

[T304] Risk Management & Duty of Care

Tuesday, 23 October
16:15 – 17:30

Compliments of:



Die Reiseversicherung der Allianz

Risk Management & Duty of Care

Presenters:

**Andreas Krugman, Director, Business Travel,
Mondial Assistance Group/ELVIA**

**Don Hubbard, Managing Director, Global
Security, PricewaterhouseCoopers, LLP**

**Jim Lennon, Global Travel Leader,
PricewaterhouseCoopers, LLP**

Risk Management & Duty of Care




Andreas Krugmann, Business Development EMEA
Mondial Assistance Holding, Paris
ACTE, Munich, 10/23/2007

„For businesses, a **mobile workforce can** - among others - help to **increase competitiveness**, meet changing customer needs, acquire new skills and to control costs.

„For employees, mobility can offer many financial and professional benefits. But there can be **a mismatch between employers' needs and employees' wishes.**“

„**Understanding** how personal and business mobility drivers may be better accommodated **is therefore critical.**“

Managing Mobility Matters 2006 – A study of *PRICEWATERHOUSECOOPERS* 

Propositions

- ! Globalisation is **enabling the business for corporates and the risks for their travellers.**
- ! Globalisation isn't staying downtown at the Sheraton, it means **travelling into high risk regions of high risk countries.**
- ! Globalisation means as well, building up a plant e.g. **for 8 months in the People's Republic of Yemen.**

And it means a lot of further risks.....

