



Chartered
Insurance
Institute

Your CII

Building back better

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Our vision:

**“Working together,
as one united
profession, we will
drive confidence
in the power
of professional
standards”**

Coronavirus update

Our plans for 2020 were significantly impacted by Covid-19. It has changed the way we work and deliver services, and we have benefited hugely from the modernisation of our systems, however it has not been without difficulties. The resultant impact was a material reduction in our planned revenue for 2020 from exams and in-person events.



£36.9m

Total revenue for the year was **£36.9m**, an **18%** decrease on 2019



56
local institutes

26
PFS regions

5
societies



125k
members

37
affiliated
international
institutes



About us

The CII's Royal Charter clearly states that our purpose is to "secure and justify the confidence of the public in insurance and related financial services". This recognises the breadth of our profession and our responsibility as the only professional body across short-term products, general insurance, long-term products, protection, employment benefits and pensions, and pure advice-based financial planning for long term wealth creation.

Purpose and vision

Our purpose is therefore articulated as **"building public trust in our united profession"**, and our vision as **"working together as one united profession, we will drive confidence in the power of professional standards"** with our overall motto being **"Standards. Professionalism. Trust."**

Delivery

Over the last 5 years we have focussed our activity on the following to deliver our purpose and vision:

- **Giving valued and insightful leadership;**
- **Providing relevant and effective learning; and**
- **Building an engaged membership**

To support delivery of this, we recognised the need to be fit for purpose ourselves as the CII and we committed to focus on **relevance** to the profession, **modernising** our own organisation to best serve our members, students and corporate customers as an effective international organisation, and **diversity** to properly reflect and understand the needs of all of our stakeholders and wider society.

Our members

We recognise that as the professional body, we can only deliver change through our members doing their work every day, and we need to equip them to do this properly, as professionals, hence our overarching focus of working with the profession to foster **"more member professionals to serve the public"**.

We also recognised the need to continue to influence corporate employers in the sector to adopt the same concept of professionalism. This is the importance of the designation of both individual and corporate **chartered status**. The essence of this status is a public declaration of commitment to nurturing knowledge but even more importantly through committing to a published code of ethics – **customer centricity and giving back to society** – which collectively form **the chartered ethos**.

Our current focus

We have made considerable progress delivering our purpose and vision over the last 5 years, however we recognise that there are three core areas which need more work:

- improving our provision of a relevant customer proposition;
- being an effective International organisation; and
- engendering the right people skills and culture.

We are now working to a three-year plan to **"finish what we started"** and **"build back better post pandemic"**.

Building public trust in our united profession

Our purpose is to support our members to...

More member professionals to serve the public
Standards ► Professionalism ► Trust

To help the public to...

- Financial resilience to the risks in life – products, service and advice
- For people and businesses – assets, income, health and wealth

By providing our members with...

Engaged Membership

- Valued services
- Influential voice
- Lifelong journey

Insightful Leadership

- Ethics and conduct in the modern world
- Insuring futures
- Talent and diversity
- International outlook

Relevant Learning

- Respected qualifications
- Continuing professional development
- Reflects modern lifestyles and careers

Which we measure our success in delivering by...

- Chartered members
- Member numbers
- Member engagement

- Perception of Chartered professionals
- Promoting the profession
- Diversity and inclusion

- Uptake of new units
- International presence
- Qualification progression

- Public trust
- Digital fulfilment
- Employee engagement
- Surplus
- Balance sheet

Whilst ensuring that our behaviours are...

Culture

- Relevant
- Modern
- Diverse

Values

- We seek excellence
- We are visionary
- We are an open community

Operating model

- International
- "Made Simple"
- Financially independent

Our market: key facts

Our profession makes a positive contribution to the global economy and to society by helping people and businesses to grow, safe in the knowledge their risks are protected and their investments are in safe hands.



The insurance profession contributes

7.2%

of global GDP

Source: Swiss Re, 2019



The UK insurance market had a total premium income of

£287bn

Source: Swiss Re, 2019

The UK has a

5.8%

share of the global insurance market

Source: Swiss Re, 2019



The insurance profession contributed

£32bn

to the UK economy

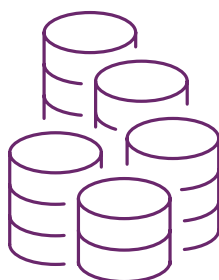
Source: ABI, 2018

Market value of pension funds reached

£3.8tn

at the end of 2019.

Source: Investment Association, 2020



£8.5tn

assets under management in the UK.

Source: Investment Association, 2019



78%

of customers who purchased a pension, protection or other long-term insurance product received some form of advice

Source: ABI, 2019



Over half of personal motor insurance

62%

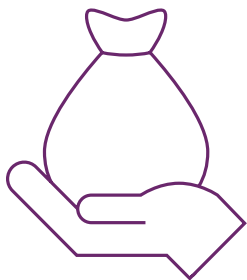


and nearly a third of personal property insurance

31%

is purchased directly by consumers

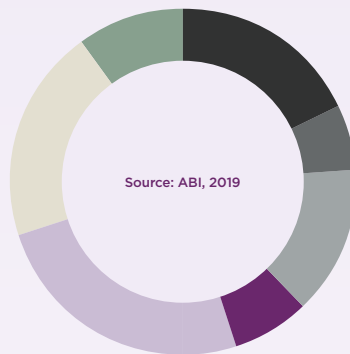
Source: ABI, 2021



£6.9bn

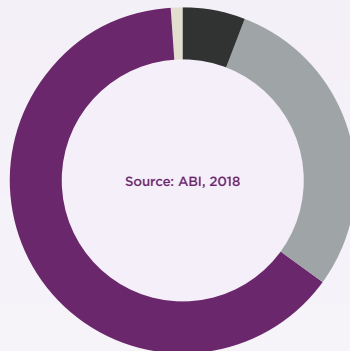
TOTAL cash withdrawals from pensions and drawdown payments

Source: ABI, 2019/2020



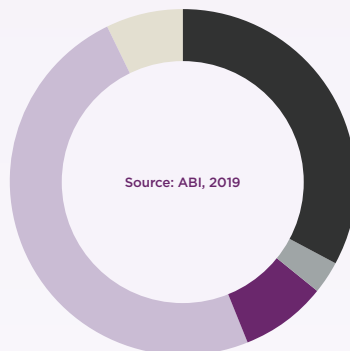
UK insurance market by product (2019)

- Motor (18%)
- Accident & Health (6%)
- Property (14%)
- General Liability (7%)
- Pecuniary Loss (5%)
- Home-Foreign (20%)
- Non-MAT Reinsurance (20%)
- Marine, Aviation & Transport (10%)



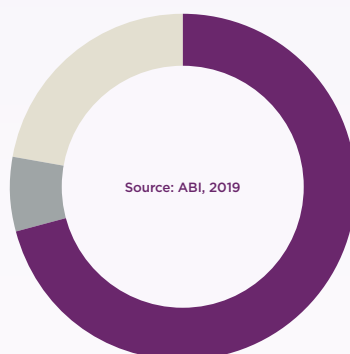
UK long-term insurance market by product (2018)

- Life & Annuities (6%)
- Individual Pensions (29%)
- Occupational Pensions (64%)
- Income Protections & other business (1%)



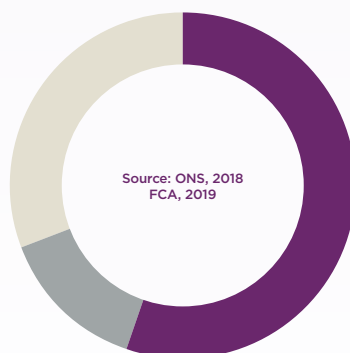
How customers purchase general insurance products

- Independent Intermediaries (33%)
- Company Agents (3%)
- Banks/Building Societies (8%)
- Direct (49%)
- Utilities/Retailers/Affinity Groups (7%)



How customers purchase long-term savings and insurance products

- Independent (71%)
- Restricted (7%)
- Non-advised (22%)



Employment profile

- Non Life (56%)
- Life (14%)
- Personal Finance (31%)

Update from Chair and CEO

Firstly, it goes without saying that 2020 turned out to be an extraordinary year, and our heart goes out to the many people who have lost their livelihoods or loved ones all over the world, as a result of the global pandemic.

In this update last year, we reflected on our journey as an organisation over the previous four years since the launch of the strategic manifesto. At that time, we were in the midst of the first lockdown in the UK with all staff working from home and the April written exams had been postponed until October. Inevitably, the pandemic has resulted in a financial deficit, understandable under the circumstances, but disappointing nevertheless. We have however responded and put in place a plan to fully restore our finances over the next three years.

In this statement I will reflect on our response to the events of last year under three headings.

Firstly, what we learned quickly from lockdown; secondly what we want to continue to “Build Back Better” and lastly “How do we stop from returning to Factory Settings” across our whole profession, in the future.

What we learned immediately from lockdown

All of us work in the risk business and we know that it is an inherent aspect of risk that it never happens quite when, where or how you anticipated, however many risk registers and business continuity plans you have.

And it is merciless. What it will do every time is highlight the places where, as a business, you are up to the minute for the times you are in.

And it will punish you for all those things which are on your “to do list” or in the planning stage but not done.

