



December 2022

Network News - Member News - Carrier News

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*Season's
Greetings*

Wishing you and your loved ones Peace,
Health, and Prosperity in the
coming New Year
- The GBN Worldwide Team -



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Letter from the Chairman

Dear Members,

Whilst post-pandemic, daily life has returned back to normal for the majority of countries within our network. Unfortunately the world is cracking under the strain of this terrible war and the consequent economic uncertainty. This is having a major impact on our insurance markets, so it is more important now than ever that we pull together as a network and focus on building relationships to maximize the exchange of opportunities.

This emerged as a key theme this year when we took the opportunity to meet again as a network when the world re-opened for international travel. We welcomed over 65 members to Cannes, France in September for our GBN WWC 2022. Even though we are in over 140 countries and we operate a successful global on-line model, our business is based on relationships, so being able to sit down and discuss business opportunities with GBN colleagues in person was invaluable. Next year we look forward to working with members to deliver some of the new initiatives we discussed in Cannes and further developing our GBN Earth platform, which is now at the centre for all network communications.

The stronger the network, the stronger the business for all.

I would like to close by wishing you all a very successful year-end and I wish you, your family and colleagues all the best for 2023.

Jamil Elbahou
Chairman, GBN Worldwide Ltd



Network News

Thank you to everyone for your continued support and commitment this year. It has been a busy year and the exchange of business amongst the membership continues to grow.

GBN ON CALL

Our recent regional video calls at the beginning of December were well attended and as part of the agenda we provided a review of 2022 activity and discussed GBN plans for 2023. It was great to welcome lots of new faces and some members took the opportunity to introduce their colleagues in their international teams.



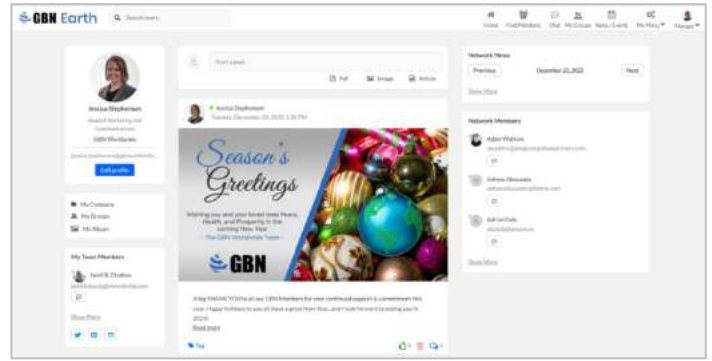
A reminder that these calls are open to all members of your team who are working on GBN risks. If you were unable to join we have included a summary of our plans for 2023 in this bulletin.

The schedule of 2023 GBN calls will be shared in the New Year.

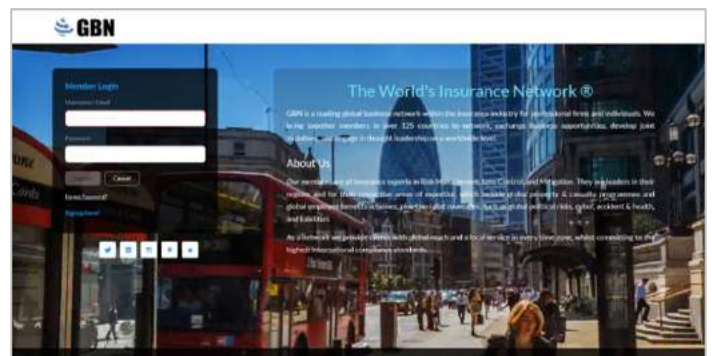
A CHANGE IN THE GBN COMMUNICATIONS STRATEGY

We announced after the WWC that we will be using GBN Earth going forward for all network communications. This makes it even more important for you and your team to set up on the platform so you don't miss any GBN updates.

Next year we will be adding more functionality so you can register for events and manage your membership, all online.



As this is a people business, it will be great if you can add your team photos so your colleagues can put a face to a name when you reach out with an opportunity.



