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Zurich Claims Quarterly Journal

Focus on Specialty Lines

Spring 2018

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Welcome Q&A

Following the successful first edition of the Zurich Claims Quarterly Journal, we are delighted to introduce the latest edition for Spring 2018. In this edition we focus on Specialty Lines (D&O, PI, FI, Crime, Political Risk, Trade Credit, Surety, Legal Indemnity, Marine and Fine Art, A&H) with an introduction and Q&A with William Anderson and Stephen Moss who both head up Specialty Lines from a claims and underwriting perspective.



William Anderson

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Firstly, I want to welcome you to the latest edition of the Zurich Quarterly Claims Journal, which focuses on our Specialty Lines claims team. The contents of this Journal brings together some of the work of our claims team and evidences the fact that we are committed to assisting our customers pre, during and post loss; from ‘Thought Leadership’ on topics such as Directors and Officers, Marine, Cyber and fine art valuations, to the delivery of Large Loss Scenario Workshops. Through this work, as well as the management of large and complex losses, we see ourselves as a market leading proposition with our people being at the forefront of industry developments, insight and trends.”



Stephen Moss

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“

I want to add my welcome. It’s great that in this edition of the Zurich Claims Quarterly Journal, we focus on Specialty Lines. The Specialty Lines market has seen an increase in scrutiny and interest in recent years, and there are a number of emerging risks that are becoming more apparent.

So I hope that you enjoy digesting this journal and we very much look forward to continuing to work with you and thank you for your support.”

1. What emerging risks in the financial lines space are you most concerned by?

Will: The market has seen a large amount of change. In particular, the rise in regulatory actions and the fact that they are a lot more joined up in their approach to the overall regulatory environment. From a Directors' & Officers' perspective this has led to significant uplifts in defence cost spend, as organisations and individuals are having to defend on multiple fronts and jurisdictions.

Against this backdrop it is very important that customers have a robust framework in place in regard to legal panel. This includes obtaining robust budget projections, securing key experts, and understanding the litigation timetable, which all must then be closely managed. It's key that customers and brokers partner together with insurers on this defence journey. The defence journey is one of collaboration and this is also a key pillar of the Zurich UK Claims Commitment.

Cyber is another area of focus. Although, we are seeing an uplift in data breach matters, the challenge I envisage with further scrutiny and regulation via GDPR, is how this could impact on overall claims volumes accordingly. With businesses evolving at rapid levels and the expansion of; artificial intelligence, machine learning and robotics, this will understandably impact the market landscape and the claims environment will also change and evolve as a result.

Additionally, construction PI. In a post Grenfell environment and a continued focus on large complex projects within the commercial space (i.e. just looking at the Square Mile, all new builds are steel frame and cladding), it will be interesting to see how potential changes, following the summer issuance of the Hackitt report, could change the environment accordingly.

The recent high profile collapses of some large contractors will no doubt also have a knock on effect.

Which is both a focus area of risk for D&O and PI insurers. Cash flow is critical in this environment and with the use of various sub-contractors further impact could be felt with potential for an uplift of claims volumes. It is key that customers look to partner and liaise with their insurer around some of these issues at the outset which will then help with any potential challenges and aid a smooth claims journey in respect of potential challenges or claims.

Lastly, the fast paced rise in crypto currencies as well as the evolving litigation funding arena in certain jurisdictions needs to be closely watched.

Stephen: In recent years the International D&O space has changed significantly. The market has seen an exponential rise in investigation costs. Regulators now have more powers at their disposal and are not afraid to use them. There is a heightened level of scrutiny that is put on boards of directors to comply with the myriad of regulations that are imposed.

Regulatory investigations are a key issue and the rise of securities class actions has always been a phenomenon for US domicile companies but increasingly so for international companies, as a result of legislative reform and the rise in third party litigation funding. We've seen this in the likes of the Netherlands, here in the UK and Australia, which has made it a lot easier for shareholders to bring collective actions against boards of directors.

There is a growing trend for companies needing to behave in a socially ethical manner. The Panama Papers highlighted what companies would describe as tax efficient schemes, but the public outcry that it caused has raised the bar from a social perspective on what is deemed to be ethically acceptable and what is not.

On the other hand, you have cyber, which is not necessarily a new issue for financial lines, but is an increasing exposure trend. There's been an increase in; data breaches, virus attacks, system vulnerabilities and ransomware attacks (WannaCry) and an increasing trend of social engineering, with cyber fraud reaching record levels.

