



Do you have what you need to navigate a complex world? You can.

AIG's multinational capabilities go beyond insurance, helping you achieve your risk and contract certainty objectives. Our global network of over 215 territories is backed by over 500 dedicated multinational experts. In every country you do business, you can count on expert local knowledge and insights. Our innovative technology and unique solutions unlock benefits like expert program design, streamlined process, and global visibility of your claims trends. And our service is unmatched. Let's get your AIG multinational program going. Visit www.AIG.com/multinational

Local expertise, worldwide.



Insurance and services provided by member companies of American International Group, Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. For additional information, please visit our website at www.AIG.com. AIG Europe, S.A. is registered in Luxembourg. Company number B 218806. Registered address: 35 D de Avenue JF Kennedy, L-1855, Luxembourg. The insurance policies for Portugal are provided by AIG Europe, S.A. - Sucursal Portugal, with headquarters at Avenida da Liberdade, n.º 121 - 3.º, 1250-140 Lisbon. Further information is available at www.aig.pt.

FITTING PROTECTION FOR THE BUSINESS YOU LOVE.

Zurich offers many distinct products and services for a diverse range of businesses. We can put them together in a way that perfectly fits your business to protect the things that matter most to you.

Find out more at
zurich.com.br



ZURICH INSURANCE.


ZURICH®



José Manuel Fonseca
MDS Group CEO

Editor's letter

Our 'home is burning' and only recently have most governments and stakeholders recognised this is no longer a question of when climate change or other issues will present themselves in the future – it's an emergency, and it's happening NOW.

Never-before experienced storms, hurricanes, forest wildfires and pandemics (such as the new Covid-19, that in a short space of time is bringing havoc to our way of life and economies) are threatening the survival of mankind as a species. While our actions have caused the extinction of many other species, we must ask ourselves – are we next?

For many years insurers and reinsurers have been at the forefront of risk management, yet never before have the increasing number of challenges and uncertainties required them to identify new ways of managing risk or finding new solutions.

Take the Swiss Re Group for example. We interviewed [Andreas Berger](#) who, in addition to sharing his views on leadership, diversity, technology and the company's expansion plans, discusses how sustainability is a strategic priority for the Group, outlining ambitious targets to mitigate climate risk, advance the energy transition and reduce societal vulnerabilities with innovative re/insurance solutions (such as creating the first cover for hurricane damage to a reef barrier in the Caribbean sea). He also tells us how the Group is dealing with the pandemic crisis.

Because we're at a [climate emergency tipping point](#), we've given it special attention in this edition of FULLCOVER: from our articles explaining the causes of climate change to the tragedies that loom and the challenges ahead. As always, we go further, bringing you

some of the latest-adopted solutions, demonstrating human ingenuity has no boundaries. History shows us that in moments of great wars or natural catastrophes, when all seemed lost, mankind always found a way to innovate, persevere... and survive.

With history essential to understanding the present and planning for the future, FULLCOVER 13 sheds light on the first ever insurance treatise, written by a [Portuguese citizen way back in 1552](#). Detailing the past to the present day, [Michael Morrissey](#) explains the work the International Insurance Society undertakes on behalf of the sector; and [Steve Hearn](#) tells us how the new independent broking group he leads, BGCi, is meeting the challenge of combining talent and technology.

Finally, we talked to [Joana Vasconcelos](#), the worldwide renowned Portuguese artist, who told us, with her usual irreverence, how she has faced some daunting risks during her career, and how her indomitable spirit has enabled her to beat them, one by one, against all odds.

We invite you to discover more in this edition of FULLCOVER. In this amazing world, where new risks peer around every corner, the insurance and risk management sector will be there, as always, in a fearless and supportive way.

At the end of the day, Joana Vasconcelos' motto 'good fortune favours the bold' could very well be ours too.



THE FULLCOVER

Breaking boundaries
in risk and insurance

CONTENTS

Editor's letter	03
Memory of Insurance	32
With uncertainty, comes opportunity <i>by Juan Arsuaga</i>	44
A threat to Life and Property <i>by James Franklin</i>	46
Alliant – Independent broking with a purpose	52
Generali to become a new giant in Portugal	55

08

Interview with Andreas Berger



40



Collaboration is key



*with Michael Morrissey,
President & CEO of IIS*

26



Risk management after Covid-19

*by Jorge Luzzi, Maurizio Castelli,
Corey Gooch & Javier Mirabal*

48



BCG Insurance Combining the power of technology and talent

with Steve Hearn

57

Dossier: Tackling Climate Emergency



Our Home is Burning

- The many risks of climate change
- Climate emergency: a call to action
- Climate change: a matter of life & health
- Liability for Climate Change in Europe
- Spanish catastrophic risk insurance
- A Blue Carbon future
- Carbon removal and reaching zero emissions
- Parametric Insurance
- Smart Cities: a holistic approach
- Lisbon 2020 European Green Capital

58
60
64
68
70
74
76
80
82
84

119

Brokerslink Africa
Africa, the future today!



132

Brokerslink
Global Conference,
Bordeaux



90

Joana Vasconcelos
Fortune favours the bold



138

Brokerslink News



142

MDS Publications
Bringing you all the
colours of the rainbow



Director

José Manuel Fonseca

Editor in Chief

Paula Rios

Editorial & Production Coordinator

Susana Neiva

Design Coordination

Beatriz Cabral

Advertising

Liliana Baptista

Editorial Committee

Carla Gonçalves

Mariana Carravilla

Contributors

Alex Wise, Alexandra Queiroz,
 Ana Cristina Borges, Ana Salgueiro,
 Ana Sousa, Andreas Berger, Anne Collette,
 Bennett Heller, Bernd Wilke, Brian Whiteman,
 Corey Gooch, Daniel Duesterhaus,
 Fernanda Rollo, Fernando Medina,
 Filipe Duarte Santos, Francesca Breeze,
 Francisco Espejo Gil, Françoise Le Quer,
 Iulia Simon, Jairson Vitorino, James Franklin,
 Javier Mirabal, Joana Vasconcelos,
 João Wengorovius Meneses, Jorge Luzzi,
 Jorge Machado, Jorge Magalhães Correia,
 Juan Arsuaga, Maria João Valente Rosa,
 Maurizio Castelli, Michael Morrissey,
 Miguel Dias Fernandes, Roberto Armana,
 Stefan Perner, Steve Hearn, Steve Oldham,
 Suzanne Scatliffe, Tiago Mora

Title The FULLCOVER**Edition Number** 1st edition (FULLCOVER 13)**Publisher** MDS Group**Place of Publication** Porto**Date of Publication** May 2020**Circulation** 4500**Design** www.studiodobra.com**Printing & Finishing** Lidergraf Sustainable Printing**Legal Deposit** 374241/14**ISSN** 2184-1136

Most of the articles and interviews featured
 in this edition of FULLCOVER were finalised
 before the pandemic crisis.



103

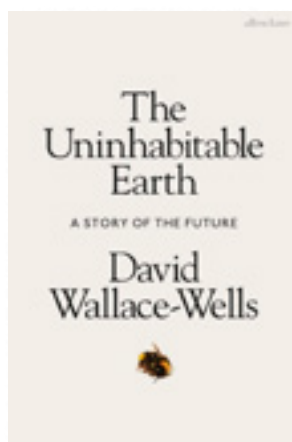
Brokerslink Italy
PCA Consultative Broker
Investing in the future
The Italian insurance market
Italy ... where else?



148

MDS News

165

Readings

Aging – Challenging prejudices and misconceptions 152

by Maria João Valente Rosa

Organisational change – The key to survival in our digital world 154

by Miguel Dias Fernandes

Farfetch, the power of culture 156

by Ana Sousa

Stranger Topics – Trends in the 2020s 158

By Jairson Vitorino

Legal Corner Insurance 160

Distribution Directive*by Françoise Le Quer***Broker beware***by Bennett Heller & Brian Whiteman*

A man with dark hair, wearing a dark blue checkered suit, a light blue shirt, and a dark blue striped tie, stands in a rustic kitchen. He is holding a white coffee cup and saucer with a spoon. The background features a stone wall with a dark brown ceramic pot on a ledge and a wicker basket containing a silver moka pot on a counter. The lighting is warm and focused on the man.

CANALI

1 9 3 4

Lisboa - Avenida da Liberdade, 204 r/c | Porto - Avenida da Boavista 3523 Edifício Aviz, www.rosaeteixeira.pt

Available at ROSA&TEIXEIRA



Andreas Berger

A head in Switzerland
and a heart in Portugal

Andreas Berger was announced as the new Chief Executive Officer of Swiss Re Corporate Solutions in fall of 2018 and he started in the new role in March 2019. His journey to taking on the leadership of the commercial insurance arm of the Swiss Re Group started in Rwanda with stops in Portugal, Paris, Germany and London before ending up in Zürich. Ana Cristina Borges, Executive Director, MDS Portugal, went to meet him for FULLCOVER in the organisation's visually striking headquarters on the shores of the Lake Zürich. They discussed his earlier life in Portugal, what drives him as a leader, and the importance of global resilience especially in times of COVID-19. He addressed the protection gap and his views on innovation and how the insurance model needs to change to meet customers' needs.

[Andreas Berger](#) started his insurance career in 1995 as a leadership trainee at Gerling Group. Having held several management roles there, he joined Boston Consulting Group before returning to Gerling in 2004 as Head of Commercial Business and International Programs and Affinity Business. In 2006 he joined the then newly created Allianz Global Corporate & Specialty SE (AGCS) as its Global Head of Market Management & Communication establishing an overall market management function for the corporate client segment. He was then appointed AGCS Chief Executive Officer, Regional Unit London where he was responsible for the UK, Ireland, South Africa, the Middle East and Benelux territories. In 2011 Andreas joined the AGCS Board of Management as Chief Regions & Market Officer (Central & Eastern Europe, Mediterranean, Africa and Asia) and assumed responsibility for the Global Broker Channel Distribution for the Allianz Group. Andreas joined Swiss Re in March 2019 as Chief Executive Officer Corporate Solutions and is a member of the Group Executive Committee. He holds master's degrees in Law and Business Administration. He sits on the Executive Committee of the International Insurance Society and is an honorary member of the selection committee of the Collège des Ingénieurs in Paris.



Click to watch the video about
Swiss Re Corporate Solutions



Ana Cristina Borges and Andreas Berger

“

While the COVID-19 crisis impacts our whole industry, it also reveals its problems: Commercial insurance, with its old-fashioned systems, processes and delivery mechanisms, has been slow to adapt to the digital age in which fast and efficient customer service is key. We must rethink our approach and use the momentum of the current crisis as a catalyst for change.”

So, what attracted you to join Swiss Re Corporate Solutions?

When you work in the insurance industry, Swiss Re is a point of reference that will likely influence your work somehow or even career from day one. Most people in the industry know the *sigma* studies from the Swiss Re Institute. And if you're lucky enough, you're invited to the Centre for Global Dialogue in Rüslikon, which is a unique and inspirational place. Swiss Re's standing is driven by its very strong purpose – to make the world more resilient – and it is this purpose that attracts open-minded and globally interested individuals.

We are surrounded by risk – it's attached to everything we do and engage with. While risk is nothing negative *per se*, we must be conscious of it and find ways to address and mitigate it. On a global scale we see the impact of natural catastrophes on individuals, institutions and society at large. All too often, there is a gap between the economic losses and insured losses in many parts of the world – the protection gap – which can create significant costs for businesses and societies. The Swiss Re Group wants to close this protection gap and to make the world and its inhabitants more resilient. It is this drive, this purpose, that made me want to join the business.

When you get closer to Swiss Re, you see the people behind this over 150-year old institution. Swiss Re is a very collaborative, open environment with creative, energized, globally-focused people. Their ideas and solutions – combined with our collective risk insight, strong balance sheet and direct access to global risk pools – enable us to bring our purpose alive.

What made you choose the insurance industry as a career?

I never thought of insurance as a career, although, as a child, I knew about the industry because I saw the companies in their monumental buildings, like forts that one couldn't penetrate. It felt like they had something to hide behind those big walls.

I actually got into insurance in a fairly unique way. In 1988, I was in Paris studying business. One evening, talking with old school friends, I shared my excitement of studying in such an amazing city but mentioned I was keen to experience a wider, international life. I thought nothing more of the conversation but then a week later I received a letter from Allianz. While I knew of the company, I had no insurance or relationship with them. The letter said, “Dear Mr Berger, my children told me about what you are doing, and I would like to invite you to come to the Allianz office on 17 April 1988 at 10am.” I thought, why not, there might be an internship or other opportunity. When the day came, I arrived at the office and was ushered into a room. A group of men in dark suits walked in and the tallest of the group, who seemed familiar, stepped forward and said, ‘Welcome Mr Berger, please don't worry, I'll explain everything later.’ I was then introduced to the others as a representative of the embassy of the Republic of Rwanda. I was very surprised, to say the least!

I was then taken into a room with a round table and numerous nations' flags including one for Rwanda, which had two name tags in front of it: one for the Rwandan ambassador and the



other for me. I was attending a discussion about the development of cooperation agreements to support multinational programmes between the state-owned insurance companies in North and West Africa and Allianz. Following the meeting, I was asked if I would like to become a project assistant. I was paid 100 deutsche marks a day (equivalent to around €50 today), which was a fortune for me at the time.

The role took me to Senegal, the Ivory Coast, Tunisia and Morocco. It was not without incident as for instance we were on the second last aircraft to leave Algeria before the civil war between the government and various Islamic rebel groups commenced at the end of 1991.

I went on to spend four years with Allianz while completing my studies and, at the end of the project, I was offered a full-time role. However, I had already received an offer from Gerling Insurance. But I would return to Allianz later in my career.

“
Knowing and listening to people are key to understanding where the organisation stands. Only then can we determine our efforts in bringing people along and getting them excited about a new vision or strategy.”

What are the key ingredients for successful and strong leaders?

Knowing and listening to people are key to understanding where the organisation stands. Only then can we determine our efforts in bringing people along and getting them excited about a new vision or strategy. In my first months with Swiss Re, I went on a “Listening Tour”, travelling to 20 locations across Europe, the United States, Latin America, Asia and Africa to get to know our teams, talk with our employees as well as our stakeholders and meet with brokers and clients.

I like being both visible and approachable, however I believe that every employee, regardless of role or level, can be a leader in seizing opportunities within their own area of influence. Our internal ‘leadership from every seat’ initiative focuses on taking on this self-responsibility and joining efforts that foster faster decision-making and high performing team collaboration without necessarily needing a leader to drive it.

How you deal with setbacks is an important way to improve and develop leadership skills. Can you share any examples?

I participated in one of our internal ‘Experience Night’ series of events, where leaders share their failures with the aim of helping to demystify the negativity associated with it.

I spoke about a moment in my professional career, where as a leader, I didn’t realize a serious burn out condition in one of my people. That hit me hard, as I strongly believed I was a people person and, as such, should have recognised this earlier. What I learned is that taking care of our people starts with the leader, but ultimately needs a broader support network that joins forces.

Can you tell us more about your Latin American business including the joint ventures with leading banking and financial services partners?

Latin America is a high-growth market and we are very happy and proud that our portfolio in the region represents around 12% of our gross written premium. Of course, like other high-growth markets, the region can be volatile, so you need to look at it from a longer-term perspective.

We see economic volatility at an individual country level, Brazil for example. But reforms such as those on pensions will prove to be a starting point for increased levels of economic



Swiss Re Centre for Global Dialogue, Rüslikon (Zürich)

and investment activity. Yes, there are still some uncertainties but when you speak to the locals, they say it cannot get any worse, so every reform will bring improvement. So, by already operating in the country and understanding the dynamics we will be participating in the upswing.

Swiss Re Corporate Solutions has a strong presence in Latin America, supported by our two joint venture partnerships. We believe that, in our business segment, growth in these markets is hard to achieve organically at scale. That's why we identified the right partners – when we combine their very good market access with our industry insight, expertise and tools, we're meaningful in the market.

We teamed up with Seguros Confianza, Colombia's leading specialty insurer that provides Colombian corporate clients local access to our commercial insurance products and services. In Brazil, we have a joint venture with Bradesco Seguros, that has created a leading commercial large-risk insurer with a distribution network of more than 4,500 bank branches and approximately 40,000 insurance brokers and agents.

Turning to another growth region, Africa. MDS Group and Brokerslink have a strong and growing presence in Africa. What are your views on the continent's growth prospects as well as the international and domestic opportunities for the insurance industry?

In the global economy and world of insurance, the drive is for growth. When you look at gross domestic product (GDP) growth figures you

will find several African countries at the top of the list. In relative terms, these countries have a healthy GDP growth, so the question is: what is the outlook? The continent of Africa has tremendous potential, not least because of its demographics and ability to bring the youth into economic activity.

However, to try and work in Africa from a remote office outside the continent does not really work; if you are not seen, if your commitment is not visible, it will be hard to achieve success and, once committed, you must make choices and have priorities as you cannot tackle the whole of Africa.

While insurance penetration is still low in this region, we have to be smarter. We cannot apply the same lessons from more mature markets when they were first opening up. For example, today's generations have made significant leaps forward in the use of technology such as mobile phones. When you imagine the functionality that smartphones can provide people versus a landline, you will see just how far of a technological leap the population has made.

For the insurance industry, you cannot think in the traditional way about distribution channels. Rather than agencies, you are looking at mobile access. The tools are there but you need to be thinking local rather than global, or that you can replicate a successful model used in the past and apply it to a new continent or market.

Another aspect that insurers and brokers need to consider is that Africa is a territory made up of 54 different countries. To trade insurance, you must have a licence in each of the countries. But with many of these having populations in single digit millions, it does not make commercial sense to deploy capital and resources in each and every African country. It is for this reason that I would advocate the regional integration principle similar to that used in the creation of a unified insurance market in the European Union with its freedom of service approach. By applying this thinking to the African continent, you could generate growth within larger territories and addressable markets that would probably attract more people to invest from an insurance perspective.

Growth starts with infrastructure, so our mandate is to secure and protect local infrastructure, make it resilient. As the continent's ports, railways and airports develop, Africa will become a market of the future and we will expand our support for the continent through activities around infrastructure.



The Pandemic Crisis

Our interview with Andreas Berger took place before the COVID-19 pandemic crisis hit us all. So we picked up with him again recently to ask his opinion on the preparedness of the insurance industry and how Swiss Re Corporate Solutions is responding to the pandemic.

COVID-19 created a global crisis that speaks to the very purpose of the Swiss Re Group – to 'make the world more resilient'. During our 150-year history, we've seen many crises, and – thanks to our solid balance sheet and broad risk knowledge – continued to serve and support customers through tough times. Knowing adversity would strike again, we built an agile working culture and strong infrastructure. This preparation, coupled with the hard work of our Claims, Operations and market-facing colleagues, allowed Swiss Re Corporate Solutions to uphold our commitment to be accessible and responsive to customers and brokers during the current pandemic. Despite being physically distant, my relationships with employees, customers, brokers and industry peers have grown even stronger as we look for community, personally and professionally, and try to build a stronger tomorrow.

Indeed we need to look to the future. While COVID-19 impacts our whole industry, it also reveals its problems: Commercial insurance, with its old-fashioned systems, processes and delivery mechanisms, has been slow to adapt to a digital age that values fast, efficient customer service. The industry lacks a holistic end-to-end view of the value chain and approaches to systematically gather, analyse and use data. These shortcomings often result in poor customer experience. Clients deserve better. We must rethink our approach and use the momentum of the current crisis as a catalyst for change. COVID-19 means a new reality; it's up to us to define what it looks like: by addressing industry inefficiencies now we will improve the customer experience, and be better prepared for global crises in the future. Ultimately, we have the strength to make the world more resilient.

“

Despite being physically distant, my relationships with employees, customers, brokers and industry peers have grown even stronger as we look for community, personally and professionally, and try to build a stronger tomorrow.”

The role and relevance of brokers attracts differing opinions. What is your vision for the future of commercial insurance distribution?

Brokers are an important business partner for us, but the question has to be what role do they play? In traditional insurance market terms, the broker was the intermediary between the insurance company and the insured. Going forward, access to the customer base is now important but, with technology, we need to understand what 'access' really means. Is the broker really the intermediary or are there other roles they can play in the future? Perhaps a consultant or advisor to the customer, or they could be an ecosystem partner.

The question about role can also be asked about the insurer. Swiss Re Corporate Solutions decided that we do not just want to be a capacity provider. We stand for more than that. Yes, we have a strong balance sheet, but we also have profound risk insight, and customers and brokers value this. We believe that combining our insight with

technology, provides a differentiated offering that few in the insurance industry can provide. So, with the right business partner, we can work together to address a customer's pain points. We need to have a common understanding of what customers need and, to address those needs, we have to decide between us who adds the most value and then how to best help customers solve their problems.

In the future, I think we will have less conversations about customer ownership. The 'wall' between the insured and the intermediary on one side, and the capacity provider on the other, will disappear. The current model is outdated and expensive, and no longer adds value. Customers are asking more and more about where their premium dollar is being spent and where they receive value.

In today's world, 40% of each premium dollar goes into the expense ratio. You must ask what adds value and what can be reduced, otherwise there is no future for us in this industry.

Ecosystems are the new economic and business markets – they combine a variety of services and vendors on one platform to offer a holistic experience to the customer. According to the Swiss Re Institute's recent report on [Digital Ecosystems](#), ecosystems are increasingly extending the boundaries of value creation in re/insurance. McKinsey, the business management consultancy, says that by 2025, 30% of all global revenues will be generated by ecosystems. They are breaking up the existing value chains, so we naturally need to respond to this development.



[Click to access the report on Digital Ecosystems](#)





Andreas Berger with José Manuel Fonseca, Brokerslink chairman and Swiss Re and Brokerslink senior executives during the announcement of the strategic partnership

Why have you chosen to partner with Brokerslink in the development and delivery of a dedicated international insurance programme management platform for its partners and affiliates worldwide?

Brokerslink combines a global broking company and a worldwide broking network with partners and affiliates in more than 113 countries. Just like us, Brokerslink specialises in professional, innovative risk management and insurance expertise, international market connections, and world-class advisory services.

We're excited to be collaborating with Brokerslink on a business platform that will enable its broker partners and affiliates to manage and deliver structured and compliant international and cross-border programmes as part of its growing international portfolio, from a single online platform.

In Brokerslink, we found a partner who shared our view that the delivery of products and services to multinational customers could be improved and was looking to find ways to solve the challenges that existed in meeting their needs. We already had a trusted relationship, so we were able to sit down and explore how we could align our mutual interests. The resulting solution combines our modern technology and risk insight on one platform that is customized to meet the needs of Brokerslink and its network of partners and affiliates.

We shouldn't underestimate the work and effort needed to deliver this solution – and the work that will continue to ensure we are best placed to address the inevitable future changes in our market. That's why having the right partner is so important in achieving a solution. But this innovation and work will pay off; Brokerslink will be able to manage all of its multinational and cross border business on this single platform, which means we'll be faster, more efficient and translates into better service for our mutual customers.

What are the critical risks that our societies face today and how do you think the insurance industry can continue to provide relevant and valuable risk transfer solutions?

Beside the growing risks arising from globalisation, our societies face risks from advanced technological and economic developments, geopolitical events, climate change and health issues as we see with pandemics like COVID-19 – to name just a few. With these trends, insurers need to play a central role in ensuring systemic and societal resilience by investing in risk prevention, absorbing shocks, and helping businesses get back in operation following adverse events, such as the current global crisis.



Click to watch
Andreas Berger
video on the
partnership

“

In Brokerslink, we found a partner who shared our view that the delivery of products and services to multinational customers could be improved and was looking to find ways to solve the challenges that existed in meeting their needs.”

Click to watch the video about the new type of insurance to protect the coral reefs



Right now it means sharing our risk know-how for making thorough pre-start up plans that help our clients ensure a safe return to operation and avoid unnecessary set-backs or further business interruptions. We also begun conducting virtual site visits. By using technology, our Risk Engineers can understand the specific details of individual sites to help businesses mitigate their risk while at the same time protecting the health and safety of themselves and others. These are just two examples how at Corporate Solutions, we continually invest into having state-of-the-art insurance solutions as well as our Innovative Risk Solutions (IRS) to best meet the shifting risk requirements of our global clients.

We are told the world is sleep-walking into environmental catastrophe with growing concerns around extreme weather and the impact of climate change. What is your view on the issue? What role must the insurance industry play in addressing these risks?

Managing climate and natural disaster risk is at the core of what we do. Rising temperatures and heavier precipitation are likely to increase the damage caused by wildfires, drought, heatwaves, torrential rain and flooding in many locations around the world. If unmitigated, some of these

risks may become almost uninsurable or very expensive to cover in the future. This would widen the protection gap even further. Therefore, our climate change strategy is founded on advancing our knowledge and understanding of climate-related risks as well as quantifying and integrating them into our risk management, sustainable underwriting and investment frameworks.

Developing innovative products and services to mitigate or adapt to climate risk is vital and we take this responsibility very seriously. For example, we're helping to protect the largest barrier reef in the Western Hemisphere, the Mesoamerican Barrier Reef System in the Caribbean Sea, with insurance against hurricane damage – the first solution of its kind in the world.

Sustainability is a strategic priority for Swiss Re and our Group sustainability strategy aims to embed sustainability into all our activities. We set ourselves ambitious targets: helping to mitigate climate risk and advancing the energy transition, striving to reduce societal vulnerabilities with re/insurance solutions and investments, and increasing the availability and affordability of insurance and risk knowledge worldwide.

In my view, the insurance industry must continue to raise awareness about climate change risks through dialogue with clients, employees and the public, and become a strong advocate for a worldwide policy framework for climate change.

Are insurers doing enough to address the protection gap through more accessible insurance products and providing solutions such as parametric insurance to supporting the communities they operate in?

Access to insurance is an important contributor to economic development and societal resilience, and Swiss Re works strategically with public sector bodies to improve risk resilience. Understanding these risks and their implications on communities requires building and managing partnerships with world-class academic and research institutions. Our Swiss Re Institute provides cutting-edge risk research not only to internal and external stakeholders, but also to the global insurance industry, to foster the knowledge sharing and collaboration needed to fulfil our global responsibility.

Given the growing interest in parametric insurance, Swiss Re Corporate Solutions offers, and continues to develop, a broad range of parametric products, including a standalone haze insurance solution and the first-ever





Swiss Re promoting diversity by covering their headquarters in rainbow colours

typhoon warning insurance in Asia. In Japan, we introduced parametric solutions in partnership with a local bank and are the first and only insurer in Japan with a licence for parametric solutions. We also offer parametric windstorm and earthquake insurance in the United States, and in Europe, we provide coverage for companies exposed to high or low water levels.

Diversity and inclusion are crucial elements in the success of the insurance industry. How does Swiss Re Corporate Solutions ensure it reflects the diversity that is needed in today's business world?

The Swiss Re Group overall employs people with diverse backgrounds in over 100 nations, with more than 80 offices in around 30 countries. Within Corporate Solutions, we have employees from more than 50 nations. For me, attracting and engaging talented employees from different backgrounds is key to truly living our 'smarter together' brand promise.

Through internal engagement surveys, we know that our employees strongly appreciate that the Group values diversity and has a collaborative, inclusive and high integrity culture. We rank higher than the Global Finance & Insurance industry benchmark, so we can proudly say that we foster a diverse and inclusive workplace.

Innovation is at the heart of Swiss Re Corporate Solutions. Can you tell us more about how technology is helping to shape and develop the business?

Innovation is a well-used word but there is one simple but important factor to consider, what is relevant to the customer. 'Customer first' has to be the starting point for innovation. If you innovate for the sake of innovating, that doesn't help anyone. But if you look at what is relevant to the customer, then you're already winning and focusing your resources on answering the right question.

Understanding that technology is changing our industry and our customers' industries, we continue to invest in tech-driven, innovative solutions that bolster our strengths and drive differentiation. The appointment of our first-ever Chief Innovation & Transformation Officer, Samrat Dua, signifies the strategic importance we place on those activities.

Some of our initiatives include working within ecosystems to deliver industry solutions or sharing our technology-enabled International Programme Administrator platform with partners including Brokerslink. You need to be curious, to engage with data and to model, and to have discussions with customers to help them solve their problems.

“

‘Customer first’ has to be the starting point for innovation. If you innovate for the sake of innovating, that doesn’t help anyone. But if you look at what is relevant to the customer, then you’re already winning and focusing your resources on answering the right question.”

Think Tank Swiss Re Next, Zürich © Leonardo Finotti, 2017



“

Insurers need to play a central role in ensuring systemic and societal resilience by investing in risk prevention, absorbing shocks, and helping businesses get back in operation following adverse events, such as the current global crisis.”

The role and use of data and analytics have grown exponentially. How is Swiss Re Corporate Solutions maximizing and leveraging these increasingly important tools?

We heavily focus on smart analytics to improve the efficiency of our operations and deepen our client, market and risk insights. Our internal Stargate platform, which we launched in 2018, is a perfect example of how we put data into action. It enables users to perform analytics at scale by making all of our data available in a compliant manner in a central “data lake” instead of allowing it in dispersed databases and systems. Stargate allows the average user to run complex analytics through intuitive apps for all their data science and machine learning needs.

We’ve already seen great success across multiple use cases in applying our new analytics capabilities. For example, we used data insights to create a scoring model that helps underwriters in our US Accident & Health business to prioritise submissions. By matching data that shows the likelihood of a submission binding with our underwriting appetite, we’ve already significantly improved the efficiency and effectiveness of our underwriting process.

Finally, the increased availability of data and analytics opens up opportunities to broaden the scope of our parametric solutions.

Andreas Berger and José Manuel Fonseca





Swiss Re Building, Zürich

**You first came to Portugal in 1974.
What are your memories of that time?**

There is a Portuguese expression, 'saudade' that is almost untranslatable. The best way to describe it is as a feeling, it is a longing for someone or something that you remember fondly but know you can never experience again.

I attended a German international school in Lisbon but had to learn the Portuguese language and the country's history. For example, we learned all about the Great Lisbon earthquake that took place on 1 November 1775. The earthquake, and the tsunami and fires that followed, devastated the city; it was not only an important historical date but a turning point in Lisbon's history. Following the earthquake, under the guidance of Marquis of Pombal, Lisbon rebuilt itself using the first earthquake-proofed buildings in the world – an architectural innovation at the time. Pombal was very disciplined, almost like a German!

When I think about my early life, my time in Portugal was the best time of my childhood. I was eight years old and arrived in Portugal right in the middle of the Revolução dos

Cravos (Carnation Revolution). I was born in Rwanda and experienced the overthrowing of the government in a coup d'état in 1972. So, when we moved to Portugal, I knew situations like that. They follow a pattern by occupying strategic locations – radio and TV stations – and I saw this in Lisbon and recognised that something politically important was happening. In fact, I now recognise it was an amazing and transformational time. I remember all the revolutionary paintings on the walls around the city and the songs of the time including Grândola, Vila Morena by José Afonso, who is among the most influential folk and political musicians in Portuguese history.

Swiss Re somehow reminds me of these times as making the world more resilient requires a strong will for transformation and ongoing engagement. It is this drive, that made me want to become integral part of Swiss Re's journey. ●

Swiss Re Group



Visit the website and know more

One of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. Headquartered in Zürich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around **80 offices** globally. With more than **15,000** employees, the Group provides a wide range of technical expertise, enabling them to develop unique solutions and drive growth. Dealing direct and working through brokers, their global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. Swiss Re is organised into three Business Units, each with a distinct strategy and set of objectives contributing to the Group's overall mission.



Reinsurance

Offers traditional reinsurance products, insurance-based capital market instruments and risk management services globally through two segments – Property & Casualty and Life & Health



Corporate Solutions

The commercial insurance arm of the Group provides risk transfer solutions to large and mid-sized corporations around the world



Life Capital

Manages closed and open life health insurance books and provides alternative access to the life and health risk pool, helping to generate stable returns

Diversified and Global

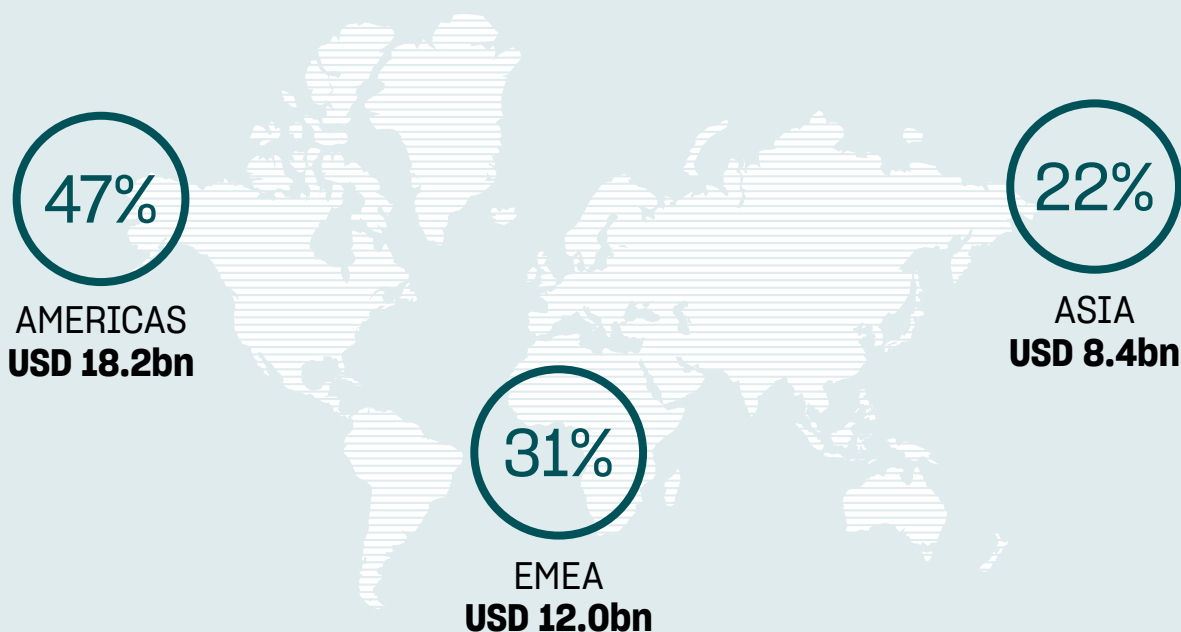
	EUROPE Middle East and Africa	AMERICAS	ASIA-PACIFIC	TOTAL
Net Premiums earned and fee income (USD billions)	12.0	18.2	8.4	38.6
Number of Office locations* as of 31 December 2019	34	33	13	80
Number of Employees as of 31 December 2019	9 565	3 418	2 418	15 401

*Counting each location with offices once, not counting data centres

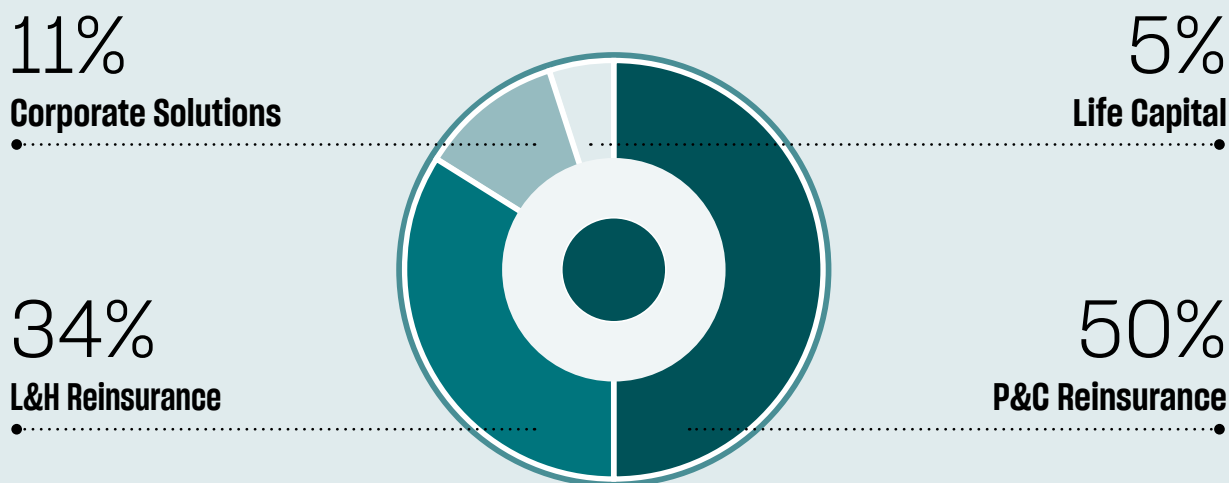
USD 42.2bn
Gross Premiums
Written

USD 38.6bn
Premiums Earned
and Fee Income

Net premiums and fee income by region



Net premiums and fee income by business segment



Swiss Re Corporate Solutions

Provides risk transfer solutions to large and mid-sized corporations around the world. Its innovative, highly customised products and standard insurance covers help to make businesses more resilient, while its industry-leading claims service provides additional peace of mind.



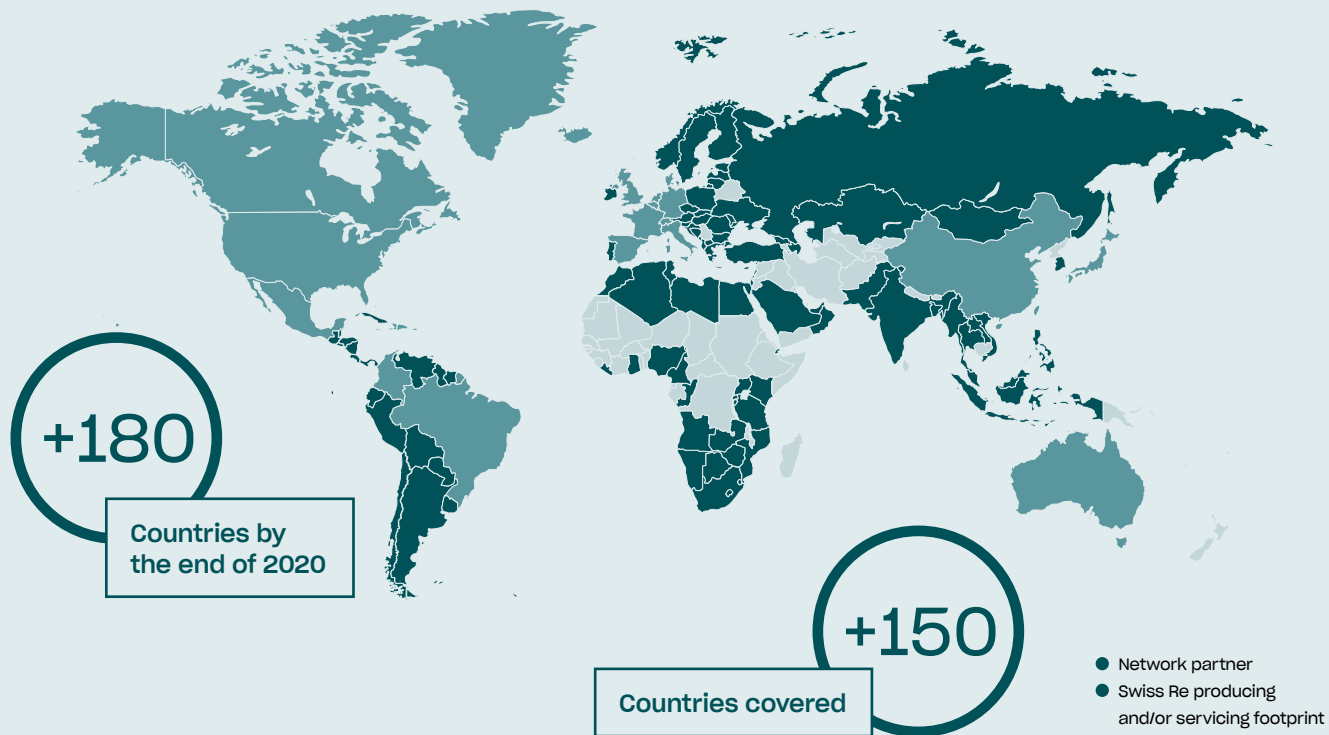
Visit the website and know more

International Program Capabilities

Countries serviced
by Swiss Re Corporate
Solutions offices

20

Part of Swiss Re Group, **they have around 50 offices in 19 countries.** Their upwards of **2,500** highly-skilled employees have considerable experience in underwriting, claims management, risk engineering and other relevant disciplines.



