

# The Asian Tsunami – Boxing day 2004

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## Lessons to be learnt

- Insurance and Risk Management Community
  - Post incident analysis
  - Who should take the lead?
  - What will be the timescale?

## Lessons to be learnt

- Collective outcomes
  - Life
  - Motor
  - Property
  - Business Interruption

## Lessons to be learnt

- Some general thoughts
  - Who is in the community?
  - Is it possible to align interests?



## “Community” comprises of at least:

- Private policy holders
- Corporate policy holders
- Government regulators
- Insurance companies
- Re-insurance companies
- Insurance brokers
- Re-insurance brokers
- Risk consultants
- Loss Adjusters
- Trade bodies/Institutes
- Tourist Boards
- Government treasuries

## Private policy holders

- Most vulnerable group
- Who looks out for them?
- Relatives / estate procedures

## Corporate policy holders

- Insure for value of reinstatement at time work completed



## Corporate policy holders

- Consider business interruption insurance
- Indemnity period at least 12 months
- Sum insured to be for period as if loss on last day of policy term
- Loss of Attraction

## Corporate policy holders

- Disaster recovery plans prepared, devilled and updated

## Government regulators

- Preparation for chaos and loss of life is always inadequate
  - Inter-agency co-operation before
  - Inter-agency co-operation after
  - Tsunami warning
  - What preparation was there?
  - What preparation is there now?



## Insurance companies

- Insurers to obtain undertakings as to agreed payment dates by reinsurers
- Develop and test disaster response procedures

## Re-insurance companies

- Reinsurers to be alert that no retrospective inclusion of peril
- Insist that Adjusters see the Insured's copy of the policy
- Reinsurers to consider the business recovery plans of cedants

## Insurance brokers

- Resources stretched
- Insist on timetable
- Look at undamaged clients' coverage
- Encourage full insurance and B.I. cover
- Have clear “fact find” documentation to reduce p.i. risk.

## Re-insurance brokers

- Collection of 100% of funds
- Pay as paid, don't hoard
- Clear reporting with cash flow forecast

## Risk Consultants

- Off site storage of records and important spare parts
- Alternate facilities
- Business Recovery
- Key customers and agents
- Site layouts
- Deeper foundations
- Raised level of plant

## Loss Adjusters

- Adjusters and insurers fast track with improved fraud controls
- Coordinated practices and routines with services and authorities important
- Transfer for tourists between hotels as you would with product suppliers
- Closer attention to the technical credentials of the organisations inspecting equipment
- Early analysis of tourist connections and encouraging the minimisation of cancellation
- Lobby press and TV to give balanced story
- Fast track surgery



## Trade bodies/Institutes

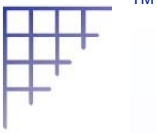
- Greater liaison with government by insurance associations before and after on issues such as duty exemption, price controls

## Tourist boards

- Actively make contact with Insurers and Adjusters
- Align interests

## Government

- Governments to balance the need for world sympathy leading to aid with the detrimental affect too much negative news will have on the economy
- Disaster Recovery Planning
- Responsibility for inadequate warning system



## Business recovery issues

- Tourism is global
- Equipment supply is global
- Suppliers would prefer to replace rather than repair

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