It's easy to sign up for an account at www.gbnworldwide.com.

Please get in touch if you need any help setting up your GBN Earth accounts for you and your team.

COLLABORATING WITH NON-INSURANCE NETWORKS

Most industries, particularly service industries have networks of professionals with a similar structure to ours. GBN was approached by a legal network run out of Cyprus, with members across Europe who specialise in properties and investment. Many of the lawyers have clients with interests overseas and in most cases, they have some sort of insurance requirement.

The network invited GBN to engage as its insurance partner. This is quite a recent development, but we have joined an initial meeting to introduce GBN and the capabilities of our members. We are now following up with each member and where relevant will introduce and link them up with our local GBN member.

We will keep you updated on this opportunity. We are sure you have similar organisations in own countries, whether it's a legal or accounting network and complementary to insurance - if you think there is an opportunity to work together to share opportunities, please let us know?

PLANS FOR 2023

Video Presentation:

At the WWC we talked about the need to raise awareness of the GBN brand and how we communicate who we are, what we do and how we benefit the client.

We have presentation & text templates available, but a very short 2-minute video can explain all of this and be sent to a client in advance of a meeting and we can also share it to promote the network centrally.

This project will be starting in Q1 and we will be looking for members to be involved and help feedback on messaging.

If you come across any good examples of corporate videos, please do share them.

Branding:

Continuing on the theme of branding, we need to make sure the GBN message is consistent across our membership and everyone is using it - this is something you can all help with.

Please make sure you include:

- The GBN logo on your email footer where you have your networks listed.
- A section on your website for your international capability and how GBN enables you to service clients worldwide.



There are some members in the network who do this very well, so if you need any help, I can send you some samples.

We will issue a pack of information early in January with the latest text template and logos for you to update your website and marketing materials.

GBN Video Calls:

Although feedback at the WWC on the regional calls was positive, some members felt the opportunity existed outside of their region to develop relationships.

We have already started to work on this and we have a few members already this time joining other calls to meet new people and make introductions to other regions. Also, topic led calls were discussed and the idea to host a call, invite an expert speaker and invite all interested members across the network to join.

Topics suggested included Cyber, Financial Institutions and ESG. We plan to do this via the GBN Earth platform. We already have a 'live classroom' feature developed where we can host a webinar and members can join and interact with the speaker and the other participants. We will be working on a calendar of topics for 2023 and reaching out to members with specific expertise on that topic to help shape the agenda.

Risk assessment tools:

We had a discussion around the use of risk assessment tools and whether GBN could combine requests and offer a better deal to members than purchasing access individually. Identifying cyber risks was high up on the agenda for clients. We will issue a short survey to investigate the type of tools that members use/need.

GBN Exec Committee:

In addition to initiatives/requirements that came out of the WWC, we will also be reviewing the structure & membership of the current GBN Executive Committee to make sure we have the right representation to help steer and guide the network into 2023.

The GBN Team will be working on these initiatives to build them into the 2023 plan, so please keep an eye out in 2023 for more updates.

Cannes 2022

GBN WORLDWIDE CONFERENCE

17-19 September 2022



Welcome to Cannes

www.gbnworldwide.com

2022 was the year that the world opened up again for international travel post COVID and we were keen to get the network back together again in person. The last Worldwide Conference (WWC) was held in London back in 2019 and despite planning for one for 2021, we were hit with another wave of the pandemic, forcing us to postpone.

With the green light given to international travel by the majority of countries, we took the decision to move forward with our event plans for 2022.

We decided to try something new this year as usually we hold the GBN conference in London. We took the event to the South of France and ran in across two days over a weekend. We also changed the format, keeping the delegation to members only and inviting members to be part of the agenda. As this was the first event for three years, we wanted to focus the agenda on creating opportunities and situations for members to meet and re-engage since the 2019 event.

Rather than members sat in a conference room for three days, we had one day of presentations, which were all led by members sharing their experiences and case studies.

We had over 65 members attend from all over the world with representation from across all the regional groups.

