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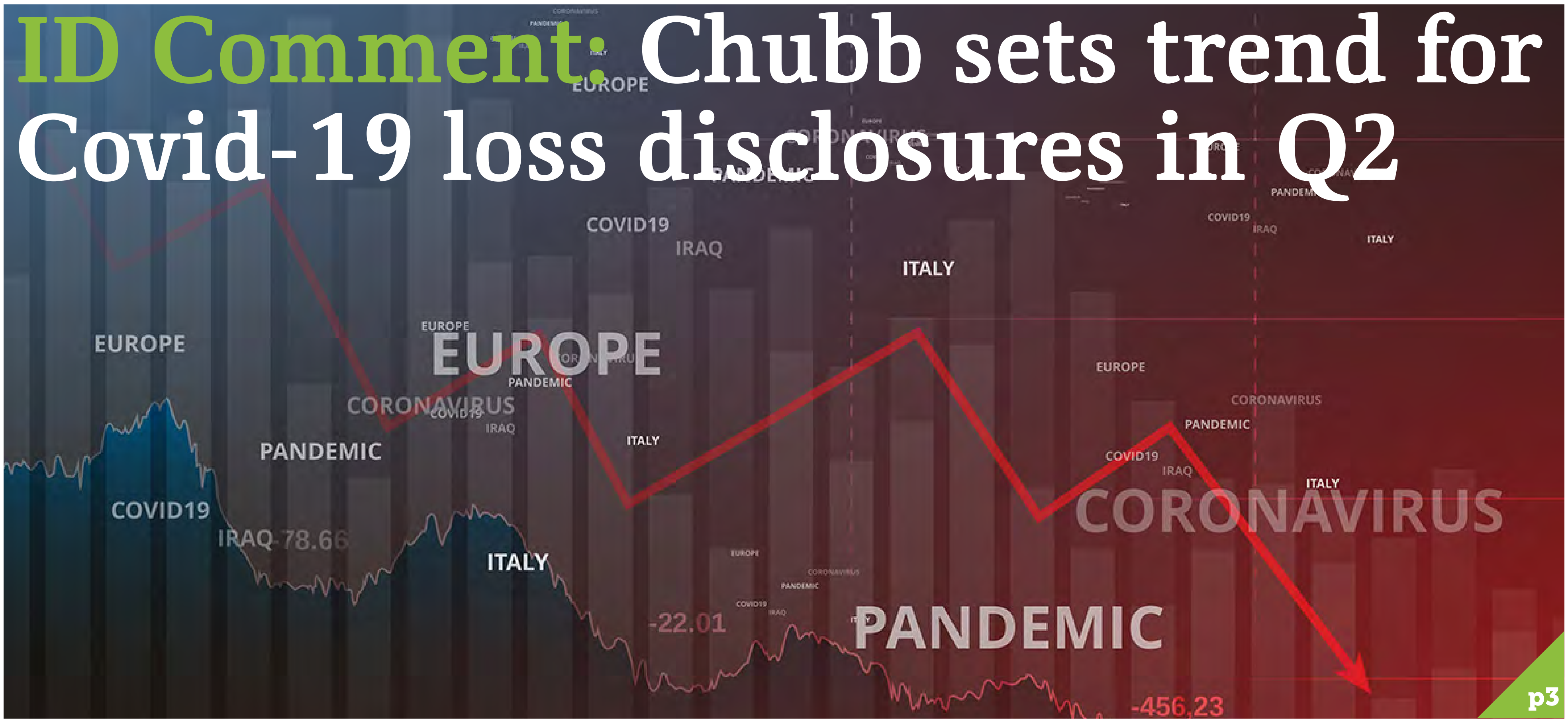

