The Broker

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biba.org.uk

#BIBA2021

Bringing this year's conference to you digitally

British Insurance Brokers' Association

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Our usual mix of news, features and information, tailored specifically for members, along with a Conference Special section.

Remember, you can share your stories with us at **bibacomms@biba.org.uk**

Sponsor of the Conference edition of The Broker magazine

Eager anticipation

Steve White previews the BIBA Conference 2021 and looks forward to emerging from lockdown

The build-up to our Conference each year is an exciting time at BIBA. The author Ted Chiang sums up the mood very well: *"Sometimes, it's good to wait. The anticipation makes it more fun when you get there"*. With the disappointment of the (necessary) cancellation of our 2020 Conference behind us, we have put together a very impressive programme of keynote speakers and topical seminar sessions that should appeal to everyone. Full details can be found on the dedicated Conference website **www.biba2021.co.uk** and elsewhere in this publication, but perhaps you'll allow me to pick out a few personal highlights.

We are delighted that the Insurance Minister, John Glen MP, joins us and his session with Graeme Trudgill will be an excellent start to proceedings. It's two years since Boris Johnson 'announced' his intention to run for Conservative Party leader on the BIBA Conference stage and with a general election, Brexit, Covid and a change to the leaders of all three main political parties since then, author and broadcaster Steve Richards has plenty of material for his keynote session: "What's Really Going On". The seminar sessions on the Future of Broking, Business Interruption, Mental Health, PI, Regulation and Equality, Diversity and Inclusion are all hugely relevant and our closing keynote session with Elizabeth Linder on the connected world should be fascinating. Remember – attendance at the Conference is free for all employees of all BIBA member firms so I do look forward to seeing you all there.

We have a round-up inside of BIBA's recent public affairs activity, but I was thinking recently how BIBA's profile at Westminster has changed during my 17 years at BIBA. Back when I joined our political engagement was very much 'one way' – BIBA knocking on doors trying to get an audience. Nowadays, largely thanks to Graeme's persistence, it is very much a 'two-way street'. The fact that we can draw on member expertise from our five advisory boards, five technical committees plus elsewhere across the broad BIBA membership is so helpful to us in building our lobbying positions and the solutions we put forward, giving real weight to our annual Manifesto. The recent interactions with the Housing Minister on PI for fire surveyors and fire insurance for cladded buildings; the Dept. of Health and Social Care on care homes and domiciliary care; the Department for Transport on e-scooters and DEFRA on flooding have all benefitted from considerable member input so a big thank you from me to all those members who contributed.

As we head towards the end of lockdown, like many businesses, we at BIBA are thinking about and planning for a 'new normal'. While the days of everyone working 9am to 5pm behind a desk in the office are clearly over, mapping out the details of who will do what, where and when as part of a new normal are key decisions that businesses of all types will be thinking of. In the meantime, its unlikely that the BIBA offices will be hosting external meetings for the remainder of 2021. However, rest assured we'll be meeting you digitally.

Steve White

Steve White, BIBA Chief Executive

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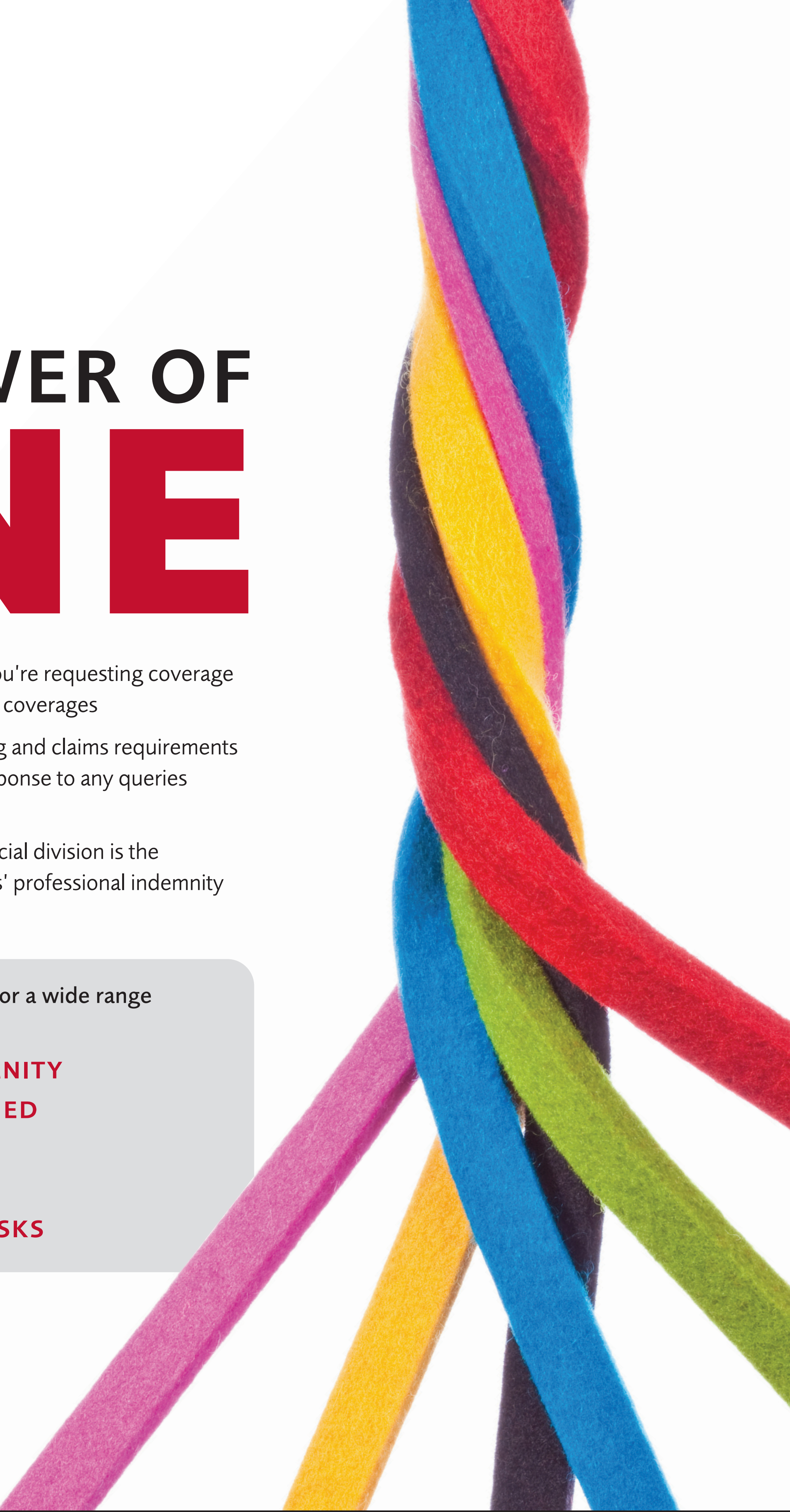

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British Insurance Brokers' Association

A ROUND UP OF THE NEWS WE SHARED WITH INSURANCE BROKERS

NEW FCA RULES FOR SELLING TRAVEL INSURANCE

On 26 April, the FCA made it a requirement for you to signpost travel insurance customers with more serious medical conditions under certain circumstances.

BIBA's **Travel Medical Insurance Directory** meets FCA criteria for a 'medical cover firms directory' and has been listed as one of the solutions on the FCA website since 27 January 2021 making it easy to signpost consumers to BIBA to fulfil your regulatory obligation. Full details about what you need to do to meet this requirement are on the **BIBA website** and on the **FCA website**.

Firms wanting to be part of our directory can contact **FIS@biba.org.uk**

FCA website

Chris Andrew

MEETING THE MOTOR MINISTER

We were delighted to present members' Manifesto issues on motor insurance to the Transport Minister, Baroness Vere and also discuss other matters including legislation to undo the Vnuk ruling, insurance for e-scooters and the benefits of telematics insurance.

WHAT YOU NEED TO KNOW ABOUT INSURER FINANCIAL STRENGTH

Working with BIBA facility provider Litmus Analysis, BIBA launched a publication in March to help insurance brokers grow confident in understanding and effectively using insurance company ratings when making a choice about which carriers to use.

Monitoring insurer financial strength: considerations for brokers builds on educational material linked to the **BIBA Litmus Test Report** tool which helps members understand the financial strength of unrated insurance carriers, and explains how ratings work and how to delve into what a rating might mean in terms of the financial security of an insurer.

BIBA Litmus Test Report

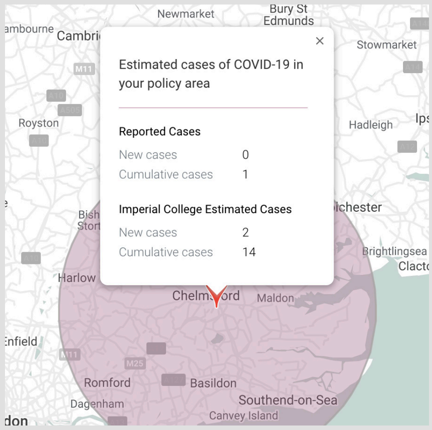
BIBA publication

ALL AT SEA: NEW MARINE INSURANCE SCHEME FROM MERCARIRISK

Building on its successful schemes and facilities for members, BIBA launched a marine insurance scheme with specialist broker **MercariRisk**, offering expert knowledge, advice, training, joint client calls if required, and easy access to the marine insurance market. Comprehensive cover includes cargo insurance (including stock throughput), freight liability insurance for hauliers, hull and liability cover for commercial vessels, charter yachts, commercial maritime operations, superyachts and yachts and pleasure craft. The new scheme is underwritten by leading underwriters in the London 'companies' market and Lloyd's, that bring A+ rated capacity as well as global reach.

Find out more online and read more about the current state of the marine insurance landscape on page 34.

BIBA Marine Insurance Scheme



BI CALCULATOR

The Financial Conduct Authority (FCA) has created a calculator designed to make the lives of business interruption insurance policyholders easier by helping them determine whether Covid-19 was likely to be present in their policy area. The output from the calculator can be used to help policyholders make a claim under their BI policy and is intended for small businesses with a BI policy which covers the disease within a particular distance from the premises.

It uses data from Government Reported Cases and Imperial College Estimated Cases and can be accessed from the FCA.

It supports the FCA's Final Guidance: Business interruption insurance test case – proving the presence of coronavirus (Covid-19), in particular Chapters 7, 8 and 9. FAQs about the calculator can be found on the FCA's Help and Support page.

