

Thoughts for Food

Changing market conditions and the importance of a risk management strategy

The food sector, and in particular, the meat processing, dairy and poultry industry has faced several large fires and interruptions in recent years. These risks often result in large insurance claims and threaten companies value growth, profitability and continuity objectives. Insurance market conditions for the food industry are changing significantly. As a result of the negative results in the insurance industry, and backlog in risk management for this specific sector, insurers have reduced the risk capacity available to write risks within the food sector. Other insurers even withdraw from the food industry entirely.

Impact

The severity of the occurred losses is to a large extent negatively influenced by factors like combustible constructions, poor segregation, human behavior and/or limited protection systems. Extensive smoke and soot contamination often result in serious secondary damage to property and goods and even the need for dismantling and rebuilding of property and machinery.

Outlook and opportunity

Broad coverage is still available, however decreasing capacity within the sector is anticipated. This will potentially lead to increased pricing and/or higher retention levels. A supported and clear risk management strategy is the key element for purchasing capacity at best possible terms in a hardening market environment. Insurers mainly focus on companies within this sector with an integrated risk management strategy for risk mitigation.

Property risk control

Our risk control consultants can help you assess your risk profile and identify your key property, business interruption and supply chain exposures. They provide full support and expertise in the design, implementation and execution of your risk control program.

Delivering value

Our dedicated team of account executives, brokers, risk control consultants and claims consultants offer a unique service that supports your company's value growth, profitability and continuity objectives. We partner with our clients to protect their balance sheet and secure the most appropriate risk financing and insurance approach, thereby optimizing your total cost of risk through effective risk mitigation and risk transfer strategies.

Together with our colleagues within EMEA and Aon Benfield, our advice and insights, based on local and worldwide data, help clients to sharpen their focus on key risk issues and implement cost-effective solutions.

“The **probability** of hazards, as well as the severity of the related risks, can - to a large extent - be managed by developing a clear risk management strategy.”

We are here to empower results

For further questions or additional information, please contact:

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