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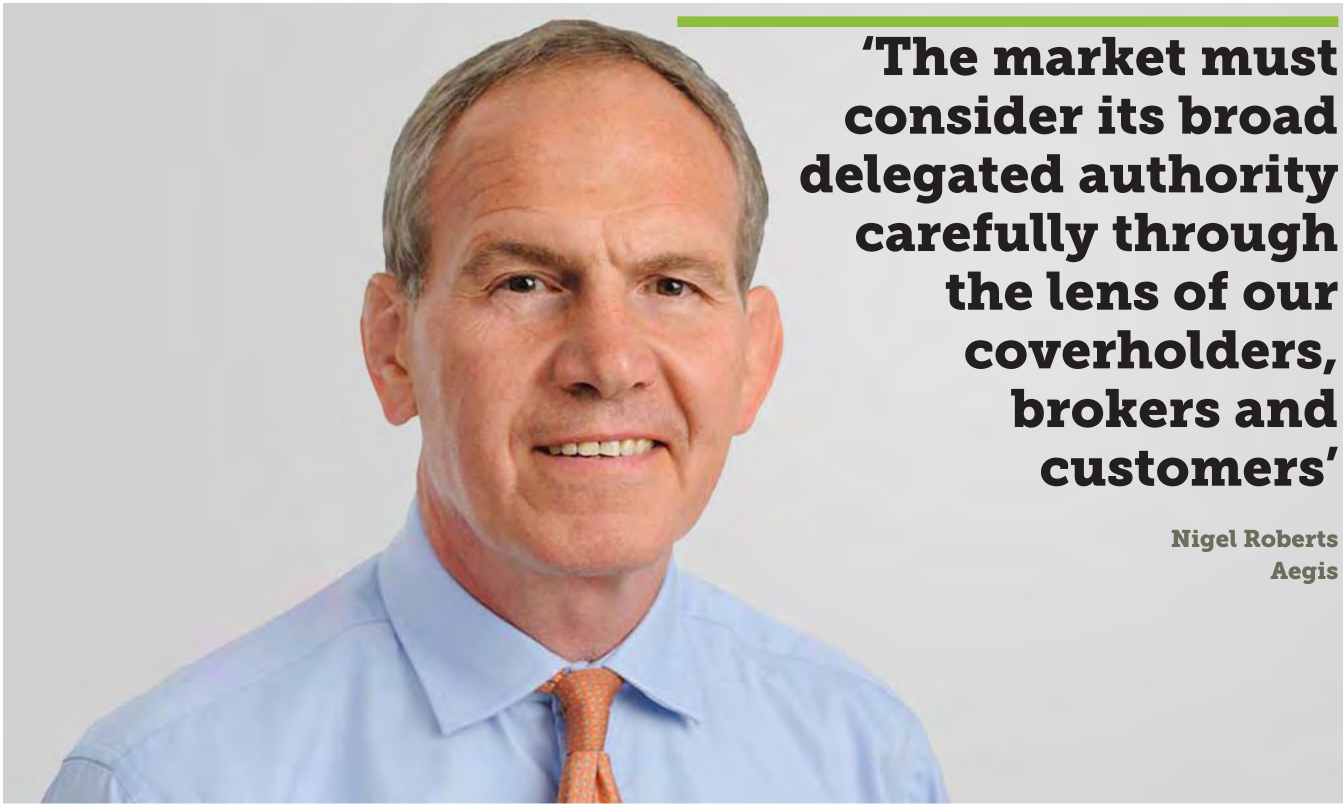

'The market must consider its broad delegated authority carefully through the lens of our coverholders, brokers and customers'

Nigel Roberts
Aegis

LMA establishes delegated authority committee

Nigel Roberts, head of distribution at Aegis, appointed chair

Scott Vincent
Editor, news services

The Lloyd's Market Association (LMA) has established a delegated authority committee to help focus the future business model for delegated authority business placed within the Lloyd's market.

Nigel Roberts, head of distribution at Aegis *(pictured)*, has been appointed chair of the committee, which reports directly to the LMA board.

"The market must consider its broad delegated authority strategy carefully, through the lens of our coverholders, brokers and customers," Roberts said.

"This includes developing the delegated authority business model that can deliver front-end change, enabling us to be flexible in how we source and service our clients' and customers' needs, while delivering bespoke and innovative products and solutions for distributing business itself. Furthermore, this should be achieved from a lower cost base."

Delegated authority business accounts for roughly 40% of the Lloyd's market's annual gross written premium.

The LMA said the new committee's objective will be to establish a customer-centric vision and future business model for delegated authority for all disciplines and establish the distribution chain that will make Lloyd's the market of choice.

Whitespace passes 100 clients

London market e-placement platform Whitespace has reached the 100-customer mark, 10 months after its launch, the company said, *writes Lorenzo Spoerry*.

Whitespace, which is a rival of the PPL platform, said Lockton Re and Carbon Underwriting are its newest customers.

Marcus Broome, Whitespace's chief platform officer, said: "These firms choosing to sign up to the platform continues the trend we've seen since it went live last year and which has accelerated since the world went into lockdown."

Use of PPL soared during the July renewal season, with nearly 12,000 risks bound – a 33% increase from the end of March.

NEWS

ID Comment: Chubb sets trend for Covid-19 loss disclosures in Q2

Further loss events could make 2020 the costliest claims year on record

Scott Vincent
Editor, news services

Chubb's hefty catastrophe loss bill for the second quarter was not unexpected – the insurer's chief executive, Evan Greenberg, had earlier acknowledged Covid-19 related losses would be meaningful during the three-month period.

The size of the loss, disclosed ahead of the peak period of what is expected to be a busy Atlantic wind season, serves as a reminder the second and third quarters of 2020 are expected to see the most significant claims impacts from Covid-19, based on what we know at present.

Chubb's loss estimate includes short-tail losses such as event-based covers and commercial business interruption, longer-tail classes such as professional liability and workers compensation as well as credit-related lines.

