




XL Insurance



Are you ready for  
property renewals?

# Meet the team



**Tim Smith**  
Head of Client  
Management



**Jonathan Salter**  
Head of Risk  
Consulting



**Chris McGuire**  
Risk Consulting Country  
Manager, UK

# Agenda



Introduction



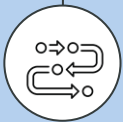
How an insurer thinks



How a risk consultant thinks



Common risk recommendations



Current trends

# Takeaways



Know what timelines need to be respected to achieve best renewal results;



Understand the link between recommendations and insurer view of an account;



Undertake a review of some of the most common risk improvement recommendations and suggest ways to address them; and

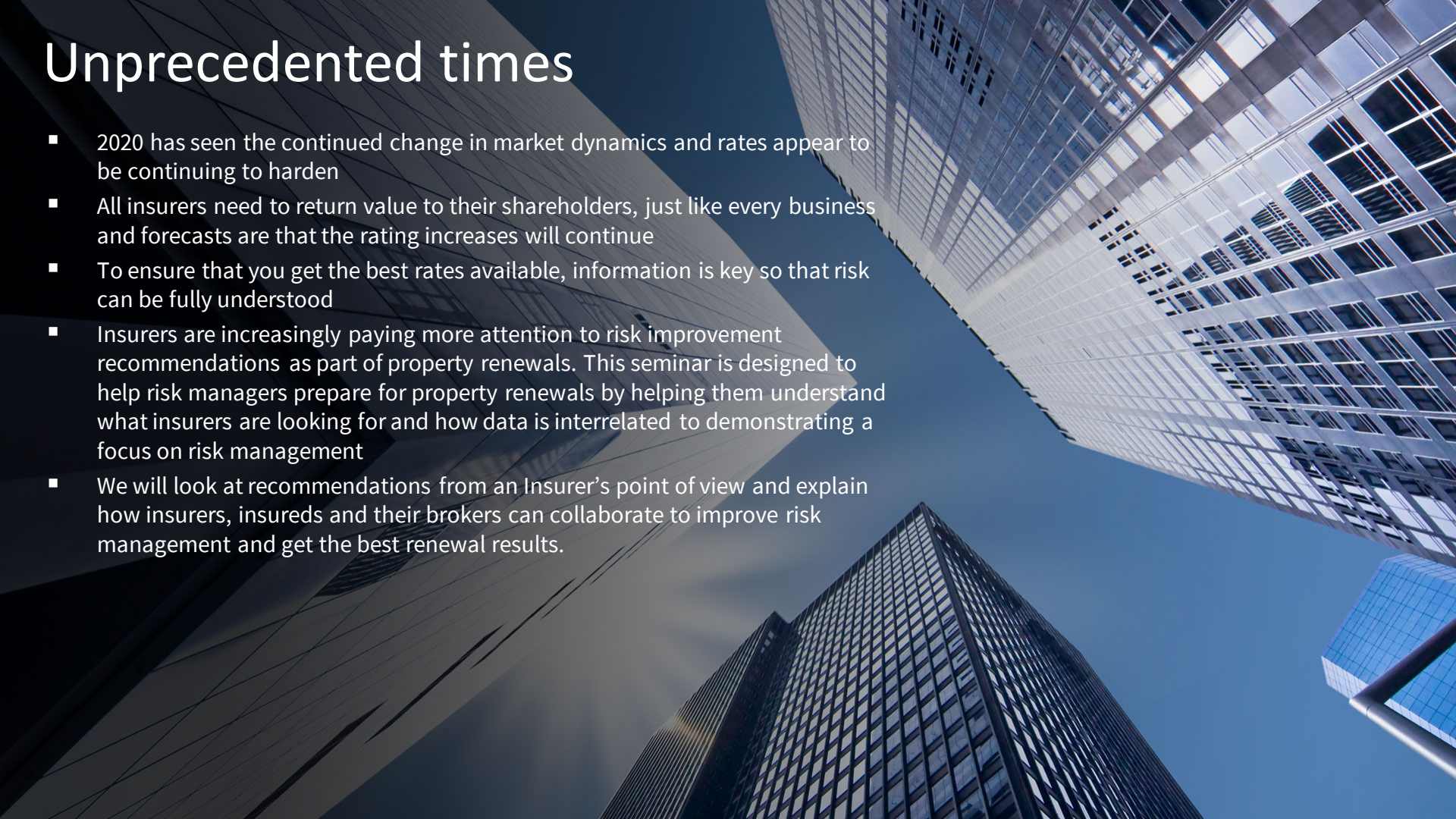


Understand what technology can be used to manage recommendation and risk benchmarking data as well as identifying what future trends are coming to enhance the renewal process.



# Unprecedented times

- 2020 has seen the continued change in market dynamics and rates appear to be continuing to harden
- All insurers need to return value to their shareholders, just like every business and forecasts are that the rating increases will continue
- To ensure that you get the best rates available, information is key so that risk can be fully understood
- Insurers are increasingly paying more attention to risk improvement recommendations as part of property renewals. This seminar is designed to help risk managers prepare for property renewals by helping them understand what insurers are looking for and how data is interrelated to demonstrating a focus on risk management
- We will look at recommendations from an Insurer's point of view and explain how insurers, insureds and their brokers can collaborate to improve risk management and get the best renewal results.



