IF'S RISK MANAGEMENT MAGAZINE 01/2021

Risk Consulting

Insights into risk management and loss prevention

Content

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Editorial

Kicking off 2021

Behind the coronavirus headlines, travel restrictions and vaccine related news, businesses continue to face traditional risks. In this issue of Risk Consulting, we look at the challenges that companies face in their daily operations.

Fire is still the 'hottest' topic when it comes to everyday risks. Read the article on the various risks relating to hot work. Working with an open flame continues to be a major risk for companies, and it is important to establish and enforce practices that prevent accidents and losses from happening. Did you know that routine tasks can also be the most dangerous?

We also reflect on how trusted partnerships bring benefits to both the client and the insurer. Bringing in If's Risk Engineers early on to a project allows our experts greater opportunity to mitigate any risks and prevent potential losses. Working by your side, we are better positioned to help ensure that projects are delivered safely and successfully, providing additional support to your project team.

LESSONS LEARNED FROM 2020

In 2020, companies and societies around the world faced arguably the most challenging year in recent history. In just a few months, the resilience of businesses, the power of government authorities, the efficiency of public healthcare, and the adaptability of people were all put to the test. Undoubtedly, the past year will be one of extensive study and reflection.

How well did we adapt to change? What worked and what did not go as planned? By actively evaluating some of the lessons from the past year, we now have an opportunity to establish and implement new practices into our risk management work. This, in turn, will help increase safety and preparedness if we find ourselves in similar circumstances in the future. As 2021 kicks into gear, it is important to grow from our experiences and consider; what can we do differently this year?

EXPANDING DIGITAL OFFERING

As a client, you have 24/7 access to our new Learning Hub in If Login. Visit the Risk Management Library to benefit from training courses developed exclusively for our clients and partners. Covering a broad range of topics, from General Employee Safety to Successful Remote Work, these courses have been developed to help you both identify and manage risks in various scenarios and settings. On page 18, we bring highlights from the recently released Accident Investigation training.

Be sure to also regularly check If Login, as new features are continuously being implemented to further support our clients in their daily work.

Last but not least, the If News newsletter is back, providing the latest monthly insights and news for Large Enterprises, sent directly to your email – visit if-insurance.com to learn more.

Poul Steffensen
Head of BA Industrial, If

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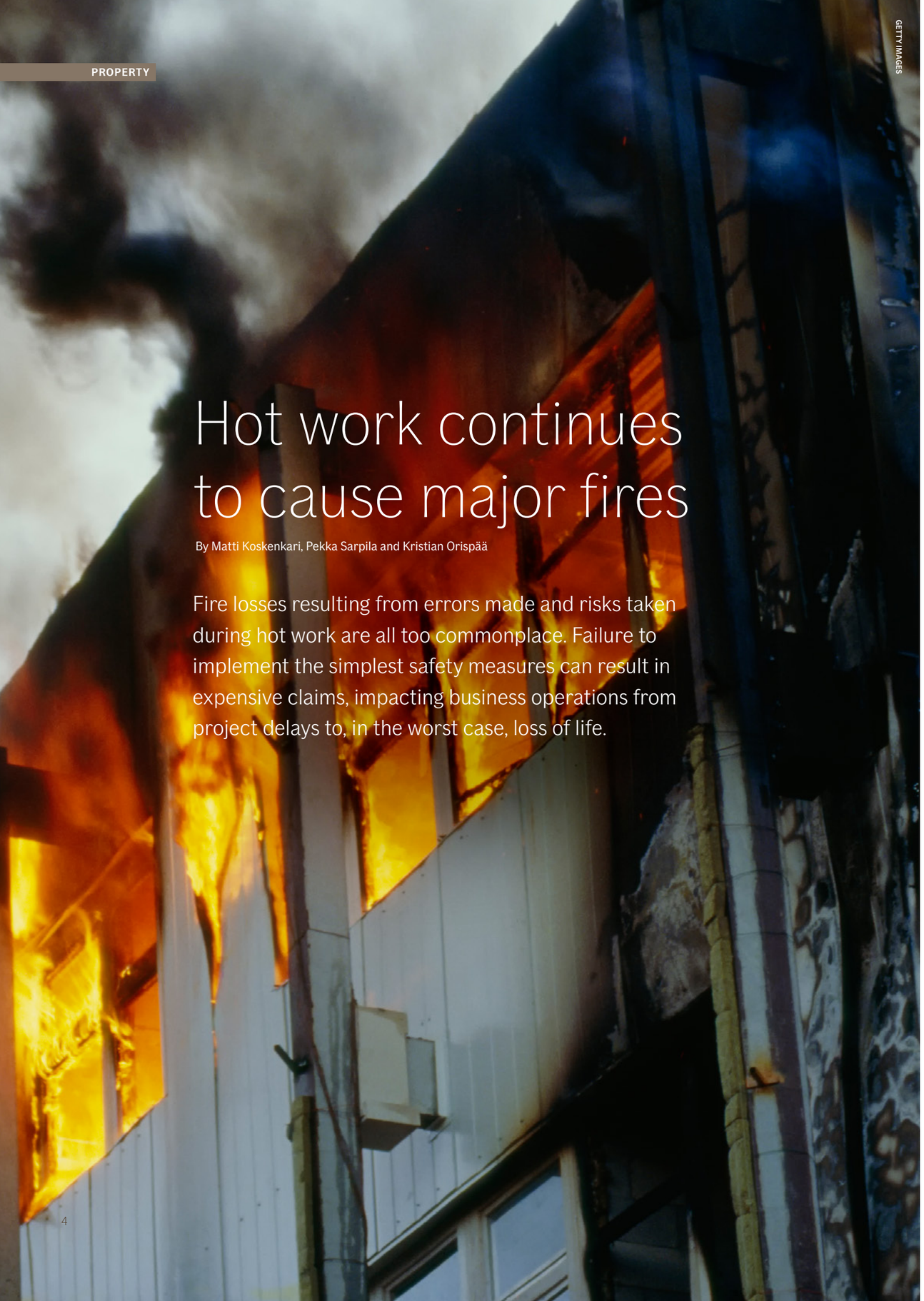