The insurer has also included $100m of incurred but not reported claims, given the uncertainty around how losses from Covid-19 will develop.

Market sentiment surrounding Covid-19's financial impacts appears to have drifted away from a worst-case scenario in recent weeks.

In its recent market analysis, Berenberg said it expected the industry claims bill from the event to total around $50bn.

While this will still represent a major loss event, it is substantially less than earlier forecasts from across the re/insurance community of industry losses reaching $100bn or more.

It will take some time for losses to crystalise, particularly as we still do not know what will happen next with this pandemic. While lockdown conditions have been eased in several parts of the world, more localised lockdowns are already being introduced amid a resurgence in cases.

A more prolonged economic disruption will have a meaningful impact on the premium base of insurers. In its pre-disclosure, Chubb said it will see a reduction in net written premiums of close to $184m to reflect the estimated impact of economic contraction on its in-force policies.

Against this backdrop, the potential for losses from the 2020 Atlantic hurricane season should not be discounted.

This week saw the formation and rapid dissipation of the season's fifth named storm, Eduoard. Meteorologists have highlighted Eduoard was the earliest-arriving fifth storm of the season since modern records began.

This in itself does not necessarily indicate major activity ahead – there is little correlation between early season storm activity and what happens during the peak period in late August/September.

But with forecasters expecting conditions to remain favourable for hurricane activity for the coming months, the potential for significant loss activity is there.

As several commentators have already pointed out, Covid-19 could increase losses in the aftermath of a landfalling event.

AM Best said in a report on the Florida market issued this week the pandemic has led to lower levels of inventories at supply stores, which may hamper insureds' ability to protect their properties.

"Should owners be unable to take typical loss prevention actions, we may see more frequent and severe claims reported for both small and large-scale storms," the rating agency said.

The need for social distancing could also elevate loss adjustment expenses, although this may be offset, in part, by insurers enhanced use of technology for claims assessment.

With Chubb unlikely to be the last to post heavy losses for the second quarter, third-quarter hurricane activity could determine whether 2020 proves to be the heaviest loss year on record for the re/insurance sector. ■

Chubb to report $1.8bn Q2 cat loss bill

US insurer Chubb has disclosed it will include pre-tax catastrophe losses of around $1.8bn in its second-quarter earnings, driven by a $1.36bn loss from Covid-19-related claims, *writes Scott Vincent*.

Chubb said the quarterly catastrophe bill will total $1.5bn after tax, including a $1.16bn Covid-19 impact.

Alongside Covid-19, the quarter will also see Chubb incur a pre-tax claims charge of $259m related to legacy exposures for US child molestation claims.

The quarter will also include a pre-tax hit of $312m for natural catastrophe losses, primarily related to severe weather events in the US, as well as civil unrest-related losses in the US of $130m.

For Covid-19, Chubb said its pre-tax loss estimate comprises short-tail losses of $605m, liability losses of $553m and $107m of credit-related losses.

The estimate also includes an additional $100m of incurred but not reported losses due to the uncertainty surrounding loss development for Covid-19 claims.

The short-tail claims primarily relate to entertainment and commercial property-related business interruption and accident and health classes, including travel, Chubb said.

The liability impacts include professional liability classes, such as directors' and officers' and employment practices liability covers, as well as workers' compensation and other liability-related products.

The credit-related losses include classes such as trade credit, surety and political risk.

Chubb said 71% of the estimated Covid-19 losses related to its North America commercial property/casualty segment, with the remaining 28% relating to its Overseas General Insurance segment, which includes its London market operations.

The insurer said its Covid-19 estimate did not include a credit for potentially lower accident-year losses related to a decrease in exposures, aside from a modest benefit for certain casualty classes.

Chubb said it will see a reduction in net written premiums of close to $184m to reflect the estimated impact of economic contraction on its in-force policies.

Argo expects $10m to $20m of Covid-19 losses in Q2

Argo expects more than $20m in Q2 alternative investment losses as a result of coronavirus
khak/Shutterstock.com

Argo expects to record Covid-19 related losses of between $10m and $20m during the second quarter of 2020, *writes Scott Vincent*.

The Bermudian re/insurer said the losses primarily related to contingency business lines that provide event cancellation coverage within its international operations.

Argo had reserved for $26.2m of Covid-19 losses in the first quarter, and said at the time it expected additional losses in subsequent reporting periods, albeit of a smaller magnitude than the first quarter loss.

Argo's international segment, which includes its Lloyd's business, accounted for $18.7m of the group's first-quarter Covid-19 losses, driven by event cancellation losses.

The segment also saw losses from property exposures with affirmative business interruption cover for communicable disease during the opening three months of the year.

Argo said it also expects between $20m and $24m of alternative investment income losses in the second quarter, related to the change in reported value of its private equity and hedge fund holdings.

