

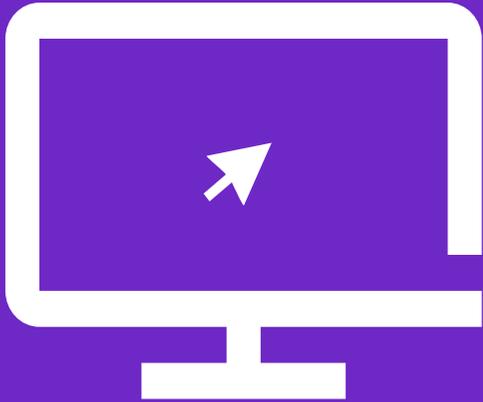


CHUBB®

# Special Risks Unit



- Providing solutions to complex and non-standard risks
- One-off bespoke cover
- Transferring exposure from a client's balance sheet to ours



Our Special Risks Unit underwrites specialist and obscure risks to solve potentially complex insurance issues.

If we can fully understand a risk, or the issue that a client is facing outside the traditional areas of insurance, and we can put qualitative and quantitative measures against it, we can in theory find a solution.

The unit acts as the focal point for the underwriting expertise found within Chubb Global Markets and the Chubb Group as a whole.

Based in London, and headed up by Alex Dunn, Senior Underwriter, the unit assesses risk, structure and pricing for opportunities that do not fit the traditional insurance model and are not widely insured in the current market.

# Case studies



Every case we offer is totally different, bespoke and often confidential. The hypothetical case studies below illustrate the services we can offer, but we are interested in talking to clients to understand exactly where we can offer support.

## **Weather Risk**

Weather risk can affect multiple industries from tourism and leisure through to manufacturing and agriculture.

In this case study an outdoor theme park was looking to insure against losses in revenue caused by a greater than average number of rain days in the busy summer period. To understand the risk and then provide a solution we would define what constituted a 'rain day' in terms of rainfall in millimetres. We would then use this to model how five rain days would impact their balance sheet over the summer in terms of lower visitor numbers. This would then be used to extrapolate out what a particular number of rain days could cost the business so they could protect themselves from an unusually wet summer.



## **Reputational Risk**

It's an intangible concept but damage to a company's reputation may have very real impact on sales and profits.

In this case study a company were worried their suppliers may be exposed in the media for using child labour without their knowledge. We would potentially look at structuring policies to cover the costs of external rapid response PR and crisis management teams to mitigate the damage to the company's reputation, as well as balance sheet protection against a drop in revenue or share price.



## Epidemic and pandemic risk

Zika became the fourth high profile epidemic to make global news in the last decade. Even with the relatively small number of reported cases in the Wynwood area of Miami, in 2016 there was a wave of cancellations for Thanksgiving trips with arrivals for the period down by 10% on the previous year.

In this case study a hotel chain had concerns on how a pandemic would affect their business. We would initially work with the company to assess their own experience of these issues and discuss the business continuity planning they had in place. We would consider the risk specifics using data on each hotel's location, capacity, average daily rates and occupancy, and revenue per available room. We would then look at providing cover including business interruption costs, revenue loss, additional costs or loss of attraction. From this we could build a picture of the bespoke protection they might want or need.

Our products are not designed to provide pure financial guarantee or cover traditional operational risk, and we are unable to insure against regulatory change, criminal fines and penalties. But, as with all of the case studies, if we can work to fully understand a risk or issue a client may have outside the norm we can work to provide tailored, specialist cover.

### To discuss bespoke requirements with the Special Risks Unit contact:

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