

Press Release

Beazley-led consortium to offer insurance and crisis management solution to mitigate reputational risk

London, April 29th, 2019

Beazley Group

Plantation Place South
60 Great Tower Street
London EC3R 5AD

Phone +44 (0)20 7667 0623
Fax +44 (0)20 7674 7100

info@beazley.com
www.beazley.com

Specialist Lloyd's insurer Beazley is partnering with other Lloyd's insurers to offer a unique and flexible solution to an issue that has long preoccupied the C-suite: reputational risk.

A reputational crisis can affect an organisation in many ways, hitting revenue, the ability to hire and retain talent, and the support of stakeholders.

In an era in which social media amplifies every crisis, the rapid dissemination of information – true or false – demands an urgent and co-ordinated response. Having the right approach in the early stages of a crisis can often forestall further damage.

In response to this challenge, Beazley has established the Custodian Consortium at Lloyd's to provide a reputational risk solution that protects clients throughout the lifespan of a crisis. Clients will benefit from crisis management expertise to minimise reputational damage, as well as substantial loss of profits cover to protect companies after a significant downturn in revenue.

With underwriters' consent, an event that threatens major reputational damage could entitle the client to crisis management advice worth up to \$1 million. The first \$250,000 of this cover is available on a pre-loss basis, regardless of whether a loss of revenue is ultimately recorded.

Business interruption cover is triggered by a drop in revenue that has been pre-agreed at policy inception. Because organisations can rarely predict what might trigger a reputational crisis, the policy works on all-risks basis. It therefore covers many potential scenarios that could affect different sectors, from allegations of sexual harassment or bullying against a senior executive, or the mismanagement of such claims, to faulty or misused medical equipment.

beazley

66

99

Press Release

The Custodian Consortium will offer substantial limits with additional capacity initially provided by Tokio Marine Kiln and RenaissanceRe as well as Beazley's smart tracker syndicate 5623.

The cover is available to US-domiciled organisations of all sizes, specifically targeting companies with up to \$5 billion in revenue, including both public and private companies, and for-profit and not-for-profit enterprises.

Rachel Turk, focus group leader of Beazley's London-based D&O team, said: "In an era in which news travels faster through social media, risk to hard-earned reputations is greater than ever before. Preparedness and speed of response are critical. Our policy has been designed to ensure that crisis response expertise is available, backed by the necessary funds, as soon as an incident occurs.

"By pre-agreeing the level of revenue drop that will trigger a claim at the outset with our underwriters, clients can be sure that no time will be lost in providing cover that meets their requirements, and generally without the need for loss adjustment."

In the event of a crisis, clients will be supported by highly regarded crisis management advisory firms, APCO Worldwide and CrisisRisk.

Exclusions are cyber and product recall, systemic events or macro-economic impacts, failure of corporate strategy, fraud or criminal acts.

For further information, please contact:

Beazley Group
Mairi MacDonald
00 44 (0)207 674 7164

Note to editors:

Beazley plc (BEZ.L) is the parent company of specialist insurance businesses with operations in Europe, the US, Canada, Latin America and Asia. Beazley manages six Lloyd's syndicates and in 2018 underwrote gross premiums worldwide of \$2,615 million. All Lloyd's syndicates are rated A by A.M. Best.

Beazley's underwriters in the United States focus on writing a range of specialist insurance products. In the admitted market, coverage is provided by Beazley Insurance Company, Inc., an A.M. Best A rated carrier licensed in all 50 states. In the surplus lines market, coverage is provided by the Beazley syndicates at Lloyd's.

Beazley is a market leader in many of its chosen lines, which include professional indemnity, property, marine, reinsurance, accident and life, and political risks and contingency business.

For more information please go to: www.beazley.com