

RIMS RISK FORUM 2015: KEY THEMES

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Legal Briefings - By **Guy Narburgh**

Last month, the Australian chapter of Risk and Insurance Management Society (**RIMS**) held its third Risk Forum in Melbourne. The event was attended by risk professionals from across Australia and Asia, with a particular emphasis on risk and insurance managers, including Herbert Smith Freehills partner Peter Holloway and special counsel Guy Narburgh.

SOME OF THE KEY THEMES EMERGING FROM THE RIMS RISK FORUM WERE:

The ever increasing focus on cyber risk, particularly in highly-exposed sectors such as energy, banking and finance, communications, defence and transport. This is now a board level issue for many organisations, with directors wanting to obtain a better understanding of cyber risk exposure and how it is being managed, including through insurance products. The general feeling in the market is that 'off the shelf' insurance products are unlikely to offer the best value and a tailored solution is preferable. Possible starting points for understanding the scope and potential severity of the risk are the 2015 Australian Cyber Security Centre Threat Report,¹ and PwC's 2015 Global State of Information Security Survey.²

1. The market generally remains soft, with new entrants into the market providing additional capacity and competition. That said:

- major policyholders are looking to develop long term relationships with insurance carriers and are wary of ‘opportunistic’ risk capital in the market for short term gain. Insurance buyers were urged to focus on coverage first, then price. Pricing can be leveraged down through sophisticated marketing of the risk, including practical examples of how risk management has worked and drawing favourable comparison to the experience of peers where possible;
 - there are some policyholder concerns regarding consolidation of major insurers, and how this may impact the market generally or particular insurance lines. For example, the merger between ACE and Chubb will reduce competition in the premium D&O insurance market.
3. An increase in the globalisation of business requires a more sophisticated approach to managing people risk. This includes health and safety risks associated with moving employees around the world, but also the exposure of individuals to less familiar risks in emerging markets such as bribery and corruption risk. Effective management of these risks relies on synthesising local information on culture, environment and risk with the global nature of the organisation’s operations, to ensure potentially lucrative opportunities can be managed profitably and responsibly.

The full program is available [here](#).

The Risk Forum continues to be a valuable opportunity for policyholders to meet with their peers to and discuss topical risk issues across a broad range of industries and sectors.

ENDNOTES

1. [2015 Australian Cyber Security Centre Threat Report](#).
2. [2015 Global State of Information Security Survey](#).

MORE INFORMATION

For information regarding possible implications for your business, contact [Mark Darwin](#), [Peter Holloway](#), [Ruth Overington](#) or [Guy Narburgh](#).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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