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THE JOURNAL

June/July 2016



Return to GENDER

**VIRGIN MONEY'S JAYNE ANNE GADHIA ON
HER ROLE LEADING A REVIEW OF WOMEN
IN SENIOR ROLES IN FINANCIAL SERVICES**




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PRESIDENT'S LETTER



“This past year has flown by and has been a lesson in setting ambitions but also in the realisation that the job is never quite done”

All good things come to an end

Chartered Insurance Institute president **Robert Fletcher** looks back at his year in office, signing off with a new initiative that he feels will provide an invaluable stepping stone for boosting public confidence

Early in June, the Chartered Insurance Institute (CII) launched the 2016 Commitment – an unprecedented call to the life, pensions and long-term savings providers to commit to a framework of professional standards, which uniquely is underpinned by credible and robust measures.

The CII and a group of leading market practitioners have spent more than a year analysing the challenges facing the sector and concluded that clearly defined action is needed to boost public confidence. This is particularly important given the key role the sector will play in the light of pension reforms.

By placing a renewed focus on professional standards within the life, pensions and long-term savings market, we believe there will be measurable benefits for customers and those working within the sector.

Those who have signed up already should be applauded and I hope many more will sign up in the coming months. In fact, we are close to having more signatories – all positive messages to evidence to consumers that we are working hard to raise standards and increase professionalism across the sector.

A final message on the Commitment – the framework on which it is based is evidence of the diverse nature of our work and of the many and very different roles people have to play. Insurance is interesting and extremely diverse. A job in insurance can be almost anything you want it to be – an important message for young people entering the sector and wondering how to progress their careers, and an equally important message to get across to school leavers and graduates who are just beginning to consider their options.

Network Conference 2016


It was also good to see so many people at the recent CII Network Conference. It was rewarding both to see how useful those attending found it, but also to be able to make so many deserving awards.

This past year has flown by and has been a lesson in setting ambitions but also in the realisation that the job is never quite done. For example, the local Institutes do such an important job for the broader group but they must not stand still and, instead, must continue to evolve.

It is critical they bring in fresh ideas to remain relevant to the members in their vicinity. No one Institute is exactly the same as the next, so while it is easy to take good ideas from elsewhere, it is also important each Institute makes them its own, so it can properly engage with its own membership.

I am very sure the local network will continue to strengthen in the coming years, thanks to the hard work of all those at the helm of each Institute and the equally hard work of all those committee members who spend so much of their personal time driving events, networking and membership.

How quickly the year has gone and what an honour it has been to have represented you. I end my year in office even more proud of the steps I see being taken to make sure that, through the adoption of professional standards, the insurance industry makes a positive contribution at all levels.

I wish every success to our incoming president and hope that their year in office will be as rewarding and fulfilling as mine has been. 

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Make the most of exclusive member discounts to kick-start your summer.

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Save today at www.cii.co.uk/perks-summer

*UK members only. Terms and conditions apply. Offers subject to change.

LV= Broker awarded Chartered Insurer status

LV= Broker has been awarded Chartered Insurer status for underwriting by the Chartered Institute of Insurance (CII) – a prestigious accolade that recognises the insurer’s professional attitude, skills and knowledge as well as the high quality service it provides to brokers.

Chartered Insurer status is an exclusive accreditation only awarded to companies that demonstrate their professionalism, expertise and ability. It means that LV= Broker is now part of an elite group of fewer than 30 other insurers to meet the CII’s rigorous criteria.

In addition, LV= Broker’s teams will benefit from access to CII services supporting the insurer’s ongoing development of its people.

Mike Crane, managing director of LV= Broker, said: “This is a fantastic achievement for our teams. Chartered Insurer is a prestigious

award, which recognises their dedication to professionalism and high standards of behaviour.

“We have been working hard to develop a strong professional heart to our business that gives brokers access to high quality professionals. Chartered status recognises this and I am proud of our team for raising the bar to help us attain the award.”

Sian Fisher, chief executive officer of the CII, added: “I am thrilled that LV=Broker has achieved Chartered Insurer status. Chartered continues to resonate strongly with customers and staff alike as a means of showcasing excellence and evidencing a commitment to competence, conduct and culture that goes beyond the norm. Mike and his team are to be congratulated on making this step and for embracing the challenge of professionalism.”

Faculty New Gen Group 2016/2017

The Chartered Insurance Institute (CII) Faculties’ annual New Generation Group programme is now open for applications from CII members.

The popular year-long programme includes briefings at Parliament and the Financial Conduct Authority, as well as a full day’s media training.

Each faculty group – claims, underwriting, insurance broking and London market – also identifies and completes a project to enhance

the reputation of the profession and improve customer outcomes.

The deadline for applications is 5pm on 5 August 2016 and applicants should have a minimum of five years’ – and a maximum of 10 years’ – experience of working within the insurance profession. Applicants should also have a minimum DipCII qualification.

For further information or to apply, please visit: www.cii.co.uk/events/new-generation-programme

Marketers key to building customer trust

The CII has released an ethical guidance paper directed at marketing practitioners in insurance, following input from senior marketers discussing their biggest challenges.

The paper recognises the key role that insurance marketers have in the drive for more ethical outcomes for customers and in the quest to build trust across the sector.

The guide covers five issues in depth: product, information, price, distribution and suppliers. These issues emerged as priorities from a CII-organised roundtable with senior marketers from a range of large and niche brokers and insurers from both London and the regional markets.

Ian Simons, director of marketing at the CII, said: “The goal of this paper is not to highlight good or bad practice, or to provide strict ethical rules, but to collate and share current experience and areas of focus with others across the profession.

“Marketers are integral to achieving customer trust in insurance as they sit at the interface between their firm and the customer. It is their role to communicate the products of their business and this ethical guidance is vital.”

The full guidance paper, Ethical Culture: The Challenge for Insurance Marketers, can be found here: www.cii.co.uk/knowledge/policy-and-public-affairs/articles/ethical-culture-the-challenge-for-insurance-marketers/41828

AskCiindy triumphs at insurance marketing awards

The unsung heroes of insurance received due recognition recently, at the second *Insurance Marketing and PR Awards*.

Host Jonathan Swift, content director at Incisive Media, congratulated all nominees for their hard work in making insurance accessible to the public: “Brick by brick, you are starting to get the message across that far from being a homogenous slab of grey, the insurance sector has more than its fair share of colour, innovation and creativity.”

The Chartered Insurance Institute’s (CII) Insurance Made Simple initiative – www.askciindy.com – piped

Aviva to win PR Campaign of the Year. Collecting the award, the CII’s director of communications, David Ross, said: “The initiative has opened up the world of insurance to customers by giving them accessible, straightforward information in an innovative and easily digestible format.”

AskCiindy.com receives thousands of visitors every week and has been hailed by insurers, brokers and the national media for providing a place where people can ask questions about insurance and receive independent and impartial guidance on a range of topics.



LinkedIn

Current discussions include:

- Insurance Act 2015
- P93 Commercial Property Insurance
- Depreciation on MBD total loss claims
- April AF1 exam

From the CII Twitterati...

@mediamagnus

Good session on later life care @CIIGroup and @pfsconf in London. Packed room and good content

@ZurichInsider

We’re delighted to announce that we have retained the corporate Chartered status from @CIIGroup for the fifth consecutive year

@stettip

Many thanks to @CIIGroup and especially the #NewcastleInstitute for putting on a very useful #RO8 training day yesterday... lots of great info

@insurancebod

Celebrating insurance PR Campaign of the Year with @GeorgieGold91 aka new voice of @AskCiindy @CIIGroup #impra2016

@FStechAwards

Thank you @CIIGroup for supporting the #MoneyAge Awards Enter by 15 June 2016 #Personalfinance #banking #Insurance

CII LinkedIn Group → 38,484 members
#CIIGroup Twitter → 10,429 followers

JOIN THE DEBATE TODAY!

CII backs principle of more public financial guidance

The CII has backed greater provision of public finance guidance, in its response to the UK government’s consultation on the issue.

The CII said it is supporting the provision of public financial guidance, adding: “We believe that guidance short of regulated advice can be helpful to consumers, provided it is delivered well, in a timely fashion, and is sufficiently coordinated with other relevant bodies, including sector firms.

“Although the actual delivery of such services could be undertaken by a range of different organisations, it must be viewed by the public as independent and impartial. The government and regulators must ensure that the highest possible standards are met and supported by the respective professional bodies.”

In its response to the consultation on a new money guidance body, it said:

- **No public profile:** We agree that this body should have no public profile and should be focused on sitting strategically above all the delivery bodies including the ‘new Pension Wise’ in a coordinating role.
- **Responsibility to oversee signposting:** One consequence of the correct decision to remove public profile is lack of consumer signposting. Therefore, an important role of the new body is to ensure signposting and active referral between the guidance delivery organisations.
- **Duty to promote value of advice:** While professional financial advice might only be appropriate to certain consumers, the new money guidance body should be given a statutory duty to champion promotion by the

delivery bodies of the value of financial advice and should conduct robust research around this theme.

- **Aim to address gaps, not overlap:** The body should aim not to overlap current public or private provision but to address gaps. The new body should not duplicate services already available.
- **Communicate value to levy contributors:** The organisation should include in its annual report clear indication of the value of guidance to the levy-contributing financial services sector, including its efforts to maximise value for money.

On the new pensions guidance body, the CII said:

- **Use Pension Wise brand:** This should build on the success of Pension Wise.
- **Scope and divide with broader long-term savings clarified:** Will the body cover broader long-term savings, investments and later-life issues? Its scope should be clearly defined in the legislation to prevent ‘mission creep’.
- **Signposting:** There must be a responsibility for the body to signpost out-of-scope inquiries to other delivery organisations.
- **Channels:** We believe offering all services across all three channels is neither cost-effective nor useful. Online and telephone services should be offered first, with face-to-face only for more detailed inquiries.
- **Promotion:** Considerably more promotional support is needed for it to be the public’s ‘go-to’ body.

Insurers making reputational improvements

Direct Line, Hiscox and Aviva have come top of a UK RepTrak ranking of insurance companies’ reputations among the UK general public. The figures are based on more than 1,200 interviews conducted in the first quarter of 2016 among members of the UK general public.

The Reputation Institute’s RepTrak system measures a company’s ability to deliver on stakeholder expectations across the seven key rational dimensions of reputation: products and services, innovation, workplace, governance, citizenship, leadership and performance.

Direct Line holds a marginal lead, notably

in perceptions of innovation, leadership and financial performance.

Zurich tops the table in terms of products and services, which is the most influential driver of reputation for UK consumers when rating insurers, and Aviva’s consistent communication has helped the company maintain a steady RepTrak® score, with continuous improvement moving the company from an ‘average’ to ‘strong’ position during the past four years.

To view the full report, visit:

www.reputationinstitute.com/research



KNOWLEDGE COLUMN

New this month for members...

NEW Knowledge Services web section
Knowledge Services has a brand new web section showcasing a wide range of online resources that will support you during your learning, research and continuing professional development activities. The aim has been to make the content easier to navigate, to increase the visibility of resources and to align the design with other sections of the Chartered Insurance Institute (CII) website.

You will find technical articles and online lectures; reports covering market trends and analysis, rankings, forecasts, regulation and hot topics in insurance; specialist reference resources; research databases covering compliance, law, regulation and risk management; regular updates, research and thinkpieces published by the policy and public affairs team and information about the different library services you can benefit from as a member.

Visit Knowledge Services here:
www.cii.co.uk/knowledge

Subject gateways

Curated by the Knowledge Services team, subject gateways are lists of carefully selected resources intended to aid members in finding content to support their research and learning needs. They provide links to eBooks, online lectures, articles and reports, as well as references to hardcopy materials held in the CII library. Subject areas currently include Solvency II, marine insurance, reinsurance, international content, cyber risks, equality and diversity, marketing and construction insurance.

Find out more:
www.cii.co.uk/subjectgateways

Knowledge Services houses a collection of online technical and market information – supplemented by a physical, London-based library – which supports and informs CII members; both those working in the industry and those who are undertaking their professional qualifications.

To contact Knowledge Services, please email knowledge@cii.co.uk
Visit www.cii.co.uk/knowledge for more information.

Chartered status a priority for brokers

Independent research commissioned by Covéa Insurance has revealed the value brokers place on achieving CII Chartered status for their businesses, with 62% of respondents saying they had already achieved or were considering obtaining Chartered status.

The research sought the opinions of 515 commercial and high net worth brokers and found that 43% of the brokers who responded had already gained Chartered status. Of the further 19% considering it, two-thirds were hopeful they would achieve Chartered status by the end of 2017.

Those not considering Chartered status cited reasons including the size of their business, the cost of acquiring, and having a niche offering as key factors.

Speaking about the results, Covéa Insurance commercial lines and high net worth director Simon Cooter said: “The number of brokers

with Chartered status or considering it speaks volumes about the level of professionalism in the commercial and high net worth market, which is clearly very high among our broker partners.”

Covéa Insurance achieved Chartered status for its commercial and HNW business in January 2016.

CII chief executive officer Sian Fisher commented: “Covéa Insurance demonstrated that it was committed to the highest levels of professionalism when it achieved Chartered status earlier this year. This latest research shows that brokers overwhelmingly recognise the expertise, ethical behaviour and professional standards that this represents.

“I’m delighted that so many brokers continue to seek the same standing and represent a growing drive for professionalism in the eyes of their customers.”

Broker completes ‘coolest’ marathon

Amy Ennis, CII member and placing broker at WT Butler & Co, has recently completed The North Pole Marathon, raising more than £5,000 for charity. The event is run over the traditional distance of 26.2 miles but in such extreme weather conditions that temperatures can drop as low as -36C.

The race was delayed for a week due to cracks opening up in the ice around Camp Barneo, where the runners are based. Dubbed ‘The World’s Coolest Marathon’, the event first took place in 2002 and the entire course floats above 14,000ft of Arctic Ocean. It even has armed guards marshalling the route in case of polar bear attacks.

Ms Ennis said the race was a massive challenge: “Fitting training in along with two jobs, as well as studying for my CII exams was a huge commitment but it was worth it in the end, I met some amazing people and I was absolutely ecstatic when I finished!”

Ms Ennis completed the event in eight hours and 35 minutes, coming 10th in the women’s competition and 35th overall.



The charity run was in aid of Demelza Hospice Care for Children, which gives specialist care to hundreds of babies, children and young people with life-limiting and life-threatening conditions and also provides support to their families in east Sussex, Kent and southeast London.

● Ms Ennis is still welcoming donations, which can be made at: www.justgiving.com/amy-runs-the-north-pole-marathon



Russell Scanlan Chartered

Nottingham-based broker Russell Scanlan has been awarded Chartered status by the CII. Chartered status is an exclusive accreditation only awarded to firms that meet the uppermost standards in terms of professionalism and capability.

The company is also celebrating its 135th anniversary this year and is Nottingham’s longest established broker.

Bryan Banbury, managing director, spoke of how pleased Russell Scanlan is to receive the award: “Chartered status is an exclusive title only awarded to firms that meet rigorous criteria. All Chartered Insurance Brokers commit to the CII’s code of ethics, reinforcing the highest standards

of professional practice in their business dealings.

“We have worked incredibly hard, particularly during the past three years, to make sure that we have everything in place to secure the award and support staff in their efforts to achieve additional qualifications.

“The company’s aim is to provide a professional, independent service delivered by a highly qualified team, whose priority is to ensure businesses and individuals receive innovative and practical solutions for their insurance needs. Chartered status highlights our commitment to providing the highest standards for the benefit of our clients.”

Innovative insurers among award winners

Efma, an association of 3,300 retail financial services companies in more than 130 countries, and Accenture have announced the winners of their first annual *Innovation in Insurance Awards*.

The programme seeks to reward and foster innovation in the industry and recognises the most innovative insurance initiatives and projects around the world.

More than 149 institutions from 38 countries submitted 225 innovations within five categories: customer experience and engagement; claims management; digital

and omnichannel distribution; best disruptive product or service; and global insurance innovator.

This year’s winners are:

- **Customer experience and engagement:** MS&AD Insurance Group Holdings, Japan
- **Claims management:** Allianz France
- **Digital and omnichannel distribution:** USAA, US
- **Best disruptive product or service:** Europ Assistance Group, France
- **Global innovator of the year:** Axa Group, France

Whistleblowing update

The CII has updated its guidance on speaking up and whistleblowing.

Speaking Up: Information for CII Members About Whistleblowing has been updated following recent changes to the requirements for firms from regulators, including the Financial Conduct Authority. This follows introduction of the new senior managers regime, which includes one for banks and a

separate regime for insurers.

A transition to the wider regime for all regulated firms is expected by 2018. The document provides information on member obligations, options and ‘speaking up’ as part of good professional conduct. To view the new guidance online please visit:

www.cii.co.uk/media/5464774/ethical_culture_whistleblowingvf.pdf

New Chartered Insurance Risk Manager title passes 400

More than 400 professionals have taken up the Chartered Insurance Institute’s (CII) Chartered Insurance Risk Manager title since its launch in January.

The title was introduced in response to a demand for dedicated learning on the subject as it continues to grow as a discipline.

The CII has developed four exam units, to complement the risk content of its broad range of existing training and examination materials:

- **Introductory Level** – Introduction to Risk Management
- **Intermediate Level** – Fundamentals of Risk Management
- **Advanced Level** – Risk Management in Insurance and Advances In Strategic Risk Management in Insurance

A further unit – Advanced Risk Financing and Transfer – will be available from April 2017.

Ian Simons, director of marketing at the CII, said: “Alongside Chartered Insurers, Chartered Insurance Brokers and Chartered Insurance Practitioners, it’s great to be giving insurance risk managers a gold standard for professionalism that reflects the vital part they play in identifying, analysing, assessing, and mitigating risk.

