

2019 BROKERSLINK CONFERENCE REPORT

17-18 OCTOBER BORDEAUX



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2019 Programme at a Glance

Thursday
17 October

Friday
18 October

Opening and welcome remarks

Grégory Allard Conference Chairman

Brokerslink update

José Manuel Fonseca Chairman

Brokerslink Africa: a strategic differentiation

Tiago Mora Regional Manager

The new North America

Moderator Ariel Couto Regional Manager

Alliant USA

Navacord Canada

Wilson Elser USA

Asia-Pacific new affiliates

Moderator Sid Garcia Regional Manager

John Foord Singapore

LK Insurance Services South Korea

State Insurance Services Malaysia

Portal Agora

Anne Collette Business Development

Carla Alves Operations

Europe new affiliates

Moderator Christos Gavriel Regional Manager

Augustas Risk Services Italy

Colemont FKB Latvia

Draudimo Bités Lithuania

Filhet-Allard Maritime France

Vantevo Spain

Closing remarks

José Manuel Fonseca Chairman

Regional workshops

Africa, Americas, Asia-Pacific, Europe

Partners & Affiliates networking

Wine & cheese tasting

Risk Managers Forum

Coordinators

Pierre Sonigo Risk Manager

Jorge Luzzi President · RCG – Risk Consulting Group

Networking dinner

Opening and welcome remarks

Grégory Allard Conference Chairman

Olivier Constantin CEO · Crédit Agricole Aquitaine

Brokerslink perspectives

José Manuel Fonseca Chairman

Steve Hearn Vice-Chairman

In a world of uncertainty, how can insurance help us understand and prepare for the major global risk for society?

Thomas Buberl CEO · AXA Group

Insurance 4.0

Michael Morrissey President & CEO

· International Insurance Society

London calling

Moderator Roger Potts CEO · Bridge Insurance

Steve Hearn CEO · BGC Insurance Group

Umron Ahmed Global Head of Business

Development · Lloyd's

Understanding the risk of entertainment...is "entertaining" risky?

Lauren Bailey Global Head of Entertainment · Allianz Global Corporate & Specialty

The longevity challenge and its impact on health insurance

Moderator Frederico Casal-Ribeiro Head of Business Development · MDS Group

Maria do Carmo Fonseca Professor

· University of Lisbon Medical School

& President · Institute of Molecular

Medicine João Lobo Antunes (IMM)

Humphrey Cuzner Global Business

Development Manager · Allianz Care

Josef Brem Director of the Centre

of Competence Health for Spain,

Portugal and Latin America · Munich Re

The regional factor at Brokerslink

Moderator José Manuel Fonseca

Ariel Couto Americas

Christos Gavriel Europe

Osama Abu Ghazaleh Middle East

Sid Garcia Asia-Pacific

Tiago Mora Africa

Risk Managers roundtable

Moderator Pierre Sonigo Risk Manager

Adam Clifford Chubb

Rodrigo Avila Suzano

Hiroyuki Kawakubo Risk Manager

Jorge Luzzi RCG – Risk Consulting Group

Marco Salsi Alicorp

Polar POD project

Jean-Louis Etienne Doctor, Explorer and Scientist

Closing remarks

José Manuel Fonseca Chairman

2020 Conference announcement

Gala dinner

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From left – Jacques de Peretti, Henry Allard, Grégory Allard, Thomas Buberl, Franck Allard

1.1 Welcome

It was my privilege and pleasure to host and welcome delegates from 82 countries to the 11th Brokerslink conference, which was hosted in my hometown, Bordeaux.

It is also my pleasure to welcome you to this comprehensive report detailing everything that took place at this record-breaking event.

We welcomed over 300 delegates from across the globe representing our own partners and affiliates, the clients and risk managers we serve and some of the largest insurers and risk carriers. This breadth of representation from the insurance and risk communities shows just how important this conference has become for the industry.

But why has it become so important? Consolidation of the market has become a major threat for carriers and corporate clients, and they are facing decreasing distribution opportunities and diversity of offerings. It is an unbalanced relationship and so a global broking business like ours, built on sharing knowledge and insight and leveraging local expertise helps to mitigate their business exposures.

Brokerslink offers diversity and is recognised for its ability to deliver robust multinational and cross-border insurance solutions. By supporting the network, you are supporting yourselves and your businesses and it is the combination of our respective talents that creates value for clients and insurance partners.

This path we are on will continue to open up new opportunities. Working together we put the best of us all at the service of our common successes and the satisfaction of our common clients.

We have many assets and partnerships that are both sustainable and respectful. I call on you to take advantage of everything the network has to offer, engaging with other partners, affiliates, specialists and insurers and you will realise the many business opportunities and initiatives available.

And overall, don't forget, in Brokerslink we are broking the future.



A message from Grégory Allard, host of the Brokerslink 2019 conference.

The state of the market

Last year, Swiss Re reported that global insurance premiums hit US\$5 trillion for the first time, the equivalent of 6% of the world's Gross Domestic Product. Any doubt that the insurance industry is a major player on the global financial stage, has surely now been dispelled.

But as the industry hits new heights, it faces several internal and external challenges.

Not least amongst those is the geographical shift in power that will see, according to Swiss Re, China's share of the global insurance market increase from 11% in 2018 to 20% in 2029. Indeed, it is forecast that Asia-Pacific insurance markets will account for 42% of global insurance premiums within that timeframe.

However, it is important to note that the Chinese market is still less than 40% the size of the US market and is still smaller than the three largest European markets (UK, Germany and France). So, while all eyes are on Asia-Pacific, mature markets still control the largest share of premiums, a fact which should not be ignored.

In addition to this geographical change, the risks that the industry manages on behalf of its clients are changing rapidly, both in terms of profile and scope. Society and the businesses that serve it are facing three key risks in the future: environmental, technological and geopolitical.

Old certainties are being brushed away to be replaced with an increasingly uncertain landscape. It is still far from clear what kind of impact climate change will have, how technology will change the way we live and work and how the breakdown of old geopolitical alliances will influence the course of global development, but it is clear that the world is on the cusp of some very dramatic and fundamental changes.

This uncertainty is also manifesting itself in the premiums that businesses are having to pay. Within that US\$5 trillion noted by Swiss Re, is a significant hardening of rates across regions and markets.

Some reports have shown that average commercial premiums have been increasing between 3%-10% in the last year, with the Asia Pacific region witnessing some of the fastest hardening of rates.

This comes at a time when global growth has been predicted to slow following a 'mini-boom' since 2016. The need for brokers to work with risk managers to improve companies' risk profiles and manage the expectations of business, has never been more acute.

The insurance industry and the wider global economy is in a state of flux and new solutions to new problems must be found to satisfy increasingly demanding and global clients.

The existing market has satisfied the needs of what is a fast-disappearing social, political and economic landscape. The emerging landscape requires the industry to bring a new model and a new approach into play if it is to retain its relevance.

And that relevance will, more likely than not, be dependent upon an ability to bring global reach to a local level and local expertise to a global market.

The state of Brokerslink

José Manuel Fonseca

BROKERSLINK CHAIRMAN
AND FOUNDER



“It has been a year of records,” said Brokerslink Chairman, José Manuel Fonseca as he opened the 2019 conference in Bordeaux.

Welcoming partners, affiliates, and other insurance and risk professionals from 82 countries, Fonseca hailed the growth in the network over the last year which saw 16 new affiliates joining.

There was a particular focus on Asia and North America where Brokerslink has welcomed Canadian broker Navacord, bringing the second largest national broker in that country into the Brokerslink family.

And from Asia, the organisation has welcomed Singaporean broker John Foord, Malaysian broker, State Insurance Services, and South Korean firm, LK Insurance Services.

“These new additions add much more quality to the whole network and enhance our reputation,” he said.

“And the merger between one of our founding brokers and our long-standing North American partner Crystal & Company with Alliant is a game changer.”

“We can now say that the ninth largest broker in the world is our partner. Indeed, Crystal’s investment and involvement in Brokerslink was part of Alliant’s interest in the merger.”

In addition, Brokerslink can count on having the world’s second largest independent reinsurance broker among its ranks in the form of BGCI (parent company of Ed Broking), which continues to acquire its way to becoming a \$1bn revenue broker.

There have also been various areas of investment over the year and efforts made to raise the profile of the network globally.

“We decided to refocus and enhance our regional structure and management – in Americas, Africa, Europe, Asia and the

Middle East and each of these regions now has a Brokerslink leader,” Fonseca explained.

“We have created steering teams in each of these areas to discuss how to increase visibility of the network, to identify and find mutual business opportunities and create greater communication amongst ourselves.”

He added that there would be an even stronger focus on Brokerslink’s presence at all the major risk management conferences and forums where the network is becoming a permanent fixture, creating greater awareness and visibility for Brokerslink.

While the global reach, presence and strength of the network continues to grow, a crucial element to seeing Brokerslink reach its full potential, is the ability and willingness of members to communicate and collaborate.

