



RISK MANAGERS BEWARE!

The developments of the last few months on the risk transfer market have now spread throughout all sectors and the effects are being felt comprehensively. Whereas just a few months ago businesses enjoyed low premiums and comprehensive insurance cover, today we all face a much tighter situation. AND this will not change in the coming years!

If you want to stay on top, now might be the time to be alert and add one more risk to your risk register: The treat of paying a multiple of the premium soon or facing the consequence of having a reduced insurance cover – or even none at all! Keeping your attractiveness on the transfer market would then come at a steep price and require intensive investments.

Increasing losses in your industry sector can be enough to drive up prices and limit insurance coverage, even if your business is not immediately affected. The current situation leaves no room for negotiation and that endangers companies in the long term.

This situation makes it imperative to shape up and focus on the high-risk attractiveness of your business in this hardened insurance market.

For example: Are you expecting an imminent risk inspection by the insurer?

This will currently lead to undesirable claims, which also leave little room for negotiation. Risk engineers of insurance companies assess companies in an extremely short amount of time and then draft comprehensive and costly risk management strategies based on those results. Those strategies might not be economical or fit any long-term business strategy.

Being Prepared pays off

To be prepared and to already have a plan could save you from massively increased premiums or loss of insurance coverage.

From the risk manager's point of view, all insurable risks should be given an additional factor that takes effect either in the event of a claim or in the event of industry deterioration. The probability that you, as a manufacturing industrial business, will be affected by such a case in the next 5 years is 100%!

Prevention is better than a cure! At present, those in charge of insurance issues (brokers) will keep the ball very low so as not to stir up more dust. Due to inadequate IT solutions, you may not be on the radar of insurers just yet, so there might not be any demand from them for a while. But keeping up this head-in-the-sand approach wastes important time, as you can expect a further hardening of the insurance market. Once you are approached by insurers it could already be too late to take actions.

Those who prepare proactively now will appreciate their advantage in the future!