A PLATFORM FOR NEW MEMBERS

We had 12 new GBN members join since our last event, so

it was a great opportunity to introduce them and give them a platform to explain who they are and what they do –

some did this in person and we also had some great videos created and sent from members who were able to join us in person.

MEMBER SPEED MEET

Alongside the presentations, we had two 'Member Speed Meet' sessions and across those two sessions we over 250 individual one-on-one meetings took place. Members submitted their meeting requests in advance to the GBN Team, who then scheduled the meeting over the two sessions and provided each delegate with their bespoke meeting timetable.

THE 'ESSENCE OF GBN'

With the rest of the agenda revolving around food and drink and enjoying the beautiful coastline, the final afternoon was spent at a perfume factory where in teams we worked together to create 'The essence of GBN' – linked to the theme that it takes many variants to make a global programme work and each one is very different so we need to work together to find out what approach works best in each situation.

It was a busy few days and we were extremely lucky to catch the end of the summer sunshine in the South of France. We took away a number of action points and you can read more about our plans for 2023 in the '2023 Update' section.

Thank you to all the members who participated in the agenda with all the hard work you put into preparing your content and presenting on the day.

The floor is open to any members who want to share their experiences placing international business or their expertise on a topic so please let us know if you would be interested in presenting at a future event.

WWC 2023 PLANS

We will be holding another conference in 2023 and we will announce plans for the location and timing early in the New Year.

LOG ONTO GBN EARTH FOR WWC

The presentations and videos from the GBN WWC 2022 can be found on GBN Earth in the e-Library under 'Marketing Materials'. Photos from the event can be viewed on our Instagram Page: [@gbnworldwide](https://www.instagram.com/gbnworldwide)

WWC in Pictures





GBN GLOBAL BUSINESS NETWORK
MEMBER SPEED MEET - SESSION 1

Time	Name	Company	Phone	Email
18:00
18:05
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PARTICULARITIES OF THE COLOMBIAN LEGISLATION / RULES

Below, various situations will be discussed that frequently constitute concerns that arise in relation to the term and functionality of international coverages for insureds whose assets or interests are located in Colombia.



Is there or is there not coverage for goods in Colombia when there is a certification of coverage issued by the global insurer / reinsurer that supports the master / global policy, even when the local policy has not been issued?

Answer: Given the existing agreements between the local insurer and the global insurer / reinsurer, the latter being duly registered with the Financial Superintendence of Colombia (entity that monitors brokers and insurance companies), and having proof or certification from abroad on the granting of the coverage, the conditions are met for the coverage to have the necessary support and for the policyholder / insured to have the reliability regarding the existence of the protection, even when the local policy has not been issued. It is normal for the local insurer to take a period of time that ranges between 8 and 15 days approximately to issue the local policy under the fronting modality, after receiving the terms and conditions of the insurance from the global insurer / reinsurer.

This applies to general insurance such as *Property All Risk, Business Interruption, Cargo Marine, Automobile, etc.*, as well as to *patrimonial insurance such as General Liability, Surety Bonds and others.*

The foregoing responds to the prevailing Colombian and International commercial practice in insurance, which is repetitive within our territorial space with characteristics of generality, repetition, uniformity and mandatory nature, so that it constitutes a true rule of conduct, reaching the connotation of legal norm.

It should be clarified that some master policies issued by the global insurer / reinsurer have the Difference in conditions / Difference in limits - DIC /DIL clause that operates in cases in which the local fronting policy presents gaps in coverage in terms of insured conditions and/or limits, where the coverage of the master policy prevails.

If there is coverage from abroad, but there is no local insurer that supports fronting, the situation is different in that it would be necessary to analyze whether the policyholder / insured is complying with the legal requirements related to the purchase of insurance abroad, especially the displacement abroad for the corresponding negotiations.



What happens if a loss occurs in the period between the issuance of the foreign coverage certification and the issuance of the local policy?