Swiss Re Corporate Solutions was awarded **Insurer Innovation of the Year 2018** by FERMA (Federation of European Risk Management Associations)

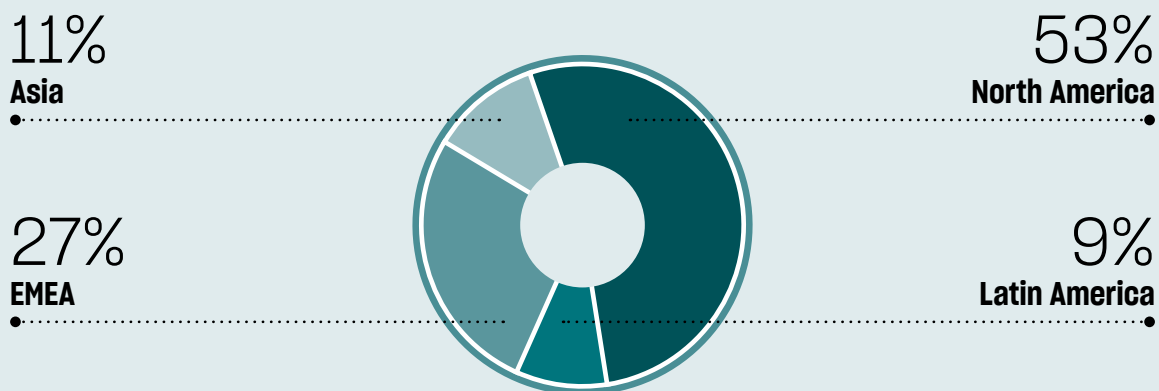
(recognising companies that have truly made a lasting impact on innovation to meet their customer needs, fostering the themes of partnership and innovation)

Revenues 2019



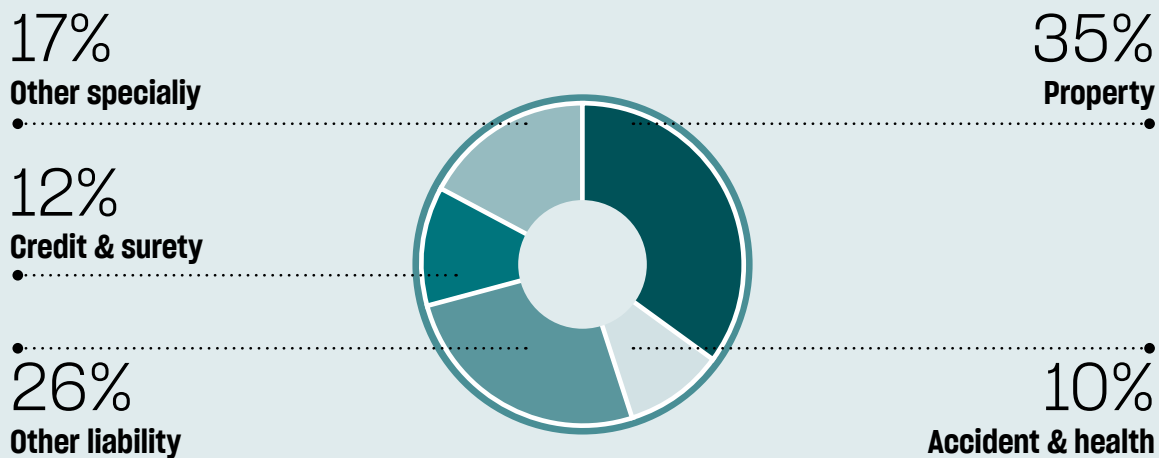
Portfolio split by region

(% of net earned premium)



Portfolio split by line of business

(% of net earned premium)



Risk management after COVID-19

by **Jorge Luzzi**, RCG – Risk Consulting Group
Javier Mirabal, RCG – Risk Consulting Group
Maurizio Castelli, Augustas Risk Services
Corey Gooch, Ankura

Humankind is facing a global crisis. The coronavirus outbreak is undoubtedly the largest crisis after the second world war, affecting hundreds of thousands of people and having a growing impact on global economy. FULLCOVER wanted to know the opinion of the members of the **Brokerslink Risk Management Practice** about this risk, many times mentioned but never taken seriously – until now.

One statement that Risk Managers hear quite often these days is that the COVID-19 pandemic is, after all, an unexpected event and therefore one on which we did not provide enough warning to our companies or our clients. However, recent history tells us that this is not true. So far, the first score of the 21st century has had three regional epidemics such as SARS (2003), Swine Flu (2009), and MERS (2012).

Additionally, pandemic risk was among those most frequently highlighted in the last ten years by the Global Risk Report of the World Economic Forum (WEF) Global Risks

[Click to access the report](#)



Report, and consistently ranked among the 5 most impactful risks in the WEF report. It can however be observed that over time it has fallen in the probability scale, while remaining indicated with a high impact. This shows that, despite warning signals, the perception was no longer adequate and more recently the focus has shifted towards new risks, such as cyber risks, without putting enough emphasis on the fact that most corporate risk management system are not adequately prepared to be resilient to an event like the current COVID-19 crisis.

However, the existence and significance of this potential risk, has been known for years. We can also add that the implementation of

“

Pandemic risk was among those most frequently highlighted in the last ten years by the Global Risk Report of the World Economic Forum (WEF) Global Risks Report, and consistently ranked among the 5 most impactful risks in the WEF report.”

Current threat exposure

Pandemics such as the current Coronavirus (COVID-19) do not represent a traditional business continuity risk. For instance, they do not impact a single physical location over a finite period of time. The Coronavirus epidemic is challenging the way many organizations respond to risk. In this case, their physical assets (factories and systems) are available for use, but the employees, suppliers and customers are likely affected and

not available. There is also the added pressure to the bottom line as traditional insurance coverages do not respond to business interruption in the case of a pandemic. Most organizations have developed an approach to managing crises and in many cases have business continuity plans in place. The key question, however, is how effective is this approach during a pandemic situation? Many stakeholders are starting to question existing policies and plans and as a result are finding it difficult to provide the levels of reassurance that are being sought.

a shutdown to slow-down the spread of an epidemic and to mitigate its consequences in terms of death toll and improve sustainability of the national healthcare systems of different countries falls within the recommendations provided by the World Health Organization.

The statement that all companies were caught unprepared is false. The advantage of having a Business Continuity Plan in place can benefit the organization regardless of the type of disaster which strikes the company. However, there are certain aspects that are specific of each type of risk and therefore need to be addressed individually. In the case of pandemic, one of the immediate impacts that each of us is experiencing is “social distancing”. The need to reduce the opportunities for contact between employees is a consequence of the shutdown recommended by WHO and therefore this is also something that should not have been unexpected.

Social distancing with COVID-19 (Footprint sign for stand in)



Responding to the risks of COVID-19

Assess the impact of the COVID-19 risk on your organization.

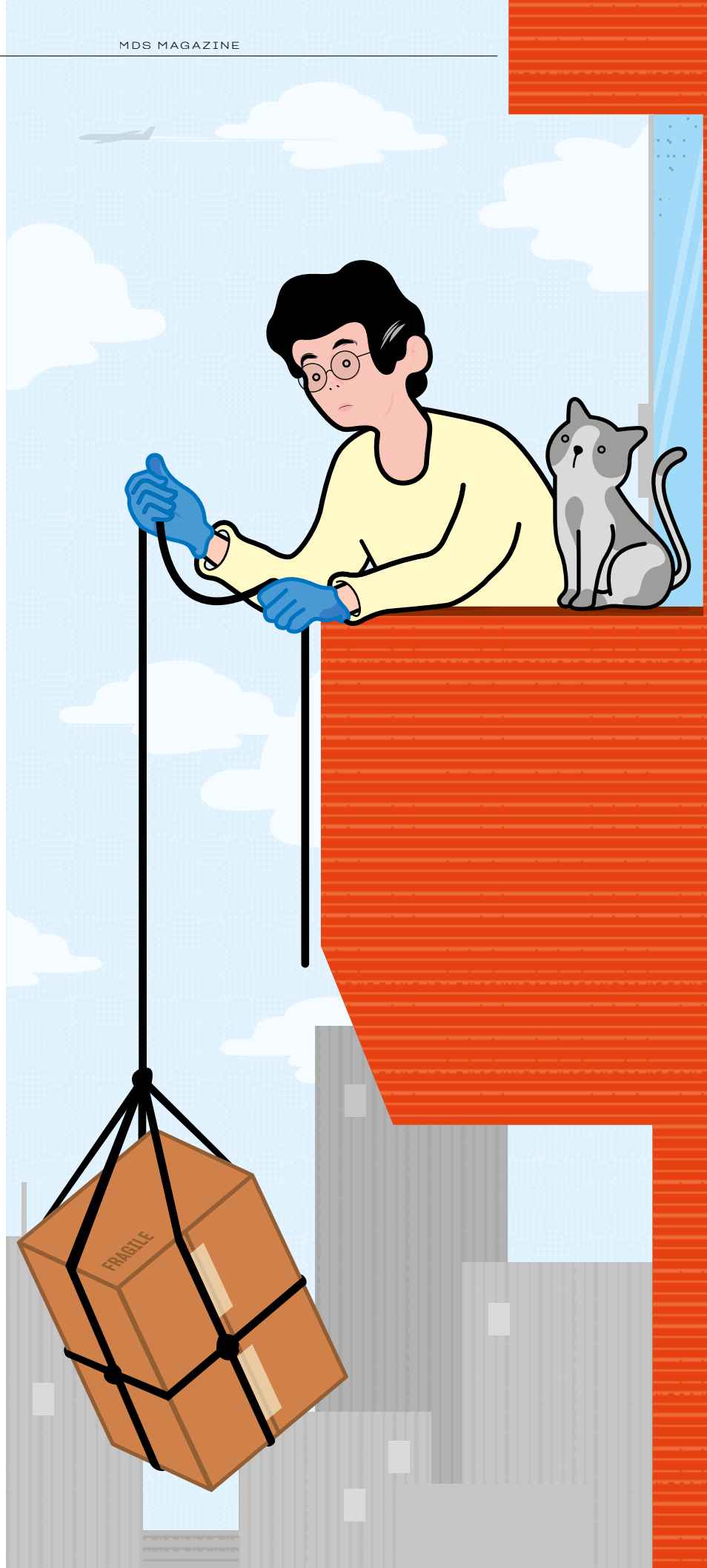
Most organizations have a crisis management plan, but how many have tested its effectiveness on a pandemic scenario? Often plans address the most obvious physical threats but do not consider the intangibles such as the reliance on key workers and access to operating systems that might not be available, or without customer demand. However, an integrated approach to business continuity is key when responding to a pandemic threat. It is necessary to reduce complexity and maintain continuity of operations across an organization at a time when resources will be diminished.

Communication is critical.

Management of information flow is a key challenge. Staff and customers are seeking information and reassurance at a time when messages transmitted by the media may be piecemeal, skewed in nature and potentially melodramatic. Restrictions on movement of people may be imposed and messages provided by public authorities may be conflicting. As a result, management must play a key part of managing the workforce's anxieties and concerns by maintaining an effective organizational response. Additionally, the potential reputational consequences of not having an effective crisis communication plan in place could be devastating.

Plan for resumption and resiliency now.

Organizations need to fully recognize the pandemic threat now and develop a response and recovery plan before it is too late. Business resumption plans must be robust and tested if they are to have the desired results following the COVID-19 event. Without considering the effect on key customers, suppliers, as well as the employees, there is no insuring for the ultimate post-crisis survival of the business.





Click in the names to know more



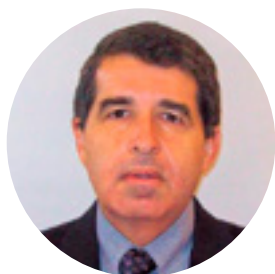
Jorge Luzzi
Global Executive President
RCG Risk Consulting Group



Maurizio Castelli
CEO & Senior Consultant
Augustas Risk Services



Corey Gooch
Senior Director
Ankura



Javier Mirabal
ERM Consulting Practice
RCG Risk Consulting Group

“

An integrated approach to business continuity is key when responding to a pandemic threat. It is necessary to reduce complexity and maintain continuity of operations across an organization at a time when resources will be diminished.”

How will technology change the risk profile of organizations?

Some of the consequences of the government guidelines that have been put in place in order to mitigate the impact of COVID-19 (stay-at-home order, social distancing, etc.) have accelerated the migration of business processes towards technological platforms, in order to maintain the day-by-day activities. Two examples of this acceleration can be seen in both the collaborative technological tools with full capabilities that support telework and distance education, and robotic process automation (RPA) solutions supporting business and operational processes.

These technological solutions are arriving in this specific moment with incredible speed, beyond any imaginable maturity process. This mandatory, very fast and “urgent” migration towards technology solutions together with the natural development of the technology occurring before the COVID-19 pandemic like the internet of things/ internet of people (IoT/IoP), artificial intelligence (AI), robotization, etc. all of which are governed by Moore’s law. Moore’s Law is the theory affirming the speed and capability of computers doubles about every two years. All of these factors will generate a technology-driven future faster than expected, and theories regarding technology in the near future (technological singularity, etc.)

made by futurologists like Alvin Toffler (“The Third Wave”) and Ray Kurzweil (“The Singularity is Near”), may soon be proven correct.

How will this technological development impact the overall risk profile of organizations?

- a) the emergence of technology risk as one of the most important risks being faced by organizations;
- b) the way how this risk will be managed, in this case both IT risks (Information Technology) and OT risks (Operational Technology) will be managed in an integrated environment, building an Enterprise-Wide Technology Risk Management System;
- c) the integration of the different risk transference products (insurance policies, etc.) in a single solution that includes all type of technology risks like cyber, property, liabilities, etc. and including time element coverages (consequential impacts), like Business Interruption (Non Damages Business Interruption, etc.);
- d) the characteristic of the risk professionals managing this type of risk, who will have to have both strong technological skill and competencies as well as a corporate holistic approach of the business models. The silos vision in the organization is over for this type of risk professional.

“
Professional risk
advisors are needed
more than ever as risk
managers and brokers
together will be putting
pressure on insurers
and reinsurers for more
restructured insurance
plans and risk transfer
and management
solutions.”



Doctors working on COVID-19 samples

Lessons learned

The first, and one of the most important, steps in the risk management process, is risk identification. As mentioned earlier, the pandemic risk has, again and again, been included as one of the most important risks, in the Global Risk Reports presented during the annual World Economic Forum. Additionally, Risk Management organisations, such as FERMA, RIMS, Fundalarys, ANRA and APOGERIS, Anra have identified all the impacts from the COVID-19 pandemic that have occurred over the last few weeks and months, both direct and consequential, in their prior studies. Likewise, these risks were identified in benchmarking studies conducted by risk consultants like RCG, Ankura and Augustas.

However, many organizations and countries did not address some of the impacts that have happened since the beginning of the pandemic. This lack of preparation led to the world exploding into extreme chaos and gravely affecting the lifestyle of people all around the world. This

pandemic shows us that all risks that have been identified (even when they seem impossible to occur at the earliest stages) must be managed. Once a risk is identified, countries and organisations should immediately start with the assessment of their potential impacts, in order to select the best risk management techniques for mitigation, including transference to the insurance / reinsurance market.

We are sure that in the near future there will be many ways identified to deal with the outcomes of pandemic risk. Professional risk advisors are needed more than ever as risk managers and brokers together will be putting pressure on insurers and reinsurers for more restructured insurance plans and risk transfer and management solutions. Additionally, companies will ask for favorable attitudes and understanding from regulators, who will need to keep an open mind like with the pools and governments working together after the terrorist acts in 2001, regarding the development of innovative solutions for risk mitigation, retention and, of course, insurance products to cover these kind of risks.

Risk managers and risk management consultants, like the ones that are part of the Brokerslink risk management practice, are ready and willing to work together with brokers, insurers and reinsurers to design better solutions to manage the pandemic risk. If risk management recommendations are taken into more serious consideration, negative unexpected consequences from identified risks like COVID-19 could potentially be reduced or even avoided altogether.

Note: Corey Gooch (Ankura) and Maurizio Castelli (Augustas) are members of the board of the Brokerslink Management Practice Group (RMPG), chaired by Jorge Luzzi.

Count on Berkley

More than an **insurer**, Berkley is smart protection for your **business's development.**

INSURANCE

-  Surety
-  Lease Bond
-  Cargo
-  General Liability
-  Environmental Liability
-  Professional Liability - E&O
-  Management Liability - D&O
-  Engineering Risks
-  Liability - Construction Modality
-  Property
-  Erection All Risks
-  Bike
-  Events
-  Film Production
-  Personal Accident

A point of reference in excellence and agility for its customers service and partnerships, **Berkley** offers the best of insurance, resources and professionals who specialized in meeting the most **diverse market demands.**

 Berkley Brasil Seguros

 @berkley_brasil

 Berkley Brasil Seguros

 **Berkley Brasil Seguros**
| a Berkley Company

Berkley. Confiabilidade e agilidade para seus negócios.

www.berkley.com.br

São Paulo | Campinas | Porto Alegre | Curitiba | Rio de Janeiro | Belo Horizonte

Memory of Insurance

Did you know the first insurance treatise was written by a Portuguese citizen?

To understand the present and prepare for the future, it's important to learn about the past. In order to find out more about the history of insurance in Portugal, FULLCOVER visited the permanent exhibition, *Memory of Insurance – Exposição Permanente Memória do Seguro* (EPMS), at the head office of the Portuguese Insurance Association – **Associação Portuguesa de Seguradores (APS)** in Lisbon. Here FULLCOVER interviewed Professor Fernanda Rollo, president of the EPMS Custodial Committee and professor at Nova University, and Alexandra Queiroz, APS general manager, a major contributor to this project.

“

The exhibition aims to identify, conserve and promote the history and legacy of insurance in Portugal; highlighting the many players involved in the sector and promoting a greater understanding of insurance as a business and its relevance in society.”



RRAG
Conc

A view of the exhibition



Click the image and visit the interactive exhibit



A dream come true

Opened in May 2019, the exhibition is a joint initiative by APS, its associates and *Club História e Acervo Português da Actividade Seguradora (CHAPAS)* – a Club that aims to study, preserve and share the history and heritage of the insurance business. “The idea for the exhibition came from Ruy de Carvalho – the first president of APS and now honorary president, when he was writing two books on the history of insurance – and a challenge by CHAPAS who wanted to share their historical artefacts”, explains Professor Fernanda Rollo.

The exhibition aims to identify, conserve and promote the history and legacy of insurance in Portugal; highlighting the many players involved in the sector and promoting a greater understanding of insurance as a business and its relevance in society.

Supporting society for over 700 years

“Intrinsically linked with our history, insurance is a part of and reflection of our past. In Portugal, it spans over 700 years, starting with King Dinis (1279-1325), who introduced the first material form of insurance,” adds Professor Rollo.

Insurance has been available at the most critical moments of our history, in an ongoing dialog with society at large. Over the centuries, insurance businesses have endeavoured to respond to change – be it commercial, economic, in transportation or banking – to ensure companies can always rely on insurance to support, encourage and protect them.

MILESTONES

1293

Beginning of the history of insurance in Portugal as King Dinis approves the creation of an insurance pool for maritime trade

1380

Creation of the Carrack Company, *Companhia das Naus*, the first Portuguese business to employ formal maritime insurance practices, using methods similar to those of an insurance company

1529

Creation of the position then known as insurance clerk, *Escrivão de Seguros*, the first official insurance title in Portugal

1552

Publication of the first insurance treatise, *Tractatus de Assecurationibus et Sponsionibus Mercatorum*, authored by the Portuguese Pedro de Santarém

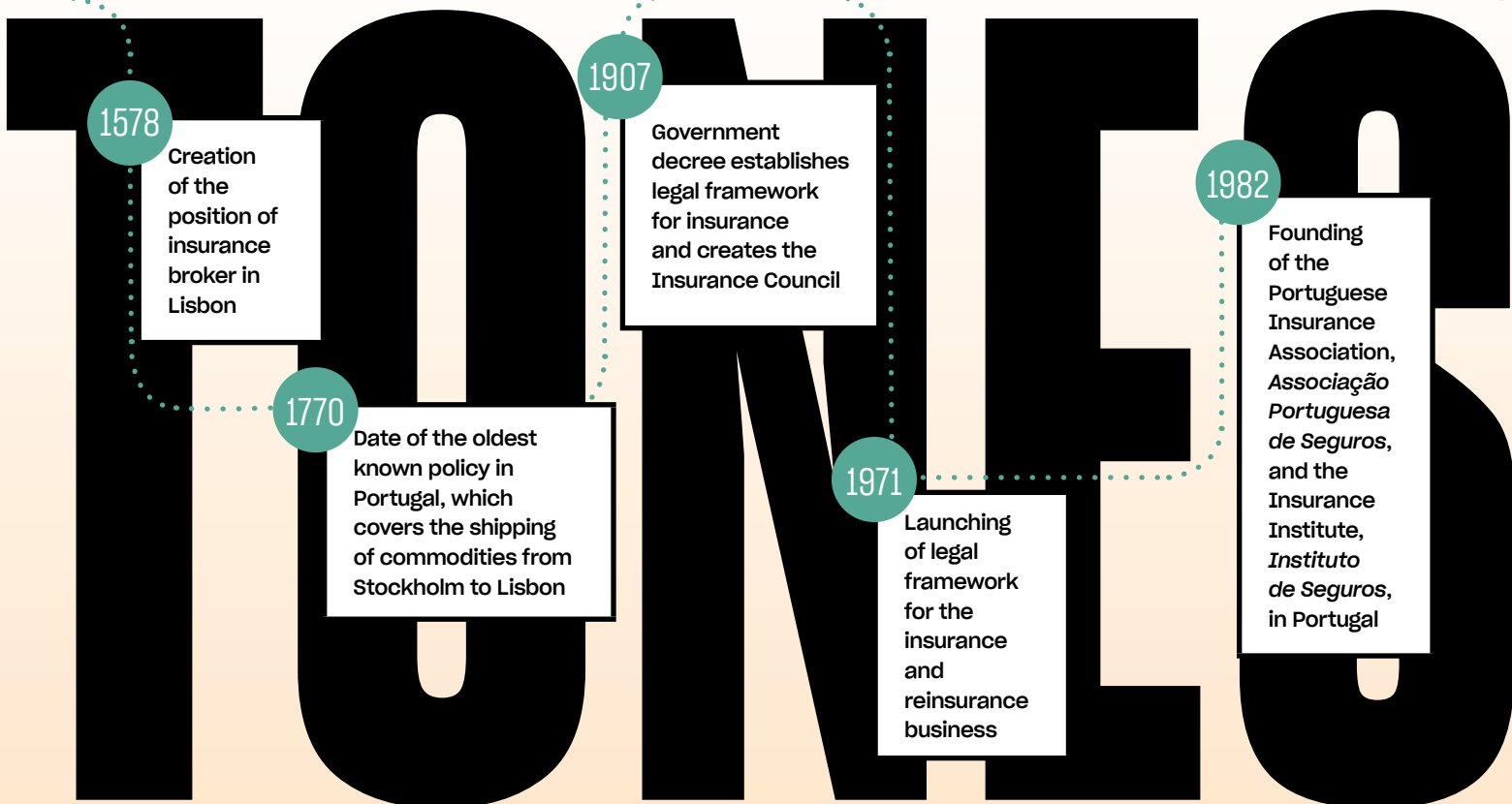
1573

First known document mentioning the purchase of insurance in Lisbon



Professor Fernanda Rollo

Click to access the detailed cronology



She comments: “To prepare for the future, it is crucial to understand and appreciate the role of insurance in our increasingly risk-prone society, where climate change, new working practices and lifestyles continue to evolve, prompting business to adapt to meet the growing needs of people, companies and countries.”

The importance of insurance in our daily lives

In order to build upon visitors’ knowledge and promote a culture of responsibility, especially with younger generations, the EPMS endeavours to illustrate how insurance permeates every aspect of daily life.

Exhibited alongside each other are historical documents, artefacts, interactive screens, photos of people with unexpected connections to insurance (such as singer Luciano Pavarotti and Nobel prize winner José Saramago), and a collection of plates – ancient emblems displayed by insurance companies that confirmed they had the required financial strength to provide a professional risk & liability service.

“It evokes key moments in insurance history, going all the way back to the 13th century, when the first marine merchant contracts were signed with the Italians, to guard against shipwreck, piracy and theft and, in Portugal, King Dinis ordered merchants to create a fund to compensate those damaged by loss of ships and/or goods,” adds Professor Rollo.

In addition to past events, the exhibition has an interactive section devoted to the present, touching upon existing insurance scenarios, including international insurance and its response to climate change and disasters that have impacted the sector. There’s a ‘future’ section, with APS resources for younger people, plus a micro-site Insurance in the Community (Seguros e Cidadania), which has videos, books and other information relevant to insurance.

The EPMS also provides a wide range of educational material for schools. Alexandra Queiroz explains: “We’re working on a schedule of age-appropriate activities for children, such as games and quizzes, that will help them understand insurance-related concepts; what insurance is and why it matters etc. Another initiative is a series of books by Ana Maria Magalhães

and Isabel Alçada, authors of children’s detective fiction, featuring real adventures set in the world of insurance, and a comic-book series on major disasters, such as the wreck of the Titanic. It is interesting to show the young how these two worlds connect – the old, material legacy of insurance and the digital, interactive component. Even insurers’ plates, with their exquisite colourful designs get a lot of attention.”

For Professor Rollo, the exhibit goes beyond historical significance. It helps people better grasp insurance by drawing attention to issues – ie cultural, social and environmental – that people must take responsibility for. “Sustainability for example, requires insurance to reinvent itself; this becomes clear when you consider how cities, mobility and auto insurance continue to evolve. By having an educational focus, the exhibition will build financial literacy and positively encourage an insurance culture.”

Preserving a legacy

A fine example of ongoing collaboration, the EPMS continues to grow. “The major challenge is to highlight the role of insurance and how it values and protects people and property,” confirms Professor Rollo. She appeals: “In order to evidence how important insurance actually is, every player in the sector must work together. We would like companies, brokers and other stakeholders to input to the exhibition and share their knowledge with wider society, as well as amongst employees.”

To this end, insurance firms must familiarise themselves with their history. Professor Rollo concludes: “Sometimes we put our historical treasures away in boxes. Our team helps companies discover those treasures and, what’s more, can preserve them. This in turn, contributes to preserving our sector’s heritage and honouring its memory in Portugal.”



Check the APS micro-website

“

Some consider this ‘bush knife’, given its artistic value, one of the most significant pieces of salvage in the history of Portuguese insurance. To me it goes beyond that. The knife is a memento and tribute to all insurance professionals who, at a time when communication and technological resources were limited, persisted in the recovery and valuation of this part of the company’s legacy – something many had already considered lost forever.”

Jorge Magalhães Correia
President, Fidelidade

A TALE OF AN EXTRAORDINARY KNIFE

At the opening of the exhibition, one item stood out among the rest — a hunting knife owned by the insurer Fidelidade, a magnificent piece of craftsmanship from the 19th century, with quite a story behind it.

Out of a single silver ingot, craftsman Raphael Zacarias da Costa fashioned, taking over 11 years to do, a unique hunting knife of incalculable worth. With care and true genius he carved upon the knife’s 63 centimetre long handle and sheath, 130 animal heads – all interwoven with extraordinary skill, depicting nature in such a way that must be seen to be believed.



Initially intended for King Fernando, the envisaged sale did not go through and unable to find a buyer in Portugal, the knife's owner decided to ship it to London (a major market where vast fortunes were housed). Surely in London the knife would capture someone's attention? The hunting knife travelled on the maritime vessel *Cádiz* in May 1875 when it sank into the waves near Brest, taking most of the passengers and crew with it. Its owner, Estêvão de Sousa, had insured the knife with Fidelidade and was paid £7,000.

Over the following years, the insurer made numerous efforts to recover the knife – no easy task, as *Cádiz* was sunk deep and the surrounding currents/undertow posed such high risks, the English government forbade divers from recovering it. A specialist London firm was hired and after six weeks hard work, retrieved the knife from the depths.

The knife made its way back to Lisbon on 20 July 1876 and then travelled to London for cleaning and restoration. In 1878, at the *Exposition Universelle* in Paris, it was given pride of place among the leading examples of Portuguese jewellery, securing its position as one of the most valuable pieces in the legacy of the Portuguese insurance community. ●



“500 years later, the majority of the answers provided by this jurist relate to today and although the terminology varies, the principles translate into present-day legal rules.”

DID YOU KNOW?

The first insurance treatise, *Tractatus de Assecurationibus et Sponionibus*, was written by Portuguese jurist Pedro de Santarém and originally published in 1552.

‘Five hundred years later’, says Pedro Romano Martinez (professor of Law) in his preface to the 2018 APS¹ edition of the *Tractatus*, ‘this study, with a focus on insurance, in many ways remains fully topical’.

Pedro de Santarém may have taken his name from the city where he was born, but he lived, studied and penned his treaty in Italy, where he may have served as Portuguese consul.

Containing practical advice, the treatise was written to address valid concerns brought to Pedro Santarém by contemporary merchants. They wanted clarification on the validity of insurance contracts against illegal activities, acts of God and insurance contracts as good-faith agreements. According to Pedro Romano Martinez, this treatise ‘is an early legal study, systematically organised, on maritime

insurance, with specific references to the relationship between risk and tariff, references which hold up today, even relating to other types of insurance’.

Throughout the treatise, there are concepts both familiar and current; such as criminal intent, amounts owed by insurers for claims, insured property and contract resolution. Another item that appears is ‘insurance for your insurance’. Not specifically reinsurance, but a second insurance policy, similar to co-insurance, or additional cover, against the risk the first insurer might not pay the policyholder.

As Pedro Romano Martinez states, ‘500 years later, the majority of the answers provided by this jurist relate to today and although the terminology varies, the principles translate into present-day legal rules’.

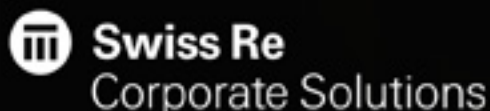
1 SANTARÉM, Pedro de - *Pedro de Santarém's Treatise on Insurance*. Lisbon: APS, 2018. ISBN 978-972-27-2676-4



ONE ONLY

ONE Form: Global Standards.
Local Specifics. Peace of Mind.

Advancing Complex International Insurance Together.



Clarity in a complex world is rare. When insuring your property around the globe, you need transparency, contract certainty and peace of mind about your international policies. *ONE* Form provides all of this using a simple, efficient framework. Our globally standardised property wording ensures the highest possible alignment between master and local policies, streamlining the complexities of international programmes. By combining automated processes with room for tailoring, we lead the way and issue policies quickly and efficiently, protecting your business anywhere in the world.

corporatesolutions.swissre.com/internationalprogrammes

Swiss Re Corporate Solutions offers the above products through companies that are allowed to operate in the relevant type of financial products in individual jurisdiction including but not limited to insurance, reinsurance, derivatives, and swaps. Availability of products varies by jurisdiction. This communication is not intended as a solicitation to purchase (re)insurance or non-insurance products. © Swiss Re 2020. All rights reserved.

IIS, a paramount organisation

Collaboration is key

with **Michael Morrissey**
International Insurance Society



Brooklyn Bridge in New York City where IIS is located



At a time when the global insurance industry faces both significant challenges and opportunities in its drive to remain relevant in a fast-moving world, FULLCOVER spoke to Michael Morrissey, the President and CEO of the International Insurance Society (IIS) and a 50-year veteran of the industry, about collaboration and the need to change the concept and role of insurance.

The insurance industry must change, of that there is no doubt. An industry that hasn't been fundamentally altered in the last 400 years can't hope to meet the demands of a world that is changing at breakneck speed.

But acceptance of that fact and effecting the necessary change are two very different things and in an industry whose participants are not known for their collaborative instincts, it starts to look like an intractable problem.

IIS – the mission

However, there is hope for broad, meaningful change in the form of the International Insurance Society (IIS). Formed in 1965, the IIS has taken on the responsibility of creating greater collaboration in the industry to understand the challenges it faces and plot paths towards establishing a new role in society.

With representatives from 90 countries, its membership is drawn from private and public stakeholders including senior insurance executives, international regulatory authorities and prominent insurance scholars to promote resilience, drive innovation, and stimulate the development of markets.

But it is not an organisation set up to help members sell more insurance. It takes a much more intellectual, thoughtful approach in seeking to understand the relevance and purpose of insurance today and tomorrow.

"It's not an advocacy or lobbying organisation – it's an organisation that believes that by having all stakeholders in the industry participating, the exchange of ideas produces better ideas," says IIS CEO Mike Morrissey.

He paints a picture of a diverse and inclusive organisation that seeks to improve the industry through the input of all parties involved in the insurance value chain from insurers and brokers to public policy organisations and global institutions such as the United Nations and World Bank.

This broad-church approach gives Morrissey and his colleagues a 360 view, not only of the industry, but of the economies and societies it serves. And he believes that the industry needs this view more than ever as the unprecedented speed and nature of disruption in society is going to fundamentally change the way customers perceive, engage with and utilise insurance.

Brave new world

"The speed of change in our world does make it more disruptive than anything that has gone before it," he says.

He points to technological disruption like the internet of things, economic disruption led by the sharing economy and online commerce, social disruption and the aging of first world populations and climate change as the key challenges.

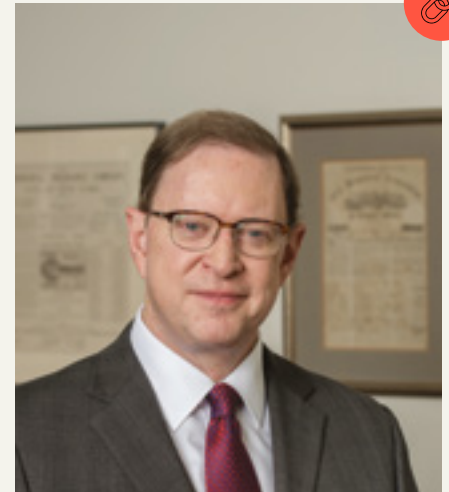
"In light of these, I see five major trends that I think will most dramatically impact the insurance industry over the short and medium term."

He believes that there will be increased use of automation, AI and robotics in underwriting pricing and claims and that more and more commercial business will be sold in an online, comparative way, much like motor insurance is.

He also predicts that the recent trend of consolidation in the broker market will continue and that changes in population dynamics and the economy will drive consumer demand for omni-channel sales and servicing capability.

But more than anything, he sees a race for human resource as a major characteristic of the future industry. "The supply and demand imbalance for skilled employees will create a huge battle for talent," he says.

"I already see companies investing in technology to maximise employee value, provide continuous learning and minimise the impact of skill shortages. And I would add that the



For 15 years before being appointed CEO, Mike was an active IIS member while Chairman and Chief Executive of Firemark Investments, an SEC Registered Investment Advisor, investing in and advising insurance company managements, regulators and public institutions around the world. He is currently a member of the Board of Directors of Selective Insurance Group, Inc., is Chairman of its Corporate Governance Committee and a member of its Executive Committee. Mike is a member of the Steering Committee of the Insurance Development Forum, a public/private partnership of the insurance industry, the United Nations and the World Bank, of which IIS is the Secretariat. He is a member of the Board of Overseers of the St. John's University School of Risk Management. He is a member of the World Economic Forum's Global Council on Insurance and Asset Management. Mike is also an insurance working group member of the National Bureau of Economic Research, a special advisor to the Asia Pacific Financial Forum, and a member of the Board of Governors of the Asia Pacific Risk & Insurance Association. Mike was formerly President of Manhattan Life Insurance Company, and Executive Vice President of Crum & Forster Insurance Group. He holds a B.A. From Boston College, an MBA from Dartmouth, and completed the Harvard Business School Corporate Finance Program. He is also a Chartered Financial Analyst and former President of the Association of Insurance and Financial Analysts.



Michael Morrissey and José Manuel Fonseca
@Brokerslink Global Conference 2019, Bordeaux

“

Brokers play not only a critical role in delivering Insurance 4.0 but are probably in the best position to do so.”

industry needs to build a workforce that reflects the increasing diversity of our global society. Only a workforce that is diverse and inclusive can understand and anticipate coverage needs, appropriate distribution approaches and deliver a 21st century customer experience.”

Insurance 4.0

This approach, he believes, allows the industry to respond effectively to the Fourth Industrial Revolution, a term coined by Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.

In short, the Fourth Industrial Revolution, according to Schwab, is “characterised by a range of new technologies that are fusing the physical, digital and biological worlds, impacting all disciplines, economies and industries, and even challenging ideas about what it means to be human.”

Morrissey believes that a move towards what he calls Insurance 4.0 is vital if the industry is to remain relevant in this new, digitally-enhanced world of increased risk and opportunity.

According to Morrissey, Insurance 4.0 goes far beyond new products, new risks and new ways of getting insurance to customers. It is a completely new conception of what insurance can be and do for society.

“Insurance companies have historically wanted to sell protection to compensate people for losses after they occur, and I think in the world of Insurance 4.0, customers, large and small, commercial and personal, increasingly want to buy loss mitigation and loss prevention, via advisory services,” he believes.

Broking is key

“Risk management advice has become the key and brokers are in the best position in this respect because they are able to find the best price, the best products to fit individual customer needs and harness the expertise of a wide

range of insurance companies and insurance service organisations for the benefit of the client,” he says.

“Brokers play not only a critical role in delivering Insurance 4.0 but are probably in the best position to do so.”

He does, however, caveat that not all brokers are in a position or have the ability to deliver this kind of service. Indeed, he believes that models such as the one employed by Brokerslink offer the greatest chance for the industry to reach Insurance 4.0.