To facilitate this, Brokerslink has invested a significant amount in its online communication and trading portal, Agora.

“This is a very strategic investment which allows us to get rid of emails and have all the information we need to communicate and trade through the portal,” Fonseca said.

“But it will only be useful if everyone registers, uploads their information and communicates through it.”

In closing, Fonseca stressed the vital role each network broker has played in putting Brokerslink in the global position it is today.

“Passion led us here, but we need to keep investing in our infrastructure and our people. We need to be closer to you, to communicate better, create more business opportunities and expand the marketplace.

“We all need to create more awareness and ensure that in each market and each continent, we expand the Brokerslink brand. You are our greatest strength,” he said.

Celebrating the past, making the future

Steve Hearn

CEO OF BGC INSURANCE AND
BROKERSLINK VICE-CHAIRMAN

“It feels like this is Brokerslink’s moment, our opportunity.”

Steve Hearn’s opening comments to the conference neatly summed up the feeling among delegates attending the event.

It is clear that Brokerslink is growing geographically, is securing scale and prominence through the growth of the network and is increasingly viewed as a genuine global broking and risk management business.

But more than anything, it is clear that the network and its partners and affiliates are well-positioned to address and capitalise on the key global trends discussed throughout the conference.

“The themes of other big conferences I have been to this year have been similar to what I am hearing here,” said Hearn.

“Our challenges are borne out of rate and capacity. As London goes through some pretty significant changes, the US domestic market goes through a hardening and with horrific events in Asia, the capacity challenge is significant.”

But it is in these difficulties that he sees the opportunities for Brokerslink and the network.

“We are not just significant businesses in our communities, we are part of a significant network with all the resources and facilities that provides. That couldn’t be more pertinent than it is now.

“We are here to trade, not just to talk. To support each other and take advantage of these challenges and make opportunities from them.

“We are broader and stronger, and it feels like our moment. To the carriers and partners and customers, being part of Brokerslink couldn’t be more important than it is now.”



2

A global strategy

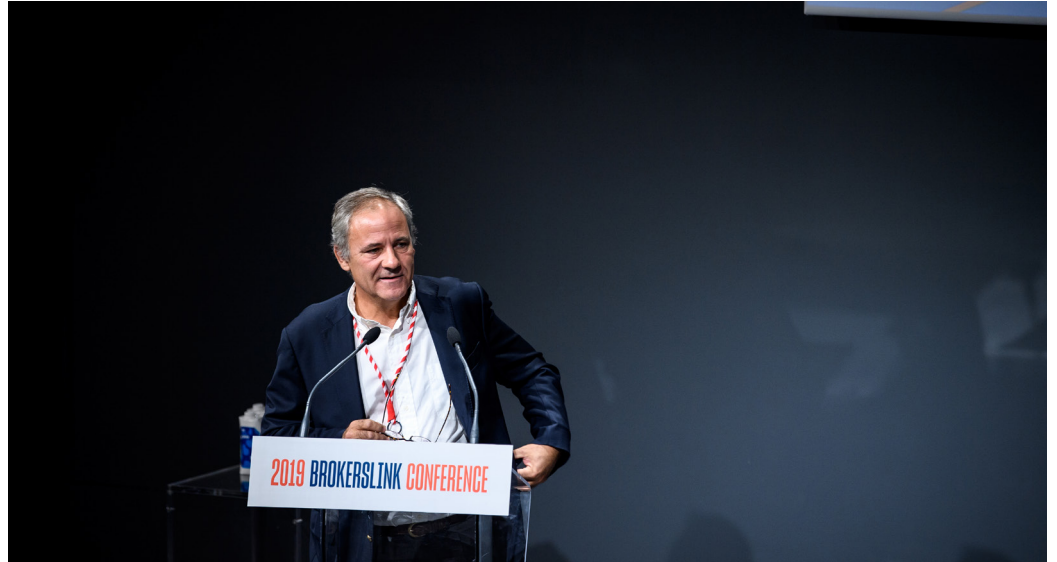
Brokerslink is a truly global network with a presence in 113 countries and growing year-on-year with every new partner and affiliate fulfilling a strategic purpose.

In the following section, we explore the global strategy, how it is being executed and introduce some of the newer affiliates.

Global growth

Tiago Mora

BROKERSLINK REGIONAL
MANAGER AFRICA



One of the regions where Brokerslink has strong ambitions for growth is Africa, a continent of huge potential. By land mass, it is bigger than the US, India, China and Europe combined, with 60% of the world's uncultivated arable land and six of the ten fastest growing economies in 2018 were African.

With the imminent ratification of the African Continental Free Trade Area by 54 countries, Africa will be home to the world's largest free trade bloc. Insurance penetration rates across the continent are very low (in single digits) so the potential is clear. Brokerslink has been rapidly building its presence here so it can be in the best position to partner with the businesses driving this economic boom.

Since the first two African brokers (Morocco and Egypt) joined in 2012, firms from 29 other countries have joined the network – the ambition of creating a pan-African network is becoming increasingly realistic.

As Tiago Mora, Regional Manager for Africa, told conference delegates: "We want to be represented in every country in Africa. That is not a dream – it's our goal."

As exciting as the prospects in Africa are, it is not the only region where there is a huge amount of untapped potential. In Asia Pacific, where Sid Garcia is the Regional Manager, Brokerslink has 14 partners and affiliates with two new additions in 2019 in the shape of South Korean LK Insurance Services and State Insurance Services in Malaysia.

The inhabitants of the Asia Pacific region make up 60% of the world's population, driving 36% of the global economy there is no doubt this is only going to increase in the future. But, like Africa, insurance penetration is low, ranging from between 0.1–15% across the region.

But Brokerslink is well placed to increase that penetration with representation across the region in China, Nepal, India, Bangladesh, Myanmar, Thailand, Singapore, Australia, New Zealand, Japan, Vietnam, Macau and Hong Kong, Taiwan, Philippines and Indonesia.

Even in the more mature markets such as North America, Brokerslink, is increasing its presence and influence. This is evidenced by the addition of Navacord in Canada together with the merger between Crystal and Alliant in the USA. Both developments provide considerable new strength and influence for the network.

But what does this increased influence mean for Brokerslink?

2.2

Global influence

Ben Heller

WILSON ELSER

Shawn DeSantis

NAVACORD

Jamie Crystal

ALLIANT



With every new partner or affiliate, the reach, expertise and influence of Brokerslink increases. Sometimes, as with recent additions in Africa and Asia Pacific, those new affiliates are part of a broader strategic push.

But at other times, as in North America, new broker partners and affiliates have arrived as a result of wider market forces.

Often, the influence comes from the number of network brokers in a region. For example, in Africa, brokers from Mali (Activa Assur), Liberia (KEK Insurance Brokers), Gabon (ACR Assurances) and Botswana (Cutting Edge Insurance Brokers) have all joined in the last year.

This growing presence attracts the attention of insurers and as more brokers join, representing more countries, the appeal to both regional and global insurers increases. SUNU Insurance is the strategic partnership in Africa covering western parts of the continent but as the pan-African strategy progresses, there is the potential for this to expand and perhaps more strategic agreements with other carriers will be struck.

Although that collective strength is important, what individual brokers bring to the network is also vitally important. In Asia Pacific, the arrival of LK Insurance Services brings a presence in South Korea and a key multinational client, LG Corporation. This is a truly global firm, generating approximately \$52 billion in revenue in 2017. Not only does

LG now have access to the global reach that Brokerslink provides, there is the potential for the network across the globe to help protect its assets.

And sometimes, progress comes from events that are not necessarily in Brokerslink's control. In North America, the acquisition of Crystal & Company by Alliant could have seen the loss of Crystal. But in fact, involvement in Brokerslink was one of the attractions for Alliant. This brings one of the top ten largest brokers in the world into the fold and enhanced leverage with global insurers including a significant increase in the levels of premium under Brokerslink control.

Of course, Brokerslink is much more than a collection of brokers. It has established several strategic relationships with specialist affiliates over the years and will continue to do so as it progresses, and the organisation matures.

One of the latest examples of this is the partnership with US legal services firm, Wilson Elser, a founding member of Legalalign Global. This alliance, operating from 60 locations worldwide, brings to Brokerslink legal expertise relating to (re)insurance coverage, defence and regulatory and compliance services.

With the coming together of brokers and the support of affiliates, the influence and strength of Brokerslink is growing all the time in terms of geographic spread, premiums under control and client profile. And this influence is only going to increase as Brokerslink executes its strategy across the globe.

“We have established several strategic relationships with specialist affiliates over the years”



Asia-Pacific new affiliates with Sid Garcia, Brokerslink Regional Manager



José Manuel Fonseca, Pathé Dione – Founder and President of SUNU Group, Grégory Allard

A global future

Sid Garcia

BROKERSLINK REGIONAL MANAGER
ASIA-PACIFIC

Osama Abu Ghazaleh

BROKERSLINK REGIONAL MANAGER
THE MIDDLE EAST



Today, Brokerslink is represented in 113 countries and by the end of the year, that will be closer to 120. The network controls \$25bn in GWP and together, forms a truly global organisation with 55 shareholders from 40 countries.