Answer: As clarified in the previous point, the coverage operates recognizing the loss, and the situations of attention to claims by local insurers are known, which is clearly supported by the knowledge of the support provided by the foreign insurer / reinsurer.

If there is no local insurer to support fronting, the claims must be processed directly abroad, with the corresponding foreign exchange, fiscal and tax implications that must be established by the specialized advisor.



What happens if there is a delay in the payment of insurance premiums?

Answer: The term for the payment of premiums in accordance with Colombian regulations is **one month** from the date of delivery of the policy or, if applicable, of the certificates or endorsements that are issued based on it (Article 1066 of the Commercial Code).

On the other hand, Article 1068 of the Commercial Code establishes that the delay in the payment of the policy premium or of the certificates or endorsements that are issued based on it, will produce the **automatic termination of the contract** and will give the insurer the right to demand the payment of the accrued premium and the expenses caused by the issuance of the contract.

Based on this rule, even when the local insurer has not expressly canceled or revoked the insurance by means of an endorsement or certificate, it is argued that the insurance **is legally understood to be terminated, which may mean response problems in the event of a claim.**



What are the guidelines regarding Electronic Invoicing of insurance policies?

Answer: Recently, the Ministerio de Hacienda (Ministry of Finance) and the tax authority of Colombia have issued regulations related to the invoicing of policies, which basically establish that the insurance policy is no longer a document equivalent to an invoice and instead the insurers will issue an electronic invoice, based on which the payment of the premiums must be made.

This change, in addition to complying with current regulations, brings benefits such as the unification of the electronic sales invoice process in the insurance sector and being able to bear the costs and expenses before the tax authority only with the Electronic Sales Invoice, not with the insurance policy.

July 29th 2022

Arachas announces intention to acquire Glennon Insurances in landmark deal

Arachas Corporate Brokers Limited (“Arachas”), a subsidiary of The Ardonagh Group (“Ardonagh”, “The Group”) has announced that it has reached an agreement to acquire Frank Glennon Ltd, Frank Glennon (Life & Pensions) Ltd and Administration and Management Services Ltd, leading providers of expert insurance solutions in Ireland and one of the highest quality, independently operated brokerages in this country.

Glennon Insurances is a trusted name in Ireland for insurance, having spent 75 years building strong long tenure client relationships from a diverse range of industries including construction, medical, retail, professional services, real estate and professional affinity group relationships. They operate in Corporate, SME, Employee Benefits, Financial Planning and Affinity home and motor businesses, with over €80 million in Gross Written Premium (GWP) and over 100 employees, with offices in Dublin.

Ardonagh Europe and Arachas, CEO Conor Brennan said,

“The similarities between Arachas and Glennon Insurances, in terms of our business and our people-first culture, put us out in front, in a highly contested race, to acquire Glennon. Their broking capacity and ability to manage risk over a long period of time is impressive. This, together with their experience in general insurance, life, pensions and business insurance is all highly complementary, to the rapidly-growing Arachas business. I’m delighted to be adding Glennon to a reputable list of Irish family businesses, who are now thriving under the Arachas brand”.

Ardonagh Group CEO, David Ross added,

“This is a landmark deal for Arachas and a proud moment for the wider Ardonagh Group to be enabling another meeting of hearts, minds and culture between two leading brokers in Ireland. Glennon’s expertise for complex risks and large enterprises, combined with Arachas’ access to capacity and the scale of Ardonagh, is set to be a formidable combination and we look forward to collaborating on all the opportunities that lie ahead.”

David Glennon, Chairman, Glennon Insurances commented,

“Today is a milestone moment in the 75 years, since my grandfather founded the company. I am confident that our dedicated employees, loyal clients and partners are in excellent hands, as part of the Arachas family. I know that Arachas has a strong vision to grow the business that will help us to continue to deliver what we have always offered our clients, namely a high quality service delivered by an expert and dedicated team.”

John Bissett, CEO, Glennon Insurances added,

“With many potential buyers approaching us, Arachas stood out as a partner who shares our family business values and our approach to listening to our clients so that we can find the best way to protect what matters most to them. Our combined businesses will deliver a peerless breadth and depth of expertise with vision and scale that will further enhance the solutions we can provide across the market to our loyal client base.”

