

# CHUBB®

## Benelux Risk Forum 2021 post event report







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# A Post-COVID-19 World: What's Next?

Chubb Benelux Risk Forum, 16 September 2021



Ron Verhulsdonck,  
Country President Benelux at Chubb

The worldwide COVID-19 pandemic has created socio-economic disruption of a magnitude not seen since World War II in this part of the world. A human tragedy that will have health, economic, political and security implications for years to come.

For many people though, the return to networking during 2021, meeting and greeting in person rather than virtually, was most welcome - even if it was shortlived. It was in this spirit that we were delighted to reconvene for the Chubb Benelux Risk Forum in Breda in September, our first in-person event since countries locked down in spring 2020.

So what will a post-COVID-19 world look like? It was the central theme of the Chubb Benelux Risk Forum in September 21, our first in-person event since countries locked down in spring 2020. During the event, moderated by Michael Irish' Stephenson, renowned experts discussed some of the major issues facing risk professionals as the world tries to get back up to speed.

Our speakers gave us insights that will resonate beyond the borders of Benelux, so I hope this publication will be interesting for Chubb's clients and partners everywhere.

Here you will find philosopher and consultant Bart Brandsma exploring solutions to polarisation in society and David Crikemans, Associate Professor in International Politics at the University of Antwerp, examining the geopolitical fault lines created by COVID-19 and their consequences.

Consultant Hugo Crul gave a lesson in how to negotiate a deal in a way that leaves everyone happy with the outcome, while Prof. Dr. Marc Van Ranst, Virology Professor at University of Leuven, demystified the SARS-CoV-2 virus that causes the COVID-19 disease.

Chubb's Kevin Smith and Cara Brown looked at what organisations can do to protect themselves from the rising tide of destruction caused by strikes, riots and civil commotion. Meanwhile, Former Netherlands Chief of Defence, Tom Middendorp, demonstrated that climate is a risk accelerator and laid out a battle plan for corporate resilience.

It was great to get back to live debate and conversation over coffee. I think the following pages give a good account of what animated us that day.

**Ron Verhulsdonck**  
Country President Benelux at Chubb





# False alarms

Prof. Dr. Marc Van Ranst, Virology Professor  
at University of Leuven

# The known unknowns of COVID-19

The COVID-19 pandemic seems to have entered a different phase, but the overall battle against infectious diseases is far from won. Prof. Dr. Marc Van Ranst, Virology Professor at University of Leuven, explains why.

The movie character Forrest Gump famously said “life is like a box of chocolates. You never know what you’re going to get”. That’s also true for pandemics, according to virologist Marc Van Ranst, speaking at Chubb’s Benelux Risk Forum. “One thing is for certain: pandemics can be really severe. The plague in the fourteenth century had a toll on the population of Europe that took 200 years to recover from.”

In 1918 the so-called Spanish flu pandemic was 150 times worse than a normal influenza, with an estimated 25-50 million deaths worldwide. The impact is hard to imagine today. Van Ranst concedes that it is beginning to be imaginable though, with COVID-19 being 10-15 times worse than a normal flu.

Van Ranst pointed out that we have all been in contact with different coronaviruses before COVID-19. “In 2003, before the SARS epidemic in China and Hong Kong,

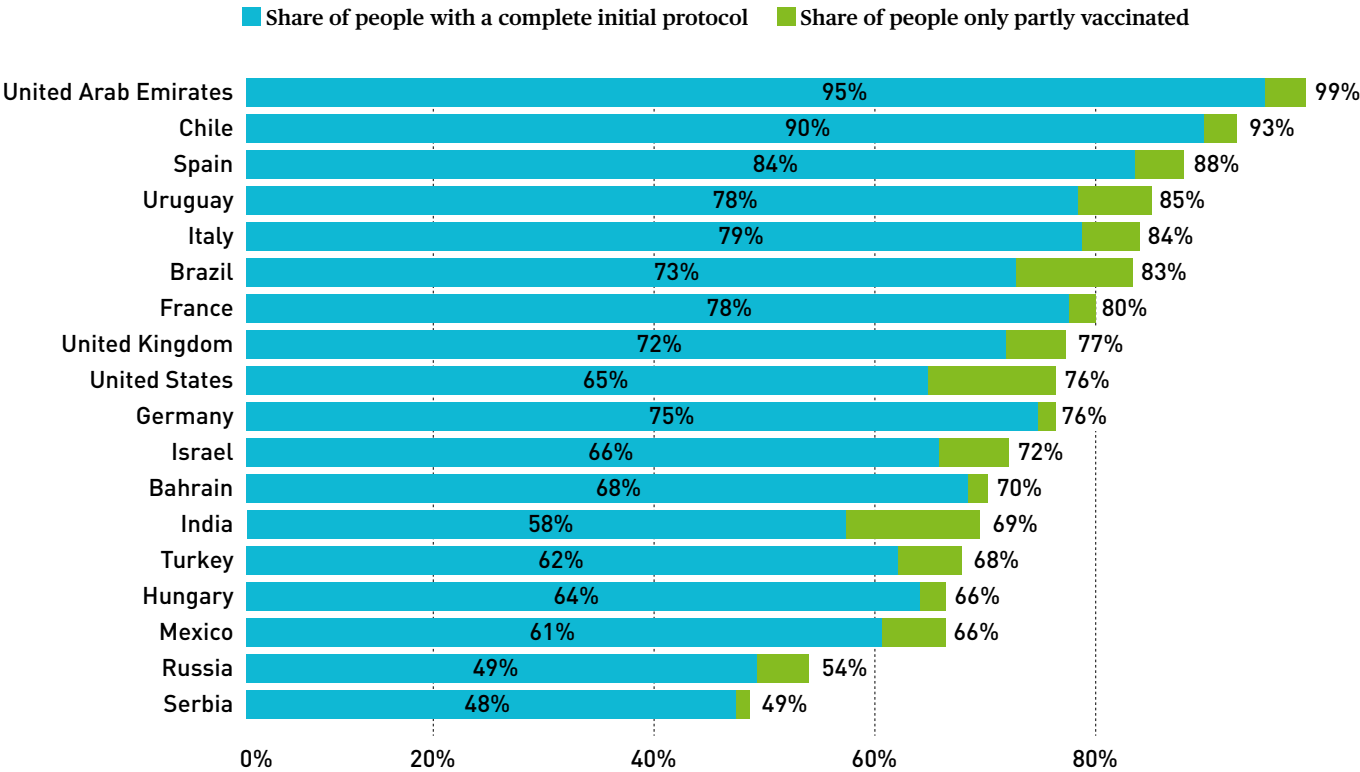
my lab was working on the OC43 human coronavirus. It was not even sequenced completely then, but we thought it was interesting as a hobby project. It was recent; it had jumped from cows to humans around 1890. The Russian flu pandemic happened at that time, killing approximately two million people across Europe. It was a coronavirus and the symptoms were exactly the same, including loss of smell and taste. But at some point it lost its potency.”

“The problem is we don’t know when the jump from a deadly coronavirus to a common cold happens: it might take decades, it might take years. OC43 was a deadly virus in 1890 and by the 1970s it was a common cold. We have no idea when that balance tilted. It’s the same with COVID-19: we don’t know when it will become a common cold virus,” Van Ranst said. ►

“The problem is we don’t know when the jump from a deadly coronavirus to a common cold happens: it might take decades, it might take years.”



Share of people vaccinated against COVID-19, Mar 6 2022



Source: Official data collated by Our World in Data.  
Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol are ignored to maximize comparability between countries.

SARS-CoV-2 is the virus that causes the COVID-19 disease. “It is extremely transmissible now, which is a good sign. Being deadly is stupid for a virus in evolutionary terms.”

When SARS-CoV-2 arrived it was seen by epidemiologists as the “brother” of SARS-CoV-1 which appeared in 2003: “We thought it would be like 2003, when 8000 people got infected and 800 to 900 people died. We thought that the epidemic caused by SARS-CoV-2 would last 10 to 12 weeks, like a normal flu epidemic. We were wrong.”

