



The Insurance
Institute of
Manchester

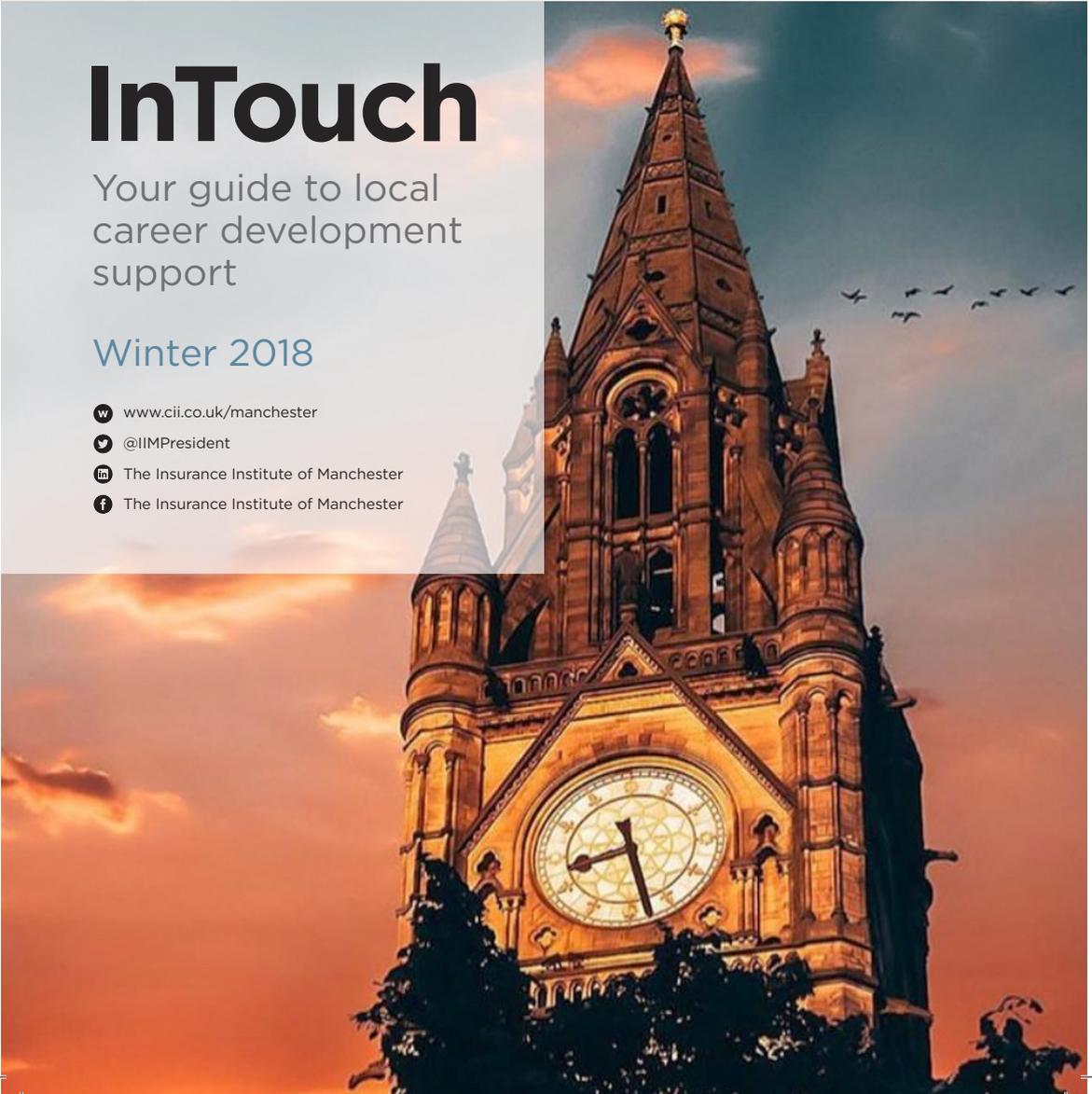
Chartered Insurance Institute

InTouch

Your guide to local
career development
support

Winter 2018

-  www.cii.co.uk/manchester
-  @IIMPresident
-  The Insurance Institute of Manchester
-  The Insurance Institute of Manchester



Welcome

Part of the Chartered Insurance Institute (CII), the Insurance Institute of Manchester provides a range of services and support for CII and Personal Finance Society members in the local area.



We are a dedicated group of industry professionals, who volunteer our time to support members locally. We provide CPD seminars, training, networking opportunities and social gatherings. Developed to ensure you have everything you need to establish yourself within your local insurance community and beyond.

It's been a busy year with all the committees striving to provide a wide range of services to our members. As we approached the festive period and new year, we reviewed the events and activities of the institute in 2018 and look forward to events being planned for our members in 2019.

We have been holding more learning, social and networking events than ever before and members should take advantage of these. They are great opportunities to meet new people, make contacts and develop friendships old and new.