# Line Setting; unlocking capacity, reducing volatility

The process and actions required to quote



## Account Triage

- Assessment of location data
- Cat modelling
- Structure data
- Cover spec
- Loss history



## Engineering Review

- Engineering review completed:
  - Benchmarking
  - Loss estimates
  - Recommendation review
  - Risk profiling

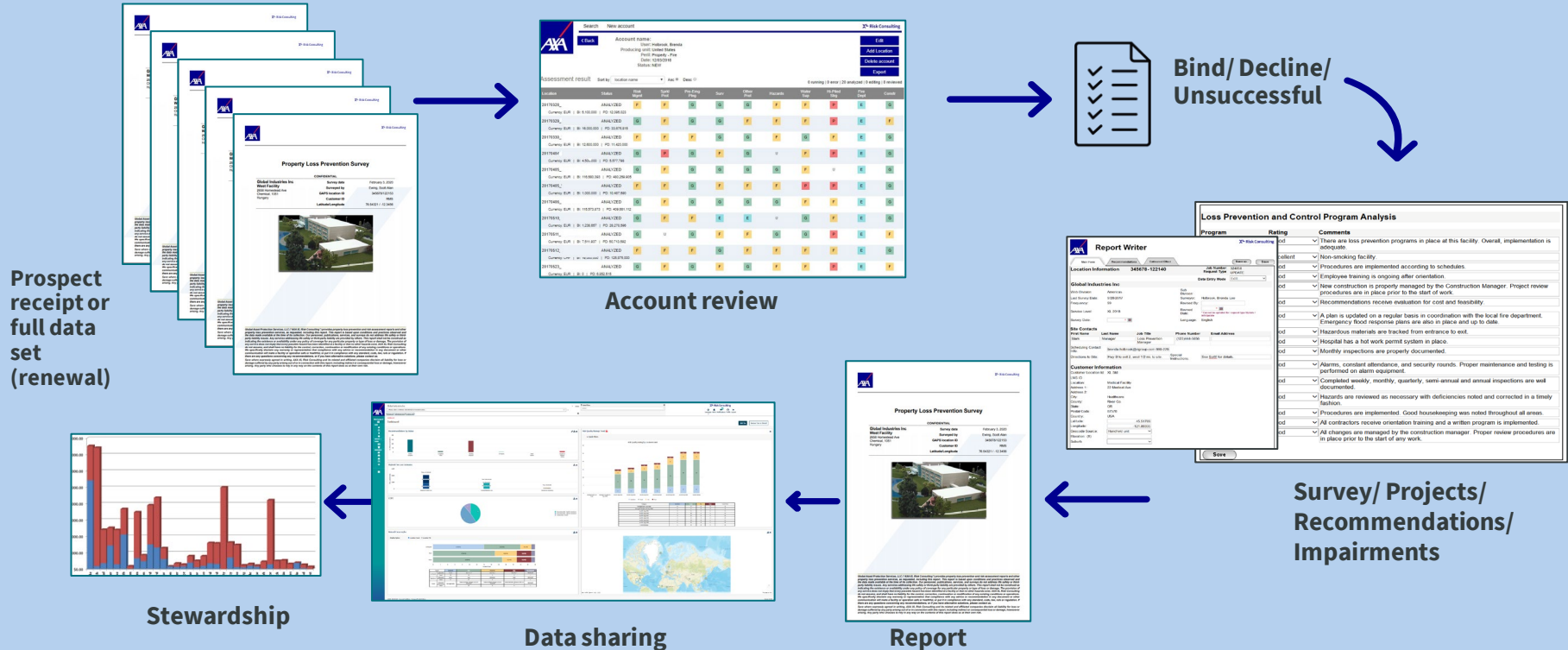


## Capacity Selection

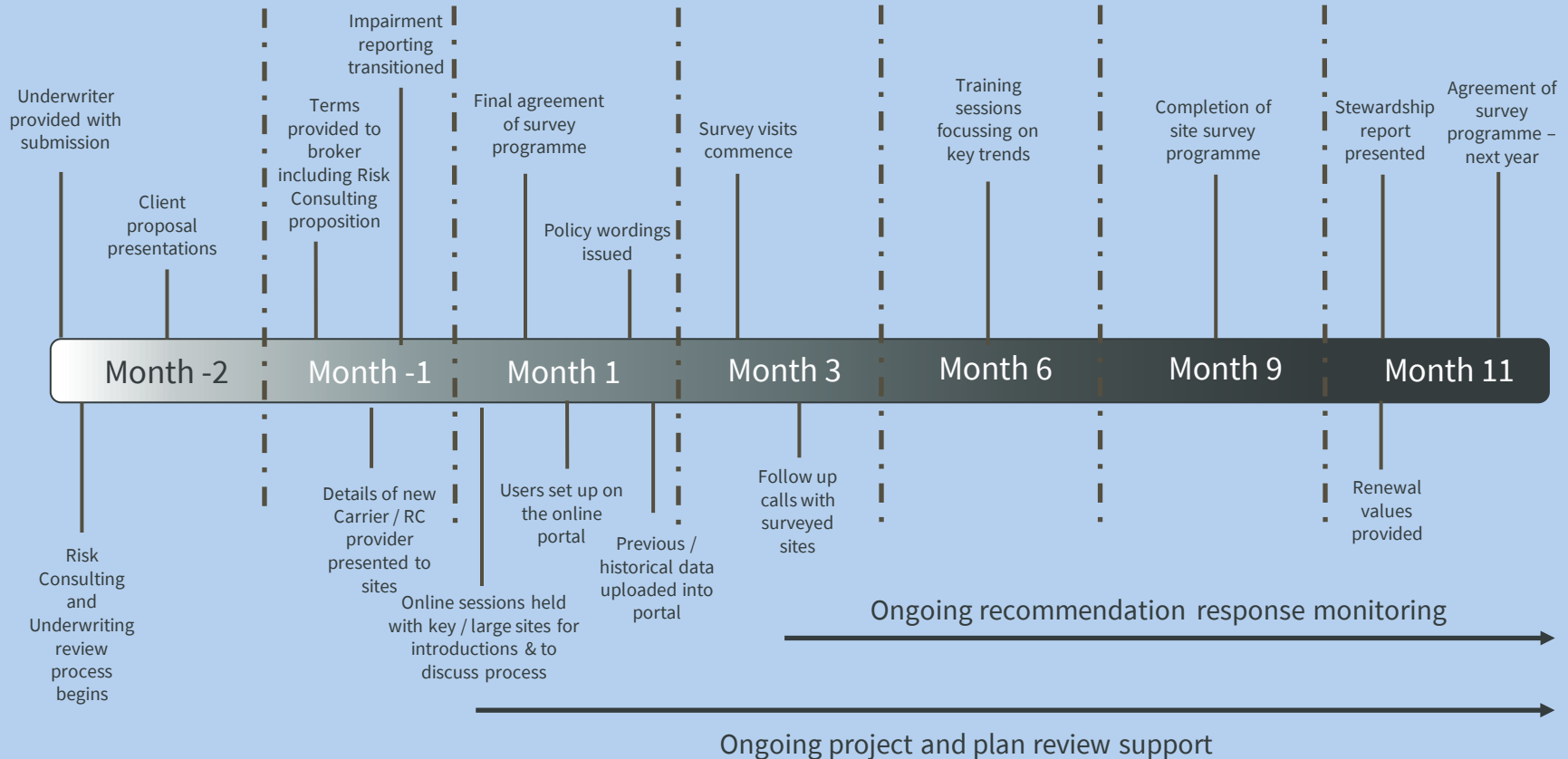
- Data and analysis combines to define capacity
- Underwriting factors combine, ensuring capacity on the right opportunities