“It’s not just about recognising those who have already reached the top; the CII has developed a suite of risk management units awarded by coursework or examination. Catering for all levels of knowledge and experience, from entry level to advanced, they provide a framework for those seeking to develop their knowledge and career in risk.

Since the new title’s introduction, the CII has seen the majority of holders are existing Chartered title holders who have switched to become Chartered Insurance Risks Managers, as it is more relevant to their field. This speaks as testament to their vital work and the need to give risk management the support and recognition it deserves.”

The CII is working closely with the UK’s Association of Insurance and Risk Managers in Industry and Commerce (Airmic) to ensure the new title, together with the training and qualification content, responds to the needs of today’s risk professionals and supports the development of future talent.

MICHELLE WORVELL
EDITOR'S INBOX



TWO-THIRDS OF BRITS UNCOMFORTABLE WITH DRIVERLESS CARS

We are getting closer and closer to seeing driverless cars hit the British roads. While this has the potential to revolutionise the way we travel, we must be aware of the potential risks that driverless cars could cause for drivers and insurers. New YouGov research commissioned by Claims.co.uk has revealed that more than two-thirds (68%) of the British population said they would be uncomfortable as a passenger in a driverless car.

Further issues arise when it comes to the risk of a collision with a driverless vehicle. Of the drivers polled in our survey, 56% said they would worry that if they had to make a claim against a driverless car, they would automatically be classed as 'at fault' by insurers.

Technology can be a great thing if harnessed successfully but I worry that the advent of driverless cars is going to be fraught with more complex issues. The general public seems less than enamoured

with the advent of driverless cars and it's time for the authorities to address the concerns by being clear on the answers to the moral and ethical dilemmas brought up by implementing driverless cars on the roads, especially when it comes to the aspects of safety and policies following an accident.

After all, with research showing that self-driving cars could save 2,500 lives in the UK between now and 2030, the sooner these technicalities are addressed, the better.

John Quail
 Chief executive officer of Claims.co.uk

THANK YOU FOR MANY WONDER YEARS

I retired recently after 44 years in the profession. Seeing Sian Fisher in *The Journal* as the CII's new chief executive prompted me to thank everyone in Nottingham and also at Croydon & Guildford Institutes. Commercial broking especially is a great career for life, so I would encourage everyone to qualify to the best of their ability and embrace the opportunities

offered by the CII.

I wish all the very best for the profession and say many thanks to all the lovely people I have met over the years.

Sue Wainwright
 ACII Chartered Insurance Broker

CHARTERED INSURANCE INSTITUTE LINKEDIN GROUP

To join the discussion and keep up with the latest changes, visit the LinkedIn group at: www.linkedin.com and search for 'The Chartered Insurance Institute' under groups to become a member.

AND FROM @CIIGROUP...

Many thanks for the RT of my EU article - I appreciate that it's a very difficult issue to be able to engage in the debate without offending one side or the other - personally I feel the Association of British Insurers got it wrong...!

► *The Journal* is delighted to receive letters on any topic; please email the editor at: michelle.worvell@cii.co.uk

IIL duo to be honoured at Rising Star Awards

Two members of the Insurance Institute of London (IIL), Hannah Kate Smith ACII and Charlotte Lach ACII, have both been named winners of the *Rising Star Awards*, an accolade introduced to showcase up-and-coming female talent in the UK across 20 different industries and professions.

Ms Smith, executive assistant at RSA, is chair of the IIL's Young Members Committee (YMC) and plays a key role in organising educational and networking events for young professionals across the London insurance market. "As well as my work at RSA and IIL," Ms Smith said, "I've also been involved in a diversity initiative called 'Dive In' festival, which promotes and encourages diversity within the industry. Winning the award has been fantastic and has given me the opportunity to gain further exposure for the YMC, which means we can offer growing support for young professionals in our industry."

Ms Lach is currently chief of staff for UK and Europe at AIG and co-founded the young



Hannah Kate Smith

professionals group at AIG in the UK in 2015, which focuses on networking, community engagement and professional development. As well as being an active member of the IIL's YMC, she was also awarded *Young Achiever of*

the Year at the British Insurance Awards in 2015 and more recently named '30 Ones to Watch' in Brummell Magazine.

Both were chosen from 850 nominees by a panel of 21 independent judges and votes from the public, and will receive their awards at a ceremony held at Canary Wharf at the end of June.

Ms Lach said: "I'm delighted to be named as one of The Rising Star 2016 winners. The



Charlotte Lach

work that We Are The City does in supporting and championing female talent is fantastic and I am proud to be part of it."

Ms Smith added: "The YMC has some brilliant events coming up and

we'd really encourage people to check out our website and get involved."

For further details and to register for events go to the YMC webpage: www.bit.ly/iWQryah

To find out more about the *Rising Star Awards* visit: www.risingstars.wearethecity.com and for information on 'Dive In' Festival visit: www.diveinfestival.com

FOR THE RECORD



DISCIPLINARY MATTERS

The Chartered Insurance Institute wishes to make clear that, unless the case reported indicates otherwise, allegations and findings against members do not implicate those members' employers in any way.

Breach of CII code of ethics

Timothy Langman Dip PFS, Perspective Financial Management, 3 Whittle Court, Seeback Place, Knowlhill, Milton Keynes, UK (order effective from 22 February 2016)

The respondent failed to disclose his previous Financial Services Authority (FSA) - as it then was - final notice as part of his Statement of Professional Standing (SPS) application in September 2012, in breach of the Chartered Insurance Institute (CII) code of ethics. The respondent accepts that he should have disclosed the FSA notice to the CII during his original SPS application. The CII case examiner accepted the respondent's position that this failure was as a result of a mistaken interpretation of a question during the SPS application process. The CII case examiner invited the respondent to approve and sign a consensual order under Rule 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondent agreed. The sanctions imposed were that:

- The respondent was reprimanded;
- He was required to take the CII online ethics course before booking any further CII exams or assessments, enrolling on any CII assessments or applying for any CII recognition of prior learning.

BREACH OF EXAMINATION AND/OR ASSESSMENT REGULATION

Alex Kyerematen Cert CII, Metropolitan Insurance Company, Capital Place, 11 Patrice Lumumba Road, Airport Residential Area, PO Box GP20084, Accra, Ghana (order effective from 22 February 2016)

The candidate was found to have plagiarised an assessment assignment written by another candidate and to have provided another assessment assignment written by him to another candidate, in breach of the continuous assessment guidelines. The CII case examiner invited the respondent to approve and sign a consensual order under Rule 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondent agreed. The sanctions issued were that:

- The respondent was reprimanded;
- His continuous assignment result and examination result were disallowed;
- He was excluded from CII examinations and assessments for 18 months and will have to take the CII online ethics course before taking any CII exams and assessments or applying for recognition of prior learning in future;
- No examinations, assessments or qualifications obtained by the respondent during the period of exclusion will be considered eligible for CII recognition of prior learning for 18 months.

The case examiner reduced the sanction that would otherwise have been applied in respect of offences c) and d) from two years in light of the respondent's early admission of the charge.

Leticia Boakye Danquah ACII, KEK Insurance Brokers (Africa), PO Box AN 6681, Accra-North, Ghana (order effective from 15 February 2016)

Reese Mensah-Daniels ACII, Metropolitan Insurance Company, Harper Road, Adum, PO Box 1481, Kumasi, Ghana (order effective from 19 February 2016)

Seth Cooper Cert CII, Metropolitan Insurance Company, Capital Place, 11 Patrice Lumumba Road, Airport Residential Area, PO Box GP20084, Accra, Ghana (order effective from 4 March 2016)

The above candidates were found to have given their assignment to another candidate, in breach of the assessment guidelines. The CII case examiner invited the respondents to approve and sign a consensual order under Rule 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondents agreed. The respondents were reprimanded and required to complete the CII online ethics course.

Sanjeev Malhotra, Nexus Insurance Brokers, Al Gaith Tower 302, Abu Dhabi, United Arab Emirates (order effective from 7 March 2016)

The exam candidate continued to speak to another candidate during an exam and behaved in a disruptive manner, despite being asked to stop by the invigilator, which was in breach of the examination admission rules. The CII case examiner invited the respondent to approve and sign a consensual order under Rule 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondent agreed. The sanctions issued were that the respondent:

- Was reprimanded for each of the breaches;
 - Had his examination result disallowed;
 - Will have to take the CII online ethics course before taking any CII exams and assessments or applying for recognition of prior learning in future;
 - Will be given a suspended two-year ban from taking any exams or assessments should there be another incident relating to a breach of the examination admission rules during the next three years.
- The respondent received a suspended sanction rather than an immediate ban in light of his early admission of the charges.

R Maniarasu, Nexus Insurance Brokers, Al Gaith Tower 302, Abu Dhabi, United Arab Emirates (order effective from 7 March 2016)

The exam candidate continued to speak to another candidate during an exam and behaved in a disruptive manner, despite being asked to stop by the invigilator, which was in breach of the examination admission rules. The CII case examiner invited the respondent to approve and sign a consensual order under Rule 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondent agreed. The sanctions issued were that the respondent:

- Was reprimanded for each of the breaches;
- Had his examination result disallowed;
- Will be excluded from CII examinations and assessments for 12 months and will have to take the CII online ethics course before taking any CII exams and assessments or applying for recognition of prior learning in future;
- Will have no examinations, assessments or qualifications obtained during the period of exclusion considered eligible for CII recognition of prior learning for 12 months;
- Will be given a suspended two-year ban from taking any exams or assessments should another incident relating to a breach of the examination admission rules occur in the next three years.

Ipswich supports local charities

The Insurance Institute of Ipswich, Suffolk and North Essex held its annual dinner at the end of April in the heart of the north Essex countryside. A crowd of 228 attended the black tie dinner at Stoke by Nayland Golf Club and Hotel, followed by a jazz band and relaxed networking with colleagues old and new.

Ipswich president Peter Taylor chose two charities to support in his year of office – the Cardiac Risk in the Young (CRY) screening programme and the Thames Sailing Barge Trust. The former is particularly close to Mr Taylor's heart as his own children have benefited from the programme and the reassurance it provides.

CRY has been working to reduce the frequency of young sudden



cardiac death (YSCD), supports young people diagnosed with potentially life-threatening cardiac conditions and offers bereavement support to families affected by YSCD.

A raffle held at the dinner, along with a small contribution from the Ipswich Institute 5k fun run that was added to the total, made for a final amount raised of £1,324.

Congratulations go to Wayne Damant from Axa Insurance, who completed the 5K fun run in just 19 minutes 57 seconds; and Hannah Doran, also from Axa Insurance, the first female to complete the course – in 24 minutes 48 seconds.

New Bristol president focuses on talent from within

The Insurance Institute of Bristol (IIB) is delighted to announce its new president, Tegan McKernon. Ms McKernon is one of the area's rising stars and is currently undertaking a place on the challenging and sought after New Generation Group programme – which is run annually by the CII.

She is all set to embark on the next year as president and the challenges that come with it, and has picked her objectives and theme for the year. The focus will be on 'talent from within' and will aim to throw light on the knowledge and expertise nestled away in the Bristol market.

Ms McKernon will encourage individuals and teams based in the Bristol region to receive recognition for the great work they do, and to share some of their unique skills with their peers via workshops and lectures. As part of the initiative, the IIB council is calling on local members and professionals to come forward if anyone is

interested in sharing knowledge and skills via a lunchtime seminar or session.

Ms McKernon commented on how important and valued the work of the local committee is and how little the local Institute could achieve without volunteers donating their time and efforts.

She has also chosen to support Changes Bristol, an independent local charity that provides ongoing assistance to those living with mental health distress. More information on Changes can be found by visiting:

www.changesbristol.org.uk

Throughout the forthcoming year and at IIB events, there will be opportunities to donate in support of this local cause.

Ms McKernon will also bring back the President's Challenge to fundraise for Changes Bristol – more details on this can be found on the website – www.cii.co.uk/bristol – along with details of all upcoming events.

The new Insurance Institute of Northern Ireland

The Belfast Insurance Institute has become the Insurance Institute of Northern Ireland. For more than 100 years, the Institute has offered a broad range of skills and educational-based training, provided guidance to its members, and facilitated social and business networking events.

Each CII local institute committee across the UK works extremely hard to provide a comprehensive membership proposition to individuals within the local insurance and financial services arena.

Due to the extent of the Belfast Insurance Institute's activities and the geographical spread of its members, there has been a

growing recognition in recent times that perhaps the designation 'Belfast' could be somewhat of a misnomer.

John Laverty, former president, first raised general awareness of the issue at the annual dinner in January 2016, where he spoke about the benefits of changing the name from the Belfast Insurance Institute to the Insurance Institute of Northern Ireland. The proposed new name, he suggested, would be more reflective of the large spread of members based across the length and breadth of Northern Ireland.

Mr Laverty commented: "As a council, we feel a rebrand will allow us to be more inclusive of

our wider membership outside of Belfast and further engage with additional employers to ensure the long-term future of our Institute. The Institute is already providing a membership proposition across Northern Ireland, with events held in Derry/Londonderry and Newry – our name now needs to reflect our offering."

He urged members to express their views and a vote on the motion was scheduled to take place at the annual general meeting, which was held on 21 April. The motion was subsequently passed and the new name adopted.

More details can be found at: www.cii.co.uk/northernireland

IICG Tracey's Challenge

In March, the Institute of Cheltenham and Gloucester's 2015-2016 president Tracey O'Neill set herself the challenge to swim a 25-metre length for each member of the institute before the annual general meeting on 28 April. The institute's membership in March was 1,795, which meant she would swim 44,875 meters – or 27.88 miles.

It took 16 swim sessions and a total time of 35 hours and 39 minutes in the pool for Ms O'Neill to complete her challenge. All monies donated went to The Insurance Charities – Ms O'Neill's chosen cause for the 2015-2016 council year.

Sussex: A year of firsts

In the 12 months since changing its name, the Insurance Institute of Sussex (formerly Brighton), has broadened its horizons in many different areas through forward thinking and innovation. Reflecting on the achievements of Sussex's inaugural year at the 2016 annual general meeting, outgoing president Mark Longford described this as a year of firsts.

The driver behind the initiatives was to connect with members, employers, the local community and beyond. Sussex is committed to welcoming all members and the inclusion of many young men and women on council has strengthened this commitment. A thriving Company Champions network was set up to tackle the



challenge of engagement with companies and a corporate social responsibility team introduced to pull together Sussex's charity work and outreach into the community. Friendly yet professional communications

were enhanced by a refreshed and vibrant website, plus LinkedIn and Twitter presences. A wider audience has been reached through the new online newsletter Simply Sussex, which describes the Institute's Sussex journey and activities on a weekly basis.

Further firsts, set to be repeated by popular demand, include an all-day learning and development conference co-hosted with North Downs Insurance Institute; and a Sussex seniors' afternoon tea for retired members. The results of an online membership survey will help shape 2016/2017 plans and Sussex has a strong base to build on as it enters a new year under Richard Cohen's leadership.



Northern Ireland members visit Lloyd's

It was an auspicious start to the day as a number of members from Northern Ireland gathered at Belfast International Airport, excited to be heading to London for a day that promised to be both educational and interesting.

On arrival in London the group were met by Nick Plastow, training operations manager at the Chartered Insurance Institute, who gave a comprehensive tour of both the CII's Aldermanbury headquarters and the City. The group was then escorted to Lloyd's, the focus and highlight of the visit.

Tom McGrath CBE arranged to meet the young members at Lloyd's and was able to give an overview, made all the more interesting as he regaled the party with his own personal experiences of working at Lloyd's.

Sarah Macauley of NFU observed: "The trip was a fantastic experience and I would highly recommend it to anyone who is offered the opportunity to attend. I found the content of the tours to be very informative and useful in providing historical background to the industry where I am basing my career."

For more information of the Insurance Institute of Northern Ireland please visit:

www.cii.co.uk/northernireland

Exeter Institute raises funds for local charity Exeter Hospiscare

The Insurance Institute of Exeter has raised a total of £1,200 at its recent 95th annual president's dinner, with a further £450 being raised in support of the Insurance Charities.

As part of the fundraising activity, current Exeter president Mark Fowles proved himself to be the hard man of insurance when he completed the Rock Solid 5km mud run and obstacle course at Escot Park, Exeter. His efforts raised more than £600 for Hospiscare – his chosen charity for his year as president.

The Exeter Chartered Insurance Institute was established in 1920 and serves more than 1,600 members in an area ranging from Bridgwater to north Devon and from west and south Devon across to west Dorset.



(L to R Mark Fowles, president; Richard Cousins, corporate relationships manager, Hospiscare; Russell Langham, charity officer, Exeter CII)

THE FUTURE OF LIFE AND PENSIONS

With public interest issues on the rise and socioeconomic factors such as pension reform beginning to take effect, the CII has announced its 2016 Life, Pensions and Long-Term Savings Professionalism Commitment, **Luke Holloway** finds out more...

The life, pensions and long-term savings sector has undergone significant changes in recent years and having managed these changes, the sector is now well placed to play a fundamental role in helping customers secure their financial future.

With important public interest issues on the rise and socioeconomic factors such as ageing population and the associated need for long-term care, conduct risk and

most notably pension reform coming increasingly into focus, the Chartered Insurance Institute (CII) has announced the 2016 Life, Pensions and Long-Term Savings Professionalism Commitment.

The 2016 Commitment is a pledge by a group of life and pension companies to implement a framework of professional standards across their organisation by the end of 2018, to help customers have confidence in the knowledge of their staff. The voluntary pledge recognises the

“Life and pension products play a critical role in people’s lives and it’s vital that, when choosing a provider, they are dealing with well trained staff who will help them make the right decision”

Richard Rowney, managing director of life and pensions at LV=

PROFESSIONAL STANDARDS

All signatories commit to embed the following measures of professional capability:



hugely important role life and pensions providers will play in influencing consumer confidence post-pension reform.

