



## Questions & Answers

*Gabriel Lugo is president of Charles Taylor Risk Consulting, the risk management unit of Charles Taylor Consulting P.L.C. in Dallas. In a recent discussion with Business Insurance Associate Editor Mike Tsikoudakis, Mr. Lugo talked about risks surrounding the disruption of energy resources and how to manage them.*

# Dealing with energy exposures

**Q: What impact does political disruption in the Middle East have on energy sources?**

I think the bigger problem will be a regional one, best illustrated by what you see going on in Libya now. A significant amount of energy for Italy, for example, comes from North Africa. The unrest in one country can have a very large regional impact on a neighboring country that relies heavily for its energy from that area. While Egypt in and of itself is not an energy player, they do have the control over the Suez Canal, which, if disrupted, would impact supplies to the countries that depend on traffic of energy through that canal. It's a complex problem that does not have a single solution. The impact is not singular.

**Q: How can risk managers mitigate or transfer energy disruption risks?**

Risk managers need to do what they always do: Identify and assess the impact from a disruption of energy to their business. In terms of mitigation, insurance obviously is always something to consider; but probably, thinking beyond just insurance may not be necessarily a bad idea. His-

tory gives a good indicator of what we can expect to see in the future. It's always prudent to look ahead and try to identify and put in place options in advance of a calamity actually occurring. One thing that companies overlook is, they're not operating in a vacuum. If they're having a problem with energy resourcing, then everyone else is having the same problem.

**Q: To what extent do risk managers need to consider the impact of environmental risks such as greenhouse gases or oil spills as a disruption of energy supply?**

Companies that are able to put in place processes to deal with greenhouse gases in all aspects, I think, will be way ahead of their competition. In terms of impacting supply, it's going to be a very slow process. Oil spills, definitely, would have a much more immediate impact than would greenhouse gas regulation. All we have to do is look to what happened following the Macondo (well) blowout (in the Deepwater Horizon disaster) and you can see that there can be fairly significant disruption in oil supply.

## THE SIGHTS

[ STANLEY PARK ]

More than 1,000 acres of forested area close to the downtown core, Stanley Park's main attraction is the sea wall—a paved path that stretches 13.7 miles from the Vancouver Convention Centre, through Stanley Park and ends at Kitsilano Beach Park.



TOURISM VANCOUVER



TOURISM VANCOUVER/  
BLUE WATER CAFÉ

Blue Water Café offers fine seafood and great atmosphere.

## DINING OUT

Members of the Vancouver risk management and insurance community share their favorite local restaurants.



Jeff Tinker

**POSITION:** Business development manager, Zurich in Canada

**RECOMMENDS:** "Blue Water Café, a top seafood restaurant and sushi bar; Cioppino's Mediterranean Grill, excellent Italian and used by the U.S. during the 2010 Winter Olympics; West Restaurant & Bar, for West Coast fare."



Steve van Halst

**POSITION:** Senior vp and regional director of British Columbia/Yukon, Aon Risk Solutions

**RECOMMENDS:** Sand Bar on Granville Island. "The spicy wok squid has sufficient garlic to keep any colds or vampires away, and it's a great perch under the Granville Bridge to enjoy the city and people-watch."