

Mind the Gap

Edition 14 | May 2018



16-17 May – BIBA 2018 is here!

And the BIBA 2018 theme – innovate, evolve, thrive – is a perfect fit with the inspired ideas and smart solutions we're demonstrating on stand D78.

@D78 – 1:1 cyber clinics – do you know what cyber threats are around the corner? Contact us to book your slot with our Global Technology Specialist Practice Group Leader, Dr Mark Hawksworth.

@D78 – FREE virtual reality glasses – see in 3D, how we put major loss insurers, brokers and clients in the picture with ground breaking 360-degree virtual tours.

@D78 – NEW SME MiClaim – try out our SME claims service portal. Via smartphones and tablets, your clients can access claims information, upload videos, photos and documents 24/7/365.

@D78 – FREE ice creams – call in and cool down!

Wednesday 17 May – chat and chill out.
15:30 to 17:30 we're serving **COLD BEERS & FIZZ!**

Broker1 News

Trading as Sedgwick

Sedgwick's acquisition of Cunningham Lindsey was recently finalised. This brings together the technical scope and inspired service approach of Cunningham Lindsey, Vericclaim UK and Sedgwick, creating an unparalleled global loss adjusting and claims management organisation. Our focus on providing a first-class service to our Broker1 brokers will continue, offering you and your clients access to a greater range of specialist skills, claims expertise and technology-enabled business solutions

than ever before. To find out more – please get in touch with your local Broker1 Business Development Director.

USVI update – in the last issue of Mind the Gap, Neil Gibson gave some background to our CAT response in the US Virgin Islands (USVI), following the devastation caused by hurricanes Irma and Maria. I'm happy to report that we've settled over 82% of claims and many of our adjusters have returned back to the UK – just in time to help with the spike in flood claims! According to figures issued by the USVI Lieutenant Governor's office, we settled claims twice as quickly as the local market average, so all credit to the team – they achieved excellent results, even though faced with some pretty tough working conditions.

Customer Service Excellence Awards – we're very pleased to announce that two of our inspired ideas were winners at the CII's recent Customer Service Excellence Awards: The Best Use of Customer Service Technology – for our e-assessment on wet peril claims – and The Fight Against Fraud – for our travel operator sickness claims validation team initiative.

British Insurance Awards – and we've been shortlisted for four awards, in the Technology, Claims Initiative, Outsourced Partner and Major Loss Award categories. We're really looking forward to seeing everyone on 4 July – Insurance Post always organise a fantastic night at the Royal Albert Hall.

New Broker1 appointments – Helen Browne joins the Broker1 team as Broker1 Business Development Director for

Northern Ireland, and we're currently interviewing potential candidates for this role in the Midlands. Watch out for an update in the next issue of Mind the Gap.

We hope that you'll find the short articles in this issue interesting. Any feedback, or if you want to catch up @BIBA2018, please call me or your local Broker1 Business Development Director.

Broker1 offers you:

- **Pre-nomination and pre-loss service** – working alongside you and your clients, to help identify gaps in cover and offer constructive support and guidance. We'll also know exactly what to do when your client's make a claim
- **Industry specific sector specialists** – we can put you in touch with people who understand your clients' market and how their business works
- **Cyber & technology experts** – highly specialised support from our cyber team in this increasingly complex area of insurance cover
- **Property Valuations Service** – specifically for insurance purposes – providing reassurance that your clients have appropriate cover for buildings in place
- **Flood Resilience & Repair Service** – support and advice for clients who want to significantly reduce the impact that any future floods might have on their business

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GDPR set to boost cyber insurance in EU

A recent Financial Times article reported that the introduction of GDPR in May is expected to trigger an increase in the purchase of cyber insurance across the European Union, citing the potential fines – up to €20m or 4% of turnover for companies that are responsible for losing personal data – as a key driver.

Whilst focusing on GDPR compliance, many companies must also address the vulnerability of their IT systems and the associated risks. According to a press release from the Online Trust Alliance (OTA), data breaches and cyber attacks doubled from 82,000 in 2016 to 159,700 in 2017 and around 93% of these attacks could have been avoided, by implementing a simple and regular IT maintenance programme.