Subject to regulatory approval, the Glennon business will be integrated into Arachas following completion of the transaction, growing the Arachas headcount in Ireland to over 600.

Media contacts

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About ARACHAS

Arachas is Ireland's largest, fastest-growing, nationwide insurance brokerage. We specialise in protecting Irish entrepreneurial spirit - the backbone of the Irish economy. We do this by combining our knowledge of the insurance issues facing Irish people, in business and in their day-to-day life, with our access to solid and reliable insurance providers. Originally established in 1969, Arachas has grown to be a nationwide broker with over 500 employees at offices around the country. Arachas was acquired by Ardonagh – the international Insurance group with over 100 offices and 9,000 employees in 2020 and today operates as part of its Europe platform

www.arachas.ie

About THE ARDONAGH GROUP

The Ardonagh Group is one of the world's leading independent insurance distribution platforms. We are a collection of best-in-class entrepreneurial and specialist brands with a network of more than 150 locations and a combined workforce of more than 9,000 people. Across our portfolio, we offer a highly diversified range of insurance-related products and services across the full insurance value chain in the UK, Ireland and broader international markets. From complex multinational corporations to individuals purchasing personal insurance policies, our understanding of the communities we serve, together with our scale and breadth, allows us to work with our insurer partners to deliver a broad range of product and risk solutions that meet customer needs.

Ardonagh Europe is part of Ardonagh's International platform which is a platform for growth in the region and rest of the world. It includes Arachas, the Republic of Ireland's largest commercial nationwide insurance broker delivering exclusive insurance solutions through a multi-channel distribution strategy, Resilium, Australia's largest independently owned intermediary network, Accurisk Solutions, a US-based MGA focused on medical stop loss products, HWF Partners, a fast-growing specialist M&A insurance broker operating out of the UK and Germany and Léons Group ("Léons"), an independent family-owned insurance brokerage and consultancy firm in the Netherlands (subject to regulatory approval).

www.ardonagh.com

About GLENNON

For 75 years, three generations of the Glennon family have been leaders in Irish Insurance. Glennon lead from the front, with a people-first ethos in all aspects of its business — providing trusted expert advice and creating a wide range of competitive insurance and risk management solutions, from personal to business and corporate groups. Glennon with over 100 staff is regarded as an industry leader in providing cutting edge, professional and innovate insurance solutions.

www.glennons.ie



FOR IMMEDIATE RELEASE

CapriCMW and Rogers Insurance have officially merged to become Acera Insurance

September 20, 2022 – CapriCMW and Rogers Insurance have announced today that they have merged and will be known as Acera Insurance.



The merger combines the strength and stability of two award-winning independent and employee-controlled companies, consolidating a wide range of professional expertise and decades of experience in insurance, risk management and group benefits. With 1,000 employees located in over 50 offices across Alberta, BC, Ontario and the Yukon, along with \$1 billion in gross written premium, the company is positioned to be a leading national insurance brokerage with deep roots in the communities they serve.

The name Acera is derived from the word “Acer” which is the genus (or scientific family name) for the Maple tree. The name symbolizes the depth and strength of the new organization while recognizing the history and core values of two locally owned companies, reflecting the combined entity’s future as it expands nationwide.

Led by Chairman and President Andrew Kemp, CEO Lee Rogers and COO Bruce Rabik, Acera Insurance remains an employer of choice in the insurance industry locally and nationally, with over 33 awards for outstanding workplace culture and employee experience. Rogers Insurance and CapriCMW have had a collaborative relationship for nearly 20 years and together, will achieve additional scale and capacity, creating valuable opportunities for new and long-term employees. With over 350 employee shareholders, the unique employee share ownership model that has been integral to the success of both companies will remain a central part of ongoing plans for attracting and retaining talent, enabling team members to share in their impact on the company’s ongoing growth and invest in its future.