#### Patchy recovery periods

What happened next and the mounting death toll around the

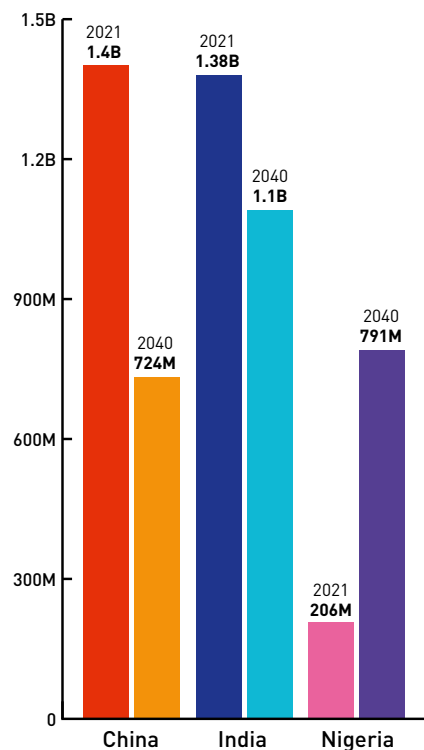
world is well documented, as wave after wave of infections have rolled across different countries and regions.

At the time of the Risk Forum, September 2021, 41.5% of the world’s population had received at least one dose of vaccination in what became the biggest vaccination campaign ever, in the shortest period of time.

“The problem is that the distribution of vaccines has not been even,” Van Ranst said. “Only 1.9% of people in low income countries have received one dose. In Africa, for example, hardly anyone has been vaccinated. It enables the mutation motor to keep running.” ►







Population trend 2040  
top 3 countries

As a consequence, there will be a huge disparity in recovery times. High income countries will recover next year, but low income countries will struggle, Van Ranst said. High income countries can absorb the cost of vaccination campaigns, which is 0.8% of their health budgets. In low income countries, the vaccination programmes represent 56% of health expenditure for budgets that are needed for other diseases like malaria and tuberculosis.

Van Ranst pointed out that recovery in Europe was not homogeneous. Belgium and the Netherlands were doing really well, whereas CEE countries were at the lower end of the table.

“The same is true in the US where the divide is stark. In Democrat voting states, vaccination rates are really high. In Republican voting states they have currently vaccinated 40-55%, which is a lot less. When you see overflowing intensive care units, it’s in the Republican states.”

“Health behaviours depend a lot on your political affiliation in the US... and that polarisation is visible in other countries too.”

#### Predicting the next pandemic

Van Ranst says it is impossible to know when the next deadly virus outbreak will happen, although some elements can be predicted. For example, it’s likely that the next pandemic will start in Asia.

“When you look at it from a population density point of view, China and India are the most likely locations, maybe even Western Europe. The probability of anything happening to humans is highest in these populous places.”

Population trends add a nuanced interpretation. China’s population is 1.4 billion but it will go down to 724 million by 2040; India’s population will reduce from 1.38 billion to 1.1 billion. Nigeria, on the other hand, is projected to grow from 206 million to 791 million over the same period.

“Airplanes are the aluminium insects that spread diseases today.”

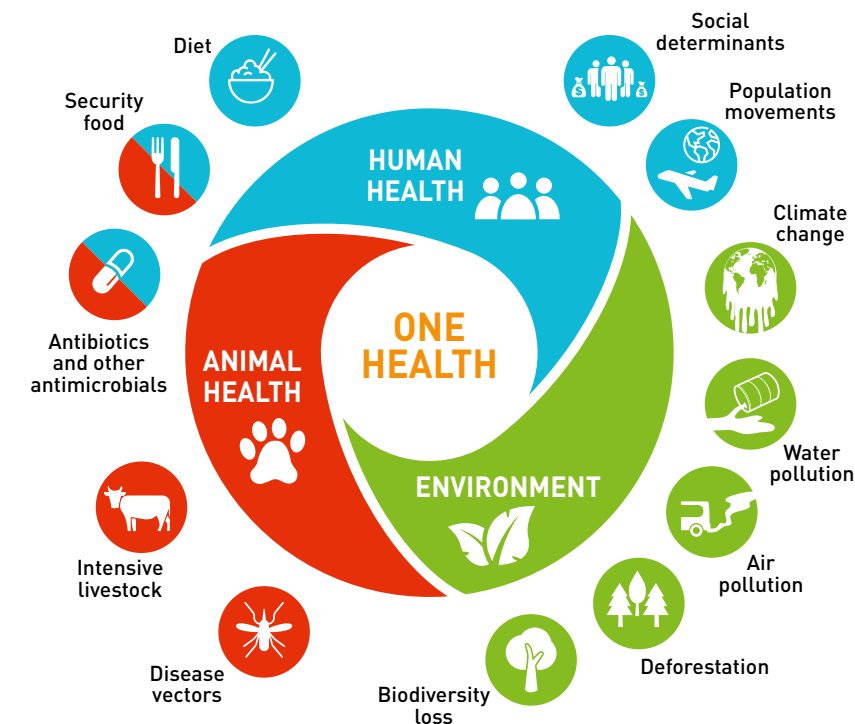
The probability of a rural outbreak is small, however, compared with a big city. Wuhan, where COVID-19 first appeared, is a case in point. It was designed as central China’s transport hub. It grew sharply from 2008 to a modern city in 2018, with many of the concomitant urban problems. Its geographical connections fuelled the distribution of the COVID-19 virus.

“Airplanes are the aluminium insects that spread diseases today,” Van Ranst said.

Another strong prediction is that the next virus will again be an RNA virus, like SARS-CoV-2 is. This means that unlike in humans and other mammals, the genetic material for SARS-CoV-2 is encoded in ribonucleic acid (RNA). Viral RNA mutates very rapidly according to Van Ranst.

The likelihood of the next pandemic being another respiratory virus is also high: “It’s a faster moving virus because it spreads easily, compared to say HIV. Small droplets from coughs and sneezes can travel up to 10 metres.”

Van Ranst believes the next pandemic will start as a zoonotic infection – an animal infection that



Human health and animal health are interdependent.  
At the same time, both depend on the environment.

jumps to humans. The SARS-CoV-2 virus took a zoonotic route but scientists are not sure about the intermediate host. It could have been the pangolin, an exotic rare animal which is traded illegally: “They are eaten in certain restaurants and their scales are used in traditional medicine. It’s likely that the SARS-CoV-2 virus made the jump in late 2019 through people handling pangolins.”

“If you want to improve human health, you have to improve animal health. And you have to promote a healthy environment. It’s why collaboration between ecologists and virologists has intensified over the last 10 years,” Van Ranst said.

#### Be prepared

Van Ranst is certain that the world will experience more pandemic events, but experts don’t know if the next one will be tomorrow or in 30 years’ time.

But, irrespective of the timeline, everyone should be prepared: “The countries that dealt with COVID-19 most effectively were the ones that had experience of SARS in 2003, such as Hong Kong and Singapore. They had more tracing capability, for example. You’re never completely ready for the next time, but at least now we are all a bit better prepared than we were before the COVID-19 pandemic hit us.” ■

“If you want to improve human health, you have to improve animal health. And you have to promote a healthy environment.”



# A shift in the balance of power?

COVID-19 has accelerated the geopolitical trends that shape our world order. For the superpowers it could mean a big reassessment of their priorities, according to David Crieckemans, Associate Professor in International Politics at the University of Antwerp.

The COVID-19 pandemic and the resulting lockdown exposed the often fragile interconnections between health, economy, energy, sustainability and politics around the world. In his discussion of the geopolitical forces at work, David Crieckemans, Associate Professor in International Politics at the University of Antwerp, said that dislocation left many policy-makers questioning the status quo.

Friction became apparent early on, Crieckemans recalled: “It felt like a survival of the fittest situation.”

In Europe, at that time, there was a discernible change of tone among policymakers and a feeling that the evolving health situation was more serious than had originally been thought.

“Everyone saw they had to adapt to a new mindset. The acute crisis

came when everyone went into lockdown. In Europe, the internal market, which we had taken for granted, seemed to crumble: masks and ventilators could not come through. There was a real sense that we had to protect the internal market.”

Meanwhile, in China, where the outbreak was first recorded, the government was in denial to start with. “Then came a reverse, a harsh lockdown, with China comparing its tough response to the ‘disaster’ unfolding in Europe: ‘look at us, we have better policy decisions’. The geopolitical issues came in early.”

In terms of their effectiveness at managing the expanding COVID-19 health crisis, Crieckemans noted that national systems worked to a greater or lesser extent acting independently: “But the lesson is we have to work more globally. ►

“Everyone saw they had to adapt to a new mindset. The acute crisis came when everyone went into lockdown.”

David Crieckemans, Associate Professor in International Politics at the University of Antwerp





#### About David Crikemans

Dr. David Crikemans is Associate Professor in International Relations at the University of Antwerp (Belgium), where he teaches 'Belgian and Comparative Foreign Policy' and conducts UN Security Council simulations. He is also Assistant Professor in International Relations & International Security at University College Roosevelt, and Senior Lecturer in Geopolitics at the Geneva Institute of Geopolitical Studies in Switzerland.