FCA Covid Calculator | FCA website

British Insurance Brokers' Association

BIBA MAKEOVER

In the last edition of The Broker we revealed a new look for BIBA, which you can see reflected in this bumper edition. Members and scheme providers are now able to update their documents to reflect this by downloading our logo.

Download the BIBA logo

COLLABORATION WITH GOVERNMENT ON NECESSARY INTERVENTION

Government schemes extended

Government has extended its Trade Credit reinsurance scheme until June of 2021. This aligns with one of our key Manifesto requests. Similarly, the Film and TV indemnity fund will also now remain open until 30 June meaning many productions continue to the delight of many avid box-set watchers.

Time to save British summer time?

Many of us look forward to live events but they remain uninsurable from a Covid-19 cancellation perspective and more high-profile music events, including Boomtown, have been cancelled, citing lack of insurance. BIBA is in discussions with HMT, the Department for Culture Media & Sport and specialist members.

Searching the market with the click of a mouse

Michael Gaughan of Insurercore highlights how insurTech can help you search for capacity and what brokers are currently searching for

In May 2019, Insurercore launched its beta platform. In March 2020, the UK entered the first of its nationwide lockdowns. This acted as a jump start for searches on Insurercore, as suddenly we were all disconnected from the market in which we have spent most of our professional lives. The need for virtual networking and the ability to digitally find new markets was no longer a debate but a necessity. When combined with an already hardened market before the transformative event that Covid-19 has been, the case and need for a platform like Insurercore were never more pressing.

The trends we have seen are based on two primary aspects, volume and specificity. The most notable and easiest to start at has been volume. To put the jump in volume in perspective, in April of 2020, Insurercore saw 166 broker searches in the month; in January of this year, Insurercore saw 749 broker searches.

With this consistent increase in activity that we saw over lockdown, real trend data started to develop. We could start gleaning which lines of business were either in great demand or had recently seen a restructuring of the capacity around it. One thing became apparent when looking at the statistics, the searches grouped in waves.

There were three particular examples of this I want to dive into: 'Professional Indemnity (PI)', 'Schemes' and 'Courier'.

PI is the single most searched term on Insurercore. In the six months between September 2020 and February 2021, Insurercore saw 137 searches for PI alone. Only once did it drop out of our top two search terms in those months, and that was only to third.

When you consider that, in the months immediately prior, PI was always getting some searches but rarely had, if ever, broken our top 5. Then suddenly, it is in and around the top two searches for nearly seven months straight; something is driving it.

Schemes was another search term that acted like this. A couple of months into lockdown, it started to spike. As more and more schemes were being withdrawn and insurers began to play their cards closer to the chest, we saw a massive uptick in people searching for new schemes markets. At the back end of last year, we were averaging over a unique search a day for schemes.

Some trends had self-evident cause and effect that were spiking throughout lockdown. The clearest of these were the courier and numerously phrased 'delivery driver' searches on the platform. Over the last year, half our courier searches happened in November 2020 and January 2021, when the 2nd and 3rd lockdowns were announced.

The growth in data and the trends we are now able to extrapolate from this data is helping us improve the platform every day. It allows us to anticipate broker needs, react to news in the market, and try to make sure that we focus our efforts on adding choice and diversity to these lines that are suffering from a lack of supply or an uptick in demand.

In the six months between September 2020 and Feb 2021, Insurercore saw 137 searches for PI alone

When the whistle blows

What role do whistleblowers have? BIBA's **Vannessa Young** examines the regulatory aspects and what brokers need to look out for

Whether it's a doctor in Wuhan disputing the timing of an outbreak of a virus, furlough scheme fraud concerns, no workplace PPE, or an employee fearing dismissal if they do not break lockdown rules as their boss suggests, the global Covid-19 pandemic has highlighted the role and the need for whistleblowers like never before.

As more BIBA members are busy planning what form the post-pandemic workplace will take to safeguard healthy working practices for all their employees, now may be the time to review their whistleblowing policies to ensure an open and supportive culture exists which is safe for everyone too. Without that culture, employees may feel uncomfortable deciding to 'blow the whistle' either for fear of the consequences, or that no action will be taken should they make a disclosure.

The Financial Conduct Authority (FCA) has been undertaking its own review about what it can do to support whistleblower interactions. It has launched a whistleblowing campaign which carries the tagline 'In confidence, with confidence' with the aim of encouraging more individuals in financial services firms to come forward to report poor practice and potential wrongdoings. The project comes with supporting materials which firms can use to help explain the treatment a person can expect from the FCA should they choose to report their concerns confidentially.

The FCA has a prescribed role under the Public Interest Disclosure Act 1998 (PIDA), the legislation covering whistleblowing in the UK introduced to encourage and give workers the legal support to speak up. Under PIDA, if a whistleblower makes a report to a prescribed person, for example the FCA, they will potentially qualify for the same employment rights as if they had made a report to their employer. If they do qualify, reporting to the employer directly is not required. Read about the rights and protections given to the **whistleblower and qualifying criteria**.

The regulator managed and assessed 1,153 whistleblowing reports in 2019, having received 2,983 allegations of wrongdoing across all financial services firms. Every report received is considered and the identity of the person behind that report protected. The FCA considers these reports essential to its supervisory work allowing it to reach the heart of an issue quickly, with the areas of concern most frequently reported being: Mis-selling; money laundering; fitness and propriety; non-financial misconduct; unauthorised business; and pensions liberation activity.

The FCA is determined that there should be no fear from individuals about coming forward to make a report. It has invested considerable resourcing in increasing the headcount for its whistleblowing team. This specialist team is trained to debrief and interact directly with whistleblowers, as well as liaising with various departments across the organisation.

Mark Steward, Executive Director of Enforcement and Market Oversight at the FCA, said: "We want all whistleblowers to feel welcomed by us and to feel safe because of us.

"We listen to all whistleblowers and, if they shine a light on serious misconduct, we want to make sure we act responsibly. When whistleblowing works well it helps consumers, markets and firms and keeps everyone safe and that is our aim."

Reports can be made to the FCA

- Call to its dedicated team: 0207 066 9200
- Email: **whistle@fca.org.uk**
- In writing: Intelligence Department (Ref PIDA) Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN

Visit the FCA **whistleblowing webpage**

The FCA is unable to provide legal advice on whistleblowing. **Protect** is a whistleblowing charity which can provide advice in this area. It also has a **free expert advice line**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How BIBA is campaigning to help brokers help customers as explained by BIBA's **Graeme Trudgill**

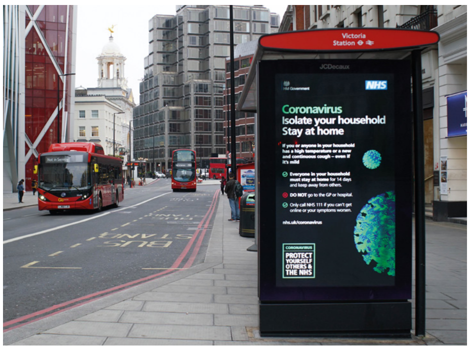
Brokers care

Following the launch of our Manifesto in February, our engagement campaign with parliamentarians and civil servants kicked off in earnest and we've already had great success in delivering and progressing some of the issues. Feedback so far shows that our theme of 'resilience' has really struck a chord with our Government stakeholders and there is interest in understanding how insurance – and insurance brokers – can help UK consumers and businesses as we emerge from the pandemic.

We remain very closely engaged with the Ministry of Housing, Communities & Local Government, the Department for Health & Social Care, HM Treasury (HMT) and the Department for Education on several hard market and Covid-19 issues. In particular, helping explore solutions where the market has reduced capacity and may be at risk of failure.

Recently, we met the behavioural science team within the Department for Work and Pensions as part of their research on assumptions related to the usage (or not) of insurance products among the poorest in society. This was a good opportunity to highlight the value of brokers. We joined the charity Shelter to present to the Property Ombudsman on how brokers can secure insurance for landlords who let their properties to tenants in receipt of benefits, helping debunk the 'no DSS' myth.

Your continued help with our interactions with Government by providing expertise and experience really does make a difference to unlocking solutions.



Access

We have agreed with the ABI that our Find Insurance service will provide the industry solution for flood signposting recommended by Amanda Blanc's report following the Doncaster floods in 2019. Next, DEFRA (the Department for Environment,

Food & Rural Affairs) needs to agree the approach, and with the IT in place, we will begin the vetting process to identify firms that can place homes at risk of flood. A joint code of practice with ABI and Flood Re will sit alongside the signposting solution.

There's now positivity in our discussions with Open GI and Applied Systems to increase the availability of Flood Re-enabled policies on their platforms for brokers.

On 26 April the new **FCA rule on travel insurance signposting** for those with medical conditions came into force. BIBA meets the FCA's criteria for a Travel Medical Firms Directory and can help members meet the requirement to signpost a customer whose serious medical condition you cannot cover or if the additional premium for the conditions is more than £100.

Insurance Premium Tax

We were pleased to see that the Chancellor kept IPT at 12% in the budget, which was a key Manifesto ask.

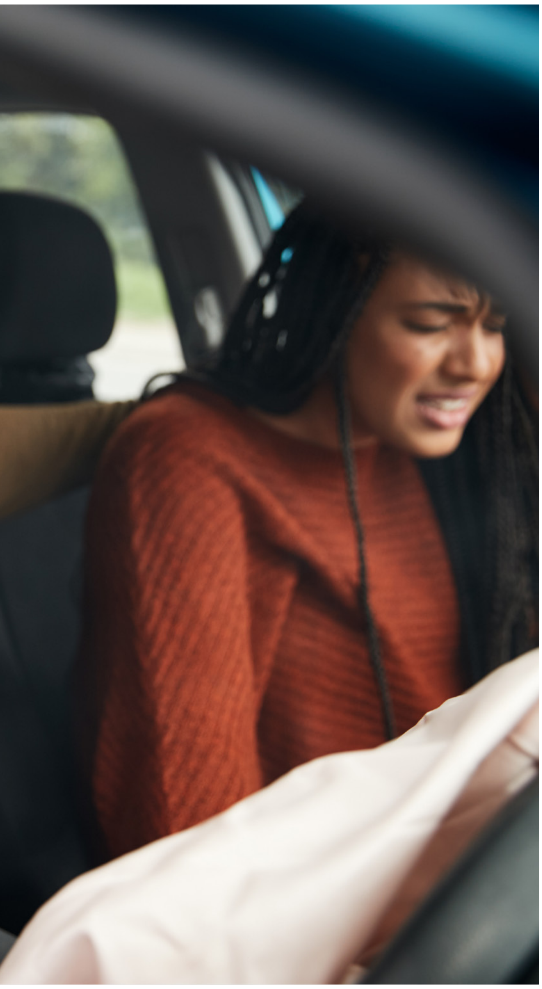
Whiplash

A long-term BIBA campaign is reaching a conclusion as Government announced a May implementation date for much-awaited whiplash reforms. The legislation will introduce a tariff for damages sustained as a result of RTA-related whiplash injuries lasting up to two years, and also increases the Small Claims Track (SCT) for RTA personal injury claims from £1000 to £5000.

