



THE BRUNEL OF BRIDGE BUILDING

INTERVIEW BY DAVID BUTTERFIELD

Roger Potts doesn't need to rely on a talismanic performance to swing Bridge Insurance Brokers kicking and screaming into 2017. He has always approached his mission and vision as company chairman in the way he has addressed other challenges in his life. With diligence and a determination to succeed.

Ask anyone at Marsh or Willis Towers Watson where he spent twenty-five years learning his craft. Roger Potts admitted recently that he always wanted to be a civil engineer. He was probably, like many schoolboys, a big admirer of Brunel¹. Well, if you'll forgive me for saying, civil engineering's loss was broking's gain and what an impact he and his colleagues have had navigating these past eight years.

Bridge has become the go-to insurance solution not only in Manchester, of which more later, but across the four corners of the world. This is no exaggerated claim, if you'll pardon the pun. The global economy has almost turned on its axis and those BRICs that former Goldman Sachs economist and Treasury minister Jim (now Lord) O'Neill first alerted us to will, by 2050, become the world's dominant suppliers of manufactured goods and services.

And wherever there are people, goods and services in abundance, there is Bridge: transforming lives with reassuring, relevant and cost-effective cover across continents; across sectors; across great divides.

Look no further than Brokerslink for evidence of this transformation. Created just three years after O'Neill's formulation in 2004, Brokerslink is now a global broking company managing a network of independent brokers which "integrated best-in-class risk expert firms to become a strong alternative to mainstream models in the insurance market", they say.

"The Brokerslink team, under the leadership of its CEO, Jose Manuel Fonseca certainly made a smart choice with their second city selection, which

fairly reflects Manchester's financial optimism and broking wizardry, tethered to a willing Porto partnership of substance and creativity", confirms Potts.

Why then, the haste to re-invent the industry with a mainstream alternative that sounds decidedly high risk?

Simply put, Potts believes the insurance industry has been "slow to change and invariably loath to adopt modern business practices and principles by moving like the proverbial tortoise when compared with other hare markets."

Thankfully, Bridge will continue to be a family affair as its founders, Mike Backner and Gilbert Cohen have instilled in the management and direction of their business since 1971, when they met for the first time at the Midland Hotel.

Arguably Manchester's most iconic building, Adolf Hitler is thought to have spared it from bombing as he eyed it for the Nazi Party headquarters in Britain should he have won the war. And it has been the setting for countless meetings that have shaped history since the turn of the twentieth century, notably where Mr Rolls met Mr Royce.

"Bridge's prestige approach to broking is clearly reflected in a number of long-standing relationships with clients to this day", elaborates Potts.

“In the 1970s, Lionel Black now 95, bought a small company specialising in waterproof clothing he called Regatta and his son, CEO Keith Black continues to promote the fit, quality and style that underpins his dad’s business who first sought advice from Bridge many years ago, because his belief in family values was shared back then by Backner and Cohen. And still is.”

