

Risk Consulting

Impacts of a global pandemic

4

COVID-19 disrupts
supply chains

16

What makes
a sustainable
insurance company

24

If Learning Hub
launched



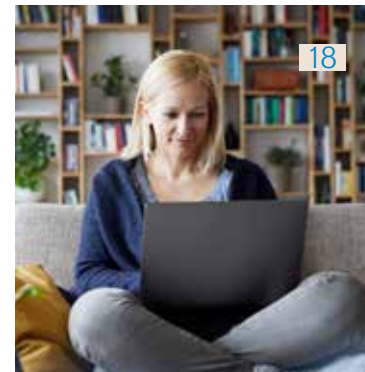
Content



04 COVID-19 disrupts supply chains



08 Shutting down operations in an emergency



10 Attempting to Distance Businesses from Litigation in the U.S.

12 Working and conducting surveys during the pandemic

14 Critical Infrastructure Resilience in Sweden

16 What makes a sustainable insurance company?

18 How to work from home safely and efficiently?

20 5G and the VUCA world

24 If Learning Hub

27 Creating certificates in If Login

27 Appointments



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Editorial

COVID-19 impacts all of us


The lockdown following the coronavirus COVID-19 outbreak pushed us all to adapt to a new and uncertain situation over the course of just a few weeks. Restaurants, stores and offices closed around the world as global trade slowed significantly. Supply chains were interrupted, greatly impacting normal operations for businesses of all sizes.

The travel sector was hit especially hard, while other industries saw a boom in demand as sales of products such as pasta and hand sanitizer grew. Some companies managed to maintain production and manufacturing operations, however many public sector and service industry employees were hit with unemployment at an alarming level.

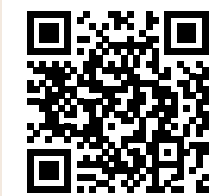
According to the United Nations in March 2020^{*)}, the coronavirus outbreak may potentially cost the global economy up to \$1 trillion this year. In the Nordics, trade has slowed down significantly, and the global economy faces its biggest challenge to date.

At If, we have been working hard through this crisis to provide the best possible support to all our clients, partners and communities.

During this exceptional spring, I am proud to say we have maintained the good service level and accessibility we are known for.

In this issue of Risk Consulting Magazine, we take a look at topics that relate to the impacts of COVID-19, including supply chain disruption, locking down of facilities and how to efficiently and safely work remotely. We also provide insights into sustainability in the insurance industry, take a look at 5G technology and launch our new If Learning Hub service. 

^{*)} UN News, Corona Update, March 9, 2020



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COVID-19 disrupts supply chains

Article by Kristian Orispää

Contributors Hannu Hirvonen, Juha Jantunen

The first months of 2020 opened with all Nordic countries enjoying healthy and strong economies, with a future set for growth and continued prosperity. However, in February and March the coronavirus COVID-19 reached Europe, virtually shutting down the continent over the course of few weeks.

One of the outcomes of the coronavirus COVID-19 outbreak has been the impact on global supply chains. These disruptions have impacted economies around the world and put companies at serious risk, interrupting the flow of goods and services in the global economy.

This unexpected and unforeseen pandemic has dramatically changed the global economic landscape. As companies struggle to get back on their feet, the world continues to seek solutions and answers to regain control of their supply chains and get back on track, or as close to normal as possible.

The economic slowdown and following fluctuations paint a grim picture, exposing just how volatile global dependencies can be.

RESILIENCE DEMANDS FLEXIBILITY AND CREATIVITY

Before the outbreak, global supply chains were commonly disrupted by, for example, political interests (e.g. trade tariffs), as well as natural hazards or severe weather events.

“*If has supported clients in assessing risks as they transitioned production to manufacture products that are in high demand due to COVID-19.*”

In a recent seminar, If's clients reported that the key to surviving and recovering from global supply chain disruptions included:

- *Careful preparation for disruptions to minimise the impact of business interruption risks*
- *Decentralisation, having contact with additional and alternative suppliers*
- *Warehousing of inventory and emergency stocks of critical components*
- *Temporarily or permanently transferring supplies to separate locations or other factories*
- *Working closely with suppliers to prevent risks from materialising*

Some notes to the above included having a thorough Crisis Management Plan and including contractual technical provisions.

By being flexible and creative, companies can overcome disruptions. However, what about today, in the face of a global pandemic?

WORKING THROUGH THE PANDEMIC

According to Kristine Birk Wagner, Head of Underwriting, Industrial, If P&C Insurance, “This pandemic is truly exceptional. In January 2020, we could perhaps on a theoretical level have understood that this type of situation could occur – however finding it very unlikely that it would ever happen. For many companies,

planning and preparing for potential disruptions in the event of serious business interruption has been a part of their emergency preparation. They have envisioned these scenarios and created alternative solutions as to how they can overcome such risks. However, perhaps no one was prepared for something like this, where the global economies would be so severely impacted.”

There are ways in which companies can prepare for emergencies that may disrupt their supply chains. For example, companies will conduct regular supplier audits, follow standardised processes and document service chains companies to monitor their operations for any vulnerabilities.

Normally, when setting up contracts with suppliers, all potential risks should be considered early in the negotiations. The aim should always be to establish long-term partnerships with contracts that are clear and well understood by all parties involved. Evaluating supplier risks includes the monitoring of the financial condition of critical suppliers or customers. All this information will help a company assess how their suppliers can withstand an emergency, such as a natural disaster, or a pandemic.

Global supply chains also benefit from digitalisation, which brings possibilities to monitor and collect data on how the supply chain is performing. With sensor technologies

and added connectivity, companies can secure data on their products relating to the reliability of the supply chain.

A COMMON ENEMY

During the COVID-19 pandemic however having good working relations and a high level of digitalisation, or even a reliable business continuity plan, has not been enough. In the end, the coronavirus outbreak has hit some industries harder than others.