Telematics and road safety

The Transport Committee report on road safety for young and novice drivers noted the contribution that telematics has made through incentivising safer driving. Ongoing work by the Department for Transport (DfT) will examine this effectiveness in greater detail and we will examine their research when it is released in the summer.

BIBA meets the FCA's criteria for a Travel Medical Firms Directory and can help members meet the requirement to signpost a customer whose serious medical condition you cannot cover



Rolling back Vnuk

We were delighted to get confirmation in February that DfT has committed to removing the effects of the Vnuk ruling from UK motor insurance law. That ruling had increased the scope of vehicles that fall under RTA requirements and we will keep in close contact with them on developments.

Hard market

There has been very positive progress with our Manifesto work on high-rise residential cladded buildings. We flagged concerns over the insurance challenges for PI and property and called for an increase in the cladding remediation fund. We were delighted that Government now has

tripled the fund to £5bn and announced a commitment to work towards a targeted, state-backed indemnity scheme for qualified professionals unable to obtain professional indemnity insurance for the completion of EWS1 forms. We are now working closely with Government to design an appropriate scheme. We are also very conscious of the growing problem of the availability and affordability of property insurance for high-rise, cladded buildings and are working hard to muster more capacity.

Data adequacy decision

There is good news for brokers who rely on data to flow between the EU and the UK where a temporary solution was due to expire at the end of June. The EU has made a draft data adequacy decision that paves the way for the continued free flow of data. EU process now seeks approval of member states before the European Commission can adopt the final decision. The current 'bridging' mechanism remains in place until 30 June or until the adequacy decision comes into effect, whichever is sooner.

Insuring the carers

With Covid-19 exclusions appearing on many policies, we are pleased that the Government has agreed to extend the Care Home Designated Settings Indemnity Support scheme until 30 June 2021. It will benefit current participants as well as additional settings who may wish to apply for support.

Northern Ireland discount rate

Legislation to reform the way the personal injury discount rate is calculated in NI (which has remained unaltered since 2001) has been introduced and is going through the committee stages in the NI Assembly. However, please be aware that before this happens the NI Government has proposed that the rate changes from 31 May to minus 1.75%.

Consultations on the go

The DfT's 'Future of Transport: rural strategy' closed in February and among our points was a repeated call for Government to consider a requirement for the use of e-scooters to have insurance should they be legalised.

We input into the Law Commission's long and complex consultation on a regulatory framework for automated vehicles wherein one of our key messages was that any automated system that is approved must pass Thatcham's 12 safety tests. For more information, **read our response**

DEFRA launched two consultations on flood issues. One, on **amendments to Flood Re** – which includes positive proposals like discounting premiums for householders who have taken steps to install property flood resilience and to allow 'build back better', both BIBA manifesto issues, the other on **local factors in managing flood and coastal erosion risk and property resilience**. We appreciate flooding has affected many of your clients and even some of your offices and our Property Committee is reviewing these at the moment.

In response to 2017's Manchester Arena attack, the Home Office is consulting on a **'Protect Duty'** to consider how legislation could be introduced to help protect the public from terrorism and introduce new duties on owners/operators of public access spaces. These proposals would create new responsibilities for some of your larger customers and our Liability & Accident Committee is currently considering a response, so **get in touch with us** if you have points you'd like to make.

And finally, I hope to see many of you digitally at the BIBA Conference next week. There are some fantastic speakers and sessions to debate on issues that affect you. In particular, I'm looking forward to interviewing the Insurance Minister, John Glen MP, so make sure you get your questions for him in to me via **trudgillg@biba.org.uk** for that session.

USEFUL LINKS

BIBA website
biba.org.uk

BIBA Manifesto
https://bit.ly/BIBAmanifestointeractive

DEFRA Consultation
https://consult.defra.gov.uk/flood-insurance-preparedness-team/amendments-to-the-flood-re-scheme

Home Office Protect Duty
https://www.gov.uk/government/consultations/protect-duty

Underinsurance – a re

BIBA's **Alastair Blundell** considers the reasons behind underinsurance and what might be done to combat it

The theme of our 2021 Manifesto is all about resilience and why proper insurance protection placed by professional insurance brokers is key to making the UK a more resilient economy as we emerge from the pandemic.

Tackling the growing, twin problems of underinsurance and not having the right insurance is central to our agenda. There's no doubt that the pandemic has not helped when it comes to addressing these problems. The resultant hit to the economy has forced businesses to look at every cost to make savings to survive. Insurance is no exception. At the same time, the market has rapidly hardened with Covid acting as an accelerant to this trend. BIBA is worried that the increasing cost of insurance, twinned with a need to save money, will worsen the problem of underinsurance. Clearly, we see this as a false economy and at a time when a business is financially stressed the last thing they should be contemplating is shedding important insurance cover, whether that means understating the value of its assets, reducing limits or dropping important covers.

Having the wrong level of insurance

Allianz found that their own internal data, along with feedback from their loss adjusters, indicates that a large proportion of policyholders are indeed underinsured. Unfortunately, the reality of the situation is that the Covid-19 crisis, along with Brexit and the subsequent change in the dynamics of the UK's economy, will exacerbate this problem for many businesses, leaving them in an extremely precarious position should the worst happen.

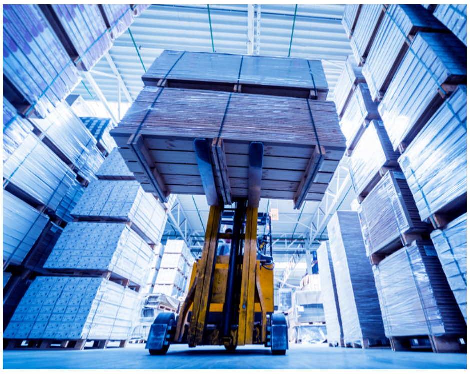
The pandemic may also have worsened the persistent problem of getting proper, current valuations of assets. Research by **Aviva** indicates that the last time an SME undertook an insurance valuation is **on average two and a half years ago**. You can imagine that the enforced delays of the pandemic will widen this gap

Many businesses or individuals may not fully appreciate how to calculate their sums at risk and estimated values not taking account of such factors as debris removal and architects fees for buildings or stock at suppliers or customers' premises for contents.

Stockpiling because of anticipated issues with supplies arriving from the EU or having unsold stock because of ongoing lockdowns may mean that even well-estimated sums insured may be exceeded and thought may not have been given to notifying the broker.

The last 12 months have highlighted

Although two-thirds of businesses have adapted their business model as a result of lockdown, 90% have not made any changes to their insurance cover



al and present danger

how misunderstood business interruption cover is by businesses. Many will have no comprehension that the calculation of gross profit in insurance terms is very different to the accountancy determination. Further, a business may not fully appreciate the complexities that could delay getting their business up and running again after a large loss meaning that their indemnity period could be woefully inadequate.

And finally, there's a temptation that because turnovers or wage rolls radically declined during the pandemic that estimates for the coming year may be significantly understated and simply based on final-year figures.

The right insurance

Closely linked to the problem of underinsurance is not having the **right** insurance. The pandemic forced many businesses to rethink how they operate in a Covid world. For example, many were forced to build an online presence to combat a drop in footfall. Technology helped to achieve this and resulted in changes to the type of cover appropriate. Business interruption insurance based on increased cost of working was, for some, more suitable than covering gross profits. Similarly, cyber threats have overtaken physical threats for a lot of businesses. The same Aviva research also indicates that although two-thirds of businesses have adapted their business model as a result of lockdown, 90% have not made any changes to their insurance cover. This creates a real risk of claims being reduced or declined if a business fails to notify its insurance provider of its changed business operation. For example, a clothing manufacturer that has diversified into making PPE has a different product liability risk to consider. Similarly, a retailer that has switched to online sales might need a specific cyber policy with appropriate limits and the right support services. Insurance brokers can help such businesses to adapt their insurances accordingly.

THE ANTIDOTE TO THE UNDERINSURANCE PROBLEM

Insurance is complex purchase (the FCA BI Test Case highlighted this point) and advice for businesses is to engage a professional insurance broker to help them identify and quantify their insurance needs and guard against the threat of underinsurance. A broker can assist by:

- working with the customer so that they clearly understand how a sum insured/limit of indemnity can be calculated and validated.
- advising the customer on the pitfalls of underinsurance and/or not having the right insurance to protect their business.
- advising the customer on the key need to fully disclose any material changes to their business that have happened because of the pandemic or other factors (for example, Brexit).
- advising on the importance of adequate indemnity periods on a BI policy: 18 months should be a minimum with 24 months more the norm
- encouraging the customer to undertake regular valuations: how current? How has the pandemic impacted?
- agreeing realistic turnover/wageroll estimates: remove impact of pandemic and reset
- advising on emerging risks: cyber has never been more important, nor has D&O and employment practices liability insurance

SMEs are currently running a real risk of having insufficient or inappropriate insurance. The role of a broker in helping a business buy appropriate and sufficient insurance has never been more relevant. BIBA is working with Allianz to create new guidance on preventing underinsurance which will soon be available for members to share with their team and, importantly, with their customers.

Strengthening Resilience

www.biba2021.co.uk #biba2021

THE BIBA CONFERENCE 2021

Guest speakers

John Glen MP
Economic Secretary to the Treasury

Steve Richards
British TV presenter and political columnist

Elizabeth Linder
Founder, Facebook Politics and Government Division, EMEA

Jonathan Evans
Chair, BIBA

Laura High
Deputy Chair, BIBA

Steve White
Chief Executive, BIBA

BIBA Conference 2021 preview

Much has happened since the cancellation of last year's conference and our subsequent decision to stage The BIBA Conference 2021 digitally. With live events such as ours still unable to go ahead, it transpires our decisions were indeed prudent ones. We will, however, still be bringing this year's event to you from Manchester, but from the BIBA TV Studio instead!