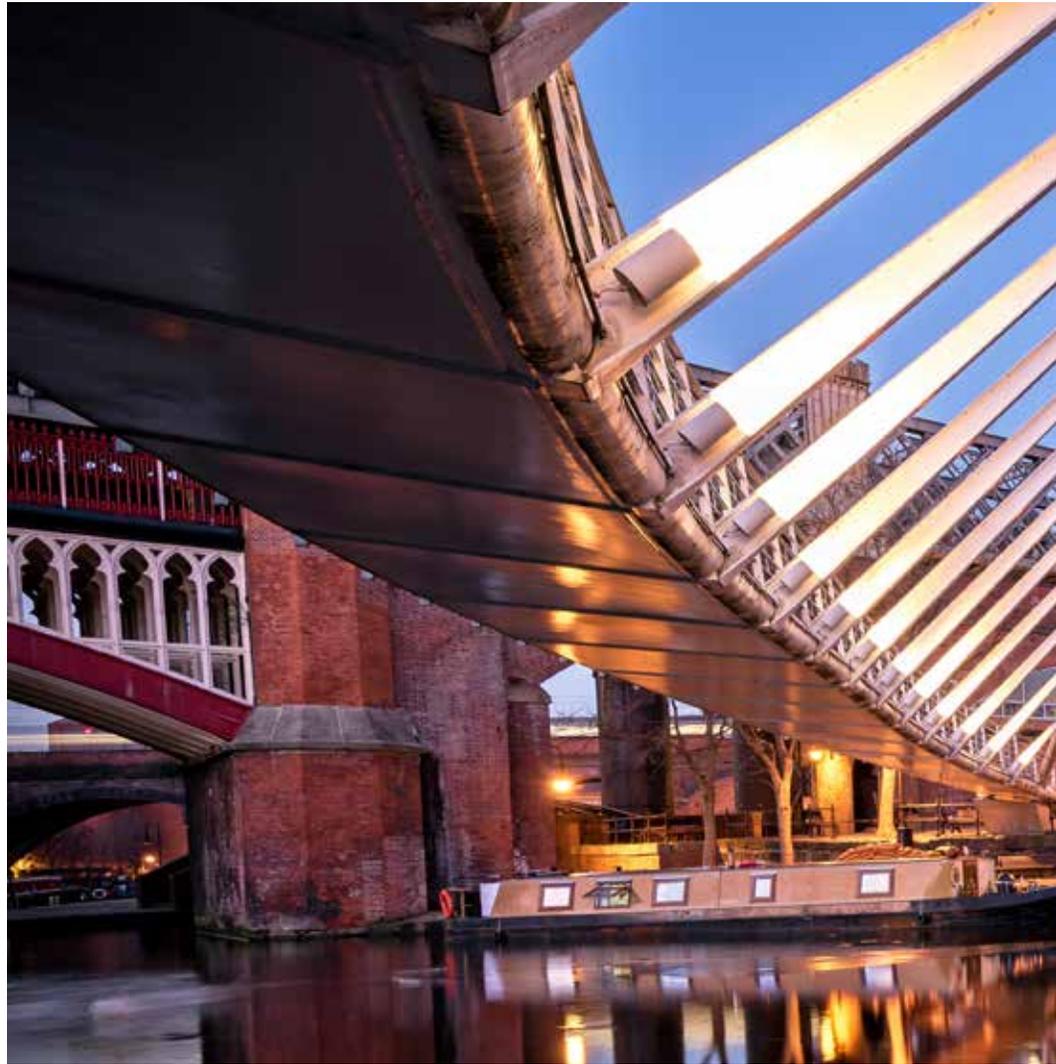
Bridge is especially proud to be associated with Mines Advisory Group (MAG). Newly-appointed CEO Jane Cocking has 25 years’ experience in the humanitarian sector. “At MAG, we believe that whenever and wherever wars happen, ordinary people should not be the ones who pay the price”, insists Cocking.

The issues are almost inconceivable. Wars and conflicts erupt, subside and end. But they leave behind millions of landmines, unexploded bombs and unsecured arms. These pose an everyday danger for decades and disrupt the lives of communities for generations.

Backner cites another defining moment when, during the hard market of 1984, Bridge decided to shed 8% of its client base, reducing the number of claims by 40%. Most of Bridge’s custom is corporate clients based in the northwest, including a large property owner’s portfolio, fleet and cyber-liability risks.

“Bridge is moving towards fees for the larger risks, since a fairly hefty chunk of central Manchester is owned by our clients. In 2014, Globalization and World Cities Research Network (GaWC) ranked Manchester as a beta world city, the highest-ranked British city apart from London”, continues Backner.

“And the launch of Bridge London is testimony to our industry credentials. We have developed the operation with a strong work ethic, underpinning highly engaging client services. Six years on and there’s been remarkable progress across both centres of broking excellence where innovation and collaboration are key business drivers. Take a look at the Manchester skyline now” suggests Potts, warming to Backner’s theme.



Manchester Castlefield.

A futuristic multi-use arts venue designed by Rem Koolhaas’ Office for Metropolitan Architecture is poised to win planning approval from Manchester city council.