As national governments began to react to the crisis, borders were closed, air travel was restricted, and essential steps were taken to protect citizens from the rapidly spreading disease. From ports to air cargo, the focus has now been on reducing the spread of the virus and securing the flow of goods and materials.

These dramatic measures have had an impact on various industries, as well as consumer behaviour. For example, while cities around the world went into lockdown, people began to stock food and essential goods as they prepared to stay at home for the coming weeks, even months. The race for food, hand sanitiser, fever medicine and toilet paper sparked shortages of supply and overwhelmed manufacturers and retailers alike.

As a result, the Pulp & Paper industry saw rising demand for cardboard packages and toilet paper, while the travel industry faced

an entirely unprecedented situation where international travel restrictions were enforced, all but stopping tourism completely.

For many businesses impacted by COVID-19, the surge in demand for certain products, such as PPE clothing, pushed for creativity and opened new opportunities. Re-purposing existing production lines, alcohol distilleries began to manufacture hand sanitiser while factories that produce clothing were retooled to make face masks. These transitions have helped governments in their struggle to respond to the high demand for these products, while offering companies a way to avoid layoffs and maintain business operations.

It is clear that no one really knows what the future will look like, however the entire world is coming together in these challenging times to face a common enemy. At the time of writing, the world is slowly beginning to recover from the coronavirus outbreak, though it remains to be seen if global trade will truly ever return to ‘business as usual’.

Having a proactive approach to preparedness goes a long way when business interruption occurs, and If has been working hard to support its clients, helping them to assess risks and prepare for possible losses. □



Shutting down operations in an emergency

From retail stores to production facilities

An unplanned shutdown of operations, whether due to a strike, catastrophic equipment failure, a pandemic, or other unforeseen sudden events is always a difficult decision that is ultimately harmful to business operations. Often such incidents can occur when you least expect it. There is never a good time to be forced in to shutting down a retail store or operational facility. However, it is important that your site is prepared for an emergency shutdown and can be closed in a controlled way.

Article by Kristian Orispää

Similarly, a factory, office building, or other facilities, that stands vacant is forced to halt production and can put companies into significant financial difficulty. Lost revenue is a major concern, however empty buildings can also be subjected to an increased risk of loss. Damage to the buildings can range from minor cosmetic damage to the complete loss of the facility. Some things to consider include safety and security related issues. As an example, when personnel are no longer present on location, there are

fewer people around to detect and react to problems. Also, utilities must be turned-off with careful consideration of the relating consequences. During a facility shutdown, maintenance should not be ignored, also the building may become an easy target for thieves, vandals or arsonists.

SOME CONSIDERATIONS TO REDUCE RISKS

Every business has its own specific protocol in the event of shutting down operations and different types of facilities will require various



After a shutdown, companies need to ensure a secure re-start of business and production operations in accordance with good crisis management practices.

actions. Below are some general tips to help reduce potential risks during a shutdown.

Depending on the building in question, there are variations to what should be considered. However, having an emergency response plan will help keep your facility safe during an unexpected shutdown. Closing a production facility requires careful planning:

- If necessary, emergency response team personnel should remain at the facility if it is safe to do so and be prepared to respond.
- Secure the perimeter of the site and all the doors and windows to the buildings.
- Consider hiring a security service company or increase the existing security arrangements.
- Sprinkler systems, where installed, should remain fully functional.
- Automatic fire detection, where installed, should be maintained.
- CCTV and intruder detection systems, where installed, should remain fully operational.
- The external lighting, where installed, should be maintained.

Many of the above also apply to smaller facilities, in the event of an emergency, when closing a store or office, take the necessary steps to protect your property for when the time comes to resume normal operations.

- Inform the local authorities, such as police, fire departments etc. that the building is vacant.
- Inform other relevant parties such as suppliers, customers and insurer of the situation.
- Plan on-site inspections to ensure everything is in order.
- Keep records of change controls, deviation incidents, etc.
- Ensure that any hazardous materials are disposed of or appropriately stored.
- The life period of goods needs to be reviewed and materials which might deteriorate need to be removed. □

For further details, please download the new PDFs on emergency shutdown at www.if-insurance.com/large-enterprises



Attempting to Distance Businesses from Litigation in the U.S. During and Following a Pandemic

Arguably one of the most rapidly evolving and economically devastating pandemics in the last century, COVID-19, has placed the world on edge with overwhelming data and scientific complexities. The economic impact remains unpredictable as unemployment rates reach unprecedented levels while a significant part of the world remains shuttered with a staggered timeline for reopening.

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To date, numerous lawsuits related to COVID-19 have been filed in the United States. While the more creative and frivolous claims could be dismissed during the early pleading phase, plenty of more complex, fact-based lawsuits will arise, ultimately resulting in costly and prolonged litigation for defendants.

CONTRACTUAL CLAIMS

COVID-19 has created a domino effect on the global economy, resulting in an inability of many businesses

to fulfill contractual agreements with customers, vendors or suppliers. The halt in the world economy combined with stay-at-home orders affects multiple parties involved in a single project.

For instance, the inability to obtain supplies from abroad and a decrease in the labor force has delayed construction projects. A general contractor will be forced to breach a contract if it is unable to timely complete a project while a supplier will be in breach of a contract if it is unable to ship supplies for the construction project.

FORCE MAJEURE

A force majeure provision is designed to excuse a party from its duty to perform in the event of an unforeseen and unavoidable catastrophe. However, a party relying on a force majeure provision must often demonstrate that the clause specifically refers to terms such as “pandemic,” or “communicable disease”. If not, a court will analyze whether COVID-19 falls into other categories such as “Act of God” or “governmental action” that are expressly listed in a force majeure provision. Breaching parties must also demonstrate that the pandemic itself made performance of the contractual duty impossible, not merely more difficult or expensive. Further, these clauses typically require a breaching party to establish that adequate notice of a parties’ inability to perform was provided to the counterparty and steps were taken to mitigate the damage caused by the contractual breach. In sum, businesses should understand the law of each state governing their contractual agreements.

