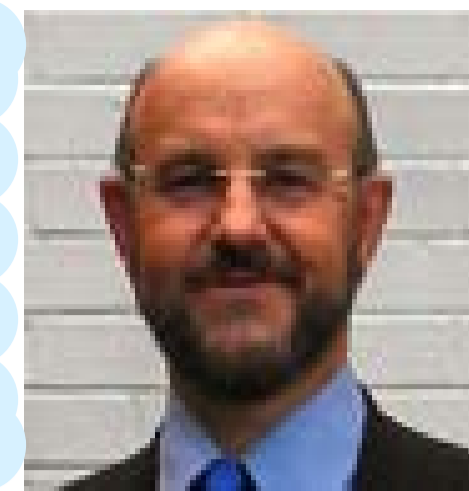
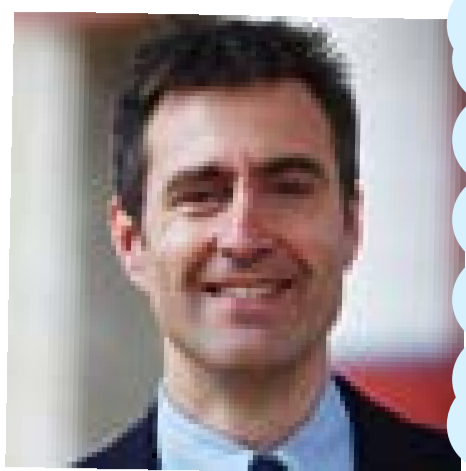


**Insurability of Supply Chain Risk:
Developing a Research Agenda**



Olivier Hautefeuille SCOR

- Exposures
 - Cat
 - Cyber
 - Space weather
 - Political risk
- CBI increasing problem
- wordings poor
- Not active on SC
- Non Cat becomes Cat
- Coverage limited, tier 1, sub limit
- Relationship between supply chain and risk managers poor
- complex sectors
 - Oil and Gas
 - Pharma
 - Aviation and defence
 - Auto
 - Hi Tech

Goals (day)

- Represent Eco System
 - Risk managers
 - Academics
 - Insurers
 - Consultants
 - Bond market
- Define and prioritise research
- Provoke debate
- Event driven simulation

- Priorities (before)**
- sectoral or Macro
 - Tools for SC
 - Aggregation
 - Framework
 - Data for SC



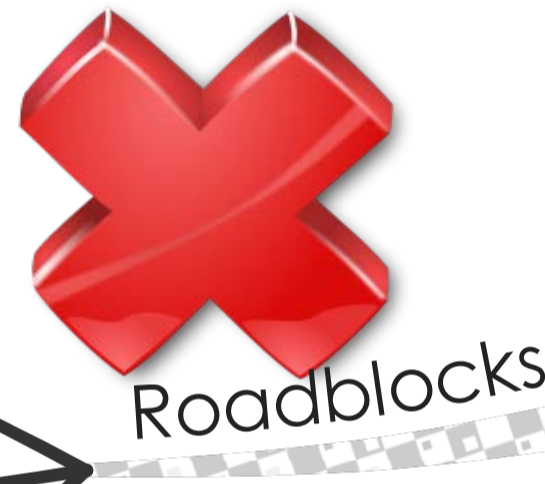
Martin Christopher

- Understanding of supply chains beyond Tier 1
- Risk reporting to include supply chain
- Formalised risk management for supply chain
- Lack of understanding that supply chain can be designed into a product
- Future research
 - Impact of sourcing strategy on CSC
 - focus on resilience
 - Development of frameworks to maximise flexibility
 - Growing threat of Cyber risk

Andrew Bradley Nestle

- link to sustainability
- Will clients pay
- Paying claims
- ERM approach key
- role of procurement
- Insurers role key, identify losses

"Network that runs the business"



- Roadblocks**
- Information is confidential
 - Huge amount of data
 - Complexity



- Solutions**
- Accumulation potential
 - Early warning
 - Single point of failures?
 - Market database of disruption
 - Separate coverage by class
 - Stress Scenario

Data

- Whats in place
- Industry led multi sector
- Supply chain standards/ ISO
- Standards
- Scenarios & Stories
- QA
- Sharing

Research priorities

- Standards
 - Value of SC
 - CIPS, CII, Cabinet
 - Financial
- Critical nodes
 - Geographic
 - Infrastructure
 - Dependency
- Application of Insurance products

Problems

- Cost of supply chain greater than premium
- not enough Insurance
- Tier 1 companies can be in 000's
- 9 month minimum to pay claims
- Do property loss adjusters understand issues
- wordings poor

Tools

- Radar for critical suppliers
- Clustering
- Audit standards
 - SC21 in Aero and defence
- coverage
 - Better
- Education
 - Data on near misses
 - Procurement role



Aggregation

- Short term
 - Map priority sectors
 - Pilot SCR maps
 - Matrix Industry/ loss type
 - Claims scenario databank
 - Develop banking stakeholder
 - Inventory existing info and nodes
- Long term
 - Value measure definition
 - Multi line multi year coverage
 - Shape regulation
 - Training and development
 - Disclosure requirements