GETTY IMAGES

Hot work continues to cause major fires

By Matti Koskenkari, Pekka Sarpila and Kristian Orispää

Fire losses resulting from errors made and risks taken during hot work are all too commonplace. Failure to implement the simplest safety measures can result in expensive claims, impacting business operations from project delays to, in the worst case, loss of life.

Claims data gathered over the years exposes a costly and dangerous trend, which continues from one year to the next. On construction sites around the world, inexperienced workers and contractors looking to cut corners continue to place companies under significant risk, when hot work tasks are executed incorrectly, resulting in expensive property damages.

Working with an open flame, for example when heating, welding, cutting/soldering, or when carrying out maintenance, repairing or installation work, all of which generate an excess amount of heat, posing risks that must be considered before the work begins.

Matti Koskenkari, Risk Engineer at If, highlights, “In general, working methods that use an open flame or can generate excessive heat or sparks pose a risk of a fire event. Special attention needs to be paid to roofing work. Hot work should never be carried out in direct contact or in close proximity to constructions, i.e. roofs, sandwich panels etc., containing combustible insulation.”

Despite local regulations, industry standards and on-site guidelines, it is common to find that these are often ignored, too limited in scope, and/or they feature little to no control measures.

WHAT ARE THE ALTERNATIVES?

First, check whether hot work can be avoided. Is there a safer method, for instance machining or joining? Is it possible to move the object in question to a workshop or outside to be completed at a safe distance? When hot work is undertaken in a non-designated area, typically outside a dedicated workshop, it needs to be controlled carefully. Combustible materials and flammable liquids, dust and waste should be removed.

CAREFUL PLANNING TO LIMIT FIRE INCIDENTS

A common error is to neglect the protection of hidden spaces, such as wooden constructions, ventilation and extraction ducts and pipes, when beginning hot work. Such areas should always be protected when necessary. Make sure that all hot work equipment is in good working condition and approved for use. Where is the nearest fire-extinguishing equipment? Is it easily accessible and is it adequate for the purpose? Do your workers know where this equipment is located? Regularly check that the sprinkler system is fully operational.

According to Pekka Sarpila, Head of Risk Management Services Finland at If, “We have many examples of well-prepared hot work tasks, where careful preparation helped to prevent a fire from spreading, thanks to capable workers planning for potential risks. Unfortunately, we have also examples that are the opposite. Number one priority must always be to prevent a fire from starting. If that happens, something has already gone wrong.”

WHERE IS YOUR PERMIT?

Install a control system to all hot work tasks to increase clarity and transparency into who is allowed to conduct hot work. As an example, issuing s Hot Work Permit, unique for one single work task, to control that the work is performed as safely as possible.

Note that all hot work, conducted either by your own workforce or by external contractors, should be controlled by using the same strict procedures. If available, safety training should always be completed by persons, whether they are your own or external. Note that a certificate (sometimes called a “hot work card”) received after this training is not equivalent to a Hot Work Permit.

KNOW YOUR PARTNERS AND CONTRACTORS

There are excellent contractors and then there are contractors who are not as competent as they should be. Make sure you know who is working on your site or project. Always use contractors who are capable and experienced with hot work. This will help you manage the risks and protect your property, as well as minimize losses. If you are unsure, consider hiring a supervisor to manage the risks involved with hot work.

Use capable and competent trainers, with the necessary certificates and accreditation to train your staff and contractors’ employees.

ACCESS GRANTED

Ultimately, management is accountable to what is happening on their site. They should therefore have a vested interest in appointing the competent person(s) with the authority to issue permits for hot work. These can be the fire officer, the maintenance manager or comparable, capable staff member. They should have experience and training in the risks associated with hot work (e.g. safety training) and be of a suitable status to ensure compliance

Hot work needs to be controlled, no matter who is carrying out the task. Special training is a prerequisite in many countries.

with the procedures in place. The issuer of the permit should not be the same person who will carry out the actual work.

The plant responsible personnel and the person/company carrying out hot work should perform a hazard assessment (e.g. Safe job analysis) before writing the Hot Work Permit. The safety precautions based on this assessment should be clearly specified in the permit.

AT THE END OF THE DAY

The affected area should be watched continuously during the work. After its completion, the area should be monitored as long as specified in the Hot Work Permit, but for one (1) hour at a minimum, to ensure that it is safe. The fire watch should have received the safety training mentioned above.

If there are automatic fire protection systems, such as sprinkler protections triggered by smoke detectors, or smoke detection systems, installed in a hot work area, these will need to be disconnected for the duration of the hot work task. During hot works these systems in the relevant areas are disconnected, i.e. impaired, to avoid false alarms. In cases where automatic fire protection systems are switched off for more than 24 hours, If P&C Insurance needs to be informed of the impairment in advance.

