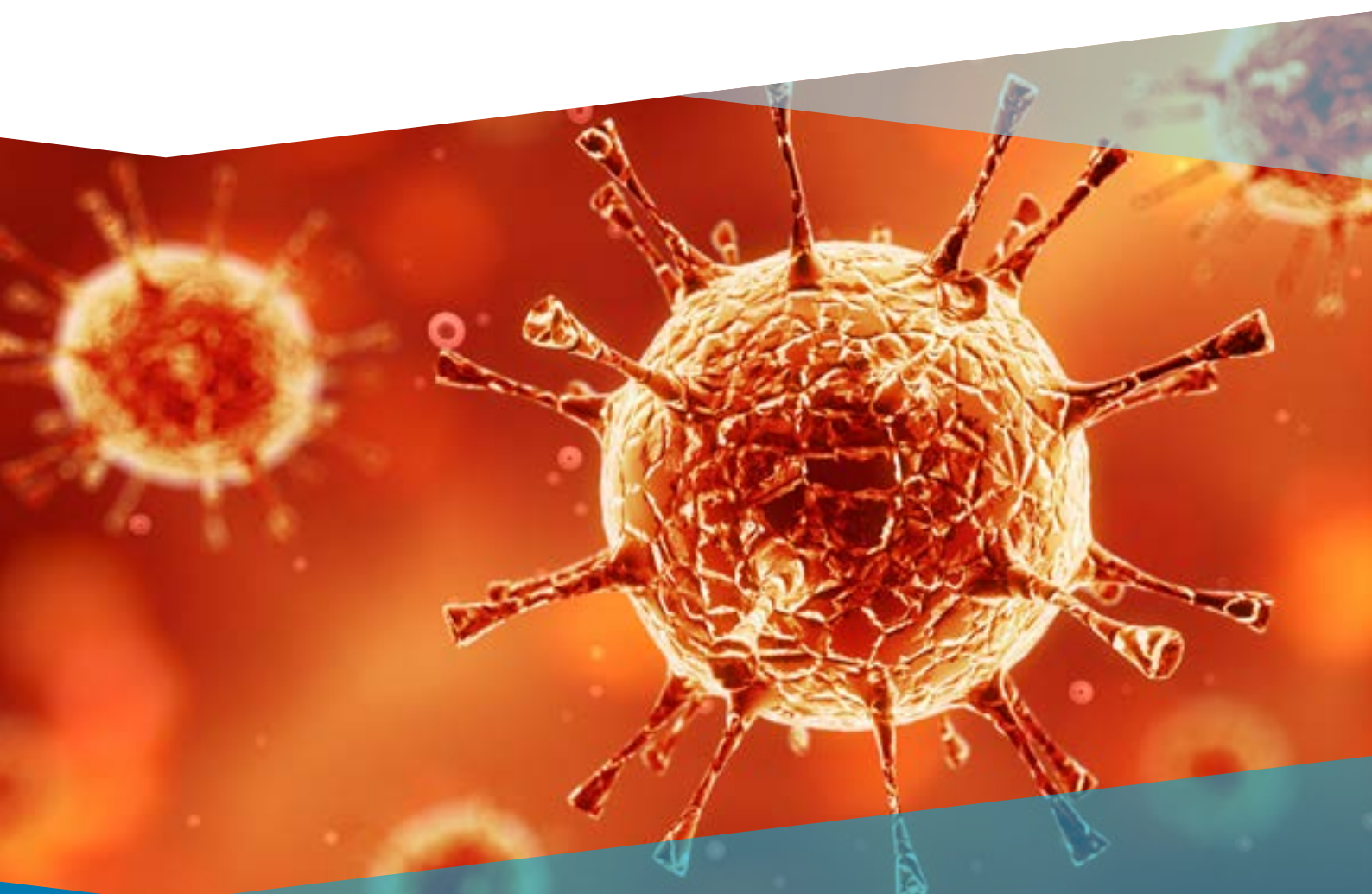


COVID-19 Management, Response, and Recovery Solutions



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Introduction

The coronavirus pandemic is causing a level of disruption not seen in a generation. The virus presents major challenges to organisations in balancing the safety of staff and customers with the need to keep their business running.

