



Forum programme moves ahead : sessions confirmed and more to come



The scientific committee, which is responsible for planning the working sessions of the FERMA Forum Risk Management Forum 2013, is making great progress with the programme. Julia Graham says: "We have had some terrific ideas from FERMA member associations for workshops and very good speakers. More are to come."

One of this year's innovations is a change to the traditional panel debates with more spotlight on fewer participants. The discussions will begin with the risk managers, who will throw down the challenge to the brokers and insurers to respond to the risk transfer needs of business. They will set the tone for the discussion that follows.

Four insurers will then present their views on the market in a presidential style debate. Each will make a short presentation from the podium followed by questions. Then it will be the turn of four brokers in a more traditional format.

Says Julia, "We want them to show us why it matters that we manage our risks well and how they can reward us with innovative risk finance and risk transfer solutions."

Here are some of the sessions already scheduled:

- The risk manager's role in mergers, acquisition and joint ventures in emerging markets
- Enterprise risk management: fact or fiction?
- Social media – a risk management challenge
- Climate change: new challenges and new approaches
- Cyber risks – not just a domain for IT
- How do you embed risk management as a strategic activity?
- The impact of difference in culture on the risk manager's role
- Women in board rooms : a challenge for diversity
- Challenging the market: risk manager, broker and insurer panels

Full details on the FERMA Forum 2013 website at: <http://www.ferma.eu/ferma-forum-2013/>



Follow @fermarisk on Twitter for latest updates on the programme. Use the #fermaforum hashtag for your comments.

Europe Insurance Law : When theory meets practice?

Four important themes in commercial insurance law will be under discussion at the joint conference organised by FERMA and the insurance law association AIDA-Europe on 3rd June in Paris. Outstanding legal experts from all across Europe will interact with market practitioners. The programme will tackle the following issues during 4 panels discussions

- **Coinsurance: who owes what, when and to whom?**
Relation insured/coinsurance: rights and obligations
- **Embargo: The discordant music of European and national public orders**
News: insurance within the scope of an embargo (Iran, for example) and contractual exclusion
- **Serial claims: when fiction trumps reality**
Reality: exhaustion warranty/fiction: globalisation claims (aggregation)

- **D&O: Phantasms on forbidden guarantees**
Guarantee of administrative fines and criminal (kidnap and ransom...)

"Insurance law theory will meet practice in this event, says FERMA's Executive Manager Florence Bindelle who has a legal background and worked in a law firm and on reinsurance claims before joining FERMA. She adds, "This is an opportunity for risk managers to raise questions with experts and tell the lawyers how they are affected by the way that the law is applied. It will increase understanding between the two professions, and I recommend members to join us." Go at www.aida-ferma.eu



Florence Bindelle

Register now - seats are limited!



AIDA-FERMA Insurance Law Seminar
Monday 3 June 2013
9:00 - 18:00
Auditorium AXA - 25, avenue Matignon - 75008 Paris



Award to FERMA's General Secretary Pierre Sonigo



Pierre Sonigo FERMA's Secretary General received the prestigious lifetime achievement award from the Institute of Risk Management (IRM) at its inaugural global risk awards held in London on 28 February.

Richard Anderson, IRM chairman, said: "The lifetime achievement award is considered by a panel made up of IRM past chairmen. We were unanimous in our decision to make this award to Pierre, whose commitment to the risk management community has been inspirational to us all."

Pierre has been FERMA Secretary General for nearly nine years. During this time he has been closely involved with FERMA's work on the EU Environmental Liability Directive and Solvency II, among other projects. In 2012, he also received a special award from Strategic Risk for his outstanding contribution to risk management.

"The three themes of my career," Pierre says, "have been commitment, education and communication." He became interested in risk as an undergraduate, because safety issues were an important part of his studies in mining engineering. Then for his military service, compulsory in France at the time, he served as an officer with the Paris Fire Brigade.

