April 2020

Insurance POST

THE INSURANCE BUSINESS SINCE 1840 WWW.POSTONLINE.CO.UK

A different perspective

Crawford & Company's UK and Ireland president Lisa Bartlett explains why being a claims outsider stands her in good stead to challenge the status quo

Insurance POST CONTENTS

180 1840 TO 2020

APRIL 2020 www.postonline.co.uk

INTERVIEW Crawford & Company: UK & Ireland president Lisa Bartlett on why she's shifted her focus to claims management and loss adjusting **P18**

180 YEARS Terrorism: Post looks at the effect of war and terrorism on the insurance industry over the last two centuries **P22**

IN DEPTH Floods: Post digs deeper into the impact of Storms Ciara and Dennis and the lessons learned for the future **P8**

RISING STAR Vicky Sweeney, CLS Risk Solutions: An encounter with underwriting came at CLS while Sweeney was a business student **P12**

MY OTHER LIFE Jerry Danjuma, Broadspire: Outside his day job of property claims handler, Danjuma keeps active in the wrestling ring **P13**

FEATURE Cryptocurrencies: As cryptocurrency adoption is predicted to rise, the associated risks with this form of currency multiply **p30**

Also inside

InfoPro Digital Services, 5th Floor, 133 Houndsditch, London, EC3A 7BX
E-mail: postonline@infopro-digital.com

Editor
Stephanie Denton 020 7316 9134
News Editor
Jen Frost 020 7316 9611
Commissioning Editor
Hiriyti Bairu 020 7316 9139
Senior Reporter
Emmanuel Kenning 020 7316 9653
Reporters
Harry Curtis 020 7316 9284
Pamela Kokoszka 020 7316 9141
Production Editor
David Whittam 020 7316 9319

Head of Marketing Services
Chris Finnegan 020 7316 9632
Sales Manager
Sabina Begum 020 7316 9633
Head of Event Operations
Leigh Miller 020 7316 9465
Events Director
Georgie Mailer-Howat 020 7316 9943
Senior Marketing Manager
Claire Clilverd 020 7316 9670
Delegate Relations Executive
Stefan Costea 020 7316 9265
Senior Client Manager, Recruitment
Sian Morrison 020 7316 9846

Director of Content
Jonathan Swift 020 7316 9321
Publisher, Insurance Post & Insurance Age
Jack Grocott 020 7316 9719
Group Managing Director, InfoPro Digital
David Pagliaro 020 7316 9595

Art Editor
Jon Ross 020 7316 9478

Subscription Enquiries
Customer services 0870 787 6822 (UK only)
Email: incisivehv@subscription.co.uk
Corporate Site Licences
Jonathan Dickin 020 7316 9635
Reprints & E-prints
Richard Coury richard@medialicensingco.com

To subscribe, please contact:

Jonathan Dickin
020 7316 9200
info@postonline.co.uk

PROUD SPONSOR OF DIVE IN 2019

recycle
When you have finished with this magazine please recycle it.

Published by: Published by Infopro Digital Insurance Information Limited

twitter.com/InsuranceSteph
stephanie.denton@incisivemedia.com

Be kind

As I write this the sun is on my back, the windows are open, the first days of spring mean new flowers are poking their heads above the soil, bees are buzzing, and my cat is chasing her tail in the garden.

For nature the world continues as usual and on any other day this would be a lovely time to be working from home but in reality it is a world that none of us has ever seen.

The last month has brought changes never imagined before as we have sailed into uncharted territory. Aon acquiring Willis Towers Watson seems a long time ago, but it was less than a month ago. And Storm *Ciara* seems a lifetime ago.

Most of you will be reading these words from home on an electronic screen and while the world has been heading this way for some time now we have been pushed towards it – whether willing or not – at some speed over the past fortnight.

Like me, you might have children at home and had to adapt from being an insurance professional to gaining additional responsibilities as a home-schooling parent – modal verbs and 3D shapes anyone? For others you might miss your work desk as you now try to work from your dining room table, lounge or even your bed. And perks such as three days in Manchester with your mates at the British Insurance Brokers' Association conference are a distant dream not to be revisited this year.

Since the days of Edward Lloyd's coffee shops you've been there to help those in need and that doesn't stop now

Systems and processes carefully planned on business continuity plans have been dusted off and enacted – some have worked brilliantly while others may have tested our patience.

Your working day – and likely your whole day – probably doesn't look the same as it used to. You might start earlier or finish earlier, take more or less time for fitness and undoubtedly you are seeing more of your immediate family than you did before.

Extended members of your family might be in isolation and its probable that you haven't seen any elderly relatives for a few weeks at least. We are all a lot more flexible than most of us thought.

The coronavirus has shocked the world and impacted everyone, even if you don't know someone who has been taken ill because of it. It seems cruel that mother nature continues but so must insurance. Since the days of Edward Lloyd's coffee shops you've been there to help those in need and that doesn't stop now.

True, there are policy wordings and technicalities behind everything that is underwritten but as your regulator has requested now might be the time to think about those people behind the policies and just make sure you are being fair and flexible with them like we are all having to be more flexible every day. 'Be kind' is a regular Twitter trend these days and so it should be.

Stephanie Denton, editor

In numbers

12%

Insurance Premium Tax remained at 12% in the Chancellor's budget

1200

Aviva has completed 1200 of its 1800 job cuts target

£363m

Level Association of British Insurers pegged recent insured losses at

$29.9bn

The amount Aon will buy Willis Towers Watson for

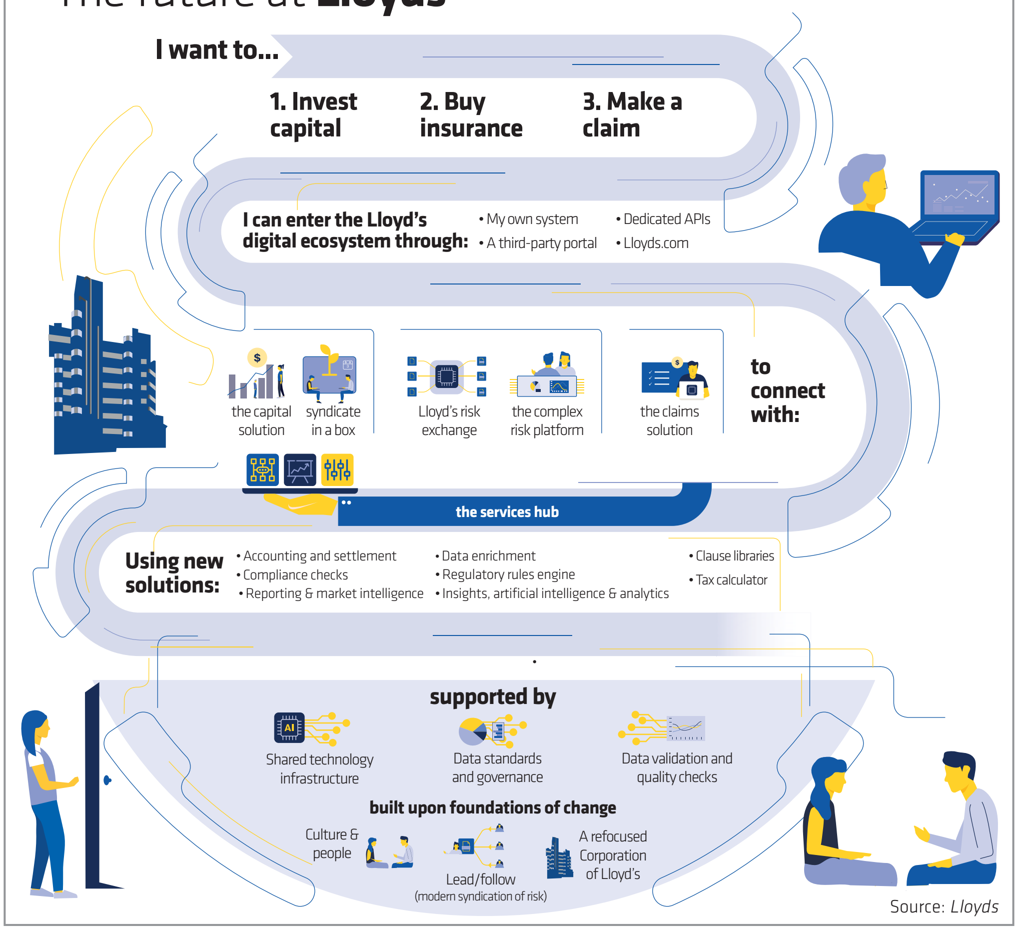
Good month bad month

BAD Several insurers pulled travel insurance as coronavirus Covid-19 was declared a pandemic

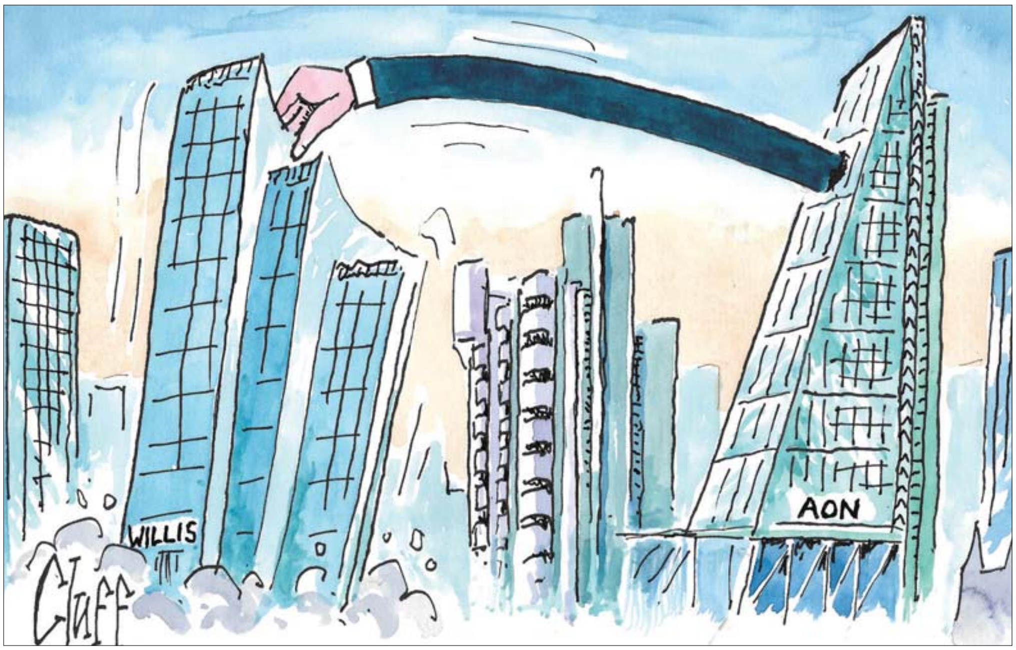
GOOD The government pledged more funds for flood defenses in the budget

BAD Coronavirus is likely to lead to a "temporary" economic downturn, the Bank of England warned

The future at **Lloyds**



Source: *Lloyds*



WHO SAID WHAT?

"Coronavirus will have a significant impact on our economy – but it will be temporary." **Chancellor of the Exchequer Rishi Sunak**

"It is possible to see a £3m claim move closer to £17m based on the proposals." **QBE Europe motor underwriting director Jon Dye on the Northern Irish proposed discount rate of minus 1.75**

"Clearly there is going to be a reduction in choice in the broker market which is disappointing for policyholders." **John Ludlow, Airmic CEO, on the Aon/WTW merger**

By Emmanuel Kenning
twitter.com/InsPostBod
emmanuel.kenning@infopro-digital.com

Coming together

Post gathers feedback from across the industry on what Aon's takeover of Willis – to create the biggest broker in the world – will mean for the market

Risk management associations have bemoaned the reduction in choice after Aon's near $30bn (£22.4bn) all share takeover of Willis Towers Watson was unveiled on 9 March.

The deal is due to complete in the first half of next year and would create a combined entity worth $80bn based on share prices at the time of the announcement (*see In Numbers*). It would trade under the Aon brand.

The announcement came almost exactly a year after the two parties abandoned previous merger talks and less than a year since Marsh & McLennan Companies completed its $5.6bn JLT buy.

John Ludlow, Airmic CEO, told *Post* that the reduction in choice was disappointing and that members would have strong views on it.

"It is not yet clear at all what value this merger will bring to our members, and they will challenge the newly created broker to demonstrate, not just in words but in actions too, how it is going to offer increased value in exchange for more limited choice," he commented.

According to Ludlow brokers are already increasingly homogenous in culture and constrained by regulation, both of which can lead to a reduction in service, creativity and diversity.

"If customer value fails to materialise, policyholders will undoubtedly find new ways of fulfilling their needs," he predicted.

Increasing commoditisation

Alessandro De Felice, president of Anra, the national risk managers association in Italy, said it was hard to understand the customer benefit of the Aon-Willis deal and that it seemed to confirm his perception of increasing commoditisation in the market.

More online

For more on mergers and acquisitions
www.postonline.co.uk/topics/mergers-acquisitions-ma

"It appears that the business for brokers is to concentrate the higher possible mass of premium to get better remuneration from insurers by moving entire portfolios with a constant deteriorated quality service level to customer and a not clear value proposition," De Felice commented to *Post*.

He argued that customers need advice and data analytics instead of a larger placing broker.

Like Ludlow he pointed out: "Corporations may reconsider their strategy and relationship in favour of smaller broking firms that may offer a much more tailored and accurate service as well as being concerned about the concentration of business and less competition."

Dirk Wegener, president of the Federation of European Risk Management Associations, said maintaining customer choice was the principal concern for European corporate risk and insurance managers. "We understand the reasons for consolidation in the industry, and we appreciate the investment in expertise that size makes possible," he stated.

"At the same time, corporate insurance buyers want to know they can get different views and that they are getting the best value for money."

Ludlow highlighted Willis Group merging with Towers Watson as an example of the benefits of consolidation with wider access to specialist risk management practices a positive for members.

Broad spectrum of needs

For the Aon-Willis merger to be successful the broad spectrum of needs and wishes of policyholders must be at the heart of its strategy, he continued, saying they cannot be treated as the end point of a transaction. "We look forward to seeing where the new sources of value will lie," Ludlow concluded.

The most upbeat response was from North America's RIMS, risk management society. CEO Mary Roth said both Aon and Willis Towers Watson have been "tremendous champions for RIMS and the risk management community".

But she also flagged that risk professionals rely on insurance partners to innovate and offer competitive solutions to build resilient risk programs.

"Our hope is that the new combined entity continues to deliver excellent products and services to the risk management community as they did apart," Roth concluded.

According to Mazars the Competition and Markets Authority will look at the deal.

"Speculation already abounds that some of the combined divisions will need to be spun-off to appease the CMA as the market options for clients are compressed even further by this merger following that of Marsh and JLT only a year ago," said director Simon Fitzsimmons.

As part of Marsh's acquisition it had to sell JLT's aviation business to Gallagher for £190m to address European Commission concerns.

One lawyer who declined to be named said that there would certainly be disposals to get Aon and Willis to completion.

"The bottom line is they will have identified this," he observed adding that M&A lawyers and competition advisors would already have advised them on the risks and "show-stoppers".

Willis Re has been the division most touted for a sale. WTW does not provide a breakdown of revenue for the unit but calculations range from $685m to $735m.

As one anonymous broker put it: "If Willis Re expertise became available there would be appetite in the market to take up that capacity, it is a talented team."

Aon Reinsurance Solutions posted revenue of $1.69bn for 2019 while MMC's Guy Carpenter achieved $1.48bn.