IMPOSSIBILITY OF PERFORMANCE AND FRUSTRATION OF COMMERCIAL PURPOSE

The doctrine of impossibility of performance only excuses performance under the most extreme circumstances. In general, courts require a breaching party to demonstrate performance was made impossible by an unforeseen event that could not have been contemplated by the parties when negotiating the terms of a contract. This defense will likely be used by suppliers who are unable to supply finished goods or raw materials due to a disruption in a supply chain, a venue that must cancel an event due to a government order that they close the facility or a contractor that is unable to complete a project on time due to a combination of multiple restrictions resulting from COVID-19. Breaching parties should be mindful that the doctrine cannot be used as a defense for breaches resulting from difficulty of performance or financial hardship. Further, parties may be required to partially perform, if practicable or resume performance when normal business operations resume.



Lindsay E. Dansdill

A defense premised as frustration of commercial purpose requires a breaching party to demonstrate that performance of the contract would be possible, but the purpose of the contract is defeated. This may apply to a situation where a commercial space is leased to a tenant to open a restaurant. With government restrictions forcing restaurants to close, the tenant could still lease the space but the purpose of the contract is defeated.

SUMMARY OF BREACH OF CONTRACT DEFENSES

A properly worded contract combined with the appropriate contractual defenses may shield a breaching party from an adverse judgment and potentially large damage awards. However, contracting parties should frequently communicate with counterparties to provide notice of an anticipated breach, exercise diligence in attempting to mitigate damages and document all efforts. Adequate notice of a potential breach allows both suppliers and buyers to mitigate their damages by providing the opportunity to decrease production, locate alternate suppliers and prevent further supply chain disruptions to other parties within the stream of commerce.

PERSONAL INJURY CLAIMS

Certain industries can expect personal injury claims from individuals alleging businesses failed to adequately protect them from exposure to COVID-19. These claims will be based in negligence. Ultimately, a plaintiff will have to prove that a defendant breached a duty of reasonable care which caused COVID-19.

Specifically, the court will analyze the standard of care, defined as the attention, caution and prudence that a reasonable person in similar circumstances would exercise. Recently, a wrongful death lawsuit was filed by the family of a former employee who allegedly contracted COVID-19 from other employees. The lawsuit claims Wal-Mart failed to take adequate precautions to protect employees from exposure and further failed to warn employees that other employees had tested positive COVID-19. Businesses should ensure that they are following federal and state guidelines related to public health and workplace safety to prevent contagion and document these efforts in order to refute allegations that they have breached the standard of care. State Executive Orders

As of May 2020, multiple states have enacted executive orders to protect health care employees, staff, contractors and facilities from civil liability for injuries or death related to COVID-19. These executive orders will apply retroactively to claims occurring at the beginning of March, when the states declared a public emergency. However, while the executive orders were designed to prevent claims against healthcare workers, facilities such as hospitals and nursing homes that had instances of negligent care prior to the date a public emergency was declared will not be immune from liability. Further, hospitals and state health departments can expect an uptick in litigation by health care workers who were not provided adequate personal protective equipment or training to protect them.

CONCLUSION

Courts will be presented with unusual fact patterns and creative legal analysis by ambitious claimants in addition to those attempting to recover from significant economic losses. Businesses should be mindful of potential claims, regularly communicate with counterparties, adhere to federal and state guidelines related to the pandemic and remain well informed of the legal standards in their jurisdiction regarding potential legal exposure and defenses. □

Working and conducting surveys during the pandemic

Risk Engineers spend a great deal of time meeting with customers, conducting on-site surveys and engaging with external stakeholders. During the pandemic, this type of work, which includes extensive international travel and face-to-face meetings with clients has been impacted heavily.

Article by Carita Hämäläinen-Tallgren
Contributors: Veli-Matti Kortelainen, Ari Santavuori, Stefan Nyberg, Kristofer Gimlegård, Laura Rastas Jansson

HOW ARE WE SUPPORTING OUR CUSTOMERS DURING THE COVID-19 OUTBREAK?

In Finland, there have been very few customer site visits during the crisis, and the number of international surveys has stopped completely.

Generally, preparing and writing customer reports at home has gone smoothly as it is easier to focus on the work at hand. For many, it did not take long to get used to the new ways of working.

“When you learn to work remotely at the right rhythm, the work goes just fine,” says **Ari Santavuori**, Risk Engineer.

Meanwhile, in Sweden, on-site surveys did not end completely during the crisis. Still, Risk Engineers **Stefan Nyberg** and **Kristofer Gimlegård** have also seen changes in their daily work.

According to Stefan Nyberg, “After the COVID-19 outbreak, of course, the work that previously included significant travel decreased to a large extent. Despite this, my clients within the Pulp and Paper industry have been able to organise physical meetings, with restrictions. With other clients, we have had contact and follow-up meetings online, which has worked better than expected.”

Kristofer Gimlegård explains that “Through active follow up and regular updates via remote surveys, we have continued to support our clients’ risk improvements and mitigation processes. During these strange times, it is important to work closely with our customers and support them.”

WHAT ARE SOME OF THE BIG CHANGES THAT HAVE OCCURRED SINCE THE OUTBREAK?

“As soon as the state of emergency started in Finland, we had to cancel the agreed survey visits, while some of these were postponed. Also, many customers were happy to agree on conducting remote surveys,” says **Veli-Matti Kortelainen**, Risk Engineer. Remote surveys have proven to be quite efficient in some cases. Generally, the surveys have pro-

ceeded as follows: meetings are held online or by phone, during these discussions the previous survey report is reviewed, along with recommendations, and photos taken by the customer in advance are examined.

these client locations around the country.” Kristofer Gimlegård comments, “Due to the uncertainty of the pandemic timeline, planning physical surveys is challenging. As a risk engineer, the biggest change has been collecting risk information from sites remotely. However, support from both brokers and our clients has resulted in many successful remote surveys, ensuring risk quality on our accounts until we again can perform physical surveys.”