“It fills a very urgent and important need because the industry is all about ecosystems now rather than just vertically integrated systems, an ecosystem of different organisations with different capabilities” he says.

“To have an organisation like Brokerslink where you have independent, specialist risk management advice with an embedded local knowledge, supported by a global technology and administration platform, is a great competitive advantage.

“Because not all, but some, of the very large brokers have, in the interests of efficiency, built a somewhat homogenised global system,” he adds.

He compares this homogenised system to buying fries at McDonald’s – they may not be the best, but they are going to be the same anywhere you go in the world. Although he says it is a bad analogy, he believes that some of the services offered

by at least some of the major global brokers have gone down that homogenised route. And while clients may be able to reply on the same products and services globally, they may not be the most appropriate for the client.

“I think that by having many local and specialised affiliates, Brokerslink provides more tailored services. That is a very good thing,” he says.

Challenges vs opportunities

But beyond this, Morrissey sees even greater opportunity for the industry – both in commercial terms and in its ability to support society – when it looks beyond its traditional commercial borders.

The Insurance Development Forum (IDF), set up by the IIS on behalf of the insurance industry with leaders of the United Nations, the World Bank in 2016, is a public/private partnership which seeks to tackle the challenges posed by extreme weather and the protection gap, and explores the role of insurance in creating greater global resilience and sustainability.

And it is in through this organisation, of which the IIS is the Secretariat, that Morrissey sees the greatest opportunity for the insurance industry.

“Governments are the insurers of last resort, and when they are forced to pick up the pieces after a natural disaster, the only way they can pay for it is to raise taxes or reduce services to citizens,” he says.

“So, they are increasingly buying insurance, which is a great opportunity for our industry. And of course, more businesses and more families get covered through the public/private partnership initiatives like micro insurance.”

He says that through the IDF and other global initiatives, a new, more collaborative approach is emerging within the industry: “Insurance companies are not just fighting with each other over a share of the pie. The pie is getting bigger, the market is getting bigger.”

And he is full of enthusiasm for the future of an industry that is at the early stages of carving out a more meaningful role in society at both a local and global level.

“Having been in the industry for 50 years now, there has never been a time of more exciting, new opportunities,” he says.

“There are challenges for sure, but there has never been a time of so many opportunities for our industry to both prosper and to make a beneficial impact on society than right now. It is a great time for our business to show what a noble service it provides to our world.” ●



An affiliate of The Institutes | Risk and Insurance Knowledge Group

The IIS is the largest and most diverse organization of the global insurance industry. Its members are insurance company executives, scholars, regulators and advisors from nearly 100 countries, who share their diverse knowledge and perspectives to drive growth and innovation in the industry.



The Future of Risk Management

With uncertainty, comes opportunity

by **Juan Arsuaga**
Lloyd's Iberia



Click to access the City Risk Index

Almost 50 years ago, Gordon Moore, the CEO of Intel, observed that the speed of computer chips doubled every two years.

Soon, computers once the size of refrigerators fit in the palm of your hand. Your everyday home appliance now has more processing power than the Apollo moon lander. A cell phone that cost a couple thousand in the 1980s costs a couple hundred today.

In every facet, our world is evolving at a pace never seen before and in ways which few could have predicted. Globalisation, digitisation, urbanisation and climate change pose huge challenges for businesses, and uncertainty even more so. The risk management sector is also in flux,

presented with a range of evolving threats associated primarily with climate change and technological development.

According to the Lloyd's City Risk Index, built in collaboration with Cambridge University, the risk of cyber-attack now poses a severe threat to the global economy. As connectivity increases and society becomes more reliant on technology, it becomes more vulnerable than ever. In addition, businesses continue to digitise operations, supply chains and business transactions, and new threats continue to emerge, ranging from data breaches to ransomware attacks, or damage to crucial infrastructure and networks. For instance, in Europe specifically, our estimates have shown that one type of global cyber threat – a ransomware attack – could cost

European businesses up to \$75bn, with the retail, services, and manufacturing sectors likely to be the hardest hit.

Climate related threats also pose a rising concern in Europe, where the temperature is predicted to warm faster than other regions.¹ As a result, many European cities could be affected financially by climate-related risks including flood, drought, heatwave and freeze, which could reduce economic output by \$12.17bn. In fact, this issue is particularly acute in Madrid, which is highly threatened by the risk of drought, with a projected \$122m of economic output loss. In fact, the European Environment Agency estimates that renewable water resources per capita fell by 24 per cent between 1960 and 2010, especially in southern Europe. Overall, Madrid, Barcelona and Valencia could lose up

“

We have also launched a comprehensive strategy – the Future at Lloyd’s – designed to create the most advanced insurance marketplace in the world.”



Juan Arsuaga is Lloyd's Iberia Managing Director, as well as the chairman of ASASEL (Association of Spanish Underwriting Agencies of Lloyd's), Chairman of CAI (International Insurers Club) and member of the Advisory Board of AGERS (Spanish Risk Managers Association). He was previously the Chairman and CEO of Willis Portugal, as well as Executive Committee Member, Commercial Director and Network Country Manager of Willis Spain. A qualified broker with over 25 years' experience, Juan holds a degree in Economics and Business Sciences from the CEU and Complutense University in Madrid. He also studied in the US and the UK, at St. Michael College and the London Business School.



Click to know more about Lloyd's

to \$7.34bn annually, while in Lisbon, an extreme flooding scenario could cause up to \$40bn of losses.

At Lloyd's, we faced a spate of natural disasters, including hurricanes and wildfires in California, and we acted quickly. Today, we are happy to report that our balance sheet is exceptionally strong, with net resources growing to €36.3bn (£32.4bn) (December 2018: £28.2bn) and the central solvency coverage ratio increasing to 266% (December 2018: 249%). The financial strength of the Lloyd's market was underscored by the recent affirmations of our ratings by Standard & Poor's (A+ Strong), AM Best (A Excellent) and Fitch (AA- Very Strong).

We have also launched a comprehensive strategy – [the Future at Lloyd's](#) – designed to create the most advanced insurance marketplace in the world, facilitating a more nimble Lloyd's capable of navigating challenges and seizing opportunities.

The first blueprint of the strategy set out six ideas for improving our way of working, underpinned by a heightened focus on digital, data and technology to deliver greater benefits to customers. The document describes the solutions, next-steps and execution planning, followed by a series of phased deliveries. Phase I will be delivered during 2020, featuring the launch of an electronic risk exchange which could, over time, process as much as 40% of Lloyd's risks. In addition, we will pilot a solution that automatically triages claims to speed up settlement and introduce simplified onboarding for our cover holders. Following these initial steps, further solutions will be implemented, including a platform for complex risk to supercharge innovation, a structure which enables new sources of capital, and a streamlined system for syndicates to bring in new products and business.

Looking ahead, we know the world is changing, but with that came new opportunities for growth. New technologies, global trends and climate change mean that the need

for specialist risk transfer has become even more important for businesses.

At the Lloyd's market, we play an important role in mitigating complex evolving threats. Our commitment to paying all valid claims quickly has proven crucial to help communities get back on their feet when disasters strike, easing the burden on governments and taxpayers. Without this insurance, catastrophes can have a much greater impact on economies and communities.

In the cyber sphere, for example, insurance is also indispensable, especially as cyber insurance covers a range of associated costs including business interruption, loss of productivity and consumption, as well as supply chain losses. Considering the increasing demand for specialist cyber products in Europe, Lloyd's remains committed to providing our European partners with the support and protection they need to grow and prosper. Having pioneered the first cyber insurance policy more than a decade ago, and launched the first cyber insurance in Spain, we do not rest on our laurels.

To ensure that we continue to develop cutting-edge solutions to help our customers build resilience against new and emerging threats, Lloyd's ceaselessly strives to adapt and deepen our expertise in the most complex risks facing our clients. As a result, we are confident that we will continue to see increased demand for the types of specialist insurance that Lloyd's is a pioneer in, such as cyber-risk and climate protection.

So, despite the uncertainty presented by a fast-moving risk environment, the Lloyd's market continues to modernise, evolve and thrive. With the launch of the Future at Lloyd's strategy, our unparalleled expertise and financial strength, as well as our new base in Brussels at the heart of Europe, the Lloyd's market is ready to help its customers face the new risk environment head on. ●

1 www.eea.europa.eu/publications/green-infrastructure-and-flood-management



Internet of Things

A threat to Life and Property

by **James Franklin**
HDI Global Specialty



It's when we start seeing the small grey boxes being attached to mobile masts, lamp posts and appearing overnight on our streets like mini-telephone exchanges that we will know 5G has become part of our own lives.

This is not an alien invasion, it's just the science of 5G waves only travelling a much shorter distance than the current third and fourth generation we've become used to. We are trading distance for volume. Once this core infrastructure is in place we can say goodbye to buffering delays when downloading podcasts and throw open our arms, houses and bodies to welcome the hyper-connected, sensor-driven, super-high speed, and always-on future digital life.

The Internet-of-Things, or perhaps just "things" as we will start to call them in the near future, is largely a result of incredible cost-savings now achieved in the manufacture of microchips for mobile phones. When it costs a few billion dollars to set up a new manufacturing plant (or "fabs" as they are known) the economics and profit-motives of the process don't allow for much variation in the finished product.

It is now just too cheap and too tempting to pick up a box of ready-made, fully functional internet-

-enabled processors and put them in a new piece of hardware. The size, scale, range and function of such embedded devices is only limited by our imagination.

This last point is not a quality shared by the IoT. They exist in a product cycle that values the lowest cost and quickest speed to market. They are a product of a logical world where the 1's and 0's faithfully follow the command line and the guiding mind of many programmer/developers unknown to us.

We have created a handful of technological monocultures that have embedded themselves in life and property. This is fertile ground to conduct malicious operations. Those seeking to undermine data integrity and authentication know the end-users have no way to gauge the true intent of uploads, downloads, safety controls and other output.

So how does this play-out in real life...?

Sometime around 10 years ago the US Vice-President, Dick Cheney, had the Wi-Fi removed from his pacemaker. This was well before the hit TV show 'Homeland' depicted a cyber-based disaster scenario along such lines. The capability to cause harm was already available and felt to be "credible" and "accurate" even then. This technology is now becoming commonplace.

Also around that time, a "wireless infusion pump" for insulin was shown to release fatal doses without alerting either the patient or medical staff. Subsequently, a best practice guide on this subject has appeared in the NIST: 1800-8 Special Publication.

More recently, the gift of sight became possible using retinal technology. As NIST have since observed, the prospect of unintentionally glancing into the range of malicious QR codes that deploy ransomware is not now beyond the realm of imagination.

These examples can be immediately catastrophic at a personal level. More broadly, we can expect these gadgets to multiply in their billions over a longer time-period. It is sensible to assume no

meaningful asset inventory will ever be kept. If we knew where they were, could we even get to them?

When dialing home to Earth the Voyager space probes, launched back in 1977, have only one number – the NASA Deep Space Network. In 2018 a long-running breach was discovered in their Jet Propulsion Laboratory caused by a non-inventory computer. A substantial amount of valuable data was removed by one of the most simple processors available – known as a "Raspberry Pi" (it costs around \$25 and is popular with children as well as space enthusiasts). These risks do not go away.

It remains unclear if these simple embedded devices should be contactable at all once installed, or perhaps they are best left to expire after a certain amount of time. The current situation for them to continue receiving instructions and yet remain 'immortal' seems a little unfair on the rest of us.

This is not a situation that can be fixed but it can be managed. The insurance industry has a long-standing ability to do this better than most. Improving public-private partnerships is one way to go. We have a lot to offer. We cannot do it on our own. ●

Author's Note: This opinion has been written with apologies, inspiration and thanks to the IoT guidance from NIST and NCSC, Dan Geer, Bruce Schneier, Jim Waldo, Eric Rosenbach, Richard Clarke & Rob Knake.



James Franklin leads the Cyber Underwriting for HDI Global Specialty in London. He holds a worldwide remit and has supported some of the largest cyber insurance programs in the world. As a keen advocate of the 'maturity model' approach and engaging with innovative technology offerings James advises on adapting world-leading best practice to make it accessible outside the 'Fortune 1000'. James is an alumnus of Harvard Kennedy School where he focussed on cyber strategy, technology and public policy.



BGC Insurance

Combining the power of technology and talent the alternative disruptor

with **Steve Hearn**
BGC Insurance



BGCI headquarters in London (Canary Wharf)



Steve Hearn, CEO of BGC Insurance, has a passion and drive for broking that reflects his deep roots in the industry. FULLCOVER met Steve to learn more about BGC and its plans and aspirations for transforming and disrupting insurance distribution.

The disruption of insurance has been hoped for, threatened and even feared for a number of years. But apart from a few tweaks here and there, very little has actually changed. It is still fundamentally the same sector where the answer to most problems appears to be acquiring scale.

The big beasts such as Amazon and Google have made a few feints in the direction of disruption but precious little of any real substance has emerged. Insurtech start-ups have long been touted as the answer to the transformation conundrum and while they have made some inroads, it could be that the real disruption will come from unexpected quarters.

One such example is the acquisition early last year of Ed Broking by financial services BGC Partners.

It wasn't the expected exit for Ed's previous investors, but as Steve Hearn, CEO of BGC Insurance and former CEO of Ed explains, it could be a partnership that transforms the way the wholesale specialty insurance market works.

"BGC's investment in insurance is underpinned by their broader strategy to look for sectors where talent and technology can come together in a disruptive way," he explains.

"They've already successfully done that in financial services and commercial real estate so they looked for the next sector that has those ingredients and they looked at insurance and went 'wow, what a tremendous opportunity'.

Part of the reason for that is that while BGC Partners has previously operated in very different markets to insurance, it does operate in a very similar way to Ed Broking.

"BGC Partners is a wholesale business in financial services so they are very familiar with the model of being a wholesaler and as a result we don't have to teach them what a wholesaler does in insurance," says Hearn.

BGC Insurance is not just a London wholesale and reinsurance broker. The business is in the key regional hubs around the world, so it can go to the customer whether they are in Far East Asia or America and offer them access to the world's marketplace.

"We have deep industry expertise in specialty insurance classes such as marine, energy, trade credit, aviation and are therefore able to work with retail brokers around the world," Hearn explains.

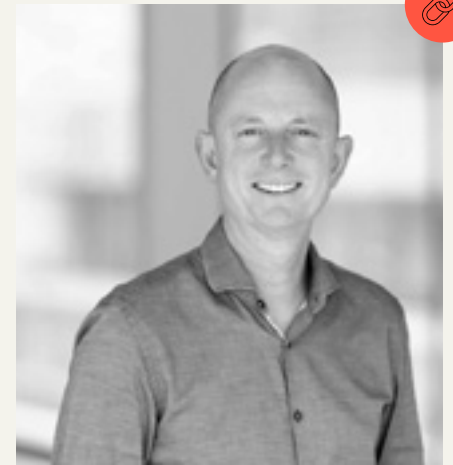
"All of those ingredients which we are so familiar with in the insurance world are nearly identical in BGC's financial services business. They have industry expertise and their proposition is to offer their customers access to the world's marketplace."

The broad plan, Hearn outlines, is to grow the insurance business five-fold, increasing revenues to \$1bn. Which sounds like a very ambitious plan but as he explains, BGC have previous experience here.

"In commercial real estate, they founded a business through an acquisition in 2012 acquiring about \$200m in revenue and they floated that business at the end of 2018 with a value of more than \$2bn and I think it's now worth more than \$3bn."

Although there appears to be a tried and tested model, one that simply needs to be applied to the world of insurance, it can't (and won't) be that simple. So how does Hearn intend to satisfy those demanding expectations?

Part of the answer is in targeted acquisitions of other insurance firms. BGC Insurance is currently made up of broking businesses Ed, Besso, Junge and Piiq and managing general agents Cooper Gay, Epsilon and Globe Underwriting, all specialists in their fields where there is very little (if any) overlap geographically and in terms of specialisms. And it appears that while more acquisitions may be on the cards, they will need to be a good fit with the existing divisions but more importantly, have the right people.



Steve Hearn has been Group CEO of BGC Insurance Group since January 2019. His tenure at the head of the insurance division of BGC commenced in January 2019 on the successful completion of the sale of the Ed Broking Group to BGC Partners. Prior to this he was Group Chief Executive of the Ed Broking Group where he had been since November 2015. Previously, Steve served as Deputy CEO of Willis Group Holdings. He joined Willis in 2008 as a result of its acquisition of Hilb Rogal & Hobbs (HRH) and held a number of senior roles including Chairman and CEO of Willis Global, CEO of Willis Re and CEO of Willis Limited, the Group's principal UK regulated entity. Prior to its acquisition by HRH, Steve was Chairman and CEO of privately owned London wholesale insurance broker, Glencairn Limited. Earlier in his career, Steve was President and CEO of Marsh Affinity Europe, having previously held a number of positions at Marsh and Sedgwick Limited. He has served as Chairman of both the London Market Group (LMG) and the London International Insurance Brokers' Association (LIIBA) and as a Vice President of the Insurance Institute of London. Steve is Vice Chairman of global broking group Brokerslink.



BGC Insurance Group companies



Flying high

Piiq Risk Partners

Is the new global aerospace insurance brokerage operation from BGC Insurance Group (BGCI). Piiq has been purposely building up a team and attracting highly respected industry talent since announcing the firm's inception earlier in 2019. Marcel Chad, Piiq's President and Philip Smaje, CEO, both executives with a long industry experience, are at the helm of a growing team of experts in the key aviation insurance hubs across the globe. Piiq currently has 28 staff in the UK and US offices, with plans to attract additional talent. "It is focused primarily on aircraft manufacturers, the big ones, as well as the biggest airlines in the world. That is its core focus and purpose," explains Steve Hearn.

“

No longer is it just Ed that is the partner of Brokerslink. It is BGC Insurance and all of its entities which brings access to our colleagues in Besso, in Ed Bermuda as well as our new colleagues in Piiq.”

“I am chased by my owner to spend money but to spend it wisely on great people and great businesses. Talent is our number one criteria”.

Organic growth is a key part of the plan and to that end Hearn and his team have been putting a huge amount of effort and resource into recruiting talented individuals across the globe from, predominantly it would seem, the global broking houses.

“We have been hiring heavily into our business since the beginning of 2019 when BGC acquired Ed. We've hired over 100 new sales people and we have recruited very capable insurance brokers who don't want to work for the mega brokers,” he says.

“And given mergers and acquisitions amongst those big brokers, that has created opportunity for us to offer a great platform for talent and customers who are looking for an alternative to the biggest brokers in the world.”

He says they plan to continue down that road and that they have a very active recruitment pipeline around the world. Part of that recruitment activity has been focused on the launch of Piiq, a new proposition for the aviation and airline sector.

“So far, we have attracted more than 30 brokers from those big brokers to join this new business and we have hired some really, really talented, globally-recognised leaders to that business,” he says.

People such as Marcel Chad, Piiq's President, who has had a long career at a host of the global brokers. Joining him as CEO of the business is Philip Smaje, a long-standing senior executive at Willis Towers Watson.

“Chad and Smaje have assembled a world class team. The best team in the sector,” claims Hearn.

He says that there are some “particularities” in the aviation market that made the opportunity to launch a new business in this market compelling.

“It is focused primarily on aircraft manufacturers, the big ones, as well as the biggest airlines in the world. That is its core focus and purpose,” he explains.

He says that most of the business in this market is concentrated in a few select hands, namely Marsh, Willis Towers Watson and Gallagher but he is confident of being able to make a mark using the BGC infrastructure and intellectual property at his disposal.

“BGC understands a lot about capital and capital flows which are important in the airline industry and they have access to some different and interesting technology that can allow us to offer a very different proposition than even those biggest brokers,” he says.

And Hearn is keen to share that world class expertise more broadly with his partners in the Brokerslink community.

“I very much look forward to being able to work with the Brokerslink partners and affiliates around the world in being able to give them access to that deep specialty capability and allow them to go and compete for their national airlines,” he says.

Indeed, he points out that where once partners and affiliates could tap into Ed and vice versa, since the acquisition by BGC, horizons have broadened on both sides.

“No longer is it just Ed that is the partner of Brokerslink. It is BGC Insurance and all of its entities which brings access to our colleagues in Besso, in Ed Bermuda as well as our new colleagues in Pliq,” he explains.

“I think the talent we are assembling and have is a very powerful ally to the Brokerslink network around the world, I really do.”

But he is keen to stress that it is not all one-way traffic, that Brokerslink is just as important to his business as BGC Insurance is to Brokerslink. He points out that in terms of revenue, Brokerslink has become a very significant client to BGC Insurance and that the relationship has broadened and deepened in recent years.

“It isn’t just one or two of the brokers that we have significant relationships with. We have good, strong relationships with a good,

broad spread of network brokers and I sincerely hope that continues,” he says.

“I would expect Brokerslink to become the largest client of our business in time and I don’t think that will be too far away.”

“When I arrived at Ed, I was already familiar with the Brokerslink model, but José Manuel Fonseca has helped me to understand the opportunity that it represents. The influence he has had on the success of our business has been significant. He has helped me personally as I have gone through the challenge of turning around an organisation and building it to what it is today. He has been a guide as well as a counsellor.”

Reflecting on a year of seismic change for his organisation, Hearn

says that it has been hugely rewarding while not being short of challenges. But he believes that the broader challenges in the market such as the recent outbreak of the Coronavirus, the Australian bushfires and the increasing frequency of natural disasters as a result of climate change, offer an opportunity for his business and the Brokerslink community to create completely new solutions for their clients.

“It’s a challenging period but for businesses in the Brokerslink network, like MDS, Ed and Besso – that creates an opportunity for us to add value to customers and carriers by providing better answers than those bigger brokers. That is the time when we really come to the fore when we really evidence our strength.” ●

José Manuel Fonseca & Steve Hearn @ Brokerslink Global Conference 2019, Bordeaux



Alliant Insurance Services



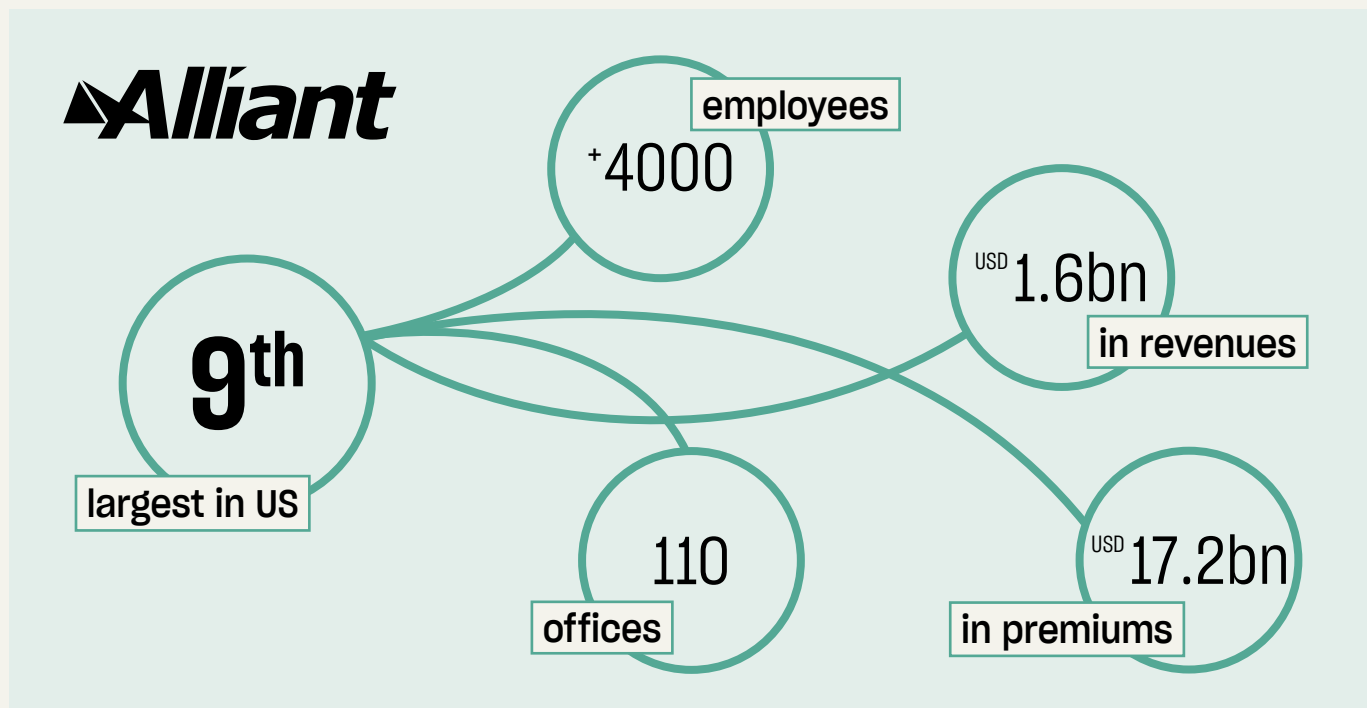
Independent broking with a purpose

Mergers and acquisitions in the insurance industry can sometimes create winners and losers but when Alliant Insurance Services announced that leading independent specialist broker and Brokerslink partner, Crystal & Company were joining the business, there was no doubt it would be a win, win, win for all concerned. FULLCOVER explores how all three organisations are mutually benefiting from the deal.

Alliant corporate headquarters in Newport Beach, CA



The future of independent insurance broking in the face of the apparent dominance of the largest global firms might seem like a one-sided 'David and Goliath' story. However, the ability of strong, independently owned brokerages to provide real customer-focused services and access to expertise and understanding, points towards a much brighter future. In a world where insurance buyers are looking for more value from their brokers, those independent firms can make a real difference to companies' attitudes and response to risk management and risk transfer. Alliant Insurance Services is an example of how independently owned



brokers are achieving growth and thriving. It first started trading in 1925 and today is in the top 10 largest brokers in the U.S. with USD1.6bn in revenues and USD17.2bn in premiums. Building on this success it continues to focus on acquisitions and strategic growth opportunities across the country, and further afield.

The firm, headquartered in Newport Beach, California, is a leading distributor of a diverse range of insurance products and risk management services. With a national network of over 110 offices and 4000 staff, Alliant operates in all 50 of the U.S States and provides a comprehensive set of property & casualty and employee benefits products and services to clients nationally and internationally. Its teams have industry-leading positions in sectors including agriculture, aviation, construction, public entities, tribal nations, financial institutions, healthcare, energy, law firms, real estate and other industry groups.

While it has a strong financial footing and clear appetite to grow further, the firm is always keen to stress that it is not just about financial growth and performance. At the

heart of the business are its people; passionate and dedicated employees with diverse expertise and experience who all share the same guiding principles - they recognise they are an extension of their clients' businesses, they think like their clients and deliver accordingly, they build and cultivate long-term relationships based on trust, integrity, and results and by investing in talent and sharing resources they can inspire excellence.

Growth is Crystal clear

Finding those individuals and potential partners who share the desire to strive and excel for their clients is important to enable Alliant's continuing growth. One such likeminded company is New York-based Crystal & Company which joined the Alliant family in 2018.

Established in 1933, Crystal & Company had already positioned itself as a global leader in the financial institutions space and was recognised for its best-in-class private client service operation. In addition, it delivered expertise in a number of industry verticals including energy,

technology, real estate, hospitality, consumer products and retail. The acquisition represented an important step forward in the expansion of Alliant's growing national footprint, its areas of expertise and its international reach.

Speaking at the time of the acquisition, Tom Corbett, Chairman and CEO of Alliant, was clear on the importance of bringing the two industry-leading firms together. "Adding a national leader like Crystal & Company will add a potent combination of forward-thinking people and best-in-class products and services to what is already one of the nation's most robust insurance platforms." He also emphasised the firms' shared values and culture, "As two organisations that share a legacy of entrepreneurialism and specialisation, we are well-positioned to provide the industry standard for quality and service in both existing and new verticals as we expand our reach." A view echoed by Crystal & Company's Chairman and CEO Jim Crystal, "Our commitment to excellence in service, expertise, and innovation fits seamlessly with Alliant."



Building a global footprint

Another key area for Alliant was Crystal & Company's international capabilities including its partnership with the global broking firm Brokerslink.

Crystal & Company was one of the early members of Brokerslink, joining in 2008, and had already played an integral role in establishing and growing the organisation's network of independent retail brokers in over 113 countries as well as building the infrastructure, insurer partnerships and specialist services set up by Brokerslink to support the network. Leveraging this global expertise and reach would enable Alliant to develop and provide international servicing capabilities to its clients across the U.S.

Following the completion of the deal with Crystal & Company, Alliant became the Brokerslink partner in North America, a move welcomed by both parties. Jamie Crystal, Executive Vice President at Alliant and a board member of Brokerslink, is clear that there is not only a shared vision to support entrepreneurialism but also

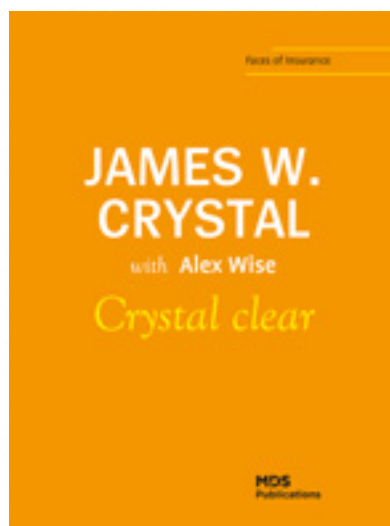
real business opportunities to be developed. He said, "Working with Brokerslink and the other network partners and affiliates, we will be able to expand the offerings available to global clients and extend our own footprint and the capabilities available to Alliant's customer base." The opportunities are certainly mutual with Brokerslink chairman José Manuel Fonseca heralding Alliant's arrival in Brokerslink as a game changer for the organisation and emphasising Alliant's strength in the US market and its position as one of the world's largest independent brokers being able to "bring significant value to us and the brokers in our network."

The heart of the community

While Alliant continues to evolve and develop, one thing has been a constant – a dedication to supporting and strengthening the communities it serves. This manifests itself in the wide range of causes the firm and its staff

support but all aimed at promoting the vitality and well-being of the people that call their communities home.

2020 marks the firm's 95th year of trading and with such a rich heritage of independence and innovation we can expect there to be many more years of purposeful growth to come. ●



MDS Publications releases 4th volume of the **Faces of Insurance** collection

James W. Crystal, the long serving leader of Crystal & Company and current Vice Chairman of Alliant Insurance Services, talks about the importance of maintaining respect and family values in work and private life, always doing the right thing when it comes to meeting the needs of clients. He also stresses some of the challenges facing the global insurance industry.

He shares his love of art and history and a passion for travel that continues to broaden his mind.

Generali to become a new giant in Portugal

Italian group acquires Tranquilidade and Advance Care

Worldwide statistics show that during Q4 2019, the global insurance sector confirmed its strength with a series of mergers and acquisitions totalling US\$15.17 billion. Around 61% of this activity (US\$9.27 billion)

took place in the United States, indicating a positive shift away from the preceding quarters' downward trend.

In the Portuguese market, mergers and acquisitions between January and October 2019 totalled around €2.525 million – 40% lower than the same period in 2018. However, the market recently witnessed a significant acquisition when Apollo Global Management announced the sale of Seguradoras Unidas to the Italian group, Generali, creating one of the largest insurers in Portugal.

Generali completed its acquisition of Seguradoras Unidas (which owns Tranquilidade, Açoreana and Logo) and AdvanceCare – both owned by the North-American Apollo fund, in January 2020. The transaction totalled €600 million.

Jaime Anchústegui, international ceo of Generali, confirms how important this business is to Generali in Portugal, pointing out 'it will now be among the market leaders and the company will pool the strengths of Seguradoras Unidas with the skills of the Generali group'. He also announced there'll be immediate company-wide integration.

The acquisition positions Generali as one of the top three insurers in Portugal. ●



Generali is one of the largest insurers and asset management specialists in the world. Established in 1831, it operates in 50 countries, generating over €66 billion premium income in 2018. Employing more than 71,000 people and serving 61 million customers, the Group leads the sector in Europe and is increasing its presence in Asia and Latin America. Generali's ambition is to be a lifelong partner to its customers, offering innovative customised solutions through its unrivalled distribution network.



Pedro Carvalho is the executive chair of the group's insurers in Portugal (Generali Vida, Generali Seguros and Seguradoras Unidas), reporting directly to Jaime Anchústegui. The former ceo of Tranquilidade, Açoreana, Logo and AdvanceCare (and past employee of McKinsey and the Sonae Group), was joined in the executive management committee by Rogério Dias (chief distribution officer), José Nogueira (chief operating officer), Stefano Flori, (chief financial officer) and João Barata (chief insurance officer).



But we can protect
you from what
happens in yours.

INSURANCE BROKERAGE | REINSURANCE | RISK CONSULTING | ALTERNATIVE RISK TRANSFER & CAPTIVE SOLUTIONS



[58/59](#) **The many risks of climate change** [60/63](#) **Climate emergency: a call to action** [64/67](#) **Climate change: a matter of life & health** [68/69](#) **Liability for climate change in Europe** [70/73](#) **Spanish catastrophic risk insurance** [74/75](#) **A blue carbon future** [76/79](#) **Carbon removal and reaching zero emissions** [80/81](#) **Parametric insurance: helping close the protection gap** [82/83](#) **Smart cities: a holistic approach** [84/88](#) **Lisbon – 2020 european green capital: a smart city open to innovation**



Our Home is Burning

The Many Risks of Climate Change

by **Filipe Duarte Santos**
University of Lisbon



It's become widely accepted that climate change – caused by pollution of our planet – is one of the biggest environmental challenges of the 21st century. We're growing tired of all the discussions in the media, at conferences and public events, but mere exhaustion won't drive the issues away, much less solve them.

In a rapidly-evolving world, we've grown accustomed to problems that quickly appear and then vanish by the magical virtue of science and technology. Why doesn't the same happen with climate change, so we can move on?

For around 50 years, since 1970, fossil fuels – coal, oil, natural gas –

have provided 80% of our energy, and energy is essential to the civilisation we now enjoy. Carbon dioxide (CO₂)¹ emissions, stemming from the use of fossil fuels and varied industrial activity (such as cement production), account for around 65% of the emissions responsible for climate change.

CO₂ emissions from changes in soil use, namely deforestation, produce 11% and the remaining greenhouse gases from pollutants, such as methane and nitrous oxide, represent 24%. If we're unable to reduce our global reliance on fossil fuels, we'll continue to hear about climate change for years, decades, maybe even centuries, with equal persistence.

But the matter goes beyond audience exhaustion; climate change creates several kinds of risk. One of the main features is global warming – the rise of average atmospheric temperatures at the surface – which has climbed 1° C since the industrial revolution. The Paris Agreement recommends the global temperature increase should remain below 2° C.

Another feature of climate change is the increased intensity and frequency of extreme weather events such as heat waves, drought, high rainfall in short periods of time, tropical storms and cyclones with extreme winds, and intense rainfall. In short, a more violent climate.

The third harmful aspect of climate change is the rise in global sea levels due to the thermal dilation of upper ocean layers, mountain glacier melting and the fusion of ice fields in the Arctic and Antarctica. Every socio-economic sector suffers progressive harm from climate change; it not only creates a growing risk to human life/population health and less access to water and food in more vulnerable regions, but impacts agriculture, forests, low-lying coastal areas, cities and the insurance industry etc. This poses a risk to the global human community. Similarly, it affects companies and the banks/ financial institutions they do business with, who consider these impacts to be a physical risk.

There are, essentially, two types of response to climate change: mitigation and adaptation. Mitigation is about human intervention to reduce pollution sources and use greenhouse gas reservoirs. Adaptation is a process to adjust to current/future climates and their related effects. The main goal for adaptation is to minimise the adverse effects of climate impact and maximise the potential opportunities.

Mitigation primarily comprises a transition from fossil fuels to renewable energies, supported by increased energy efficiency. This transition, however also carries risk for companies, financiers and the economy as it entails a major change in the productive system, particularly the energy sector.

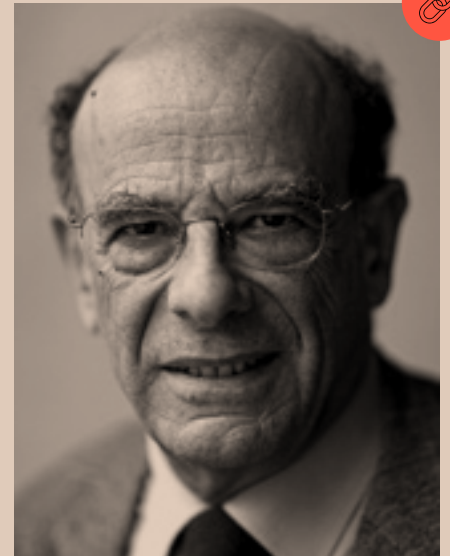
“

There are, essentially, two types of response to climate change: mitigation and adaptation.”

So companies have to manage their physical and transition risks. To best understand the latter, consider the large oil and gas companies that recently made substantial investments to explore new sources of fuel. If energy transition is to create a carbon-neutral world this century, in keeping with the Paris Agreement, these companies must reduce their oil and gas exploration by 35% by 2040. This means their assets will be stranded and may even generate a carbon bubble.

It's estimated the macroeconomic impact of stranded fossil fuel assets may reach US\$1-4 billion. Meanwhile, fossil fuel companies, as well as governments with jurisdiction over such resources, are betting no energy transition will happen. Companies still benefit from grants and subsidies and banks still offer huge sums of credit for fossil fuel exploration and exploitation.

In contrast, changes in energy use are prompted by price drops in solar and wind energy, alongside increased competitive drives and a growing awareness of the human risk inherent in climate change. The outcome of our current global dysfunction is unpredictable. Only energy transition can ultimately avert the growing human risk posed by climate change in the short, medium and long term. ●



Filipe Duarte Santos is chair professor emeritus of the University of Lisbon science department and a visiting professor in a number of European and US universities. Since 2009, Professor Santos has served as director of the PhD programme in climate change and sustainable development, a joint initiative between the University of Lisbon, Nova University of Lisbon and the University of East Anglia. He is president of environmental and sustainable development at the Portuguese National Council and was a review editor on the fifth IPCC Report; having published over 170 scientific papers and articles in international magazines and several books on physics, the environment and climate change.

¹ CO₂ is a greenhouse gas, which means it absorbs and emits infrared radiation.

Climate Emergency

A Call to Action

by **João Wengorovius Meneses**
**Business Council for Sustainable
Development (BCSD)**



A few days before the COP 25 (2-13 December 2019, Madrid)¹, the European Parliament declared a ‘climate emergency’ in the European Union (EU). This made Europe the first continent to take steps to, which although symbolic in part, put more pressure on governments to implement tangible solutions to combat climate change.

“

Unless global greenhouse gas emissions reduce by around 7.6% per year between 2020 and 2030, the world will fall short of the Paris Accord commitment.”