So where were we on the front foot? Ironically one of our longest standing revenue streams is entirely online and fully adapted for people to do anywhere on their laptops and fit around other work commitments – our regulatory assessed learning. And this platform has lots of other online content on life skills and soft skills which is usually ignored but has seen a real uptick in interest from members and students who had more time and space to themselves during homeworking.

We were on the front foot in the way we adapted to agile working as a result of the move from our heritage Aldermanbury building in 2018. Our staff were personally equipped both with kit and experience to work away from the office and many were already mixing home working into their routine. We were able to close both our central London Lombard Street office and our South Woodford contact centre within a week, and still provide a full service for our members, students and corporate customers. In fact, the introduction of online chat during this time has proved very popular.

Connected to this we also had breaks in our leases in both the Lombard Street and South Woodford offices, which were there deliberately to give us the flexibility to match our space to our needs.

We were also on the front foot in our ability to get regular and timely information out to our members digitally. We had already set up our societies and made the decision to use e-newsletters and all digital content and communications.

We are incredibly grateful for the loyalty and support we have had from our members and encourage them to continue with their commitment to our profession and their individual development. There are examples of hardship and we are very grateful to our EATT Charity for their ongoing commitment to support members and students through this difficult time.

Lastly, and this is a real “thank you” moment, we had already completed a major piece of our IT infrastructure transformation, our “shop front”, allowing members and customers anywhere in the world to self-inform, self-serve, pay and chat with us, in an up-to-date way.

Fantastic! But as you know this is not the whole story.

The lockdown immediately highlighted how dependent on traditional ways of working we still were in two major areas:

- the use of physical exam centres and written exams, and the concentration of exams in traditional academic sittings; and
- the hundreds of physical CPD and networking events we, and the local institutes, held for our members.

There were lots of changes towards digital delivery in train but we know we should have done more, sooner. The pandemic certainly lit a fire under all our activities.

Firstly, our exams – all exam sittings in April were postponed and for May and June as well we were not able to hold any exam sittings, due to the closure of nearly all physical centres, worldwide. When you think we normally hold about 73,000 exam sittings a year, this is a lot of students to disappoint, particularly as many of them were mid-qualification. We also have financial and mortgage advisers who need mandatory qualifications to trade and we have apprentices who have to complete their apprenticeships in a set time frame. For all these reasons we had to find a way to get our exam sittings back up and running.

To add to the challenge, we were in transition from one exam platform provider to another and we had given notice to our original remote invigilation provider to move to one with more experience and international reach.

So, what did we do?

Our first priority was to reinstate our compulsory regulated exams, so we launched a new process called record and review in July.

However, there were significant technical issues despite pre-testing, leading to complaints.

We brought forward our ability to offer remote invigilation by more than a year to coincide with the re-launch of our volume multiple choice (MCQ) exams on 20 August. Some technical issues were experienced again but were solved quickly and these exams are working on a fully on-demand basis.

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“Despite the challenges we can’t help feeling genuinely excited about the leap forward we can collectively take between now and 2023.”

Update from Chair and CEO (continued)

Then in October we conducted another big tranche of previously written exams, and everything was going to plan, until the last day when the system crashed. We understand fully why this happened and have put processes in place to avoid it reoccurring.

Thanks to our learning, since then there have been far fewer issues, with eight complex exam papers run in March and April 2021.

There is nothing edifying about this experience either for us or for those students who had an unsatisfactory experience. Exams are inherently stressful, and no-one needs the logistics to cause any additional issues. One student upset is one student too many, so there is no level of complacency here and the public apology we put out to all members was heartfelt.

All the work did result in 27,000 exams successfully completed post the start of the first lockdown in 2020 with pass rates unaffected. In context, this is a significant achievement and a testament to the commitment of the internal staff to our members, students and corporate customers. We are fully committed now to the work to engage with our students to rebuild their confidence and get our core activity to exemplary levels.

So how about events – all face-to-face events were cancelled all the way from the second quarter of 2020 onwards. This has impacted the match-cost sponsorship which we receive from our corporate partners and there were some cancellation costs incurred. The fact we have been able to run so many replacement events, so successfully, digitally is testament to the innovation, flexibility and hard work of the events team and the Regional Marketing Managers at the CII and of all our Local Institutes, PFS regions and Society boards.

So overall, from a membership and student point of view, we are far better prepared now than we were for both the challenges of a digital world and those still presented by the pandemic.

And this goes to show that every crisis is also an opportunity.

‘Building Back Better’

Since the first lockdown, we’ve formally adopted ‘anytime anywhere’ working for our staff.

In response to the pandemic, 100 CII colleagues across the organisation raised their hands to take part in 9 workstreams to determine how we will work in the future, not only responding to the immediate challenges of Covid-19 but importantly, to realise the opportunity of working differently in the future. Within 6 weeks, with energy and in a truly collaborative way, we designed ‘anytime anywhere’ as a flexible, agile and outcomes focused way of working. This has contributed in large part to the significant operational cost saving we were able to make at short notice in 2020, with more to come in 2021 to the benefit of all.

This is a culture change, but designed to take all the best aspects of how our team responded brilliantly to Covid-19 and turn this into the norm, to help us deliver more for all our members, customers and colleagues in our changed world.

This period has forced us to ask important questions about how our business environment will evolve and do we want to be early adopters, or late to the game? We’ve chosen to be early adopters. For example, our AGM went totally virtual and our Annual Report went fully digital in 2020. The Journal and all of our publications are available digitally. We are using the opportunity to take a new sustainable approach to all our events for the future, led by our amazingly resilient events team. No plastic, no carbon footprint. Watch this space. And look out for the new form of the President’s Forum and the Public Trust Awards.

These are just a few examples of how we have adapted and despite the challenges we can’t help feeling genuinely excited about the leap forward we can collectively take between now and 2023. We must however continue to learn and accelerate the pace of change to remain competitive and relevant to our members, students and corporate customers in the modern world

Don't Return to Factory Settings

There would seem to be three major areas where we need to take heed, but we also have an amazing opportunity as the insurance and personal finance profession.

Firstly, diversity and inclusion. There is a horrible tendency when money and business are challenged, to deprioritise any form of people or cultural change. This is completely counter-intuitive given that inadequacy in people and cultural matters is often how problems arise in the first place. We are making genuine progress on gender but we have barely started on ethnicity or older age, to name but two. We are determined that we won't let this issue go back in the cupboard.

Secondly, mental health and wellbeing. This again is something which everyone feels is a good idea "when there is time". Well now is the time. If remote and home working is going to be the norm, which it is, how do we build on the lessons of lockdown about caring and sharing to create community and connection in a new and better way?

And lastly, you will have seen the CII's central response to the business interruption case. There have been enough examples in the last 10 years of major expectation gaps between insurers and their customers. We must do better on areas where we know we have confusion or protection gaps, hence Professional Standards Director, Melissa Collett's and the CII's Chartered Transparency Forum's creation of a companion guide to our code of ethics on how to ensure the profession meets customer expectations.

There is so much knowledge and expertise out there with our members, students and corporate customers, let us work together to put this to good use for society

Sian Fisher

CEO of the Chartered Insurance Institute

Dr Helen Phillips

Chair of the Chartered Insurance Institute

Welcome to our new Chair, Dr Helen Phillips

The CII has an independent Chair for the first time in the professional body's 108-year history. In July 2020, Dr Helen Phillips began her appointment working closely with CEO Sian Fisher and the CII President, in a position which members voted to create at the Institute's AGM in 2019. Dr Phillips' career has spanned the public, private and not-for-profit sectors and she is currently independent Chair of the Legal Services Board; Chair of Chesterfield Royal Hospital NHS Foundation Trust; and founding Non-executive director of Social Work England.

Addressing the role of the CII, she commented:

"The public in general and consumers in particular should have an expectation that those advising them who are professionally qualified are competent and uphold ethical and professional standards. A growing perception of the insurance and personal finance sector as a united profession will build trust. Our role is to positively impact the sector through our leadership and engagement with members to build trust in the profession. In the next year, given the challenges we have all faced with the pandemic, it is important we play our full part, not only in recovering as an organisation, but in the recovery of the reputation of the sector."