One thing that must not be overlooked, is to reconnect the impaired automatic sprinkler protections and smoke detection systems. During hot work these systems in the relevant area are disconnected, i.e. impaired, to avoid false alarms. As a part of the control process, it is important to ensure that these extinguishing and detection systems are reconnected after the completion of the hot work. Other fire protection installations must be reinstated as well.

ROUTINE TASKS CAN BE THE MOST DANGEROUS

In many building or installation projects (i.e. the installation of new machinery etc.), hot work is performed almost on a daily basis. In these cases, it is possible to issue a Hot Work Permit that is valid for several days, but it is not recommended to use a permit for more than a week. However, the work conditions need to be revised by either the permit issuer or another qualified person, e.g. the shift leader, each morning or at the beginning of each work shift. This revision needs to be documented in the permit (date/time, signature). Even for experienced workers, hot work always poses a risk, and should be planned and executed with care and attention, even when it is conducted daily.

GETTY IMAGES

HOT WORK FIRE EXAMPLES

- *An employee ignores hot work permit protocol and decides to undertake a hot work task without a permit. The employee takes a coffee break, failing to organise the required fire watch. A spark ignites plastic insulation, causing a fire that resulted in a claim costing tens of millions (EUR).*
- *Failing to move components outdoors for welding, resulted in sparks igniting a warehouse, which burned to a total loss, costing over one million euro, with severe disruptive impact on company operations.*
- *Hot work carried out during demolition works in an old production and utility building caused a fire. Large amounts of water used to extinguish the fire severely damaged a critical electrical room located in the vicinity of the fire, causing a sudden temporary total shutdown in a large industrial park area.*
- *Careless use of an open flame during hot work on a roof ignites the wooden construction underneath the felt, as well as behind a wall structure, leading to a massive fire. Furthermore, extinguishing water causes damage in the residential building. The constructor's subcontractor is found liable for the damage.*

"Regardless of adequate hot work permit procedures, and even when all precautions have been taken to mitigate potential fire hazard exposures caused by the hot works, it is essential to also ensure that there is always an adequate amount of first aid fire extinguishing equipment, as well as competent personnel to use this equipment, available in hot work places. This helps to ensure that if a fire breaks out during or straight after the hot works, it can be effectively extinguished immediately in its very early stage," Matti Koskenkari concludes.

How-to guide for hot work permits

Some considerations and practical tips

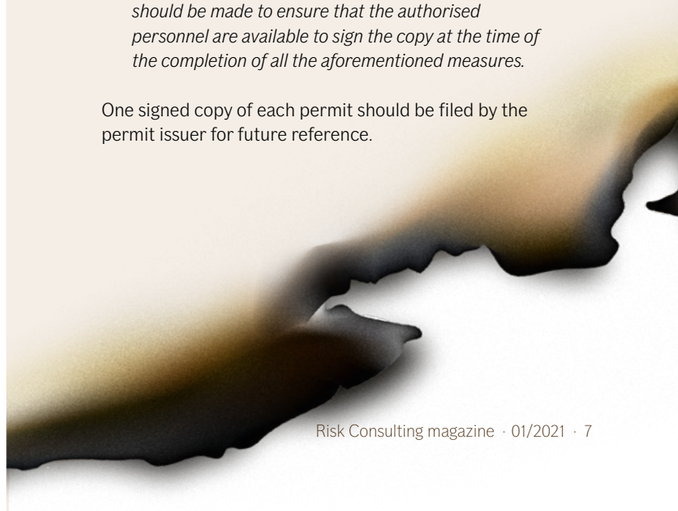
The Hot Work Permit should be valid for one work shift only. It is good practice to ensure that the hot work is terminated two (2) hours before the end of a working day, in order to have staff available to conduct an inspection of the area.

The Hot Work Permit should be completed with an adequate amount of copies. One copy should be retained by the issuer, who may wish to inspect the site of the work or perform spot-checks to ensure that the conditions have been met. The second copy is handed to the person responsible for carrying out the work. The third copy could be delivered to the security department, to the gatehouse, or if applicable to the control room of the relevant production area.

Keeping the communication lines open is important. Some best practices include, but are not limited to, the following:

- *It is recommended that, upon completion of the hot work, the expiry of the fire watch period and the reinstatement of all fire protection installations, should be communicated in a timely manner to the permit issuer.*
- *Hot work permits should always be signed-off only after this fire watch period is over and completed.*
- *The issuer is recommended to always inspect hot work locations when the work has been completed. This is an important step in the process, which is commonly overlooked, but critical in the prevention of property loss. For example, the incorrect handling of equipment after a hot work task has been completed, is easily spotted with a simple inspection.*
- *The issuer should also confirm the completion of the hot work by adding a new signature to his/her copy of the permit.*
- *If a permit is issued late in the day, arrangements should be made to ensure that the authorised personnel are available to sign the copy at the time of the completion of all the aforementioned measures.*

One signed copy of each permit should be filed by the permit issuer for future reference.



CLIENT

Why trusted partnerships are valuable

By Ottmar Zeizinger, Lars Freymann and Kristian Orispää

If P&C Insurance has a relationship with Essity that goes back several decades, as an insurer, reinsurer of the Essity captive and as a risk management service provider. Recently, the Kostheim plant in Germany, which produces tissue products was expanded to meet increasing demand for Essity products. If Risk Engineers were actively involved in the planning and delivery stages of the project to help our valued customer, collaborating to manage risks together for the safest and most reliable results.

ESSITY

As a leading global hygiene and health company, Essity is dedicated to improving well-being through its products and solutions, which are essentials for everyday life. From baby care products to hand soaps and professional hygiene products, Essity is one of the world's largest suppliers of popular brands for essential daily personal care, consumer tissue and professional hygiene products and solutions.