The recent Emissions Gap Report², presented by the United Nations Environment Programme, warns that unless global greenhouse gas emissions reduce by around 7.6% per year between 2020 and 2030, the world will fall short of the Paris Accord commitment, which is to limit the average global temperature increase to 1.5°C. A huge effort is needed – around five times more – to achieve this, particularly as despite several international commitments and growing public awareness, new greenhouse gas emission records were set in 2018 and 2019 followed this trend.

In response, Ursula von der Leyen, newly-elected president of the European Commission, used her global leadership position to fight against climate change. At her inauguration, she presented a proposal³ (forming part of the European Green Deal), asking EU member states to commit to reduce their carbon emissions from a goal of 40% to at least 50% by 2030, and potentially by 55% in 2021. Europe would then become the first carbon-neutral continent by 2050.

This goal requires the urgent development of zero-carbon technology, energy production, transportation and construction, a transition to a circular economy model and the existence of a healthy terrestrial system that supports and protects vital ecosystems, ending pressure on wild habitats and biodiversity.

As key players in economies and societies, companies have a crucial role in bringing these goals to fruition. Understanding that value chains (vendors, logistics and sales) are global, as are the problems facing the world – climate emergencies, destruction of natural resources and social inequality – companies are increasingly committing to making their business models more sustainable. However it’s clear no company can tackle these challenges alone – partnerships are vital.

Similarly, governments worldwide have aligned their goals to limit any temperature increase to 1.5°C by 2050. Measures include: establishing carbon tariffs, developing guidelines for the transition to new sustainable economic models and creating resilience strategies to cope with the impact of climate change.

To achieve the goals of the 2015 paris agreement, governments must focus on the key issues:

1. A greater push towards a zero-carbon global economy

Countries must improve their actions to address the climate crisis and increase their national commitments to guarantee a zero-emission balance and create climate-resilient societies. Governments in developed economies, whose leadership is essential, must demonstrate their commitment to the Paris Agreement and set more stretching goals for their 2025 and 2030 Nationally Determined Contributions, while at the same time, work on clear long-term strategies to develop low-carbon economies and societies.

2. Corporate leadership

Governments must work in partnership with the private sector to create a positive climate framework and introduce policies to reverse climate change. This will give clarity and confidence to companies so they can invest in zero-carbon products, services and solutions.

3. Article 6 of the Paris Agreement and implementing a carbon tariff

Setting a carbon price and charging carbon emitters per ton for their emissions would be one of the most efficient mechanisms to decarbonise economies and societies. Considering the volume of current carbon emissions, and assuming a low price per ton, the tariffs charged could easily equate to 10-20% of global GDP. This money could be invested in the very things needed to support a transition to new economic and societal models.

Market-based policies make it possible to secure significant emission cuts while maintaining that competitive element, creating jobs, incentivising innovation, fostering investment and minimising social costs.

4. Resilience

Developing resilience strategies to cope with risks posed by climate change is vital. Companies are already developing strategies to include them in their risk management practices and growth/investment plans, and governments should also endeavour to implement measures to promote community resilience.

5. Sustainable funding

In order to move to a low-carbon economy, markets need detailed information on climate risk and the scope of its impact, plus there should be a political framework to support global investment in innovation, technology and carbon-neutral economic solutions.

6. Fair transition guidelines

Processes that transform economic models can have a high social impact. It is therefore necessary to develop guidelines to ensure a fair transition; ones that foster social cohesion with companies, workers and communities and guarantee ethical employment and retraining. Reintegration measures will also be needed for people affected by the transition.

7. The environment

Environmental mitigation measures, namely those reliant on fields and forests for carbon rebalancing, offer a unique opportunity to keep the world below the 1.5 degree threshold. Given the fragmentation and fragility of current policies to regulate soil use and protect natural resources, it is necessary for leading private sector companies to work more closely in partnership with each other.

As detailed in the 2018 Intergovernmental Panel on Climate Change Global Warming Special Report, we can still meet that 1.5°C goal. To do so, a radical, urgent transformation must take place, involving all economies on an unprecedented scale. This in turn demands a better understanding and appreciation from everyone: governments, cities, companies, investors, universities, societies and citizens.

If we are to successfully implement the many national and international commitments to prevent global warming increasing beyond a 1.5°C mean temperature, we must all pursue bold ambitions; change our habits and innovate processes. Should we fail, before this century ends, the results will be dramatic and widely-felt. ●

“

We must all pursue bold ambitions; change our habits and innovate processes. Should we fail, before this century ends, the results will be dramatic and widely-felt.”



João Wengorovius Meneses

has a degree and a masters in business administration and management from Catholic University, Portugal, and has held numerous management and leadership positions in the public, private and voluntary sectors. These include chairman of TESE, a development-focused NGO operating in Portugal and Portuguese-speaking African countries, coordinator of GABIP Mouraria at Lisbon city council, a secretary of state for youth and sports in the 21st Portuguese constitutional cabinet and more recently, general manager of an investment fund for angel investors and a start-up incubator for the Porto Business School at the University of Oporto. He is currently secretary general of BSCD. João has also been a visiting professor in two Portuguese universities for 10 years.

- 1 United Nations Climate Change Conference COP 25
- 2 Available <https://www.unenvironment.org/resources/emissions-gap-report-2019>
- 3 Available at https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf

Climate Change

A Matter

of Life

& Health

by **Bernd Wilke**
Swiss Re





The notion of climate change is usually associated with the melting of ice caps, rising sea levels and the increased intensity and frequency of natural catastrophe events. Most recently, however, this perspective has been shifting to encompass the impact climate change has on human lives. The 70 000 XS mortality in France during the 2018 heatwave, the advent of the first native Zika cases in Europe

in 2019 and the wildfire-triggered increase in respiratory diseases due to air pollution in Singapore are some examples. If no action is taken, healthcare costs as well as mortality rates are bound to soar, bearing significant consequences for life, health and workers' compensation lines of business as pointed out in Swiss Re's recent special issue on Climate Change & Health¹.

The most pronounced climate risks affecting human health stem from heatwaves, floods, droughts,

fires and vector-borne diseases. Changes in mortality are likely to be driven by several of these changes occurring simultaneously. Firstly, heatwaves are expected to become more severe, spanning areas previously not impacted where a large proportion of the world population lives. A related increase in the transmission season and geographical range for many infectious diseases will enable vector-borne diseases to conquer new ground.

The West Nile and Zika epidemics were the first warning signs. Lyme disease, avian influenza, meningitis, dengue fever and tropical bacterial and viral infections are projected to become more frequent and severe, too.

Moreover, severe drought is the breeding ground for scorching blazes, like the one in Northern California's wine country in 2017, that lead to air pollution, even in areas far away from any conflagration. The impact of air pollution related to climate change is a number one concern for the World Health Organization².

Rapidly ageing populations add to this concern. Future events are expected to have a disproportionate impact on the vulnerable populations, such as the elderly and the economically disadvantaged.

“

With continued sea level rise, storm surges may reach further inland exposing mega-cities to flooding and destroying public health infrastructure.”

Knock-on effects

The secondary impact of climate change will amplify the above. In focus here are migration urbanisation, food security, nutrition, and water scarcity.

The availability of clean water is a prerequisite for public health. Already today, more than 2 billion people live in regions of water stress, i.e. areas where access to clean water for drinking, sanitation and personal hygiene is limited. The number of regions affected by water stress is likely to increase, as temperatures rise.

If water stress does hit large metropolitan areas, its impact will be further enlarged – especially in combination with extreme weather events. With continued sea level rise, storm surges may reach further inland exposing mega-cities to flooding and destroying public health infrastructure. Hospitals may not be able to operate when flood-related epidemics start – for which we would need clean water to contain in the first place.

In the Polar region and areas where permafrost has long been the environmental norm, another possible consequence of warmer temperatures

could be the release of ancient bacteria and viruses, as the ice thaws. Under the predicament that the world will not have been exposed to these strains for thousands of years, the immunity of the population to such threats is likely to be low. Combined with the opening of Arctic Sea routes – and the ensuing development of new harbors to accommodate this increasing marine traffic – such primal viruses and bacteria will be thus granted a safe-passage vector from remote areas to distant metropolitan areas, thus raising the likelihood of epidemics or pandemic outbreaks. Such events may be even further aggravated by antibiotic-resistant bacteria (see SONAR 2017 Antibiotic resistance³).

Reliable data – the key to climate resilient life and health

For insurers it is paramount to have reliable data to project future outcomes in mortality and morbidity. Swiss Re's first review of the modelling developed so far has shown that the Intergovernmental Panel on Climate Change (IPCC) only modelled a limited number of health outcomes in 2014. A more detailed review indicated that even this limited set of numbers has become meanwhile outdated. Health impacts are most likely significantly underestimated. The scientific community must come together to build more comprehensive models that can supply a more reliable outlook into the impact of climate change on life and health resilience. With this data the insurance industry can develop affordable products adapted to respond to these upcoming challenges.

Data is also necessary to update public health infrastructure to make it climate resilient. Health care facilities are the operational heart of service delivery, protecting health and treating patients, both during and after weather and climate-related events (e.g. for heat stroke during heatwaves)

“

In the Polar region and areas where permafrost has long been the environmental norm, another possible consequence of warmer temperatures could be the release of ancient bacteria and viruses, as the ice thaws.”

or in response to other environmental risks to health (such as asthma due to poor air quality).

The current outlook for these necessary upgrades is bleak, though. Currently less than 3% of the reserves in the United Nations Green Climate Fund⁴ for climate change adaptation are earmarked for public health. This underfunding makes it more likely that some of the negative scenarios described before in this article become a reality in the future. If this happens it will in turn impact the Life & Health insurance industry.

It is paramount that health care infrastructures, both in poor and rich countries alike, be able to deliver services at par with the future changing climate conditions described above. Upgraded cooling systems during heat days, flood security for hospitals in flood prone areas, emergency power and water supplies are but a few examples. Such facilities must become basic standards in health care infrastructure worldwide to respond adequately to the threats climate change is bringing upon human life and health on the blue planet. ●



Bernd Wilke is a Senior Emerging Risk Manager at Swiss Re, responsible for monitoring future risks that are likely to impact the insurance industry. He is an expert on environmental issues, the human factor and sustainability, and is currently part of a team of four individuals at Swiss Re who monitor top sustainability risks. Bernd worked for over twelve years at Swiss Re as a Risk Engineer. He's developed risk assessment methodologies for different industries, including the oil and chemical sectors, assisted in the environmental liability area of emerging risks, collaborated in the development of forward-looking modeling in casualty and provided support to the company's claims units. In addition, he's worked extensively on sustainability issues worldwide. After leaving Swiss Re on a short sabbatical across South America, Bernd rejoined the company, this time as a Top Topic Manager in Communications, thus combining his experience with science journalism and risk communication. Prior to Swiss Re Bernd worked for Geotech, Inc. in Japan. He holds a Master's Degree in Physical Geography from the University of Basel in Switzerland and a Certificate in Science Journalism from the Swiss Journalism School in Luzern.

Available at

- 1 <https://www.swissre.com/institute/research/sonar/sonar2019.html>
- 2 https://www.who.int/health-topics/climate-change#tab=tab_1
- 3 www.swissre.com/institute/research/sonar/swiss-re-sonar-new-emerging-risks-insights-2017.html
- 4 <https://www.greenclimate.fund/home>

Liability for Climate Change in Europe

by **Stefan Perner**
Vienna University of Economics
and Business



The matter of accountability for the creation and implementation of effective climate policies is considered with increasing urgency. Climate-change litigation as a tool for finding answers and remedies has been on the rise in Europe in recent years.

A major distinction must be drawn between cases that are pursued against *states or national governments* and the liability of *private entities*:

The *Urgenda case* saw an order being pursued in the Dutch courts against the State of the Netherlands requiring the government to reduce emissions by 2020 by at least 25% of 1990 levels. The claimant (a foundation who acted on behalf of Dutch citizens) argued that the government owed a duty of care to its citizens.

In 2018, the Dutch Court of Appeal ruled that the emission of greenhouse gases must be reduced by at least 25% by the end of 2020. It shared Urgenda's view that the State should take action to achieve lower emissions sooner than within the time frame currently envisaged by the State in order to protect the life and family life of citizens in the Netherlands (rising sea levels!).

The Court of Appeal based its ruling on the State's legal duty to ensure the protection of the life (Art 2 of the European Convention of Human Rights (ECHR)) and the right to the private family life of citizens (Art 8 ECHR). This and the State's duty of care imposed obligations on the State in the face of industrial activities which by their very nature are dangerous and pose a serious risk. A final ruling by the Supreme Court is expected for late 2019/early 2020.

Beyond the Urgenda case, two other administrative cases are illustrative less of how such actions can presently succeed, but how they may over time shape how the liability of states may be established. In Switzerland, the case brought (unsuccessfully) by the *Klimaseniorinnen* ("senior citizens") against the Swiss authorities was for

an alleged failure in their obligations to protect the environment and thus citizens' lives and health. In Austria, the construction of the third runway at Vienna's international airport initially failed an environmental impact assessment, with concerns about greenhouse gas emissions and climate protection overriding perceived public interest in better transport provision, until later overturned on appeal.

A case brought against a private entity in Europe illustrates some of the challenges presented to holding private commercial entities to account for adverse impact on the climate. A Peruvian farmer, *Saul Luciano Lliuya*, filed a lawsuit before a German court against a German electric utilities company, *RWE* for compensation for the precautionary measures he was obliged to take to protect his Peruvian home against flooding from a rising glacial lake. This was confined to 0.4% of the cost, based on the company's supposed contribution by its activities to the melting of the world's glaciers.

The court held that Lliuya could sue RWE in the German Court (RWE's domicile per the Brussels rules) and that Peruvian law governed the alleged liability (Rome II regulation: the law where the damage occurred in a non-contractual case).

In most countries, it is essential to prove harm, inflicted by misconduct between which there was a causal link. Did the emissions amount to *misconduct*? Not according to most if they were "innocently" caused

when the missing element, being the foreseeability of damage, was not widely known. Denying foreseeability of damage is possibly harder after 1992 when the UN Framework Convention on Climate Change came into force, but then the next obstacle shows up. Can an entity be held accountable for wrongdoing in tort if *publicly authorized*?

Even if public authorization does not bar liability: satisfying the legal test for the *causal link* between harm and any misconduct is widely regarded as the "major stumbling block" for establishing liability. If it can be shown that harm suffered would not have occurred "but for" the defendant's misconduct the link is established, but in climate change cases this is rarely possible. Proportionate damages for minimal causation have been permitted in some cases and courts, where so-called market share liability can be apportioned, such as in drug manufacturing cases. Again, climate change cases pose additional challenges, where not all elements contributing to harm are man-made.

In conclusion, over recent times there has been *increasing judicial review* of climate change policy. The step from capping emissions to liability for failure to do so could be small. However, litigation is in its infancy and many questions still need an answer. The next years will most likely bring not only rising temperatures but also cases against governments and private entities. ●



Prof. Dr. Stefan Perner is a full professor of Civil and Company Law at the Vienna University of Economics and Business where he serves as head of the Department of Civil and Civil Procedure Law. Stefan Perner specializes in Civil Law as well as Insurance Law and is a member of numerous national and international academic networks.

“
A case brought against a private entity in Europe illustrates some of the challenges presented to holding private commercial entities to account for adverse impact on the climate.”

Spanish Catastrophic Risk Insurance

By **Francisco Espejo Gil**
Consortio de Compensación de Seguros (CCS)

“

Wind damage is having a greater impact in the 21st century. In 2009, a large mass of wind-damage, mostly due to storm Klaus affecting the Iberian Peninsula, generated over 275,000 claims.”



The basic principle behind the Spanish catastrophic risk insurance system is a mandatory coverage of a number of perils deemed as catastrophic by most property¹ insurance and all life and casualty policies purchased in Spain. Extraordinary risks include damage from natural perils (flood, earthquake, strong winds etc) and that caused by humans (terrorism, riots and civil unrest). Insurers offering the primary policy should include all or part of the above perils. Should this not be the case, as often happens, automatic complementary cover is provided by the CCS.

So the CCS acts as an insurer, exclusively covering the property and people named on insurance policies.

In late 2018, catastrophic risk insurance covered almost 130 million policies in the Spanish market: 59.2 million life and casualty policies, 53.7 million property policies and 5.7 million business interruption policies. The total sum insured in 2018 was over €17 billion euros; split into 65% life, around 33% property and 2% business interruption.

The impact of climate change

If we consider loss across all lines of business over the past 30 years, flooding accounts for the highest proportion – around 69% of payments. Wind damage is second, at 17%, and earthquakes third, at 7%.

Wind damage is having a greater impact in the 21st century. In 2009, a large mass of wind-damage, mostly due to storm Klaus affecting the Iberian Peninsula, generated over 275,000 claims; the largest single event in the history of Spanish extraordinary risk insurance, creating the highest number of claims. If we were to include the as-yet unconfirmed 2019 data, we would see that floods became an extraordinary burden, responsible for nearly €700 million in claims, of which more than €500 million are directly due to floods in southern Spain in September 2019.

With this torrent of data, we could rightly ask ourselves what conclusions we can make on trends over the past few decades regarding the payouts per catastrophe, specifically those due to water and weather (floods and strong winds) whose greater frequency

enables the collation of statistics. The number of policies that include catastrophic risk insurance has practically grown six-fold, so logically the number of claims under this type of insurance should also similarly increase. However, disregarding inflation, the constant amount indemnified over the same period only doubled.

There could be two separate explanations for this, or a combination of the two. Firstly, risk management has clearly improved, especially our ability to predict water and weather risk (as have the risk management skills of reservoir managers and the emergency services). Naturally, the insured also have a greater awareness. Alternatively, it could be to do with the mass penetration of insurance in Spain and the fact that a few decades ago, only property of considerable value was insured. Presently, insurance covers most socio economic segments and, therefore less costly risks are also covered.

Combined agrarian insurance (*seguro agrario combinado*) can be particularly impacted by climate change. Currently, this insurance almost universally protects



Consortio de Compensación de Seguros – The Risk Compensation Fund



Originally designed as a provisional, ex post funding tool for the damage caused by the Spanish Civil War, in 1954 it was decided Consorcio de Compensación de Seguros (CCS) would become a permanent fund to compensate for damage caused by various catastrophic risks, through an ex ante funding scheme. It soon acquired other insurance-related responsibilities.

Today, the CCS has a multi-functional role – to support the Spanish insurance sector (which it is part of) in insurance and non-insurance related activities. This includes: catastrophic risk insurance, mandatory auto insurance, combined agrarian insurance and insurer liquidation.

In other countries, these roles are taken on by the wider market or specific public and private institutions, but Spain presents a unique case, because thanks to a team of over 300, this single entity supports all these areas.

agricultural and livestock activities from a variety of risks. Agroseguro manages a pool of insurers where CCS is responsible for 10% of the risk and it's the pool's reinsurer.

Another factor is the diverse climate in Spain. When assessing the impact of climate change, it is important to differentiate between water/ weather events (heavy rainfall, hailstorms, floods, strong winds) and climate-based events (cold snaps, heat waves, drought, forest fires). Naturally, climate change affects both types, but in different ways. At present, the rise in the Mediterranean region mean temperature is 1.4° C above pre-industrial levels. Such an increase has produced evident changes to the amount of frost days, and the intensity, frequency and duration of heat waves, as well as a 10- 15 day addition to the actual thermal summer. As for rainfall, because it's intrinsically irregular in the Mediterranean, it's more difficult to be conclusive, but the general consensus is that things are getting worse; the number of dry days is increasing and when it does rain, there's more torrential rainfall. This means drawing conclusions and projecting water/weather risk is more difficult than projecting climate change risk whose effects, like droughts and forest fires, appear with increasing ferocity on the Iberian Peninsula.

Going back to the insurance system and its cover, extraordinary risk insurance covers water and weather risk, whereas combined agrarian insurance covers water, weather and climate risk. 2017 and 2018 were the first two consecutive years with negative outcomes for agrarian insurance, and CCS had to respond and stabilize the imbalance. It would be premature to declare climate change is the cause, but there's clearly signs of this.

“

The threats posed by climate change will increase: rainfall will become more irregular and intense, leading to greater flood risk, especially from thunderstorms and rain-caused flooding; rising ocean levels will lead to a greater risk of coastal flooding and increased temperatures will lead to a greater risk of drought and forest fires, with specific implications for agrarian insurance.”

Compensation for all

Insurance is a risk transfer mechanism and risk comes from an aggregation of threat, exposure and vulnerability. It seems highly likely that in most cases, the threats posed by climate change will increase: rainfall will become more irregular and intense, leading to greater flood risk, especially from thunderstorms and rain-caused flooding; rising ocean levels will lead to a greater risk of coastal flooding and increased temperatures will lead to a greater risk of drought and forest fires, with specific implications for agrarian insurance.

Spain has a flexible insurance system that caters for all stakeholders and has demonstrated its ability to respond to wildly varying climate and weather challenges. Catastrophic risk insurance in particular, extends to all the insured capital in the country, and by sharing exposure to potential rises in claim and accident rates, the more vulnerable do not have to compromise their cover. This is where the word ‘compensation’, which forms part of the CCS brand, gains its fullest meaning.

One single public company, the Consorcio, complements the entire private sector by forming part of a collective partnership – a pool – that insures difficult risks. The system is designed so it can absorb increasing perils and exposures and, additionally, is flexible enough to modify coverage, rates or surcharges whenever necessary. Regardless, in order to guarantee long-term sustainability for extraordinary risk insurance and, perhaps even more importantly, for combined agrarian insurance, we must learn from accident and claim rates and reduce vulnerability and risk exposure. To do so, the CCS works with national institutions that identify and manage such risks and, increasingly aware of its role in the risk management chain, proactively focuses on controlling and mitigating risk. ●



Francisco Espejo Gil is sub-director of International Relations and Studies at the *Consorcio de Compensación de Seguros*, a role he has been in since May 2018. Francisco liaises between the CCS and research bodies that study key elements of *Consorcio's* cover, applying this knowledge in strategic planning, and international and institutional representation. He joined CCS in 2015 as head of natural risk in the Studies and International Relations sub-directorate. Francisco is on leave from the State Weather Agency (*Agencia Estatal de Meteorología* (AEMET)), which he joined in 1993, having served in numerous roles associated with forecasting, monitoring, research & development and international relations, liaising with the World Meteorological Organization (WMO). Francisco studied physical sciences and geography and has an MA in advanced physical geography.



Click to read the Full article in Spanish

A Blue Carbon Future

The Power of Innovative Thinking

By **Suzanne Scatliffe**
AXA XL

Concerns about human impact on the planet is at the forefront of many individuals' minds and businesses' agendas. Companies are taking steps to reduce their carbon footprint, but few would deny that a greater cross-sectoral effort is likely needed to meet global targets in the years to come.



[Click to access report](#)

Carbon offsetting is an important part of many companies' Corporate Social Responsibility (CSR) programs, as they seek to reduce their environmental impact. Beyond providing unique habitats for a range of species, coastal wetlands have the ability to store significant amounts of carbon for thousands of years, making them one of the longest-term natural solutions to climate change.

The need to do something to both reduce carbon emissions and preserve biodiversity is real and pressing.

[The recent UN Intergovernmental Science Policy Platform on Biodiversity & Ecosystem Services \(IPBES\) Global Assessment Report](#) makes for sobering reading and stresses that "transformative changes" are needed to restore and protect nature in many areas of the world.

The report found that a million animal and plant species currently are threatened with extinction – the highest number in human history.

The IPBES assessment report said that current international goals for sustainably using nature are unlikely to be met at current rates, and that the goals for 2030 and beyond will only be met if transformative changes are made across economic, social, political and technology spheres.

According to the report, the top-three direct drivers of changes in nature with the largest relative global impacts so far are changes in land and sea use, direct exploitation of organisms and climate change.

Estimates suggest that the loss of pollinators has put up to US\$577 billion of crop output at risk. For example, land degradation is estimated to have already reduced the productivity of 23% of the global land surface.

The outlook may seem bleak, but with innovative thinking there may be ways to address some of the issues caused by these profound changes to our environment.

“

Bringing together an innovative credit system of blue carbon offsets coupled with a completely new concept – resilience credits – will generate new private investment streams for large-scale wetland conservation and restoration projects across the world.”

Innovative thinking

The IPBES report urges cross-sectoral approaches involving forestry and coastal management to increase sustainability. And there are certainly new ways to look at specific risks that could help both to manage exposures but also to build up resilience.

The Nature Conservancy believes that bringing together an innovative credit system of blue carbon offsets coupled with a completely new concept – resilience credits – will generate new private investment streams for large-scale wetland conservation and restoration projects across the world.

Coastal wetlands are extremely valuable for communities, governments and companies. They capture vast amounts of greenhouse gas emissions and act as protective flood barriers when storms strike. For example, mangroves can store up to 10 times more carbon per hectare in their soils than terrestrial forests. It is estimated that without mangroves, coastal communities would incur an additional \$82 billion in flood damages each year.

Flooding remains one of the biggest threats to coastal communities. More than 40% of the world’s population lives within 100 kilometres of the coast. And for insurers, flooding is a significant risk, causing billions of dollars of damage every year; over the past 10 years, insurers have paid claims of more than US\$300 billion for coastal damages.

Finding ways to restore and protect wetlands would have the effect of reducing greenhouse gas emissions, protecting vulnerable species and improving coastal resilience to storm surges.

How do blue carbon resilience credits work?

Last year, The Nature Conservancy, with support from AXA XL, began work on a resilience credit that values the combined carbon sequestration and coastal protection benefits of coastal wetlands. Blue carbon credits tap into the established carbon credit marketplace and enable significantly more carbon to be offset than through a terrestrial credit.

The resilience credit – which can be purchased together with the blue carbon credit or separately – will quantify and invest in the added risk reduction benefits derived from preserving these natural flood barriers and from conserving and restoring coastal ecosystems.

Verra, a third-party accreditor of carbon offsets which develops and manages standards for sustainable development and climate action goals, will develop a framework that ensures buyers will be able to trust the resilience value of the credit they purchase.

The Nature Conservancy is working to finalise an assessment of the blue carbon sequestration value of the mangrove, marsh and seagrass sites best positioned to generate the first round of Blue Resilience Carbon Credits.

These credits will enable purchasers to offset their carbon footprint, ensure the health of important wetland ecosystems and protect coastal communities that are vulnerable to storm events.

The future’s blue?

We are excited to be part of a project to unlock the resilience benefits of protecting and restoring coastal wetlands.

This work will, we believe, enable corporations like our own to offset their carbon footprint while at the same time helping to reduce flood risk in some of the most vulnerable areas.

The climate-related challenges facing our societies, our natural habitats and our own industry may seem daunting. But we hope that innovative thinking like this will help to make a real difference. ●



Suzanne Scatliffe is Director of Corporate Social Responsibility (CSR) at AXA XL, where she leads the global CSR/sustainability strategy and programs. She has 15 years’ experience in CSR roles in the insurance, technology, and education sectors, and is a certified Sustainability Practitioner (IEMA) and Fellow of the Institute of Corporate Responsibility and Sustainability (ICRS). She also serves as Chair of the Board of Directors of the Insurance Industry Charitable Foundation (IICF) UK and volunteers as a Heart of the City Mentor, helping small businesses develop CSR initiatives.



Carbon Removal and Reaching Zero Emissions

with **Steve Oldham**
Carbon Engineering



Have you ever heard about 'Carbon removal'? Or 'negative emissions'? The FULLCOVER team hadn't either, or at least until Steve Oldham's presentation last November at the Web Summit in Lisbon. We talked to Steve to find out more about this and what his company, Carbon Engineering (CE), is doing to help save the planet.

It was inevitable that we first discussed climate change; both agreeing it is indeed the most pressing issue facing our planet right now. Steve is adamant: "We need as many solutions as possible. There are no magic bullets or bad ideas. CE's vision on how to address climate change is to combine a feasible and gradual reduction in emissions with a substantial programme for removing CO₂ from the atmosphere."

With people tending to focus on reducing current emissions and ignoring the problem of legacy CO₂, Steve believes an international programme to remove CO₂ from the atmosphere is essential, as well as a workable solution to reduce and then eliminate emissions. He explains: "We can't stop using fossil fuels overnight and we are not able to implement renewable electricity in every location around the world. Neither can we completely eliminate emissions from aviation or agriculture in the near future. While we can remove CO₂ from the atmosphere to compensate for those sectors' emissions, this doesn't mean we shouldn't still build electric cars or use renewable electricity. We should move forward with measures to address climate change emissions, while combining them with carbon removal."



Design of Carbon Engineering air contactor (that could capture about a million tons of CO₂ per year)

How it works

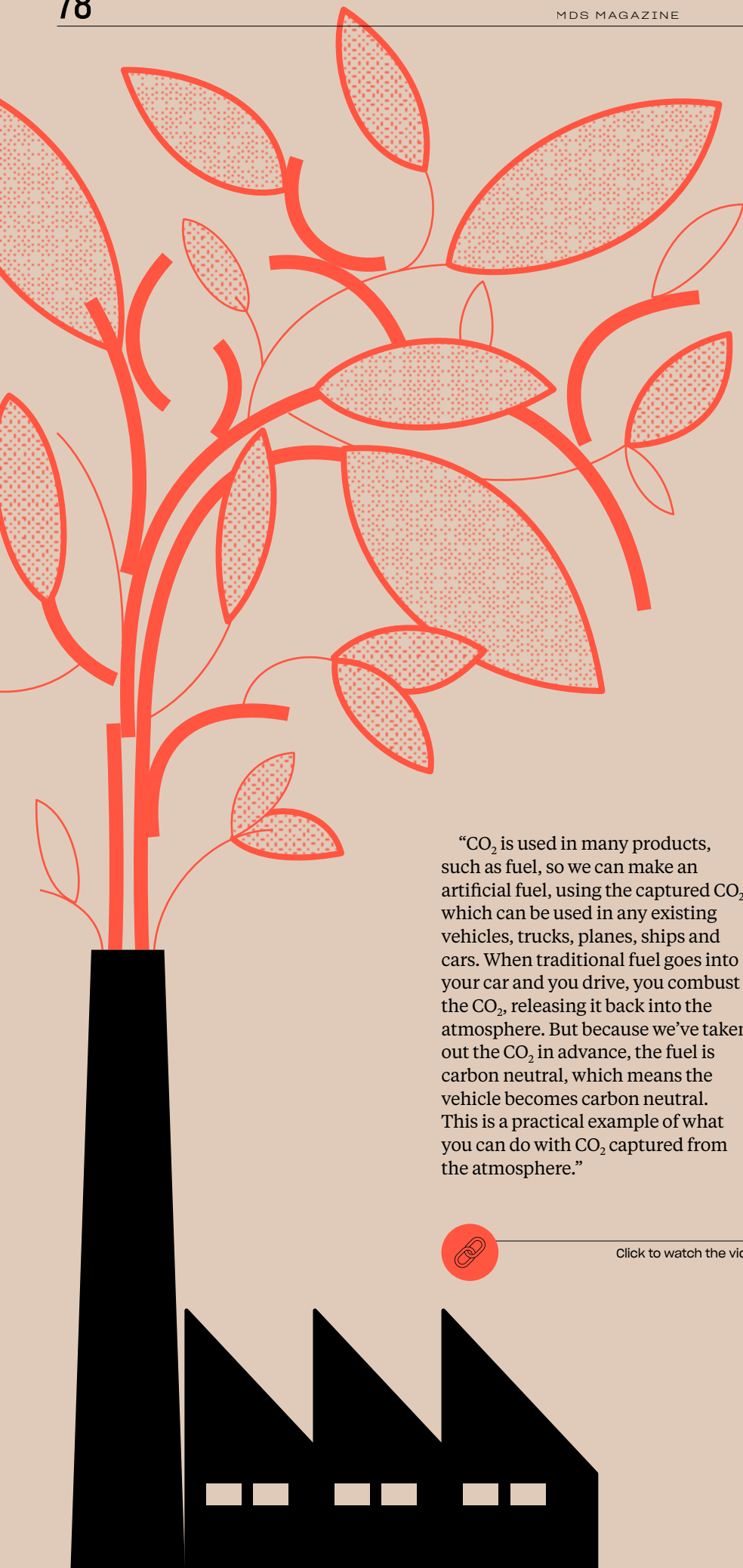
Countries are establishing a target of 0% emissions for 2050 – something many view as a utopia. Steve does not agree. He believes the first 20-30% of emission control will be relatively straightforward – reducing waste and excess energy, turning down the thermostat, driving less etc. The next 40% can be achieved, but it's much more difficult, like replacing electricity suppliers with renewable providers (and this will differ from country to country). As for the last 20-30%, he says: "These are areas that might have high heat processes, for example those that make cement to construct buildings, or the agricultural practices used to feed populations. Here it's really hard to decarbonise without a massive impact on our way of life."

"We believe you can't get to a net zero figure without removing CO₂ from the atmosphere, known as negative emissions or carbon removal. We urge governments, companies, everyone – to decarbonise what you can as quickly as you can, and then use negative emissions to address those sectors that are too difficult or high cost, or too important to our way of life." Steve mentioned that CE is designing and engineering its first commercial scale Direct Air Capture (DAC) facility in the US Permian Basin, where

CO₂ will be stored underground permanently. But how is this done? He explains: "CO₂ is stored underground – precisely where it came from. The problem is we've removed carbon from underground and put it in the atmosphere, so to solve this problem, we have to put it back underground again. There is enough storage capacity worldwide."

And how does the technology work? Steve explains: "We use a four step chemical process; the first essentially uses chemical reactions to capture somewhere between 17-18% of CO₂ from the air, and then the three further steps concentrate the CO₂ until it reaches 100% density. The chemical reactions induced by each step concentrate the CO₂ more as you go along. Another key part of our technology is that each step remakes the chemical used in the previous step, so as we go through the process, it not only concentrates the CO₂, but also recycles the chemicals. This means the plant runs using the same set of chemicals, with no need to update, replace or continuously pump new chemicals into it."

Surprising as this technology may be, there's more to come. Steve continues: "Once the CO₂ is captured from the air, you can do one of two things with it; bury it underground, creating those negative emissions we just talked about, or make a product."



“CO₂ is used in many products, such as fuel, so we can make an artificial fuel, using the captured CO₂, which can be used in any existing vehicles, trucks, planes, ships and cars. When traditional fuel goes into your car and you drive, you combust the CO₂, releasing it back into the atmosphere. But because we’ve taken out the CO₂ in advance, the fuel is carbon neutral, which means the vehicle becomes carbon neutral. This is a practical example of what you can do with CO₂ captured from the atmosphere.”



[Click to watch the video](#)

Pros (and cons?)

While an apparent ‘life saving’ solution, it seems odd that it’s not more widespread – as we speak, only three companies in the world (including CE) use this technology. These companies, FULLCOVER learns, target specific sectors; one of them for instance, focuses on the beverage industry, while CE is focused on developing large-scale Direct Air Capture plants to produce synthetic fuel for transportation, or to bury CO₂ underground to help companies and governments reach annual targets to reduce or address their CO₂ emissions.

Would such limited development also be due to high costs or some controversy around the process? According to Steve, apparently not: “I wouldn’t say people fear the technology or the application – there are people who say that if the technology exists to pull the carbon out from the atmosphere, you’re giving everyone on the planet an excuse to no longer care about their emissions. It’s like encouraging people to take a moral gamble – an excuse not to decarbonise.”

In his opinion, this criticism is flawed; not only does Steve believe in harnessing all efforts to reduce carbon emissions, but he says the reasoning fundamentally ignores the problem of legacy CO₂. “If you don’t undertake carbon removal, you’re not addressing the 150 years’ worth of legacy CO₂.”

Another reason why direct air capture, to date, has not been implemented widely is because the cost is too high. A US government study estimated the cost would be \$600-\$1000 a ton. Steve adds: “We’re only now, in the last year, convincing people we have a solution at a much lower cost point and expect to reach around \$150 a ton for capture and burial.”

As often happens, price is a key driver, yet Steve is confident about CE’s price point, for three reasons: “First, we have a pilot plant that’s been running since 2015, where we have been measuring, improving, collecting

data and learning everything about our technology. We know how efficient it is. Second, our plant has no consumable costs, so you save money. Third, our four step process involves equipment that's widely used in other industries today. We're not inventing any new machinery, but buying pieces that are out in the market, where the costs are known. These three factors make it easy to estimate and be confident in our cost structure."

Forty million trees

Looking to the near future, CE will start building a one-megaton Direct Air Capture plant in Texas. When running, its climatic impact will be equivalent to that of 40 million trees, so the big milestone for this year is to conclude the financing phase and move onto construction. "CE wants to build the first plant to demonstrate this technology works at large scale and is sustainable. Having confirmed the costs, hopefully everyone will want to use it. However, we believe that global governments and companies will want to see the technology working, at scale, at the Texas plant before that happens. We're focusing very strongly on the Texas plant, getting it up and running and then sharing the technology with anyone who wants to use it to help address climate change."

Risk mitigation solution

There's no doubt this technology is highly relevant within the risk and insurance sector. Steve doesn't hesitate: "One of the biggest risks industry and people face, and that concerns all, is climate change. With our technology, you can eliminate any emission from anywhere in the world, at any moment in time."

"As companies look at how to address the risks associated with carbon footprint issues, their financial results and customer base, and as governments look to tackle the overall problem of climate change, our solution provides a way forward to manage all these difficult elements. For your area, this is a solution that allows any company, any government, to adopt measures to reach 100% decarbonisation. So from a risk mitigation point of view, it's very relevant."

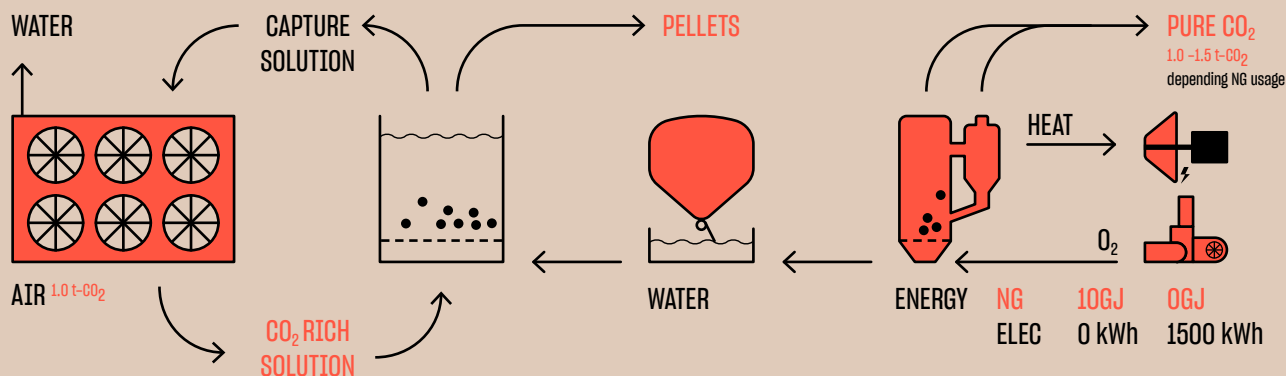
FULLCOVER cannot agree more. As Steve says, carbon removal may not, or will not, be the only solution to reaching the 2050 0% emissions goal, but it will certainly be a major contributor to getting there. ●



Steve Oldham serves as CE's CEO. Steve brings more than 20 years of executive experience to CE's team, stemming from previous positions in technology, robotics, and aerospace sectors. He has played a lead role in a number of 'Canada firsts' in technology commercialization, including the first robot performing brain surgery, the first commercial radar satellite, robots that clean the inside of nuclear reactors, and satellites that service and repair other satellites. Steve holds a bachelor's degree in mathematics and computer science from the University of Birmingham in England.