The £110 million Factory venue, named in honour of legendary music label Factory Records, is earmarked for part of the former Granada studios site on the edge of the city centre and is being jointly developed by the council and Allied London.

Designed to bring together a 2,300 capacity theatre and a separate 5,000 capacity warehouse space for “immersive events” on part of the former TV studios site, it also incorporates a Grade II-listed railway viaduct that would need to be altered for the scheme.

Government heritage adviser, Historic England said that “subject to high quality materials, finishes and execution”, Factory had the potential to enhance its part of the conservation area by “opening it up to the public and being a cultural focal point” to bring in more visitors.

Sir Richard Leese, leader of the city council said it would “make Manchester a genuine cultural counterbalance to London” and help transform the regional economy, attracting hundreds of thousands of tourists and inspiring a generation. “We’re placing Manchester and the north of England firmly on the international stage”, continued Sir Richard.



The new venue represents part of the government's "northern powerhouse" project, championed by George Osborne, the former chancellor. Factory is forecast to deliver nearly 1,500 new full-time jobs and generate £1.1 billion over ten years.

Matt Hancock, the culture minister, said: "Factory will provide a further boost to the brilliant arts, culture and technology scene in the north."

"Circle Square set on the former BBC site on Oxford Road is both the hinge and the hub for Corridor Manchester, the UK's first ever innovation district. Live or bring your business here and we can promise you interesting neighbours", continues Chris Oglesby, CEO of joint

venture partners Bruntwood, another Bridge client.

Expect to find two leading universities, a teaching hospital and health research institute, the Graphene Engineering Innovation Centre, a famous music college, equally famous art and dance schools, a legendary theatre, new arts centre and any number of innovative businesses and talented people.

At Circle Square and First Street where you'll discover Vita Student, offering Manchester's best student accommodation, there is FlatGuard, a specialist insurance policy developed exclusively by Bridge for blocks of flats, tailor-made to protect residents, managing agents and freeholders.

Plans for what will be Manchester's tallest building, an impressive 64-storey block of luxury flats, have been given the green light. The new Owen Street skyscraper will trump the neighbouring 50-floor Beetham Tower, designed by the same architect, Ian Simpson.

Unsurprisingly, there has been vociferous local objection primarily from, you guessed it, Beetham Tower residents, who thought the development was out of proportion with other local buildings and amenities.

Simpson is no stranger to controversy when his tower project at One Blackfriars Road on London's South Bank hit the buffers in 2010, after the developer failed to secure funding from its Russian



Old Trafford Stadium.

partner, Mirax. The site was bought the following year by Tony Pidgley's St George brand which wanted to change the mixed-use tower to residential with a boutique hotel as a stand-alone building.

So the Russians are coming? In a word, no. "What's all change for Manchester is that investors in Owen Street are primarily from emerging BRIC China, Hong Kong or Singapore and the apartments, over 1,400 one, two and three-bedders across four buildings have already been sold off-plan, such is the enthusiasm for this style of city dwelling" explains Phil Webster, director responsible for Bridge specialist Real Estate division.

China's passion for foreign property is just the start, as cash-rich buyers are interested in buying-in to a real life game of Manchester Monopoly. Victor Li, a director of international project marketing for the US real estate giant CBRE, is predicting a surge of eastern investment in British homes over the next decade, as increasingly affluent Chinese investors acquire a taste for international property.

And not just property. Tianjin Quanjian FC are in the market for a striker and have been linked with an £80 million bid for Chelsea & Spain forward, Diego Costa that would earn him £30 million a year. So how long before the red and blue clubs of

Manchester are similarly targeted? Setubal's most famous son moved to Old Trafford last year. José Mourinho, arguably one of the greatest and most successful managers in the world, he's currently plying his trade up the road from Bridge at the aptly named Theatre of Dreams.

But it's not been plain sailing for the broking community. Embracing the digital economy is proving a nightmare, admits Potts. Despite being a former Twitter non-believer and self-confessed LinkedIn philistine, he can see the bigger picture which is so much more than the "fluffy stuff", he explained.