Steve Jenkins, director of financial services and insurance markets at the CII, says: “Our research shows that many customers, particularly those who cannot afford financial advice, will revert to their own provider for guidance. Therefore, it is vital the experience and knowledge these providers have is consistent across the sector and customers can rely on the skills of the people they talk to deliver the best outcome for them.”

High standards

The initiative is supported by a group of major providers, all of whom wish to send a signal to customers of the high standards that will be delivered, while underpinning that message with career structures for their own staff.

Mr Jenkins continues: “This is an important initiative and we are confident that over the coming months other organisations will follow those that have already signed up, and increase the momentum of what is already a substantial proportion of the market.”

CII research shows that life and pensions providers will play a substantial part in helping customers post-pension reform – customers who will be living longer post-retirement and whose financial affairs will be more complicated.

Richard Rowney, managing director of life and pensions at LV=, says: “Life and pension products play a critical role in people’s lives and it’s vital that, when choosing a provider, customers can feel confident they are dealing with well trained staff who will help them make the right decision.”

To find out more go to:
www.cii.co.uk/corporate/the-2016-commitment/



In engineering, there are very clear standards, across all firms. So everyone knows where they stand. Why isn't it the same for pensions?

Consistency of experience is essential. When I call, sometimes it's great, sometimes it's a real struggle. It isn't like that with proper professionals.

Ethics are non-negotiable. If you don't care about ethics, you shouldn't work for this type of company.

It's not just empathy and listening we need, it's also taking decisions. That needs ability and confidence.



SIGNATORIES

CII
Chair, **Robert Fletcher ACII, DipPFS**
President, Chartered Insurance Institute

First Signatories

AVIVA
Rosie Harris
Chief Risk Officer,
Life/Aviva

HCL

Bob Chilsholm
Director of Risk & Compliance,
HCL

LV=

Steve Knight
Chief Operating Officer,
LV= Life and Pensions

OLDMUTUAL WEALTH

Phil Hine
UK Operations Director,
Old Mutual Wealth

PHOENIX GROUP

Susan McInnes
Customer Service Director,
Phoenix Group

ReAssure

Matthew Cuhls
MD Life & Pensions,
ReAssure (Admin Re)

SCOTTISH WIDOWS

Stuart Paton-Evans
Retirement Propositions Director,
Scottish Widows

Standard Life

John McGuigan
Managing Director of Customer
Operations, Standard Life

Equality MATTERS

What was your journey to become chief executive at Virgin Money?

I started my career as a trainee accountant with Ernst & Whinney (now EY) in 1982, which led to a job at Norwich Union (now Aviva) in 1987. During the stockmarket collapse of that year, I was made marketing director of Norwich Union's unit trust business.

My first encounter with Richard Branson was more than 20 years ago, when Virgin first entered financial services. Starting from scratch, I co-founded Virgin Direct in 1994 with Rowan Gormley.

Virgin was the first financial services company to offer the retail banking market an integrated mortgage and current account – the One Account. That part of the business, which was hugely successful, was acquired by RBS in 2001 and I moved there with it as managing director of the One Account.

I went on to lead a number of RBS business units and ultimately became responsible for the group's £70bn retail mortgage business, working under former chief executive Fred Goodwin.

Towards the end of my time at RBS, I became uncomfortable with the way some people were being treated. Also, [there was] pressure to package up sub-prime mortgages as investments and to drive profitability in a way I didn't feel that I could deliver with complete confidence that we were doing the right thing.

Richard Branson had always said to me I'd be pushing at an open door if I wanted to return and in 2007, I did just that. A week later, I was chief executive of Virgin Money.

Virgin Money remained very small but we obtained our banking licence in 2010 and from then we grew strongly until our acquisition of Northern Rock from the UK government in 2012.

Today, Virgin Money is a strong, uncomplicated retail-only UK bank with a platform for growth. We are primarily focused on providing residential mortgages, savings and credit cards. And we also offer a range of investment and insurance products. We now employ more than 3,000 people.

How much of a challenge was it to achieve that goal as a woman?

From my own perspective, I can't ever remember being discriminated against personally but there's no doubt that a career in finance can be tough. It needs EQ as well as IQ. And we need people – men and women – who can get that balance right. I have been accused of being 'hormonal' or 'menopausal' before, when I've really just been putting forward a different perspective. We do need to learn that men and women are different and we should value that. In my career, I've learned never to be too proud to accept help and importantly to *never give up*.

You recently carried out a review, titled 'Empowering Productivity: harnessing the talents of women in financial services' – what were its main conclusions?

The economic secretary to the Treasury, Harriet Baldwin, invited me to lead a review and I was asked to focus on the representation of women in senior managerial roles in the financial services industry.

The report and its recommendations are about fairness, equality and inclusion; because the achievement of a balanced workforce at all levels in financial services will undoubtedly improve culture, behaviours, outcomes,

Virgin Money CEO, Jayne Anne Gadhia was tasked by the government to look into gender equality and to come up with some practical recommendations, as she explains to Liz Booth...

profitability and productivity.

More women than men are employed in financial services but many do not progress beyond middle management, leaving almost all of the top jobs in the hands of men.

Every business has its own priorities and indeed its own views on gender and inclusion. So we recommend that every financial services firm operating in the UK be encouraged to publish its own inclusion strategy and targets on an annual basis – and that progress against these annually generated targets be reported.

We recommend that this strategy is owned and driven at executive committee level by a senior member responsible and accountable for its design, execution and success.

And we propose that success against these internal measures forms part of the annual bonus outcomes for all executives. This is the most controversial of the recommendations and I cannot for the life of me understand why. This is about addressing gender balance, like any other business problem.

I believe our proposals will make a significant difference in time but they do not represent a magic bullet – I don't think there is one.

But I do believe they will make an important contribution towards getting firms to take this issue seriously and will act as a catalyst for far-reaching culture change within organisations.

From the start, the purpose of the report was to give practical recommendations. There was real engagement from men and women at all levels in the sector to help address the issue. Nearly 3,500 people – men and women –

contributed through a variety of channels and I was delighted their views were heard.

When we asked mid-tier managers in financial services, they identified 10 key enablers, including the need for a supportive people manager, having the technology to support flexibility and creating the right culture.

The Chartered Insurance Institute's remit is about insurance and raising standards and it now too has a female CEO at the helm – how important is it that the insurance sector engages?

The financial services and insurance sector is the highest paid sector in the UK economy, where the gender pay gap for full-time employees is at 39.6% and double the national average. The gender pay gap generally reflects the distribution of men and women in an organisation and is at its most stark in our sector. During our roundtables and structured interviews, we were told that the insurance sector is no different to other parts of financial services.

Why do we still need initiatives like the Charter?

If I am being honest – I initially questioned the need for yet another review on gender diversity. But as I thought about the issues and the more I examined the evidence – I realised huge problems continue to exist, but also that the benefits to firms and the UK economy of getting this right could be immense.

Our research found that only 14% of roles at

executive committee level are held by women.

This figure is surprisingly close to the 12.5% figure that marked the start of Lord Davies' push to increase the number of women on list company boards. This suggests there may be a natural floor above which female representation will fail to progress without measurement, scrutiny and action.

The report is about creating the right conditions in firms to enable women to progress if they want to.

You won over Mark Carney – but have other financial services bosses been as positive?

When we launched the report on 22 March, the recommendations were fully accepted by the government and, in response, HM Treasury launched the Women in Finance Charter, which asks firms to commit to implementing the recommendations.

A number of high profile firms have already signed the Charter, including Lloyd's of London, Legal and General, Barclays, HSBC, Royal Bank of Scotland, Lloyds Banking Group, Virgin Money, Capital Credit Union and Columbia Threadneedle.

At the beginning of July, HM Treasury will publish the up-to-date list of new signatories. I am hopeful it will include a number of household-name insurers.

We believe widespread adoption of these recommendations across the sector will help make a genuine difference to gender balance in financial services.

So what would we like firms to do – whether

listed or unlisted, whether headquartered in the UK or overseas but operating in the UK – is to sign up to the voluntary Charter.

To sign the Charter and formally commit to implementation of these recommendations, please visit www.womeninfinance.org.uk and fill out the online form.

If you have any questions, please contact: womeninfinance@hmtreasury.gsi.gov.uk

Discussions around continuing professional development (CPD) are unending, but how important do you consider CPD to be?

The financial crisis in 2008 demonstrates why CPD and standards are important. But it is still disappointing that new *Financial Times* research published earlier this year showed fewer than 16% of executives at London's largest international banks, who will be part of the Senior Managers Regime, are women.

The culture of firms and the people that make them up, together with the culture of the industry, is of the utmost importance. Culture has a major influence on outcomes. Culture is determined by the 'tone from the top' and the shared values and shared purpose of employees. Culture also builds engagement. Building a culture around a sense of purpose, together with setting the right tone from the top, is a key part of driving standards of professionalism.

And of course, the Banking Standards Board has been established to promote high standards of behaviour and competence across UK banks and building societies. A thriving, vibrant UK economy needs a strong, stable banking sector that serves the best interests of its customers. And this requires trust from all stakeholders. Only by focusing on culture, reliability and competence on a consistent and collective basis – as an industry – can we rebuild it.

For our part at Virgin Money, we have an ambition to make 'everyone better off' (EBO). That sits at the heart of our business and underpins the way we go about doing business as well as the approach we are taking to creating products and services for the future. By doing this, we can deliver strong, sustainable returns to our shareholders.

Our EBO approach helps build customer trust by informing our principles in straightforward and transparent product design, providing both new and existing customers with good value products and delivering excellent service. It also enhances customer recruitment, helps us to recruit and retain excellent colleagues and it creates the right environment for all of our colleagues to develop and flourish. 📌

ONCE MORE UNTO THE BREACH

As the number and severity of cyber attacks continues to increase, the need for effective continues to grow exponentially. **Tim Evershed** looks at how the market is responding

The volume of cyber attacks continues to grow, with organisations of all sizes vulnerable to hacking attacks and data breaches. A recent report carried out by PwC examining UK data breaches showed that not only had there been a rise in 2015 but that the scale and cost of these breaches had doubled.

Worryingly for those businesses, the report concludes that data breaches, for large business are now “a near certainty”. This conclusion is underlined by the list of organisations that have leaked personal information in recent years including local authorities, retailers such as JD Wetherspoon and Carphone Warehouse, as well as every major UK bank.

Aside from the cost of dealing with data breaches, insureds can also suffer huge business interruption losses if their networks are down for any length of time. Both of those risks will inevitably cause reputational damage as well.

Highlighting quite how damaging this can be for businesses is a study from Centrifly, which reveals 75% of adults in the UK would stop doing business with, or cancel a membership to, an organisation that was hacked.

Top concern

These numbers help explain why cyber liabilities are now one of the top concerns for directors and officers of companies, behind only regulation, according to research from law firm Allen & Overy and broker Willis Towers Watson.

“Directors’ & officers’ cover is becoming increasingly important and there is a change in what is perceived to be the greatest risk. Five or 10 years ago, crime and corruption would not have figured as highly as it does now, when it is centre stage. Regulatory investigations and cyber crime are now the greatest risks,” says Joanna Page, partner at Allen & Overy.

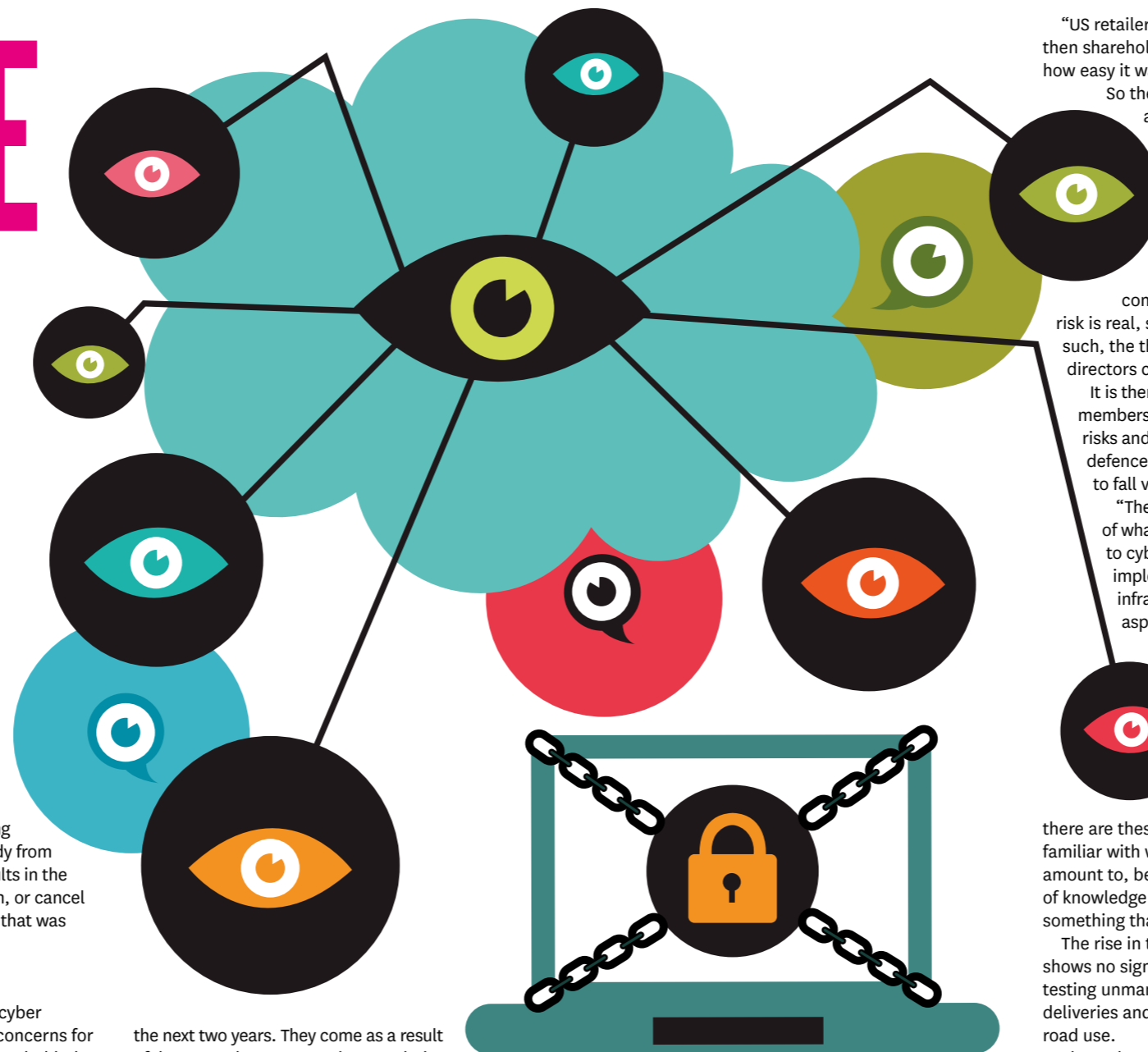
Further fuelling these concerns are changes in the legal framework due to come into force in

the next two years. They come as a result of the General Data Protection Regulation, which will enable people to control their personal data better, and the Data Protection Directive for the police and criminal justice sector, which will ensure that the data of victims, witnesses, and suspects of crimes, is protected.

Companies will have to notify the national supervisory authority of serious data breaches as soon as possible, so that users can take appropriate measures. No such obligation currently exists in the European Union but a similar obligation, which has existed in the US for some time, has given rise to some

very expensive remedial action needing to be taken by companies that have suffered cyber attacks, during which the personal data of thousands of people has been compromised.

“There is some claims experience in the US and there will be more in Europe and the UK. The reason there has been more in the US is not just because it is a more litigious culture but also because it has been a requirement there that in the event of a hack, you inform the people whose data has been compromised,” says Francis Kean, executive director, FINEX, at Willis Towers Watson



“US retailer Target lost a lot of money and then shareholders were deeply unhappy at how easy it was for the hackers to have a go. So they sought to attack the company and its directors,” he adds.

Board exposure

This is certainly an area where directors and officers can find themselves personally exposed. In an era where just about every company relies on computers to some extent, cyber risk is real, serious and unavoidable – and as such, the threat of a liability attack against directors cannot be eradicated.

It is therefore necessary for board members to take steps to mitigate those risks and give themselves a basis for defence if their company’s systems were to fall victim to an attack.

“The board has to be acutely aware of what their exposures are in respect to cyber. It has to be seen to be implementing the correct responses, infrastructure and all necessary aspects of trying as hard as they can to mitigate that threat,”

says Antony Hope, head of management liability at Markel International.

He continues: “It is unfortunately the case that many boards might be aware of the fact

there are these exposures but aren’t intimately familiar with what those exposures might amount to, because they don’t have the level of knowledge and expertise – and that’s something that will have to change.”

The rise in the use of computer systems shows no sign of abating, with companies testing unmanned drones to carry out deliveries and driverless cars being tested for road use.

These developments can only escalate the cyber risks faced by companies – in a broadening range of industries – and the scope and frequency of cyber risks will increase.

The rise in these risks comes with an attendant requirement for companies to address them. It will then be incumbent on directors and officers to protect the companies they run – both in terms of protecting against the risk itself and the options available to the company for managing losses and dealing with cyber breaches. **TE**

GOVERNMENT GUIDELINES

The UK government has published guidelines for non-executive directors, to help them in assessing the measures being taken to enhance cyber security in the companies they oversee.

These guidelines list the following useful questions for directors to ask:

- Do I really understand the cyber risks my company faces?
- What questions should I ask myself?
- What should I ask my board colleagues?
- What should I be asking the audit and/or risk committees?

