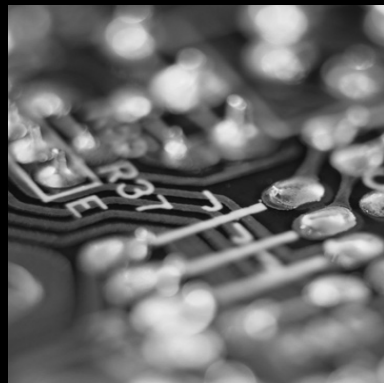
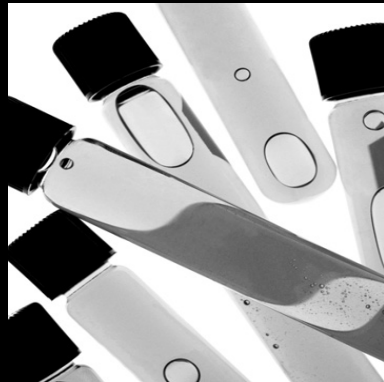
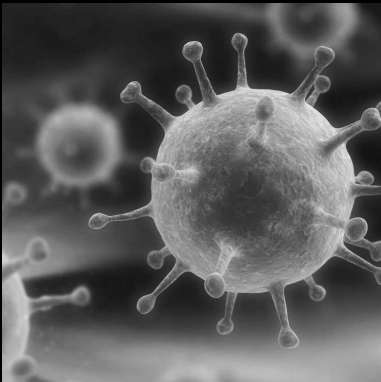


# La Playa Science & Technology

## Insurance with Intelligence



Insurance issues in  
bringing nano-based  
products to market

**Matthew Clark** Divisional Director

# La Playa: Insurance with Intelligence

## Who are we and what do we do?



# La Playa: Insurance with Intelligence

## Who are we and what do we do?



- ❑ award-winning independent insurance broking and risk management services (est. 1999)

# La Playa: Insurance with Intelligence

## Who are we and what do we do?



- award-winning independent insurance broking and risk management services (est. 1999)
- located in Cambridge & London

# La Playa: Insurance with Intelligence

## Who are we and what do we do?



- ❑ award-winning independent insurance broking and risk management services (est. 1999)
- ❑ located in Cambridge & London
- ❑ regulated by the FSA

# La Playa: Insurance with Intelligence

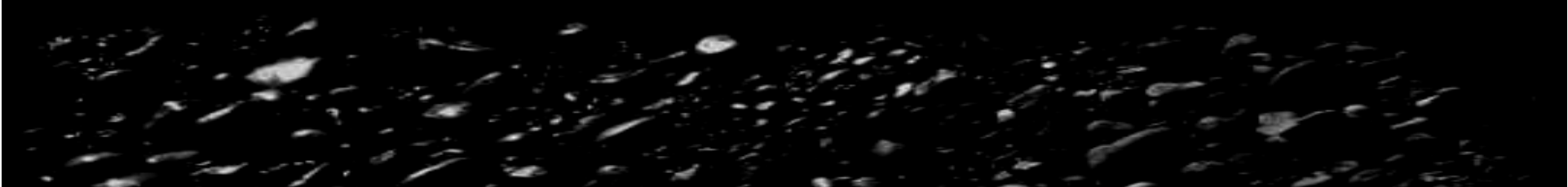
## Who are we and what do we do?



- award-winning independent insurance broking and risk management services (est. 1999)
- located in Cambridge & London
- regulated by the FSA
- with a niche focus

# La Playa Science & Technology

## Niche sectors



# La Playa Science & Technology

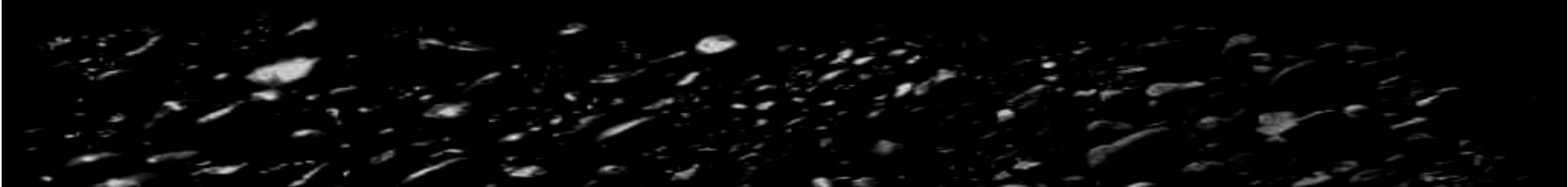
## Niche sectors



- ❑ Information Technology
- ❑ Communications Technology
- ❑ Electronics
- ❑ Life Sciences –  
    drugs/vaccines/diagnostics/devices/services
- ❑ CleanTech
- ❑ Alternative Energy
- ❑ Nanotechnology