He is the editor of the new book series 'Geopolitics and International Relations' and recently revealed the first book in this series: *Geopolitics and International Relations. Grounding World Politics Anew*. More information can be found on the website of Brill Academic Publishers [brill.com/view/serial/GEOP](http://brill.com/view/serial/GEOP).

A shift in the balance of power?

We need to strengthen our multilateral organisational capabilities."

From a practical point of view, multinational networks can facilitate pandemic 'forward teams' on the ground, taking samples for example. Such a resource existed in the US in the Obama era, but was disbanded by Donald Trump.

#### Inequality and the economy

The health crisis brought social inequality sharply into focus, Crikemans said: "Blue collar workers were more affected than white collar workers, around the world. Countries with the weakest health systems were hit hardest."

"In the US, the pandemic amplified questions around the state vs the market; the role of the government in society in managing risks."

Turning to the economic fall-out of the pandemic, Crikemans asked audience members for their estimate of "what percentage of the total existing US\$ was created in the last 18 months?"

The audience accurately estimated a staggering 21%: from \$15.3tr to \$18.3tr.

"It was the policy of Quantitative Easing (QE), to keep the economy moving. In 2008, when QE was initiated, it took quite a while for governments to act and create liquidity. The pandemic prompted the same response, plus other direct funding mechanisms like 'COVID cheques'," Crikemans said.

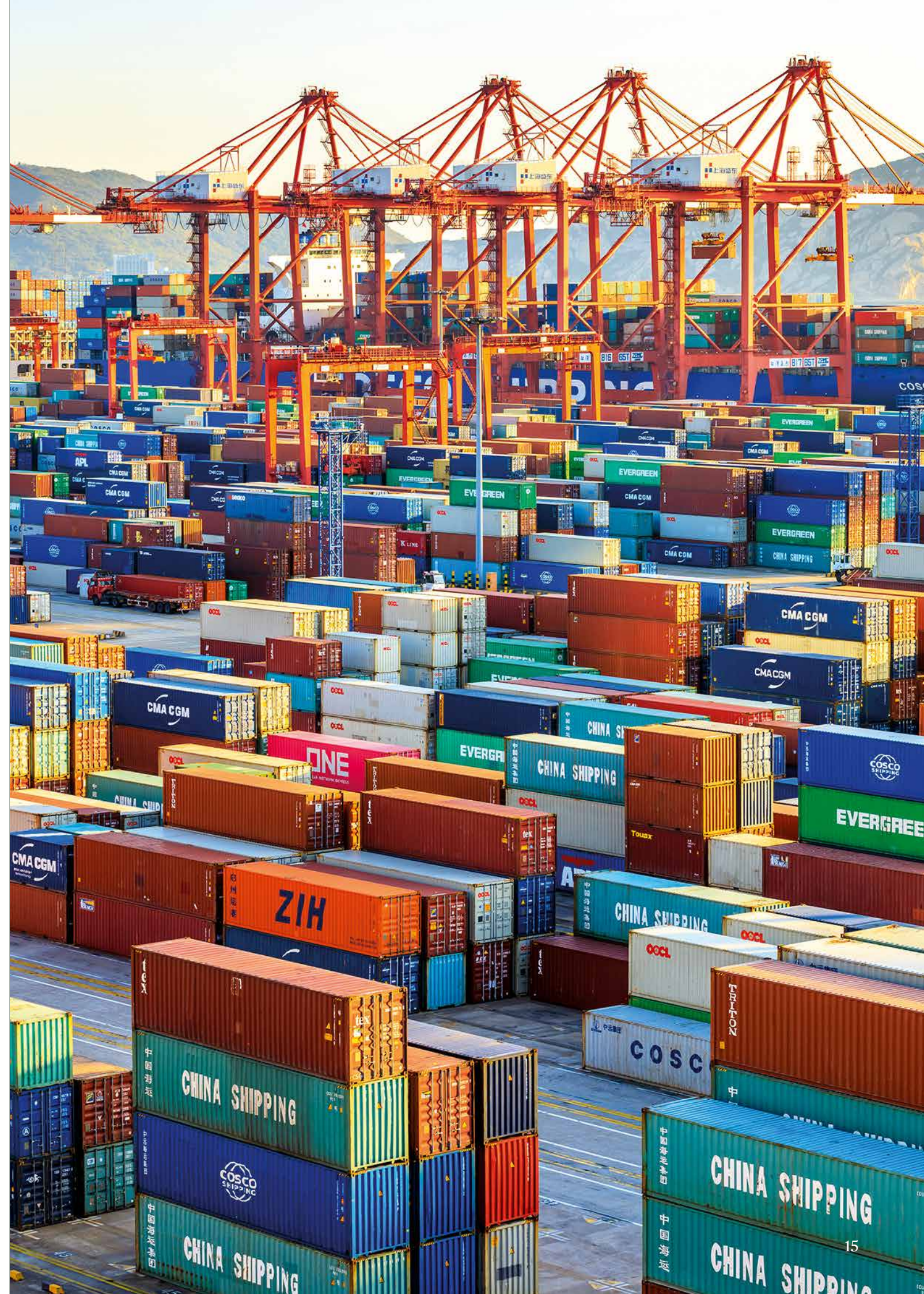
Noting that all central governments responded in a similar way, led by the US, Crikemans said the

strategy begs several questions: "What effect will it have on the position of the dollar in the international financial system? Does it weaken the dollar? Will inflation become structural? What effect will it have on infrastructure investment and new green deal investment?"

"Global supply lines have been disrupted and are re-setting, meaning that some supply lines are being brought back home - which could be good for local economies."

Again in the economic sphere, the global lockdown has created a re-think of trading relations, Crikemans said: "Global supply lines have been disrupted and are re-setting, meaning that some supply lines are being brought back home - which could be good for local economies. France in particular believes that we must revisit European critical supply lines, including energy, and we shouldn't be so dependent on a small number of locations. It creates opportunities."

The US and Europe are going to rebuild their economies, taking account of the necessary sustainable energy transition. The pandemic situation has also helped to inform us about our dependencies in this respect, Crikemans said: "Governments are asking if we should bring home some of these critical supply lines to get energy diversification, even if it costs more." ■







Richard van der Put,  
Health & Mindset Expert  
at Mind Elevators

# Surviving stress and lockdown lessons

Stress, energy and sleep management were the key themes exercised by Richard van der Put, the health and mindset expert, during the Young Insurance Masterclass.

In a lively interactive debate moderated by Michael Irish' Stephenson, van der Put encouraged the masterclass participants to examine their stress levels and consider whether new behaviours could improve how they deal with stress.

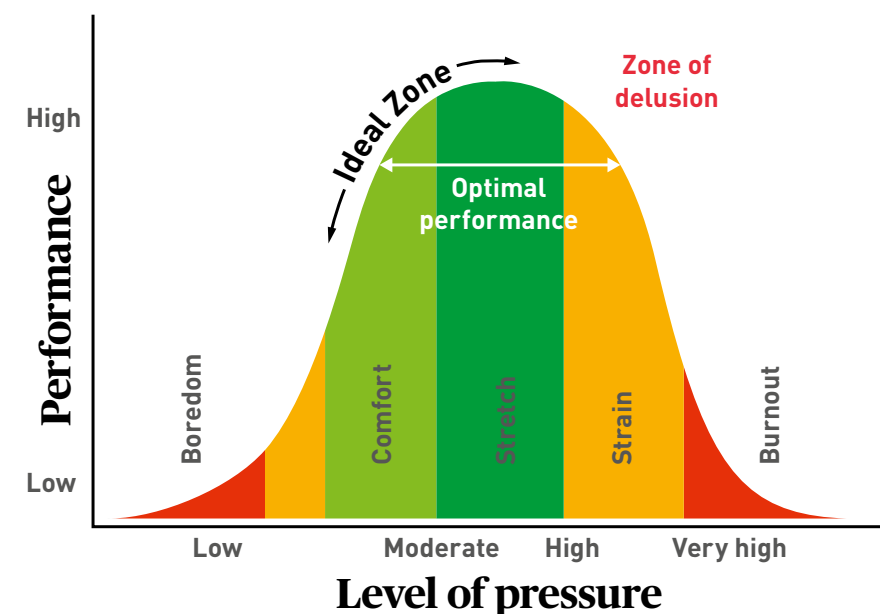
On a scale where 100% stress causes a burn-out and 0% leads to bore-out, van der Put suggested it pays to know where you are operating on the spectrum: "Actually, your optimum performance level is around the 40-60% stress. It's relative, but you should try to stay in the centre of your own zone."

