THE LONDON JOURNAL

THE VOICE OF YOUR PROFESSION

DIVERSITY CHALLENGE

Diversity and inclusion have risen to the very top of the insurance sector's agenda. We look at the reasons why...

Young entrepreneurs – what it takes to start your own firm

The world according to TOM in 2021

Innovation re/insurers can do it (again)

The Insurance Institute of London

PFS | CII

INSIDE THIS ISSUE

WELCOME

NEW LOOK, SAME THRIVING INSTITUTE

It is with great pleasure and enormous pride that I warmly welcome you to the 2016 *London Journal*. As with our previous editions, the material covered is contemporary and international; the analysis perceptive and illuminating; the conclusions wise and sensitive – I am truly grateful for the energy and generosity of all of our authors.

The 23,500-strong London Institute continues to thrive – membership has increased 52% in seven years. Twenty-nine per cent of our members are women, and last year 61% of Insurance Institute of London (IIL) examination prizewinners were female. Fifty per cent of our members are less than 40 years old.

The *London Journal* once again reflects the shifts in our business and the wider world. How our profession is responding to the intense challenges facing both general insurance and financial services is reflected in the content you will discover in this year's *London Journal*.

I hope you enjoy reading the articles penned by our esteemed writers and also find useful our forthcoming contributions to the Chartered Insurance Institute (CII) *Journal* and related microsites.

Finally, my sincere thanks to the IIL and CII teams who worked to create the fresh new look of this edition. ●

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Dominic Christian

DOMINIC CHRISTIAN
IIL President
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WHY DIVERSITY AND INCLUSION ARE SO IMPORTANT TO OUR PROFESSION

One of the traditional highlights of the Insurance Institute of London's year is the Mansion House Lunch held each March. Three hundred and twenty members of our industry's glitterati are gathered for a fine lunch and three speeches in a glorious setting.

Many topics have been covered over the event's long history but rarely before have all three speakers focused on the same theme but in 2016 'Diversity and Inclusion' was addressed by all three, but why?

First, a number of recent very senior industry appointments point to the ability of individuals to advance to heights in our sector unseen before. Second is the profile given to this subject by the Lloyd's-led Dive-in Festival; the diversity networks and the work of some of our leading employers and trade associations. Third, most of us would agree it is the right thing to do. Fourth, is recognition that serving clients well, for we insurance folk, really has become a team game requiring a variety of talents and approaches. Fifth, is that any action or policy that eases contact with our critical international client base must be embraced. Sixth, young people today demand it, given their far greater familiarity with multiculturalism, gender fairness and personal choice. Seventh, optimising our understanding of contemporary risks will require this generation to be attracted to our business. Eighth, an enriching diverse and inclusive corporate culture produces higher employee engagement and thus greater productivity. Ninth, we do not have the luxury of not broadening our talent base if we want to stay in the race. And tenth(!), it would be bizarre and foolish not to reflect those we serve.

MITIGATING THE RISKS

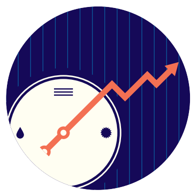
Alderman and Sheriff Charles Bowman and Professor Ian Goldin were our principal speakers at the Institute's Mansion House event. Both speakers were concerned about the risks societies, corporations and families face but were confident that our sector had an immense opportunity to help mitigate those risks. Wise minds, knowing that we will need to expand the avenues to entry to our sector in order to provide the value to those we serve; leaders who rightly believe that values, talent and effort should be the key criteria for advancement throughout one's career; both of whom recognise that through technology flexible working styles will become the norm with more diverse work forces catalysed by this evolution.

Your President was the other speaker. It was an honour, as has been my appointment. My theme for my year of office, I think you can probably guess. ●

The IIL's 2016 annual report reveals rising member numbers, increased diversity activity and individual successes

A YEAR OF GROWTH AND IMPROVEMENT

ILLUSTRATIONS BY: **MIGUEL MONTANER**

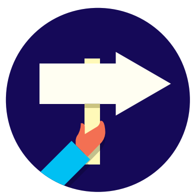


MEMBERSHIP GROWTH

The membership of the Insurance Institute of London is now well over 23,500, reflecting a year-on-year increase of 6.3%. Since the recession, membership has increased by 52%, which is remarkable, especially set against a backdrop of relentless downward pressure on costs. However, both general insurance and financial services firms have seen the value of striving to achieve corporate chartered status of the Chartered Insurance Institute (CII) – understanding that a public commitment to a code of ethics and demonstration of professionalism through qualifications enhances their value proposition to clients and reassures the board members. The top three chartered firms, by number of employees who are members of the London Institute, are Marsh, Willis and Lockton.

LONDON MATTERS

In 2014, the London Market Group (LMG) published its research into the state of the London market and the action needed to preserve and enhance its worldwide reputation as the centre of excellence for insurance. Since then, the London market has come together to tackle the problems identified. The report highlighted the need for the London market to continue to attract the best talent and the benefits that a more diverse workforce might deliver to business from new and emerging markets. During the year, the London Institute was represented on the LMG's Talent and Diversity work stream, which commissioned research into both challenges and opportunities in building and maintaining a strong talent base across the London insurance and reinsurance market. The full report can be found at **londonmarketgroup.co.uk/talent-report-identifies-challenges-and-opportunities-for-the-london-market**

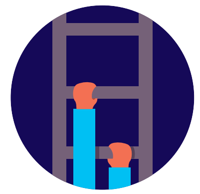


QUALIFICATION MENTORING

Because much of the London market's international reputation is based on it being a centre of expertise, the question that was posed was 'are we maximising the number qualifying at Advanced Diploma level (ACII)?' Although more than 100 members qualify each year, a survey of students revealed that they would appreciate access to a mentoring service. Some students are puzzled by the array of subjects on offer and unable to decide on the order in which to take them; some found the step up from Certificate to Diploma level a bigger challenge than they had anticipated; others reported little or no support from their employers or were too afraid to ask questions.

In January 2016 the London Institute launched a qualification mentoring pilot scheme. Although many organisations offer mentoring and coaching, the features that characterise London's scheme are that it is focused on qualification mentoring rather than broader career mentoring; where most mentoring is done on a one-to-one basis this is a group mentoring scheme; there are two categories of mentor – the Buddy Mentors who are very recently qualified and as a result are familiar with how the CII is changing its examinations and assessments – and Advocate Mentors who are leading figures in the business who offer inspiration to the mentees. Although we are just six months into a three-year programme, we are delighted that some of the mentees have already achieved Diploma level and are now well on the way to the Advanced Diploma.

The Officers of the Insurance Institute of London record their sincere thanks to everyone who so kindly donated their time, skill and resources to the mentoring scheme, which enabled the Institute to deliver it free of charge to students.



DIVERSITY

During the year London was represented at Lloyd's inaugural diversity and inclusion festival Dive-In. Shortly afterwards, London's Diversity and Inclusion Committee was delighted to host a lecture by the Minister for Equalities. Parliamentary Under Secretary of State for Women, Equalities and Family Justice, Caroline Dinenage MP, said it was not possible to have true opportunity without equality. Talented individuals should be able to climb the ladder unfettered by discrimination. Praising Lloyd's for its Dive-In festival, the Minister said the government needed the support of the business community if it was to tackle discrimination of all kinds, whether it be racial, gender or age related.

In February, the Committee hosted a lecture by Julia Friend, Vice President/Regional Head of Talent Management, EMEA, AIG, on the Diversity Agenda: what it means for individuals, organisations and the insurance industry – both now and in the future. She outlined how diversity impacts skills development, career paths and organisational agility, and how we can all increase our own diversity. She shared her views on the array of facets diversity has, from the 'traditional' aspects including culture and language through to increasingly prevalent elements of diversity such as career experiences, technological capabilities and thoughts. She shared her insight into how a global organisation such as AIG is leveraging diversity to its advantage and, importantly, how we can all increase the diversity of our own careers by exploring 'non-traditional' career paths to align ourselves to our ever changing working practices. Unfortunately, the LMG Talent and Diversity survey also revealed that only 8% of respondents considered the market to be a role model for diversity, suggesting further work needs to be done in this important area.

In March, the London Institute supported the CII's participation in the Women of the World Festival at the Southbank Centre, where it launched the new campaign Insuring Women's Futures, which challenged the insurance profession to play a more active role in promoting greater diversity, both as an employer and also through the products and services it offers.

CPD LECTURES AND VISITS

While developing two important new strands of activity, mentoring and diversity, the Institute continued to offer a stimulating programme of lectures and educational visits, all accredited by the CII for the quality of continuing professional development they provided.

A major theme of the year was the changing world and the implications for insurance – this was addressed by Dan Glaser, President and CEO, Marsh and McLennan Companies; Cyber threats against the insurance industry by Adrian Leppard, QPM, the Commissioner of the City of London Police, and how to manage the aggregation of cyber risks, by Tom Bolt in his capacity as Director, Performance Management, Lloyd's. Members were also fascinated by talks on the risks and benefits of drones and by the chief engineer from Volvo updating us on driverless cars and speculating on the impact this technology would have on our cityscapes. The London Institute helped facilitate CII Thinkpiece publications on those topics. Denis Kessler, Chairman and CEO, SCOR, tackled one of other biggest topics of the year, namely the future of traditional reinsurance in an increasingly competitive environment. The Chairman of Lloyd's, John Nelson, discussed the challenges facing Lloyd's and how it was responding. Outgoing Chief Risk Officer and General Counsel, Lloyd's, Sean McGovern, addressed the other major topic of the year, the importance and value of EU membership to the London market, and looked at the consequences for the market of a UK exit and loss of EU re/insurance trading rights.

AND FINALLY...

The Officers congratulate London members Sian Fisher, ACII, and Inga Beale, ACII. In March 2016, Sian, a member of London's Council, was appointed Chief Executive of the CII. In July, Inga Beale, Chief Executive, Lloyd's, and a member of London's Reinsurance Committee was elected Deputy President of the Chartered Insurance Institute. ●

The full Annual Report can be ordered from: iilondon.co.uk

‘If teaching was as simple as telling, we would all be a lot smarter than we are’ – *Mark Twain*

BE THE BEST MENTOR YOU CAN BE

One-to-one mentoring for personal development has only reached vogue recently. This does not mean that support has only just started. I would like to flag the many places where I see mentoring and the ways it can work. No one way ever works for everyone.