CII Celebrates



Watch the President's Dinner film



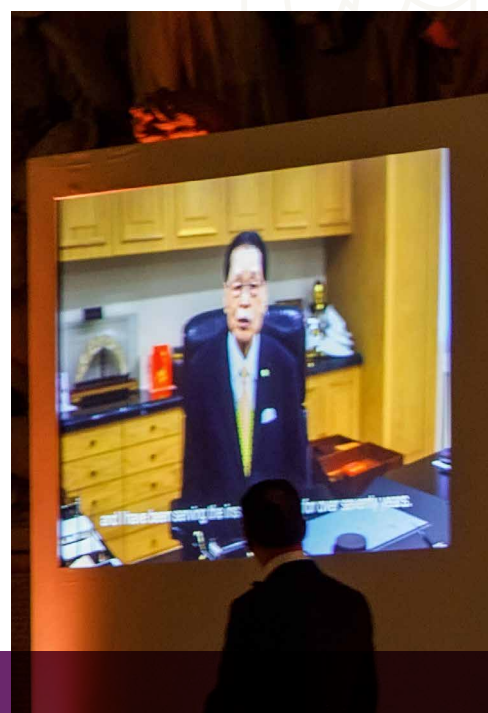
President's Dinner



Personal Finance Society Awards



Honorary Fellows





Public Trust Award Winners



CII Qualification Awards



International



Women in Insurance Award

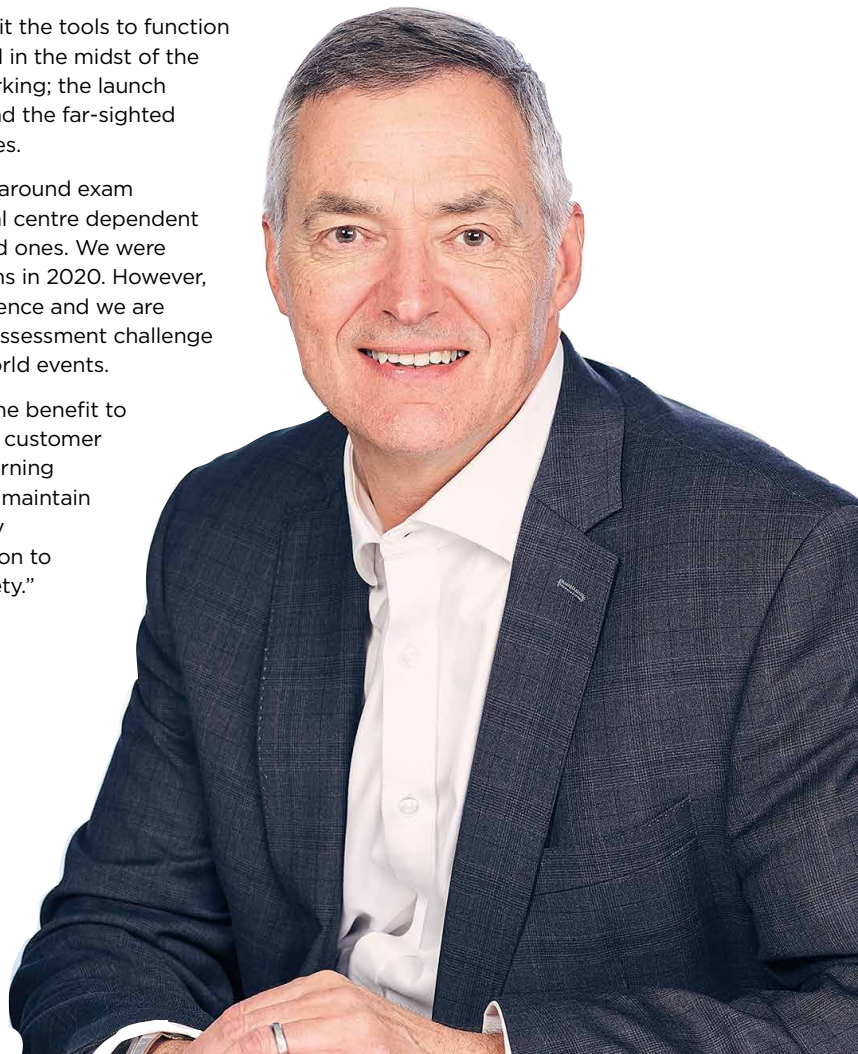
Our performance

We introduced 10 strategic measures in 2017 to demonstrate the impact of our transformation programme. Since then, we have updated these on an annual basis to reflect the progress that we are making. Commenting on the critical importance of the delivery of these measures, John Bissell, Chief Operating Officer, said:

“In 2016, we took the first steps to evolve the CII by giving it the tools to function in the modern world. That work has stood us in good stead in the midst of the pandemic, with the full adoption of anytime, anywhere working; the launch of our new online shop; the success of our online events and the far-sighted digital CPD strategy of the Local Institutes and our Societies.

It has, of course, not been without its issues, most notably around exam provision as amid the pandemic we switched, from physical centre dependent paper-based assessments to on-screen remotely invigilated ones. We were proud to have been able to deliver more than 42,000 exams in 2020. However, despite this, we have worked hard to learn from the experience and we are now far better prepared for the online exam learning and assessment challenge than we would have been without the spur provided by world events.

There is still much to improve in the years ahead, such as the benefit to both the CII and members that will come from an effective customer relationship management (CRM) system and improved Learning Management tools. At all times we must also remember to maintain our focus on the other legs of our delivery strategy, namely remaining relevant to the profession and promoting inclusion to properly reflect the needs of our members and wider society.”



“There is still much to improve in the years ahead, such as the benefit to both the CII and members that will come from an effective customer relationship management system and improved learning management tools”

2020 performance against our strategic measures:

We introduced strategic measures in 2017 to demonstrate the impact of our transformation programme. One of these measures – pride of place – is no longer measured but the other nine have been updated on an annual basis to reflect the progress that we are making.

1. Public Trust: 0-8-1

Every year, the CII's Public Trust Index surveys 1,000 consumers and 1,000 small businesses to find out how important nine measures of trust are to consumers; and how well insurers are meeting their expectations. We then group our findings under three headings, "maintain" "improve" and "urgent action". In 2020, there were none of the measures in "maintain", 8 in "improve" and one, loyalty, was in the "urgent action" space. The aim over time is to move the measures into the "maintain" space. (2019: 0-8-1)

2. Building a united profession: 22,833

Total number of individual members holding one of the CII's Chartered titles: Chartered Insurer; Chartered Insurance Broker; Chartered Insurance Practitioner; Chartered Insurance Risk Manager; Chartered Insurance Underwriting Agent and Chartered Financial Planner (2019: 23,373)

3. Relevant learning: 13,296

Volume of new individual learners purchasing study materials, exams or coursework with no known purchase history for the previous five full calendar years (2019: 18,577)

4. Engaged membership: 125,420

Total members (2019: 129,151)

5. Insightful leadership: c.140,000

People attending CII events that promote the profession to new talent (2019: c.53,000). The growth is driven by the significant increase in digital events during the pandemic.

6. A great big world: 11.2%

Percentage of group revenue from outside the UK (2019: 11.0%)

7. Service effectiveness: 71.5%

We have adopted the Institute of Customer Service (ICS) satisfaction index (UKCSI) benchmarking customer survey results. Our latest position was 71.5 (2019: 79.3), versus a UK all sector average of 76.8. (2019: 77.1)

8. Made simple: £153k

Revenue per full-time employee (2019: £191k)

9. Pride of place: 78%

In 2020 we achieved an average of 78% of colleagues responding favourably to questions across six broad categories – communication and collaboration, culture, performance and development, reward and recognition, leadership, and engagement (2018: 74%, engagement was not measured in 2019).

Delivering for customers

Gill White joined as Learning and Assessment Director in January 2020, since then her role has grown to include both the CII's marketing and international functions as well, under the title of Chief Customer Officer.

Her experience is significant and varied, having performed a similar cross-functional role at the Chartered Institute of Personnel and Development, preceded by a variety of Learning and Development and Operational roles at Vodafone, Xchanging and SSP.

In this section we discuss with Gill how the CII has sought to deliver its learning and assessment offer for its customers in the year and its plans to improve that delivery in 2021 and beyond.

"The technical issues that members faced in sitting their CII exams during 2020 were totally unacceptable, particularly given the significant stress caused to everyone by the pandemic, as acknowledged in my apology to candidates in October.

I have personally dealt with many of the emails about the exams and we have worked exceptionally hard with our supplier to understand the issues and resolve them. This has resulted in far fewer problems since November.

On a positive note, despite these challenges, in 2020 overall our exams had some of the highest pass rates ever and we have learnt an awful lot from the experience, with most written exams now converted to on-screen format some 2 years ahead of schedule. We are far more prepared now for digital exam delivery going forward," commented Gill.

Gill points to the development and launch of the personal lines proposition during the year as one of the team's key achievements:

"The work had largely all been done before I joined, but I can honestly say that our personal lines offer is fabulous.

It starts with a free course made available as a massive open online course (MOOC) on FutureLearn, with an introduction to the various personal lines insurances such as car and pet insurance, through to the actual qualifications, which are the awards.

The proposition was created off the back of an understanding that within the market, especially in customer service, a lot of people will tell you that they work in a call centre rather than that they work for an insurer, so the idea was to, at volume, train customer service agents and high-volume call centre agents to understand more about the insurance profession and their role within it.

It is a very different offer from a professional qualification, much lighter touch, so lots of video, lots of digital learning, really flexible, engaging modern learning."

Gill's team are also responsible for the CII's partnership with universities where the strategy has been to seek out universities that are offering financial or insurance modules or qualifications and encourage them to ask their students to take some of the CII's modules at the same time, and then jointly recognise the qualification.

"This means that the student comes out not just with an academic qualification from the university, but also with a professional qualification as well, so they're more job ready. This gives them a bit of leg up into the job market, a bit of a unique selling point if you like, and that works really well" Gill added.



1,227

Massive Open Online Courses (Mooc) active learners

147,000

Assess Registrations – CII corporate training, testing & compliance solution

The CII's learning and assessment strategy moving forward is in three phases, getting in shape; playing to our strengths; and going for growth. The effective implementation of this strategy will enable the CII to become the fully digitalised modern learning offering that students deserve and need.

