the cost of absorbing capital and storage space, which may require additional external finance to pay for stocks, restore liquidity, or rent warehouses"

Many of the construction firms surveyed said they are taking steps such as diversifying supply chains (42%), holding greater stocks of strategically important materials (31%), establishing robust monitoring systems of stocks and suppliers (23%) and nearshoring (17%). However the survey found nearly one fifth of firms (18%) have not taken any action.

4 ways to lower supply chain risk

The decision to transfer, or retain and manage risk, is a subjective one for most organisations, based on their risk appetite and various other factors. A key element of this choice, though, is having a clear and accurate picture of one's risk profile and an effective risk management plan.

As part of the plan, there are four strategies that firms can adopt to lower the risk:

1. The first is to shift from the 'just in time' supply chain that was finessed during the period of economic stability around the turn of the century, towards a 'just in case' supply chain to help insure against a period of economic instability that firms are currently facing. The old school methods of boosting stock levels and ordering further in advance than normal still have a place. Albeit, they come at the cost of absorbing capital and storage space, which may require additional external finance to pay for stocks, restore liquidity, or rent warehouses.

2. Secondly, for larger firms, technology can also play a role by automatically ordering supplies when stock levels go below a certain point. Where firms feel they may be left short, a smart move is to invest resources in gaining market intelligence about a wide range of potential suppliers.

3. Thirdly, diversifying procurement to build relationships with a number of suppliers is wise. This diversification can potentially occur across modes of transport or hubs (for example, different ports) suppliers use and the geographical location of suppliers' supply chain to avoid overdependence on production facilities in the same part of the world. Scenario planning for plausible disruption, transport or logistical problems and geopolitical issues is also advisable.

4. Finally, where higher input prices are the likely fallout from supply chain disruption, construction companies could also consider adding a cost escalation clause to future contracts – that allows for an automatic increase in agreed-upon prices if certain conditions change – to provide the option of sharing expenses if they rise uncontrollably.

Neil Fleming, UK underwriting manager, Construction & Engineering, QBE

Charting a course

As construction risk and insurance professionals face a raft of economic and operational challenges in the coming quarters, Deborah Ritchie speaks to Neil Fleming, UK underwriting manager, Construction & Engineering, at QBE about the keys to resilience

The effects of inflation are already being felt in the construction industry. With talk of peak inflation having been reached in the UK at least, what do the next 12 months hold for the industry?
Whilst materials and labour inflation related to residential and commercial building projects is viewed to drop over the course of 2023, government investment in infrastructure and civil engineering works could well maintain higher inflation levels in these sectors. Continued pressure on energy costs and difficulty in sourcing suitable labour should still continue to drive inflation, albeit at perhaps a lower level than the challenges of 2022.

The rising cost of delivering construction projects is a major concern across the insurance industry. Sharp increases to the price of replacement materials, combined with longer lead times caused by disrupted supply chains lead to the potential for significant claims inflation. In the case of longer duration construction project insurance (OCIP policies), claims inflation to this level was not necessarily anticipated by insurers when pricing and terms for the risks were originally set, prior to the contracts starting, often years in advance of the claims materialising.

Rising inflation is also proving problematic on larger project insurance placements. Whilst capacity is largely available on new construction projects being presented to the construction insurance market, existing placements where there is a significant jump in the estimated contract value mid-way through a project, can lead to significant challenges, with the original panel of insurers not having the capacity to maintain their share of the risk. This can be complex for all parties involved, with new insurers joining a project placement often seeking differential terms and pricing in line with current market conditions.

"QBE takes pride in listening to our customers and trying to respond to their changing needs. As the focus continues to sharpen on environmental and social attitudes in the construction industry, we are striving to offer solutions to changing risk profiles"

Despite the challenging outlook, opportunities exist. With this in mind, what conversations are you having with clients when it comes to ESG?
QBE takes pride in listening to our customers and trying to respond to their changing needs. As focus rightly continues to sharpen on environmental and social attitudes in the construction industry, QBE is striving to offer solutions to our customers' changing risk profiles.

Some of the more environmentally sustainable building methods and materials can significantly change the risk profile of a construction project. The obvious example of structural timber, with larger and taller structures using materials such as glulam or cross laminated timber, is one that creates an inherent enhanced fire risk and also significant challenges in managing the risk of moisture and water damage. Our focus as an insurer is educating ourselves around these evolving risks and assisting our customer base in understanding and ultimately mitigating them.

Our challenge is also to understand potentially novel or prototypical materials and processes that are assisting in reducing the construction industry's carbon footprint. Low carbon concrete is one such example that we are discussing with our customers.

"Our challenge is also to understand potentially novel or prototypical materials and processes that are assisting in reducing the construction industry's carbon footprint. Low carbon concrete is one such example that we are discussing with our customers"

Another welcome move from the construction industry is a bid to reduce waste on contract sites, assisted by an increase in the use of modular construction methods with off-site fabrication. Again, the risk profile shifts from that presented by a traditional construction site with many positive features including: the quality controls of pre-fabrication in a factory environment, the fire risk potentially being improved with

"Many organisations have come out of the pandemic with a stronger embedded risk management culture. They had never been so challenged in terms of their adaptability, and employee engagement in embedding risk management was at an all-time high"

reduced hot works taking place on site, an accelerated build programme which leads to shorter time spent on a hazardous building site, and of course reduced waste.

The risk profile for modular projects does however come with challenges for insurers, including the problems caused by defective design, materials or workmanship having the potential to lead to serial losses with many multiples of the same defect repeating throughout a project. A shift from the contract site to the factory can also present accumulation challenges for insurers at key suppliers. Claims can also be exacerbated by the reinstatement cost on site far exceeding the original factory build price.

In your experience with 20 of the UK's 30 top construction companies, how have attitudes to risk management changed for the better in recent times, and where are there areas for improvement?

In light of recent global factors such as the Covid pandemic, supply chain challenges, climate change and the Russia-Ukraine conflict and their socio-economic impact, there is now a greater awareness of the need for corporate governance of risk – the need to horizon scan, prepare, plan and build in contingencies to establish resilience into their business.

There is a greater ability to be agile and flexible in the light of dynamic market changes and in particular in relation to supply chain challenges.

Many organisations have come out of the pandemic with a stronger embedded risk management culture. Businesses had never been so challenged in terms of their adaptability and agility and employee engagement in embedding risk management practices was at an all-time high. Many businesses have built on this shift in culture and collaboration with a more open and consultative approach to risk management.

UK businesses increasingly see the value in risk management, but few have successfully created a true risk culture that integrates the management of risk into the daily routine of workers. However, the pandemic has created an environment in which people are much more receptive to measures aimed at improving risk, while management are more aware of the need to build resilience into their business in consultation with their employees.

As part of their ESG agenda, and in particular the "social" aspect, most of our customers have incorporated their health and safety risk management strategies into their ESG frameworks. This has helped to centralise health and safety risk management into BAU as opposed to it being siloed. This is none more so than for the topic of mental health which has gained a much needed greater focus in the sector in recent years.

In terms of areas for improvement, with the move towards more modern methods of construction (MMC), there is a perception within the industry that this is de-risking construction. To a certain extent this is true. Methods such as off-site manufacturing and manually lighter activities will reduce potential waste, project delays, health and safety risk, on-site hot works and traditional quality challenges, but MMC do introduce new risks with evidence that the sector is not fully on top of these. Such risks include accumulation of risk at suppliers, series defects, enhanced transit risks, storage risks and skills shortages.

Enhanced controls will include supply chain resilience assessments, risk assessment of transit and storage arrangements, robust inspection regimes, assessment of labour skills and a response plan.

About QBE

QBE is a global business insurer with operations in all of the key insurance markets.

We have been helping construction and engineering firms to build resilience for more than 30 years. We work with many of the leading firms in the sector – for example, we have long-term relationships with 20 of the top 30 UK construction companies.

Our construction practice is made up of a dedicated team of experts who understand the key issues in the sector and can focus on the real issues faced by our customers. Our approach is to not just provide an insurance policy and be there when things go wrong, but to add value and engage with our customers to understand their risks and business. We believe our collaborative approach to underwriting, claims and risk management support fits our customers' needs and demonstrates that we really do put the customer at the centre of everything we do.

Ask your insurance broker about QBE Business Insurance or see www.QBEeurope.com

You can read QBE's *Supply Chain Risk and the UK Construction Sector* full report at https://qbeeurope.com/sector-resilience/supply-chain-risk-and-the-uk-construction-sector/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From pandemic to war, the past few years have illustrated how hard it is to predict what challenges lie ahead. Martin Allen-Smith assesses the critical role that risk software has to play in helping enterprises cope with a rapidly changing and wildly unpredictable world Page 32

Used as part of an overarching strategy, integrated risk, insurance, and compliance technology solutions can help to break down data silos, drive processes, and deliver insights that support a more unified, agile approach to managing risk and capitalising on opportunities. Neil Scotcher writes Page 34

RISK SOFTWARE REPORT 2023

Facing up to the new normal

From pandemic to war, the past few years have illustrated how hard it is to predict what challenges lie ahead. Martin Allen-Smith assesses the critical role that risk software has to play in helping enterprises cope with a rapidly changing and wildly unpredictable world

Nothing in business – or life in general – is entirely predictable, but even the most experienced risk professional could be forgiven for feeling a little bewildered by the volume and scale of the challenges of the past couple of years. Origami Risk's 2022 mid-year *State of Risk Report* covered a year of disaster superlatives. It would be easy to think that, given all that has happened in recent times, there has to be some kind of levelling off or regression. But this year's report, which will be published in May, will reflect on all-new records, including European wildfires and the New Year's heatwave, major flooding in Pakistan and China, and droughts in Africa.

"The ongoing war in Ukraine is a prime example of the 'new normal' in risk," explains Earne Bentley, president of risk solutions at Origami Risk. "It emerged quickly, presents all kinds of interconnected and far-reaching threats bundled together (supply chain, operational, reputational, financial, regulatory) and has no modern precedents for risk managers to refer back to. This is emblematic of what risk looks like today; not unlike the supply chain disruptions before that, and the Covid pandemic prior to that."

For those responsible for managing their organisations' insurable and non-insurable risks, the clearest way forward in the face of this kind of uncertainty is to have the fullest context possible in which to make decisions. For too many businesses, that is far easier said than done.

"If risk professionals are relying on siloed or disconnected data – in the form of risk, insurance, claims and safety data that is isolated in multiple systems, spreadsheets, and/or legacy technologies incapable of integrating with more modern systems – it's likely they won't be able to pull together and report the information that provides the context they need," Bentley adds. "And that means there's the chance they'll often be one step behind."

Initial responses to Origami's survey indicate that there has been a significant effort on the part of risk professionals to get their organisations out of a 'middle' category and into one that can be defined as 'leader' – or a state where organisations can be described as having managed or optimised risk programmes. The company's findings suggest that the percentage of respondents ranking as 'leaders' has nearly doubled in the past year, while the percentage of 'laggards' (those with ad-hoc programmes) have mostly managed to retain the status quo. In other words, companies in the middle are shifting upwards.

Next steps

With so many uncertainties to consider, which risks have the greatest potential for bearing on what an organisation should do in terms of its risk software preparedness? Alex Toews, director of risk products at FusionRM, says: "I wouldn't necessarily say it's the specificity of the risks in their most basic attributes that is the biggest issue. Rather, it is the velocity and frequency at which risk events are occurring – as well as the wide-reaching impact of single risk events – that is having the greatest impact on how organisations are approaching the adoption and implementation of risk software.

"Organisations need risk software that does not operate in cross-functional silos or is presented in closed off 'modules' that are not built to speak to other software solutions from a metadata perspective. When software is not built with a metadata-aware approach, then linking solutions – even in the same platform – becomes arduous, difficult and costly."

Toews adds that risk software, for the most part, has deployed capabilities and features that are static in nature, such as point-in-time risk assessments, annual risk register clean-ups, frequency-based control testing, scheduled audit examinations, and other scheduled risk and control activities. Now, he says, both software providers and users need more real-time intelligence to promote tangible and proactive risk management practices.

"Automation is reaching beyond just alleviating the burden of day-to-day administrative tasks, and is now focused on accessing data in real-time to provide risk management users best courses of action, intelligence which allows users to make strategic decisions before impacts are felt, and extending this same intelligence beyond an organisation's four walls and into their third-party ecosystems."

Because the risk environment is changing so rapidly and each new threat has many potential impact points, risk and compliance professionals need the ability to 'dial in' their organisations' risk technology so that it works best for each specific situation. Bentley points out that there is no single playbook for getting through whatever will arise tomorrow, so risk software should be designed with the ability to be configured or reconfigured when necessary. That process, he says, has to be fast and – where possible – self-directed because risk managers know best what they need.

"Context that is available in time for it to still be impactful is the key to making better decisions," Bentley says. "To get that timely context, risk professionals need technology that isn't limited to insurable risk, or enterprise risk, or safety risk. Today's challenges are multi-pronged and do not align with organisations' functional divisions. And so, the technology organisations use to address those challenges shouldn't be limited by function or corporate divisions."

Danny Wong, CEO at Goat Risk Solutions, says most leaders and board members describe their risk maturity as low. They recognise their risk registers, and the process around it, are non-existent or ad-hoc at best. Even if formalised, things are too process-oriented and not sufficiently influencing management decisions.

"Whilst most risk systems were designed to replace the Excel spreadsheets that are still most prevalently used to record risks, they fail to recognise that if the current process is little more than a 'tick of the box', then the system will simply automate this – enabling them merely to tick the box faster," he adds.

So what does the backdrop of economic, geopolitical and environmental challenges mean for the role of risk software going forward? "There's a reason why risk software looks appealing to so many businesses," believes Ryan Swann, founder of RiskSmart. "Risk technology is becoming more affordable, more widely adopted, and more advanced. But, in what might seem like a contradiction, it's actually becoming simpler in some cases, too. Not every business needs a full suite of complex functionality. Often, especially for SMEs, all that's needed is a better alternative to spreadsheets.

"When looking to take their risk management to the next level, businesses should take an in-depth look at the risk software landscape. It might be that the biggest names are best for them, but it's just as likely that a start-up is the best fit for their risk maturity and culture."

Enhanced accessibility could play a significant part in the next stage for risk management software. "We see that more and more of our clients continue to move their organisations

"Automation is extending intelligence beyond an organisation's four walls and into third-party ecosystems"

toward a culture in which identifying and connecting risks is everyone's responsibility – regardless of whether or not they have the word 'risk' in their title," says Bentley. "This shift is influencing how these organisations are using our platform, making it the central tool for driving workflows, centralising risk data for analysis and communicating that analysis across the enterprise where it can be used to inform decisions and influence actions that might otherwise not be taken."

FusionRM's Toews adds that, based on numerous market analyst perspectives, the risk software market is expected to continue to grow at a steady rate for at least the next five years; projections estimate the most conservative CAGR medians at around six to seven per cent. "The market will highlight software providers that are able to deliver solutions that focus on risk agility and promote real-time risk intelligence. Risk agility is determined by a software's ability to promote impactful responses to risk intelligence on a continuous basis.

"There is an expectation that risk software forges partnerships and alliances with best-in-class data brokers who specialise in farming and pushing categorised risk information to their solutions to be digested and analysed by its users. Real-time risk intelligence is determined by the value, impact and insight provided by real-time data and its value to the way an organisation conducts business.