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“Unlike the 61% of global CEOs still eschewing social media and increasingly out of step with staff and customers alike, according to the World Economic Forum last year”, Potts added.

It seems that for most CEOs, social media is still seen as just a distraction; something that junior staff will do when they should be getting on with “real work”. A report from Strategy Analytics shows that more than two billion people throughout the world are now engaged with social media, with users spending an average of two hours per day on these platforms.

This is having a huge impact on people’s browsing and spending habits; millions now watch more YouTube than TV and a Market Force study found that fully three-quarters of consumers say social media now influences their buying decisions. Two years ago, Worry+Peace founder, James York challenged the insurance sector to embrace digitally enabled innovation and urged proactivity. “There should be much more out there other than blandly-named online ‘quote and buy’ solutions, which are seen by less visionary practices as a replacement of quality customer service”, continued York.

Potts is convinced it’s an overdue step in the right direction, despite the sector’s narrow view of what digital means.

“A new Bridge product to emerge from development will soon target two million self-employed professionals working from

home, with a flexible monthly premium that can be cancelled or reinstated at a moment’s notice, without incurring penalty charges”, he reveals.

This outward-facing product launch embodies the service ethic and professionalism of an innovative online Bridge presence but, more importantly, demonstrates a seismic shift away from mainstream models in the insurance market.

Insurance law has changed. The Insurance Act 2015 came into force on 12 August 2016 and is the biggest shake-up

of commercial insurance law in over a century. It’s designed to provide a more up-to-date framework for commercial insurance in England and Wales, with a focus on transparency and certainty over the rules that govern contracts between commercial policyholders and insurers.

It significantly impacts disclosure obligations when taking out or renewing any business insurance. For example, if a client doesn’t comply with his or her fiduciary duties, insurers now have a new range of “proportionate remedies”, which could include the reduction of claim payments.



Pub sign.

And four weeks later at the UK Broker Awards ceremony, a panel of judges comprising highly accomplished individuals from across the broking community presented Bridge with the 2016 Claims Team award.

But what might the future hold for the industry? I can now reveal Potts' predictions, which will have a major bearing on the sector's progress in 2017.

"Look no further than Bell Pottinger's global FinTech proposition who has gathered the views of industry leaders and influencers such as Bridge, to identify the emerging trends and technologies that will make an impact on financial services in 2017. It's highly recommended reading."

Claudia Bate, Global Head of FinTech added, "The outlook for 2017 looks strong despite the unpredictable political and economic events dominating the agenda last year. Interest in FinTech continues to grow and we've seen organisations fighting to get their opinions across, taking on the industry giants and working collaboratively to drive real change."

InsurTech 2017 claims to be "reimagining insurance" and will evolve into a platform aiming to provide knowledge exchange, foster synergies among market players to find solutions and implement and promote best insurance practices in a collaborative, open and transparent manner.

The five hottest trends and breakthrough technologies for 2017:

1. 2017 will be the year of InsurTech
2. Artificial intelligence will take hold
3. An atmosphere of experimentation – getting braver with Blockchain
4. 2017 will unleash the power of data and hyper-personalisation
5. FinTech takes off in high-growth markets.

Potts still worries that, in this brave new world, too many corporates appear to be making insufficient progress to safeguard and future-proof online business models, rather than follow the example set by their smaller SME counterparts, who are now rising to the cyber threat.

"Online security issues have been brought to the world's attention by a massive data breach at Yahoo! resulting in the details of 500 million user accounts being leaked, which only serves to highlight the vulnerability of businesses to cyber security breaches and the potential consequences that can follow.

"There's now a demand for security incident response (SIR) policies designed to combat the serious risks that companies face such as political, regulatory and terrorism threats. They will help firms fulfil their duty of care obligations to protect people, operations, shareholder value and long-term brand and reputation", explains Potts.

Speaking of political threats, the arrival of perma-tanned Donald Trump in the White House might just be the best thing that's happened to Britain since the Americans entered World War II, according to some observers.

Meanwhile, back across the pond, they're writing a new chapter in the continuing development, growth and evolution of Bridge.

