U.S. LIABILITY GOVERNANCE • A FRAMEWORK FOR EUROPEAN HEADQUARTERS

EPIC Insurance Brokers & Consultants

The First *72 Hours*

What European headquarters often miss after a serious U.S. liability incident and the decisions that quietly shape everything that follows.

THE CRITICAL WINDOW

The core point: The first 72 hours do not change the facts of the accident, but they materially influence the company's ability to defend the claim, align insurers, preserve evidence, and manage exposures that can develop into multi-million-dollar, even nine-figure, losses. The greatest risk in that window is rarely the accident itself; it is misalignment between headquarters, local operations, insurers, and advisors.

Claim defense · Insurer alignment · Evidence preservation · Exposure management · Stakeholder alignment · Early credibility

Treat the first 72 hours not as a CLAIMS MANAGEMENT period, but as *GOVERNANCE* period.

1 WHY THE U.S. RAISES THE STAKES

Discovery exposes the inside
U.S. litigation can surface internal communications and decision-making. Plaintiff counsel builds a narrative around corporate conduct **before and after** the event.

The lens widens fast
Scrutiny expands to what you knew beforehand, how you responded, whether evidence was preserved, and whether prior inspections, audits, or complaints existed.

Venue can decide the game
Some jurisdictions present far more challenging environments for corporate defendants venue itself can materially shift litigation dynamics.

Nuclear verdicts magnify loss
Legal system abuse, nuclear verdicts, and severe-injury dynamics often unfamiliar to European organizations can multiply the financial consequences of a single claim.

$100M+
POTENTIAL EXPOSURE

When severe injury, litigation costs, excess liability exposures, and adverse venue dynamics converge, a single U.S. liability event can evolve into losses measured in the **tens even hundreds of millions of dollars.**

2 THE HEADQUARTERS PARADOX

European multinationals often run on **consensus-driven decision-making**, strong central oversight, and well-documented process. Under normal conditions, that discipline is a strength. After a serious U.S. incident, a governance culture built for deliberate decisions must suddenly operate at **U.S. litigation speed**, where routing every material decision through multiple layers costs time the company cannot recover.

CENTRALIZE TOO MUCH
The organization **loses time** exactly when evidence, communications, and early coordination matter most.

DELEGATE TOO MUCH
Fragmented reporting, inconsistent decisions, delayed insurer engagement, and insufficient visibility into financial exposure.

> The challenge is not central control **vs.** local autonomy. It is defining **before the incident occurs** which decisions are made locally and which require headquarters.

3 WHO ACTS AND WHO DECIDES

ON THE GROUND
Local U.S. Management act fast
- Stabilize the situation & keep site control
- Preserve physical & electronic evidence
- Document the facts of the event
- Notify through agreed reporting channels
- Coordinate claims professionals & support counsel
- Engage technical specialists where appropriate

THE BROADER RISK POSITION
Headquarters own the group view
- Executive escalation & board / senior-leadership comms
- Insurer alignment & early engagement
- Appoint & coordinate external advisors
- Reserve visibility & financial exposure
- Captive / retained-loss impact
- Excess liability & insurance-program implications

4 THE FIRST 72 HOURS, HOUR BY HOUR

First 24 hours
CONTROL · PRESERVATION · ESCALATION

Confirm the situation is under control: assign a governance owner, start evidence preservation, activate internal reporting, make required insurer or broker notice, keep communications disciplined, and test escalation criteria.

24 to 48 hours
SEVERITY & STRATEGIC ALIGNMENT

Move from notification to assessment: identify severity indicators, judge whether broader exposure is possible, align counsel and technical experts, coordinate insurers, brokers, and captive stakeholders, and decide whether executive visibility is required.

48 to 72 hours
FINANCIAL · INSURANCE · GOVERNANCE

Assess implications beyond ordinary claims handling: retained losses, deductible erosion, captive performance, excess liability, defense coordination, external communications, and board or committee escalation.

> Treat a serious liability event as a **risk-financing event**, not only an operational or legal one. Deductible erosion, captive results, excess layers, and the next renewal all begin to take shape in these first hours, long before a claim value is known.

For headquarters, the better question is not *"Are we involved?"*

It is: are we involved at the *right level*, on the *right issues*, *early enough to matter?*

In most groups, the *Corporate Risk & Insurance Manager* already sits at the intersection of operations, legal, insurance, finance, and the board, and is the natural coordinator of the first 72 hours.

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