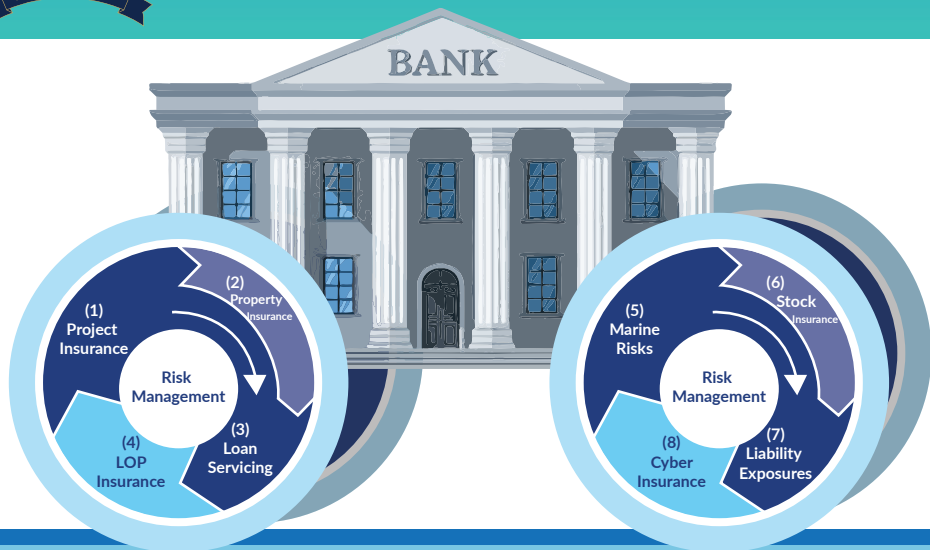




# ENTERPRISE RISK MANAGEMENT & INSURANCE SCHOOL (ERMIS)

Proclaim Energy Pvt Ltd., 305, Vikas Centre, Dr. C.G. Road, Chembur East, Mumbai- 400074, *Opposite Golf Club.*

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## INSURANCE WHEELS OF BANKING



**Monday to Friday, 1 Week - 9:30 AM to 6 PM**

Proclaim Insurance Surveyors (<https://proclaim.co.in/>), as our partner in ERMIS, bring their vast experience in various risks to our School through Case Studies, Faculties and development of Tools, Techniques and Course Materials.

Mr S. Ramesh, Founder of this School is an Insurance veteran with over 30 years experience in Reliance Industries Ltd in managing their world-wide risks.

Hence you have an advantage their of Expertise.



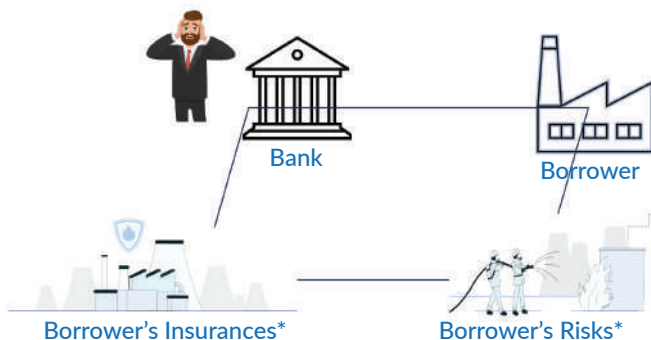
*Balance the Lending Goals with Borrower's Risks*

# Why do I need a course on Insurance for Bankers?

Bankers tend to get impacted by good or bad insurance by their clients. In a recent case of Cyber claim decided in 2022 in Australia (Inchcape Australia Ltd. vs Chubb), claim by an Automobile company was denied due to poor policy wordings, which wasn't understood well by Insured. This kind of loss could cripple your borrower.

## BANKER'S QUADRILATERAL

A Banker is caught in 4 corners-chasing targets to grant loans, later worry on security or recovery of principal/interest and finally come out of Borrower's calamity, unscathed. Insurance plays central role in this game.



\* Images-Thanks to Tata AIG

## Why is risk management important for Bankers?

Indian Regulations have made Enterprise Risk management practice and Risk Committees mandatory for India's top 1000 listed companies. This imposes a lot of obligations on the Board of Directors, CFO & Independent Directors. If your borrowers do not follow these Guidelines, your Bank/NBFC could be held liable in a Shareholder's suit.

Insurers love your Borrowers, who take risk management seriously and give better insurance terms than their competitors, who do not have risk management culture. At ERMIS, we help Bankers to "rate" their Borrowers' Insurance compliance status as per a scale developed by us, with a resultant grade like A,B,C etc. This will help bankers to move C & B Class Borrowers to A Class Borrowers.