Although growth continues to be sought globally, what that looks like differs depending on the region.

In Africa, the strategy of creating a genuinely pan-African offering is validated by predictions from Focus Economics that say of the 15 fastest growing economies out to 2023, seven will be in Africa while E&Y predicts that Africa's economy will be worth \$3 trillion by 2030.

It is a similar picture in Asia Pacific where Brokerslink has a presence in 14 countries. However, the strategy here is to build on its position in the more mature markets and exploit the potential of emerging markets such as China, Malaysia, Thailand, Indonesia, Philippines and Vietnam.

An E&Y report predicted these markets would expand by nearly 6% out to 2022, far outstripping the expectations for mature local markets (1.5%) and advanced (1.7%) and emerging (4.3%) economies globally.

In the remaining regions – the Americas, Middle East and Europe – Brokerslink is more established and organic growth combined with greater levels of collaboration and mutual support are the priorities.

While all these regions have their individual opportunities and challenges, there are commonalities which came to light in the regional workshops held at the conference.

The number one trend that all regional managers pointed to is the impact that geopolitical changes are having on businesses and economies. Secondly, there was the issue of regulatory pressures bearing down as well as the difficulty in attracting and retaining talent.

As Osama Abu Ghazaleh, Regional Manager for the Middle East, said: "In Europe, every issue they have is identical to the



issues where we operate. We shouldn't be looking at it from a regional basis as we may all have the same issues."

It was agreed that these challenges had become easier for firms to navigate since joining Brokerslink and they could all now go for bigger business and clients and attract the support of global insurers more easily.

But in order to get the most out of Brokerslink, it was agreed that greater communication and collaboration was required.

"I realised how important being connected is – embracing all the changes we are making in Brokerslink, like getting involved in Agora and having regular communications with others at annual meetings," said Sid Garcia, Regional Manager for Asia Pacific.

"We need to connect, collaborate and create."

The strength of Brokerslink



New European affiliates with Christos Gavriel, Brokerslink Regional Manager for Europe

One of the strengths of Brokerslink is the ability of partners and affiliates to do business together. This is one of the key tools the network can use to compete on a global scale.

Delegates at the conference heard from a panel of partners and affiliates about new products and services they have tailored to the requirements of the network. It's no coincidence that in Europe, perhaps Brokerslink's most mature market, relationships have evolved to the point where products and services are being created by network partners for fellow partners.

From France, delegates heard from Henry Allard of Filhet-Allard Maritime, as he highlighted a new terminal and port liability product that is tailored made for the risk presented.

"We identify the risk, conduct the risk mitigation and then design the programme in our capacity of transferring the risk to the market," he said.

As Italian partner PCA has benefitted from the support of other Brokerslink partners, they have recognised an opportunity to make their risk management expertise available to the network in the shape of Augustas Risk Services.

Maurizio Castelli explained that the rationale of this new organisation was to provide an extra layer of service be-

yond broking, with clients able to use both broking and risk management together or opt to use just one of the services.

And finally, Roberto Revenga of Vantevo Claims Advisors spoke about how he has taken his claims services beyond Europe into Latin America and his ambition, ultimately, is to broaden that out to a network of 10 or 12 locations across the globe.

"We reached good settlements in 90% of claims because our relationship with brokers is crucial. We collaborate with the brokers and this is how Vantevo is going to work," he said.

What all the panellists had in common was both an appreciation for how being part of Brokerslink has broadened their strategic and commercial horizons and how it provides a platform for them to bring their own services to an even wider, global audience.

In many ways, it is the European Brokerslink experience that points the way to how in a truly global network, members can provide mutual support and opportunity for the benefit of all.

2.5

Global business and shared understanding

Kadidja Sinz

Head of Central
Liberty Specialty
Markets



Another successful conference

I hope the Brokerslink partners and affiliates, risk managers and insurance professionals who attended this year's conference in Bordeaux had a successful and productive event. It was certainly an exciting and well-attended conference bringing together over 300 people from 82 countries to learn, share thought-provoking insights and network with likeminded insurance and risk professionals.

Many may have already known something about Liberty Specialty Markets' business or our people locally – we are part of Liberty Mutual Group, a family of 50,000 people across the globe – but I hope they had the opportunity to learn more about Liberty Specialty Markets in their country and region. I trust they have also seen how we want to partner with them to deliver a more unique approach to insurance.

Looking forward, I would like Brokerslink brokers to feel it is easy for them to reach out to a Liberty Specialty Markets person. So rather than us deciding to talk to them about a coverage or product, I want brokers to feel that when members of the community have something they want to talk about, they think it would be good to have Liberty Specialty Markets on board.

I hope you find this report on the 2019 conference an informative and interesting report from the two days in Bordeaux; Liberty Specialty Markets is delighted to be its sponsor.

We are delighted that the 2019 Conference Report has been sponsored by Liberty Specialty Markets. Kadidja Sinz, Head of Central for Liberty Specialty Markets shares her thoughts on the conference in Bordeaux, the value of partnership and the values and approach that Brokerslink and Liberty share.

A unique global broking structure

Brokerslink is an interesting structure in our insurance market that has seen significant growth in the last few years. It is unlike other networks which might be linked to a single broker or do not have such a strong global community as Brokerslink. It creates links between independent brokers servicing their mid and large corporate customers both locally and internationally.

The way the organisation operates is conducive to tackling some of the main challenges our industry faces, namely, how do you share enough information in a global environment and how do you deliver excellent customer service in a highly regulated world?

Being able to create a bond and ties at all levels in both our organisations means we are able to pick up the telephone, ask questions and help each other. We find Brokerslink a fascinating and powerful partner.

For us, the entrepreneurship within the organisation is also important. There are many huge companies, but also many individual entrepreneurs and those who think in an entrepreneurial way. We recognise it is not easy to be an entrepreneur but by working with and learning from Brokerslink and its network of brokers; we are benefiting from their creativity and drive which is exciting.

Shared understanding and approach

Liberty Specialty Markets and Brokerslink both recognise the importance of taking the long-term view. In a world of quarterly reporting and short-term results, it is important to have an eye what is going on today. But we also have a more long-term view of our partnerships and services, and in that way, we are very aligned with Brokerslink.

At Liberty Specialty Markets we spend a lot of time focusing on how we trade and not just what we sell. We want to be recognised for the way our people act and how we go about building our trading relationships. To achieve this, we have to build a mutual understanding of each other's needs and take time to understand what is important. There must be dialogue, continuity and recognition that we operate in a connected, interdependent world. This is a process, an approach that Brokerslink shares with us. They have looked at what experience the client and a fellow broker in the Brokerslink global world should expect.

What makes a great partnership?

There are a number of components that make a great partnership. What's important to us is our three principles that define the experience we wish to create: transparency, responsiveness and service. I'd like to focus on three themes that relate to these principles: time, the claims journey and diversity.

We know what a valuable commodity time is for brokers. We recognise that it is limited and that they have invested time with us to create a partnership and help us understand the needs of their clients. This is valuable time and we recognise that we must strike a balance between having enough time to do this, but not taking too much.

The management of claims is really a key factor in the relationship. Of course, we will take time to speak about our coverages, but we also spend time talking about the claims experience for a client and how best to serve them in the event of a claim. In our opinion, spending time to discuss and understand each other's views is a critical point.

The third component is one that is still not spoken about enough today. But we do recognise the diversity and inclusiveness of our world and working with people who share those values and way of operating. Liberty Specialty Markets works in a very inclusive way and we think that those who share this approach will be more creative in the way they service their clients and we want to partner with them.

Setting Liberty Specialty Markets apart

One important characteristic of Liberty Specialty Markets is the substantial level of delegation of authority we have accessible to brokers. In a world of increased automation and artificial intelligence we have a lot of intellectual capital to share but we want this data and analytics to be available through people and not just machines and reports. We have made a conscious choice to do this for brokers.

We want to be seen as a high performing financial services institution, when we define what that means it is about putting an emphasis on people coming to us because of the real passion of our people, our values and them being exposed to innovation, diversity and support for local communities; these are all parts of our DNA.

There is an understanding in the business that people may see their insurance as just a piece of paper, but we want insureds to know that once we 'shake hands', it becomes more than that; this is a central focus for the business. We know the best thing to happen in a claim is to get the client back to the position they were before the incident happened. We know how difficult it can be and the impact it can have on the business and the people in it. We recognise there is a real economic mission here to get them back into a better shape.

Sometimes, as insurance companies, we know what our ideal risk looks like and we will try everything to find that risk. But brokers know that their clients will have their own views on their risks and will work to find the right insurer and solution to address those. Therefore, Liberty Specialty Markets needs to be looking at the world from the eyes of client and their brokers rather than just through our own lens, to see if we can meet their needs.

