Martin Schürz, Swiss Re Corporate Solutions

- Leitet als Head Risk Engineering Services (RES) ein Team von 120 Ingenieuren
- RES stellt den Kunden Wissen und Expertise zu einer Vielzahl von Risiken zur Verfügung, vor allem im Bereich von Sach-, Betriebsunterbrechungs- und Haftpflichtversicherung
- Arbeitet seit 1993 bei der Swiss Re und war vor seiner aktuellen Rolle als Ingenieur sowohl in der Schweiz als auch in den Vereinigten Staaten tätig
- Besitzt zwei Masterabschlüsse von der ETH Zürich, einen in Naturwissenschaften (Chemie) und einen in Naturkatastrophen-Management
Lessons Learnt

- Explosion at supplier -> shut-down of 5 OEMs
- Loss of over 50,000 units
- Emergency plans are activated – critical parts at supplier location are salvaged by the OEMs
- Most OEMs restart assembly after ~1-2 weeks
- A big final assembly plant produces ~1,000 units / day
- Typically we see 20-30% of the sales price as gross margin
- Daily values range from 10-20 MUSD

Loss at US supplier site

Loss at US supplier site
Lessons Learnt

CBI coverage is integrated into PDBI – no models available

CBI clusters (named vs unnamed suppliers, tier “n”, etc. are inadequate to model and insure the supply chain

today’s daily production values eat-up the deductible within a few days, available limits within 1-2 weeks

risk of a pro-longed interruption (mitigated worst case) is at least 6-8 weeks if mitigation measures are successful

although OEMs have shown resilience, there are doubts that plausible scenarios cannot easily reach 2-4 months or even longer

in other industries waiting periods (as long as 30-60 days are common)

real “worst-case” (Needed coverage) by far exceeds policy limit
Dual approach

**detailed – location-specific**

- „spot-CBI“ higher limits are available where the location is known, can be assessed and the OEM has influence on risk management strategies
- location is named in the policy
- risk reports are available
- key exposures can be identified (remaining loss potential, impact and available mitigation
- These locations are treated similarly to the IBI approach

**holistic - trust level approach**

- OEMs together with suppliers to develop RM/supply chain model – many / most companies have own models already available
- Insurers to “benchmark” respective individual model / approach with industry
- long-term commitment from all sites to understand, assess, manage and control the entire supply chain
- understanding of a supply chain’s resilience factor towards suffering from a defined downtime (i.e. 2 weeks)
- data model and level of trust to define commitment level by insurance company
- use of parametric solution on top of standard solution
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