You may ask how a digitally-hosted BIBA conference and exhibition can replace a real-life event. Covid-19 has meant that we have had to re-appraise how we do things by being creative with technology in order to deliver some of the features that you have come to expect from a live event. To help achieve this, we have invested in a bespoke platform which we are excited to share with you.

These technological developments have not been without their challenges though, especially for such a small team, and we have had to commandeer the help of other departments within BIBA to help deliver this digital experience. These unsung heroes know who they are, and we cannot thank them enough for their teamwork.

We would also like to thank journalist, presenter and newsreader, Huw Edwards, who we are delighted is joining us again this year to guide us through the conference agenda. As usual, we have lined up for you four inspirational keynotes and six topical seminars, not to mention several interesting fringe sessions.

Excitement is already mounting among this year's panellists who are eager to discuss and debate the current issues. There will also be an opportunity for you to put forward your questions to each of

our speakers and to participate in live polling through interactive sessions, and you may even earn yourself CII learning points in support of your Continuing Professional Development.

Chartered Insurance Institute
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With so much variety on offer there is sure to be something of interest for everyone and I would encourage all members to register and take advantage of the many networking opportunities that are also available - read more about these later in this section and about our profile matchmaking technology designed to best match you with others who share the same business interests.

The Conference is free for all employees of BIBA member firms and there's still time to register.

Register here

All of this would not be possible, of course, without the continued commitment of our sponsors and exhibitors, and indeed without the support of you, our members. So, to those of you who are getting behind us this year, a huge and heartfelt thank you.

Full conference and exhibition entry is free for all employees of BIBA member brokers and if you miss out on any of the live broadcasts, registered attendees will be able to view these on-demand until 10 June. So please do help spread the word among your broking colleagues and if you haven't done so already, I'd urge you to register without delay to take advantage of what's on offer this year - and all from the comfort of your office or home. We very much look forward to welcoming you.

Lindsay Campbell
BIBA Conference Director

All of this would not be possible, of course, without the continued commitment of our sponsors and exhibitors

CONFERENCE 2021

Conference Agenda

WEDNESDAY 12 MAY

08:30 Exhibition Opens/Networking
Welcome by Huw Edwards

09:00 Conference Opens

09:00 **Keynote 1**
Insights of the Insurance Minister
John Glen MP

09:50 2021 Francis Perkins Award

10:00 **Seminar 1**
The future of insurance broking

10:45 Exhibition/Networking

12:00 **Seminar 2**
Business interruption

12:45 Exhibition/Networking

13:30 **Fringe Programme**
- **Aviva:** Claims trends - insights from a year like no other
- **CII:** Knowledge and skills in the hard market

14:00 **Seminar 3**
Mental health in a post-pandemic landscape

14:45 Exhibition/Networking

15:10 **Fringe Programme**
- **Hiscox:** Schemes: It's now or never
- **CFC Underwriting:** The top 5 cyber myths busted!

15:40 **Keynote 2**
What's really going on?
Steve Richards

16:30 Day 1 closing address by Huw Edwards

16:30 Exhibition/Networking

18:00 **DAY 1 CLOSE**

THURSDAY 13 MAY

08:30 Exhibition Opens/Networking
Welcome by Huw Edwards

09:00 Conference Opens

09:00 **Keynote 3**
Talking resilience
BIBA Chair, Jonathan Evans, Deputy Chair, Laura High and Chief Executive, Steve White

09:50 BIBA Young Broker of the Year Award

10:00 **Seminar 4**
Professional indemnity - a hard market

10:45 Exhibition/Networking

12:00 **Seminar 5**
Impact of Covid-19 - regulatory priorities

12:45 Exhibition/Networking

13:30 **Fringe Programme**
- **British Engineering Services:** Managing risk for your clients like never before with our approach to data analytics
- **Weightmans LLP:** Vnuk – where will it all end?

14:00 **Seminar 6**
Equality, diversity & inclusion

14:45 Exhibition/Networking

15:10 **Fringe Programme**
- **PremFina:** How PremFina taps into a market segment of customers who wish to buy insurance as if buying a Netflix subscription
- **Earnix:** Smarter, faster, safer - Operationalising usage-based insurance

15:40 **Keynote 4**
The connected world
Elizabeth Linder

16:30 Closing address by Huw Edwards

16:30 Exhibition/Networking

18:00 **EVENT CLOSE**

THE BIBA CONFERENCE 2021

BIBA Conference 2021

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The power of you

Adam Beckett, Chief Distribution Officer, Ageas UK explains why strengthening our emotional resilience could be more important than we think

This year's BIBA Conference theme is 'Strengthening Resilience' and it would be fair to say there's never been a more poignant time to be talking about the concept.

Brokers have shown extreme resilience in the face of adversity over the last year.

The rapid way you've switched from office to home working, supporting your people and, we're proud to see, supporting wider society as well as your customers has been impressive. We've all had to adapt to continue to trade and support our mutual customers and the innovation has been great to see.

My personal perspective is that the emotional resilience of the workforce has powered businesses for the last year.

The way we react to stress, change or challenge is immensely powerful, especially in a time of crisis. Our response can help us not just to survive but to thrive.

So, alongside everything else we're doing to help you get to work this year, we're also offering some insight into how emotional resilience can make you more productive and successful, both at work and at home.

We've collaborated with professional wellbeing expert Peter Radford to create a series of videos on emotional resilience, especially for our network.

In the videos, which you'll find on our broker website, Peter explains how emotional resilience is the ability to adapt to stressful situations and cope with life's ups and downs, and how it can help us in business just as much as it can in our personal lives.

Did you know for example that our cognitive function is impaired by up to 30 per cent when we're emotionally low? That's an instant knock on our ability to deliver, which in turn can lead you to feel worse.

To me, the numbers are proof that emotional wellbeing is not something we should place in a separate box from our work lives, compartmentalising our 'work self' and our 'home self'.

They make it clear that the mental health of all our people has a direct link to how well we can respond to the opportunities that tomorrow brings. And as we believe at Ageas, the future is full of opportunity.

I'm sure that at some point in our lives we have all looked at colleagues or others and wondered how they manage to deal with stress or pressure seemingly effortlessly.

Personally, I have huge admiration for Barack Obama's approach. While he admits he's lucky to have a naturally steady temperament, he said that exercising in the morning and spending time with his family helped him to pace himself and manage the stress of the job.

In fact, he joked that when you sit down and have dinner with your teenage daughters, they'll teach you something about perspective. It's something I can relate to with two teenage girls myself and I'm sure the other parents reading this will recognise.

In our videos, Peter explains that while for some people, like Barack Obama, it may come slightly more naturally, we all have the ability to strengthen our emotional resilience.

In fact, in the series of videos you'll hear some practical tips to help build your own emotional resilience straight away.

As a supporter of mental wellbeing as a whole, it's our pleasure to offer these resources to you and your colleagues. Let's get resilient in all senses of the word and let's get to work.

Ageas' emotional resilience videos can be found at **www.ageasbroker.co.uk**

Emotional wellbeing is not something we should place in a separate box from our work lives

Managing your personal brand in a virtual world

With digital meetings the new normal **Nicki Kavanagh** and **Cathy Marinacci** of **The Juniper Co** explain how to make the most of virtual networking and how you can portray yourself professionally online

When you think of fast food and soft drinks, certain logos come to mind, don't they? When you're replacing your car, you're immediately drawn to certain brands, usually based on reputation or personal experience. Organisations spend a lot of thought and energy on developing and managing their brands to ensure that they are top of mind when it comes to the all-important purchase. Your personal brand is no different! It's what you're known for, how people experience you, the value you bring and how you differentiate yourself in a competitive market. It's the value proposition of *Me Ltd*.

But how can you develop your personal brand, particularly in today's virtual world? Consider the honest answer to the following question: "Why do customers, partners and colleagues tend to work with me (instead of a direct competitor with similar experience or qualifications)?" Pinpointing your purpose, values, strengths, differentiators and accomplishments will contribute to the answer, helping to establish your unique value proposition. In order to be successful, it is critical that your personal brand be rooted in authenticity so it's important to consider the positives and negatives as you answer the question. What would be the point of creating a polished online personal brand now, only to deliver a reality misaligned with a customer's expectations later?

With a plethora of online platforms through which to "live" your brand, consistency and management are key. Be selective about which ones to use according to where you want to be seen and how much time you want to spend maintaining your brand - it's better not to be present than to be constantly out-of-date. Remember: potential partners should experience the same "you" across all channels.

Where to start?

Think back to the fast-food logos to grasp the significance of an up-to-date profile picture, then answer the question: "What do I want to convey about myself and my value(s) through my profile and background pictures?" They constitute part of your first impression, so don't underestimate them!

Beyond the photos, there are a number of ways to enhance your digital brand. If your photo is the virtual version of your face-to-face handshake, your tagline is your introduction. Consider what you want to "say". To boost your authenticity, ask for endorsements from a variety of colleagues,

partners and clients on specific activities. This demonstrates your versatility, while telling part of your story. A work history focusing on impact and value, as opposed to tasks, supports your story further, as does detail around key accomplishments. Showcasing certification gained through continuous professional development highlights the passion for your area of expertise – you're walking the talk and showing you care about your own development.

The next step is active engagement. By joining groups on LinkedIn and following relevant organisations and individuals on Twitter, there will always be something to post or comment on. If this is new to you, you may choose simply to observe first. What are the topics of discussion? Which ones interest you the most and where can you add value by contributing your perspective with relevant examples to create positive impact? Once the dialogue's started, keep it going!

Starting is the hardest part – you'll soon learn the difference between a # and a @. Maintaining your personal brand by scheduling time in your diary is easier – the benefits are endless!

Purposeful digital networking

Digitally-hosted events, virtual meetings and remote learning – the last twelve months have seen an exponential increase in all of them. It's understandable to think that networking opportunities have dropped proportionately. However, they still exist, just in a different form and in today's climate of

The angle of your camera (directed slightly down onto your face gives the best effect), your background, lighting, your energy-levels and posture all contribute to presenting the best of you on video

change and insecurity, each opportunity to make or maintain a connection represents a critical step towards a professional opportunity.