Carbon Engineering's Direct Air Capture technology – Watch Video



CE's Direct Air Capture process, showing the major unit operations



Parametric Insurance

Helping Close The Protection

by **Daniel Duesterhaus**
Hannover Re



Gap

While the insurance market worldwide is evolving, a few challenges remain. The protection gap is one of them. Especially in developing countries, a higher share of natural catastrophe losses is uninsured. Parametric insurance and the reinsurance of those covers is one possible solution to help close that gap.

Parametric insurance is a shortcut approach to insurance protection, in contrast to traditional insurance, it does not rely on assessments of the actual damage caused by natural catastrophes. Instead, parametric insurance covers are based on predefined triggers and payout mechanisms. Payments for claims are fixed in advance. Under traditional insurance terms, a natural catastrophe would need to damage property with a specific insurance cover. Then a claim needs to be filed, investigated and a settlement needs to be made.

All in all that traditional approach to process claims is time consuming, complex and costly. Parametric insurance is being used in several countries for over a decade now. This in-depth knowledge can be transferred to other areas and regions that are also prone to severe natural disasters. At the same time, developing countries face the same dilemma that especially hurts lower-income groups in the population. Where there is a lack of capacity or appetite from traditional insurance markets, the few available insurance covers are very costly. In that case, parametric concepts are more suitable, especially for risks that are typically underinsured or even uninsured. They can help increase insurability in countries or regions that are not insurable yet.

Yet as a reinsurer, Hannover Re provides a backstop for claims originating from primary insurers

only, so we typically do not interact with clients directly and therefore can only bring parametric covers to consumers together with our clients, the local insurers.

An established and well working arrangement is CCRIF – the Caribbean Catastrophe Risk Insurance Facility. Hannover Re supports this multi-country risk pool that aims to develop a parametric coverage scheme in the Caribbean region and to allow swift claims settlement in those less developed economies after heavy natural disasters like hurricanes or earthquakes. Established after hurricane Ivan in 2004 the CCRIF shows that this kind of insurance entity works for emerging markets as many payments have already been made, for example, after hurricane Maria in 2017. The CCRIF made a payout of over US\$19m for Dominica within 14 days after the event and proved its ability to provide quick liquidity to governments of the Caribbean and Central America.

We see parametric concepts as a growing product that benefits the various parties involved. The key is to be able to design the exact features of parametric covers such as defining the trigger and payout as well as the perils covered. Global reinsurers are well positioned to help develop those products, as these require a lot of underlying data, analytical skills and industry knowledge.

There are still too many regions where insurance protection is not available at all. We see the insurers and reinsurers in a leading position to close this protection gap and help fight the negative impact on especially the poor and vulnerable following major disasters. ●



Daniel Duesterhaus is General Manager P&C Latin America, Caribbean and Iberian Peninsula at Hannover Re. Daniel Duesterhaus holds a Bachelor's degree in Economics from the Université du Maine, Le Mans, France, and University of Paderborn, Germany. He received his Master's degree in Economics and Business from the University of Paderborn, Germany. He started his professional career with Hannover Re in 1999 as an underwriter for North American business. After several years of experience as a Senior Underwriter in Bermuda with responsibilities for France, Asia, US, Caribbean and Latin America, he took over the position of General Manager for Property & Casualty in the regions Latin America, Caribbean and Iberian Peninsula in 2014.



Smart Cities

A Holistic Approach

by **Ana Salgueiro**
Ana Salgueiro –
Consulting for
Sustainability



Cities are complex webs of interlocking systems facing enormous social, economic and environmental challenges, particularly when it comes to their impact on climate change.

If current trends continue, urban populations are expected to reach 6.3 billion by 2050, yet by 2030, more than 60% of the space needed for their development will not have been created.

In response to current societal challenges, the concept of a smart city arose. Thanks to its potential for integration, ease of movement and flexibility, the idea quickly grew and went global. Urban areas – with their concentration of assets, knowledge and working populations – are catalysts for new models and

governance tools, encouraging futuristic solutions for low-carbon economies and more sustainable lifestyles.

Despite the varying descriptors of smart cities (living labs, urban labs, happy cities, societies 5.0), the goal remains the same: to create resilient cities which, through sustainable measures, promote economic growth locally and guarantee the best quality of life for their citizens.

The concept of a smart city appeals to different generations and local and regional public organisations are keen to seize opportunities to think and act strategically and intelligently in their own cities, while promoting a better and deeper engagement with citizens.

The framework supporting a smart city has many components. From a knowledge perspective, the measures and interventions to be

considered include: the environment, circular economies, mobility, energy, buildings, infrastructure, services, technology, communication and people. At a partnership level, smart city projects tend to bring together syndicates and public/ private entities that specialise in varying fields.

However in practice, most smart city projects limit themselves to a few areas, typically technology, mobility or energy - the ones considered crucial to making a city *smart*. This insular management of key aspects tends to create segmented smart cities, developed using a narrow perspective which fails to integrate all the fundamental dimensions of a city and so doesn't maximise its full potential.

It is therefore of the utmost importance to adopt a wider holistic approach when designing smart cities. Better working relationships between those involved with energy, technology, mobility, environment, people and buildings etc will deliver greater benefits for all stakeholders and their respective agendas.

Holistic management paves the way for specialists to share their expertise in how to address the challenges of a city and its wider area and how to meet the needs of its inhabitants. Collaboration makes it easier to recognise limitations and requirements, plus identify and create opportunities at several levels. The result will be the development and design of measures and actions with a purpose; ones that will truly contribute to a city sustainable in every fundamental way - environmental, economic and social.

This 360o approach, being broader, more inclusive and ambitious, creates long-term viability for scalable pilots, extending smart cities to smart territories. This evolution will naturally occur when existing relationships and synergies among the core services, assets and values of a city and its region are identified and integrated, adding value to the strategic planning of a region. For example:

- Harness the relationship between industry, city and population – this provides the power to take advantage of the fourth industrial revolution.
- Identify natural resources and services in existing territories' ecosystems – it'll help ensure their integration, preservation and sustainable use throughout urban environments
- Advocate sustainable tourism – it will develop dedicated tools that respect local and natural values
- Encourage and integrate sustainable local farming
- Promote local economies and local/ regional businesses, considering the values and assets of each region
- Consolidate the sociocultural and inherent values within a given region.

An integrated, strategic management strategy will turn the concept of a smart city into a powerful sustainability management tool for cities and territories. However, if we are to learn from the varying projects in place - particularly when it comes to people engagement - a continual, long-term investment in human resources and funding is required. ●

Bibliography

Castelnovo, W., Misuraca, G., and Savoldelli, A. (2015). "Smart Cities Governance: The Need for a Holistic Approach to Assessing Urban Participatory Policy Making." *Social Science Computer Review*, 1-16. sagepub.com/journalsPermissions.nav. DOI: 10.1177/0894439315611103.

Garcia-Ayllon, S., Miralles, J. L. (2015). "New strategies to improve governance in territorial management: evolving from "smart cities" to "smart territories"." *International Conference on Sustainable Design, Engineering and Construction. Procedia Engineering* 118 (2015) 3 - 11.



Ana Salgueiro has a BSc and PhD in environmental engineering from the Universidade Nova de Lisboa School of Science and Technology and over 20 years' experience in environmental engineering consulting. From 2001-2006, she worked in the licensing department of the Portuguese Environment Agency and from 2006 - 2011, Ana was head of the environmental risk and liability practice at E.Value. In 2012, she founded Ana Salgueiro - Consulting for Sustainability, focusing on sustainability and environment consulting for a wide range of organisations. Ana is also a Senior Technical Advisor to the Environmental Fund office and the Secretary General of the Ministry of the Environment and Climate Action on projects to mitigate climate change, decarbonisation and smart cities, plus she's taught at institutions such as Universidade Aberta, Universidade Nova de Lisboa and the University of the Algarve.



Lisbon — 2020

European Green Capital

by **Fernando Medina**
Mayor of Lisbon





Fernando Medina, Mayor of Lisbon. António Costa, Prime Minister of Portugal and José Sá Fernandes, Lisbon Councilman for Environment, Climate and Energy)



Click to know more about
Lisbon European Green Capital 2020

Over the last 10 years, Lisbon has introduced a comprehensive series of policies to mitigate the effects of climate change, positioning the capital city as a global leader in this debate. The city has set ambitious targets and is involved in formalising agreements for the next phase of climate policy, namely by participating in the Covenant of Mayors for Climate and Energy, signing the Compact of Mayors and being an active member of a number of urban-led collaborative

initiatives including C40, ICLEI and Eurocities.

In recognition of the projects undertaken and results achieved, Lisbon has been named by the European Commission as the European Green Capital 2020. Lisbon is the first southern European capital to be given this honour, and during 2020 it will put urban environmental sustainability – from a political commitment and external communication perspective – under the spotlight. [Lisbon European Green Capital 2020](#) is a fantastic opportunity to introduce and promote a series

of initiatives and showcase these successful urban policies worldwide, using them as leverage to influence and inspire leading cities to follow the same sustainable urban development path.

The motto chosen for the year is ‘choose to evolve’ a challenge to all local stakeholders, from individual citizens to the largest company, and other cities in the world, to evolve together with Lisbon and switch to an urban model which is able to cope and mitigate climate change while encouraging economic and social prosperity, with opportunities for all, leaving no citizen behind.





Lisbon, a view of the city featuring Castle of São Jorge

**“
Since 2008, Lisbon has seen a 16% increase in new and renewed green space and intends to achieve 20% by 2021.”**

The European Green Capital Award recognises Lisbon as a role model for combining sustainability and economic growth. It has taken major steps towards sustainable land use and urban mobility, promoting green growth and using nature-based solutions for climate change adaptation.

In order to deliver sustainable land use and counteract the effects of climate change, such as drought, extreme heat, and flooding due to storms, Lisbon has created a network of nine green corridors. This green infrastructure also supports biodiversity and provides ecosystem services, including air pollution mitigation and space for recreation and urban farming.

Since 2008, Lisbon has seen a 16% increase in new and renewed green space and intends to achieve 20% by 2021. Since 2017, more than 80,000 trees have been planted (100,000 projected by 2021) and 700 organic allotment gardens use collected rainwater and compost organic waste (1,000 plots by 2021). In Lisbon, 85% of people already live within 300m of green urban areas (> 2000m²) and this number is set to increase to 93%.

Nine rainwater retention stations have been constructed across the city as nature-based solutions to collect and store rainwater, reducing the effects of flash floods. A major drainage scheme is also underway, with large tunnels forecast to withstand the effect of extreme events within a 100-year period. Recycled water will be used to irrigate green spaces, replacing precious drinking water, and the city has already implemented efficiency and leakage control measures that since 2013, have reduced city-wide drinking water consumption by 50%.

When it comes to taking action on climate change, Lisbon was the first capital in Europe to sign the New Covenant of Mayors for Climate Change and Energy in 2016, after achieving a 42% reduction in CO₂ emissions between 2002 and 2014 and reducing energy consumption by 28% between 2012 and 2017.

Lisbon has a clear vision for sustainable urban mobility, adopting measures to restrict car use and prioritise cycling, public transport, and walking. In 2017, a bike sharing scheme was launched, and to encourage cycling in the hillier parts of the city, two thirds of the bikes were

electric. Lisbon already has one of the world's largest networks of electric vehicle charging points (91% of the municipal light-duty vehicles are electric) and 93% of people live within 300m of a public transport service. But the most impactful mobility policy change was a major organisational overhaul of the provision of public transport tickets, at a metropolitan level. All public transport operators and systems merged into a single entity offering simple and universal tickets and reduced tariffs. Having cut tariffs by 32% when first implemented in April 2019, the €1/day ticket increased passenger numbers by more than 20% in just a few months. Lisbon is also a strong believer in 'power to the people' and citizenship/ bottom-up strategies play a key

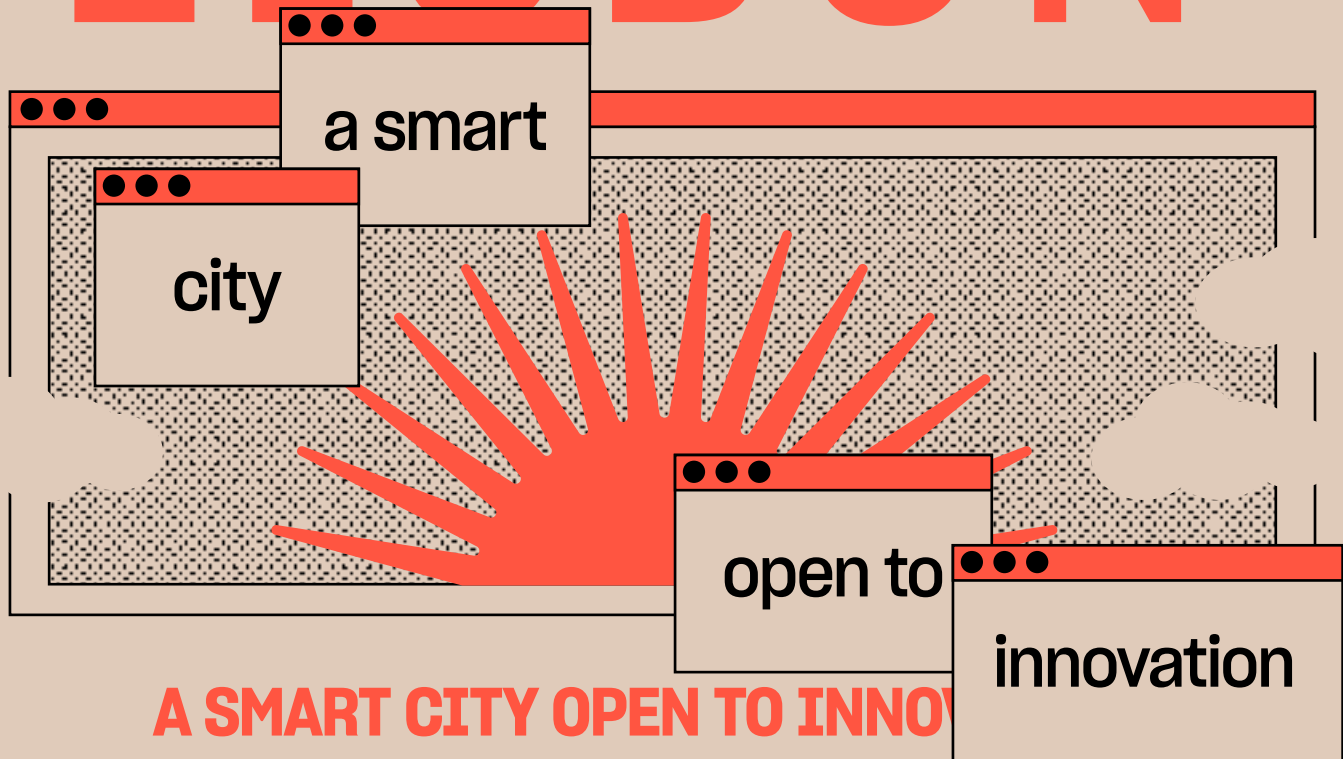
role in several of the city's green initiatives. One example is the annual Participative Budget, where people propose and vote on specific projects the municipality then promotes. In 2020, the Participative Budget doubled to €5m and it's entirely 'green', challenging citizens to propose, campaign for and vote on projects 100% related to urban sustainability. ●

Lisbon, a view of the river from Eduardo VII park



Fernando Medina has a degree in economics and a masters in economic sociology. He was an advisor to the Portuguese Investment Agency (2003) and the Institute of Innovation and Training (1998-2000) and a member of the Ministry of Education's working group for the Portuguese Presidency (1999-2000). Mr. Medina became a member of the Prime Minister's cabinet as an advisor on science, technology and education (2000-2002) before holding his first political appointment as secretary of state for employment and vocational training (2005-2009) and secretary of state for industry and development (2009-2011). In 2011 Mr. Medina was elected an MP in the Portuguese parliament, a position held until 2013, when he was first elected deputy mayor of Lisbon. In 2015 he became the mayor of Lisbon and was re-elected in 2017 as mayor of Lisbon and the presiding mayor of the Lisbon metropolitan area.

LISBON



A SMART CITY OPEN TO INNOVATION

Having been recognised as a European Entrepreneurship Region (EER 2015), the current host of the Web Summit for the next 10 years and leader in the Sharing Cities Horizon 2020 Smart Cities & Communities project, Lisbon has positioned itself as one of the leading entrepreneurship and innovation hubs in Europe. This can be leveraged to include and prioritise contributions for innovation in smart city strategies.

Cities nowadays comprise a network of housing, work, industry and leisure ecosystems, coupled with complex social and economic models. Lisbon's strategy is to focus on modernising its ability to respond to modern day demands. Combining networks and traditional services with digital technologies is critical, improving inclusivity, sustainability, efficiency, transparency and connectivity.

Projects include:

- The Integrated Operational Centre which coordinates several operational services in connection with security and safety, emergency response and quality of life
- The Intelligent Management Platform is an award winner in the Digital Transformation category of the Smart 50 Awards. It gathers and processes large data sets, originating from cameras, sensors and social media, plus the information systems of the Lisbon Municipality and external partners
- The Urban Data Lab, a collaboration between academia and the municipal services, develops processes and algorithms to predict and respond to all types of events
- The Data Workshop, a programme to support municipal services in digital integration and transformation projects
- The Open Data Portal, this can be accessed, used, customised and shared for free, the only requirement is that Lisbon Municipality is credited when quoting results
- Real-time monitoring of environmental and weather data and its impact on the quality of life (air pollution, noise, traffic and climate). This enables informed strategic decisions to be made to address the city's environmental problems and tackle the effect of climate change.

Looking for complete solutions for corporate risks?



Flexible coverages



wide acceptance



High reinsurance capacity



Own risk management team



Specialist areas by industry



Agility and ease from quotation
to claim regulation

SOLVED

With over 40 products in its portfolio, Tokio Marine is ready to meet the most demanding needs in various industries with property, logistics, indemnity or financial line insurances. Whenever you need it, Tokio has the solution.

**Talk to your broker
to find out more.**

A complete Insurance
company, so you can
go further.



**TOKIOMARINE
SEGURADORA**

NOSSA TRANSPARENCIA, SUA CONFIANÇA

Joana Vasconcelos

Fortune favours the bold

Joana Vasconcelos is one of Portugal's greatest living artists. In order to find out more about her, FULLCOVER met Joana at her workshop by the Tagus river. Well known for her honesty and vivacity, Joana explained about the new trails she's blazing and how she's coped with the challenges of the art world, much like the Portuguese during the Age of Discovery when ships sailed from the Tagus in search of the unknown, exploring new worlds.





“

'A Noiva' is without a doubt Joana's jewel in the crown. This five-metre chandelier is built entirely out of tampons. Seen from a distance, the cascading, shimmering prisms on closer inspection turn out to be thousands of spotless tampons, much to the viewer's surprise.”

A Noiva, 2001-2005 @Luís Vasconcelos/Cortesia Unidade Infinita Projectos



Breaking into the art world

Joana was born in Paris on 8 November 1971 to Portuguese immigrants who returned to Portugal after the revolution of April 1974.

She studied at António Arroio Art School and then Arco Lisbon - the Arts and Visual Communication centre. In 1996 Joana held her first exhibition 'More Time, Less History' (*Mais Tempo, Menos História*), organised by the Serralves Museum in Oporto, showing her public installation, *Triangons*.

Joana's work was shown internationally in 2005, when she entered the Venice Biennale with her piece, 'The Bride' (*A Noiva*). In 2012, she was invited to exhibit at the Palace of Versailles in Paris, becoming the first woman and youngest artist to present pieces in this privileged setting. The following year, Joana returned to the Venice Biennale representing Portugal with an ambitious project, a *cacilheiro boat* (passenger ferries that sail between the banks of the Tagus) which she converted into a floating pavilion.

The artist's world

Her studio, over 3000m² and located at Doca de Alcântara on the Tagus, is a far cry from the small workshop where she began 20 years ago.

You're immersed in the artist's world as soon as you enter the hallway, where some of her works are displayed. Nearby you'll find the build area where all the wood and metal work takes place. On the upper floor, there's the creative, design, sculpture and administration offices, as well as a production room where sewing, embroidery and textile work is carried out.

You soon understand that Joana works with a vast amount of materials: from ceramics to fabric and iron to tableware. Pretty much any object, from the trivial to the complex, can be fashioned into a work of art.



Joana Vasconcelos and the FULLCOVER team, at her studio

The artist's office is on this floor. Here, like a captain on her ship, she runs all the workshop operations and sketches out her pieces. These drawings go onto the architects where technical plans are put together, and then passed along to production. "The process is still very artisanal; everything's made by hand. I trust people's expertise," says Joana.

What started as a team of 10 employees has grown into a 60-person multi-disciplinary team who Joana considers to be the foundation of and central to her project development.

When a woman dreams, the work begins

Joana says: "Being an artist is something you build day to day, it is a discovery. It's not a title or a certificate.

It's the only profession where, no matter how great your reputation, you yourself can never claim to be an artist. That honor must be bestowed by the public. If people feel that I'm an artist, then I am. But I can't want to be it. I can only do my job to the best of my ability. And then people will say, 'Yes, she's an artist'."

Her work represents an ongoing conversation between the artist and the world, as she reinterprets and transforms daily objects, breathing new life into them. "Working with household items, such as pots or tampons, are key concepts because, when you reinvent them, they acquire new meaning."

Joana is influenced by her gender and Portuguese identity and, while never losing sight of global influences, her work involves traditional Portuguese needle working techniques and traditions.

“

What I do to minimize risk is, obtain as many expert opinions as I possibly can. As we're building things nobody's built before, we don't have a specialist to ask, 'Hey, how do we make a chandelier with tampons, or a 10-metre tall Barcelos Rooster'? We've entered a world where, creatively, we make objects that have never existed but, to bring them alive, we need to build on what does exist.”

'The Bride' (A Noiva)

'A Noiva' is without a doubt Joana's jewel in the crown. This five-metre chandelier is built entirely out of tampons. Seen from a distance, the cascading, shimmering prisms on closer inspection turn out to be thousands of spotless tampons, much to the viewer's surprise. 'The Bride' has not failed to court controversy. In fact, says Joana, Versailles refused to display it as curators felt it was beneath the palace's dignity. Joana believes they had other motives for refusal: "The conservative view of women's role in society, and the taboos on feminine bodies, sexuality and women's freedom to do what they wish with their bodies."

At first, Joana reacted strongly to the Palace of Versailles' attitude, as she finds censorship extremely harmful — it prevents self-expression. As she could not display 'The Bride', Joana considered pulling out from the exhibition altogether. However, she finally withdrew that particular piece and kept the rest on show. Controversy around 'The Bride' resulted in increased attention and publicity for the piece and it is now in high demand for several exhibitions. As Joana says, "It is the anchor of my life's work."

A high-risk individual

"I was risk personified in every way. Everything society tells you not to do, I would do. I was young, female, Portuguese, and practicing what only a few men do in the world — monumental sculpture," continues Joana.

It transpires there are only half a dozen people creating monumental sculpture in the world. Joana is among a rare few and, ever since she began working, she's faced pessimists. 'The risk is excessive. That's just not possible'. This is due to the fact that her work often represents pieces never attempted before. As Joana explains: "I am risk personified, not only because of my identity, but because nobody else has, as I have, dared to cross so many thresholds."

Whether it's creating a chandelier from tampons, a Portuguese pavilion from 'an old, out-of-commission ferry' at the Venice Biennale, covering it in *azulejo* tile, or daring to disturb the 'historic serenity' of national symbols like the Tower of Belém in Portugal or the Versailles Museum, Paris, Joana through her techniques, combines irreverence with creativity.

Managing risk

How does Joana manage the risk? She answers: "What I do to minimize risk is, obtain as many expert opinions as I possibly can. As we're building things nobody's built before, we don't have a specialist to ask, 'Hey, how do we make a chandelier with tampons, or a 10-metre tall Barcelos Rooster'? We've entered a world where, creatively, we make objects that have never existed but, to bring them alive, we need to build on what does exist. The trick is to find professionals who have fully mastered their craft and who have a creative side to them."

Joana shares times in her career when risk played a significant role. "We took an extreme risk with the ferry we brought to the Venice Biennale. There was the

Valkyrie Azulejo, Trafaria Praia (2013) @Luís Vasconcelos/Cortesia Unidade Infinita Projectos



bureaucratic maze between the Portuguese and Venetian authorities and raising the necessary funds for the project — €2.5 million. Then there was the massive risk of towing a run-down ship all the way to Venice from Lisbon, and placing tile panels at the last possible minute; as they hadn't been tested, there were fears they might break and shatter as the vessel moved. Finally, it had to be turned into a representation of the Portuguese embassy." Things worked out because, as Joana concludes: "Good fortune favours the bold."

Another risk-laden situation was in Versailles. Joana intended to hang a piece, a Valkyrie, from a Louis XIII dome in the Palace of Versailles. This was met with a strict refusal. Not only was the dome 'untouchable', but its caretakers were not aware of its structure or how it was built. At this stage, Joana and her experts responded to their concerns by adapting the initial project, namely designing solutions so the Valkyrie would be suspended from the moulding and not the dome. "We explained our solution to the people in charge and, together, slowly set up the exhibit, gauging the risk piece by piece. The work hung throughout the exhibition, no problem."

The French have Versailles; the Portuguese the Torre de Belém. Working with this national symbol, for the first time, Joana thought she might be taking it a little too far. The Portuguese power company EDP had invited her to redesign the interior of the building. But Joana, typically, wanted to go further, envisioning a necklace around the tower. This was met with resistance from the authorities, including the military and cultural preservation bodies. She was told she could exhibit, but not touch the tower, particularly because it had recently been cleaned.

"The risk could not have been higher, but I was able to comply with their demands. The piece, which involved me surveying the wind and other impacts, is made from floaters



Golden Valkyrie, 2012 (Versailles) @Luís Vasconcelos/Cortesia Unidade Infinita Projectos



Pop Galo (Pop Rooster), 2017 Bauhaus Square, 798 Art District, Beijing @Cortesia Turismo de Portugal. The Pop Rooster was inaugurated at the Web Summit event in Lisbon in 2016, signalling the start of a tour that took it as far as China (Beijing) for the Year of the Rooster Celebrations. MDS supported Joana's work (Pop Galo) in this world tour.



A Jóia do Tejo, 2008 (Torre de Belém) Lisboa @DMF, Lisboa/@ Unidade Infinita Projectos

(used on oil tankers and other vessels) and rope. All of these are soft elements. The piece was suspended around the tower, never touching it. It was a highly challenging project for me and my team,” Joana recalls.

The amazing thing is, once the thorny technical issues had been tackled, an entirely unexpected problem arose: “From travel agencies. With tourists in Germany or the United States etc booking trips based on brochures on how the Tower of Belém previously looked, in order to prevent agencies from being sued, we had to inform tour guides, explain my work and ensure they could answer any questions tourists might raise.”

During the course of her career, Joana has exhibited in a variety of spaces: from exponents of modern architecture, like the Bilbao Guggenheim and the Rotterdam Kunsthall, to century-old buildings like Versailles and the Tower of Belem. In response to whether she ever felt her works might ‘clash’ with the general feeling of a space, she answers, bluntly: “Before becoming attuned you need to go through a phase of shock.”

Insurance and art: an essential conversation

When thinking about risk management, it’s important to consider risk transfer. For Joana, insurance is vital, because it’s part of life. “To address risk issues, we need tangible, truthful assessments of risk and clear perceptions. For this to happen, you need like-minded partners: collaborators who will scrutinise your risks, experts to assess them and insurers who understand what we do.” This isn’t always easy. Joana opines: “Can you imagine insuring a rock climbing team hanging for 10 days from a 20-metre height, like the piece we assembled at the Guggenheim? Or the completely unexpected tornado in Venice that damaged

some of my pieces exhibited outdoors? The world is going through massive climate upheaval and works of art now have to deal with unforeseen phenomena. Insurers need to cope with this new reality of the risks artists are exposed to.”

However, artists equally need to adapt, accepting some risk protection may clash with their original vision. Recently, in Serralves, Joana wanted to place ‘The Bride’ at the museum entrance, which the insurer could not accept, because the area selected was an open access area. The compromise, which MDS helped with, was to put

security cordons around the piece, protecting it from pedestrians.

Art insurance traditionally covers paintings, which represents 90% of artists’ exhibitions. A crucial factor to this type of insurance is artwork valuation, which tends to vary. “Insurance plays a fundamental role in reproducing a piece that has been destroyed by, for example, a natural disaster. However it matters, further on in the process, that the artist has the plans and work designs duly documented so that he or she may reproduce it at any time.”

“Insurance plays a fundamental role in reproducing a piece that has been destroyed by, for example, a natural disaster.”

Joana's team working on new projects





Joana Vasconcelos

“I only do what I know I’m able to. Although the processes aren’t clear and you can’t see all the methodology, there’s a certainty in me, telling me I can get there.”

Giving something back

“In 2012 we created the Joana Vasconcelos Foundation intending to help young people study art, which is not that simple in Portugal. There are very few art scholarships and, in addition to tuition costs, people have little idea of the cost of art materials. If you can’t experiment with materials, you can’t evolve. So I decided that, as soon as I could, I would give back part of my fees to those without the good fortune to attend a private school and experiment as I did. We signed an agreement with the University of Évora where students come to me for internships and then we help them find courses abroad, namely in London.” The Foundation also funds projects and provides traineeships in Joana’s workshop, with some being offered permanent positions. “In essence, this workshop is also a school,” says Joana.

But the Foundation’s work does not stop there. It partners with institutions that assist refugees and support mental health patients. “We currently have a Syrian refugee working with us, along with a war

refugee from an area between India and Pakistan and a person who suffers from mental health issues. We perform a service to the community, which is integrating these people.”

The Foundation is just as mindful of its employees and has a separate area, *Corpo Infinito*, which helps the team with their well-being goals. “Alongside others, you need to take care of yourself. To do this, we have yoga and gymnastics classes, a personal trainer, a healer, an astrologer and a karate teacher.”

Art and sustainability

Today, there’s much talk about art and sustainability. For Joana, this is only natural. Not only does she incorporate recycled fabric and clothing into her work, but she’s also dedicated a number of works to the topic of water, trying to draw attention to its scarcity: “Water is a very complex resource and we, in our modern society, take it for granted. We need to realise there’s a chance, at some time, we may not have drinking water. At home, for example, nobody soaks in the bath anymore, not for a while. I’ve been raising my daughter to be environmentally aware.” And she adds: “Environmental risk is something new in our life. It’s difficult to manage and we must learn to live with it. I believe that, if we all do a little bit every day, we can reduce so many risks. So I try to do it in my personal and work life.”

‘Watch this space’

In 2020, Joana exhibited in the US for the first time. Her work, ‘Valkyrie Mumbet’ (part of the *Valkyries* series), a large-scale installation piece, was shown at the inauguration of the MassArt Art Museum (MAAM). This piece pays homage to Elizabeth

Enjoy art — we take care of everything else

For centuries, art has been a community on its own, and today it's more complex and dynamic than ever. It's worldwide, with auctions taking place in New York, Hong Kong and London for example, but also local, with regional trade fairs and galleries just around the corner. Valuable works of art require particular insurance cover and MDS Group offers solutions that help protect such works against damage, preserving them for future generations. Within this sector, MDS has the expertise and experience to support clients with varying requirements, including: private collections, art dealerships, museums and exhibitions, art shipping companies and art storage firms. Its specialist teams will advise and access the best solutions, with discretion, from a wide portfolio of tailor-made products, based on all-risks insurance, supported by an all product 'wall-to-wall' service.

'Mumbet' Freeman, a slave whose legal battle for freedom in 1781 helped bring about the end of slavery in the state of Massachusetts.

Joana has another project underway, 'Wedding Cake'. An interesting, challenging project, given its size and complexity. "It's a wedding cake, but also a building you can climb up and become the bride or bridegroom at the top of the cake."

"It's a big production, perhaps the biggest thing I've ever done. We've gone through the project, creation and design stages and now we're moving onto construction. It will also be built at Viúva Lamego². Joana adds: "This building is a cake and the cake is a building. The interior is all textiles and we're discussing security issues at the moment. The piece is intended for Waddesdon Manor, a sculpture park in the United Kingdom that welcomes more than 500,000 visitors a year."

FULLCOVER got a chance to look at the sketches for this piece — confidential at this stage, we might add — and, once again, Joana managed to surprise us with work unlike anything she's ever done. All we can say is, 'wait and see'!

Nothing is impossible

We couldn't say goodbye before asking one final question: 'was there ever a piece you couldn't finish'? Joana smiles and says: "No, I only do what I know I'm able to. Although the processes aren't clear and you can't see all the methodology, there's a certainty in me, telling me I can get there. When I feel that certainty I go all the way, taking lots of risks, because if I feel there's a chance I won't pull it off, then I won't do it."

Sad though it may be, our conversation with Joana has come to an end. We left believing that nobody else can transform those great questions about risk into unique, colourful, vibrant and vital works of art. With unshakable strength and purpose, Joana Vasconcelos is not only an artist of international renown but a truly indomitable woman. ●

1 A clay figurine from the region of Barcelos in North Portugal, the Barcelos Rooster is one of the country's symbols of tourism and an icon of Portuguese identity (see www.cm-barcelos.pt/visitar/artesanato/galo-de-barcelos/)

2 Viúva Lamego is a Portuguese company established in 1849, devoted, for the most part, to the manufacture and painting of azulejo tiles, which it exports to the rest of the world.

Hallway, Joana's studio (Lisbon)





AN INSURANCE COMPANY
THAT PROTECTS ITS EMPLOYEES
AND YOUR BUSINESS?

**NOW WE'RE
TALKING MAPFRE.**

 **MAPFRE Life Solutions**

MAPFRE is present in over 100 countries across 5 continents.
And for every company, we have a product that's a perfect fit.

Talk to your insurance broker or access mapfre.com.br



MAPFRE

Your trusted global insurance company.

ARGO SEGUROS: ESPECIALISTA EM MERCADOS DE NICHU

Quando concentramos o foco, enxergamos mais longe. É assim, observando oportunidades e avaliando cenários, que a **Argo Seguros** vem assumindo papel de destaque no segmento de **especialização**, movida pela inovação e apetite por resultados.

Somos globais, somos locais, somos a Argo.

ARGO DIGITAL

Corretores e parceiros de negócios passam a ter acesso a uma nova experiência digital, mais rápida e intuitiva. Além de novas funcionalidades para autoatendimento e contratação de seguros, em poucos minutos.

210.95

149.16

23.26

1.41%



APÓLICES EMITIDAS:

2017 → 105.523
2018 → 143.185
2019 → 129.155



CORRETORES PARCEIROS:

2017 → 2.567
2018 → 3.102
2019 → 3.641



SOMOS TOP 5

Responsabilidade Civil Profissional*, Transporte e Bike

*Abrangência em mais de 40 profissões

SEGMENTOS:



Transportes Nacional e Internacional



Property e Engenharia



Seguro Garantia



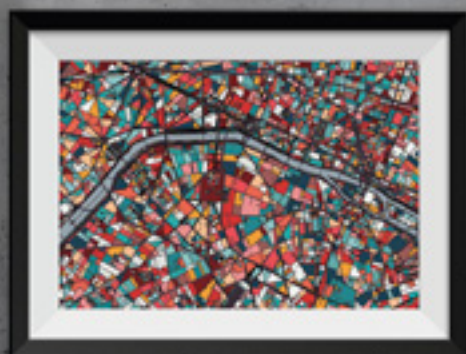
Responsabilidade Civil Geral e Profissional

☎ 4000 1246 (Regiões Metropolitanas) | 0800 942 2746 (Demais localidades)

📍 Argo Seguros 📱 ArgoSeguros 📘 ArgoSegurosBrasil 📺 Argo Seguros


ARGO
SEGUROS

PERSPECTIVES CHANGE, GUIDANCE IS A CONSTANT.



Everyone has different needs. And they change all the time. What doesn't change is the need for expert guidance.

Our job is to help you navigate your choices.

As a mutual we are wholly devoted to our policyholders and partners; providing continuity and assurance in an unpredictable world.

For Mutual Advantage

libertyspecialtymarkets.com



Liberty
Specialty Markets

PCA Consultative Broker

Brokerslink @Italy



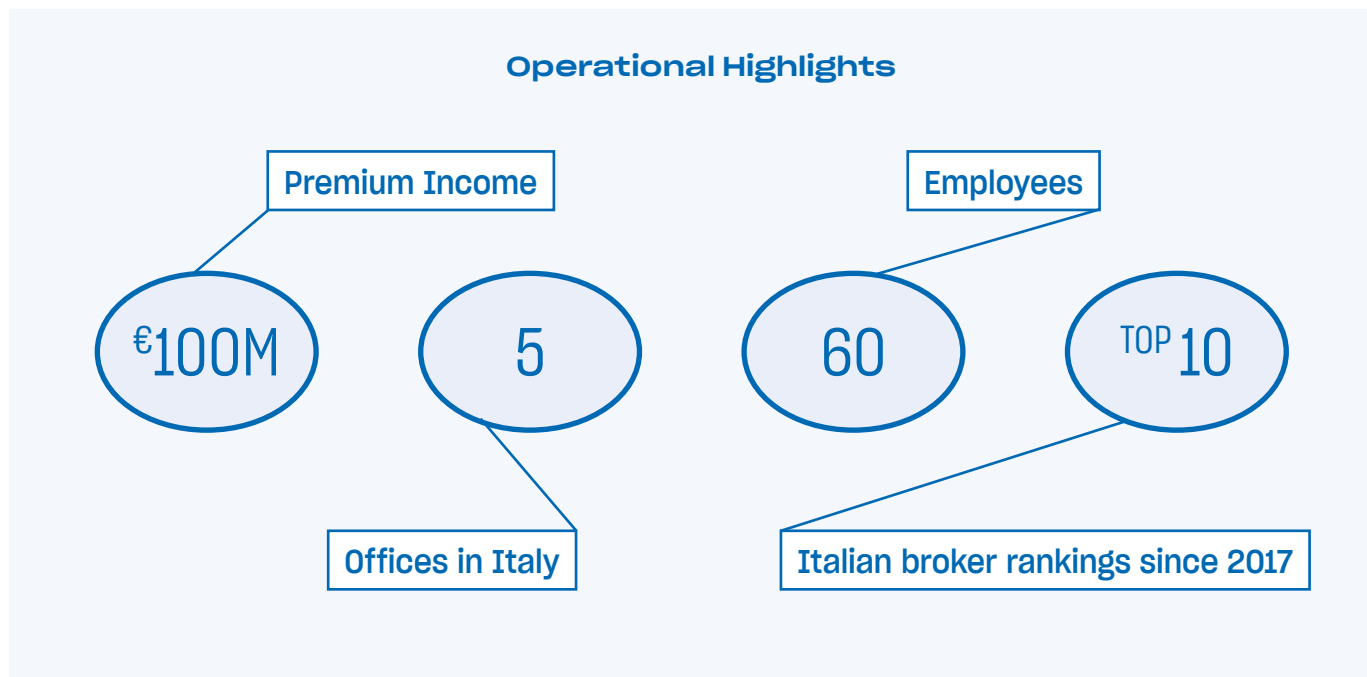
Fueling the future
The italian insurance market
Italy... what else?