Mr Kean says: “The words ‘cyber risk’ can be very misleading. If you start to categorise risks affecting your organisation and there is a set of sub-categories of cyber risk, you are almost certainly proceeding down the wrong road.”

He adds: “The reason for that is that cyber risk is not a single risk that you can pigeonhole. Instead, what you need to do is look at all the risks that face your organisation then look at each of those risks through the prism of computers. That approach should lead to better results not only in terms of managing risk but also when it comes to the question of insurance.”

As the risk of cyber increases, so does the take-up of cyber liability policies. But how well are board members protected by the directors’ and officers’ insurance (D&O) market?

Mr Hope says: “D&O is essentially an all-risks policy for a board of directors and as long as there are aspects that aren’t otherwise excluded from coverage, then it extends to everything they do as a director or officer of a company. So cyber issues, in the absence of any exclusionary language, will be covered.”

However, where D&O policies do have cyber extensions, it is probably wise for insureds to think twice whether they are worth purchasing or not.

Mr Kean says: “When you look at the thing as a whole, although you’re getting perhaps extra bells and whistles in terms of costs that insurers are willing to grant you in relation to some cyber incident, the overall affect of the cyber extension is to reduce the cover because it limits the insurer’s exposure to that specific area they have granted.

“If the directors are being attacked by regulators or shareholders over a cyber incident, it shouldn’t be any different from an attack from any other reason. There should be the same level of cover whatever the cause of the attack is.”

Open up the world of risk to the professionals of tomorrow.

Help us promote our world to today's learners.



Email discover@cii.co.uk to play your part.

QUALIFICATION COMPLETION DEADLINE

In addition to the introduction of an expanded subject offering and assessment methods, changes are being made to the CII's qualification completion requirements that take effect on 1 January 2017. **Niall Boyd** looks at what you must do to comply

In 2014, the Chartered Insurance Institute (CII) announced planned changes to its insurance qualification framework. Developed following market consultation, these changes will ensure the framework meets the current and future needs of the profession.

In addition to the introduction of an expanded and enhanced subject offering and assessment methods, between 2014 and 2018, changes are also being made to the qualification completion requirements. These qualification changes are effective from 1 January 2017.

This creates a deadline of 31 December 2016 for anyone intending to complete their qualification under the present arrangements.

The changes are:

a) Advanced Diploma in Insurance – new completion rules

These require:

- A minimum of 150 Advanced Diploma credits to be held (rather than 90 credits at present).
- The completion of three (rather than two) compulsory units. The compulsory units are:
 - (P05/M05) Insurance law
 - (P92/M92) Insurance business and finance or (530) Economics and business
 - One unit from (820) Advanced claims, (930) Advanced insurance broking or (960) Advanced underwriting.

b) The withdrawal of the option to use CII credits gained from completing CII financial services units (with the exception of specified relevant units), or comparable from other awarding bodies, towards any CII insurance qualification.

The only exceptions to these changes are:

- I. The continued eligibility of the following CII financial services units (including withdrawn equivalents):
 - (J07) Supervision in a regulated environment
 - (R05) Financial protection
 - (GR1) Group risk.

These form relevant components of certain insurance learning pathways, such as health and protection.

II. Candidates who, at the end of 2016, hold the following CII insurance qualifications will continue to be able to use CII financial services credits held (up to the specified maximum number) towards completion of the Diploma and Advanced Diploma in Insurance:

- Certificate in Insurance – maximum 30 CII financial services credits
- Diploma in Insurance – maximum 60 CII financial services credits

This exception allows candidates to carry forward the maximum number of CII financial services credits that could have been used to complete an insurance qualification under the CII completion rules.

Satisfying the 2016 completion requirements

The CII is giving candidates every opportunity to complete their qualification in advance of the 31 December 2016 deadline. This approach is reflected in the deadlines pertaining to

examinations, coursework and dissertation submissions and recognition of prior learning as stated in the table below.

If you are seeking to complete under the 2016 qualification requirements, you should familiarise yourself with these deadlines.

We will continue to send reminder communications to candidates between now and the end of the year.

Please note all these points are subject to the standard qualification completion rules - see www.cii.co.uk/qualifications.

If you do not complete your targeted CII insurance qualification in line with the requirements stated here and in the 2016 *Insurance qualifications – Information for candidates* brochure, you will need to satisfy the new qualification completion requirements in full.

If you have any questions relating to the changes please view: www.cii.co.uk/insurance-developments or call CII Customer Service on (020) 8989 8464.

Niall Boyd is head of product marketing and membership at the CII

ACTIVITY	DEADLINE
Examinations including remarks and appeals	Any exams sat and passed on or before 31 December 2016 will be eligible towards the 2016 qualification completion requirements. This will include successful remark applications and/or appeals in respect of examinations sat in 2016, even if these are awarded in 2017.
Coursework and dissertation submissions, resubmissions, reviews and appeals	Coursework assignment and dissertation submissions and resubmissions submitted before midnight on 31 December 2016, resulting in the completion of a unit, will be eligible towards 2016 qualification completion requirements. Additionally, this will include any successful review and/or appeal applications in respect of submissions and resubmissions submitted in 2016, even if these are awarded in 2017.
Recognition of prior learning (RPL) applications and redemptions	Any fully completed RPL application (see www.cii.co.uk/prior-learning and the section headed 'Applications' for details) submitted on or before 31 December 2016, which subsequently results in the award of credits, will be eligible towards the 2016 qualification completion requirements. <i>Please note:</i> any incomplete applications will not be considered. All RPL awarded in respect of 2016 applications must be redeemed (purchased) from the CII on or before the 30 April 2017 to be eligible towards the 2016 completion requirements.
Financial services units	Use of financial services units towards completion of CII insurance qualifications is subject to the same deadline requirements specified in this table relating to examinations, coursework and RPL.

A SEISMIC SUMMER

As the transformative Insurance Act 2015 looms large on the horizon, **Tim Evershed** takes a look at what the implications might be for the industry post-August 2016...

This August will see the most important legal change for the commercial insurance market in more than a century, as the Insurance Act 2015 is introduced to the UK market.

The main aim of the new law is to create a fairer legal framework for resolving claims. It also encourages professional conduct from all parties involved in an insurance transaction.

The Act will give insurance buyers extra protection on the one hand but, on the other hand, it adds significantly to their responsibilities. This is particularly true with regard to the information they are required to supply to insurers about their risk profile.

Fair presentation

The Act will place insured businesses under a new 'duty of fair presentation'. Before they enter into a contract of insurance, insured organisations will be required to disclose either every matter which they know, or ought to know; or would influence the judgement of an insurer in deciding whether to insure the risk and on what terms; or sufficient information to put an insurer on notice that it needs to make further enquiries about potentially material circumstances.

"It does pose quite an onerous obligation on an insured. The Act is saying what has to be included is what is known by senior management, which is very wide, and anyone

who is involved in procuring the insurance," says Nick Bradley, head of insurance at law firm Pinsent Masons.

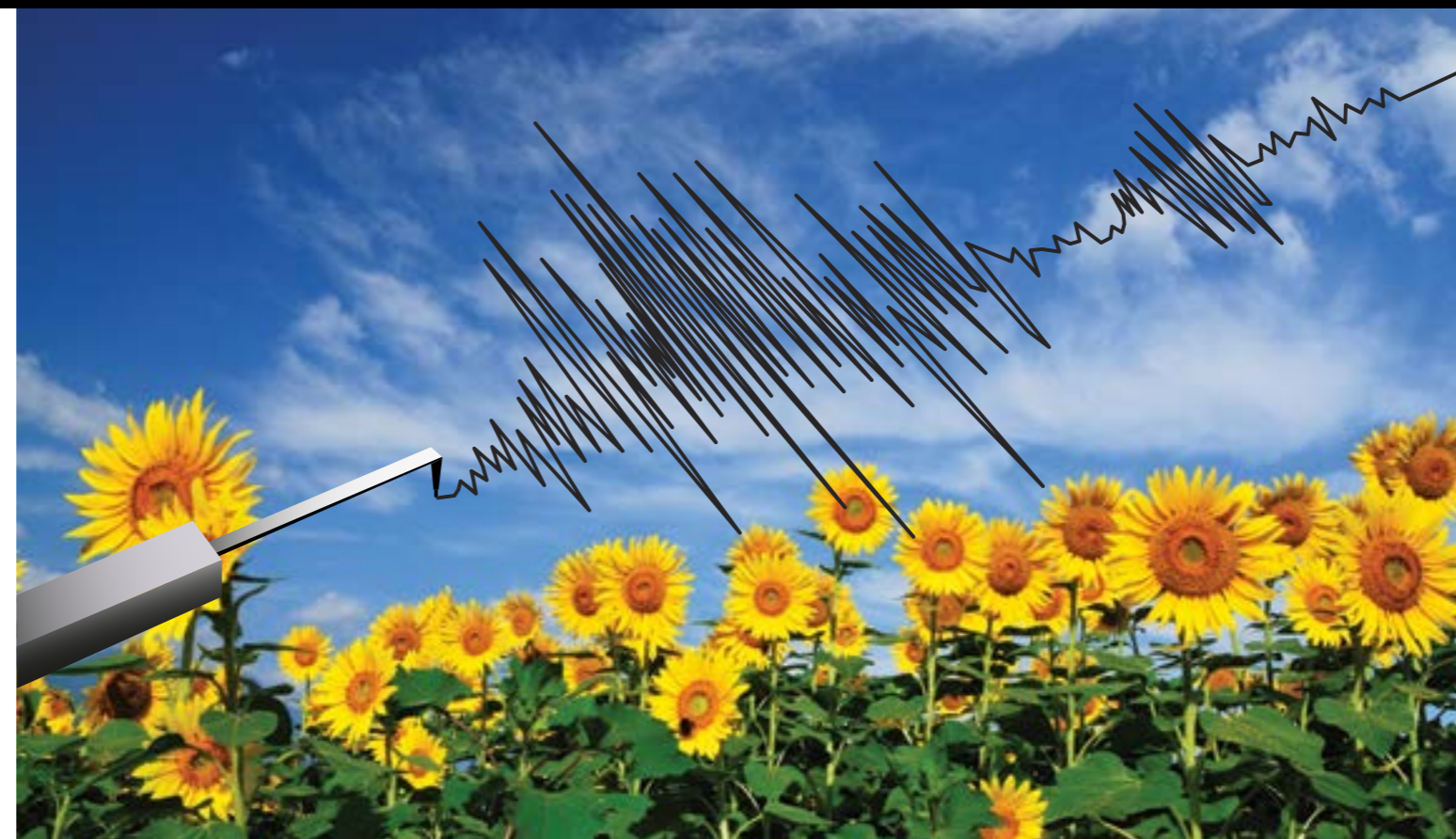
Under current English insurance law, policyholders seeking to obtain insurance traditionally have been placed under an obligation to make a disclosure of those things that are material to the risk being underwritten.

Under the new Act, however, a policyholder is required to disclose not only those things it knows but also those things that it "ought" to know. In regards of the things it "ought to know", the Act says that includes information which would have been revealed by a "reasonable search". In addition, for policyholders which are entities, the Act deems the entity to know information held by its senior management and those procuring its insurance.

"The biggest challenge will be gathering the risk information at the insured and having the processes to gather that information. Some of the large corporates we deal with are so diverse in terms of both geography and what they do, that having a process to make sure they get all the information will be quite a challenge," says Paul Lowin, regional commercial manager at Axa Corporate Solutions UK.

In cases where there is a deliberate or reckless breach of the duty, insurers will still have a right to cancel the contract and refuse all claims.

If a breach is neither deliberate nor reckless, but insurers can show that they would not have written the risk at all had they had the



relevant information, then insurers could still be entitled to terminate the insurance contract and refuse claims. If the right to terminate is not triggered under the Act, insurers may nevertheless have a right to revise the terms of the insurance contract or reduce the amount they pay out in respect of any claim, to reflect a business's failure to meet its fair presentation duty.

Mr Bradley says: "Going forward, insurers will be more willing to allege there wasn't a fair presentation of the risk. One of the reasons they will do that is that they're not in the avoidance, nuclear weapon territory anymore by doing that. It will lead to a renegotiation of the contract with additional premium or terms and conditions."

Home straight

The Act received Royal Assent in February last year, giving the industry and its clients 18 months to prepare for its introduction. Unsurprisingly as we enter the home straight before it becomes law, some parties are showing greater readiness than others to deal with the changes the Act will bring.

Mr Lowin says: "Certainly, things have sped up very recently but the response has been

patchy from carriers, brokers and clients. A number of our brokers and our clients are very well prepared.

"We have been at this for a couple of years now and we've been through quite an extensive process, making sure that everyone in our organisation has the same message and the same knowledge. That is the real key to this but I'm not sure that everyone within the industry has done it."

He continues: "For example, a broking house might have a team that is dealing with the Act and knows it and has dealt with it very confidently and expertly. But it is getting that information out to the people on the ground that is the key and I'm not sure that everyone

has done that successfully so far.

"Everyone needs a basic knowledge of the Insurance Act, what it means for clients, brokers and carriers, as well as what the corporate view is."

Insurers will also need to remain aware of an amendment made in the UK Enterprise Act 2016. A provision inserted into the Enterprise Act, which comes into law in May 2017, will cover all contracts of insurance governed by English law, whereby if the insured makes a claim under the contract, the insurer must pay any sums due in respect of the claim within a reasonable time.

Nick Young, a partner in the global team at DAC Beachcroft, says: "The game changer that

"Everyone needs a basic knowledge of the Insurance Act, what it means for clients, brokers and carriers, as well as what the corporate view is"

Paul Lowin, regional commercial manager, Axa Corporate Solutions UK

THE THREE ACTS GO LIVE....

Third Parties (Rights Against Insurers)

Act 2010: 1 August 2016

The Insurance Act: 12 August 2016

The Enterprise Act: 4 May 2017

has come in is the Enterprise Act. That has put new bits into the Insurance Act, albeit a year later, and that's the damages for late payment. That's going to be a big challenge.

"Insurers will need to pay sums due within a reasonable time and if they don't, policyholders will have an opportunity to claim damages caused by the unreasonable delay.

"That is a completely new concept because under existing law if payments aren't made for whatever reason and a business goes bust, you will only ever get what the claim was worth. Now, insurance policies will be in line with other contracts and if you suffer a breach of contract then there is liability for any damages that are suffered as a consequence."

This means if there was a delay in paying a claim valued at £100,000 that caused the loss of a contract worth £5000,000 an insurer could find itself facing a total bill for damages of £600,000.

Mr Young says: "For 98% of insurance claims this will never be relevant. Where it will make a big, big difference is the fact that every contested claim will now be coupled with a threat from the broker, the assessor and the policyholder that if you don't pay the claim now it could cause the loss of a big contract and I'll pursue damages for late payment."

Sharing knowledge

It remains to be seen what the exact outcomes of the Act will be, many of which will only become clear after they have been tested in the law courts. There will also be a wait to see how the key components of the new duties implemented by the Act impact on the process of contracting insurance.

"The only way we can make it a success – and the Act does offer a lot of opportunity for everyone and a lot of benefit for everyone – is to make sure we sit down in a tripartite relationship and discuss this well before renewals. We need to discuss what constitutes good disclosure, what processes are being used, to share out our knowledge and our views on a case-by-case basis," concludes Mr Lowin. 🗨️

Finding THE RIGHT BALANCE

Covéa Insurance director of HR and learning and mother of two **Lisa Meigh** explains to *The Journal* how, with a supportive employer, you really can have it all...

After a troublesome journey to motherhood, I had my first child, Archie, in 2005. I was so delighted and took a full year out to focus completely on him; thankfully the business supported me by allowing me to stay in touch on my own terms.

After a year, I was ready to come back and be 'Lisa Meigh' again so I requested flexible working, and was able to come back three days a week. At this point, I had a renewed focus and was still ambitious, so started studying for a postgrad in Organisational Development, Psychology and Change to support me in my role. I went on maternity leave with my second child Nicole in February 2008, so had packed a lot into 18 months back at work.

When I returned a year later, again working flexibly, I worked one shorter day and two long days, which worked really well for me and the children.

In 2012, James Reader, chief executive officer of Covéa Insurance (UK entity), asked me if I would take on more as head of learning and development, and whether travelling to Reading was something I would consider. He was very mindful of my work/life balance and was clear there was no pressure, but the children were getting older and Nicole was starting school, so the timing felt right.

I went up to four days and agreed that I would start a little later on a Monday so I could still do the school run. I spent a year travelling most weeks for one night, occasionally two, but I had Fridays at home so the balance felt right. It was tough at times and I needed lots of resilience. As a great team in Reading became established, the need for me to travel as much reduced and I was very proud of the work/life balance I had maintained.



In 2014, James came to me with another proposition - would I merge the learning, HR & reward teams, with the same consideration for my home life? He asked me how we could make it work for me and the business. It needed to be full time as there was so much to do, and I would need to travel more again to ensure successful integration of the HR & learning teams, and get the right structures in place.

We agreed I would work full time but not be in the office on a Friday. I would always be available for the business on that day, but would do my role flexibly to balance the travelling with my home life. We transitioned as a family and my husband and I have worked as a team to ensure Archie and Nicole have the right balance of us both, as he also travels a lot.

The fact is, if I worked full time every day they would be in breakfast and after-school club most days, whereas with the flexibility we both have, despite being away from home some of the time, they have us around more in many ways.

In 2015, Covéa Insurance announced the acquisition of Sterling Insurance in Kent and the travel peaked again, but over time I know it becomes manageable as things settle in.

CAREER HIGHLIGHTS

- General Accident Insurance - trainee, provincial insurance and direct line.
- Landed the role of claims team leader at Provident Insurance (1995) then training manager (2000)
- Was supported to study and grow professionally, first insurance exams, then switched to professional development; Cert in Learning, Qualified Chartered Institute of Personnel and Development, MBTi practitioner and Post Grad in OD.
- Developed a suite of development platforms as senior learning & development manager (2004)
- Embedded development across multi sites as head of learning & development (2012)
- Shaped the learning, HR and reward teams into one collaborative support function to the business as director of HR and learning (2015).