In partnership with data integrity specialists, TrustedIA, we offer a pre-loss Cyber Essentials Certification – a service that will help protect you and your clients against the threats every business faces in today's cyber connected world.

Cyber Essentials certification is a minimum requirement for bidding against most Government contracts. It can cover the company's entire IT infrastructure or a specific business area – it's quick, it's easy and lasts for 12 months.

There are two levels of certification: Cyber Essentials and Cyber Essentials Plus.

- **Cyber Essentials** – is the first stage of certification. It's based around a self-assessment questionnaire, where the business can demonstrate how its systems meet the Cyber Essentials requirements. Once completed, it's independently validated by one of our experienced assessors, within 48 hours, if not sooner. If successful, a Cyber Essentials Certification is issued and stage two becomes an option.
- **Cyber Essentials Plus** – involves independent testing and verification of the company's technical controls: remote vulnerability against cyber attacks and a risk assessment of the internal infrastructure, across multiple sites, where required.



“Cyber Essentials defines a set of controls that, when properly implemented, will protect business systems against the most prevalent Internet threats. It focuses on attacks that require low skill levels, where they use simple tools which are widely available online.”

If you would like to discuss our pre-loss Cyber Essentials certification service, or talk about our post loss cyber incident response mechanism, please feel free to contact me directly.

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Major losses – the virtual tour

In any major loss situation, the first difficulty we often face is one of access. We've now developed a safe and simple solution to this problem, which can halve the time taken to make those first, vitally important decisions.

When there's been wide scale flooding, the entire area might be sealed off for a number of days, or in the case of a major fire, the building itself could remain unsafe for weeks, sometimes months, after the incident. Any delay in access means liability can't be determined, which generally extends the life of the claim and is of no benefit to your clients.

We were first to market in using unmanned aerial vehicles, or drones, to provide wide area views in any major catastrophe, as well as close up inspections of roof damage to properties and high-rise buildings. The footage we capture gives us an immediate impression of the scale of the event and/or the severity of any damage. End result? A faster, more appropriate response and better outcomes.

Virtual Tours

In January this year, we introduced Virtual Tours – a new major loss service, which builds on our award-winning iSite video

service. Where we can't gain immediate physical access to a loss, we're now using radio-controlled cars, fitted with video cameras, to provide internal tours of the building – typically within 24 hours of the incident.

The cars are small and can easily manoeuvre from room to room, to record high definition photos and videos. We then edit the footage into a 360-degree, panoramic tour. The final virtual tour features on-screen directional 'bubbles', enabling the viewer to navigate around the building and zoom in on specific areas of the loss.

The tours help to quickly assess the claim, then formalise decisions and recommendations to produce the preliminary report. The footage is safely stored in the cloud and insurer and broker clients can stream the video on any device, whenever and wherever they like. It also minimises the need for surveyors, engineers, etc., and client stakeholders to visit the site.

Decision making time reduced

By rapidly validating and quantifying initially inaccessible major losses, we can reduce the early decision-making time by

50%. We can also get initial payments out to your clients quickly, in some cases within two days of insurers viewing the Virtual Tour.

I truly believe we've made a significant step forward with the introduction of our iSite Virtual Tours, and our clients agree." Neil Gibson, Loss Adjusting Services Director, Cunningham Lindsey.

This is just one of the initiatives we're developing, to speed up the claims process and provide an improved service to your clients. If you would like to take one of our Virtual Tours, or discuss how we're using digital developments to streamline our service delivery, please call your Broker/ Business Development Director.

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Resilience and small businesses

Escape of water (EoW) damage, and property level resilience, are key issues in the insurance industry, particularly for small trader clients, who represent a greater proportion of UK businesses than ever before. In a recent interview, Andy Poole, Senior Policy Advisor, Federation of Small Business, stated that: “Two-thirds of small businesses have been negatively affected by severe weather in recent years,” adding that less than a third of small businesses have a resilience plan in place. Other research has indicated that some 50% of businesses fail in their first year, following a dramatic event.

Small businesses aren't included in FloodRe and the current government focus is on property level resilience protection from flooding – rather than wider community level preventative measures, such as flood barriers, etc. – so taking responsibility for resilience planning is just as vital as security systems for those companies at risk. There's often a large deductible for housing associations, and other property portfolio owners, at risk from water damage events, face similar issues.