As part of the transaction, Acera Insurance will bring on Clairvest as a minority partner. Clairvest will help support the company’s long-term strategy for sustainable growth while remaining independent and employee controlled. Moving forward, they will work together in identifying Canada-based brokerages with complementary values, cultures, products and services, who are interested in scaling with an alternative to the acquisition model prevalent in the insurance industry today.

“The merger of Rogers Insurance and CapriCMW solidifies our industry leadership, builds our portfolios and provides significant value to our employees, partners, clients and communities,” says Lee Rogers, CEO of Acera Insurance. “We want to change the way Canadians feel about insurance.”

“We will continue focusing on our growth across Canada, leveraging the stability and strength of the deep expertise, insights and experience of both companies,” says Andrew Kemp, Chairman and President of Acera Insurance. “We are excited for this next chapter as we unite as one company, expanding our capabilities to deliver new products, services and solutions.”



About Acera Insurance Services Ltd.

Acera Insurance is a fiercely independent, employee-controlled company with strong roots in Alberta, BC, Ontario and the Yukon. Created through the merger of CapriCMW and Rogers Insurance, the company brings decades of specialized expertise and experience within the insurance industry. With 1,000 employees in over 50 offices across Canada, \$1 billion in gross written premium and over 350 employee shareholders, Acera Insurance provides custom insurance and risk-management solutions for personal and commercial clients nationwide including comprehensive employee benefits capabilities.

About CapriCMW and Rogers Insurance

Rogers Insurance and CapriCMW are dominant regional insurance brokerages with offices throughout Canada including Alberta, BC, Ontario and the Yukon. They are independent, award winning and employee-controlled with staff that provide decades of specialized expertise and experience in a variety of industry sectors. Both organizations provide custom insurance, risk management and group benefits solutions to clients across Canada. **To learn more visit capricmw.ca and rogersinsurance.ca.**

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**ARE YOU AWARE OF ENVIRONMENTAL
REGULATIONS IN MEXICO AND THE NEED
OF POLLUTION LIABILITY INSURANCE?**



THE IMPORTANCE OF CARRYING THE RIGHT POLLUTION COVERAGE

Various general statutes enforcing environmental regulation have been issued at federal level in Mexico in recent years bringing its legislation close to its neighbor country USA. In other words “strict liability” and “joint and several” concepts apply south of the border now as they do under Superfund Liability, officially the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The same analogy applies between Ley General para la Prevención y Gestión Integral de Residuos (LGPGIR) and its American counterpart Resource Conservation and Recovery Act (RCRA) when comes to the “cradle to grave” concept.

- ▶ According to Mexican environmental law Ley General del Equilibrio Ecológico y Protección al Ambiente (LGEEPA) or in English, “The General Law of Ecological Equilibrium and Environmental Protection”, in its Article 147 Bis reads as follows: “Those [operations] directly involved or associated with high risk activities, under the terms of the corresponding regulation, shall carry an environmental risk insurance policy”.
- ▶ The regulation defines “high risk activities” or “hazardous activities” depending on the flammable, explosive, toxic, radioactive, corrosive, chemically or biologically reactive, and environmentally harmful nature of the substances independently of their involvement during production, processing, storage, treatment, transportation or disposal off site.

- ▶ Per regulation, if any of these chemicals is in excess of 10kgs (22 lbs.), it qualifies and should be reported independently of being a Small Quantity Generator (SQG) or a Large Quantity.
- ▶ Lastly and most importantly, latest Mexican law Ley Federal de Responsabilidad Ambiental (LFRA) or in English “Federal Environmental Liability Law” incorporated the concept of 1st party legal liability and Natural Resource Damages (NRD) reason why all environmental insurance placements in Mexico now are monoline pollution legal liability policies covering 1st and 3rd party cleanup costs, for both sudden and gradual pollution conditions in order to fully comply with current laws and regulations.
- ▶ Site specific pollution liability insurance covers against the discharge, dispersal, release, seepage, migration, or escape of any pollution condition, whether solid, liquid, gaseous, thermal irritant or contaminant, on, at, under or migrating from the insured’s location.
- ▶ At Berkley Mexico we have the expertise to meet our customer’s pollution legal liability needs.