Next steps

"Right now, if you want to study with us, you buy a book, study that book and then you sit an exam. There is no support, no quality of learning experience and little that is mobile. As of next year, we will start to look for great partners to help us deliver a properly supported digital offer for students," Gill commented.

To support this aim, in 2020 the CII launched a new e-commerce platform which gives greater capability to the customer, simplifying the way we present our products and services to them and thereby improving the overall buying experience. The new platform is multi-currency with websites offered in different languages where it makes sense to do so, while providing vastly improved levels of flexibility for the customer to make changes to existing bookings. There is also an improved member portal and a portal dedicated to insurance and financial planning firms to manage employees' learning journey. This represents only the first step in leveraging technology, and especially use of data insight, to support the CII and the needs of our customers. Next phases include improving the membership and learning experiences with more functionality and flexibility.

Given the effect of the pandemic on the CII's revenue in the short-term, Gill is focussing on the first of these areas – getting the internal team in shape by simplifying processes and reshaping the offer so that any future outsource option is a partnership on a known solution. She is then hopeful that with an improvement in exam revenue in the second half of 2021, she can progress plans to become an end point assessor organisation for apprenticeships and introduce experience assessment to enable individuals to become Chartered or a Fellow based on their experience not simply via sitting exams.

Manuel Thompson-Oloko, Early Careers Manager

Manuel Thompson-Oloko, Early Careers Manager at the CII works with Gill delivering the CII's apprenticeship and kickstart schemes. In 2020, the apprenticeship team has orchestrated trailblazer activities; further aligned CII qualifications in apprenticeship standards by embedding CII exams into the apprenticeship end point assessment and exceeded 500 registered firms on the Aspire apprenticeship programme and more than 350 enrolled learners. The strategy going forward will revolve around alignment, access and collaboration, perception and progression, and celebration. The aim longer term is that the CII will apply to join the register of approved end point assessment organisations to deliver full assessments for six apprenticeship standards.

Commenting on the progress over the year, and the role of the CII in encouraging apprenticeships, Manuel said:

"Apprenticeships are at the core of the government's skills agenda and fast becoming integral to insurance and financial planning firms. The CII plays a pivotal role in engaging all relevant stakeholders and ensuring apprenticeships remain modern, relevant and diverse."



“The student comes out not just with an academic qualification from the university, but also with a professional qualification as well...”

Engaged membership

The CII's role is to reach out to new markets while also developing membership engagement, guidance and support beyond its role as a professional body.

In this section we examine how this has been achieved through the successful evolution of the Personal Finance Society (PFS) which celebrated its 15th Anniversary in 2020; and how it has been the blueprint for a further four insurance and mortgage sector societies working in collaboration with the local committees and insurance institute network.

Personal Finance Society – 15th anniversary

Our longest established and successful society, the Personal Finance Society (PFS) celebrated its 15th anniversary during the year. It was born out of the Society of Financial Advisers and the Life Insurance Association, in recognition of continued reform of the sector into a dedicated profession in its own right. Initial growth of the society was created through the regulatory requirement for mandatory qualifications, which were first introduced in 1998 at Level 3 and then subsequently increased to Level 4 as part of the Retail Distribution Review (RDR), which was implemented on 31 December 2012. Despite fears of significant market contraction, the society has grown in membership to around 40,000 individuals, more than 200 Associate firms and 700 Chartered Financial Planning Firms.

During the early stages of the society, the focus was more on providing the right qualification framework and support, but from 2013 the commitment was made by the PFS board to evolve the role and purpose of the professional body to be more modern, relevant and inclusive by providing greater guidance and support for members for their lifelong learning needs, increased engagement with policy makers, as well as more initiatives to better engage the public. This was as part of the Personal Finance Society's Shared Royal Charter mission to secure and justify the public's confidence and trust in the membership and the wider sector.

The PFS membership has continued to grow in recent years with significant increases in the number of members attending its physical events, visiting its website and downloading its good practice guides and documents. Over the last 8 years the PFS has also seen much greater engagement and involvement in key policy events such as pension freedoms and the Retail Distribution Review with Keith Richards, CEO of PFS, often being invited onto key government working groups and being consulted directly by both HM Treasury, the FCA and The Pensions Regulator.

There have been many exciting developments during the course of the past few years, especially the creation of pro-bono programmes that allow the profession to give back to society. Free financial guidance offered via Citizens Advice, as well as through military charities as part of the Forces Gateway, have been further complemented by an educational programme called My Personal Finance Skills. My Personal Finance Skills now has more than 1,000 qualified professionals offering their time to increase financial awareness and education in schools across the country for 14 to 18-year-olds and via the programme's website.

The PFS has also spearheaded the launch of cross-sector taskforces to tackle key consumer challenges. Both the Pension Advice Taskforce and Financial Vulnerability Taskforce have created consumer guides and standards that have been adopted by the profession in alignment with 'good practice'.

Keith Richards
Chief Executive, Personal Finance Society



125,420
Total CII membership

39,512
Personal Finance
Society membership

85,908
General insurance
membership



Relaunch of the Society of Mortgage Professionals

From our oldest society to our youngest.

The Society of Mortgage Professionals was relaunched in December 2019 with the aim of raising professional standards and equipping mortgage brokers with the tools and skills they need to deliver the best outcome for consumers. The society is chaired by David Thomas, joint managing partner of Chadney Bulgin, and its website (www.smp.org.uk) contains good practice guides on second charge mortgages, bridging, protection and the senior managers & certification regime, as well as webinars and podcasts on relevant subjects.

Following the launch of associate firm status in the summer of 2020, which allows businesses across the sector to demonstrate their alignment to guidelines of professionalism and ethics, the society appointed a National Account Manager, Laura Gauden, in August.

Commenting on her first 9 months in the role, Laura said:

"It has been a fascinating time to join, with the market having gone from effective closure at the end of March as the first lockdown restrictions bit, to one of its busiest times ever after the stamp duty holiday was introduced.

My role is to work with the profession to support them to help raise standards and professionalism in the sector, so it is all about ensuring the best possible customer outcomes and helping to improve public trust, just like the CII's role but specifically for the mortgage sector.

The starting point for a business is gaining associate firm status and I work with them to understand their needs and their strategy, and to help ensure that it has an impact on customer outcomes and the building of public trust in that particular sector. So, we are encouraging members to go above and beyond what that regulatory minimum is, and actually talk proudly about the fact that they are doing so. Together we will help to raise the profile of the profession and demonstrate the value of the intermediary's advice above other potential routes."

David Thomas BA FCIB FPFs, Chair of the Society of Mortgage Professionals

"When we launched the Society of Mortgage Professionals in December 2019 with almost 10,000 members we could never have imagined the challenging landscape the profession would face within months, from near shutdown during lockdown to one of the busiest periods in our history after the stamp duty holiday was introduced.

Despite this, much has been achieved with the establishment of associate firm status, the appointment of a National Account Manager and the creation of a compelling online offer for our members.



The aim of all this activity is to deliver value to members at all stages of their career development and drive positive change in the sector, by encouraging the highest professional standards and playing a key role in maintaining public trust."

Engaged membership (continued)

Progress of our societies and institutes in 2020

As the pandemic hit in March 2020, overnight the CII had no option but to do almost everything digitally, including member engagement. This had limited effect on the general insurance societies and the Society for Mortgage Professionals as their strategy was already based around engagement through digital delivery. It did however affect the Personal Finance Society who had to speedily move a number of their events from physical locations to online.

Our Local Institute strategy was also dependent on face-to-face events. So, there was a period when the Local Institutes had to cancel almost everything in their diary and our challenge at the CII was to help give them the skills to become digitally literate in a short amount of time so they could deliver thousands of hours of virtual CPD last year from a static start.

The CII also launched a coronavirus hub to make sure that everything relevant was pulled together in one place, to inform members, reduce stress and increase engagement.

Here are the thoughts on progress in 2020 from our society chairs and presidents:



Sue McCall ACII
Chair of the Society of
Claims Professionals

“Against the backdrop of the business interruption insurance case, latest public trust data shows that the reputation of insurance over the past year has

been damaged. There are huge opportunities for claims professionals to have a positive impact upon this through the speed we provide help, the respect and compassion we show and the control and choice we afford our customers.

Claims professionals are working harder than ever to deliver a market-leading service. As the Society of Claims Professionals, we are here to help raise professional knowledge and technical competence for our members, with home working during the pandemic aligning perfectly with our Society’s range of online services.

It’s so easy to lose sight of personal career development when workloads are unusually high. Our good practice guides and research help support continued development.”



Kevin Hancock ACII
Chair of the Society of
Insurance Broking

“The Society of Insurance Broking is in place to work with our members, and other bodies to raise standards, increase professionalism and improve trust in our profession by focussing on helping insurance brokers to achieve better customer outcomes.

In the last few months, we have done our best to be current and have focussed on live topics including the FCA business interruption insurance test case, the Building Safety Bill and the hardening market. We have also looked at the benefits of reverse mentoring and how to recognise and be aware of mental health issues in the workplace. Our popular webinar sales masterclass series has covered topics designed to help make brokers better at generating leads, winning new business and improving communication all while maintaining the highest of standards.