La Playa Science & Technology  
**Who do we serve in nanotechnology?**



# La Playa Science & Technology

## Who do we serve in nanotechnology?



entrepreneurs, start-ups & small to medium sized enterprises

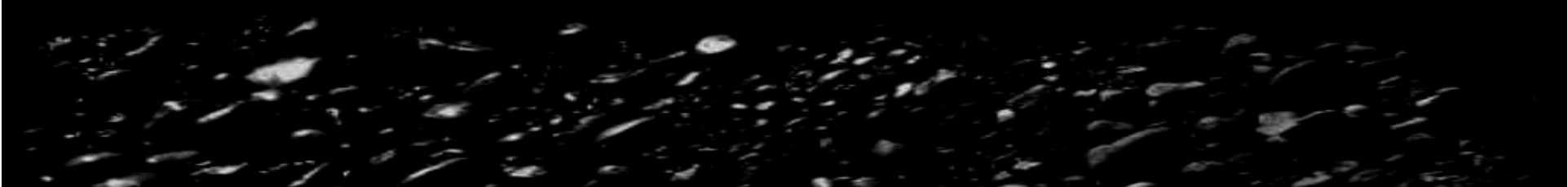
investors – private equity, angels & institutional investors

**specialist insurance & risk management**

science parks, incubators, nanolabs & research facilities

tech transfer managers, mentors, accountancy and legal firms

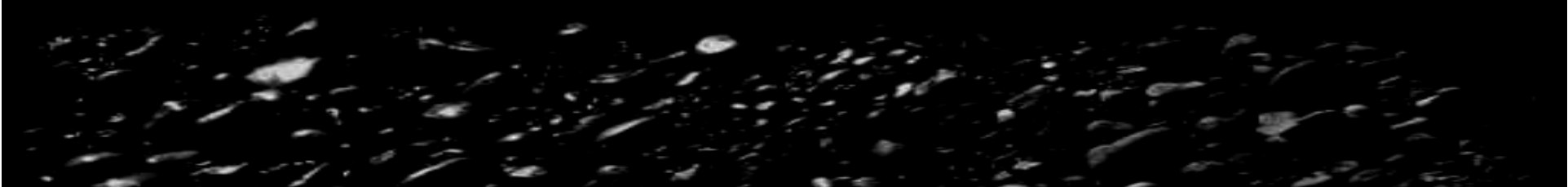
La Playa Science & Technology  
**The UK Insurance Industry & Nanotechnology**



La Playa Science & Technology  
**The UK Insurance Industry & Nano Products**



If you build it, will they insure it?



# La Playa Science & Technology

## The UK Insurance Industry & Nano Products



### If you build it, will they insure it?

#### The UK Insurance Industry:

(source ABI)

- employs 324,000 people
- controls 15% of investment in London's stock markets (£1,480 billion)
- pays £9.7 billion in taxes
- pays £188 million per day in pension & life insurance benefits
- pays £64 million per day in general insurance claims
- 788 insurance companies

# La Playa Science & Technology

## If you build it, will they insure it?



Number of insurers offering nanotechnology insurance products?	0
Number of times 'nanotechnology' appears on ABI website?	0
Total £spend on nanotechnology health & safety research?	0
Number of insurers actively considering nanotechnology risks?	<10 !

# La Playa Science & Technology

## If you build it, will they insure it?



The *commercial* potential for nano-based products may be influenced by their *insurability*

*Insurability* is a reasoned judgement made by an insurance underwriter – it cannot be taken for granted

The use of nano materials in product manufacture is a *material fact* that must be declared to insurers

# La Playa Science & Technology

## The insurance challenge



Insurance industry has been slow to embrace new technologies and develop new products and services that meet developing needs

A general lack of understanding of nanotechnology, coupled with no apparent underwriting history creates real challenges for insurers

Once market is established, competition creates innovation



# La Playa Science & Technology

## The insurance challenge



What's the problem?