"Risk software needs to be purpose-built but malleable enough to provide risk intelligence within the context of how each organisation conducts business and the market differentiators that allow them to thrive."

Preparing for a unified approach to managing risk

Used as part of an overarching strategy, integrated risk, insurance, and compliance technology solutions can help to break down data silos, drive processes, and deliver insights that support a more unified, agile approach to managing risk and capitalising on opportunities. Neil Scotcher writes

At the outset of 2023, businesses face the prospect of yet another turbulent year ahead. Inflationary pressures, continued supply chain disruptions, and ongoing geopolitical instability are just some of the major risk drivers generating challenges that organisations will need to navigate. And others are sure to emerge. According to Origami Risk's 2022 mid-year *State of Risk Report*, "not only are the drivers of risk becoming more intertwined and multivariate, but each risk has potential impacts on multiple parts of the organisation". A coordinated, enterprise-wide approach for managing known risks is becoming ever more necessary. The same is true when it comes to identifying and understanding the potential impacts of, and addressing emerging risks.

But as the report goes on to explain, many organisations struggle with data and processes that are locked in silos, preventing the necessary cross-enterprise effort.

Disconnects between multiple technologies – spreadsheets, disparate software systems, or a mix of both – used across various functions and departments for the collection, management and analysis of critical risk and insurance information lie at the root of the problem. This has numerous knock-on effects. A lack of integration often results in a reliance on time-consuming, manual processes, such as rekeying or copying and pasting data, which increase the likelihood of error. The inability of multiple systems to 'talk to each other' can also mean that there is no single source of truth when discrepancies arise.

As Edd Wilder-James explains in the Harvard Business Review article *Breaking Down Data Silos*, these isolated islands of data complicate – and increase the costs of – any advanced data analysis initiatives. Without the integration of risk and insurance data from across the organisation, it is often difficult (if not sometimes impossible) to achieve the context that underlies data-driven decisions that can be used as the basis for guiding the apposite strategic actions.

Transforming processes, improving outcomes

For risk managers and their brokers, the annual process of collecting and analysing the exposure values used for policy renewals is often impacted by data silos that require a great deal of effort to overcome. The process requires sending multiple, 'one-off' emails to request exposure values and follow up on status. Collected data must then be aggregated, which requires copying and pasting from individual spreadsheets into a master document or system. Each additional step introduces the potential for errors or omissions that can contribute to an organisation being underinsured or overpaying for premiums.

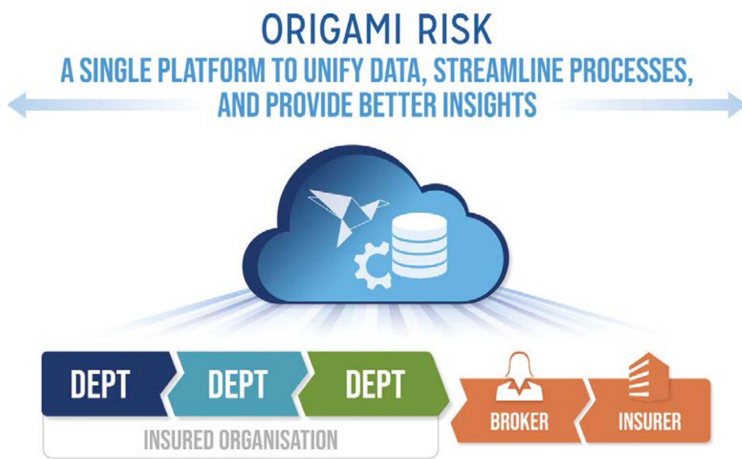
With automated collection workflows, data collection portals and dashboards for status monitoring and tracking, the Origami Risk platform is a technology solution that simplifies data collection. Exposure values data is gathered in a single system with location, insurance and

ORIGAMI RISK

claims information. This provides risk managers and brokers with the ability to take full advantage of the data, using reporting and analysis to make informed decisions that contribute to more accurate premium pricing that ensures that properties are insured to value.

In addition to improving the exposures collection in the renewal process, online portals and customisable dashboards can also improve the way information is shared with executive leadership, risk owners, brokers, insurers and other stakeholders.

"Origami enables us to consolidate all of our risk management-related information in a single database and to distribute and share discrete data for each of our operations with our senior leadership," explains Jeroen Helders, group treasurer and insurance risk manager for Royal Cosun. "We can also deliver timely and accurate underwriting submissions to all of our insurance company providers. With ready access to this data, our property insurers are able to underwrite our risk with greater precision, which has translated to reduced premium costs".



Aligning strategy, driving impactful change

Even with improvements in the collection of data and the tools available for calculating renewals, the introduction of a technology solution is not an immediate solution to the challenge of siloed data. Removing those barriers requires a well-thought-out approach, one that is aligned with the strategic goals of the organisation and is fully integrated across the enterprise. Without it, organisations run the risk of recreating what Wilder-James refers to as "a whole new set of silos, albeit with advanced capabilities".

Such outcomes are not uncommon for organisations that manage their governance, risk and compliance efforts in silos. For example, where one group is focused exclusively on matters related to regulatory compliance, another may be tasked with putting into place controls designed to assess and mitigate reputational risk; yet another may be tasked with monitoring the status of internal compliance initiatives. When this is the case, there is no overarching view of how all these efforts tie together in support of a broader strategy, or how gaps or failures in one area impacted the entire enterprise.

Just as GRC programmes must be unified in support of defined strategy rather than fragmented or isolated in departmental or functional silos, the technology used to support GRC programmes should contribute to the elimination of data silos. Success depends upon it.

The flexibility of the Origami Risk GRC solution makes it possible to customise the system to meet the unique needs of an enterprise and its stakeholders. For example, formulas for calculating and rolling up risk (sub factors) can be customised so that this data-driven process matches the tolerance and appetite of the organisation. The solution also allows for data to be exchanged across departments and functions through the sharing of common objects such as risk libraries and controls. Features such as lenses contribute to the ability of different groups to look at the same data in entirely different ways.

Benefiting from truly-integrated risk management solutions

Integrated risk, compliance and insurance technology helps to eliminate data silos by equipping organisations with the ability to see the big picture while also ensuring a unified view of the multiple processes and specific points of data that matter most to individual stakeholders. Within a single cloud-based platform, Origami Risk offers a full suite of truly-integrated risk management, safety and P/C insurance software solutions.

Highly configurable and completely scalable, these tools deliver efficiency, serve as a single source of truth, and provide users with access to the risk and insurance data necessary for making informed decisions, reducing risk, and achieving desired outcomes.

Readers can learn more about Origami's integrated RMIS, GRC, P/C claims administration and other solutions; download the 2022 *State of Risk Report* and case studies; or request a demo today at origamirisk.co.uk

ORIGAMI RISK
ORIGAMI

Origami Risk provides integrated SaaS solutions that simplify risk, insurance, compliance and safety management for better insights and greater possibilities.

Founded in 2009 by industry veterans who recognised the need for risk management information system (RMIS) technology that was more configurable, intuitive and scalable, Origami Risk continues to add to its innovative product offerings for managing both insurable and noninsurable risk; facilitating compliance; improving safety; and helping insurers, MGAs, TPAs and brokers provide enhanced services that drive results.

Rather than piecing products together through a mix of development and acquisition, Origami has purposely built its RMIS, GRC, EHS, Healthcare Risk and Safety, P&C Policy Administration and P&C Claims Administration solutions from the ground up on a single, cloud-based platform that is fast, reliable and secure.

Based on their specific business needs, clients are able to choose solutions that work seamlessly together, using the full power of the Origami Risk platform's tools for consolidating data, streamlining workflows, delivering insights and engaging stakeholders. For example, with natively connected RMIS, EHS and GRC solutions available on a single platform, Origami Risk supports an integrated approach to managing organisational risk – bringing risk, safety and compliance data and processes together to break down silos, drive efficiencies and provide more in-depth insights.

Ongoing Deployments and Seamless System Integrations

The Origami Risk platform is a true multi-tenant SaaS system. Highlights include:

- **A single version of the application.** Each and every client is on the most recent version of Origami Risk. This means there is no sun-setting of support for older products nor forced migrations to different systems.
- **Quarterly releases,** provided at no additional cost, enable Origami Risk to quickly respond to the ever-changing needs of clients. Rather than waiting months or longer for the development and delivery of a lengthy list of business-critical functionality, this quarterly release cycle ensures users are able to more frequently take advantage of – and begin deriving value from – new features and enhancements.
- **Seamless integrations** with third-party applications, via web services and APIs, eliminate the need for costly, time-consuming custom development.
- **Data-integration features** that allow for system integrations of varied complexity and frequency are accessible to designated system administrations via on-screen tools and automated file import/export tools within the application.

A Service Team Aligned with Client Objectives

A singular focus on helping clients achieve their business objectives underlies Origami Risk's approach to the development, implementation and support of their innovative risk, insurance, compliance and safety management solutions.

Origami Risk partners with clients by providing:

- **A collaborative service team** that is always available to answer questions or respond to issues that may arise.
- **Award-winning implementations** made possible by a configurable system and an experienced service team of people who bring industry-specific knowledge and technological expertise.
- **Continuous, expert support** equips each client with support from those who know them and their business, how they use the system today and their plans for tomorrow.

For a complete list of solutions and to learn more about Origami Risk, visit **origamirisk.co.uk**

AGENA.AI
AGENA

Using the latest developments from the fields of artificial intelligence and Bayesian probabilistic reasoning, agena.ai supports AI-driven applications across the enterprise. Agena.ai enables data scientists, analysts and AI engineers to easily create and deploy models as cloud-based applications for up to thousands of users. Agena.ai incorporates agena.ai modeller (which is an updated version of what was previously AgenaRisk desktop) and agena.ai cloud services. The agena.ai modeller is a design and execution environment for creating Bayesian networks which runs on Windows, Linux and Macintosh operating systems.

Agena.ai modeller delivers algorithms for Bayesian model computation and promises an easy-to-use interface. Models developed in agena.ai modeller can then be deployed to the agena.ai cloud environment as web applications or as computational APIs. The agena.ai cloud service includes a computational cloud API that executes models developed using agena.ai modeller and a design environment that enables the creation and deployment of web apps to end users without any programming at all.

The agena.ai cloud service is a hosted service that uses the latest technologies including Kubernetes and Kafka. Agena can also support private cloud where required to deploy application Agena.ai APIs, which are available for Java, Python and the statistical programming language 'R' and can be run locally on a single machine or can be connected to the agena.ai cloud API for remote computation.

Agena.ai's Bayesian technology has been engineered to help organisations make smarter decisions. The tool can help model problems where data is available, and improve decision-making where it is sparse.

Agena's technology is suitable for use in a number of industries, including aerospace, banking, climate, cyber, defence, energy, healthcare, insurance, legal, mining and transportation.

agena.ai

CAMMS.RISK
CAMMS

Camms offers a cloud-based software-as-a-service solution with integrated capabilities across risk management, compliance, strategic planning and project management. The tool's modular approach allows user organisations to set up obligations libraries and risk registers, manage incidents, monitor compliance with policies and regulations and roll out corporate strategy.

The core risk management module enables risk teams to build a risk register, perform risk assessments, conduct scenario analysis and create a risk appetite framework with KRIs, KPIs and tolerances.

Camms.Risk features executive dashboards and reports, flexible registers, integrated workflows and API integrations for the automated management of risk.

Alongside risk management, this governance, risk and compliance platform also offers modules for compliance, regulatory change, incident management, health and safety, audits and inspections, ESG, cyber and IT risk, third-party risk, project management and strategic planning.

Camms says this solution is most suitable for organisations that are looking to link risk to enterprise performance and strategy, such that they can take a level of tolerable risk. This provider also offers a mobile app.

cammsgroup.com

CLAIMS ENTERPRISE
VENTIV TECHNOLOGY

ventiv

Ventiv is a global provider of claims administration, risk management information systems, ERM, insurance claims, billing, policy and administration technology, integrated with analytics and predictive models. Ventiv Claims Enterprise is a suite of tools designed to help users manage all their insurance claims needs across the entire lifecycle and is particularly well suited to enterprises and large organisations with numerous claims across multiple jurisdictions – each with different rules, regulations and compliance needs. With this tool, users can manage all their compliance requirements in a single system, as well as support a remote workforce in a paperless environment.

From initial intake through to managing and closing the claim, this tool promises to reduce the time, resource and cost to process claims, while tackling the potential roadblocks that can occur along the way. The tool also promises to maximise efficiency with analytics and rule-based workflows that result in consistent claims handling and lower claim costs. Users can also integrate data from multiple sources to assist with claim scoring, reserving processes and payment processing.

Embedded, robust compliance features make this tool a complete, single source solution for insurance claims managed entirely in-house and up-to-date for all fifty states and other select territories.

Ventiv Technology's SaaS and on-premises solutions are deployed by insurers, brokers, insured corporate entities, federal and regional governments, public entities, third party claims administrators and risk pools across a variety of industries, including transportation and logistics, retail, financial services, leisure and hospitality, energy, aviation and manufacturing among others.

Ventiv serves 450 customers, with over 450,000 users in 40 countries, helping customers to predict, manage and respond to risk.

ventivtech.com

EVOCLAIM
DWF 360

EvoClaim is a cloud-based solution capable of managing large volumes of claims, enabling claims teams to manage, visualise and act on claims data in real-time and in one place.

This tool is an automated claims management system delivering efficiencies that aim to reduce costs and improve the customer experience.

With the goal of transforming the claims process from start to finish, EvoClaim promises to optimise workflows to enable zero-touch settlement with speed and efficiency.

EvoClaim's enhanced analysis and insight allows claims handlers to effectively assess, triage, and settle claims with greater pace and accuracy, improve fraud detection and reduce total costs per claim. This centralised solution with intelligent reporting is highly configurable, can be integrated with ease, and will adapt as the user's business develops and grows.

dwfgroup.com/en/services/dwf-360

EVOSAFE
DWF360

EvoSafe is a secure cloud-based solution designed to ensure the user organisation's business continues to meet its health and safety obligations. This tool was designed to help user organisations develop a culture of ownership to drive transparency and accountability, by automatically alerting staff of an incident and empowering them to take immediate action – managing risk and minimising scope for future claims in the process.

EvoSafe is an effective incident management solution delivering improved compliance, automated reporting and workplace efficiencies to drive continuous improvement and enable the user organisation to execute mission-critical goals.

Developed to meet the agile working practices of modern business, EvoSafe provides an on demand mobile solution to streamline the process of managing health and safety incidents and optimise resources to save time and cost, by delegating tasks to health and safety owners across locations. EvoSafe provides a central resource for document management and remote access to real-time reporting.

dwfgroup.com/en/services/dwf-360

FORESIGHT
PEREGRINE RISK MANAGEMENT

Foresight from Peregrine Risk Management has been designed to offer a highly secure, easy to use platform to streamline pre-travel risk assessment processes, allowing user organisations to build a resilience and safety culture, and meet duty of care obligations.