For 2021, we should stop, reflect and think about how we have adapted over the last 9 months where work practices have changed through necessity. We should consider whether some of the things that we are now doing, make us more efficient and effective, and lead us to provide a better service to our clients. We should think about what we are doing better now and do more of it.”



**Sarah Lord FPFS
President of the
Personal Finance Society**

"The Personal Finance Society (PFS) celebrated its 15th anniversary in 2020 and despite spending a significant period of the year in lockdown, due to

the Covid-19 pandemic, both the Society and its members adapted quickly to demonstrate relevance, influence and value.

Core to the Society's strategy is three pillars of greater engagement with members, policymakers and the public.

The future need for regulated financial advice and planning is becoming even more evident as every country sets its goal to build back better from Covid-19, which must include greater financial education and awareness to improve financial resilience and wellbeing. The PFS is committed to playing a role in shaping the future and building public confidence and trust in its members and the wider profession."



**David Williams FCII
Chartered Insurer
Chair of the Society of
Underwriting Professionals**

"The last year, as well as the huge problems presented for many, has absolutely highlighted the need for

professional underwriting standards, and allowed the Society to be of even greater value to its members. The Society has produced guidance around how to mitigate and prevent the disruptions caused by the coronavirus pandemic, and the emerging global risks which may follow.

The online approach for delivery was even more in demand, allowing us to efficiently deliver more guidance to provide a strong understanding of the technical skills and professional behaviours required of underwriters in today's market.

Learning the lessons from lockdown has been combined to good effect with foresight over what changes are coming. The good practice guidance we have issued over the last year has had to be timely and relevant, and the reaction and engagement has shown that to be exactly the case. Overall, a strong year in difficult circumstances."



**David Ross ACII CIP
Vice President for Local Institutes**

"In common with the CII itself, the Local Institute (LI) network has not been immune to the impact of the coronavirus pandemic. Indeed, it could be said that the difficulties faced by our council members up and down the country

have been even more significant under the circumstances, combining their voluntary LI responsibilities with all of the other significant personal and professional challenges that Covid-19 has brought.

However, this volunteer army has responded magnificently. An enforced move from face-to-face events to virtual ones has seen the network embrace the opportunities that new technologies have presented, with more than 1,000 hours of CPD being delivered, often to include audiences that may not otherwise have attended or have been able to attend in person.

Innovations have also been apparent in delivering virtual social events as well as seeing the vital work that LIs do in relation to charitable fundraising continue in impressive fashion. In these difficult times the Local Institute network has proved itself to be a determined and resourceful asset working for the benefit of all members and CII colleagues alike."

United international profession

We offer an update on both the performance of our international operations and strategy going forward. We also discuss the appointment of a new engagement board member for international to ensure that international matters gain the focus they require at board level.

International strategy:

One of the elements of the strategy outlined in 2016 as in need of further support and investment was the international opportunity. In October, Chief Customer Officer Gill White took on responsibility for international (excluding Asia Pacific) with a view to building a partnership approach to finding organisations that provide what the insurance and personal finance professionals need in the international market and accrediting, endorsing or licensing these organisations.

Commenting on the rationale for operating internationally Gill said:

“The CII’s mandate is to build public trust in the profession as a whole, not just in the UK, and with a significant number of our members coming from multi-nationals, we need to have multi-national reach to support them. Since its beginnings the CII has collaborated internationally and we have 37 Affiliated Institutes enshrined in our bye-laws, alongside our 56 Local Institutes in the UK.

Our job is to increase professionalism throughout the world; now, if that means someone else is doing it and doing it well, then that is as good as us doing it. Obviously, a local Institute will be in a market at the right price in the right language with the right content, and it’s naïve to think that a UK business can effectively achieve that, which is why I believe the partnership model will be a game changer for us.”

In each of the international hubs the CII has established, we have specific geographies that we are targeting where we believe the partnership approach will bear most fruit, and then if other opportunities are presented to us, we are reviewing the business case and making a conscious decision about whether the CII gets involved or not. In essence, focusing where there is demand and opportunity.

One such opportunity was the continuing demand from some of our clients to come up with a motor insurance related qualification for India specifically. Supported by the fact that more than 40% of the people working in the general insurance sector in India were linked to the motor insurance segment, we developed the Certificate in Motor Insurance (India). Local subject matter experts in India were hired to author the study material and question bank for the exams.

Another notable development was the CII becoming an accredited member of the Commonwealth in May 2020, joining the category of professional and civil society organisations.

The CII has committed to the Commonwealth’s 16 values and principles, which include a strong focus on gender equality and facilitating access to the profession for people from all backgrounds. Queen Elizabeth II, who is the patron of the CII, is also Head of the Commonwealth.

Our Royal Charter requires us to ensure insurance and personal finance make a positive contribution not only within the UK but in other territories and we can more easily achieve this by working in collaboration with the Commonwealth and other Commonwealth-accredited organisations.

It is also a natural synergy with our members and students, the majority of whom reside in Commonwealth countries, and our values, legal systems and common language.



CII Hong Kong:

The CII Hong Kong is the only Institute the CII owns outside of the UK and its development since 2019 has been led by Keith Richards, Chief Membership Officer and Chief Executive of the PFS. The key to establishing itself in the market has been engagement with government and regulators, and in a relatively short space of time the CII has established credentials with both. As a consequence, the CII is now a formally recognised professional body in Hong Kong and for the Asia Pacific region having been invited to form part of the regulator's practitioner committee. CII Hong Kong was also appointed by the government to their professional development programme. In addition, the CII is one of only four organisations that can access government grants towards professional development in the region. In the last 12 months therefore, the CII has become well-known for being an extremely well-structured and established professional body for the region.

The potential in the region is significant for the insurance sector but even greater for the personal finance sector. The CII has been less active in promoting financial adviser qualifications internationally, but international markets are fragmenting or segmenting in a very similar way to the UK where people that give financial advice, even where they might be part of an insurance company, see themselves as financial advisers rather than insurance salespeople.

The numbers are telling, in the UK there are about 27,000 regulated advisers, in Hong Kong 130,000 and in China 8.5 million. The CII had no relevant qualifications for the region, and therefore has started to develop relevant qualifications for the sector and created a Personal Finance Society Asia Pacific proposition that has already seen a number of firms in the region become associate firms.

Due to Keith's significant experience as a senior executive and engagement with governments and regulators, together with success in growing the membership of the Personal Finance Society in the UK, he has driven a new strategy for the CII in Asia Pacific which will be used as a blueprint for other regions.

Commenting on the opportunity he said:

“Establishing CII Hong Kong as a registered and recognised professional body for the region in such a short time scale has been a significant achievement and all credit to our dedicated and committed team led by Regional Director Kenny Siu. Our relationship with both HKSAR government and Insurance Authority has resulted in our involvement in a formal government professional development programme and a seat on the regulator's advisory committee. Asia Pacific was the only region to see membership growth in 2020 and with a more diverse and sustainable business strategy established, which includes the introduction of PFS Asia, I have every confidence that it will become a blueprint for others to replicate.”

Increased representation for international at board level:

The CII's Local Institute network has ensured our delivery in the UK is not purely London centric but we want to work much more closely with our regional heads and our international affiliated institutes to deliver the same for our international customers.

Pauline Azzopardi was appointed to a full board role as our international member engagement representative and Charles Washoma was appointed to a new vice president role for the affiliated institutes to mirror our current VP for our UK Local Institutes.

Pauline has enjoyed a career of more than 30 years, working in senior roles with some of the world's largest international banking and insurance institutions, including Munich Re, HSBC and Middle Sea Insurance (currently Mapfre).

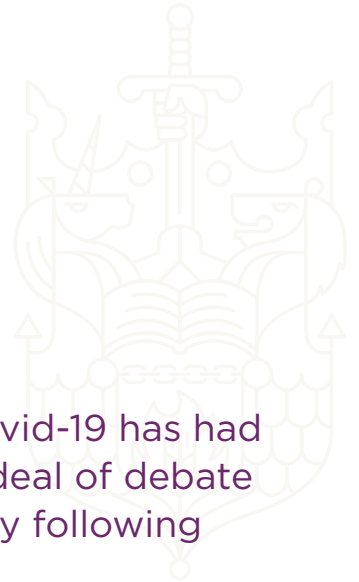
Many of the CII's members outside the UK are also members of an insurance institute affiliated to the CII. The vice president will work to raise the profile and act as ambassador for this network of international affiliated institutes, encouraging collaboration and sharing of good practice.

Charles is a business executive and management consultant working in East and Southern Africa. He has 28 years of work experience, 22 of which has been at senior management, executive and board of directors' level in insurance, risk management and consulting services.

37
affiliated
international
institutes



Building a trusted profession



Throughout 2020, we have seen the devastating effect Covid-19 has had on businesses. During this period, there has been a great deal of debate on the impact this will have on trust in insurance, especially following the business interruption (BI) cover test case.

In this section we catch up with Dr Matt Connell, Director of Policy and Public Affairs, to understand how the CII has shown its leadership on various issues during the period; and Melissa Collett, Professional Standards Director, to highlight how the CII has driven professional standards during 2020.