- No historical data on which to base loss predictions
- Lack of understanding/knowledge of specific risks
- Constantly changing a developing risks – latency?
- Lack of national / international standards
- Availability of reinsurance

# La Playa Science & Technology

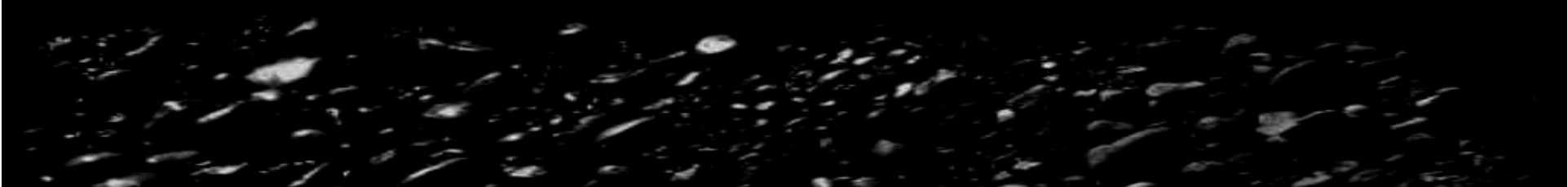
## The insurance challenge



What's the solution?

- Treat insurance as a precious commodity
- Prove yourself to be insurable
- Full disclosure of known material facts
- Early exchange of information with your insurer
- Robust risk management and continuity planning
- Continuous interaction with your risk partner
- After-sales monitoring & research

La Playa Science & Technology  
**The insurance challenge – getting it right**

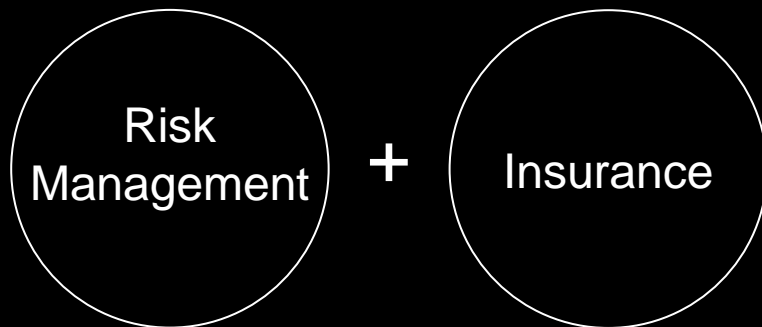


# La Playa Science & Technology

## The insurance challenge – getting it right



Wrong



Right



# La Playa Science & Technology

## Unusual Risk Factors



- R&D activity & research property
- Longer product time-to-market
- Funding structures
- Use of controlled environments
- Occupational Health & Safety
- Unique product & professional liabilities
- Environmental liabilities
- Supplier dependencies

# La Playa Science & Technology

## What type of insurance is required?



### Assets & Income

buildings, computers, data, records, mobile equipment, specialist plant & machinery, stock, R&D property, IP, product recall, terrorism, R&D Income and other consequential losses

### Liabilities

employers' liability, public liability, product liability, clinical trials liability, technology errors & omissions, professional indemnity, cyber liability, IPR defence, environmental liability, directors & officers liability

### Employees

personal accident, business travel, kidnap & ransom, employee benefits

# La Playa Science & Technology Proactive Insurance Organisations



Allianz Group - [www.allianz.com](http://www.allianz.com)

Chubb Insurance Company of Europe - [www.chubb.com/uk](http://www.chubb.com/uk)

Lloyd's of London - [www.lloyds.com/emergingrisks](http://www.lloyds.com/emergingrisks)

Munich Re - [www.munichre.com](http://www.munichre.com)

Swiss Re - [www.swissre.com](http://www.swissre.com)

Travelers Insurance Company - [www.travelers.co.uk](http://www.travelers.co.uk)



Thank you for attending

**Matthew Clark**

[matthew.clark@laplaya.co.uk](mailto:matthew.clark@laplaya.co.uk)

Tel. 01223 200667