WHAT ARE SOME OF THE LEARNINGS FROM THESE NEW WAYS OF WORKING DURING THE PANDEMIC?

Laura Rastas Jansson, Head of Property Risk Management Services, explains that in a normal year, “our property risk engineers spend

process have taken place after the previous visit”.

During the coronavirus outbreak, global partners play a valuable role. “In addition to our own risk engineers conducting surveys – on-site and remote – we have well established cooperation with selected external risk engineering partners. These relationships are based on solid foundations, which allows us to visit faraway sites also during the crisis, provided that the local situation allows on-site visits.”

Laura Rastas Jansson concludes that “We also see clearly that our clients’ positive approach towards remote surveys and other alternative ways of working during the COVID-19 crisis opens new opportunities for the ways of doing risk engineering work when we return to normal times.”

“Working through the virus outbreak, new ways of working have emerged, introducing opportunities to improve efficiency.”

Although not all clients have been able to take advantage of remote surveys, there are some who welcomed the opportunity. “Our experience has been that clients are very motivated and active in this regard. We have been able to access the agreed material in advance, as needed. Overall, these remote surveys have been very successful,” states Veli-Matti Kortelainen.

Stefan Nyberg comments, “Changes since the COVID-19 outbreak mainly consist of uncertainty as to whether or not planned visits will be made. For my part, there are many physical visits planned and ongoing in Sweden. Instead of flying however, I am travelling by car to

more than 1,300 days providing risk management services on-site to our corporate clients globally. The pandemic situation naturally has caused a disturbance to the normal way of working. However, with a rather short notice, we have managed to find good alternative ways to do our work.”

“Our experiences about the remote survey work during the crisis have been positive.” Laura Rastas-Jansson states, “In many cases remote surveys work well, provided that these are carefully planned, remote connections work properly, and all the participants – there should not be too many at once – are well prepared for the survey session. Of course, remote survey is not an optimal solution for all kinds of sites, for example new facilities which have not been visited by our risk engineers previously, or sites where significant changes in production

WHAT ARE SOME OF THE NOTABLE HIGHLIGHTS AND EXPERIENCES THAT HAVE EMERGED?

Good experiences so far include:

- *Benefits of working from home includes having more time to really delve deeper into discussions with the client and provide comprehensive recommendations.*
- *When conducting a remote survey, our preparations must be thorough to ensure efficiency, thus we have requested and received more comprehensive pre-materials from clients.*
- *Many clients also have more time to complete in-depth work, which has allowed for shorter meetings than during normal factory visits.*
- *In some cases, surveys have been split into multiple sessions, which has made it easier to organize discussions in smaller groups.* □

Critical Infrastructure Resilience in Sweden

Comparing Swedish critical infrastructures based on interruption data

Article by Kristian Orispää

Contributors Elsa Axelsdóttir and Rasmus Jonason Bjärenstam

Elsa Axelsdóttir and Rasmus Jonason Bjärenstam, both students at Lund University, studying in the Division of Risk Management and Social Safety won the Swedish Risk Management Association (SWERMA) award in 2019, sponsored by If P&C Insurance. Their essay, Critical Infrastructure Resilience, compared Swedish critical infrastructures based on interruption data.



Rail transport in Sweden consists of over 15 000 km of track.

Today's modern societies are becoming increasingly dependent on the vital societal functions that technical critical infrastructures provide, for example the availability of services such as electricity, tap water and internet connectivity. Hence, it is of essence that these infrastructure systems are resilient to interruptions.

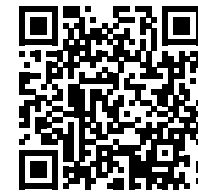
According to the authors, "Suppose a system, any system, provides a service which is of great importance. That service will probably be delivered at different performance levels if studied over a period of time. Most certainly there are times when the system is not performing as expected, which is something we want to avoid; but when this happens, we want to restore service delivery to the expected level as quickly and efficiently as possible. The basic idea of the resilience approach is to define this level and measure it, over time with 100% being perfect and 0 %, where the service is not delivered at all."

PURPOSE OF THE STUDY

The purpose of their thesis was to investigate and contrast the resilience levels of different types of technical critical infrastructure in Sweden. A generic resilience assessment approach was developed to utilise interruption data, based on data on duration and consequence of failures that are gathered by infrastructure owners. This interruption data is used as a measure to indicate the level of 'functionality' of each infrastructure over a given duration. When the functionality is analysed over time, a so called 'resilience curve' can be derived. These resilience curves for different infrastructures are then used as basis to contrast and compare resilience levels achieved by the different infrastructures.

In their study, the authors note that, "The scope of the research was limited to Swedish technical critical infrastructures, of which we have analysed data from

For more information, please visit the Lund University 'Student Papers' page to see the full publication.



Reliable water supply is vital for any community.

the electricity transmission system, several electricity distribution systems, the national road transportation system, the national railway transportation system, the largest water supply system in Sweden and telecommunication systems; where the telecommunication systems has been split up into three sub-infrastructures with respect to mobile communication, fixed telephony and broadband services."

The resilience assessment approach has successfully been applied to interruption data, enabling objective quantifications in a unified manner, for eight different Swedish critical infrastructures.

The idea was to simplify a system's ability to deliver its service to one unitless dimension, in the thesis this is called "functionality", and to measure it over a period of time, as the basic idea amongst most of the "resilience concepts" that were studied. The authors explain that, "A more resilient system will be less affected and/or recover faster from a disruption. The tricky part is to figure out how to define and quantify the functionality of the system, we did so by studying interruptions of technical critical infrastructures, but there are certainly other ways of doing this."