The best way to manage stress is to nourish energy levels in different "departments", van der Put advised. Physical, emotional

and spiritual energies are crucial, he said.

During lockdown, emotional energy especially was at low ebb. "Your friends and relatives are what recharges your emotional energy battery. A lot of people had problems with this in lockdown due to lack of contact. An alternative therapy [when locked down] is to reflect on those times, think back to being with your people. It helps re-charge emotional energy."

Eating and sleeping regimes are important too and van der Put recommends a Japanese principle of eating up to 80% of feeling full and then stopping. It's possible to calibrate your own hunger scale with practice, he said. ►



"The best way to manage stress is to nourish energy levels in different departments."





On sleep hygiene, van der Put stressed that maintaining a strict sleep cycle optimises the benefit of sleep, as opposed to the length of time spent sleeping. “The rhythm is important; go to sleep at the same time every night. This idea of rhythm continues through day time and it is best to maintain the same periods of resting, working and eating if possible.”

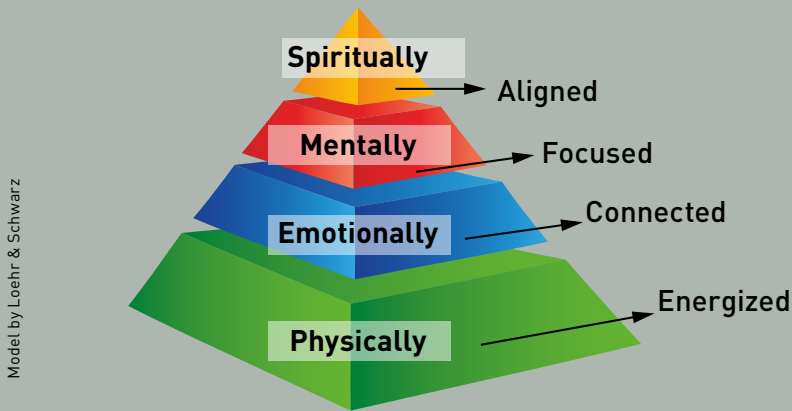
The emphasis on rhythm means that sleeping in through the morning at weekends to catch up is not recommended. That was not good news for the young people in the audience. However, in answer to a question on napping, van der Put said short sleeps of no longer than 20 minutes are acceptable and would not disrupt the sleep cycle.

Summing up, van der Put said that his baby son was a source of inspiration to him during the lows of lockdown. Learning how to toddle when he was one, he never thought about giving up: “Inside everyone is the innate urge to not give up until you can walk. Find that urge and keep working at it until you get where you want to be.” ■

“Inside everyone is the urge to not give up until you can walk. Find that urge and keep working at it until you get where you want to be.”

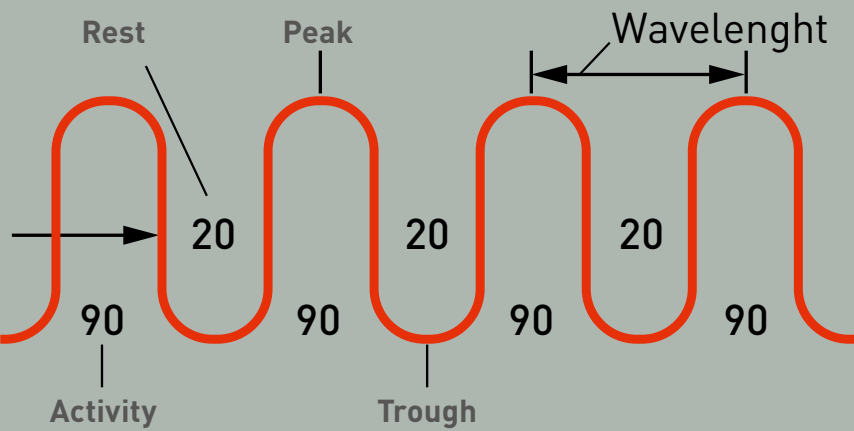
## Energy management - 4 levels

Full engagement requires you to be



Optimal energy in the context of high performance. Physical energy is the foundation for the full engagement.

## Waveform of life



## Ultradian Rhythm



# What was the biggest impact COVID-19 has had on you professionally?

“The biggest impact on me professionally? It is very difficult to work if you have two kids at home.”

“Our teams are actually connected better now [than before], thanks to the board prioritising and managing it.”

“I was only able to meet my new colleagues after eight months.”

“I missed staying connected with the company and with colleagues informally.”

“Being challenged by colleagues that you hadn’t yet formed a relationship with was hard.”

“Networkin that started in lockdown is transforming into mentoring, with the participation of our senior managers.”

“Before COVID-19 it wasn’t acceptable to work from home in my company but now it is - a few days a week at least.”





# Poles apart – understanding polarisation

Polarisation, manifested in closed societies and intolerance, seems to be growing. It threatens the stability of our countries, neighbourhoods and companies. In a thought-provoking presentation, philosopher and consultant Bart Brandsma lifted the lid on polarisation and suggested a strategy to manage it.

Bart Brandsma describes himself as a practical philosopher, trained in socio-political philosophy, who's also worked as a TV and print journalist. He has witnessed the effects of polarisation first-hand in places like Northern Ireland, Congo and Lebanon.

It occurred to Brandsma that while there's a wealth of study around actual conflict (often a by-product of polarisation), surprisingly little work has been done in the specific area of polarisation. It led him to develop a polarisation framework that he now uses to advise public figures and policymakers, such as mayors and politicians.

Brandsma argues that polarisation is built upon three rules and five roles.

The first rule is that polarisation is a thought construct, us-and-them thinking that's based on identities

“Think about men talking about how women don't know how to parallel park. That's fuel.”

and groups. Polarisation is the spin, the story exploiting an incident or conflict such as pro- and anti- vaccination camps.

Second, polarisation needs fuel; it thrives on talking about identities in combination with judgment. If there is no communication, no energy put into the polarisation, it will die out. “Think about men talking about how women don't know how to parallel park. That's fuel,” Brandsma explained.

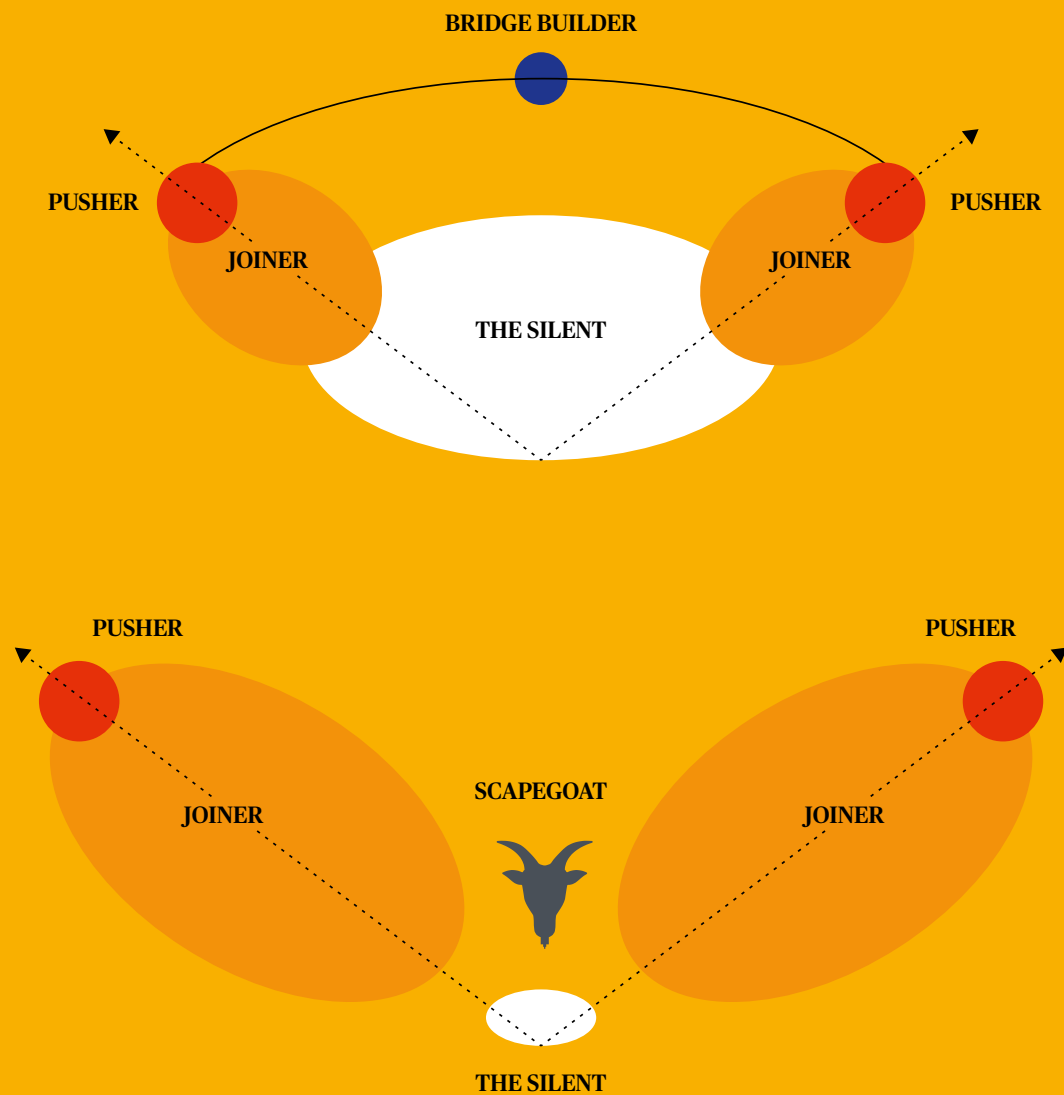
Last, polarisation is about gut feelings and emotions. It means simply that facts and figures won't get the job done in managing polarisation. ►