Accessible by mobile app, this platform also offers optional intelligence integration with the ability to research the chosen destination using Peregrine's in-house resources.

peregrine-rm.com/foresight

FUSION FRAMEWORK SYSTEM
FUSION RISK MANAGEMENT

The Fusion Framework System is cloud-based software that focuses on operational resilience – encompassing risk management, IT and security risk management, third-party risk management, business continuity, disaster recovery, and crisis and incident management.

The tool is structured such that the need for separate modules across continuity and risk management are eliminated, allowing users to operate integrated programmes based on common foundations.

The Fusion Framework System's integrated capabilities, paired with intuitive functionality, are designed to help users build and execute risk and impact assessments, conduct exercises to evaluate organisational preparedness and response, set and maintain impact tolerances, visualise upstream and downstream dependencies and understand how to deliver products and services more efficiently.

The platform's governance and management component offers configurable reference data taxonomies, libraries and scoring methodologies as well as customisable workflows, approvals and notifications to automate administrative tasks. A predictive risk analytics component features tolerance-based metrics and configurable thresholds that drive automated notifications, alerts, reports and feed into dashboards. Complex data integration is available with the capability to organise and analyse large data sets and to generate holistic, aggregated results and risk profiles. Instead of just creating static plans, the Fusion Framework System's users can run through thousands of simulations and potential events to uncover potential weak spots and vulnerabilities.

Fusion's flagship platform also includes pre-built integrations that allow for bi-directional integration of modules and data sources for emergency notification systems, situational intelligence, configuration management databases and more. Within the past year, Fusion has joined the MuleSoft Technology Partner Program as well as added integrations for Argos Risk and the Unified Compliance Framework.

fusionrm.com

GOAT RISK
GOAT RISK SOLUTIONS

GOAT Risk is billed as an "easy to use, low cost, ERM software solution". Launched in 2008, GOAT aims to help organisations quickly bring key management information together within a simple, secure and collaborative platform. Pre-populated templates, risk tips, explanations and definitions, along with fully customisable interface, promise to make the software accessible to users without risk expertise.

Robust control frameworks are a key feature of this cloud-based SaaS tool, helping risk owners and their supporting teams to consider and conduct structured gap analysis, creating meaningful, actionable and measurable plans that are aligned with business objectives.

Key features include personalised dashboards; 'drag and drop' risk assessment heatmaps; risk registers; incident reports; control assessments; one touch reporting and automated reminders; escalations and alerts. Users can also create private profiles and risks for closed collaboration on sensitive topics. Custom templates ensure that GOAT aligns to the user organisation's unique framework or approach and users can create unlimited templates to do different types of risk assessments.

goatrisksolutions.com

HAWKSIGHT SAFETY AND SECURITY RISK MANAGEMENT SOFTWARE
HAWKSIGHT SRM

HawkSight Safety and Security Risk Management Software is a data-driven, enterprise digital SRM solution. This vendor promises a time saving of 85% on safety and security risk reporting. Used in companies, NGOs and risk consultancies worldwide, the tool aims to drive improvement in safety and security risk management by delivering real-time strategic, operational and tactical safety and security risk assessment on an enterprise-wide basis. HawkSight SRM says this enables consistent implementation of security risk assessment "in less than 15% of the time taken through the traditional security consultancy approach".

HawkSight Software calculates risk based on international risk management, operational health and safety and environmental management guidelines and standards. Key features include GIS digital mapping and analytical tools, including cluster, heat mapping and charting of incident data; compatibility with any GEO RSS or REST API data feed; a Pandemic Tracker that supports simultaneous tracking of health and emerging security event data; a proprietary algorithm to calculate risks (based on series of intuitive forms designed to capture data); an enhanced report builder to create bespoke, automated reports; an extensive risk modelling and simulation and an advanced audit and task management function.

Scalable multi-layer mapping includes street, satellite and topographical layers to visualise site and incident data. Embedded e-learning aids, initial and ongoing training and IT and end-user support are available. HawkSight Software features an advanced dashboard, offline data capture and risk data export capability for analysis and third-party integration.

hawksightsrm.com

IRIS INTELLIGENCE IRM
IRIS INTELLIGENCE

IRIS Intelligence has been developing strategic and ERM software since 2007. This vendor supports small teams as well as large-scale enterprise-wide initiatives that cover thousands of users across multiple locations. As well as offering ERM software, the team develops tools for GRC, internal audit, legal and regulatory compliance, ESG and cyber security along with associated training and consultancy services.

IRIS Intelligence promises swift configuration to the specific needs of each customer, providing a custom fit and ensuring that the technology supports the internal processes of each individual customer, with every implementation facilitating increased risk identification, consistent risk assessment across teams, and tracked progress of risk mitigation activity.

Both qualitative and quantitative risk assessment techniques are supported, including full Monte Carlo analysis capability and What If? Scenario planning. The system automatically integrates with MS Office applications including Excel, PowerPoint and Tableau, and includes numerous other APIs to provide interoperability with other business management tools.

Software can be installed on-premise or as a fully hosted SaaS solution.

irisintelligence.com

IRM
VENTIV TECHNOLOGY

IRM is part of a larger suite of insurance and operational risk management products by Ventiv Technology, a global provider of claims administration, risk management information systems, ERM, insurance claims, billing, policy and administration technology, integrated with analytics and predictive models.

Ventiv IRM helps risk, insurance, claim and safety managers to make information-based decisions on where to focus their resources, and optimise the management of risk.

With this tool, users can more easily develop effective, data-driven risk management strategies that incorporate insurance policy management, insurer ratings, exposure values, property and asset management, incident reporting and management, claims investigations, audits, cost of risk, governance policies and light claims management.

This tool is billed as modern and easy to use for easy enterprise deployment with full international support (both language and currency).

This tool is tailorable, offers a comprehensive global search functionality, and features embedded interactive dashboards – allowing for easy data discovery, trend and anomalies identification
A comprehensive intake tool, Ventiv Digital, is available for field users with responsive questioning, language, reminders, approval, delegation and full mobile support.

Automated analytics offers pattern detection, natural language querying and AI to identify hidden insights, while geospatial analytics triangulate claims, aggregated location risks, and impacts from natural and political hazards, as well as offering alerts from developing events against the user organisation's locations.

Ready to use analytic models with Ventiv Predict allow users to augment decision-making using AI and ML models to predict outcomes for more effective mitigation of risk and severity. Benchmarking optimises the competing forces of claims severity, frequency, costs and resourcing and is a key component in capturing the full picture of where users stand compared to industry peers and is integral to the user organisation's continuous risk improvement strategy.

ventivtech.com

JCAD CORE
JCAD

JCAD's CORE risk management software is a web-based solution that provides organisations with a simple application for identifying, monitoring and mitigating risks. CORE eliminates

the need for siloed spreadsheets that are difficult to reconcile and hard to maintain.

JCAD's latest release, JCAD CORE 5, provides a new and updated user interface allowing for easier navigation and reporting. Keeping things simple and reminiscent of the existing framework through system configuration can also be key to user and board buy-in. This configuration includes reporting structures, terminologies and categories, plus client specific custom questions. Features of JCAD CORE include API integration, smartphone compatibility, multiple registers, performance metrics and automated alerts.

jcad.co.uk

JCAD LACHS
JCAD

JCAD LACHS claims management software was developed over 30 years ago to help organisations improve upon the efficiency and productivity of their in-house claims team. Retaining this function in-house allows the organisation to maintain a history of their claims and thus have greater control over their management to help drive down insurance premiums. JCAD has a vast amount of experience ensuring data is clean, validated and fit for purpose. This tool can also apply GDPR data retention policies and produce system generated reminders.

The latest version, LACHS 5, provides rich functionality via dashboards, geo-mapping and document bundling. Additional modules such as integration with the MOJ portal and online claim submission are also available making this tool the central point of the claims team. Designed to provide a high level of functionality to busy claims processing departments, improve customer service and reduce operational costs, this off-the-shelf solution is quick to implement and easy to maintain.

jcad.co.uk

KAIZENEVO
MACLEAR

Maclear helps small, medium and large global organisations achieve their integrated risk management or GRC goals. KaizenEVO has been developed to help businesses capture, monitor, measure and manage integrated risk and compliance across the enterprise. With a variety of functional capabilities, the solution helps strengthen corporate governance processes, facilitate effective risk and compliance management and convert data elements into actionable data.

This modular, scalable solution enables continuous monitoring and provides transparency into the enterprise-wide risk posture. KiazenEVO promises to help users quickly address immediate pain points, mitigate risks and successfully manage the complexity of the dynamic modern regulatory and compliance environment.

Maclear's solution enables effective monitoring in the form of dashboards, macro-level analysis and automated workflows for reporting, assessments and remediation management.

The solution also provides for operational support through configurable controls, access automation, testing and integration with third party tools.

Designed as a modular suite of products, this tool is billed as a "low-risk, high-impact approach to business process automation that allows for a consistent set of information on risks, issues, mitigating actions and their organisational impact to be analysed and reported in a timely and consistent manner".

Maclear serves businesses globally, including those with large, complex environments and thousands of users.

maclearglobal.com

PREDICT!
RISK DECISIONS

Predict! promises to deliver a comprehensive picture of the user organisation's risk exposure. Predict! Risk Controller is billed as an "ISO 31000-compliant database that contains all the user organisation's risks including threats, issues and opportunities, along with controls and actions".

This tool offers a fully-integrated system, including risk assessment, analysis, reporting and visualisation, making it easier for all team members to keep risks up-to-date. Through the tool's Personal Dashboard, users can identify and drill down to which risks and actions require attention and speedy response.

Key features of Risk Lists include an entire indexed and searchable database, bulk updates, drag and drop, aggregation, individual and collective scalable scoring, rapid changes with Swift Risk, and proactive notifications.

Predict! users can perform Monte Carlo analysis with Predict! Risk Analyser, export to Microsoft Excel,

PROTECHT

Protecht ERM

See the risks.
Seize the opportunities.

Manage risk and resilience in one place. A single platform with endless possibilities to add to your organisation's safety and success. Protecht gives you all the tools you need to dynamically manage your risk assessments, key risk indicators, compliance, incidents, vendor and IT risk, operational resilience and business continuity risk, audit, and much more.

Enterprise risk management
Manage risks and controls, KRIs and incidents with real-time insights

Operational resilience
Identify critical process vulnerabilities to prepare for and withstand disruption.

Vendor risk management

IT risk management

Compliance management

Audit management

Health and safety risk management

Solutions for every scenario.

Whether you're in risk management, operational resilience and business continuity planning, compliance, audit, IT risk, or health and safety, we have a solution for you.

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Enterprise risk management - Assess and manage risks and controls, KRIs and incidents with real-time insights made for action

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Operational resilience - Identify and self-assess your important business services to anticipate issues and prioritise the most significant resilience vulnerabilities

—
Compliance management - Lift the burden of managing compliance activities to help protect your organisation

—
Vendor risk management - Be confident you're managing the risks to your business from critical suppliers.

—
IT risk management - Streamline IT risk assessment and controls testing aligned with industry standards

—
Audit management - Integrate risk and control assessment and testing with audit actions and findings

—
Health and safety risk management - Promptly address H&S incidents and hazards – and grow a culture of safety

Request a demo and find out more about Protecht ERM.

Call us
+44 (0) 20 3978 1360
Email us
sales@protechtgroup.com
Website
www.protechtgroup.com

customise reports using Predict! Risk Reporter, and view risk linkages with Predict! Risk Visualiser.

Predict! Risk Analyser enables users to predict how well the user organisation's schedule and cost will survive changes in project estimates, constraints and assumptions. Launched directly from any Predict! Risk Controller Folder or Risk list, users can analyse the impact of individual and groups of risks and the cost/benefit of different mitigation strategies. An interactive dashboard helps users explore scenarios, the results of which users can then write back to Predict! Risk Controller for informed trend reporting.

riskdecisions.com

PROTECT ERM RISK AND RESILIENCE
PROTECHT

Protecht is an integrated SaaS ERM solution, supported with training and advisory services, for organisations of any size or geography. Currently on release R11.1, Protecht allows users to dynamically manage all their risks – compliance, incidents, KRIs, vendor risk, IT and cyber risk, internal audit, operational resilience, business continuity planning and health and safety – in a single platform.

Protecht delivers interconnected, structured data through dashboards and reports that can be categorised and documented, allowing users to spot trends and identify areas that require actions. Its reporting tools allow effective and professional communication to risk committees, boards and business stakeholders using customisable visual reports.

This platform is designed to be used across the organisation, with the MyTasks personal dashboard keeping every user on top of their responsibilities, and a mobile app to provide access wherever it's required. Registers can be customised and deployed without the need for coding, and the system's user management functions allow organisations to onboard users and precisely control their access.

With features including a dynamic form builder, automated notifications and email alerts, and customisable risk assessment scales, Protecht promises the flexibility to meet specific risk profiles. It also includes preconfigured dashboards, taxonomies, workflows, registers and analytics for all levels of risk maturity.

protechtgroup.com

RISKHIVE ENTERPRISE RISK MANAGER
RISKHIVE SOFTWARE SOLUTIONS

riskHive Enterprise Risk Manager promises to quickly acquire, consolidate, aggregate and maintain the user organisation's existing risk registers in a portfolio database. With the mature ERM version 6 application and a zero-code rapid application development platform at its core, users can rapidly specify and design any number of integrated applications, workflows, functions and dashboards. riskHive Enterprise Risk Manager has been built by risk practitioners, and improved upon over a 20-year period, during which it has undergone three comprehensive rebuilds to maintain alignment with contemporary software, industry and security standards. It now sits at Version 6.

In use by some of the world's largest organisations, riskHive's integrated risk management platform now includes the capability to capture the carbon impact of risks and opportunities and then analyse them throughout the risk portfolio using Monte Carlo and upward statistical aggregation. This provider can deliver a secure (to Official-Sensitive level) private cloud-based system in days.

riskhive.com

RISKONNECT INTEGRATED RISK MANAGEMENT
RISKONNECT

Riskonnect's integrated risk management software empowers organisations with the ability to anticipate, manage and respond in real-time to strategic and operational risks across the extended enterprise. More than 2,000 customers across six continents use this provider's unique risk-correlation technology to gain previously unattainable insights that deliver better business outcomes.

Riskonnect has more than 800 risk management experts in the Americas, Europe and Asia.

riskonnect.com

RISKPAL
RISKPAL

RiskPal is a SaaS platform designed to

improve risk assessment workflow. This provider offers a highly configurable system that allows users to build and easily maintain risk assessment templates for a range of health, safety, security and travel needs.

This tool was created to make collaboration easy and has an integrated approval process, which is all digitally logged. RiskPal also offers users custom analytics and reporting, providing data insights into corporate risk practices. Additional features also include a supplier database and automated process for logging staff feedback on their projects, helping organisations to share knowledge and improve safety culture.

RiskPal is currently in use by media, insurance and corporate travel firms, as well as educational establishments, NGOs and major events organisers.

riskpal.com

RISKSMART
RISKSMART

The RiskSmart platform promises to free risk managers from cumbersome manual processes and "put the data back into risk management".

This tool is billed as a clean, simple risk management platform with quantifiable risk scores so users know when to take action; and data-driven insights for smarter decision making.