LOSS PREVENTION DURING ENERGY CURTAILMENT

Dec 15, 2022

By Karim Karzazi, Technical Department Manager, and John Frank, Property Center of Expertise Leader, AXA XL Risk Consulting



Companies operating primarily or exclusively in developed countries usually have little experience with situations where disruptions in the energy supply require operations to be shut down or curtailed. Moreover, in those rare instances when the power supply is interrupted—often due to severe storms or mechanical breakdowns—the situation is typically resolved within a few hours or, at most, days.

This time could be different. Given the current geopolitical situation, companies operating in some European Union countries could face energy curtailments lasting several weeks, if not longer. Although this is still only speculation—and the scope and length of such disruptions are impossible to predict—the likelihood of a company’s energy supply being cut off or curtailed isn’t small. Thus, companies operating in the EU should assess the ramifications of being without power for an extended period and consider their options for limiting the impacts.

This article outlines some potential implications and mitigating measures. This guidance isn’t meant to cover all possibilities and contingencies—that isn’t feasible given companies’ diverse operations and circumstances—but rather to help stimulate discussions, analyses and the refinement of contingency plans designed to minimize the impacts. Also, the suggestions outlined below assume that the energy supply is suspended for at least one week during subfreezing temperatures and that there could be more than one curtailment event.

Provide alternative energy supplies

This is obvious but bears repeating: First and foremost, alternative energy supplies should be secured.

When assessing their needs and the options for meeting them, companies should consider three issues:

1. Will the local authorities allow some energy consumption, and if so, when and at what levels? Since so many other factors hinge on this, companies should immediately engage with their energy suppliers to ensure they are promptly informed of scheduled curtailments.
2. How much energy will critical processes and equipment need?
3. What buildings or equipment could be disconnected from the energy supply for load-shedding purposes, and what are the likely consequences of doing so?

When deciding what non-essential buildings or operations can be disconnected, don’t overlook safety and protection equipment that needs power or heat during emergencies. For example, a non-priority building that otherwise would be shut off but houses a sump pump used to prevent flooding during periods of heavy precipitation. Or the elements of the fire protection systems that require electricity and, in some cases, adequate heat to function properly. (More on this below.)

Also, the emergency energy supply should be tested beforehand to ensure it can handle the expected load. If such a test isn’t possible, the facility should assume a worst-case scenario and prepare for a shutdown.



Protect critical machinery

While many machines/processes can operate without building heat or gas, they still need electricity. Thus, a total shutdown, possibly including fire protection, may be required if gas and electricity are lost.

Industries with susceptible processes—for example, aluminum smelting, molten glass, blast furnaces and cement kilns—have well-established procedures for re-starting operations after a stoppage, whether planned or unexpected. Those procedures should be reviewed, and a tabletop or other practice run conducted. In less susceptible industries, guidance from the manufacturer should be sought.

If allowed by government officials, minimal power to critical machinery should be maintained. Some examples include:

- **Rotary kilns** should be kept on minimal rotation speed to prevent damage to the equipment.
- **Chemical operations** are vulnerable to loss of cooling, stirring or inhibitors. A review of chemical process safety analyses can show what parts of the process are vulnerable and what steps are needed to maintain critical operations or to allow for a safe and stable shutdown.
- **Loss of refrigeration** and the resulting spoilage doesn't affect just large freezers. Small walk-in or home-sized units could hold critical laboratory samples, high-value pharmaceutical products, etiological agents, and the like.
- **Turbines** need power to ensure adequate lubricating oil flow, especially during the "coast down" period. This could take a full day to accomplish without damage to the equipment.
- The loss of off-site **data servers** could impact almost every aspect of a facility's operations. Thus, companies should assess the provisions their technology partners have taken to ensure uninterrupted coverage in the event local energy supplies are curtailed.