2. Are there any trends you think customers aren't taking as seriously as they could?

Will: Not necessarily a trend, but certainly something that could become an issue, which is GDPR. This potentially could completely change the claims landscape around cyber and its resulting issues. This issue may be receiving a lot of investment on a multi-national level, but how does that translate and flow into SME and mid-corporate customers?

Another area which is evolving is the duties/requirement in respect of Climate change and the impact this could have on a business and potential investors. From a D&O perspective this is an area of focus and something the regulator has a very close eye on.

Stephen: A lot of companies are now very sophisticated in how they approach risks and how they either manage or transfer them to the insurance market. It's more a question of how adaptable have organisations been in their risk management policies.

The world is moving at a very fast pace and organisations need to really keep on top of their risk management framework; to make sure they are mitigating risks as much as they can.

In the case of GDPR, it's quite stark the additional challenges this represents for organisations. The consequences of non-compliance are very severe. Not just from a financial standpoint where the fines are a lot larger than what we have seen previously. But also from an individual perspective, the D&O implications, where there is a possibility of criminal prosecutions available to regulators for addressing organisations that have failed to comply with GDPR regulations. All of this is happening very quickly and there is a question mark in how prepared organisations are to cope with the additional compliance and responsibilities GDPR will bring against them. Data and cyber security is no longer just an IT issue.

3. What advice do you have for customers to mitigate their risks?

Will: Communication and collaboration are key. Customers should seek advice from their insurers and use their experience and expertise when dealing with loss situations. It is integral to know who your insurer is, how they operate and to also know who the key claims people are. Having a good relationship with your insurer will make it a far smoother process when it comes to dealing with any potential loss situations. One way which Zurich addresses this is through our Large Loss testing process, as well as our claims relationship model.

Stephen: The key is having an effective corporate governance framework, more recently what would be described as an enterprise risk management strategy, to address the myriad of exposures that are emerging in the background. Most customers are very sophisticated in their corporate governance. However, there is a need to align risk processes to mission statements within an organisation, particularly around the underlying internal culture, values and behaviours.

Another area would be cyber, with the risks that it brings. Customers need to have a clear policy to help them navigate through crisis situations. Not least in terms of disaster recovery plans but also how they respond, mitigate and communicate with customers and regulators in the event of a breach. Customers also need to ensure they look at the type of insurance they buy/have and whether it offers them adequate protection.

Insurance companies can also help customers mitigate their risks by offering policies that have pre and post crisis management tools, that help customers manage these kind of shock events. But also give them access to 'big data' analytics on claims trends we are seeing in the wider market, to help customers understand the frequency and severity of specific risks and ensure adequate protection is in place on a cross class basis.

4. What is your team doing to help customers facing claims?

Will: There are a number of areas where we are helping our customers. Zurich is committed to working with our customers in order to find the right claims outcome. We offer our customers a unique proposition across our underwriting, risk engineering and claims functions, including relationship management service, ensuring that you have a dedicated point of contact at Zurich. Our Claims Commitment, with four pillars at its core; personal, clear, effortless and collaborative, enables us to successfully work with our customers.

We share risk insight and trends with our customers to aid with their risk management. We also access our own network of experts across the business, and across multiple jurisdictions. We also maintain an open dialogue with our customers and engage with them on a regular basis. Trust is imperative to our relationship with our customers, and communication remains an important facet of this.



Cyber insurance – do you need it?

Size doesn't matter



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The threat of cyber-attacks is growing in both frequency and sophistication and is something that every business needs to take seriously in 2018.

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Dealing with the fall out of a cyber-attack is clearly not a cheap business, and companies will need to work out if they can afford to take the risk of absorbing these costs themselves.”

About ten years ago, you could have been forgiven for not showing a great deal of interest in cyber security, particularly in the context of smaller companies. It's easy to see why someone would want to hack Sony for example, but what possible interest would a hacker have in a three-partner firm of accountants in a small English town? Things are definitely changing though, particularly with the growing reliance on IT systems for even small companies, together with the increasing amount of valuable personal data they hold, and the expectation of customers to be able to make card payments online. All these things make small companies attractive targets of cyber criminals, even more so given they often don't have the resources to invest heavily in security.

