



Surge in Management Liability Claims Driven by Harassment Highlights Latest Clements Worldwide Risk Index Findings

*NGOs and international schools are the leading industries experiencing
loss from this growing trend*

April 19, 2018 (Washington, DC) – The rise of professional and management liability due to global harassment and abuse claims is a leading cause of loss and risk among global organizations, according to the 2018 Clements Worldwide Risk Index, released today in Lagos, Nigeria in an event held in collaboration with the U.S. Embassy in Nigeria.

The survey, which is released annually, found that 17 percent of the organizations surveyed shared they were subject to a lawsuit or litigation within the last six months, with industries such as international schools (28 percent), government agencies (25 percent) and government contractors (29 percent) the most impacted by this loss. Twenty-seven percent of NGOs and UN agencies reported that they had suffered a significant loss from professional and management liability.

The focus on professional and management liability risks, which also includes gender pay gap and duty of care, by NGOs and international schools are new to the top featured losses and concerns of the survey, and threaten the quality of education and services provided to students and beneficiaries of their care. This coupled with emerging threats such as natural disasters, which cost the world \$306 billion according to Swiss Re, nearly double the cost of 2016, and legislation posing greater challenges to program and school operations, data protection and infrastructure, make life challenging for these industries.

“Having worked in this business for over 30 years, I thought that nothing surprises me anymore, but we did not anticipate seeing such a surge in management liability claims and for it to be such a huge loss for our primary two segments – NGOs and international schools,” said Dan Tuman, President, Clements Worldwide. “In today’s social climate, these trends make a clear case for organizations and industries everywhere to take steps to adapt their policies accordingly and prepare for the unexpected as no one is immune to risk.”

And while respondents have shifted their attention to other losses besides political violence, more than 35 percent of respondents still express worry over increased threats of political violence and disruptions from elections or political environment, up from 27 percent last year. More conflict seems likely given the existing civil wars in Syria and Yemen, Al Shabaab in East Africa and Al Qaeda in West Africa.

Furthermore, political violence and disruption may present challenges leading up to some of the important elections on the schedule this year, including the Pakistani



general election, Mexican presidential election and South Sudan general election this summer; and the Thailand general election, The Democratic Republic of Congo election and United States midterm elections later this year.

Among other results reported, almost a third of respondents said that a disruption due to terrorism is likely to happen in the next six to 12 months, with 58 percent of government agencies reporting terrorism as a significant concern.

Additionally, legislation and regulatory risk remains a primary concern with nearly 37 percent believing there will be an increase in bureaucracy for business processes and specific industries like NGOs and UN organizations sharing that nearly one in four had experienced high losses from changes in regulation.

These facts reinforce that last year's global legislation and political leadership worries surrounding the rise of nationalism, trade barriers and fluctuating currencies have been replaced this year with the United States increasing tariffs on steel and aluminum, greater deregulation and protectionism by President Trump, Brexit and renewed fallout from elections; and it may get worse before it gets better.

However, the culmination of these critical risks has not deterred an overwhelming majority of respondents surveyed from expanding their international operations, with only 13 percent saying they would delay, down from 37 percent last year, which reinforces that organizations are taking the shifting geopolitical risks seriously and adapting accordingly.

The survey reports responses from more than 500 senior risk management executives in the international education, IT, manufacturing, construction, government, banking, transportation, non-government organizations (NGO), tourism, education and oil and gas sectors. In addition to today's Lagos, Nigeria event, the survey will be featured at a panel discussion next week in Amman, Jordan.

The full 2018 Clements Worldwide Risk Index, which was conducted online from January to February 2018, is now available on the Clements Worldwide website.

Clements Worldwide is a leading insurance provider for expatriates and international organizations. Founded in 1947, Clements offers international car, property, term life, disability, health, specialty, and high-risk insurance in over 170 countries. With offices in Washington, D.C., London, and Dubai, Clements delivers comprehensive and customized coverage, superior customer service, and unparalleled claims response. For more information on the Clements Worldwide Risk Index and the methodology associated with the survey visit www.clements.com/riskindex. To learn more or receive a quote online, visit www.clements.com.