Marsh's Client Advisory Services has a wide range of capabilities in a multi-disciplinary team across risk and resilience consulting solutions, risk analytics solutions, claims solutions, and captive solutions. We have created a core COVID-19 response team that is bringing together the full range of our capabilities in an easily accessible way for clients.

This cross-functional team is led by our Global Head of Business Resilience Advisory, James Crask. Before joining Marsh, James worked for the UK's Nuclear Decommissioning Authority and PWC. Prior to that, he worked in the Cabinet Office, managing the UK Government's COBR response during the last pandemic.





We are looking to support clients through the COVID-19 crisis and beyond, in what we broadly categorise into three phases.

PHASE ONE:

Managing the Crisis

The COVID-19 pandemic will likely last several months, making it essential that businesses act now to minimise disruption. Our 30-strong Business Resilience team is currently working with a number of organisations on their time-critical crisis response, including:

- Crisis and business continuity plan deployment (or development/iteration if existing plans have been superseded by events).
- Response team mobilisation (constantly changing circumstances demand faster response times).
- Information management and crisis communications (with so much information flowing and changing so rapidly, organisations need to build a “single version of the truth” on which to make decisions).
- Readiness review and stress testing (working from home arrangements can be hard to implement across an entire organisation all at once).
- “War-gaming” the effects of different government response scenarios.

Our team can support your organisation’s response in various ways:

- 60-90 minute facilitated group sessions on best practice and broad guidance.
- One-day embedded consultant review of your current situation and triaging of your options for response.
- Full or part-time supplement to your own crisis response teams, providing best-practice and cross-sector advice, second opinion, or simply additional team capacity.
- Full-time seconded crisis management team support if your organisation doesn’t have the capacity or capabilities to fully respond in house.

All consultants working on these teams are sharing best practice and latest guidance and intelligence across organisations on a daily basis, fully anonymised to protect any client sensitive information.



COMMUNICATION

How you communicate with your staff, customers, and other stakeholders is critical to sustaining and enhancing trust:

- *Ensure consistency, accuracy, and timeliness of communications.*
- *Continue a dialogue with your customers and communities.*
- *Show humility and offer support.*
- *Be transparent on the rationale for decisions that impact on staff, customers, and communities.*



PHASE TWO:

Responding to Impacts

Having weathered the initial impact, organisations will find themselves responding to a changed business environment. Protracted periods of social distancing and remote working will challenge all businesses in all industries, but in very different ways. Risk appetite and tolerance of organisations will change in the short term and possibly for some time to come.

Our Business Resilience and Health and Safety Consulting teams have a range of solutions to support you through protracted periods of disruption, including:

- **Sustaining resilience strategies.** Workforce planning will become essential as employee health and family situations change: colleagues become sick and then recover; working patterns have to flex to accommodate unplanned childcare; and team structures need to change to manage critical tasks.
- **Health and safety in a changed working environment to protect employees and employers.** Transitioning from informal to longer-term remote working, managing short-term changes to staffing levels in manufacturing and logistics firms, and understanding and complying with employer liabilities and statutory duties in a rapidly changing environment.
- **Mental health and wellbeing.** How to protect employees from the three most commonly reported issues from working in unfamiliar situations: loneliness and isolation; anxiety, stress and pressure; and depression.
- **Managing cyber risks.** Increased cyber risk resulting from changes to working practices requires a renewed focus on staff education and a review of more technical aspects of cybersecurity taking account of an increased reliance on remote working infrastructure.