The study was carried out as a quantitative empirical data analysis. The data gathering process was a significant part of the conducted work, completed via emails, phone calls and online meetings.

RESULTS AND CONCLUSIONS

The results reveal that the Swedish electricity transmission system is the most resilient with extremely few interruptions that results in any consequences in terms of disrupted service. Meanwhile, the research found that the least resilient, is the railway transport system. Second least resilient infrastructure is the electricity distribution system. The rest of the infrastructure systems e.g. water supply, road transport and telecommunication (with regard to mobile communication, broadband

services and fixed telephony), lie between these three, all positioned on relatively similar levels.

Examples are provided for the possible fields of usage with respect to the suggested approach and the presented results. It is concluded that the results produced by the approach could be useful in risk management processes and related work within spatial planning or societal safety. The possibility to measure resilience as a function of time in a unified manner across different types of

infrastructures, enables comparisons between the infrastructures.

Such information could be used as a basis for decision makers to e.g. evaluate policy and mitigation decisions.

Further, the authors note that, "critical infrastructures should be either legally obliged or encouraged by official instances to gather interruption data. If possible, one single centralised authority could be in charge of deciding what specific data required of each individual Technical Critical Infrastructure (tCI), given with unified parameters and thresholds."

The authors state that, "In our thesis we conclude, the most critical infrastructures probably could adapt such a view of functionality with available and measured data, and probably also benefit from doing so. For businesses, we believe there are probably many companies out there with data available on monitored systems, that could adapt this view of resilience by analysing their interruptions. When done in a unified manner, it can always be compared and contrasted between different systems - as the functionality is unitless." □

The main scientific contribution we brought to this idea of resilience, is that we found a way to do it in a unified, generic manner, across different infrastructures so that comparisons can be made."

What makes a sustainable insurance company?

In their Global Risks Report 2020, the World Economic Forum identified that climate change had taken the top five positions as the greatest risks for companies in 2020. The report was published before the coronavirus COVID-19 outbreak, in fact 'Pandemics' has not been on the list since 2008, when it placed fifth in the "Top 5 Global Risks in Terms of Impact". Nonetheless, climate change continues to pose serious risks on business operations. Extreme weather, climate action failure, natural disasters, biodiversity loss and human-made environmental disasters were ranked as the top risks in terms of impact and likelihood. Insurance companies play an important role in supporting the transition to greener and cleaner ways of operating.

Article by Kristian Orispää
Contributor, Philip Thörn

According to **Philip Thörn**, Head of Sustainability, If P&C Insurance, "there are several ways in which we can contribute. Our priority is to prevent damages from happening, for example through risk management services, private home assessments and other services. When damages do occur, we want to make sure they are handled in a sustainable way. We encourage and support our suppliers to use more sustainable methods and adhere to the Supplier Code of Conduct."

If P&C Insurance supports its clients in reducing risk and environmental impact in their operations in various ways. As an example, Essity, a leading global hygiene and health company, has around 90 manufacturing facilities all over the globe, producing a wide range of hygiene and health related con-

sumer products. These sites, many of which feature heavy machinery operating with high pressures and temperatures, are exposed to different risks. Fires, machinery breakdowns and other types of incidents can all lead to property damage and costly business interruptions, including negative environmental impact.

"Flammable materials such as dust, waste paper and nonwovens can accumulate around our machinery, posing fire hazards at the production floor. Another concern is our raw material and finished goods storages where, in the event of fire, the risks of a fast spreading fire is high, especially when storing tissue paper, which is why we always install various types of fire protection such as sprinklers and fire walls and initiate other loss prevention measures wherever deemed necessary", says **Janina Helenius Bylander**, Loss Prevention Director at Essity.



As an external provider of risk management service, If works closely together with Essity's Loss Prevention team to monitor and mitigate risks such as these. Within the service agreement, If's risk engineers perform annual assessments at the production facilities, resulting in a Risk Survey Report identifying and rating the risk profile at the specific site monitored, and a separate report with preventive and mitigating recommendations addressing the findings. Equally important for If and Essity's successful collaboration within loss prevention, however, has been the ongoing dialogue and informational exchange between the risk engineers, the managers and workers on-site and the Loss Prevention team at Essity, according to **Ola Nilsson**, Vice President of Risk Management and Insurance.

WHEN ACCIDENTS HAPPEN

At If, when accidents happen, we do our best to make sure the claims are handled in a sustainable way. Philip Thörn explains, "In 2019, we developed a Supplier Code of Conduct, which defines the minimum requirements that If asks from our suppliers to respect when conducting business with us. Annually, in the Nordic region, we procure goods and services for more than 15 billion Swedish Kroner. Of this amount, 14 billion SEK is related to claims handling. Our suppliers in Claims and Group Services have to comply with the

Code, including requirements set for human rights, labour rights, environment and anti-corruption. In addition to the requirements in the Code, we also have sector specific environmental requirements for vehicle and property repair contractors."

One partner is If's car glass glazier specialist in Sweden, Ryds Bilglas. The company handles around 60,000 car glass claims on behalf of If's Nordic customers every year, the mechanics today first seek to repair the damaged areas of the windshields, instead of discarding and replacing them – something that was much rarer only 20 years ago.

Apart from the economic benefits and the time saving aspects of repairing instead of replacing – the method also has considerable environmental merits. According to calculations made by Ryds Bilglas, the repairs that were made during 2019 alone would have resulted in over a thousand tonnes of carbon dioxide emissions, if the windshields had been replaced instead. "The manufacturing of new windshields, transport to and from the wholesaler, and to and from the workshop, waste handling and a mounting process with more chemicals involved – repairing means there are a lot of heavy processes we can avoid", **Zandra Kastell**, account manager at Ryds Bilglas says.