# Risk consulting cycle

The key parts to the risk engineering review



# Underwriting cycle for Risk Consulting





# How do we view property risks

## Account Review

Mix of factors

- Nat Cat
- Physical
- Human element

Risk Consulting contributes understanding of these factors and contributes data to rating process

Using our knowledge of industries we look at:

- Combustibles
- Occupancy / process hazards
- Smoke and heat sensitivity exposures

# How do we view property risks

Account Review - 11 point review of key factors



Need good information about these to make assessments. No information sees everyone err on side of caution

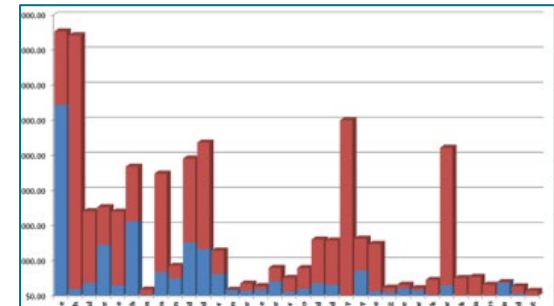
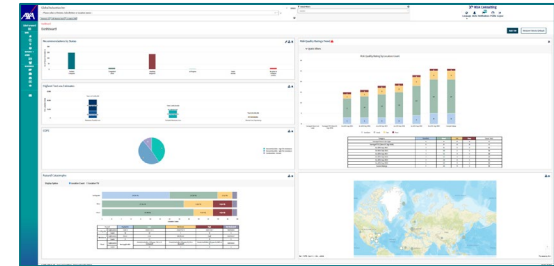
# How do we view property risks

## Data capture, sharing and stewardship

- Survey programme data
- Project and plan reviews
- Special visits
- Opportunity for insured to work with risk consultants to demonstrate actions and progress
- Show risk management in action
  - Recommendation response
  - Recommendation completion
  - Risk management initiatives
  - Loss Estimate management
- Share with brokers and market to ensure full understanding of risks

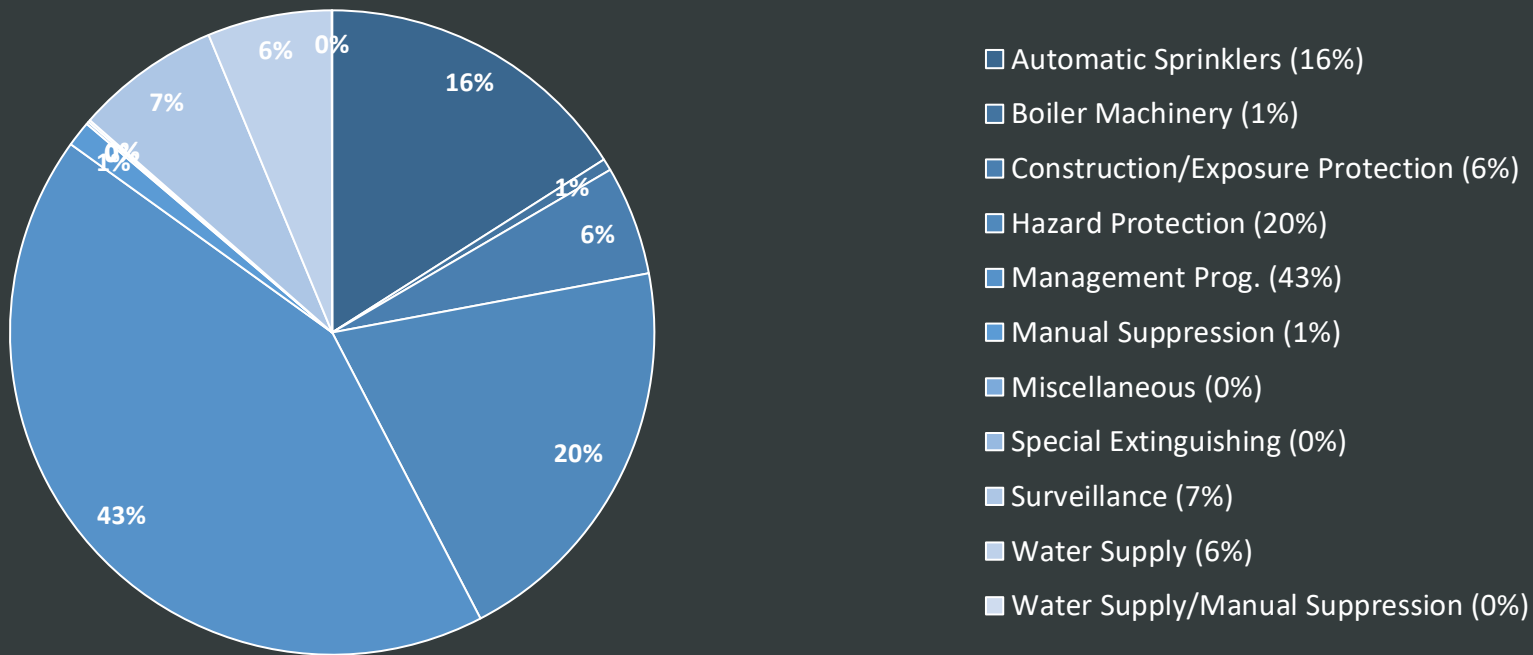
**Loss Prevention and Control Program Analysis**