POLONIUM / TUBERCULOSIS POLLUTED AIRPLANES

9/11

DISEASES AND ACCIDENTS

LONDON

PANDEMIES

MADRID

TSUNAMI

HOLD UPS

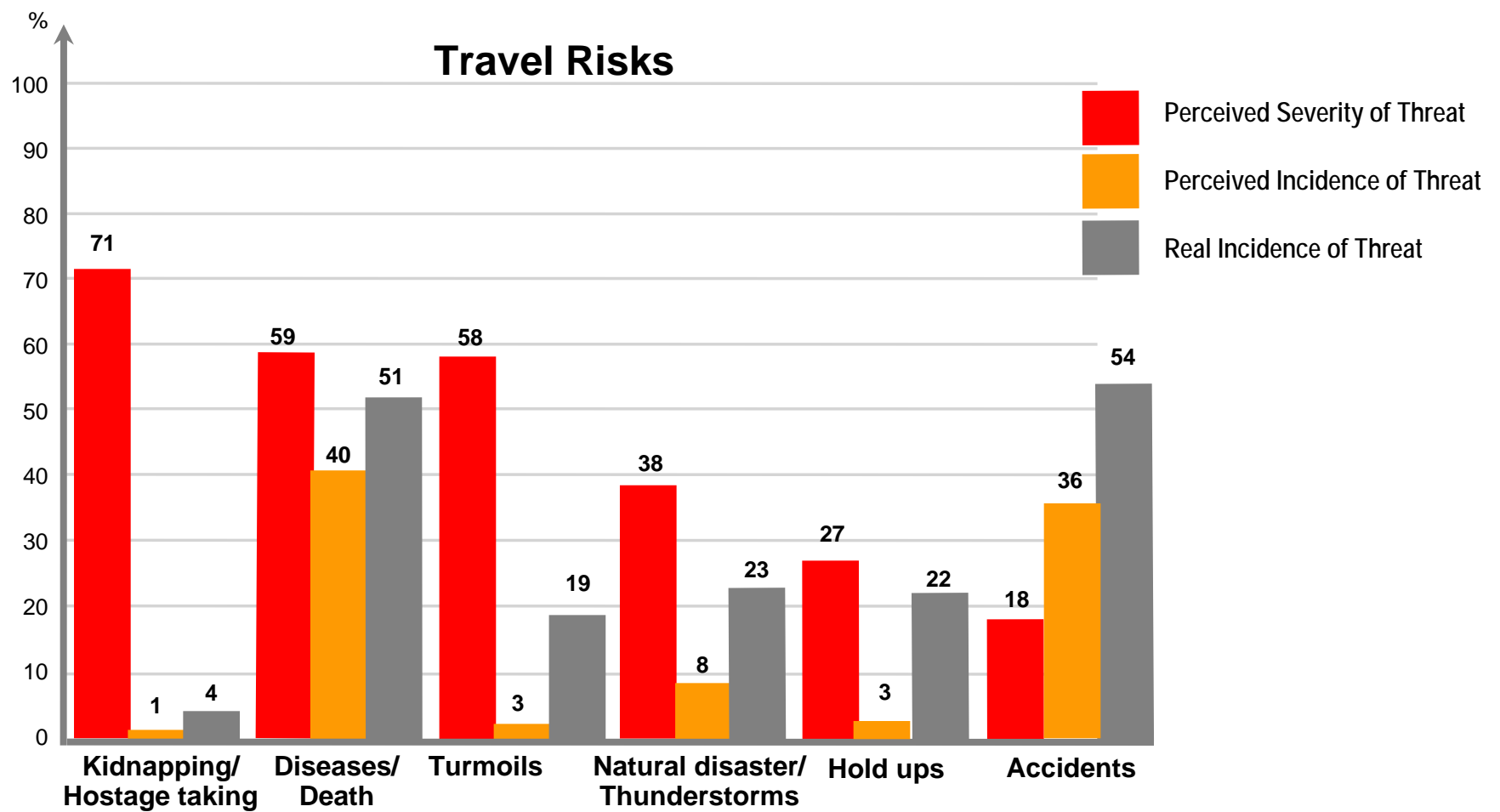
KIDNAPPING

MENTAL BREAKDOWNS

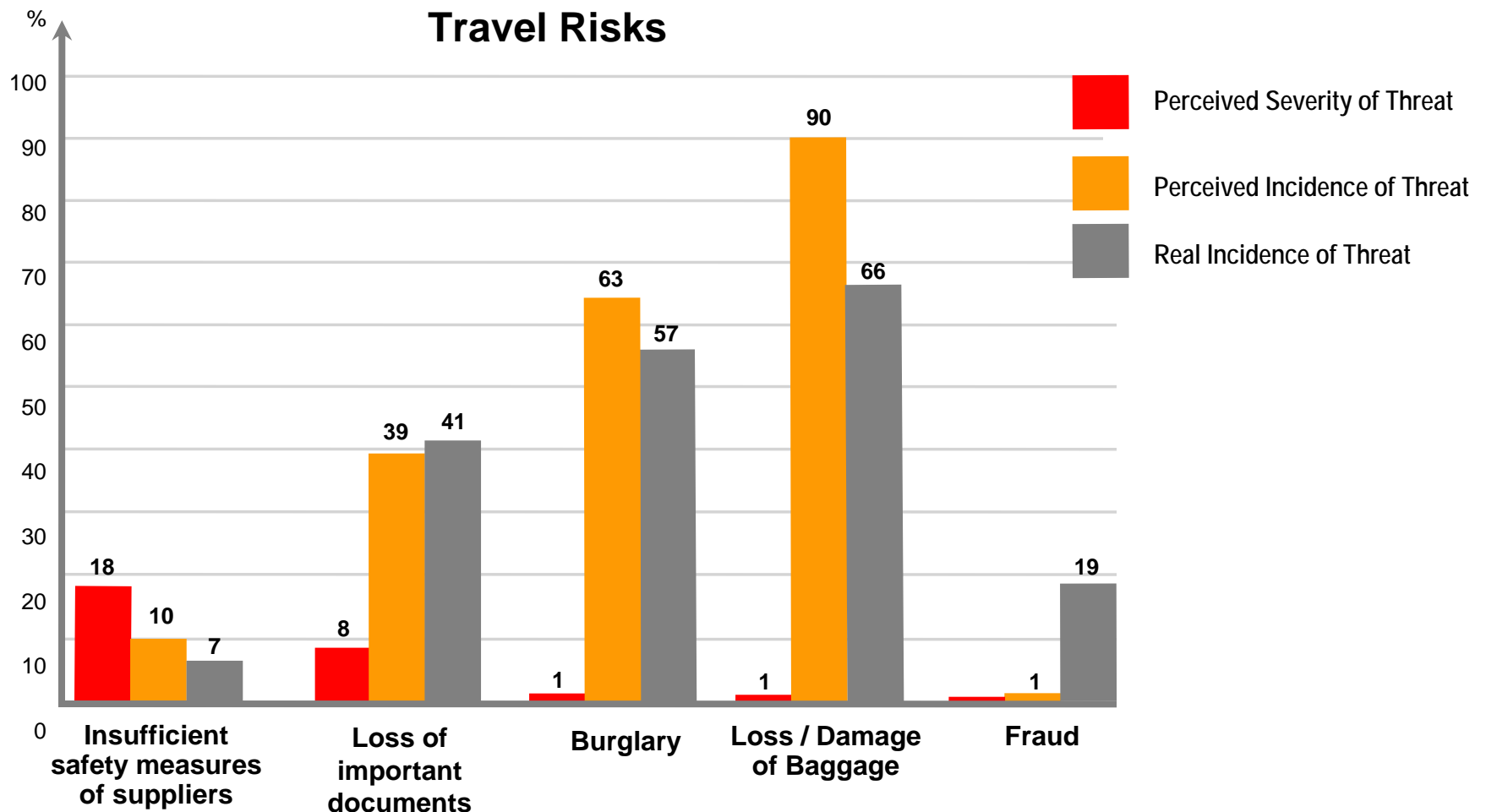
PLANE CRASHES