THE TIME TO ACT IS UPON US

According to Morten Thorsrud, President and CEO, If P&C Insurance Holding Ltd, "In the insurance industry, where we can already see the frequency and magnitude of natural catastrophes increasing, we consider the recognition of climate change as an issue of global importance, which requires urgent attention from us all. If is committed to promoting sustainability, as we know it is central to the company and its stakeholders. Insurance is a vital part of a well-functioning and evolving society and we believe our knowledge, products and services can support the transformation to a more sustainable society."

As an example, on the investment side, If is actively working on integrating Environmental, Social and Governance (ESG) factors into our investment policies. For example, If will start to implement norm-based research, i.e. research which assists investors in making decisions regarding companies' adherence to international norms on environmental protection, human rights, labour standards and anti-corruption. As Philip concludes, "In 2020, we will continue to incorporate ESG issues into our products, services and business operations. We look forward to further develop our sustainability work in close cooperation with our customers, employees and suppliers."



How to work from home safely and efficiently?

Remote working, or telecommuting, is a situation in which an employee works from a location other than their physical office or workplace. Remote work provides several benefits, such as the possibility to focus deeply on specific tasks that require uninterrupted concentration. However, working remotely also includes risks that employers and employees alike need to be aware of.

Article by Salla Lind-Kohvakka

TELECOMMUTING REQUIRES GOOD WORKING PRACTICES

In comparison to an office or workplace, employers have less influence on the employees' working conditions when they are working remotely. For example, monitoring of working conditions, including time, ergonomics and workload can be challenging.

Remote work therefore requires good working practices and a certain level of trust between an employer and their employee. Employees need to understand the risks of working from home. These can include for example issues relating to network connection, IT and security, as well as handling and printing of confidential documents.

Personnel risks can include ergonomics since the home offices may not be as well-equipped as the work spaces at the actual offices. In fact, If's recent survey in Denmark revealed that over 30 percent of remote working employees have recently experienced soreness due to poor physical ergonomics.

TIPS FOR SUCCESSFUL REMOTE WORKING:

- Be aware of ergonomics and working conditions to promote your health and safety during your remote work day. Working posture is important, as well as the possibility focus on the task in hand without distractions
- Plan your work day with breaks in advance. It is important that also remote work days have a clear start and end time.
- Be active in communicating with colleagues, supervisors and partners, take advantage of online chat, email and teleconferencing
- Be sure to take breaks and stretch/exercise regularly. Your body and mind need movement!
- Agree with your roommates, family members and others in your remote work environment about basic ground rules when you are working at home.

REMOTE WORK GAINING GROUND

Over the past decade, remote work has become increasingly popular, however today it is an integral part of our ways of working. As an example, as the pace of work increases, we still need to manage our private lives. Here, remote work practices offer a solution for many of us.

In the wake of the coronavirus COVID-19 outbreak, remote work has played a critical role in slowing the spread of the virus. Working online, employees have managed to stay safe and avoid getting infected, while allowing businesses to continue to run their operations online during the lockdown.

OCCUPATIONAL SAFETY PERSPECTIVES

There are various Occupational Health and Safety Acts that also apply to working remotely. The nature and intricacies of remote work must be managed to prepare for potential dangers and problems. It is good to aim for healthy, safe working conditions for remote workers, similar to anyone working in an office or workplace. This applies to physical, cognitive as well as to organisational matters. During longer periods of remote work, it is important to promote employee wellbeing from each of these perspectives, including building virtual work spaces for teams for coffee breaks, for example. As working from home may lead to dealing with private life issues in between work tasks, it is good to keep in mind that home offices present the same risks as homes usually do in general.

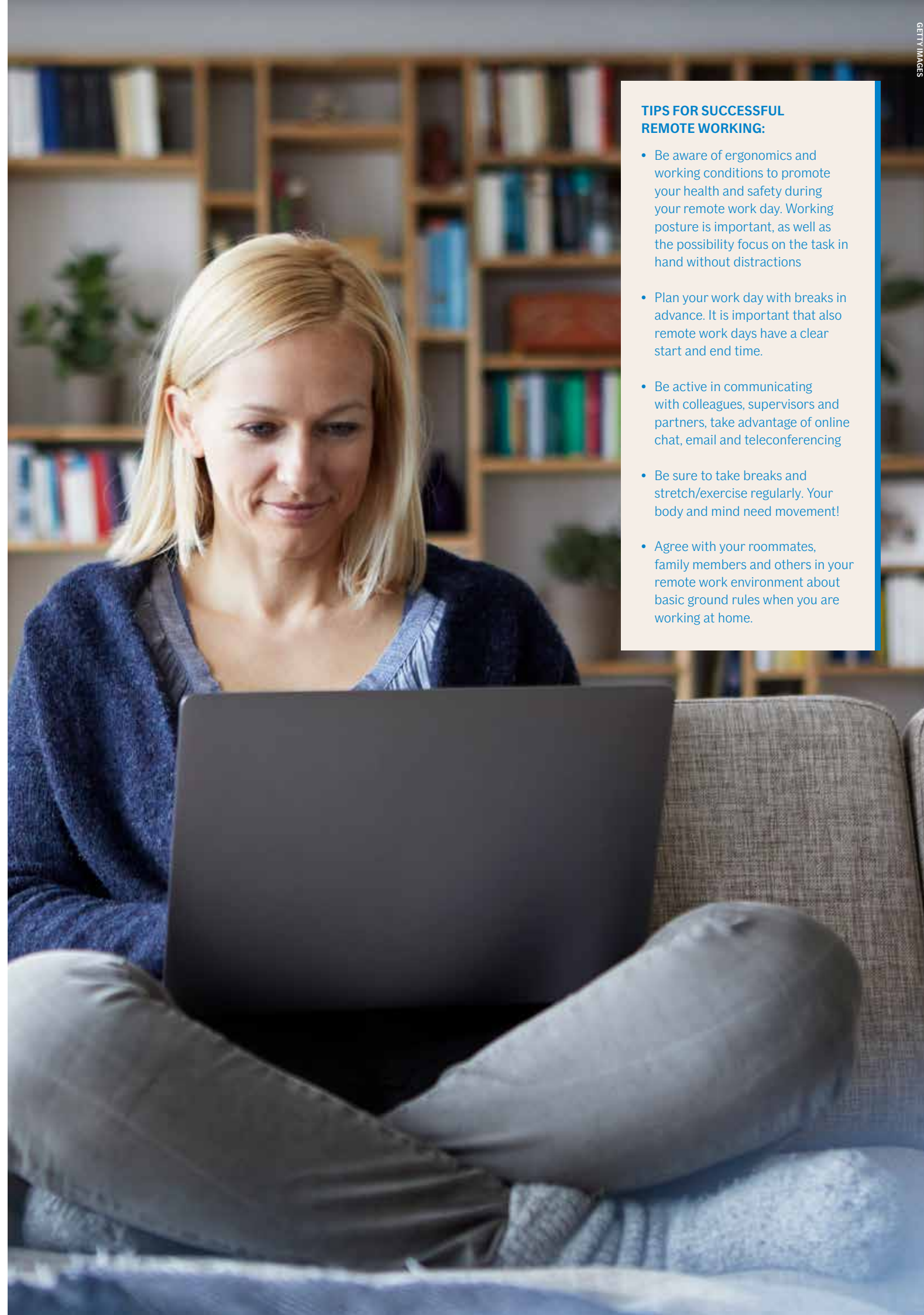
Employees can face many kinds of hazards while remote working. At If, we want to help you successfully overcome the challenges which remote work presents. To support this aim, a remote work training course has been created to share insights and raise awareness on the risks of working from home. We also offer a practical checklist for remote workers and their employers, please visit the Risk Management Library in If Login to access these materials.

