



Ark ClimateWise Reporting 2008

2008 was the first full trading year for Ark Syndicate Management Ltd and as such there was a significant level of growth in both premium income written and of headcount. As a growing business there were a number of challenges we had to face to meet our obligations under the Climatewise principles, but there are also significant advantages being a new company, with no legacy issues to face. One example is that as at 2008 year end, the Ark headcount was 55, meaning that we are able to occupy a single floor in one building allowing for planned expansion, owned by fellow Climatewise signatory, Aviva and also a number of boxes on the trading floor within Lloyd's.

Within this report, Ark has set out below the steps taken to meet each of ClimateWise principles where possible, and where action is ongoing. As set out above, Ark are a tenant of both Aviva and the Corporation of Lloyd's, therefore where there may be areas of duplication between this report and those of both landlords, we will attempt to highlight this. In addition, as part of the Lloyd's Managing Agency community, the Corporation of Lloyd's performs a number of central functions on behalf of Ark, which will also be highlighted.

1: Lead in Risk Analysis

As an insurer offering coverage for property and related perils, it is vital that we use our expertise to manage and control the risk of accumulation to any one event. In 2008, Ark continued to invest in systems to better record and monitor risk and location level data, and in particular to manage exposure to and premium levels for natural catastrophe risks.

The systems Ark use take inputs from historical catastrophe data, as well as allowances for future changes in patterns for both frequency and severity of natural catastrophe events caused by a number of reasons, including climate change. Ark are required to take account of future trends such as these within our Individual Capital Assessment, and must also submit data to Lloyd's on an annual basis outlining potential loss data for a number of Realistic Disaster Scenarios, which now includes a US hurricane causing insured losses of US\$125bn.

Ark also supports Lloyd's in their central market activities in this area, which includes the funding of PhD research posts and other activities as set out in the Lloyd's report. In 2008, a staff initiative considering potential environmental insurance products was completed, and whilst this has not resulted in immediate expansion into new lines of business to date any future market developments will be closely monitored.

2: Inform Public Policy Making

With 2008, Ark attended the Lloyd's central Climatewise meetings, which during the year have made progress on a number of issues, including a more sustainable focus to the claims process within the Lloyd's market, further details can be found [here](#).

Ark has worked with and fully supported Lloyd's in their central activities in informing public policy making on behalf of the market. Ark also attended the Climatewise AGM to further demonstrate support to the Climatewise initiative and to participate in the future direction.

3: Support Climate Awareness Amongst Customers

The risk analysis tools set out in principle 1 will allow Ark to provide quotations for insurance cover that better reflect the risks faced by the clients. For example, these tools will allow Ark to better demonstrate how increased risk management from the customers will relate to an improvement in the terms of the insurance cover offered.

The sustainable claims initiative is another area which will not only be used to Inform Public Policy Making, but also to Support Climate Awareness Amongst Customers. Whilst this initiative is in its very early stages, using sustainable resources within the claims process is one of the key challenges for all insurers to address.

4: Incorporate Climate Change into Investment Strategies

Ark benefits from the central Lloyd's investment of assets, and during 2008 the Ark portfolio remained very modest and was not invested in equities.

The Ark group pension scheme was established with Friends Provident, who as a fellow ClimateWise signatory is very active in their use of overlay managers and other tools to meet this standard. This is a group personal programme, and so each Ark employee is free to choose where to use their funds within the options of the scheme.

5: Reduce the Environmental Impact of the Business

For 2008, Ark has made a basic calculation of the Carbon emissions it made as:

Energy	27.1	Tonnes
Travel	402.4	Tonnes
Total	429.5	Tonnes of CO2

As a tenant, the energy from the Ark operations does not include the emissions from the box space within Lloyd's or the general building emissions from space in the Aviva building, but does include emissions from electricity used specifically for Ark. Aviva and Lloyd's have both reported separately on emissions from their buildings, which will include an element of emissions attributable to Ark. Travel includes flights, but not rail travel, which we will look to include in the future.

During the year, a number of changes will have had a positive impact on the level of emissions, despite the increased headcount. These include:

- The use of energy efficient computer terminals, rather than PC base units.
- Further investment in scanning technology to reduce unnecessary copying of paper.
- Where printing and copying is essential, there was a switch to mandatory double sided printing.
- Use of a carbon neutral supplier of office supplies.

Since the end of 2008, Ark has relocated offices within the same building, and features such as sensor lighting, energy efficient rewiring and replaced insulating flooring should see a further decrease in the energy emissions in the forthcoming year.

In the first months of 2009, Ark has also formed a link with the Haller Foundation, a UK registered charity formed to provide assistance for ecological community development and land regeneration in Africa. Ark donates pro bono office space to a number of Haller employees and volunteers, which provides vital operational and administrative support to the work of Haller. Further details on the work of Haller can be found [here](#).

6: Report and be Accountable

As a privately owned company, Ark's annual report and accounts deal with statutory reporting requirements only. However, this statement is available as a record of the Ark stance on the ClimateWise principles.