Our network can be divided into three main areas: personal networks, operational networks and strategic networks. We tend to function comfortably in the first two areas as these include family members, friends, colleagues, partners and clients that we interact with frequently. It's our strategic networks that often get neglected due to lack of time, effort and thought dedicated to growing them. Sometimes we simply don't know where to start when dealing with our strategic networks. However, it's these very networks, which include people outside of our day-to-day or natural environment, which may bring us the important leads, introductions, knowledge-sharing and prospects that develop into professional opportunities. Therefore, they should not be neglected!

Preparing for BIBA 2021

Prior to attending the BIBA Conference 2021, it pays to think strategically about who you would like to meet and why, by considering what you would like to achieve by engaging in the interaction. Be careful not to completely fill your diary - an exhausting event full of meetings can result in a disappointing list of connections that lack relevance. Think quality over quantity.

When targeting potential contacts and booking meetings for the event, ensure

you schedule breaks. Although you might want to meet a significant number of fellow attendees, the quality of the interaction may be compromised if it takes place at the end of a heavy day of networking. To maintain energy and a positive stance, it's essential to come to meetings as fresh as possible.

You could decide to "divide and conquer" by developing a networking targeting plan within your organisation, then agreeing to share contacts and information post-event. As part of the planning process, make sure adequate research is done on the individual and their organisation, saving time on the day and demonstrating a genuine interest.

You'll also want to rehearse your "elevator pitch". Make it compact (no longer than one minute) and memorable (focused on the value your skills and attributes add). Again, quality trumps quantity.

During the conference, concentrate on your goals in scheduled meetings, during forum-style discussions in the Networking Lounge and in 1:1 online chats with exhibitors. Be realistic about the number of topics you would like to cover and prioritise them. As the meeting opens, build rapport. One of the simplest ways to do this is to make sure your camera is always on – it's so much easier to connect with a face than just a voice!

It will also enhance your digital brand, to ensuring authenticity and consistency. The angle of your camera (directed slightly down onto your face gives the best effect), your background, lighting (from the front so your face is not in shadow), your energy levels and posture all contribute to presenting the best of you on video. At meeting close, ensure you agree on next steps, whether that be a post-event virtual coffee or a connection on LinkedIn.

Once the event is over, it's time to follow up on next steps, share knowledge and insights with your team, update your company's CRM database and implement your strategy for maintaining the relationship you've developed.

When maintaining your digital brand, make sure you're:

1. Authentic – demonstrating you on your best day
2. Consistent – aligned across platforms and in-person
3. Up-to-date – sharing current content
4. Relevant – linked to your role and your audience
5. Value-adding – including personal perspectives and insight

Doing it digitally

BIBA's Conference Marketing Manager, **Anna Wong**, explains how to make the most of BIBA2021's digital networking tool

One of the best-loved things about the annual BIBA conference is the extensive networking and deal-making opportunities. The challenge we put to our digital conference provider was to replicate as closely as possible the intuitive and natural way of making contacts at a physical event.

Here's the insider track on how to successfully work the room digitally at The BIBA Conference BIBA 2021.

Networking

Shared interests

Once registered create your profile using good practices learned from the likes of Linked In. Within your account you have the option to select the insurance-specific topics that you have an interest in. Do take the time to choose your business interests – this will help others reach out to you – and you to them.

As well as finding people via the Attendees Tab, BIBA2021 has a specially designed Networking Lounge where you will be able to search for other attendees who are best matched to you.

Finding friends

Often at an event you want to take the opportunity to catch up with friends or former colleagues and you can do this too by searching by name or business interest to find other attendees.

Meeting up

Once you find somebody that you want to speak with you can either request a meeting or send them a message by clicking on their profile.

Group chats

If you enjoy a debate you will also be able to get involved with a choice of eight topical group discussions:

- Resilience in your business;
- Regulation;
- Claims;
- Business opportunities;
- The hard market;
- The future of insurance broking;
- Mental wellbeing; and
- Young brokers.

These discussions provide an opportunity to have your say through focused engagement with other attendees.

Exhibition hall

Find out about the latest products and services being offered by over 100 exhibiting companies in the Exhibition Hall. You will be able to search by company, quickly identify those exhibitors that best match your own business interests and arrange 1-2-1 chats and video meetings.

Conference sessions

You can find keynote, seminar and fringe sessions of interest to you and add them to your personal event calendar, accessible on the left side of your screen. By doing this you will create an easy-to-find, personalised agenda that will also include your networking meetings.

You will be able to put forward questions to our speakers and you will be able to watch any of the sessions on-demand if you miss the live broadcast.

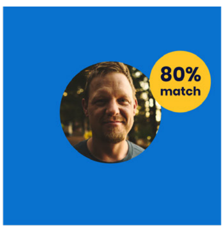
Competitions

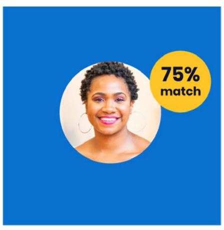
A BIBA Competition will reveal who is the most engaged on the platform. Simply go to the Competition tab where you will see what activities can earn you points for the chance to win shopping vouchers. From here you can also enter our Exhibitor Competitions with the opportunity of winning some great prizes.

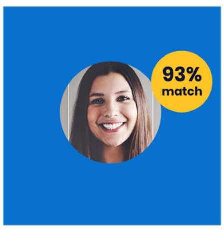
Help when you need it

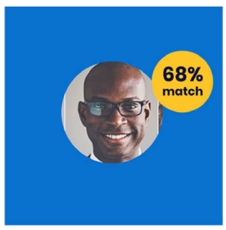
If you need help using the platform, simply go to the Resource Centre and send a message to a member of the team. They can also give you more tips on having the best digital conference experience.

Remember: clear your desk, block out your calendar and enjoy the **BIBA Conference 2021**!



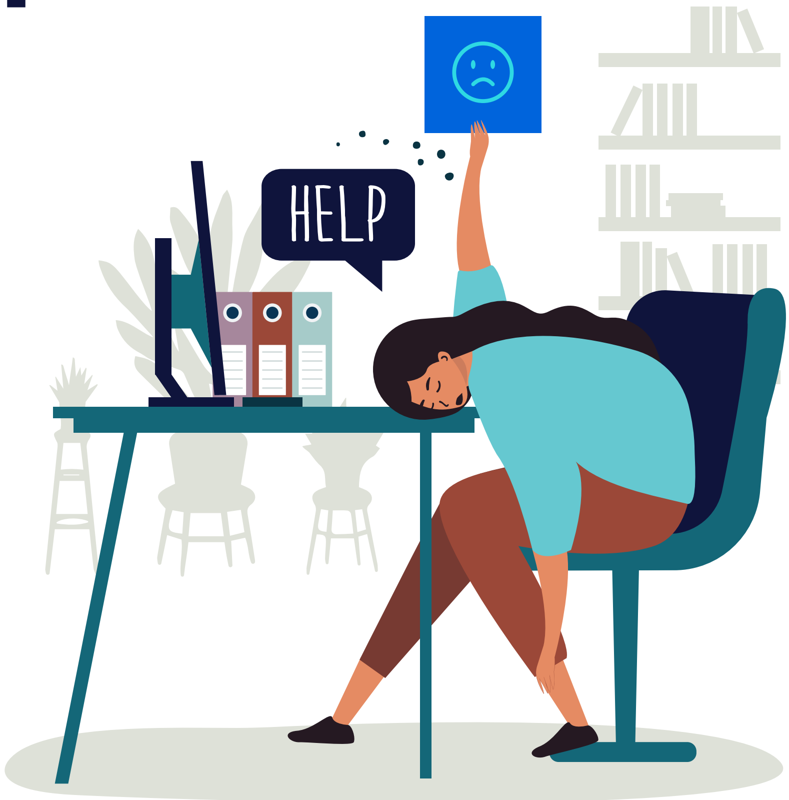






Human-centred leadership for a post-pandemic world

Claire Russell of BIBA facility provider, Mental Health in Business which has provided training to many BIBA members discusses the impacts of the pandemic



This last year has probably tested our wellbeing. A global pandemic, government restrictions, physical and emotional health concerns and changed ways of working have all impacted on each of us to varying degrees.

A UK study by The Mental Health Foundation suggests that although 64% of the general public say they are coping well, the pandemic has affected us significantly - and the negative mental health effects of it are likely to last much longer than its physical health impacts. The Office for National Statistics reports that since the start of the pandemic, the proportion of individuals showing symptoms of depression has almost doubled.

In the insurance sector, the effects have been more dramatic. A survey carried out by the Chartered Insurance Institute found that nearly six in 10 insurance professionals experienced symptoms of depression, anxiety, emotional distress, or another mental health condition during the pandemic. According to research conducted by Deloitte, the cost of poor mental health for the insurance industry is £3,300 per employee, per year - the highest figure among industries as a whole.

Many have struggled with a lack of boundaries between home and work, resulting in a negative impact on home life and personal relationships

There is no doubt that working at home has some clear benefits – flexibility, zero commute, the potential for better work/life balance. For some though, these new ways of working and living could be increasing social anxiety or creating feelings of disconnection and isolation. Many have struggled with a lack of boundaries between home and work, resulting in a negative impact on home life and personal relationships.

There has never been a more important time for business leaders to prioritise workplace mental wellbeing, and to understand what measures need to be taken to create safe and healthy working environments for all.

One of the unexpected outcomes of the last year is that we have had a behind-the-scenes view of each others' lives – an insight in to our 'human-ness', you might say – as CEOs and teams have sat on Zoom and Teams calls in spare bedrooms and at kitchen tables.

We have seen each other bare-faced, dressed down and perhaps at our most vulnerable. We have had to learn to meet our clients' needs remotely, manage our teams in new ways, to watch out for more subtle signs and signals that our colleagues may be struggling and to support each other differently.

Where before the phrase 'bring your whole self to work' may have been a nice idea, it has become our reality and we have had to be more compassionate and understanding of the unique challenges that each of us faces.

As we gain more freedoms, we must continue to remember that we are all impacted by the effects of the pandemic differently. Some will have high levels of anxiety about restrictions easing and 'returning to normality', the mental and emotional impacts will last longer than the lockdown restrictions.

Younger people may have missed out on valuable mentoring and guidance. Those with existing mental health conditions may have just been surviving these last 12 months and may need extra support in order to thrive.

The industry needs compassionate leaders who are willing to lead the way on mental wellbeing, raising the conversation and taking action - ensuring as we move forward we create an industry where every person is supported to experience their best possible mental wellbeing.

How has Brexit impacted your recruitment process?