Seeking out the wisdom of others has always been lauded as a good thing. But we all laugh at the infamous phrase ‘Confucius, he say…’ and Eddie Murphy in The Golden Child – ‘Confucius he say, only a man whose ass is narrow is going to get through this door…’.

How can any of us impart or benefit from wisdom in the real world? I witnessed the creation of great mass mentoring when Bronek Masojada, Chief Executive of Hiscox, asked his retiring active underwriter to spend his last three years creating a training programme. Many of the big employers have created their ‘academies’. Be part of one.

VOLUNTEER WISDOM

The Chartered Insurance Institute is a hub of technical expertise provided by ‘subject matter experts’ – more than 3,000 to date. The CII faculties each have a board of senior practitioners who input to many initiatives. And this volunteer wisdom is from some of the most knowledgeable people in the world. The Worshipful Company of Insurers is pulling together a fantastic non-exec programme from accumulated wisdom. The Insurance Institute of London and the International Underwriting Association run renowned lecture programmes, each a hub of incredible wisdom. This is all mentoring if you engage with it.

There are excellent organised networks in the trade associations, such as ABI, LMA, BIBA and the MGAA. There are professional interest groups such as The Insurance Supper Club or Insurtech. And these networks and groups are not just for ‘oldies’ – there is the Ambition First network, IIL Young Members Committee and CII New Generation groups. Engage with them and give and get benefit.

BUDDIES AND ADVOCATES

Buddying and advocacy are forms of mentoring. There are study groups within employers or external platforms, such as CII Revisionmate. The IIL is currently piloting a qualification mentoring programme to assist more students to achieve Associateship qualification. Eight young Buddies and 12 Market Advocates are steering a three-year programme for 35 qualification mentees.

For those that want to have or be a formal mentor, the main aim is practical and objective guidance and support to help the mentee to become who they want to be. There is a time commitment on both sides and a need for trust. Some who are not experienced find it helpful to be part of a scheme run by an employer or established network. Others, as they say, ‘just do it’.

Find the right route and ‘be the best mentor you can be’. ●

SIAN FISHER
ACII, Chief Executive, the Chartered Insurance Institute

LONDON MARKET: THE PLACE TO BE!

Lloyd's and the wider London market are globally recognised as an unrivalled concentration of specialist underwriting expertise and talent. The London market has both the appetite and the capacity to embrace risks other markets will not. To investigate this melting pot of knowledge, three young individuals currently working in the London market – a former apprentice, a recent graduate trainee with the Corporation of Lloyd's and a young Fellow of the Chartered Insurance Institute – were asked why is this the place to be?

LYNDSEY HOWDEN

ACII, claims adjuster, Brit Global Specialty

Of all of the financial service industries and City markets, Lloyd's is certainly the best; there are endless opportunities within the London market and once you find your own niche and develop your own skills, you will soon discover it is a workplace for life. I have already recommended it as the place to be to both friends and family – my younger brother now works in insurance too!

Having started out in an administrative role, the London market provided me with an excellent foundation that allowed me to study and learn while working. If one has the desire to constantly learn and develop, one has the possibility to 'dabble' in any class of business as knowledge and skills are transferrable. However, working in a professional lines team and having to understand the variety of businesses insured, from cyber to professional indemnity for architects and engineers, is positively challenging and I am constantly learning. As the world becomes ever more developed and advanced, the need for insurance will become ever greater, as risk mitigation needs to match the changing risk environment.

GABIJA RADVILAITE

ACII, executive, International Regulatory Development, Lloyd's

The Corporation of Lloyd's is definitely an interesting place to be! The diversity of work that I encounter on a daily basis is one of the reasons why I love working here; Lloyd's can trade in so many different territories writing a wide spectrum of business, there is always a need for new talent with global expertise.

My role offers fantastic opportunities to not only develop my own expertise by engaging with the dynamic teams in the Corporation of Lloyd's, but also with other stakeholders, such as underwriters and compliance professionals from the Lloyd's market as well as international regulators and policymakers.

I believe the diversity of work and exposure to different business areas are the reasons why members of the Lloyd's graduate programme are successful in securing positions in the Corporation of Lloyd's and in the Lloyd's market, as underwriters, brokers, actuaries and legal representatives. Such an excellent retention of talent shows that there are a number of career opportunities to match different personalities and interests

ALEXANDER BURGESS

FCII, broker, Alwen Hough Johnson

I feel a very great sense of pride and satisfaction from working within the London market, the globally renowned centre of insurance excellence. I love the stimulating environment and I constantly want to be at my absolute best; with an uncompromising determination to achieve the highest standards of professionalism exhibited by both my colleagues at Alwen Hough Johnson and my peers in the London market.

There are endless opportunities to continually develop and learn through shared experiences on a market level too – with the superb presentations and lectures from the IIL or on a social level, with the efforts of the different Lloyd's clubs and the IIL Young Members Committee.

As a founding member of the IIL's Buddy Mentor scheme, I also understand that sharing experiences and contributing to a pool of knowledge is the only way to truly promote professionalism within the London market. Continuity has remained key to the long history of Lloyd's but we need to be persistently innovative to discover new solutions to problems that may not yet be recognised or identified. It is because of this that there will always be new opportunities for emerging talent. ●

THE NEXT GENERATION OF FINANCIAL ADVISERS

We have a shortage of advisers and that it will not change in the immediate future

Where will we find the next generation of financial advisers, and what if anything will we need to do differently to attract and retain them? In my not-so-brief career, I've watched the number of financial advisers fall significantly. By some accounts, there is now a gap of around 5,000 advisers, and this will only worsen as the current generation retires. Of course, that figure supposes that financial advisers will only service clients at a particular level of wealth or those with the wherewithall to pay a certain level of fees, which is a whole different subject.

In the United Kingdom there is approximately one adviser for every 2,000 people, which compares to a ratio of one adviser for every 1,400 people in the United States and one to every 1,500 in Australia, both countries having similar demographics and advice models to the UK. Whichever way you look at it, the evidence suggests we have a shortage of advisers and that it will not change in the immediate future.

For many people of my generation becoming a financial adviser was often more by accident than part of a planned career progression. Invariably it was a second, or even third career choice, with people tending to enter via direct sales. If they were already in banking it may have been a change of career direction as banks moved into building large sales teams of their own. Those days are long gone however, and (thankfully) people today cannot walk in off the streets and become an adviser in the way they used to.

Becoming a financial adviser today requires considerably more time, knowledge and money than ever before. However, as the costs of training and development have gone up, margins have come down. With the higher time and expense costs of becoming qualified it is no longer possible for the industry to 'throw enough mud at the wall and see what sticks'– which is how many of the advisers of my generation were introduced.

THE ACCIDENTAL CHOICE?

Anecdotally, what I continue to hear is that becoming a financial adviser today is still often an accidental choice, and with a few exceptions people are still entering the industry/profession as a second career choice rather than a first. Financial advisers suffer from an image problem, and it's so dire that although the majority love giving advice and helping people, most wouldn't recommend the job to their children, nephews or nieces. If we also asked those children, nephews and nieces we would find that most wouldn't place financial advice at the top of their career list.

My own experience with some younger interns and work experience placements bears this out. When compared with the perceived glamour and the bright lights of the wealth management sector, financial planning and advice comes over like the poorer cousin.

So, those of us on the inside looking out tend to cite regulation as the main reason the fun has gone out of the job, while those on the outside looking in would say we have an image problem. Both are valid points of view, but the one that matters most is the perception of those on the outside looking in. Let's face it, financial advice just isn't attractive enough. To a young person considering a career in financial services, talking to older people about retirement doesn't sound as exciting or enticing as working in FinTech or asset management.

So how do we attract new blood? One strategy is to attract them early through a graduate programme, in the same way as the other professions. We still have an image problem compared to say law or accountancy (we still cannot decide whether we're part of an industry or part of a profession) but there are a growing number of universities offering financial planning degrees, including Manchester, the University of South Wales and the University of Northampton. The Chartered Insurance Institute is working with several universities on, among other things, syllabus and course development, as well as initiatives to ensure that students can quickly enter the profession once they graduate.

It's early days for financial planning degrees, and they don't yet carry the same kudos as some other financial services degrees. But progress is being made and the number of universities offering financial planning modules is rising. Liasion between universities and local employers is also helping these degrees become better established. Within the catchment area of these universities a number of established local firms are providing internships leading to employment for graduates.

These local initiatives are important. When there is demand for new graduates it creates a compelling reason for a university to support a particular degree programme. So a healthy pipeline of jobs for the newly qualified will spur universities to not only offer the courses, but also to actively promote financial planning as a viable career option compared to other traditional finance careers.

> THE CII AND PFS ARE DEVELOPING APPRENTICESHIP SUPPORT PACKAGES

But waiting for graduates to fill the gap is going to be a very slow process. It's also expensive timewise and moneywise, and the volume of new students is still relatively low. It isn't just a financial services problem – there is a skills shortage in several other careers, which is why the government is pushing through a national apprenticeship programme.

Again, the Chartered Insurance Institute and the Personal Finance Society are developing appropriate apprenticeship support packages. These packages will enable employers to take on apprentices in the knowledge that there is an academic framework to plug into – crucial if the schemes are going to work. In some ways this formalises a process that has existed as an ad hoc method of bringing on new advisers, whether through paraplanning or administrative roles.

The benefits to employers are that they can bring people into the firm at an earlier age and at a relatively low cost. In return they have to pay a minimum wage and give apprentices one day a week off for study. Employers are also able to overlay their own style, values and methodolgy which is sometimes a problem with older employees who often carry some 'baggage' from previous jobs they've had.

Having said all that, perhaps the adviser gap is temporary. The evidence suggests that younger generations don't need the same face-to-face relationship-driven advice that my generation does. FinTech might be the future. That doesn't mean we don't need a swathe of younger qualified advisers to join the ranks, but they'd be interfacing with clients differently. We might even take a leaf out of their book and use technology to become more efficient. Consider the 'adviser hours' that could be saved if meetings were held 'virtually' instead of travelling to see clients. ●

DENNIS HALL
Chair, London Region, Personal Finance Society

YOUNG ENTREPRENEURS

Matthew Jenkins, ACII, Underwriter, North American PI, Syndicate 2987 at Lloyd's, interviews **Adrian Furlonge**, **Will Hemsley** and **Rebecca Wynne**, of Hemsley Wynne Furlonge

Companies have been pursuing mergers and acquisitions (M&A) more than ever and it would appear that the same is true for those operating within the insurance industry. As insurance companies become bigger and bigger, benefiting from economies of scale, increased distribution networks and larger profiles, it begs the question, how do small and medium sized enterprises (SMEs) in this sector overcome the barriers to entry and establish a presence, compete for business in some of the toughest market conditions experienced in a long time and ultimately survive?