According to a prominent reinsurance expert: "It [the CMA] is going to have to do something otherwise you are down to two major brokers.

"Together they are something ridiculous like 70% of the market, probably even more."

Gallagher has been tipped repeatedly as a potential buyer. Other sources have suggested Ardonagh, Hyperion and McGill & Partners but also qualified that these may prefer to grow into the market. "It is ready made to make you one of the big three," the reinsurance specialist pointed out.

Along with approval from competition authorities and regulators in almost 100 jurisdictions around the world, shareholders also still need to give their blessing.

"I can see the deal not happening," said Richard Hodson, director at UK Global Broking Group. "I don't see the

> 6

Rating agencies respond to the deal

Fitch Ratings placed the BBB+ long-term issuer default ratings and outstanding debt of Aon and its subsidiaries on a negative watch.

It said the action reflected "the significant deal size, material execution risk, and uncertainty surrounding the regulatory outcome and Aon's ultimate long-term capital plan".

Moody's Investors Service affirmed the Baa2 senior unsecured debt rating and stable outlook of Aon. It also affirmed the Baa3 rating for WTW and changed the outlook from stable to positive. The agency said that it expected the combined group "will maintain credit metrics consistent with Aon's current levels".

S&P put WTW's BBB rating on a positive watch. It kept Aon's A- rating with a stable outlook. The researchers said that if the transaction closes as announced it will likely equalise WTW's rating with Aon's.

"We think that if this deal closes, it has the potential to enhance Aon's business profile by strengthening its middle-market presence significantly while enhancing its overall scale, product depth, and operational capabilities," S&P reported.

in numbers

$29.9bn
WTW value based on 6 March closing share price

$80bn
New combined entity value

Based on 2019 results combined group would have:

Total revenue of
$20.1bn

Around
95,000
employees

Adjusted operating income of
$4.9bn

Projections over three years:

$800m
of annual pre-tax synergy savings

$1.4bn
of integration costs

$400m
of retention costs

< 5 major benefit to either company at this stage. There is nothing that the other cannot do."

If the deal does go ahead everyone expects considerable fallout.

One broker leader noted that with the firms' management forecasting $400m will be needed for retention, they must believe there is a risk of losing staff they want to keep. On top of this another $1.4bn of integration costs is predicted to create $800m of annual pre-tax "synergy savings" after three years.

"That is going to be an awful lot of people and process coming to market," he stated adding that with people moving "you can bet clients are going to be moving as well".

Deepening the pool

Opinion though is divided on just how enriching this will be for the regional UK GI broker market.

The unnamed broker predicted that regionals and networks will do "really well" from recruitment and people setting up on their own respectively.

"It broadens the intellectual pool [bringing] experience, knowledge and access to new markets underwriters and capacity," they argued. "It is incredibly refreshing for the regional broker market."

However, a broker competitor, who also declined to be named, disagreed.

"Retail is a very different space," they said in contrast.

"What are people going to bring in?" they questioned. "It can be quite irritating when you work in a small brokerage and someone comes in from the London Market and thinks they know it all."

Where both agreed was that there was an element of ego in the merger.

"There will be strands of human nature in the boardroom," one suggested predicting an "aggressive battle" between the enlarged Marsh and Aon entities with "jockeying for global supremacy". The other concurred: "There is pride in this," they maintained. "Aon has lost its number one position."

How the market looked at the start of 2019...

	Marsh & McLennan Companies	Aon	Willis Towers Watson	JLT*
Revenue	$14.95bn	$10.77bn	$8.40bn	$1.85bn
Profit	$1.65bn	$1.13bn	$695m	$208m^

*Figures based on currency rate conversion on 31 December 2018
^Excludes exceptional items including MMC transaction related costs

...and (potentially) now

	Aon + Willis Towers Watson	Marsh & McLennan Companies
Revenue	$20.05bn	$16.65bn
Profit	$2.57bn	$1.74bn

Source: Company reports for year ended 31 December 2018 and for year ended 31 December 2019

Scale though will only do so much with insurers that have to maintain their own profitability.

"What I'd would like to know is why it has chosen Willis," said David Williams, managing director of underwriting and technical services at Axa Insurance.

"Is it because it sees things like Willis Network which is quite successful, is it the consultancy side which Towers Watson brings, or is it just it wanted to compete on size?"

Consolidation in the regional market often leads to larger players buying up smaller brokers and bundling them into a better paying arrangement with insurers so the acquisition pays for itself. Williams was adamant that there was "not a chance" of similar uplifts here.

"We are talking about two of the largest brokers in the UK. Believe me they will have squeezed as hard as it is possible to squeeze and there is no more commission available."

Different mindset

As one of the broker specialists concluded, focusing on the $80bn equity value of the combined organisation is using the wrong lens and a different mindset is needed.

"Big enough to deliver in the range of client services for existing and future needs of the clients while having the conscience in the business to give great service and care," they concluded.

Just being big then isn't enough.

For future generations to look back on this as a success it has to be seen to have created increased intellectual pools, specialisms, sophistication and an ability to deal with catastrophe events for the benefit of clients. In other words, to have met the demands of Airmic, Anra and many others. ■

AXA

XL Insurance

Protect your idle production and industrial plants

It is sometimes necessary for production facilities or industrial plants to be fully or partially shut down, remain mostly unoccupied for a period of time, or operate with reduced staff. The following minimum precautions should be taken to maintain the proper level of protection in these facilities.

- Maintain all fire protection systems in service and good condition.
- Maintain a core staff on site that can respond to an emergency.
- Maintain adequate management control programs including weekly fire equipment inspections and loss prevention tours.
- Take proper security measures to prevent unauthorized access and vandalism.
- Shut-down production equipment such as ovens and furnaces.
- Eliminate all controllable sources of ignition such as hot work and smoking.
- Maintain building heat at a safe level to prevent damage to sprinkler piping and process piping.
- Ensure that utilities such as electricity, natural gas, and water remain in service.
- Discuss the situation with the fire department and develop response plans taking into account the minimum level of employees available on site.
- Monitor external risk such as flood and extreme weather.
- Interact with neighbours or adjacent property owners to keep them informed.
- Ensure the intranet is completely isolated from the public network or the firewall is impenetrable.
- Develop plans and procedures for a safe start-up of the plant once the situation is back to normal.

For the full article and more advice from our risk consultants visit **axaxl.com/fast-fast-forward**

By Harry Curtis
twitter.com/HarryCurtisPost
harry.curtis@infopro-digital.com

After the flood

Storms Ciara and Dennis hit the UK on 8 and 16 February respectively, contributing to what was the wettest February since 1862. Post looks at the impact of the storms

More online

Read more about storms
www.postonline.co.uk/topics/storm

Some areas saw four times their average rainfall for February, with the month's deluge hitting 237% of the long-term average nationwide and 296% of the average across the North West of England and North Wales.

"In terms of both the number and cost of claims, for us it's a greater event than the Beast from the East," Jeremy Trott, head of claims operations for Allianz Insurance, told *Post*.

"You'd need to look back to *Desmond*, *Eva* and *Frank* in December 2015 to find a worse event.

"Serious flooding in South Wales and in places like Shrewsbury has really driven a lot of the cost."

Insured losses

An Association of British Insurers estimate issued on 7 March pegged the total industry payouts for 82,000 claims stemming from *Ciara* and *Dennis* at £363m.

Flood claims, which numbered an estimated 8450, accounted for £213.7m of this sum, while 73,500 windstorm damage claims are expected to cost £149m.

The vast majority of payouts (£330m) are expected to come from property claims, domestic and commercial policyholders accounting for 56% and 44% respectively.

Europe-wide insured losses resulting from Storm *Ciara* – which caused significant damage in 17 countries – are predicted to surpass the $1bn (£786m) mark, with the upper limit of AIR Worldwide's estimate sitting at $1.9bn.

Aon predicted the economic losses from *Dennis* and *Jorge* across the continent will run into the hundreds of millions and tens of millions respectively.

Widespread impact

In the UK, February's storms contrasted with the trio of storms that hit Cumbria and the Scottish Borders in 2015 in the breadth of areas that they buffeted and drenched over two consecutive weekends.

Alister Jupp, UK head of Crawford's global technical services, said: "Instead of having a single event passing over where there's a clearly defined affected area, such as in Cumbria in December 2015, here you had a much wider area affected for a lot longer.

"When properties were flooded, there were still over 200 flood warnings in place and flooding continued for some days.

"We've only just been able to gain access to some properties this week. That has been particularly bad in parts of Yorkshire: Snaith has been a particularly difficult area."

An Association of British Insurers estimate issued on 7 March pegged the total industry payouts for 82,000 claims stemming from Ciara and Dennis at £363m.

The ABI's headline figure squares with that of Fitch Ratings, which predicted in the wake of Storm *Dennis* that UK losses from the two major February storms were unlikely to exceed £500m in the UK.

However, the ratings agency cautioned that the losses would nonetheless increase pressure on household insurers' profitability, potentially pushing combined ratios north of 100% for 2020.

Jessie Burrows, claims managing director at Direct Line, said: "The geographies were slightly different and the storms themselves are slightly different.

"*Ciara* was much more a windstorm event rather than a flood event, although we did get some flood claims, and it was much more concentrated in Yorkshire and the North.

"*Dennis* was much more of a rainstorm and the impact was mainly the West and Wales."

Direct Line has estimated that it faces £35m in claims costs from *Ciara* and *Dennis*, net of recoveries from Flood Re.

The sum makes the storms a far larger event for Direct Line than the floods in November last year, which cost an estimated £10m, but falls short of the £50m cost the insurer faced from 2018's Beast from the East.

As of mid-March, Direct Line had received nearly 8000 claims relating to the two storms, *Ciara* accounting for around 5000 windstorm damage claims and 100 flood claims and *Dennis* 3500 storm damage claims and 400 flood claims.

Allianz meanwhile had received 1392 claims, *Ciara* generating 630 storm damage claims and 143 flood claims and *Dennis* 344 storm damage claims and 275 flood claims.

On the ground

On the on-the-ground response Allianz had to mount following the storms, Trott said: "*Ciara* was more of a wind event and generally, you don't necessarily need as many people on the ground in a wind event as you would have in a flooding event.

"*Dennis* was more of a flooding event, but we were able to get people on the ground quickly and respond to our customers.

"We've had lots of positive comments around how quickly we've responded, both ourselves and also our loss adjuster partners, in terms of meetings, visiting clients, and starting to progress claims and making interim payments."

Burrows said: "We sent our field force to areas that were heavily impacted by localised flooding, to help our customers and also give advice to non-customers.

"We set ourselves up regionally. We've got about four to six branded vehicles available at any one time, and they're strategically positioned around the country so that our people are visible.

> 10

< 9

"We had one in Carlisle, one in the Calder Valley in Yorkshire, one was stationed in Wales near the River Seven, and we had one in the south as well."

Commenting on where there were difficulties responding, Jupp said: "The difficulty was identifying the hotspots and being able to get resources to where it was needed: 'Is it going to be area A, was it going to be area B?'

Paul White, UK CEO at Sedgwick, told *Post* that the variety of areas affected had negated the need to redeploy resources to service one particularly adversely-affected region.

"The spread of the events was actually pretty good from a servicing perspective for us, because pretty much all of the UK was hit in some shape or form, and because we're a national business, we've got quite a lot of capacity and resource," he said.

"We have moved resources down to the key affected areas, but it's not as bad as previous events where we've maybe had a localised flooding in places like Carlisle and we've have had to move resources across all of the UK to one location."

70% of the claims Sedgwick dealt with were located in Wales, the Midlands and Yorkshire, with Wales and the Midlands together accounting for just over half of all claims.

As of mid-March, Sedgwick was dealing with around 10,000 claims related to *Ciara* and *Dennis*, of which roughly 8000 pertained to storm damage and 2000 to flooding.

Three-quarters of these were household claims, with commercial claims making up the remainders.

Call centres

The two back-to-back storms saw insurer call centres inundated with calls, with customers seeking information about their cover in addition to lodging claims.

Burrows said: "On the first Monday after *Ciara*, our call volumes were at 400% what we get on a normal day.

"We got back into what we would call a green status within 24 hours for *Ciara* and for *Dennis* that was within 36 hours."

Burrows explained that key to dealing with these kinds of surge events is having the flexibility to reassign staff to different types of claims, which has been a focus for Direct Line in terms of training.

"We're very keen on cross-skilling all our first notification of loss handlers, right across classes, which means if we've got a stress in home, I can move motor people there," she said.

Trott said: "We've worked a lot of overtime, both in the evenings and on Saturdays, to ensure that we are keeping up with everything that's coming in, but the work coming in is now double what it was a month ago."

He also outlined the kind of work Allianz was able to do ahead of the floods in order to dampen the eventual surge.

"We're very proactive in our communications," he said. "For instance, after *Dennis* we were running daily reports using the Environment Agency flood alerts, highlighting customers that were in immediate danger and proactively contacting them and seeing whether we could assist.

"We contacted a motor trader and were able to talk to them about potentially moving their vehicles to different premises, which hopefully mitigated their loss."

Settling claims

"The challenge we've got now is when the focus goes away is we've still obviously got a lot more claims outstanding than we had a couple of months ago," Trott continued.

"We've planned quite carefully not just for the eye of the storm, but also for two weeks later, four weeks later when loss adjuster reports start to come in and these customers start needing our cash to keep their businesses going.

"All but the largest storm claims should be settled within three months. The flood ones are always more difficult, particularly because of the requirement to dry out buildings, but we've made good progress on some of the larger cases, and have made interim payments."

Some of the flood claims which had seen the most severe damage may not be settled until the end of the year, according to White.

"The bulk of these claims are of a lower value, higher frequency nature, because they are related to wind damage, and I would expect us to get through 80% of these claims by the middle of the year," he said.

"The flood claims will obviously take a little bit longer. Depending on the severity of the damage to the property, we could see claims running for six months and the most serious cases may last until the end of the year."

Future storms

Looking ahead to how the response to these storms will inform the response to the UK's next big weather event, Jupp said: "No two surges are the same, and you always learn lessons.

"One of the things that we've done more this time is around use of technology, which will be incorporated a lot more in our future plans.

"Things like 3D mapping of properties has gone down very well with insurers. Some insurers have asked us to do that across all their flood claims because they see the value of having 3D imagery of those particular properties for future reference."

Another area to watch when the UK is hit by storms in the future is the effectiveness of the country's flood defences.

White said: "The flood defences are having an impact. We're seeing less claims across the piece, the damage is done in certain localised areas.

In March's budget, Chancellor of the Exchequer Rishi Sunak made £120m available to repair damaged defences and doubled government investment in flood defences over the next six years to £5.2bn. ■

in numbers

1862
February was the UK's wettest month since 1862

82,000
The number of claims resulting from Storms *Ciara* and *Dennis*

£363m
The estimated total payouts resulting from the two storms

70%
The percentage of Sedgwick's claims located in Wales, the Midlands and Yorkshire

400%
The volume of calls Direct Line received the Monday after *Ciara* hit

Vicky Sweeney CLS Risk Solutions

Sweeney's first encounter with underwriting came at CLS while she was an international business student

How did you get into insurance?
I did a placement with CLS Risk Solutions as part of my degree in international business at Huddersfield University. It was one of the first placements CLS had done and the graduate programme is now a firm fixture.

I didn't really know what underwriting was when I applied, but I was interested in property, so dealing with complex property and development risks seemed a good fit. I loved the placement and I was lucky enough to be offered a full-time role after I graduated.

What has been the biggest challenge in your career to date?
Shaping and coordinating the rights of light division. It was a huge challenge and something in which I was very invested. It's now the CLS's largest division, nudging 40% growth targets in the next 12 months.