"As Bridge adapts to a changing market, acknowledges an evermore discerning client base and develops a new delivery platform, it will continue to think globally but act locally, due in no small part to Brokerslink entrepreneurial partnerships", confirms Potts.

So there you have it. Roger Potts released his inner hare and Bridge has its strategy for success. •

1 Isambard Kingdom Brunel was one of the 19th century engineering giants, in www.ssgreatbritain.org/story/isambard-kingdom-brunel

BRIDGE TIMELINE

1971

Founded by Mike Backner & Gilbert Cohen; first policy written earns team £4 commission

1988

First acquisition adds 15% to business

1992

Growth of claims and risk management

2004

Move to purpose designed premises at Cobac House, Manchester to accommodate expansion plans

2005

Largest independent broker in Manchester

2006

Second acquisition to grow profile in the North West of England

2007

Appointed Brokerslink representative in UK; acting UK broker for multinational Sonae

2008

Roger Potts appointed CEO and Andre Backner joins dedicated real estate team

2009

Now 100 staff in Manchester

2010

Company receives prestigious recognition as Chartered Insurance Brokers

2011

Awarded Independent Regional Broker of the Year

2012

London office opens as Bridge expands its local and regional footprint

2014

Co-founder's son Alex Cohen joins the London office in search of new business opportunities

2016

Now 15 staff in London and awarded Claims Team of the Year

2017

Launch of new innovative online products

MANCHESTER BY ROGER POTTS

A LIFELONG MANCUNIAN* REVEALS WHY THERE'S SO MUCH MORE TO MANCHESTER THAN UNITED

“Red or blue,” is a question I’m often asked. These are the club colours of United and City who regularly attract global audiences upwards of 700 million. Football is big business here, no more so than the Manchester derby. The showdown between José Mourinho and Pep Guardiola has become the most watched live match in top-flight history. The two most expensively-assembled squads and the prospect of a thrilling battle for the title will forever keep Manchester on the world stage.

My wife and I are big fans of the Royal Exchange Theatre. It’s an ambitious, seven-sided theatre-in-the-round, designed within a grand Edwardian Cotton Exchange completed in 1976 and deservedly RIBA award winner. The biennial Bruntwood Prize for Playwriting is a partnership between the theatre and family-owned property company Bruntwood who is a major sponsor of the arts, which highlights the value of nurturing playwrights and their craft.

The legacy of Manchester’s Commonwealth Games hosted in 2002 runs on. Put into perspective, this ranks as the third largest sporting event in the world, after the Olympic Games and World Cup. Lasting impact came in the form of new world-class sporting venues, construction of which kicked-off a major urban regeneration project and the inspiration behind Sportcity. Created and built in east Manchester, the Etihad Stadium, Aquatics Centre and Velodrome, which is home to the hugely successful Great Britain track cycling team, are in constant demand.

Visitors and locals have been flocking to Wilmslow Road in Rusholme, known as Manchester’s “Curry Mile” since the 80s. The local restaurant scene can be traced back to the city’s post-war rebuilding programme, when skilled migrants arrived from the Indian subcontinent to work in textile mills and settled here. Very much part of our culinary heritage, this vibrant quarter with over seventy establishments serving authentic street food, shines a new light on modern South Asian cuisine and is an unmissable treat.

Much has been written about the Midland Hotel, a grand destination built by the Midland Railway in 1903 and described by one of its guests back then as a “twentieth century palace,” where you must book ahead to eat at The French, which is still Manchester’s finest dining room. The Beatles were famously refused access to the restaurant for being “inappropriately dressed,” but nowadays head chef, Adam Reid strikes the perfect balance between heritage and progressive cuisine, with hand-picked ingredients and dishes mindful of the changing seasons.

Another late-Victorian, neo-Gothic building on Deansgate houses the special book collection at John Rylands Library which is hauntingly beautiful. Expect to see medieval illuminated manuscripts and examples of early European printing including Gutenberg’s Bible. Down the road at Long Millgate is Chetham’s Library founded in 1653, the oldest free public reference library in the UK and still one of Manchester’s best kept secrets.