Worryingly, a report commissioned by the Government in 2017 highlighted that just under half of all businesses had identified at least one cyber security breach or attack in the previous 12 months. It is difficult to see this figure decreasing over the years to come. Amongst the organisations which identified breaches, by far the most common was receiving fraudulent emails or being directed to fraudulent websites. These have come a long way since the days of the benevolent overseas billionaire seeking assistance in transferring large sums of money to an account in the UK in exchange for a large reward. Nowadays these can take the form of authentic looking emails purportedly from well-known companies so it is easy to see how even a slightly distracted person could be duped into clicking on a dodgy link.



Cyber-attacks have also received increased press coverage lately. In May 2017 we saw the carnage on a global level caused by the WannaCry ransomware attack, which was estimated to have affected more than 200,000 computers across 150 countries, but which also had a huge impact on the NHS in this country. Around the same time, credit reporting agency Equifax suffered a significant security breach whereby cybercriminals were able to access the personal data of approximately 148 million consumers in the U.S. Back in the United Kingdom, pay day loan company Wonga was hacked in April 2017, giving access to the personal data of approximately 250,000 customers. These are only a couple of examples and a simple internet search reveals many more examples of organisations around the world that have been affected by cyber-attacks.

Clearly in light of the above, no company can adopt a complacent attitude towards cyber security, particularly with the introduction of the General Data Protection Regulation (GDPR) in May this year, which imposes strict data protection requirements on companies, with the possibility of significant financial penalties being imposed for non-compliance. The level of fine for a significant breach could be up to 4% of global turnover or €20m, whichever sum is larger. So what can you do about it? Other than making sure your IT systems are as robust as they can be, obtaining cyber insurance needs to be seen as being as essential as any other type of insurance you would use to protect your business.

So what does cyber insurance cover?

Typically, it will contain the following covers:

- Lost business income in the event that you cannot operate as a result of a cyber attack.
- The cost of hiring IT professionals, public relations professionals or legal advisers.
- Cyber extortion payments to recover data.
- Civil damages to third parties as a result of a privacy breach and any defence/investigation costs.
- Cost of recovering IT systems/data following a cyber attack.

However, it is likely (subject to the point being tested in the courts) that those potentially hefty fines resulting from the introduction of GDPR will not fall for cover under a cyber policy, in light of the principle that regulatory fines are not legally insurable, albeit there should be cover for costs associated with defending a regulatory investigation.

Dealing with the fall out of a cyber-attack is clearly not a cheap business, and companies will need to work out if they can afford to take the risk of absorbing these costs themselves. If the answer to that question is “no” then a two-pronged approach of ensuring IT systems are up to speed, as well as taking out a cyber insurance policy, is vital in the current climate. GDPR will be an additional concern for any companies which process the personal data of EU citizens, no matter how big or small they are, and the deadline of 25 May when the regulation comes into force is now only a matter of weeks away.



Marine cyber

Cargo or no go?

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Despite the increasing media coverage, understanding what cyber risk encompasses and how it can be mitigated is still being developed.

There is a tendency to treat cyber risk as being synonymous with malicious hacking. While hacking is of course an important source of cyber risk, it is worth noting that the majority of cyber incidents reported to insurers are the result of accidental acts or omissions.

In a marine cargo context, a good example might be where a crew member connects their mobile phone to the bridge in order to charge it, and a loss may occur as a result of a virus (unknown to the crew member), spreading from the mobile phone to the bridge computer system.

It could be argued that the relatively low public profile of most marine businesses means they are less likely to be the subject of a cyber-attack. Nevertheless, the threat is real and the result of a successful attack could be catastrophic.

For example, the lack of any inbuilt encryption or authentication code in the critical systems used for navigation (GPS, AIS, ECDIS) means that shipping is likely to be seen as a soft target – that perception could be enough to provoke an attack. For example an MIT study showed that, for less than US\$2,000, it is possible to compromise a ship's ability to accurately detect other vessels, emit false location information to other AIS users, and stage fake emergencies.

These risks have even been depicted in the popular TV drama McMafia, where a criminal gang recruit hackers to access a port's database containing the location and security details of every container in the port, in order that valuable cargo can be intercepted before its true owners arrive at the port to collect their goods.





Case Study

The recent case of MSC Mediterranean Shipping Company S.A. -v- Glencore International AG [2017] EWCA Civ 365 highlights the emerging cyber risks in traditional marine cargo practices.

The case concerned the shipment of cargo by MSC on behalf of the cargo owners and bill of lading holders, Glencore. In the previous 18 months Glencore had made 69 shipments of the same cargo, using MSC as carrier. During the 70th shipment, at the port of discharge, the receiver's haulier discovered two of the three containers were missing.