Hemsley Wynne Furlonge is a specialist independent M&A insurance broker and adviser set up in 2014 by three market leading individuals, who, having worked for large insurance companies, decided to take their combined 25 years of experience and set up their own company. We were keen to find out their views on the challenges faced by SMEs in the insurance market and their outlook for the future.

MJ: With the recent flurry of M&A in the insurance market and the perception that bigger is very much better, do you think we are seeing fewer companies starting up and existing SMEs struggling to survive?

HWF: Insurance is very much a business built on relationships and expertise. We believe that the acquisitions and growth of the larger companies diminishes the importance of relationships and large company bureaucracy can stifle expertise by failing to reward success appropriately. It is these aspects that SME/start-ups capitalise on. In our sector (a growing sector) in the past two years there have been three start-ups – the only start-ups in our sector for many years. Ultimately start-ups will continue to thrive in areas where there is growth and the individuals can be rewarded for their skills.

MJ: What motivated you to start your own company and did you have any concerns about being able to make it work?

HWF: We all worked for large insurance companies in which we were seeing our futures as movement into management roles, as opposed to being able to continue working on the deals themselves. In addition, the potential upsides if it did work (complete control over our working lives including both the growth and strategies of the company and our work–life balance; potential significant financial reward; and the excitement of success), made the very real concern of failure seem a risk worth taking. We had genuine concerns about failure – our competition were all large insurance brokers that we knew would do everything in their power to compete against us.

MJ: Finance is the lifeblood of every company, but for new firms, capital is especially critical. What are your views on the accessibility to capital for start-ups and SMEs?

HWF: We were fortunate that we could self-fund. While of course financing is difficult, part of the ability to succeed as a start-up needs to be driven by the fear that failure equals financial disaster. This is also relevant for accessing external capital because if we could demonstrate to lenders that we were prepared to put our own necks on the line, why shouldn't they lend?

> WE USED ALL OUR LIFE SAVINGS – WE PUT OUR OWN NECKS ON THE LINE

MJ: Crowdfunding is a source of capital that is becoming increasingly popular. What is your perception of this relatively new source of funding and do you see it working for insurance start-ups?

HWF: Other than what we read in the press, we are not familiar with it. The issue insurance start-ups would have procuring funding in this way is that most people don't understand insurance and don't like insurance – 'it never pays' being the familiar perception. Therefore, any start-up seeking crowdfunding would need to target the crowd and generate a marketing campaign with mass appeal. We very much doubt it would work for something extremely niche.

MJ: So called 'barriers to entry' can make getting off the ground extremely challenging and even unachievable for many entrepreneurs. What would you say are the key barriers to entry and what was your experience in this regard?

HWF: Competition, finance and regulation. In reverse order, the hardest thing for an insurance start-up will be to get regulated. The Financial Conduct Authority (FCA) can be a one-size-fits-all organisation that is under-resourced. Therefore, it expects the same sort of infrastructure, compliance, strategies, systems and controls to be in place for a three-person firm as it does for an AIG or a Marsh! This is why so many start-ups go down the appointed representative route, which is comparatively easy. Finance we have discussed, but the other part of this is the ability to support livelihoods and families for a period of time while no money is being made. For some, this can be several years. Competition is obviously key and in the insurance market, the larger companies will always make it as difficult as possible for the new entrants to win business, retain clients and achieve the same successes as they do.

MJ: Do you feel that start-up companies have adequate support from external bodies in helping to get established?

HWF: The only external body we had dealings with was the FCA. Other insurance start-ups may benefit from external bodies such as BIBA, the CII and Lloyd's. While we did get regulated without a hitch in the end, the FCA, as mentioned above, found it difficult to deal with us as a niche start-up.

MJ: With the continued consolidation of companies in the market do you think it will remain possible for small insurance businesses to penetrate, compete and ultimately survive in this market and will SMEs still be relevant 5-10 years from now?

HWF: We forecast that while there will be continued consolidation at the top end, there will also be an increased client demand for quality service and output which in our opinion is a demand best served by SMEs. As a result, we predict that we will have a market with an increased number of SMEs taking an increased market share, while the big companies will continue to consolidate as they try to generate returns for shareholders in a more competitive market.

MJ: What advice would you give to someone starting their own company?

HWF: Success is driven by careful planning, understanding the risks (in particular total failure), backing yourself... and a lot of good luck! ●

The ability of this industry to innovate will decide its future

INNOVATION

re/insurers can do it (again)

Innovation is at the heart of most industries. It drives entrepreneurism, is what customers expect, and is an essential feature of any organisation that needs to stay agile in a fast moving and competitive business environment. Re/insurance has a great history and is a great user of history to better understand today's risks. Along with the complexity of what we do, this often creates the impression that our sector is stuck in the past and resistant to innovation. While it should be recognised that central elements of our business depend on this centuries-long experience, the re/insurance industry is not the first sector that comes to mind when thinking of innovation and we can and must succeed much more in this area.

One reason lies in the high expectations of what something innovative should be. The word derives from a Latin word meaning 'into new'. But what exactly does it mean?

We can think of innovation in many different ways and not all of them are equally thrilling. If we were to ask a broad and diverse audience to name a product or a brand linked to innovation, smartphones and their top manufacturers are more likely to be mentioned than 'just-in-time' (Toyota) or 'build-to-order' (Dell). For that matter, we are also more likely to hear 'electricity' or 'the wheel'.

Disruptive innovations are more likely to make the headlines. This is a narrow definition of 'innovation', which links it to 'new products'. The taxi company Uber is probably the best example, where the term 'uberisation' is now used across many industries when discussing disruptive innovation.

Innovation led to the birth and development of re/insurance, as we know it today. This innovation allowed re/insurers to support the development of other industries and to keep in step with their efforts to innovate further. Henry Ford (1863-1947), referring to New York City in the early 20th century, said, '... this has only been made possible by the insurers. They are the ones who really built this city. With no insurance, there would be no skyscrapers. No investor would finance buildings that one cigarette butt could burn to the ground.'

The re/insurance industry did and still can innovate but it still has a long way to go before it is fully integrated through the sector's business models. When we do innovate, we do it in different ways compared to other industries. Re/insurance is a strange product, with the customer buying a promise. Innovation in re/insurance therefore lies at the intersection of three factors that must jointly work together. First, clear client needs. Second, sustainable re/insurers' risk appetite and, third, a broad and deep expertise. These three factors are all required to develop new products. There is no short cut to an innovative culture in which leadership needs to play a key role. If a re/insurer is developing innovative new methods of covering risk and predicting unknown dangers then we help generate innovation in others.

This is an industry where buyers face multiple risks and with new risks emerging through technology developments such as drones and other 'disruptors' that have moved from the laboratory to mainstream use in just a few years. Sellers are in the business of taking on risks and managing them, selling the promise to be there when most needed. Risks are ever more complex and interconnected.

Sellers cannot just invent the need and sell a product (it takes clear needs). Buyers require a partner that understands their needs (expertise). The product must be effective and yet also allow the seller to thrive and hold its promise in the long run (sustainable appetite). Successful re/insurers acknowledge this and leverage these key factors.

Clear needs, appetite, and expertise built re/insurance. They also led to further innovations throughout its life, such as insurance-linked securities, excess covers, contingent covers, diverse claims' triggers and parametric covers.

INNOVATION IN THE FUTURE

The same three factors pave the way forward. The ability of this industry to innovate will decide its future. There are multiple challenges and they are not confined to alternative re/insurance models and new competitors. Emerging risks and the talent gap are additional threats.

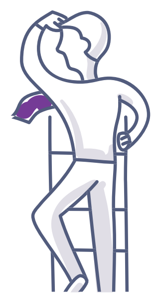
Yet behind threats and challenges we can find opportunities, innovation being the key to accessing them.

Technology and big data hold big promises. We do not necessarily need to reinvent the re/insurance industry. More modestly, the industry can be in the position to support clients, society, trade and the economy with better products: closing the protection gap, addressing emerging risks and tailoring solutions. It can also ensure its long-term viability by improving risk selection and underwriting. It needs to attract the best talents.

There is a worrying protection gap. Today 70% or more of economic losses following a disaster are uninsured. It is our social duty to innovate to better serve society. It can take the form of innovative partnerships, distribution and products. It means leveraging technology in the design and execution phases, such as big data and internet platforms. There is a need for strong re/insurers with appetite and expertise. We only need these factors to work together.

> IT IS OUR SOCIAL DUTY TO INNOVATE TO BETTER SERVE SOCIETY

PETER SYDENHAM
Global Head of Marine Reinsurance, Managing Director Property & Specialty and Head Special Lines Asia Management Team, Swiss Re Services



In a more interconnected world, risk profiles are unique and clients' needs are best served by tailor-made solutions. This requires further innovation along the lines of structured solutions, new claims' triggers for greater certainty and fast payment. The cover will need to be seamless along the supply and value chain. Structuring capabilities require expertise and appropriate risk appetite.

Natural catastrophes, man-made disasters and emerging risks are not only opportunities but also pose accumulation risks and pricing challenges to the industry.

Better risk selection and underwriting, together with the ability to attract talents, are fundamental for the future of the re/insurance industry. We can succeed through innovation. We need to maximise the potential of new technologies to identify and understand the needs, building a solid and sustainable appetite and attracting talents to our mission of making society a better place. Swiss Re's vision is to make society more resilient.

For more than a thousand years the insurance and reinsurance industry has innovated to support society and re/insure new, more complex and bigger risks. It founded its success on the ability to work together with its clients.

We can shape innovation in the future if we foster the healthy relationship among these factors:

- *Client needs*: clarity and transparency, as the result of a long-term broad and open partnership
- *Re/insurer appetite*: big yet sustainable, supported by quality capacity. Novelty should not come at the cost of sustainability.
- *Re/insurer expertise*: broad and deep, with global reach, to support innovative product structuring and development. ●

...demand for Africa's vast resources is dwindling and investment in infrastructure is falling

AFRICA FACES TRIPLE HIT

Africa's economy still has good prospects, but it has suffered three powerful blows – instability in the Middle East and North Africa, China's economic slowdown and the drop in energy prices.