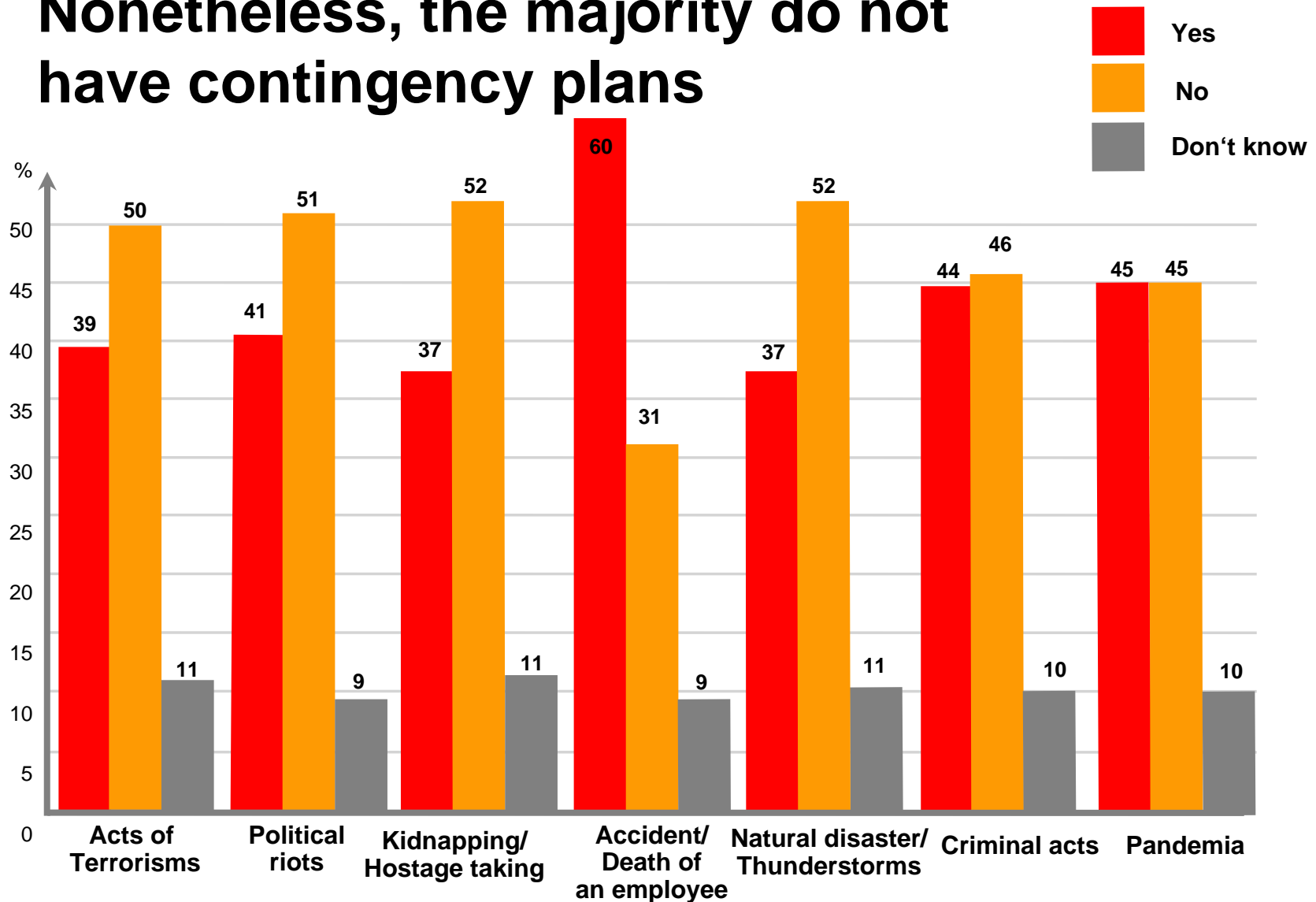
Business Travel Security Study – Germany 2006 (figures in percentage)