BIG INTERVIEW

Parhelion Underwriting targets sustainable investment sector with new risk carrier

Broking firm will deploy insurance capital to mitigate investment risk associated with renewable energy projects to allow other forms of capital to be mobilised, its chief executive says

Rasaad Jamie
Global markets editor

These are exciting times for specialist energy and climate risk finance consultancy and insurance broker Parhelion Underwriting. In May this year, the company was awarded a $1m grant to expand its risk finance and insurance activities supporting geothermal energy projects in east Africa and the sustainable investment sector more broadly.

Parhelion's GeoFutures Fund will deploy capital from public sector investors to provide development loans and a premium finance facility to early stage geothermal project developers. A key objective is to establish a specialist underwriting vehicle, which will offer innovative and flexible insurance solutions to the sustainable investment sector by taking a significant part of the risk on to its own balance sheet.

The concept, which has been road tested with clients and potential investors, has generated a great deal of interest in the London market. Parhelion is working with the Hyperion Group at present to develop a business plan and to model the capital requirements for the new insurer.

The intention behind establishing a risk-carrying entity is to speed up the growth of a proposition that Parhelion has been advocating since its launch in 2006. Parhelion, which operates as a specialist risk adviser and binding authority broker in the renewable energy sector at present, will continue to partner with the underwriters and brokers that support its work. But innovation in this area of the insurance market is not easy, according to Julian Richardson, Parhelion's founder and chief executive. "Having the balance sheet to take on some of the risk ourselves will help significantly in that regard," he says.

Richardson is a former London market energy broker and underwriter who, in the early part of the past decade, became interested in developing insurance solutions for the risks that were beginning to emerge around the carbon emissions trading markets in the US. There is a growing interest in the potential of geothermal energy, an area in which Parhelion has been involved since the company was hired by a division of the World Bank to advise on mitigating the investment and other risks around the development of geothermal energy sources, Richardson says. "Geothermal energy is highly attractive because not only is it cheap and clean, but it is also always available. It acts as baseload, it is always on and does not suffer the from the challenge of intermittency in the same way as energy produced by wind or solar sources."

But while geothermal energy is attractive, less than 10% of the world's geothermal resources that have been identified, are actually being exploited. For example, Parhelion believes countries such as Ethiopia and Kenya have an enormous untapped geothermal energy resources. "The question is, if it is so good why is there so little of it? We worked with a specialist geothermal consultancy to identify why this was the case," Richardson says.

Pinch point

Parhelion identified a particular pinch point in the financing of geothermal resource development, which made it difficult for debt and equity providers to finance these projects. "There is a point in the life cycle of the project where costs escalate quite significantly and so a large amount of capital is needed. But there is a certain amount of residual risk associated with these projects that the equity providers, in particular, don't like. But, as an underwriter, when you look more closely at those risks, you see that while they are undeniably high-impact, they are relatively low-probability," he adds.

While that kind of risk is unattractive to equity investors, it is well within the appetite of an insurer. "It's what companies in the insurance industry do every day. They insure low-probability, high-impact risks. For us, that is a great example of how we can bring insurance capital into the equation to take some of that risk off the balance sheet," he says.

Richardson is clear that Parhelion is not trying to compete with the equity investors. "All we are doing is using insurance capital and our ability to underwrite to derisk these projects to allow other forms of capital to be invested. What is interesting to us is the collaboration between these different forms of capital."

Parhelion will work with a number of partners to provide solutions. "We will work with a joint venture partner to provide the infrastructure for the fund management platform. But we will provide the knowledge of the geothermal energy sector, the understanding of the risk and the underwriting capital," he says.

The grant provided by P4G, the Danish government's Partnering for Green Growth and Global Goals 2030 Initiative, is not just about the funding, Richardson says. "That is, of course, very helpful. But it also brings really valuable partnerships and other opportunities for collaboration is going to be critical for our development and success. P4G provides us with access to a number of networks: of policymakers from both developed and emerging countries and of public and private sector investors and financial institutions," he says.

The award also provides Parhelion with access to a network of international organisations such as the World Economic Forum, where it can engage with business leaders to further the role of insurance in developing sustainable investment opportunities. "Insurance is good at taking on the risks that other forms of capital can't, or won't, take on. Bringing underwriting capital into play in the sustainable investment sector means insurance now has a clear and valuable role in the fight against climate change."

The aim of the P4G initiative is to accelerate and fund innovative public-private partnerships that drive green growth. As part of a global call for submissions, Parhelion's proposal of an investment fund and a risk-mitigation solution for investors rolled into one was ranked in the top five out of the 350 submissions received.

