



## EDITORIAL

### Insurance, an element for company stability

In a perpetually changing world, companies must constantly protect themselves against new risks, the consequences of which involve great financial and societal stakes.

Geopolitical contexts, excessive media coverage, the criminalisation of businesses, constantly evolving CSR policies... The “traditional” insurance market for movable assets and responsibilities is finding it difficult to respond to these new risks. To address this shortcoming, insurance coverages relating to ‘Financial Lines’ have been created. We have decided to devote this latest edition of *Insurance Inside* to this subject. Financial Lines include several coverages to protect the various technological and financial assets of companies, their resources, profits, reputation and other areas of vital interest.

Much more than simply providing protection for companies, it gives peace of mind and complies with the regulatory requirements of supervisory bodies (for example, FINMA in Switzerland).

Another key point is that these insurances encourage companies to adopt a proactive approach to risk management. They boost the establishment of robust internal policies, procedures and systems, with a view to providing continuous training for employees and introducing best practices. They have therefore become a strategic investment that strengthens the trust of stakeholders.

The Financial Lines insurance specialists at Swiss Risk & Care advise and support companies to help them define the most suitable cover in dealing with problematic situations, taking account of the nature and scope of their activities. Assessing the specific risks of a company and obtaining adequate cover is complex and implies possessing detailed knowledge of the insurance market and ‘business’ issues. We support companies in navigating the troubled waters in the world of business.

I hope you enjoy reading this issue!

**David Cochet**  
Managing Director



## Facing new risks

In the face of new risks that are not covered or only partially covered by traditional insurance policies, such as movable assets and civil liability insurance, insurers are making several policies available collectively to companies under the common term of 'Financial Lines' insurance.

### Directors' and Officers' Liability insurance (also known as D&O)

This covers company directors and officers against third party claims (suppliers, creditors, different litigations from employees, competitors, shareholders, etc.) arising from their decisions and management in the course of their duties or mandate. This is valid both for breaches of legal, regulatory or statutory requirements, and any management fault committed through carelessness or negligence, by omission, error, inaccurate declaration, etc.

Coverage:

- The defence costs for directors in cases where they are held to be personally liable
- The financial consequences of a director's liability when these can be insured, including sanctions pronounced by an official authority
- The defence costs and consequences for the company

This protection considers that risk-taking is part of day-to-day life. Insurers provide genuine assistance and prevention.

### Cyber insurance

This covers the risks relating to a cyber incident, usually targeting a company's personal and confidential data. These data breaches frequently generate regulatory sanctions, seriously damage the company's image and affect its long-term existence.

To protect against the devastating impacts of a cyberattack, the available coverage generally includes the:

- assistance and management in handling the crisis
- responsibilities relating to the data
- investigation costs
- recovery of electronic data
- network disruption
- costs linked to cyber extortion

It is important to note that cyber insurance currently provides complete support in terms of prevention and assistance, with guidance from experts in cyber security and crisis management, as well as lawyers to support the victims.

### Fraud insurance

Although initially destined for financial institutions, this guarantee today extends to all types of company, covering the financial losses resulting from acts of internal and external fraud committed by employees or third parties, such as



## 10 (good) reasons for taking out Fraud insurance

- 1 Claims related to fraud are increasing constantly**
- 2 The financial consequences of fraud are escalating**
- 3 All sectors are now affected**
- 4 The losses can be much greater than we imagine**
- 5 Insiders are generally among the biggest fraudsters**
- 6 Directors may quickly find themselves in a very vulnerable situation**
- 7 The number of transactions, extent of restructuring and outsourcing increases the risk of fraud**
- 8 Companies are increasingly vulnerable due to the multitude of existing structures**
- 9 Internal checks are insufficient in themselves to guarantee complete reliability**
- 10 Financial protection should be a consideration in current times in an effort to compensate for some losses**

the misappropriation, criminal or fraudulent acquisition or appropriation of capital, goods or securities, technological or financial assets.

### A necessary state of awareness

It is essential for companies to assess the risks they are facing on a regular basis, draw up appropriate management plans and consider suitable insurance solutions to limit the impact on their activities. For these reasons, consulting an insurance expert is recommended action in order to assess the specific risks relating

to the company's ecosystem and to determine the most appropriate coverage. In this, a broker can provide precious information and advice.

At Swiss Risk & Care, we offer specialist expertise and personalised advice, with access to a wide range of insurance products in response to these new risks. Do not hesitate to contact us.

## INTERVIEW

### Protection against financial risks, an issue for all companies



Louis Talon is Manager for 'Financial Lines' and Special Risks Clients at Swiss Risk & Care

Why is this type of insurance really necessary for all companies?

Whether it involves employee negligence, being unaware of a new regulation, internal or external fraud, a complaint from a supplier or customer, etc., companies of all sizes and in all sectors are becoming increasingly exposed and should protect their assets by limiting their financial losses due to these incidents as much as possible. Taking out this type of coverage offers protection that may be vital, while enabling proactive risk management. In this way, it helps protect the smooth running of the company and avoids it being exposed following a sudden event.

Why is it a good idea to use an insurance broker?

Essentially, a broker will analyse the company needs and look for the most adequate solution. Their role as advisor is not limited to the policy subscription but continues throughout the term of the contract, by providing follow-up services to make sure the cover is always the most suitable for the company's business and development. The broker also provides precious support in the event of a claim, by assisting the client in negotiations with insurers and other stakeholders.

What are the new risks that companies are facing today?

The world is experiencing new types of threats that are making companies vulnerable. In recent years, cyberattacks have become more sophisticated and widespread, exposing companies to high levels of risk, such as data breaches, extortions and ransoms, and business disruption. This has become a major risk situation that makes concrete support worthwhile. But it is not the only one: following the adoption of strict regulations on personal data protection, such as LPD in Switzerland, companies are confronted with greater risks regarding data confidentiality. The growing use of artificial intelligence (AI), automatic learning and automation also present new risks, such as AI errors, violations of privacy, algorithmic discriminations and liabilities connected with decisions made by automated systems. The increasingly frequent extreme weather events may disrupt a company's business, causing production shutdowns, delivery delays and loss of revenue. Finally, consumers and stakeholders have become more demanding in terms of social and environmental responsibility, exposing companies to reputational risks and legal disputes.





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■ **Nuit du  
Bien commun:  
come to this  
charity event on  
25 September!**

Swiss Risk & Care is a partner  
of the Nuit du Bien Commun  
for the second year running.

The aim is to raise money for  
associations during a donation  
evening at Theatre du Leman.

This year, the event is being held  
on 25 September. In 2022, the  
9 associations selected by the  
jury, of which we are a part, raised  
the sum of 600,000 CHF during  
an evening full of excitement!

It is impossible to appreciate the  
enthusiasm of this event until you  
have experienced it yourself.

It's free and it's rewarding.



To register:  
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