The tool features an in-house artificial intelligence tool, and a primary risk dashboard that allows for monitoring, tracking, and insights. Automated notifications for risk and control owners feature visual real-time reporting. Launched in January 2023, this product is aimed at the SME market, with new modules for compliance and policy due late 2023.

risksmart.com

SCAIR
INTERSYS

SCAIR is a supply chain risk assessment tool that helps manufacturing companies visualise their global, end-to-end supply networks.

This tool allows risk and supply chain professionals to map supply chains, quantify business interruption losses and stress test different supply threats and recovery scenarios.

Having identified key exposures, SCAIR monitors major disruption events to provide tailored warnings of natural catastrophe and regulatory non-compliance incidents that could impact continuity of supply.

Fully configurable supplier risk assessment scorecards enable complex organisations to focus on their most vulnerable supply nodes and PowerBI provides effective insight to major risk accumulations and demonstrates the benefit of mitigation.

Recent developments include interfacing with reputable natural catastrophe and climate change modelling tools.

SCAIR is currently used by global biopharmaceutical companies and insurers. It has also partnered with the University of Cambridge in the ReMediES project and has UKAS accredited ISO 27001 certification through its parent company Intersys.

Industries that may most benefit from SCAIR include medical devices, biopharmaceuticals and insurance.

supplychain-risk.com

TOPEASE
F-24 UK

F24

F24's TopEase solution is a rule-based GRC platform that helps users automate their risk and business continuity management.

With TopEase users can visualise the entire business continuity structure, make models, assess new processes, controls, risks, architectures, systems, responsibilities, manage large change projects and assess their business impact.

Through integration, unnecessary, redundant maintenance of information can be avoided. All types of risks can be documented, maintained, evaluated, measured, controlled and changed in a redundant and comprehensible manner.

Using an interactive web application, risks and measures can also be maintained and evaluated remotely. TopEase is patented, certified, can be used on prem or via cloud, is modular and mobile available and is available in English, German and French. It also supports import of own data, accelerating onboarding.

f24.com

ORIGAMI RISK

Risk Software Report 2023: Product features

	Origami Risk	agena.ai	Camms.Risk	Claims Enterprise	EvoClaim	EvoSafe	Foresight	Fusion Framework System	GOAT Risk	Hawksight Safety & Security Risk Management Software	IRIS Intelligence	IRM	JCAD CORE	JCAD LACHS	KaizenEVO	Predict!	Protech. ERM Risk & Resilience	riskHive Enterprise Risk Manager	Riskonnect Integrated Risk Management	RiskPal	RiskSmart	SCAIR	TopEase
General/admin/tech																							
Full process analysis hierarchy	•		•				•	•	•	•	•	•	•		•	•	•	•	•		•	•	•
Full process escalation hierarchy	•		•	•			•	•			•	•	•		•	•	•	•			•	•	
Objectives hierarchy	•		•					•			•	•	•		•	•	•	•	•		•		
Organisational hierarchy	•		•					•			•	•	•	•	•	•	•	•	•		•	•	
Asset hierarchy	•		•					•		•	•	•	•	•	•	•	•	•	•			•	
Financial accounts hierarchy	•		•								•	•			•			•				•	
Expand and collapse hierarchy	•		•	•				•			•	•	•		•	•	•	•	•		•	•	
Audit findings	•		•	•				•	•	•	•	•	•		•		•	•	•				
Scalable and tested to 100 users	•		•					•	•		•		•	•	•	•	•	•	•		•	•	
Scalable and tested to 1,000 users	•		•					•		•	•		•	•	•	•	•	•	•			•	
Scalable and tested to 10,000 users	•		•	•			•	•			•	•	•		•	•	•	•	•	•		•	
Context sensitive help	•		•					•			•	•	•	•	•	•	•	•	•		•	•	
Screen customisation	•	•	•	•				•	•	•	•	•	•	•	•	•	•	•	•		•	•	
Search and filter	•		•	•				•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Roll-forward capability	•										•	•	•	•	•	•		•	•			•	
Multi currency	•		•	•				•	•	•	•	•	•		•	•	•	•	•		•	•	•
Multi language	•		•					•	•		•	•				•		•	•		•		•
Web application	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Web service API	•	•	•				•				•	•	•		•	•	•	•	•		•	•	
Synchronisation with active directory	•		•								•	•	•	•	•	•	•	•	•	•	•	•	
Integration with MS Office	•	•	•	•				•			•	•	•	•	•	•	•	•	•		•	•	
Integration with enterprise reporting systems	•	•	•	•				•		•	•	•	•	•	•	•	•	•	•		•	•	
Integration with collaboration tools	•	•	•					•			•		•	•	•	•	•	•	•		•	•	
Ability to install software on users own IT infrastructure		•	•							•	•			•	•	•	•	•			•	•	
Support for offline working and synchronisation	•		•								•	•	•			•	•	•			•	•	
Hosted option / SaaS	•	•	•	•				•	•	•	•	•	•		•	•	•	•	•	•	•	•	
Mobile capability: Add / update claims	•			•	•						•	•	•	•	•		•	•	•		•		
Mobile capability: Manage tasks / activities	•		•	•				•	•		•	•	•	•	•	•	•	•	•	•	•	•	
Mobile capability: View reports / dashboards	•		•	•				•	•	•	•	•	•	•	•	•	•	•	•		•	•	
User security clearance	•		•						•	•	•		•	•	•	•	•	•	•		•	•	
Technical support / service desk 24/7		•	•							•	•	•	•		•	•	•	•			•	•	
Data management	•		•					•			•	•	•	•	•	•	•	•	•	•	•	•	
Load historic data	•		•					•	•		•	•	•	•	•	•	•	•	•		•	•	
Consolidating data from external sources	•		•					•			•	•	•	•	•	•	•	•	•		•	•	
COPE data management	•											•			•		•		•				
Deliver secure content	•		•					•		•	•	•	•		•	•	•	•	•	•	•	•	
Integrated document scanning	•			•								•											
Integrated electronic signature	•		•	•							•	•							•	•			
Social Collaboration & Networking	•							•	•				•				•						
Compatable with All Web Browsers without plug ins	•	•	•					•	•	•	•	•	•	•		•	•	•	•	•	•	•	
Fully accessible via smartphone / tablet	•	•	•		•	•		•	•	•	•	•	•		•	•	•	•	•			•	
Major functional areas																							
Incident reporting	•		•	•		•		•	•	•	•	•	•	•	•	•	•	•	•		•	•	•
Claims	•			•	•	•	•				•	•	•	•			•	•	•				

Origami Risk	agena.ai	Camms.Risk	Claims Enterprise	EvoClaim	EvoSafe	Foresight	Fusion Framework System	GOAT Risk	Hawksight Safety & Security Risk Management Software	IRIS Intelligence	IRM	JCAD CORE	JCAD LACHS	KaizenEVO	Predict!	Protech. ERM Risk & Resilience	riskHive Enterprise Risk Manager	Riskonnect Integrated Risk Management	RiskPal	RiskSmart	SCAIR	TopEase	
																							Major functional areas
•		•	•								•	•	•		•	•	•	•		•	•		Occurrence
•		•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		Standard reports
•		•	•			•	•	•		•	•	•	•	•	•	•	•	•	•	•	•		Business Intelligence reports
•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		Dashboard
•		•	•			•	•		•	•	•	•	•	•	•	•	•	•			•		Location / Assets
•			•								•	•	•			•		•					Fleet
•		•	•			•				•	•	•		•		•	•	•					Internal audit
•		•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		Assessment
•		•	•				•		•	•	•	•		•	•		•	•	•	•	•		Recommendations
•		•	•	•	•	•	•		•	•		•	•	•	•	•	•	•	•	•	•		Documents
•		•	•					•	•	•		•		•	•	•		•	•				Project
•												•	•					•					Premium calculation and allocations
•		•	•			•		•		•		•	•	•		•		•					Policy
•			•			•	•	•		•		•	•			•		•			•		Renewal data collection
•			•	•						•		•	•					•			•		Insurer
•		•	•			•	•			•		•	•	•		•		•			•		Contacts
•		•	•		•	•		•	•	•		•		•	•	•	•	•	•				Health & safety hazards
•		•				•	•	•		•		•		•	•	•	•	•	•	•	•	•	Governance, risk and compliance
•		•					•			•		•		•		•	•	•		•	•	•	BIA
		•					•					•		•		•	•				•		SCM
•		•					•					•		•	•	•	•	•	•		•		Vendor management
																							Risk Identification
•							•			•		•	•	•	•	•	•	•			•		BCM Knowledge base
•		•					•	•		•	•	•		•	•	•	•	•		•	•		Issues, losses and risks
•		•				•	•	•		•	•	•		•	•	•	•	•		•	•		Custom IDs
•		•				•	•		•	•	•	•		•	•	•	•	•	•	•	•		Risk quantification
•		•				•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	Risk comments
•		•				•	•	•		•	•	•		•	•	•	•	•	•	•	•		Linked documents
•		•					•	•		•	•	•				•	•	•	•	•	•		Loss and accident identification
•		•					•	•		•	•	•		•	•	•	•	•		•	•		Linking losses to risk
•		•				•	•	•		•	•	•		•	•	•	•	•	•	•	•		Multiple risk types
•		•					•			•	•	•		•	•	•	•	•		•	•		Risk linkage
•		•					•	•		•	•	•		•	•	•	•	•	•	•	•	•	Risk review process
•		•				•	•			•	•	•		•	•	•	•	•	•	•	•		Risk approval
•		•				•	•			•	•	•		•		•	•	•		•	•		Risk surveys
•		•					•	•	•	•	•	•		•		•	•	•		•	•		Control surveys
																							Risk Assessment
•		•				•	•	•	•	•	•	•		•	•	•	•	•			•		Risk matrix
•		•				•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	Qualitative assessment
•		•					•		•	•	•	•		•	•	•	•	•	•	•	•	•	Quantitative assessment
•		•					•	•	•	•	•	•		•	•	•	•	•		•	•		Gross, Residual, Target
•		•						•		•	•	•		•	•	•	•	•					Opportunity
•		•					•	•		•	•	•		•		•	•	•		•			Frequency

Risk Software Report 2023: Product features

Risk Software Report 2023: Product features

	Origami Risk	agena.ai	Camms.Risk	Claims Enterprise	EvoClaim	EvoSafe	Foresight	Fusion Framework System	GOAT Risk	Hawksight Safety & Security Risk Management Software	IRIS Intelligence	IRM	JCAD CORE	JCAD LACHS	KaizenEVO	Predict!	Protech. ERM Risk & Resilience	riskHive Enterprise Risk Manager	Riskonnect Integrated Risk Management	RiskPal	RiskSmart	SCAIR	TopEase
Risk assessment																							
Financial years modelling											•		•		•	•		•				•	
Multiple risk impacts for single risks	•		•					•			•	•	•		•	•	•	•	•	•	•	•	
ROI			•					•			•	•	•		•	•	•	•				•	
Escalation	•		•				•	•	•		•	•	•		•	•	•	•	•		•	•	
Risk aggregation	•		•				•	•			•	•	•		•	•	•	•	•		•	•	
Relationship matrices	•		•					•		•	•		•		•	•	•	•	•		•	•	
Risk mitigation																							
Control assessment - qualitative and quantitative																							
Testing	•		•				•	•			•	•	•		•		•	•	•		•	•	
Actions	•		•				•	•	•		•	•	•		•	•	•	•	•	•	•	•	
Fallback			•						•		•	•	•		•	•	•	•		•		•	
Plan	•		•			•	•	•	•		•	•	•		•	•	•	•	•	•	•	•	
Provision management	•										•	•	•		•	•		•					
Plans linked to multiple risks	•		•					•			•	•	•		•		•	•	•	•	•	•	
Linked actions to multiple plans	•		•					•			•	•	•		•		•	•	•		•	•	
Compliance auditing	•		•				•	•			•		•		•		•	•	•				
Certificate management - medical trials																							
Certification for projects	•										•	•	•		•		•						
Analysis & Reporting																							
Multiple application reporting	•		•			•		•		•	•	•	•		•	•	•	•	•		•	•	•
Probability vs. impact impact diagram	•		•					•	•	•	•	•	•		•	•	•	•	•				
Monte Carlo simulation			•								•	•				•		•	•				
Sensitivity analysis											•	•	•			•		•				•	
Provision management	•										•	•	•		•	•		•					
Schedules reporting	•		•					•			•	•	•		•	•	•	•	•				
Data driven reporting	•		•	•			•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	
Ad hoc reporting	•		•	•				•	•		•	•	•	•	•	•	•	•	•	•	•	•	
Automated email report distribution	•		•					•			•	•	•		•		•	•	•		•	•	
Risk adjusted balanced score cards	•		•					•			•	•	•		•	•	•	•				•	
Risk adjusted GANT chart											•	•	•		•	•		•					
Ba•ian analysis		•									•	•	•		•	•							
User-defined dashboards	•		•	•			•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	
Integration with business intelligence reporting tools	•	•	•	•				•			•	•	•	•	•	•	•	•	•		•	•	
Automatic alerts	•		•	•			•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	
Ability to combine data from all modules within a single report	•		•	•				•	•	•	•	•	•		•	•	•	•	•		•	•	
Ability to combine data from all modules within a single dashboard	•		•	•				•	•		•	•	•		•	•	•	•	•		•	•	
Ability to meet user reporting needs without the need from custom reports	•		•	•				•			•	•	•		•	•	•	•	•		•	•	
Integration with geospatial analytics	•		•	•				•		•		•	•		•		•					•	

ORIGAMI RISK

Risk Software Report 2023: Product features

Feature	Origami Risk	agena.ai	Camms.Risk	Claims Enterprise	EvoClaim	EvoSafe	Foresight	Fusion Framework System	GOAT Risk	Hawksight Safety & Security Risk Management Software	IRIS Intelligence	IRM	JCAD CORE	JCAD LACHS	KaizenEVO	Predict!	Protech. ERM Risk & Resilience	riskHive Enterprise Risk Manager	Riskonnect Integrated Risk Management	RiskPal	RiskSmart	SCAIR	TopEase
Analysis & Reporting																							
Automatic alerts based on the proximity and severity of external events to locations	•			•				•	•			•	•		•		•	•	•			•	
Mapping capabilities	•		•	•				•		•		•	•	•	•		•	•	•		•	•	
Drill up / down / through reporting	•		•	•				•		•	•	•	•	•	•	•	•	•	•		•	•	
Download to Word	•	•	•	•				•		•	•	•	•		•	•	•	•	•		•		
Download to Powerpoint	•	•		•				•			•	•	•		•	•	•		•		•		
Export to Excel	•	•	•	•				•			•	•	•	•	•	•	•	•	•	•	•	•	
Incident management																							
Web-based incident reporting	•		•	•			•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•
Convert incidents to claims	•			•								•	•	•	•		•	•	•				
Forward and automatically attach emails to the system	•			•				•				•	•	•	•		•	•	•			•	
Automated incident investigation and escalation	•		•	•				•				•	•		•		•		•				
Data conversion and consolidation services	•		•	•								•	•		•		•		•			•	
Anonymous / third party incident reporting	•		•	•				•				•	•	•			•	•	•		•		
Claims management																							
Full claims administration	•			•	•							•		•					•				
Dashboards for tracking claims metrics and KPIs	•			•	•	•			•		•	•	•	•			•	•	•				
RIDDOR / CRU1 Reporting	•											•					•	•	•				
External claims benchmarking	•			•								•							•				
Forward and automatically attach emails to the system	•			•								•		•				•	•				
Data conversion and consolidation services	•			•								•							•				
Managing financials through programme structure	•			•								•							•				
Claim audits	•			•								•		•			•	•	•				
Policy and premium management & Premium allocation																							
Insurance knowledge base				•								•		•					•				
Policy programme functionality	•			•							•	•					•		•				
Policy erosion	•			•								•	•	•			•		•				
Allocation of premiums based on exposure values and loss experience	•			•								•		•					•				
Tracking of covered locations and perils	•			•								•		•			•		•			•	
Ability to report on premiums by insurer, broker or business unit	•			•								•		•			•		•				
Captives support	•			•								•		•					•			•	
Ability to report on exposure by insurer and insurer ratings	•			•								•		•			•		•				
Ability to map insurance programme	•			•								•		•			•	•	•				
Ability to diagram policy erosion	•			•								•		•			•		•				
Renewal data	•			•								•		•			•		•			•	
Ability to customise renewal questionnaires	•			•						•		•					•		•				
Automated data validation against previously submitted values	•			•								•		•			•		•			•	
Automatic reminders for unsubmitted values	•			•								•					•		•				
Predefined report templates for renewal data consolidation	•			•								•					•		•			•	

ORIGAMI RISK

12th Floor, St Clare House,
30-33 Minories,
London
EC3N 1DD

Tel: +44 (0)1617 917740
info@origamirisk.com
www.origamirisk.co.uk
LinkedIn: www.linkedin.com/company/origami-risk/
Twitter: twitter.com/origamirisk

Origami Risk provides integrated SaaS risk, insurance, and safety solutions to insured corporate and public entities, brokers and risk consultants, insurers, TPAs, and more.