For Richardson, this is growing evidence that those multilateral organisations directly engaged in the fight against climate change are beginning to recognise the critical role that the insurance industry can play in supporting the growth of the climate finance and sustainable investment sector. "The industry's day job is underwriting and that is where its capital is best deployed. Of course, insurers are part of the institutional investor community, but we

'All we are doing is using insurance capital and our ability to underwrite to derisk these projects to allow other forms of capital to be invested. What is interesting to us is the collaboration between these different forms of capital'

Julian Richardson
Parhelion Underwriting

don't really take that much risk on the asset side of the balance sheet. When it comes to combatting climate change, the industry needs to be focused on what it does best: underwriting."

Greening finance

The climate change agenda for the financial services sector, he says, has moved on from the financing of green initiatives. "The objective now is to green finance. The difference here is important. It is about changing the way the financial system works. We can continue to finance green projects, but we also have to address the need to green finance. We think that the GeoFutures Fund and the new risk carrier will be a big step in that direction. But a great deal will depend on collaboration and particularly on the public-private partnerships that we engage in. There will be a number of barriers that will have to be cleared and challenges that will have to be overcome, but we have ambitious plans."

Whereas the economic downturn which followed the global financial crisis in 2008 pushed the environment issues and climate sustainability down the priority list, Richardson predicts that the downturn caused by the Covid-19 pandemic will have a different impact. "This time, it will stay on the agenda and potentially move up the list of priorities. Normally, in a crisis, if people are concerned about keeping their jobs and putting food on the table, the environment can seem a second order issue."

But the pandemic, he says, has really highlighted the importance of establishing a culture of risk management and resilience. "It is not going to go away and the insurance industry has a huge role to play bringing that culture about."

Before he founded Parhelion, Richardson was also involved in setting up a boutique green investment bank, which provided the funding and financial guarantees to facilitate carbon emissions trading.

"That business went very well and had $1bn of assets under management. But, ultimately, I am an insurance person who is interested in the role of the insurance industry in combatting climate change. As an industry, we have a fiduciary responsibility, not to mention a natural business exposure, to climate change. And, potentially, our industry will bear the ultimate cost of climate change. That is why we set up Parhelion Underwriting."

While geothermal energy is attractive, less than 10% of the world's identified geothermal resources are being exploited

N.Minton/Shutterstock.com

Richardson does not see a problem in terms of forging the necessary partnerships and collaborations to make the new insurer a reality. "Over the years, we have developed a reservoir of knowledge and a network of relationships that we can bring to bear. I am always amazed, and impressed, at the response we get from people who find out about us. Usually, they have been working in insurance and want to do something about sustainability and climate change. They want to know from us what it is they can do."

These days, people in the insurance sector, want more from their careers, according to Richardson "They want to make a contribution. We are being contacted by people at all stages of their careers. Some are very experienced and some are at the beginning of their careers. But they have in common the desire to apply their knowledge, their experience and expertise to the issues of climate change in a sustainable, but also in a commercially viable way. We are not a charity. We are in the business of combatting climate change and we are in the business of building resilience and sustainability. And that is very attractive to people." ■

Mitigating the risks of carbon trading

The insurance product developed by Parhelion for the California carbon emissions limits and trading market is still working well today, according to Richardson. Indeed, the company is currently in the process of rolling out the solution to three different environmental commodity trading markets in the US and Europe. The product allows the buyer of the carbon offset to mitigate against the risk of the regulator invalidating the transaction. Many trading schemes has a provision which allows the authorities to invalidate any carbon offset that turn out not to be environmentally positive.

The insurance product, initially underwritten on a line slip basis in the London market, is now being underwritten by a broad panel of underwriters in the market. The panel was recently changed to further enhance the product and keep it cost competitive and attractive to clients.

Carbon trading enables governments to put a price on carbon emissions

Deborah Benbrook/Shutterstock.com

Richardson describes carbon trading as a really important climate change policy solution for governments in that it enables them to put a price on carbon emissions. "There are currently over 61 carbon emission schemes that either impose taxes on emissions or allow businesses to trade their emission allowances. It is roughly split half and half between taxes and emissions trading."

These policy options are becoming increasingly important to governments. "Many of our clients in the insurance industry are exposed to, and have been obliged to participate in, these programmes which create risks and exposures for them. Developing solutions that engage the insurance industry is important. These schemes are not going to go away. Not least because the environmental problem is not going away. But also because they are an important source of revenue to government. In 2018, around $45bn of revenue was generated by governments around the world through carbon pricing schemes." ■

VIEWPOINT

Professional indemnity hard market requires a consistent approach

Underwriters are under pressure to justify each piece of new business they write because it could mean throwing out a profitable renewal

Martin King
Aegis London

I have always tried to behave consistently as an underwriter, which is why most of the articles I write begin with a familiar introduction – something along the lines of: I am one of the few professional indemnity underwriters to have been in the market for more than 38 years – 32 as an underwriter, six as a broker. I have experienced four full market cycles, seen huge changes at Lloyd's and have watched a new generation of underwriters grow into their roles without ever having experienced a hard market.