'If I had been asked to give this lecture two years ago, it would have been very optimistic, showcasing the up and up African economy with unabated growth averaged at 5% from 2000 to 2014,' said Prisca Soares. 'Unfortunately, this is not the case today.'

Not only has the fallout from the Arab Spring in the north of the continent hit African economies, but also Africa has faced two newer threats from falling energy prices and China's economic downturn. 'It remains to be seen if the impact of falling oil prices on political tensions could in the longer term lead to deeper economic problems in North Africa. In 2015, Sub-Saharan Africa's GDP contracted by 9.2%. Thus, the once stable African economy, from which a more robust insurance sector was emerging, is shaky and the future, which looked so bright, is now uncertain,' said Soares.

THE ACCIDENTAL CHOICE?

China has over $20bn invested in Africa, in addition to development aid. Overall Africa-China trade amounted in 2015 to more than $200bn, dwarfing the Europe ($137bn) and United States ($85bn) totals. 'With the slowdown of its economy, demand for Africa's vast resources is dwindling and investment in infrastructure is falling,' said Soares. 'Accordingly, a one percentage point decline in China's domestic investment growth correlates to a 0.6% drop in export growth of Sub-Saharan Africa countries – with even larger effects on the resource-rich places such as the Democratic Republic of Congo, Zambia and South Africa, she added.

INSURANCE MARKET

For insurance specifically, Africa's market landscape has changed positively since the millennium. 'These activities include a move towards risk-based supervisory regimes, deregulation, consolidation, and mergers and acquisitions,' Soares explained. 'In recent years, some African markets have enacted legislation intending to promote products such as bancassurance and microinsurance, as well as to boost local capacity and expertise in certain classes of business.' Examples include laws passed for the Nigerian and Ghanaian oil and gas industries and life re/insurance rule changes in Nigeria and Kenya that are increasing retention levels and risk management standards.

Most African countries have liberalised and deregulated their insurance markets since the turn of the century. 'The political landscape has fundamentally changed over the [past] 15 years, to the extent that about 20 Sub-Saharan countries are considered democratic,' said Soares. In 2001 there were four.

African Development Bank analysts predict that the growing middle-class consumer spending in 2030 will be $2.2tn ($680bn in 2008). What opportunities are there for foreign re/insurance firms? Plenty, according to Soares. Since 2005, there has been a tremendous increase in lives and property insured under microinsurance, from 3.5m policies in 2005 to 44.4m in 2011 (excluding South Africa). The region with the largest concentration of lives/property insured is southern Africa (30.2m) with 90% from South Africa (27.2m).

Soares concluded that the insurance penetration of 41 markets, including six of the largest 10 economies in the continent, is a mere 0.23%, and this strongly bears witness to the fact that the insurance industry in Africa is virtually untapped in many nations. ●

This article appeared in the April 2016 edition of *Reactions* (see reactionsnet.com); Members can download the podcast of this lecture at cii.co.uk/knowledge

VICTORIA BECKETT
Senior Reporter, *Reactions*, reported on a lecture to the Insurance Institute of London given by Prisca Soares, Secretary General, African Insurance Organisation

INTERNATIONAL GROWTH

THE WORLD ACCORDING TO TOM IN 2021

What will the insurance industry look like in 2021? Will it be completely digital? Will desktop computers still have a job or will smart devices take over? No one knows for sure, but one thing is guaranteed: the digital revolution will profoundly transform the way we do business.

The London insurance market is standing on the precipice of significant and critical change. We need to modernise, and we need to do it quickly. The turbulent global macro-economic headwinds, combined with sustained downward pressure on pricing that looks set to remain, means that business is getting tougher. The reality is that we can't keep operating as we always have, and expect a different result.

The *London Matters* report laid bare the stark reality that modernisation is absolutely critical to safeguarding the market's future – and it is the market's responsibility to achieve this. Previous efforts to deliver operational/process modernisation have failed. So why are we going to succeed this time?

FUTURE-PROOFING THE MARKET

First, there is a level of collaboration and momentum across the market that has never been seen before. There are more than 500 participants from across the market, at all levels, investing hundreds of hours into developing enduring and future-proofed solutions that work for all. In this exciting time, the London market has some important choices to make that will provide the technological foundations for the future of insurance.

> The London insurance market is standing on the precipice of significant and critical change

Let's consider the world according to the TOM (Target Operating Model) in 2021. How will these technological advances across the London market have altered the working environment? The TOM market consultation drew some widely agreed certainties, but most significant of all is that harnessing and sharing data will be key in the market's evolution. We will undoubtedly see an increase in the sharing of commonly used, non-competitive, data that will see increased productivity, the reduction of errors and omissions, and minimised fraudulent activity.

We will also be moving swiftly to a digital world and all of the connected devices will spark a stratospheric rise in data. Deep data science will undoubtedly become an important component of accurate and real-time risk pricing.

KEY INITIATIVES

During 2015 TOM worked on 10 initiatives to realise the benefits of straight-through processing and deliver enhanced central services. In early 2016, the focus was narrowed to four. The first – and a single, market-wide electronic placing system – PPL, is the first step towards enabling true one-touch data collection – a core principle of the TOM. Enabling Broker premiums submissions into Central Services using ACORD messaging is key to making London easier to do business with. Increasing automation, improving data accuracy and reducing settlement queries reduce unallocated cash and settlement times.

Importantly, the TOM is engaging with the future leaders of London's insurance industry – young minds that have grown up in a digital world – forming an innovation community in which ideas can be presented, and their feasibility discussed. Engaging with tech innovators from both within the insurance industry and, equally, outside of it, allows the widest possible opportunity to discover and employ game-changing technologies to our benefit.

With practical and tangible advancements such as Placing Platform, Central Services Refresh Programme and our innovation community – alongside many other initiatives – we have set some great foundations. The very future of the London insurance market depends on that momentum. ●

SHIRINE KHOURY-HAQ **Director of Operations*,** Lloyd's, **Shirine is responsible for driving forward modernisation across Lloyd's and the wider London market as the sponsor of the London Market Target Operating Model (TOM) initiative.*

DAVID LEDGER **Chief Operating Officer**, Aon UK and Chairman, Placing Platform (PPL)

INTERVIEW

ROAD LESS TRAVELLED

Frank O'Neill, reveals his unique journey from South African MOD driver to CEO of Swiss Re UK & Ireland…

When IIL's incoming president Russell Higginbotham was promoted into a global role with the company, Frank O'Neill was appointed his successor as CEO of Swiss Re UK & Ireland. Frank's road to the top started in a rather unconventional way, in South Africa as a driver for the country's Minister of Defence.

Q: Are there any skills you learnt working as a driver in the South African military for the Minister of Defence that you now apply now in your role as CEO of Swiss Re UK & Ireland?

FO: My military service was completed during a fascinating period in South Africa and I was extremely fortunate to be an observer during this time. Nelson Mandela had been released from prison the year prior to my service commencing and the country was on the path to its first free elections. The minister I served was charged, along with the current Deputy President, with drafting the new constitution and to have been witness to the comings and goings of the likes of Nelson Mandela, F W De Klerk and Thabo Mbeki was an incredible experience, particularly as I was only 18 years old.

My key learnings all centred on the manner in which powerful people interacted with those around them. On any given day I would have interactions with ministers or the heads of the armed forces, and I came to realise at such a young age that these individuals were just normal people who, when treated with respect and humility, would respond in kind. This taught me that using positional power to get things done is far less effective than engaging with teams in a mutually respectful and humble manner.

Q: What do you see as the key challenges and opportunities for the London market?

FO: The London market is the most dynamic, global and experienced insurance market in the world. However, it is challenged by a range of factors. Low interest rates and low commodity prices are affecting the industry and new emerging risks, such as cyber and drones, are forcing re/insurance companies to accelerate their use and understanding of technology. The main challenge for the market continues to be overcapacity. It will be interesting to see what impact future large natural catastrophe events and the increasing capital requirements for insurers required by regulators have on this trend.

Customers increasingly want more value from their insurance products. As an industry we need to pay attention to the whole value chain, developing expertise in the assessment, mitigation, protection and the response taken to a new risk.

Geographic diversification is also a big opportunity for the London market. Premium growth in emerging markets is stronger than advanced market growth. There is much that we can learn from these markets, for example their ability to seize opportunities and to innovate. Coming from my previous role leading Swiss Re's Africa and Middle East business, I have seen how technologies such as mobile payment systems give companies across Africa the chance to jump over the stages of typical market development. Microinsurance schemes help widen access to the products our industry has to offer and we should see this as an opportunity, not only in emerging markets but also mature markets in which the protection gap is a very real issue.

Q: How do you build strong relationships with your peers and clients?

FO: Our clients are central to everything we do. As professionals we need to be constantly adjusting to changing customer needs. When the services we provide are exceptional and help our partners achieve their objectives, the relationship part becomes easy. Being close to the clients and having a deep understanding of their business helps us to be smarter together.

Q: Is there one professional mentor who has really influenced you and why?

FO: Absolutely, a mentor is key in building a successful career. I am lucky enough to have had one specific mentor within Swiss Re for most of my 18 years with the company and although we do not have a formal mentor-mentee relationship, I know he is always there when I need him. Over the years, he has given me sound advice when necessary. One of the best pieces of advice he gave me was, 'You have two ears and one mouth. Use them in proportion!'

Q: What steps do you think the industry needs to be taking to unlock maximum value from the technological revolution?

FO: The technological revolution and the rise of FinTech provide our industry with the opportunity to improve the customer experience to a level at which consumers actively want to buy insurance. We're already seeing some good examples of simple, user-friendly mobile applications to purchase a policy or submit a claim, but they still don't entirely address the engagement challenge. We will no doubt see different ideas emerging as many entrepreneurs and companies explore the insurance market and introduce disruptive technology.

The steps we can take revolve around educating ourselves about this technology. We need to take advice from and partner with the technology experts so we are informed to help our clients with their own technology approach and by providing cover to new risks. As our industry's use of FinTech increases, there are two things we should consider to sustain the benefits to be gained – that we don't lose sight of the primacy of personal client relationships and that we take advice on all the potential regulatory, IP, security and data protection issues involved.