PCA Consultative Broker

Fueling the future

PCA management team:
(middle) Roberto Armana, chief executive officer & president; (from left to right) Federico Bassi, head of automotive, transport and marine; Giovanni Roncaglia, global business and reinsurance manager; Stefano Colondri, chief finance officer; Claudio Robbiano, marketing and communications manager; Fabio Covello, head of claims, property, liability and casualty.





Founded in 1988, PCA is an international independent brokerage specialising in insurance and reinsurance.

It's part of the Gavio Group, a major multinational company, and one of Italy's leading industrial businesses. The Gavio Group is the second largest toll road operator in the world, responsible for some 4,600 km of road across Europe and Latin America, and recognised as one of the most important players in its sector.

Over 30 years, PCA has grown to become one of the top 10 independent brokers in the country, according to the latest ASEFIBrokers ranking, with around €100 million premium income.

Today PCA has some 60 employees working from five strategically positioned offices in Italy. CEO & president, Roberto Armana, comments: "Tortona, in the Piedmont region is our birthplace and we still have strong ties and a significant portion of our business in this area; for this reason we kept our operative headquarters here. However as we are keen to

continue to grow the business, our presence in Milan, the economic capital of the country is highly strategic. Here for many years we've had our registered office and more recently we opened a branch for mainly sales and business development activities. Finally to fulfil our promise of being close to our customers, we have offices in two cities where we have significant business; Turin in the north west and Frosinone, in central Italy."

PCA exclusively supports corporate and large corporate clients working in areas including: construction, transport, automotive, logistics, marine, motorway concessions, clothing, food, environmental, industrial equipment and the church. Its services range from complex claims management and placing multinational insurance programmes to reinsuring large risks. Roberto continues: "We pride ourselves on our excellent customer service, specialist knowledge, the leverage we have within the market, our international strength, flexibility and problem-solving abilities."

Roberto Armana: the man behind PCA's growth

Roberto has always had a close personal relationship with the Gavio family, spending most of his career with the Group. He's worked in brokerage & risk management (PCA, Asset, Augustas etc) and in motorway management (concessions), as a Board member of Siway Spa (one of the holding companies). For Roberto, working in large scale infrastructure such as motorway management, civil and industrial projects, engineering and mobility technology is more of a passion than a job. He has brought several clients to PCA; important Italian players — Impregilo, Condotte and Saipem — who demand high level risk management due to the nature of their business and size. Projects include the construction of high-speed railways in Italy, the intake basin of the Las Vegas aqueduct, some European data centres for Facebook, plus the enlargement of the Panama Canal. Roberto's passion for the construction sector prompted him to establish Brokerslink's 'construction practice' — a pioneering platform to share new business among members.



In 2014 PCA hosted the 6th Brokerslink Global Conference that took place in Venice, Italy, on October 9 and 10. An important event that had the attendance of over 200 broking delegates from 70 countries along with representatives from leading insurers and risk services providers.

José Manuel Fonseca and Roberto Armana

A tailor-made approach

The great advantage for PCA clients is the potential of its flexible structure and the security of being with a large industrial group. These two factors ensure an unrivalled level of service nationally, the guarantee of a customised product offering and the benefits associated with a large group able to assert its commercial weight in the market. Roberto adds: “Our ethos is to give customers our full 360 degree support. We are committed to providing a tailor-made consulting service and being constantly proactive to source solutions for their appropriate sectors.”

Nurturing talent

PCA believes that what sets it apart from its competitors is the way it nurtures and manages all employees. Investment in research and training for young talent enables staff to develop within their roles, resulting in high retention rates — giving the firm a crucial competitive edge. Roberto explains: “Our strategy is to invest in young talent with high potential, and by doing so, we can maintain our key values and principles across the company, and not lose skills due to poor retention.”

Joining Brokerslink — opening a global door

In 2009 PCA was a small to medium-sized domestic broker with great international growth prospects. Italy was a flat market and the majority of PCA's clients were planning to move into global markets, so being international was mandatory. Consequently, there was a need to find the right partner to guide PCA's growth, strategic positioning and market presence.

Roberto continues: “When I first met José Manuel, Brokerslink founder and MDS Group CEO, my first impression was that I had met the right person; a brilliant, eloquent man with a clear, well-explained strategic vision. Coincidentally MDS had a similar history to PCA. Both companies were founded within large groups — PCA, part of the Gavio Group and MDS, the Sonae Group — and both grew to become two major independent, international brokers.

Finding José Manuel resulted in an extraordinary business meeting and a fortuitous combination of common values, affinities and strategic vision. I had my mentor, the one who, some years before, undertook what I wanted to do now. It was no coincidence that in April 2009, a few months after our first meeting, PCA was appointed a Brokerslink member and after 10 years of collaboration, I can certainly say Brokerslink was the best choice for us.”

Preparing for the future

The future of the broking sector is under significant threat. The risks posed by other distribution channels, possible further regulation around remuneration disclosure, the flattening of insurance products, a soft market and zero rate economy are just some identified by Roberto. Brokers can only respond by streamlining, innovating and modernising their services.

PCA believes the sector should pursue sustainable growth; not through wild acquisitions, exclusively focusing on volume growth, but with strategic partnerships. Furthermore, growth strategies should focus on the less competitive markets and concentrate on retaining customers and employees, building brands, offering more crisis management tools, raising wider risk awareness and sharing knowledge regarding the latest tools to mitigate them. Roberto concludes: “Successful firms

and their future leaders will look to specialise in key areas; they'll be global players offering a strong and wide range of services/products and consulting and digital support will form part of their portfolio. They will not underestimate the investment needed in human resources and will attract and retain talent, promoting diversity, inclusion and sustainability in all its forms. We're living in a world that continually moves forward with modernisation and this fast and continuous evolution is impossible to stop.”●

“
Successful firms and their future leaders will look to specialise in key areas; they'll be global players offering a strong and wide range of services/products and consulting and digital support will form part of their portfolio.”

PCA Main Office, Tortona



Embrace the good side of risk

In a bid to cover all its clients' risk management needs, the Gavio Group launched last year Gavio Global Risk Solutions. This new distribution concept combines the capabilities of PCA consultant brokers with Augustas Risk Services, both Gavio Group companies. Augustas was incorporated in May 2019, combining the experience, expertise, clients and contacts of PCA's risk consulting department with MAO Risk Consulting, a company founded in 2016 by Maurizio Castelli. The new business offers risk management

consultancy, assessing customers' risks using the latest international guidelines.

Structured in two main lines of business - risk consulting and risk servicing - they cover the entire 'risk chain' - from assessment to response, providing solutions for all risk management problems including enterprise risk management, operational risk management, project risk management, risk engineering and alternative risk transfer.

Roberto explains: "Thanks to the Gavio Global Risk Solution concept, today we can offer the market two independent propositions; services and products that can be purchased jointly or separately, depending on clients' needs and preferences."

Turin, one of the cities where PCA has an office



Maurizio Castelli

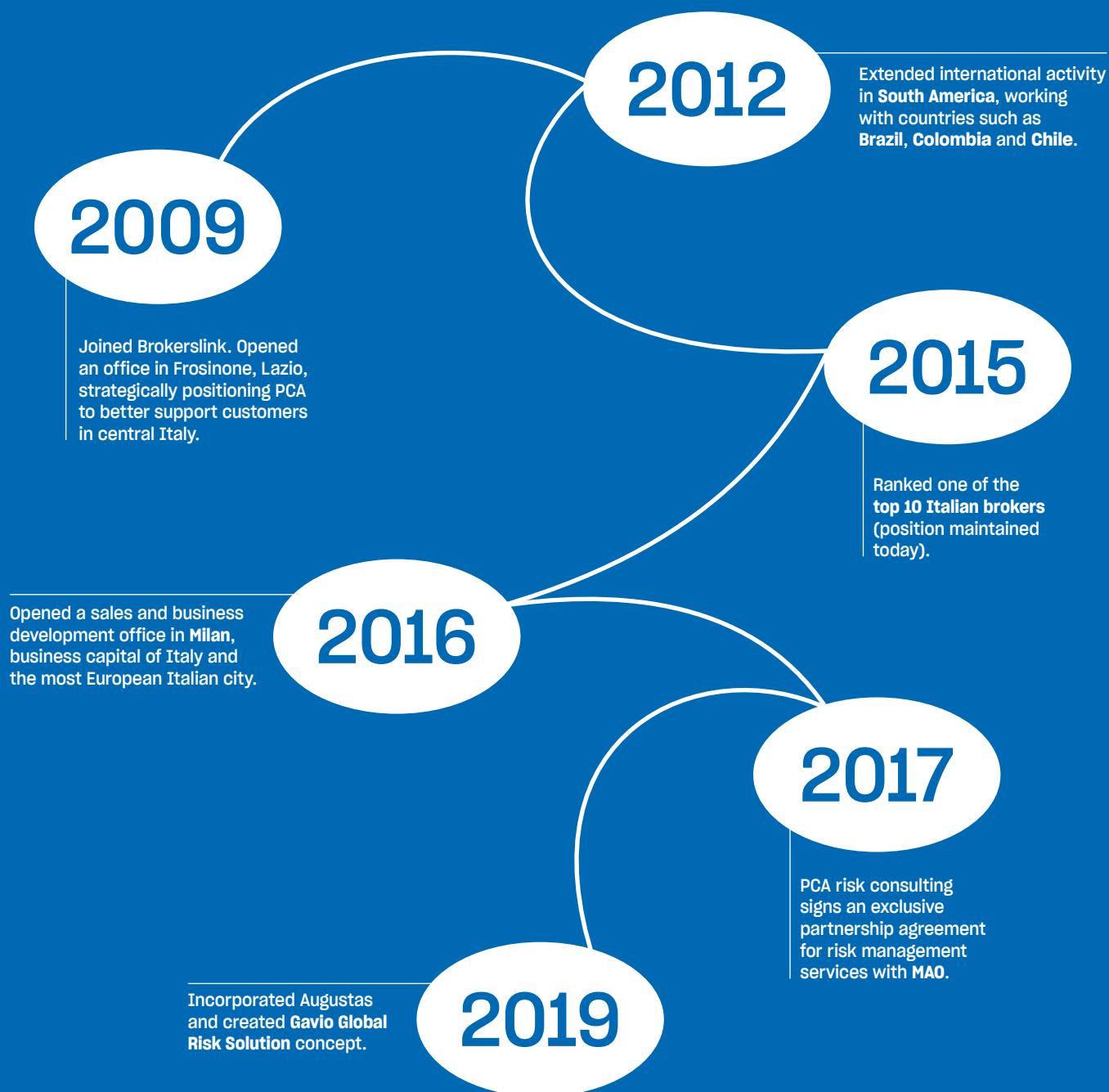
The Augustas team is led by experienced risk manager, Maurizio Castelli. Maurizio has worked in multinational groups for over 16 years, held senior roles in international insurance companies for 10 years and spent four years in consulting.

He was general secretary and president of the European Federation of Risk Managers (FERMA) and vice-president, president and chairman of the International Federation of Risk and Insurance Management Associations (IFRIMA).

Maurizio is currently a scientific consultant and head of education at the Italian National Association of Risk and Insurance Managers (ANRA).

10 Year Milestones

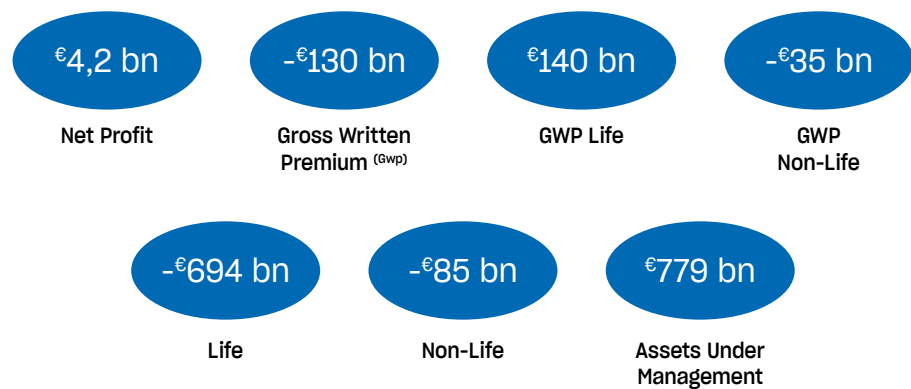
Over the past 10 Years, PCA has witnessed Some major events



The Italian Insurance Market

A mature and well-developed market with a strong regulatory framework consistent with others in the wider EU market. Alongside Italy's own large national insurance companies, there are representatives of some of the largest companies in the world; from Switzerland, Germany, America, Australia and France. In 2018, 218 insurance companies were operating in Italy, an increase from 213 in 2017.

Key Figures

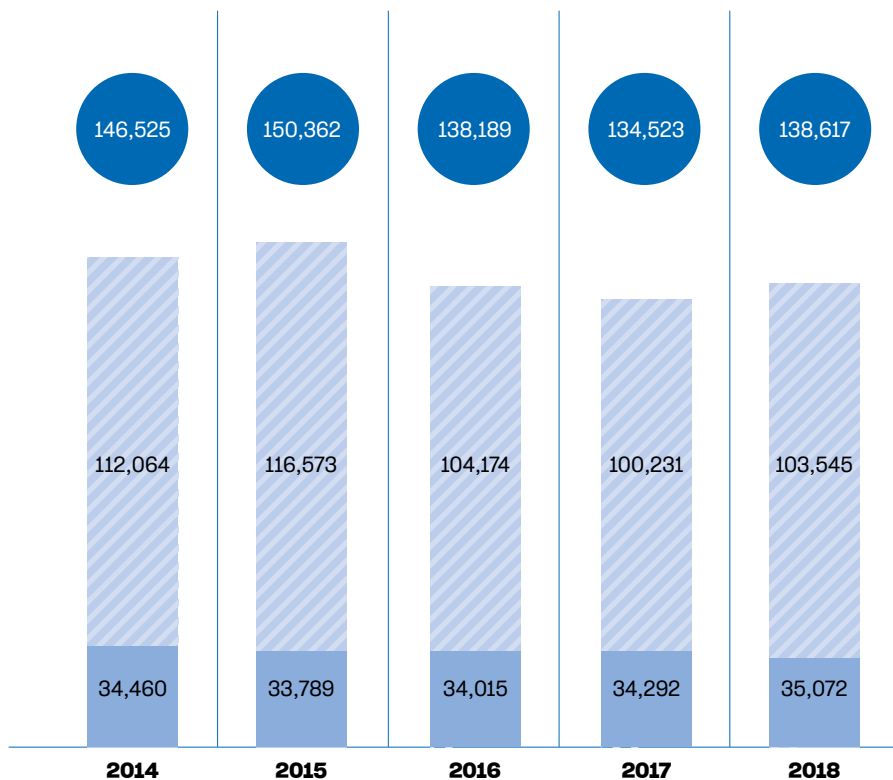


Business Sector	Year	Domestic Companies				Foreign Branches		Total
		Limited Companies	Cooperatives	Mutual	Total	With head office in non-EU countries	With head office in EU countries	
Non-Life	2018	49	—	2	51	3	76	130
Life	2018	33	—	—	33	—	22	55
Professional Reinsurers	2018	—	—	—	—	—	7	7
Multi Branches	2018	11	1	1	13	—	13	26
Total	2018	93	1	3	97	3	118	218

Gross total premiums
(euro million)

Life
Non-Life

After a period of decreasing premiums, in 2018 both the life and non-life insurance markets grew. Following an upsurge in 2017, mainly due to health and property business, premiums increased by 3.3% for life insurance and 2.3% for non-life. With around €130 billion premium income in 2018 (€103,545 million from life policies and €35,072 million from non-life), Italy ranks eighth worldwide.



Source: ANIA — Italian Insurance: 2018-2019

Breakdown of distribution channels for the 2016-2018 – Life classes

In 2018, the percentage of life premiums written through banks and post office branches remained virtually unchanged, whereas this continues to grow for brokers and direct marketing channels.

Channel	Gross written premiums (eur. million)			Market share (%)		
	2016	2017	2018	2016	2017	2018
Bank Branches⁽¹⁾	64,2	60,4	62,3	62,9	61,3	61,1
Financial Salesmen	14,2	14,7	14,1	14	15	13,9
Agents	14,6	13,6	13,4	14,3	13,9	13,2
Direct sales	8,3	8,7	10,1	8,2	8,9	10
Brokers	659	939	1,8	0,6	1	1,8
Total	102,2	98,6	102	100	100	100

(1) Data for this channel includes premiums distributed by post office branches



Yet in the non-life sector, the Italian insurance market is still weak when compared to other European countries (in particular France, Germany and Great Britain), and is more similar to an emerging economy than a mature, solid and supportive economy of the EU. Italy's most important threats, in line with all mature markets and, therefore the entire EU sector, are the two large risks of natural catastrophes and competition caused by changing market dynamics. Only structural reforms and a wider penetration in the retail sector can mitigate the effects of these threats that many studies suggest are still in their infancy. The brokerage market comprises three segments: large multinational brokers; around eight strong and well organised medium-sized brokers and then 1600 or so small broker firms. Experts predict the market will continue to change with increasing consolidation and fewer players. Traditional distribution channels (brokers and agents) achieve the strongest sales, while bank branches (6.1%) and internet sales (3.2%) have yet to achieve their expected success. Brokers, with 4.6% growth in premium volume, remain the second-leading channel for the non-life sector and they continue to increase their market share, from 8.7% in 2014 to 9.5% in 2018.

“

The Italian insurance market is mature and well-developed, with a strong regulatory framework consistent with others in the wider EU market.”

Breakdown of distribution channels for the 2016-2018 – Non-life classes

- (1) Brokers' contribution over the years does not include the share of premiums generated through this channel with presentations at the agency and not directly at the company (estimated at 23.4% in 2018)
- (2) Data for this channel includes premiums distributed by post office branches

Channel	Gross written premiums (eur. million)			Market share (%)		
	2016	2017	2018	2016	2017	2018
Agents	24,6	24,6	24,9	77,1	76,3	75,3
Brokers⁽¹⁾	2,9	3	3,1	9,2	9,3	9,5
Direct sales (of which telephone and internet sales)	2,5	2,5	2,7	8	8	8,4
Direct sales	1,4	1,3	1,4	4,4	4,3	4,3
Bank branches⁽²⁾	1,7	1,9	2,1	5	6	7
Financial salesmen	65	91	74	0,2	0,3	0,2
Total	31,9	32,2	33	100.0	100.0	100.0

Italy... Where else?

A man passionate about his country, Roberto Armana, CEO and president of PCA, takes us on a tour of the scenic Piedmont landscape and on an unforgettable journey with amazing flavours & experiences.

Castello di Barolo, Piedmont



It's impossible to ask an Italian to describe Italy without triggering a mix of impromptu pride and exaggeration. Italy is one of the most beautiful countries in the world; offering a combination of history, long-established traditions, landscapes, sea, mountain lakes, food and wines, plus a varied climate, numerous plants and animals.

The country is popular with actors, directors, singers and VIPs – many of whom have bought houses here.

Italians have the benefit of being imaginative and talented, they create fashion and food like no other in the world, but they're also their own worst enemies. Alas, you can't have everything!

PCA is based in Tortona, a city in the Piedmont region in north-west Italy, at the foot of the Alps and close to the sea. Strategically important, it borders Lombardy, a region with the highest GDP in Europe. Piedmont is rich in history and ancient traditions and is renowned for its unique food and wine.



Isola Bella, Lake Maggiore

Tortona is a small city, sitting on a strategic crossroads, in the so-called 'economic triangle of the north', equidistant from Milan, Turin and Genoa. It's nicknamed 'little Rome' because, just like Italy's capital, it rests on seven hills, reflecting the typical hillside image of this area. It's the home of much speciality food and wine and excellent wines are produced in the Tortona hills alongside traditional Piedmontese cuisine.

If you decide to visit Italy and our region, below are some places that are a must to visit.

Places to see

Visitors to the [Langhe region](#) will be rewarded with panoramic views of alternating hills, vineyards, castles and historic villages.

The Piedmont area between Cuneo and Asti offers a series of spectacular landscapes: the steep profiles of the Rocche del Roero (part of a UNESCO World Heritage site), the Langhe hills and vineyards of Barolo and Barbaresco and the scenery of the Alta Langa, with lush trees, woods and pastures. The medieval castles surrounding the area are characteristic of the landscape, yet mysterious too. Among the most beautiful is the Castello di Barolo, which houses an interactive wine museum, suitable for children.

Imposing, sumptuous, regal – the Savoy residence in the municipality of Venaria Reale – a few kilometers from Turin, is certainly one of the major attractions of Piedmont. Admire its beautiful rooms, the wonderful setting of the Juvarrian stables, contemporary exhibitions, the flower/rose garden and grove area; all will amaze you.

At Lake Maggiore, discover a small archipelago of three islands (Isola Madre, Isola Bella and Isola dei Pescatori), the islet of San Giovanni and the scoglio della Malghera. On Isola Bella and Isola Madre find two buildings with beautifully decorated halls, magnificent paintings and gardens with abundant flowers and plants. The panorama is amazing – these jewels set in the waters of Lake Maggiore are not to be missed.

Places to eat

Italy is famous for its gastronomy and the Piedmont region is a fine example of its finest foods & wines. Typical products include truffles, cured meats, cheeses and meats. Every year a national fair is held to celebrate the famous white truffle of Alba, attracting numerous visitors (even from other countries) to the town. The region is also famous for its vineyards – with place names sounding like the locally-produced wine: Barolo, Barbaresco, Roero.

Numerous restaurants are like museums, offering unique and unforgettable experiences. Recommended places to eat include:

- Ugo Alciati and his [Guido Restaurant](#) – Michelin-starred, in Villa Reale, on the organic estate of Fontanafredda in Serralunga d'Alba.
- [Piazza Duomo restaurant in Alba](#) – a three Michelin star restaurant with chef Enrico Crippa. A 'go to' place for new generations in the kitchen.
- Pizzeria Pomodoro and Basilico in San Mauro Torinese.

While only top ranking restaurants or trattorias are expected to be recommended, this pizzeria appears 'because it serves the best pizza'. Its gourmet pizza is appreciated by everyone in the area. ●



Click to find out more about
Langhe region



Vineyard Landscape of Piedmont: Langhe-Roero

“
Italy is famous for its
gastronomy and the
Piedmont region is a fine
example of its finest
foods & wines.”

Lake Maggiore



AN INSURANCE
REPRESENTS MUCH MORE
THAN A CONTRACT.
IT IS A GUARANTEE THAT
YOUR PROJECTS WILL BE
CONTINUED.

Take a look at our solutions that
guarantee the cares with your property:



Surety Bonds



Rental Bonds



Equipaments



Engineer Risks



+ 55 (31) 2121-7777

www.pottencial.com.br |    

*Surety market leader, with 19,2% market share Rating Fitch: A-(br);
1st place in the Financial Risks Category, Estadão Finanças Mais prize, years
2018 and 2019.

Pottencial Seguradora S.A. – CNPJ: 11.699.534/0001-74

This information contains limited information. The registration of this plan at Susep does not imply, on the part of the Autarchy, an incentive or recommendation for its acquisition.
The rights and conditions are established in the general conditions. Created March/2020.Ombudsman: ouvidoria@pottencial.com.br.

*Fonte Susep - prêmios de Seguro - janeiro a dezembro / 2019.

FIDELIDADE

SEGUROS DESDE 1808

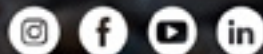
A FIDELIDADE CONTINUA COM PORTUGAL

Há 211 anos que demos o nosso primeiro passo em Portugal, e desde então não parámos.

A Fidelidade continua de norte a sul com o sol do Algarve, a cantar com o Alentejo, e pelas sete colinas de Lisboa. Continua com mais encanto em Coimbra, no berço da nação, com a alma do Douro e no coração de Viana. Com uma rede de mais de 3500 agentes e 480 lojas e agências, a Fidelidade está sempre próxima das famílias e empresas portuguesas. Em Portugal e em todo o país, a Fidelidade continua consigo.

PARA QUE A VIDA NÃO PARE

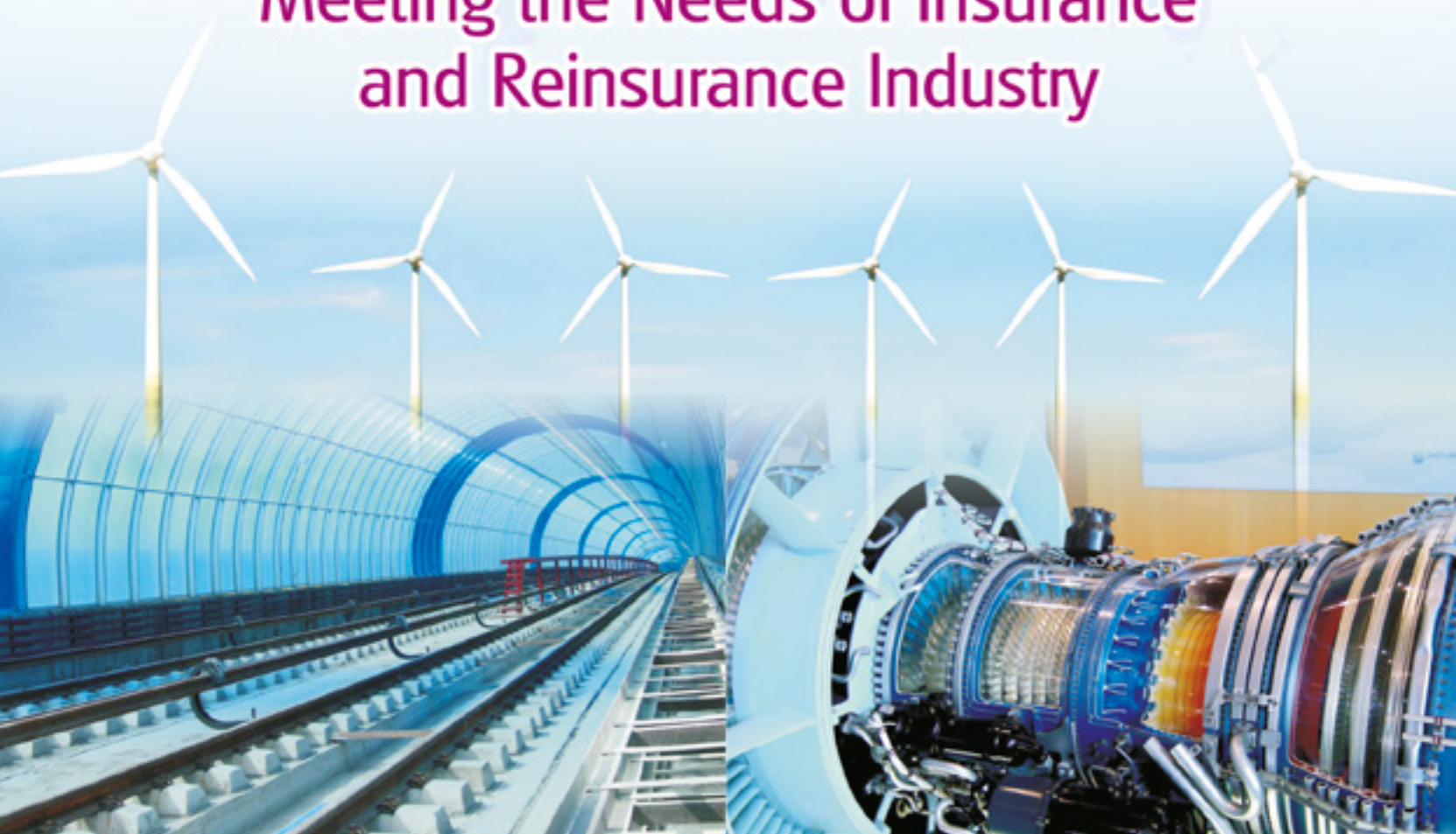
fidelidade.pt



Advanta Offices
United Kingdom
Germany
Spain
Portugal
Argentina
Mexico
Israel
UAE

advanta
GLOBAL SERVICES
www.advantaglobal.com

Meeting the Needs of Insurance and Reinsurance Industry



Our team is made up of highly specialised adjusters with extensive experience in dealing with major international claims through our present network of offices in London, Munich, Zurich, Madrid, Porto, Dubai, Israel, Buenos Aires, Mexico and Associated Offices.

Our fields of expertise are: Engineering; Industrial All Risks; Construction & Erection; ALOP-DISU Monitoring / Risk Surveys; Oil, Gas & Petrochemicals; General & Product Liability; Banks and Financial Institutions; Business Interruption; Consultancy.

London

A Wakefield House, 41 Trinity Square, London EC3N 4DJ
T + 44 (0) 20 7702 4000 | F + 44 (0) 20 7702 4000
E uk@advantaglobal.com

Somos uma equipa formada por peritos altamente qualificados com ampla experiência na gestão de sinistros internacionais através da nossa rede de escritórios em Londres, Munique, Zurique, Madrid, Porto, Dubai, Israel, Buenos Aires, México e Gabinetes Associados.

As nossas áreas de especialização englobam: Engenharia; Riscos Industriais; Construção; Monitorização ALOP-DISU / Análise de Riscos; Petroquímica; Responsabilidade Civil Geral de Produtos; Banca e Instituições Financeiras; Perdas de Exploração; Consultadoria.

Porto

M Rua Simão Bolívar, 239 - 8º andar - Sala 1, 4470-214 Maia
T + 351 229 446 650 | F + 351 229 488 824
E oporto@advantaglobal.com

Brokerslink Africa



Africa, the future today!



Africa is the second largest continent in the world and the second most populated. It currently accounts for around 12% of the world population and this is expected to rise to 30% by 2050. Nigeria is the most populated country in the continent with an estimated 200 million citizens. Africa, however, is not a single market; within this continent there is great diversity in its economies, socio-cultural trends, languages and regulation. With its untapped potential, Africa is an emerging market offering exciting opportunities to grow large and profitable businesses.

According to the McKinsey Global Institute (MGI)¹, Africa's economic potential and evolution is similar to 'lions on the move'. The projections for the continent are very promising: in 2019, GDP grew around 4% (40% of its countries were by more than 5%) and for 2020, growth expectations are 4.1%. Further, data from the World

Bank indicates four of the fastest growing economies in 2019 were in Africa: The Ivory Coast, Ethiopia, Ghana and Rwanda.

The World Economic Forum identifies three trends that support growth:

- A young population with a growing labour force — in today's ageing world this is an asset
- Growing urban expansion;
- Increasing technological development.

According to the World Bank's projections for 2019-2023, it placed six African countries in the top 15 fastest growing economies in 2019, and says seven will be there in 2023 — with an African country always taking the top spot. In the Bank's 2019 Doing

Business Index, it identifies five of the 10 countries with the most notable business improvement in Africa, and reports one third of all reforms recorded globally were in sub-Saharan Africa.

Certainly the business environment in Africa has improved and governments are increasingly receptive to foreign investors. Foreign businesses have the resources and skills to grow and develop markets, giving them greater maturity.

1 BUGHIN, Jacques et al — Lions on the move II: realizing the potential of Africa's economies. McKinsey Global Institute, 2016. Available at <https://www.mckinsey.com/-/media/McKinsey/Featured%20Insights/Middle%20East%20and%20Africa/Realizing%20the%20potential%20of%20Africas%20economies/MGI-Lions-on-the-Move-2-Full-report-September-2016v2.ashx>

TOP 5*

GPD Per Capita Countries 2019 ^{USD}

1	Seychelles 17.18 thousand
2	Mauritius 11.72 thousand
3	Equatorial Guinea 8.27 thousand
4	Gabon 8.36 thousand
5	Botswana 8.12 thousand



Did You Know In The African Continent...

2 381 741 km²

The largest country by area is Algeria.

201 M

The largest country by population is Nigeria.

13 14 M

The largest city is Lagos, Nigeria.

\$ 494 83 BN

The largest economy is Nigeria.

Africa Is A Superb Emerging Market With...

11 million square miles of land – bigger than the United States, China, India and Europe combined

60% of the world's uncultivated arable land

1.2 billion people with an average age of 20 – growth is predicted to double over the next 30 years with **80%** of this population increase in urban areas

89 cities that will have over one million inhabitants by 2030

54 countries expected to create the world's largest free trade market

122 million active users of mobile finance services – smart phone accounts are expected to grow from **800 million** in 2016 to **1.4 billion** in 2050

² Source International Monetary Fund (IMF).

Available at <https://www.imf.org/external/datamapper/NGDPDPC@WE0/OEMDC/ADVEC/WEOWORLD/AFQ/TTO/TUN>



The African insurance market: a driving force

Although the insurance industry has been highly innovative over the last few years, taking advantage of the favorable socio-economic environment, insurance penetration rates remain low. Africa is home to 15% of the world's population but currently only generates 1.5% of global insurance premiums.

Apart from South Africa, Namibia and Mauritius, with penetration ratios above 10%, and Kenya and Morocco at around 3%, all the other countries have very low ratios. This may be explained by the often direct relationship between GDP per capita and insurance penetration.

However, there are several other reasons for low insurance penetration in Africa:

- Low level of trust in financial service providers
- Small number of foreign players in the African markets, although increasing
- Immature legal and judicial systems, despite new reforms
- Lack of knowledge about insurance products and their benefits
- Communities often using less reliable forms of insurance rather than buying cover from recognised insurers
- Inconsistent access to technology.

Nevertheless, GDP per capita is rising across the continent, which means more people will be able to afford insurance. Consequently, a gradual

increase in insurance penetration is expected, making markets more attractive which inevitably will intensify competition, leading to more mature markets. Operators, insurers and brokers will need to be innovative and find the right messages to convince customers of the benefits of insurance.

Alongside GDP growth, Africa is one of the fastest rising consumer markets in the world, where in recent years household consumption has overtaken GDP. The huge growth in the use of smart phones and Internet access gives Africa's emerging economies many opportunities to expand their retail, distribution and affinity business.

If a Continental Free Trade Area (CFTA) is properly implemented, in 2030 there will be a single continental market for goods and services, accessible to 1.7 billion people. By then, the largest consumer markets are predicted to include: Nigeria, Egypt, South Africa, Algeria, Angola, Ethiopia, Ghana, Kenya, Morocco, Sudan, Tunisia and Tanzania.

Consistent legal guidelines within the CIMA (Conférence Interafricaine des Marchés d'Assurances) region will certainly help financial markets better integrate, standardising their practices and terms and guaranteeing certainty in the insurance market when dealing with cross border trade.

In order to increase public confidence and insurance penetration, regulators across Africa are keen to ensure markets adopt ethical practices, settle claims quickly and treat customers fairly.

Technology will be another key driver of insurance penetration; mobile networks and cloud technology are just some to support change. And with the African population being the youngest in the world, the continent can rely on a large workforce with great technical knowledge. Technology will increase efficiency and allow market providers to get closer to customers.

It is already clear the African insurance business is growing in new markets and across several lines, and these developments in GDP, legal frameworks and technology will further accelerate this process. ●

African Continental Free Trade Area¹

Expected to come into force in July 2020, the aims are to create a single continental market for goods and services with free movement for investment, uniting 1.3 billion people and creating a generic \$US3.4 trillion economy.

The agreement will expand intra-Africa trade across regional economic communities and enhance African economies' competitiveness.

Africa Insurance Market Overview²

**EGYPT, NAMIBIA
AND MOROCCO
EXPERIENCED
GREATEST GROWTH**

**FASTEST GROWING
LINES OF BUSINESS
MOTOR / LIFE / HEALTH**

**MOST PROFITABLE
LINES OF BUSINESS
MARINE / LIFE /
ENGINEERING**



¹ Source: <https://city-press.news24.com/Business/this-will-be-a-game-changer-for-african-free-trade-20200212>

² Source: AIO Barometer 2019

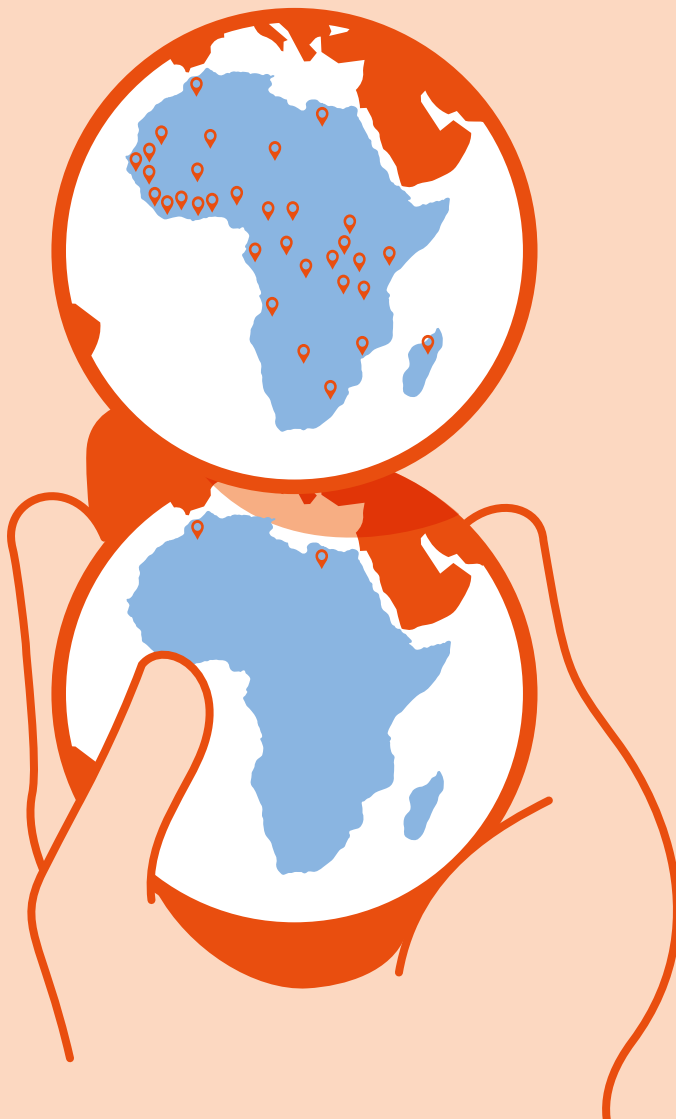
Global reach with a regional touch

Brokerslink Evolves In Africa

2019



2012



Brokerslink is a global broking company that owns and manages a worldwide insurance broking network of independent brokers and risk consultancies, comprising some 21,000 professionals in more than 110 countries. It is a powerful solution for multinational and complex organisations seeking support in risk assessment, risk management and the placement of cost-effective insurance products and services.