Business Travel Security Study – Germany 2006 (figures in percentage)



Nonetheless, the majority do not have contingency plans



Corporate Demands for safety – A Storyboard

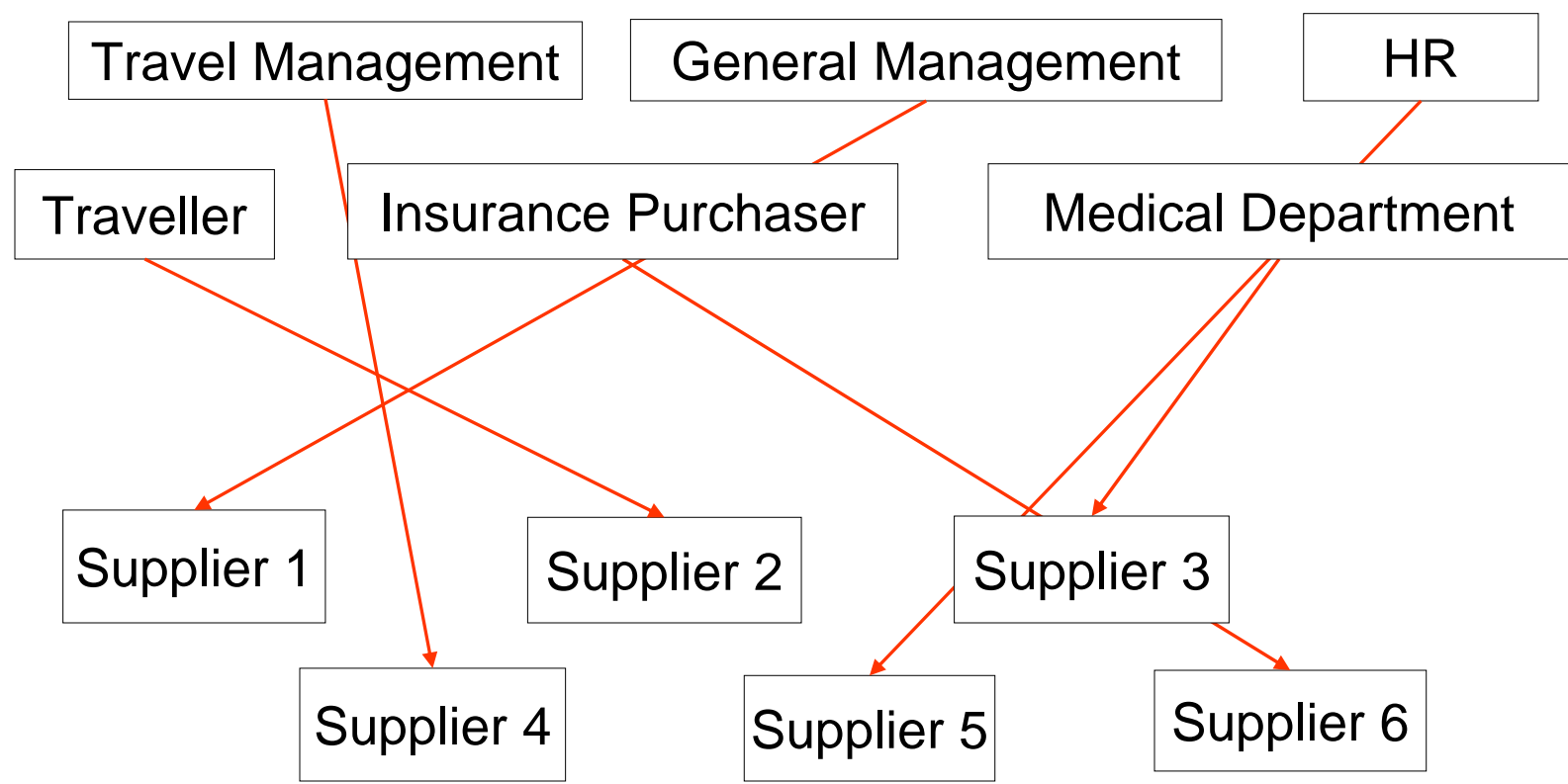
- ? „Who is giving us advice how to react in the case of an employee kidnapped in Mexiko?“ – **General Management.**
- ? „Who is telling me, where my travellers are, if the next act of terrorism takes place somewhere?“ – **Travel Management.**
- ? „Whom can I call 24H/365 days, if I get into serious trouble on my trip to South America?“ – **The Business Traveller.**

Corporate Demands for safety – A Storyboard

- ? „In case of an employee perishes on a business trip, what do we have to do?“ – **Human Resources.**
- ? „What is the best benchmarked travel insurance/assistance coverage?“ – **The Insurance purchaser.**
- ? „An expatriate needs someone to talk to due to mental problems, who cares for him at 2 a.m.?“ – **The medical departement.**

Corporate Demands for safety – A Storyboard

How they fulfill the demands today in isolation:



Corporate Demands for safety – A way to do it:



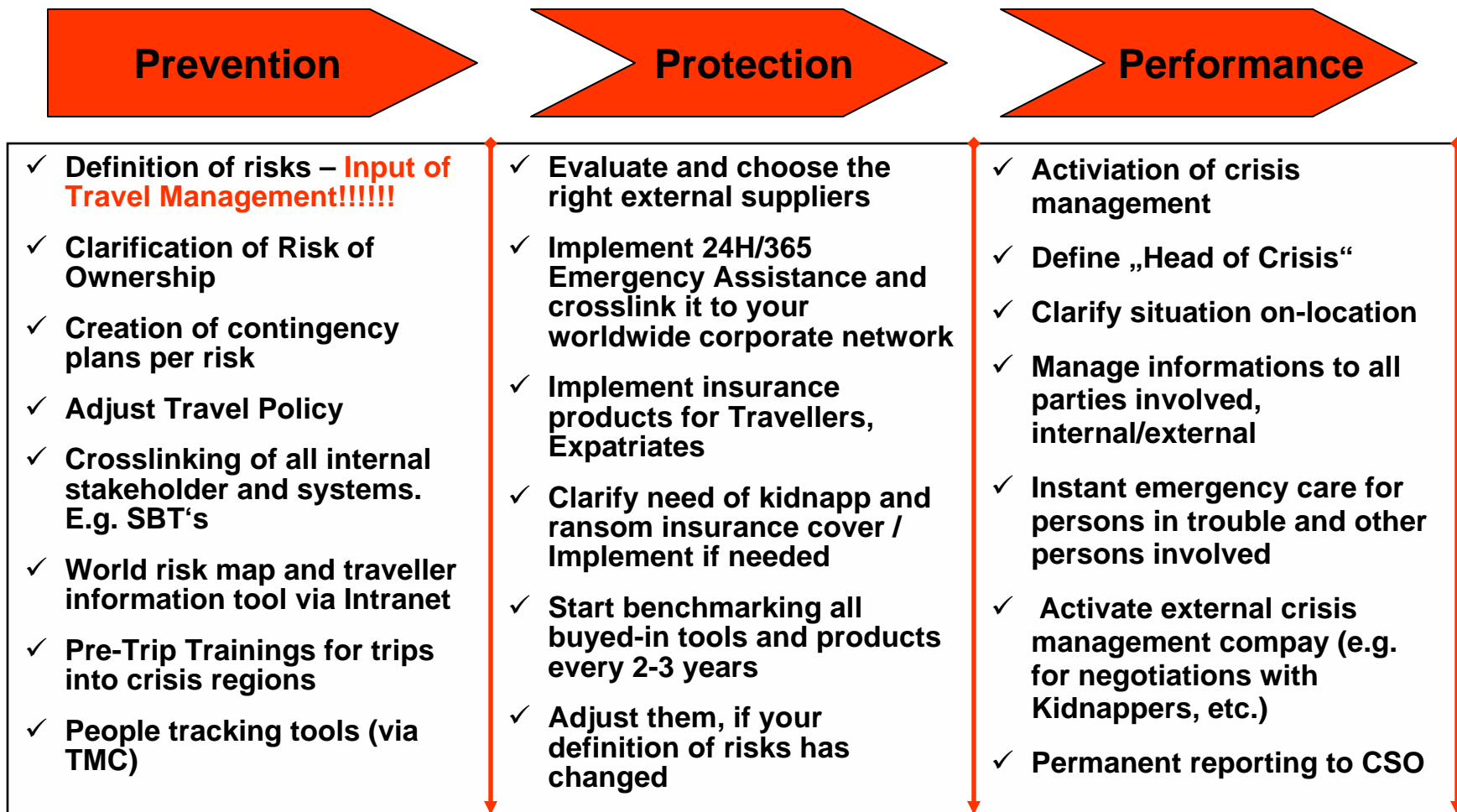
Risk Assessment:



- 1. Risk identification –**
what are we talking about?
- 2. Risk analysis –**
who/what is affected by the risks
- 3. Risk management –**
what do you need to know?
Make or buy?
- 4. Risk monitoring –**
who is responsible? Risk ownership, Crosslinking of systems, Travel process
- 5. Risk performance –**
what to do, who and when?
- 6. Murphy's law happens –**
we can't escape