But on this occasion, I am compelled to add a new element to my introduction: even I have never seen anything like today's professional indemnity market. In essence, 2020 resembles an interesting mix of the hard markets of 1986 and 2002.

The international professional indemnity market has always been the problem child of Lloyd's for a multitude of reasons, many relating to a staggering lack of underwriter discipline. In response to years of poor results, Lloyd's brought in its Decile 10 initiative in an attempt to cauterise the wound. And it worked. Last year, the market was hardening nicely and I predicted that 2020 would prove to be the top of the bell curve in terms of underwriters' pricing. However, since the arrival of Covid-19, the situation has changed dramatically with the top of the rate curve now predicted to be 2021.

Pressure

What we have now in the professional indemnity market is further pressure on top of two-and-a-half years of compound rate increases of around 40%. That figure could increase to 50% over the coming 12 months. Why? Even though underwriters have tidied up their portfolios and increased rates, this was mainly achieved with minimal impact from reinsurance pricing. The crystallising of Covid-19 losses on reinsurer balance sheets by the end of this year may well mean reinsurers will need to increase rates, with this increased cost being passed on to the original consumer.

Historically, professional indemnity rates rise and fall over an 18-month period. Should rates increase again in 2021 – which is highly likely – it will be the only occasion in the past four cycles in which professional indemnity rates will have increased for four consecutive years.

The yardstick by which I measure all of this is the 1986 US liability crisis. A wave of unexpected claims hit US liability insurers domestically and in London, resulting in insurer insolvencies and a withdrawal of capacity from the market. This sent the price of liability cover skyrocketing, which had profound impacts on both businesses and their customers. What we have now is the same fracturing of the market, although rates are not yet as high as they were in 1986. That said, they are about to exceed the hard market of 2002.

From what brokers tell me, the difference between today's professional indemnity market and that of 1986 is that back in 1986 at least risks could still be placed. At that time, the market comprised many more underwriters, most writing smaller line sizes. The average net line for a Lloyd's syndicate in 1986 was £100,000, whereas today it is in the region of £2m. Even if 15 underwriters withdrew from the market in 1986, this would have had a relatively small impact. Today, we have lost 12 underwriting operations, each writing lines on average of £10m.

The markets that remain either do not want to deploy their capacity because historic results are so poor, or they simply do not have the premium income available. Either way, it is causing a huge issue. All of which brings me back to the theme of consistency.

Consistent approach

Underwriters talk a lot about their consistent approach but, in many cases, their behaviour is at odds with their sentiment. In a soft market, an inconsistent underwriter will find brokers respond by simply going elsewhere. In a hard market such as the present one, when the boot is on the other foot, brokers interpret inconsistency as underwriters "taking advantage".In fact, it can lead to muttered accusations of downright greed, to be frank – and that is a very effective way to alienate brokers. In the long run, it damages both the underwriter and their portfolio.

At this stage of the cycle, the one thing a professional indemnity underwriter should avoid at any cost is being unable to renew their renewal portfolio. After all, we have done all the hard work on it, we have seen how it runs and in theory at least, we are at less risk of losing money that when we take on new business. In a hard market, new business carries a higher rate than renewal business because of uncertainty regarding profitability.

At this stage of the cycle, with limited capacity, underwriters will need to justify each piece of new business they write because it could mean throwing out a profitable renewal.

Today, consistency is more important than ever. The test for me is that a broker whom I have not seen for 15 years can get in touch and we can have a straightforward conversation. They know what I write – and that's unchanged. There are some professions I have never written and still decline to write. That's consistency in action.

The tangible benefit of that consistency is that, as the tide turns on the professional indemnity market and prices rise, brokers understand the basis upon which I base my terms, and therefore find this acceptable. My line size has remained unaltered for 20 years; how I deploy it will depend on the particular stage of the market cycle.

The professional indemnity market may behave inconsistently but that does not mean its underwriters should do the same. ■

Martin King is class underwriter, international professional indemnity at Aegis London

In a hard market, brokers interpret inconsistency as underwriters 'taking advantage'