Insightful leadership

Business interruption insurance

Our initial response to the business interruption case was communicated through our societies where we published a series of articles from experts working for firms such as Weightmans, Aston Lark and Sedgwick International UK to inform our members.

For example, Roger Flaxman, whose background is in dispute resolution for insurance and is therefore used as an expert witness in court cases, wrote an article for us. The theme of the article was trust, and he encouraged insurance professionals not to wait for the court case to adjudicate what was right or wrong, but to show high professional standards by maintaining contact with clients and if there was potentially a valid claim then to do what they could to get it paid. This mirrored the CII's advice to members to inform clients of the ongoing court case but also try to reach settlements if there was a reasonable claim or a claim with validity.

In terms of the court case itself, the CII welcomed it as an attempt to gain clarification and then explained why there was a conflict, with the facts being that due to its systemic nature, it was not normally possible to insure against a pandemic but that some insurers might have come close to doing just that in their wordings of their policies. We therefore approved of the court's role in resolving the issue as it was in our opinion based around a difference of interpretation which courts are ideally placed to adjudicate on by delivering a definitive view.

Insightful leadership – other initiatives

Through the All-Party Parliamentary Group, which last year the CII was asked to take on the secretariat for, the CII and the Association of British Insurers (ABI) conducted a forum with MPs explaining the basic issues around the pandemic

and introduced politicians and other key stakeholders to the insurance sector's plan for ensuring that fire engineers could gain the insurance they needed to fulfil their role in assessing flats with cladding.

It was also decided in 2020 that the next stage of the Chartered Insurance Institute's Insuring Futures initiative would look at how people can better build and maintain financial resilience for later life. The CII's Insuring Futures work will look at the kind of conversations people need to have with their families, friends, insurance professionals and financial advisers to create more financial resilience throughout their entire life. Further details on the campaign will be communicated in 2021.

Effect of pandemic on public trust in insurance

Since 2018, the CII Public Trust Index has tracked attitudes among individuals and small and medium-sized enterprises (SMEs). From the beginning, we have focused on SMEs that hold property, liability and motor insurance and in 2020, in the light of the issues around Covid-19, we added business interruption insurance to that list.

Customer satisfaction with insurers among SMEs fell slightly in 2020. Throughout 2019, 82% of SMEs were satisfied with the service they had received from their insurer, but in the combined results for May and September 2020, this figure had fallen to 79%. Perhaps not surprisingly though, satisfaction levels for business interruption insurance was lower than for other products, with those that had been more adversely affected by the pandemic registering lower satisfaction levels.

Commenting on the lessons for the profession from the Public Trust Index, Matt said:

“There are no easy answers for businesses facing Covid-19: the economic impact on the UK is already estimated at more than £200bn. However, by engaging with SMEs over the course of the pandemic, we can see areas where insurers can make changes to maintain trust with customers, and build a stronger basis for doing business with SMEs in future. The watchwords are speed, compassion and clarity of proposition going forward.”

Professional standards

Establishing professional standards

Melissa Collett joined the CII in 2017 as Professional Standards Director.

We spoke to her to understand her views on the progress made in the year and her team's focus for 2021:



"I personally feel professional standards is something that goes hand-in-hand with insightful leadership, it's very much intertwined. In terms of our vision for professional standards, it's to achieve parity of esteem with the other trusted professions, so we want people to consider an insurance or financial planning professional in the same breath as they would consider a chartered accountant, surveyor, engineer, lawyer or a doctor."

Melissa believes there are three aspects to professionalism, namely:

- **Knowledge** – possessing the technical knowledge required for your role and keeping that knowledge up to date;
- **Behaviours** – abiding by a professional code of ethics and acting in the best interest of your customers; and
- **Accountability** – aligning yourself to an independent body where your qualifications are independently validated and you are accountable to that body for your behaviour. If you fall short or are in breach you will face consequences and ultimately could be made to exit the profession

Progress in the year:

Melissa points to four significant pieces of progress in 2020:

- **New chartered title** – a new Chartered title for managing general agents was introduced in March 2020 for this growing area of the market. At the time of writing in March 2021, so far 24 individuals have been granted the title of Chartered Insurance Underwriting Agent and 7 firms have been granted the plural title and there are more in the pipeline. In a historic moment, the CII introduced the new title to Lloyd's coverholders in January 2021 demonstrating the recognition by Lloyd's of the value of Chartered status for its coverholder community.
- **Companion guides to the CII Code of Ethics** – it is the CII's Code of Ethics that provides the behavioural framework that all members sign-up to when they join. In 2020, the CII hired a new Professional Standards Manager, Rebecca Aston, who had previously headed up professional standards at the Chartered Institute for Securities & Investment (CISI). In order to raise awareness and provide a body of ethics content for members, Rebecca and Melissa delivered more than 20 talks in the year, reaching nearly 2,000 members with a view to eventually making ethics a compulsory part of CPD, akin to other professional bodies. On the back of this the CII delivered two new companion guides: the Inclusive Customer Companion and the Transparency Companion.

The Inclusive Customer Companion focused on how to ensure that customers' diverse needs are met. It provides CII and PFS members with a framework in which to apply their role-specific technical knowledge in delivering positive customer outcomes.

The Transparency Companion emerged from the work of the Chartered Transparency Forum, a multi-discipline group, set up in response to the business interruption insurance test case to address the issues around transparency of insurance cover and the expectation gap between what customers and insurers believe is covered. One of the Companion Guide's key recommendations is the readability of policy documents should be enhanced and made more accessible by lowering the reading age to 13 or less.

- **Promotion of the digital ethics companion** – given the growth of digitalisation and artificial intelligence (AI) in insurance the CII is keen to be at the forefront of providing insightful leadership to its members on this important topic through the promotion of its digital ethics companion which was published in 2018. The CII's contribution to thought-leadership around digital ethics is demonstrated by it being consulted by the UK government's Centre for Data Ethics and Innovation, and its involvement in the World Economic Forum's AI in Financial Services report.
- **Governance** – the CII now has an independent chair in Dr Helen Phillips, with a term of at least 3 years which brings a longer-term perspective to the board. This is in addition to engagement members being introduced representing our membership including the UK regions, London Market, personal lines and international. The CII has also appointed a new Chair to lead its professional standards committee, Jennette Newman, a partner at Clyde & Co; working to refreshed and updated terms of reference.

Melissa is frank about the current status of professionalism in the insurance and financial planning professions:

"You would never go to an unqualified doctor or lawyer for advice, and not just because they wouldn't have the knowledge and expertise to give that advice, but because a doctor or a lawyer or an accountant or any professional comes with that badge of quality and assurance that they're bound by a professional code of conduct. We don't have widespread adoption of that model of professionalism for insurance advice yet, compared with financial advice. We have in the insurance sector a regulator which sets minimum standards, but minimum standards don't include professionalism, so there's no mandatory requirement for someone to be a qualified member of a professional body; you can be entirely unqualified and give advice. This has resulted in more than half of the sector not being members of the CII. Our real challenge therefore is to galvanise the sector to believe in professionalism for insurance, in order to build up a community of member professionals to serve the public."

Our priorities in 2021

We have made considerable progress delivering our purpose and vision over the last 5 years, however we recognise that there are three core areas which need more work:

- improving our provision of relevant learning;
- becoming an effective international organisation; and
- engendering the right people skills and culture.

We are now working to a three-year plan to **“finish what we started”** and **“build back better post Covid”**.

In addition, there are other complementary initiatives that we are focussed on delivering in 2021:

1. Roll out of The Professional Map

This is a strategic framework replacing and broadening our existing competency framework. We have spent the last 18 months interviewing and collating content and views from more than 200 market and HR leaders to map out the skills, knowledge and behaviours they believe businesses and individuals will need now and in the future. We will use this to ensure that our existing and future learning, CPD and qualifications meet the market's needs and help businesses and individuals to identify and fill their gaps.

2. New UK business hub and new office in Dubai

In September 2020 we announced that, along with the Chartered Institute for Securities & Investment, we had reviewed our property footprints following the pandemic and jointly taken a decision for the CII to sub-let part of the CISI's existing office space at the prime location of 20 Fenchurch Street (known as the 'Walkie Talkie') from early 2021. The CII had already established an anytime, anywhere approach to working, which has enabled this move to take place. The building is situated at the heart of the investment and insurance profession in the City of London, and has already proved an ideal location for CISI. This will bring two not-for-profit Chartered bodies, both members of the Chartered Body Alliance, physically closer together and will allow them to continue to best serve their members and customers in a new era. The CII and CISI will remain legally separate. The CII's offices in South Woodford and Lombard Street in central London were vacated at the end of 2020 and the move to our single office at Fenchurch Street took place in May 2021.

In addition, the CII will open a new office in Dubai within the Lloyds platform at the Dubai International Finance Centre (DIFC) to support our strategy in the Middle East. This is another tangible sign of the partnership forged by the agreement made in 2019 by the three organisations for the CII to provide training for the DIFC Academy.

3. Launch of Personal Finance Society Asia Pacific

Early in 2020 the Personal Finance Society Asia Pacific was launched with a remit to lead the financial planning community towards higher levels of professionalism exhibited through technical knowledge, client service and ethical practice in the region. The opportunity is massive, with 27,000 regulated advisers in the UK, 130,000 in Hong Kong, and 8.5m in China.

