

Presidential Address - Chris Lay

[Introduction and thanks]

Good afternoon and thank you for joining us for this Annual General Meeting of the Insurance Institute of London.

For those of you who do not know me, I am Chris Lay. I am CEO, UK & Ireland, at Marsh and the Country Corporate Officer for Marsh & McLennan in the UK

Marsh McLennan, celebrated its 150th anniversary in 2021, and the Institute celebrates its 115th birthday this year.

From our earliest days, the cornerstone of both Marsh McLennan and the Institute's success has been that we put clients, and members, at the centre of everything we do and are by their sides through changing and often challenging times. We look ahead and past uncertainty to the changes required to capture possibilities ahead.

It is from this position of innovation and collective responsibility that I am both honoured and humbled to be appointed as your President for the coming year.

I would like to thank you all for this incredible opportunity and look forward to serving you over the next 12 months.

[Thank outgoing President, and commend work of the IIL over last year]

On behalf of the Institute and our members, I would like to propose a Vote of Thanks to Julian Enoizi, our outgoing President.

As President of the Institute, former CEO of Pool Re, and now Global Head of Public Sector at Guy Carpenter, Julian has made an outstanding contribution to our industry over the last 12 months.

The theme of Julian's Presidency was, "Putting a Premium on Change". With his agenda firmly set on innovation, exploring new ways of thinking, and embracing change, Julian has worked tirelessly over the last year to highlight the threats we all now face from the rapid rise of systemic risks.

He has also played a pivotal role in finding different ways to work with the government in identifying equitable solutions that benefit both our clients and communities. These efforts will have a lasting and positive impact, for many years to come.

Julian, thank you, for your unwavering commitment and all your hard work as our 115th President.

[Pause to allow Julian/others to acknowledge thanks]

As many of you are aware, the IIL is assessed annually by the CII against a range of key performance indicators that look at our governance, the quality of our continuing professional development programme, and the member engagement opportunities we generate.

This year, the CII scored the IIL at 100%, for the second year running. This translates as 'going above and beyond' what the CII requires of us.

Over the course of 2021, the Institute continued to pivot to the changing environment and now most of our training activities are online, in real time or on demand.

This means that our programme is now accessible to all CII members across the UK and beyond.

The team is continuing to work with the CII to see improve awareness of our training options among its international members.

Closer to home, the volunteers involved in our CPD programme have been working with other smaller local institutes to help develop their CPD programmes, and find London Market speakers for their conferences.

This is exceptional work which is enabling our fellow institutes to share London's wealth of knowledge and expertise with their members.

In the last year we launched a new Research Study book – on the very hot topic of cyber insurance – which is already in its third print run.

To follow this year are books on InsurTech and Delay in Start Up Insurance, which we anticipate will be equally well-received.

My huge thanks and appreciation to Allison and the team at IIL and to all those involved and our volunteers for all their hard work in these important initiatives.

[Dialling up our Purpose]

As we continue to recover from the pandemic, the world is grappling with new challenges that are increasingly complex. Top of mind are rising geopolitical tensions amid the war in Ukraine, ever-evolving and increasingly acute cyber threats, economic challenges including energy supply, increasing inflation & supply chain disruption, and everincreasing risks associated with climate change.

Together, the CII, the IIL, and our members share a collective responsibility to our clients, to help provide much needed resiliency that enables them be more confident in this increasingly uncertain world of risk. As such, the theme of my Presidency is 'Dialling Up Our Purpose': in the year ahead, as your President, I am committed to sharpening the focus on the role our industry plays in protecting and promoting the possibilities of individuals, businesses, institutions and societies at large. Our purpose is not always well understood or articulated. Every individual and organisation wants to build greater resiliency to future shocks, and be positioned to take advantage of possibilities ahead our purpose is to make a difference in enabling that.

With this in mind, there are many initiatives stemming from London of which we should be rightly proud. Recently these include: Insurance for COVAX's No-fault Compensation Program is helping deliver COVID-19 vaccines to 92 of the world's lower-income countries and economies and, amid the terrible war in Ukraine, we are quickly creating solutions to provide coverage for vital grain and food products. This is helping unlock supply chains and alleviate mounting pressures on global food security.

Key to Dialling Up Our Purpose are three issues that are very closely interlinked.

Promoting the insurance industry as an attractive 'destination career' for young people;

Fostering greater diversity, equity, and inclusion among our ranks;

And creating solutions that are not only at the edge of risk – and by that I mean courageously embracing new ideas and new ways of thinking – but respond in the way that our clients expect them to, in the event of a claim.

[Insurance as a career destination]

The scope and depth of expertise required to enable our industry to address new and unfamiliar challenges and opportunities is greater now than ever. As we compete for future talent, becoming a "destination career" alongside other financial services businesses is increasingly important. The vast majority of Generation Z have indicated that a company's purpose and level of diversity affects their decision to work there. They want employers to walk the walk with values, double down on flexibility, and deliver a better experience for all. Our industry has a great purpose, but is not often good at telling our story and highlighting with a compelling narrative the amazing ways in which we make a difference.

Talent is the lifeblood of our industry, and we need to work harder to position insurance as a destination career for early careers.

Together with diversity of thought, talent creates new ideas and new ways of thinking.

Now is the time to step up – not step back – from attracting young talent into insurance.

We need to continue to grow our own, and ensure we are creating a healthy pipeline of diverse leaders to 'future proof' the vibrant eco-system on which we pride ourselves.

[Fostering greater diversity, equality and inclusion]

Diversity, equality and inclusion is of course closely linked to attracting talent and positioning insurance as a career destination for young people.

Looking around the 'virtual room' today, can we say that our industry is truly representative of the society in which we live?

Despite making good progress, it is patently obvious that that insurance sadly lags behind other segments of the financial services industry in reflecting the profiles of our clients and city.

The 2022 Lloyd's Culture Survey reported that 64% of firms collect ethnicity data, 57% collect disability data, and just 40% collect sexual orientation data.

In the absence of data, how can organisations understand their employee population and take action to create an inclusive employee experience?

The annual Dive In festival – which starts this week – will this year focus on 'Braver Cultures'.

Dive In aims to start conversations on how to build workplaces that truly allow people to feel safe, valued, respected and free to express themselves authentically.

I will be writing to my fellow CEOs, on behalf of the Institute, to encourage them to develop braver cultures in their organisations, and boost their engagement with and representation from a more diverse cross-section of our society.

In Dialling Up Our Purpose around DE&I, each and every one of us has a tremendous opportunity to be a champion for change.

I urge you to continually challenge yourselves to improve DE&I in all areas of your lives and business.

[Dialling up on innovation]

We continue to face new challenges stemming from climate change.

To Dial Up Our Purpose on innovation, we need to operate at the edge of risk.

This does not sound comfortable – nor should it be – but this is where we need to feel at home.

For example, we must accelerate the advancement of our role in supporting the energy transition, which is critical to mitigating long-term climate threats facing our world. We also need to recognise that we need to do more to keep up with the speed of technological change.

Our industry and particularly the London Market, has a reputation for being at the centre of global risk transfer innovation, and the management of emerging risks. However, we must accelerate our focus on the future.

The Institute is working closely with the CII to help hone its Lloyd's and London market strategy. We will be meeting the CII's incoming President Russell Higginbotham on 3 October and look forward to updating you on our progress.

In closing, I have worked in the insurance industry for over 35 years; every year feels more exciting than the last.

There is a vast array of possibilities within our grasp.

By Dialling up our Purpose, we – the members of the IIL and the wider insurance community – can work to protect and promote possibility and ensure a more resilient future for us all.