The knowledge and practical experience he gained during those two years proved very useful. "This got me interested in fire risks and fire fighting technology, so there was a natural connection with insurance," he explains. Wanting to work in the United States, he got a job with the mutual insurer FM Global where he was dealing with industrial fire and highly protected risks.



Pierre Sonigo & Marie Gemma Dequae

After several years back in France, his first move was to the French industrial group Pechiney as director of risk and insurance. During his 12 years with FM Global, Pierre had met some of the first risk managers who impressed him greatly, so when he was offered a job with aluminium conglomerate Pechiney, later Alcan, he persuaded them to make it a risk management position, rather than insurance buying job, even though neither of them was absolutely sure what it would involve.

"Since then, it has been my real passion," Pierre says. He served as vice president for environment, health and safety and risk at Pechiney / Alcan until 2005.

During his career he continued with his education, taking an MSC in economics, an MBA in insurance and finally studies at the high level French *Institut national des hautes etudes de la securité et de la justice*.

In addition to his work with FERMA, Pierre has been closely involved with the risk management community in France, including the merger of two risk management groups which eventually became today's AMRAE.

"I believe it's important to have real commitment to risk management and to your national association. This is how you grow. You should continue to educate yourself by taking courses and attending conferences, reading professional magazines and even by giving classes. It's often teaching others that forces you to structure your thoughts. Finally, I would say to risk managers, don't be shy about communicating outside your organisation. Internal and external communication are vital to the profession."

Letter from Brussels

Imagine you find yourself in the lift for 90 seconds with a senior executive who wants to know your view on mergers and acquisitions, trade embargoes or the latest travel risks to West Africa.

You'll want to be able to give at least a simple answer and a promise to follow up. Today's risk managers need to be well informed business people with an awareness of many topics, including ones that are outside their current responsibilities.

FERMA offers the opportunity through the various events we organise to expand your knowledge. In June, for example, our joint conference with the insurance law association AIDA-Europe will include the sensitive topics of trade embargoes and the insurance implications. It's an important subject not just for transport companies but also producers and distributors of products which could be diverted to the wrong countries.

During the 2013 FERMA Forum, you will find some new topics such as mergers and acquisitions in emerging markets and international travel issues on the programme, along with familiar, important subjects including enterprise risk management and risk mapping.

I challenge members to attend a FERMA session on an unexpected topic. Come to Paris for the FERMA-AIDA event, and come to the Forum. You never know when the opportunity will arise to show your understanding of the business as a whole.



Florence Bindelle
Executive Manager

Come one, come all



How can we achieve the magic number of at least 1500 risk professionals at the 2013 Forum? Each FERMA national association has a target number of members to bring to Maastricht.

Here are some inducements:

- **Half price attendance for young professionals.** If you're under 35, you can attend for half price and join the dedicated young professionals' breakfast session on Tuesday 1 October.
- **Half price attendance for colleagues:** Additional team members from one company, even if based in other countries, can attend for half price – and they count against the target for the member association.
- **Special one day pass:** an innovation to attract the local business community and in particular SMEs in the Maastricht region.

Free registration for the 1000th delegate to register!

More information from the Forum website at <http://www.ferma.eu/ferma-forum-2013/>

Countdown to the Forum

Véronique De Hertogh, project coordinator, is involved in the day to day preparations for the Forum. Here's her update.



Maison Vandenboer, the convention centre caterer

Six months to go to the FERMA Forum. There's a lot of planning involved to make an event this size successful. In late February, we went to the headquarters of Maison Vandenboer, the convention centre caterer, for a tasting. The selection we made was impressive, and I don't

remember eating so much! It was all in such small quantities.

We also took the time to review the different audio-visual proposals. This part of the Forum is hidden behind the curtains, but its role in making an event a success is critical. The website has been another of our challenges. We have worked on a completely new design which will provide some surprises.

