



Risk Management

With the continuing trend of globalisation of markets and the subsequent concentration of companies, the structures of companies and corporate groups are becoming increasingly complex and less transparent.

As a result, there is an increasing demand for preventative consultancy services aimed at preparing companies for a wide variety of potential emergencies and disruptive circumstances.

Aims

Preventative Risk Management

In the realm of insurance coverage for industrial and commercial sectors, the concept of risk management is now playing an increasingly important role. Key points to consider are:

- Business continuation in the event of a claim incident
- Early recognition of damage or adverse effects on business operations caused by all manner of claim situations
- Statutory audits in conjunction with annual financial statements for corporate enterprises quoted on the stock exchange
- A workable risk management plan presupposes that certain security management measures and monitoring systems are in place within the company.
- The extent of these security and monitoring systems depends on the size of the company as well as the complexity of its corporate structure.
- Preventative risk management also incorporates analysis and optimisation of existing insurance policies by assessing the maximum potential claim amounts. At the same time, the respective liability periods for various sectors of a company can also be optimised.
- Various possibilities and limitations can be established with regard to claim management in emergency situations; Critical Paths can be determined for various claim scenarios.
- Effects of various claim scenarios on related companies and formulation of substitutes.



Our Services

- Comprehensive definition of potential disruption and resulting emergency situations.
- Preparation of suitable emergency plans for all critical business and production areas in order to minimise the business interruption period – in cases of minor loss – and to ensure continuation of business in the worst case scenario.
- Planning of provisional arrangements and immediate measures to relieve/avoid bottleneck situations.
- Alternative production plants, e.g. in affiliated companies.
- External production
- Establishing additional shifts in alternative production facilities (partial loss)

Approach and Method, Assessment of Risks

There are a number of complex aspects to be taken into consideration in the realm of risk assessment. One question repeatedly posed by our principals concerns the correlation between the likelihood of a claim situation or disruption and the financial advantage resulting from an established risk management system.

In the recent past, this whole area has developed to the extent that the question asked is no longer whether a risk management system should be established within a company, but rather how extensive such a system should be.

A modern, effective risk management system can only be established once an overview of the entire situation and all relevant circumstances has been gained. The Hard and Soft Facts within the company are assessed and – depending on the potential risk levels in different areas – are included in the overall risk appraisal.

In an ideal case, there would be an up-to-date "early warning system" and an emergency plan for all potential loss situations or business disruption/interruption. The following points must be considered:

- Minimising loss by means of relevant insurance coverage
- Prevention of uninsured or uninsurable losses
- Review of the company's internal business plan
- Exposure of infiltration (industrial espionage)

The enforcement of an emergency plan lies within the responsibilities of the company management.