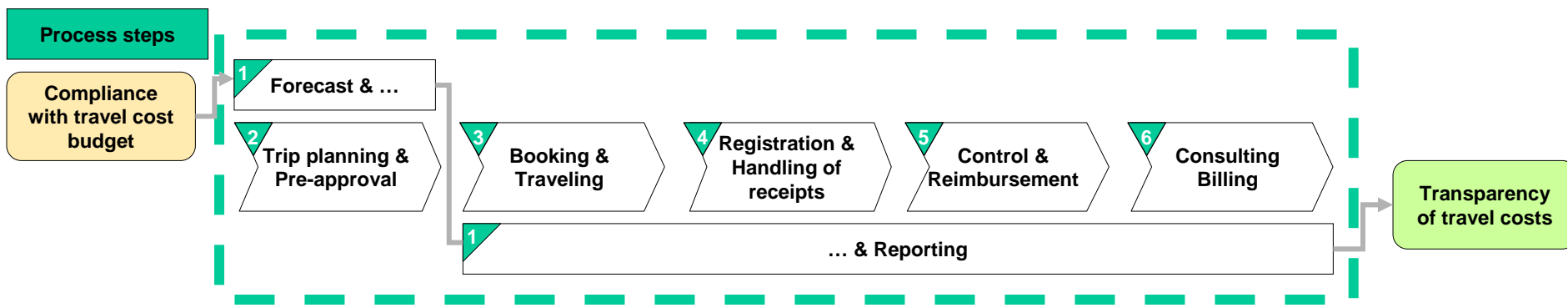
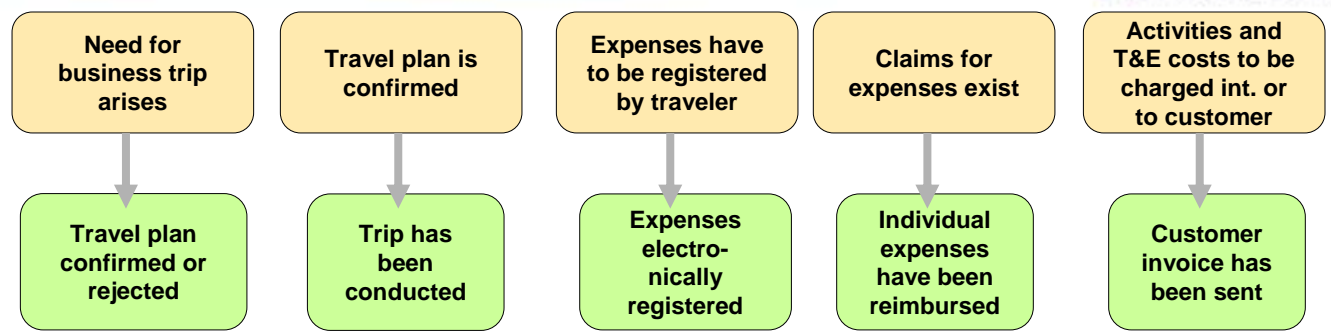
Risk Assessment – Best Practice Case Study 1

Consequences for Travel Process



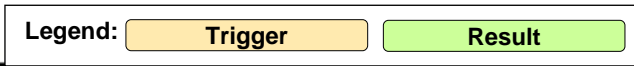
Risk Assessment – Best Practice Case Study 2

Consequences for Travel Process (Fortune 500 Company)



Specific requirements per process step:

Corp. Security	Assess destinations, check for no gos and traveller warnings	Automated destination information, linked with online booking process	Definition actually in process	Debriefing of trip to adjust security measures	Definition actually in process
Corporate TMC	Pre-Trip Reportings	Traveller Tracking and SMS Alert Systems	Corporate Credit Card System	Post-Trip Reportings	Definition actually in process
HR Global Mobility	apply for visa & permit, Policy Compliance	monitor travel for tax, permit, consultation with Legal Travel Advisor	Definition actually in process	Definition actually in process	Definition actually in process
HR Global C&B	Inform travellers about 24H Assistance and insurance cover	-emergency support to travellers in case of a personal crisis	Definition actually in process	support in claim handling to insurance company	Definition actually in process
E Global TM	policy compliance, Cost control Trip avoidance/ savings	Volume bundling, Volume steering	data tracking for negotiation basis	Automated process / Adjustment of travel policy	Corporate income



Conclusion

- !** The ongoing globalisation is forcing corporates to operate their business with a mobile workforce.
- !** Fulfillment of Duty of Care & CSR related to the safety of business travellers is increasing the importance of safety & security to the corporation.
- !** Consequently every global and cross-linked operating company has to implement an ongoing Travel Risk Management process into its overall Risk management Strategy.