In this case it was discovered that 'unauthorised persons' had already collected the 'missing cargo', illicitly using the release pin code to collect the containers. Such pin codes form part of an electronic release system (ERS), which replaced delivery orders and release notes previously presented to collect goods at this port of discharge.

The pin codes are sent by email, and demonstrate the potential pitfalls of an organisation adopting new technologies within its day-to-day operations, without perhaps considering the full extent of the security or legal implications of doing so.

In this case the Court of Appeal considered the point at which delivery of goods had occurred and whether or not an electronic release system and the subsequent release of a pin code to the receiver's agents amounted to effective delivery.

It is natural for companies to focus their resources on technological innovation, and the effective deployment of these advances to improve profit margins. Indeed the pace of change in the world today is the fastest it's ever been and the slowest it will ever be. However technology is outpacing the methods and processes within cargo transport, which are somewhat traditional and outdated.

It is therefore important to consider the implications of new technologies, and the associated risks they present. Perhaps industry players need to lend a greater focus towards mitigating technological risks through improved industry methods and practices.

Predicting the future

Climate change and D&O insurance



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Arguably climate change is not the next big thing, it is already here. We are beginning to experience its impact and effect; stronger hurricanes, flooding and droughts are becoming more prevalent. You only need to look to Cape Town, the first major metropolis in the world that has almost run out of water, to evidence this. These are the direct impacts, what is not yet clear is the knock on effect on insurance.

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From a D&O perspective it is more than likely that the industry will see an increase in claims in the future as a result of companies failing to adequately manage the risk of climate change on their business and to disclose these risks to investors.”

With respect to Financial Lines, it is most likely that D&O insurance will take the brunt of the impact and this article explores the current rumblings that appear to be building in respect of that.

When one considers ‘trends’, impacts and changes in the D&O market over the years, they will often focus on defined events that shape the market, for example; the stock market crash of 1987, the implementation of Sarbanes Oxley and the Financial Crisis of 2007 amongst others. The difference with Climate Change and its effect is that even the very concept is still debated, albeit its impact on D&O insurance is beginning to emerge.

The first sign of the relevance of climate change to D&O insurance emerged in 2010 when the SEC provided guidance to public companies, focusing on “the SEC’s existing disclosure requirements as they apply to business or legal developments relating to the issue of climate change”. It identified circumstances in which corporate disclosures would be warranted, which interestingly includes political and scientific developments regarding climate change that may create existential or reputational risk for companies.

Another indication of the emergence of the risk of climate change has been a high profile investigation into one of the world’s leading oil companies. The company’s past statements about climate change have recently come under scrutiny and allegations were made that the company deliberately funded groups promoting doubt about climate change. Given the growing international concern about climate change and its impact, it is speculated that we may shortly arrive at a time where the use of fossil fuels is severely restricted. There is therefore an argument that the fossil fuel reserves that currently exist will never be used. The concern is that energy companies and their directors are aware of this risk, however have not taken this into account when stating their reserves, thus massively overstating the value of their business and leaving them open to the risk of actions against them. This may also have a knock on effect to their advisors, e.g. actions against their auditors and investment banks.

It is evident from both examples above that one of the key concerns is going to be around disclosure based claims. It has been speculated by Clyde & Co that the three key issues will be:

- 1) Companies who fail to disclose how climate change may affect their business in the future.
- 2) Investors and shareholders suing investment and pension funds for investing in businesses adversely affected by climate change.
- 3) Companies who have allegedly directly contributed to the rise of Climate Change internationally and its affects locally having a liability to those affected by the consequences of climate change.

This is clearly not just a question for the claims teams. Underwriters are going to have to widen the scope of their assessment and take into account the risk of climate change on a business and look into how they may be directly contributing to it, or how they are managing the risk it may pose indirectly, e.g. adequate disclosure.

It is not just financial overstatement and a failure by D&O's to advise on the potential effects of climate change that should concern the D&O market. As cited above, companies are being increasingly targeted for their direct contribution to the rise of climate change and it goes without saying that almost all companies have a carbon footprint. There has recently been a rise in actions against companies and their directors by individuals who have suffered a loss at the hands of large storms and rising waters which has been blamed on these polluting companies. This may also prompt a risk of regulatory actions against companies and their D&O's.