“ Remote work has been vital for businesses to operate under the coronavirus COVID-19 pandemic.

FOR MORE INFORMATION CONTACT US.

Not an If client? Check out the sample course for a sneak peek at the Remote Work training. Go to www.if-insurance.com to learn more!

If ensures that our worker compensation and accident products are adapted to cover the work situation for the businesses that are working from home during the corona situation. Please contact If at www.if-insurance.com to learn more about this. □



5G and the VUCA world

Digital disruption is about transformation, as conventional ways of doing business and working have changed irrevocably. The digital ecosystem is growing fast, with new and inspiring technologies such as artificial intelligence and machine learning becoming commonplace. Blockchain, virtual reality and the internet of things are also developing and being implemented across various industries. As these technologies converge, the demands on technical infrastructures continue to grow. Here, 5G technology is set to enable a digital explosion, facilitating these technologies to deliver services at exponentially higher speeds than before.

Article by Kristian Orispää
Contributor: Matti Keskinen, Nokia

For companies, 5G technology opens up almost limitless possibilities when it comes to collecting and utilising data. There is a very human challenge with 5G, specifically understanding how to lead a company through such a transformation. Understanding what data to collect and how to use this information in a way that increases both revenue and customer retention will require new capabilities and impact the current ways of working.

Digitalisation brings change, which can raise anxiety and even fear among employees and leaders alike. Often referred to as the VUCA-future, a Volatile, Uncertain, Complex and Ambiguous tomorrow can seem daunting. Customer needs and behaviours are changing and often clients expect a quick and personalised customer experience. Meanwhile, it is becoming increasingly difficult to differentiate products and services from competitors, which makes it vital to protect market share and actively seek competitive advantages. New players are entering traditional markets, the speed of product development is in overdrive, it is increasingly difficult to secure capable employees that can help your company succeed in a new digital era. All the while, cyber-threats are on the rise and increasingly organised in their malicious operations.

When we bring all this together, it is clear that robust IT security is increasingly at the core of most businesses. Harnessing the power of data and new technologies will help companies create reliable products and services that are safe and secure to use.

This is where 5G can offer a solution that benefits companies and consumers alike.

WORKING SUCCESSFULLY IN A VUCA WORLD

As human beings, we are resilient and able to adapt to new environments. Working effectively in a fast-paced, VUCA world is no different. In a volatile environment, having clear milestones and targets will help establish a pragmatic approach when there are disruptions in the market place, for example. Similarly, it is important to be agile and flexible.

To help grasp an uncertain future, it is important to seize opportunities and understand the risks simultaneously. Even as the pace of technology continues to increase, it is important to be innovative and creative, work with reliable partners, follow the competition and support your customers.

“5G offers the foundation for **machine learning, artificial intelligence and IoT technologies** to be truly implemented and developed.

WHY 5G MATTERS

In February 2020, at If's Risk Management Day event in Finland, **Matti Keskinen**, an Internal Consultant at Nokia, provided insights into what 5G means for companies and highlighted some of the opportunities that lie ahead.

For private industries, and the public sector, some of the key drivers around 5G technology relate to realising operational efficiencies. With the objectives of utilising digital solutions to help reduce costs and waste, companies and municipalities are looking to improve their performance. For businesses, this means that – when implemented effectively – a key benefit lies in building and maintaining market leadership and their brands. Alongside multiple operational benefits associated with 5G technology, just as exciting are the new revenue streams that can be materialised when connectivity is added to existing products and services.

At Nokia, the full promise of 5G has been under development for years. Matti Keskinen explains that the deployment of the first standard based 5G developments is well under way.

“These have been available for some time - thanks to enhanced mobile broadband and critical machine communication. As the device market is also growing, machine communication opportunities are truly opening up for industries. 5G



Matti Keskinen, Nokia
Internal Consultant

offers increased speed, ultra-low reliable latency with ultra high reliability and other features that will allow for exponential capacity growth for data communications. This means that the internet of things will begin fulfill its promise over the coming years.”

The roadmap to a 5G enabled world is becoming a reality. “We are seeing a real confluence of digitization, analytics, a rise of machines and automation,” Matti states.