Beyond our values, I understand that brokers will be asking how Liberty Specialty Markets can help grow their businesses. The message is clear, we are very happy when we create success for our brokers, whether that is through shared knowledge, a solution or product pricing. The focus is on creating a mutual win for them and for us.

We are in some challenging times, for businesses, for meeting clients' developing needs, for dealing with regulation and the tough economic cycle, we are all facing these so being in the boat together can help us all.

The power of digital collaboration

Carla Alves

BROKERSLINK MARKETING
AND OPERATIONS DIRECTOR



“Collaboration is the most important thing about Brokerslink,” said Carla Alves, Brokerslink Marketing and Operations Director, as she opened a special session on the Agora platform.

The global nature of Brokerslink is a key strength, but it also brings challenges. Being able to work across borders, time zones and cultures requires a certain level of integration, an integration that is crucial if Brokerslink is to fulfil its potential of being a genuine global player.

To meet these challenges and to maximise the opportunities presented, Brokerslink has made a significant investment in the development of Agora, a relationship management platform launched in 2018.

“We have a very small central team and it has taken collaboration across countries and businesses to make this work,” said Alves.

“Agora contains information about partners and affiliates, their teams, their specialisms and can reach across the marketplace to give access to products and risk management services.”

She explained that since the 2018 launch, enhancements have been made to the system in response to feedback, including making Agora available in more languages (French and Spanish) and creating a mobile app version.

Designed to not only give partners and affiliates access to products and services, Agora acts as a window into the network across the global Brokerslink landscape with instant access to all the information necessary to make the right connection, in the right country at the right time.

However, Alves challenged delegates to make more use of the platform and help Brokerslink reach its full potential.

“We have 24,000 colleagues around the world so we have a real opportunity to broaden what Agora can offer if more people are using it,” she said.

“We have new brokers and service providers joining all the time and they need to know who their fellow brokers are across the globe.”

If the wider network is to make the most of the system everyone in each partner and affiliate should be registered on the portal. She added that with changes made to improve the registering process and with a commitment to add new languages wherever required, there was now no excuse for not promoting and utilising Agora within their organisations.

“Agora is today Brokerslink’s main, fast and efficient communication channel,” she said.

Building a dedicated multinational platform with Swiss Re Corporate Solutions

The strength of Brokerslink's relationship with leading global insurers is perhaps no better demonstrated by the news, announced at the conference, of a new strategic agreement with Swiss Re Corporate Solutions to develop a dedicated international insurance programme management platform for Brokerslink's growing international portfolio.

The new business platform which uses the key functionality from Swiss Re Corporate Solutions' comprehensive international programme platform, will enable broker partners and affiliates to manage and deliver structured and compliant international and cross-border programmes from a single online platform.

Speaking at signing of a memorandum of understanding at the conference to formalise the agreement, José Manuel Fonseca stressed the real strategic importance of this new collaboration. "This will provide our brokers with a cutting-edge solution that directly enhances their competitive advantage and appetite to service all their cross-border and multinational insurance programmes to their clients", he said.

"Swiss Re Corporate Solutions has advanced technological capabilities for international programmes and we have a unique global structure as a distribution partner. We are excited to be the first broker to collaborate with them on such an important tool which will also enhance our existing working relationship," he added.

Andreas Berger, Swiss Re Corporate Solutions Chief Executive Officer welcomed the partnership saying, "This agreement signals our joint desire to use technology to reshape the industry, increase efficiency in international programme delivery and improve the service experience for our mutual corporate customers."

Teams from Brokerslink and Swiss Re Corporate Solutions are now working to customise the platform to meet the needs of the network's brokers and their clients.





Brokerslink and Swiss Re Corporate Solutions



Andreas Berger - CEO Swiss Re Corporate Solutions
and José Manuel Fonseca



Brokerslink Board of Directors



Cité Du Vin



Conference team



José Symenouh and José Manuel Fonseca



Anne Collette, Business and Partnerships Director



Team from MDS Group



Samuel Martins and Juan Mario Acevedo



Signing the Brokerslink and SUNU strategic agreement



Asia-Pacific Regional Workshop



Conference participants



Conference participants



Brokerslink group photo



Brokerslink Africa



Steve Hearn and José Manuel Fonseca

3rd Risk Managers Forum



Rodrigo Avila

SUZANO

Adam Clifford

CHUBB

Jorge Luzzi

RCG – RISK CONSULTING GROUP

Marco Salsi

ALICORP

Hiroyuki Kawakubo

RISK MANAGER



Risk Managers roundtable

Now in its third year, the Risk Managers' Forum provides the Brokerslink community with a unique opportunity to bring together global risk professionals to share their insights and views on key topics and issues.

This year was no different as participants tackled one of the hot topics of the conference – rising rates and a hardening market.

Brokerslink brought together an impressive panel of risk and insurance experts representing industrial companies, insurers, brokers and risk managers from France, Brazil, Japan, the US, the UK, Peru, Panama and Italy.

The panel was co-chaired by veteran risk professionals and long-standing friends of Brokerslink, Jorge Luzzi and Pierre Sonigo.

Participants

Pierre Sonigo

Former Secretary General
of FERMA (France)

Jorge Luzzi

Executive President
RCG (Portugal & Brazil)

Adam Clifford

Regional President Continental Europe
Chubb (UK)

Adrian Matthews

COO, Head of P&C Continental Europe
Chubb (UK)

Corey Gooch

Senior Director
Ankura Consulting (USA)



Jorge Luzzi – RCG

Hiroyuki Kawakubo

Risk Manager
(Japan)

Javier Mirabal

Executive Director
FUNDALARYS (Panama)

Lionel Martin

Managing Partner
Praeventia (France)

Marco Salsi

Corporate Director
of Administration and Insurance
Alicorp (Peru)

Maurizio Castelli

CEO of Augustas Risk
Management (Italy)

Miwa Shinozaki

Risk Manager
(Japan)

Rodrigo Avila

Insurance and Risk Manager
Suzano (Brazil)

Thiago Amorim

Risk Manager and Insurance
iFood (Brazil)

Tina Lakickas

Head of Major Accounts Division
Chubb Overseas General (France)



Adam Clifford – Chubb



Risk Managers roundtable

Despite the geographical diversity and the range of organisations represented around the table, there was a clear consensus about what the most demanding issue was.

Although the changing nature of risk in the face of advancing technology and climate change were discussed, the discussion was dominated by the topic of rising rates. Delegates were open in sharing their thoughts, concerns and ideas whilst looking to understand the impact these rate increases are having on businesses and how they can be better managed.

Picking up on that theme, Corey Gooch of Ankura Consulting, set the scene by saying: “I was working with a large tech company in the US and they are trying to manage their expenses. They want the increase on their property programme to be as low as possible, but the underwriter comes back with 20% increase. We are going in the wrong direction.”

Chubb’s Adam Clifford said that both attritional and large losses were impacting on the wider insurance market and these were affecting rates. His colleague Tina Lakickas agreed, and highlighted an additional factor: “There has been a surplus of capital which has driven rates very low for years and years,” she said.

Adam Clifford said the nature of the market meant that some carriers would inevitably have certain books of business which had run at a loss in recent years, which was an unsustainable position.

And he warned that the situation could deteriorate further for some in the market if their approach did not change. For Maurizio Castelli of Augustus Risk Management, this lack of action is a real concern. He highlighted that as it had been a long time since the market had hardened last, the culture and the expertise to manage this worsening situation, was in short supply today.

“Companies are not reacting to this and I get quite concerned – they should be,” he said.

“They should clean the portfolio and get the balance sheet back where it should be. If they start to fraction the capacity, it means the capacity is shortening and insurance is getting less relevant,” he warned.

Although this hardening is not being seen in every line of insurance and delegates agreed that this is not yet what could be described as a definitively hard market, the increases are having a meaningful impact upon risk managers. In particular, the difficulty in explaining the increases to their boards.

“It is really difficult to explain to the board of the company that we are investing a lot in protection but not having that reflected in the price,” said Rodrigo Avila of Suzano, the largest paper and pulp company in Latin America.

Jorge Luzzi asked whether it is was the case that rates are now recovering after years of being artificially low and although Avila agreed, he argued that it is still a struggle to explain why the increases are happening.



Risk Managers Forum Coordinators – Pierre Sonigo and Jorge Luzzi

“It is difficult – you have good information to show the board, but the rate increases by 40%. Why? It is really difficult to explain to the board,” he said.

Fellow Brazilian, Thiago Amorim of iFood, the largest food delivery business in Latin America, agreed that the explanation of what is happening is an issue internally.

“We pay \$20m in premiums every year and invest \$2–3m to control the claims,” he explained. “But the insurer put the rate up by 40%. How do I explain that to the board?”

Representing Alicorp, Peru’s largest consumer goods company, Marco Salsi explained that these increases can often be at odds with and impact on a company’s wider strategic requirements and ambitions.

