

Surviving the polycrisis

Commercial Risk Europe talks to **Jean-Marie Haquette**, head of HDI Global's French office, about the polycrisis facing French corporates and the role of insurers.

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The risk landscape facing French corporates is neither new nor specific to France, says Jean-Marie Haquette, head of HDI Global's French office. Furthermore, the 'polycrisis' facing companies is likely to stay for a long time.

In the short term, cyberattacks remain a huge concern for risk managers, with both the sophistication and scope of attacks still expanding. In addition, as companies become more operationally complex, such attacks can generate tidal waves of disruption and business interruption for suppliers and other counterparties in the supply chain that are increasingly difficult to mitigate.

When it comes to natural catastrophes, France has been heavily affected by floods, mainly in the northern part of the country, as well as by Cyclone Chido, which devastated the Mayotte archipelago.

Added to this is a more complicated political and economic environment, says Haquette. "There is a much greater risk of civil commotion and riots, especially, but not only, in some overseas territories that are becoming uninsurable. Behind that you have, of course, misinformation and disinformation, which are amplifying the phenomena."

In addition to that, there are also new emerging trends in terms of ESG, as already illustrated by litigation over PFAS, ETO and greenwashing, which are no longer just a US topic but proliferating all over Europe. "We are just seeing the tip of the iceberg in terms of claims," says Haquette.

Consequently, HDI is investing in an effort to be a genuine 'partner' for firms in their net-zero and ESG transformation. To help manage the risks of ESG liability, climate risk analysis and reporting, the insurer

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will soon establish a team in Paris dedicated to ESG and sustainability challenges.

While there may not be risk 'blind-spots', there are plenty of underappreciated or underestimated risks, many of which are associated with Artificial Intelligence (AI), says Haquette. There has been much attention paid to potential fraud resulting from AI but there has been less focus on product and services liability, as well as forthcoming EU regulation via the AI Act, parts of which came into force on 2 February.

The rapid development of AI has also exacerbated the risk of cyberattacks, which is likely to remain the top risk for companies in the future, given the growing reliance on technology, as underlined by the CrowdStrike incident in the summer of 2024, says Haquette.

Positive dialogue

Challenging times require closer dialogue between insurers and risk managers, says Haquette. "As a mutual, it is the best way to keep a real knowledge of the current and future challenges of our insureds and to propose the best insurance solutions of HDI," he says.

As an industrial insurer, HDI Global's

focus is on large corporate clients. This means concentrating on their individual risks, risk engineering policy and claims history, and reassessing these on an annual basis. "As to the prices, we only write those risks for which we believe the premium is adequate with the exposure," says Haquette. "This is why we always prefer to build individual solutions for individual risks, based on a fair dialogue with customers and their brokers."

"We understand that some players in our industry look at the market cycles and are perhaps also interested in how we position ourselves there. Market cycle is one thing, but being present on a long-term basis is just key," says Haquette.

Risk managers are also looking for more innovation from their insurers, particularly in relation to emerging risks. Innovation isn't typically associated with the insurance industry but Haquette says this is changing. "As a partner in transformation, we have a clear commitment to accepting new risks even where the data situation is still mediocre, provided the companies' transformation path is coherent," he says.

As an example, HDI Global supports progress in science and health by providing protection that extends to complex and emerging risks associated with innovative medical technology – such as mRNA therapies for cancer.

Tackling emerging risks with tailor-made coverage

The insurer has also established a team in Paris with experts in alternative risk finance solutions, which offers clients services to build and use virtual captives and blended solutions mixing self-insurance and true risk transfer. HDI Global has been able to create new tools and services around ESG, thanks to its good data flow and data collection practices, says Haquette.

“Price is only one element in the entire dashboard. What is the benefit to a customer if he saves a few euros on premiums but has to accept setbacks in other factors in his insurance coverage?”

“Just a few months ago, we extended our environmental liability insurance to the international market, adding social and governance coverage, with evolving risk contexts and escalating regulatory pressures being the key drivers,” says Haquette. “This launch propels HDI Global into the forefront as the first insurer to offer comprehensive, tailor-made ESG liability coverage to clients and brokers worldwide. Adding to this, we are offering climate risk analysis and reports to customers, helping insureds to comply with their CSRD reporting.”

One of the challenges facing insurers is encouraging risk managers to maintain their premium spend in a softening market. While some insurance buyers will move from one insurer to another in search of lower premiums, this is less common for mature and experienced insurance buyers, says Haquette.

“Price is only one element in the entire dashboard. After all, what is the benefit to a customer if he saves a few euros on premiums but has to accept setbacks in other factors in his insurance coverage? You have to consider the entire range of services – international programmes and actuarial capabilities, captive services, claims management and risk engineering,” says Haquette.

HDI Global has also developed a number of bespoke insurance solutions in partnership with clients. “We are able to work with the client, combining adapted wordings, including for non-traditional coverage such as non-damage BI and non-traditional coverage such as self-insurance, captives, insurance and



Jean-Marie Haquette, HDI Global

reinsurance markets, and capital markets solutions. Essentially, we are working with clients who want to enter into a real collaboration spirit. Transactional managers are far from our universe,” says Haquette.

While the use of captives and alternative risk transfer solutions (ART) has grown during the hard market, will it continue as the market softens? According to Haquette, self-insurance is a sign of the maturity of the risk financing and risk management profession. There is also likely to be a rising number of new captives in France thanks to new legislation.

Claims management

A final challenge for insurers is improving the claims experience for companies. “This is at the very heart of our business,” says Haquette.

To this end, HDI’s global claims

management business has been consolidated at the executive board level to increase the customer focus and optimise processes worldwide.

“Locally in France, we want to be more and more client centric to ensure that customer experience is in line with risk managers’ expectations. This means clearly identifying risk managers’ needs when implementing international programmes, addressing their expectations in terms of claims handling and their needs in terms of claims information and data to be provided,” says Haquette.

“The role of the producing office is then central in cascading claims-handling instructions; it must therefore have free reign and sufficient authority to instruct servicing offices and closely supervise claims handling, reserving and payment in strategic areas or type of claims.”