

Laurence Delaire

DIRECTOR OF INSURANCE
FOR ENGIE GROUPE

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Risk awareness is mature in ENGIE, says Laurence Delaire. The Energy Group has chosen centralizing insurance purchase which enables to have an optimized control on the Group risks coverage, “a real challenge considering the size of ENGIE and its global span”.

Risk Management and Insurance ('RM&I'): As a global player and specialists in three sectors: electricity, natural gas and services for the energy sector, how would you define ENGIE's policy on insurance?

Laurence Delaire (L.D.): First of all, I am proud to say that our Group insurance policy is formalized and has been signed off by our Chairman.

Our Group insurance policy aims at optimizing coverage of insurable risks in terms of limit, scope and cost.

It also aims at having a global, exhaustive, coherent and controlled vision of the solutions implemented to protect the Group's balance sheet against significant insurable risks it may be exposed to.

Therefore, the process of insurance purchase is centralized which allows ENGIE major advantages in term of costs, extent and limit of the coverage but also in claim settlement.

It enables also to have an optimized control on the Group risks coverage which is a real challenge considering the size of ENGIE and its global span.

'RM&I': Where is the Insurance Department positioned within the organisation?

LD: Engie's insurance department reports into Finance.

GLOBAL PROGRAMMES

'RM&I': What are the key foundations of your insurance programmes?

L.D.: I would say that the key foundations are: First, the centralisation of the insurance function which means that all significant decision in the field of insurance is made centrally by an Insurance Committee with a priority to global programs and negotiation with a limited number of key insurers partners.

Property loss control is the cornerstone of our risk management strategy to improve our risk profile and therefore our total cost of risk.

Continuous dialogue with the business units of the Group, to ensure that the insurance programmes responds to their needs.

Teamwork with our brokers, to take the best out of the insurance and reinsurance markets, and tailor our placement strategy.



'RM&I': Are you encountering difficulties in the insurance market for certain risks? What are they?

L.D.: The insurance market is not fully responding to our needs, in terms of capacity and coverage, for cyber risks and non-damage business interruption.

“Next renewals will enable us to continue improving the Group's coverage and optimize the budget”

‘RM&I’: ¿Cómo prevé que sean las próximas renovaciones de sus programas de seguros?

L.D.: I’m optimistic, as the insurance and reinsurance markets continue to be soft and Engie’s risk profile is well perceived by the market. I believe that the next renewals will enable us to continue improving the group’s coverage and optimize the budget.

KEY ELEMENT

‘RM&I’: Does ENGIE have a captive? If so, what type? What is its role within the Group?

L.D.: ENGIE has a reinsurance captive, which is a key element of our risk financing policy. Our captive is involved in most of our insurance programmes, and covers our low – to medium risks. It enables us to limit the transfer to the insurance and reinsurance markets to high severity risks.



“ENGIE has a reinsurance captive, which is a key element of our risk financing policy”

‘RM&I’: What support does the Insurance Department provide to other departments within the Group?

L.D.: We provide the other Departments with information on the insurance programmes in place, and assist them in the claims management. We are also significantly involved in loss prevention, mainly in the fields of property risk engineering and analysis of contractual clauses.

For projects or new area of risk, we collect the insurance market knowledge and experience and share it with the operational people. We have also a regular dialogue with the Group ERM department, and assist them in the valuation of insurable risks.

Our department also works hand in hand with group HR as regards employee benefits insurance, and Group marketing for affinity insurance products.

‘RM&I’: What do brokers contribute in the transfer of risk?

L.D.: Our brokers play a key role in assisting ENGIE in the transfer of risk. They have an excellent knowledge of the insurance and reinsurance markets, and continually advise us on the strategies, capacities, and offering of the main players, global or regional. They also assist us in the placement and management of the programmes, as well as in the handling of claims.

MATURE AWARENESS

‘RM&I’: Do you think that the aversion to risk is improving for businesses?

L.D.: I think that risk awareness is mature in our Group, and that the Insurance department, through its risk prevention activities, plays an important role there.

Risk is embedded in all human activities, and our business (oil, gas, renewable energy, etc.) implies very high risks in many areas.

Our role, together with all parties involved within ENGIE, is to contribute to improving the risk awareness of managers as well as people in the field, and help them focus more on managing those risks.

“Our role, together with all parties involved within ENGIE, is to contribute to improving risk awareness”

‘RM&I’: What do you do at ENGIE to optimize risk prevention?

L.D.: Prevention is a priority for ENGIE Insurance Department as it is the main strategic mean to reduce the cost of insurable risk. It is a long term strategy, not correlated with the insurance market cycle.

In partnership with our Property insurers, we negotiate, implement and control a significant risk engineering programme. This Loss control policy is also part of the Group Insurance Policy. We have also carried out an analysis of our natural hazards exposure.

In the field of liability, our team is reviewing the relevant clauses of contracts, to ensure that we do not take on more responsibilities that we should.

“Prevention is a priority for ENGIE Insurance Department as it is the main strategic mean to reduce the cost of insurable risk”

‘RM&I’: In your opinion, what are the challenges that the insurance industry has to face when protecting companies such as ENGIE?

L.D.: ENGIE’s business could be affected by catastrophic losses as any major global company. The insurance industry needs to cope with this potential volatility, and be able to offer stability and long-term partnership. ■

A 360 ° VISION OF THE GROUP'S STRATEGY AND BUSINESS



Law graduate and Master's degree in Insurance, Laurence Delaire is, since March 2010, Group's Director of Insurance at ENGIE. From this position she leads a team of thirty people.

The main role of her department is to manage insurable risks under the principle of centralisation. This department also works hand in hand with Group HR as regards employee benefits insurance. Other tasks include development and completion of the risk transfer strategy of ENGIE Group.

The Insurance Department also manages the Global Prevention Programme in all industrial facilities worldwide, contributes to the design and implementation of affinity insurance products. Laurence Delaire is also CEO of the reinsurance captive GDF SUEZ RE.

For the Group's Director of Insurance her job is "fantastic, because insurance is directly linked to the business and is positioned at the crossroads of ERM, legal, HR, finance, safety, security, etc. Being in this role –she says– provides me with a 360 ° vision of the Group's strategy and business, on a global basis".