“Polarisation is about gut feelings and emotions. It means simply that facts and figures won't get the job done in managing polarisation.”



Bart Brandsma,  
Philosopher and  
Consultant at  
Inside Polarisation





**Common polar opposite ‘us vs them’ thought constructs**

Government	Corona fighters
Muslim	Non-Muslim
Farmers (Country)	The Rest (Town)
Climate activists	Climate deniers
Cosmopolitans	Nationalists
Black Lives Matter	White majority
Elite	People

**Five roles**

The five role players in polarisation comprise the Pushers, the Joiners, the Silent, the Bridge Builders and the Scapegoats.

The Pushers position themselves at two opposing poles to create polarisation, Brandsma explains: “Pushers have a simple task - to provide fuel with statements about the identity of others. Pushers are idealists and have moral energy. They don’t want a real dialogue.”

The Joiners have chosen sides and moved towards the pushers; this is polarisation unfolding. Joiners are not as extreme as the pusher but claim to be a bit more reasonable.

The Silent or middle ground have not chosen sides, and are not taking part in polarisation. They could be neutral, scared or indifferent. “Some don’t care what is said by the pushers. Some are engaged and well informed. The professional neutrals are often those in public roles, like teaching or government,” Brandsma said. “But they are targeted by the pushers and the polar contest is actually won or lost in the middle ground.”

The well intentioned Bridge-builder is trying to bring peace and moderation by reaching out to both opposing poles. But by doing so, he or she underlines the existence of the two poles, and as a result might even be adding fuel to the polarisation, Brandsma believes: “They do something that the pushers love: they give them visibility. They provide fuel with their counter-narratives.”

Meanwhile, the Scapegoats, who could be the bridge-builders or in the non-polarised middle ground, are being blamed or attacked.

Pushers have an enemy, but their target is the middle, Brandsma said: “It is harder to be in the middle of a severe polarisation. You risk being the fifth role, the scapegoat. It’s a warning - neutrals will become scapegoats.”

**Strengthen the middle**


So, what is the best strategy to manage polarisation? What position is it best to back or tackle? Although it is tempting to address the pushers or back the bridge builders, Brandsma believes that the silent or middle ground should be the target group, to prevent them from becoming joiners.

Such individuals can be indifferent to the polarising issue, but may also be nuanced or in doubt. Campaigns used to manage or prevent polarisation should therefore assure the middle ground that having doubts can be a virtue; they should provide nuance, and underline complexity where possible. “Strengthen the middle, make an attractive story that will bond the middle” Brandsma said. ■

“It is harder to be in the middle of a severe polarisation. You risk being the fifth role, the scapegoat. It’s a warning - neutrals will become scapegoats.”





A photograph of Hugo Crul, a middle-aged man with grey hair, wearing a light-colored blazer over a blue shirt and a pink lanyard. He is holding a smartphone in his right hand and a small black device in his left hand, and is speaking into a lapel microphone. The background is dark and out of focus.

Hugo Crul, Partner at  
RoutsLaeven

# Deal or no deal - the importance of shared interest

A highlight of the annual Young Insurance Masterclass 2021 was the workshop led by negotiation expert Hugo Crul, Partner at RoutsLaeven, who shared his *modus operandi* with a roomful of eager participants. No matter what your career path, at some point we all have to negotiate a position. Some of us find it easier than others, but there's an art to achieving a positive negotiating outcome.

Crul is an advocate of the Harvard Approach to Negotiation, introduced by Roger Fisher and William Ury in their seminal work, *Getting to yes: Negotiating agreement without giving in*.

“We all negotiate all the time. We influence one another through negotiation.”

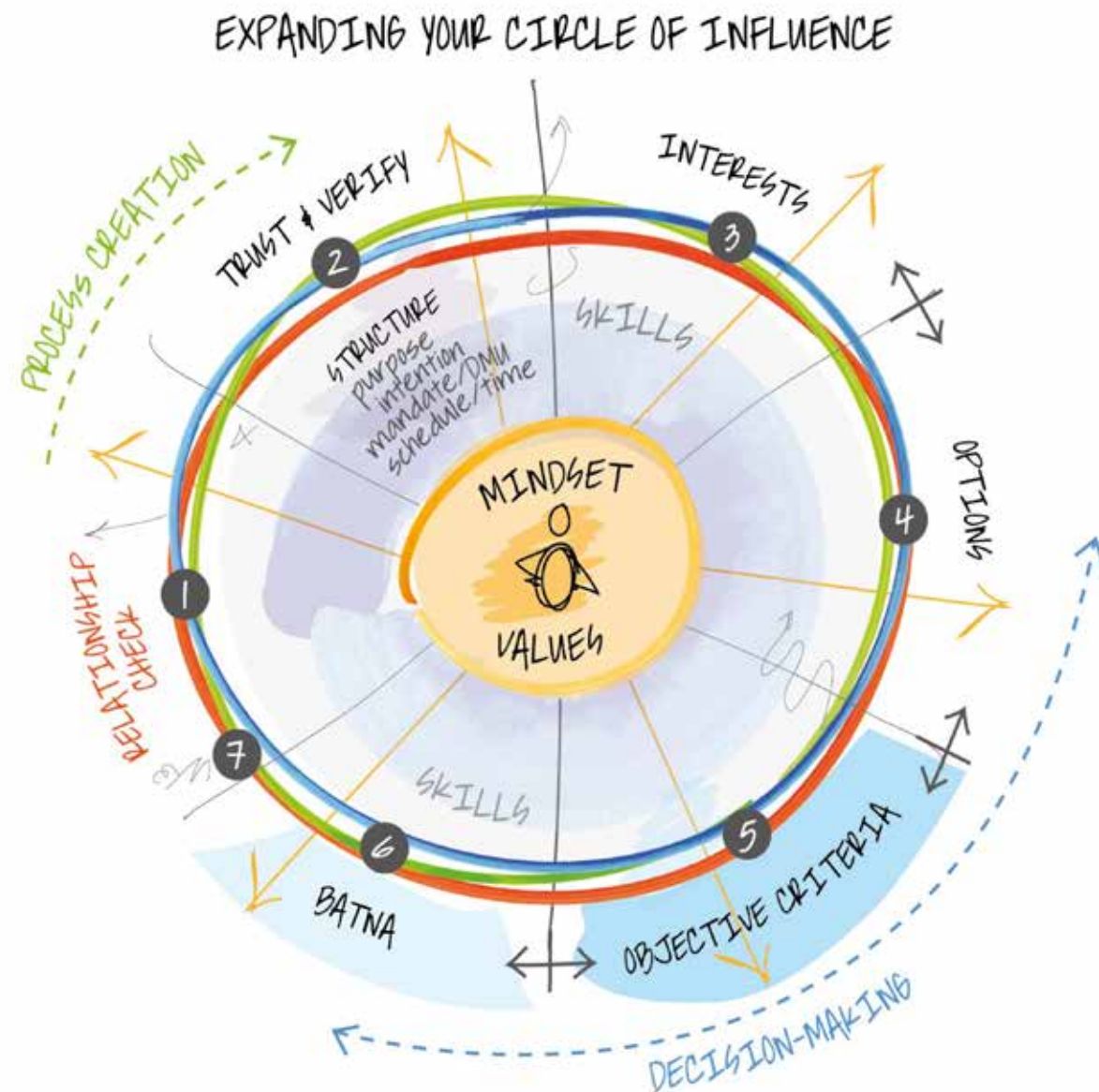
Business negotiations that are based on the Harvard model involve mutual respect and focus on problem solving. The central

plank is to focus on interests instead of positions, transforming the course of talks from competition to cooperation.