I have both a fabulous family life and a rewarding career as the director of HR & learning; I would not have taken on the role without the flexibility to work in a different way. I have a fantastic team, support from the chief executive, amazing children and my husband Tom and I work as a team. I like to think I am a role model for my children. You don't have to compromise if you are determined (a good organiser!) and meet the business need; you can achieve a successful career and be a good mum. 🍷

Lisa Meigh is director of HR and learning at Covéa Insurance

LV= YOUR WORK

Gaining Chartered status was a natural step for LV= Broker. *The Journal* talks to managing director Mike Crane about the process and motivation involved ...

Why did you decide to become Chartered?

The continued success of LV= Broker is dependent on the knowledge, skills and professionalism of our people and the criteria set out to become a Chartered insurer really appealed to us, because they are in keeping with our own values and standards.

Although we've always prided ourselves on being professional in everything we do, this external recognition reinforces our commitment to professionalism, demonstrating to both our staff and brokers that we uphold the highest standards.

Can you explain the process that you went through to become Chartered?

Attracting, training and retaining talent is fundamental to the future of LV= and to the insurance industry overall.

We wanted to ensure our teams were involved in our Chartered journey and that we had their interest and support. This was key to the initial process and is an ongoing element of maintaining and promoting professional standards in the future. We developed an internal comms programme to ensure key updates were shared with our staff throughout the process, for example regular emails, articles on the importance of professional standards and more.

Throughout, we saw high levels of engagement from our people and, as a result, achieved 100% membership signup. It was very encouraging to see that our people shared the same commitment to professionalism and capability as we do.

Of course, we couldn't have achieved this without the support of the Chartered Insurance Institute's

(CII) Rose Yeomans, who was an invaluable sounding board.

What was the most challenging aspect about becoming Chartered?

Our similar values and standards reflect those of the CII, giving us confidence in what we had to do to achieve Chartered status. Perhaps surprisingly, the most challenging aspect was consolidating all of our membership

COMPANY FACT BOX

COMPANY: LV=
ESTABLISHED: 1843
HEADQUARTERS: Bournemouth
SERVICES: Mutual offering general insurance, life and pensions

information about our people: identifying our current members, any lapsed members and non-members. This was tricky partly due to non-disclosure by individuals and partly due to their records being held in different locations rather than being centralised. We are now in a position whereby we have a full up-to-date list of members in our LV= network, which is a huge improvement and provides us with further internal opportunities, to promote the great news and continuously provide updates.

How have you promoted Chartered within the firm and to clients?

Our goal was to be able to announce our newly acquired status with our broker friends and the industry at the British Insurance Brokers' Association (BIBA) Conference 2016. Since sharing the news of our Chartered insurer status internally, we've seen a 50% increase in continuing professional development requests, which highlights the commitment our staff have to professionalism across our business.

Following the presentation at the BIBA Conference 2016, we shared the news using a mix of online and offline marketing channels to our brokers and our people. Some of the activities included video footage of the presentation on internal and external social media channels, as well as updating external presentations and documentation.

How would you persuade other firms to become Chartered?

The criteria for becoming a Chartered insurer should resonate strongly for any reputable insurer or broker in the insurance industry.

The CII is passionate about ethical standards and professionalism and keen to work with firms that demonstrate and share the same values and standards. 🍷



A young, charismatic and relatively obscure politician comes from behind to win the general election of a North American country; voted in by an electorate keen for change after one too many years of a conservative government. This reference is not to the US in November 2008 but to Canada in the autumn of last year. Last year the country elected Justin Trudeau son of former Canadian premier Pierre and leader of the Liberal Party as Prime Minister. Trudeau exceeded expectations in the election and subsequent analysis of the results found that among other reasons, a majority of Canadians were encouraged to vote for his party in part due to a plan to increase planned infrastructure expenditure from CAD60 billion to CAD125 billion over the next decade.



Infrastructure

The emphasis on infrastructure in Trudeau's economic plan is likely to benefit commercial insurers as a rise in premiums is expected from the various construction related insurance policies that firms will purchase in order to protect their property and cover their liability exposure. The majority of the initial round of infrastructure spending will be on smaller projects such as the upgrading of signalling for subway systems. However in the medium to long term (5-10 years) there will be a number of very large projects which could be a lucrative source of business for many insurers. According to Timetric's figures, Canada's construction spending is dominated by infrastructure and housing projects. In fact in 2013, infrastructure projects accounted for 40% of the construction industry.

JUSTIN TIME

Following in his father's footsteps to lead Canada, Justin Trudeau has already made quite an impact. Jay Patel takes a look at how his infrastructure spending stands to benefit domestic insurers ...

In March the government outlined phase one of its two-phase infrastructure spending plan. Phase one consisted of CAD11.9 billion and the largest portion of this is accounted for by the 'public transit infrastructure fund' which will take up CAD3.4 billion of the budget. The investment in transport, although expected only to be a series of upgrades and updates on existing infrastructure, should create economic multiplier effects as private sector investment follows the commitment from the public sector. If these projects alleviate congestion as planned and reduce physical constraints on growth, investment by businesses is likely to follow in Canada's metropolises, providing a surge for construction and workplace liability related policies from commercial insurers.

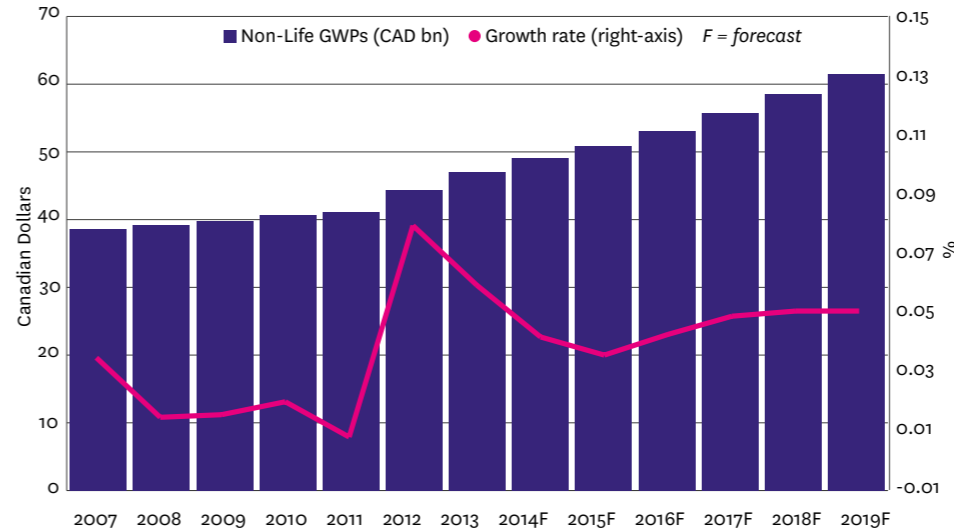
events that result in claims. Better roads tend to improve road safety and cause less incremental damage to motor vehicles that can result in claims related to mechanical damage. Furthermore, investment from the federal government to improve the wastewater and sewage networks are likely to reduce instances of water related damage resulting from seepage or broken pipes. In an Insurance Bureau of Canada (IBC - the national industry association representing Canada's private home, auto and business insurers) press release in April of this year welcoming Montreal's investment in its water and road infrastructure, it stated that water damage has been the leading cause of claims in home insurance for the past 10 years.

Insurers and the Government work together on climate change

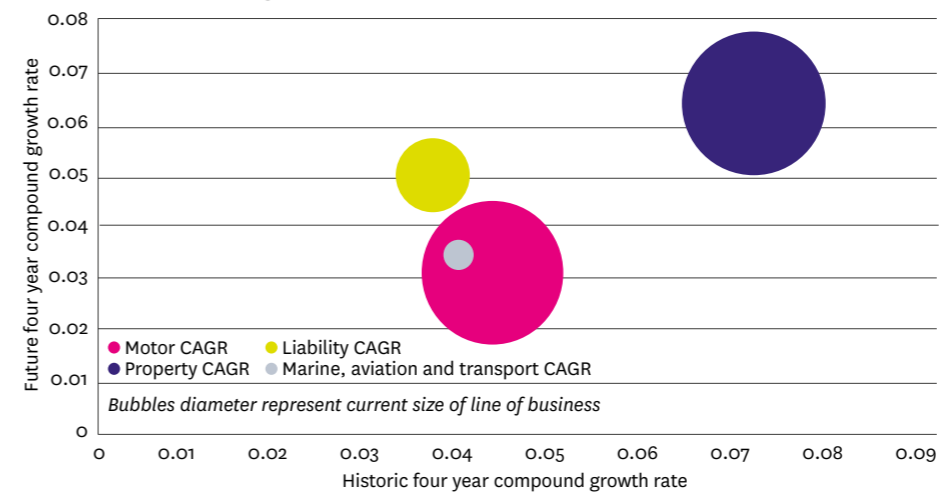
Both insurers and the government at federal and provincial level in Canada are taking steps to combat climate change. Insurers are worried over the next few years about extreme weather patterns that could cause natural disasters that expose them to high levels of claims on a relatively regular basis.

With the industry paying out \$620m in 2015 to policyholders due to severe weather it is no surprise the IBC has conducted extensive research on the impact of climate change on communities and how this phenomenon can translate into events relevant to Canada. One idea it has pushed quite vigorously in a

Canada Non-Life GWPs (excl PA&H)



Non-life insurance growth matrix



recent publication, is a national flood program that would involve industry, government and consumers pooling of their risks so that it would be possible to increase the affordability of flood protection throughout the country. However, the federal has not yet made a move in this subject. In the meantime, the industry has made pragmatic moves to 'de-risk' insured properties by informing homeowners of ways to make their properties more resilient to the damage caused by flooding, it is still pushing an agenda which increases activity by all elements of society to reduce their carbon footprint so that climate change does not continue to hit their bottom line with increasing frequency over the next few years and decades.

Bush Fires

The biggest story in the Canadian insurance sector at this moment is the damage caused by the bush fires which destroyed at least 10% of Fort McMurray, an 'urban service area' located in northeast Alberta. The bush fires occurred in May and have turned out to be the costliest natural disaster in Canada's history. Insured losses are anticipated to be above CAD4.0 billion (USD3.1 billion), with more than 2,400 homes perishing during to the disaster. In fact recent analysis by BMO, an investment bank, has estimated that in the worst case scenario losses could reach CAD9.0 billion. In a conference call with journalists in the

aftermath of the fires, the IBC reiterated its belief that the industry was well-capitalised for these events. The IBC was also non-committal on whether premiums would go up as a result.

However, more recently as residents slowly begin their move back to Fort McMurray, the potential effects on the industry going forward are becoming clearer. Almost all home insurance policies in this area of Canada cover wildfire damage, so the payouts for insurers will be large and will be reflected in the pricing of these policies in the future. It is thought the cost of the losses will spread across the whole country and thus cause only a modest increase in the premiums for property policies.

A more dramatic impact on the market could be the likelihood that a substantial number of smaller insurance companies will withdraw from covering wildfire risks or at the very least put a ceiling on sums insured. This may lead to greater market concentration and potentially benefit consumers if larger insurers can lever their economies of scale and diversification benefits to keep any premium rises to a minimum.

Nevertheless, in the aftermath of the wildfires the CEO of the IBC Don Forgeron, has called for a national strategy to handle the financial impact of hazards of the severity seen in Fort McMurray. In an interview with a Canadian broadcaster he lamented the undeveloped approach of Canada's relevant agencies in preparing for natural disasters. One of his proposals to improve this state of affairs was for the government to increase the amount it spends on prevention and mitigation of the risks posed by wildfires and floods.

Conclusion

Mr Trudeau will probably be unsurprised to find out that having run on a relatively fiscally dovish manifesto he is already facing calls for more spending. However, even if he does not heed Forgeron's request, the initial policies of his government and the seriousness of his attitude towards climate change are likely to make Canada's non-life insurers at the very least, satisfied with the impact of Trudeau Jr. so far. ☺

Jay Patel is an insurance analyst at Timetric

ONLINE ///
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E: info@insurance-ic.com
T: +44 (0)20 3096 2594
referencing that you are a CII member
www.insurance-ic.com

IMAGE: GETTY

NC2016: EMPOWERING THE LOCAL NETWORK

The annual Network Conference returned to London last month. **The Journal** was on hand to see what's new for the local institutes...

Aldermanbury once again played host to the flagship local Institute Network Conference at the end of May. The annual event provides an opportunity for local Institute council representatives from across the UK and Channel Islands to come together with their peers and colleagues from all 58 local institutes, to have their voice heard, and to hear first-hand plans for the future of the network and the Chartered Insurance Institute (CII) itself.

This year's conference was the largest so far, giving all local institutes the chance to hear about the CII's objectives for the forthcoming 12 months.

With presentations and updates from senior CII staff and local institute volunteers, the programme highlighted initiatives being undertaken to ensure the membership continues to meet the changing needs of members and the profession, both at a central and a local level.

Tone from the top

Deputy president John Moore MBE opened the day, setting the scene with an overview of his presidential objectives for his upcoming term which, pending annual general meeting nomination, will start in July.

Local institute initiatives and engagement were top of his agenda, ensuring the member proposition and support remains relevant and accessible, with emphasis on Chartered status and leading professional standards throughout.

These key messages were reinforced by the CII's new chief executive officer Sian Fisher,

who emphasised the importance of serving the needs of the public through the CII and the ideals of the Charter in today's society.

The importance of the CII's work to create a profession that is transparent and trusted was clearly put across by Ms Fisher, who also spoke of the role the CII plays in helping shape standards of professional behaviour.

CII bite size

Next up were three keynote sessions: Ian Simons, CII director of marketing, focused on Chartered and in particular the national advertising campaign that is being undertaken to raise its profile among insurance buyers; Steve Jenkins, CII director of financial services and insurance markets, detailed how the CII

GET INVOLVED

Get involved - help shape your local CII membership proposition

The 59 local insurance institutes are run by a dedicated group of industry professionals, offering a range of key local benefits. This includes a continuing professional development (CPD) programme, networking opportunities, an annual black tie dinner and local examination centres.

Are you interested in getting involved?

Local institutes are always looking for new members to join their councils and help run CPD events and other initiatives in their locality, for the benefit of members.

By getting involved, you can also support your personal development through opportunities to enhance or develop new skills including leadership, management, event organisation and finance, together with the chance to expand and enhance your local professional network.

For details of your local institute visit: www.cii.co.uk/local - simply contact the Institute president for more information about taking an active role in the running of local activities.



has been working with leading life, pensions and long-term savings organisations to create market-wide measures around customer service, ethical conduct, qualifications and continuing professional development, to raise standards of professionalism; and lastly there was a learning and assessment update from Simon Graham, CII director of learning and assessment, who provided insight into the latest enhancements to CII qualifications and wider learning provision.

Engaging Institutes

The afternoon agenda saw institute members involved in interactive breakout sessions - a regular favourite with delegates. The discussions were led by the local institutes and focused on topical issues applicable across the network. Sessions focused on how to engage with local employers, running revision sessions and collaboration between local Institutes to further improve and expand the local proposition for CII members across the UK.

Rooftop recognition

In true Network Conference tradition, following on from the daytime event delegates attended an evening reception at the rooftop terrace Sky Bar of the St Paul's Grange Hotel. Robert Fletcher, CII president, spoke about his year in office and support for the work



Deputy president John Moore MBE

AWARD WINNERS

Distinguished Service Awards were presented to:

- Tony Nash - Bournemouth Institute
- Bernard Aldous - Cambridge Institute
- Lesley McFarlane - Glasgow Institute
- Alasdair MacMillan - Glasgow Institute
- Steve Mather - Middlesbrough Institute
- Christopher Buesnel - Northampton Institute
- Paul Clarke - Sheffield Institute
- Sarah Hunt - Southampton Institute
- Ian German of Bolton Institute
- Tim Allen of Middlesbrough Institute
- Robert Ratcliff of Folkestone, Canterbury & East Kent Institute

An Exceptional Service Award was presented to:

- Jane Burgess - Lincoln Institute

The Bridgewater Award was presented to:

- Jennifer Jarrett - Cheltenham & Gloucester Institute

undertaken by the local institute volunteers, before presenting CII awards to members nominated for their outstanding contributions to the insurance and financial services profession. 🎉



Richard Scott @Insurance_Rich

Richard Scott retweeted Caspar Bartington The @CIIGroup Network Conference is a brilliant event. A spinoff for young professionals in future? #NC2016

Caspar Bartington @DiscRisk

Another good @CIIGroup Network Conf from what I saw. Good to talk with familiar and new faces. Well done Sandra and RMMs. Happy evening #nc2016



CII Group @CIIGroup

Huge congratulations to all our CII Service Award winners at this evening's Network Conference! #NC2016

Greg Edwards @gredwards89

Great day #NC2016 - Very informative and insightful. Looking forward to this evening at the Sky Bar @GrangeHotels @CiiCardiff @NovusCiiCardiff

Grant Scott @Grant_Scott

Interactive session time at #NC2016 - some great discussions going on with the smaller local Institutes



Prithpal Saimbi

@psaimbi @BirminghamCII #nc2016 CII education team focus for the

year ahead. @DiscRisk #invaluablework #nextgeneration

CII Group @CIIGroup

David Irvine highlights investment in CPD projects and the improved local Institute website during his regional membership update #NC2016

Liz Dalton @lasgliz

Really interesting discussion on apprenticeships and levy and what happens to funds returned to Scottish government #NC2016 #ciiglasgow

Does the UK still have 'the weakest necks in Europe'? Whiplash claims are on the rise again, even if total payouts have fallen. **Matt Scott** looks at what's going on...