Delivered from a single platform that is fast, secure, and completely scalable, Origami Risk's RMIS, GRC, EHS, Policy Administration, Claims Administration, and Healthcare Risk Management solutions incorporate easy-to-use analytics and digital-engagement tools — including portals, dashboards, and reports.

The multi-tenant Origami Risk platform is highly configurable, allowing for seamless integrations with third-party enterprise software systems and the tailoring of solutions that meet client-specific requirements and workflows without the need for costly, time-consuming custom development.

Origami Risk solutions are supported by an experienced service team that possesses a balance of industry-specific knowledge and technological expertise.

F24

F-24 UK
Cardinal Point, Park Road,
Rickmansworth, Hertfordshire,
WD3 1RE UK

Tel: +44 1923 437 784

uk@f24.com
www.f24.com
LinkedIn: www.linkedin.com/company/f24-uk-limited/
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F24 is Europe's leading Software-as-a-Service (SaaS) provider for incident and crisis management, emergency notification, as well as for business messaging. With FACT24 we offer a highly innovative solution that supports clients worldwide in the efficient and successful management of incidents, emergencies and crises. In addition, the eCall platform offers solutions for high-volume confidential communications within the corporate environment.

Founded in 2000, our roots have been in Munich, the headquarters of F24. Today, with our international subsidiaries in Brussels, Zurich, London, Trondheim, Paris, Luxembourg City, Madrid and Munich, as well as representative offices in Mexico City, Santiago de Chile, Vienna, Dubai and Auckland, we support companies and organisations in over 100 countries.. More than 3,000 clients rely on our SaaS solutions for crisis management or the daily communication of confidential information. Our clients operate in sectors ranging from energy, healthcare, industry, finance, IT, tourism and aviation through to a wide variety of public organisations. Our experience has made us international experts on incident and crisis management, as well as confidential communications.

FUSION RISK MANAGEMENT

Fusion Risk Management
51 Eastcheap London EC3M 1JP
United Kingdom

Tel: +44 (0) 20 3884 3538
spatel@fusionrm.com

www.fusionrm.com
LinkedIn: www.linkedin.com/company/fusion-risk-management/
Twitter: twitter.com/FusionRiskMgmt
YouTube: www.youtube.com/channel/UCtNFz9l-0CGbyxaiRzHQ_yg

The Fusion Framework® System™ enables organisations to visualise their business, products, and services from a customer perspective, creating a map of day-to-day functions within the business that keep it running smoothly. The platform also gives organisations visual and interactive ways to explore every aspect of the business so firms can identify single points of failure and key risks. Achieve resilience faster with codified risk management and resilience best practices on a trusted, intelligent platform that gives teams the flexibility to create unique experiences with just a few clicks.

IRIS Intelligence
24 Barton St, Bath, BA1 1HG, United Kingdom

Tel: +44 (0) 20 8798 0569
info@irisintelligence.com
www.irisintelligence.com
LinkedIn: www.linkedin.com/company/iris-intelligence

REDUCE COSTS. REMOVE UNCERTAINTY. DELIVER EFFECTIVELY.

IRIS Intelligence is trusted to help manage risk by some of the world's most high-profile organisations. It supplies award winning software for Enterprise Risk Management, Project Risk Management, GRC, Internal Audit, ESG, Regulatory Compliance and Cyber.

The software is speedy to implement, easy to use and quickly embeds best practice processes. The system can be quickly configured to specific customer needs, providing a "custom-fit" feel alongside the robustness of an off-the-shelf solution.

IRIS software supports small teams as well as large-scale enterprise and multi-national initiatives. Every implementation facilitates increased risk identification, enables consistent risk assessment across teams, tracks the progress of risk mitigation activity and delivers best in class Management Information. Qualitative and quantitative (including Monte Carlo) risk assessment techniques are both supported. The system automatically integrates with MS Office and includes numerous APIs to provide full interoperability with other management tools.

www.irisintelligence.com

Protecht
77 New Cavendish Street
The Harley Building
London W1W 6XB
United Kingdom

Tel: +44 (0) 20 3978 1360
info@protechtgroup.com
www.protechtgroup.com

LinkedIn: www.linkedin.com/company/protechtgroup

Twitter: www.twitter.com/protecht_risk
YouTube: www.youtube.com/user/protechtptyltd

Protecht is an integrated software-as-a-service enterprise risk management solution, supported with training and advisory services, for organisations of any size or geography. Currently on release R11.1, Protecht allows users to dynamically manage all their risks – compliance, incidents, KRIs, vendor risk, IT and cyber risk, internal audit, operational resilience, BCP, health and safety – in a single platform.

Protecht delivers interconnected, structured data through dashboards and reports that can be categorised and documented, allowing users to spot trends and identify areas that require actions. Its reporting tools allow effective and professional communication to risk committees, boards and business stakeholders using customisable visual reports.

The platform is designed to be used across the organisation, with the MyTasks personal dashboard keeping every user on top of their responsibilities, and a mobile app to provide access wherever it's required. Registers can be customised and deployed without the need for coding, and the system's user management functions allow organisations to onboard users and precisely control their access.

With features including a dynamic form builder, the capability to automate notifications and email alerts, and customisable risk assessment scales, Protecht has the flexibility to meet an organisation's specific risk profile. It also includes a wide range of preconfigured dashboards, taxonomies, workflows, registers and analytics relevant for organisations for all levels of risk maturity.

Rather than just being a software company, Protecht is a risk company, incorporating training and advisory services delivered by leading experts in risk management. The product itself, the client implementation process, and the training and advisory services provided to customers are all directly informed by Protecht's understanding of how to manage risk.

www.protechtgroup.com

Ventiv
30 Eastcheap
London EC3M 1HD
United Kingdom

Contact: David Thomas
Tel: +44 (0) 7879 628 882
contact@ventivtech.com
www.ventivtech.com/

LinkedIn: www.linkedin.com/company/ventiv-tech
Twitter: twitter.com/Ventivtech

Ventiv is a leading global provider of claims administration, risk management information systems (RMIS), enterprise risk management (ERM), insurance claims, billing, policy, and administration technology integrated with its market-leading analytics and predictive models. Ventiv Technology's SaaS and on-premises solutions are deployed by insurers, brokers, insured corporate entities, federal and regional governments, public entities, third party claims administrators (TPAs), and risk pools across a variety of industries, including transportation & logistics, retail, financial services, leisure & hospitality, energy, aviation and manufacturing among several others.

With over 45 years' experience, Ventiv serves 450 customers and more than 450,000 users spanning 40 countries. Ventiv's global footprint and experienced team of industry veterans deliver insights to organizations that allow our customers to predict, manage, and respond to risk.

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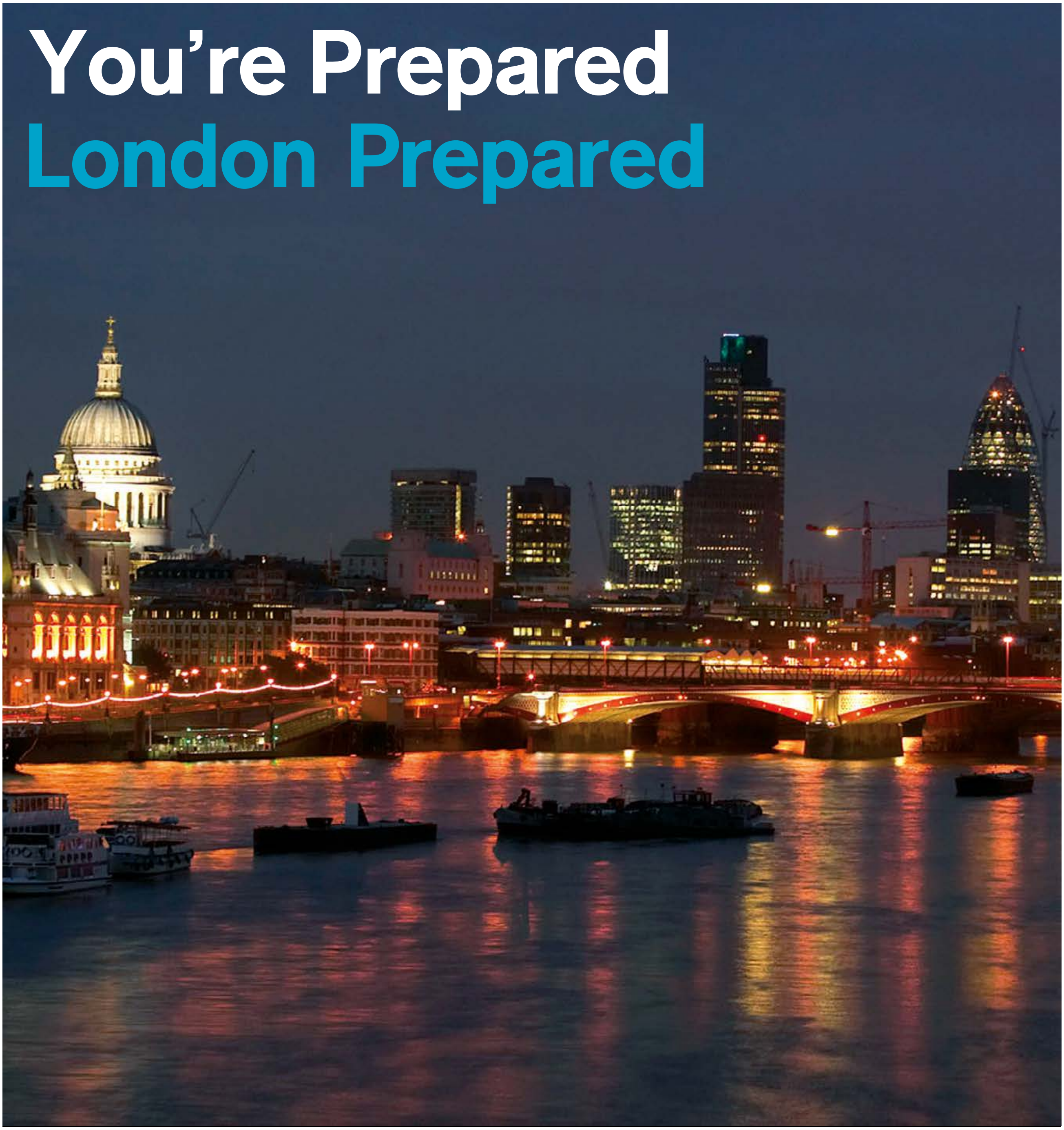

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CIR Risk Management AWARDS 2022

The 13th annual Risk Management Awards

The pinnacle of achievement in risk management

WINNERS' REVIEW

cirmagazine.com/riskmanagementawards

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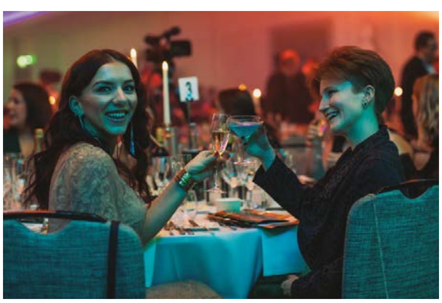
AWARDS 2022

Winners 2022



CIR Risk Management AWARDS 2022

Winners 2022

Risk Manager of the Year
Winner: Simon Motley, Stantec

Risk Manager of the Year
Highly Commended: Rebecca Gabriel, HS2

Risk Management Champion Award
Winner: Colin Taylor, Howden Insurance Brokers

Newcomer of the Year
Winner: Claudia Lewis, Faithful+Gould

Risk Management Team of the Year
Winner: Stantec

Risk Management Team of the Year – Public Sector
Winner: Financial Services Compensation Scheme

Risk Management Programme of the Year
Winner: Greater Manchester Police & BlackBerry

Cross-Border Risk Management Award
Winner: Kuwait Petroleum International

Major Capital Projects Award
Winner: HS2

Public Sector Risk Management Award
Winner: National Highways and Faithful+Gould

ERM Strategy of the Year
Winner: Clyde & Co

Risk Management App of the Year
Winner: Mitie

Risk Management Product of the Year
Winner: Edtesa

Risk Management Product of the Year – Technology Provider
Winner: CalQRisk

Risk Management Specialist Company of the Year – Large
Winner: Ecclesiastical Insurance

Risk Management Specialist Company of the Year – Small/Medium
Winner: eDriving

Cyber Security Product of the Year
Winner: KYND

Best Use of Technology in Risk Management
Winner: Charles Taylor

Risk Management Innovation of the Year – Sponsored by Mott MacDonald
Winner: Mitie – Risk Safe

ESG Award
Winner: Domestic & General

Diversity Award
Winner: Faithful+Gould

International Risk Management Award
Winner: SABIC (Saudi Basic Industries Corporation)

International Risk Management Award
Highly Commended: Kuwait Telecommunication Company (stc)

Public Safety Award
Winner: Greater Manchester Police & BlackBerry

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FIRE

CIR Risk Management AWARDS 2022

Risk Management Programme of the Year & Public Safety Award

Chris Ullah, business relations and solutions manager, BlackBerry; and Darren Spurgeon, inspector and mobile business change manager at Greater Manchester Police; pictured with CIR Magazine's Deborah Ritchie and awards host Suzi Ruffell

CIR Risk Management AWARDS 2022 winner

Risk Management Programme of the Year

CIR Risk Management AWARDS 2022 winner

Public Safety Award

Winner BlackBerry & GMP

The judges: In both of these categories, inter-agency connectivity was a key differentiator for this year's judging panel, with the potential to create an impact that reaches the whole of society.