BIBA associate member Croner-i explains

On 23 June 2016, the UK voted to leave the European Union (EU). Originally scheduled for 29 March 2019, the date the UK was to officially leave the EU was delayed to 31 December 2020. As a result, from the 1 January 2021, new immigration laws came into effect that all companies seeking to employ EU nationals need to be aware of.

EU and non-EU citizens entering the UK are now treated in the same way when they are seeking to work in this country. Under the new 'skilled worker route' non-citizens will need to attain 70 points in relation to specified criteria. 50 of these points are mandatory, whilst 20 are tradeable.

Mandatory points are awarded as follows:

- Job offer from an approved sponsor — 20 points.
- Job at the required skill level (RQF 3 or above (A Level and equivalent) — 20 points.
- English language to a required level (this will need to be evidenced by completing a test or having a degree in English language similar to an English bachelor's) — 10 points.

Tradable points are as follows:

- Salary of £20,480 to £23,039 or at least 80% of the going rate for the profession (whichever is higher) — 0 points.
- Salary of £23,040 to £25,599 or at least 90% of the going rate for the profession (whichever is higher) — 10 points.
- Salary of £25,600 or above or at least the going rate for the profession (whichever is higher) — 20 points.
- Job in a shortage occupation as designated by the Migrant Advisory Committee (MAC) — 20 points.
- Education qualification: PhD in a subject relevant to the job — 10 points.
- Education qualification: PhD in a STEM subject relevant to the job — 20 points.

These new rules are likely to have an impact upon employers who have come to rely on so-called low-skilled labour from the EU. Although the Government does appear to want to provide a degree of flexibility to tackle these potential issues — by making some requirements "tradeable"— employers should not believe that their sector will automatically meet the requirements of having a skills shortage just because they are struggling to source workers.

Crucially, employers wanting to take on foreign workers must now apply for a sponsorship licence as soon as possible.

EU nationals living in the UK by 31 December 2021 can continue to do so despite Brexit. The Government's EU Settlement Scheme was introduced to allow existing EU nationals residing in the UK to apply for Indefinite Leave to Remain (ILR). To make use of this scheme, employees must have been in the UK by no later than 31 December 2020, with the subsequent deadline for applications being 30 June 2021.

Employers must not exert any unnecessary pressure on individuals or expose them to any other form of detriment if they choose not to apply for ILR status. Dismissing employees in the interim for being unwilling to apply for settled status will be potentially discriminatory. Instead, employers should consider their options if they are faced with loss of staff as their EU workers haven't applied for ILR status — this can be in the form of awaiting further government advice or coming up with alternative options now, to deal with any potential gaps in their workforce after the deadline of 30 June.

BUSINESS INFORM LITE

BIBA members can now enjoy complimentary access to Business-inform Lite, the expert online support platform from Croner-i, an Associate Member of BIBA.

To register today at **https://pages.croneri.co.uk/biba**

EU and non-EU citizens entering the UK are now treated in the same way when they are seeking to work in this country

Choppy waters for the marine insurance market

Following the launch of their BIBA member **marine insurance scheme Alan Wilkins** of MercariRisk outlines the current state of the marine market.

Some readers will be acutely aware of the hardening market for marine insurance and reduced underwriter appetite for atypical and challenged risks across all classes of marine insurance.

What has caused the marine insurance market to shift so dramatically into a hard market? Simply put, marine insurance has a small pool which has for too many years, run at a loss. According to the International Union of Marine Insurance press release 2020:

"Global premium for cargo in 2019 was USD 15.6 billion with a 70% loss ratio expected for 2020. The global cargo account has been challenged by increasing exposure to nat-cat or man-made events combined with accumulations on ships and in ports which were not necessarily reflected in premiums. Fires on containerships caused a significant amount of cargo loss in 2019 and this trend continued into 2020. Accumulation of cargo in stock and in transit has been exacerbated by Covid-19 due to port congestion and delivery delays, increasing the likelihood of damage to vulnerable cargoes such as refrigerated goods."

Global premium for Ocean Hull in 2019 was USD 6.9 billion. Loss ratios improved slightly in 2019 but are likely to reach 70% to 80% in 2020 once the underwriting year has closed. Cold comfort for hull underwriters who have endured a technical loss almost every year since 2005.

The major causes of loss:

Fire & Explosion: Fire in a vessel can quickly turn into a major incident leading to the destruction of a significant number of containers as well as rendering the vessel a total loss. It is thought that many fires start as chemical fires in containers due to self-heating. Additionally, fire is the major cause of loss of goods in warehouses, affecting marine underwriters where goods are in the ordinary of transit and therefore covered under standard clauses, as well as static stock outside of transit if included under a stock throughput extension.

Theft: Globally, theft losses are around $30bn annually, a sum that if related to money or gold from a bank would draw the undivided attention of the police, yet because cargo involves a business-to-business transaction it is treated as a victimless crime and is therefore relegated down the order of priority. Particular 'hotspots' for theft in the UK are motorway interchanges in the North West, and the M2 corridor towards Dover in the South East. A particular favourite method is colloquially termed the "London Shuffle" where a hi-viz jacket wearing 'official' directs the unsuspecting driver to an "overflow warehouse" whereupon the goods are offloaded by bogus warehousemen never to be seen again!

Damage in transit: Time pressures to deliver forcing freight operators to take short cuts, rough handling at ports, lack of care exercised in packing to withstand the normal rigours of transit all lead to damage.

Containers overboard: During the previous 10 years the average number of containers lost overboard was around 1600 per year, a tiny fraction of the 400m

Accumulation of cargo in stock and in transit has been exacerbated by Covid-19 due to port congestion and delivery delays, increasing the likelihood of damage to vulnerable cargoes such as refrigerated goods

ABOUT THE AUTHOR

In a 31 year career Alan Wilkins has underwritten or brokered risks across the entire marine insurance spectrum, as well as associated commercial lines.

Senior insurance roles
Aviva
CNA
Zurich
Nacora (in-house i broker for freight forwarder Kuehne + Nagel)
Arthur J Gallagher (Australia).

Alan served as Senior Vice President for the World Logistics Council where he advised on the digitisation of marine insurance and served on the B20 Group advising G20 leaders on global business policy. He formed Mercari Risk in 2018 and has a Bsc (Hons) in International Transport Management and a Master's degree in Maritime Law (LLM).

container movements globally per annum. Yet, there has recently been a worrying trend of large-scale container losses overboard, particularly on the Far East to the US Pacific route.

- On 30/11/2020 ONE APUS China to Long Beach in USA suffered multiple container stack collapse due to severe weather conditions. 1816 containers were lost overboard.
- On 16/1/2021 Maersk Essen, China to Los Angeles, shed around 750 containers during heavy seas.
- On 18/2/2021 the Maersk Eindhoven, China to Los Angeles lost "several hundred containers overboard" as it suffered an engine blackout in bad weather, near Japan.

The root cause of these losses has yet to be established, however, sailing through rough weather, inadequate supervision during loading, cheap under-trained labour at ports and lack of fitness of purpose of container stack locking mechanisms all may be found to be fully or partly to blame. Little has changed in the way containers are secured, despite the introduction of the new breed of super-vessels which can carry up to 24,000 TEU (twenty-foot containers). Coupled with the recent grounding of the Ever Given which blocked the Suez Canal for days, it is becoming increasingly apparent that maritime infrastructure and operational processes are not keeping pace with the challenges of operating and navigating these leviathans of global trade.

Key drivers behind the high loss ratios:

There's no such thing as a bad risk, only bad pricing. The subjective nature of marine underwriting, high frictional costs, a relatively small insurance pool and excess capacity in the market produced a downward spiral in pricing which clashed with a number of risk drivers: Increasingly severe climatic events created ideal conditions for wildfires such as witnessed in California and Australia to produced large stock losses of wine insured under stock throughput policies; accumulations at ports created vulnerabilities to windstorm, Tsunamis, and to man-made events such as the recent explosion in the Port of Beirut. And worsening operational conditions and standards in the maritime and logistics sectors driven by over-capacity, low freight rates, increased time-pressures, and cost-cutting created greater risk in supply chains.

All of these factors conspired to set the scene for the recent rapid, eye-watering, market correction which has been driven by Lloyd's 'Decile 10' purge to clear away the lowest-performing 10% of the market across all lines of business. Over the period 2019 to 2021, 14 syndicates ceased writing marine insurance lines. This led to a rapid retraction in capacity and 20% + rating increases across the board, with selected increases of over 100% for some of the worst-performing risks.

The ripples of this market correction continue to reverberate around the world. In the UK regions, high acquisition and operational costs involved in maintaining offices in London, Birmingham, Manchester and Glasgow has made the writing of marine insurance untenable for some insurers. The challenges for brokers include rapidly increasing cargo insurance and hull rates, severely reduced underwriter appetite and a significantly reduced number of insurers to work with. Particularly challenged risks are stock throughput policies, and marine leisure covers for any marine activity involving speed boats.

Will this cycle be a case of déjà vu? Well, perhaps not, the message in the market is clear, marine underwriters must continually add value or cease writing, so perhaps some of the market discipline now instilled will be enduring. With a keen eye on expense reduction by the incumbents, data-driven decision making and new nimbler market entrants, as well as an upswing in business as trade with the rest of the world begins to flow again, it is hoped that the UK marine insurance market is now set fair and headed for less turbulent seas.

LANTERN
DEBT WITH A HUMAN TOUCH

Insurance Debt Sale Case Study

Finding solutions for a leading UK Home and Motor Insurance Broker

Case Background

- As a broker, our client had used a credit provider to supply their premium credit facility to customers. At the point a customer failed to pay and/or cancelled within the 12 month agreement term, the broker settled the outstanding value with the credit provider as per their agreed terms of business, common practice within the insurance sector
- The debt then becomes due to the broker under their Terms of Business Agreement (TOBA) with the customer, and at this point the debt is no longer subject to consumer credit regulation and becomes an unregulated debt
- A complete review of their insurance premium portfolios highlighted that, following pre and post cancellation processes, the build-up year on year resulted in high volumes of uncollected accounts. Their existing debt collection agency (DCA) had returned these uncollected balances following their failed collection strategy, and they were simply then flagged as a dormant account, with no further action
- This equated to 100s of 1,000s of customers with unpaid shortfall premium debt at a significant cost to the broker, having already paid the credit provider. Whilst the individual average debt value was in the main low (£150-£200), this equated to more than £12m outstanding (over a 4 year period) with significant projected growth

Following the review findings, Lantern set up a project with the client to consider debt sale/purchase as a potential resolution, providing a long-term strategy and previously untapped income to the business.