Conclusion

- !** Finally it is not the production capital, it is the human capital, which is driving your business.
- !** Therefore and based of the sensitivity of risks, your employees should work and travel under circumstances as much safe as possible.
- !** Let us see, how PricewaterhouseCoopers has met that challenge.

**„Life is like a box of chocolate,
you never know what you're
gonna get“ (Forrest Gump)**



Thank you very much for your attention!

PricewaterhouseCoopers' Approach to Risk Management & Duty of Care

- **Don Hubbard, Managing Director, Global Security, PricewaterhouseCoopers, LLP**
- **Jim Lennon, Global Travel Leader, PricewaterhouseCoopers, LLP**

PricewaterhouseCoopers

- PwC is a network of independent firms
- 150,000 people in 147 countries
- Global Revenue — \$25B
- Many policies
- If “global” policy – how stringent?

Security & Travel common goals

- Protect traveling employees
- Provide safety and security information to travellers
- Develop programs to mitigate risk to travellers
- Prepare for and handle potential situations

Achievement of goals requires:

- Close communication between Security Director and Travel Director
- Sharing of information
- Mandated travel agency usage
- Travel agency cooperation
- Extensive use of outside resources
- Third party contract with medical assistance/security services
- Continual traveller education

Policy as a risk aversion tool

- Approvals – who and what level?
- High Risk – National LOS leader
- Extreme- Territory leadership, Global Security

Pre-trip notification

- Automated Travel Advisories
- ATAs can be tailored by territory
- Based on risk level

“Global” policy should state:

- Risk rating and level of written approval
- Copy of approval to Global Security

Closing the gaps in traveller tracking

- Are all reservations booked through the TMC?
- Who tracks:
 - TMC?
 - Third party with access to TMCs queues?
- Is individual contact information readily available (email, cell phone, home phone, EA)?
- Are changes tracked?
- Who has access to information?

Closing the gaps in traveller tracking

- Who is responsible for contacting affected employees?
- What are the follow-up procedures?
- Is your “team” list contact info current?
- Is there adequate back-up coverage?
- Do you have plans in place with suppliers?
- Are external contact lists up to date?
- Are all roles assigned?

Duty of care implications

- Full disclosure: Fully inform employees of specific risks of travel – and retain proof of these communications
- Mitigate known risks where possible
- Carefully select co-workers
- Use assumption of risk consent form
- Evacuation plan
- Medical assistance plan

Duty of care implications

England:

- Warn of risks and retain communication, evacuate as needed
- Consent form

Duty of care implications

France

- Warn of risks, mitigate risks, evacuation as needed.
- Advise - not Direct.

Duty of care implications

United States:

- Ensure those who travel abroad have basic workers compensation coverage
- And – are covered by “voluntary supplemental” U.S. workers’ compensation coverage
- Use an express assumption of risk (waiver) clause in travel/expatriate documentation
- Institute a tracking system for those working abroad for extended periods
- Minimize claims stemming from injuries incurred while an employee stays abroad on personal matters:

~~– determine the extent to which supplemental workers’~~

Duty of care implications

- **U.S cont'd:**
- Minimize claims stemming from injuries incurred while an employee stays abroad on personal matters:
 - determine the extent to which supplemental workers' compensation coverage remains in effect even during nonwork periods
 - limit any vacation/leave to the applicable coverage period

Duty of care implications

Germany

- Full disclosure – specific risks, retain communications.
- Distinction between on or off work

Response Plan Checklists

- Civil unrest
- Bomb Explosion/Major Sabotage/Acts of Terrorism
- Armed or Other Violent Attack
- Threats to Kill/Injure Employees
- Lost Contact/Missing Employee
- Family Liaison
- Detention by Local Authorities in a Foreign
- Country Hurricane Response Plan
- Procedure to Account for Staff
- Blackout Plan
- Pandemic

Food for thought

- Why not have a security policy and include “travel policy” within?
- Security and Travel *must* work together

THANK YOU FOR PARTICIPATING!

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