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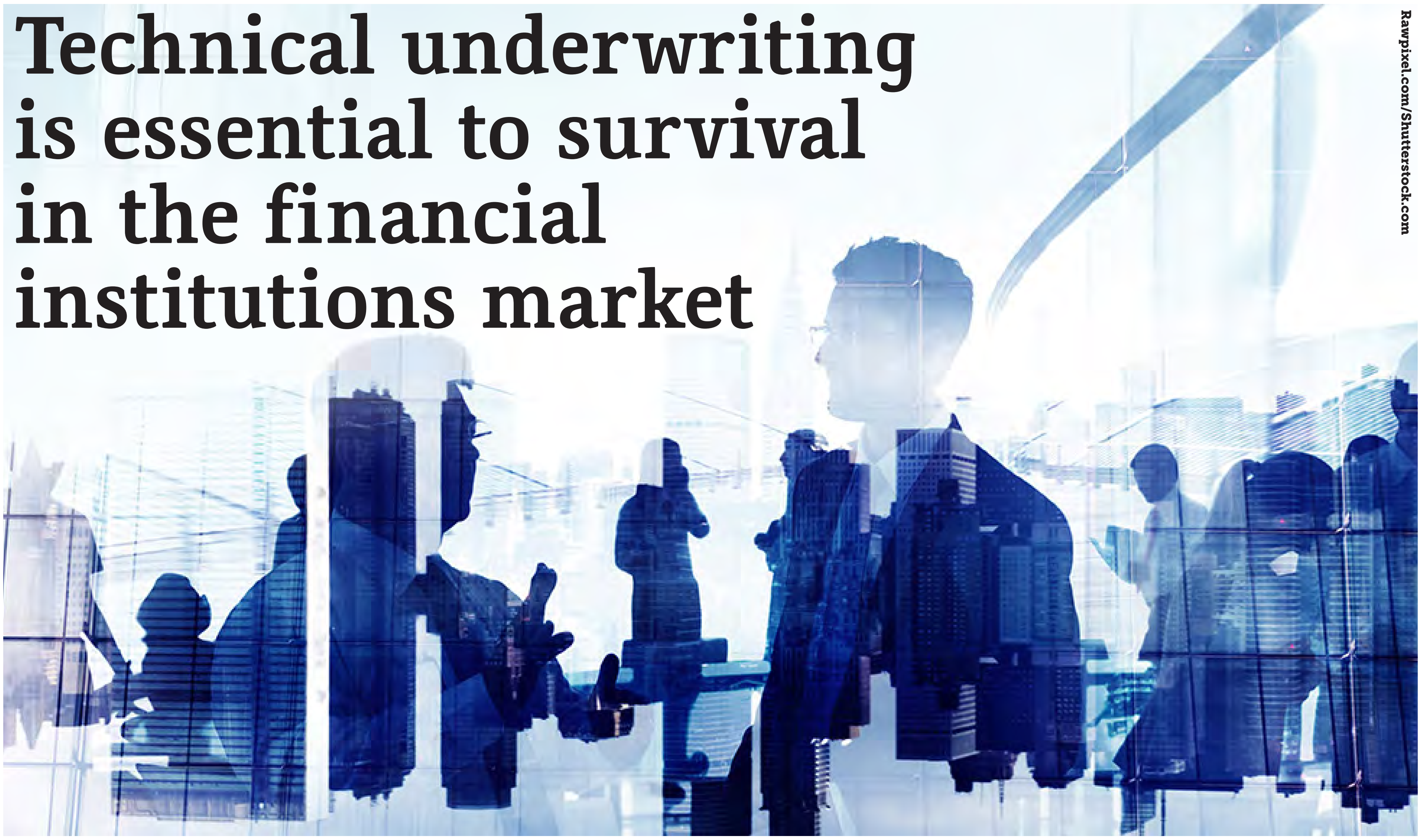
VIEWPOINT

Technical underwriting is essential to survival in the financial institutions market



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Economic uncertainty and capacity constraints are starting to a create a separation between the winners and losers in what is now one of the most challenging areas of the D&O market

John Richards
Sompo International

Commercial directors' and officers' (D&O) liability cover has come under pressure from a litany of issues affecting long-tail business generally. In recent years, the D&O market has struggled to keep pace with the rise in litigation funders, growing litigation pay-outs and so-called social inflation. In many cases, reserving has not been sufficient to account for prior-year exposures, particularly in the hardest hit sectors. Covid-19 has now added further pressure.

There is concern companies in sectors from pharmaceuticals to retail, mining to energy could be faced with future claims relating to mismanagement of the crisis, with operating conditions set to be challenging for years to come.

Inevitably, these stresses have spilled over into the financial institutions market. As recession bites, institutions are more exposed to the risk of defaults, litigation, securities class actions and multi-jurisdiction regulatory interventions. Concern is highest regarding territories that have historically seen high instances of D&O-related claims, including the US (especially for public companies) and Australia.

As recession bites, institutions are more exposed to the risk of defaults, litigation, securities class actions and multi-jurisdiction regulatory interventions

Positive developments

Notwithstanding these challenges, we have seen some positive shifts in the financial institutions D&O market in recent years. Following intense regulatory input in the aftermath of the 2008/09 financial crash, the financial services industry has undertaken some positive remediation work.

The combination of more stringent regulation and robust oversight has resulted in many institutions exiting non-core specialties they may have been ill equipped to manage, reducing product complexity, bolstering internal audit and compliance capabilities and improving the quality and suitability of advice given.

We are hopeful this remediation work means the industry is in a better position from both a reputational and structural standpoint to respond to the current challenges. Institutions that were seen to have contributed to the financial crash are now playing a role in managing the impending recession as we manage the impact of Covid-19. Institutions that previously helped fuel the housing crisis are now helping to hold the forces of economic chaos at bay.