The scientific committee, which is responsible for planning the working sessions of the Forum, is already well advanced with the programme. Over 15 workshops are more or less scheduled. It's tricky but we try to arrange the timetable so that there aren't obvious clashes in interest. We want as few disappointments as possible. I'm impressed with the range of subjects the national associations have come up with. Cyber risk and social media, for instance, are certainly topical. I would love to participate in the Ladies Lunch session: "Women in board rooms: a challenge for diversity?" Our goal is to have 40% women speaking in all our sessions. Will we reach those figures?

In the meantime, I need to wrap up the preliminary brochure before sending it to our printing house and preparing the distribution. I'm really excited to send out this first glance at the Forum.

Education and CPD

Each national association can send a risk management student to the Forum for free. The students will be supported by FERMA's head of education, Edouard Thys. For more information, contact Véronique De Hertogh at veronique.dehertogh@ferma.eu

The Global Association of Risk Professionals (GARP) is offering 11 continuing professional development credits for attendance at the Forum.



Party time!



La Bonbonnière

FERMA throws a great party for delegates and their partners to celebrate every Forum. The venue this year is La Bonbonnière or box of sweets. One of the most characteristic buildings of the historic city of Maastricht, La Bonbonnière was a theatre and takes you back in the 18th century. With its eye-catching painted ceiling and the typical balconies, the main theatre is the most magical room, but La Bonbonnière also has smaller, more romantic rooms like the White and Mirror salons.

Five (more) great reasons to attend the Forum

- Stimulating programme
- CPD points from GARP
- FERMA Night at La Bonbonnière
- Colleagues come for half price
- Free registration for 1000th delegate



LIVING AND WORKING IN A RISKIER WORLD
INSPIRE - EDUCATE - INFLUENCE
29 September - 2 October 2013
Maastricht Exhibition & Congress Center

Progress report on certification project

The FERMA board and presidents of the national associations will learn in April the results of the first stage regarding the creation of a European certification of professional competence in risk management.

This stage involves asking member associations what risk management training programmes they already have available. FERMA also asked for their views of risk managers' expectations and the benefits for companies, the risk management function or the image for the risk management profession. They were also asked how they would like to be involved in the FERMA certification process, first in defining expectations and second in participating to the recognition process.

A working group, consisting of the President of FERMA Jorge Luzzi, Vice President Michel Dennerly and board members Julia Graham and Isabel Martinez, is leading the project. Their aim is to present a definite recommendation at the FERMA Forum 2013 which starts on 29 September in Maastricht.

Since the initial decision of the General Assembly of FERMA in June 2012 was to explore the possibility of certification, FERMA has closely involved the associations in the project. Their suggestions will help determine the different levels of certification and names for them.



Jorge Luzzi



Michel Dennerly



Julia Graham



Isabel Martinez

Why is it called Forum?

Since its creation, the conference has pursued two different purposes: education and networking. For the education part, academic sessions, more focused presentations and specialised workshops are planned to offer a wide choice of themes and professional practices.

The second goal is to promote networking. Thanks to these exchanges, new ideas pop up. Professional relationships turn into friendship. It's for this purpose that FERMA invites every participant to take the opportunities to meet their peers. Such moments abound: lunches, coffee breaks, welcome reception, FERMA Night and the Market Place. Naming the conference after the Roman public exchange place was obvious.



Become a Thought Leader



Over the next two years, FERMA wants board, committee and national associations' members to come to the forefront of FERMA's communication strategy by becoming Thought Leaders.

This is the next important step in FERMA's strategy to strengthen the risk managers' community, empower FERMA members and increase awareness of FERMA's actions and content.