Program	Rating	Comments
Loss Prevention	Good	There are loss prevention programs in place at this facility. Overall, implementation is adequate.
Fire Protection	Good	Non-smoking facility.
Security	Good	Procedures are implemented according to schedules.
Emergency Response	Good	Employee training is ongoing after orientation.
Construction Management	Good	New construction is properly managed by the Construction Manager. Project review procedures are in place prior to the start of work.
Insurance	Good	Recommendations receive evaluation for cost and feasibility.
Facility Maintenance	Good	A plan is updated on a regular basis in coordination with the local fire department. Emergency flood response plans are also in place and up to date.
Material Handling	Good	Hazardous materials are tracked from entrance to exit.
Material Storage	Good	Hospital has a hot work permit system in place.
Material Disposal	Good	Monthly inspections are properly documented.
Material Transfer	Good	Alarms, constant attendance, and security rounds. Proper maintenance and testing is performed on alarm equipment.
Material Use	Good	Completed weekly, monthly, quarterly, semi-annual and annual inspections are well documented.
Material Storage	Good	Hazards are reviewed as necessary with deficiencies noted and corrected in a timely fashion.
Material Disposal	Good	Procedures are implemented. Good housekeeping was noted throughout all areas.
Material Transfer	Good	All contractors receive orientation training and a written program is implemented.
Material Use	Good	All changes are managed by the construction manager. Proper review procedures are in place prior to the start of any work.



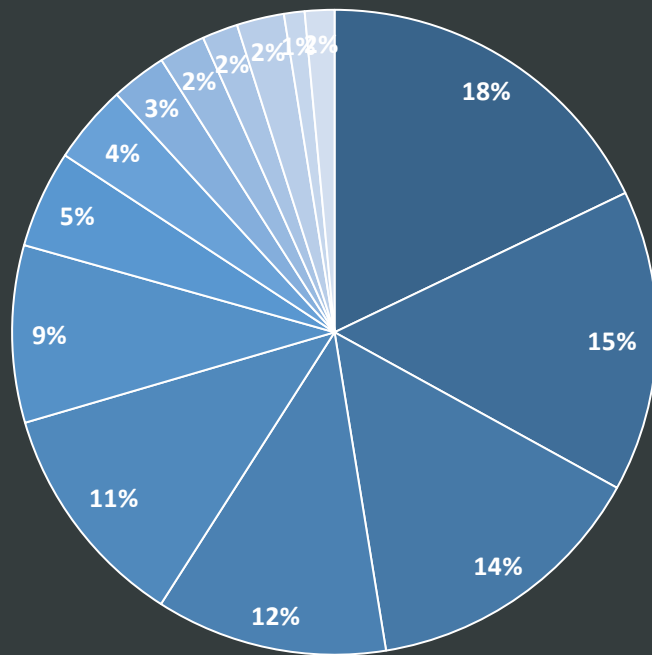
# Common recommendations

Recommendation focus



# Common recommendations

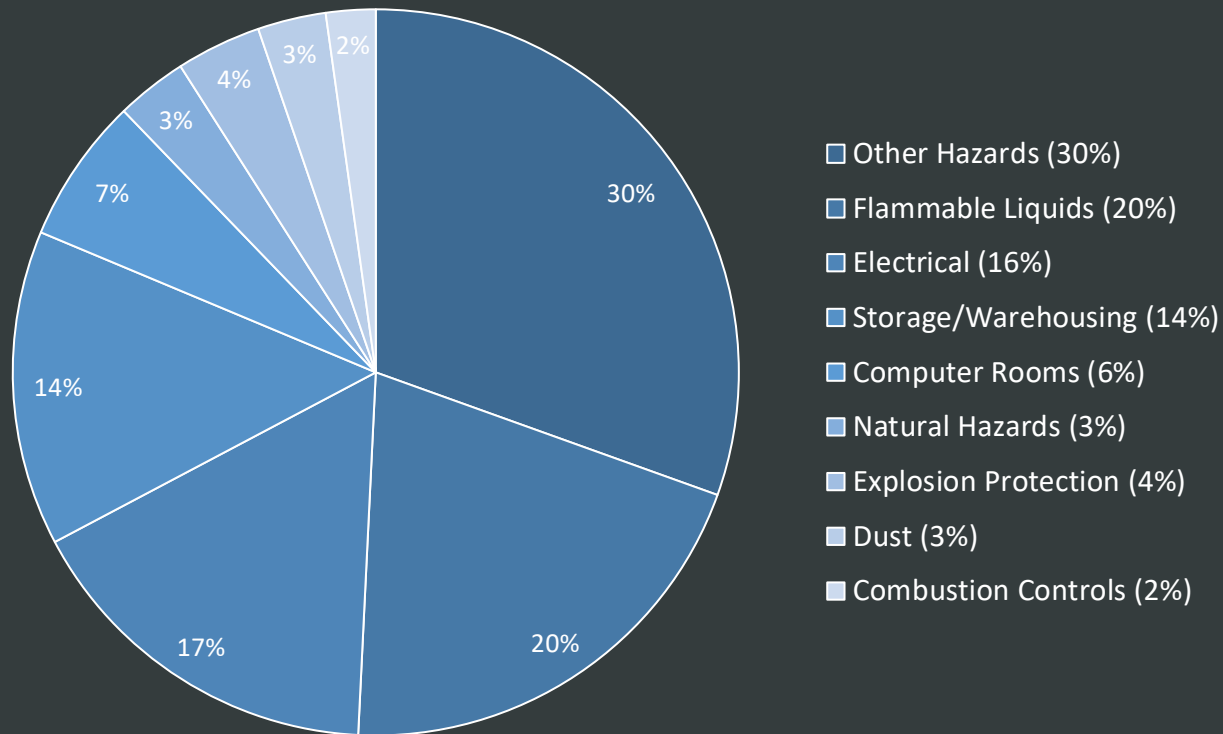
## Management programmes



- Fire Protection Equipment Inspection (17%)
- Pre-Emergency Planning (15%)
- Maintenance (14%)
- Proper Housekeeping (11%)
- Cutting, Welding, and Other Hot Work (11%)
- Impairments to Fire Protection Systems (9%)
- Loss Prevention Inspection (5%)
- Hazard Identification and Evaluation (4%)
- Management of Change (3%)
- New Construction (2%)
- Employee Training (2%)
- Smoking Regulations (2%)
- Outside Contractors (1%)
- Fire Protection and Security Surveillance (1%)

