



ALLIANZ REPUTATION PROTECT

Protecting your company's reputation in a crisis

REPUTATION: THE MOST PRECIOUS ASSET

A trusted reputation is the cornerstone of long term business success. This has been recognized since the earliest days of commerce, but has never been more true than today, in the multi-media environment of the digital age.

24%

of companies' value
is in their brands²

'It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.'
Warren Buffett

A business's value and its future success are now directly linked to its reputation, not only in the eyes of the media but also as viewed by other stakeholders such as customers, NGOs, shareholders and regulators, not to mention the company's employees themselves. Despite the best preventative plans and procedures, an unintentional error or infringement can quickly escalate into a major incident, drawing the full spotlight of the media – with potentially disastrous results for an unprepared company unless a robust and prompt response is professionally deployed.

The protection and defense of a company's reputation has therefore become a major challenge for businesses worldwide, especially those built around consumer brands or subject to the media spotlight. Yet, while much time and effort is invested in protecting the physical assets of companies, often far less attention is given to protecting the company's reputation – which some regard as the most precious asset in the long term.

To meet this challenge, Allianz Global Corporate & Specialty (AGCS) has devised a unique insurance solution, in conjunction with a leading media analysis consultancy and a select panel of international communications consultancies.

Any listed corporation faces an 85% likelihood of experiencing a significant corporate crisis in any 5-year interval.¹



¹ Source: Oxford Metrica/Aon Reputation Review 2011

² Source: Brand Finance Global 500 Report 2012

RESPONDING TO THE CHALLENGE

How can a risk manager prepare effectively for such an intangible risk? Allianz Reputation Protect covers the costs for a flexible and responsive solution to this challenge.

In a crisis, damage can be reduced or even eliminated by a comprehensive and professional response. This must address the needs of all stakeholders through multiple media channels to reduce negative commentary to a minimum.

Studies show that effective reputation management in the event of a crisis has a proven impact on share price: Oxford Metrica research from over 20 years, based on Global 1000 corporations, shows that those companies which managed to transform the crisis through an effective response saw a gain in share price of over 10% in the following year, while those which failed saw a share price drop of over 15% in the same period.

Allianz Reputation Protect ensures that our clients will have rapid access to the funded resources needed to prepare themselves for a crisis and be able to meet the challenge should it arise, namely:

- 24/7 access to a panel of leading crisis PR practitioners
- Generous limits to fund a robust response including advertising and PR services
- Global service network to respond worldwide
- Professional media analysis from an independent research group, before and after any event
- Ongoing monitoring and feedback to assess campaign effectiveness



REPUTATIONAL RISKS ARISE FROM:

- Health and safety incidents
- Operational crises and events (e.g. pollution)
Product recalls and quality control errors
- Business and service interruptions
- Financial losses and irregularities
- Negative associations with third parties
- Management and governance topics
- Legal and regulatory investigations
- Allegations over business practices
- Ethical violations and challenges

ALLIANZ REPUTATION PROTECT - IN PRACTISE

Allianz Reputation Protect is a unique product, covering a wide range of scenarios and funding the crisis management for our clients. It works on a simple ground: understand the client's position in advance and bring together leading advisors, in the event of a crisis, who will respond quickly with some of the best experts in the business. Here's how it works in practice:



After the crisis

- Key lessons from the event will be analyzed and reported by Media Tenor International, working with the consultancy.
- These will be presented in a final report to the client.



INITIAL ANALYSIS OF CLIENT'S MEDIA PROFILE

- The client will receive a first reputational risk assessment from Media Tenor International, a leading media analysis consultancy.
- This workshop will assess the client's current perception by the media and the public.
- The diagnosis of the client's media reputation indicates potential vulnerabilities and can help to initiate preventative steps in time.
- This analysis and workshop would be carried out annually after renewal, free of cost as an added benefit to our clients.