“We all negotiate all the time. We influence one another through negotiation. The Harvard approach is a peaceful way of influencing with the aim of satisfying the interests of parties and striving to maintain the continuity of the relationship,” Crul explained.

Crul took the Masterclass participants through a multi-layered approach to the Harvard method, starting by examining the concept of interests. ►





There are three types of interest according to Crul. Shared interest is a mark of the best relationship, whereby both parties seek to serve them together. Party specific interests, on the other hand, are where if it is beneficial to one party but it doesn't impact negatively on the other. Conflicting interests are where if one party has a little bit more, the other automatically has a little bit less.

#### Defining a good deal

What is the definition of a good deal, a successful negotiation? By Crul's standards there are five criteria:

- 1 It's a solution that you have agreed on together, where you have served as many interests as possible for all parties in the short and long term. This could apply in the case of shared or party specific interests.

- 2 There could be conflicting interests; if we seek to strive for continuity, we should also seek to resolve these in a way that all involved feel is fair. It clears the air for any future dealings because you can agree that a fair outcome was achieved last time.

- 3 The negotiation is based on verifiable facts and all the real facts that must be included are on the table.

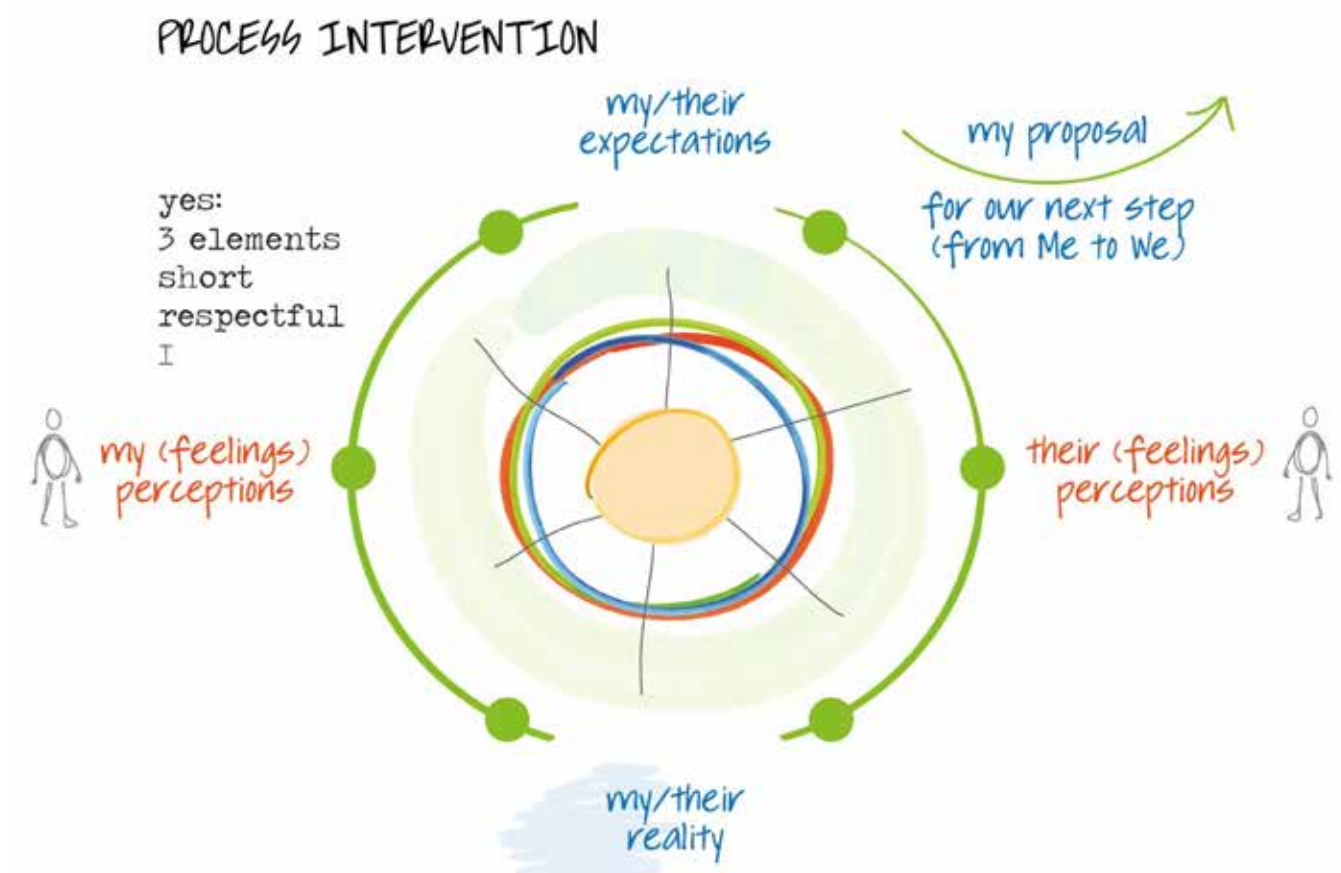
- 4 Address all the possible problems. Explore the risks for both sides on executing the deal; have you taken the time to explore them together? Always explore potential for problems early.

- 5 Make sure that all the stakeholders agree with what the negotiators agree on, to ensure the deal will be executed efficiently. Ask if we can do this in a way that enhances trust in the relationship.

#### Last stages

The last stages in Harvard's process approach involve addressing the main principles that should now be in place for a good outcome.

Crul said that behind the business conversation with its hard facts and figures, emotional responses are happening all the time. These can be helpful or disruptive. If emotions are making it difficult to ►







to serve interests and trust is weakening then there is a risk of self-fulfilling outcomes coming into play.

“Be aware of what needs working on. Make sure you have all the facts on the table and check them, check one another’s homework.

Then think about your feelings and analyse them. Did you get [all] the facts out and respect them?” Crul said.

Crul believes it is important to be clear on the difference between “interest based negotiation as opposed to positional based

negotiation”. The latter is where a statement defines a solution or outcome that is acceptable to you: “we’ll do it this way”. That usually leads to a polarising response. “So, rather than haggle about it, why not be curious about perceptions? Pause and consider what interests are at stake. Get a shared appreciation,” Crul said.

Even if you have a good understanding of all the interests involved, a conversation can become quasi positional; you’re mixing the creative process with a judging process: “A ground rule of brainstorming is you don’t criticise and you don’t judge - so

why not borrow that attribute for a negotiating discussion? Build on ideas together.”

Crul acknowledges that inevitably there will be conflicting interests that need minimising: “Conflicting interests need to be served in a fair manner. Think about what you would consider to be fair, and why. Make reasoning as specific and as compelling as possible. Ask for their perspective on what is fair and see what you can accept. Build a logical case about what you consider to be fair.”

#### Next best thing

Even when a negotiation fails, it’s still worth striving for continuity in the relationship: “You can agree

not to agree. Think about what is the Best Alternative To a Negotiated Agreement (BATNA). If you have clarity on that, you know where your walk away point is.”

Also, consider the best alternative that’s available to the other side: “If you have an idea of their best alternative, it makes you less vulnerable to pressure from them. Are they going to get better terms somewhere else?”

Finally, Crul urges negotiators to make the entire process explicit from the start: “Are you all in agreement on the process? Who is managing it? And ask yourself afterwards: did the process build trust?” ■

“A ground rule of brainstorming is you don’t criticise and you don’t judge - so why not borrow that attribute for a negotiating discussion? Build on ideas together.”



#### Thomas Kilman styles for negotiation and conflict



# Making a climate risk battle plan

Climate change affects our security in many ways. The coronavirus pandemic revealed just how vulnerable economies are to systemic risk and the importance of being prepared. Moderator Michael Irish' Stephenson asked Tom Middendorp, Chairman of the International Military Council on Climate and Security (IMCCS) and former Netherlands Chief of Defence, how we can improve our resilience.

## Are we experiencing climate change or climate crisis?

I believe climate change will increasingly cause all kinds of disruptions that will potentially lead to a climate crisis.

My number one priority today is to make people and institutions aware of climate change from a security perspective. Climate change is much more than just an environmental issue. It is probably the biggest game changer this century, threatening large parts of our planet and world population, and becoming a driver of insecurity.

I'm not a climate activist but the more I study the scientific evidence, the more convinced I am that climate change will change the world in many ways.