At their Kostheim mill Essity produces tissue products, mainly for the highly competitive German market. Sales is not directly to the end user, but to the largest consumer market chains and some other distributors.

As such products have a high ratio of volume compared to value, storage requires large and expensive warehouse capacity, either at the manufacturers site or at the customer site. Therefore, buffer stock is limited to a few days of production only, which certainly increases the risk of supply chain disruptions in case of any production problems. At the same time production machines are of such a nature, that serious damages cannot be repaired within short times.

The impact on the business interruption risk could be substantial and maintaining uninterrupted, reliable production is therefore of vital importance for Essity.

TISSUE PLANT EXPANSION IN KOSTHEIM, GERMANY

Essity initiated a large project valued at more than 100 million euro, to extend an existing plant. The project, planned to run over 2-3 years, included the installation of production equipment, including one large tissue paper machine, alongside warehouses and various modifications to the plant's infrastructure. Altogether this project accounted for a substantial share of the company's turnover and had to assure the competitiveness of Essity in the local market.

Such complex projects involve multiple parties, both external and internal, all providing specific fields of expertise, ranging from production, building construction, fire protection to insurance just to name a few.

The project team was supported early in the project by the local Risk Engineer from the nearby German Branch Office of If P&C Insurance. This support is a part of an ongoing collaboration between Essity Group Risk Management and If, If being one of Essitys chosen risk management service providers. The risk engineers supported Essity in delivering the new facility in a safe and efficient way.

ESSITY

If's Risk Engineers assessed the possibility of property damage, and especially the business interruption risks. This resulted in several recommendations to be implemented during the construction phase and final start-up of production. Such work is done in several phases, with an increasing level of detail, to ensure reliable operations. Local presence to the construction site proved to have a positive impact allowing If to meet the project team whenever needed. Knowledge of Essity's business, awareness of expectations from Essity Group Risk Management and local legal jurisdiction has been a prerequisite for effective consultation regarding risk control.

The basis for all consultation has been the Essity corporate loss prevention standards, established technical standards, as well as key capabilities and know-how from If's Risk Engineers, accumulated over decades of focused work in this respect, as the pulp & paper represents one of If's core client industries.

UNCOVERING POTENTIAL RISKS

Generally, in any major project, overall assessment of the risks is important. Essity introduced a concept with tools and processes for an overall risk assessment for some years ago to ensure that all types of risk are assessed in the project. The chosen risk management providers are a central part of this assessment with their expertise on industrial loss prevention, and with a holistic, business interruption perspective. Rather than just installing production equipment, Essity as an organisation realizes the importance to also consider other aspects, for example relating to infrastructure, to make sure nothing is missed.

LOSS PREVENTION CONSULTATION DURING LARGER PROJECTS:

- *Know, trust and respect one another*
- *Make a commitment for long-term success (when the project has ended, the relationship continues)*
- *Understand the client's business, both financially and technically*
- *Have a sound basis of technical loss prevention skills, but know your limits and be prepared to involve others when needed*
- *It was very beneficial, as it was the case in this project that the risk engineer can speak the local language!*
- *Be ready for surprises and changes in resourcing*
- *Step back, look at issues from a bird's eye view.*
- *Never stop asking questions*

According to the initial project plan, two new main transformers were to be located close to the existing main power plant. When consulted, If's Risk Engineers assessed the overall risk situation, revealing the potential business interruption risk, in case of a fire at any location in this area being not acceptable.

It became evident that the output of the entire new production facility is dependent upon these transformers. Should anything go wrong with the transformers, the business interruption risk would be substantial.

As soon as the issue was uncovered, all parties joined in working together to find a solution, making use of all the competence and expertise in the team. The resources required to mitigate the business interruption risk to an acceptable level was efficiently activated by the team effort.

TACKLING THE TRANSFORMERS

According to Ottmar Zeizinger, Risk Engineer at If P&C Insurance, "the two new transformers at Kostheim were built in accordance with all requirements and standards, as was the separation between the two units." Ottmar explains, "the transformers were planned and constructed right and completed as required by German regulations and EU standards. Leading partners and expert engineers did everything correctly. What If P&C Insurance added to the equation, was that we knew this is not enough to reduce the business interruption risk of this large paper mill to an acceptable level."

From this perspective the value of an operating transformer is immeasurable, the threat includes losing business, impacting employees, potentially shutting down the factory completely in the worst-case scenario."

Ottmar states that, "As observers, we looked at the equipment installed on the site from a different angle. We were not considering the installed equipment from a delivery perspective but a 'bird-angle view' which allowed us to see the project from outside to recognise a serious business interruption risk. This warranted raising concerns and pushing partners to reconsider the installed solution from an operational loss prevention angle."

Supporting our customer in recognising the issue with the transformers, explaining the potential business interruption risk, required opening up new discussions while the conglomerate of experts was already overloaded with work to complete the main extension project on time.

Generally, oil cooled public grid transformers of such magnitude are very reliable, but if they break down, major repair work or delivery of a new unit can take 12 to 18 months. In the common risk formula R (risk) = P (probability) x I (impact), "P" is low, but "I" is considered to be extremely high, due to very long recovery time and total shut down of a major production. This was understood and accepted by the project team. The first and most important objective of business interruption risk reducing measures had therefore been concluded to be the prevention of damage to both transformers at the same time. For this to happen, we required a scenario where a fire in one transformer spreads to the other one. The existing separation consisted of some distance and partly a concrete wall, but an analysis proved that this was not enough to prevent the risk, where for example an oil fire could result in an explosion which spreads to the second transformer.

