

The workplace paradigm shift

Calvin Barnes of Lockton provides his outlook on the pandemic and the trends and challenges the firm and its clients are experiencing

Our asset management and financial services sectors have proven to be resilient following the remote-working switch being thrown by Government back in March. However, many of us are seeing these times develop into a mish-mash of frustration, concern and, often, isolation.

These new working conditions and environments range significantly from high-end home office setups to battles for the living room sofa and the 'comfy-spot' in the house together with, in some scenarios, the inevitable matter of young children clamouring for the attention of parents.

Within our own organisation, it is becoming clear that this new working environment has seen people working significantly longer hours, often with erratic time spent in front of screens and on calls. Our management, legal and compliance teams are in constant communication with our groups to share experiences and to minimise the potential impacts of being in isolation.

What has become clear is that communication is critical across all parts of the organisation to offer help and ensure that everyone understands that these remote working conditions bring inevitable distractions that have the potential to produce far more unstable control environments in which scope for



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errors, non-compliance and individual vulnerabilities are increased.

Performance is critical, of course, but awareness of contractual obligations to clients and allocators is fundamental to ensuring longevity and to protect firms against inad-

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vertent mandate breaches, with volatility likely to spike again as we see the probable commencement of easing of the lockdown protocols in the coming months.

The insurance sector is having its own challenges, with certain sectors more heavily affected than others. What is clear is that a trend for greater underwriting profitability will increase, with underwriters

taking a myopic focus as to the impact of Covid-19 on firms and how the effects of this pandemic and, god forbid, similar epidemic/pandemics will have on firms in the future. Covid-19 securities suits are on the increase and disclosures surrounding these events will be an omnipresent fixture moving forward in risk disclosure documents.

BCP and business resilience will be front and centre together with the human vulnerability element. The use of technology and the window into individuals' lives is an obvious increase in the human risks associated with social engineering activity. How firms identify, prepare and ultimately protect against these increased exposures will be a differentiator in risk selection by insurers and will drive the terms under which insurance protection will be available.

As we look to the future there will be employer obligations and challenges associated with leaving the home-working environment and returning to the office environment. This is an obvious area of concern and risk for firms, and beyond compulsory employers' liability insurance requirements, firms should be considering the scope for a potential increase in employment-related exposures and the appropriateness of insurance arrangements to address such challenges both against the C-Suite and the balance sheet. **HFM**