One may look to exclusionary language in the policy, such as a possible pollution exclusion, however in recent times the market has softened to contain carve outs to such an exclusion for securities and derivative suits. One may also question how such an exclusion may apply should allegations centre on business judgement and whether the language is intended to cover issues such as poor management in respect the Insured's day to day operation. Since climate change is still deemed conceptual by some, quite how you can apply such an exclusion requires further testing in the Courts.

In conclusion, whether you believe it as a fact or a concept, the Insurance market as a whole is likely to face increased risk as a result of the effects of climate change. The Governor of the Bank of England has previously delivered a strong message to the Insurance industry as a whole, detailing the varied risks that the industry faces, including; traditional property risks as a result of increased weather patterns, the devaluing of traditionally high-value commodities such as oil and coal and personal liability risks from those seeking to target companies for their direct contribution to climate change. From a D&O perspective it is more than likely that the industry will see an increase in claims in the future as a result of companies failing to adequately manage the risk of climate change on their business and to disclose these risks to investors. There are also likely to be actions from individuals and companies directly affected by the effect of climate change, either personally or to their business as a result of the mismanagement of a polluter company. Quite how this will pan out given the defences of causation and quantification, is still to be determined, but certainly the risk exists. It goes without saying that such a risk is international and one that cannot be restricted to one country/region and managed in that way.



Cladding claims in the aftermath of the Grenfell disaster: A professional indemnity insurer’s perspective



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From a professional indemnity perspective, Dame Hackitt’s interim report and its conclusion that the current regulatory regime is “not fit for purpose” is encouraging.”

Following the tragic events at Grenfell Tower in West London in June 2017 the Government (via the recently renamed Department for Communities and Local Government) undertook a series of destructive tests to assess how different types of Aluminium Composite Material (‘ACM’) cladding behave in fire, when in combination with different types of insulation material (i.e. the material placed behind the ACM panels and not the material at the centre of each panel). The results of those tests can be seen below in Panel 1.

In addition to the DCLG tests, the Government announced the appointment of Dame Judith Hackitt to lead an independent review of building regulations and fire safety, specifically focussing on how the regulations apply to complex or high rise buildings. A separate inquiry, headed up by Sir Martin Moore-Bick, is underway in relation to the events at Grenfell itself.

In December 2017, Dame Judith Hackitt’s interim report was published¹ and, amongst other things, highlighted “widespread confusion about what constitutes the regulations and what is guidance. The guidance on ways to meet the Building Regulations, set out in the Approved Documents, are frequently referred to as ‘the regulations’.”

Panel 1

Test no.	Report date (first issue)	ACM cladding panel with	Insulation	BR pass/fail
1	27 July 2017	unmodified polyethylene core	PIR Foam	Fail
2	3 August 2017	unmodified polyethylene core	Mineral wool	Fail
3	3 August 2017	Fire retardant (FR) polyethylene core	PIR foam	Fail
4	9 August 2017	FR polyethylene core	Mineral wool	Pass
5	10 August 2017	Limited combustibility core	PIR foam	Pass
6	25 August 2017	Limited combustibility core	Mineral wool	Pass
7	18 August 2017	FR polyethylene core	Phenolic foam	Fail

¹ The final report is expected in Spring/Summer 2018

As the attached extract from Schedule 1 of the Building Regulations 2010 shows (Panel 2, below), the outcome expected is expressed in simple terms, but the Regulations are silent in terms of how the outcome is achieved or where responsibilities for compliance lie.

Panel 2 – Schedule 1, Building Regulations 2010

“External Fire Spread

B4. –

- (1) The external walls of the building shall adequately resist the spread of fire over the walls and from one building to another, having regard to the height, use and position of the building.
- (2) The roof of the building shall adequately resist the spread of fire over the roof and from one building to another, having regards to the use and position of the building.

From a professional indemnity perspective, Dame Hackitt’s interim report and its conclusion that the current regulatory regime is “not fit for purpose” is encouraging, and it is certainly difficult to see how the construction industry could be criticised for any ambiguity in the Building Regulations or Approved Document B. That said, until regulatory requirements have been simplified and any ambiguity has been resolved, we appreciate the reality for our customers is that many will receive queries from clients who are reviewing their property portfolios with a view to assessing their own exposures and the costs associated with bringing buildings into line with clarification provided in the immediate aftermath of Grenfell².

Inevitably, many of these queries will arise on ‘live’ projects and even where projects have been completed, ongoing client relationships may provide another commercial pressure. We are also mindful, particularly in the case of our main contractor insureds, that our customers’ contractual liabilities may be significantly wider than the terms of their professional indemnity cover, or that ‘back to back’ appointments may not necessarily be in place with sub-contractors.