RISK APPETITE AND INSURANCE OPTIMISATION

Economic uncertainty often means lower appetite to retain insurable loss volatility within the business:

- *Find the balance between paying more to mitigate volatility and retaining risk to minimise premiums.*
- *Modelling can help to determine optimum risk retention levels, gain visibility on loss volatility, and measure the value provided by insurance.*
- *Make data driven-decisions to maximise financial efficiency.*

Organisations will still need insurance. The pandemic, coupled with the transitioning market, will change the environment in which insurance renewals and claims take place. Our Property Engineering, Risk Analytics, and Claims teams, alongside our insurance placement colleagues, can help review and adapt your insurance arrangements:

- **Property risk surveys and valuations** can be carried out remotely. This is possible through desk research and analysis of prior information with client-submitted updates. We can also supplement this with video “walk-through” technology enabling our engineers to remotely accompany your risk managers or facility managers through your sites. Reports would be delivered electronically.
- **Risk appetite for financial volatility and adverse cash flow** from high insurance deductibles may wane as balance sheet reserves become challenged. Our Risk Analytics team can help you re-evaluate risk appetite and determine alternative insurance attachment points, for example, potentially buying down deductibles, which will be critical to manage within the context of the transitioning market.
- **Business interruption and event cancellation losses** require early quantification and modelling to support your claim with insurers and help you better understand the real impact to your business. Our claims teams can support you in determining whether your policy cover is triggered and how best to present your claim.
- **Revising business interruption calculations** given potential pandemic effects will provide you with a more accurate basis for declarations as you recover. However, these should be undertaken with caution to avoid under-insurance as the recovery begins. Our business interruption experts can provide a rapid assessment to help you adjust the sums insured.

PHASE THREE:

Maximising Recovery

Maximising recovery means planning to emerge from a crisis “ahead of the curve”, learning lessons quickly, being agile, and adapting to new situations to help an organisation thrive. Crisis events are highly disruptive and damage company value. However, some organisations can emerge from their crisis stronger. Our [own analysis](#) with Cranfield University of over 70 recent high profile corporate crises found that the share price of more resilient organisations outperformed the wider market by 5%, whereas others lagged their peers by 12%. This performance does not happen by accident, it takes planning.

Our team of risk and resilience experts have a strong track record in helping organisations improve their recovery after a crisis event.

- Recovery starts with understanding how the COVID-19 pandemic will affect an organisation’s financial objectives, including profit and loss, cash flow, and balance sheet. Our Financial Impact Modelling service integrates risk analysis and mitigation planning with strategic and financial planning to model the quantitative effect of operational risks on your financial performance. The recovery period will typically be characterised by the need for accurate forecasting of the ongoing implications to your organisation’s cost and revenue drivers and a detailed review of risk mitigations, controls, and investment to prioritise those with the best net present value impact.
- Captive insurance companies are likely to become a source of cover for future pandemics to alleviate capacity constraints by assuming risk and/or facilitating access to alternative reinsurance. Our own research indicates that captives are significantly increasing their activities in the lines of business most likely to be affected by events like the coronavirus, such as business interruption, surety, supply chains, trade credit, and medical stop loss.
- This pandemic has put the vulnerability of global supply chains into sharp focus with the majority of organisations experiencing some level of disruption. Our supply chain risk consultants are able to perform a rapid supply chain vulnerability mapping exercise and support in the rebuilding of a more resilient supply chain.
- Many lessons will need to be learned from this pandemic, with early indications suggesting that traditional business continuity plans needed a radical overhaul or a complete re-write to provide any level of protection against COVID-19. Our resilience team stands ready to help redesign and implement a more effective resilience programme for the future.



REMOTE WORKING

Moving to remote working presents many challenges to business:

- *Focus on the health, safety, and wellbeing of staff.*
- *Recognise that remote working can put strain on your colleagues' mental health.*
- *Ensure you fulfil your obligations under UK and local regulations.*
- *Maintain risk control over vacant or semi-vacant properties.*