“When we need to do the budgets for next year, we may be told that for our insurance, we need to reduce the cost by 10%. It is a big problem trying to explain that this is not the way it works,” he said.

At the heart of this is a lack of communication from some parts of the insurance industry and perhaps even a lack of support in helping risk managers explain to their boards why they have to accept such sharp, sudden and unplanned hikes in insurance costs.

This idea of greater communication came up over and over throughout the discussion but there was another element that many around the table recognised as making the situation even more difficult to manage – a lack of experience in the insurance market and among risk managers.

The last real hard market was back in the early 2000s following the 9/11 attacks in New York when the insurance industry paid out between \$30–40bn in claims, triggering a sharp reduction in capacity within the insurance chains from the reinsurers downwards.

While we are not seeing anything on that scale today, it has been nearly 20 years since a hard market like that has been seen. As a result, the number of people in insurance who have witnessed and worked through a hard market is very small indeed.

“The problem we have in the insurance industry currently,” said Clifford, “is that this is the first hardening market many of those working today have seen. For anyone entering the business in the last 15 years, this will be completely new territory for them and often this can mean they don’t have the tools, knowledge or experience to be able to articulate what is required.”

Although this manifests itself in many ways, there was one example that most around the table agreed was symptomatic of this lack of experience and understanding.

Lionel Martin of Praeventia, the risk management arm of French broker Filhet-Allard, said that demands for sprinkler systems were being made as a way of reducing premiums.

“At the moment the word is sprinkler. Every insurance company wants them but there is no focus on risk management, just sprinklers,” he said.

“We used to talk about loss prevention but that is very difficult now because there is a global programme to increase the rates, and today you have to invest a lot of money, especially with sprinkler systems, to get a good rate. And if you can't do that...”

It was clear that the issues rate increases are causing clients are real and they are common across sectors and geographies. However, there was an understanding that rates have been artificially low for years and that increases are simply a correction of that market distortion.

While there was agreement on that as a simple reality, it remains the case that it is causing clients issues in real terms. What, then, is the solution?

One potential solution that was raised several times throughout the discussion was for companies to establish captive insurers.

“When you have a client that has one,” said Matthews of Chubb, “they understand the mechanics of risk transfer.

The captive is a good barometer for a business to understand what is going on in the market. Almost like a reinsurer will give an insurer a good idea about its pricing.”

Ankura's Gooch agreed that it was a potential solution and that it could be a better way for risk managers to explain how a company's capital is being deployed in terms of risk management.

“Our clients want information on trade-offs. If you've got to look at a captive and at investing that new premium there, where is the return on investment capital? The risk manager can explain where the invested capital is better put – in a captive.”

Chubb's Clifford said that by sharing responsibility of risk, the company and the insurer could both satisfy their own strategic requirements.

“There is an argument that some large clients could just self-insure – but many want to free up capital and pay a continuous payment every year to cover the bad days,” he said.

“If you know how much you want to pay for insurance, work out what that is (and retain the rest of the risk).”

His Chubb colleague, Lakickas, said that market conditions often meant it was cheaper for many large companies to go out and buy insurance rather than create their own captive. This, she said, had a consequential effect that some clients may then become less focused on risk management.

By ceding responsibility for that to the market, some aspects of the knowledge and expertise of how the insurance market is managing and responding to risk might be lost, she argued. But, if a captive is set up even when insurance is cheap, it can also help companies avoid market fluctuations in the long run.



Risk Managers Forum

Although a captive was seen by many as a potential solution, the consensus seemed to be that as we are not yet experiencing a truly hard market, the most effective course of action is to create a better level of understanding of what is happening and help risk professionals articulate that to their board.

Alicorp's Salsi said that while he understands the cyclical nature of the market, he needs to explain that to his boss and called for more communication to help him do that.

"Let's be more open to communication on both sides. With some of our insurers, I tried to get them to do that, but they didn't want to listen. I ended up talking direct to the reinsurer to get what I wanted," he explained.

And for others, the issue seems to be getting into the conversation at all.

"In Latin America the risk manager is not involved in the pricing model," said Javier Mirabal of FUNDALARYS.

"It is cultural – the focus is more commercial than technical."

One approach, suggested by Gooch, was to try to evidence the ups and downs of rate over a 15-year period.

"When we sit down with our reinsurers," he said, "we talk to them about what we are doing, our systemic risk and any increases in claims. We talk to them about our business, but it doesn't work the other way.

"I would get a neutralised rate index, explain what a cycle is, what rating has done in that period and if you

neutralise it over a period of 15 years, you can show that you are only paying 85% over 15 years."

Jorge Luzzi suggested that the answer lay in not only greater levels of communication between insurers and risk managers, but in bringing the broker into the conversation too.

"We need to have the broker and the insurer coming to the CFO of the client to explain what the environment is."

Chubb's Lakickas said that effective communication within the tripartite relationship was crucial so clients were well informed on any potential changes in advance of renewal. She encouraged those around the table to reach out and talk to their carriers and brokers to try to find out as far as possible what their rate might be.

"An early preview will really help with that process," she said.

Agreeing with the need for greater communication, Maurizio Castelli said that being at the centre of that thread of communication was an excellent opportunity for risk managers to show their worth to an organisation.

"In theory, in a hard market, the risk manager should have a much better position. Discounting in a soft market – everybody can do that. It's easy.

"This is when you can show your value, find solutions and become the hero. If there is good communication, it should be possible to be the good guy rather than the bad."



Adrian Matthews – Chubb



Marco Salsi, Javier Mirabal, Adam Clifford,
Adrian Matthews

“In order to eliminate ‘insurance cycles,’ there would have to be long term agreements”

Finally, attention was turned to the idea of how to smooth out the bumps that rate fluctuation brings.

Luzzi said that it is always better for risk managers to have a stable rate as it created a shared responsibility between the client and the insurer: “The client to take care of the risk and the insurer to manage the reinsurance market.”

Marco Salsi suggested that in order for such relationships to become a reality, the client had to resist the temptation of taking a cheaper premium when competition in the market allowed it and instead to think about a more long-term relationship with their insurers.

This was a theme reinforced by Pierre Sonigo who, rather controversially, said he didn’t believe in insurance market cycles, claiming that what we see is far more disruptive and sudden than a cycle.

His focus was on eradicating those spikes and creating stability. “In order to eliminate ‘insurance cycles,’ there would have to be long term agreements,” he said.

“We need policies for three or five or ten years with a fixed rate, so we know everything is stable, with maybe some adjustment in case of losses. But insurance companies don’t seem to be willing to go down that road.”

Ultimately, whatever solutions clients, insurers, brokers and risk managers use, the overwhelming consensus at the Brokerslink Risk Managers’ Forum 2019 was a need for more open communication, greater detail in explaining what is happening, greater access to company CFOs or treasurers and a willingness to work together to try to forge more stable, long-term partnerships.

Or as Chubb’s Clifford advised delegates: “You should all be demanding a long-term relationship right now. That should be the minimum requirement.”

Closing the session, Pierre Sonigo shared his views on the importance of risk managers becoming very active participants in the process. “We must consider that the cost reductions of the past and today’s increases are both due to market conditions. Now is the right time to demonstrate the reasons for and value of our work as risk managers to our organisations. This includes improving the quality of risk and working together with brokers, insurers and reinsurers in a transparent way. It is also the time to ask our companies to invest in the safety of our plants, because it is now justified more than ever.”



Thiago Amorim, Marco Salsi, Javier Mirabal



Rodrigo Avila

4 External perspectives

That the world is changing is a given, but what that change looks like, where it will hit hardest and who it will impact most is less clear.

However, one theme that does emerge is the sense that private enterprise should be doing more to help governments and society manage this change and tackle the problems that it brings. The impact of climate change, the role of robotics and artificial intelligence (AI) in the workplace, increasing life expectancy and a shifting geopolitical landscape are all creating uncertainty but also opportunity for insurance.

But taking advantage of this opportunity is reliant upon business' willingness to assume greater societal responsibility. For example, Michael Vandenberg, Director of Vanderbilt University's Climate Change Research Network has said that 70% of people believed that companies should be doing more on climate change.

"You feel vulnerable that if you get labelled as a bad actor in this area, you might begin to lose retail and corporate customers, employees, investors and lenders," he said.

But this growing demand for business to take more responsibility is not limited to the environment – increasingly, individuals want business to help them make the world a better place.

A survey conducted last year by Futerra, a sustainability consultancy, found that 88% of people expect the businesses and the brands they engage with to help them improve not only their environmental footprint, but their impact on wider society. It is clear that businesses expecting to thrive simply by selling a product are soon to be a thing of the past.

But how does all of this apply to insurance and how can all the businesses that make up the sector hope to meet these demands?

On the second day of the conference, delegates were addressed by a series of experts from within and outside the industry who have been considering just these issues.