I would like to take this opportunity to thank my employer, Allianz, the Institute Council and Committees, family and friends for the support given during my year as President. Following the AGM in April I will be handing over to my Deputy Victoria Myers who I am sure will do great!

Suchit Desai MA ACII
President

5,360
MEMBERS

3,544
INSURANCE
MEMBERS

1,816
FINANCIAL
SERVICES
MEMBERS

Celebrating Success Fast Track ACII Ceremony

In October, the candidates, the Institute and Independent Training Partnership (ITP) came together to celebrate the success of ALL 14 candidates who achieved their ACII qualification in 18 months.

The programme is designed for members to join a course specifically to help pass the Advanced Diploma (ACII) qualification within two years.

We are happy to announce that the programme will be running again from January 2019.



Where are they now?



Interview with
Mark Holdsworth,
applicant

Please tell us about yourself and your career to date?

Shortly after leaving university I joined the graduate training program at Wilsons Insurance Group. I started out in claims I subsequently progressed into operations, playing a key role in business improvements and change management. As Operations Manager I looked after several business functions, including the company's training program and was keen to develop the staff's vocational skills with the CII Qualifications program.

Why did you apply for the Fast Track ACII programme?

I was keen to lead by example and commenced studying for the CII certificate and subsequently the Diploma which I completed after 3 years of self-study. I took a break from studies to focus on my career. During this time, I gained considerable work-based experience and developed my CPD knowledge, however due to time constraints I found it difficult to achieve the Advanced Diploma level.

The Fastrack program offered by The Insurance Institute of Manchester provided an 18-month high quality classroom study structure to achieve ACII. This overcame the problems I had faced with time constraints and self-study isolation. Interaction with other candidates provided a tremendous motivation and determination to succeed in the program.

What has this experience meant to you and has it opened any doors?

I was very excited to be accepted onto the program as I knew there was intense competition for places. I was

very nervous attending the first meet and greet session, as I had not been on a study program for several years. My concerns quickly evaporated as I met a fantastic group of trainees also at the diploma level but from a variety of insurer and broker backgrounds, bringing a wealth of experience to the sessions. We studied Advanced Claims, Broking, Marketing, Underwriting and Risk Management.

I was thrilled to pass the ACII along with all my colleagues on the program and attend our graduation ceremony in October 2018. The experience has given me the confidence to pursue other career interests and reignited a passion for the industry.

Since achieving my ACII I wanted to give something back to the Manchester Institute and was delighted to be invited to sit on the IIM CPD committee, to help shape the development of Manchester's insurance professionals.

I've decided to reengage with the insurance market and have since left my previous role, with a view to using my qualification in exciting opportunities which lay ahead.

Contract type and insurance fraud

The issue with deductibles

Written by Ewart Hodge FCII, Adv Dip CILA, CFE, Chartered Insurance Practitioner is a member of the Education Committee for the IIM.

Insurance policies contain many arrangements, warranties and endorsements placing requirements on policyholders ex post loss. One of the main agreements is that a policyholder bears the first part of any claim, the deductible (excess).

Deductible contracts require that the insured policyholder pay an initial fixed amount in the event of a loss. Many insurers allow policyholders to also apply voluntary deductibles on top of a standard deductible as a way to drive down premium costs for the policy, though this is often forgotten about by policyholders until the point of claim post loss. Lower premiums should offset feelings of loss that a policyholder may feel, but findings show that current losses are valued much more than ones that are temporally distant.¹

Deductible contracts are useful for insurers as they limit small claims whereby a policyholder's loss is within the deductible amount; as a higher deductible implies a lower probability of reporting small losses.²

There are however, issues with deductible contracts: as higher deductible amounts result in stronger perceptions that insurance claim exaggeration is fair to the insurance company; weaker perceptions that the behaviour of doing so is unethical; and higher proposed claim award amounts.³ Deductible contracts are also seemingly perceived as unfair because the



extent of fraudulent claims is significantly higher compared to a full insurance contract.³

The presence of a deductible in a contract constitutes a decrease in the ultimate settlement to the policyholder and can thus be perceived as negative utility.³ A policyholder will view negative utility in the view of its fairness. Policyholder perceived unfairness encourages those who are willing or prepared to engage in norm-breaking behaviour as consequences of a perceived unfair relationship with a firm.⁴

A further complication, particularly in motor insurance claims, is that the amount of the deductible is a significant determinant of the reported loss.

Experimental studies have found that when no witnesses are present at the time of a road traffic incident, losses are significantly increased.⁵

Insurers clearly do not intend for deductible contract types to be abused by fraud, as this type of contract is designed to limit the exposure of insurers to large volumes of small and erroneous claims.⁵ Yet insurers have been allowing policyholders to increase deductibles as a selling tool to provide policyholders with marginally cheaper premiums; however, research shows that risk-averse individuals purchase a lower level of deductible.⁶

Providing policyholders with a choice of increasing their deductible poses a paradoxical issue. Insurers want to supply choices to those policyholders who demand lower premiums (though at a cost with a lower claim payment), but also want to deter fraudulent behaviour. It could be argued then, that both options are mutually exclusive. Insurers are doing themselves a great disservice knowing that research has posed that a higher deductible amount leads to a greater incidence of fraudulent behaviour.

