

MS Amlin Risk Engineering

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The logo for MS Amlin, featuring the letters 'MS' in a bold, dark blue font, followed by a red and blue circular icon, and the word 'Amlin' in a bold, italicized, dark blue font.

MS  Amlin

What are we going to cover?

- Brief introduction to MS Amlin
- What influences the cost of insurance
- What's New?
- The benefits of effective risk management
- Q&A

What Influences the Cost of Insurance?

Why Buy Insurance?

- **Legal Requirement** –
 - **Compulsory Insurance Act 1969.** Employers Liability Insurance is required to provide cover if one of your employees is injured or becomes ill as a result of working for you.
 - **Road Traffic Act of 1930** – requires drivers to have an insurance policy to cover their liability for bodily injury to or damage to third party property which arises from the use of a motor vehicle. The cover does not have to be anything other than Third Party only, although many policies now arranged on a Third Party Fire and Theft or Fully Comprehensive basis.
- **Risk Management strategy – “risk transfer”**
 - *“contract in which one party agrees to assume the liabilities of another”* i.e. an insurance policy
 - The transfer of liabilities means that the insurer is then liable to pay claims for loss or damage e.g. personal injury.
- **Contractual requirement** – when hiring out facilities for example or working for others as a contractor. (Public liability insurance)

Preventing losses – good business sense

- Who's risk is it anyway?
 - Risk transfer not abdication of the need to manage risk
- Treat insurable risks as you would uninsurable
 - Still a cost to the business
 - Premium impacted by risk quality and the management thereof
- Reactive risk management limits business gains
- Demonstrating proactive risk management will drive best rates regardless of market cycle
- Impacting the loss ratio

Insurance covers everything – Myth Busting

Covering:

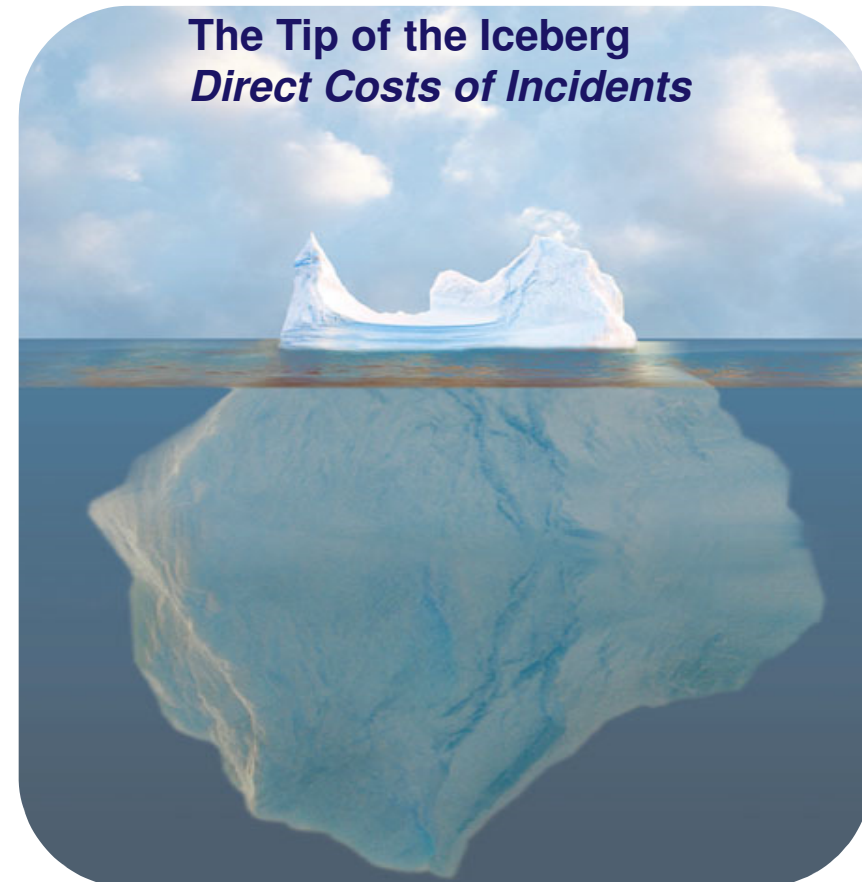
- Injury costs
 - ill health
 - Physical damage
 - Business interruption
-
- Typically covered by insurance



Insurance covers everything – Myth Busting

Uninsured costs – Can be **8-36 x** as large!

- Management – labour relations
- Litigation / legal costs / fines
- Damage to customer relations
- Public image / business – brand reputation
- Management & supervision time
- Deductible on claim
- Loss of market share



What is Good Risk Management?