A growing role in a changing world

Thomas Buberl

AXA GROUP CEO



The need to adapt to change affects us all but one individual who has to consider this perhaps more than most is AXA Group CEO, Thomas Buberl.

Responsible for over €100bn in revenue generated by over 170,000 employees who serve 105 million customers in 61 countries, it's fair to say he has a lot of responsibility resting on his shoulders.

But as he explained to delegates at the conference, a key part of his responsibility is to understand global societal trends and make sure that AXA is well positioned to not just survive but to thrive in a new social and business environment. He believes that while change can create a great deal of uncertainty, it can also create a huge amount of opportunity for the industry.

"When you think about insurers and brokers," he said, "what is the role they must play?"

"It is to continue to ensure cohesion in society. And at a time when risk and uncertainty has increased this is a very good playground for us.

"More uncertainty means more risks, more need to anticipate and understand and insure the risks. We are entering a period which will become very determining for us if we have the courage to act."

But in order to act effectively, it is necessary to not only understand what the key emerging risks are but also, to understand how they are manifesting themselves. Buberl explained that the three key risks had not changed over the last 5-7 years but that the nature of them and their interdependency had.

Perhaps predictably, climate change was the first he addressed arguing that the very behaviour that had made humans successful would, if unchanged, work against us.

"How can we change our behaviour and how do we find solutions that don't only treat the extremes?" he queried. "Moving from coal to green energy is a good first step but we need a slower transition from coal to gas and so on from there towards green energy."

The second risk on his mind was the technological risk. He asked the audience to think past cyber risk and focus more on the impact that things like artificial intelligence will have upon our society.

“What does this mean for the wellbeing of society and what do we need to do to be relevant tomorrow?”

He argued that there was a geopolitical question embedded within this tech risk, particularly concerning the US and China.

“Instead of working together we are trying to separate each other. We will probably have two systems that will need separate investments, always apart and with different rules of engagement and compliance,” he predicted.

“Then there is data. In a world where tech powers are separating, data transfer is being discussed with different standards of data protection across the world. How can we make sure we are moving forward so we can take advantage of those advances?” he asked.

And finally, the third risk – geopolitical shifts.

“In the past, there was a global multilateralism which made it easy to leverage globalisation and benefit from exchange. Today we see that is not the case anymore. We see massive shifts in how countries do or don’t work together anymore and there are significant conflicts within countries.”

He cited examples such as Brexit – “It is more an internal conflict within the UK than it is between the UK and EU” – and the ongoing protests in Hong Kong and in France with the gilets jaunes.

“These are examples of increasing fragmentation, of a geopolitical recession. How can we live up to solving and controlling these risks more?”

But he argued that these issues are made even more complex by the fact that they are interlinked and influence one another.

“Tackling climate change means a change of behaviour for everyone but that means our society will not prosper from development as much as it used to,” he said.

“This will hit the people who are already suffering first.”

He pointed once again to the experience in France where a rise in fuel tax as part of wider environmental efforts triggered huge national protests, revealing how social fragmentation was acting as an impediment to solving the climate problem.

And the same issue could be seen in development and implementation of tech.

“If you want to benefit from tech innovation, you need to have the leaders and employees in companies to embrace the change. But if the new tech means that people are not sure they will have a job tomorrow, you will see massive resistance to that change,” he warned.

He pointed out that such is the scale and fundamental nature of these issues that governments were increasingly unable to tackle them alone.

“Who is going to do it if the institutions that did it in the past won’t be able to anymore? There is a crying out for large companies to get in the game, to shift their activity more to social purpose and dedicate resources to helping society and supporting the public authorities,” he said.

But with this responsibility, he argued, comes a real opportunity for the insurance industry.

“Increased risk means increased demand. Increased aversion to risk, means more demand in talking to us. Our time has never been as good. We are about to enter a new golden age of insurance,” he predicted.

And on a parting note, he told delegates that, as AXA had done in refocusing on new priority markets, they had to be willing to rethink their propositions: “We live in uncertain times, but uncertainty is our business.”



José Manuel Fonseca, Thomas Buberl, Grégory Allard

Insurance 4.0 and how we get there

Michael Morrissey

PRESIDENT AND CEO
INTERNATIONAL
INSURANCE SOCIETY



It's one thing to understand how the world and society is changing but, another thing entirely to understand how the insurance industry can respond and what that response will look like.

Michael Morrissey, President and CEO of the International Insurance Society sought to give delegates some insight in this respect. The Society acts as a global voice for the industry in promoting resilience, driving innovation and stimulating the development of markets so Morrissey necessarily spends much of his time thinking about the future.

He explained that the world is currently experiencing its fourth industrial revolution and that in order to support this, the insurance industry had to be prepared to move to what he called Insurance 4.0.

"The fourth industrial revolution is more transformative than the preceding three," he explained.

"The speed of breakthroughs has no precedent and it's disrupting industry in every country at a pace and scope that has never been seen before."

He said that while this revolution had the potential to raise global income levels and improve the quality of life, it could also lead to greater levels of inequality.

"Access to tech varies widely and robotics can replace unskilled workers particularly in the parts of the world where it is needed most," he said.

The required industry response – Insurance 4.0 – needs to recognise the fundamental nature of this change.

Morrissey argued that the expectations of the industry from both consumers and institutions had changed markedly.

"Our customers have had their expectations of customer experience elevated by interaction with other services. They are not comparing this with other insurance companies – they want the Apple, online, 24/7 experience and most insurers are incapable of delivering this. They lack the innovative mindset and the resource," he warned.

But where this could be perceived as a risk, the changing risk appetites of governments could prove to be a huge boon for the industry.

"Governments are the insurers of last resort when natural disasters take place. Their citizens feel the cost of that, so they are seeking to partner with insurers which is an enormous growth opportunity for insurers and benefit to the industry," he predicted.

Who will these insurers of the future be? Morrissey argued that organisations who focused on talent and tech would be the ones who survive. But he argued that it was not as simple as securing the best people and buying the best tech – societal and economic changes would challenge the fundamental model of insurance.

“In the sharing economy, people want to use stuff rather than own it and although there are solutions for this, it could result in falling premiums,” he warned.

And he asked delegates to consider how the collapse of retail and heavy manufacturing might impact insurers.

“Is the industry ready to cut 25% of its non-customer facing jobs in favour of AI and robotics? This is not just a world of new products and new risks – it is a new concept of what insurance can do,” he said adding that insurance companies would need to be tech companies to succeed. However, he was not convinced many had the necessary mindset to adapt.

He ended with an encouraging message for brokers arguing that it was they who could help marshal insurance companies along this path.

“Insurers have wanted to sell protection for future losses, but customers increasingly want to buy loss prevention and loss mitigation delivered in the form of advice and service. This is where you come in.

“You the brokers are in the best position to harness the capacity and expertise of your companies for the benefit of your customers and helping our industry make this shift, you will have driven in delivering Insurance 4.0.”

“This is not just a world of new products and new risks – it is a new concept of what insurance can do”



London calling

Steve Hearn

CEO BGC INSURANCE AND
VICE-CHAIRMAN BROKERSLINK

Umron Ahmed

GLOBAL HEAD OF BUSINESS
DEVELOPMENT LLOYD'S

Roger Potts

CEO BRIDGE INSURANCE



Hosted by Roger Potts CEO of UK-based Brokerslink partner, Bridge Insurance, this panel discussion sought to bring some insight from the London market, still one of the world's largest, influential and most sophisticated.

Joining him on stage was Umron Ahmed, Global Head of Business Development at Lloyd's and Steve Hearn CEO of BGC Insurance and Vice-chairman of Brokerslink.

Perhaps inevitably, the first point of discussion was about Brexit and the impact the panellists believed it would have on London's position as a global insurance centre.

Describing the drawn-out process of leaving the EU as feeling like "three years of hell", Hearn echoed Thomas Buberl's view that Brexit feels like the UK divorcing itself. Despite that, he was not negative about London's prospects post-Brexit.

"I wish it hadn't happened, but we just need it to happen now," he said.

"Our history supports a real belief that these issues, while challenging, are things we will work through. We are a resilient nation and city and the industry itself has been robust in the face of huge challenges. London's position is very viable."

This positivity was supported by Ahmed who pointed out that £90bn worth of business was transacted in London and that Lloyd's had moved quickly and decisively after the Brexit vote to ensure that the market was able to operate across Europe and retain its dominant position globally by setting up its European subsidiary, Lloyd's Europe.

"We were quite resolute as an industry with action taken immediately. At Lloyd's we remain committed to our European customer base," he said.

"It's not the end but a beginning, a fresh opportunity to remain at the heart of Europe. There are many companies now established in Europe and in the future, we will be able to move away from this position."

Potts then moved the discussion on to the very public scandals at Lloyd's around sexual harassment and a persistent drinking culture.

"What," Potts asked, "is going on?"

"It's not been our proudest hour, but we have addressed it head on," said Ahmed.