Key Considerations

- Brand and reputational risk were paramount
- An improved customer exit experience
- Efficiencies and commercial returns expected

Decision

- Proceed with a debt sale test
- Sale of a portion of accounts returned from DCA to monitor and measure results

Results

- The client has expedited its strategy to complete the sale of all eligible accounts returned from DCA
- The client is now progressing a Forward Flow debt sale agreement to sell on a regular basis, bringing increased revenue to the business sooner
- Less than 1% complaints experienced

Summary

- The success of the process is unquestionable. The client achieved their desired outcome whilst ensuring their customers received the benefit of being managed in a truly expert environment
- Our case study demonstrates the overall value of debt sale as a robust, tried and tested solution resulting in an untapped benefit being returned to creditors
- The sale of insurance debt is growing, and we are engaged with a number of players regarding debt sale

Lantern Profile

- Lantern's whole business ethos is to ensure customers are at the very heart of everything we do and, for our clients, this means their brand is as important to Lantern as it is to them
- Lantern has achieved GOLD accreditation from Investor in Customers for the second year running, and are one of only two companies in the sector to hold this prestigious award
- We have also achieved Investors in People GOLD accreditation at our first attempt, and only a fraction away from achieving Platinum
- Our Gold awards are independent testament that our people truly drive both our company ethos and customer journey, being a safe pair of hands in acquiring and managing these customers
- Lantern – Our strapline of 'Debt with a Human Touch' summarises exactly how we operate

UK Market Statistics: Motor & Home Insurance

- Measured by GWP, the private motor insurance market was reported as being worth 13bn in 2019
- http://www.businesswire.com/ The publisher estimates that home insurance gross written premiums (GWP) will reach around 7 billion in 2020, a rise of 2% compared with 2019

To learn more about Lantern and what we can do for your business please contact **michelle.moore@lanternuk.com**

INVESTORS IN PEOPLE®
We invest in people Gold

Investor in Customers®
Gold 2021

Resilience will lead to future growth

The role of Insurance Premium Finance

Tara Waite, Premium Credit's Chief Executive Officer, outlines how BIBA's accredited **Insurance Premium Finance** provider is effectively supporting its broker partners and their customers during these unprecedented times

As widely reported, Covid-19 has created a level of social and economic stress not experienced since World War Two. Much like then, the nation has shown great fortitude during the pandemic.

From a financial perspective, those who have managed capital well, whilst adapting to the new economic conditions created by Covid, have developed a strong position from which to build the future. When it comes to buying vital services like insurance cover, PF (Premium Finance) is one increasingly popular option being used to great effect by businesses and individuals alike.

Premium Finance – an effective payment option

In a time when strong cash flow is needed more than ever, PF allows increased access to valuable insurance cover at the right level, at the right time and in an affordable manner. PF takes away the need for brokers' customers to pay for cover in one large lump sum, allowing them to spread the cost of annual insurance premiums over convenient monthly payments, freeing up cash so it can be spent in other important areas.

Throughout the pandemic, Premium Credit has remained focused on providing uninterrupted PF payment solutions. Since the lockdown was first introduced, many years of significant, tech-based investment enabled us to maintain our service to partners and customers while decamping our people from the office safely without reducing the quality of the service we provide.

As the vaccine rolls out further and normality returns, we continue to work at pace to provide relevant, effective, compliant and digitally-led insurance payment solutions and help drive profitable growth for our partners and the best possible experience for their customers.

New opportunities and increased demand for PF

As reported in last year's Premium Credit Insurance Index, 51% of SMEs had stopped paying for a range of business insurance policies with employers' liability insurance the most 'cut' from a list including business property cover, professional indemnity and cyber. Nearly one in five (19%) of SMEs stopped paying for business interruption insurance. The challenges to businesses from a lack of protection can, however, be easily addressed through finding an alternative way of paying for cover through premium finance.

The months and years ahead will be testing, I have no doubt, but there are solutions. We are committed to our purpose to proudly support our community of customers and partners in creating opportunities through convenient payments. Our partnership with BIBA is really important; we are here to support you during these testing times. We're here to help.

FURTHER INFORMATION

If you would like to find out more about Premium Credit's award-winning PF solutions, their team of specialists will be pleased to speak with you during this year's BIBA Digital Conference.

Findings from the latest Premium Credit Insurance Index will also be shared during #BIBA2021, outlining the evolving insurance buying trends of individuals and SMEs, how they pay for cover and what opportunities this creates for brokers.

www.premiumcredit.com

Every angle covered

Mike Hallam of BIBA curates some key points of BIBA member schemes and facilities, designed to help your customers get the type and amount of cover they need

Trading support for clients with trade credit insurance

CMR Insurance Services[1] is a holder of a delegated authority with Atradius, a world-leading trade credit insurer. As a BIBA scheme provider, we supply a managed trade credit insurance policy that protects businesses that offer credit terms to their customers against the risk of non-payment. This B2B insurance policy protects against the risk of a customer failing to pay an invoice in an agreed time frame.

After what has been an unprecedented year and with various government support schemes coming to an end, a lot of businesses are likely to find more challenges ahead. Trade credit insurance can offer businesses vital assistance to trade through difficult times.

As a result of the end of the support schemes, as well as other factors, insolvencies are expected to increase later this year. The potential losses are still largely unknown; however, these are expected to be in excess of those suffered in the great recession of 2008/9.

Of course, some sectors will have significant demand when lockdown restrictions are lifted, such as high street retail, travel and hospitality. Previous experiences have shown that insolvencies also increase after a period of recession as some businesses struggle to cope with increased demand and managing their liquidity.

Until trade is fully open again, we won't really know the full impact of Brexit – so far we know that some businesses are facing much higher costs to import or export goods due to transport costs and increased red tape, which is impacting their margins.

If a business makes a margin of 10% and suffers a £100k bad debt, they will need to find an additional £1m of sales just to recoup that loss. If that margin drops to 5%, an additional £2m of sales is required.

Trade credit insurance protects that risk of bad debt and allows businesses to concentrate on growth, with the confidence to trade with new customers and markets.

The underwriter will credit check the customers and often hold information that isn't in the public domain. They can steer the business away from potential bad debtors and this is especially important when finding new customers.

If your B2B clients could benefit from protection of a trade credit insurance policy, we would be happy for you to give us a call.

[1] CMR Insurance Services is a trading style of PIB Risk Services Limited and part of PIB Group.

Contact CMR via 020 8773 5596 or email biba@cmris.co.uk

We have recently seen a surge in enquiries for supported living services, providing care and support for people to maintain independence in specialist accommodation

Caring for the care sector in a post-Covid world

It is no secret that the care sector has faced enormous challenges following the outbreak of Covid-19 and nobody could have anticipated the difficulties of keeping care home residents and staff safe from the disease.

The spread of the virus through UK care homes is much discussed; sadly, there is no disputing the consequences, with 28,810 Covid-related deaths recorded in England's care homes alone up to 19 March 2021.[2]

Yet care homes continue to provide an essential service. Their need for insurance is greater than ever.

[2] **ONS**

Hardening markets

More than most, care homes have faced a hardening insurance market. Many businesses – particularly elderly care homes – have seen existing insurers refusing to renew cover. Others have seen premium increases of 50% or more. At present, there's a challenge in finding cover at all!

The BIBA-approved care scheme provided by Bollington Insurance could provide a lifeline for brokers. The scheme has been established for almost five years, bringing to bear Bollington's considerable experience and market access in placing a broad range of care risks.

Andy Gray, who facilitates access to the scheme for BIBA brokers explained: "We have recently seen a surge in enquiries for supported living services, providing care and support for people to maintain independence in specialist accommodation.

"With the markets we can access, we can insure unregulated supported living providers as well as those registered with the Care Quality Commission.

"Business continues to be written for children's homes, homes supporting those with learning difficulties or mental health concerns, and domiciliary care. While elderly care homes pose a real challenge to insurers, we have written business when markets have been available.

"Our dedicated care insurance team has been in place for over 15 years, so we fully understand the risks faced in these markets. This gives us an opportunity to find cover for brokers who might struggle elsewhere, particularly as we can write

business on an ad-hoc basis for them."

The scheme can provide cover on a claims-made or claims occurrence basis, including a retrospective extension for historic claims of abuse.

While currently brokers may suggest businesses remain with their existing insurer when offered terms, the BIBA-approved care scheme can provide brokers with access to markets they may not find elsewhere.

More details on the cover can be found at www.bollington.com/biba or by calling 01625 348584. Alternatively, you can contact Andy Gray directly on 07990 573475.

Valuing exactly what is at risk

The current climate makes accurate valuations imperative as explained by BIBA's Valuations provider Questgates.

With the economy staggering in the aftershock of the pandemic, insurers are likely to demand even greater accuracy of risk both at renewal and point of claim. As loss adjusters, we're already seeing less flexibility toward underinsurance and an increasing robustness in applying proportionate settlement on claims where sums insured are found to be inadequate.

Given the last year's events, the impact of Brexit limiting availability of migrant labour and delaying the import of essential construction materials has almost been forgotten, but it is pushing reinstatement time and costs in one direction... up!

Add in recuperating losses associated with lockdown delay, Covid-secure working costs and the construction boom already evident nationwide as speculators and Government aim to stimulate the economy, and we face a very real possibility of index linking data being inaccurate or out of date at point of publication.

In the current challenging times, businesses searching for deals to help balance the books may be tempted to make discrete, but risky, decisions regarding their insurance programme – for example, deciding to not increase sums insured for a year or two or not including the cost of a recently completed building extension. Unfortunately, they're risking a game of Russian roulette should an incident occur just at a time when claims face greater scrutiny.

It's never been easy for brokers to ensure accurate presentation of risk or convince clients to do the right thing from a risk management perspective. Our Valuations data shows that despite improvements prior to 2020, around 40% of businesses were still significantly underinsured.

Yet while procuring an independent professional valuation to ensure values at risk are correct may seem an unnecessary luxury right now, it has never been more important.

The discounted rates offered by the QuestGates BIBA Valuation Facility enable members to help their clients protect their business and produce a fair presentation of risk. Full details and contacts can be found on the BIBA website

Our Valuations data shows that despite improvements prior to 2020, around 40% of businesses were still significantly underinsured

Shaune Worrall from BIBA's technical team ponders the current state of flood resilience

High hopes, high hazard

Just over a year ago, we crowded into the Westminster launch of the Property Flood Resilience (PFR) Roundtable's new **Code of Practice** (COP), an authoritative guide to what good PFR specification and installation looks like.