Q: How do you think we can win the competition for recruiting and developing world-leading talent?

FO: Attracting leading talent in an increasingly connected global workplace is a major business priority for us all. Talented professionals look for employers that provide global development, diversity, and that demonstrate their value to society. The London market is the market for professionals to find these elements.

Our market offers unprecedented exposure to global risk management challenges that over time can build the experience required to secure a position anywhere in the world. We have a significant footprint on the global insurance environment that opens doors to many new growth opportunities.

> THE LONDON MARKET IS THE MOST DYNAMIC, GLOBAL AND EXPERIENCED INSURANCE MARKET IN THE WORLD

The London market has great diversity of risk, challenges, and solutions that hone professional skills and ability to handle emerging complex risks for an increasing number of stakeholders. We have a strong culture of professional learning and effective mentoring and have achieved a lot on the diversity and inclusiveness of our industry's workforce. More needs to be done on the diversity of our talent pool and it is important to also look at the identities and perspectives that people bring.

People want a sense of purpose in their career. I am proud to be part of an industry that is an important pillar in making our society and economy more resilient. We help secure people's livelihoods and when disasters strike, we help people to get back on their feet. We will attract more leading talent if we can effectively communicate this message. ●

THE INSURANCE ACT 2015 – PRACTICAL CONSIDERATIONS

The effect of changes to the duty of disclosure and its implications for insurers and insureds

The Insurance Act 2015 (the 'Act'), came into force on 12 August 2016. It applies to insurance contracts entered into from that date and which are applicable to UK laws.

The Act applies equally to reinsurance and the bulk of the Act is concerned with insurance contracts entered into in relation to a trade, business or profession. A different regime applies to consumers.

MAKING A FAIR PRESENTATION

The outgoing regime was based upon the notion of a duty of utmost good faith, which required an insured to disclose voluntarily (and without being asked) every material circumstance about the risk and not to misrepresent material facts.

The new duty is of 'fair presentation', which effectively requires non-consumer policyholders to undertake a reasonable search of information available to them and to present it to underwriters in a reasonably clear and accessible manner. A duty to undertake a reasonable search applies also to insurers. The underwriter has to make a reasonable effort to search information as is available within the insurer's organisation, Further, although the onus is still largely on the insured to volunteer information, the insurer must ask questions where it is evident that the information supplied is incomplete.

The Act has not changed the test for what constitutes a material fact: 'a circumstance or representation is material if it would influence the judgement of a prudent insurer in determining whether to take the risk and, if so, on what terms'.

THE REASONABLE SEARCH FOR KNOWLEDGE

The insured

The process of gathering information within a large corporation can be a complex task. Under the Act, there is an obligation on the insured to undertake a 'reasonable search' to elicit material information. This is intended to be a flexible enough standard to allow for the many different types and sizes of commercial insured that will be governed by this rule of disclosure. However, that flexibility incorporates vagueness.

Where there are hundreds or thousands of employees, at what point may an insured stop searching or stop asking questions? The new Act states that the material knowledge of senior management, and those responsible for the insured's insurance (including their brokers), will be disclosable.

The insured is still required to make reasonable enquiries – which must, at least in part, mean enquiries within the organisation (and relevant agents external to the organisation) likely to hold information material to the insured risk, not only enquiries of senior management or those responsible for the insurance.

Insureds need to consider the reasonable enquiry obligation as a potential form of defence. If we imagine that there has been non-disclosure of a material fact by an insured, we must consider two questions:

- Was it actually known to 'senior management' and therefore actual knowledge of the organisation that should have been disclosed?
- If not, was it a fact that ought to have been revealed by reasonable enquiries of those within the organisation (and relevant external agents) likely to hold material information?

Proving that the answer to both of these questions is 'no' should help enable a successful defence to an allegation of material non-disclosure.

Among areas for further consideration concerning reasonable enquiries made by the insured that ought to be considered carefully so as to allow the above defence to be run successfully are:

- Does the insured have internal obligatory reporting procedures, systems and controls in place that make it more likely that material information will be identified and reported to senior management and/or those responsible for arranging insurance cover?
- Has the insured properly documented those procedures so as to ensure that it can later demonstrate that a reasonable search was made?
- Is the insured confident that the list of senior managers, relevant external agents and those responsible for arranging insurance is complete and up to date?
- How much time has been allowed for enquiries to be made in advance of policy placement? As a reasonable search has to be made, a reasonable period must be allowed in which to complete that search.
- Procedures also need to incorporate time for dealing with requests for additional information from underwriters, to ensure that the insured's response is properly provided and to allow for timely policy placement.

The broker

Briefly, the knowledge of a broker working for the insured that has been acquired by the broker while acting for another client will not be deemed under the Act to be the knowledge of the insured. Knowledge acquired by the broker in the course of acting for the insured will be deemed to be the insured's knowledge and will be disclosable.

The insurer

It would be very unwise, without at least confirming the position first, for a prospective insured not to disclose obviously material information based upon an assumption that the insurer either already has sufficient information to be put on notice that it needs to ask further questions or that the insurer has the information already in its own records. When approaching a new insurer to underwrite some or all of a risk or where there are both leading and following insurers on a policy, not all insurers will have the same information within their own records (if any) regarding the proposed risk.

HOW THE INSURED, BROKER AND INSURER MIGHT WORK TOGETHER

For certain types of insurance, it may be appropriate at least to attempt to:

- agree with or, at the very least, inform the underwriter of the extent of the searches made and that further searches are not required or will not be made;
- define in the contract exactly whose actual knowledge within or external to the particular organisation is relevant and disclosable for the policy purposes; and
- agree that certain information is not going to be disclosed (e.g., claims prior to a certain date).

The Act has the overall effect of improving the insured's position with regard to the insurer (or the reinsured's position with regard to the reinsurer). The insured's duties are clarified and are a little less onerous. The legal remedies available to the insurer are no longer a choice between paying the entire claim and paying nothing – a middle ground has been introduced. So, while there is much talk of new duties on the insured, these are, overall, lesser duties with lesser penalties for breach. ●

PHILIP ANDREA
Senior Counsel, Reinsurance
Willis Towers Watson

In October 2015, the Money Advice Service launched a new Financial Capability Strategy for the UK

THE CHALLENGE OF IMPROVING FINANCIAL CAPABILITY

Large numbers of people are not in a position to deal with the impact of a serious financial shock. Financial capability matters, so what can be done to help and how can the insurance industry benefit?

The issue of financial capability has long been a problem in the UK. Twelve million people aren't saving enough for their retirement, 27 million people don't have enough saved to allow them to cope with a significant financial shock and only half of people with families have any life cover.

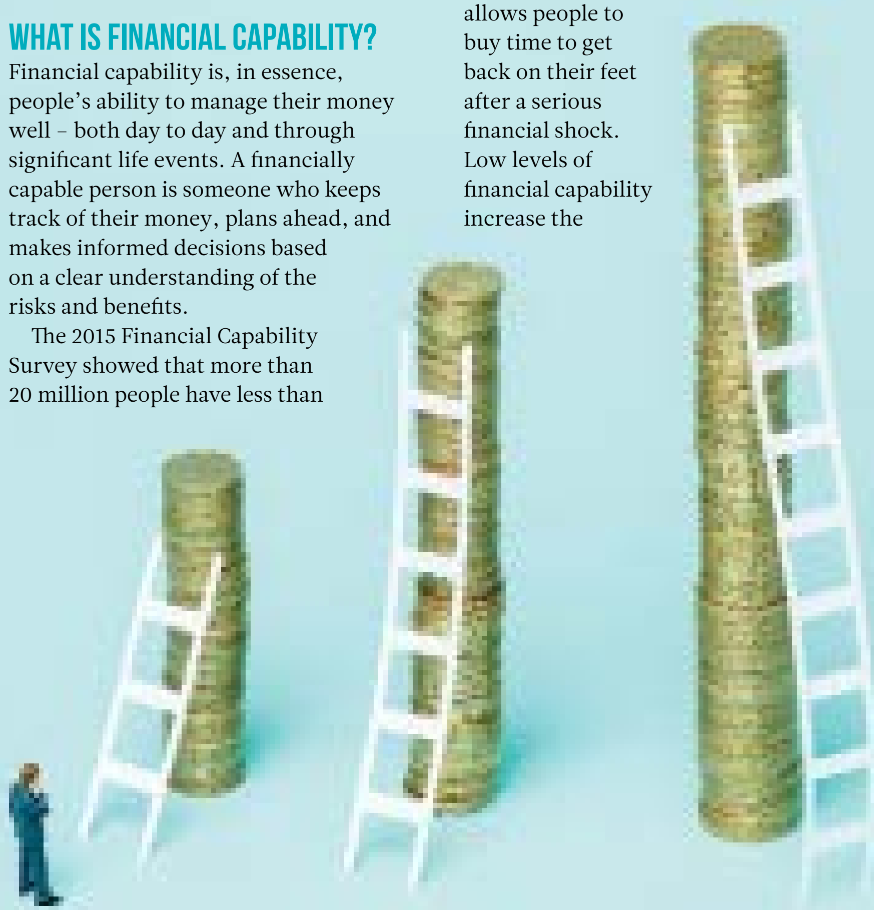
In October 2015, the Money Advice Service launched a new Financial Capability Strategy for the UK. Developed hand in hand with organisations from the financial services industry, the wider business community, government and the voluntary sector, the strategy's goal is the improvement of financial capability levels across the nation. It sets out how financial capability is defined, levels of financial capability and the steps to be taken for improvement.

The long-term aim is to work with all age groups to improve levels of financial capability. Not only does this stand to deliver substantial benefits in terms of making people more financially secure, but also the wider financial sector (including insurance) should gain from improved levels of financial capability.

WHAT IS FINANCIAL CAPABILITY?

Financial capability is, in essence, people's ability to manage their money well – both day to day and through significant life events. A financially capable person is someone who keeps track of their money, plans ahead, and makes informed decisions based on a clear understanding of the risks and benefits.

The 2015 Financial Capability Survey showed that more than 20 million people have less than £500 in savings and only one-third of working-age people have three months' income saved, which is the buffer that allows people to buy time to get back on their feet after a serious financial shock. Low levels of financial capability increase the likelihood of people losing control of their spending and being plunged into unmanageable debt.