“With sensors enabled across an entire supply and production chain, the internet of things will significantly shorten the lead time in manufacturing. In a factory setting, automation has already been a game changer. By adding network connectivity to the different phases in a supply chain, companies utilise data to help processes run smoothly,

highlight any errors or inefficiencies and swiftly identify any issues in the supply chain.”

Looking ahead, Matti explains that the next wave of enterprise opportunity, will usher in a radical transformation across multiple industries. This is triggered by the convergence of IT and operational technologies in industry control. As an example, we can look at business critical communications, which work to ensure efficient performance and secure operations. These technologies also inspire innovation and are applied across various control systems in various industries, such as mining, where sensors and automation can not only improve efficiency but increase safety.

Meanwhile for governments and authorities, critical infrastructure communications, for example relating to power plants and grid operations, or public safety services, even controlling railways, 5G will prove to be a valuable asset in keeping civilians safe and reducing the risks of accidents and environmental disasters.

Matti summarizes, “5G technology is the basis that will help realise the promise of the digital transformation, as it combines the highest demands on wireless connectivity with radically increased levels of guaranteed reliability, availability, security and performance.” □

5G offers something for every industry, and every business.



If Learning Hub launched

Digital trainings for increased safety and risk management

Article by Salla Lind-Kohvakka

“Digital trainings are a user-friendly way to learn and develop your skills.”

Companies need relevant knowledge and professional capabilities to mitigate risks and prevent losses connected to the employees in their daily operations. With a new digital service concept, If supports companies with risk management training - whenever and wherever needed.

As companies have employees in multiple locations, and in order to provide training courses when employees have time to participate in them, If has taken advantage of digital delivery channels by creating online trainings. With 24/7 access to all employees, we provide a mixture of theory and expert videos, graphs with facts, interactive quizzes and more – all to make the training engaging.

WHY IS CONTINUOUS LEARNING IMPORTANT?

Based on claims cases, we see that often it is the simple things that can have a positive impact in preventing claims from happening. Even more importantly, we see that similar accidents occur among different clients. By providing tailored information to employees, many accidents and incidents could be avoided. Sharing best practices and lessons learned to If's clients will support safety and efficiency in customer operations. As an example, being aware of the risks when traveling, utilising accident

investigation models to improve operational safety, and getting the most out of remote workers, are just some examples of the learnings we have captured for our clients. If's training courses provide tips and tricks for your employees, raising awareness about the small, as well as the large, risks that companies commonly face. This helps employees understand what they as individuals can do to prevent accidents and incidents from happening in the first place.

The new service, called If Learning Hub, provides multiple benefits to companies as well as their employees. For If, it enables us to share knowledge and insights with our clients and their employees more effectively in comparison to on-site trainings, which are limited to a certain time and location. We find this important as we want to manage risks together.

The trainings include focus areas such as Travel Safety and General Employee Safety, which target hazards at work, commuting safely and risks relating to travel. Based on popular and current demand, additional courses include investigation of accidents and incidents, as well as health and safety in remote work. New training courses are being added regularly, including trainings for advanced users on human factors and how these contribute to losses, as well as a course on Risk Assessments, and more.



PIXELS

IF LEARNING HUB CONCEPT IN A NUTSHELL:

1. Free 24/7 online trainings
2. Expert insights on risk management
3. Blended learning solution available anytime, anywhere, also with mobile tools
4. Engaging, intuitive content, inspiring reflections and supporting pedagogical targets
5. Can be found in If Login/Risk Management

DIGITAL TRAININGS ADD BENEFITS FOR VAASAN

Vaasan, a major client in food industry, sees digital trainings as an opportunity to enhance their employee trainings. In an industrial bakery, employees need to have up-to-date knowledge on a variety of topics dealing with safe work practices as well as quality and product safety.

“The demand for specific knowledge is high, as in the food industry also product safety is of focal importance. Common topics in our internal trainings are those relating to health and safety at work, product safety and quality, and fire safety,” says **Harri Kurila** from Vaasan. “Not all trainings are relevant for each and every individual employee, so some trainings need to be targeted to teams, according to their tasks and responsibilities.” Here, digital trainings make it easier to share relevant trainings to those who need them in a more agile way.

Bakery work, conducted in shifts, creates some challenges when it comes to reaching individual employees. A traditional lecture in a classroom is more difficult to organise, in comparison to digital trainings that can be made available independent from time and place. In an industrial bakery, running on shifts, this is a major challenge that can be solved digitally.

“Digital trainings bring major advantages for a company. We need to provide a variety of trainings for our employees. Such trainings do not require time and place but can be done on your own pace. Digital trainings also ensure that everyone gets the same information, explained in a similar way,” Harri Kurila explains. “Having a small exam or a quiz helps to ensure that the topic has been learned and that the user reflects on the content.”

Although there is no face-to-face contact with a lecturer, the inherent upsides of digital trainings have made them a solid part of employee development at Vaasan. They already have some positive experiences of their own company-specific trainings. More generic contents, provided by their insurer, are a welcomed addition.

Creating certificates in If Login

Our digital service, If Login, is constantly being updated and recently we introduced the new certificate functionality. The update includes the possibility to create certificates for Employee Benefits and Worker’s Compensation directly via If Login. If you need a certificate for Travel or an Expat employee, you can now access these anytime, 24/7.

The renewed service is even more user-friendly than before, we are happy to offer pre-filled forms, to help clients remember all the necessary policy details and information when creating certificates.

Visit If Login at www.if-insurance.com/iflogin to learn more!



GETTY IMAGES

Appointments



*Sofia Kjellkvist
Account Executive, SWE*



*Louise Brida
Account Executive, SWE*



*Sarianna Suominen
Risk Engineer, FI*



*Jean Bojer Rasmussen
Risk Engineer, DK*



*Jaakko Kangas
Risk Engineer, FI*

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Risk Consulting is If's professional magazine on risk management and loss prevention, and is one of the oldest client magazines in the Nordic countries.