

MARSH'S DISEASE LIABILITIES RISK MANAGEMENT TOOL



Marsh has developed a risk management tool to help your company to manage the financial risk of your disease liabilities. We have developed a unique product in the form of an integrated six-phased approach which identifies, assesses, and mitigates your company's risks to such liabilities. We ensure that solutions are tailored to fit your needs and requirements.

An overview of the tool is summarised below.

PHASE 1

This stage involves collating historic details of your company such as insurance cover and your corporate history. *We visit your premises to carry out an extensive trawl and analysis of historical data, records, documents, policies, and contracts. In addition, we interview key, long-standing employees who may be able to provide assistance and insight into your company's past. Evidence of mergers, acquisitions, and disposals is collected.*

PHASE 2

An insurance and corporate archaeology exercise is carried out to fill missing gaps from Phase 1. An insurance and corporate history register is documented which provides you with as much information as possible of your insurance and corporate history. *We are able to arrange specialist management of any claims (including litigated) which fall in periods identified as uninsured.*

PHASE 3

An in-depth review is carried out to identify legal responsibilities for each division and subsidiary for consideration by you and your legal advisers. This helps to prevent you from becoming involved with and funding claims where legal liabilities rest elsewhere. *In addition, a technical review of policy documents is undertaken to establish limits, exclusions, and extensions. Cases of insurer insolvency are highlighted and greater clarity given on coverage deficiency and risk exposure.*

PHASE 4

Comprehensive disease claims management, robust auditing of insolvent insurers, and detailed analysis of claims data is carried out. *In addition, we manage the process of calculating a rolling balance for historic insolvent insurer claims and recover any dividend payments which may be due to you. Where applicable, it is ensured that all Financial Services Compensation Scheme (FSCS) payments have been sought.*

PHASE 5

Using the data and information gathered during Phases 1-4, we will build an actuarial model to calculate the total potential cost of your current disease liabilities. *We will then use the latest actuarial research by the Institute of Actuaries to estimate your future claims projections. Scenario analysis can also be completed at this stage to calculate the potential volatility of these estimates. We can also assist you with future cash flows and budgeting by applying financial forecasts to these projections and calculating the present value amounts.*

PHASE 6

We explore and execute insurance market solutions to transfer either the whole of the exposure or just the volatility around the exposure for historical disease liabilities. *We can consider loss portfolio transfers, adverse development covers or hybrid solutions. Depending on the legal entity where these disease liabilities reside, there can be solutions where that legal entity is purchased which can provide legal finality.*

KEY CONTACTS

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Bill is the Occupational Disease Claims Practice Leader. He specialises in, and has wide experience of, insolvent insurers and associated schemes of arrangement. Bill has organised and been a speaker at many Marsh seminars and client days on occupational disease liabilities. He has co-written white papers on mesothelioma and has had articles and comments published in a number of insurance publications. He manages many of our disease liability projects.

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Ian has extensive experience in coverage research and is responsible for client relationship management for the Insurance Archaeology Team. Having been elected “Associate” of the Chartered Insurance Institute, Ian completed an MBA with distinction and has been elected a “Fellow” of the Institute of Leadership and Management. Ian has organised and been a speaker at a number of seminars involving insurance archaeology and research.

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John leads the Risk Finance team that includes our actuarial and analytics capability. The team utilises the latest actuarial, statistical modelling, and business discovery approaches to provide Marsh clients with solutions that deliver value. The team have extensive industry experience and have worked on a wide variety of analytic, risk financing and structured risk solutions to enable clients to manage volatility and release value.



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