"We've embraced the feedback we got from a market-wide culture survey, the largest ever undertaken by our sector, and have introduced a range of actions to build a more inclusive and diverse culture. Everyone in our market has a role to play. The Lloyd's leadership team is fully committed to transforming the culture at Lloyd's. If we want to be the most advanced and innovative insurance market in the world, we need a respectful and inclusive environment for all our colleagues, and I am confident this is being addressed and taken seriously."

Ahmed also addressed the challenging results that Lloyd's has experienced over the last couple of years stressing the need for action on underwriting discipline and pricing within the business planning process but noted that,



notwithstanding this, there was still £7bn of new business incorporated with the plans.

Finally, the panel discussed how tech will impact the London market and how they are using it to modernise.

For Hearn there are two aspects to it. The first is to use tech to take out some of the inefficiencies in the existing business model. The second aspect is much more fundamental. “BGC is a tech company in financial services and they have invested in insurance as they believe tech will drive change in the industry,” he said.

“Our business model is going to change. As capital finds more efficient ways to get to customers and customers to

get to capital, efficient transaction of capital to accurate risk is a new business model.”

Ahmed added that Brokerslink partners were uniquely positioned to take full advantage of tech advances: “You have the consultative customer relationships; you provide the advice and you design the insurance programmes. What tech and data will help us do is free up time to deliver more of that value.”

And as for London’s continued role in the global marketplace? “London is part of a global marketplace. I’m not a London broker, I’m a broker and I need to be able to access the global market,” said Hearn.

Understanding the risk of entertainment

Lauren Bailey

GLOBAL HEAD OF ENTERTAINMENT
ALLIANZ GLOBAL CORPORATE
& SPECIALTY

One of the near-constant themes throughout the conference was the idea that the very nature of risk is changing. How clients perceive it, how insurers and brokers manage it and how insurance policies respond to it are crucial considerations for anyone operating in this sector.

But when making these considerations, it is important to be able to look what this evolution of risk means and looks like in practice rather than purely in conceptual terms. To help to do that, Lauren Bailey, Global Head of Entertainment at Allianz Global Corporate and Specialty, walked delegates through how the nature of risk has changed in the filmmaking world.

“We insure the production of films,” she explained.

“Big Hollywood blockbuster productions but also small productions such as documentaries, infomercials and commercials. And we do this all around the world.”

She explained that in order to ensure that they truly understand the risk that increasingly complex productions pose, it is crucial that they are able to sit down with the broker and risk manager to understand how the risks are changing and ensure that they have the right products and services to respond to that.

And in line with most other lines of insurance, particularly complex risks, the importance of collaboration and expertise comes to the fore.

“We take advantage of working with brokers that have individuals who know this space well and who will sit down with us and the client and hash this out together.”

This reflects a theme that emerged from the Risk Manager’s Forum where attendees agreed that better management of the insurance cycle and understanding between clients, brokers and insurers could be best achieved through the formation of a tripartite relationship.

Bailey pointed out that the need for this collaboration increases as complexity and financial exposure increases, creating opportunities for relationship-focused brokers.



But where the film world differs from other sectors is in the approach to fire risks. For most in the room fire is something that must be avoided, but in her world, it is often unavoidable, an integral part of the production.

“We need to make sure that the fire only does what it is intended to do. Even if they’ve orchestrated the safety quite well, if it needs more takes, that is where there can be some challenges as it multiplies the likelihood of something going wrong,” she said.

Beyond the world of moviemaking, Bailey is also involved in large, global music tours and outdoor events which brings a hugely complex type of risk into play – the psychology of crowds – and this risk is evolving as these events become more complex.

“People have an expectation that they will see and hear things that would concern them in a different setting – fires, fireworks and the like. Their immediate reaction is that it is just part of the show.”

And as such, in order to manage the exposures effectively, the risk manager must understand the psychology of crowds.

“It’s about understanding that some audience members will be leaders, some will be followers, and some will literally stay in place. So, we need to think about how people move around a space or leave an event,” she said.

She said that clients are increasingly demanding covers and services that are global and while this was challenging, it also creates opportunity for the insurance sector.

“It’s an opportunity for you to collaborate with your carriers, work with your clients to become more creative and really expand the consultative component of the business,” she said.

The longevity challenge

Maria do Carmo Fonseca

PROFESSOR AT THE UNIVERSITY OF LISBON MEDICAL SCHOOL

Josef Brem

DIRECTOR OF THE CENTRE OF COMPETENCE HEALTH FOR SPAIN, PORTUGAL AND LATIN AMERICA AT MUNICH RE

Humphrey Cuzner

GLOBAL BUSINESS DEVELOPMENT MANAGER ALLIANZ CARE

Frederico Casal-Ribeiro

HEAD OF BUSINESS DEVELOPMENT MDS GROUP



One of the key challenges facing society and, by extension, the insurance industry is the fact that people across the world are living longer. This is, of course, to be celebrated but it also puts a particular focus on the world of healthcare.

According to data from the United Nations, by 2050, 16% of people in the world will be 65 years of age or over, compared to 9% today. And in Europe and North America the challenge is even starker with the UN predicting that one in four people will be over 65 by 2050. Indeed, in 2018, the number of these people, globally, outnumbered those under the age of five for the first time.

And according to guest speaker, Maria do Carmo Fonseca, Professor at the University of Lisbon Medical School, these statistics are only going to get worse as science helps people live longer and longer.

She introduced the concept of amortality, a term coined by author and journalist Catherine Mayer and defined by her as a term used to describe someone who lives agelessly or appears to be age resistant.

The Professor attempted to take this concept out of the domain of science fiction for delegates and plant it firmly in the realms of possibility.

“Working on genetics, we are able to keep cells taken from old people and we are able to revert these to a younger appearance through genetic manipulation,” she explained.

“It’s only a matter of time before we can do this in the body. It could be 50 or 100 years – I don’t know – but we will get there.”

Which obviously has huge implications for society and the health systems that support it. She went to explain that in the future, it should be possible to replace damaged body parts using 3-D printers, likening the process to that of replacing an old part in a car.

Looking even further into the future, the Professor predicted that humans would be able to upload their mind into the cloud allowing them to live forever in a virtual world.

However, she stressed that while these were not issues that would be likely to affect those in the room, there were pressing healthcare concerns that they would be expected to find answers to.

“Science and tech are evolving at a faster and faster pace and society and business need to understand these new concepts and ideas and how they can be managed,” she said.

The Professor was joined on stage by industry experts who sought to understand how they can hope to manage a future where people live longer while care costs continue to increase exponentially.

“Healthcare cost inflation is increasing by up to 5% year on year, so premiums are increasing close to that to match those increases. In the long term that level of increase is unsustainable,” said Humphrey Cuzner, Global Business Development Manager at Allianz Care.

He said that historically, insurers had had a very reactive approach to healthcare but that there was an increasing focus on prevention and early detection, allowing them to reduce costs. This view was supported by Josef Brem, Director of the Centre of Competence Health for

Spain, Portugal and Latin America at Munich Re, who said: “If we have a private health insurance it substitutes the public health systems and you have to reduce the cost by making customers aware they need a better lifestyle. This is the way to react.”

While supportive of the principle of the approach, Professor Carmo Fonseca argued that intervention of this type must come much, much sooner in an individual’s life.

“If you want to do real lifelong prevention you have to act much earlier,” she said.

“You need to start at the level of pregnant mothers, very early training on children and the teenage period. That is when the lifestyles become imprinted. Later on, it is very difficult for people to change their lifestyle as most of the diseases are already there. It is critical to focus on the young and families.”

Cuzner argued that the industry was still at the very early stages of changing its mindset and approach to these problems.

“We are adopting new Health & Wellness technology and getting our heads around the fact we are not just pricing the risk anymore,” he said.

And Brem struck a note of caution about the drive towards prevention: “Costs are going to increase and the spend will be more on prevention but it’s still unclear whether it will work or not.”



Polar POD expedition

Dr Jean-Louis Etienne

DOCTOR, EXPLORER
AND SCIENTIST



Understanding global climate change and its impact on some of the Earth's most fragile environments is an important area of scientific endeavour.

Delegates to the conference were invited by Dr Jean-Louis Etienne, to dive into the Southern Ocean and explore the cutting edge of climate change science.

A doctor, renowned explorer and scientist, Etienne has taken part in numerous expeditions to the Himalayas, Greenland and Patagonia as well as crewing with Eric Tabarly for a round-the-world race aboard Pen Duick VI.

He has also led a number of education-oriented scientific expeditions to raise public awareness of the Polar regions and to learn more about their impact on the Earth's climate and life forms.

His latest expedition, the Polar POD, is a two-year mission around the Antarctic on an international oceanographic station to study the Antarctic Circumpolar Current, a major player in the Earth's climate.

"Nobody can feel global warming because in one century the temperature has risen by one degree Celsius. But

to warm the earth by one degree takes a lot of energy and this is a scientific measurement. There's no debate about that – it's a reality," said Etienne.