The winning entry: Greater Manchester Police covers an area of nearly 500 square miles and a population of around 2.7 million. The city regularly plays host to major sporting events, political party conferences and royal visits, as well as thousands of events, festivals, demonstrations and protest marches each year. In any incident, multi-agency communications present a major challenge. A call to address communications between first responders and other agencies in an emergency was highlighted in the initial Kerslake report following the Manchester Arena bombing in 2017, which noted that "the ability to communicate effectively is crucial to emergency response".

Responses often require more than one service, and GMP regularly needs to inform up to 20 partners. With BlackBerry AtHoc, a single operator can notify all key responders, securely and concurrently, in less than 10 minutes, structuring information in line with approved emergency service joint working principles (JESIP). Information shared is fully compliant with standards designed to speed up communication between operators in blue light organisations, meaning the structure is familiar when it is received. GMP can also attach a map of the incident area. Further, acknowledgement of message receipt is recorded down to a millisecond, providing an accurate audit trail.

"Mobile technology and social media have reduced the critical window for emergency services to take control of a situation from hours to minutes," said Chris Ullah, business relations and solutions manager at BlackBerry. "As soon as an incident happens, it's on the internet and publicly available. Misinformation is rife and panic can build, which can have a massive impact on speed and quality of response. In these situations, accurate and secure communication is paramount. As this award recognises, this isn't just about time saving, though – it can be life-saving. Receiving two awards this year highlights just how important communication is in managing risk and serving society."

As the Force continues its partnership with BlackBerry to extend the functionality and use of AtHoc, adoption by other organisations in the region's blue light sector is working to create a 'shield of communication' throughout the North West.

blackberry.com **gmp.police.uk**

BlackBerry

GREATER MANCHESTER POLICE

CIR Risk Management AWARDS 2022

Best Use of Technology in Risk Management

Pictured is Charles Taylor's award for Best Use of Technology in Risk Management 2022

Winner Charles Taylor

The judges: In a category with so many possibilities, this global, open-source fraud solution stood out as incredibly powerful.

The winning entry: A true industry first, Discovery meeting the need for uniform, ethical and time-efficient reviews of open source and social media content and court-compliant claims validation intelligence. It delivers recognisable benefits and has improved the validation process for genuine claims, whilst promptly identifying fraud risk. Discovery finds impactful intelligence on 30-40% of claims run through it; compressing 30 hours of manual investigation time into 30 minutes.

Highly scalable, the solution is capable of producing 10,000 reports per month, and since launch has delivered zero false fraud positives. By searching 250+ open source and social media sites, it persists beyond human capabilities to unearth the hardest-to-find intelligence to prove or disprove a claim.

With an ability to capture reliable evidence before it goes dark after a fraudulent claim, Discovery enables insurers to revoke policies where fraud is found and to remove dishonest policyholders from their books, protecting their bottom lines and optimising fraud risk management.

CIR Risk Management AWARDS 2022 winner

Best Use of Technology in Risk Management

Commenting on the win, Bobby Gracey, group head of counter fraud, Charles Taylor, said: "We're honoured to have won the Best Use of Technology in Risk Management Award. This is a fantastic endorsement of our digital claims validation tool, Discovery, and of our continuing commitment to develop risk management technology that support the industry's collective efforts to combat insurance fraud.

"Discovery was launched to meet an identified industry need for ethical, consistent open source and social media searches, and it has received an enthusiastic response from clients. We now look forward to continuing to collaborate with the industry to shape its future development.

"Based on market demand, we'll be launching Discovery 2.0 in 2023, which will enable clients to access the Discovery portal independently of Charles Taylor. We're also looking at different ways in which data reports can be fed back to the insurance market to meet individual client needs.

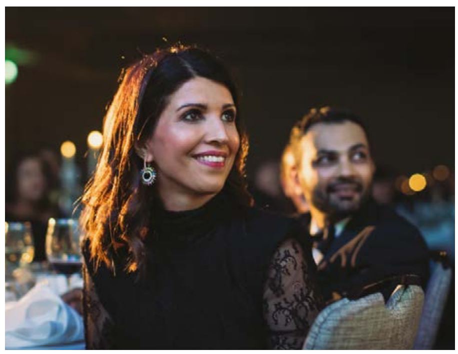
"Originally developed as a solution for the UK market, Discovery has attracted interest from clients worldwide, not least in Canada, the US, Australia, Chile, Singapore and Indonesia. We expect this international demand to grow in 2023 and beyond, helping to establish the UK as a leading player in the provision of intelligence-led portal technology."

charlestaylor.com

Charles Taylor

CIR | Risk Management
AWARDS 2022

Winners 2022



CIR Risk Management

AWARDS 2022

Winners 2022

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CIR Risk Management AWARDS 2022

Risk Management Team of the Year - Public Sector

Oliver Gordon, head of organisational risk and resilience, and Ryan Morgan, organisational risk manager at the FSCS; pictured with publisher of CIR Magazine, Mark Evans, and awards host Suzi Ruffell

Winner FSCS

The judges: In a highly competitive category, this winning entry outlined integrated risk thinking with its impressive risk and resilience frameworks.

The winning entry: FSCS is the UK's financial compensation scheme that protects customers of authorised financial services firms if they fail or have stopped trading. FSCS is independent and can pay compensation if an authorised firm fails and is unable to pay back money it owes its customers.

Over the past two years, the FSCS risk and resilience team has been formed under the leadership of Oliver Gordon, head of organisational risk and resilience – and has transformed the FSCS approach to risk, resilience and security bringing together those protective disciplines to operate as the second line of defence. Through understanding the academic and practitioner approaches to the protective disciplines, the team has been able to exploit the synergies across the disciplines, enabling the team to leverage the interlinkages thereby reducing the time burden on the business, highlighting the interconnectedness and importantly generating a single version of the truth in respect of all things risk, resilience and security-related across the business, executive and board. This

CIR Risk Management AWARDS 2022 winner

Risk Management Team of the Year – Public Sector

unique, holistic insight into the business has been instrumental in enabling FSCS to understand its risk profile and, importantly, how effective collaboration enables FSCS to exploit the opportunity of risk by having confidence in the resilience position to enable this.

Commenting on the receipt of the Award, Oliver Gordon at FSCS, said: "We were delighted to win this award. In the same way FSCS seeks to highlight risks and raise awareness of our protection to consumers the risk and resilience team at FSCS are there to support the whole organisation.

"As the world in which we operate becomes increasingly connected, hyper complexity becomes the accepted norm. With that, risk, resilience and crisis academics and professionals alike have a responsibility to innovate as well as nurture the future leaders to ensure that we can collectively respond to the challenges of tomorrow; not just as individuals or organisations, but for the good of us all. Through the way that the team engages with the business, they are able to bring people at all levels with them on this important journey, moving them from a position of 'me' to 'we', making what are traditionally seen as technical subjects accessible for everyone which leads to an improved operating environment. This is very much a cultural shift which changes behaviours, moving those who interact with our discipline from a position of awareness to understanding."

fscs.org.uk

FSCS Financial Services Compensation Scheme howden

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To learn more, speak to our 'Risk Management Champion', Colin Taylor today: **colin.taylor@howdengroup.com**

www.howdengroup.com

Risk Management Champion Award

Colin Taylor, director, Howden Insurance Brokers, pictured with Tim Graham, senior director, global HR risk management, GSK and chairman of Airmic; and awards host Suzi Ruffell

Winner Colin Taylor, Howden Insurance Brokers

The judges: In this highly competitive category, our judges commented on how palpable Colin's passion and enthusiasm for risk management is.

The winning entry: Colin Taylor is unique in his approach and has made a measurable difference to the behaviours of people in the professional service sector. In addition to helping millions of people receive the service they deserve, he has gone on to protect thousands of businesses and tens of thousands of staff members. He has championed well-being initiatives for over two decades and has supported moves for greater diversity and inclusion.

Colin has given between 100 and 150 lectures and training sessions to the professional service sector every year for the past 25 years. During Covid he continued to provide presentations by Zoom, covering professional risk, cyber and well-being. Once firms have experienced just how effective and memorable his training is, he is often asked to present on an annual basis. Whilst he has spent most of his career developing the UK and Ireland professional standards, he has spoken in the Middle East, Singapore, Hong Kong and now, with Zoom, is able to reach the rest of the globe.

CIR Risk Management AWARDS 2022 winner

Risk Management Champion Award

Improving the insurance profession's ability to communicate risk in an understandable way has helped many clients buy more effective insurance, and implement better risk cultures. His biggest audience to date was over 1,000 property professionals.

Commenting on the win, Colin Taylor, director, Howden Insurance Brokers, said: "I am delighted to have been recognised as Risk Management Champion 2022. The topic of risk management and compliance can, to many, feel like a dry and somewhat boring topic. But having dedicated 30 years to professional indemnity insurance and risk management, I have discovered most people are receptive to the subject matter if we can make the subject interesting and engaging. As a result, I have spent much of my working life protecting professional practices and helping to improve employees' understanding and engagement.

"Working with many in-house risk teams we use real life examples to bring the topic to life, demonstrating where mistakes can be made, why preparation is important and that execution needs continual review and monitoring. Ensuring every member of the firm understands their responsibility and the protection they are provided with can even improve well-being. It's about establishing the 'what's in it for me?'. I have worked with firms on training for partners, fee earners and support staff, assisted specific departments, and given keynote speeches at law society events. I look forward to continuing to help firms in their quest to reduce claims and complaints through better understanding. The effect on the bottom line can be dramatic."

howdengroup.com

howden

CIR | RISK MANAGEMENT AWARDS 2022

CIR | Risk Management AWARDS 2022 winner
Cross-Border Risk Management Award

Q8

Kuwait Petroleum International

Winner of the 2022

Cross-Border Risk Management Award

Kuwait Petroleum International refines and markets fuels, lubricants, other petroleum derivatives and complementary products in **several countries worldwide**. In operating its business, KPI embeds a **risk-aware culture across the organization**, establishing a **common risk language** to identify, measure, manage, report and monitor current and emerging enterprise risks, that could affect the achievement of the strategic, operational and financial objectives.

Cross-Border Risk Management Award

Abdullah Hayef Al-Dosari, KPI QA senior engineer risk management & BCM; Giorgio Zamborlini, KPI HSSE & ERM coordinator; Piero Merola, KPI HSSE & ERM regional manager; and Fouad Qabazard, KPI quality assurance group manager – all Q8; pictured with CIR Magazine's Olivia Richardson, and awards host Suzi Ruffell

Winner Kuwait Petroleum International

The judges: This comprehensive, multi-year programme provided a compelling story amid a high degree of global complexity.

The winning entry: Operating under the Q8 brand, Kuwait Petroleum International is a subsidiary of the shareholder Kuwait Petroleum Corporation, responsible for Kuwait's hydrocarbon interests internationally. KPI refines and markets fuel, lubricants and other petroleum derivatives in several countries worldwide. KPI sells fuel through over 4,600 service stations across Europe. Q8Aviation provides jet fuel at more than 70 strategic airports in 23 countries and Q8Oils manufactures and markets lubricants in Belgium, Italy and the UK.

KPI's strategic ERM journey commenced with a detailed maturity review which considered current state practices compared with best practice standards and energy sector experience. Marsh assisted KPI in this capacity and utilised its comprehensive ERM maturity model, developed using a combination of international standards and guidance, including ISO 31000 and COSO. The maturity model comprises six components and sub-components,

CIR Risk Management AWARDS 2022 winner

Cross-Border Risk Management Award

which comprehensively cover key areas within an ERM Framework. The model is used to map current state and target ERM maturity. The associated gaps between the current and target states were detailed within a report and associated strategy with a series of recommendations provided to close the gaps. The maturity review was purposefully broad in order to consider activities from the corporate centre and head office in Kuwait through to global operating units and joint venture entities. It also considered viewpoints and needs of amongst all staff – from the board to the front line – with the goal of creating a robust ERM strategy that has the adaptability and scalability the accommodate future requirements.

Commenting on the win, the KPI team said: "Receiving this award is evidence that KPI has been able to demonstrate how, over the past three years, it has built a risk management process capable of operating across multiple business and legal jurisdictions that are geographically diverse – both in terms of international boundaries and cultures. KPI's risk management programme, the implementation and achievements of the quality assurance team, the way in which it communicates the risk message throughout the company, and how all of these align with local conditions and overall organisational goals have been recognised as a valuable example for the wider risk management community. We are honoured to be recognised for excellence in risk management, and consider this outstanding achievement as a cornerstone of our exciting new goals aimed at increasing risk perception and culture across the business."

q8.com

Risk Management Innovation of the Year

Ian Carter, Group Head of Risk; Robert Hooker, Risk Management Coordinator; Emma Coomber, Group Head of ERM; and Peter Dickinson, Chief of Staff and General Counsel – all Mitie; pictured with Julie McQueen, Risk Analyst, Mott MacDonald and awards host Suzi Ruffell.

Winner Mitie

The judges said: In-house designed, crystal clear and simple reporting, driving tangible improvements. Who can ask for more?

The winning entry: In early 2021, Mitie's Risk and Connected Workspace teams worked collaboratively to ensure that the company's annual risk review was more efficient and effective, using new technology. The original intention was to create a platform which would support all Mitie business areas by providing a means for colleagues to define, maintain and manage their respective risks, removing reliance on Excel documents and laborious manual intervention. Furthermore, it would give both the risk team and respective senior managers much-needed oversight of company-wide risks, enabling the monitoring and facilitation of governance requirements, for example, compliance levels in relation to the completion of risk reviews.

As the build progressed, Risk Safe's functionality was greatly enhanced. The use of technology allowed end-users to cascade and escalate risks at the click of a button. Without this function, cascading or escalating risks would have been dependent on meetings, word of mouth and risk registers being manually updated. Access to this enhanced functionality reduces the likelihood of

CIR Risk Management AWARDS 2022 winner

Risk Management Innovation of the Year

misinterpretation and misinformation and improves the fact-based decision making that is essential for any organisation to thrive.

Commenting on the accolade, Peter Dickinson, Mitie's Chief of Staff and General Counsel, said: "Mitie is delighted to receive such high-profile recognition of our Risk Safe risk management solution. It is not only an important milestone for Mitie's risk function, but means the teams involved in the project can be proud of external recognition of all their hard work.

"Since its full implementation across Mitie Group in March 2022, Risk Safe has positively transformed the process by which Mitie manages risk. The application provides a central repository for capturing, assessing, rating and managing risks, as well as giving company-wide visibility of key areas of governance. This functionality aligns with Mitie's strategic objectives and legal obligations.

"Now the word about Risk Safe is out, we are excited about its future; the team is already working on a client proposition as we intend to make Risk Safe available to help other companies fulfil their risk management obligations. Risk Safe not only helps ensure compliance with international standards and guidance such as ISO 31000, but also helps to promote a positive risk management culture in the organisations where it is deployed. Having witnessed the transformation of Mitie's risk processes, we believe Risk Safe is a best-in-class resource, which will benefit risk management at organisations across a wide range of business sectors."

mitie.com

CIR Risk Management AWARDS 2022

International Risk Management Award

Badr Al-Badr, GM, SABIC ER & DM; Abdulrahman Bin Muammar, director, ERM; Khalid Almusaiteer, senior risk manager; and Zameer Qureshi, senior risk manager, SABIC; pictured with CIR Magazine's Krissy Mackintosh, and awards host Suzi Ruffell.