FINANCIAL CAPABILITY AND INSURANCE

One key element of financial capability is planning for future life events. Encouraging people to review their spending habits and build up an adequate and easily accessible savings buffer is important but savings can only offer so much security. There are some risks that few people could realistically be expected to have a sufficient level of savings to cover and it is in these circumstances that insurance has a key part to play.

Here too, the number of people lacking appropriate insurance is worrying. Almost one-third of UK adults have experienced a serious financial shock in the past five years. Of those, only 35% had the right insurance in place to cushion the financial blow. Only 17% of adults consider insurance a necessity and many families are exposed to risks that could be mitigated if they were appropriately insured.

WHY DOES FINANCIAL CAPABILITY REMAIN PERSISTENTLY LOW?

Improving financial capability requires a change in attitude. Thanks to a 'spend today rather than save for tomorrow' culture, many people are prone to overspending and depend on credit. As a result, people are less likely to consider insurance or setting money aside 'for a rainy day'.

Changing this mind-set is no small challenge. Nobody wants to think about the worst-case scenarios that insurance guards against. The idea of falling ill, unemployment or suffering car or house damage isn't a scenario that most even care to consider. That is, of course, until the worst happens and they are left inadequately insured.

WHAT IS BEING DONE TO SOLVE THE PROBLEM?

Low financial capability is a problem not only in the UK, but throughout the world. There is no easy solution.

> THE LONG-TERM AIM IS TO WORK WITH ALL AGE GROUPS TO IMPROVE LEVELS OF FINANCIAL CAPABILITY

Meaningful improvements to levels of financial capability will be made only if there is a coordinated, collaborative effort that speaks to people from across society.

To that end, the strategy isn't restricted to helping adults; it covers all age groups in the UK. Indeed, a key aim is to focus on developing responsible attitudes towards money from a young age. By working to increase levels of financial education in schools, it's possible to instil positive habits in young people and equip them with the tools to manage their finances in later life. For this strategy to be effective, it needs to speak to the needs of the groups on which it seeks to have an impact.

Many organisations have schemes designed to help people better manage their money. However, little has been done to pool knowledge and by gathering robust evidence from the wide range of organisations that operate schemes aimed at helping people manage their money better and sharing this knowledge, it becomes possible to establish what works (and what doesn't) and move to scale up these approaches and roll them out across the sector.

A role of the Money Advice Service is to promote and facilitate the development of this strong evidence base. It has launched a toolkit to help organisations consistently evaluate programme impact, so results can be meaningfully compared.

This evidence is pooled centrally and findings are presented in a ratings system that makes it immediately apparent how effective an intervention is. Alongside the evaluation toolkit there is a set of 'IMPACT principles', to which organisations can sign up to commit them to work together to share findings and deliver the most effective approaches.

WHAT IMPACT WOULD THIS HAVE ON THE INSURANCE INDUSTRY?

A key aim of the strategy is to help people understand their needs and provide the tools to make informed choices that help create long-term financial resilience. Arming people with this knowledge – as well as the confidence and skills to use it – helps demystify insurance and financial services. As a result, people are more likely to feel empowered and confident to purchase the products that are right for them.

There are obvious benefits to this – insurance providers are less likely to be inundated with complaints from people whose policy isn't as comprehensive as they thought, or who have had a claim rejected. Fewer complaints and lower redress costs result in reputational, regulatory and commercial benefits. By giving consumers support and guidance to make informed decisions about the policies that are right for them, it becomes possible to tackle the root cause.

Few would argue that improving financial capability is hugely important and, by involving financial services sector stakeholders, it's an aim that's certainly achievable. What's more, it's not only consumers that will benefit from improved levels of financial capability and education. The entire industry stands to gain from engaged, educated and motivated customers that can take the most appropriate steps to make the most of their money, despite life's unpredictable ups and downs. ●

CAROLINE ROOKES
CEO, Money Advice Service

ALTERNATIVE FINANCE

Available protection is still very thin on the ground

At the beginning of April 2016, many firms will have been notified by the Financial Conduct Authority that their permissions had been extended to cover advice in relation to peer-to-peer (P2P) lending. However, having permissions is one thing, having the appetite and the knowledge to give advice in this area is another. And there's not just P2P lending to consider – the whole 'crowdfunding and alternative finance' sector is growing year on year. So what do advisers need to know?

There's a lot of hype. But even ignoring the hype, would-be entrepreneurs have far greater visibility and access to funding than ever before. The days of friends and family fund raising are disappearing fast. Today, it's a lot easier and a lot less embarrassing to raise funding from an anonymous public than to grovel to a rich uncle or ask parents to give early inheritances. These days, even armed only with a great idea, one can go online and hope to get crowdfunded.

But it's not just people looking for funding that are benefiting from a more open market place. Today it is relatively easy to become an angel investor, such as Peter Jones or Deborah Meaden from Dragon's Den, without the television cameras of course.

But we're already beginning to muddy the waters. The increasing popularity of crowdfunding and P2P platforms has created an awful lot of confusion over what is what, even among financial planners. The term 'crowdfunding' is so widely used and encompasses so many different concepts that there is a real danger of people investing their money differently to how they originally thought.

It would be useful therefore to briefly look at the different crowdfunding and P2P platform models to see how they differ from each other.

INTEREST MODEL

Known as micro-financing or peer-to-peer lending, this model enables individuals to contribute money to a pool for others to borrow against. In the developing world, where it has been virtually impossible for smaller enterprises to obtain bank loans, the micro-finance model has been popular for many years. The internet makes access to micro-finance easier through sites such as Kiva, which allow people to lend money to students and entrepreneurs in over 80 countries.

Closer to home, the 'credit crunch' in 2008 stopped the flow of bank finance to all but the most creditworthy borrowers, and created the perfect conditions for P2P lending to flourish. It became possible for the less creditworthy to obtain small loans easily, or for traditional savers to get better returns from the interest rates on offer, but the risks are high.

The model has been successfully extended into the small business space, and there are also other platforms specialising in different types of lending, such as property and other asset backed finance.

DONATION MODEL

The donation model has also been around for a long time. The platforms in this space facilitate donations to various charities, other not-for-profit organisations and even some creative projects. The model is essentially about giving, there is no financial return and no ownership. The 'reward' is the satisfaction of furthering the non-profits or causes which the donor feels passionate about.

REWARDS MODEL

There are a large number of platforms that enable young companies to obtain funding commitments from non-professional investors in exchange for a reward or perk. Badges, T-shirts and even the chance to become a film extra are some of the perks that have been offered, but that's all. Recognition rather than ownership is all that investors receive in return for their money. The investor gets the satisfaction of helping along with the kudos that carries.

BOOTSTRAP MODEL

This model will probably be familiar to anyone who has looked at the crowdfunding space. In exchange for a financial pledge a start-up business will pre-sell its product early, usually before production, and cheaper than it would eventually retail at. Kickstarter is one of the largest platforms with this model, and has achieved some notable successes. These include Pebble Watch and Pebble Time, which are two of the three largest fund raisings, achieving between them more than $30million of pre-funded sales. On the downside there are thousands of other companies that don't manage to achieve their minimum fund raising goals, and as a result of this all contributions have to be returned.

EQUITY MODEL

In the UK, only accredited and sophisticated investors can use crowdfunding sites to buy ownership and shares in startup companies with similar restrictions applying in the US too. Any

> IT'S A LOT EASIER TO RAISE FUNDING FROM AN ANONYMOUS PUBLIC THAN TO GROVEL TO A RICH UNCLE

equity investment carries risk, but the risks of investing in micro businesses are considerably higher, hence the wealth warnings and restrictions on who can invest. The lure to investors is the (remote) chance of picking the next 'unicorn' – a company that quickly becomes a billion-dollar enterprise, such as Uber.

Sites such as Seedrs and Crowdcube have attracted many fans who want to get closer to the companies in which they invest and those companies too have loyal tribes of followers. But there are also detractors, especially those who say that crowdfunding sites do too little (if any) due diligence on the companies that list and try to raise capital. Some argue that there is a conflict of interest in that the platform model relies on revenues from money raised.

There are also variations on a theme within all of these models, and it gets further confusing when people add crowdsourcing and outsourcing to the mix – often the terms are used interchangeably with crowdfunding, but they mean different things. The currency being exchanged crowdsourcing and outsourcing sites is knowledge rather than cash – the common ground is an internet platform to facilitate it.

Perhaps more successful in terms of funding business is Angel investing. These are not necessarily platform led, but things are changing here too. Experienced business angels and syndicates of investors will typically undertake much stricter due diligence on the companies they invest in, and often with significantly higher minimum investment levels than the £100 or so that a crowdfunding platform will accept. Often the investors will have experience and knowledge of the sector in which they are investing, and may seek representation on the board (through a lead investor) to look after their interest, or add vital skills to help ensure a successful outcome. The outcome being a successful exit (sale) sometime in the not too distant future. In the UK, Angel's Den is a crowdfunding platform that also provides due diligence and lead investors via a number investment syndicates.

The sector is still relatively new, whether P2P lending or any of the crowdfunding models. The regulators are only now beginning to get to grips with the various models, and available protection is still very thin on the ground. The returns have been more predictable and forthcoming for P2P lenders, with far too few success stories coming from equity crowdfunding. One should only invest what can be comfortably lost or kept tied up for a long time. ●

DENNIS HALL
APFS, Yellowtail Financial Planning
Chairman, London Region,
Personal Finance Society

TECHNOLOGY, DATA AND REASONS TO BE URGENT

As an industry, it's clear that we must take advantage of technological opportunities

Why is technology an important topic and why now? After all, we have been using digital platforms to market insurance since the 1990s. Most of us are comfortable operating a digital workplace, shopping online, purchasing items with our smart phones, or living and exercising with wearable devices feeding data into our mobile apps.