Successful organisations are resilient to the impact of incidents and are successful by:

- Going beyond the call of duty or regulation
- Getting the risk management right - insurance will then look after itself
- On average, companies with effective risk management programmes are 40% less volatile than those with less advanced risk management practices (FM Global research)
- Companies with substandard practices were found to be more than twice as likely to experience a property loss and related business disruption (FM Global research)

What is Good Risk Management?

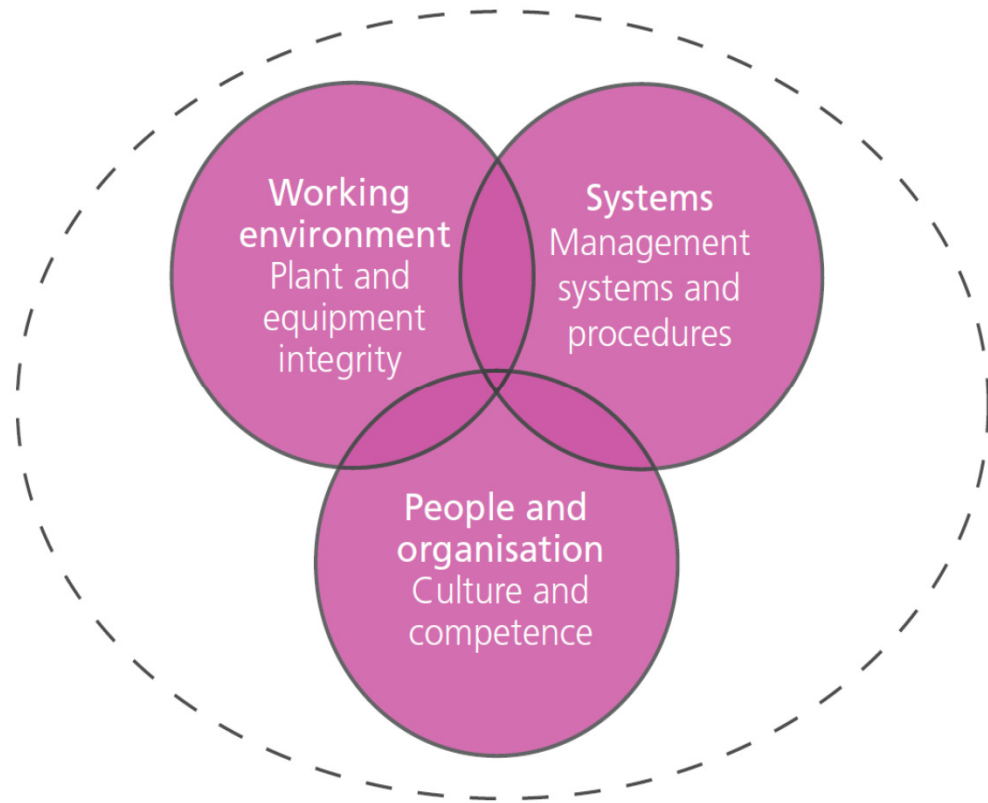
4 Key Enablers:

- Good People and Culture
- Good Leadership and Governance
- Good Business Structure
- Good strategy, tactics and operations

How familiar are you with your risk register?

Risk Management

- Working Environment
- Operational systems
- H&S management systems
- Human Factors
- Safety Culture



Ref: IOSH



Managing Risk in the Activities & Leisure Industry

Horizon Scanning

- Leisure industry in the UK estimated to be worth around £129 billion (revenue) in 2018 with Brits forecast to spend £141 billion on enjoying themselves by 2022.

(Source: Mintel)

- ONS data shows how important leisure is to UK family life. Some households spend about a fifth of their weekly outgoings on leisure, while 75% of UK holidaymakers are opting for staycations (Barclays 2017)

- More adults are taking part in activities that are traditionally aimed at children. e.g. trampoline parks, ball pits, bouncy castles and slides are getting the grown-up treatment. This also includes adults-only inflatable assault courses, accompanied by craft beer, DJs and street food markets.

Source: Google

Horizon Scanning

Trampolining - exponential growth in indoor trampoline parks - Almost three in ten (28%) adults have tried it. While interest peaks among 25-34 year olds (37%), almost one in ten (8%) over-55s say they would be interested!

Outdoor assault courses - one in seven (15%) Brits has tried an outdoor assault course with a further three in ten (29%) interested in trying one in the future, rising to just under half (46%) of 18-24-year-olds.

Others include:

- **Immersive theatre** (with 13% having tried it),
- **Virtual reality theme park rides** (11%)
- **Escape room challenges** (10%).

In contrast, nightclubs suffered an 18% decline between 2012 and 2017.

Source: Mintel

“The majority of accidents and incidents are **not** caused by careless workers but by failures in control which are the responsibility of management.”

Ref: HSE





The Aberfan disaster

- **1939** A colliery tip slid destroying all in its path – not one injury.
- **1944** A colliery tip slid destroying all in its path – no one was hurt.
- **1966** A colliery tip slid destroying all in its path including an infant school – 144 people, mainly children, were killed.