These factors and others make for a time of great uncertainty for construction professionals and their insurers alike, and although there is still much we simply do not know, there are a number of practical steps that we feel can be taken at an early stage to ensure defences are well positioned should client queries develop into formal claims. These will include early work to understand the contractual matrix between employers, our insureds and the many sub-contractors and consultants involved in projects and, where others are identified who may have a part to play, prompt and proactive engagement should be a priority, putting specialist sub-contractors/consultants on notice and requesting that their own insurers be notified. As ever, good record keeping and document retention will be vital to the defence of any future claims.

As things stand, it is unlikely that insurers will be able to offer definitive advice on policy coverage or issues of liability. At Zurich we are nevertheless able to provide practical advice and support in dealing with requests for information, as well as more accusatory correspondence and, where notifications have been made, we welcome the opportunity to investigate matters collaboratively alongside our insureds and their brokers.

² see DCLG letter dated 22 June 2017; more recently on 15 February 2018 the Ministry of Housing, Communities & Local Government (formerly the DCLG) also accepted the need to clarify Approved Document B and make it more user-friendly. Alongside regulatory change, another provisional conclusion of Dame Hackitt’s interim report is the need for cultural change within the construction industry with improvement required in terms of clearly defined roles and responsibilities throughout the contractual chain.

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There are a number of practical steps that can be taken at an early stage to ensure defences are well positioned should client queries develop into formal claims.”



Fine art valuations

How do you put a price on art?



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In the world of fine art things are rarely black and white. Once art leaves the primary market it enters a mystical grey world dictated by trends, provenance and supply and demand.

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Many factors come into play when determining the price of art; the artist’s profile, history, the artwork’s provenance, the size and medium.”

We’re used to seeing the headlines, ‘Da Vinci fetches \$450m at auction’ ‘Pollock changes hands for \$203m in private sale’. In this article, we look at what drives these crazy, or not so crazy, prices.

Once art leaves the primary market (that is to say when artwork hits the market for the first time), it enters the world of the secondary art market. Within this playground for the rich and famous, and the not so rich and famous, a veritable menagerie of characters operate.

Art brokers, intermediaries, Auction Houses and Galleries jostle for position within the secondary art market, all hoping to be consigned the next, or current, big thing.

Many factors come into play when determining the price of art; the artist’s profile, history, the artwork’s provenance, the size and medium. The artist may be going through a significant ‘hot’ spell, creating a buzz in the art world. Then there are the aesthetics of the work itself.

In Fine Art insurance, we often see the term ‘Market Value’ when determining the basis of valuation and settling a loss. Determining Market Value, is arguably more of a science than an art.

In essence, there are two ways of determining the Market Value of a work of art immediately prior to a loss.

Usually the most effective method is to look to the heart of the market itself – the auction

houses. For hundreds of years the auction houses worldwide have been bringing down the hammer on some of the world’s most expensive and sought after works of art. Of course in this day and age, you only have to log onto a computer to experience the thrills and spills of an auction. Although many would argue that the internet is a poor substitute for the tense and exciting atmosphere of an auction house in full flow.

Through centuries of trading, and years of meticulous cataloguing, the auction houses provide probably the best insight into market value. It is from their vast archives we can look at comparables; works by the same artist, similar in size, age and aesthetic styling and establish with some accuracy what a work of art might be worth.

The second method is through private sales history.

Of course not all artworks are traded in such public forums. Private sales between buyer and seller still very much exist at all levels of the industry. Just as data on auction sales can help determine market value, private sales also provide an insight. However, due to the secretive nature of the art market, it is not necessarily easy to obtain information around a private sale.

Notwithstanding these difficulties, a private sale between an informed willing buyer and an informed willing seller, might be enough to establish a market value, which insurers can use to determine the value at the time of loss.

A&H – Keeping your employees safe abroad



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With increasing globalisation for many companies it's now part of day to day life to be sending employees abroad for work. Whether this is to meet with employees in another office or visit supplier and clients it's important to be prepared when travelling. It's also important for employers to have the right cover and support in place for their staff who may be faced with difficult situations in an unfamiliar environment.