# Common recommendations

## Hazard protection





# Common recommendations

## Hot Work

- Hot work is one of the leading causes of industrial fires
- Any hot work operation such as cutting, welding or grinding should be assessed and undertaken in a safe area
- Permit systems work help to ensure that where hot work must be undertaken, precautions are implemented
- In addition to these measures, hot work permits must include a fire watch period post work – embers can smolder for many hours before igniting nearby combustibles!
- Any hot work operation should follow this process – contractors are not exempt!



# Common recommendations

## Housekeeping

- Housekeeping issues and the ‘temporary situation’
- Poor housekeeping:
  - Adds combustible load
  - Can delay fire detection
  - Can obstruct fire fighting efforts
- Good indicator of overall management of a facility
- Common areas of concern:
  - Charging stations
  - IT server rooms
  - Electrical rooms



# Common recommendations

## Fire Protection Inspection and Impairments

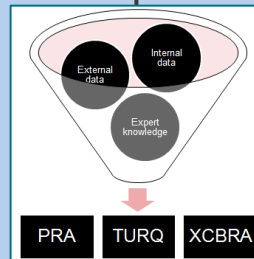
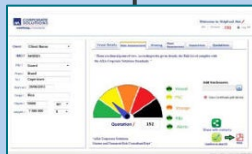
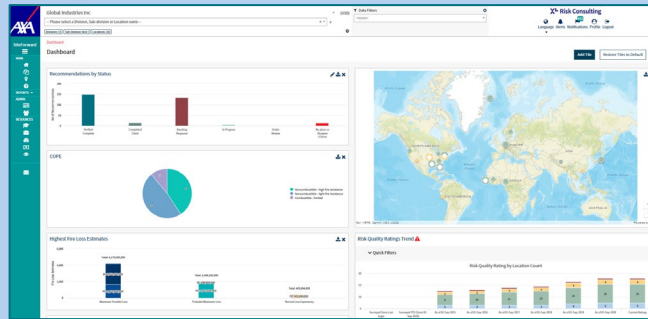
- Successful inspection of fire protection systems and impairment handling ensures that systems are given the best chance of success
- What counts as an impairment?
- An impairment management system ensures that system downtime is monitored and that systems are brought back on-line when possible
- In normal circumstances, most locations will have some impairments through the year. No impairments normally = a lack of reporting!



# Transition to the future: unique risk management data ecosystem

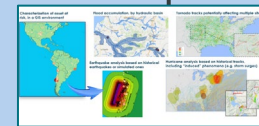
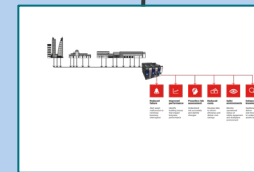
Systematic data collection, modelling capabilities, lean process, state of the art client front end

## Site Forward



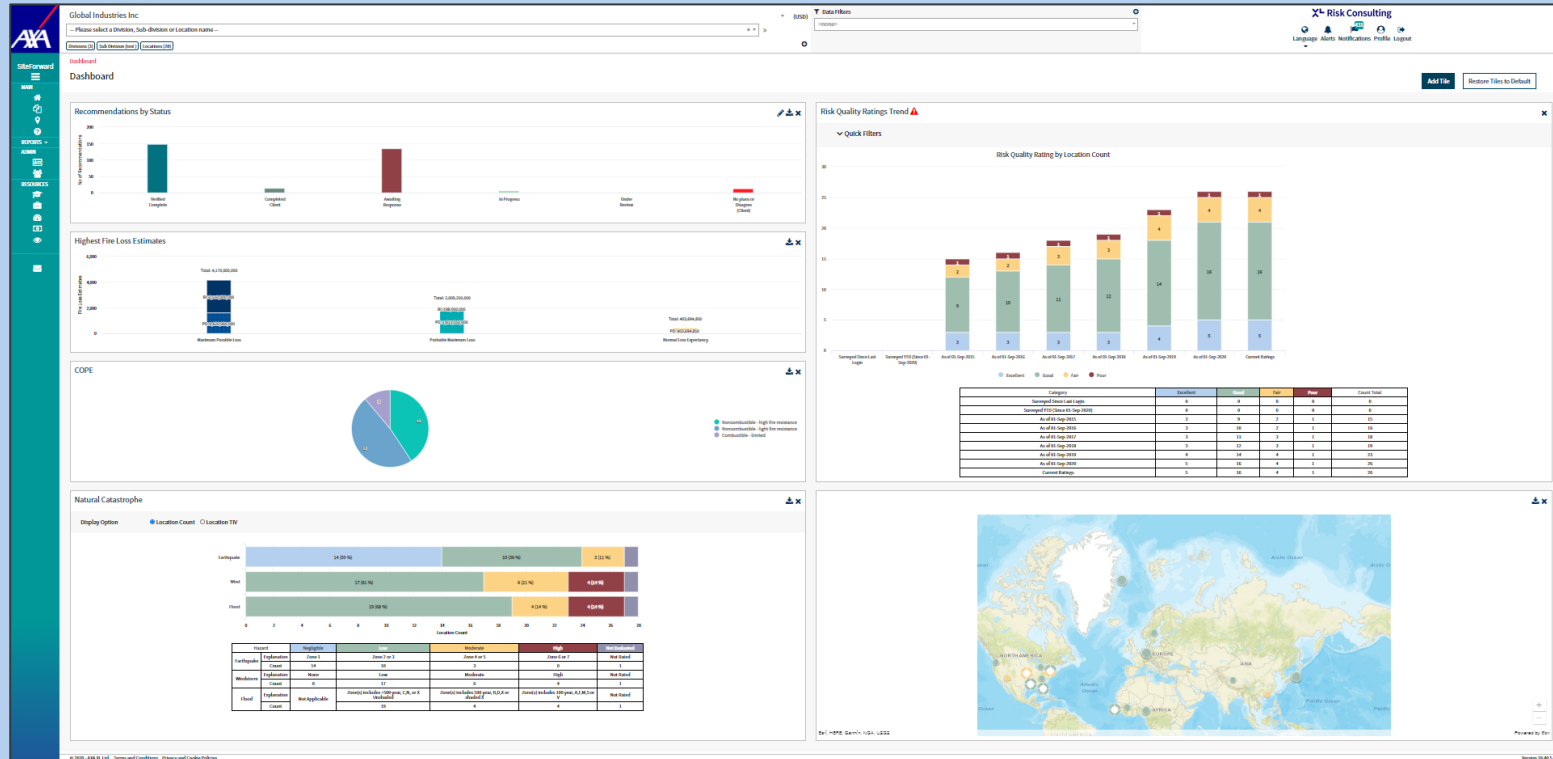
The login page for MySite, featuring fields for **ACCOUNT NUMBER\*** and **LOCATION NUMBER\***, a **LOGIN** button, and a **Sign Up** link.