Manchester Airport has now handled 25 million passengers for the first time in its 78-year history. Direct flights to over 200 destinations worldwide defined the airport’s role in driving northern growth. Dynamic, fast-moving and innovative, a four weekly service to Beijing was the first ever scheduled service from anywhere outside of London to mainland China. I’m told the route is worth at least £250 million in economic benefits to the UK over the next decade.

Manchester’s rich history has been shaping the developed world we live in today. And we continue to push the boundaries. Creating a growth culture at Bridge has also meant looking much further afield. Manchester, it seems, was just the beginning of our journey. •

* Editor’s note: A Native or inhabitant of Manchester

UK INSURANCE MA

The UK insurance industry is the largest in Europe and the fourth largest in the world.

It plays an essential part in the UK's economic strength, managing investments of over £1.6 trillion and paying nearly £12bn in taxes to the Government. It employs around 300,000 individuals, of which around a third are employed directly by providers with the remainder in auxiliary services such as broking.



The UK has the largest insurance industry in Europe and the fourth largest in the world



Long-term Savings Providers

Number of authorised life insurance companies in the UK, of which 195 are UK authorised and 240 are headquartered in another European country and passport in under the EU Third Life Directive.

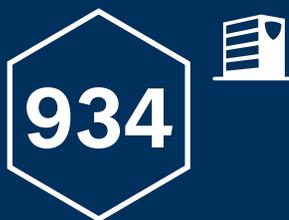


£35bn is the UK insurers contribution to the UK economy



Employees

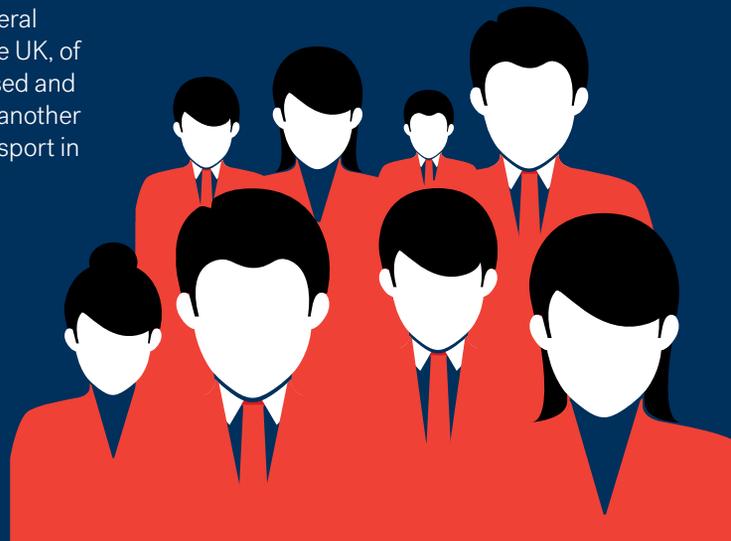
Number of people employed in the UK insurance industry



General Insurers

Number of authorised general insurance companies in the UK, of which 340 are UK authorised and 563 are headquartered in another European country and passport in under Solvency II.

in "UK Insurance & Long-Term Savings Key Facts" report of the Association of British Insurers





Market Size

	Life	Non-Life	Personal Accident & Healthcare*	Total Market
 Premium in GBP mn	143,454.07	40,287.83	6,135.67	189,877.57
 % of total market	75.55	21.22	3.23	100.00



Penetration/Density

	Life		Non-Life (P&C)		Personal Accident & Healthcare*		Total	
	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA
	8.01	3,717.94	2.25	1,044.15	0.34	159.02	10.60	4,921.11
	6.29	2,764.66	2.25	989.28	1.83	806.62	10.37	4,560.56
	7.64	2,766.43	1.66	603.03	0.15	52.61	9.44	3,422.07
	3.34	1,802.26	3.16	1,708.00	4.12	2,225.69	10.62	5,735.95

Source: Axco Global Statistics / Industry Associations and Regulatory Bodies (for the year 2014)

* PA & Healthcare data represents PA & Healthcare business other than life riders, whether written by life, non-life or specialist healthcare insurers.