"Sounds simple, but this turned out to be rather difficult," says Lars Freymann, Senior Risk Engineer at If P&C Insurance. Adequate transformer protection requires a substantial water supply, which is usually provided by the sprinkler network, but unfortunately was not easily accessible for this application." Lars continues, "However, together with local power plant and fire protection personnel we finally were able to work out an effective and affordable solution. Design criteria were forwarded to a sprinkler contractor, who installed the system under the safety supervision of power plant employees."

One of the major specifications issued by If's Risk engineers was the proof of the installation by way of appropriate full discharge tests. Though this is not a costly exercise at all, contractors and electricians are hesitant to complete these tests. For example, electricians are concerned with electrical short circuiting due to water discharged via special nozzles at meaningful pressures.

"An important recommendation by If was conduction of an actual live water discharge test. Also in this case, the discharge test let to the need of some final modification to achieve the best lost control impact of the extinguishing system." Lars states.

EFFECTIVE LOSS PREVENTION

As Ottmar says; "You have to know the client and understand what is going on at their production or warehouse sites. You also have to understand the broader business circumstances, such as the corporate structure, the insurance concept, and the client's market. Our involvement is about giving clients a higher chance to succeed, by taking an outside-in view of projects such as this. If you look at a single recommendation for transformer risk reductions on a list of many recommendations for an individual plant or even worse for a corporation with many plants all over the world, it only tells part of the story."

> *"Recommendation by If was providing a fire protection system to control a fire and prevent fire spread from one transformer to the second one.*

Lars concludes, "At larger industrial sites, we at If P&C Insurance try hard to not just insure the financial impact of an incident, but we support our clients by long-term oriented loss prevention services. Only if all parties involved have the chance to learn about each other and are motivated to add their own competences, then the chance for a good business success is given for the insured and for the insurance carrier. Let's pull on the rope in the same direction."

Rolf Mohr, Essity Kostheim - Department Manager Power Plant states, "Since we have identified the risk of a major business interruption and have taken care of adequate loss controls, I can sleep far better."

From left: Lars Freymann/If, Rolf Mohr/Essity, Kostheim, and Ottmar Zeizinger/If

TRANSFORMER LOSS PREVENTION AND PROTECTION

- *Analyse business interruption risk impact for each individual unit and any units grouped together.*
- *Determine, control and analyse preventive maintenance and the expected remaining lifetime of each unit. E.g. gas in oil analysis conducted periodically provides an excellent basis for planning of maintenance measures and replacement planning.*
- *Transformers must be included in plant wide thermographic surveys (IR scanning).*
- *Different fire risks related to dry and oil-cooled transformers must be taken into account.*
- *Critical units must be fire (explosion) separated from other critical property, this can include other electrical transformers, switchgear, production or warehouse buildings.*

For larger units, the surrounding should be reviewed in all three dimensions. The radius necessary could be as large as 50 meters.

- *Emergency planning includes e.g. safe shut down procedures, spare units, replacement times.*
- *Fire risk assessment includes for example:*
  - *Type, age, size, location of unit*
  - *Oil/water spread: pits below, drainage,*
  - *Steel grates above pit and below unit acting as flame arresters?*
- *Fire control systems may consist of adequate pressurised water spray systems at various levels and especially above the unit.*
- *A full-scale flood test to confirm proper hydraulic design and positioning of the nozzles.*
- *For a transformer located inside buildings fire detection may consist of aspirating smoke detection systems. Outside units may be monitored by robust heat sensitive detection systems.*

Mitigating snow load risks

By Oddmund Bleie, Stefan Nyberg and Caroline Bødkerholm

The cold months are here, and with them come snow, wind, rain and ice. Even though accidents happen all year round, there are several incidents that specifically occur during the wintertime.

Following heavy snowfall, the rooftops of buildings are often loaded with snow. The weight of wet snow can be three times higher than that of dry snow. Snow can cause damage to the rooftop, which in turn can lead to damages in the building even business interruption, for example if a location needs to be closed down for repairs.

In this article, Senior Claims Adjuster, Oddmund Bleie from If in Norway and Risk Engineer Stefan Nyberg from If Sweden, share their knowledge on how to prepare your business for the winter.

WHAT'S YOUR PLAN?

First and foremost, you need to have a plan. This plan should not solely cover the necessary steps after an accident has happened, it should also include all the preventive actions, that will help to reduce the risk significantly.

MAKE A RISK ASSESSMENT OF YOUR BUILDINGS

A massive snow load can pose a significant risk that may compromise building structures. Consider the stability of your own buildings and third party buildings in other locations that are a part of your supply chain. Even though, your storage facility may be a rented space from a third party, it is in your interest to understand any potential risks.

Ultimately, any damage to the structure can affect your business if something happens to your inventory. Ask yourself the following questions during your inspection: What is the structural integrity of the roof? Is it an old building? Has the structure weakened over time? Is the drainage system functional?

A frozen drainage system can cause snow and ice to build up on the roof. To avoid this, consider installing heating in the drainage system. This is especially important in geographical areas where the temperature frequently varies from below freezing to a milder temperature.

PUT A TEAM TOGETHER

Who will you call if your production facility, warehouse or office building is covered with snow, and do you have the necessary equipment when snow needs to be removed?

Snow removal is often a job for professionals, who are trained to remove snow safely, utilising professional methods. Apart from posing a significant risk of personal injury, unloading may actually cause more damage when done incorrectly. If the load on the building becomes increasingly uneven during unloading, the entire building can collapse. Unskilled workers may also damage the roof when removing snow, causing water to enter the building.