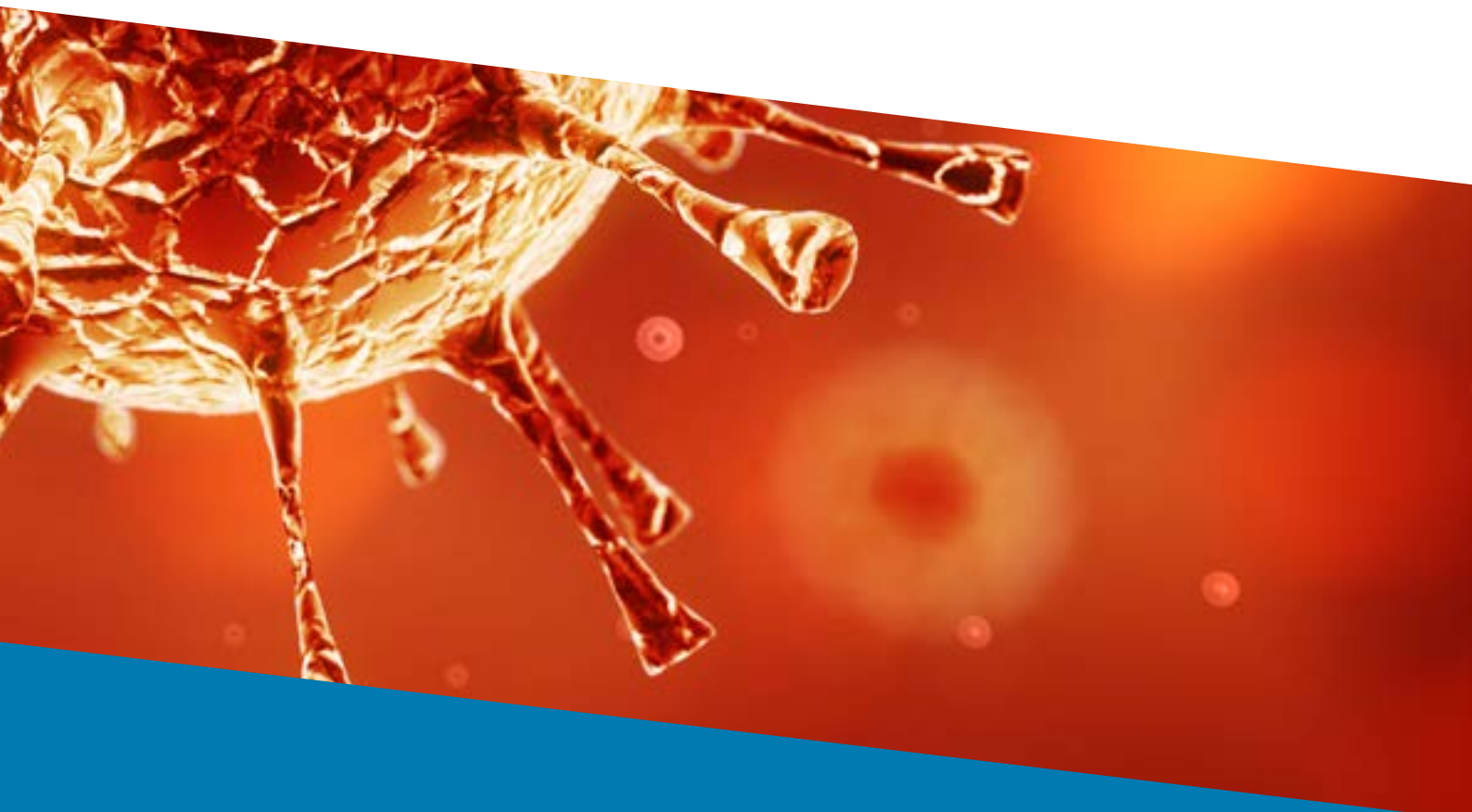
For more information on any of the management, response, and recovery solutions outlined in this document, please contact a colleague below, visit our website, or speak to your usual Marsh representative.

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Further resources:

Marsh COVID-19 resource hub: <https://www.marsh.com/uk/campaigns/coronavirus-stay-informed.html>

Oliver Wyman COVID-19 resource hub: <https://www.oliverwyman.com/our-expertise/hubs/coronavirus.html>



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