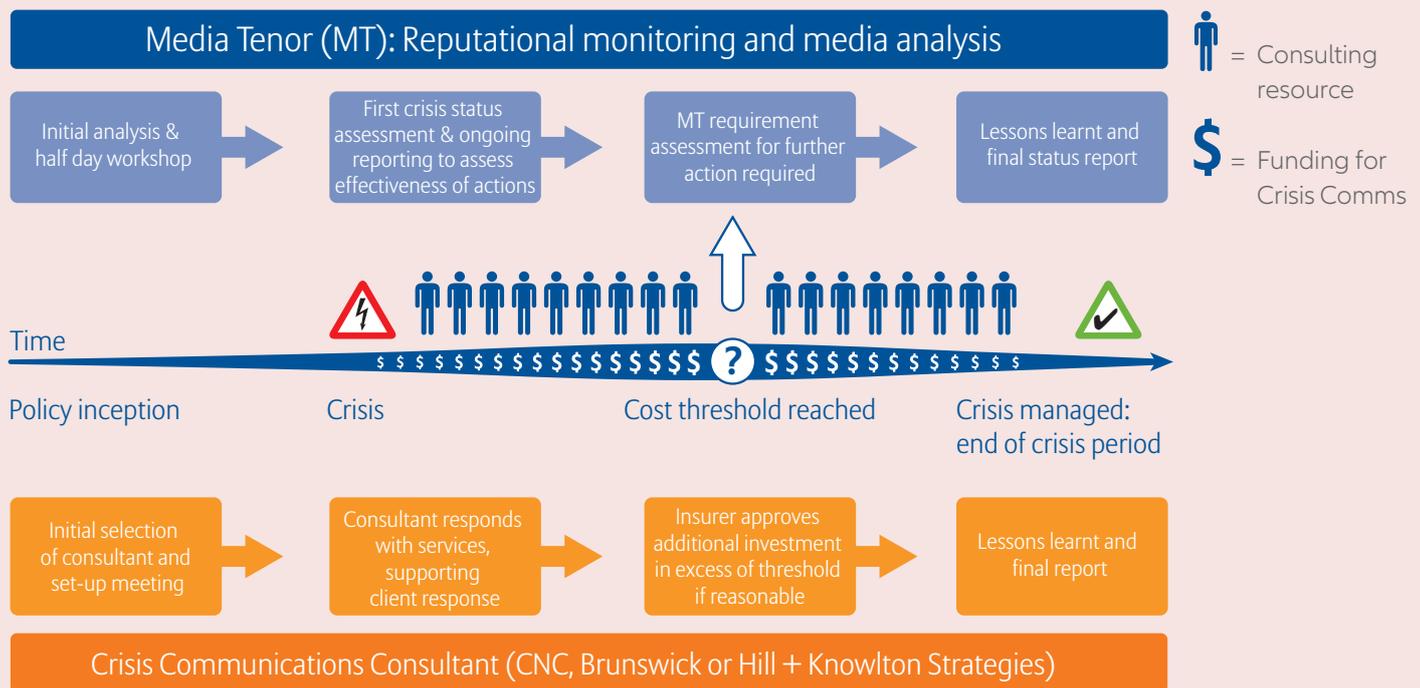
SELECTION OF CRISIS COMMUNICATION CONSULTANCIES

- AGCS has established partnerships with Brunswick, CNC and Hill + Knowlton Strategies to act as expert advisors to our clients.
- The client can pre-select one of these consultancies or, if preferred, can retain the services of their existing PR agency in agreement with AGCS.
- In the event of a crisis, this ensures that the relationship is already established for an immediate and a trusted response.

IN THE EVENT OF A CRISIS

- Client informs the selected consultancy of a crisis event and notifies it to AGCS.
- The selected consultancy can respond immediately with the client, funded by Allianz Reputation Protect, without further reference to AGCS until a pre-determined threshold is reached.
- During the crisis period and subsequently, Media Tenor International will monitor the media perception of the client daily, liaising with the consultancy and the insured, and supporting a tailored response to the crisis.
- Additional expenditure exceeding the threshold can be approved if advised by the consultancy and justified by the Media Tenor International analysis up to the policy limit.
- Coverage is provided for a limit of up to €10 million (per policy period) for consultancy services and media costs.
- Should a client choose a consultancy outside the AGCS selected panel, cost cover would be subject to a specific agreement with AGCS.

THE PROCESS



WHAT'S COVERED?

- Fees for professional crisis management and communications services.
- Media spending and production costs (inc. print, digital and broadcast).
- Legal fees incurred in reviewing crisis communications.
- Other crisis response and campaign costs such as research, events, social media, and directly associated activities.
- Limit: we offer this cover with sum insured up to €10 million.
- Deductible: there is no deductible on the professional fees of the agency. For media spend, a client contribution (minority share) is usually expected.



WHAT TRIGGERS A CLAIM?

The policy is triggered by a “Crisis Event” which is defined as any established insurance trigger of any insurance policy of the client as listed in the schedule of the policy, and which is notified to AGCS during the policy period. Therefore, a liability claim, a D&O claim, or a property loss under one of the named policies may trigger the Allianz Reputation Protect cover.

It is not required that the underlying insurance contract is written with AGCS. AGCS only needs to see the respective underlying policy in case of a crisis event notified to us. This ensures:

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- that the policy responds to a sufficiently broad scope of scenarios
- and that the triggers for the cover are clearly defined, established and tested insurance triggers.

In addition, the client may agree upon specifically named triggers to address certain exposures that may not be triggered via existing insurance policies. This ensures that the cover is tailored to the client’s individual risk profile.



MEDIA TENOR
www.mediatenor.com



BRUNSWICK
www.brunswickgroup.com



HILL + KNOWLTON
www.hillandknowlton.co.uk



CNC
www.cnc-communications.com

ABOUT ALLIANZ GLOBAL CORPORATE & SPECIALTY

Allianz Global Corporate & Specialty (AGCS) is a leading global corporate insurance carrier and a key business unit of Allianz Group. AGCS provides risk consultancy, Property-Casualty insurance solutions and alternative risk transfer for a wide spectrum of commercial, corporate and specialty risks across 12 dedicated lines of business.

Our customers are as diverse as business can be, ranging from Fortune Global 500 companies to small businesses, and private individuals. Among them are the world's largest consumer brands, tech companies and the global aviation and shipping industry, but also wineries, satellite operators or Hollywood film actors. They all look to AGCS for smart answers to their largest and most complex risks in a dynamic, multinational business environment and trust us to deliver an outstanding claims experience.

We constantly strive to deliver the best for our customers through our global team of around 4,400 employees from over 70 nationalities in 34 countries worldwide. As the one of the largest Property-Casualty units of Allianz Group, we are backed by strong and stable financial strength ratings and a global network in over 200 countries and territories. In 2018, AGCS generated a total of €8.2 billion gross premium worldwide.

CONTACT US

Visit www.agcs.allianz.com to find your local AGCS office.

* AA rating applies to the core entities of Allianz Global Corporate & Specialty (AGCS), comprising various legal companies, namely Allianz Global Corporate & Specialty AG, Allianz Global Corporate & Specialty (France), Allianz Global Corporate & Specialty North America (legal names Allianz Global Risks US Insurance Company, Allianz Underwriting Insurance and AGCS Marine Insurance Company).