Skilled personnel will also consider the risk of potential risk caused to pedestrians, parked vehicles and other property when removing the load on the roof. Taking appropriate measures during this activity are critical to protect human life and property.

FOLLOW THE WEATHER FORECAST

If the weather forecast indicates that a lot of wet snow will fall in a short period of time, then it can represent a significant risk. Snow followed by rain will increase the amount of water, which will ultimately affect the weight per square meter.

When there is already a substantial snow load on the roof, predictions of further snowfall in weather forecasts serves as an important warning. The wet snow can increase the weight on the roof to a level where the risk of collapse shouldn't be ignored.

WATCH FOR POCKETS OF SNOW

Large amounts of snow can accumulate into wind pockets in sheltered areas, for example on flat rooftops, behind chimneys or between heating, ventilation and air-conditioning equipment installations.

More and more companies are powering their operations with solar panels that are placed on the roof of the building. Therefore, it is important to consider how the photovoltaic (PV) system in combination with heavy snow load can affect a building structure.

One thing to consider is that PV panels on low-rise commercial and industrial buildings can change the patterns of the wind flow and the snow accumulation.

Another concern has to do with old buildings, as added weight from PV panels on the roof, increases the demand on the structure of the building. It is important to evaluate the guidelines for your PV panels in respect to snow loads.

Conducting a thorough risk assessment of your buildings and property located in snow prone areas will help you to develop relevant mitigation actions and plans. Further, this will help to secure your business and personnel for the potential risks relating to snow loads on rooftops. At If Insurance, we work by your side to support you in your risk management work to help prevent losses.

GETTY IMAGES

Managing Cargo risks and losses

By Rikard Sahl, Tommi Haglund and Kristian Orispää

Protecting your goods in transit, or in intermediate storage in conjunction with an insured transit, from loss or damage is vital. If's cargo risk specialists assist clients to manage cargo-related risks and issues, as valuable and oversized equipment is prepared for transport, shipped and then stored in locations around the world.

If Insurance cargo risk specialists regularly support clients with their marine cargo activities. From warehouse surveys to high and heavy transport projects, Tommi Haglund and Rikard Sahl support clients in managing risks relating to their cargo and transportation operations. Sometimes, such reviews are required as part of the insurance policy. This can include, for example, barge shipments and vessel checks.

As Cargo risk specialists, Tommi and Rikard, who are both master mariners with background in the international shipping industry, work together with clients to review and evaluate the plans for cargo projects and operations. Utilising their extensive experience and know-how of common pitfalls in marine cargo transportation can further secure these risky and costly activities. Another example which can trigger the requirement to contact If experts includes cases where the policy limits are exceeded.

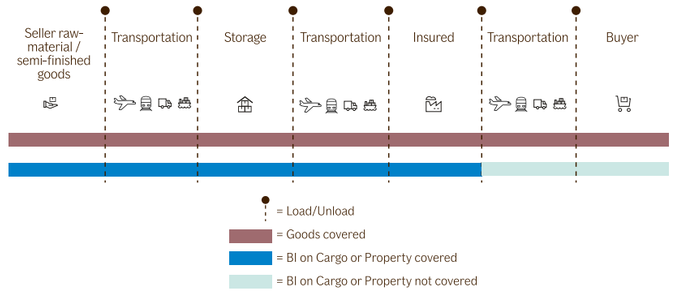
According to Tommi Haglund, "this additional service can include risk management services, storage area or harbour surveys, as well as project or individual transport consultation. When needed, we give recommendations to make sure the cargo is transported and stored safely and securely."

"When we talk about large and complicated shipments, these types of activities require specific knowledge and capabilities." Tommi continues. Shipments are not booked years ahead, there can be last minute adjustments to schedules and plans, complexities relating to the movement of high and heavy transport makes each project unique."

Rikard Sahl, continues, "we conduct quite a lot of risk surveys, over 100 during a normal year, and not only relating to project cargo. Physical and desktop risk surveys involve a broad range of factors that must be considered, from potential natural hazard risks during the journey and storage, to protect the cargo from start to finish."


GETTY

WHENEVER YOU ARE ON RISK, IF P&C INSURANCE WILL COVER YOUR GOODS, NO MATTER THE LOCATION.



The cargo risk management service can also include advising on operational risk management questions (excluding legal aspects), as well as the suitability of chartering of a specific vessel, lashing, loading- and discharging operations onboard vessels, railway, trucks and trailers.

INTRODUCING COMBINED PROPERTY & CARGO INSURANCE

For many manufacturing and wholesale businesses, the supply chain is an instrumental part of daily operations. The ability to control, monitor and optimise the transport of goods is vital in order to maintain a competitive and cost-efficient business. While small changes in the supply chain might be possible to manage, a breakdown of the supply chain would have a serious impact on the company's future.

If P&C Insurance has studied the current support for your supply chain risk, and we have found that there are still gaps in the insurance solutions available. That is why we have improved our current offering, which has resulted in an even broader cover.

The new insurance solution offers:

- *Intermediate storage/extraordinary storage during transit when the ordinary course of transit is interrupted*
- *Goods and/or merchandise and/or property intended for shipment covered during:*
  - *Loading process*
  - *Await the commencement of the transit*
  - *After arrival at the destination until promptly unloaded*
- *Business interruption cover during transit for delayed, lost or damaged raw material and/or semi-finished goods.*

Contact If to hear more!