There are limitations though to this thinking as policyholders generally choose among available deductible amounts, and that choice may be related to their ethical beliefs, attitudes towards insurance companies, risk propensity, or other factors.³ Policyholder decision making processes of ethically questionable behaviour are influenced by evaluation of individual benefits, the degree of consequence to others, an assessment of social support and the perception of unfairness with businesses.⁷ This provides a case for insurers to continue to allow policyholders to choose their own deductible amounts, albeit with some degree of risk.

It could be argued that then, that through the examination of deductible amounts the propensity to commit fraud is influenced by policyholder attitudes towards insurance claim exaggeration; whilst the reverse of insurance claim exaggeration being influenced by higher deductibles is just as valid an argument.



Sources

¹ <https://bit.ly/2QcJuih>;

² <https://bit.ly/2DMmOQ4>;

³ <https://bit.ly/2A84Gw0>;

⁴ <https://bit.ly/2KmlnXY>;

⁵ <https://bit.ly/2PEjfSx>;

⁶ <https://bit.ly/2DxhOxX>;

⁷ <https://bit.ly/2PKbVF1>

A Night not to Forget!

Annual Dinner 2018

Thank you to our members and supporters who attended the Bond themed Annual Dinner on the 9th November 2018 at the Principal Hotel. Organised by Dinner Secretary Caroline Griffiths-Davies and hosted by Suchit Desai, IIM President with the attendance of the CII President, Jonathan Clark, comedian Justin Moorhouse and live entertainment from band Under the Covers and DJ Disco Dave.

The chosen charity for this event was for the homeless charity Booth Centre, where we heard from trustee Mylo Kaye and raised nearly £5000 on the night. Thank you for your overwhelming generosity.

Many thanks to our main sponsor Allianz, along with guest sponsors Criterion, IDEX, Great American Insurance Group, Manchester Underwriting Management, QBE, Swiss Re, Travelers and Weightmans.



Shine a Light on a Council Member

Deputy President - Victoria Myers ACII

Tell us about yourself

Any spare time is spent holidaying or walking in the countryside near our home with my fiancé and our chocolate cocker spaniel; life is very busy at the moment as I started a new role at Zurich earlier this year and am getting married in 2019 during my presidential year.

What are you passionate about?

I am passionate about learning, developing and on a personal level having new life experiences.

What is your greatest achievement?

Definitely passing my ACII - I was lucky enough to be selected onto the Fast Track ACII course led by Phil Peers and Keith Bentley of ITP; the sessions were brilliant and really helped me expand my thought processes and consider the insurance sector as a whole. I completed my ACII in 18 months and genuinely couldn't have achieved this without the help & support of the programme.

How did you get involved with the IIM?

My mum is a past president of the Bolton institute, so it was always in my mind to involve myself in the institute; but the catalyst was my former Team Manager, Gil Mannion being nominated for a Jubilee Prize award, whilst attending this event Gil learned that the Education committee were looking for new members and put my name forward! I am a big advocate of

professional qualifications and personal development and ultimately took over as Chair from David Gillan since April 2017.

What are you most looking forward to when President?

I am looking forward to the AGM in April 2019 to become President. My main focus of the institute is Education - so I'm keen to leave behind a legacy of my presidential year that continues to improve the professionalism and standards of our industry and to recruit more people to be involved in our thriving institute.

Where do you see yourself in 5 year's time?

I never like this question - 5 years is a long time but my plan is to build a long career in our sector; continuing to learn, develop, meet great people and have some fun along the way.

"I completed my ACII in 18 months and genuinely couldn't have achieved this without the help & support of the programme."



Forthcoming Events

Date/Time	Event	Venue
Wed 16th January	CPD Lecture	Friends Meeting House
Wed 6th February	MLS Lecture	Friends Meeting House
Thu 21st February	The Quiz is back!	Revolucion de Cuba
Fri 29th March	Quarter End Networking	TBC
Thu 25th April	AGM plus CPD Lecture	Manchester Chamber of Commerce, Chamber Space

For further details and bookings visit:
www.cii.co.uk/manchester

SAVE THE DATE

Style in the City
FRIDAY 21st JUNE 2019

Thanks to our 2018
Style in the City Sponsor:



Thanks to our 2018
Young Members Ball sponsors:



Thanks to our 2018
Annual Dinner sponsors:



Did You Get The Email?

We intend to keep you informed of all our forthcoming events via email. As with a growing number of organisations, email is our main method of communication. It is timely, highly cost-effective and helps to reduce our carbon footprint.

You can check and update your details online at www.cii.co.uk/MyCII or email customer.serv@cii.co.uk or call **+44 (0)20 8989 8464** with your CII PIN.