After reading the following case studies, you will appreciate the importance of this training and of a comprehensive Insurance Policy Review for your clients.

## PROJECT FINANCE

What is the Term Lenders' worst nightmare in respect of a Plant "A" of Rare Metals Ltd, that they financed? An accident at construction site of Plant "B", adjacent to "A" damaging Plant "A". Plant "A" Insurers refused to pay Rare Metals, as they were not aware of the construction. Lenders suffered due to non-repayment by Rare Metals Ltd. Solution.



## TRADE CREDIT

In the following supply diagram, Bankers have lien in a transaction under an LC. If the lien extends to imported goods in intermediate storage circled by ink, insurance terms need to be carefully seen, to avoid expiry of cover. At ERMIS, we examine for you, how to avoid these risks.



Piracy Attack on your Borrower's Vessel



Your Borrower's Oil Cargo vessel is confiscated by Iran on flimsy grounds -Credit: Kelly Conner



Your Borrower's 30% interest in Offshore Platform is in jeopardy after a fire, details of cover is not known



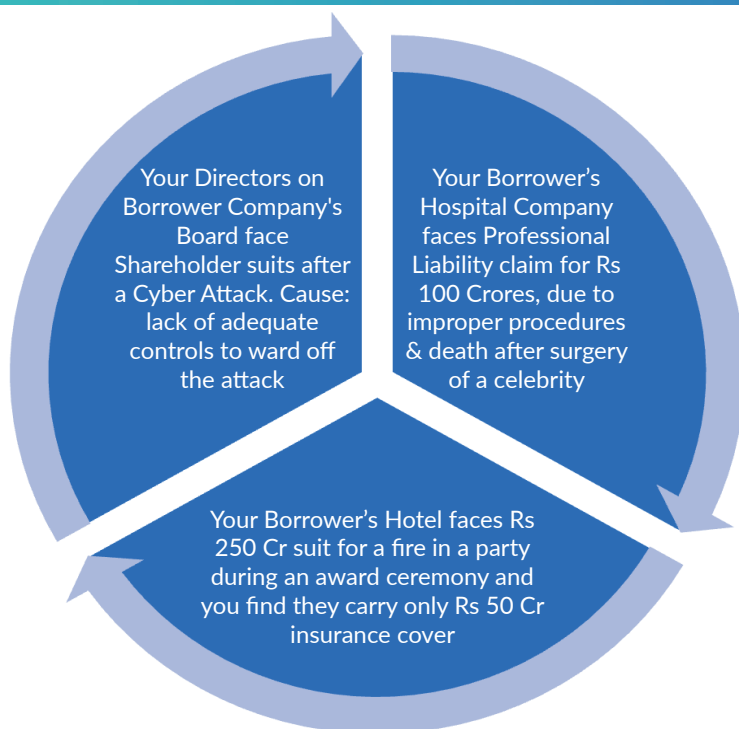
Your Client's Vessel with Iron Ore meets with accident in Mediterranean Sea and spills Bunker Oil. Client goes out of business after huge losses.

## OFFSHORE RISKS

While domestic risks are fairly well-known, Borrowers who operate in foreign waters or land are exposed to unknown risks as shown here. You need to have a better understanding of your Borrower's insurances, to ensure you as well as the borrower are covered for these risks. Your Borrower could lose a lot in revenue during the period of Outage and/or in Court Battles. We, at ERMIS, give insurance review guidance for you to address these problems.

# BORROWER LIABILITY RISK MANAGEMENT

Liability Insurances are as important as Physical damage or business interruption. Inadequate insurances taken by your borrowers could cripple their businesses and they might default on your loan repayment. At ERMIS, we help you with the knowledge to analyse these exposures.



## Programme

Day	Topic
01	Project Insurance & Lenders
02	Borrower's Property
03 (First-Half)	Supply Chain Insurance Gaps & Trade Credit failure risks
03 (Second-Half)	Strategy for ensuring your borrowers cover their risks
04 (First-Half)	Insuring Current Assets and Working Capital Credit
04 (Second-Half)	D&O/E&O/CGL Risks & lending to Service Companies
05 (First-Half)	Offshore Construction & Operation Insurance & Lenders
05 (Second-Half)	Cyber Risks

*We can also do customised insurance reviews for any Client(s) for your portfolio protection or give detailed check-lists in consultation with you or do a corporate training program for you or do a due-diligence review for you for a client.*