But although progress has been made and regulatory oversight has ensured institutions' business continuity planning is in good shape, there is no doubt the sector still represents a difficult risk for carriers in the months to come.

Fraudulent loan applications, social engineering, malware and phishing attacks represent a bigger challenge for employees working from home with weaker IT security, family distractions and reduced access to informal advice and support from peers. Against this backdrop, it is inevitable financial crime threats will also increase and, concerningly, we are already seeing evidence of this in the type and frequency of recent notifications.

How well the industry manages to deal with threats will, in large part, depend on the extent and timing of the economic recovery. Although we are hopeful this could be relatively quick, caution must remain the watchword in the new environment.

Market will change

While the trend of the past 20 years has been for many carriers to attempt to lead, economic uncertainty, capacity constraints and the quest for efficiency and profitability are already starting to polarise the financial institutions D&O market. Some carriers are pulling out completely, others are favouring a follow-only efficiency strategy and a minority are reaffirming their commitment to the class where they have a perceived underwriting advantage and support for growth by senior management.

As we look ahead, specialist financial institutions markets will want to engage more effectively with insureds on every risk and build long-term relationships based on improved understanding. They will also be placing renewed emphasis on technical underwriting and better training. While this has unfortunately not always been a focus for many carriers during the soft market conditions, we have a real opportunity now to build for the future.

The stress created by Covid-19 will see a clear separation emerge between those that have the appetite, capacity and flexibility to lead in this class and those that do not. Sompo International is very much in the small group of those that continue actively to participate in this class. ■

John Richards is senior vice-president, head of London market financial institutions at Sompo International

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Michigan court rules in favour of insurers against restaurants forced to close by coronavirus lockdown orders

Justin Berken/Shutterstock.com

US court rules insurer owes nothing in Covid-19 BI case

Insureds on both sides of the Atlantic are arguing Covid-19-related losses should be covered by their business interruption policies

John Shutt, Los Angeles
Journalist

A Michigan Circuit Court has ruled an insurance company owes nothing to a group of restaurants that shut down under Covid-19 pandemic-related lockdown orders.

The ruling in favour of Michigan Insurance appears to be the first decision among the more than 500 pandemic-related business interruption lawsuits in the US.

The insured, Gavrilides Management Company, argued the policy's virus exclusion did not apply because the loss of access to restaurants was tied to governmental order, not to the virus, and the loss of the use of the property amounted to "direct physical loss".

However, the court found the restaurants did not suffer direct physical loss or damage, saying such a loss "has to be something with material existence. Something that is tangible. Something that alters the physical integrity of the property". The court also found the policy's virus exclusion would apply even if a direct physical loss existed.

In the UK, the Financial Conduct Authority has brought a test case to resolve uncertainty surrounding business interruption claims and bring clarity for insurers and policyholders in the shortest possible timeframe.

Global M&A plunges amid coronavirus, Willis reports

Global mergers and acquisitions (M&A) plunged in the first half of 2020, according to Willis Towers Watson's latest quarterly deal performance monitor, *writes John Shutt, Los Angeles*.

North America experienced the sharpest fall in M&A performance, with just 137 deals completed in the first half of 2020, compared with 188 in the first half of 2019.

This is the lowest number of North American deals for a six-month period since 2009, Willis Towers Watson said.

In contrast, European buyers completed 80 deals, compared with 68 deals in H1 2019.

Jana Mercereau, Willis Towers Watson's head of M&A for Great Britain, said global M&A activity tumbled to its lowest level in more than a decade in the wake of the Covid-19 outbreak.

The analysis found M&A deals are being delayed or cancelled as companies try to wait out the worst of the downturn.

137

Number of M&A deals completed in North America in the first six months of 2020, down from 188 for H1 2019

TigerRisk targets European growth with latest hire

TigerRisk has hired Juan England as it targets expansion of its European practice, *writes Scott Vincent*.

The broker said England been given a mandate to develop large, multi-regional clients in Europe and other international markets.

England (*pictured*) has joined from Willis Re, where he served as a managing director for the Latin America and Caribbean region.

In that role, he served as regional leader for the Latin America and Caribbean multinationals, retrocession and the public-private sector practice.

James Few, chief executive of TigerRisk UK, said the appointment will help to build out the broker's European practice, which opened three years ago.

England will be based in the broker's London office with effect from January 2021.

Last week, TigerRisk announced Francis Paszylk as partner and head of its London casualty practice. Paszylk joined from Aon.

TigerRisk announced a further addition from Aon this week with Joe Jackson joining its North American reinsurance broking team.

Jackson served as a managing director in Aon's Reinsurance Solutions business. He had worked for the business for 14 years, having joined Benfield in 2006, before its acquisition by Aon two years later.