



TIN

London Market Claims

Workshop 2

Effective scenario planning

War Games

effective scenario planning to meet
emerging risks and claims

Warren Haydock

Format

The afternoon's **format**

- CAT Scenario Planning Presentation
- Group Discussions
- Group Feedback and Questions



Agenda

The afternoon's **agenda**

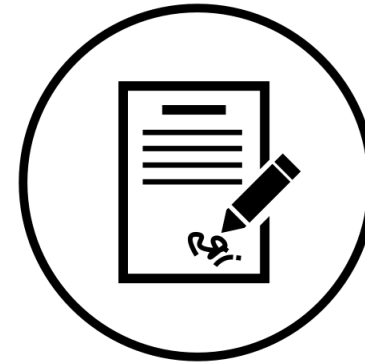
- Introduction
- The New and Emerging Risks
- Planning and Resourcing
- Summary



Learning Outcomes

Effective **Scenario Planning** to Meet **Emerging Risks** and Claims

- To understand what new and emerging risks face insurance claims
- To consider the planning and strategies that may reduce these risks



Introduction

“The Loss Adjusting industry could not cope with the demand of a national surge event.”

Former Chartered Institute of Loss Adjusters
(CILA) president, Angus Tucker
(Insurance Times, June 2018)

Retiring Adjusters

Market-wide reduction in claim volumes

Lack of CAT / surge events



The New and Emerging Risks

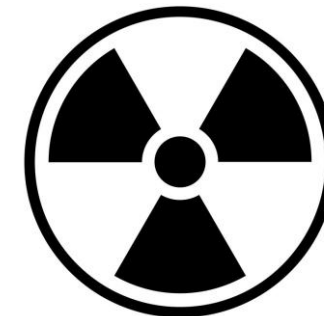
The Insurance Industry

- Lack of exposure to CAT / surge events; 2007 floods
165,000 claims GBP3,2bn (4 years experience)
- Reduced property claim volumes; generally down 50%
- Lack of exposure to non-conventional losses
- Reliance on adjusters and experts



The Emerging Risks

- Cyber
- CBRN
- Climate change
- Regulation
- Manpower and expertise



The New and Emerging Risks

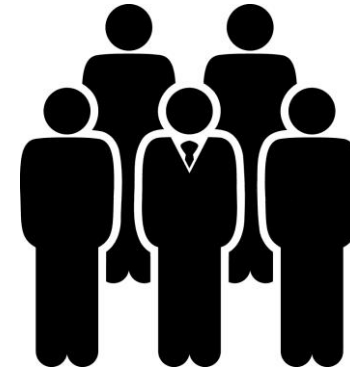
The Unknowns

- Multiple events
- Volume and complexity of large losses
- Complexities of co-insurance, layered programs
- Legal issues, suitability of existing contracts
- Injury and the loss of life
- Site access, logistics of demolition and reconstruction
- Unknown government response, planning, regulatory
- Claim inflation; delays in validation, reserving inadequacy
- Post Loss Amplification; failure of infrastructure, availability and increased costs of materials and equipment



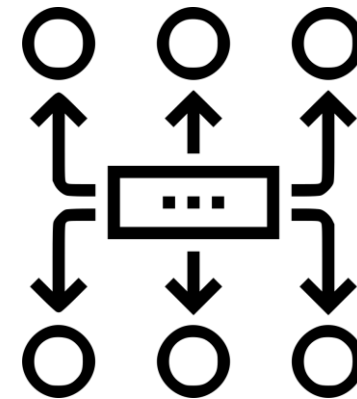
The Planning

- Type and complexity of business
- Volume and concentration of risk
- Longevity of claims
- Ability of management, staff, external resources
- Allocation of resources, staff redistribution, reassignment
- Type of incident that triggers a CAT / surge response
- Claims protocols that maintain normal service levels
- Additional services
- Control of claims expenditure
- Provision of information to regulators, reinsurers and investors



The Strategy

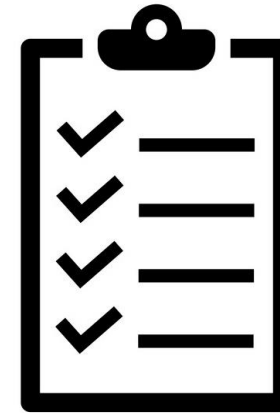
- Model scenarios
- Identify potential issues
- Consider priorities
- Training and development
- Relationships and collaboration
- Develop contingency and resilience strategies
- Test and refine



Summary

Topics for Discussion

- What is the market doing to overcome these emerging risks?
- Discuss working examples of what a good scenario planning session looks like
- Feedback and questions



Questions

1. What does good scenario planning look like?
2. What are the skills and capabilities that's will be needed to plan for future risks?

Topics for discussion could include:

- What is the market doing to overcome the experience that is leaving the market?
- Discuss working examples of what a good scenario planning session looks like.



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Thank you