

Strategic RISK

www.strategic-risk-global.com



Funk Foundation reveals winners of its innovation price

Two submissions received the Meilenstein Award and a third nominee won an Exceptional Prize

The Funk Foundation has awarded the 'Meilenstein Award' to two individuals for their innovative contributions to corporate insurance and risk management at the GVNW Symposium in Munich yesterday. A third submission was honoured with an Exceptional Prize.

Dr. Michael Berger, Underwriter Special Enterprise Risks at Munich Re, received the Exceptional Award for his theoretical doctoral thesis "Determinants of Demand for Innovative Corporate Insurance Products in Imperfect Markets".

In his thesis, Dr. Berger construed a model for managing innovations - from new ideas to the selection of promising innovations to marketable

products - in a market, whose participants are characterised by diverging user expectations and a reluctance to be fully transparent. His theoretical approach gives insight into the foundations to build an innovative and more co-operative culture between industry and corporate risk solution providers, whether finance and/or insurance.

Given the need to enhance innovations in corporate insurance the submitted work of Dr. Berger comes "just in time" and offers a helpful reference for all who consider incorporating regular innovation laboratories into their organisations.

Leberecht Funk said in his honorific speech: "This innovative

model is a priceworthy step forward and motivates further in-depth empirical study in a field that is utterly important for maintaining the market relevance of both sides of the corporate insurance market.

The Foundation also honoured Thomas Lindner, an expert in Financial Lines insurance products with a professional history at XL Insurance and Allianz Global Corporate and Specialty, with a Meilenstein Award.

He delivered an innovative concept of a non-liability product complementary to D&O insurance, covering financial loss in the absence of a breach of duty or violation of the business judgement rule (i.e. non-liability) of a named member of the Board of Directors. Such coverage would mitigate substantial reputational risks and compensate financial losses incurred for instance by legal advice, burdensome representation before court, restructuring and opportunity costs for involving top-level employees. The concept also provides for a reverse burden of proof: the insurer

has to provide evidence that the named insured is subject to civil liability.

This innovative concept fills the gap between conventional D&O and fidelity insurance and addresses an important area of unsaturated demand. Jury member Rüdiger Auras of GVNW Management said: "No doubt this is a real novelty that deserves all support to find market acceptance and we hope that the Meilenstein Award creates some momentum for it."

The Funk Foundation also wants to award outstanding acts of leadership that might promote risk management quality and resilience. The jury found that the case of Robert Ebel and his team at HOERBIGER Holding AG, a Swiss international company active in the fields of energy technology, automotive supplier and industry technology, was exemplary and outstanding in this regard.

Following ten years of devoted team-work, HOERBIGER today has a thoroughly integrated and advanced ERM system that is core to all its complex decision making. The jury was impressed to see that HOERBIGER's competitive position improved by managing risks and purchasing insurance thanks to its ERM in a more objective and founded way that gives room to more strategic investments.

Hendrik Löffler of Funk Risk Consulting congratulated the HOERBIGER team with their remarkable achievements and emphasised in his honorific address that one could only hope that other middle market corporations start adopting such an integrated ERM into their business models as well. ■