Winner SABIC (Saudi Basic Industries Corporation)

The judges: In a highly competitive category, this entry outlined an impressive, strategic integration of risk management and crisis management across the entire business portfolio.

The winning entry: SABIC is a public company headquartered in Riyadh, Saudi Arabia. It is ranked among the world's largest petrochemicals manufacturers with operations in around 50 countries with a global workforce of over 31,000 talented individuals and over 65 world class manufacturing sites. Its diverse business portfolio includes petrochemicals, agri-nutrients, specialties and metals supported through a number of strategic business units and corporate functions.

SABIC established a vision for its ERM department as far back as 2004 – a vision that supports the entire company in pursuing its strategic goals by taking calculated risks.

SABIC ERM developed and established its Risk Management Framework, aligned with the ISO 31000 Standard for Risk Management. The framework and processes have enabled the

CIR Risk Management AWARDS 2022 winner

International Risk Management Award

company to extend its support to all strategic business units and corporate functions, manufacturing plants and sales offices. A proactive approach has garnered a world-class culture of risk mindfulness, integrating risk calculation into decision-making processes and helping to assure business resilience and continuity. The company's risk intelligence analysis has brought forward visibility on potential events that could impact SABIC both strategically and operationally.

The SABIC team said: "The CIR International Risk Management Award demonstrates SABIC's commitment to scale new heights in the enterprise risk management domain, whilst demonstrating assurance to its stakeholders: regulators, shareholders, partners, customers and suppliers alike.

"This award allowed SABIC to showcase its robust risk management framework, resilient ERM practices and the strategic integration of ERM into company-wide decision making processes. The award confirms SABIC's place as a global leader in ERM practices."

sabic.com

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CONTINUITY INSURANCE & RISK

Creating a perfect cyber posture in a high threat environment

In association with Databarracks

Roundtable

Creating a perfect cyber posture in a high threat environment

CIR's roundtable was held amongst twelve cyber, risk and business continuity professionals from across a number of sectors, to explore the emerging challenges in cyber risk management

Mike Osborne: Over the 30 plus years that I've been in business continuity, and what used to be called disaster recovery, I've always felt, whatever the incident – from IRA bombings to natural disaster to IT incidents – there is a pathway to recovery. It might have been challenging, nor part of the original plan, but a pathway is always there – and the organisations that I have worked with over that time will have been responsible for responding to several thousands of incidents.

The thing that frightens me about cyber is there is a scenario where recovery just isn't possible – where if you haven't got your data properly segregated, or if you don't know that that data is clear of viruses when you do bring it back.

A statement published in November by a local council really struck me. They were delighted to announce the achievement of a partial recovery in September of their public-facing services following a cyber attack that took place in January.

I don't think many of us around this table would consider a maximum tolerable period of downtime of nine months to be in any way acceptable – or even that it could be classed as a recovery of a service. Indeed, most private organisations would be dead and buried by that point. Travelex is one such example – the foreign exchange provider that went into administration recently after being hit by a ransomware attack. For those that don't go under, the cost to the business – in both time and money can be crippling.

Databarracks receives almost weekly requests for full recoveries on the back

In association with Databarracks

Roundtable

of clients being hit by ransomware, but I don't need to tell anyone here how rife this form of malware is.

At this point, it is incumbent on us to raise awareness of this issue, so that the proportionate investment and strategy can be built in organisations. The fact is, all businesses are going to get hit at some point, and senior executives accept that now, I think. We've moved on from a state of denial. The question now is how good you are at responding to it and managing it – that's what sets you apart from your competitors. Would you agree?

Chris Butler: I get the sense that companies assume they're going to be hit and then work back from that basis.

Practitioner: For us, it's obviously a risk, and we look very closely at suppliers when it comes to cyber risk.

Practitioner: Suppliers are our biggest worry, too. We had an incident only recently with one of our Australian suppliers, where they were hit by a ransomware attack that could have compromised our data.

Practitioner: I think it's about limiting and mitigating the risks as much as possible. And it's about accepting that the risks are extremely broad.

Practitioner: I think the board understands the risks – they're not blind to them. I think they also realise that however much effort you put into it, there's no guarantee that you can mitigate it to the extent that you might like. It's all about how you manage the situation and retain access at the same time.

Practitioner: I think there at two schools of thought here at board level. Either the board are completely convinced about the risks, or they're lukewarm about it, and are doing the bare minimum about it. The situation is getting to the point where the board has to be convinced about the risk if they are going to be able to face what has become an existential threat. Travelex is one such example. And everyone remembers Equifax. In their case, it took them years, and a massive programme, to regain trust. Major financial institutions take the risk very seriously. Bank of America, for instance, committed US$1 billion annually to cyber security so they're totally convinced that this needs to be handled head-on and you need to have a cultural programme to bring this about, and make it part of everyday safety. Cyber security needs to move up to that level. But the tone has to be set from the top to make that work.

Weakest link or greatest asset?

Practitioner: From my point of view, the weakest link is people – never mind what systems you have. You can do all the penetration testing, vulnerability testing you like, but in the end, it's not fool proof.

Practitioner: Are people your weakest link or your greatest asset?

Chris Butler: You have to treat people as both the weakest link, and at the same time your first line of defence. Seeing

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people as both drives a more effective approach to training and awareness. It's an arms race, isn't it?

Practitioner: We carry out a constant programme of training and testing staff, including sending an email to test who actually clicks on attempted social engineering attempts.

Practitioner: We do something quite similar, but instead of registering who clicks on the link, there's a 'report phish' button on the email, which is standard on our Outlook. And if a staff member thinks it looks wrong and reports it, they get an email back saying, 'congratulations you've helped the company to successfully thwart a potential attack'.

Chris Butler: Rewarding good behaviour rather than punishing bad is a really useful tool. There are some deeper things behind that for organisations to get their head around – about enabling the right behaviours. But the right behaviours have also got to match the individual's working practice. Often staff try and circumvent controls because they get in the way of what they need to do to carry out their roles. We get called in when everything else has failed – and it's the call that companies don't ever want to make! It's often a large scale recovery including all the aspects up to crisis management. The regularity with which we are conducting such large scale recoveries is increasing dramatically; and the complexity of the recovery is getting more intense.

Practitioner: Some companies may not fully appreciate that hackers are part of a huge ecosystem with a considerable value chain. When they get a data dump, it will be sold off bit by bit to various different parties on the dark web. It's not just a single individual carrying out an attack. Some of these groups are carrying out quite complex, multifaceted attacks.

Worst case scenarios

Mike Osborne: According to our recent Data Health Check survey, 50 per cent of respondents said they were planning to test this year and 25 per cent said they were planning to test next year, which still leaves 25 per cent that weren't planning to test. How often is that 'doomsday testing scenario' happening in your organisation with all your staff that you're aware of? I wonder if, as more companies take recovery in-house, and walk away from third-party suppliers, is the same rigour being applied to testing?

Practitioner: I think perimeter testing is taking place much more regularly. The regulators want to know just how much effort financial institutions are putting in to ascertain how safe they are. And I think that this pressure is going to become far more frequent going forward.

Mike Osborne: That's good progress. And are full system restores being done from data backup?

Practitioner: We do two full, traditional DRs twice a year.

Chris Butler: At this point, it might also be worth considering the value of

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a tertiary backup. We recently restored a client from their tertiary into the cloud because their in-house backups had been scrambled.

Practitioner: We're looking at tertiary backup. Pharmaceutical companies are compelled to test at least once every two years. We have two major datacentres in the US so we're testing there. One goes into the cloud, the other one goes into another datacentre but will move into the cloud at some stage. Some of our manufacturing sites globally have not been DR tested. Around 50 per cent of the systems have not had a DR test in the last two years.

Mike Osborne: If you have not done a full recovery test and you've got insurance, the carrier will want to know what's going on. And that's not to mention the police, the regulators, PR, legal…

Practitioner: Quite often the motivations of some of those stakeholders may not align with yours as an organisation, or in the same timeframe.

Mike Osborne: We have seen the impact that differing agendas can have in this situation. Your recovery plan may be to wipe the system and bring the data back onto your own infrastructure, but your insurers may have a different idea and want to ringfence the data themselves – and I understand it's very common for insurers to want to take complete control.

Chris Butler: The board may rightly be confused about their role in the recovery. Organisations have got to be prepared from top to bottom on those discussions around the extent of coverage, who to tell, the strategic position the company might be taking, and a policy on paying ransoms. Those issues should all be ironed out in advance, in principle, and then of course, when you're faced with the actual fight, then you adapt to fit the situation at hand.

Practitioner: I think there are additional dilemmas with this, where even people within the organisation might have different agendas, so you have the sales team looking to get production up and running again as they are losing income by the minute, and then you have IT looking to do forensics and data gathering, so there's often a trade-off there to be addressed.

Mike Osborne: Do you think that when companies exercise they consider the potential impact that third parties are likely to have? It might be easy to get an isolated exercise spot on, but unless you know what to expect from an insurer or a regulator, or any other stakeholder, just how prepared are you really?

Practitioner: There are a number of key stakeholders here that need to work closely together.

Mike Osborne: But do they, I wonder?

Practitioner: There's an intelligence sharing issue between organisations because known actors should be red flagged but that level of intelligence just isn't available at the moment. There are a couple of pieces of legislation currently going through parliament, which will help enable that information sharing but we are not there yet. The Digital Operation Resilience Act, or DORA, and NIS2 are two such examples.

Practitioner: There's another angle to the information sharing piece. If companies get worried that their recovery may be hampered because all of these parties are now part of the decision-making process, then this may

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be one of the reasons why firms are so reluctant to share.

Insurance

Practitioner: What percentage of companies have cyber insurance?

Practitioner: That's a good question. Not many. It has been increasing – over the past five years especially – but it's still very low.

Chris Butler: I think that companies are worried about the exclusions. I think Axa was the first company to exclude the ransomware payment from their policy in France and I believe that if you're hit by an identifiable state actor, you're not covered for that either. But it's not black and white. Some elements will be covered by business interruption, but a ransomware payment would not be, I don't believe.

Mike Osborne: What this tells us is that you cannot rely on insurance alone. You've got to have confidence in the processes in place to protect your data.

Practitioner: Indeed. You always hope you never have to use an insurance policy – your first line of defence should be to make sure that the insurance is not in fact necessary.

Chris Butler: I know of companies who are using the cyber insurance questionnaire – often of up to 100 questions over dozens of pages –as a guide to effectively self-insuring. Essentially, it's about getting the basics right - going back to first principles of: Do I have a plan? Do I have a backup? Do I have these things in place that I know they're going to ask for anyway in the insurance policy? So why bother with insurance? I'll focus all my efforts there. It is a compelling case in a market in which premiums have lately been doubling each quarter.

Supply chain

Mike Osborne: How do you achieve confidence through your supply chain that you are not at risk? Are companies being asked to evidence their own cyber health as part of commercial contracts?

Practitioner: We conduct a large number of reviews on the cyber security process through the supply chain, including at the contract stage. There are also some audit requirements. But the ecosystem is large and complex when it comes to third parties as you have core suppliers and other partners, all of which need to be treated differently. I think we all appreciate here how considerable a task that is.

Mike Osborne: Indeed. How do you test and then evidence that – and be confident of it at the same time?

Practitioner: We use the ISO, and are confident when we are audited against it. For our datacentre, that's ISO 27001 and for BCM, it's ISO 22301. These overlap and speak to each other. We have playbooks as well, and invite our customers to join in on exercises and cyber tests. We are in the early stages of this journey, but we are improving.

Practitioner: We look for evidence that they have tested their plan, and check that the lessons learned have been applied across the organisation. To be honest, it's a weak area for us so that's why we're looking at it. We got our border, our perimeter, but we accept that suppliers that link into our systems are potential weak areas.

Mike Osborne: Which standards should companies be using to convince stakeholders of cyber hygiene?

Practitioner: The ISO 27000 family takes care of the resilience aspects. For supply chain, it's ISO 9000. When it comes to standards, it's noteworthy I think that around 20 years ago, Ford announced that they were going to adopt

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ISO 9000 for their quality assurance, and gave their tier one suppliers six months to achieve certification. For tier two, it was 12 months. Tier 3 had 18 and so on. They drove it right down the supply chain. Within a matter of years, the entire automotive industry had achieved ISO 9000. There have been attempts to emulate this in the ISO 27000 family. The Ministry of Defence required it for their tier ones some five or six years ago, but it hasn't trickled down that far as yet.

Practitioner: In the financial services sector, the Financial Conduct Authority is changing its regime, having admitted that the current regime is not good enough as the chance of systemic risk is really high. If one of those goes down, it has a cascading effect. I think we're going to see some quite major changes there.

Practitioner: It's high stakes. Even though the financial sector has a huge budget, individually they cannot manage to monitor the very broad threat landscape adequately. For some kinds of threat, it doesn't matter how big you are.

Practitioner: I think that is a recognition of the fact they're probably not, in my view, strong enough yet.

Practitioner: We have a process in place whereby we set up a core team incorporating business continuity, cyber security and data privacy. We share this intelligence amongst ourselves. When it comes to suppliers, we talk to them and ask them to explain to us what are they doing, so it's quite comprehensive.

Practitioner: We conduct tabletop exercises.

Practitioner: We have a plan to conduct scenario exercises across all of our manufacturing sites, and cyber is the flavour of the month.

Practitioner: I get involved a lot in creating exercises and running them and what I'd say is that an organisation has to be clear on what they want that exercise to do. Maybe you want to test a different scenario every time. I think also that the right people have to be involved.

Practitioner: I agree. You have to be very clear of your objectives and what you want to achieve from it. You also have to make it as realistic as possible.

Mike Osborne: Who is actually ultimately responsible for cyber hygiene within larger organisations?

Practitioner: CSOs.

Practitioner: CSOs.

Mike Osborne: How do they interact with the CRO?

Chris Butler: From my experience, it depends on how you define cyber hygiene against cyber resilience. Cyber hygiene strikes me as slightly more technical.

Practitioner: I think with operational resilience, everybody comes together, don't they?

Practitioner: But whom do they report to? They're not board positions, even if they're called chief. The CSO is not on the board of most organisations.

Practitioner: In the organisations I've worked in, they report to the head of technology.

Practitioner: We had a change in our organisational structure very recently. Our CSO used to report to the chief technology officer but now the CSO reports into the chief operating officer. But it's different for each organisation.

Mike Osborne: Is cyber so dominant now in companies' plans that it is taken as read that they can recover?

Practitioner: I think that some companies may feel that they are so mature as an organisation with those traditional practices, that it almost becomes a tick box exercise, but it's a journey. It's all about the language, isn't it? We have to move away from "you should" to "you will". Companies have to recognise that they have to do this now. And they can't just pretend.

Chris Butler is resilience director and head of consulting at Databarracks. Reach Chris at chris.butler@databarracks.com

Mike Osborne is non-executive chairman at Databarracks. Reach Mike at mike.osborne@databarracks.com

Practitioners attend CIR's roundtables under Chatham House Rule.