What would your advice be to other newcomers to the industry?
Start networking from day one. Don't assume it's something only senior people do. And when you do make contacts stay in touch and get to know them, particularly if they're clients, which in my case means brokers and specialist property lawyers and consultants.

Also, it may sound obvious, but build your knowledge of the product and beyond so clients feel comfortable that you understand their needs. What we do is bespoke, so understanding and communication is vital.

Do you have a mentor and what have they taught you?
That has to be Ron Goddard, founder and business consultant at Tech Ventures. He's a doyen of the market and coached me intensively for nine months. He's straight-talking and encouraged me to challenge myself and say yes to every opportunity that comes my way. It's a bit like having a life coach at work.

Where do you hope to be in 10 years?
I'll definitely stay in property. Every project we see is different, which means it's stimulating and challenging work. If I'm still underwriting, I'd expect to be head of a department, working with some new creative products.

What achievements are you most proud of?
I'm proud to have completed my leadership and mentoring training and to now be coaching other underwriters at CLS. In a highly competitive market, I manage a team of six underwriters and a multi-million-pound book of business.

I'm also proud of the boundary pushing use of data we've started. I've been working on a mapping tool, which has completely changed the way the product is underwritten. In less than two minutes it can identify potential risks across dozens of properties in one report – a process that would have taken weeks previously. ■

Profile

April 2017 to present
Lead rights of light underwriter, **CLS**

March 2016 to April 2017
Underwriter, **CLS**

July 2015 to March 2016
Assistant underwriter, **CLS**

June 2013 to August 2014
Work placement, **CLS**

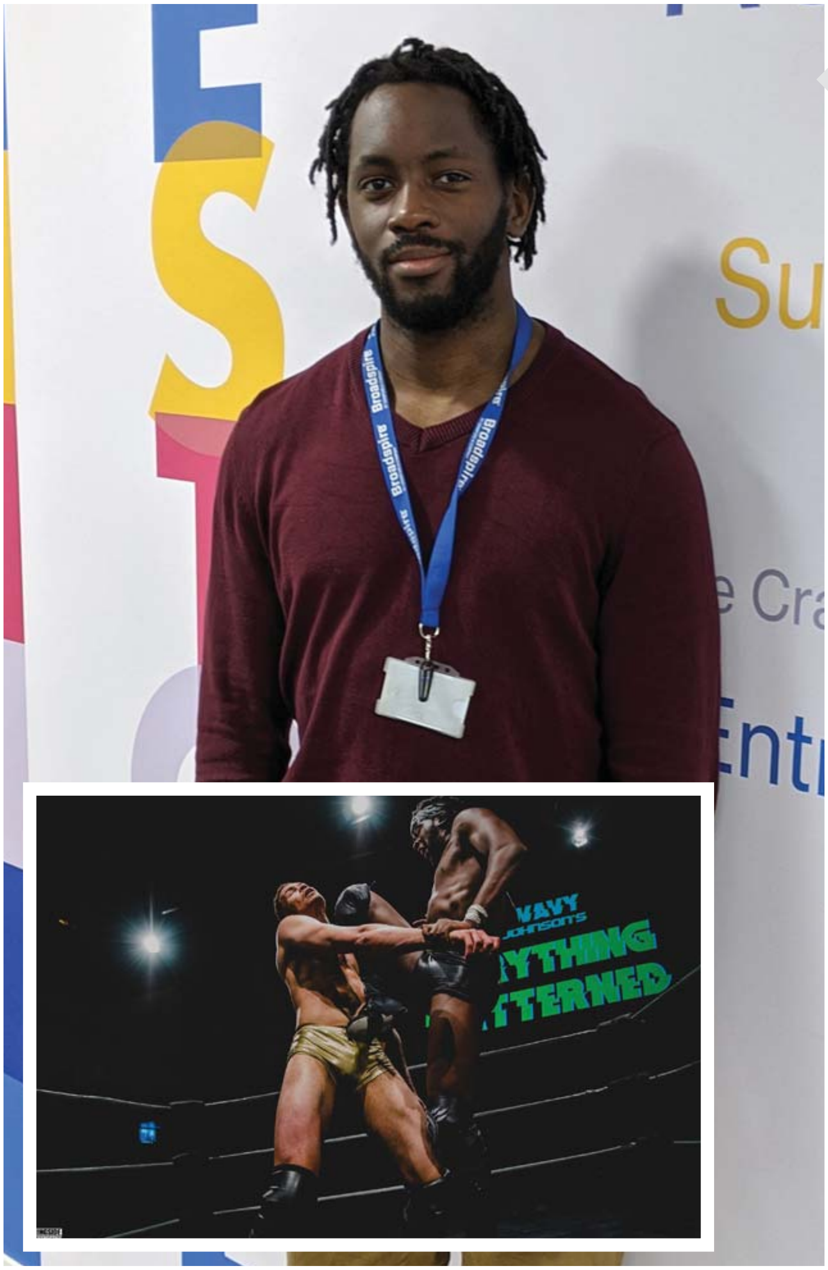
"Vicky is a hugely significant part of the CLS team and should take a lot of credit for its current and ongoing successes."

Dean Bedford, director, CLS Risk Solutions

Wrestler

Jerry Danjuma Broadspire

When not working as a property claims handler at Broadspire, Jerry Danjuma is busy training for his next wrestling show



How did your interest in this sport start?
I've always been a fan of wrestling. I completed my law degree and postgraduate studies and worked in various roles for a few years. I was actually working as a paralegal in a family law firm when I started training. Wrestling kept me sane through years of study, and on a whim, I looked up places to train near me. Turned out there was a school 15 minutes from my house.

How did you build up your skills?
I built up my skills by training a few times a week, as well as performing on shows (once I was ready to be on them, of course). I also study other matches and performers, as well as watch my own matches back and see where I can improve.

What is the experience like?
The experience is incredibly fun and freeing. You get a feel for audiences and what you need to do to get them to react. There's a give and take between performer and crowd, which is unique only to wrestling. There's nothing like it and I recommend anyone to try and get to a live show at least once.

What has been the highlight so far?
Wrestling for Progress, which is the largest independent wrestling company in the UK.

How has the experience changed you?
It has made me more confident, sociable and has helped me overcome a tonne of insecurities because there's no room for it when you're performing. I wouldn't be who I was without wrestling.

What's your next challenge?
To wrestle abroad, preferably Japan. I've got a few friends who are wrestling and living out there at the moment, and they love it. My goal is to try and head out there for a week or so, train, and do some shows.

Any crossover between this activity and your insurance day job?
I'm a property claims handler for Broadspire so there isn't much crossover. Most venues will take a security deposit to cover any damage that may occur. I threw someone through a wall a year and a half back, however I was still a motor claims handler so had no idea how to negotiate those sorts of costs. Thankfully the damage was covered, and all they wanted was an apology afterwards.

SMEs and underinsurance

An underinsured business will find it hard to recover from a claim event and the recent storms and floods show that the risks have never been so high

Jon Walker
Executive managing director, Axa

Insurers and brokers must make sure SMEs have the right level of cover in place because, quite simply, it's our job to protect them, and if that wasn't enough, the reputation of the insurance industry is at stake.

Many businesses don't have the types or levels of cover they need. Entrepreneurs and business owners know their trade, their customers, their region – but the chances are they are not insurance experts or as focused on the administrative side of running their business.

It is our role to make the purchase of insurance as easy as possible, but not at the expense of fully understanding the needs of the business and putting adequate cover in place. We must convey clearly what their legal requirements are: employers liability if they employ staff; professional indemnity if they provide business advice to clients; motor cover if vehicles are used for business purposes – to state the obvious.

We must also stress how important public liability insurance is; it isn't compulsory, but can a small business afford to pay if a member of the public is injured on its premises or if a customer's property is damaged? Bodily injury claims can reach

When we surveyed start-up businesses three years ago, 72% of entrepreneurs without cover said their business was 'too small' to need it

Delivering better outcomes for customers

The first quarter of 2020 has been busy for insurers but as a vital sector to the economy it is important the industry remains strong and competitive

Steve Treloar
General insurance CEO, LV

The first few months of this year have certainly been eventful for our industry. We've had three major storms battering the country, we're dealing with coronavirus and Brexit uncertainty continues to cast a shadow.

The Association of British Insurers has already said that the recent storms could cost the industry around £360m in claims and the Environment Agency has confirmed that it's been the fifth wettest winter on record. Meanwhile, the potential impact of the virus is being felt globally and is likely to affect us all in some shape or form.

Every single day, insurers work incredibly hard to put things right for customers, and that's never more evident than when they're reacting to major events. Whether it's getting boots on the ground to areas hit by flooding or having people in call centres working thousands of extra hours to help customers, insurers go the extra mile to provide the right support and be there when customers need them most.

Flood Re is a great example of how the industry has made a positive difference. Prior to it being in place, there were instances where homeowners struggled to get insurance. Today 99% of homes at risk of flooding can get quotes from at least five insurers, thereby addressing previous concerns of access to and the affordability of home insurance for homes at risk of flooding.

It's important to the UK economy that we have a vibrant, strong and competitive industry. We perform vital functions to ensure the continued health and growth of the economy – protecting assets when the worst happens, providing capital to support business investment and innovation, and helping to fund infrastructure investment.

tens of thousands of pounds, more for life-changing injuries. Faced with such a bill, many SMEs would simply go out of business if they didn't have PL cover.

When we surveyed start-up businesses three years ago, 72% of entrepreneurs without cover said their business was 'too small' to need it.

At a time when the UK is experiencing a rapid rise in self-employment, it is worth noting that freelance professionals are the least insured section of the economy. Only a quarter of those in their first three years of business have professional indemnity cover.

Sum insured and indemnity period

Building further, insurers need to also ensure customers purchase the right level of insurance. For a property policy, that means evaluating the sum insured accurately. And for a business interruption policy, that means choosing the correct indemnity period. If policyholders underestimate any of these two figures, their business is underinsured.

All buildings should be insured for their full rebuild value, including the cost of demolition and debris removal. If the sum insured is lower than the actual rebuild value, and thus the premium paid is lower, the value of any claim will be reduced by a similar proportion. In other words, if a small business gets its sum insured wrong and later needs to make a claim, it will be out of pocket.

Similarly, many SMEs choose the minimum indemnity period of 12 months for their business interruption policy – and it might be enough to rebuild their premises after a fire or reinstate it after a flood. But will it be long enough for the business to make it back to the same level of trading as before the loss?

Insurers and brokers must help their customers get both their sum insured and BI requirements right. It is their role to guide them and give them practical tips and, alongside trade bodies, insurers offer a variety of online tools to estimate both components. They can also recommend reliable partners, like property valuation specialists or chartered surveyors.

Insurers will always be keen for brokers to use these tools and partners because the establishment of accurate insurance needs and meeting of them sits largely in the commercial market with brokers.

All of the evidence points to insurers and brokers needing to do more to inform SMEs of their risks and how best to mitigate and protect against them. This is, of course, a key part of being seen as a trusted advisor and being part of a professional industry that can be trusted to pay a claim and look after SME customers when they need us most. ■

We perform vital functions to ensure the continued health and growth of the economy – protecting assets when the worst happens, providing capital to support business investment and innovation

Knowing what lies ahead of us, it's imperative that we remind ourselves and also our customers that insurance operates successfully because the premiums of the many pay for the claims of the few. I was, therefore, really surprised to see at the recent ABI conference that 64% of consumers surveyed were of the view that they should only pay for their exact, individual level of risk, even if it means some people become uninsurable.

This is a worrying finding and we must do more to educate our customers about how insurance works. The upcoming Financial Conduct Authority Market Pricing Study is a case in point. It would in my opinion be a lost opportunity if we did not explain that insurance is the ultimate cross-subsidy product, and that addressing one concern – new business versus renewal pricing – will only present new and different cross-subsidies between different groups of customers. We must acknowledge those areas we may have got wrong in the past, work proactively with the FCA to deliver better outcomes for customers, and take the opportunity to educate and remind our stakeholders how insurance works.

As an industry, we've not had an easy 12 months and there have been occasions where we've been the target of criticism. We should take this criticism 'on the chin' but resolve to do better. We should also be proud of what we do. We are responsible for putting things back to the way they were, we underwrite progress and our businesses are vital to the success of the UK economy. ■

Act now to start repairing the reputational damage

In this month's column, **David Worsfold**, looks at insurers' reputation as they respond to the coronavirus, at why being flexible is key and what the long-term impacts might be

Wherever we look as the whirlwind of the Covid-19 pandemic sweeps all before it we find ourselves looking over a precipice. We are staring into the unknown. Everyone, every business is having to make huge, unplanned and unprecedented adjustments to the way they live and operate day-to-day.

These are, truly, extraordinary times. They require an extraordinary response.

The insurance industry is having to make decisions that have profound impacts on the lives of individuals and the financial security of business. Is it an exaggeration to say some of those are life or death decisions? I am not sure. It feels as if some of them are.

What I do know is that the reputation of the industry is at stake and, so far, it is not doing a very good job of protecting it. Some of its responses have been leaden-footed, clumsy and seemingly divorced from the grim realities many policyholders are grappling with. It must do better and without delay. The opportunities are there.

The car crash over business interruption cover should have been foreseeable. We knew the time would come when we would have to start shutting down a wide range of normal activities and that the travel, hospitality and leisure sectors would face enormous jeopardy.

We are as close to a wartime situation now as you can ever get without people dropping bombs and firing bullets

I saw no evidence of insurers getting out there to explain how BI cover worked, how they would try to support policyholders and explain what options they had. These would not have been easy conversations because for most policyholders the news is not good but to run away from those conversations just invited the barrage of negative headlines when the inevitable happened.

In my view the government did not help. Too many of its announcements have been shot from the hip with nothing to show they have been properly thought through. The advisory shut down of pubs, clubs and restaurants was just one example. It took a day for the Chancellor of the Exchequer, Rishi Sunak, to even acknowledge there might be a problem with BI cover. He should have known and addressed that up front. Perhaps talking to the industry in advance might have helped.

More online

For more on reputation
www.postonline.co.uk/topics/reputation

We have seen this time and again over the last week. Schools have been shut down and exams suspended: but no head teacher was told what the plan was. Key workers will be exempt from the consequences of school closures: but no-one had thought to have a list of key workers ready. The consequence of all of these oversights is to increase anxiety and confusion. It is not good enough.

We know there is a serious problem with BI cover. Many businesses thought their insurance would bail them out. Most do not have cover that extends that far. Some have policy wordings that might cover them. Where they are vague, understandably not written for such unforeseen circumstances, insurers should pay out. Hiding behind small print will not wash.

Looking ahead, it seems likely that the government is going to have to bail out many businesses, indeed whole sectors of our economy. The initial scheme, which had loans as its main tool, seems unlikely to be enough and we should expect to see greater direct grants and subsidies.

How will the distribution of those be managed? There is no experience or skillset in HM Treasury or other government departments to manage it. But there is in the insurance sector.

One of the pieces I have written for *Post*'s 180th anniversary historical series covers the response of the insurance industry in wartime. We are as close to a wartime situation now as you can ever get without people dropping bombs and firing bullets.

The industry stepped up to the plate then. It administered many of the war damage compensation schemes. It handled the sale of the government underwritten life assurance for those called up to serve in the forces. That is what it needs to do now. It should offer its expertise in handling BI claims to the government. Now.

That might enable it to start repairing the reputational damage it has already inflicted on itself. ■

A flight to quality

What will happen when all of this is over? I have no crystal ball but I feel certain there will be a flight to quality.

