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Federation of European
Risk Management Associations

FERMA and member associations tackle the catastrophe loss coverage gap and build resilience

7 May 2020

The Federation of European Risk Management Associations (FERMA) today announces the launch of a taskforce to create proposals to address the issue of business interruption coverage for catastrophic risks.

“Our aim is to support the creation of economies that are resilient in the face of systemic and catastrophe risks,” said the President of FERMA, Dirk Wegener.

The task force, made up of senior risk managers from FERMA members, plans to publish its initial results by the end of May. FERMA and the member associations want to open a dialogue with all relevant stakeholders, including EU institutions, insurers and brokers, and government bodies.

FERMA calls for a discussion among these stakeholders to create a holistic solution that provides cover for non-damage business interruption for all types of catastrophe risks, not just pandemic.

Said Wegener: “FERMA’s member associations are composed of people with great knowledge of business risk management and business insurance. We intend to draw on that expertise to make concrete proposals to form the basis of discussions with stakeholders.”

FERMA argues that the impact of catastrophe events, like the current pandemic, are beyond the resources of the private insurance industry and enterprise risk management alone. The absence of business interruption cover without a requirement for



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physical damage – or non–damage BI – is a critical issue. It affects all sizes of business, but especially SMEs.

Several European countries have existing public–private partnership to cover extraordinary risks. The landscape is diverse and, inevitably, each has strengths and weaknesses. The taskforce believes it will be essential to avoid easy solutions.

“Any catastrophe mechanism for business interruption must be able to respond to various types of disaster, address the complexities of catastrophes and avoid the pitfalls of existing schemes,” said Dirk Wegener.

Notes for journalists

Business interruption insurance typically requires some form of physical damage, as from a fire or flood, to trigger the cover. There are often also specific exclusions from policies, which cover non–damage business interruption, for infectious diseases.

For further information:

Typhaine Beaupérin

CEO FERMA, +32 (2) 761 94 31, typhaine.beauperin@ferma.eu

About FERMA

The Federation of European Risk Management Associations brings together 22 risk management associations in 21 European countries, representing 4800 risk managers active in a wide range of organisations. FERMA provides the means of co–ordinating risk management and



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optimising the impact of these associations outside their national boundaries on a European level.

Member associations are from the following countries: Belgium (BELRIM), Bulgaria (BRiMA) Czech Republic (CZRMA), Denmark (DARIM), Finland (FinnRima), France (AMRAE), Germany (GNVW), Italy (ANRA), Luxembourg (ALRiM), Malta (MARM), Netherlands (NARIM), Norway (NORIMA), Poland (POLRISK), Portugal (APOGERIS), Russia (RusRisk), Slovenia (Sl.RISK), Spain (AGERS and IGREA), Sweden (SWERMA), Switzerland (SIRM), Turkey (ERMA) and United Kingdom (Airmic).

FERMA is a member of the International Federation of Risk and Insurance Management Associations (IFRIMA). www.ferma.eu