The drama was heightened when then-Secretary of State, Theresa Villiers MP, appeared on parliamentary TV monitors announcing 500 homes were flooding due to Storm Ciara. A few months earlier in Doncaster the **Government Cabinet reported** 897 properties had been overwhelmed by floodwater.

Within a few weekends of each other, storms Denis and Jorge followed Ciara and we recorded the wettest February on record.

A year on and in January 2021 the PFR Roundtable and the Construction Industry Research and Information Association (CIRIA) published **targeted guidance** for homes and businesses to help make property flood resilient. Simultaneously, Storm Christoph was blowing through bringing flooding to more than 400 properties in Wales and the North-West.

Things are progressing in 2021

The PFR Roundtable body of work continues to deliver. DEFRA has tasked the **Chartered Institution of Water and Environmental Management** to develop training and accreditation of PFR tradesman to survey, install and maintain individual property flood resilience. A scoring system is being examined to quantify flood resilience measures and a central database to track and record improvements to properties. This will help provide data to track PFR performance and presumably make continuous improvement.

How can the uptake of flood resilience be incentivised?

The Government has published a **Call for Evidence** (Local factors in managing flood

and coastal erosion risk and Property Flood Resilience), "to look at changes to the flood funding formula to benefit frequently-flooded communities, and ways to increase the uptake of property flood resilience measures so that homes and businesses are better protected".

BIBA is a contributor to the PFR Roundtable and responded to the call for evidence with echoes of BIBA's 2021 manifesto, aptly themed on 'Resilience'. "BIBA encourages all stakeholders to build back better to make homes more resilient to future flooding, and calls on Government to accelerate investment in further flood defences, whether or not the community has been previously flooded. This work is economically and socially critical in our communities and directly affects BIBA members and their clients."

Direct incentives for PFR feature in DEFRA's second flood consultation this Spring; 'Amendments to the **Flood Re. Scheme**.' They have the potential to positively impact brokers' clients:

- Discounted Flood Re. premiums for installing PFR in households
- Funding over and above indemnity spend to build in resilient measures whilst a home is being repaired following flooding.

There is work to be done to clarify the requirements and performance of developers, and for stakeholders to collaborate to reduce the risk from surface water flooding across communities

BIBA supports the use of incentives. For incentives to be effective, however, we will need clarity on how they will operate i.e. is the intention to use 'inner' limits in policy wordings/schedules to identify the amount the insurer/reinsurer will contribute to build back better?

This may give consumers confidence in the product and help raise PFR awareness. Consumers may use this as a differentiator when choosing which policy is right for them.

What about businesses that flood?

CIRIA's 2021 **Code of Practice Overview** has suggested as many as 40% of businesses will not reopen after being flooded.

Commercial flood insurance schemes like the Commercial Property with Flood Scheme for BIBA members provided by R&Q, help brokers access flood insurance, but the Doncaster Review showed there are still businesses unable to buy flood insurance. The first recommendation of this review is for DEFRA to repeat its 2018 survey into the affordability and availability of insurance by 2022. BIBA agrees that a future national survey should look at the proportion of policies that do not include flood insurance, and the reasons for that.

Surface water and building on the flood plain

Storm Christoph in January this year inundated the town centre of Northwich, Cheshire. Northwich benefited from flood barriers which did their job, but homes, shops and offices flooded from surface water backing up from drains and sewers.

Surface water flooding can be devastating. For improved drainage and sewer systems to work effectively, greater council, utility company and EA collaboration is required.

The EFRA (Environment, Food and Rural Affairs) House of Commons Public Accounts Committee published its report on 'Managing Flood Risk' in February. It highlighted, "Current planning guidance allows developers to build houses in a flood risk area as long as there is space for flood defence measures to be installed in the future, but with no obligation on the developer to pay for future mitigation measures".

How does this fit with the Government's National Planning Policy Framework? This makes clear that development should be made safe for its lifetime without increasing flood risk elsewhere.

There is work to be done to clarify the requirements and performance of developers, and for stakeholders to collaborate to reduce the risk from surface water flooding across communities.

What is this likely to mean for brokers and their customers?

The high risk of river, coastal and surface water flooding especially during named storms is now a normalised event in parts of the UK. Householders and businesses may still find difficulties obtaining insurance but there is much more knowledge and information available (what good PFR looks like) following initiatives like the PFR Roundtable. Incentives have been proposed to increase the uptake of PFR which, in some cases, may translate to lower insurance premiums and funding to build back better. All of this brings high hopes, but with high hazard in the meantime.

Perhaps the last word should go to Environment Secretary, George Eustice who said: "In Northwich, I saw for myself the impact that flooding has on homes, businesses and communities. I am determined to get more support to people hit time and again by floods."

Yes Minister! BIBA too will continue campaigning on behalf of members, their clients and communities affected by flood and access to insurance.

Recruiting for resilience

BIBA associate member **IDEX** gives their insight into current recruitment

We have all seen seismic shifts across the social and economic landscape since early 2020, but has that changed the recruitment market?

Well, the short answer is yes. But let's break that down a little and share some ideas on how you can use this change positively in your business.

Clunky, expensive, unpredictable. Typical reactions we would historically hear from broker owners when speaking about recruitment although, paradoxically, top of many owner's agenda is the attraction and retention of talent.

The pandemic has firmly put the spotlight on the importance of employees, so we are seeing a mindset shift around recruitment from being a cost, to being a crucial investment.

Investing in a solid long-term recruitment strategy is now seen as critical element to successful succession planning for most broking businesses.

Historically, recruitment was reactive. A great employee leaves and you need to fill this position, quickly. And this brings real unpredictability and unbudgeted cost, often resulting in a panic signing.

So, forward-thinking brokerages are now looking at strategic medium-long term talent pooling to get them ahead of the curve.

But how does it work? It's having a plan to identify what talent you will need over the next 3-5 years across specific skillsets, geography and niches and then begin building relationships with potential hires over a long-term basis.

We are already seeing brokerages with extensive networks of talent which they are nurturing, to then access when the time is right. It's a strategic way to attract the best people into your business rather than relying on what's available at the time.

The practicalities of recruiting have hugely changed in the last 12 months, most notably the timescales involved in hiring.

IDEX have seen a 45% reduction on the time taken to hire someone from initial contact to placement, primarily due to video-based interviewing technology.

Pre-pandemic, a big part of the recruiters' job was the headache of co-ordinating multiple diaries for interviews, often to the detriment of the candidate experience, and ultimately the successful placement. Now, with video interviewing we can get several hiring managers involved quickly, meaning that top-end talent can be acquired with great efficiency.

Once we return to the post-pandemic way of working, at least having part of your recruitment process handled virtually will rapidly speed up your process and, trust me, from a securing talent perspective, that will be a huge win for you.

However, what about the mindset of the talent you are looking to attract, how has that changed?

With so many of us reviewing our own lifestyles over the course of the pandemic, it has meant the needs and desires of those considering a career move have shifted too.

Gone is the complete focus on package and job specifics. Now, as recruiters, we are being asked more and more about a potential employer's culture, attitude to flexible working, D&I, employee wellbeing offering and training opportunities.

Top talent in the market is no longer looking for just a workplace, they are looking to achieve work/life harmony.

If you are looking at your recruitment planning strategically, you can drive home the message about your overall employee offering on a longer-term basis with prospective hires. And if that means stepping out your comfort zone to get in front of a video camera to bring your culture to life, then do it, as this would get you ahead of many of your peers.

With so many of us reviewing our own lifestyles over the course of the pandemic, it has meant the needs and desires of those considering a career move have shifted too

Emma Poole of Lockton on silent cyber and what it means for your professional indemnity policy

The sound of silence

Background

Cyber risk is everywhere and, as such, threatens many lines of insurance. Elements of cyber cover have traditionally been found under policies other than cyber, including professional indemnity. However, this threat is not always affirmatively addressed within these policies. Insurers in non-cyber markets have not always fully considered the implications of cyber exposures, nor have they tackled the potential aggregation over their various types of policies.

This 'silence' in non-cyber policies does not necessarily mean cover is not there – just that it is not affirmative, and cover cannot be guaranteed, potentially leading to both coverage and claim reporting issues.

The growing size and sophistication of the standalone cyber market, and the increased cyber risk, have been additional factors prompting a re-evaluation of cyber-specific risks over various lines of insurance.

Regulatory scrutiny by the Prudential Regulation Authority (PRA) into these risks, and the PRA's requirement that insurers suitably identify, assess and manage their cyber liabilities, were factors in Lloyd's issuing a mandate in July 2019. The mandate required Lloyd's underwriters either to affirm or exclude cyber cover in various lines of insurance. Cyber should no longer remain 'silent'.

Lloyd's published a phased roll-out of the dates by which certain lines must comply. The rolling programmes began with first-party property damage on 1 January 2020 and it continues. There is much talk in the marketplace currently, as the roll-out applied to professional indemnity policies from 1 January this year, causing a flurry of activity.

The insurance markets are responding to the Lloyd's mandate in a variety of ways. There are some 'standard' clauses in circulation, but we are finding that insurers are interpreting the clauses in different ways and seeking various wording amendments. There are countless versions of cyber endorsements currently in play, reflecting these differing interpretations, as well as market appetite. The preparedness to affirm or exclude cover is by no means consistent across insurers.

While there is no consistent response at this stage, one thing is clear: it is likely that a policy will not renew as expiring.

Consider the effect

When faced with a new cyber endorsement, a close analysis of its implication will be critical.

Consider the following:

1. Is the endorsement too broad in what it seeks to exclude?
2. If the endorsement is affirmative in nature, is it affirming all cover, or does it remain silent on some?
3. Does the Lloyd's mandate (to affirm or exclude cover) even apply to the particular policy in the first place?
4. Are there new gaps in cover?
5. Does any gap in cover necessitate the purchase of a standalone cyber policy?

There are subtleties associated with many of the cyber endorsements which need to be considered in order to make fully-informed decisions on cyber risk. It is possible that certain coverages currently available will no longer be available.

As indicated above, the purchase of cyber insurance may be a consideration, as may be a reassessment of limits for any existing cyber cover. Every scenario is different, and each situation should be assessed on its facts. The renewal process will take some time and early engagement with your PI broker is recommended.

We are finding that insurers are interpreting the clauses in different ways and seeking various wording amendments