The balance sheets of some smaller, dare I say it weaker, insurers will be shot to pieces. Many lines are going to see significant uplifts in claims just at a time when their asset values are being savaged. Solvency margins will be down to the bare bones.

Brokers will become risk adverse. They will not take risks with their clients' businesses, many of which will be in a parlous state at the end of this. Blue-chip, top-rated insurers will be first and foremost in their thoughts. That is perfectly understandable and it will be for those insurers to take a long view of how they repair their balance sheets and not get greedy just because more business is being put their way. ■

A final note

This is a moment when the insurance industry can step up to the plate and live up to its promises, demonstrating its intrinsic value to business and society. Or it can fail, trash its reputation and earn the derision of the whole country.

The choice is yours.

Stay safe everybody. ■

Regulator fires a warning shot

The statement from the Financial Conduct Authority urging general insurers show flexibility and demonstrate fairness in the way it treats its customers is a warning shot across the bows of the industry. It needs to heed it.

The FCA hasn't been noted for issuing such detailed pre-emptive statements about potential problems in the markets it regulates. Take it as an instruction to put customers first.

There are two areas that could quickly become very sensitive.

The implications for home and motor insurers of millions of people working from home are quite serious and the FCA is unequivocal on that front: "We expect motor and home insurers not to reject claims because of a consumer's understandable temporary change in how they use their vehicle and their home address in response to government advice and the emerging coronavirus situation."

That is OK as far as it goes but I would be adding to it.

First, if employees are taking expensive kit home there could be a reasonable expectation that their employer should be covering that. If people make a claim under a household policy the insurer could be tempted to point them in the direction of their employer. That would be a mistake. They should pay the claim, on the assumption it is valid, quickly and take on the responsibility for recovering from the employer and their insurers if that is appropriate.

Second, no insurer should be writing to policyholders now suggesting that they should extend their cover unless they are prepared to offer it for free. No-one deserves the added stress of unexpected demands from insurers.

Third, the FCA talks about mid-term adjustments but largely those made by insurers.

It also needs to encourage insurers to be very flexible when it comes to businesses approaching them for changes to their cover. Many firms are changing their business models. Some manufacturers are changing production lines to produce ventilators. Local restaurants are adding delivery and collection services. Some shops are radical overhauling what they stock, how much and where they store it, changing opening hours and operating in ways they did not expect a week ago.

All of these businesses need supportive, helpful, constructive advice. The focus of that advice should be helping them understand the risks they now face, how to manage them and how to mitigate any potential losses. Only after those conversations have taken place should the question of extending cover be introduced and when it is any talk of administration fees should be banned.

If businesses, for the best of reasons, innocently step outside of the terms of their current cover they should not be penalised if they have to make a claim.

Of course, all of these things carry a cost. The insurance industry has to understand that the public believes it has deep pockets, makes large profits and has massive investments to fall back on. In broad terms the public is right and trying to explain why the industry cannot be flexible and generous in the face of a national – a global – emergency is just not going to wash. ■

Lisa Bartlett
Crawford & Company

Having spent her career working for brokers and then an insurer, Crawford & Company's new UK and Ireland president Lisa Bartlett speaks to **Jonathan Swift** about why she has now thrown herself into claims management and loss adjusting, and how she is planning to upset the 'status quo'

It is rare you hear a new boss describe themselves as unlucky. But that is exactly how Crawford UK & Ireland president Lisa Bartlett refers to herself – albeit jokingly – when quizzed about how she felt when her predecessor Clive Nicholls retired before she had joined the business. Because this was not the first time a person that had convinced her to join an organisation then left suddenly – more of which later.

"I have had some tough breaks," she laughs. "I was on gardening leave when he called and told me he was leaving and I was disappointed."

Bartlett was originally recruited from Axa in June 2019 as its chief client officer having spent her life primarily in the broking space.

"I did not know [Clive] until the phone rang and had never considered adjusting at all. But when he sold the [CCO] job to me it had many elements that appealed – not least growing a business and leading a team."

Which begs the question, how did she end up replacing him?

"I was happy doing the [CCO] job and I was not really thinking too much about it," Bartlett explains. "But then a couple of things happened, not least Clive telling me he thought some external candidates had fallen away."

Throwing her hat into the ring

"I was looking around and thinking 'I am five weeks in, I know it is early days, but actually I could do this'. So I picked up the phone to Clive and said 'The time has come for me to throw my hat in the ring' and his response was 'I've been waiting for a week for you to say that' and he told me to do it."

Having announced her candidateship Bartlett went through a process of six interviews, mostly late at night with counterparts in the US, which led to her accession and the handing over of the reins.

"From the time I told Clive I was applying for the job, he decided I was in the job already," Bartlett continues. "So despite the fact there was a formal process going on he was talking to me like 'Lisa, going forward you will need to do this'. I had a very long handover because he was coaching me to where he wanted me to be."

Bartlett got a taste for insurance working for Hogg Insurance Brokers in Newcastle, before it was acquired by Inchacape in 1994 and merged with Bain Clarkson, and subsequently sold to Aon two years later.

"I have grown up with Aon. I was with Aon during all of the acquisitions from Alexander & Alexander (1997), Bain Hogg and Minnett Group (1997), so it was a really interesting learning period because that integration took so long and it taught me a lot about how you bring teams together.

"During those formative years I had no view of the insurance industry but you realise if you work and study hard you can have a really good career. Later on I did some time at Marsh and Willis, but I have always had a fondness [for Aon] because I left and went back."

As to her bad luck, the other person to have attracted Bartlett into new role only to depart before she got comfortable, that was Jon Walker, then at Towergate.

"I was headhunted by Walker [to join Towergate] who was [then] working with Amanda [Blanc] and that was a long courtship because the transition from Aon to Towergate is not one you would naturally choose. But Jon showed me a vision about what they wanted to achieve, and I bought into it. However, before I arrived John told me he was actually leaving Towergate and things changed.

"I did a couple of years [at Towergate] in a sales director role which was a departure from running a profit and loss [line], looking after 90 sites and encouraging best practice in both sales and client retention. It was hard work and I enjoyed my time, but it was probably not the right environment for me."

Bartlett did eventually get to work for Walker [and indeed Blanc] at Axa in 2015 when she became regional director for the North looking after five branches from Birmingham to Glasgow.

"I wasn't looking for a move to a carrier, but there were elements of the role that interested me as it

CV

Oct 2019 to present
President for UK and Ireland
Crawford & Company

Jun 2019 to Oct 2019
Chief client officer
Crawford & Company

May 2015 to June 2019
Regional director
Axa

August 2014 to February 2015
Client sales and service leader
Willis

June 2012 to August 2014
Sales and marketing director
Towergate

March 2009 to June 2012
Area director
Aon

February 2005 to March 2009
Branch director
Aon

February 2004 to February 2005
Client executive
Marsh

"I am also investing in management training, bringing our people together and driving a different style of performance management that I believe will make a difference to our people."

combined sales and people leadership. Broking was going through a lot of consolidation and cost cutting but this was a growth story and that appealed. I was [finally] working for Jon and I had four amazing years there before Clive came along."

Which brings us up to date with the new challenge at Crawford, and what she is looking to bring to her new leadership role.

"[Clive] wanted me to bring a different perspective. He felt the business should challenge the status quo and going into the role I was thinking does the fact that I have not come from a claims background matter? It was not something I was unduly worried about and within a couple of weeks of arriving I saw it as an advantage because I could ask questions [from a different perspective] and Clive was a fan of that."

To achieve her objective, Bartlett says she is "unashamedly" pushing a people agenda, adding: "So my number one priority is to make Crawford a great place to work, and I have seen some opportunities for improvement and put some steps in place already."

Bartlett explains these include the Crawford Academy, offering a career pathway from general adjusting into the more complex spaces like major loss; a technical training programme, which she describes as "an area that has been under invested"; and a wholesale review of its HR policy in terms of employee benefits.

"I am also investing in management training, bringing our people together and driving a different style of performance management that I believe will make a difference to our people," says Bartlett, who admits that like other similar firms there is always the age old problem of the loss adjusting 'demographic time bomb'.

20 retirees

"I have 20 potential retirees this year. If they all decided to go at once that would give us a problem. So we are focusing on developing our talent within the organisation, which will make a difference," she adds.

Something else Bartlett has instigated is the appointment of Caroline Poppleton as diversity and inclusion leader alongside her current role as head of business development.

> 20

"The insurance industry as a whole has got more to do on diversity. But diversity for me is not just about gender. That is just part of it, but it is not the whole story and I am trying to look at talent across the business from entry level up to my major and complex loss adjusters."

< 19

"The insurance industry as a whole has got more to do on diversity. But diversity for me is not just about gender. That is just part of it, but it is not the whole story and I am trying to look at talent across the business from entry level up to my major and complex loss adjusters," Bartlett says.

"There is a place for people with different experiences, backgrounds and perspectives. Because having a diverse workforce will bring more creativity, innovation and yield a better return than somewhere where they have the same old people. I am looking to challenge the status quo and have more of a balance, but it frustrates me a little when it is all about gender."

As to what success looks like in terms of objectives, Bartlett adds: "We have put some key preformance indicators around bringing diverse talent into the business. I would like reduce our staff turnover, increase staff engagement, I want more internal promotions, so all of those metrics are being tracked. And [Caroline] is not doing this project alone, she will sit on the diversity council and we will track its success."

Speaking of success the conversation inevitably turns to the recent storms *Ciara* and *Dennis* and the damage they both wreaked across the UK [which the Association of British Insurers recently pegged at £363m], and more specifically how well she believes Crawford responded.

5 WORDS to best describe her

1 Positive
2 Honest
3 Fair
4 Tenacious
5 Customer-oriented

"In my old world if it started to rain during the winter I was holding my nerve. But here is an environment where you get quite excited because [it gives us an opportunity] to show our clients what we can do.

"We have had [recent] incidents like Lincolnshire [in June 2019] where there was a little spike in business, but pretty quickly into this one you realised it was different and I really encouraged seeing how the teams came together.

"It is not just the floods. With coronavirus people are concerned and our clients are cancelling meetings. But it has given us a chance to talk to policyholders and let them know that we can send them a self-service app rather than wait beyond the quarantine period."

For her part Bartlett put on her Crawford branded wellies, a high-viz jacket and went out with an adjuster to visits in flood stricken Telford, Wolverhampton and Bromsgrove, even dropping into one of its brokers for a coffee. That day perfectly illustrated to her the value of having feet on the ground, but also highlighted the role technology can play in the sector today.

VR googles and digital reports

"Traditionally adjusters would provide a 10 to 15 page detailed report on a major loss, but rather than do that we can send a digital report and even put virtual reality goggles on a walk around the building. We have a 25% take up rate on that, which means we have clients who are not going with us on this journey yet so we have to make sure we can showcase options that offer huge advantages.

"If you have a digital report, what you don't need to do is a repeat visit in the main. If you are worried by the threat of coronavirus, you can get out the digital report and do a conference call. Again we have to take the clients with us regarding doing things differently."

One 'difference' which Bartlett says is attracting interest is [gig economy insurtech] We Go Look, which now has an on demand workforce of 1500 people in the UK, having been acquired by Crawford in 2017 and subsequently launched on these shores.

"Conceptually I got it [before I joined], but is not until you are in the business and you see it deployed that you really understand the true extent of what it can do. Certainly clients are talking to me – and more on the underwriting side than the claims side – about the Lookers. It is really versatile and cost effective and I am expecting You Go Look, which is the self-service app, to have a much bigger place in the future too."

Regarding other parts of Crawford that Bartlett believes offer "huge opportunities," she mentions the third-party administration business, Broadspire, especially given the perceived hardening across many commercial and corporate lines and the fact "there are not many truly global TPAs".

"We have had 10 years of a very soft market but the signs were there last year that it was hardening and it continues to do so," she adds.

"As the market continues to harden the appetite for non-conventional programmes increases because that is the normal pattern, so there will be a demand there especially as the carriers are looking to return to profit.

Another area Bartlett believes has great potential is its legal services arm launched as an alternative business structure in June 2016; a move which now looks far-sighted given rival Davies acquisition of law firm Keoghs in January.

"I am really happy how our legal offering is developing. We recently opened in Birmingham and Leeds to complement our [existing] site in Liverpool. And we are looking at broadening out our services," she explains.

Game changing ABS

"I have followed the [Davies] Keoghs acquisition and have thought long and hard about how I feel – when we are growing and attracting teams – in terms of doing it the hard or the easy way? What are the pros and cons? Where I landed is that by the end of March we will have 80 people and they will be fully integrated into the Crawford business, therefore I am quite comfortable as long as I can keep the growth going. It is truly an amazing growth story in that it was more than 100% last year, it will be the same this year. It really gives us an edge and our clients are using words like 'game changing' so we are sitting up and taking notice."

HOBBIES

Fitness

Reading

Skiing

"The skills we are recruiting for now are not the skills we were recruiting for five years ago and I will see that will continue to change with a greater focus on data, analytics and that kind of stuff."

Full circle

Which brings us finally full circle to pure loss adjusting, especially in an age when businesses born out of this profession are diversifying and preferring to call themselves 'claims management companies'.

"It is absolutely the cornerstone of what we do," Bartlett asserts. "For me it will remain that. The trends we are seeing is that for the higher volume, lower complexity losses, there is much more that technology can do and so these claims are done from a desk rather than the traditional face-to-face adjuster model.

"So we are seeing those trends and we have the technology which means we can adapt. But in the large loss arena, I can't really see something happening anytime soon where insurers can easily build their own expertise and have a level of resource that would cope with any surge. So those dynamics mean that it remains extremely important to us."

Asked if she see any resistance across the business to the use of more technology, she concludes by again referencing the need to engage and evolve the workforce. "You have to take your own people on a journey, and some of my mature workforce, who are used to doing 15-page reports, might not be comfortable doing that. We have to sell them the benefits of doing it a different way. Don't get me wrong we have many people who have embraced it, but some just don't like change.

"The skills we are recruiting for now are not the skills we were recruiting for five years ago and I will see that will continue to change with a greater focus on data, analytics and that kind of stuff."

Changes she is intent to oversee that will keep Crawford as relevant tomorrow as it was yesteryear. Changes that if they have the desired impact will mean that she shakes off the unlucky tag to be seen a boon to the claims sector. ■

War and terrorism

As Post celebrates 180 years, we delve into the magazine's archives and look at the impact war and terrorism had on the insurance industry in the 19th and 20th centuries

By David Worsfold

Bombs strike terror into the hearts and souls of communities everywhere. For over 150 years they have sown their havoc and misery in the UK, whether falling from German bombers or planted by Irish or Islamic terrorists. When they do strike they frequently damage commerce too, with the insurance industry often the first to feel the impact.

Twice in recent decades the insurance industry has been badly shaken by the fallout from terrorism, having to review its policies, terms and financing structures. The first came in the early 1990s when a series of huge bomb blasts in the City of London, most notably in Bishopsgate and outside the Baltic Exchange, forced the UK's commercial property insurers to withdraw cover for damage caused by terrorism. This led to the creation of Pool Re, which with its government backing, gave insurers the confidence to re-enter the market.

The second came in 2001 with the attacks on the Twin Towers in New York by Islamic terrorists in which nearly 3000 people lost their lives. Again, this threatened to leave major businesses and airlines without adequate cover. This prompted a series of government-industry initiatives around the world, most notably in the US where the *Terrorism Risk Insurance Act* created a federal "backstop" for claims related to acts of terrorism. It has been renewed many times since.

War and terrorism intertwined

There are times when war and terrorism become intertwined, such as the early years of the Second World War when, just as Britain was preparing to face the might of Nazi Germany, the Irish Republican Army launched a campaign of bombing and sabotage on the UK mainland.

