

When business unusual strikes

How one company is responding to the threat of disaster

XL IS AMONG a growing number of companies investing thousands of dollars, hours, and human resources in plans and activities to guard against disasters.

According to a recent Deloitte & Touche survey, the number of US companies that have developed formal business continuity management (BCM) programs within the last six years has nearly tripled. This has been attributed to the increase in terrorism, other man-made and natural disasters, and the current regulatory environment. Additionally, the survey showed that management's intolerance for operational downtime continues to be a leading driver of BCM programs.

Historically, BCM was not an integrated program within the XL group. Given the high level of acquisition activity between 1998 and 2001, disaster recovery planning (DRP) was defined in isolation, and there was no centralized coordination of BCM activities throughout the group, although business continuity planning (BCP) existed for some functions in most large locations. It was also focused on business needs, with no actual geographic location oversight, and without a formal link to DRP.

However, XL has changed considerably since its beginnings as a mutual insurance company in one location. Now a global insurance, reinsurance, and financial services group with more than \$58 billion in consolidated assets and operating out of almost 70 locations in 27 countries, it is implementing a robust and consistent global approach to business continuity and disaster recovery.

The purpose of XL's global BCM program is to ensure that all operations critical to business continue in the event of disruption. The plan itself also provides a framework for facilitating emergency response, crisis communications, and operational recovery before, during, and after an incident.

:

authors, not pictured:
Brett McWilliam
 Chief Risk Officer, Life Operations

Andrew Clarke
 Director, XL Insurance Risk Management

pictured with Thomas:
Caroline Rance
 Senior Project Manager, IT Global Services



"The program has been set up to ensure that XL fully meets, or exceeds, all applicable local, national and international regulatory requirements with regard to business continuity and disaster recovery," says Spike Lobdell, Chief Executive of XL Global Business Services and Chairman of the group's Enterprise Risk Committee.

"The objectives include protecting XL's employees, buildings, business information, financial performance, and reputation." The BCM Steering Committee comprises Business Continuity Manager Thomas Mezger, Tom Dunbar, Head of the Disaster Recovery Program, and Hank Kalt, Disaster Recovery Manager. The committee oversees the global program, while each location and function is responsible for defining, testing, maintaining and updating their own business continuity and disaster recovery plans. In fact, some of XL's larger offices, such as London (600 staff) and Zurich (250), have already conducted business continuity tests.

A special working group has also been established within the BCM governance model to consider specific risks, including a flu pandemic, from a global perspective.

By the end of 2006, more than 90% of all XL employees were part of business continuity processes; all offices with more than 100 employees had a full business continuity plan in place; and about one-third of all locations had fully-tested BCP in place. By 2010, the goal is to have fully tested and regularly maintained plans throughout the XL group. **XL**

author, above:
Thomas Mezger
 Vice President, Global Business Continuity Planning Program Manager