Four steps to becoming a Thought Leader

1. **Update** your profile on LinkedIn and **join** FERMA online (2 groups on LinkedIn : FERMA Risk Talk and FERMA Forum, Twitter, Slideshare, Website)
2. **Share** FERMA's blogs, presentations, press releases and newsletters, comment and like discussions on LinkedIn groups, retweet and reply to FERMA's tweets.
3. **Engage** on LinkedIn. Create your own debate, connect with your colleagues and invite your connections to FERMA LinkedIn groups
4. **Submit** articles. Write a short article in English on a topic of your choice (risk management in your country, a national event, a current concern in your industry...) to be published as a blog on FERMA's website and broadcast on FERMA's social media channels. It only needs to be 200-250 words. Any additional content you might wish to pass on or create is, of course, welcome. You'll find some examples of articles at <http://www.ferma.eu/news>

Social media like these should be valuable tools for risk managers. They can provide an unprecedented amount of expert information, in real-time and from a global perspective. Risk managers can share their experience and expertise, exchange ideas and opinions, and look for advice, solutions and recommendations that were once out of reach.



Follow FERMA @fermarisk and don't forget the #fermaforum hash tag. Make @fermarisk your #FF

Free: Optimise your LinkedIn profile



FERMA social media consultant Christophe Mallet has prepared a guide for risk managers to make the best use of their LinkedIn profile. It's free on request for FERMA member.

If you have any questions or requests, please contact Christel Jaumoulle: christel.jaumoulle@ferma.eu



« Fraud-liability and insurability under German law »



Herbert Palmberger

transferring the risk.

Fidelity insurance

Fidelity insurance - or more accurately infidelity insurance - has existed in England since the 19th century. However, the sums insured were very limited sums and applicable to expressly named persons only. In this shape it arrived in Germany in the middle of the 20th century, but since then the coverage has been extended continuously.

It now comprises, as standard, all willful acts committed by employees, relating to physical stealing of monies and goods, computer and systems manipulations, plus losses caused by hacking of computer systems by outsiders.

Insured are financial losses caused by "white collar" crime, theft, embezzlement, fraud (including computer fraud), unauthorised transfer or use of trade secrets and other deliberate and not just negligent acts.

Coverage includes also financial losses of third parties, and normally the sums insured comprise an amount between 5 and 20% for loss detection and legal costs in a particular case.

While this refers mainly to losses caused by own personnel, those caused by outsiders are covered as well. Those are typically data misuse by third parties, losses by outside hackers, robbery, theft, forging of payment orders, credit card fraud and the like.

A crucial point is the series of losses clause to cover in a clear and specific manner what are known as snowball or pyramid schemes and other rolling frauds. This can be done by describing certain crimes which may

Fraud, internal or particularly affect the corporation. It may external, can cost a also be achieved by a general clause corporation billions of referring to the time or economic context and dollars or euros and affect not just the company, but also the typical pattern of the crime to be insured against. Each country has its own approach to

implicate its directors and senior managers.

D&O insurance

One may wonder about mentioning of D&O insurance in the context of fraud crimes, as these are by definition willful acts, which are excluded by D&O policies.

Nevertheless, fidelity and D&O insurance may tie in if the criminal acts were possible because the corporate control and security systems failed or even were not in place at all. If the cause of this failure lay in negligence by company's directors and senior managers, then this is a matter for the D&O insurance.

When two US companies introduced D&O insurance into Germany in 1986 there was strong resistance from German insurers and supervisors. They felt it was unnecessary under the German legal system.

This has changed in the light of jurisprudence and legislation, in particular since the 1990s, but the typical D&O policy remains insured vs insured and not third party cover.

German fidelity insurance protects a corporation against willful acts of its employees and certain outsiders; German D&O insurance, by contrast protects the corporation against failures by its directors which caused financial damage to the corporation, not based on willful or intentional acts or omissions.

Furthermore, the fidelity insurer has a right to subrogate against the direct wrong doer, but it may also turn to the directors of the corporation for subrogation, if they negligently violated their organisational duties.

A feasible method of avoiding extensive subrogation litigation and negotiations is for German corporations to combine fidelity and D&O covers with the same insurer.