Whatever the cause, whenever the time, the insurance industry has been called on to respond to the need for families and property owners to be compensated, often adapting to circumstances, especially in wartime. *Post* has recorded much of this history in the 180 years since it first hit the streets – and insurance industry desks – of the UK.

The decades immediately after *Post*'s launch in July 1840 were relatively peaceful as far as the majority of the UK population was concerned. Continental Europe experienced some major conflicts but the wars that involved Britain were all fought far away at the boundaries of the expanding British Empire. This did not mean the insurance market was immune from their consequences.

Whatever the cause, whenever the time, the insurance industry has been called on to respond to the need for families and property owners to be compensated, often adapting to circumstances, especially in wartime

As British forces were being shipped to Egypt in 1882, *Post* decided, in the guarded, gentlemanly tones of the times, to admonish life insurance companies for over-charging officers sent off to war, setting out its concerns in an editorial on 4 November 1882.

"Policyholders who are officers in the Army are subject, under their policy conditions, to a reasonable extra charge, during active service. This extra premium is not specified in the tables of policies, and officers ordered abroad are, therefore, very much in the hands of the companies, with little time for negotiation or debate. Go they must; and equally peremptory is the necessity to keep alive their insurances." In other words, their insurers had them over a barrel.

The editorial goes on to dissect the additional rates being charged which were based on the mortality rates of the bloody Franco-Prussian War a decade earlier. These, it complained, "must be, on average, nearly equal to two years' additional premium, to be paid down; a heavy charge… so

> 24

Large numbers of men were called up to serve in the Second Boer War which broke out in South Africa at the end of 1899 and war risks premiums on life policies were again a delicate issue

< 22 that large sums have had to be paid to the life offices, and, in all these cases for the whole year."

The injustice of this approach was very clear to the editorial's writer: "Now, the actual term of active service, as is well known, on the expedition has been very short, not averaging, probably, more than two months, and the casualties insignificant. Officers look for a return in respect of the unused – and, by the Companies, unearned – portion of the extra premium. They surrender, in fact, the expensive license to be killed, and expect a fair surrender value therefor."

Supportive stance

Readers were quick to support this stance judging by the full letter columns over the next few weeks: "We soldiers are much obliged for the attention you have drawn to the question of War Risks; some of the Insurance Companies are to my knowledge behaving very badly." That particular letter writer went on to praise the British Empire Mutual Life Office which returned a substantial proportion of the extra premium he had paid before leaving for Egypt.

The same firm was quick off the mark and equally generous nearly 20 years later. Large numbers of men were called up to serve in the Second Boer War which broke out in South Africa at the end of 1899 and war risks premiums on life policies were again a delicate issue. *Post* headed its round-up of policies in January 1900 with the news that the British Empire Mutual Life would not charge any additional premiums. The Prudential went a step further and said it would issue new policies to servicemen for up to £250 (£30,000 at today's prices) at normal rates.

Post bombed out

Post itself had a tough time during the Second World War, being bombed out twice with one of the biggest raids of the entire Blitz – on the night of 10 and 11 May 1941 – finally destroying its office completely. The story of this is told in the history of *Post* but a flavour of the challenges this posed the publishers can be garnered from some of the brief, almost matter-of-fact editorial announcements, such as this one from 17 May 1941: "We regret to say that last weekend enemy action put an end to the temporary arrangement for the printing of the *Post Magazine and Insurance Monitor* which had been necessitated in consequence of a previous raid.

"However, once again difficulties have been overcome and another issue makes its appearance. When we explain that the greater part of the original manuscript was destroyed, some of our problems will be understood. Certain personal announcements intended for insertion have unfortunately gone up in smoke, but if the senders of those items omitted will be good enough to let us have a further copy we shall be glad to publish them in a subsequent issue."

Later that year, the annual *Insurance Directory* (long known as the *Post Magazine Green Book*) made its appearance "several months late, but for which we make no apology. Our premises, offices, works, plant and machinery together with the whole of the standing matter of this yearbook were completely destroyed by enemy action. Paper restrictions have necessitated some contraction in its features… but we are proud that our publication record is still unbroken" on 26 July 1941.

Less fortunate was the planned special issue to celebrate *Post*'s centenary, originally intended for publication in July 1940. Paper shortages meant this was shelved for the duration of the war but the whole issue was typeset and stored for printing after the war, only to be destroyed on that night in May 1941. It was never published.

Other firms were more cautious.

London Life explained why it did not feel it could follow this policy: "The directors were unwilling that any such burden should be laid on those who are already giving up much, and yet felt strongly the injustice, especially in a mutual office, of relieving from any additional charge any who incur additional risk, for this would in effect be to force the members at large to pay a further involuntary sum in addition to anything they may have already contributed to the war funds".

The Prudential's generosity did not go unappreciated. With the *Treaty of Vereeniging* bringing the war to an end at the end of May 1902, *Post* reported that "out of 55,340 volunteers and yeomanry that went out, 20,863 effected assurances with the Prudential". The praise flowed from the editor's pen: "It would not be too much to put the cost of the concession made by the

Prudential at £100,000 (£12.4m today). The Company is very successful and wealthy, but what other business institution, except an insurance company, would have made such an immense present to the public without fuss or self-advertisement? If the company had merely desired advertisement, it could have got ten times the notoriety out of a cheque for £50,000 sent to the Mansion House War Fund two years ago. But by foregoing a showy 'splash' of this kind the company did a much greater service to the public".

Volunteering

Throughout the Boer War, in a foretaste of its coverage during the First World War, *Post* carried regular news items of men from insurance companies volunteering, especially with the City Imperial Volunteers for South Africa, often leaving with presentations of guns, binoculars, compasses and other useful items from their firms. As the war dragged on, the news items turned to recording losses, especially in the wake of the Battle of Spion Kop in January 1900.

In between those wars, England got its first serious taste of Irish terrorism.

Between 1881 and 1885 the Irish Republican Brotherhood ran a sustained bombing campaign against military, government and infrastructure targets around the country. Around 30 bombs were planted with at least 20 of them exploding.

The worst attacks were on 30 October 1883 when two bombs exploded on the new underground system, one at Westminster and the other at Paddington where 70 people were injured, by far the highest number hurt during the campaign. This provoked some criticism of insurance companies in newspapers as a few refused to pay out for injuries caused by dynamite. However, the largest insurer involved, the Railway Passengers Assurance Company, quickly took the sting out of the criticism by agreeing to pay compensation to people injured at the stations.

Between 1881 and 1885 the Irish Republican Brotherhood ran a sustained bombing campaign against military, government and infrastructure targets around the country

Consequently, when the last bomb of the IRB campaign went off outside Westminster Hall in January 1885, injuring two police officers and four others, *Post* was able to report the following week that Edwin Green, a civil engineer who discovered the bomb and was badly injured, was covered by the Imperial Union: "There can be little doubt that when making this provision against accidents, the possibility of being injured by infernal machines of the dynamitards in London, was the last contingency which Green had in view, and in his case points very clearly to the wisdom of taking out an accident policy".

It was to be the 20th century that would see the insurance industry face its biggest challenges from both war and terrorism.

"The feet of fate are velvet-shod. In a period of time which may almost be reckoned by hours, and without appreciable warning, Britons are plunged from their habitual cheerful security, from holiday projects, domestic happiness and peaceful business activity, into "darkness and the shadow of death".; into the vortex of a European conflict unprecedented in history; the course and the issues of which none may force forsee, farther than that it must entail a dislocation of human plans and dispensation of human misery which in imagination can face without a tremor."

War in Europe

Those carefully crafted, almost prophetic, words from the editor of *Post* appeared just four days after Britain declared war on Germany on 4 August 1914.

The First World War was the first mechanised war and this meant insurers faced new risks that they had little idea of how to rate or predict losses.

The London Market, with Lloyd's at its heart, was the world's leading marine insurance market at the outbreak of the First World War but its recent experience of dealing with war risks was limited. It was almost 100 years since Britain had been engaged in a war at sea.

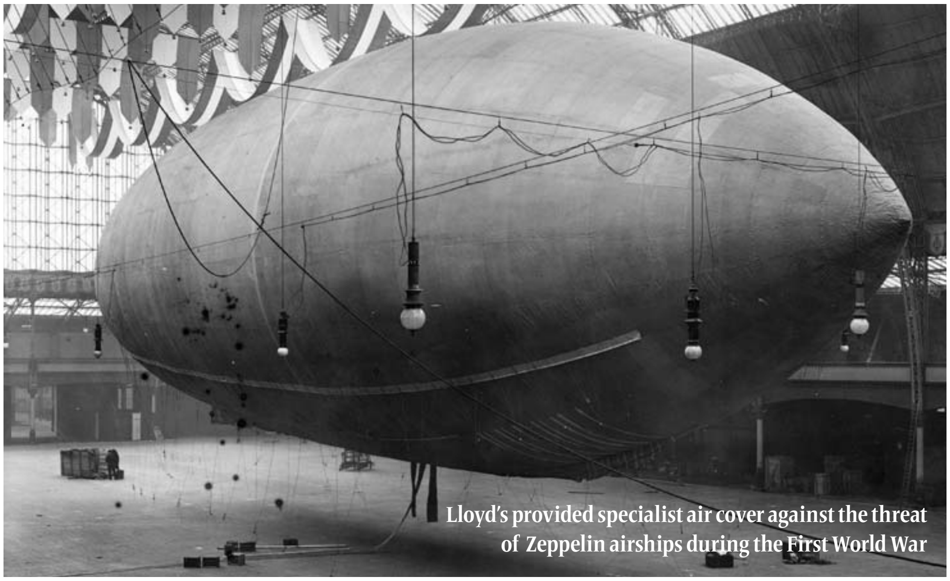
What experience marine underwriters had of modern war risks made them very nervous of the threat to merchant shipping. The invention of the submarine and the propelled torpedo towards the end of the 19th century had greatly increased the potential losses and after 1898 war risks were no longer included automatically in marine insurance policies.

The severe losses inflicted by torpedoes during the Russo-Japanese War of 1904-05 just heightened the fears of underwriters, so that by 1914 only the mutual insurance clubs were writing hull war risks, although cargoes were still covered in Lloyd's.

> 26

Vintage photograph of British generals and an army chaplain in camp at the time of the Boer war

Events that shook up insurance



Lloyd's provided specialist air cover against the threat of Zeppelin airships during the First World War

< 25 The government was fully aware of the potential for the lack of adequate marine insurance cover to be a major problem so on 5 August 1914 – the day after war was declared and the day of the first marine loss – it set up the State Insurance Office to insure 80% of hull war risks with the mutuals picking up the rest. It also created a flat-rate voyage-by-voyage insurance scheme for cargoes which was open to commercial competition. This allowed Lloyd's underwriters to undercut the government scheme for the less risky voyages, leaving the State Insurance Office with the worst risks and significant losses by the end of the war.

Powered flight

Powered flight was in its infancy at the outbreak of the war and Lloyd's had only started insuring aircraft in 1911, although some large continental insurers had introduced policies a few years earlier.

The first policies covered liability only as it was assumed that the flimsy planes would crash sooner rather than later. The first hull policies (insuring the aircraft itself) were written in 1912 with severe limitations about the weather conditions the planes could fly in.

By 1914 there was a widespread fear of attack from the air using Zeppelin airships and Lloyd's was quick to respond to this threat by providing specialist cover. Leading underwriter Cuthbert Heath later described how he approached this new challenge:

"We knew roughly how many airships Germany possessed or were likely to possess, and we knew roughly how many bombs they could carry and also the possible area of damage by one bomb. Taking London as the example, it was easy to ascertain what premium should be charged to cover probable risks. I remember being very much surprised when I discovered how much of London is represented by open spaces. In the end I multiplied the probable hazard by six and I thought I should be on the right side".

Powered flight was in its infancy at the outbreak of the war and Lloyd's had only started insuring aircraft in 1911, although some large continental insurers had introduced policies a few years earlier

Cuthbert Health's policies became known as Zeppelin Insurance.

The first policy for "damage by missiles from hostile aircraft" was placed in September 1914 by brokers Bray, Gibb and Co with Heath as the lead underwriter. It was for Threadneedle House in Bishopsgate for £50,000 (approx. £5.8m at 2020 prices). Threadneedle House actually survived both the First and Second World Wars before finally succumbing to the developers in the mid-1970s.

Coastal properties were also vulnerable to bombardment from German battleships and the combination of this with the new aerial threats prompted a huge uptake in demand for property cover as the war progressed. It quickly became obvious that the mainstream insurers did not want too much of this business on their books so the State Insurance Office stepped in with a basic policy sold through Post Offices.

Inevitably, the question of how to rate the life assurance policies of those serving with the forces reared its rather sensitive head once again. As it quickly became clear that casualty rates in this war were going to far exceed those of the Imperial conflicts of the late 19th century, rates soared with threefold uplifts not uncommon. Despite the high rates, sales held up well during the war, although claims rose steeply, peaking at 30% above the normal annual rate.

Staff shortages

Millions served in the forces during the First World War and all insurance firms experienced significant staff shortages. Many recruited women to jobs previously the preserve of men. Every week *Post* carried news of large groups signing up for the army. At Liverpool Victoria it was reported that 40% of eligible staff had signed up, while Liverpool and London and Globe Insurance Company said 90 of the 240 clerks who worked in its London district offices had enlisted.

It was not long before the War Notes in *Post* started recording the deaths of insurance personnel, with the first being reported on 28 November 1914. This notice included the president of the Insurance Institute of Liverpool, Lieutenant Richard Crawhall Walton, serving with the 9th Gurkha Rifles.

Many insurers kept detailed records of those from the market who served. In London in particular, the market's strong connections with the Territorial Army meant that hundreds of underwriters, brokers, members and staff were mobilised early in the war. Most of them joined the County of London Regiment, either the 5th Battalion (known as the London Rifle Brigade) or the 14th Battalion (known as the London

Scottish). By June 1916, when compulsory military service was introduced, 2485 men from Lloyd's alone had served in the forces.

The entire insurance industry was generous in its financial support of the war. Lloyd's alone donated vast sums of money to assist the war effort. This included over £100,000 given to the Red Cross Societies, £46,000 donated to assist the Young Men's Christian Association with the provision of canteens and huts and £115,000 contributed to the Committee of Lloyd's Patriotic Fund to help the relatives of soldiers and sailors.

The volatility of interest rates caused the industry a few problems in managing its reserves but overall it emerged from the war in reasonably good financial shape

In addition ambulances, costing £38,500, were given to the French forces at the time of the heroic defence of Verdun in early 1916.

The volatility of interest rates caused the industry a few problems in managing its reserves but overall it emerged from the war in reasonably good financial shape and was able to use the 1920s and 1930s to expand overseas and embrace the new risks associated with the arrival of large scale ownership of cars and the developments in passenger air travel.

This period of relative stability and prosperity, largely undisturbed by war or terrorism, came to a juddering halt in September 1939 when Prime Minister Neville Chamberlain broadcast to the nation to tell people that they were, once again, "at war with Germany."