Over 50% of claims that come into the market are EoW, with an additional 10% due to flooding – even fire claims suffer water damage, providing the fire brigade gets there in time! With a robust resilience plan in place, property owners can reduce their costs for repairs, alternative accommodation and loss of rental income, whilst keeping tenants happy. And for brokers? – sound advice offered early to clients will result in fewer claims that can be settled faster, and at a lower cost.

Creating new industry standards

For over three years, we've been collaborating closely with experts in other industries to get a better understanding of how water impacts on different types of buildings. Working with the Building Research Establishment Centre for Resilience, the University of West of England, the National Flood Forum, DEFRA, Oxford Brookes University and the Environment Agency, we've revolutionised the way escape of water claims are



handled. Our Resilience Service is now the largest specialist EoW restoration and resilience team in the UK and we're creating new standards within the industry.

Our response is based on extensive scientific research – proving that many water-damaged building materials will dry out very successfully, when treated with the right drying regime. This means that the wholesale and radical strip-out of a water-damaged property is an out-dated approach and often totally unnecessary – it only prolongs the process and the cost of the claim. Much of the materials in any building are already resilient, if treated in the right way and at the right time, so why strip them out?

Resilience surveys

The Resilience approach has to be tailored to each individual property, as the original construction impacts on the restoration programme. Resilience surveys will help

your clients understand their property specific risk and build their own resilience plan. This will also make sure they're back in business in the shortest possible time, following an EoW or flooding event.

For more information on our revolutionary Resilience Service, contact your Broker1 Business Development Director.

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Introducing EFI Global

At the end of March 2018, we launched EFI Global – an environmental, engineering and fire services consultancy – to the UK insurance market. This move groups our established environmental claims experts and professional forensic engineering (structural, mechanical and electrical) and buildings specialists under one, standalone consultancy.

Established as market leader in the USA for over 40 years, EFI Global specialises in providing practical and inspired solutions to a wide range of technically complex issues. In the UK, we'll meet the needs of public and private sector clients by delivering the environmental, engineering, fire investigation and failure analysis experts, with the technical expertise and knowhow that we're well known for. It's an independent service that's underpinned by the integrity of a professional and global loss adjusting organisation.

What can EFI Global do for you?

If you have a client who needs an environmental site assessment or compliance advice, an asbestos survey, the support of a professional structural engineer, a fire risk assessment or just a second opinion on a particular aspect of a claim, EFI Global can help.

Whether it's a simple evaluation or an exhaustive investigation, we take a tailored and practical approach – based on immediate actions to mitigate loss, reduce costs and close files quickly. We combine our national resources with local expertise, to provide experienced, professional advice, together with recommendations and long-term solutions to help your clients make better-informed business decisions.

For more details on the full range of services offered by EFI Global, please contact:

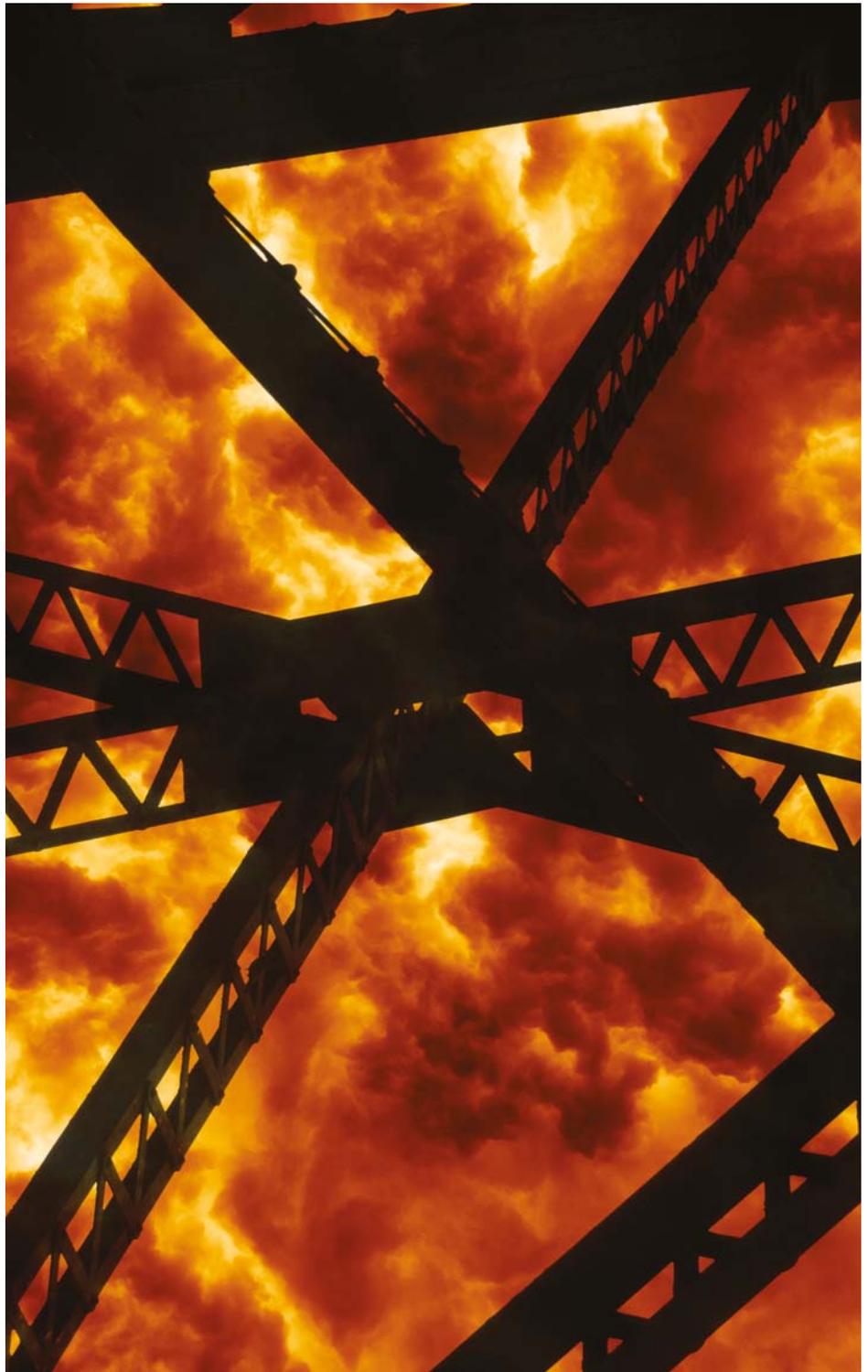
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Cavity Wall Insulation compensation claims – the next PPI?

Thousands of claims are being pursued against surveyors and contractors, for losses relating to unsuitable or incorrectly retro-fitted Cavity Wall Insulation (CWI). Our Casualty and Complex Loss team has seen a rise in CWI compensation claims in the last two years.

Around three to four million UK homes (data sourced from Department of Energy and Climate Change) are thought to have had retro-fitted CWI – taking advantage of Government backed schemes and grants in a nationwide drive to make homes more energy efficient. It's speculated that up to 1.5 million of these properties could be affected by negligently installed CWI – this can result in water ingress, dampness and other associated losses. Of the many thousands of substandard installations, a significant percentage of the properties were wholly unsuited to any type of CWI system.

Policy coverage

In around 90% of the cases we've handled so far, the decision to install CWI has been incorrect – i.e., not in accordance with British Board of Agrément guidance. Most public liability policies will cover 'accidental' damage to third party property and, if the decision to install was incorrect – and therefore damage was inevitable – insurers can argue that any subsequent damage was not 'accidental' and would not trigger the policy.

Insurers could also rely on exclusions relating to professional duty and therefore decline policy indemnity, recommending referral to professional indemnity insurers. In which case, current PI insurers could face a significant volume of historical damage claims in the future.



If a property was viable for installation but the work was undertaken negligently, public liability policies will typically indemnify in respect of the resultant damage, but won't cover the cost of the CWI removal and reinstatement of an appropriate replacement.

Want to know more?

Throughout 2018, we'll be organising a series of round table events to debate the challenges arising from this growing issue. If you would like to receive further updates on the proactive and practical solutions generated from these discussions, please contact your Broker/ Business Development Director directly.

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Broker1 team