Dr. Herbert Palmberger is a partner with the law firm Heuking Kühn Lüer Wojtek. H.Palmberger@heuking.de

« Fraud and insuring it »

FERMA member, Jurand Honisch, Senior Vice President Risk Management & Insurance Corporate Treasury and Finance Bertelsmann SE & Co, Germany, comments:

« From a corporation's point of view, fraud has gained more and more importance over the last years as organisations and processes have become more complex »

The likelihood of such an attack and/or loss has grown significantly. The insurance industry offers coverage but has to keep pace with the clients' rising demand in respect to limits and capacities."

In particular, the implementation of an international fidelity insurance programme is still almost impossible although most of the risks do not occur in the well protected and organised headquarters, but in some remote branches or office.

Dr. Palmberger's idea to have fidelity and D&O covers combined is very clever due to the mentioned right of subrogation. But here also the question of capacity remains.

As a conclusion, fidelity insurance will become even more important within the next years and it is a great chance for the insurance industry to play a bigger role in the value-chain of the industry if capacities and coverage follow the client's needs.



Jurand Honisch



IMD 2: FERMA continues to make the case for professional customers

The Insurance Mediation Directive revision (IMD 2) entered its active parliamentary phase about three months ago, and its schedule is already suffering delays of several months, shifting from May to July for its final adoption.

Over this period, FERMA will continue to press its view strongly for changes to the directive to provide greater protection for the corporate insurance customer.

As the draft currently stands, only individual policyholders and small businesses will be automatically entitled to disclosure of their intermediary's remuneration. Buyers of insurance for large risks and the new category of professional customers are excluded from enforceable transparency.

Until the vote in plenary session, the Parliamentary Economic and Monetary Affairs committee (ECON) is responsible for carrying on with IMD 2, with the help of its appointed rapporteur German MEP Werner Langen. Of course, other committees are involved, but for opinions only. One of them is the Internal Market and Consumers Affairs committee (IMCO), which held one of its monthly sessions on 20 February.

Compromise problems

This meeting clearly showed how difficult it is for the parliamentary committees involved to reach a reasonable compromise, even among their own members. There are clear divisions between MEPs on remuneration and transparency of insurance intermediation.

IMCO has a specific focus on consumer protection and believes that the ECON draft report and its numerous amendments to the original Commission proposal are widely unsatisfactory. It would have liked to share the lead with ECON on the IMD 2 case, and cooperation between the two committees is not really smooth.

The rapporteur for IMCO, British MEP Catherine Stihler, has asked to postpone the adoption of her report by the committee, initially planned for 4 March. One reason is to have time to build stronger agreement among IMCO members in order to have more influence over the ECON debates. The second is to shift adoption until immediately before the ECON vote, now scheduled for 27 May, again with the aim of increasing its effect.

At this stage, nothing much has been done, either in IMCO or ECON, to reinstate the on-request disclosure possibility for the so-called professional customer, a major innovation introduced by IMD 2 but removed by the draft report presented in ECON.

In a nutshell

Directive: Insurance Mediation Directive 2 (IMD 2)

Current status: With the Parliamentary Economic and Monetary Affairs committee (ECON)

Next vote: ECON 27 May

Final adoption by Parliament: July

Members act

National associations are continuing to strengthen market transparency ahead of the final adoption of IMD 2. At its annual conference, Les Rencontres, in February the French association **AMRAE** signed a charter with the brokers' association CSCA and insurance association FFSA to formalise good practices in risk transfer. This latest pact updates previous market agreements which began in 2006.



Slawomir Pijanowski

In Poland, **POLRISK** President, Slawomir Pijanowski says that he hopes to start discussions regarding good practices of risk transfer and alternative risk transfer on a country level with local stakeholders during this year.

He comments, "POLRISK decided to support FERMA's position on IMD 2 mainly due to the fact that in 2010, FERMA and the European intermediaries' association BIPAR reached agreement on disclosure of brokers' remuneration, which was acceptable and reasonable for both sides of the market. We as POLRISK always support dialogue. There should be a balance of interests, also taking into account concerns of intermediaries and not only our own as risk managers."

Why is the Forum only every two years?