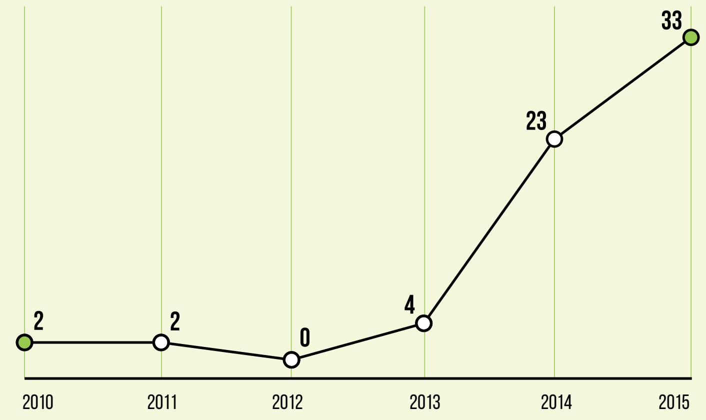
But have re/insurers truly embraced technology? Partially and in recent times, increasingly. *Chart 1* shows that insurance companies have been increasingly investing in technology start-ups in recent years. From this we can deduce that insurers are now running to catch up and gain advantage in terms of technology and digitisation. We're late to the party – but not too late.

Data has always been very important to re/insurance. The more accurate, timely and granular the data we have, the better we can understand our customers and price the risks we write. Technology is taking this to a whole new level – and if we're not involved in and driving this, someone else is going to 'eat our lunch'. Devices such as smart phones, telematics and wearables are providing new data sources, along with information and insights about the risks we write and the people we insure. These new data sources can be seen as alternatives or proxies to some of the traditional factors that we would use for pricing risk. With new forms of data, we can know more about our customers by asking them fewer or maybe even no underwriting questions. Making insurance easier to buy will lead to more customers and a more resilient society. By combining some of our traditional data sources with newer ones, we could also price business more accurately. This means lower prices for certain risks that we better understand – and conversely it would mean higher prices for some too.

CHART 1

CORPORATE INSURANCE TECH STARTUP INVESTMENT TREND

2010 – 26 OCTOBER 2015



Source: CB Insights

Overall, I would like to think that it means lower average prices, because we could remove layers of uncertainty.

This access to new data, facilitated by technology, also allows us to better understand consumer needs and develop better solutions and propositions for our clients. As we will have more detailed and granular data – and also more 'colour' in our data – we should offer solutions that work more precisely for different and smaller groups of consumers too. With access to huge amounts of data, however, we will have to pay closer attention to ensuring data protection and privacy for our consumers.

LEVERAGING TECHNOLOGY

Many technological developments will make us and our customers more risk aware and in turn will positively influence behaviour. While better pricing accuracy offers some potential for lowering average cost through improved efficiency and reduced uncertainty, the ability to leverage technology to improve insurance trend risk and even to make step-changes to risk costs is exciting. Telematics in motor vehicles changes driving behaviour; reduces risk and rewards the consumer with lower premiums. The more prevalent this is in the market, and as more safety and driverless features appear, the lower the risk and cost of motor insurance will become.

> NEW DATA, FACILITATED BY TECHNOLOGY, ALLOWS US TO BETTER UNDERSTAND CONSUMER NEEDS

The same applies in the life assurance sector, in which wearable devices can help people improve their fitness. To date, such technology has focused generally on those who want to become fitter. In the future, as the sophistication of sensors improves, we'll be able to use this technology to help people with certain conditions such as obesity or diabetes, track their health, set themselves goals, monitor their health and medication and to make improvements. All this will lead to lower-cost products and better solutions. The number of connected devices in use in the world is forecast to grow fivefold in the next 10 years.[1]

Some of those involved in the motor sector have seen telematics and steps towards driverless cars as leading to a smaller premium pool for the industry. Perhaps this is true and we have to recognise this as a social good. At the same time, we will see new risks emerge, such as product liability in motor and perhaps journey interruption.

It is clear that we must take advantage of technological opportunities. It's also clear that if we don't someone else will. When we see how Airbnb, Uber and Spotify have revolutionised the hotel, transport and music industries, it's easy to see that the same disruption can happen to us. We might consider ourselves lucky that too few innovators and entrepreneurs outside insurance understand us well enough to spot the big-ticket items. However, this is not a sound basis for survival. We should think about potential disruptors of the insurance industry as opportunities as opposed to threats. Both sides bring complimentary elements to the party. We understand that the protection gap in all forms of insurance across personal and corporate lines is huge – and unfortunately is growing. This is in many ways a failure on the part of the insurance industry. To think more prospectively and more positively, however, emerging technology, access to new and complimentary forms of data, coupled with new channels to consumers and new product solutions, represent the best possible opportunity for the insurance industry to provide protection to many more consumers and businesses around the world.

This is why 'Technology' is my theme for my year as President of the IIL. London is one of the best places to be building on this topic. We have an excellent ecosystem of insurers, tech start-ups, creative industries, law firms, capital and regulators. Technology represents the next chapter of this proud tradition, and I am sure we will see London's reputation as the leading insurance market in the world reinforced and enhanced. ●

Source: [1]Wearable Technology Database, Vandrico Inc.

RUSSELL HIGGINBOTHAM
FCII, IIL
President-elect
Global Head Life & Health Products, Swiss Re

HOT TOPICS

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As an industry, it's clear that we must take advantage of opportunities – but which are the key areas we should be focusing on?

ILLUSTRATIONS BY: **JOE WALDRON**

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Clients have been asking 'how much lower can insurance premiums fall?' It's a very good question! What the more sophisticated buyers really want is a sustainable insurance market place with long-term partners and stable pricing. What they are getting instead is a prolonged soft market that could eventually lead to a sharp over rise in premiums with a number of those partners no longer trading. The overused analogy in our business of lemmings chasing each other over the cliff still holds true!

Margins now in the aviation insurance market are so low that even a benign loss year, for example 2015, results in a loss-making year for many insurers. Counter-intuitively in a soft market, underwriters are purchasing less reinsurance and increasing retentions. To add further pressure to these market dynamics, civil aircraft deliveries are at record levels and passenger growth continues unabashed.

Furthermore, aircraft deductibles have not changed for over 25 years, despite rising inflation in hull values. To add to this litany of woes the Brussels Airport terrorist attack in March 2016 and the Metrojet loss in October 2015 keep terrorism very much on the agenda. Despite this depressing picture, we are still attracting new entrants into the market!

So the good news… despite the dire straits in which the aviation insurance market finds itself, aviation is very much a growth industry. The investment by China and the Middle East, for example in airport infrastructure, is truly remarkable… China is building in excess of 100 brand new airports… which does put the UK somewhat to shame with the prevarication over adding just one new runway for London! ●

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As newer covers, such as cyber and intellectual property, are starting to generate claims and losses in different newer markets (for example, as in China) are coming to the fore, it is increasingly important that London well understands the different techniques required to manage these losses and continue to improve our products and innovate to remain truly world class.

The increased use of data and analytics, use of technology, increased diversity, heightened collaboration and segmentation of services means that the skill sets required of a top-flight claims professional of the future are seemingly changing. In our encouragement of new claims talent we think it is important to recognise these changing requirements. ●

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The modern drive towards 'sustainability' and the relaxation of building regulations with regard to fire protection can also lead to the creation of more vulnerable buildings, and many now use timber as a significant element of construction. In the UK and overseas, examples abound of combustible cladding or combustible structural features contributing to severe fire loss.

Insurers have a vital role here and through our funding of bodies, such as the RISC Authority and the Fire Protection Association in the United Kingdom, we have advised and helped publicise best practice. These bodies are a vital part of the work our industry does for the general good of the country. Unfortunately the UK, from once being a leader in fire resilience in its built environment, is now lagging behind most other European countries. ●

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Under-35s represent over 40% of the workforce in the Lloyd's insurance market and in its 2015 Millennial Survey, Deloitte predicts 'millennials' will account for a staggering 75% of the workforce by 2025. Engaging with this generation is important, especially in relation to core market projects in which their input and support is more valuable than some people realise.

During the past two years, we have concentrated on supporting this community early on in their careers. In late 2015, we stepped this up a gear when we secured agreement that under-35s could actively take part and contribute to the market's modernisation agenda. For the first time, they can influence a market-wide project by taking part in the different work-streams of the Target Operating Model – a core component of the modernisation proposal to improve the ease of doing business in the London market.

The market has also recognised the importance of innovation and has created an innovation forum, in which under-35s are invited to lead on reviewing innovative ideas and deciding if they should be developed. They have grown up using technology and understand the positive impact it can have on businesses, so their input will be integral to the market's development in this area.

Market modernisation is a vital project and in due course it will be the job of the under 35s to lead this work. We will continue seeking their input and ideas and ensuring they are informed of what's being developed. This group is vital to the market's future. We must continue to engage hearts and mind and utilise their talents to the full effect. ●

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Flood Re launched in April 2016 and the property investors market remains acutely aware of the financial impact of flood events on properties and their tenants already situated in high flood risk areas. Stakeholders remain concerned about the continued availability of cover at reasonable terms and rely upon the London market to conceive policy terms that assist landlords in the event of a loss.

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A good example is the public private partnership scheme Flood Re in the United Kingdom. It shows that, even in a country where insurance penetration is huge – our sector can still work to provide affordable insurance to people who need it.

Private insurance provision is an essential part of closing the protection gap, and insurers do a great job in offering protection. However, the need to work with governments is self-evident, especially to strengthen resilience in a holistic way.

The nature of risk is also changing. Urbanisation is putting strain on cities, especially in coastal areas that are natural catastrophe exposed. Cities need to build in resilience – insurance has a large part to play here. Insurance can quantify risk and help society assess the potential economic impact.

Many stakeholders have shown a willingness to close protection gaps but it does need that collaborative partnership. ●

LIABILITY

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Risks evolve over time. On a technological level, one of the main changes that will come about will be the introduction of autonomous (or self-driving) vehicles. Self-driving technologies are now becoming more common in cars, such as automated parking features and the introduction of radar-assisted braking. Manufacturers, such as Ford and Volvo, and IT companies, such as Google, are investing heavily in the next generation of vehicles, and governments are supporting this in the United Kingdom, Sweden and the USA. With an increasing number of motor accidents being the fault of the technology rather than driver error, one implication of this will be that motor insurers will have surplus capital to be redeployed in the business.

E-cigarettes continue to be under the spotlight, with a new US report that casts doubt on some of the chemicals that have been identified in the vaping solutions, some of which are recognised as respiratory irritants and others as potential carcinogens. Liability insurers for their part need to look at retailers as well as manufacturers.