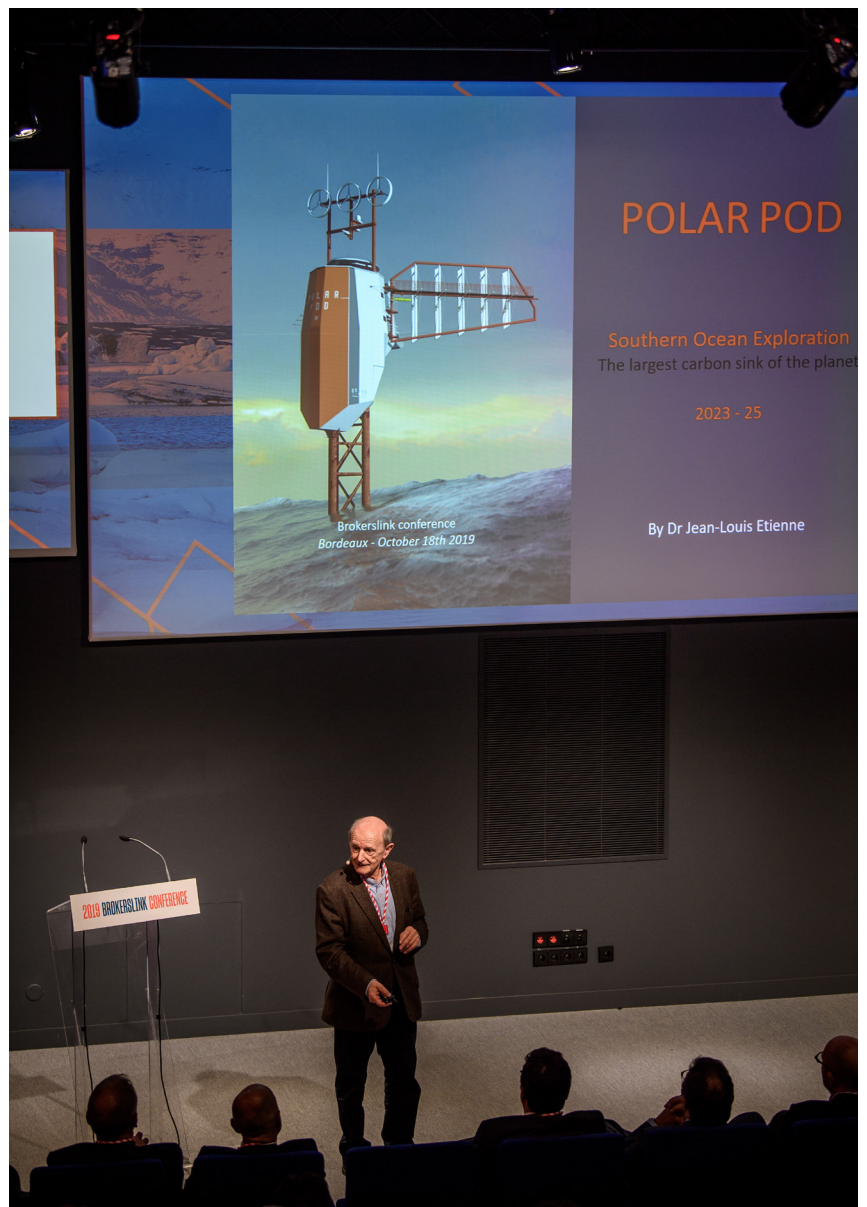
And the cause of the one-degree increase?

The well-known greenhouse effect comes from CO². One century ago the elevation of CO² in the atmosphere was 0.03%. Today we now have a CO² concentration of 0.04% and that has created global warming.

But if it is CO² in the atmosphere that is causing the greenhouse effect, how does an expedition to one of the most remote and inhospitable oceans on Earth contribute to the scientific understanding? According to Etienne, it's all about how CO² is absorbed.

"Seventy-five per cent of the earth's surface is ocean and 93% of heat excess is absorbed by the oceans."

This absorption of heat has a direct impact on the weather and contributes to the increasing regularity and severity of the weather events that the insurance industry is paying the price for. One example is the trade winds that blow from North Africa towards Florida and the Caribbean, the ocean



As a medical doctor, Etienne has taken part in numerous expeditions to the Himalayas, Greenland, Patagonia, as well as crewing for the Whitbread round-the-world race in 1977-78.

In 1986 he became the first man to reach the North Pole solo overland, pulling his sled for 63 days. Between July 1989 and March 1990, he was co-leader alongside American Will Steger of the international Trans Antarctica expedition, the longest overland crossing ever accomplished: 6,300 km.

Jean-Louis Etienne is a totally committed environmentalist: he led a number of education-oriented scientific expeditions to raise public awareness of the Polar regions and to learn more about their impact on the Earth's climate and life forms.

He is currently working on the POLAR POD project, an oceanographic platform designed to drift around the Antarctic Continent, driven by the Circumpolar Current. The Southern Ocean is key to Carbon cycle, Earth's climate Global ocean circulation and Marine biodiversity. This expedition will last for two years, from 2022.

surface catches the heat on its way resulting in the regular late summer tropical storms witnessed in those areas. This has always been part of the earth's natural cycle but with the atmosphere warming, the surface heat of the ocean is increasing in tandem.

"The more heat the ocean catches, the more hurricane conditions arise," he explained.

"Global warming is impacting the world water cycle, so sea levels are rising 3.2mm per year because the dilatation of the hot surface water and the melting of the glaciers in Greenland and Antarctica."

So what, if anything, does all this have to do with an expedition to the Southern Ocean in the Antarctic?

"It is a huge ocean, around 22,000km in circumference and it is very cold water. CO² dissolves in cold water and as a result, the Southern Ocean is a major carbon pit of the planet," explained Etienne.

Which is where the Polar POD comes in.

The POD will and it will probably take two years to drift around the Antarctic. There will be eight people on board – four

engineers, three sailors and me and every two months, the crew will be replaced," he said.

The zero-emission POD will drift around the Antarctic with the wind and currents for two years measuring the air/ocean exchange with a particular focus on CO² to evaluate its role in climate change. In addition, it will also enable its crew to study wave dynamics, take an acoustic inventory of sea fauna and validate satellite measurements.

Its voyage is one of discovery but by measuring the capacity and efficiency of this ocean to catch CO², Etienne hopes it will show the experts that they can change their mind a little about its capabilities.

Will the findings of the expedition result in a rapid mindset change around the reality of global warming? Etienne is not optimistic and recognises the need for education and dialogue about the impact of human activity on our planet. But the POD will play its part, as he says any odyssey starts with boldness.

Bringing Brazilian flair to Brokerslink 2020*

* Due to the impact of the COVID-19 pandemic, the 12th Brokerslink conference will now take place on 24 and 25 June 2021

Ariel Couto

BROKERSLINK REGIONAL
MANAGER AMERICAS

It is traditional at the closing of the conference to look ahead and reveal the location of the next year's event. After such a successful 2019, expectations were high that 2020* would need to be something special, and it was. The 12th Brokerslink global conference is heading to São Paulo and will be hosted by Ariel Couto, Regional Manager for the Americas supported by the team at MDS Brazil.

This will be the first time the event has been held in Latin America and reflects the importance of the region to Brokerslink's strategic development.

Couto is expecting a strong attendance from across the region and is looking forward to demonstrating the strength of the Brazilian (re)insurance market and the opportunities that exist for partners and affiliates from around the world.

Brazil is home to the largest insurance market in Latin America, responsible for over 50% of the region's insurance premiums, which in 2018 totalled 446 billion reais. Although insurance penetration in the country has been historically low, an increasingly stable economy and greater investment means that there are significant opportunities for growth, something which Brokerslink recognises and is well-placed to help partners and affiliates take advantage of in 2020 and beyond.

With increased foreign investment in the coming years, the 2020* conference will provide partners and affiliates with a chance to get to know the country better and to understand the range of business opportunities available to them.

The global conference has continued to grow since the first event was held in 2009 in Hong Kong and is now a key moment for Brokerslink partners and affiliates, Ariel and his team are committed to ensuring that next year's event serves as a continuation of these previous successes and gives attendees ample opportunities to grow and develop their relationships and hear important Brokerslink and market insights.



While São Paulo is the financial capital of Brazil, it is also one of the biggest tourist destinations in the country with more than 13 million visitors per year. The city is famous for its culture and boasts 110 museums, 40 cultural centres, 80 libraries, 280 cinemas and 160 theatres... it is also the second largest consumer of pizzas in the world!

With a vibrant mixture of cultures and a reputation for its architecture, gastronomy and impressive skyscrapers, Brokerslink 2020* attendees can expect an exciting global conference with a real Brazilian flair.

Social programme

@ Château Carbonnieux



Social programme

@ Château Carbonnieux



Brokerslink

24–25 June
2021

Conference São Paulo



DETAILS CHANGE, RELATIONSHIPS ARE CONSTANT.



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