Since the Ministry of Justice (MoJ) portal was launched six years ago, it has dealt with more than 4.9 million whiplash claims and paid out almost £3bn in general damages to injured claimants.

The volume of claims peaked in March 2013 at 90,998, before dropping off after the introduction of the Legal Aid, Sentencing and Punishment of Offenders (Laspo) reforms at the beginning of April 2013.

Since then, however, claims volumes have increased back to the levels experienced pre-Laspo, leading to criticism from insurers and defendant lawyers.

DAC Beachcroft partner Peter Allchorne says: "Laspo has been successful in many ways, but what it addressed is bringing down the cost of claims. It cut a lot of the fat out of the system, but what it hasn't addressed is whiplash claims frequency.

"Although it is not as lucrative as it once was, there is still enough left in it for those who are able to deploy economies of scale to make a margin by working smartly in the claims portal process."

LV= claims director Martin Milliner says the experience post-Laspo shows that when claims do fall in response to reforms, insurers are all too happy to pass on cost savings to policyholders.

"There's a truth universally accepted that motor insurance premiums in the UK are too high," he says. "In the period after Laspo premiums fell significantly, so the correlation is that if we can reduce the effects of whiplash and other soft tissue injuries, then the savings will be passed on via reduced premiums for hard-pressed families.

"If you polled people: 'Would you rather have lower premiums or a system that supports spurious whiplash claims?', most people would vote for a change."

Further reforms loom large on the horizon

And with even more reforms on the horizon aimed at cutting the volume and cost of such spurious claims, what does the personal injury market have in store for motor insurers?

The biggest change on the horizon lies in Chancellor George Osborne's latest Autumn Statement, in which he announced proposals, initially championed by Aviva, that promise 'care not cash' for minor whiplash injuries.

While these proposals are still in the consultation stage, they appear to offer hope to insurers struggling to find profitability in a market dogged by fraudulent claims and intense competition.

The reforms would see compensation for minor whiplash injuries (an injury yet to be clearly defined) replaced with care packages

aimed at rehabilitating those suffering from whiplash and other soft tissue injuries as a result of a motor accident.

Simon Denyer, partner at law firm DWF, says the scale of the proposed changes means they are the biggest shakeup of the personal injury claims market currently on the horizon.

"There is no doubt as to which of the proposed [motor legal] reforms come top of the list in terms of what will have the biggest impact on the personal claims market, and that's the Autumn Statement reforms," he says. "The degree of impact of that reform, however, is going to depend on what we see from the consultation in terms of how they are going to define minor whiplash.

"The higher the bar is set, the more the degree of impact will be - if they are trying to capture whiplash claims [with a prognosis of] six to 12 months, that will have more of an impact than if it is just three months."

"Whatever definition is chosen is going to have a significant impact on the market, and that is likely to take away a good proportion of the affected type of claims," he adds.

But as with all reforms to the claims market, such changes need to be carefully conceived and implemented in order to ensure the shadier parts of the claimant legal community cannot find ways to circumvent the system.

As such, Mr Milliner says the definition of what constitutes a minor whiplash injury needs to be clearly laid out in advance of implementation and even then persistent claimants may still be able to find a way to navigate their way around the new rules.

"If there was a ban on compensation being available for whiplash injuries, my concern would be that that definition of whiplash would have to be very clear," he says. "We could see a workaround where other types of injuries are suddenly being reported and claimed for in medical reports, which works around that definition."



THE FALL (AND RISE?) OF WHIPLASH



“That would just be a shifting around of diagnosis and prognosis into injuries that are covered or go past the definition the government may have created. We’ve already seen the rise of psychological injuries and other types of complaints.”

“The government has to come up with definitions that would eradicate that risk,” he adds.

Tougher regulation for CMCs

In addition to replacing cash compensation with a care package, the government is also introducing changes to the way claims management companies (CMCs) are regulated, with responsibility shifting from the MoJ to the Financial Conduct Authority (FCA).

Mr Milliner says that such changes could work to help curb claims farming in the UK and put a dent in the compensation culture that has embedded itself in British society and given rise to the prevalent whiplash epidemic that insurers have suffered with in recent years.

“Would the FCA stop nuisance calling?” he asks rhetorically. “It would create a different bar for authorisation of suitable directors and authorised people within the sector if it was regulated by the FCA rather than the MoJ. That would then create different outcomes – the FCA is much better at regulating, has more resources and has sharper teeth when it comes to consequences for failing to meet requirements.

“There is too much money sloshing around in the process, which is a problem in the UK. In England and Wales we have the prevalence of claims management companies that isn’t present in Scotland and other European nations, so claims farming activities do not exist elsewhere and that persuades people into making claims that they would not otherwise have made, or don’t exist in the first place.

“The reason that happens is because there is so much money to be made. There is too much money being taken out of people’s damages or available by way of solicitors costs to enable that money to be spread around to different areas.

“You’ve got that money fuelling that activity and without that we wouldn’t have the whiplash epidemic that we have today.”

Mr Denyer, meanwhile, says that regulation under the FCA will make it much more difficult for less ethical CMCs to conduct business, leading to better practices and further consolidation in the market in the medium to long-term.

“We would predict that there will be an

THE WEAKEST NECKS IN EUROPE? NO, IT’S THE COMPENSATION CULTURE

The UK motor market has long suffered from a high frequency of whiplash, leading to commentators mocking British motorists for having the weakest necks in Europe.

But with instances of whiplash so much lower on the continent, what forces are at play in forcing up the number of whiplash claims facing UK motor insurers?

While Mr Milliner has argued that claims management companies farming claims has had a big part to play in driving up claims volume, Mr Allchorne says a lot of the blame has to be

placed on the growing compensation culture that has migrated across the Atlantic from America.

“There’s a cultural phenomenon at play and a cycle that needs to be broken,” he says. “We talk about the weakest necks in Europe; that’s a cultural phenomenon that has come from the States.

“It is a difficult cultural shift to make, and part and parcel of it is trying to educate people that they as end consumers of motor insurance are going to end up paying for this in time by way of increased premiums.”

impact on the personal injury market, but not for a couple of years,” he says. “We would expect CMCs at the edge of things to find it more difficult to operate and we would expect to see consolidation in the market and a driving up of standards.”

Beware the unintended consequences

There is a risk, however, that such whiplash reforms simply shift fraudulent and spurious claims into the wider personal injury claims market; moving the problem rather than solving it.

Mr Allchorne says this has happened before, and cited the surge of noise induced hearing loss claims since 2010 as evidence for such unintended consequences.

“The [increase in noise induced hearing loss claims] is largely due to the changes that came in in 2010 in terms of the road traffic accident portal process,” he says, “which had a massive impact in terms of the gains to be made on whiplash claims.

“Recently, there have been reported falls in claims numbers in these areas of work and people have been asking if this is the end of hearing loss claims? No, it’s not, and regardless of any recent fall in new reported claims, we are still way above where we were in 2010.”

Other reforms in the pipeline may provide some respite in this area, however.

Lord Rupert Jackson has proposed a fixed cost regime for all personal injury claims facing insurers, extending the regime that has become

commonplace in the motor market.


It remains to be seen whether the proposals will be adopted in full, however, and Mr Denyer says he hopes the government does not restrict the proposals to just clinical negligence claims and dilute the positive impact they can have.

“We hope that government will have decided [to cover all personal injury claims] rather than just clinical negligence as it doesn’t make logical sense to do it for just one category,” he says. “Piecemeal reforms in the past have meant the balloon is

squeezed and the claims move in another part of the system – you have seen that classically with deafness claims in the past, and that has been a very negative impact on that part of the market.

“Introducing fixed costs just for clinical negligence would be of very little benefit for insurers, but realising that there are holes to fill in what we have so far is important, and we should learn from previous exercises.”

Whether or not these lessons will be listened to remains to be seen, and with so many reforms under consultation motor insurers will need to be prepared for a rocky road ahead as the market re-adjusts itself to the changing personal injury claims market.

The industry will just be hoping these latest round of reforms don’t lead insurers down another dead end road... 



The Queen travelled to parliament on 18 May in a gilded, horse-drawn coach. Hardly, perhaps, the sort of autonomous and assisted vehicle technology that Her Majesty had announced would be enabled by provisions in the Modern Transport Bill in the Queen’s Speech that day.

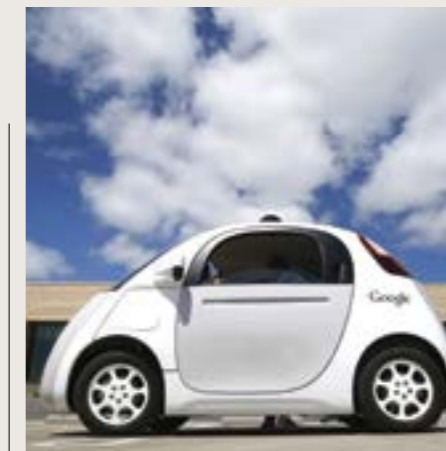
The liability and insurance regimes that will be needed to resolve incidents that happen when cars operate autonomously will form a key part of the enabling regulatory framework. It is expected that so-called ‘out of the loop’ motorway driving and remote or self-parking will be among the first autonomous functions to be authorised. As that could take place as early as 2020/21, an early examination of the key issues in the second half of this year would be timely and would fit within the likely timetable of the Bill, which would ordinarily be expected to be enacted in spring 2017.

Who’s in charge?

One core question will be whether the Road Traffic Act (RTA) 1988 is fit for this new purpose? The statute currently requires insurance to cover third-party liabilities that arise out of the use of a motor vehicle. Implicit in use in this context is that the ‘use’ is that of a human driver and there is a wealth of case law on this precise technical meaning of ‘use’. Does a vehicle operating in an autonomous mode really have a user in this sense? On the face of it, no. Therefore, this operating mode would need a new element of compulsory insurance cover, in addition to the insurance required by the RTA 1988 for conventional ‘use’.

An example helps to make the point. Say a car is driven from home to the motorway network and is then switched to autonomous mode. If ‘use’ ends at that stage, then so would presently understood RTA cover. The car would still be capable of causing damage to people or property (due say to a malfunction in its self-driving software), so a new style of cover would need to be put in place.

This certainly seems to be the thrust of the government’s current thinking. Roads minister Andrew Jones MP said the following on 25 May, just a week after the Queen’s Speech: “Compulsory motor insurance will be retained but it will be extended to cover product liability, so that when a motorist has handed control to their vehicle, they can be reassured that their insurance will be there if anything goes wrong.” Importantly, he added that recovery provisions will also be enacted: “Where the vehicle is at fault, then the insurer will be able to seek reimbursement from the manufacturer.”



The above suggests the scope of compulsory insurance associated with driving is on the move and that it is likely to include something close to product liability cover to protect those harmed by autonomous functioning. As such persons will include the so-called disengaged driver, decisions need to be taken as to the level of protection and whether it should be the same as that afforded to passengers and external third parties? If fairness and natural justice suggest it should (which seems to be a highly outcome), then there is a market challenge of how to deliver a new product liability strand of cover with unlimited liability for damage for personal injuries? A further question is what sort of new legal rights, if any, need to be created to permit the disengaged driver to recover damages paid, in the first instance at least, via an insurance policy that he or she has arranged?


The trolley dilemma

An interesting twist on liability may also arise under the ‘trolley dilemma’. Originally, this concerned the ethics of the choice, faced by the driver of a runaway trolley bus, between doing nothing and colliding with five people

WHAT IT MEANS FOR YOU

- On 18 May, the Queen announced: “My ministers will ensure the United Kingdom is at the forefront of technology for new forms of transport, including autonomous and electric vehicles.” Relevant legislation to deal with these issues will form part of the Modern Transport Bill.
- According to the detailed material accompanying the Queen’s Speech, this Bill will also include provisions setting a framework for drone operations and paving the way for commercial spaceplanes.
- Consultation about the questions above is now more likely to begin before the summer recess. If that is the case, I would expect a window of around eight to ten weeks for responses; which could take us very nearly into early October 2016.

or intervening and colliding with only one. A 21st century version of the dilemma might ask which of these choices would or should an autonomous vehicle make when faced with similar outcomes? Who or what would be liable for the algorithms and decision-making software that caused the car to go one way rather than the other?

Pre-legislative consultation on the main issues is expected over the summer or early autumn 2016. Motor insurers and product liability carriers or specialists are strongly advised to take part. 

Alistair Kinley is director of policy and government affairs at BLM

The recently announced Modern Transport Bill will pave the way for autonomous and assisted vehicles. **Alistair Kinley** looks at the insurance implications...

A Road Traffic Act for the 21st century?

HOW TO CREATE A CLEVER SCHEME

Exponential growth in the number of businesses in the UK – particularly in the technology market – has created the opportunity for an increasing number of sector-specific schemes, as **Dave Bailey** explains...

Scheme business is an area ripe for development right now. Why? Because during the past couple of years there has been a marked growth in the number of businesses in the UK, according to data from the Office of National Statistics.

Professional, scientific and technical businesses have grown faster than any other sector, with 26,000 new businesses emerging in these fields in the past year – an increase of around 17% – and construction firms are on the up too, with 11% growth. There is greater support for small to medium-sized enterprises too, with initiatives such as HSBC's £10bn lending fund announced in April this year.

More businesses mean more entrepreneurship, innovation and opportunities, with new and existing niches being developed – from microbreweries to artisan bakers. When any sector grows, innovates or diversifies, tailor-

made schemes meet the demand for insurance covers offering benefits specific to that business segment.

The diversity of covers is what really makes scheme business so interesting. They can cover anything from churches to 'am dram' societies, along with adaptations of standard books of business such as tradesman or property owners.

What should be clear from the outset though, is that the essence of a good scheme is the broker's knowledge of that particular market, their ability to run the scheme without too much hand holding and the potential opportunity for the type of cover needed.

Ideally, it should be a relatively untapped area of business or one where the broker has spotted an opportunity to sell a packaged product that would be difficult for the target audience to find elsewhere.

While the broker is hands-on, using agreed bespoke wording and delegated underwriting authority from the insurer concerned, the insurer is

10 TOP TIPS

Here are Ageas's 10 top tips for brokers to consider when pitching a scheme:


- Brokers need to demonstrate their expertise in the niche market or scheme segment, especially if that involves managing niche areas of underwriting.
- If an existing scheme is being pitched, provide information on its past performance.
- Provide an overview of the credibility, affinity, proposition and area for the scheme.
- Brokers should be able to have the fundamental ability to manage risk and governance processes and preferably separate these from the 'broking' function.
- A full business and marketing plan is a must, especially where it is a new scheme. Ideas, concepts and innovation are great but to be successful, there needs to be credible ability to deliver gross written premium.
- To achieve scheme growth, consider traditional delegated authority, electronic management and digital distribution.
- Be clear about how claims will be managed.
- Provide expertise to develop the product and a framework to evidence underwriting control.
- Do not underestimate what it takes to manage a full, binding authority.
- Be mindful of the strict criteria that may be applied by the insurer, so they are able to demonstrate the governance control to the Financial Conduct Authority, and bear this in mind when considering scheme.

very much behind the scenes, underpinning the broker's expertise.

Affinity-led schemes are really sought after, as they offer insurers the chance to develop a long-term relationship and with brokers who have specialist knowledge in a certain product segment or niche trade, such as farming or security industries.

Schemes are a great example of how insurers and brokers work effectively together, complementing each party's skills.

How to pitch a scheme

When pitching a scheme, either existing or new, there is always a need for full details and information to ensure that any ideas can be considered fully by the insurer. 

Dave Bailey is commercial schemes underwriting manager at Ageas



IMAGE: IKON

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CII

PRA issues feedback from 2015 general insurance stress test

The Prudential Regulation Authority (PRA) has published the main findings of its 2015 general insurance stress-test exercise, via a chief executive officer's letter. Overall, 63% of the general insurance market (by premium) participated in the test. The main findings were:

- In aggregate, the sample insurers were resilient against specific market-wide stresses;
- The economic scenario results in the largest adverse impact, which arises mainly from a fall in the value of corporate bonds as credit spreads are assumed to widen;
- There was a wide range of views on the plausibility of each scenario;
- Results from the complex stress tests (for example, liability, cyber stresses) indicate that common terminology and a common framework for the assessment of exposure is required before a wider assessment of firm and sector resilience can be determined on a consistent basis;
- No systemic risks or common causes of a market-wide catastrophe were identified through firms' own defined stresses.

The PRA states that the conclusions rely on the ability of insurers to maintain a robust process for exposure measurement and management, whether on property or liability risks. This will be an area of increased focus for PRA supervision, particularly in light of continued rate reductions and widening of terms and conditions in the London market. The results of the stress-test exercise will be used by the PRA to inform the design and implementation of future stress-test exercises. The next exercise is likely to be in 2017.

FCA business plan

The Financial Conduct Authority's (FCA) annual business plan has been published. It includes an overall risk outlook, seven areas of particular focus this year and a list of additional key workstreams and ongoing activities. Key areas of focus include:

- Firms' culture and governance: strong culture and governance, which helps competition and consumers alike;
- Pensions: fair treatment for consumers, stronger competition and a market which meets consumer needs;
- Financial advice: affordable, professional advice to meet consumers' changing and complex needs.



REGULATORY RADAR

The world of regulation and legislation is ever-changing, so to help keep you up-to-date with developments, our Regulatory Radar covers the latest news from regulators and legislators, both in the UK and Europe

Of particular note for advisers are the plans around the implementation of the Financial Advice Market Review and the FCA's focus on supporting increased financial advice professionalism.

