



01

TUI Travel
Group

CLIENT FOCUS



Exploring

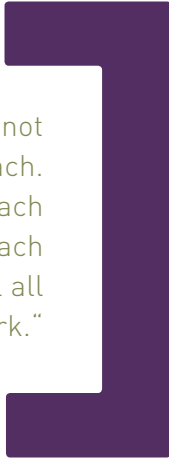
RISK TRAVEL INDUSTRY

TUI Travel PLC (TTP) is a leading international leisure travel company with a market capitalization of approximately £2.5 billion and more than 200 subsidiary companies in 25 countries. TTP's 50,000 employees work across six continents. The company – formed as a result of a merger in 2007 between First Choice Holidays and the tourism division of TUI AG – now has 3,500 retail stores, 150 aircraft and more than 30 million customers.

➤ AN INTERVIEW WITH NATALIE MILES HEAD OF GROUP INSURANCE



“We have more than 200 companies and cannot necessarily have a one-size-fits-all approach. Each company will have a bespoke approach to the way that it manages risk, because each company’s risks are very different; yet it will all be managed within a consistent framework.”



Natalie Miles is the head of Group Insurance for TTP, a role that encompasses all aspects of insurance including aviation, marine, and property and casualty insurance and involves employee benefit programs as well as customer travel.

From a risk perspective, customer and employee safety is a primary concern. “Health and safety are taken very seriously,” Natalie says. “As we take the company forward, we also bear in mind that we have more than 200 companies and cannot necessarily have a one-size-fits-all approach. Each company will have a bespoke approach to the way that it manages risk, because each company’s risks are very different; yet it will all be managed within a consistent framework.”

Risk management in the travel industry

In the travel industry, risk management is critical for two key reasons – a continuing emphasis on customer safety and an increasingly litigious global environment. TTP’s companies range from mainstream style holidays and accommodation to more specialized adventure travel, where risks inherently expand. Since risk management must be tailored to each of TTP’s individual companies, an effective risk management information system (RMIS) is an essential component to the overall support Natalie and her team provide.

“Aon RiskConsole is a tool that we use to

manage risk in terms of incident notifications, managing claims or recording policy details,” she says. “We began using RiskConsole around claims for our UK Mainstream business, which is part of our largest business sector. We were operating in an environment where the claims team was using several legacy systems. We needed reliable management information that we could send to other parts of the business, with an interest in risk, in a consistent format, on a regular basis, without having to spend significant time and resources adding up columns of data on an Excel spreadsheet.”

Delivering results

The main benefits TTP needed in a RMIS were flexibility and scalability. When the company began using RiskConsole, it started with claims management, specifically financial reporting, for its UK Mainstream business, with the understanding that the potential existed for the system to be used globally and expanded to many other applications. Currently, there are 35 TTP RiskConsole users on the claims side and a few hundred on the incident management notification side. Across the different modules, including Risk Register, TUI currently has approximately 300 users.

With the help of RiskConsole, the claims department now stores all information in one place, reducing the risk of losing documents and vastly improving financial reporting. According to Natalie, management of information is TUI’s most significant achievement from using RiskConsole. “We are only starting to understand just how much potential the system has for us,” she says. “As we increase our usage of RiskConsole, by adding on different modules and having it used by other businesses, it is giving us information in a way that not many companies are able to enjoy.”

For example, TTP uses RiskConsole’s Incident Reporting Module because it helps to ensure that incidents are managed quickly and effectively, and customers and employees are dealt with in a consistent manner. The data sourced from the module is then used in conjunction with other claims data. “It helps us understand where we need to target our health and safety resources,” Natalie says. As TTP begins rolling the Incident Reporting Module out across the organization, RiskConsole will deliver unprecedented visibility, enabling Natalie and her team to understand not only what happens with major incidents, but giving them the tools to analyze the information coming out of the system across a substantial group.

“We are starting to reap huge rewards because our claims team

is able to identify major incidents very early, establish the necessary processes to investigate the incidents, and gather information that we may need if a claim is put forward,” Natalie says. “This enables us to either defend a claim if we are not liable or, if we are liable, to deal with our customers, employees and suppliers as quickly and effectively as possible.”

According to Natalie, the Incident Reporting Module has also helped TTP re-launch its incident notification procedures. “We have used RiskConsole to remind people of what they should be notifying us. Consequently, we have seen a significant increase in the number of incidents being notified and the feedback that

we are receiving from colleagues in resort is that they love the system, because it provides accurate information in an easy-to-use format.”

TTP is also using the Policy Module to start recording policy data across the businesses, increasing visibility related to, for example, counterparty exposure.

In the future, one of the areas in which TTP may harness the power of RiskConsole is around having an understanding of how the reporting works. “I know that there are developments on the reporting side, but understanding how much data we can generate from the system and how we can manipulate it to create information is something that we must start focusing on in the coming months,” Natalie says. TTP will also begin implementation of RiskConsole’s Premium Allocation Module in early 2010, to increase understanding of what drives TTP’s insurance requirements across the business, and to design a program that can grow and change as TTP evolves.

Natalie would recommend RiskConsole to other companies, particularly if those companies want to achieve the system’s full value and are willing to invest the time needed to meet that goal. “When we launched the Claims Module, this is something that we underestimated,” she says. “With the Incident Module, we had a much better understanding of what kind of investment we would need to make and we appointed dedicated resources.

“What we have is quite a groundbreaking system, without a doubt,” Natalie says. “We have something no one else has. What we will achieve from RiskConsole, when things are properly embedded, is going to be almost irreplaceable.” ❧



FOR MORE INFORMATION

Please contact Ross Ellner
on +44 20 7086 7561 or
email ross.ellner@aon.co.uk

“As we increase our usage of RiskConsole, by adding on different modules and having it used by other businesses, it is giving us information in a way that not many companies are able to enjoy.”