Its unique selling proposition is that it comprises a network of firms with wide-ranging, local experience and market-leading risk services which can be accessed anywhere in the world. Partners and affiliates are supported by experienced Brokerslink business development and risk management teams, and benefit from unrivalled access to specialist insurance and placement expertise.

Brokerslink moved into Africa in 2012 when Morocco and Egypt joined the network and by early 2020 it had grown to have a presence in 33 countries.

Brokerslink supports its African partners and affiliates with a strong global network, empowering individuals in their local markets. Being part of Brokerslink and having access to technical expertise and capacity gives greater visibility and enhances business opportunities, both locally and globally.

The African continent is strategically important to Brokerslink; its aim is to create a truly pan-African network to support all affiliates in the region, as well as providing more opportunities for its wider global network and insurance partners to develop their business here. ●

The Brokerslink team in Africa



Click in the names to know more



José Manuel Fonseca
Chairman of Brokerslink



Anne Collette
Director of Business and Partnerships



Tiago Mora
Regional Manager for Africa



Our model for management comprises a steering committee, with a representative of each African region, to support all affiliates across the continent and provide opportunities for our wider global network. Our objective is to identify and develop new

opportunities to support business growth while giving our global broker network, clients and strategic insurance partners access to unrivalled local market expertise and experience.” José Manuel Fonseca, Brokerslink chairman and founder.



STEERING TEAM



Bruce MacNair South
Compendium Insurance Group
South Africa



Dr. Feyisayo Soyewo West - English Speaking
Prestige Insurance Brokers
Nigeria



James Muchemi North & East
Canopy Insurance Brokers
Kenya



Laure Matueno West - French Speaking
Generalia Assurances
Cameroon

The steering committee includes representatives from Cameroon, Nigeria, Kenya and South Africa, and is led by the regional manager for Africa, Tiago Mora. Brokerslink will continue to grow in the region by reaching out to brokers in other countries and helping increase their presence throughout the entire continent, benefiting its global broking and client companies.



In 33 countries and expanding

Generale de Courtage
Guinea Conacry

Consass
Burkina Faso

WH Assurance
Senegal

C.A.R.E
Guinea-Bissau

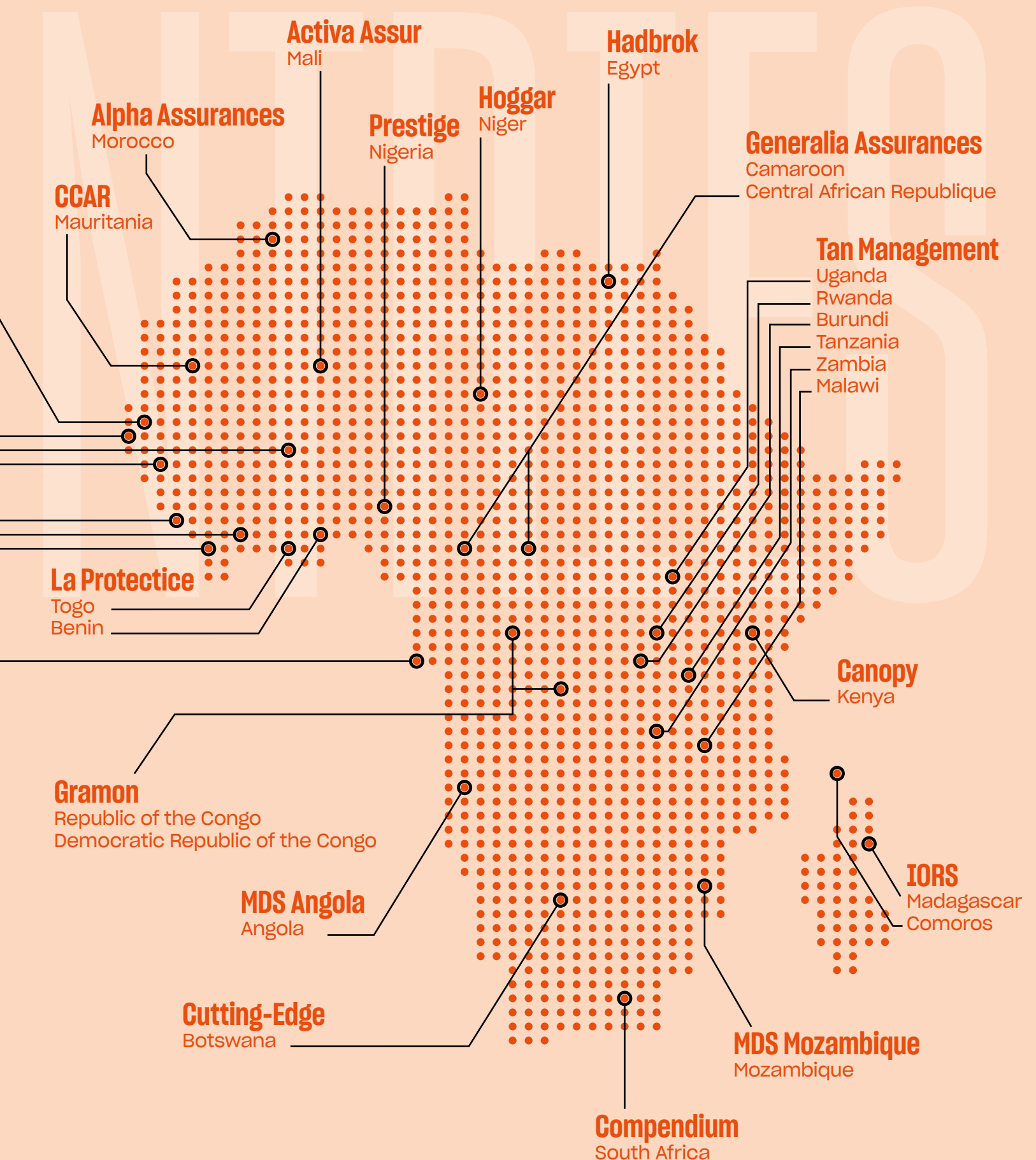
KEK Liberia
Liberia

Midas
Ghana

Filhet-Allard Côte d'Ivoire
Ivory Coast

ACR
Gabon

Brokerslink moved into Africa in 2012 and by early 2020 it had grown to have a presence in 33 countries. Looking forward, Brokerslink will continue to expand aiming to create a truly pan African presence.



Brokerslink Africa Directory

Broker Global Executive	Country Foundation Year	Employees	Website
Activa Assur Abdoulaye Macalou	Mali 2007	10	www.brokerslink.com/activa-assur
Alpha Assurances Latifa Sahij	Morocco 1981	42	www.alphaassurances.ma
Assureurs Conseils Reunis (ACR) Charles Imounga-Orezeans	Gabon 1997	45	www.acr-gabon.ga
Canopy Insurance Brokers James Muchemi	Kenya 1992	26	www.canopykenya.com
Compendium Insurance Group Bruce MacNair	South African Republic 2000	148	www.cig.co.za
Consass Armel Bernard Kabore	Burkina Faso 2013	10	www.consassburkina.com
Conselhos Auditoria Representação Estudos (C.A.R.E.) Jacques Ali Chapaly	Guinea-Bissau 2013	5	
Conseils Et Courtages En Assurances Et Réassurances (CCAR) Ely Vall Daoud	Mauritania 2014	6	www.brokerslink.com/conseils-et-courtages-en-assurances-et-reassurances
Cutting Edge Insurance Brokers Tirelo Tshukudu	Botswana 2017	5	www.cebrowsers.co.bw
Filhet-Allard Côte d'Ivoire Ansou Ndiaye	Côte d'Ivoire – Ivory Coast 2012	9	www.famarit.com
Generale de Courtage Kemey Touré	Guinea Conacry 1998	11	www.gcourtage.com

Broker Global Executive	Country Foundation Year	Employees	Website
Generalia Assurances Laure Nicaise Matueno	Cameroon, Central African Republic 2013	12	www.generalia-assurances.com
Gramon Jonas Makosso Leli	Congo 2012	15	www.brokerslink.com/gramon-sarl
Hadbrok Insurance Brokers Cyril Haddad	Egypt 1982	40	www.hadbrok.com
Hoggar Bako Aminatou	Niger 2007	5	www.brokerslink.com/hoggar-assurances
Indian Ocean Risk Solutions (IORS) Mickael Goncalves	Madagascar, Comoros 2014	5	www.iors.mg
KEK Liberia Stanley Vitoh	Liberia 2008	6	www.kekgroup.net/kekafrica/kek-liberia
La Protectrice Assurances Kwassi Symenouh	Togo, Benin 2000	10	www.laprotectrice.com
MDS Angola João Alvardia	Angola 2013	10	www.mdsinsure.com
MDS Mozambique Marco Oliveira	Mozambique 2016	5	www.mdsinsure.com
Midas Insurance Brokers Eric Addo-Mensah	Ghana 2007	10	www.midasinsurance.com
Prestige Insurance Brokers Feyi Soyewo	Nigeria 1988	28	www.brokerslink.com/prestige-insurance-brokers-ltd
Tan Management Insurance Brokers Mohammed Jaffer	Tanzania, Uganda, Malawi, Zambia, Burundi Rwanda 2009	42	www.tm.co.tz
WH Assureur Conseil Wahid Harati	Senegal 1997	10	www.brokerslink.com/wh-assureur-conseil





130 YEARS OF JAPANESE TRADITION IN SERVICE OF BRAZIL.

We came from Japan as one of the largest insurance companies in the world and arrived in Brazil with the same mission.

Our customers and brokers can count on a broad insurance portfolio for all types of needs, with the support of a high-capacity and qualified risk management team. We are the union of two worlds, with the Japanese solidity and tradition and the hospitality that only Brazil has.



Somos especialistas em seguros de saúde

Mais de 25 anos de experiência
em seguros de saúde em Portugal.
Com soluções para Grandes
Empresas, PME's, Famílias e Planos
em reembolso ou com acesso à rede
convencionada.



una
seguros
preserving people

www.unaseguros.pt

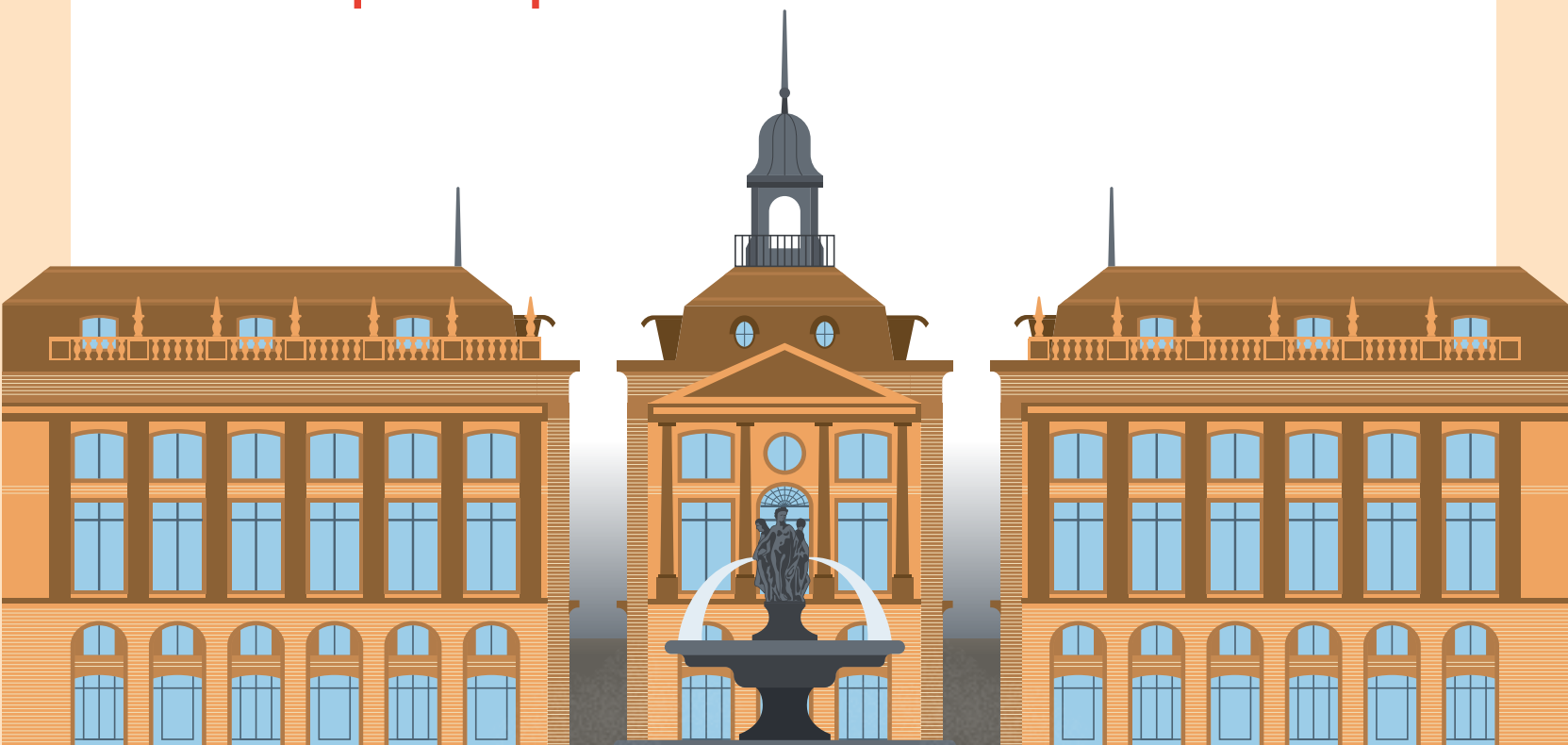
Brokerslink Global Conference, Bordeaux

The centuries-old French city of Bordeaux, renowned for its wines and history, welcomed over 330 attendees from 82 countries who, during the two day conference, together with a panel of worldwide guest speakers, shared thought-provoking insights and network with like-minded insurance and risk professionals.

[Click to watch the opening video](#)



+330 from **82**
participants countries



New Insights



A growing role in a changing world

When you think about insurers and brokers, what is the role they must play? It is to continue to ensure cohesion in society. And at a time when risk and uncertainty has increased this is a very good playground for us.

Thomas Buberl
AXA Group CEO



London Calling

London is part of a global marketplace. I'm not a London broker, I'm a broker and I need to be able to access the global market.

Steve Hearn
CEO BGC Insurance and Vice-Chairman of Brokerslink

Brokerslink partners are uniquely positioned to take full advantage of tech advances. You have the consultative customer relationships; you provide the advice and you design the insurance programmes. What tech and data will help us do is free up time to deliver more of that value.

Umron Ahmed
Global Head of Business Development Lloyd's



Insurance 4.0

The fourth industrial revolution is more transformative than the preceding three. The speed of breakthroughs has no precedent and it's disrupting industry in every country at a pace and scope that has never been seen before.

Michael Morrissey
President and CEO of the International Insurance Society



Understanding the risk of entertainment... is 'entertaining' risky?

In order to ensure that they [film production] truly understand the risk that increasingly complex productions pose, it is crucial that they are able to sit down with the broker and risk manager to understand how the risks are changing and ensure that they have the right products and services to respond to that.

Lauren Bailey

Global Head of Entertainment at Allianz Global Corporate and Specialty



Polar POD project

The absorption of heat has a direct impact on the weather and contributes to the increasing regularity and severity of the weather events that the insurance industry is paying the price for.

Dr Jean-Louis Etienne

Doctor, Explorer and Scientist



The longevity challenge and its impact on health insurance Panel

Working on genetics, we are able to keep cells taken from old people and we are able to revert these to a younger appearance through genetic manipulation.

Maria do Carmo Fonseca

Professor at the University of Lisbon Medical School



Healthcare cost inflation is increasing 5% year on year, so our premiums are increasing close to that to match those increases. In the long term that level of increase is unsustainable.

Humphrey Cuzner

Global Business Development Manager at Allianz Care



If we have a private health insurance it substitutes the public health systems and you have to reduce the cost by making customers aware they need a better lifestyle. This is the way to react.

Josef Brem

Director of the Centre of Competence Health for Spain, Portugal and Latin America at Munich Re





Brokerslink Group Photo

What do members think about the importance of the conferences?

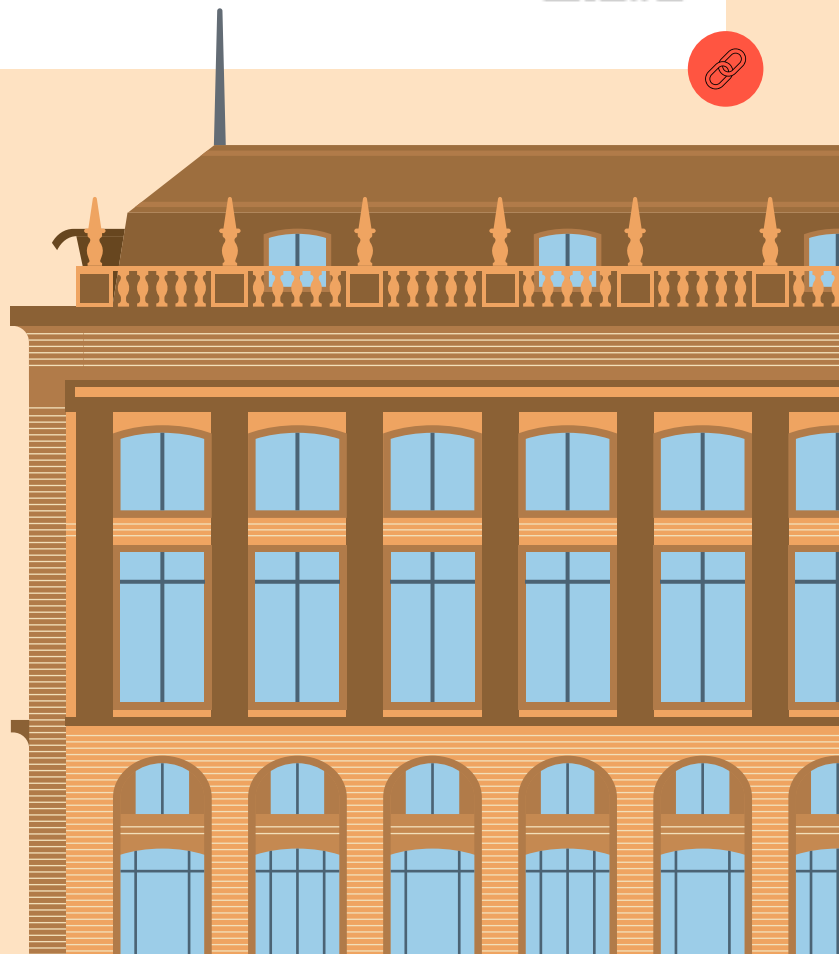
Watch the videos
and find out



“

Passion led us here and each of our partners and affiliates played a vital role putting Brokerslink in the global position it is today. We will keep investing in our people, in infrastructure, create more awareness and continue to expand our brand.”

José Manuel Fonseca,
Brokerslink Chairman and Founder



3rd Risk Managers Forum

The third annual Risk Managers Forum brought together global risk professionals who shared their views on key topics and issues, including the changing nature of risk due to advanced technology, climate change, rising rates and the need for more open communication between risk managers and insurers, captives etc. An impressive panel of risk and insurance experts represented industrial companies, insurers, brokers and risk managers from France, Brazil, Japan, the US, the UK, Peru, Panama and Italy. The event was co-chaired by veteran risk professionals and long-standing friends of Brokerslink, Jorge Luzzi and Pierre Sonigo.



2021 Conference Sao Paulo · 24-25 June



The unprecedented situation caused by the Covid-19 pandemic, and all the uncertainty around the next months has led the Board of Brokerslink to postpone its 2020 Global Conference scheduled for next October.

After these difficult and challenging times, the Brokerslink community will get back together, stronger and more resilient, on 24-25 June 2021 at the Four Seasons Hotel in Sao Paulo, Brazil.

MUITO PRAZER, NÓS SOMOS A FATOR SEGURADORA! UMA EMPRESA BRASILEIRA, APAIXONADA PELA MISSÃO DE **PROTEGER PESSOAS E NEGÓCIOS.**

Mais de uma década de atuação, robustez patrimonial, subscrição sob demanda e a garantia de um time de profissionais cirurgicamente especializados.

Conheça tudo o que os nossos **seguros** podem fazer pela sua empresa.

Fale com a **Fator Seguradora:**
www.fatorseguradora.com.br



Fiança
Locatícia



Property



Responsabilidade
Civil (D&O)



Responsabilidade
Civil Geral



Responsabilidade
Civil Profissional (E&O)



Riscos
de Engenharia



Riscos Diversos
de Equipamentos



São Paulo

(+55 11) 3709-3000 (PABX)

Rio de Janeiro

(+55 21) 3861-2500



/fatorseguradora



@fatorseguradora



/company/fatorseguradora

Antes da contratação, consulte seu corretor e leia as condições contratuais do apólice, que regem o contrato de seguro, as quais descrevem as coberturas, prazos, limites, riscos excluídos e demais condições do seguro.

FATOR SEGURADORA S.A., CNPJ 33.061.652/0001-83, Cid. SUSEP 6122, SAC 0800-77-072219 e Ouvidoria 0800-77-32867, SUSEP - SUPERINTÊNCIA DE SEGUROS PRIVADOS, autarquia federal, responsável pela fiscalização e controle dos mercados de seguro, previdência complementar aberta, capitalização, resseguro e correção de seguro. Contato: 0800-201-8484.

fator

fator seguradora

Brokerslink News

Brokerslink has established a strategic agreement with Swiss Re Corporate Solutions for the development of a dedicated international insurance programme management platform. This new tool designed by Swiss Re Corporate Solutions for Brokerslink's growing international portfolio, will enable partners and affiliates to manage and deliver structured and compliant international and cross-border programmes from a single online platform.

The long-standing relationship between Brokerslink and the African insurer SUNU Group has evolved into an official partnership, by which Brokerslink partners and affiliates and their clients now have access to exclusive wordings and health insurance plans and SUNU's specialist knowledge of local markets, multiple regulatory regimes and business cultures. Through this partnership Brokerslink will continue to strengthen its presence in Africa.



Strategic Insurers



Watch the video



Don't miss the article about SUNU Group published in FULLCOVER #12

Going Strong

“

We are going into 2020 a stronger company with a stronger platform and are looking forward to another year of success, growth and development for Brokerslink, its partners and affiliates.”



Watch the video

Regional managers and Steering teams



Watch the video

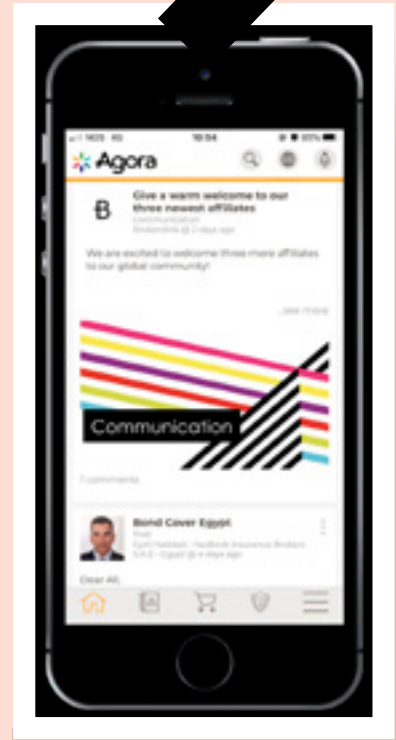
2019 has been a very exciting year for Brokerslink. The company continues to invest in technology, people and resources having expanded its presence to 114 countries, with 16 new affiliates from all continents: Americas (Alliant & Wilson Elser, USA; Navacord, Canada), Asia-Pacific (John Foord, Singapore; LK Insurance Services, South Korea; State Insurance Services, Malaysia) Africa and Europe. José Manuel Fonseca, Brokerslink Chairman and Founder, comments: “We are going into 2020 a stronger company with a stronger platform and are looking forward to another year of success, growth and development for Brokerslink, its partners and affiliates.”

As Brokerslink grows it becomes increasingly important to have strong regional leadership and teams. Over the last few months several new appointments have been made, such as the European steering team led by **Christos Gavriel** and including Denise Nart from Turkey, Ivica Vucetic from Croatia and Stephan Winneg from Germany. **Ariel Couto**, from MDS Brasil, was named America’s regional manager and within his team is Estela Lusky, USA, Esteban Sánchez from Argentina, Juan Mario Acevedo, Colombia, Giulio Valz-Gen from Peru and Shawn DeSantis, Canada. The former Africa and Middle East region was split in two new areas: **Osama Abu Ghazaleh** is the new Middle East manager and **Tiago Mora** is Africa’s regional manager. Tiago will be supported by Laure Matueno from Cameroon, Feyi Soyewo, Nigeria, James Muchemi from Kenya and Bruce McNair from South Africa. All team members bring their diverse experience and expertise, as well as enthusiasm and commitment, helping to drive growth and opportunities for partners and affiliates across the region, and ultimately for Brokerslink around the world.



Agora, Brokerslink relationship management platform has been updated, now featuring a new image, two new languages (French and Spanish), a faster, easier login experience, access to notifications and a Mobile App.

Discover Agora 3.0



Brokerslink, together with Swiss Re Corporate Solutions (Swiss Re CorSo), held an exclusive workshop for partners and affiliates titled 'Empowering each other for the future'. 35 partners and affiliates from 18 countries attended the event at the Swiss Re Center for Global Dialogue in Zurich to discuss innovative ideas and mutual business opportunities.

Empower each other for the future Brokerslink & Swiss Re CorSo



Watch video with
main highlights



A Steady Presence



Brokerslink has been present in several of the major insurance and risk management events around the world, such as RIMS, Parima, FERMA, the CIAB, AMRAE, FANAF among others. The events were an opportunity for Brokerslink to show how it is a strong alternative in the market and how it may help the industry develop, as well as a chance for networking and relationship building.

Nairobi Regional Meeting



On 27-28 June 2019, Brokerslink held the Africa regional meeting in Nairobi, Kenya. Hosted by local partner, Canopy Insurance Brokers, the 27 attendees took part in some insightful discussions on micro-insurance, construction & reinsurance and the future of insurance in Africa. It was an opportunity for partners and affiliates to learn more about the wider Brokerslink community and business development initiatives.





MDS Publications

Bringing you all the colours of the rainbow

At MDS Group our mission statement is: ‘We’ll be there’, meaning that whatever happens with our clients’ risks, **we’ll be there** — to advise and support them, always by their side.

Being a broking and risk consulting group, this goes without saying. However we have another less obvious, but equally important ethos, to share knowledge. With unlimited access to information from many sources (from our network or as a result of the never-ending curiosity of our people), we’re able to edit these insights and then share the lessons learned, not only inside the Group, but also with our peers, the market and ultimately, the world.

Once, someone asked us why we constantly share our knowledge about the latest risk and insurance developments, emerging risks and the newest products and discoveries, with the market. Our immediate reply was

that having shared a particular insight, we’re already looking ahead to the next level. This ensures we keep evolving, adding value to clients, giving them access to the latest solutions available and feedback on future trends that will impact their lives and businesses.

In order to create and promote a risk and insurance culture, we have an audacious spirit to always go further, and while continually learning and sharing knowledge, we want all to enjoy the journey. We’re passionate about risk and insurance and are keen to show the world that insurance is not grey, as some might think, but has within it all colours of the rainbow. And one of the best ways to do this is through publishing – this is why we launched, first our magazine FULLCOVER, and then other collections which we’d like to introduce to you.

Everything has to start somewhere, and FULLCOVER is the first in our portfolio. Launched in 2009, FULLCOVER epitomises our DNA – a sophisticated, knowledgeable, innovative broker, ahead of its time. Over the years, FULLCOVER has established itself as a unique, widely-recognised publication, perfectly illustrating the global breadth of the sector with contributions from reputed experts around the world. In FULLCOVER you’ll find specialist pieces on the latest trends and solutions in the insurance market and emerging risks, interviews with leading sector players and commentaries on related topics such as the economy, management, legal, HR and technology, plus much more. By focusing on the future, we hope to continue to position it as the ‘go to’ vehicle for knowledge sharing and innovation, demonstrating the relevance and importance of our industry to the economy and society. ●

“

We're passionate about risk and insurance and are keen to show the world that insurance is not grey, as some might think, but has within it all colours of the rainbow.”



The FULLCOVER Collection

A collection of texts from selected articles published in FULLCOVER over the years. Their relevance justifies putting them together in a special anthology.

Trivia: about the nature of things

Nº. 1

Trivia brings together the chronicles of Pedro Castro Caldas, published in editions one to nine of FULLCOVER. Combining a historical and contemporary perspective on risk, the articles lead the reader, through insightful vision and quick-witted humour, to reflect more broadly on the current issues facing the industry.



The magazine's big interviews

Nº. 2

This book presents the big interviews published since the first edition of FULLCOVER, sharing the insight and vision of some of the insurance sector's major players, documenting its evolution and changes over the last decade.

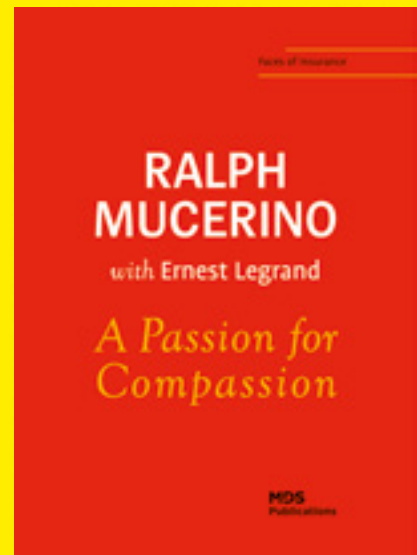
Faces of Insurance Collection

The Faces of Insurance collection is an enthralling, behind-the-scenes look at the lives of some of the global insurance market's most influential figures. Their invaluable insight, experiences and wisdom are an inspiration to us all.

Ralph Mucerino *A Passion for Compassion*

Nº. 1

Ralph Mucerino, president of distribution partners and major clients, personal insurance at AIG, talks to Ernest Legrand about his 'passion for compassion'. Ralph shares some of the most important moments of his life, the lessons learned over the years and how he has always tried to be compassionate when making business decisions.



Jayme Garfinkel *Dialogar para Navegar* (Navigating Success Through Dialogue)*

Nº. 2

We discover the story of Jayme Garfinkel, a visionary entrepreneur with huge social concerns. He talks to Jorge Luzzi about his childhood memories and how he turned Porto Seguro into one of the largest insurance companies in Brazil — a global example of breaking boundaries and innovation.

* edition in Portuguese



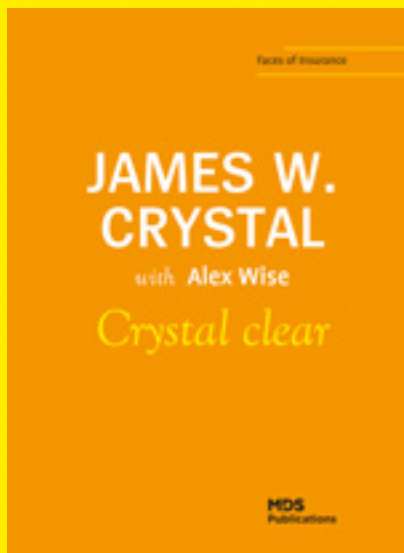


Pierre Sonigo *Igniting change*

Nº. 3

With a career of over 50 years in risk and insurance, former secretary general of FERMA, Pierre Sonigo, shares with Jorge Luzzi some early life lessons, his time with the fire service and a determination to fight the establishment and bring much-needed change to the French risk management and insurance industry.

Coming Soon



James W. Crystal *Crystal Clear*

Nº. 4

With an outstanding legacy of leadership in the insurance broking community, the long-serving leader of Crystal & Company discusses how his love of art, history and travel, together with a competitive nature, have shaped his attitude to business and life.



Franck Allard

Nº. 5

Franck Allard tells us how he transformed a family-owned business from Bordeaux into one of France's major brokers, sharing experiences and hobbies that prompted him to create innovative solutions for clients.

Keep It Simple Collection

A collection of clear, readable and objective well-designed content, giving sector professionals and wider society a deeper understanding of topics relevant to professional and everyday life.

Jorge Luzzi *The challenges of risk management*

Nº. 1

In this first book, Jorge Luzzi, president of RCG (an MDS Group company), discusses the growing importance of risk management in organisations' strategic planning and how it's fundamental to successful leadership in today's highly unstable, complex world.



Coming Soon:

Credit Insurance

Claims

TRAN
QUILI
DADE

AGORA A TRANQUILIDADE TAMBÉM É GENERALI

A Tranquilidade faz agora parte do grupo Generali. Juntámos a proximidade e a história construídas pela Tranquilidade em Portugal desde 1871, com a dimensão internacional do 2º maior grupo segurador europeu. Esta união dá-nos ainda mais capacidade para estarmos próximos dos nossos clientes e parceiros.

MDS News

MDS News

MDS News



Isabel Azevedo joins MDS Brazil

Isabel Azevedo has been appointed vice-president of Human Resources, at MDS Brazil. With over 15 years' experience, Isabel has a reputation for people management and development skills. MDS Group CEO, José Manuel Fonseca, says this new role supports the company's long-term strategy to contribute to business growth in the coming years. "We are a service company and interpersonal skills and relationships are fundamental to our business. We believe that employee talent and providing a quality service with effective products and solutions are the secret to success in gaining even more ground in the market." He adds that, among other challenges facing HR, will be the rolling out of a series of new internal engagement initiatives, strengthening the brand and a feeling of 'belonging in the workplace'. Corporate culture, communication and leadership development are a few of Isabel's strategic priorities, alongside recognising and rewarding employees and developing new initiatives.



João Rangel joins MDS

João Rangel Vieira is the new global head of digital and processes. During his career in the insurance sector, João managed the digital and operational areas for companies including Zurich Brazil and Chubb Latin America. Having worked for two highly respected global businesses, he brings to MDS extensive international experience. João's role, to leverage the synergies between different teams and regions, will help put MDS at the forefront of digital transformation. The appointment reflects MDS's commitment to innovation, underlining its ambition to lead the way in the provision of quality digital services.

MDS News

Expanding expertise in P&C and Warranties



In 2019, MDS grew its corporate insurance portfolio with the acquisition of Process, a company specialising in p&c and warranties. With over 21 years in business and a customer base of more than 120,000, Process is well-known for its corporate insurance expertise. "Joining MDS was the best decision for Process. We are now part of a multinational broker which is one of the largest in Brazil, managing a diversified and comprehensive portfolio. Both companies are financially solid, focused on innovation and they bring high-quality services to market," explains Claudio Oliveira, who managed Process, with Marcus Schmidt and Carlos Rosalen.

Genial Investimentos partnership

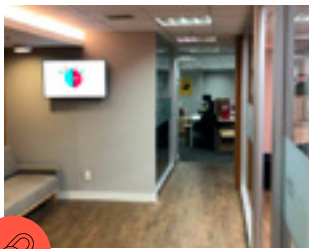


In December 2019, MDS announced its recent partnership with **Genial Investimentos**, one of Brazil's largest financial and investment consultancies. This alliance between the two companies enables MDS Brazil to offer its insurance portfolio (corporate risk, personal and benefits) and risk management services to Genial's customers. MDS Brazil customers will be able to access investment options and financial education programmes, including conferences and

workshops run by Genial's specialists. The partnership equally underlines the synergy between both brands who are well known for having innovation in their DNA. MDS Brazil has invested in technological tools and initiatives to guarantee an extensive service proposition. Genial Investimentos, in turn, is 100% digital, operating on a zero-paperwork model with specialist, free consultancy services.

MDS opens new office in Rio de Janeiro

In August 2019, MDS Brazil opened its new offices in Rio de Janeiro by throwing a cocktail party for the entire leadership and management team, plus clients and partners. Located in a newly renovated building on São Bento street, the office is strategically important to the company's continuing growth plans, bringing MDS Brazil closer to the local insurance community and its main insurance partners. The office also houses Ben's consultancy, a leading corporate benefits management firm acquired in 2019. Both brands share the premises and technology, enabling them to work closer together.



Watch the video

Credit insurance group adviser



Berta Cunha has become group adviser for credit insurance. She joins MDS from credit insurance market leader, COSEC, where she was executive director. Prior to this Berta worked with BPI Bank in the corporate finance and banking sector. Her extensive experience and knowledge of credit and surety will add value to the Group's strategic plans to develop this area. Berta has a degree in economics from Coimbra University and undertook post graduate studies at INSEAD business school and Stanford University.

New cell in HighDome pcc

HighDome pcc, the Protected Cell Company of MDS Group, has recently created a new cell for one of the largest world manufacturers and distributors of eyewear and sunglasses. The new cell will write risks of loss, damage and theft of the eyewear. With major operations in the US and Europe, underwriting will begin with their operations in France, gradually extending to other countries. Captives being a tool for risk retention, PCCs presents a number of additional advantages, such as reduced formation and implementation costs, lower capital requirements, speed of implementation and high flexibility, as well as total independence of cells from one another.

HIGHDOME^{PCC}

New MDS App

With innovation at the core of its strategy and people increasingly using mobile devices, MDS has developed a new way to communicate with clients, via its newly-launched App.

Advances in technology and changing behavioural patterns means omni-channels are vital to ensure customers can access and use services 24/7, whenever and wherever

they want. Its user-friendly interface means clients can access their insurance portfolio and contact MDS in real time, improving the customer experience.



Expo ABGR 2019



Watch video highlights

On 12-13 November, the Brazilian Risk Management Association — Associação Brasileira de Gerência de Riscos (ABGR) held Expo ABGR; the largest risk management and insurance event in Latin America. Taking place in Sao Paulo, the 2019 event welcomed several specialists from MDS Brazil. “Delegates had the opportunity to visit our stand, talk to our experts and learn all about the financial, property risk, transportation, engineering, energy, claims and reinsurance solutions we can offer their markets,” said Ariel Couto, ceo MDS Brazil. The event boasted a panel of renowned experts — among them Ariel Couto, Jorge Luzzi, Leandro Freitas, Filipe Nicodemos, Gustavo Quintão and Luciano Póvoa — who shared their expertise on many topics discussed during the two-day Expo.

MDS Take-off event

In August 2019, MDS Brazil held MDS Take-off, an event to share knowledge on the challenges of risk in every profession, within and outside the corporate world. During the Happy Hour, international big wave surfer João de Macedo, sponsored by MDS since 2018, shared his daily experiences, explaining to the audience how he manages threats and the inherent risks of surfing.



Watch video highlights

Health and longevity conference



Watch video highlights

Longevity and its consequences are one of the greatest challenges facing society today and it can only be solved by bringing all the stakeholders — governments, insurers, health providers and individuals — together. In order to

facilitate this much-needed debate, MDS hosted a conference with a panel of experts that included a sociologist, neuroscientists, insurers and consultants. They discussed the new social reality, how to tackle new diseases, brought on by old age, with breakthroughs in medicine and how the insurance sector will respond. Ana Mota, employee benefits director, stressed that MDS, always an active participant, will continue to run initiatives to promote awareness of this topic.