4. Launch of President's Forum

Risks are more connected, more complex and less tangible than at any time in modern insurance history, with the backdrop of public opinion becoming ever more vocal and volatile. With the President's Forum we are looking to explore what we as a profession can do to respond to the resultant challenges and opportunities, addressing the increasing unmet needs of our customers and clients. We will be looking specifically at the professional environment, identifying what strengths and weaknesses there are in the current skillset of the insurance sector and what can be done to enable the profession to meet the challenges of these evolving risks and changing client needs and to continue to build public trust during this period of great uncertainty. The constituency of the President's Forum is designed to bring together the breadth of knowledge and experience of our collective Presidents across the CII, the Insurance Institute of London, our UK Local Institute network and our Society Chairs. It will change with each CII Presidential year and will engage leading practitioners and our membership communities.

Our people

Responding to the challenges of Covid-19 in March 2020 saw CII colleagues at their best – highly responsive, flexible, and resilient switching to remote working almost overnight. Our focus at that time was in ensuring all colleagues had the resources to do their jobs, were supported in their wellbeing and that people received the training and development to work and manage in the new world.

In September 2020, 'Anytime Anywhere' was launched as the culmination of the work of 9 sprint workstreams to identify and put in place new way of workings to both respond to the challenges of Covid-19 and to seize an opportunity to modernise our ways of working consistent with CII values.

100 people across the organisation volunteered to take part coordinated by a steering group identifying the vision through to implementation.

The outcomes have enabled a significant development in the way that we work, some examples being:

Equality, Diversity and Inclusion: 91% of colleagues shared their data enabling us to identify numerous actions to improve diversity and inclusion at the CII. All actions are now either in progress or complete supporting various aims including increasing the proportion of females at senior leader level and the proportion of males at junior levels as well as well as candidates from ethnic minorities and the disabled. Our new dashboard enables us to track how we are progressing against our targets on a quarterly basis.

Wellbeing: Like most organisations the impact of the last year has made the wellbeing of all colleagues of even greater strategic importance. We have designed a new 6-point strategy based on financial, spiritual, social, emotional, physical and intellectual wellbeing with mental wellbeing a common theme supported by our mental health first aiders.

Gender Pay: We saw a mixed bag this year for gender reporting, with a slight improvement of the gender pay gap (median average) and a significant improvement in the pension pay gap (19%). While the median pay gap still remains at 14% and median Pension Gap at 11% there is plenty of work underway to further improve. We have also completed more analysis on the seniority gap of females versus males in the organisation this year to understand our data better and undertaken ethnic reporting (19% gap, median average).

Performance and Development: Specific, Measurable, Achievable, Realistic and Timely (SMART) goals have been introduced for all colleagues with 'line of sight' to the strategy supported by a development plan. We trained up 15 SMART champions across the organisation and all managers have received training for this key theme for 2021 and we drive a culture of high performance and development.

Everything that we do is measured, we started an employee engagement survey this year that provides us with insight to determine how we are doing and the extent to which the people agenda is driving business results and engaging people. With 2 surveys complete to date we are achieving an average of 78% of colleagues responding favourably to questions across 6 broad categories. Consistent with high-performing organisations however it is the highest standard that we aspire to achieve and the proportion of colleagues that 'strongly agree'. Against this higher standard we increased levels of engagement from 36% to 45% this year.

Our network groups remain strong with our social committee organising a small and much appreciated gift at the end of the summer for all colleagues and an afternoon of Christmas fun this year completed virtually. We have supported colleagues and managers through a raft of development this year with at least 94% of colleagues attending some form of training and development recognising that virtual working and managing teams remotely is a different skill set. We have also increased communications across the organisation this year with less formal business updates from the executive leadership team encouraging greater conversation and discussion as well as very informally via Microsoft's social networking tool Yammer where we encourage our people to stay in touch and reach out to others across the organisation.



Our executive team



John Bissell
Chief operating officer

John has 30 years' experience in the insurance profession including strategy, underwriting, marketing, development and operations leadership, often with an international component. During his career he has worked at a senior level at an insurer, intermediary, service provider and standards body. He joined the CII in January 2017.

He is responsible for the day-to-day operation of the organisation; the creation and delivery of the operations strategy and policies; aligning workforce capabilities with the operating model; and ensuring effective financial management, budgeting and planning processes.

Melissa Collett
Professional standards director

Melissa has more than 20 years' experience in consumer insurance and legal issues. She spent more than a decade at the Financial Ombudsman Service, was a director at Fairer Finance and sat as a Tribunal Judge. She is also a qualified solicitor and specialised in insurance law at Hogan Lovells.

Melissa joined the CII in September 2017 to lead professional standards, ethics and conduct activity. She is also responsible for legal affairs, risk management, disciplinary matters, governance and Chartered standards.



Keith Richards
**Chief Membership Officer
and CEO of the Personal Finance Society**

Keith has more than 30 years' experience operating at executive level across both manufacturing and distribution. He was appointed chief executive of the PFS in May 2013 and additionally appointed managing director of engagement for the CII on 1 August 2016. His role is to improve engagement with members, government, regulators and consumer groups.



Brief biographies and roles of our executive team members are shown here, with details of our broader senior management team available on our website.



Sian Fisher
Chief executive officer

Sian has held senior roles at a Lloyd's Syndicate, a UK and European insurance company, a startup intermediary, a market-leading MGA, a major international broker and a US corporate. She was a founder and original board director of the Managing General Agents' Association and has held senior positions with both the CII and the Insurance Institute of London.

She is a graduate of Oxford University, has her ACII, and an executive MBA from Harvard. In February 2016, she joined the CII as chief executive officer, responsible for the implementation of its strategy.

Caren Thomas
Human resources director

Caren joined the CII in January 2020. She has more than 20 years' experience across a broad range of industries including media, sports, manufacturing, professional services, property, gaming and consumer durables. She is experienced in supporting organisations through all stages of the employee life cycle including: the development of best-in-class recruitment teams, developing the next generation of leaders, organisational redesign, complex employee relations cases plus compensation and benefit restructure. Caren is an HR employment law specialist, coach and learning and development (L&D) practitioner.



Gill White
Chief customer officer

Gill joined the CII in January 2020, initially as Learning and Assessment Director. Her role has grown to include both the CII's marketing and international functions as well as being responsible for taking the CII's learning content forward to meet the profession's needs in an ever-changing world of work. Previously Gill was Business and Markets Development Director for the Chartered Institute of Personnel and Development (CIPD). She has held a variety of Head of Learning & Development roles at Vodafone, Xchanging and SSP and operational roles for Whitbread and Greenall's. Gill holds the prestigious Chartered Director status and is also a Fellow of both the Institute of Directors and CIPD.



President's statement

Julie Page became CII president in October in the midst of the pandemic, during which time insurance and financial services have had to evolve and adapt to face the unique challenge that Covid-19 presented.

"At any time, it would be a privilege to become the president of the CII," Julie tells us. "But now, with the unprecedented health crisis and economic interruption caused by Covid-19, the need for us to continue to focus on trust in our products and services increases both the responsibility and accountability I feel in fulfilling the role."

Her theme for her time in office is "meeting unmet needs-ensuring the future relevance of our profession to build trust".

"The insurance profession does fantastic things around its core competence and the protection of tangible things and people," she says. "However, the reality is that our world is pivoting away from the tangible and placing more value on intangible things."

"Current events have highlighted a 'trust challenge' that aligns directly to this issue of tangible vs intangible. Covid-19 has created an economic interruption not founded on physical damage, whereas the business interruption protections provided by insurance fundamentally are founded on physical damage. We have a perception gap which we must find a solution for."

"We need to use the insight we have to guide and support customers, ensuring that both we and our clients understand what we are here to do; aligning expectations to fulfilment."

"My presidency is about encouraging conversations and creativity to start the move into solution mode, meeting these challenges while building and maintaining trust."

Wellbeing challenge

She believes that, allied to the theme of unmet needs, is the need to tackle the challenge of mental health within ourselves and our organisations.

"I believe that a failure to tackle the challenge of mental health and wellbeing within ourselves and our organisations will hinder our ability to service our clients' needs as this risk grows."

"Uncertainty breeds mental health issues. While many of us feel we can cope with an uncertain today when we are planning for a more certain tomorrow, the pandemic has meant we haven't known when that will come. Before Covid-19, we had a rising challenge around mental health and wellbeing in our workplaces and the events of 2020 have accelerated that challenge."

"Thankfully, there is a cultural shift in which we are increasingly being given permission to make work activities coincide with our life needs and empowered to reach out to access mental health and wellbeing support. And we need it more now than ever."

"In these tough times, the value of kindness can also go a long way – and I have personally learned that if my approach is kind, then the outcomes are usually better. Kindness – and how we all treat ourselves and each other – has an intrinsic role to play in promoting and preserving wellbeing within our profession and wider society."

Starting out

Julie has worked in the insurance profession for more than 30 years and was appointed CEO of Aon UK in 2018, leading Aon's commercial risk, health and affinity businesses.

After leaving school aged 16, she joined a youth training scheme – like today's apprenticeship schemes – while also studying for a business diploma at Reading College, which included CII insurance modules. She earned an ACII qualification.