The mobile app interface shows a login screen with fields for **Username** and **Password**, and buttons for **Enter** and **Sign Up**.



# Client portal : Site Forward

Full risk mapping and risk management tool for all AXA XL Clients



# Recommendation management system

SiteForward

MAIN

REPORTS

ADMIN

RESOURCES

Global Industries Inc

-- Please select a Division, Sub-division or Location name --

Divisions (2)

Sub Divisions (list)

Locations (28)

(USD)

Data Filters

--NONE--

Risk Consulting

Language

Alerts

Notifications

Profile

Logout

Dashboard / Recommendations Details

Quick Filters

Recommendations Details

Show 10 records

Column Options

Showing 1 to 10 of 314 entries

Previous 1 2 3 4 5 ... 32 Next

Upload Recommendation Response Template

Actions		Location Information						Recommendation Information			RCBA Information		Client Provided Recommendation Information		Shared Comments
Actions		Location ID	Location Name	Street Address 1	City	Country	Recommendation ID	Recommendation Status	Recommendation Summary	Estimated Risk Reduction	Estimated Cost to Complete	Implementation Status	Recommendation Response Status	Shared Comment	
<input type="checkbox"/>		416806	Car Facility	One North Assembly Lane	Automotive	USA	2012-02	Active	Improve the protection of the spec ...	18,600,000	325,000	In Progress	Response Received: > than 365 days		
<input type="checkbox"/>		122141	Technical Center	309 Industrial Drive	Semi Conductor	Japan	2009-3	Active	WET BENCH: Interior protection.	53,250,000	320,000	Awaiting Response	Response Received: > than 365 days		
<input type="checkbox"/>		416806	Car Facility	One North Assembly Lane	Automotive	USA	1999-6	Verified Complete		2,000,000	300,000	Verified Complete	Awaiting Response		
<input type="checkbox"/>		122147	Container Division	2515 Industrial Way	Plastics	USA	2001-3	Verified Complete	Reinforce sprinkler protection in B ...	10,400,000	300,000	Verified Complete	Awaiting Response		
<input type="checkbox"/>		416806	Car Facility	One North Assembly Lane	Automotive	USA	2003-2	Verified Complete	Automatic sprinkler modifications n ...	0	275,000	Verified Complete	Awaiting Response		
<input type="checkbox"/>		402136	Factory One	20 New Drive	Defense	USA	2010-04	Active	Provide a fire pump and suction tank.	10,650,000	250,000	Awaiting Response	Response Received: > than 365 days		
<input type="checkbox"/>		402136	Factory One	20 New Drive	Defense	USA	2010-01	Active	Provide sprinkler protection in Bui ...	15,150,000	225,000	Completed Client	Response Received: > than 365 days		
<input type="checkbox"/>		406056	Copper Division	1/2 mile east of 1001 Mine Drive	Mine	Nigeria	2010-01-C	Verified Complete	Provide fire barrier and/or water s ...	95,700,000	200,000	Verified Complete	Response Received: > than 365 days		
<input type="checkbox"/>		401574	Main Facility	20 Pipe Way	Steel Mill	USA	1986-5	Verified Complete	Provide a complete proprietary alar ...	1,980,000	200,000	Verified Complete	Awaiting Response		
<input type="checkbox"/>		416806	Car Facility	One North Assembly Lane	Automotive	USA	1996-4	Verified Complete	Provide EX rated lift truck for Pai ...	500,000	172,000	Verified Complete	Awaiting Response		

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Version 10.40.5



# Recommendation management system

SiteForward

MAIN

REPORTS

ADMIN

RESOURCES

Global Industries Inc

-- Please select a Division, Sub-division or Location name --

Divisions (3)

Sub Division (list 1)

Locations (26)

(USD)

Data Filters

<PHONE>

Risk Consulting

Language Alerts Notifications Profile Logout

Dashboard / Recommendations Details

Quick Filters

Recommendations Details

Show 10 records

Column Options

Showing 1 to 10 of 114 entries

Previous 1 2 3 4 5 ... 22 Next

Actions		Location Information					Recommendation Information			RCBA Information		Client Provided Recommendation Information		Shared Comments
Actions		Location ID	Location Name	Street Address 1	City	Country	Recommendation ID	Recommendation Status	Recommendation Summary	Estimated Risk Reduction	Estimated Cost to Complete	Implementation Status	Recommendation Response Status	Shared Comment
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		416806	Car Facility	One North Assembly Lane	Automotive	USA	2012-02	Active	Improve the protection of the spec...	18,600,000	325,000	In Progress	Response Received: > than 365 days	

Details History Uploads

Improve the protection of the special color booth in the paint shop building

Recommendation Status

Status: In Progress  
Status Changed Date: 11-Jul-2019  
Rec Category: Physical Protection  
Est Cost: USD 325,000  
Client Intent: To Do (<= 3 years)  
Priority:  
Target Date:  
Completed Date:  
Cost Benefit Ratio: 57 : 1

Edit

Survey Information

Survey Date: 05-Jan-2015  
Surveyed By: Holbrook, Brenda Lee

Detailed Recommendation

**HAZARD PROTECTION:** The protection of the cabin for special colors should be improved as follows:

Repair the damaged door to the cabin. Additionally, provide an interlock to switch-off the ventilation and automatic close the door to the cabin upon actuation of the CO2 extinguishing system.