## What has the pandemic taught you from a security perspective?

The pandemic made us realize how vulnerable we are to systemic risks and how disruptive the effects can be on a global scale. The pandemic should also teach us how important it is to be resilient, to be prepared and not to ignore the signs. In times of crises existing structures soon become overstressed and existing procedures are not suited to act swiftly. In addition, the pandemic showed the need for multifunctional approaches, because of the social and economic implications. And last but not least, a pandemic ►

Tom Middendorp, Chairman at the International Military Committee on Climate and Security

"Climate change is much more than just an environmental issue. It is probably the biggest game changer this century".



"The pandemic should also teach us how important it is to be resilient, to be prepared and not to ignore the signs".



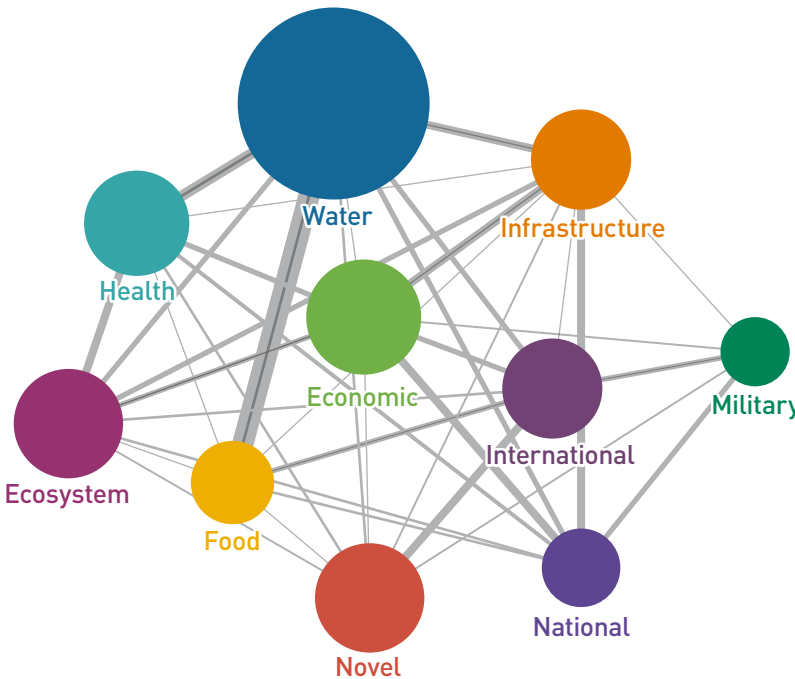
“You want to know how the crisis develops, how it affects your value chain, how stakeholders are reacting and what the impact is of new policy measures.”

asks for a very agile approach with the ability to quickly scale up new innovations and to coordinate efforts on a national level.

When a pandemic becomes a crisis, there is much that we can learn from the Military, who are used to operate in crisis environments. Because of my crisis management operations experience, I was called in early October 2020 by the chair of the Dutch employers association and by the Minister of Health. There was a shortage of COVID-19 testing capacity and the state wanted the private sector to help. With the support of many companies, we established a taskforce and within three months tripled the national testing capacity in the Netherlands.

### Are there parallels between a pandemic and a military operation?

There are many parallels to draw. In a pandemic you are confronted with a sudden and disruptive force from outside your organization. It disrupts your supply chain, your business, your offset markets and it affects the security of your people. Circumstances change rapidly and your regular organisation and information systems cannot provide the rapid answers you are looking for. You are in a very complex environment, where it is difficult to assess the knock-on effects and who is doing what. Which means you have to adapt rapidly.



The network graph details the linkages that respondents noted between categories of climate risk. The bigger the node, the more connections that risk category has with the others. Likewise, the weight of each line shows the number of connections respondents noted between each category. Source: IMCCS The World Climate and Security Report 2021.

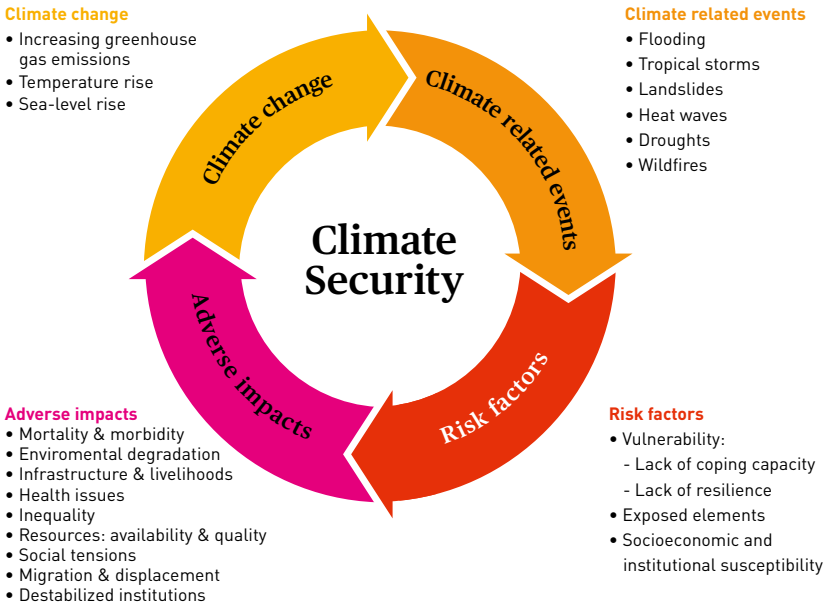
In the military we have learned how important information is. In a crisis you have different information requirements. You want to know how the crisis develops, how it affects your value chain, how stakeholders are reacting and what the impact is of new policy measures. The situation is very volatile and you have to make many assumptions that require validation. You have to shift to an information-driven approach, which requires you to organise your information gathering, to ensure a continuous situational awareness and to come to integrated risk assessments. In the Military this is done by our intelligence cells who gather, validate and analyse the required information and develop ‘worse case’ and ‘most likely’ scenarios that can be used for planning your strategy and policies.

### Does information sharing help?

It’s a delicate area because information sharing relies on trust. In the military, even within NATO, we don’t share all our information. But of course, when you are in a crisis there is a greater willingness to share information since we are facing the same problem and need each other to deal with it. Information sharing is very important when working together with partners and stakeholders. It helps to keep talking the same language and to coordinate efforts.

### How do you gather data in a climate risk context?

First of all there are loads of research papers on the impact of climate change. Within our IMCCS network, The Hague Centre For Strategic Studies (HCSS) is using big data analysis to come to a climate risk matrix that shows



The conceptual framework of climate security (source: IMCCS The World Climate and Security Report 2021)

the vulnerability of countries and regions for climate driven changes such as sea level rise, droughts and floods. Such tools can be very helpful in risk assessments for your supply chains for instance.

War gaming is also a very helpful tool to stress test your business against disruptive scenarios like a pandemic or climate related disruptions.

### How do you establish leadership in a crisis?

As a leader you need to give direction, you need to enable and unite. You also have to be more visible and stay calm, especially when there is much uncertainty and when it becomes more emotional. People need to see you and they want to know how you are going to deal with the crisis. In order to provide that direction, you need to get your information

management organised as mentioned before. That should help you to get ahead of the game and develop the right policies. It is also important to realise that you can’t micromanage your way out of a crisis. Things are very unpredictable and require more effect-based leadership, which means that you tell your people WHAT you want to achieve and WHY it is important. This will enable you to use the strength of your organisation.

The second part is about enabling and empowering your people to find solutions, to translate your guidance into local and functional solutions, into the HOW. In Afghanistan I had very young leaders who had to decide over life and death, whose actions could have an enormous political impact. I told them what I wanted to achieve and why, and I gave them the conditions to be successful. I never told them how to do it ►



“We are passing the climate change tipping point and we need to adapt.”

because situations change rapidly and they need to adapt accordingly.

Thirdly it is crucial to work as integrated team. You will probably need to adapt your team, because you might need other functionalities and not all regular team members have what it takes to operate in crisis circumstances. Uniting your team requires you to be accessible and to invest in more frequent communications.

**Why did you move from the military to the IMCCS?**

In all the mission areas I have been in I experienced the impact of climate: where water shortage leads to friction and conflict, for example. In Iraq I saw where water was used as a weapon to control people.

Climate is a risk accelerator. Droughts cause people to move, to find a new way of living; if they can't find work they can be driven

into the arms of extremists or organised crime.

We are passing the climate change tipping point and we need to adapt.

IMCCS is a network of senior military people who share my concerns about how climate change is creating instability in places where products come from, or where they are destined for.

