

Media release

Pandemic forces insurance rethink

A senior Brisbane-based insurance broker says the Covid-19 pandemic means insurance brokers need to work with their clients to rethink how insurance programs are structured.

Stephen Hamill, Director, Risk Management with Austbrokers Comsure Insurance Brokers, says the pandemic, coupled with other hazards, including climate change, has created circumstances in which brokers must help their clients navigate through a vastly altered business landscape.

“Global manufacturing markets and supply chains are under extreme pressure, so Australian businesses must understand their exposure to and reliance on international markets when considering business continuity planning,” Mr Hamill says in a new white paper, [*Navigating risk in a time of change*](#).

“The availability of capital will be key to business expansion moving forward and financiers will factor in sustainable supply chains in lending criteria. That means many previous global options may be replaced with onshore options as a more reliable source of raw material.

“Business will want a predictive capability and accurate pricing of risk in business decisions. As cyber crime and social engineering become the new forms of highway robbery and piracy, it is essential to underpin confidence in the supply chain and future proof cyber-trading platforms.”

Mr Hamill says insurers are redefining risk appetites and acceptances in the changing environment.

Brokers need to work with their clients to implement effective risk management so they can source appropriate insurance coverage.

“When discussing clients’ risk management drivers, insurance brokers need to replicate language the client uses internally so they understand the context.”

Mr Hamill says brokers need to get clients thinking about their risk tolerance, questioning why they buy certain classes of insurance, and considering how risk mitigation can alter the impact of potential perils facing their businesses.

“Brokers need to assist clients to collate data and use risk management tools to develop risk registers for the exposures clients want to transfer to an insurer,” Mr Hamill said.

He said clients also needed to consider:

- Management liability implications of Covid-19-related losses that underwriters will not cover.
- Business interruption reviews for profit centres that may have altered or closed.
- Supply contracts with onerous contractual conditions, including tight time frames with no extension of time relief or inadequate *force majeure* clauses.
- Asset value reviews – will stock levels shrink or inflate post Covid-19?
- Technology liability – global interconnectivity is a threat as well as an opportunity.

The white paper – [available here](#) – details how risk management can enable brokers to better present their clients' risks to underwriters.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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About Austbrokers Comsure

Austbrokers Comsure (AB Comsure) was formed in 2020 when three south-east Queensland-based brokerages – Comsure, Bestmark and Citycover – combined their skills and strengths.

Each brokerage has a long-standing reputation in the insurance community for quality customer service, risk management advice and claims management. Comsure was launched in 1974, Citycover in 1972, and Bestmark in 1984.

AB Comsure is now the largest Queensland brokerage in the Austbrokers network. Austbrokers is part of AUB Group, an ASX-listed company.