Accident Prevention Theory

**What do you report,
investigate and measure?**



The Relationship between Accident Investigation and Claims



- Poor accident reporting/investigation procedures can leave you defenceless in resisting unjustified claims
- Employee fails to get fair settlement of justified claims
- Accident recurrence, failure to take corrective action, even more costs – possible criminal legal action



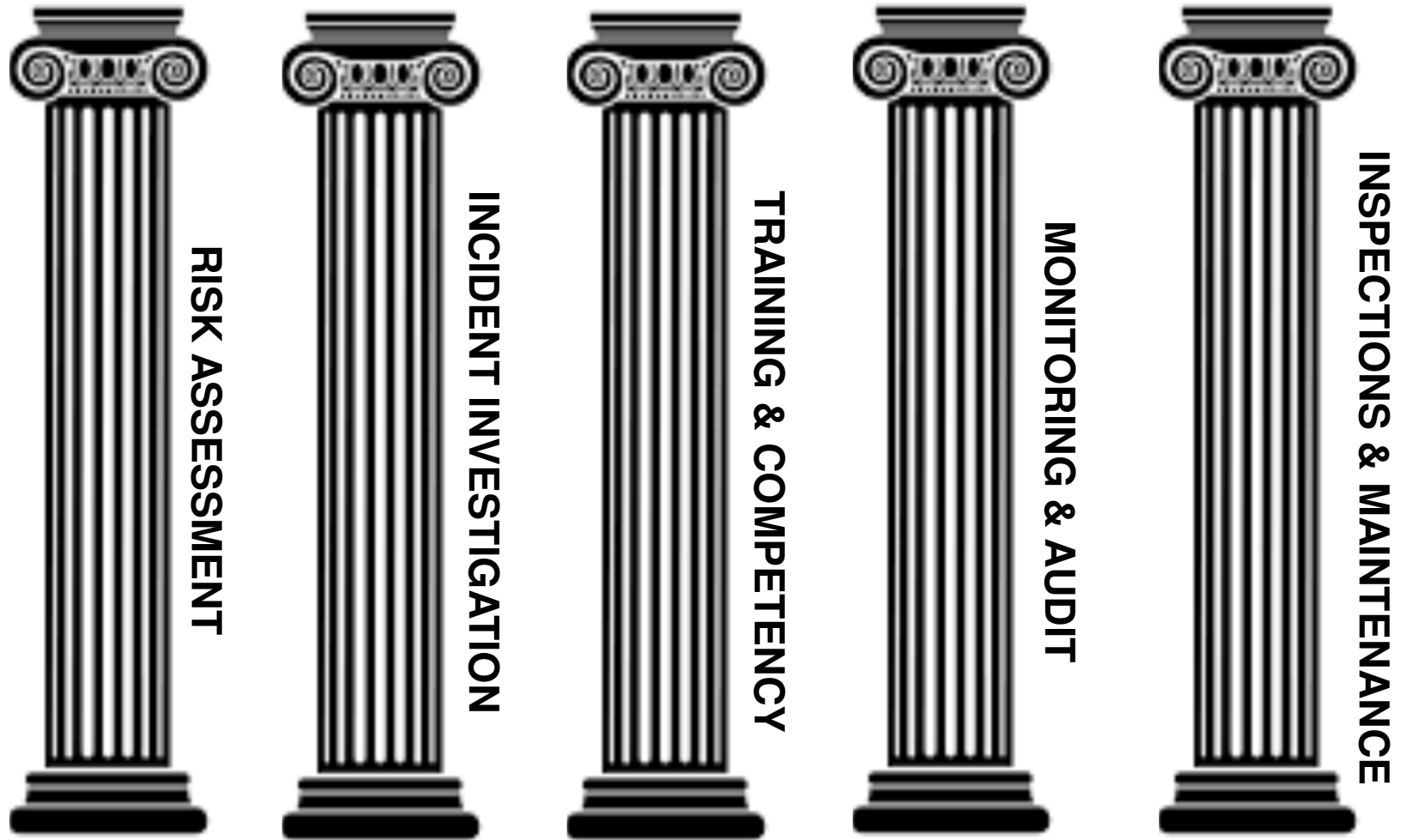
The MS Amlin Claims Defence Toolkit



Top Tips

- Quality of accident reporting and investigation – does it capture all the “facts”
- Timeliness of investigation – how quickly do you collate the factual information?
- Quality of accident investigators – competence, training, authority.
- Use investigations as a learning opportunity – introduce after event reviews, other similar incidents (inside and outside the organisation)
- Risk assessments – how effective are they? Review on a regular basis.
- Document retention – how easily could you find documents 3+years in the future?

“The only thing that is constant is change”



Questions?