Aging

Challenging prejudices and misconceptions

by **Maria João Valente Rosa**
University of Lisbon



“

It appears the whole world has begun to age and nowhere more so than in Europe, where it is called the ‘grey continent’.”

An aging population doesn't appear by chance. This demographic shift evolves over time — attributed to undeniable societal progress where civilization has experienced triumphs over life and death.

It appears the whole world has begun to age and nowhere more so than in Europe, where it is called the ‘grey continent’. Here, Portugal's population too has grown old.

Between 1971 and 2018, the number of Portuguese people aged under 15 dipped by around one million. In contrast, the 65-plus demographic went up by approximately 1.4 million. Currently, one in five is 65 or older. Back in 1971, it was one in 10.

If an aging population does not make Portugal unique, the speed at which it has progressed does. Fertility and mortality rates plummeted and while the Portuguese still emigrate in significant numbers, Portugal does not attract many migrants. These factors have transformed the country over the past 40 years. What used to be one of the youngest populations in Europe is now one of the oldest, both in Europe and the world. And this trend is likely to continue and potentially increase further in the future. The elderly (65+) will account for a larger proportion of the population, particularly when compared to working age adults. In 1970, there were 18 people per 100 aged 20-64 in Portugal; decades later, in 2018, it was 37. By 2060 it may reach 74, one of the world's highest ratios according to the OECD.

Common misconceptions

Are aging societies sick communities?

No. As people live longer they can expect a greater risk of illness, but as they've already beaten many diseases that used to kill people almost immediately, they've demonstrated great resilience.

Is aging detrimental to productivity?

No. Globally, there's a positive correlation: countries with older populations appear to be the most developed, and therefore the most productive. Within Europe however, this comparison is non-existent. Germany and Portugal for example, have aging populations, yet they report differing productivity levels. And yet when it comes to wealth generation, aging can have real impact. Not because older people may experience a decline in their cognitive abilities and skills, affecting certain tasks, but because of the employment legalities – ie the retirement age, which prevents them from continuing working.

Is it difficult for the elderly to embrace change?

No. Contemporary 65 year-olds are different from previous generations and future seniors will differ from the 65+ demographic of today. They've progressed further in education, they feel more comfortable with new technology, are more connected and they know they'll live longer etc.

However, as different as each generation may be, and although they live in societies increasingly reliant on the value of knowledge — which has no direct relationship with age but more with the skills and traits of each individual — older people are still discriminated

against. Article 13 of the Constitution of the Portuguese Republic covers the Principle of Equality, yet of the 11 protected categories that help define and protect the principle of equality among citizens, age is not listed.

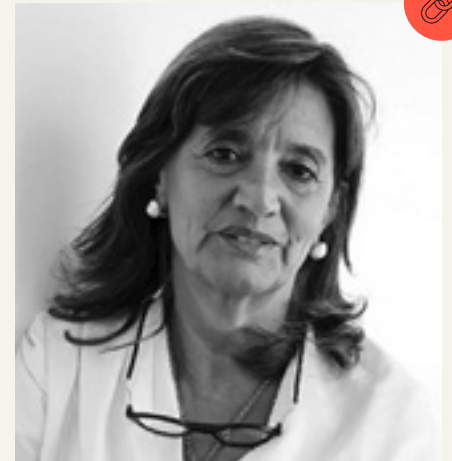
Should a person's life cycle be categorised into three stages?

No. Individually, aging is a continuous process; people do not go to sleep young and wake up old. Gaining knowledge, learning and training is a life-long process which doesn't end just because a person reaches a certain age. As knowledge continues to evolve so too does the learning process, particularly as what was considered factually correct in the past may be different today. However the way life cycles are currently categorised creates a work, education and relaxation imbalance for those in the 'adult' stage. Exhausting demands during the working years can prevent older people from fulfilling other life plans, be they professional, educational or leisurely, yet full retirement isn't something everybody wants.

Challenging prejudices

There is a need to challenge the preconceptions and prejudices associated with an aging population.

In changing societies, the older members are an asset. People should capitalise on this rising life expectancy, work to enrich the lives of all and seek to embrace rather than waste the potential of those they categorise as 'elderly'. Everyone, from individuals, families and communities to government bodies and institutions, has a role to play in challenging prejudices and revising those time-honoured principles — rules carried over from a time that has little to do with the present and even less with the future. As the Spanish author and philosopher, Miguel de Unamuno, said: "We are the parents to our future much more than we are children of our past." ●



Maria João Valente Rosa

is a Doctor of Sociology, specialising in demographics. Between 2000 and 2009, she undertook multiple roles at the Ministries of Education and Science. From 2009 to February 2019, she was director of Pordata, a database on contemporary Portugal, maintained by the Francisco Manuel dos Santos Foundation. Maria João is a member of the Statistical Council of Portugal and the European Statistical Advisory Committee, where she sits on the Board as coordinator of the statistics users' network. She is a professor at the Universidade Nova de Lisboa School of Social Science, a research fellow of the Portuguese Institute for International Relations at the same university and author/co-author of several studies on contemporary Portuguese society, population aging and statistical literacy.

Organisational change

The key to survival in our digital world

by **Miguel Dias Fernandes**

PwC



Digital transformation is probably the biggest concern for all businesses and their decision makers. But one of the first challenges is the lack of clarity around what this really means.

At a general level, digital transformation is when a company uses technology to disrupt itself and dramatically improve the customer experience. They do this to avoid experiencing disruption from an outside agent — for example, a faster-moving competitor or a start-up no one has heard of.

Many companies drive organisational change by combining agile and streamlined practices with technology. This means breaking down silos and working in cross-functional teams that focus on

moving fast, strive for continuous improvement, optimise resources and deliver more value to customers. This also helps employees better connect to customers and their co-workers.

Within this context, transformation isn't an option. It's an absolute requirement for survival in the current business environment.

Operational change is a severely neglected topic for many analytic professionals. Yet automating the workload and removing minutiae from people allows them to think about the customer, perhaps for the first time. It raises the bar, giving employees a greater understanding and a platform for ideas and innovation.

A better employee experience creates happier, more satisfied, engaged and productive workers. A streamlined company is less expensive to run, which can translate into lower prices for the customer. Some roles can

“

Transformation isn't an option. It's an absolute requirement for survival in the current business environment.”



Miguel Dias Fernandes joined PwC in 2018 as advisory partner within the consulting business unit in Portugal. He's a member of PwC EMEA digital leaders' community and PwC EMEA advisory technology leaders. Previously, working in management and coordination roles for consulting units (business consulting, digital transformation advisory and IT strategy), in large multinational firms like EY, everis and CGI, Miguel has over 18 years consulting experience. He's also worked in client relationship management at CEO/CIO level, in industries such as banking, insurance, energy and utilities, public sector, health and telco, and has managed complex projects in multiple organisations, focusing on topics such as: strategy, innovation management, digital transformation, customer experience, IT strategy, cybersecurity, IT governance, project management and change management. Miguel has a Masters in monetary and financial economics, advanced level, from ISEG (UTL) and is a graduate in economics from the same university.

be repurposed to be more customer-facing, improving insight and service. Consequently, every internal change directly benefits the customer.

On the one hand, data from digital sources such as CRM, transactional, third-party and the Internet of Things, has been growing exponentially to the point that increasingly sophisticated data management and analytic tools are necessary to fully understand the statistics. Alternatively, Artificial Intelligence (AI) machine learning can analyse operational data and recommend activity that can be automated, reducing pressure on staff. AI automation will start to take over an increasing workload, something that has driven down employee productivity for years.

No change programme will stay focused, integrated and balanced, but without these disciplines, initiatives may appear disjointed and fail to deliver a significant performance-enhancing transformation.

Experience suggests that no single change initiative will bring about acceptable levels of performance improvement. Although companies spend a lot of time, money and energy on various high-quality programmes, training and culture change initiatives, measurable downstream benefits fall well short of expectations. The inevitable result: frustration, an exhausted and increasingly cynical organisation and a deteriorating competitive position.

Examples of the failure of single-initiative 'magic pills' are plenty. Poor results are invariably the result of focusing efforts on too many elements of change. What's required is a balanced, integrated framework for combining separate initiatives into a coherent overall programme.

The process of transformation can by its nature be repetitive. Although its phases overlap and interact, sequence does matter, so a roadmap may help decision makers plot their course or identify missed turnings that may be slowing progress.

Operational transformation will

deliver another level of efficiency and differentiate organisations of all sizes. By reducing workload pressures, this transformation will streamline business operations, empower employees, lower costs and ultimately take the customer experience to a new level.

But focus is essential. The complexity of change can easily overwhelm an organisation, sapping energy before its endeavours meet its objectives. Organisations keen to 'fix everything at once' will be ineffective; it's far better to choose a few objectives at a time (for example, improve customer service and reduce order lead times) and devote all energy to this until measurable progress is achieved. ●

Farfetch, the power of culture

by **Ana Sousa**
Farfetch



FARFETCH

Farfetch was created by José Neves, a Portuguese entrepreneur, in 2007, born out of a deep love of fashion and a profound belief that fashion is an essential expression of individuality. The company is the leading global technology platform for luxury fashion, connecting creators, curators and consumers. Their global luxury digital marketplace offers over 3,400 different brands, from heritage brands to emerging designers to lovers of fashion anywhere in the world. Headquartered in London, the first Portuguese unicorn startup will continue to expand its presence and business, reaching consumers from all over the world. In 2018, Farfetch made its debut in the New York Stock Exchange, being the first technological company with portuguese DNA to enter the NYSE.

Positive experiences in the workplace help create a winning company culture, which in turn impacts employee motivation and engagement. But what really inspires people? How do we guarantee this culture and vision is clear to everyone? And will a unique culture be enough to tackle inherent transformation difficulties? Farfetch's journey — from a start-up to a global company — is an excellent example of a revolutionary tribe building a 'talent magnet' culture.

Change the mindset

Developing a company culture is more than just a mission statement or pretty words on a wall. It isn't created by wishful thinking, it takes much time, organisation and planning.

To keep employees happy and engaged, business leaders need to change their mindset and create personalised and meaningful experiences for their people. I see it as a positive force and a source of inspiration for everyone in the company. It's that one thing that transforms your workplace into an environment where people feel they can be their best versions and thrive, where taking risks is not only allowed; it's safe.

A positive culture will undoubtedly help drive employee engagement, and that's key for productivity and

“

To keep employees happy and engaged, business leaders need to change their mindset and create personalised and meaningful experiences for their people.”



Ana Sousa is VP of People at Farfetch Portugal. She oversees teams working across the entire employee life cycle: talent acquisition, business partnering, learning & development, wellbeing, total rewards and people analytics & planning. Part of the people leadership team, Ana is responsible for the people strategy and global people innovation projects. With this hybrid role, Ana has a unique opportunity to build, develop and execute not only a countrywide people strategy, but also address critical global challenges in a fast-changing fashion and tech environment. Ana joined Farfetch in 2014 as head of talent & people development, with the aim to grow a team while creating positive experiences for all Farfetchers (she supported business growth from 190 to over 2,000 employees in Portugal in just five years). Passionate about the technology ecosystem and developing teams from their early to more mature stages, Ana previously worked for two other prestigious tech companies. With a background in clinical psychology, Ana has a Master's degree in management (specialising in human resources).

continuous talent attraction. But how can we guarantee this is embedded and strong enough to push back one or two bad habits?

The core elements

It's hard to give a 'one-size-fits-all' answer, but there are some elements I consider key to a rock-solid company culture. It starts with authenticity and empathy, which is then linked to honesty. Culture is what gives meaning to our values and behaviours. It's a guide that provides teams with a unique and inclusive direction. Compensation, benefits, little extras are all important, but people are not just looking for the best salary, they seek well-being and a work-life balance, as well as challenging, fair and understanding employers.

In just a decade, Farfetch has grown from a start-up to a global company with more than 3,400 employees in 14 offices around the world. Today, it is the leading global technology platform for the luxury fashion industry, with partners in 50 countries and customers globally. In 2018, Farfetch concluded the first chapter of its history with a very successful IPO on the New York Stock Exchange. It's safe to say we take the 'revolution' concept very seriously.

From its initial launch, Farfetch operates within an environment of constant transformation. Indeed, one of our values is 'be revolutionary', appealing to this latent need to disrupt the status quo, embrace innovation with a curious mindset, make courageous decisions and search for new ways to shape the future.

In any company, it's essential to ensure employees understand the journey. Honest and transparent communication can make the difference between an engaged, onboard team and an insecure, ready-to-leave workforce. Perhaps this is our strategic advantage: what we promote equates to what we are — giving our people a sense of familiarity and belonging, whatever the situation or transformation in

progress. Authenticity is the best strategy; it's a critical enabler of psychological safety. Building trust and transparency in everything we do brings people together and improves communication, clarity and honesty.

Setting the pace

Every business transformation is demanding and time-consuming, but there's no way around it. And one thing I've learned is that 'talking the talk' is fine, but we need to 'walk the walk' to avoid cultural shortcomings that ultimately will act as barriers to company success. It's only a winning organisational culture if managers translate their words into actions.

It's crucial they lead by example; build a true community with respect and a sense of purpose, and provide a clear vision with appropriate and timely communication that shows employees how a company is reaching its goals together. The rest will come with patience and consistency. And as long as leaders recognise and embrace the power of company transformation, they'll more quickly identify cultural clashes and effectively break down any barriers.

Ultimately it's up to individuals to choose how committed and engaged they want to be to their company, but setting the cultural and strategic pace, that's for the leaders. This is the winning formula. Peter Drucker's famous quote of 'culture eating strategy for breakfast' is true; but it's how it mixes with strategy that makes for a unique culture.

There's no such thing as a cultural finishing line. It's a never-ending cycle of communicating, adjusting and monitoring. And despite a company's best efforts, bad habits or attitudes will occur once in a while. It's just a matter of pushing through and trusting that in the end, positive attitudes will prevail, even if it takes huge amounts of time and patience. Like everything else in Farfetch's journey, we're well aware this too is a marathon, not a sprint. ●



Stranger Topics

Trends in the 2020s

by **Jairson Vitorino**
Elife



“
Longevity and smart homes are economically suited. After retirement, people will live on for a few extra decades and spend more time at home, with more leisure to enjoy new technologies.”

Considering the vast amount of work being undertaken by scientists around the world, the future looks bright! Jairson Vitorino, co-founder of Elife and SA365, assesses the key areas he believes will impact our planet's future development.

1. Longevity

In the early 19th century, European life expectancy was 33. By the late 20th, it had soared to 77. In the decades ahead, we expect a new leap forward; some authors point to a 130-year life expectancy in the late 21st century.

Populations living longer, in greater comfort, will develop new needs and habits and create new market niches we can't even picture today. In addition to the obvious, like tourism and health, entertainment, smart assistants, e-commerce and virtual/augmented reality are areas that could bring in tens of billions of Euros a year to the global economy.

2. Smart homes

IKEA recently announced a new smart home division which will exclusively focus on developing the Swedish company's designs for the home of the future (the company currently has one billion global customers). From smart light bulbs to voice-operated curtains, IKEA is positioned to work with Artificial Intelligence (AI) platform suppliers like Amazon, Google, Apple and Microsoft.

Longevity and smart homes are economically suited. After retirement, people will live on for a few extra decades and spend more time at home, with more leisure to enjoy new technologies.

3. Robots and automation

At the University of Singapore, a research group has trained robot arms to assemble an IKEA chair. The DFAB House project, developed in Zurich by the National Centre for

Competence in Research, combines drones, 3D printing and robots to automate repetitive construction tasks. This combination of 3D printing and robotics generates less waste and speeds up house construction.

The use of robotics in varying part of our economy should become noticeable in the second half of the 2020s. Just imagine: robots building affordable, safe homes in Africa and 'Robots as a Service' assembling all the furniture in your new house. Your future will certainly be more automated.

4. Understanding human beings

Over the next decade, we'll have access to increasingly sophisticated software, capable of translating text at near-human competence level, talking to an assistant to book a medical appointment or shop online, helping a consumer use a new machine or fixing the air conditioning.

By the late 2020s, AI systems will be able to read thousands of scientific papers and summarise the findings within them, generating new knowledge through sophisticated inference processes. For the first time in history, software-based intelligence will make scientific discoveries of its own!

5. Streaming, games, extended reality and a dash of AI

With a billion more people soon to be included in the digital economy, current streaming leaders Amazon, Netflix, Apple, Disney and Spotify, will be looking to consolidate. The promise of extended reality, combined with smart software, could finally create immersive environments that radically change the way we communicate, create, buy/consume media and learn.

Education could be one of the most highly-impacted segments. Smart

artificial tutors, coupled with extended reality modules, could redefine the classroom in such a radical way that many present-day models may basically vanish.

6. Autonomous vehicles and sharing rides

Collectively, Uber and Lyft represented around US\$72 billion in market value in September 2019. In comparison, Lufthansa is valued at less than US\$8 billion. Such numbers reflect the beginning of the disruption curve that the transport sector will go through over the next decade.

Google's announcement that it intends to launch a mass-market autonomous vehicle made waves around the world and caught the attention of auto giants and companies like Uber. This 'herd effect' is positive for consumers, who can watch from the side-lines as 20 or more major players begin the next gold rush.

7. Mastering space, the internet for all and infinite connectivity

Historically, the cost of rocket launches since the beginning of the space age has been astronomical, between US\$100 million and US\$300 million per lift-off. However, new companies are offering highly-competitive solutions.

Rocket Lab in New Zealand intends to launch one rocket a week within a year and, if all goes well, conduct daily launches. Richard Branson's Virgin Orbit tested their 'cosmic girl' this year — a Boeing plane that carries a rocket which launches from the stratosphere.

There is also a desire to provide a fast, affordable internet service for the whole planet. In order to achieve this goal, Amazon wants to deploy a 'constellation' of over 3,000 satellites. SpaceX already has 60 satellites in orbit and plans to raise this to 12,000.

8. Brain-machine interfaces: super-humans

Scientists from the University of California have developed a prototype system that can read and decode the brain activity of people as they talk. These prototypes can be used to create software for people to control devices, games and any kind of computer application.

Start-ups like Neuralink and Paradromics are working to develop these types of solutions. One of the main drivers behind this kind of work is to restore neurological function to people with spinal and traumatic brain injuries, stroke victims and those with nervous system problems. ●



Jairson Vitorino manages international expansion, strategy and product development at Elife. He has a PhD in Artificial Intelligence from the Federal University of Pernambuco, Recife, Brazil, and the University of Ulm, Germany (where he currently lives).

Legal Corner

IDD, preventing a conflict of interest

by **Françoise Le Quer**
SRS Advogados



In January 2016, the European Parliament and Council ratified the Insurance Distribution Directive (IDD) 2016/97 which was subsequently translated into Portuguese law (ruling 7/2019, 16/01). In late November 2019, all European Union members, except Spain, had incorporated the Directive into their national legal framework.

The IDD aims to regulate the way insurance products are designed and sold both by brokers and insurance carriers, enhance consumer protection, whatever the distribution channel, and further transnational commerce.

Central to this is product governance and ensuring policies meet market needs. For that purpose, the IDD has guidelines for business conduct, such as the reinforcement of requirements regarding reporting and preventing a conflict of interest, particularly relating to the distribution of insurance-based investment products (Commission Delegated Regulation (EU) 2017/2359, 21/09/2017).

In Portugal, conflicts of interest arose following regulation about incompatibility regarding access to the activity of insurance intermediaries

and the provision of pre-contract information to customers of brokers with qualifying holdings in insurance companies, or an insurance carrier's qualifying holdings in the broker's registered capital.

To demonstrate impartiality and remove any conflict of interest, brokers are required to provide pre-contract information which is non-binding and based upon unbiased, personal analysis. Any advice must relate to the situations brokers are presented with. Brokers should also inform whether they are contract-bound to work exclusively for one or more insurance carriers.

One of the more relevant and most debated regulations is the rules of conduct on remuneration.

The IDD adopts a broad definition of remuneration: direct payments from the customer to the broker, fees that form a part of the insurance premium and any other economic benefit gained as a result of the insurance contract, or a combination of the three.

The Directive rules insurance distributors must not be remunerated nor remunerate or assess their employees' performance in ways incompatible with their duty to act in the customer's best interest. An insurance distributor must not recommend schemes for remuneration that depend on sales objectives being met or any others of such kind that would constitute an incentive for the broker or its employees, nor recommend a particular product to a customer when a different product might have been more suitable.

Before an insurance contract is signed, the broker must inform the customer on the remuneration package, the fees owed by the customer or, if not possible, the calculation methods. The broker must also advise about the customer's right to inquire about any non-fee remuneration and provide such information if requested to do so.

The new demands of the IDD require insurance companies to go to great lengths to adapt their remuneration policies.

Stricter rules also govern insurance-based investment products, due to the risks they may pose to customers.

To identify conflicts of interest, insurance distributors must assess whether they, or any other relevant persons, including where they have an element of control, are biased in the outcome of distribution activities which may fail to meet the customers' requirements and be to their detriment.

The minimum criteria to evidence a conflict of interest with insurance-based investment products are:

- . envisaged financial gain or avoidance of financial loss to the customer's detriment
- . existence of financial incentive, or any other incentive, so as to favour the products provided by another person or group of people to the detriment of the customer
- . the distributor, or relevant person, actively participates in the management or development of insurance-based investment products, particular in connection with product pricing or related distribution costs.

The distribution of said products demands regulations to cover the prevention, reporting and handling of conflicts of interest, and in turn, they must also take into account the distributor's scope, business volume, products distributed and customer risks. These must be reviewed annually and operate under the principles of fairness.

Preventing a conflict of interest is fundamental, therefore informing customers of a conflict of interest appears a last resort measure, only for occasions where the policies in place prove to be incompatible with the customers' needs. Distributors therefore have a duty to be fully transparent with customers about the nature of a conflict of interest before contracts are entered into. ●

“

To demonstrate impartiality and remove any conflict of interest, brokers are required to provide pre-contract information which is non-binding and based upon unbiased, personal analysis.”



Françoise Le Quer is a lawyer with law firm, SRS Advogados, Françoise is head of insurance and the Francophone Desk. Well-versed in the insurance sector, Françoise began her career in France with life insurer Caisse Nationale de Prévoyance and then moved to a non-life insurer in Portugal. She holds a Law diploma from the Paris XII Law School and a masters in Law (LLM) from the Law School of Nice.

Legal Corner

Broker Beware

A risk management overview

by **Bennett Heller
& Brian Whiteman
Wilson Elser**



As global insurance markets harden, including reduced capacity and increased rates, insurance brokers will come under increased pressure to deliver value for their clients. At the same time, brokers will be expected to provide their local and multinational insureds with the global coverages they need to address increasingly complex risks, including emerging areas of exposure. In the context of this challenging commercial landscape brokers will need to navigate the legal minefields that continue to expand at the expense of the international brokerage community.

This article will discuss generally the global duties imposed on insurance brokers, common claim types and best practices to minimize and/or mitigate the risk of professional liability claims against brokers.

Initially, it is critical for insurance brokers to appreciate that the law in many jurisdictions holds them to a much higher standard than mere “order taker.” Although the duties of an insurance broker in certain jurisdictions simply may be to act in good faith and follow the instructions of an insured, in many

other jurisdictions an insurance broker may be held to the standard of a fiduciary, including the duty to exercise reasonable skill in identifying the insureds’ needs and advising them on available coverages.

The Supreme Court of New Jersey set down the standard against which an insurance producer’s conduct is measured in *Ryder v. Lynch*, 42 NJ, 465 201 A.2d 361 (1964):

“One who holds himself out to the public as an insurance broker is required to have the degree of skill and knowledge requisite to the calling. When engaged by a member of the public to obtain insurance, the law holds him to the exercise of good faith and reasonable skill, care and diligence in the execution of the commission. He is expected to possess reasonable knowledge of the types of policies, their different terms, and the coverage available in the area in which his principal seeks to be protected. If he neglects to procure the insurance or if the policy is void or materially deficient or does not provide the coverage he undertook to supply, because of his failure to exercise the requisite skill or diligence, he becomes liable to his principal for the loss sustained thereby.”

Moreover, courts are increasingly expressing the view that an insured can be expected to rely on the broker as an “expert.” This view is supported by the representations commonly made by brokers who in this increasingly competitive marketplace hold themselves out as “experts,” including website promises of providing:

- “A range of experience in specific industries to offer you exactly the coverages you need,
- . Tailor-made risk management solutions based on expert advice,
- . A strategic decision risk analysis, including identifying new and emerging exposures,
- . The design of comprehensive and complete programs for both insurance and risk management,
- . Performance beyond the required ... in all we do,
- . The best products and services for your needs,
- . The most favorable terms for you.”

In assessing the duties owed in any particular case, courts also may focus on the nature and extent of the relationship between broker and client, including their prior course of dealings. In this regard, courts are likely to analyze the following:

- . The receipt of compensation above the customary commissions on premium paid for expert advice or additional services
- . The broker’s counseling of the insured concerning a coverage issue
- . The broker’s declaration that he is a highly skilled insurance expert coupled with the unsophisticated insured’s reliance on the broker’s expertise
- . The broker’s exercise of broad discretion in servicing the insured’s needs
- . A course of dealing over an extended period of time that can be said to have put an objectively reasonable broker on notice that his advice is being relied on specially.

As a practical matter, the modern trend is for courts around the world to hold brokers responsible for identifying the needs of their clients, communicating those needs to the insurance marketplace, obtaining the best “quotes” relating to available coverages; explaining to the insured the significant differences between competing “quotes”; ensuring that the policy issued responds to the clients’ needs; and servicing the clients in a responsible fashion if a claim is made or loss occurs.

In this regard, common claim types against insurance brokers include:

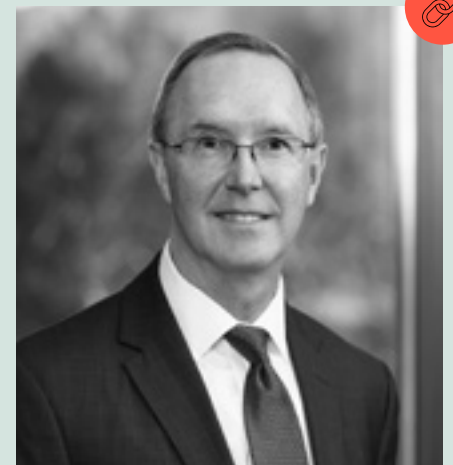
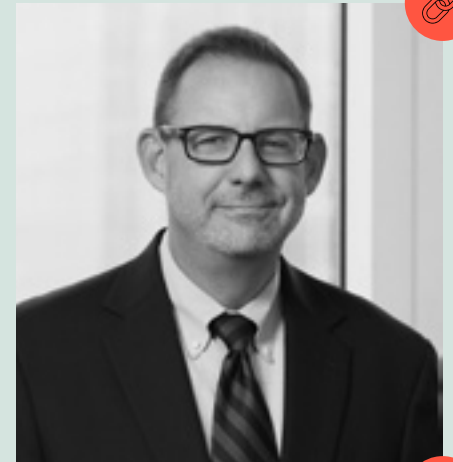
- . Failure to obtain insurance or notify insured of such failure
- . Failure to obtain proper coverage
- . Creation of a coverage gap
- . Placing insurance with an unsound insurer
- . Failure to obtain excess insurance
- . Failure to renew or maintain coverage
- . Wrongful termination of insurance
- . Failure to notify the insured of cancellation
- . Misrepresentation of the risk
- . Failure to timely notify proper carrier about a claim.

Although E&O claims against insurance brokers are an inherent risk of the profession, best practices can reduce the risk of claims and assist brokers in defending claims.

In conclusion, given the increasing scope of potential liability for insurance brokers under the laws of many jurisdictions, brokers should take reasonable steps to understand the nature and extent of their clients’ current insurance requirements and recommend appropriate cover to meet those requirements. ●

“

Brokers will be expected to provide their local and multinational insureds with the global coverages they need to address increasingly complex risks.”



Bennett Heller and **Brian Whiteman** are partners in Wilson Elser’s Chicago and New Jersey offices, respectively, who specialize in professional liability lines. Mr. Heller is a member of the firm’s Executive Committee. Wilson Elser is a full service law firm in the United States and a founding member of Legalign Global, an alliance of four of the world’s leading insurance law firms.

Best Practices

Meetings/Communications with Clients

- . Independent assessment of risks and needs
 - . Comprehensive review of existing program
 - . Broad inquiry into changing circumstances
 - . Documentation of insured requests in writing
 - . Documentation of broker recommendations in writing
 - . Policy review and explanation of coverages obtained
 - . Written communication of coverages not obtained
-

Creation and Maintenance of File/Documentation

- . Letters/Faxes/Emails/File Notes to confirm and detail meetings and communications
 - . Create contemporaneous notes of all telephone discussions
 - . Document all in person meetings/discussions
 - . Avoid texting: If use text/other transmissions, must find a way to preserve record
-

Applications and Renewals

- . Investigation to disclose all facts and circumstances
 - . Investigation to report all potential claims
 - . Use of diary system
-

Notice/Reporting of Losses and Claims

- . Timely notice to all primary and excess carriers
 - . Avoidance of conflicts of interest
-

Notice/Reporting to Broker's E&O Carrier of Facts or Circumstances

- . Uncovered loss or declination
- . Communication from insured or counsel
- . Request for file or records
- . Subpoena

“

Brokers should take reasonable steps to understand the nature and extent of their clients' current insurance requirements and recommend appropriate cover to meet those requirements.”

Readings

Africa's Business Revolution

Acha Leke, Mutsa Chironga, Georges Desvaux

The word 'Africa' immediately triggers thoughts of vast, uninhabited spaces where wild beasts roam free. But there's something else you need to consider when you think of Africa: business, serious business. With 54 countries, over 1,000 languages and widely varying socio-economic frameworks, political conditions, education systems and infrastructures, Africa represents a massive, largely untapped market of 1.2 billion consumers. A giant with multiple possibilities.

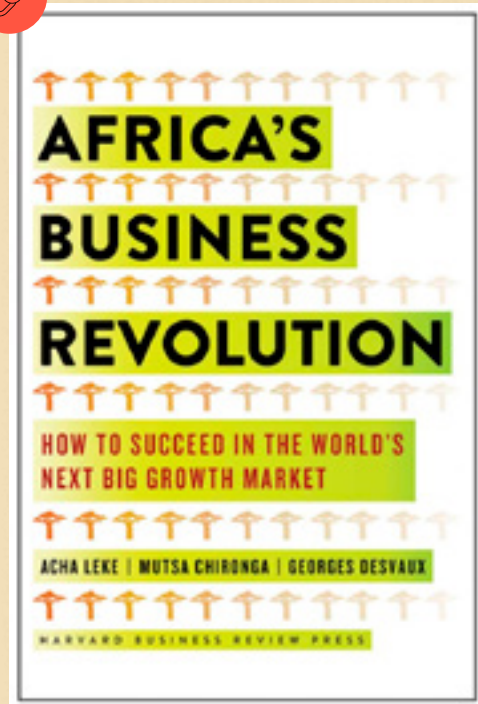
Although conceding Africa is 'not an easy place to do business' for all the above-mentioned reasons, the authors believe it's a continent to watch because of the historic economic shift under way.

In many parts of urban Africa, there are signs an increasing population and per capita income are triggering a rise in consumer demand, reflected in the rapid growth of retail outlets, cell phone networks, restaurants, housing developments and car dealerships etc (even 'traffic jams'). Other megatrends such as a growing workforce, increased demand for basic services, infrastructures and renewable energy, plus an abundance of mineral resources, are creating big opportunities for businesses.

Statistics suggest the continent is going through significant acceleration, as the overall GDP increases ahead of the world average. It's predicted Africa will once again become the second fastest region for growth in the world.

The authors give advice on how potential investors should approach the market to 'win in Africa'. This includes how companies must think in terms of long term investment, as building a pan-African business may take decades. They must also have clear aspirations and prioritise the most important markets. Innovation is equally key, designing products and services that meet Africa's needs, truly engaging customers and, of course, utilising technology. They stress 'companies that want to succeed in Africa should help to unleash African talent', make use of the huge working age population (larger than China and India by 2034) and contribute to the social and economic development of the continent.

The authors end the book with a quote from one of its great leaders – Nelson Mandela – who had a dream for a more collaborative and inclusive Africa: "There is no passion behind playing small - in settling for a life that is less than the one you're capable of living." Be it in business, or in the endless landscapes, one thing is certain: there's no playing small in Africa. ●



Africa's Business Revolution:
how to succeed in the world's
next big growth market.

Boston, Massachusetts: Harvard
Business Review Press, cop. 2018.
ISBN978-1-63369-440-8



The Uninhabitable Earth

David Wallace-Wells

This book will equally shake you, shock you, frighten you and in the end, leave you depressed. But reading it is a must, because you simply have to know.

This review could almost begin with 'once upon a time, there was a beautiful blue green planet that counted, among its inhabitants, a race called humans. They lived there for thousands of years, until one day, 150 years ago they discovered how to destroy the planet, by starting what was called the industrial revolution'.

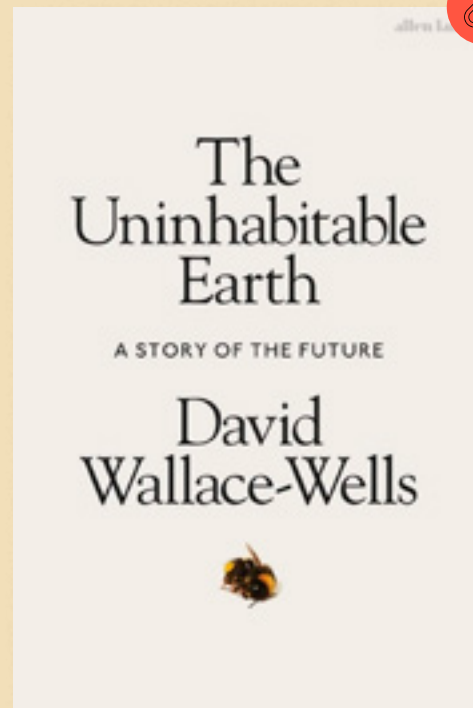
The author takes us on a terrifying journey through global warming and the consequences to how we live on Earth. He states climate change is not reversible and it's changing our planet as we know it, and predicts that soon, in the autumn, trees will turn brown (instead of orange and red), sea levels will keep rising and crops (like coffee plants in Latin America) will decline or even die.

Unfortunately, these are not the only repercussions. The author lists the predictable consequences of climate change, starting with war - reminding that in 2011, one million Syrian refugees fled to Europe due to a civil war influenced by climate change and drought. He goes on to describe the terrible impact of ongoing global warming spells on public health, conflict, politics, food production, urban life and even pop culture.

There are references to the sea level rising around 80 metres by the end of the century, the dying oceans, with mass extinctions of species, the polluted air (in 2017, simply breathing Delhi's air was the equivalent of smoking more than two packs of cigarettes a day!) and plagues - caused by dormant diseases trapped in the Arctic that if released could bring new pandemics.

Although there have been some breakthroughs, such as carbon capture technology and geo engineering, which could cool the planet by suspending gas in the atmosphere, and other solutions prompted by mankind's ingenuity, the outlook is bleak.

In the end, the author calls upon the world to take action in the climate crisis battle, because we only have one planet and it is facing extinction. ●



The Uninhabitable Earth:
a story of the future.

New York, Tim Duggan Books, cop. 2019.
ISBN 978-0-525-57670-9.



We want to negotiate:
the secret world of kidnapping,
hostages and ransom.

New York: Columbia Global Reports,
cop. 2019. ISBN 978-0999745427

We want to Negotiate

Joel Simon

Being exposed to the subject of kidnap and ransom daily, for the last 24 years, I am always concerned with the psychological and moral consequences, the social implications of kidnapping as well as the political standpoints of different countries. Joel Simon's book raises an entirely new set of questions in regards to the ethics and legality of hostage negotiation, with intelligence and well-researched, persuasive arguments.

It's a captivating book that engages the reader immediately from the first chapter, not only skillfully and accurately written, but one that requires you to take a position. One cannot stay indifferent and ignore the critical dilemma it raises about the countries' politics on the terrifying "no concession" policy.

It's overall, a message pleading for the "right to life." Without insisting or getting more profound on the psychological effects on hostages left behind, while some are released, it gives us the chance to analyze the chilling brutality of being left alone and lets our imagination build up the desperation of the people involved.

Joel Simon's narrative is compelling, raw, and indisputable. It's a "matter of fact" description of circumstances, with no ambiguity or room for interpretation. It tells readers, here are the facts, what are you going to do about it? The book is a moral challenge submitted to our conscience as readers, with all the specifics presented truthfully; it gives us the tools we need to make up our minds and decide where we stand on this subject.

Outside of the local politics, the excellent success of the negotiators in the hostage recovery is a ray of hope for families for whom the principles, policies, and arguments occupy a second place, with the priority being the recovery of their loved one.

The conclusion of the book makes an undeniable statement that at the end of the day, the involvement of governments should be more limited. Instead of making it a political issue, it should be handled more like a crime. If the kidnappers were to realize they cannot negotiate with governments, and gain political profits, it will reduce ransom payments and will de-politicize this heinous crime. The government's mission should be, as with any crime, to punish the perpetrators and not the victim. ●

Review by Iulia Simon, CH Toro International



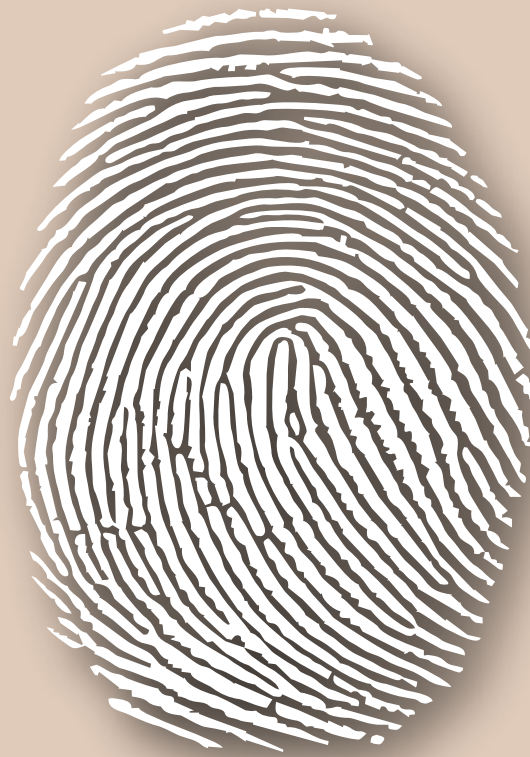


THE
SEXIEST
PAPER ON
EARTH

Renova

myrenova.com

MINDS & TECHNOLOGY



For almost 50 years, RCG has been reference in risk analysis, loss control and implementation of risk management programs. Supported by a multidisciplinary technical team the company provides world-class services to a wide range of industries.