Queen's Speech

The 2016 Queen's Speech sets out the government's flagship proposals for the coming parliamentary year. It was announced

on 18 May 2016. As a result of the forthcoming European Union referendum, the Queen's Speech is unusually light in terms of numbers, as well as controversial Bills. Bills of particular interest are:

- A Digital Economy Bill;
- A Transport Bill, which encourages investment in driverless cars, electric cars, commercial space planes and drones;
- A Bill introducing the new Lifetime ISA concept, as well as a Pensions bill to cover reform of master trusts, capping early exit fees, the reform of the Money Advice Service and the creation of a successor body;
- A Bill to tackle corruption as well as tax evasion;
- A major focus on prison reform;
- A Higher Education Bill to implement proposals to reform higher education, including liberalisation of the rules for becoming a university.

HM Treasury and FCA consultations on secondary annuity market

Proposed rules and guidance for the regulation of new secondary annuity market activities have been published in a Financial Conduct Authority consultation paper. Activities covered include:

- Entering into a regulated annuity assignment agreement as a purchaser
- Entering into a regulated annuity buyback agreement as an annuity provider
- Regulated annuity broking.

There is a focus on disclosure of information, presentation of offers, restriction on charging, compensation and prudential arrangements, and other regulatory requirements such as record keeping. The consultation closes on 21 June, with final rules expected later in the year. 📄



To read more stories like these, visit our public affairs webpages: www.cii.co.uk/policy

Latest content includes:

- Ethics guide for insurance marketers: www.cii.co.uk/41828
- Culture in financial services – a regulator's perspective: www.cii.co.uk/41969

HELPING YOUNG PEOPLE REACH THEIR FULL POTENTIAL

Caspar Bartington, who leads on outreach for the Chartered Institute, speaks to the chief executive officer of The Careers & Enterprise Company, Claudia Harris, to understand more about the background to its launch and how to get involved in its work...

Employer engagement is a well-used phrase and now it is more important than ever. With your help, we have run more than 200 Discover Fortunes events and hundreds of other sessions in schools, colleges and universities across the UK. This has helped raise awareness of financial planning as a career, as well as improving students' understanding of financial products.

Talent pipeline

Many organisations offer professionals the chance to work with local students and schools, including The Careers & Enterprise Company, headed up by chief executive officer Claudia Harris. She explains her organisation's motivation: "Youth unemployment in England continues at three times the average, despite the 700,000 current job vacancies in England. Businesses are also in need of a talent pipeline to support growth and productivity."

Ms Harris continues: "The research is clear that young people must have encounters with employers which inspire them, information to understand the labour market and support in developing a plan that plays to their strengths. Encounters with businesses have been shown to be particularly important. The Education and Employers Taskforce found young people who have had multiple encounters with businesses while in education are significantly more likely to be in education, employment or training and earn, on average, 18% more than their peers who have not.

"These encounters inspire, motivate and inform young people about the jobs market, support learning by doing, and bring young people as close as possible to the changing world of work. To help young people access this support, The Careers & Enterprise Company has established the Enterprise Adviser network."

Ms Harris explains: "The network is designed



to better enable schools and colleges to engage with businesses. Today, only in 40% of schools does a young person have one encounter with an employer every year from year seven onwards. This is despite 66% of employers thinking work experience is critical or significant when hiring. Co-created by Local Enterprise Partnerships (LEPs), the network aims to give every school and college in England an enterprise adviser. This senior business volunteer works with the school or college to build employer engagement and careers and enterprise plans.

"The network is underpinned by enterprise coordinators, who work in careers and enterprise clusters of 20 schools and colleges. They are full-time, paid employees, co-funded by The Careers & Enterprise Company and the LEPs. Their job is to engage employers, understand offers from service providers and significantly de-clutter the work facing schools and colleges in trying to build plans. Our aim is to help ensure the network has consistent coverage across England and end the 'postcode lottery' that currently exists in careers and enterprise provision.

"We are delighted that the CII is supporting our enterprise adviser network and that a

number of members have already signed up to become advisers. We hope more members will be inspired to join their colleagues in volunteering."

Getting involved

Ms Harris concludes: "Becoming an enterprise adviser has many benefits. For your personal and professional development, the network offers the chance for skills-based engagement, which can help with your leadership and communication skills and foster your growth as an expert on your local labour market. The network will also increase your professional profile externally, with the LEPs and wider business community. Getting involved in the enterprise adviser network is simple. Together, we can make a real difference to young people's futures." 📄

Caspar Bartington is the CII's relationship manager for education

ONLINE ///

► Caspar Bartington has signed up to be an enterprise adviser. To do the same, email discover@cii.co.uk and we will connect you with your local enterprise coordinator.



World OF OPPORTUNITY

The CII has relationships with various institutes and bodies across Asia. The Journal outlines the Institute's efforts and achievements in spreading the message of professionalism on a global scale...

The Chartered Insurance Institute (CII) works with regulators, educational institutions, trade bodies and major corporate organisations across the globe to help raise professional standards

which have relevance across both the life and non-life sectors.

The CII has always been well supported by the individual membership but in the past 10 years or so, its activity has been focused increasingly on working with local regulators, trade bodies or major employers committed to promoting professional standards, which in turn has increased the demand for its services overall.

The Institute has a range of relationships across Asia – predominantly in Hong Kong – following a recent acquisition but also in Singapore, the Gulf, India and the South Asian

Association for Regional Cooperation (SAARC) area. These relationships are mainly with educational institutions but there are also links to regulators and central banks.

Here is a bit more detail on our international presence.

CII India

The development of the CII's presence in India and the greater SAARC region (encompassing Sri Lanka, Pakistan, Bangladesh and other southern Asian countries) is mainly focused on providing professional courses and learning support to employers, training organisations and business processing organisations (BPOs) in order to train and improve their employees' knowledge and, as a consequence, raise levels of competency and professional standards in insurance and financial planning.

The CII has been operating in India since 2007, supported by Sainesh Dar and his team based in Mumbai. The Institute recognised about 10 years ago that India was a good starting point for its international expansion as it already had a strong base of members and students in India; many of whom were requesting additional support for their professional development. To meet and service this demand, the CII's office in Mumbai caters to not only the whole of India but also the rest of the SAARC region – mainly Sri Lanka and Bangladesh.

The CII's expertise was utilised by the Insurance Regulatory and Development Authority in enhancing the life agent qualification (IC33) between 2010 and 2014. It has also closely worked with the Life Insurance Corporation of India in the past to raise levels of capability and professional standards, through the introduction of qualifications and training programmes in financial planning.

The CII has been constantly working with educational partners, life and non-life insurance companies, training companies and BPOs to promote professional standards across different segments through qualifications, training, membership and accreditation. As a result, more than 30 BPO companies are working with the CII to have their employees trained and examined on CII professional qualifications at all levels. The Institute has a strategic relationship with the insurance regulator's own school



in India – the Institute of Insurance and Risk Management – in addition to other prestigious educational institutes that seek the CII's accreditation for their own qualifications. The CII also works closely with some of the prominent private (joint venture) insurance companies in India.

CII in the rest of the SAARC

In Sri Lanka, the CII enjoys a close association with the Sri Lanka Insurance Institute (SLII) and CII qualifications are very well recognised in the Sri Lankan insurance market. The CII provides prior learning accreditation to the SLII qualifications; in addition, the SLII also imparts training for CII qualifications in Sri Lanka.

CII public exams are held twice a year across 16 locations in India, Sri Lanka and Bangladesh, with more than 1,500 students sitting their exams every year.

The CII's online mass learning initiative launched earlier this year – Insuranceversity – received a very positive response; most of the students who registered on this online, high quality, free education platform were from the SAARC region. So far, the CII has rolled out two courses on this platform – Introduction to Insurance and Fundamentals of Risk Management. The hope is that this initiative will help close the skills gap in insurance and make education more accessible, affordable and personalised than ever before.

Hong Kong

The CII has long benefited from the support of local members, students and employers in the Far East and Asia. Building on this support in 2015, the CII began discussions with the Insurance Institute of Hong Kong (IIHK) with a view to creating a hub in Hong Kong from which to base joint activities. The two organisations had been working closely together since 2007 and so this seemed a natural progression for both the CII and IIHK.

As a result, the Chartered Insurance Institute Hong Kong Limited (CIIHK) was created, with a board made up of ex-IIHK advisory council members and CII senior managers. Existing IIHK members, were invited to join the CII.

Mark Greenwood, the CII's regional director for the Far East and Asia, transferred from Kuala Lumpur to Hong Kong and joined the CIIHK board to oversee the new organisation and develop the CII's activities across the region and in mainland China. He is supported by Tania Lee and Michael Kung, who previously worked for IIHK and bring with them a wealth of local knowledge.

This is a hugely significant development for the CII. The insurance market in Hong Kong is recognised as one of the oldest in the world, having been established more than 170 years ago. There are currently 160 authorised insurers and in excess of 95,000 corporate/individual intermediaries, providing a wide range of

KEY FACTS

- 13.5% of CII membership is located overseas
- Total international membership: 13,757 (including CII and PFS)
- Membership split by region (CII only)
 - India: 661
 - Asia: 3,026
 - Middle East: 2,044
- The CII runs exams in about 150 countries worldwide, in 107 public exam centres
- More than 90% of international activity is currently derived from general insurance (GI) markets
- The CII has six staff in offices in Mumbai, India and Hong Kong

insurance and risk management services.

There is a hunger for higher professional standards – in terms of knowledge, capability and ethical good practice – in Hong Kong. With this in mind, it is a timely move, as the existing regulator, the Office of the Commissioner of Insurance, is handing over its responsibilities to the newly formed Independent Insurance Authority (IIA) in 2017. The IIA has already made clear a strong indication that it will be seeking a market that is qualified in terms of both knowledge and ethical behaviours.

The merger of the CII and IIHK has been received very positively, and the CII is committed to maintaining a strong presence and delivering services that meet local needs. To this end, the CII has created a Hong Kong-based advisory council to provide practical guidance and local insight, the members of which are senior influencers drawn from all areas of the insurance and financial services arena.

Some of these early plans led to the establishment of a programme of consultation and engagement with individual members and employers in Hong Kong, to ensure local needs are understood and met. The CII is also expanding on the IIHK's well established programme of locally delivered continuing professional development and networking events. Future plans include developing a local qualification focused on new entrants and those wishing to start their professional qualifications with the CII, a regular newsletter covering topical market issues, and further career support services to the 2,000+ Hong Kong-based members.

Further updates will be provided in later editions of *The Journal*. 📄

With implementation of the new Insurance Act just weeks away, Browne Jacobson and the Nottingham Insurance Institute came up with a novel way to examine the possible implications. **Luke Holloway** reports on the mock trial event...

INSURANCE ACT ON TRIAL

The Insurance Act 2015 marks the biggest change in insurance law for more than 100 years and fundamentally alters many of the most basic principles of insurance. Through close work with both insurers and brokers, Browne Jacobson insurance lawyers became fully aware of how important the Act was to their clients and recognised that while there was a lot of commentary on the Act, much of it was not very practical.

To address this lack of hands-on guidance

and try to highlight what the changes would mean to brokers in an interactive format, Browne Jacobson joined forces with the Nottingham Insurance Institute (NII) to create 'A Courtroom Drama' – a mock legal trial scenario set in a post-Insurance Act 2015 world.

The event, held at the Galleries of Justice Museum in Nottingham on 3 May, was initially the brainchild of Caroline Bramhall of Russell Scanlan. Adam Edwards and Rachael Davey of Browne Jacobson then picked up the baton and turned the idea into a reality. Working

alongside James Howlett, John Campbell and Gareth McAloon of Ropewalk barristers' chambers, along with Aaron Yates of Berea, the scenario was formulated.

Educating delegates

Ms Davey said: "The aim was to educate delegates taking part on new rules brought about by the Act, including the change in status of the presentation of risk from basis of insurance to fair presentation, the need to identify who comprises the senior management, as well as the application of suspensive warranties and also proportionate remedies."

On the day, Ms Davey acted as broker witness, with Jonathan Newbold, also of Browne Jacobson, playing the underwriter witness. Mr Howlett played the Judge and Mr Campbell and Mr McAloon played the advocates.

The surroundings of the carefully chosen

venue and comprehensive detail of the casenotes made the scenario extremely realistic, helping to resonate with the audience and give the delegates a practical learning experience. Cath Ball, president of the NII, spoke of how absorbing and reciprocal the session became: "Instead of the judge passing judgment delegates were given keypads on which to make their decisions and express their opinions – this really increased audience interaction. They were not only asked for a final verdict, but also asked who was at fault, what they should have done differently, to what extent the defendant was guilty and the extent to which the insurer should be liable to indemnify the claimant policyholder. There was also a lengthy Q&A session at the end and we were really pleased to see how involved the audience was."

The Q&A panel was made up of the two barristers, as well as Stephen Ridley from Hiscox, who provided an insurer's perspective



ARE YOU READY?

The Insurance Act 2015 ('the Act') brings about the most significant reform of insurance law for over a century. Whilst the majority of the changes are seen as being beneficial to policyholders, the changes will require all market participants, including insurance advisors, to review and update their working practices.

Advisors and brokers in particular, will be responsible for assisting policyholders in navigating through the changes and ensure they do not fall foul of the new requirements. This is a significant area of potential risk for all brokers, as the consequences of giving the wrong advice could be significant. This is particularly the case given that the Financial Conduct Authority is likely to look closely at whether or not policyholders are properly informed of the new landscape, as and when it changes.

In order to comply with their contractual and regulatory obligations, brokers are advised to ensure that all employees are fully up to speed with the terminology, content and consequences of the Act. Brokers will also need to ensure that their standard documents, including pre-risk advices and reports, refer to the new obligations, remedies and language introduced by the Act.

they have received contact from people in attendance with further questions, which is a sign of how interested the delegates were in the content. Approaches have now been made by other local Institutes, which have expressed an interest in running similar events for their members.

Ms Ball continued: "In terms of a response, we really couldn't have asked for more. We realised how important it was to engage with brokers and find a new way of approaching this extremely key subject. The case was such a success it now has the potential to tour the country, giving other local Institutes the opportunity to host similar events. Browne Jacobson did a superb job of compiling full court case details, including case history, evidence emails and witness statements, so the blueprint is there and can be replicated to benefit insurers and brokers across the UK."

ONLINE //

► For further information about the trial and the Insurance Act 2015 visit: <http://bit.ly/28K7b2J>

STUDY ZONE

Back in the dark days of the financial crisis, much was said about organisations that were simply too big to fail – some of which required government bailouts to ensure collapse was avoided.

Since then, an initiative to identify those crucial financial organisations has been underway, including a list for the insurance market.

The list is tied to the Dodd-Frank Wall Street reform law passed in the US in 2010, after the financial crisis. Under the law, federal regulators can determine that non-bank companies, such as AIG, could put the entire financial system in danger if they fail – and require them to take certain measures to stave off threats.

In the most recent list, the US Federal Bank has designated nine insurance companies as a Global Systemically Important Insurer (G-SII). However, the G-SII regime will have an impact felt far beyond these nine, with another 50 insurers designated as ‘internationally active’.

One of the major questions for those on the list is the impact it may have on their structures and profit levels. MetLife has already announced a restructure due to its designation and has been to court to be delisted. It was successful, although an appeal is pending.

In early June, the Financial Stability Board (FSB) released *Developing Effective Resolution Strategies and Plans for Systemically Important Insurers (Guidance)*, which provides guidance on developing effective resolution strategies and plans for systemically important insurers.

The FSB said the guidance should assist authorities in meeting the resolution planning requirement under the key attributes of effective resolution regimes for financial institutions; and support crisis management groups of G-SIIs in their resolution planning work.

The guidance was issued for public consultation in November 2015 and sets out considerations for determining a preferred resolution strategy, based on a strategic analysis of insurers’ business models, the criticality of insurers’ functions and policyholder protection arrangements. It has been developed with the International Association of Insurance Supervisors.

Patrick Montagner, chair of the FSB Cross-border Crisis Management Group for Insurers, and deputy secretary general of the French Autorité de Contrôle Prudentiel et de Résolution, welcomed the guidance, noting that it “recognises that insurers are fundamentally different from banks, but resolution planning



The global financial crisis showed the risk everyone was exposed to, should a major institution fail. Since then, regulators have been looking of ways to ensure such organisations have proper protections in place. The US has taken a lead, as Liz Booth explores...

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is important for all systemically important financial institutions, including insurers”.

The consultation

The final guidance was agreed after industry consultation, to which the FSB received 16 responses. It says respondents generally welcomed the FSB’s initiative, with a majority agreeing that authorities should identify institution-specific resolution objectives. Resolution objectives should be developed in consideration of the unique characteristics of each insurer and the requirements of the applicable legal regimes.

Several respondents suggested the guidance should recognise to a greater extent the importance of policyholder protection. In finalising the guidance, the FSB has clarified that authorities should develop resolution strategies with the aim of protecting policyholders, as well as maintaining financial stability.

Respondents generally supported the factors and considerations for the strategic analysis

underlying the development of preferred resolution strategies, and found concerns raised in the 2014 consultation about differences between the insurance sector and the banking sector had been taken into consideration.

Several respondents stressed the differences between the two sectors, in particular with regard to the degree of internal interconnectedness within banking groups and within insurance groups. The final guidance acknowledges those differences.

Overall, the FSB states: “Respondents supported the guidance on aspects that need to be considered when developing the operational plan for implementing the resolution strategy, but stressed that resolution planning must be tailored to the insurance sector and avoid ‘bank-centric’ concepts. To address such concerns, the final guidance avoids the use of terminology (such as loss-absorbing capacity) which is used in the context of bank resolution policies.”

The rules

Meanwhile, commentators are warning the US Federal Reserve has made a small step toward imposing tougher capital requirements on insurers, after inviting comment on a proposal for a two-tier regime designed to shield the financial system from another Lehman-like shock.