To learn more about Databarracks, please visit databarracks.com

Industry views

Julia Graham is CEO of Airmic

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Two years ago, risk forecasters were talking about the risks on our horizon with a focus on biohazards, cyber crime and space conflict. Little did we know then that the next battle between nations would involve the use of tanks and street fighting more associated with conflicts decades ago. We must constantly scan the horizon, not to make predictions, but to systematically investigate the evidence about future trends – and we cannot make assumptions that the future is all about progress – on occasion, developments will occur that could display characteristics of the past.

After the pandemic, global expectations and energy levels were high and the mood for international cooperation was optimistic. There was an expectation that people and societies would be re-energised after the years of restrictions, and that a surge in the development and use of technology would create opportunities to thrive. The future now feels less secure and settled than expected, and optimism is more restrained. Taking decisions in such an uncertain and fragmented world is more difficult. The free flow of ideas, people, goods, services and capital across national borders leads to greater economic integration. But globalisation, and the trend toward these things moving more freely between nations, has seen ebbs and flows.

Whatever the mode of war, events in Ukraine have created a sudden shift of the geopolitical tectonic plates. Underlying fault lines have risen to the surface, highlighting a world with very different economic and political systems.

Many in the current employment pool have only lived in a period of relative peace, global stability and global trading. The risk landscape has now been changed by more risks occurring, and new and different risks emerging. With an escalating velocity in change and an increase in the complexity and connectivity between risks, we now find that risks considered beyond the horizon have arrived sooner than expected.

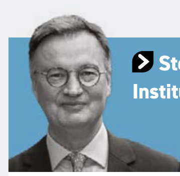
Business leaders need to look further over the horizon but not become frozen into inaction by what they find, but to take time to assess the velocity, nature and impact of change heading their way. While understanding these dynamics will not solve anything, achieving greater clarity about risks and their potential effects will make it easier to create appropriate interventions and to build a more resilient business and society – and to take decisions.

Geopolitical risks touch every part of an organisation and managing them is a team activity which demands collaboration. The availability of information on geopolitics is not a problem – key is being able to find and use the information. Geopolitical risk is something we have been living with for a long time, and whilst the tools, techniques and skills for us to tackle geopolitical risk may need some adaptation for the present, it is more a question of enhancement than reinvention.

We need to be prepared for a permanent state of crisis rather than an ebb and flow of change, and help to synchronise business reactions with external realities. Rigidity has no place today in any risk management and internal control framework, including the creation and management of risk registers. We must be agile and responsive to the pace and nature of change, and continuously consider adjustments to reflect purpose, culture and risk appetite.

They must operate a feedback loop and have the courage to step up with informed and timely recommendations, where there are signals indicating they should do so. In late 2022, McKinsey & Company reported that geopolitical risk was at the top of the CEO agenda: “In the face of fragmentation and uncertainty, many business leaders are responding by intensifying their focus on resilience.” Geopolitical risk is becoming far higher in profile on the risk radar of most businesses and is a board agenda item – and, according to our research conducted in partnership with the Chartered Institute of Internal Auditors, one that demands a collaborative response from risk and internal audit professionals.

Businesses must monitor and navigate the short-term risk outlook, and scenario plan for the long-term view, whilst keeping an eye on strategic opportunities that can emerge from volatility. Building resilience is imperative.



Stephen Sidebottom is chairman of the Institute of Risk Management

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Risk management is becoming an ever more important aspect of business operations. The fast-paced nature of technological advancements and the unpredictable global economy means that organisations must be equipped with the

What's your view? Email the editor at deborah.ritchie@cirmagazine.com

right skills to manage risk effectively. Risk management approaches and skills must be future-proofed, ensuring they remain relevant and effective even in an ever-changing business environment. In practice the world has never been more complex and volatile; war, climate change, cyber risks, the energy crisis, the cost of living and the fallout from the pandemic are all ongoing challenges as we manage in a time of multiple external shocks.

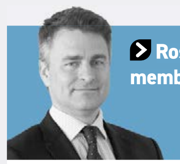
Given this increasing complexity and uncertainty in the business environment, organisations are recognising the importance of proactively identifying and managing risks. IRM's *Global Risk Trends 2023* highlights how many of these issues are being considered by the risk community and how the business response to global risks is evolving through an investment in risk management capability, assessing and updating risk frameworks, continuously improving data insights, and building risk management skills.

If nothing else, this requirement to future-proof risk management skills should lead to a focus on continuous learning and development. As new risks emerge it is crucial for risk management professionals to stay informed and up-to-date. By keeping abreast of the latest trends and best practices, risk management professionals can ensure their skills are aligned with the latest developments in the field.

Another important enabler is to embrace digital transformation. With the rise of digital technologies, many businesses are adopting new methods of managing risk that are more efficient and effective. For example, organisations are using artificial intelligence and machine learning algorithms to identify and assess risks in real-time, which provides a more comprehensive and accurate picture of the risk landscape. Additionally, companies are using blockchain technology to automate and secure their risk management processes, reducing the risk of human error and fraud.

For many organisations, risk management remains reactive – only responding to risks after they have already arisen. This approach is no longer sufficient in a fast-paced and rapidly evolving business environment. Instead, organisations must be proactive in identifying and assessing risks before they occur, and developing strategies to mitigate or avoid them. This requires risk management professionals to have a deep understanding of the business and the industry, as well as the ability to anticipate and prepare for potential risks.

Finally, it is essential to foster a risk intelligent culture. This means that risk management must be embedded in all aspects of the business, from decision-making processes to employee training programmes. By promoting a culture of risk management, organisations can ensure that all employees are aware of the importance of risk and are equipped with the skills to identify and manage risks effectively. A culture of risk management can also help foster a sense of accountability and responsibility among employees, as everyone is aware of the roles they play in managing risk and creating opportunity.



Ross Baker is a partner at Beale & Co, a member of Global Insurance Law Connect

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GLOBAL INSURANCE LAW CONNECT

The annual PLUS D&O Symposium in New York is a major crossing point for D&O teams from the US and Europe and, as a result, is a great place to gain insights into the shifting state of the global D&O insurance market. At this year's event, over a thousand delegates gathered, primarily from the US but with significant attendance from the UK, Europe, Bermuda, Singapore and Australia.

Several key themes emerged at the event. Perhaps most critical was a general agreement internationally that D&O claims are increasing both in frequency and severity. That said, a negative claims picture has been expected for several years by insurers, and as a result we are, rather contrarily, emerging out of the hard market. Improved pricing has come about because of increased capacity and new entrants, who have scented the opportunity in this long-challenged space. This included higher take up in Bermuda where costs bases were lower.

The underwriters I talked to are interested to see how the predicted wave of claims relating to ESG will develop, and whether the increased interest rates and high inflation will lead to an uptick in the number of corporate insolvencies. These developments appear priced in, however, which should comfort both corporates and their underwriters as they watch developments.

The jangling nerves are much more to be felt around increased defence cost spend, with rates of spend reaching unprecedented levels in the US. This was coupled with the rising threat of litigation funders and legal charitable organisations providing capital for new types of claims, including greenwashing allegations against high-profile insureds in the financial and energy sectors. The ever-increasing regulatory burdens focusing on personal responsibility of directors and officers amplified by multi-agency and often multi-jurisdictional investigations were a source of increasing concern. It is here that corporate D&O buyers should be spending time exploring cover limits with their brokers, and is where we predict significant movement in the coming year.

High seas drama

Miller's latest *Marine Market Report* looks ahead to the factors driving the market in 2023 in the context of a turbulent 2022

Despite a turbulent year, 2022 was largely positive for the hull insurance market, a finding that seems at odds with the underperformance of other specialty lines. This is among the findings of broker Miller's latest *Marine Market Report*, which shows how a "fragile equilibrium" of rates has been established in the class, reflecting its attraction to underwriters.

Miller's report hints at signs of new emerging hull capacity at Lloyd's, but highlights the ongoing issue for now of coverage and wording, rather than pricing – driven in the main by Russia's invasion of Ukraine.

Uncertainties in the market make the year ahead hard to predict, as a material shift in underlying factors could swiftly change the state of the market as the shipping industry battles supply chain impacts, congestion at ports, inflationary pressures, low shipbuilding volumes and regulatory risk, including the decarbonisation of emissions.

The specialist re/insurance broking firm's report flags ongoing issues with mis-declared lithium-ion battery cargo. Mis-declared cargo continues to be a common problem in general, with lithium-ion fires particularly catastrophic – the most recent example being the total loss of the Felicity Ace in late February 2022.

The issue of ESG, meanwhile, cannot be escaped – even on the high seas, as a new generation of ships using more efficient fuels and integrated with smart digital systems is sought to replace an ageing fleet. The total CO^2 emissions of the world's merchant fleet (annualised monthly) continues to increase rather than diminish; UNCTAD recorded annualised emissions in April 2022 of 847 Mt, up from 782 Mt only two years prior.

"As shipping accounts for around 3% of global emissions, the industry is likely to clamp down on pollutants as 'soft' legislation morphs into a firmer regulatory environment, and shipping will likely become caught in the cross hairs of GHG emissions," the report states.

Download *Miller's Marine Market report* in full at https://www.miller-insurance.com/News-and-insights/Latest-insights/Marine-Market-report---2022-in-review

Regulatory changes

Three IMO environmental regulation changes came into force on 1st January 2023. These include:

The Energy Efficiency Existing Ship Index (EEXI) – a framework for determining the energy efficiency of vessels over 400 GT. Ship operators will have to assess their ships' energy consumption and CO^2 emissions against specific energy efficiency requirements. To ensure compliance, shipowners may need to reduce their vessels' emissions. This is a one-time certification.

The annual operational Carbon Intensity Indicator (CII) – applies to ships of 5,000 GT and above, and indicates a vessel's performance and efficiency based on annual fuel consumption, using a rating from A to E. The CII will be assessed annually from 2023 and will become increasingly stringent towards 2030. For ships that achieve a D rating for three consecutive years, or an E rating in a single year, shipowners will need to develop a corrective action plan.

The enhanced Ship Energy Efficiency Management Plan (SEEMP) – the mechanism for improving CII ratings. It envisages targets and planning, and the new technologies and practices for optimising ship performance, along with procedures for self-evaluation, verification and company audits.

Shipping is also affected by other national and regional environmental policies. The EU, for example, in 2021 presented a 'Fit-for-55' package, which charts the path towards 2050 to decarbonise across various sectors, including shipping, and includes changes to the EU Emissions Trading Scheme (ETS). In shipping, the package covers bunkering infrastructure in ports with related tax incentives and aims to promote alternative fuels, therefore establishing fuel standards and lifecycle GHG footprint requirements. Companies would have to buy carbon credits for all voyages starting or ending in the EU and when at berth in EU ports; purchase would be required for whichever flag they fly, or wherever the owner of that ship resides. Ships that do not comply could be detained or denied entry to ports. This is likely to increase the cost of voyages involving EU ports.

Source: Miller

BUSINESS CONTINUITY SOFTWARE

Fusion Risk Management
51 Eastcheap London EC3M 1JP
United Kingdom

Tel: +44 (0) 20 3884 3538
spatel@fusionrm.com

www.fusionrm.com
LinkedIn: www.linkedin.com/company/fusion-risk-management/
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Daisy
20 Lindred Rd, Brierfield, Nelson BB9 5SR

Contact Name: Kerry Howard

Tel: 0344 863 3000
Kerry.Howard@daisyuk.tech
www.daisyuk.tech
Linkedin: www.linkedin.com/showcase/daisy-corporate-services/
Twitter: twitter.com/Daisy_Corporate

Shadow-Planner from Daisy is a multi-award-winning business continuity management software tool, with an award-winning, mobile app to drive business continuity planning for the digital age.

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- Programme Management
- Mass Communications
- Mobile Application

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RecoveryPlanner
101 Merritt Boulevard, Trumbull, CT
06611 USA and Dartford Kent, UK

Contact Name: Jeff Goldstein, Sales Director

Tel: +1 (203) 455-9990
jgoldstein@recoveryplanner.com
www.recoveryplanner.com
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Daisy
20 Lindred Rd, Brierfield, Nelson BB9 5SR

Contact Name: Kerry Howard

Tel: 0344 863 3000
Kerry.Howard@daisyuk.tech
www.daisyuk.tech
Linkedin: www.linkedin.com/showcase/daisy-corporate-services/
Twitter: twitter.com/Daisy_Corporate

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12th Floor, St Clare House,
30-33 Minories,
London
EC3N 1DD

Tel: +44 (0)1617 917740
info@origamirisk.com
www.origamirisk.co.uk
LinkedIn: www.linkedin.com/company/origami-risk/
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Protecht
77 New Cavendish Street
The Harley Building
London W1W 6XB
United Kingdom

Tel: +44 (0) 20 3978 1360
info@protechtgroup.com
www.protechtgroup.com

LinkedIn: www.linkedin.com/company/protechtgroup

Twitter: www.twitter.com/protecht_risk
YouTube: www.youtube.com/user/protechtptyltd

Protecht is an integrated software-as-a-service enterprise risk management solution, supported with training and advisory services, for organisations of any size or geography. Currently on release R11.1, Protecht allows users to dynamically manage all their risks – compliance, incidents, KRIs, vendor risk, IT and cyber risk, internal audit, operational resilience, BCP, health and safety – in a single platform.

Protecht delivers interconnected, structured data through dashboards and reports that can be categorised and documented, allowing users to spot trends and identify areas that require actions. Its reporting tools allow effective and professional communication to risk committees, boards and business stakeholders using customisable visual reports.

The platform is designed to be used across the organisation, with the MyTasks personal dashboard keeping every user on top of their responsibilities, and a mobile app to provide access wherever it's required. Registers can be customised and deployed without the need for coding, and the system's user management functions allow organisations to onboard users and precisely control their access.

With features including a dynamic form builder, the capability to automate notifications and email alerts, and customisable risk assessment scales, Protecht has the flexibility to meet an organisation's specific risk profile. It also includes a wide range of preconfigured dashboards, taxonomies, workflows, registers and analytics relevant for organisations for all levels of risk maturity.

Rather than just being a software company, Protecht is a risk company, incorporating training and advisory services delivered by leading experts in risk management. The product itself, the client implementation process, and the training and advisory services provided to customers are all directly informed by Protecht's understanding of how to manage risk.

www.protechtgroup.com

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riskHive Software Solutions

riskHive Software Solutions Ltd
Dilkush, Farlers End, Bristol, North Somerset, UK BS48 4PG

Contact: Ian Baker or Rebecca Cope-Lewis

Tel: +44 1275 545874 or +44 781 8898 997
info@riskhive.com
www.riskhive.com
Linkedin: www.linkedin.com/company/riskhive
Twitter: @riskhive
YouTube: www.youtube.com/channel/UCGDHhXKtohhLbmIM37gzF7w

riskHive's IRM platform is a 'no-compromise' solution to the challenges of implementing agile Integrated Risk Management with apps that will start working NOW, not in 2 years' time

With the mature and award-winning ERM v6 application at its core, you can very rapidly specify and design any number of integrated applications, workflows, functions and dashboards.

More can be added very quickly as your regulatory risk process evolves or changes in response to new requirements.

We know that developing a capability means going on a journey which is different for every company and 'one size' does not fit all.

That's why our flexible solution is the only one which is trusted by some of the worlds' biggest and most significant organizations to be hyper-configurable to meet your needs; whatever they are now and in the future.

Please get in touch to free yourself from the costs and constraints of regular GRC.