In 1981 FERMA took a decision that is easily understandable by people who attend conferences regularly. If an event is held annually, each edition repeats much of what was said the previous year. Unless there is something new, participants do not get sufficient return on their investment.

After more than two years, however, the continuity between what had been discussed and said on the last occasion would be lost. With a biennial event, the link with the previous Forum is still present and participants benefit from enough new materials and developments.



Collective redress: out of court settlement must be the rule



The possibility of an EU-wide mass claims system has been on the European Commission radar for years and is once again bouncing back with a

forthcoming communication from the Commission expected to be published by June this year. It will probably state the obvious and not take any decisive step towards one particular mass restitution scheme.

At the end of January, FERMA attended a major conference on collective redress hosted by Swiss Re in Zurich and chaired by Oxford University. It brought together various stakeholders on an EU level: academics, insurers, industries and professional associations.

There is quite a wide consensus that no one in the EU wants a pure US style collective action system. Everybody is well aware of its excesses and its detrimental effects on companies and consumers as well.

One of the responses in Europe to these excesses could be to introduce numerous safeguards to keep private litigation under a tight control. This could be done through a pre-court approval, the “loser pays” principle or the prohibition of punitive damages. But here’s one paradox about collective action: the more safeguards it has, the less collective action works. Controls can be so effective that the restrictions are too heavy and impose even longer delays.

Private litigation has also two serious flaws. One is the transactional cost. Even before the customer can achieve any positive result in court, he or she will spend a great amount of money on legal fees. The second major flaw is the duration. Court action is time consuming, and it’s no secret that courts across Europe are already flooded with cases and have limited resources.

On another hand, the major lesson of the Zurich conference was that out of court settlement is the best compromise to

« There is quite a wide consensus that no one in the EU wants a pure US style collective action system »

reconcile the consumer’s interest with legal certainty for companies through a fast, reliable and cheaper collective redress system.

Alternative dispute resolution (ADR) such as arbitration and mediation, along with public regulators and ombudsmen. offers a wide range of solutions that are flexible and can fit any of the 27 national legal systems across the EU.

Finally, compliance must remain a priority for companies and first of all as a reputational tool. ADR systems aim to eliminate any financial gain or benefit from non-compliance, but the risk culture of every company should also spread the idea among its managers that non-compliance never pays off.

Cyber strategy: The EU response to network vulnerabilities

In February, the European Commission published a strategy document on cyber security ([here](#)). This non-binding, yet indicative, document can be seen as the European counterpart of the US executive order signed by President Obama the very same week which aims at protecting the computer networks of crucial American industries from cyber attacks.

Along with this strategy document, the Commission is proposing a new legal instrument with a directive on network and information security (NIS Directive). This could become law in the 27 member states in less than three years. They will have 18 months to transpose the directive into their legal systems once it has been adopted by the Council and the European Parliament (possibly a year from now).

Under the proposal, strategic sectors to the economy and society (energy, transport, banking, healthcare and key internet companies) will need to manage risks and report significant incidents. To be regarded significant, the incident will have to impact heavily the core services of the operator and compromise its availability, like an outage or a cyber attack.

The competent national authorities will be the reporting entities but public disclosure is not mandatory. Let’s hope that it won’t change during the Parliament phase. Reputational damage is indeed the worst nightmare of a company suffering such an attack, and confidentiality between the national regulators and the market operators is a way to ensure an effective and reliable reporting system.

FERMA has already been involved in sharing knowledge, experiences and awareness of this problem within the risk management community. In January, we published research conducted in association with Zurich and Harvard Business Review Analytic Services: “Meeting the Cyber Risk Challenge” (available [here](#)).

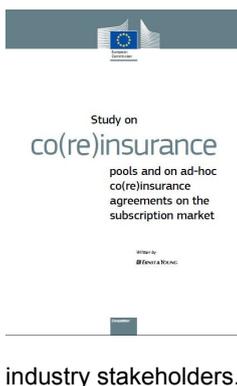
The main lesson from this work was that the success of a cyber risk company strategy lies in the creation of an organisation-wide plan to address the risks. It needs not only the IT department but also the full involvement of the board, top management and every employee. There must be training, communication of common sense measures and adequate investment in data protection and backup solutions.