Top 10 pieces of advice for business travellers

Sharna Hanley, Claims Team Manager Zurich Insurance shares her 10 top tips for employees preparing to travel:

1. Download your Travel Assistance Provider app – this will allow you access to information and support before and during your trip
2. Have the Travel Assistance phone number saved in your phone and ensure international calling from your mobile is enabled. I know it sounds simple but this will ensure you can contact your travel assistance provider in the event of an emergency easily
3. Know your travel insurance policy number – This probably seems very obvious but having it to hand can ensure there are no issues in the event emergency assistance is required, and no delays in processing any claims submitted following your trip
4. When travelling within the EU, ensure you carry a European Health Insurance card <https://www.gov.uk/european-health-insurance-card>. This will allow you to access medical treatment free of charge, or at a reduced cost – reducing claim costs
5. If travelling to high risk areas, consider pre-travel security training or E-Learning modules to help you stay safe during your trip. These are available through our Travel Oracle mobile app
6. In the event of a claim, be sure to provide business trip and payment approver details to your insurer to avoid any delay in reimbursing your claim
7. Ensure you have the correct Visa or other necessary documentation for your area of travel. Costs incurred as a result of an employee being refused entry to a country by a Government official are excluded under many travel policies
8. Have the necessary vaccinations for your destination, even if you're only there a short time it's not worth the risk.
9. Make use of the Foreign and Commonwealth website <https://www.gov.uk/foreign-travel-advice> for foreign travel advice; particularly where any recent events suggest your destination is unsafe. This will be considered when we are establishing cover of any cancellation claims
10. When travelling in more remote areas make yourself aware of the location of local medical providers e.g. pharmacists, doctors and emergency services. Your travel assistance provider can help you with this information pre-travel; they will also advise in which facilities they can offer a guarantee of payment on your behalf

“A lot of this might seem like good old common sense but when you travel frequently it’s easy to forget a few small details. It’s best to be prepared so you can get home quickly.”

Our partner Healix provides comprehensive assistance for all our Zurich Business Travel policies. We work closely with Healix to ensure we have the right services in place to keep your employees safe.

A few of their coverage highlights are:

- The Healix Travel Oracle App provides travellers with instant access to critical insight and support, both before and during their trip with a direct link to a dedicated team of medical, security and travel experts meaning that advice and assistance is just a tap of a button away.
- If you prefer to call or email, the Healix team are on hand 24/7 for personal advice or assistance.
- With offices around the world and over 40 languages spoken in-house, Healix are on standby to help in any emergency, wherever in the world your employee may be.



“

Overseas travel is not without risk. Our job at Healix is to help Zurich, its clients and their employees to manage those risks and try to avoid issues where possible.”
adds Rob Upton, Director of Insurance Markets at Healix
“but no matter how well prepared, incidents will occur and our priority then is to provide expert help and support – day or night.”

Our customer proposition

Our Zurich UK Claims Commitment



Protecting your ability to compete

At Zurich, our claims service is a priority, that is why we continually strive to provide a market leading claims proposition that reflects our customers' changing requirements.

Working together for the best

The claims service is an integral part of the Zurich proposition and we are renowned for offering reliability, speed of service and expertise when a claim happens, to get you back on your feet and to stay in business.

That's why we make a commitment that our claims service will be:

- **personal** to each customer, working closely with you using our combined knowledge of your organisation, people and business
- **effortless**, as we know the easier it is to claim, the more content you will be
- **clear**, so you know exactly what you need to give us to progress your claim. Straightforward communications are vital to settling claims quickly and smoothly
- **collaborative**, working together, sharing a common goal to conclude the claim as quickly as reasonably possible and to keep you in business.

Our Claims Commitment ensures that you know where you stand every step of the way. It involves us working closely with you and supporting you all the way through a claim.

It's here in blue and white

Whatever the size of the claim, our Claims Commitment ensures that we will work closely with you and settle accepted claims (building upon our 99% claims paid record), as fast as possible whilst robustly defending you against unwarranted claimants.

In respect of the larger and more complex claims

When you claim:

- a **dedicated claims expert** will contact you as quickly as possible and within 24 hours
- if appropriate, we will appoint a dedicated **third-party expert** as quickly as possible and within 24 hours.

If it is clear what caused the incident, we will provide our **initial view** on policy liability within 48 hours.

If Zurich and your business agree the claim will potentially cost more than £250000, we will:

- arrange and hold a **conference call or meeting** within 5 days of the claim being notified. This call or meeting will include you and relevant stakeholders, such as your broker and any third-party experts. We will discuss and agree a claims strategy which includes the communication plan and our combined agreement on how best to resolve your claim.
- let you know the **additional**

documentation and/expert evidence we need to assess your claim, no later than 7 days after you first notified us.