Finally, there have been two judgments in the United Kingdom that further broaden the law relating to vicarious liability. The cases of *Cox v MoJ*, and *Mohamud v Morrisons* have extended the duty of care that an employer owes to other parties. As a result, it will be harder for insurers to successfully defend such cases and add further pressure to the bottom line. ●

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Senior Corporate Liability Underwriter, UK Property and Liability, Tokio Marine Kiln Insurance Ltd on behalf of the IIL Accident Committee

Risks evolve over time. On a technological level, one of the main changes that will come about will be the introduction of autonomous (or self-driving) vehicles. Self-driving technologies are now becoming more common in cars, such as automated parking features and the introduction of radar-assisted braking. Manufacturers, such as Ford and Volvo, and IT companies, such as Google, are investing heavily in the next generation of vehicles, and governments are supporting this in the United Kingdom, Sweden and the USA. With an increasing number of motor accidents being the fault of the technology rather than driver error, one implication of this will be that motor insurers will have surplus capital to be redeployed in the business.

E-cigarettes continue to be under the spotlight, with a new US report that casts doubt on some of the chemicals that have been identified in the vaping solutions, some of which are recognised as respiratory irritants and others as potential carcinogens. Liability insurers for their part need to look at retailers as well as manufacturers.

Finally, there have been two judgments in the United Kingdom that further broaden the law relating to vicarious liability. The cases of *Cox v MoJ*, and *Mohamud v Morrisons* have extended the duty of care that an employer owes to other parties. As a result, it will be harder for insurers to successfully defend such cases and add further pressure to the bottom line. ●

London is missing out on a significant growth opportunity

THE RACE IS ON

London has traditionally been the market where new insurance products and solutions were developed. Pioneers from our past have left the legacy of a broad and diverse range of solutions that established London as the leading global market. However, in the area of alternative financial solutions, we have seen developments that have led to some competitor markets offering products not available in London. The most notable of these has been insurance-linked securities (ILS), which have found their home primarily in offshore jurisdictions.

London Matters, the report from the London Market Group (LMG), identified that London's share of the world market was stagnant in mature markets and falling in growth markets. Aon Benfield has estimated that alternative reinsurance capital increased by almost 13% to $72bn last year, while traditional capital fell 2% to $565bn. Taking these two facts together, we can see that London is missing out on a significant growth opportunity.

In his March 2015 Budget, George Osborne announced that he would promote the conditions to allow ILS business to be onshore in London. An LMG taskforce was formed in cooperation with HM Treasury, HM Revenue & Customs, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

CLUSTER EFFECT

One great advantage that London has is the cluster effect. By this, I mean not only are there more carriers and brokers physically in one place than any other hub, but also there is the fullest range of service providers, with experts in law and taxation not least among them. The taskforce drew on this expertise and we have benefited from the contribution of real experts all working pro-bono, even lawyers and accountants, for the greater benefit of the market. Of course, we can also draw on the market practitioners, the brokers, the fund managers and others engaged daily in the ILS world.

The taskforce had first to identify the issues that prevent ILS business from being onshore in London and then to devise solutions. We identified three key areas: taxation; regulation; and corporate law. For each of these areas solutions were set out in a HM Treasury consultation paper published on 1 March. There is still some way to go to address all the many complexities that are in the detail, but our target of getting legislation passed in 2016 is very much in reach. The taskforce would like to see the first ILS products issued in London early in 2017, thus allowing the London market to become a major player in this growth area.

BACK TO OUR ROOTS

It is of course easy to say build it and they will come, but is London the 'Field of Dreams'? Certain ILS products, such as Cat Bonds, are well established in other locations and we cannot expect a major shift of existing business to London. We do anticipate some demand from buyers who do not want to use an off shore jurisdiction and perhaps continued negative publicity around such jurisdictions will increase this demand. London's real target must be the development of new and innovative solutions, back to our pioneering roots. There are over 48,000 people working in the London market, our challenge is to harness this massive potential and meet our customer needs in exciting new ways. The early signs are positive; the Corporation of Lloyd's has announced it intends to publish a Lloyd's market index – just think of the trading potential that could release. Who will be the first to develop derivative products based on the index? Who will issue the first ILS products in London? The race is on. ●

MALCOLM NEWMAN
Chairman, International Underwriting Association of London, Chief Executive Officer, SCOR Paris-London Hub

THE LONDON INSTITUTE PROGRAMME PREVIEW

Here is just a taster of some of the events coming up in our 2016 programme. More lectures are being added all the time so please check our website **www.iilondon.co.uk** for the full details of venue, time, and registration process. If we have your email address we will send you weekly updates. Go to **www.cii.co.uk** and click on My CII to update your email address.

Date	Event Type	Subject	Speaker	Venue	Chairman
2016					
5 Sept	Revision	How to study & increase your chances of passing the CII Examinations	Chris Paine, Dip CII, Independent Training Consultant & Advisor & Len Wilkins, FCII, Sicat	Insurance Hall	Buddy Mentor/Representative
5 Sept	Diversity	HeForShe	Laura Haynes, Chair, UN Women National Committee UK, Dominic Christian, CEO, Aon UK, Huw Evans, ABI Director General, Inga Beale, Lloyd's CEO, Laura Haynes, UK chair UN Women (Guest Speaker), Russell Higginbotham, Global Head Life & Health Products, Swiss Re, Sian Fisher, CII CEO	Lloyd's	Hosted by Dominic Christian, President, IIL & Russell Higginbotham, FCII, President-elect, IIL
26 Sept	**AGM**	**Notice is hereby given that the Annual General Meeting of The Insurance Institute of London will be held at the Insurance Hall, 20 Aldermanbury, London, EC2V 7HY at 12.45 pm on Monday 26 September 2016**	**Dominic Christian, IIL President & Russell Higginbotham, President-elect**	**Insurance Hall**	**Dominic Christian, IIL President**
30 Sept	Educational visit	Visit to the City of London Police Insurance Fraud Enforcement Department	An "inside view" of IFED, the specialist police unit investigating serious, organised and opportunistic insurance fraud	Wood Street Police Station, London	n/a
4 Oct	London market	LMG Manifesto	Nicolas Aubert, Chairman, London Market Group, CEO, Willis Towers Watson GB	Lloyd's	tba
5 Oct	Marine	Insurance in the Polar Regions	Jane Rumble, Head of the Polar Regions Dept, Foreign and Commonwealth Office	Lloyd's	Michael Kingston, Partner, DWF Law
6 Oct	Educational visit	Introductory tour of Lloyd's	The visit will feature a talk on the history of Lloyd's, the Lloyd's market and its operation, the structure of the market, how business is placed, globalization and distribution regulation and Lloyd's in the world insurance market.	Lloyd's	n/a
11 Oct	Claims	Improving the customer experience - A broker's perspective	Patrick Harrington, Construction Claims Head JLT & Richard Harding, Executive Director, Aon	Lloyd's	Matthew Porter, Practice Leader, Claims, Zurich Insurance Co
12 Oct	Aviation	Aviation cyber	James Hatch, Director, Cyber Services, BAE Systems Applied Intelligence	Lloyd's	Liz Holton, Consultant, IATA
13 Oct	Reinsurance	Terrorism goes underground	Laurence Reid, Control Risks Group	Lloyd's	tba
14 Oct	Claims	Cyber & data risk: what are the business exposures, claims and implications for cyber and non cyber lines of insurance?	Hans Allnutt, Partner, DAC Beachcroft	Lloyd's	tba
18 Oct	Accident	The new age of insurance distribution	Rob Moffatt, Partner, Balderton, Capital	Lloyd's	Adrian Rand, CEO, QuanTemplate
19 Oct	Claims	Intellectual Property disputes; a practical guide and the role of insurance	Clem Roberts, Attorney, Durie Tangri	Lloyd's	Richard Salmon, FCII, Claims Manager, CRC Underwriting
26 Oct	Member reception	Find out more about your local institute	Roger Sanders, OBE, Cert PFS, Deputy President, IIL and others	Insurance Hall	Roger Sanders, OBE, Cert PFS, Deputy President, IIL
2 Nov	Marine	Amadeo 1 - Mitigating the costs of wreck removal	Sam Kendall-Marsden, Head of Division, UK & Americas, The Standard Club Charles Taylor	Lloyd's	Tim Fuller, Chief Operating Officer, Tindall Riley (Britannia)
3 Nov	London market	The Insurance Development Forum: Bridging the Insurance Protection Gap	Stephen Catlin, Executive Deputy Chairman, XL Catlin	Lloyd's	Russell Higginbotham, FCII, President, IIL
4 Nov	Accident	The long term liability issues of sports injuries	Jonathan Bellamy QC, 39 Essex Chambers	Lloyd's	tba
9 Nov	Claims	Claims excellence for corporates – what does good look like to them?	Angela Doran, Chair of the AIRMIC Claims Special Interest Group, Insurance Manager at Cambridgeshire County Council & Katie Moore, Group Risk Manager, Vodafone Group Services	Lloyd's	Patrick Smith, Chairman, AIRMIC
10 Nov	Aviation	Offshore Rotor wing safety – where are we today?	Gretchen Haskins, CEO, HeliOffshore	Lloyd's	tba
15 Nov	Aviation	Unmanned Air Traffic Control Towers – the future	Per Ahl, Vice President, Saab Technologies UK	Lloyd's	Stephen Lewis, Executive Director, Willis Group
16 Nov	Property Investors	X Rated tenants; protecting landlords	Toby Rogers, Partner, Clyde & Co	Lloyd's	Anna Whitfield, ACII, Client Director Aon Risk Solutions, Real Estate Practice Group
17 Nov	Marine	Macondo / Deepwater Horizon: loss, subsequent litigation and lessons learnt	Claude LeRoy Stuart III, Hall Maines & Lugrin, Lawyers	Lloyd's	Melanie Raven, Senior Underwriter, Ark Underwriting
23 Nov	Aviation	Russian launch vehicle manufacturing – a European perspective	Michael Doubovick, CFO & Senior Vice President, ArianeSpace	Lloyd's	Marsh, Paris
24 Nov	London Market	[Lloyd's] Global Market Access - Brexit and Beyond	Vincent Vandendael, International Markets Director, Lloyd's	Lloyd's	David Gittings, CEO, LMA
30 Nov	Reinsurance	Talent – how do we attract it? – Data analytics	Bronek Masojada, CEO, Hiscox	Lloyd's	John Cavanagh, Global CEO, Willis Re

For futher 2016/17 dates visit: **www.iilondon.co.uk**

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