Secure the alarm systems

All alarm systems—whether for fires, intrusion or process safety—have backup batteries. However, the batteries aren't intended for extended curtailments. Depending on the system, they are usually set for 12-72 hours, rarely more.

Consider replacing older batteries and adding additional batteries to extend the duration.

Also, if the curtailment lasts for at least two weeks, the performance of the alarm systems shouldn't be assumed, and guard patrols should be deployed for detection and notification.



Minimize fire risk

Although fire risk is less in partially or wholly shut buildings, keeping the fire protection systems in service should be a priority. In particular, ensure that the sprinkler systems and associated pumps will perform adequately in unheated buildings and have sufficient power from batteries, backup generators or other sources.

- **Loss of heat:** As energy curtailments are most likely during the winter, measures should be taken to ensure the sprinkler system doesn't freeze and cause the pipes to break. These include:
 - Seal known cold air incursion points.
 - Aim to maintain a temperature above 4.4° C (40° F) since wet pipe sprinkler systems can be left in service above this level.
 - In areas colder than the average indoor temperature, inexpensive battery-powered thermometers with remote monitoring should be installed.
- **Loss of power in systems with diesel-driven fire pumps:** Diesel pump engines need power for long-term battery charging, especially in cold weather. Likewise, the engine block heater is electrically powered; if it fails, the engine eventually won't start. The upshot: If the batteries die and the pumps can't start, the sprinklers won't function. Consider replacing older batteries with the latest top-quality batteries to ensure they will perform if needed.

Alternatively, if diesel fuel is available, short (e.g., 10-minute) pump runs will help keep the batteries charged. And if a controller doesn't function, plant personnel should know how to start the pump manually.

- **Loss of power in systems with electrical-driven fire pumps:** Obviously, electric fire pumps can't run without power, so backup diesel generators should be available. In that case, the diesel fire pump principles outlined above apply.

- **Avoiding corrosion risk:** If energy curtailments happen frequently, the fire pumps may need to be shut down and drained. However, draining and refilling the systems can increase corrosion, especially if done more than once. In this case, installing special corrosion or freeze-protected systems should be considered. Also, corrosion inspections should be conducted after conditions have returned to normal.
- **Avoiding uncontrolled fires:** Although, as noted, fire risk is less during periods of energy curtailment, any fires that occur will be much more difficult to control. To minimize these risks, the following steps should be taken:
 - No hot work operations should be undertaken when the sprinkler systems are shut down. (This also applies during normal operations.)
 - Maintain constant vigilance by guards with immediate access to portable fire extinguishers.
 - Invite the public fire brigade to tour the facility beforehand. This will increase the probability of successful manual firefighting. Also, consider hiring standby firefighters with contracted firefighting equipment.
 - Report impairments through RSVP (Restore Shut Valves Promptly).
 - If you are a client, we would recommend establishing the AXA XL WaterWorks procedure to manage any pipe breaks that do occur.



Broadly relevant

Although this guidance was prepared in response to the current geopolitical situation, it also applies to, and was informed by, other instances in which the energy supply is or was curtailed for an extended period, e.g., following a severe storm or periods of civil unrest. As such, we hope this article helps companies better understand and prepare for the challenges associated with prolonged energy curtailments and that they may benefit from our suggestions in their ongoing contingency plans. While it isn't possible to foresee all likely scenarios, there is no question that good planning improves an organization's ability to respond to and recover from unexpected events. AXA XL's Risk Consultants also stand ready to assist clients in these efforts.

Secure adequate materials

Energy-intensive industries like aluminum and steel smelting, glass manufacturing or cement production will naturally be most severely impacted by any curtailments; companies in these sectors should thoroughly assess their options for limiting the consequences. At the same time, businesses that rely on materials from energy-intensive industries also should take appropriate precautions by, for example, stockpiling materials or identifying alternative suppliers. In other words, the disruptions caused by energy curtailments could quickly reverberate across the regional economy, including in countries where the supplies aren't reduced.



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