DID YOU KNOW?
As a Marine Cargo insurance client, you have access to Cargo Loss Prevention info sheets to benefit your shipping and transportation operations with top tips and advice.

The way we fly has changed

By Henrik Rahm and Kristian Orispää

Whether you are a business traveller or taking a journey for personal recreation, the way we travel has changed. There are some notable changes to preparing for travel, considerations to take into account while in your travel destination, and actions that need to be taken after your trip.

GETTY IMAGES

According to IATA, the International Air Transport Association [1], since the outbreak of the COVID-19 pandemic, there have been millions of flights. Despite this, the number of onboard transmissions remains very low. Passengers are advised to practice good personal hygiene, to wash their hands regularly as well as take the needed precautions that will help lower the risk of transmission, for example by using face masks for added protection during the flight.

Every traveller needs to be aware of the risks involved when travelling. According to Henrik Rahm, Nordic Head of Employee Benefits, "With the continued spread and mutation of COVID-19, international travel has changed significantly. Flights are limited and some destinations are no longer accepting international travellers without a negative COVID-19 test. Keep in mind that local authorities in your destination country may impose restrictions, such as border closure, with very short notice, which may result in your trip being cancelled completely."

"It is also important to check the latest COVID-19 information and travel restrictions for your destination regularly before departure, utilising reliable government sources for information. Last but not least, know what your insurance covers with respect to the COVID-19 pandemic."

In 2020, some people found themselves placed into forced quarantine in foreign countries. Abrupt restrictions by local authorities interrupted holidays and caught out business travellers, as governments sought to contain the spread of the coronavirus. Many travellers were unable to return home from their journey abroad. This generated added hotel costs and accommodation fees.

In these situations, it is important to follow the advisories issued by local authorities.

- *Follow the local advice on how to avoid infection risks.*
- *Stay in your hotel room or follow instructions if you are moved to quarantine facilities.*
- *Be prepared that you may be tested for the coronavirus, and potentially hospitalised abroad.*
- *If this happens to you, contact your travel agency, airline and insurance company as soon as possible to discuss your situation.*

Henrik Rahm highlights that, "Worth pointing out is the responsibility of the employer and their duty of care obligation, to protect the health and safety of their employees, even though they are covered by an insurance. During these uncertain times, it is important that employers really reconsider if it is required to travel abroad."

1) Source: IATA

UNSPLASH

Accident investigations drive safety improvements

By Salla Lind-Kohvakka

While lifting a pallet with a forklift, the load slipped and fell onto the factory floor. Luckily there were no persons injured, although a co-worker was close to the accident scene observing and assisting in the lifting. The pallet and the product were damaged.

Despite advances in safety and risk management, accidents and incidents happen. The outcome from an accident can vary greatly - sometimes almost identical chains of events can result in totally different outcomes. This can lead to misunderstandings with regards to the indications minor incidents and near misses give us: instead of being single unfortunate events, they should be understood as something that can happen again, and often have the potential to cause more serious outcomes or losses.

AN ACCIDENT IS AN EXPENSIVE WAY TO LEARN

For long, it has been understood that accidents need to be investigated, in order to prevent them from happening again. In the best case, we can identify some simple and effective improvements to ensure safe and disturbance-free work. Sometimes the corrective measures need to be targeted to multiple different issues. In any case, each accident should also be considered as a possibility to learn and improve safety and risk management.

When an accident happens in the workplace, an investigation may be required by national legislation. In order to ensure learning and that improvements are made, a thorough investigation is for minor cases, especially if it is obvious that they hold the potential for a major loss or accident. Sometimes, they can expose hidden risks and threats that require immediate actions.

MANAGING RISKS BEFORE AND AFTER AN ACCIDENT

Safety management can be divided into two categories: reactive and proactive.

- *Reactive management refers to conducting an investigation after an accident. This includes for example, compiling information and reporting statistics.*
- *Proactive safety management refers to implementing wider safety measures based on investigation findings, for example in other locations with similar conditions.*

It is important that the investigations are conducted systematically and with an open mind. As a result, investigation findings can be applied to improve safety in several locations or functions, instead of only addressing the actual accident scene.

> *Accidents have multiple causes and underlying contributors.*

WHAT ARE WE REALLY LOOKING FOR?

Accident investigation aims to answer the three main questions: what happened, why did it happen, and how do we prevent it from happening again in the future. These questions also direct the person conducting the investigation to remain objective, where the overall aim is not to identify whether someone is guilty.

Accidents have multiple causes and underlying contributors. Sticking to the most obvious ones will only tell a part of the story - it is important to look further and deeper. How would it change your mindset if you looked for explanations, instead of causes?

LESSONS LEARNED?

Many companies have a well-defined investigation process with good instructions in place. Still, it is common that accident investigations result in vague outcomes. Especially with minor cases with no or very little harm, it is quite common that the accident-preventive measures are extremely simple or focusing only on the most obvious cause.

This highlights the importance of avoiding hasty conclusions and simplifying the outcome of the investigation, for example "...to prevent this from happening again, let's be more careful." Although this is a commonly introduced improvement, it has very little or no efficiency in practice.

Instead of focusing (and relying) on human performance only, a better option is to list actions that are targeting both organisational and technical matters. In reference to the example, the outcome should be "...to prevent this from happening again, work practices and risk assessment need to be revised. Also, the adequacy of technical safety in the location has to be ensured, which means new security measures will need to be implemented."