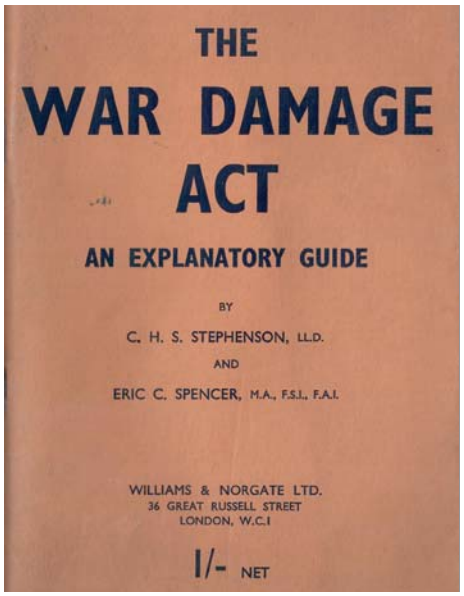
As with the First World War, the government was ready with legislation to deal with a wide range of challenges the insurance industry was expected to face.

The experience of the Spanish Civil War and the Italian campaign in Ethiopia in the late-1930s had opened everyone's eyes to the likelihood that cities would be bombed, causing extensive damage and significant civilian casualties. By the end of the war, this grim extension of war from the battlefield to the home front cost 76,000 people in the UK their lives (only 1000 died as a result of air raids and naval bombardments in the First World War) with 86,000 injured. A quarter of a million homes were destroyed with hundreds of thousands of others damaged.

This all had severe implications for the insurance industry.

In the run-up to the war the UK insurance market collectively withdrew cover for war risks on land from commercial and residential property. This forced the government's hand and at the end of January 1939, the Chancellor of the Exchequer, Sir John Simon, announced a scheme to pay compensation for war damage to private property at the end of the war under a compulsory state insurance scheme. The private market was prohibited from competing with this. This scheme also covered stocks and raw materials.

It was broadly welcomed by the insurance market, according to a report in *Post* on 4 February 1939: "The scheme outlined by Sir John Simon is very comprehensive, and although naturally there are still matters which require further elucidation, the principals of the proposals are undoubtedly sound. In framing their plans the Government had the advantage of expert insurance advice, which Sir John acknowledged in his speech, but he emphasised that the scheme is a Government scheme and that no responsibility for it attaches to the insurance companies. He recognised that insurers had adopted the correct attitude in regard to war risks insurance, and stated that the general principle which the Government thought ought to be applied was that loss or injury through enemy action, such as bombardment from air or sea, must be regarded as falling on the community as a whole and consequently as constituting a proper subject for compensation from public funds".



Government agents

Insurers acted as agents for the government and collected over £300m in premiums under the *War Damage Act* that put these plans into law. Insurers were reimbursed for the costs of running this scheme and a report in *Post* in 1949 estimated that these expenses totalled £9m and that the scheme had just about broken even, although late claims were still being received.

At the outbreak of war, the life sector almost immediately started restricting cover on new policies, offering only a return of premiums or the surrender value (whichever was higher) for war related deaths, although it kept premiums at pre-war levels. Even many existing policies had their benefits cut back. *Post* reported in late-November 1939 that UK Provident would only be paying out half the original sum assured plus any accumulated bonus on with profits policies if the death was war-related.

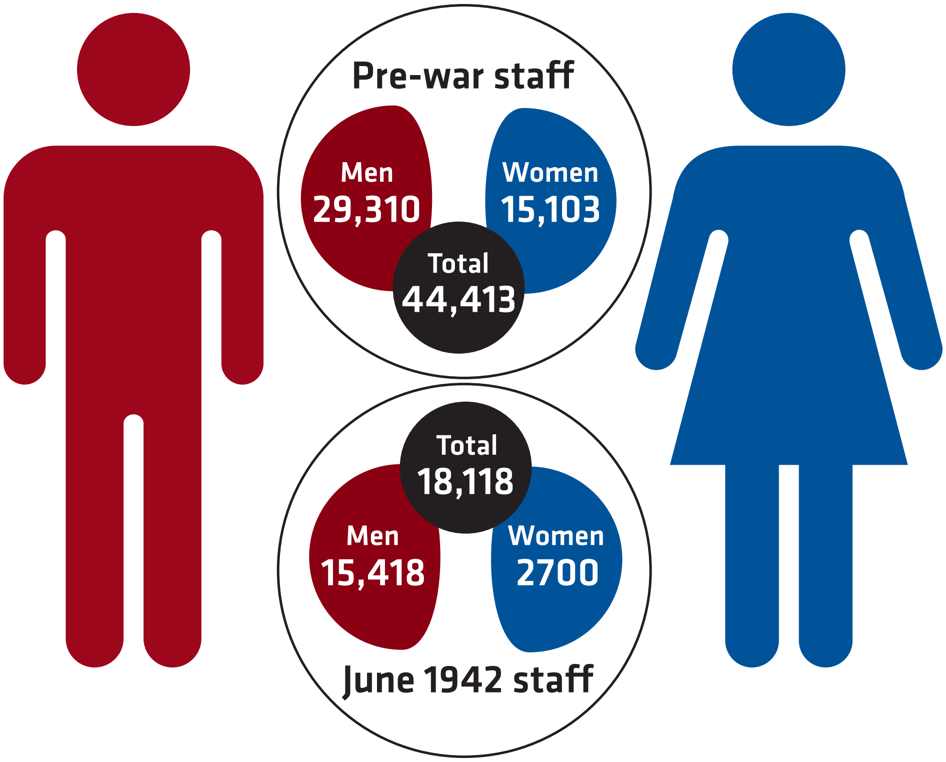
Setting rates and returns that were fair was not the only problem the life sector faced. Most premiums were collected either weekly or monthly by agents or paid over the counter in branch offices. With air raids causing widespread disruption and most firms not having the staff to go out collecting the premiums anyway, the risk of people forfeiting their policies through no fault of their own was very real.

The industry quickly came up with an agreement that it would keep policies in force but recover missed premiums from any payout or the maturity value of a policy if it ran its full term. This was given legal force in the *Emergency Protection from Forfeiture Act 1940*.

When it came to marine insurance, the government did not repeat the mistake it had > 28

< 27 made in the First World War. This time the specially created War Risks Insurance Office took steps to prevent marine underwriters cherry picking the best risks. They were prohibited from quoting rates below those of the state scheme.

Insurance staff for military service



Figures from British Insurance Association now known as Association of British Insurers

Displacement of people

The industry also had to cope with but the huge displacement of people. Vast numbers were called up to the forces or allocated to other war work and cities thought most vulnerable to enemy bombing saw many people leave. As an example, Southampton's pre-war population was 170,000 but by 1941 had fallen to 80,000.

In June 1942, the government asked the insurance industry if it could provide more staff for military service. The British Insurance Association (which represented 118 general companies) provided some detailed figures in response, saying 60% of the industry's pre-war staff had already left (see *Insurance staff for military service* box).

As if the looming threat of another major war was not enough, the first few months of 1939 saw the start of another IRA bombing campaign, called the Sabotage Campaign or S-Plan. This lasted until March 1940 with over 300 attacks and acts of sabotage attributed to it. Most were relatively minor but both Tottenham Court Road and Leicester Square underground stations were damaged when suitcase bombs exploded in left luggage facilities.

The quarter of a century after the Second World War saw very few threats to the UK mainland, although marine underwriters had plenty of exposure to war risks as conflicts flared up across the Middle East

The worst attack was on 25 August 1939 when a bomb in Coventry city centre killed five people and injured 70. Two of the attackers were caught and hanged, although a third escaped.

The quarter of a century after the Second World War saw very few threats to the UK mainland, although marine underwriters had plenty of exposure to war risks as conflicts flared up across the Middle East, frequently threatening vital shipping routes.

It was the IRA that brought bombing and terror back to the UK when it launched its mainland bombing campaign in the early 1970s, making the UK the most vulnerable country in Europe when it came to terrorism. Most of the early IRA campaign was aimed at targets that had lose links to the military, including pubs, and over the next 30 years there were 125 deaths in Great Britain as a result of IRA actions. This grim total was eclipsed by one incident in December 1988.

Pan Am flight 103 from Frankfurt to Detroit via London and New York exploded over the Scottish town of Lockerbie, killing 270 people. The bomb was planted by Libyans acting for the Gaddafi regime. It remains the largest death toll in a single terrorist incident in the British Isles. Not surprisingly, it caused widespread concern among aviation underwriters around the world, much of it focused on better risk management, with improved security at airports quickly following in its wake.

Commercial targets

It was, however, the IRA that caused the biggest shock to the UK insurance market when it switched its attention to major commercial targets, having developed the capacity to produce much larger bombs.

The campaign started modestly when London Bridge station was hit in early 1992 but the damage was limited. The first of the new large bombs went off at 9.20pm on 10 April 1992 outside the Baltic Exchange on St Mary Axe with a second bomb detonating at the same time at the junction of the M1 at Staples Corner. The bombing caused three fatalities and 91 injuries and caused considerable damage to nearby buildings. The Lloyd's building just over the road was severely shaken by shock waves from the blast but its unusual design with few external windows meant that it was relatively unscathed. The Commercial Union (now Aviva) tower with its almost entirely glass exterior was a shattered shell by comparison, with windows blown out and blinds flapping in the winds for days afterwards.

Blast damage

Post contributor Tony O'Reilly recalled the scene when he wrote for *Post*'s Review of the Century in January 2000: "The Commercial Union and Baltic Exchange buildings bore the full force of the blast. There was a scene of total devastation, likened by some to Beirut during a cease-fire. The Baltic Exchange in St Mary Axe was reduced to rubble. All windows of the Commercial Union building were blasted out and the Natwest Tower was affected from top to bottom.

"The much-maligned curves of the Lloyd's building dissipated the shockwaves and remained almost intact".

1996 Arndale Centre bombing: stills taken from a Greater Manchester Police helicopter, showing moments before the blast, the explosion taking place, and the resulting mushroom cloud

The total damage from the blast was estimated at £800m (£1.8bn today) and it sent convulsions through the insurance market. It realised that it did not have the capacity to meet such large, unpredictable claims and several reinsurers withdrew from the market, meaning that commercial property insurers could no longer offer terrorism cover as a standard part of their cover.

This sparked weeks of intensive lobbying, with the Association of Risk Managers in Industry and Commerce at the forefront, and which filled the news pages of *Post*. It soon became clear that for any solution to work it would need government backing, at least as a reinsurer of last resort.

"There are occasions when government has to intervene, put politics aside and be pragmatic. This was one of those occasions".

The argument won, the necessary legislation followed quickly and the *Reinsurance (Acts of Terrorism) Act 1993* was passed on 27 May but Pool Re was already up and running in advance. It proved timely.

Another major bomb exploded in Bishopsgate on 24 April 1993. A news photographer was killed in the blast and 44 people were injured, with fatalities minimised due to it occurring on a Saturday. The blast destroyed the nearby St Ethelburga's church and wrecked Liverpool Street station and the Natwest Tower. The financial cost was severe, estimated at the time to be over £1bn of damage (almost £2bn today), making it the costliest terrorist attack ever in the UK.

Later in 1993, the IRA planted eight bombs in Bournemouth five of which were

The last major attacks of this IRA campaign were in 1996 at Canary Wharf and the Arndale Shopping Centre in Manchester. All of these attacks were covered by Pool Re

This was not an easy sell to a Conservative government very wary of the potential impact of future major claims on public expenditure as John Greenway, a Conservative MP and former insurance broker who was chairman of the All Party Parliamentary Group on Insurance & Financial Services at the time, recalls: "This was an instinctively non-interventionist government and it needed to be persuaded that it would be self-financing and that it was unlikely to impact public expenditure".

Working with another Conservative MP, John Butterfill, they slowly brought the government round.

"It would have brought the City to its knees if another one had gone off and there was no coverage. We had to get that across to ministers. One night while we were voting, John Butterfill and myself sat Michael Heseltine [the Secretary of State for Trade and Industry] down in the lobby and explained this to him.

"We were fortunate he was the minister. He was more interventionist than most of his colleagues and he understood how business worked. That was a major advantage.

detonated destroying a Maples furniture store, damaging other shops and causing structural damage to Bournemouth pier. The last major attacks of this IRA campaign were in 1996 at Canary Wharf and the Arndale Shopping Centre in Manchester. All of these attacks were covered by Pool Re without calling on the government.

Since then the spotlight has moved to Islamic terrorism with major attacks around the world, including the 11 September attacks in America and 7/7 attacks in London. The recent trends towards using vehicles and causing popular locations with many small businesses to be closed off, as well as the emergence of cyber terrorism as a significant threat, has prompted Pool Re to extend its cover to include non-damage claims. Insurance continues to adapt to the challenges those who threaten our way of life throw at us.

Sadly, this will not be the final chapter of the story of the UK insurance industry's response to the traumas of war and terrorism. ■

Committing to crypto

The use of cryptocurrencies continues to grow with investors increasingly regarding them as another asset class, while an increasing number of companies and countries now accept them as valid forms of currency

By Tim Evershed

A recent report from Deutsche Bank predicted that cryptocurrency adoption will hit 200 million users by 2030.

However, new technologies also create new risks. Errors can be made by developers and traders alike, while valuable assets will always present tempting targets to criminals.

According to cryptocurrency intelligence firm Cipher Trace major cryptocurrency thefts, scams, and fraud worldwide netted criminals and fraudsters around $4.26bn for the first six months of 2019.

The multi-million dollar loss suffered by investors at Canadian cryptocurrency exchange Quadriga CX in 2018 highlighted some of the risks of holding digital assets after the founder and CEO Gerald Cotten died, taking vital password information with him.

Other losses have included security breaches, that reinforce the need for risk management, among crypto businesses. And lawsuits against some entities seen to have misled investors in what is still a new industry have served to heighten the exposure for the directors and officers of these companies.

Although cryptocurrencies are backed by various blockchains designed to reduce threats, risk remains unavoidable.

Adam Wickens, UK digital asset lead, in the financial and professional practice at Marsh JLT Specialty, says: "Cryptocurrency is a financial instrument and has the same risks as fiat currency does. You have the risk of theft, you have regulatory risk. In terms of unique risk it is more around the technology that's being used.

"It is the same risks you see in the financial world, it is just that people don't steal cryptocurrency by putting a stocking over their head and using a shotgun. They do it from the bedroom. They are the same risks, it is just the way that things are happening is evolving and it is evolving very quickly. We need to find the correct new solutions, that broadly have their bases in the existing market, but more for emerging risks."

Cryptocurrencies do represent value so loss remains the main risk, whether that is caused by mysterious disappearances, complex ransomware problems or keys getting lost. There are a number of Ponzi schemes, exit scams and malicious insiders pretending to be exchanges, which have also caused losses.

Volatility and tangibility

In addition, there are market risks around price volatility and tangibility.

Karen Boto, legal director at Clyde & Co, says: "More than anything it is the lack of clarity on the regulatory position across the globe. That's not surprising given the fairly new nature of this market and often there is a bit of regulatory catch-up with these things anyway. The regulators have been nervous about this asset class for some time because of criminal activity, but they are now starting to realise that the market is growing in popularity and it is the future.