OR

Install sprinkler protection, connected to the proposed ceiling sprinkler system, inside the cabin for special colors.

**COMMENTS:** Manual spray painting of special colors is conducted in a small spray paint cabin, suitable for one car body only. The cabin is protected by an automatic CO2 extinguishing system. During the visit it was noticed that the door to the cabin was damaged. Further, the door did not close in case of overpressure inside the cabin. Consequently, the gaseous extinguishing system will not work as designed. An option would be to extend sprinkler inside the cabin, in conjunction with the proposed sprinkler system installation in Building 3.

Cost Benefit Analysis

	PD	BI	ED
Before Completion:	USD 1,600,000	USD 20,000,000	
After Completion:	USD 1,000,000	USD 2,000,000	

Average Annual Loss

Before Completion:  
After Completion:

Completion Rate

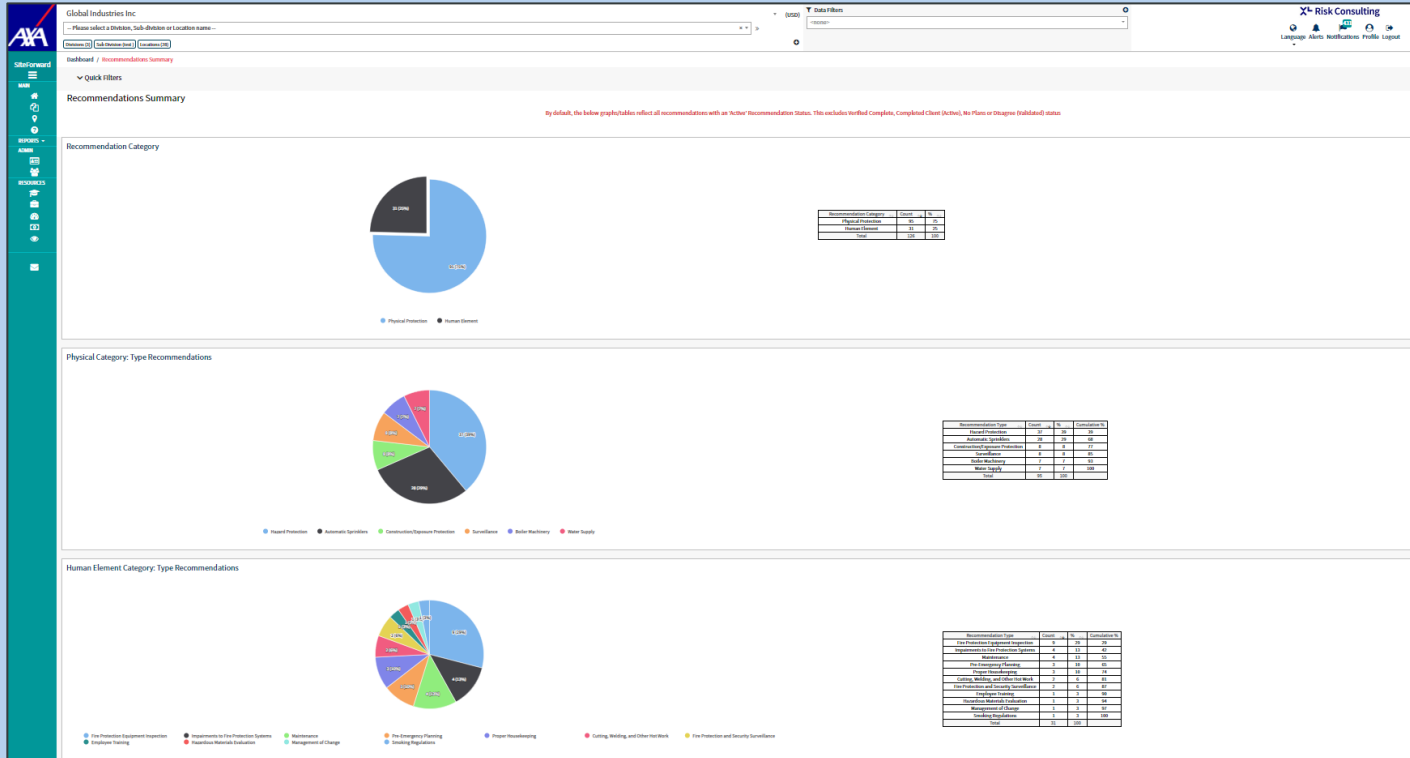
Human Element:  
Physical Recs:  
Total:

Impact

Est. Risk Reduction: USD 18,275,000  
Est. Impact on Location RQR:  
Est. Impact on Account RQR:

<input type="checkbox"/>			122141	Technical Center	309 Industrial Drive	Semi Conductor	Japan	2009-3	Active	WET BENCH: Interior protection.	53,250,000	320,000	Awaiting Response	Response Received: > than 365 days
<input type="checkbox"/>			416806	Car Facility	One North Assembly Lane	Automotive	USA	1999-6	Verified Complete		2,000,000	300,000	Verified Complete	Awaiting Response
<input type="checkbox"/>			122147	Container Division	2515 Industrial Way	Plastics	USA	2001-3	Verified Complete	Reinforce sprinkler protection in B ...	10,400,000	300,000	Verified Complete	Awaiting Response
<input type="checkbox"/>			416806	Car Facility	One North Assembly Lane	Automotive	USA	2003-2	Verified Complete	Automatic sprinkler modifications n ...	0	275,000	Verified Complete	Awaiting Response
<input type="checkbox"/>			402136	Factory One	20 New Drive	Defense	USA	2010-04	Active	Provide a fire pump and suction tank	10,650,000	350,000	Awaiting	Response Received