As a network we interact with nations and with organisations like the EU and NATO to make them aware of the climate security nexus and to help them adapt.

**Is more global environmental law enforcement on the way?**

It is needed and it is already happening. Take geo engineering efforts for example: it is potentially dangerous to tamper with the atmosphere and if different countries start doing it independently, things could go badly wrong.

EU laws around CO2 emissions are also taking shape and I expect that to happen on a global scale. Several UN mandates for crisis areas around the world also mention climate aspects. In a more distant future it might become a legal ground for interventions, especially when scarce resources are affected.

**Do we still have a chance to save the world - or is it too late?**

I have faith in our ability to survive but it comes at a price. I hope we can prevent the worst from happening - but to some extent we already need to face the consequences and adapt accordingly.

The world population is expected to increase with another 50% this century and we are already facing increasing shortages of water, food and rare minerals. Climate change fuels that process and increases the gap between demand and supply. We need completely new (circular) concepts for the production of water, food, power and goods, that can also provide new business opportunities.

In the Climate Summits there is much focus on mitigation and energy transition, which is crucial to minimise the impact of climate change. At the same time adaptation becomes increasingly important now that we are passing tipping points.

Businesses are needed to make the required change happen. They can bring new innovations to the table and be a force for good. This will also increasingly influence peoples' decision on whether to work for you or buy your products. Helping address climate change is becoming an added value for companies. ■

**About IMCCS**

IMCCS was launched in The Hague, Netherlands, in February 2019 in response to growing demand from military professionals for sharing information and best practices on addressing the security and military dimensions of climate change. It was founded and is administered by the Center for Climate & Security

(CCS), an institute of the Council on Strategic Risks, in partnership with the French Institute for International and Strategic Affairs (IRIS), the Hague Centre For Strategic Studies (HCSS) and the Planetary Security Initiative of the Netherlands Institute of International Relations (Clingendael).



**About Tom Middendorp**

Tom Middendorp retired after having been The Netherlands Chief of Defence for five and a half years and after 38 years of serving his country. As the Chief of Defence he was the most senior military advisor to the Minister of Defence, responsible for the readiness, the international cooperation and the modernization of the Dutch Armed Forces, as well as the planning and execution of its military deployments. He commanded soldiers on all levels, led a large multinational taskforce in the south of Afghanistan and was involved in more than 20 different military missions as the Director of Operations. Tom has extensive operational and strategic experience of building unity of effort with different nations,

governments, companies and many other stakeholders in order to deal with a wide range of security risks. He organised two large Future Forces Conferences where he introduced an ecosystems approach to security and offered Defence as a testbed for innovation, resulting in many promising new initiatives. His current role as an independent senior expert on defence and security allows him to continue his work on the impact of climate change on the security environment and on the role the military can play in addressing climate change.

Tom Middendorp is the author of 'The Climate General, building resilience', released in December 2021. In this book, he demonstrates the impact of climate change as a risk multiplier and outlines potential solutions.











Kevin Smith, Vice President Claims at Chubb and Cara Brown, Underwriting Manager Continental Europe, Terrorism & Political Violence at Chubb

# A pandemic of political violence

Social unrest is getting worse around the world in both frequency and severity, some of it linked to the pandemic. Chubb's Kevin Smith and Cara Brown look at what organisations can do to protect themselves from the destruction caused by Strikes, Riots and Civil Commotion (SRCC).

The benign sounding acronym SRCC can include a host of disruptive, destructive and potentially costly events. There are two basic subsets that businesses need to be aware of, according to Cara Brown, Underwriting Manager Continental Europe, Terrorism & Political Violence for Chubb Overseas General.

One potential source of disruption are labour strikes, driven by employee actions around poor working, health conditions or over pay. Protest and riots are another source, and can range from peaceful sit-ins through to violent uprisings. Such happenings could be to do with political actions or corruption, ideological differences or income inequality. The roots are often linked to economic

conditions and some disturbances have been a by-product of COVID-19.

France, for example, has seen widespread disruption since 2018 by the gilets jaunes anti-austerity movement that started in response to the imposition of a fuel tax increase. "All walks of life got involved and took to the streets. There was a significant impact in big business districts. Violence, property damage, business interruption and denial of access were common problems," Brown said.

In the US, the Black Lives Matter movement grew hugely after the killing of George Floyd. Central business districts across the US were affected by a serious collapse of law and order as people took to the streets.►

"All walks of life got involved and took to the streets."





“We are seeing more interest in standalone solutions. It’s happening because some big events recently have resulted in very big market losses.”

The normally peaceable Netherlands saw serious upheaval in January 2021 when there were riots in a Dutch fishing village and a COVID-19 testing centre was burned down; Dutch police and the military were called in.

**What’s in a word?**

Around the world, from South Africa to Hong Kong and Colombia, political violence has led to multi-million dollar losses.

In the past, less attention was paid by businesses to SRCC definitions or the scope of coverage available. “Protection is still often included in the property all risk or fire policy. It could be full limit or on a per occurrence basis and SRCC is not defined,” Brown said.

“The fire insurance market is starting to exclude SRCC coverage however, or sub-limit it, due to the rise in frequency and severity. As a result, we are seeing more

interest in standalone solutions. It’s happening because some big events recently have resulted in very big market losses,” she explained.

How legal systems classify different kinds of events, from civil commotion to civil unrest and terrorism, has also come under the microscope as costs rise. That’s because an event definition determines the claims outcome under property “all risks” policies that cover SRCC but exclude terrorism, for example. Brown explained: “A local legal classification can deem an SRCC event as terrorism, which potentially leads to a dispute over coverage. Poorly designed wordings and blurred coverage lines are a problem and the fire market has started to specifically exclude coverage.”

Chubb’s response is to present coherent solutions with contract certainty, Brown said: “We advocate a standalone solution that

will respond to all eventualities, from SRCC to terrorism with no blurred lines. We aim to dovetail policies and eliminate any overlaps between policies.”

**Know your SRCC risk**

In tandem with having the appropriate cover in place, organisations need to ensure that they understand and manage SRCC risks properly, according to Kevin Smith, Vice President Claims for Chubb Overseas General.

“It’s easy to underestimate the level of protection you have at your premises, especially in retail. One misplaced assumption is that the police will always be able to provide adequate protection of property,” he said.

Even deploying private security won’t always help: “In Chile, a lot of money was spent on relatively well-equipped security guards - but in some cases, when faced with thousands of rioters they left

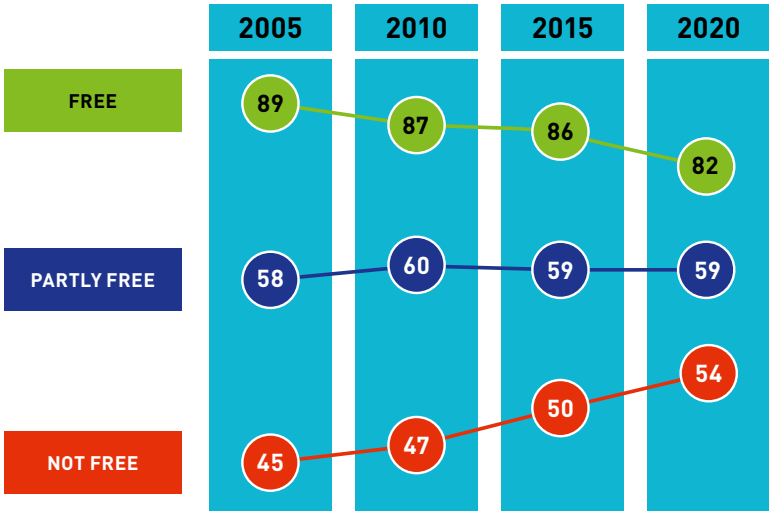
their posts and locations were left unprotected.”

Other simple risk management precautions that could reduce losses are often neglected - like reducing stock levels, though the speed with which momentum builds on some SRCC events can make this hard to achieve in practical terms.

Care needs to be taken when speaking out too. We should all be able to speak our minds, but, in Hong Kong, certain organisations were deliberately targeted by rioters because their owners or employees were publicly critical of protesters; meanwhile competitors were left largely unscathed.

Smith warns that risk managers need to stay abreast of the news: “Sometimes clients don’t anticipate the speed with which SRCC events can spread. Something that happens in one town can quickly become a national, regional or even global event.” ■

“It’s easy to underestimate the level of protection you have at your premises, especially in retail.”



**A Shifting International Balance**  
In 2020 the number of Free countries in the world reached its lowest level since the beginning of a 15-year period of global democratic decline, while the number of Not Free countries reaches its highest level.







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