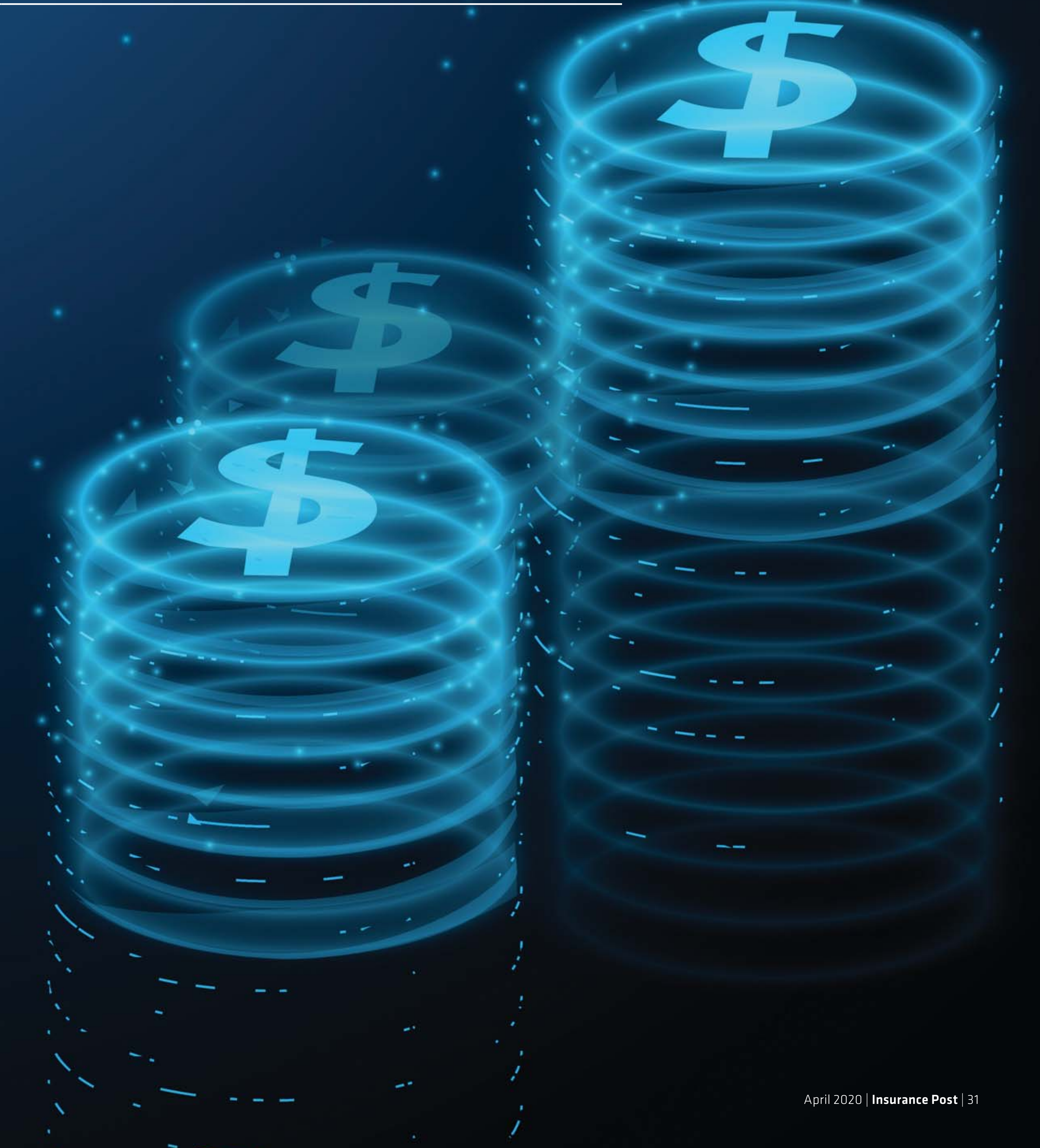
"Regulators are now looking for ways to legislate and internationally they are speaking to each other to try and get uniformity where they can. They need to get together and get something that works globally, mainly because of the nature of decentralised way crypto operates."

> 32

"Cryptocurrency is a financial instrument and has the same risks as fiat currency does. You have the risk of theft, you have regulatory risk. In terms of unique risk it is more around the technology that's being used." Adam Wickens

More online

For more on technological developments
www.postonline.co.uk/technology



< 31 The value of cryptocurrencies have fluctuated while the associated risks have continued to multiply, creating a demand for insurance cover, and the insurance market is now beginning to meet this demand.

Crypto exchange Bittrex recently secured insurance coverage of up to $300m to protect its cold storage system. Cold storage refers to keeping private keys on a hardware device, disconnected from the internet. Bittrex's policy was placed through Marsh and led by Arch's Lloyd's Syndicate 2012.

Another collaboration between Marsh and Arch saw the launch of Blue Vault last year.

It provides insurance protection for the secure storage of digital asset private keys held in traditional vault facilities. Private keys are the alphanumeric data that enable the transaction of digital assets, such as cryptocurrencies, on a blockchain.

"The crypto business ecosystem is still in a state of flux with new developments each day." Charlotte Marsden

Most recently Atrium's Lloyd's syndicate teamed up with UK specialist Coincover to launch protection for cryptocurrency held in hot online wallets. The policies have a dynamic limit that increases or decreases in line with the price changes of crypto assets. This means that the insured will always be indemnified for the underlying value of their asset even if this fluctuates over the policy period.

Other risks are placed in the specie insurance market through Lloyd's syndicates, including Arch and Canopius. Meanwhile Coincover recently launched a cryptocurrency Will product, in response to four million Bitcoins, worth around $30bn, being lost as a result of people dying without adequate plans in place (see box out).

Charlotte Marsden, cyber underwriter at Axis Capital, says: "The insurance market always responds to capital markets needs but it is important that we understand and assess the risks involved. This has proved challenging as the crypto business ecosystem is still in a state of flux with new developments each day whether it's the launch of bitcoin ATMs, custodial or non-custodial wallets or new stablecoins – each with different risks whether they are securing assets against theft or responsible for Know Your Customer and anti-money laundering checks.

"There is a chicken and egg problem where the industry and insurers want regulatory clarity but the regulators require insurance to be in place in order to issue licences in some cases."

The insurance market for cryptocurrency has been around for almost a decade now and it is a growing market with a number of insurers involved in the space.

Wickens says: "The London market is flourishing, and it is growing because people are starting to put the resource, money and effort into the research and understanding that this is the future of financial institutions.

The market for personal lines cryptocurrency cover

Although cryptocurrency insurance is playing an increasing role in giving financial institutions and regulators more confidence in the market, as well as removing a significant barrier to entry for those worried about investing, in most cases this protection is limited to the platform and does not cover individuals.

Magda Ramada, insurtech innovation leader at Willis Towers Watson, says: "There's not much discussion of personal lines type insurance for crypto and most of the coverage is for – centralising – exchanges and custodians. That actually makes sense in a traditional finance world, but not in a decentralised finance space, which many crypto holders entered because of the atomised and distributed nature of cryptocurrencies and crypto assets.

"The fact it is a decentralised market with decentralised players means that they require insurance that is analogous to a personal lines insurance product on their individual crypto holdings. So far that is almost non-existent, with very little products or appetite trying to cover this, unless it is created in the crypto-native space."

Risk prevention and mitigation platform Coincover recently launched some personal lines products to fill this gap. It has a theft cover product, which aims to protect cryptocurrency from loss and give investors another layer of comfort and confidence.

It has also responded to an emergency where there was loss of access to funds, which was caused by the death of the owner. A cryptocurrency Will comprises of a third-party holding backup keys to a customer's crypto-holding wallets and upon the death of the owner, the third-party would retrieve funds on behalf of the beneficiaries, subject to the usual checks associated with the execution of any Will.

Although the market is growing, and understanding of what cryptocurrencies are and how they work is increasing, demand for insurance cover is still outstripping supply

Nearly anyone who writes financial institutions is either involved or interested in being involved in digital assets.

"Directors' and officers' and errors and omissions do what they say on the tin. Crime coverage comes broadly from the crime market, or the specie market, but is based around whether it is hot or cold storage."

However, although the market is growing, and understanding of what cryptocurrencies are and how they work is increasing, demand for insurance cover is still outstripping supply.

Lack of appetite

Magda Ramada, insurtech innovation leader at Willis Towers Watson, says: "Certain elements of insurance for the traditional financial market can be applied in the crypto space today, but that still doesn't mean there is appetite.

"Having to explain that there was a loss related to an insurance policy covering the cold storage of cryptographic keys is a lot harder – reputationally – than losses related to storage of other valuables, like fine art. Even if in both cases custodians had the same vaults, processes and fire protection systems and the loss was generated by a fire. So, appetite is still evolving and it is an incipient market."

As well as the cover being underwritten in traditional specialty markets, like Lloyd's of London, there are also some smaller consortia of insurers in the US underwriting cryptocurrency. There also some captive insurers in Bermuda, such as the Gemini captive.

In addition, there are peer-to-peer experiments like Nexus Mutual, which is the first fully coded mutual and protects against faulty contracts. Nexus has already honoured its first two claims following the BZX Fulcrum hack as it has insured the Fulcrum smart contract, according to Ramada.

She adds: "It is a space that is evolving, it is evolving into interesting new areas of design but appetite is still lacking. One of the reasons for this is because the type of talent you need to broker and underwrite a risk like this is a very specialised type of talent. It is scarce and it is difficult to get, so the cost of opportunity of deploying, say, your best producers in this space has to be taken into account."

There are a number of other challenges that underwriters must face in covering such a fast-evolving area.

Boto says: "The problem is there's no uniform definitions around the crypto assets themselves, it is not even clear what they'd be categorised as for the purpose of policy wordings, there's no uniform, standard policy wordings out there. Although no one likes claims you need them to shape the development of policy wordings and products."

Cryptocurrency is a digital world and subject to constant change, which is often driven by technical innovation. The insurance industry must try to keep abreast of these changes so it can continue to maintain that the insurance is appropriate and it works for what the crypto sector needs. It must stay ahead of the technical game to stave off the issue of obsolescence.

One issue arises because insurance policies are denominated in dollars, pounds or other fiat currencies, while the underlying asset or risk that is being underwritten is actually a crypto-denominated risk

One issue arises because insurance policies are denominated in dollars, pounds or other fiat currencies, while the underlying asset or risk that is being underwritten is actually a crypto-denominated risk.

Another issue is caused by the volatility of crypto assets, which are far less stable than traditional exchange markets, causing complications for insurance policies that are subject to that volatility risk.

There is also the challenge of assessing the intentions of investors and operators in a market that has often been associated with cybercrimes.

Joe Ziolkowski, CEO at Relm Underwriting, says: "From our perspective, it's critical to have the right Know Your Customer, Know Your Transaction and anti-money laundering tools and in place.

"If they're a digital asset custodian, there should be cradle to grave processes for how transactions are initiated, facilitated, and executed through internal audit. We also expect proper data security and disaster recovery procedures, as well as policies for avoiding conflicts of interest and promoting corporate ethics.

"We take a deep dive into KYT, KYC and AML procedures as part of the underwriting process. We want to see responsible individuals appointed to the key corporate governance roles. Operationally, procedures surrounding suspicious activity reports should be in place to efficiently respond to questionable transactions."

Many hurdles

Despite the many hurdles the cryptocurrency market is growing. The number of clients and potential clients continues to increase, as does their complexity and the volumes of assets they hold. The market is growing slowly and it is at a crossroads now where it is starting to become more accepted. Data providers and other third-party companies can now provide much greater information, which aids the underwriting process.

Wickens concludes: "We are becoming more mature in terms of the market by saying we need to know what a claim would look like, how we would respond, and what processes are in place for that claim. We're in a much better place than we were six months ago. It is challenging when there hasn't been a real claim to test how policies will work, but best to be prepared." ■

www.ipsgroup.co.uk

- **UK Surety / Bond insurance - Lead Underwriter**
  Attractive Reward Structure ***– London***
  Profitable, independent insurance group wish to establish a new portfolio of Surety/Bond (UK focus) insurance written from their London offices. Targeting small to medium bonds, they are interested in someone with a track record of being able to lead/develop a profitable portfolio. An exciting opportunity with substantial upside based against profitability. Please call for a confidential discussion.
  Contact: Colum.Lovett@ipsgroup.co.uk - London Ref:PM141855CL

- **Senior Risk Analyst**
  Up to £50,000 + Bonus + Benefits ***– City of London***
  Career progressing opportunity for a numerically focused graduate with current exposure to global (re) insurance risks or capital modelling. Working alongside the Head of Risk you will be integral to the continuous development, effective operation and embedding of the risk and capital management framework. There will be a continuing focus on driving global investment risk strategies, liaising throughout the business including overseas offices to collate vital risk evidence for key reports and contribute to the financial and operational risk goals.
  Contact: James.Dick@ipsgroup.co.uk - London Ref:PM141405JD

- **Risk & Compliance Analyst**
  Up to £35,000 + Bonus & Benefits ***– City of London***
  Opportunity to assist the Compliance and Risk team across all levels of this global, fast paced organisation to provide business solutions in a variety of Risk and Compliance areas. Seeking an entrepreneurial individual with strong communication skills and Risk, or Compliance experience at an insurance firm.
  Contact: Alicia.Found@ipsgroup.co.uk - London Ref:PM141689AF

- **Senior Compliance Analyst**
  Up to £50,000 + Bonus & Benefits ***– City of London***
  Seeking a pro-active individual with a minimum of 4 years' Compliance experience and experience working with underwriters to assist the Compliance team on all Compliance matters at this well-established Lloyd's Syndicate. This is a predominantly advisory role, offering a great opportunity to take on a range of Compliance responsibilities within the organisation.
  Contact: Alicia.Found@ipsgroup.co.uk - London Ref:PM141769AF

- **Senior Exposure Analyst or Manager**
  Competitive Package ***– City of London***
  Leading the function from the London office you will work closely with the wider analytics team within the group. Looking for further profitable growth, this is an exciting time to join this A rated insurance group as their Exposure Manager for the London office. With offices in EMEA through to Latin America, London is one of the major underwriting hubs. Possessing a sound knowledge across P&C niche and specialty reinsurance products this will suit someone who can demonstrate relevant experience / take ownership whilst interacting with the wider group.
  Contact: Gary.Ahern@ipsgroup.co.uk - London Ref:PM141091GA

- **Catastrophe Analyst**
  To £55,000 Base Salary + Bonus & Benefits ***– City of London***
  An Independent Insurance Broker are searching for a Catastrophe Analyst to work with the Head of Catastrophe Modelling to grow and develop the function. They want a technically strong candidate who has over 2 years of experience working within Catastrophe Models. Experience of using RMS or AIR is a requirement and a good working knowledge of VBA, SQL and GIS would be advantageous.
  Contact: Gary.Ahern@ipsgroup.co.uk - London Ref:PM141633GA

- **Delegated Authorities Business Partner**
  To £57,000 + Benefits ***– City of London***
  A Global Insurer has an exciting opportunity for candidates with a Delegated Underwriting background and those wishing to pursue a career in this area. You will be required to provide expertise and management of the portfolio to ensure that the coverholders are managed in line with the strategy, procedures and regulatory requirements.
  Contact: Carl.Crossfield@ipsgroup.co.uk - London Ref:PM141846CC

- **MI & Performance Analyst**
  To £45,000 + Benefits ***– City of London***
  A growing central Underwriting & MI team is requiring additional resource to their busy team. The role will entail analysing Underwriting and Broker performance data, stakeholder management and identifying data deficiencies and gaps in analytical capabilities. You must have strong IT skills including experience of Power BI and VBA.
  Contact: Carl.Crossfield@ipsgroup.co.uk - London Ref:PM141873CC

- **Claims Examiner - Professional indemnity**
  Up to £45,000 + Bonus & Benefits ***– City of London***
  A Global Insurer is seeking a Professional Indemnity Claims Examiner to analyse, negotiate and settle PI claims. This opportunity boasts exposure to managing TPA's and running your own claims book offering a broader claims role with opportunities to progress.
  Contact: Bow.Fanso@ipsgroup.co.uk - London Ref:PM141539BF

- **Casualty Treaty Underwriter**
  £ Negotiable ***– City of London***
  We are working exclusively with a specialist Reinsurer who is looking for a Casualty Treaty Underwriter to work as a key member of a small team focusing on global business. This is a role that will give you some fantastic exposure to brokers and risks, you will focus mainly on General Liability treaty risks as this is a growing area for our client, but you may also have some involvement on Motor Treaty on a pro-rata and excess of loss basis.
  Contact: Dana.Hill@ipsgroup.co.uk - London Ref:PM141559DH