- give you an **initial view** about paying your claim within 72 hours of receiving all the information we need.
- **pay you an interim amount**, if required or requested, within 72 hours of us agreeing to pay the claim. We will always try to put you in the best financial position possible.
- **pay the final amount** within 72 hours of us receiving the documents we need, unless we've agreed and documented otherwise in release or settlement papers.

For all claims we will:

- **respond to all communication** from you and your broker promptly
- **give specific customers access** to our claims relationship team to assist you generally on all claims matters
- once coverage is confirmed, **pay the claim promptly** upon receipt of supporting documentation
- work with you to **produce the accurate claims** information and the data you need

When making a claim you also have access to:

- Our award winning fraud protection team
- In house claims inspectors to investigate EL claims on site
- In house pre and post loss rehabilitation team
- In house forensic motor engineering team.

Why choose Zurich?

Zurich is a leading multi-line insurer that serves customers in global and local markets. With over 55,000 employees, and a wide range of general insurance and life insurance products and services, we have the size, strength and scale to support you. We serve individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

To find out more about our Claims Commitment, speak to your Zurich contact today.



Large Loss Scenario Workshop

Large Loss Scenario Workshops help protect our customers' ability to compete.

Certainty is the number one priority for any customer responsible for insurance procurement. Certainty of the skills and expertise of individuals responsible for underwriting their risk and handling their claims. Certainty on the nature and extent of policy coverage and programme structure. Certainty of the roles and responsibilities of key decision makers throughout the duration of their partnership with an insurer. Certainty that Zurich will deliver on its commitment and protect their ability to compete.

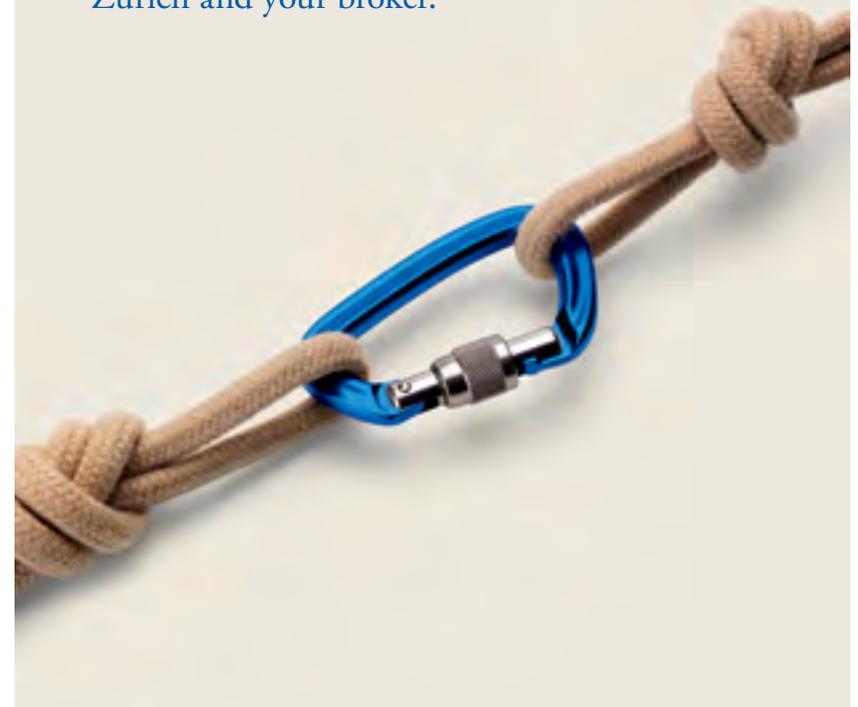
By using Case Studies that are bespoke to the challenges a customer may face; Zurich, the broker and the customer will jointly agree a defined set of workshop objectives in conjunction with other critical service providers such as loss adjusters and lawyers.



“

A Large Loss Scenario Workshop is an essential element of pre-loss planning that ensures all parties are fully prepared in the event of a loss affecting our customer's business.

The workshop provides you with the opportunity to engage proactively with Zurich and your broker.”



Protecting our customers' ability to compete

Our Claims Commitment

Zurich Insurance plc

Zurich Insurance plc is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. These details can be checked on the FCA's Financial Services Register via their website www.fca.org.uk or by contacting them on 0800 111 6768. Our FCA Firm Reference Number is 203093.