"I have always been a member of the CII since I joined in 1986. More recently, I reconnected with the organisation through my support of the Insuring Women's Futures initiative."

"I will continue to be very active for and with the CII in diversity and inclusion. There is a moment in time right now where the current circumstances in the world are such that awareness, appetite and desire to bring about positive change are very great and we cannot afford to miss this moment."

"I am very encouraged by how the profession as a whole is taking responsibility and responding."

The evolution of Chartered status is also a factor Julie feels is key to the profession and she is enjoying working with the CII in developing how it applies to the new ways in which risks are being mitigated.

"The world is changing and our traditional approach is not going to remain in the long term. We are enormously proud of our 300 years of history, and so we should be, but we must adapt to the new realities," said Julie.

Shifting landscape

New talent is vital to the future of the profession, according to Julie, who feels there are two important elements insurance businesses must closely consider.

"Firstly, the risk dynamic our customers face is changing, for both consumers and businesses, so we need diverse thinking to respond to the shifting landscape of risk."

"But things are also changing in terms of skills. The way we do our jobs is evolving and you cannot escape the pace of technological change."

"My generation was not born with a keyboard at its fingertips and does not believe that a conversation can take place without saying a word."

"There are many things we previously did not consider normal behaviour but which a whole wave of younger customers does. They adopt and understand new technology at a pace that our organisations must match."

Technical knowledge is also essential, says Julie, and a factor that she will aim to support during her presidency.

"The CII plays a critical role in supporting continuing professional development, improving standards and professionalism, but equally in bringing together the depth and breadth of the profession."

"I am thoroughly enjoying working with the best and the brightest talent from across the diverse spectrum of our profession and doing my part in helping new solutions emerge," she concludes.



"The risk dynamic our customers face is changing, for both consumers and businesses, so we need diverse thinking to respond to the shifting landscape of risk."

Summary of financial accounts

Trevor Edwards,
Finance Director,
gives a summary of
the financials during
the last year.



The 2020 financial results of the CII Group reflect the unprecedented events that we all faced during the year. The nature of the Covid-19 pandemic was such as to impact the lives of everyone, the world over. The CII Group remained committed to supporting its members, students, staff and the public through the challenges.

Financial Overview

Revenue for 2020 was £36.9m representing a decrease of £8.3m or 18%, compared to 2019 when the CII Group reported revenue of £45.2m. Following previous years of sustained growth, our 2020 revenue was negatively impacted by our inability to host examinations and in-person events following the declaration of the pandemic. However, our previous years of transformation investment provided the infrastructure which allowed us to transition our operations to remote working, accelerate remote invigilation for examinations and host digital events to replace in-person events. These initiatives have helped to mitigate the impact of the reduction in revenue, however, we also recognise that further improvement in our examination delivery is required. This remains one of our key priorities in 2021.

Our operating expenditure in 2020 was £40.9m (2019: £42.9m) which includes £2.1m (2019: £0.9m) of charges related to the amortisation of transformation costs and some transformation expenditure. The overall reduction in operating expenditure reflects the reduced activity in 2020 during the period of suspended examinations, as well as the impact of concerted efforts to reduce costs in response to the reduction in revenue.

The operating result before tax was a deficit of £4.0m (2019: surplus £2.3m). Non-operating items was net income of £179,000 (2019: £511,000) as higher investment returns were offset by losses on fixed asset disposals. These results exclude contributions made to the CII pension scheme 1993 of £1.0m in both years.

At 31 December 2020, the CII Group's total accumulated funds were £34.3m (31 December 2019: £39.2m), with the reduction in accumulated funds reflecting the total comprehensive loss reported for the year. Cash and short-term deposits reduced to £31.5m at 31 December 2020 (31 December 2019: £37.7m) however, long-term investments increased by £0.9m from £5.2m at the end of 2019 to £6.1m at the end of 2020.

The pandemic has impacted most organisations in some way or another. The CII Group was able to leverage its past investment in transformation to continue delivering services to our members, students and the public. The CII's financial objective for 2021 is to maintain the balance of quality products and service to our customers, continued investment for the future and prudent financial management.

We remain committed to the long-term viability and success of the CII and will continue to maintain the interest of our members, students and corporate customers and the wider public in our ongoing activities through this period of social and economic recovery.

Financial results (as at end of 2020)

2019

£45.2m

Income



£42.0m

BAU expenditure



£0.9m

Transformation



£2.3m

Operating surplus
before tax

2020

£36.9m

Income



£38.8m

BAU expenditure



£2.1m

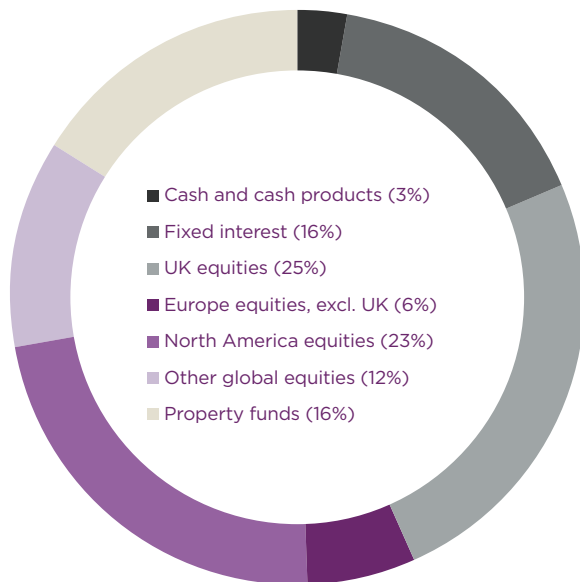
Transformation



£(4.0)m

Operating deficit
before tax

CII investment portfolio (as at end of 2020)

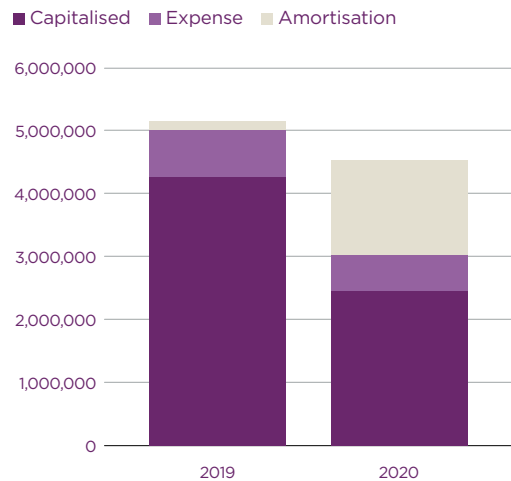


Transformation

Total (excluding amortisation)

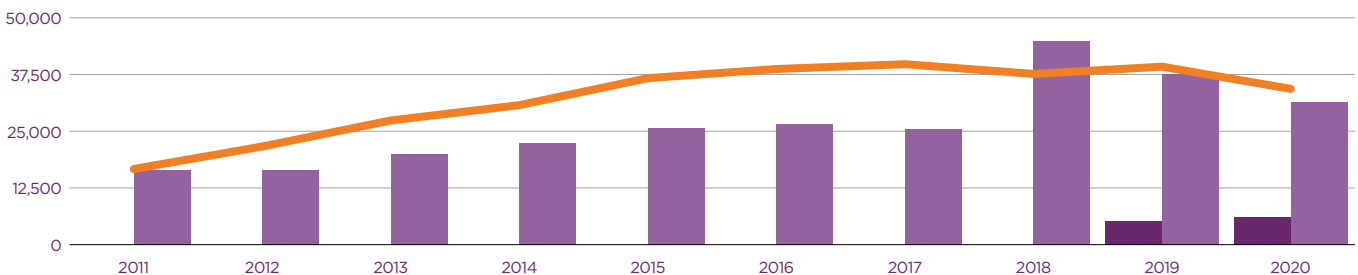
£3.0m

(2019: £5.0m)



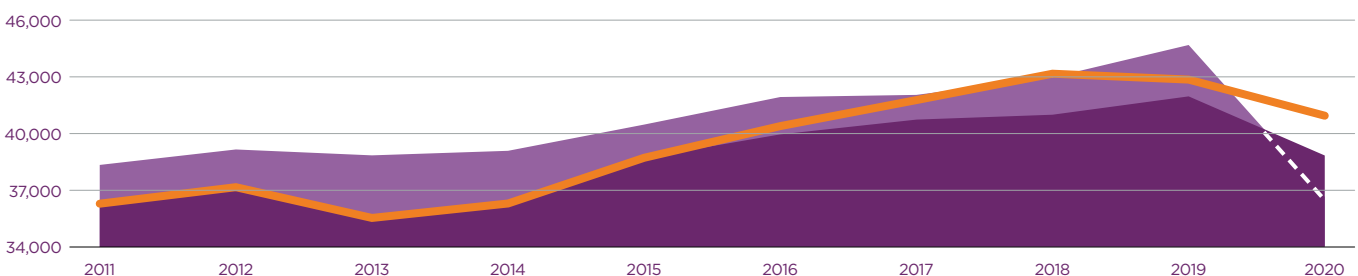
Total group funds (in £000s)

Investments Cash at bank and short term deposits Total group funds



Group operating income and expenses (in £000s)

Expenditure excl. transformation Operating income Total operating expenses





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