Reporting incidents does surely prevent further damages but it is a small part of the equation. On Thursday 15 March, global insurance broker Marsh released a report ([article](#)) stating that the demand for cyber coverage jumped 33% in 2012. Now it is up to FERMA to discuss those findings with the EU authorities.

Cyber risks, not just the domain of the CIO, are the subject of a workshop at the FERMA Forum on Tuesday 1 October.



Co-insurance works, say FERMA and E&Y



The long awaited Ernst & Young study on co(re)insurance pools and on *ad-hoc* co(re)insurance agreements on the subscription market was released in February.

On 12 March 2013, members of the FERMA team attended the workshop organised by the European Commission to present the main findings of the study to insurance and risk management industry stakeholders.

The research is part of the preparation of the Commission for discussions on the Insurance Block Exemption Regulation (BER), which expires in its current version on 31 March 2017.

The Commission wants to get a better understanding of existing pools in the EU and to assess whether these pools fully comply with the block exemption from EU competition rules. The study was intended to be descriptive and does not seek to make recommendations.

The conclusions of the report – which in full is 645 pages – will not surprise members of FERMA. Although a previous study expressed concern that an alignment of premiums among co-(re)insurers might be the result of agreements or concerted practices between underwriters, the E&Y research did not identify any such collusion.

Yes, it did find that pool premiums were generally consistent with those charged by the leader, but the competition had simply taken place at an earlier stage.

Respondents indicated there was intense competition in the market for the selection of the leader and, therefore, for the initial determination of premiums, “such that there is no further efficiency to be squeezed out of the following market.”

The report continued: “On this analysis, even though there is no constraint on seeking further reduction from individual (re) insurers in the following market, the marginal benefits that might be achieved are perceived to be less than the frictional costs of seeking them, and alignment of premiums reflects an equilibrium.”

“The Commission wants to get a better understanding of existing pools and assess whether these fully comply with the block exemption from EU competition rules”

FERMA says

For the past five years, FERMA has consistently reminded the European authorities that the exemption from the application of EU competition rules provides more benefits than issues for the market. Some pools at national levels are really needed where the traditional insurance market is not interested or cannot solve a market problem on its own. This can be for unusual risks, terrorism or natural catastrophes for example, or for specific activities, such as marine liability and nuclear power.

“It is clear for FERMA that this practice is part of the basic functioning of the insurance market in Europe”

Co-(re)insurance is also under scrutiny by the European Commission, but it is clear for FERMA that this practice is part of the basic functioning of the insurance market in Europe. It has been working properly for years, ensuring

that large risks can find sufficient coverage, and should be allowed to continue without further obstacles.

For the insured and the broker, this practice saves precious time, avoiding heavy and complex individual negotiation with every possible coinsurer. It also brings legal certainty for the parties, making sure that terms and price are clear and consistent when it comes to handling claims and resolving disputes.

Subscription placement whether as insurance or reinsurance is not an obligation; insured and brokers remain free to negotiate and contract on an individual basis. This practice is just the most appropriate for all the parties involved.

Coinurance business in Europe is attractive and competitive because of a world-recognised EU expertise. It is important to preserve these capabilities and ensure EU competitiveness with other coinsurance markets outside the European Union.

In a nutshell

Regulation

Block Exemption Regulation -BER-

Expires : 31 March 2017

Public consultation: 2015

Commission’s report: expected by 2016

http://ec.europa.eu/competition/sectors/financial_services/study_co-re-insurance_en.pdf

FEDERATION OF EUROPEAN RISK MANAGEMENT ASSOCIATIONS - FERMA AISBL

This Newsletter is produced by FERMA. If you have any questions concerning this Newsletter, please contact Florence Bindelle at FERMA on +32 2 761 94 32 – email: florence.bindelle@ferma.eu

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