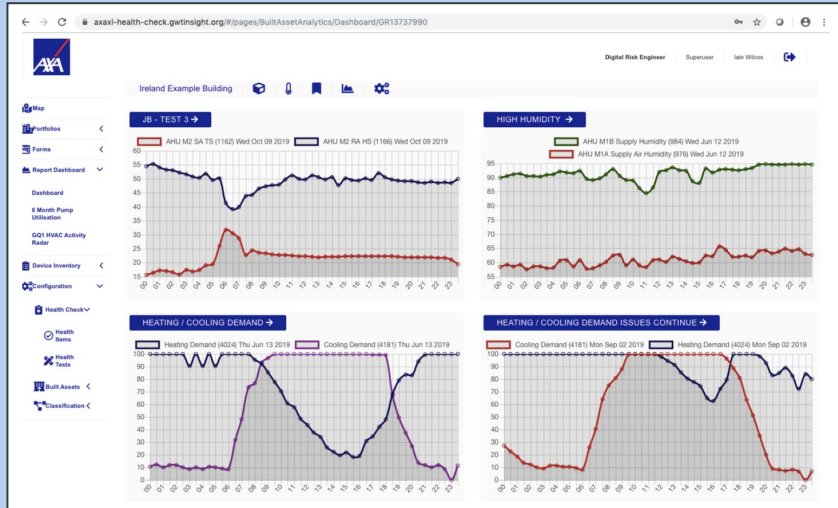
# Recommendation management system



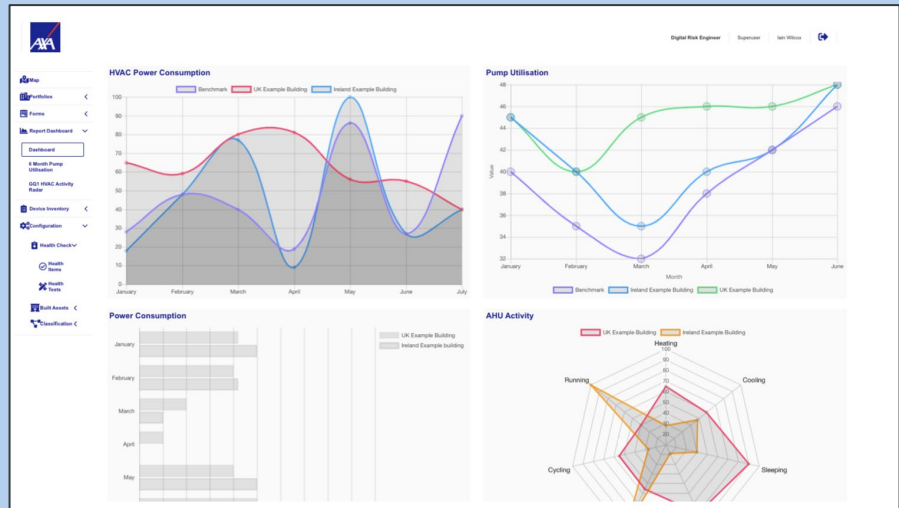
# Digital Risk Engineer

Realtime monitoring and addressing of potential deficiencies

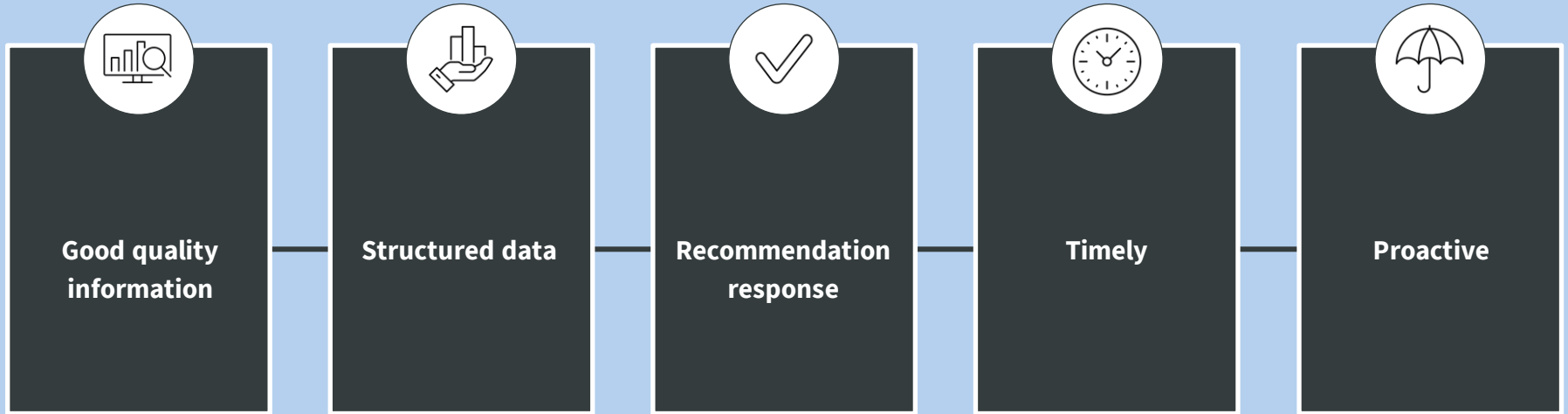
## Daily Output



## Aggregated Output / Period Output



# Summary



# Questions?



**Tim Smith**  
Head of Client  
Management



**Jonathan Salter**  
Head of Risk  
Consulting



**Chris McGuire**  
Risk Consulting Country  
Manager, UK



# Know You Can

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