A common issue is that the investigation focuses on merely documenting the case, instead of searching for a more coherent chain of events with causes and consequences. There can be many reasons for this; sometimes there may be lack of time to be allocated for a thorough investigation and reporting. Also, accidents can be such rare events that no investigation routine has been established for those who conduct each investigation in practice. The overall aim of the investigation can also be unclear. These can lead to outcomes that will not provide much information for effective safety improvements.

PRODUCTION LINE EXAMPLE

The production line was often jammed with the materials on the conveyor. As removing the blockage according to the agreed safety instructions would cause remarkable delays in production (and impact daily KPI's), it was an established practice to keep the line running and remove the blockage with a wrench or hammer. This behaviour resulted in an accident, where an employee's hand was trapped between the blockage and the conveyor, leading to injuries. The indirect losses, including production downtime following the accident, were significant.

In this imaginary example above, we could just report on the timeline and capture what happened, define some new work practices and install some safety devices, such as a shield or automatic stop when blockages occur. However, in order to ensure key learnings, there is an obvious need for analysing causes and consequences much deeper. With this small description only, we can already see that there are some obvious deficiencies in work practices, safety culture and supervision, in addition to the defective technical safety issues and maintenance of the conveyor.

THE IMPORTANCE OF NEAR MISSES

In the 1920's, U.S. scientist H.W. Heinrich (1886-1962) made his famous approach to understand why accidents happen, and how they could be prevented. He came up with a pyramid model, which illustrates the relation between near-misses, less serious accidents and serious accidents. In this model, the peak of the pyramid represents the rarest cases, i.e. the serious accidents, and the number of cases increases the lower we go while the severity of these are reduced.

The point of the pyramid is to illustrate, that the most serious accidents are grounded in near misses, and the less serious accidents have a link to the serious ones. Thus, focusing and removing the near misses will have a reductive impact on the more serious accidents.

Over the years, this model has remained almost the same, and Heinrich's theory has been proven to be valid in practice. After a century, this theory and the pyramid model still underline why gathering near misses and safety observations is so important – they are indicators for something that can cause much bigger loss next time, unless managed effectively.

Hazards and hazardous conditions should be identified and reported actively. This is a continuous process, that should take place every day. A good practice is that all employees identify hazards (including hazardous conditions) as a part of their everyday routines. This is a question of safety culture, combined with knowledge of the working conditions and tasks.

HOW TO CONDUCT A GOOD INVESTIGATION?

Accident investigation should aim to define the preventive measures holistically, so that improvements can be targeted to safety and risk management, as well as to technical details and work practices.

In order to help our clients to enhance their accident investigations, If has published a thorough training in our Learning Hub. The training gives a detailed overview to theories, practices and to some investigation models. The training is targeted especially for risk managers and occupational health and safety personnel. The training is useful for anyone interested in accident investigations and conducting them.

DID YOU KNOW?
If you are an If client visit the Learning Hub to access this training course, and many more.

The future of cyber

Insiders, hackers and government attacks

By Caroline Bødkerholm

Cyber attacks are on the rise, both in intensity and frequency. Many companies are focusing on their IT security infrastructure and training employees to help prevent potential attacks.

On the 19th of January, If Insurance hosted a webinar 'The future of cyber-crime'. We were proud to introduce, Mikko Hyppönen, global cyber security expert from F-Secure, and Mark Anthony Fiedel, Head of the Analysis department in the Danish Centre for Cyber Security (CFCS) as our key speakers in the webinar. Presentations focused on the future of cybercrime and espionage.

In his presentation, Mark Anthony Fiedel talked about the role of the CFCS, and focused on the different reasons why hackers attack, as well as highlighted the risk of cyber espionage. He explained that, "espionage attempts happen every day, however unlike criminals, foreign states and their intelligence agencies don't want their crimes exposed in the news."

In Mikko Hyppönen's presentation, he emphasized that the security landscape never stands still, and that

Mikko Hyppönen, F-Secure

> *"The cyber security landscape never stands still.*

we see new types of threats from an increasing number of attackers, all the time.

He notes that, "In the early days, we were fighting kids who were writing viruses for fun. Today we, and you, are fighting against organised crime, foreign nation states, intelligence agencies, foreign militaries, extremist groups and activists or hacktivists, and more."

Mikko Hyppönen further raised the questions; How are we going to tackle cybercrime in the future? What are the trends that are shaping our industry?

A panel discussion followed the presentations, hosted by Kristine Birk Wagner, Nordic Head of Underwriting at If that were well received by our approximately 400 participants. If's Head of Digital Risks & Cyber, Mikko Peltonen, joined in the panel discussion. He notes that, "Digitalisation is an important enabler, playing an important role for businesses, individuals and for society as a whole: However, we are only seeing the tip of the iceberg when it comes to what the future will hold for cyber and IT security."

Mikko Peltonen leads the newly established Digital Risks and Cyber unit within If's Industrial BA. The unit oversees Nordic underwriting and risk management of If Industrial's cyber insurance portfolio. He explains, that "Cyber insurance is not a silver bullet solution, rather one more tool in the toolbox in the fight against cyber criminals." ▭

Short news

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August Ramsay Foundation

The August Ramsay Foundation promotes loss prevention work in companies insured by If P&C Insurance Ltd (publ), Branch in Finland. The Foundation also supports practical and theoretical research by students within loss prevention and insurance. Awards are granted to persons and communities in Finland that have been taking part in loss prevention work. For details, check the website (in Finnish). *if.fi/augustramsay*

Appointments

Timo Rüll,
Senior Risk Engineer, GE

Sofi Alverstrand,
Head of Employee Benefits, SWE