- **Compliance Director**
  To £125,000 + Package ***– City of London***
  This is an opportunity to lead the Compliance and Governance function of this Lloyd's Broker, at an exciting time of the firm's development and growth plans. You will put in place a Governance structure fit for the firm's future growth plans. Experience in a senior Compliance role for a UK based Insurance firm is required.
  Contact: Tim.Southworth@ipsgroup.co.uk - London Ref:PM141595TS

- **Senior Wordings Specialist**
  Attractive Salary Package ***– City of London***
  New role with a highly regarded Lloyd's Syndicate and Global Insurer. You will create the Wordings function across the Group, working closely with Underwriters to demonstrate the value of a dedicated Wordings Specialist across all classes of business written by this Group, covering Non Marine, Marine and Aviation, insurance and reinsurance. Seeking an individual who is a recognised Wordings Specialist in the London Insurance Market, able to demonstrate capability to draft wordings across a breadth of classes of business.
  Contact: Tim.Southworth@ipsgroup.co.uk - London Ref:PM140809TS

- **PI Account Developer/Team**
  Excellent Package + Bonuses ***– City of London***
  You will be responsible for heading this Lloyd's Broker's UK Professional Indemnity Insurance portfolios. This Broker has access to some very interesting connections. These are seen as being of great potential in respect of their ambitions to build their PI portfolios. This could opportunity could also suit a team move.
  Contact: Christopher.Dickman@ipsgroup.co.uk - London Ref:PM141561CD

- **Syndicate Accountant - Lloyd's Insurance business**
  £55,000 - £65,000 + Benefits ***– City of London***
  Hands-on role covering internal and external regulatory reporting requirements, including preparation of syndicate quarterly and annual returns (QMA, QMB, TPD, ASR etc). The successful candidate must have current/recent exposure to Lloyd's syndicate returns and possess an excellent understanding of the insurance industry.
  Contact: Mark.Brady@ipsgroup.co.uk - London Ref:PM141510MB

- **Assistant Claims Handler**
  £20,000 - £26,000 + Benefits ***– Bristol***
  One of the largest international law firms based in the UK, are looking to recruit an Assistant Claims Handler to join their Insurance Claims Handling team in Bristol and Taunton. Successful candidates will ideally have gained Professional Indemnity claims handling experience.
  Contact: Blayne.Kelly@ipsgroup.co.uk - Birmingham Ref:PM141399BK

- **Bodily Injury Claims Handler**
  £24,000 - £29,000 + Benefits ***– Cardiff***
  My client, an established Motor Insurance Business based in the heart of Cardiff are currently looking to recruit an experienced Bodily Injury Claims Handler with experience in to join their new team in a busy and fast paced office environment. It essential that you have experience in Personal Injury Claims.
  Contact: Blayne.Kelly@ipsgroup.co.uk - Birmingham Ref:PM141756BK

- **Senior Personal Lines Underwriter**
  £40,000 - £45,000 + Benefits ***– West Midlands***
  A highly regarding Midlands based Insurance Company has a new opening to join their Regional Underwriting team as a Senior Personal Lines Underwriter. As a Senior Personal Lines Underwriter you will be responsible for a caseload of more complex high value cases that the business sees.
  Contact: Richard.Coleman@ipsgroup.co.uk - Birmingham Ref:PM141919RC

- **Large Loss Property Claims Technician**
  Up to £50,000 + Benefits ***– West Midlands***
  A highly regarded Insurance company seeks a Large Loss Commercial Property Claims Technician to join their high-profile claims operation. Dealing with major and complex commercial property losses ranging from £500,000 to multi million pound claims , you will investigate, negotiate and settles cases within your authority limits.
  Contact: Richard.Coleman@ipsgroup.co.uk - Birmingham Ref:PM141921RC

Manchester
manchester@ipsgroup.co.uk
Tel: 0161 233 8222

Leeds
leeds@ipsgroup.co.uk
Tel: 0113 202 1577

Birmingham
birm@ipsgroup.co.uk
Tel: 0121 616 6096

IPS Group
Bevis Marks House
24 Bevis Marks
London, EC3A 7JB
020 7481 8111

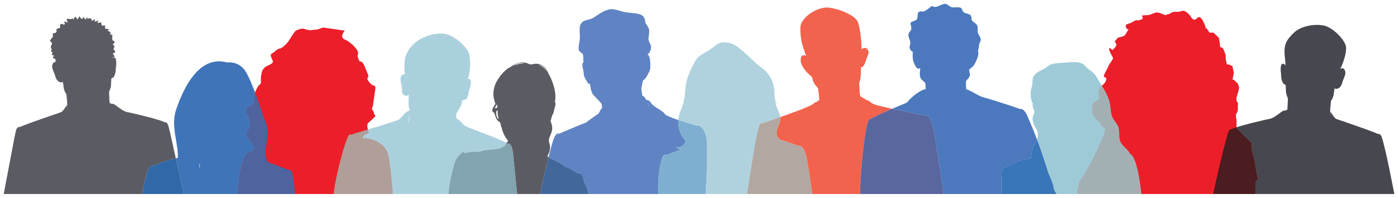
Chicago
ipssearch.com
Tel: 001 312 214 4983

Hong Kong
asia@ipsgroup.co.uk
Tel: +852 3469 5339

Shanghai
shanghai@ipsgroup.co.uk
Tel: +86 21 2206 2882

InsuranceJOBS

Insurancejobs.co.uk
Featured recruitment agencies directory



AMC Insurance Appointments
amcinsurance.co.uk

Job of the month
Claims Broker/Technician
London - Circa £30,000

Arthur
arthur.co.uk

Job of the month
Claims Bordereaux Technician
London - £35,000 - £40,000 + benefits

IPS Group
ipsgroup.co.uk

Job of the month
Major & Complex Property Claims – step up to large loss
West Midlands - £40,000 - £50,000 + benefits

MW Appointments
mwappointments.co.uk

Job of the month
Binding Authority Technician
London - £25,000 - £50,000

Star Actuarial Futures
staractuarial.com

Job of the month
Reporting Actuaries – Life – Major Insurer
Flexible UK location - £ Dependent upon experience

IDEX Consulting Ltd
idexconsulting.com

Job of the month
Property & Casualty Renewals Underwriter
Leeds - £28,000 - £32,000 + benefits package

Market moves

>> Some of the movers and shakers in the market this month

Guernsey Finance has named **Rupert Pleasant** as CEO to replace Dominic Wheatley. Wheatley, who has held the role for five years, is due to leave the post in June. Pleasant joins from Beauvoir Group where he was acting group managing director. Guernsey Finance, the promotional agency for the island's finance industry internationally, detailed that Pleasant has nearly 30 years' experience in the private wealth sector for firms such as Lloyds Bank, Barclays Wealth, Credit Suisse, Investec and Praxis IFM.

Guernsey Finance chairman Lyndon Trott said: "Rupert's considerable international finance and marketing experience will be instrumental in continuing the contribution that the Guernsey Finance team make in promoting the island as a leading finance centre. This is a key time for Guernsey as we look to innovate and create fresh opportunities to promote the island and the finance industry across current and emerging markets."

Pleasant added: "We live in challenging but also exciting times, and Guernsey is in an enviable position offering innovation, substance, stability, security and expertise."

Jon Hancock has been appointed CEO of AIG's international general insurance division. Hancock is currently performance management director at Lloyd's but announced in January that he would be leaving One Lime Street this year after just over three years in the role. At AIG, he will be stepping into the role vacated by Chris Townsend in January and will report to Peter Zaffino, the insurer's president, global chief operating officer and general insurance CEO. Prior to joining Lloyd's in 2016, Hancock held various roles at RSA including UK commercial managing director and Asia and Middle East CEO. Hancock was originally scheduled to leave Lloyd's on 31 March but will now be staying until 31 May to help provide leadership support during the ongoing coronavirus crisis.

Former XL Catlin chief experience officer and executive vice-president **Paul Jardine** has joined insurtech Worry+Peace's advisory board. Worry+Peace, founded by CEO and Insurtech UK spokesperson James York, is a platform that intends to 'connect' the sector with buyers. It currently has 220 insurance providers available on its search listings. Jardine said: "At a time when the industry needs to rebuild customer trust, Worry+Peace provides an independent, reviews driven technology platform that connects buyers and providers of insurance without the inherent conflicts that comparison sites and search engines have."

Schemeserve has added **Lloyd Hanks** to its advisory board. In a career spanning more than 40 years, Hanks has held senior managerial positions at Axa, London and Edinburgh, Groupama, Allianz and Tempcover as well as running two broking firms. He is currently a consultant to the industry and a non-executive director on two boards. The cloud-based provider of insurance software said that its advisory board has been designed to offer feedback and work on shaping the future of the business. As well as advising the board Hanks has been tasked with raising awareness of the Schemeserve brand among brokers, networks, consolidators and managing general agents.

Underwriting & Broking expansion

Arthur Financial continues to grow their Underwriting and Broking Team with the appointment of Emma Burden who brings 2 years' experience within Insurance recruitment. We look forward to introducing Emma to our client base and we are confident she will be well received.

Andy Edwards, Director at Arthur Financial comments, "This hire shows a significant step in our commitment to service our clients needs' in what can be a challenging area to recruit for. The team is now the largest in the London Insurance market and Emma's arrival will enable us to service our clients in more depth across their business."

Career file
David Stevens

Admiral CEO and co-founder David Stevens to step down

David Stevens, group CEO and co-founder of Admiral, is to step down from the role and company's board in 12 months' time.

He will be replaced by Milena Mondini de Focatiis, the group's head of UK and European insurance.

She will be promoted to group CEO-designate in due course and join the board as an executive director ahead of taking up the CEO job after the transition period.

Stevens, who co-founded Admiral in 1991, has been group CEO since May 2016 when he moved up from being chief operating officer.

He took over from fellow co-founder Henry Engelhardt who had held the position since the business was formed.

The provider confirmed that Stevens will remain involved as a part-time advisor after he steps down.

Milena joined Admiral in 2007 and was made head of UK and European insurance in July 2019.

Her previous roles included being CEO of Conte.it, Admiral's Italian insurance business which she founded in 2008 and working as a consultant for Bain & Co and Accenture.

Stevens commented: "Alongside my sense of good fortune and gratitude to those who made it possible, notably, Admiral's founder Henry, and my many talented colleagues over the years, I feel a responsibility to do what's best for the long-term future of Admiral.

"That's why I am looking to pass on stewardship of Admiral to a very talented next generation of Admiral management led by Milena Mondini. They are collectively more than capable, not just of sustaining, but also of improving Admiral's competitive competence and potent culture."

More online
For more stories, go to **www.postonline.co.uk/people**

Contact us

To feature an appointment in *Post*'s Market Moves, please send a press release via email to postonline@infopro-digital.com

Print-resolution photographs are also recommended. The preferred format is at least 5cm by 5cm at a resolution of 300dpi.

Career development
Covéa boosts paternity pay programme

Covéa Insurance has enhanced its paternity pay by offering six weeks fully paid leave for dads of new babies.

It previously offered the HMRC statutory two weeks along with three days at full pay. The three days at full pay could be taken as part of the two weeks statutory pay, or any other time within one year of the baby's birth.

The insurer noted that the change aligned paternity leave with the first six weeks of its maternity policy.

According to the company it took the step as a flexible, family-friendly employer to help promote workplace inclusion and equality and that the increase will enhance its ability to attract and retain talented people.

Covéa's people director, Lisa Meigh commented: "We know that many dads want to take time off to be involved with caring for their new-born babies, but that family finances can put pressure on the length of time they take.

"By increasing paternity leave to six weeks' full pay, new dads working at Covéa Insurance will be able to focus fully on their new baby and partner during the crucial first stage of their child's life."

Covéa has also published the information on parental leave policies on its website. By doing so it has been able to pledge support to the Association of British Insurers' voluntary commitment, which was released last September, to make information about parental policies and pay more transparent. The firm flagged that this will enable families to make informed decisions about work and how they can balance that with being a parent.

The insurer highlighted that the update to the paternity pay programme, which started for babies born on 1 February, had been greeted positively by both mums and dads in the business.

Meigh concluded: "I believe this change sends a really strong message; it says we want to support our employees on whom our future growth and success relies, and is a major step forward in promoting workplace and parenting equality."

PENNY BLACK'S SOCIAL WORLD

Do you have a social media update that needs sharing with the insurance world? **Contact hiriyti.bairu@infopro-digital.com**

Join Penny online at

- twitter.com/PennyBlackPost
- facebook.com/Insurancepost
- bit.ly/PostLinkedIn
- instagram.com/insurance_post/

>> Cyclists Fighting Cancer, mental health and coronavirus

Fresh from Facebook

Jackson Lee Underwriting has announced its 2020 charity partnership initiative with Cyclists Fighting Cancer which helps children and young people living with cancer regain their physical fitness, mental wellness and confidence by giving them new bikes, specially adapted trikes, tandems, other equipment and support. The charity is passionate about sharing the benefits of exercise for people living with and beyond cancer.

Fresh from Facebook

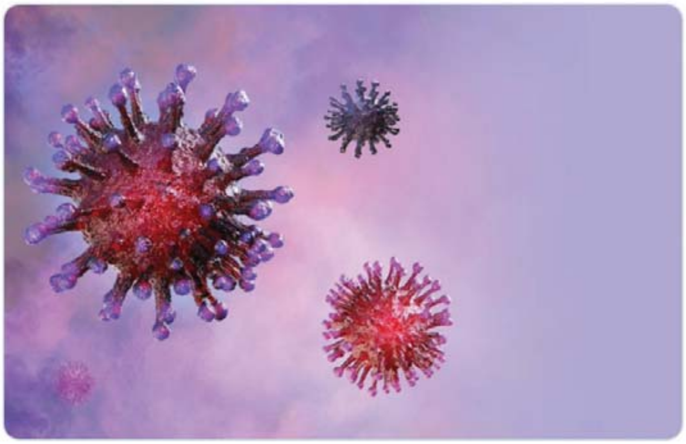
North Wales-based law firm Gamlins Law has partnered with The DPJ Foundation to raise awareness on mental health in the country's agricultural community. Gamlins Law will work with the DPJ Foundation to promote its work across the region as well as helping to raise vital funds.The foundation was founded by Emma Picton-Jones (pictured left, with Rachel Wynn Jones from Gamlins Law) following the death of her husband Daniel, a farmer in Pembrokeshire, in 2016. Since then, Emma and a group of supporters have raised over £40,000 in donations.

Tweets of the month

BHIB Charities Insurance
@bhibcharities

👥 What do #charities need to do to protect staff, volunteers and visitors in light of #coronavirus?
🎡 Should you cancel events?
💰 Will there be financial implications?

Read @NCVO's useful guide to help you decide what steps to take 👉 bit.ly/3aKecWQ



RSA Insurance Group
@rsagroup · 3h

Well done to the 11 graduates of our CII accredited #BrokerLeadershipProgramme who have worked SO hard to develop their business & #leadershipskills to further their careers & the success of their brokerages.

All of us at RSA wish you huge amounts of success for the future!


Davies
SUPPORTING
our CLIENTS
through challenging times.
Through the use of virtual
claims handling technology
we're positioned to support
your business
and your policyholders.
We're here to help,
contact us for more information:
Kath Mainon
CEO, Claims Solutions
+44 (0) 7930 507325
kath.mainon@davies-group.com
www.davies-group.com