In early June, the Federal Reserve board approved an Advance Notice of Proposed

Rulemaking (ANPR), inviting comment on conceptual frameworks for capital standards that could apply to systemically important insurance companies and to insurance companies that own a bank or thrift. The standards would differ for each group.

FT.com reported: “Under the proposal, endorsed by the Fed’s board, AIG and Prudential Financial would face more stringent rules, while the dozen insurance firms under supervision by the Fed due to their banking activities – the likes of State Farm Mutual Automobile Insurance and Nationwide Mutual Insurance – would be subject to lighter capital requirements linked to existing state-based standards.”

Federal Reserve chair Janet Yellen said: “The frameworks we are considering would address all the risks across an insurance company’s regulated and unregulated subsidiaries.

“I believe this proposal is an important step toward capital standards that are both appropriate for our supervised insurance firms and that enhance the resiliency and stability of our financial system.”

Meanwhile, several newspapers quoted a Prudential spokesperson saying the firm was “pleased to see the progress the Federal Reserve is making in designing capital, liquidity and supervisory standards tailored to insurance companies, and we look forward to the opportunity to provide input into the framework”.

The spokesperson added: “While there is still considerable work ahead and the details will be important, we view this as a positive step forward that recognises the underlying economics of our businesses.”

The Federal Reserve Board’s ANPR presents one approach – called the consolidated approach – that would apply to systemically important insurance companies, and a second approach – called the building block approach – for less complex insurance companies that also own a bank or thrift. The Board is publishing an ANPR to provide ample opportunity for interested parties to comment on the appropriate structure of capital standards to promote financial stability, and to protect depository institutions owned by insurance companies.

For systemically important insurance companies, the consolidated approach would categorise an entire insurance firm’s assets and insurance liabilities into risk segments, apply appropriate risk factors to each segment at the consolidated level, and then set a minimum ratio of required capital. The Board currently supervises two systemically important insurance companies – AIG and Prudential Financial.

IN BRIEF

G-SIIs identified as a result of the 2015 G-SII assessment exercise listed in alphabetical order:

Aegon N.V.
Allianz SE
American International Group
Aviva
Axa S.A.
MetLife
Ping An Insurance (Group) Company of China
Prudential Financial
Prudential

For insurance companies that own a bank or a thrift, the building block approach would aggregate existing capital requirements across a firm’s different legal entities to arrive at a combined, group-level capital requirement, subject to adjustments to reflect the Board’s supervisory objectives. The Board currently supervises 12 insurance companies that own a bank or thrift.

Both the building block approach and the consolidated approach recognise the distinct differences between insurance companies and banks, and would use insurance-focused risk weights and formulas that reflect the appropriate nature of insurance liabilities.

“The dual approach proposed today is another example of our efforts to tailor capital regulation to the different risks posed by financial intermediaries of varying types and complexity,” Board governor Daniel K. Tarullo said.

Also in early June, the Board approved a proposed rule to apply enhanced prudential standards to systemically important insurance companies designated by the Financial Stability Oversight Council.

As required under the Dodd-Frank Act, these standards would apply consistent liquidity, corporate governance and risk management standards to the firms. These firms would also be required to employ both a chief risk officer and chief actuary to help ensure that firm-wide risks are properly managed. The enhanced prudential standards would only apply to systemically important insurance companies, reflecting the heightened risk these firms pose to financial stability.

Comments on both the ANPR and proposed rule are due by 2 August 2016. 📅

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- Anne Wilson
- Susanne Wilson
- Micayla Wilson
- Simon Wilson
- Jordan Winnard
- Paul Winrow



Congratulations to the following CII members who became Chartered Insurers, Chartered Insurance Brokers and Chartered Insurance Practitioners during 22 January 2016 to 1 March 2016

- A** Jessica Abbott
- B** Angela Blair
- C** Paul Davies
- D** Paul Davies
- E** Emma Freary
- F** Jane Garton
- G** Prachi Giddings
- H** Elizabeth Halliday
- I** Oliver Heaps
- J** Sarah Jackson
- K** Lee Kelly
- L** Helen Legue
- M** Gemma Manson
- N** Clive Neale
- O** Mardi Ogunyale
- P** Katherine Park
- R** Tom Rickards
- S** Lucy Selby
- T** Bruno Taylor
- U** Peter Verma
- V** Diane Valentine
- W** Jason Waite

- A** Benedict Wiegman
- B** Richard Wightman
- C** Janiene Wigley
- D** Gerard Wiley
- E** Gail Wilkinson
- F** Thomas Wilkinson
- G** Laura Wilkinson
- H** Jack Wilks
- I** Gemma Williams
- J** Joseph Williams
- K** Natascha Williams
- L** Rhian Williams
- M** Myrddin Williams
- N** Janine Williamson
- O** Lisa Wills
- P** Elizabeth Wilson
- Q** Linda Wilson
- R** Richard Wilson
- S** Stephen Wilson
- T** Anne Wilson
- U** Susanne Wilson
- V** Micayla Wilson
- W** Simon Wilson
- X** Jordan Winnard
- Y** Paul Winrow

STUDY ZONE

THE BIG TEN

THIS SET OF QUESTIONS, COURTESY OF ONLINE CII TRAINING PACKAGE INSURANCE ASSESS, WILL TEST YOUR KNOWLEDGE OF KEY INSURANCE TOPICS. THE ANSWERS ARE AT THE BOTTOM...

- Question 1: Basil claims for fire damage to his commercial property and the loss adjuster advises the insurer that average will need to be applied to the claim settlement. This means that?**
- A** Certain items needed for repair are no longer available and the settlement will have to be based on an estimate of their value
 - B** The insured wants to keep certain damaged property that has a salvage value
 - C** The property was not fully insured at the time of the loss
 - D** The repair work will involve replacing worn items with new ones
- Question 2: Doreen is receiving cash payments under the hospital benefits section of her travel insurance policy. What does this indicate about her situation at the hospital?**
- A** Her condition is life threatening
 - B** Her condition requires daily medication
 - C** She is being treated as an inpatient
 - D** She is being treated as an outpatient
- Question 3: In which of these classes of insurance is replacement commonly used as a method of providing indemnity?**
- A** Business interruption
 - B** Home contents
 - C** Personal accident
 - D** Public liability
- Question 4: How do the policy limits in respect of veterinary fees on a pet insurance policy apply?**
- A** Individually to each pet insured
 - B** To each veterinary consultation during the policy period
 - C** It varies depending on the type of policy purchased
 - D** Until the pet reaches the upper age limit
- Question 5: A landlord policy covers the removal of debris and tenants contents from which location(s)?**
- A** The insured site or adjacent to it
 - B** The insured site only
 - C** The landlord's premises
 - D** The insured site and the landlord's premises
- Question 6: Which of these types of profession may need a duty to warn extension on their errors and omissions policy**
- A** Estate agents
 - B** Insurance brokers
 - C** Security consultants
 - D** Design-and-build contractors
- Question 7: How do product recall claims and product liability (injury and damage) claims for a major manufacturer of consumer products compare?**
- A** Product liability (injury and damage) are significantly more expensive and are more frequent
 - B** Product liability (injury and damage) are significantly more expensive but product recall claims are more frequent
 - C** Product recall claims are significantly more expensive, but product liability (injury and damage) are more frequent
 - D** Product recall claims are significantly more expensive and are more frequent
- Question 8: With regard to employer's liability insurance, what is the purpose of a rehabilitation programme?**
- A** It is part of a contingency plan to replace injured employees
 - B** To comply with the law
 - C** To ensure injured employees are given appropriate treatment to improve their health and speed up their return to work
 - D** To ensure the claim is investigated to prevent injuries of a similar nature occurring
- Question 9: In placing a risk in the London market, what is the purpose of the premium advice note?**
- A** It shows the breakdown of the premium by line written and is prepared by the lead insurer for the following insurers
 - B** It shows all relevant details of the premium transaction and is prepared by the broker for submission to XIS
 - C** It shows the premium payable and is sent by the broker to the policyholder, requesting payment within 30 days
 - D** It shows the premium required for the risk and is prepared by the insurer for the broker to collect
- Question 10: A customer being advised of an insurer's complaints procedure must be told of the eligibility to use which organisation to resolve any complaints, if applicable?**
- A** Financial Conduct Authority (FCA)
 - B** Financial Services Authority (FSA)
 - C** Association of British Insurers (ABI)
 - D** Financial Ombudsman Service (FOS)

These questions are from the Assess online learning system and are based on content provided within the system. Please be mindful that they are being used here separately from that content. Whilst every effort is made to ensure technical accuracy, we will aim to correct any confirmed errors quickly. If you are interested in finding out more about Broker Assess or Insurance Assess, please e-mail: assess.sales@cii.co.uk

YOUR SCORE

1-3 POOR 4-6 GOOD 7-8 VERY GOOD 9-10 EXCELLENT

ANSWERS

- 1c.** Where it is discovered that a property is underinsured, the insurers may apply 'average' to any claim that is made under the policy. For example, if a property is worth £100,000 and contents insurers commonly arrange for replacement of contents for replacement of damaged items such as TVs, electrical goods and other household appliances and furniture, taking advantage of regular purchase damaged portions of the total value of the contents. The insurer would be entitled to pay only £50,000 towards the claim, to allow for the 50% limit vary between £3,000 and £2,000 depending on the type of policy purchased. Limits may apply to help pay for the incidental expenses or condition, where payment is for as long as the client if they become aware of a design defect during construction. An extension to cover this liability will need to be requested (although many insurers will not give the extension to cover this liability).
- 2c.** The hospital benefits section of a travel insurance policy will typically pay a daily benefit of up to £50,000. The hospital benefits and injury policy limit vary between £3,000 and £2,000 depending on the type of policy purchased. Limits may apply to help pay for the incidental expenses or condition, where payment is for as long as the client if they become aware of a design defect during construction. An extension to cover this liability will need to be requested (although many insurers will not give the extension to cover this liability).
- 3c.** The removal of debris and tenants contents from which location(s)?
- 4c.** Product recall claims are significantly more expensive, but product liability (injury and damage) are more frequent.
- 5c.** The insured site and the landlord's premises.
- 6c.** Security consultants.
- 7c.** Product recall claims are significantly more expensive, but product liability (injury and damage) are more frequent.
- 8c.** To ensure the claim is investigated to prevent injuries of a similar nature occurring.
- 9c.** It shows the premium payable and is sent by the broker to the policyholder, requesting payment within 30 days.
- 10c.** Financial Ombudsman Service (FOS).

STUDY ZONE

THE ABC OF... 'THE INTERNET OF THINGS'

DESPITE STILL BEING IN ITS INFANCY, THE INTERNET OF THINGS IS BRINGING SWEEPING CHANGES TO THE CUSTOMER EXPERIENCE AND GREATER EFFICIENCIES. MATTHEW THOMAS TAKES A LOOK AT THIS LATEST TECHNOLOGICAL LEAP FORWARD, FROM A TO Z

The Internet of Things (IoT) is more than a buzzword for 'generation selfie', it is the latest technological revolution in the digital society. The IoT refers to the new generation of connected objects and smart devices, creating more data and more opportunities for insurers to develop and deliver solutions to meet consumers' needs.

Despite still being in its infancy, the IoT is already bringing sweeping changes to the customer experience and greater efficiencies through self-service and support options via mobile devices. From remote thermostatic temperature control and light sensors to webcams monitoring our homes or connected cars on our roads, the digital age is here - with one in five cars predicted to be connected by 2020.

The IoT is already changing the insurance market in two key ways - the first is the ability to price based on a customer's individual risk, the second is the potential to reduce and even prevent risks. For instance, a smart device that can detect early on that a water leak is occurring in the kitchen means the problem could be nipped in the bud before it becomes a flood that damages flooring, cabinets, electrics and more. If you consider that escape of water claims outstrip any other type of household claim in cost, this becomes a serious opportunity for insurers to control claims



costs and deliver tangible service benefits. A range of webcams are also now offering home insurers a way to help consumers provide data to support their claims.

Telematics devices used for motor insurance are delivering quality driving behaviour data to insurers. This has benefits on a number of levels, first in the level of engagement it offers insurers with their customers; second in the way telematics policies support underwriting decisions and incentivise good driving behaviour; and third in reducing claims loss ratios. In 2014, the number of usage-based insurance policies nearly doubled in the US, and is only set to grow as consumers adapt to connectivity and demand a more personalised insurance service.

When it comes to health, activity trackers are becoming more common, making it easier to estimate risk more accurately. In the future, your moves may be recorded by your smartphone and wearable technology will send your location information to your home or vehicle as well as monitor your health. And how about smart clothing that adapts to your body temperature, activities or location when travelling?

And the more devices that come onto the market, the greater demand there will be for innovative insurance solutions tailored to the needs of individual

customers. Imagine a scenario where a car linked to the health tracker of the driver detects they are about to suffer a heart attack and simultaneously stops the car and contacts emergency services.

With more and more automation of cars, home appliances and medical devices, which all transmit data - estimates suggest there will be 80 billion connected objects by 2020, in a market worth some \$1,900bn - the real challenge facing insurers is deriving value from the zillions of bits of data being transmitted across the IoT.

Insurers will have the huge task of juggling the data - cleansing, analysing and regulating that information, as well as protecting personal data from hacking and cyber attacks. In addition, in the move towards more granular pricing based on behavioural data, some customers may be

excluded from insurance services, as insurers select the best risks. This of course has a huge social implication, which could invite government intervention.

The Ageas Horizon Scanning team is constantly looking into emerging future concepts to ensure we understand what customers may want down the line and explore opportunities to apply the latest trends to better understand how their needs might change in the future. Connected, smart devices will become even smarter and more useful as more people adapt to the technology, with even young startup technologies having the potential to disrupt the industry.

Data is the new currency and consumers are already trading their information for benefits across a variety of social media channels - the IoT is the next step in that process.

KNOWING YOUR A-Z...

- A... Automation
- B... Behavioural data
- C... Connected objects
- D... Digital society
- E... Estimate
- F... Future
- G... Generation selfie
- H... Hacking
- I... Innovative
- J... Juggling
- K... Kitchen
- L... Loss ratios
- M... Monitoring
- N... New generation
- O... Opportunity for insurers
- P... Personal data
- Q... Quality
- R... Regulating
- S... Smart devices
- T... Telematics
- U... Usage-based insurance
- V... Video claims
- W... Webcam
- X... eXplore
- Y... Young startup technologies
- Z... Zillions



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Insurance Advisor Coversure Huntingdon, East of England	14/06/2016	Insurance Sales Executive Future Agent Programme NFU Mutual Nationwide	09/06/2016
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CII Blog

CII blogger **Florence Dennis** has been looking for motivation to help her move on from a successful exam pass and dive back into the next module. Here's how she did it...

ONTO THE NEXT ONE...

I passed! MO5 Insurance Law is complete – what a relief.

I was more than anxious about my first exam as it was the first diploma unit I have attempted. As a compulsory unit, I was expecting the course to be challenging but nothing quite prepares you for the size of the textbook. Though daunting, I persevered with my studies.

The multiple choice test was tough; and that awful 10-second wait at the end before you see your result is teeth-grindingly scary. Thankfully though, I passed both the coursework and exam elements on the first attempt.

For those of you who have also passed exams recently, I would like to say well done. It is a massive achievement, so you should be proud of yourselves.

Moving on

Anyone who is currently studying will know the dilemma of finishing one exam then trying to find the motivation to start the next one.

You aren't alone in this struggle. This time round, I hit a major rut. Having taken some holiday to move into my very first home, I returned to the office to find the usual buildup of work. I was snowed under catching up and found myself wondering: 'How can I find the energy to start my next exam?' Then I thought back to what I wrote in my previous blog – take a breather and look at all the benefits of gaining the qualifications.

Breaking the process down really helped; all I had to do initially was apply for the next module. Thankfully, one of my colleagues, Dawn, is also studying towards her Diploma in Insurance and was really encouraging me to apply for my next course. She even started leaving the application forms on my desk... I took the hint.

I have decided to complete the Insurance



“There is a way for everyone and you will find your process, pass the modules and gain your qualifications”

Business and Finance module next, as this is the last compulsory module required for the Diploma. Thankfully, the course is available in mixed assessment format as I have found that the 'M' variants of the exams work much better for me.

Now is probably also a good time to reach out to anyone who is studying but might not be passing the exams first or second time round. To anyone in this situation: don't panic! There is a way for everyone and you will find your process, pass the modules and gain your qualifications. It is hard work and you may need to step outside of the box occasionally but the benefits are endless so don't be put off by a failed attempt.

Final thought

So, this time round I have two pieces of advice for you. First, when studying, it is really important you find what works best for you. This will be different for all of us whether it is how you study, or which exam style you prefer. Second, it is really helpful to find someone in your office or team who is also studying. You can swap study tips and update each other on your progress to stay motivated.

If, however, you don't have any colleagues who are also studying I would highly recommend using the student discussion forum. It is a great place where other professional students post their worries or advice for others in the same position. The Chartered Insurance Institute also offers group revision days and the end-of-chapter multiple-choice tests on RevisionMate are a saviour!

Good luck to all those with exams coming up and don't forget the expert in anything was once a beginner. Just like a lot of us. 📚

Florence Dennis is account manager, financial lines at Arthur J Gallagher



For details on the positions below and others in General & Financial Services Insurance across the UK, in London and Internationally please visit

www.ipsgroup.co.uk

Senior Underwriter Casualty

CHF Excellent Package

An excellent opportunity for a Candidate to progress in the European Casualty Treaty Market. A well known Reinsurer with a Swiss Location. Significant opportunities exist within this company. Candidates are expected to have a proven background in technical Underwriting in this class and should have at least 1 European language. Located in Zurich, this presents an ideal opportunity for someone to move to Switzerland or move within the Zurich Reinsurance Market.

Contact: Charles.Eady@ipsgroup.co.uk - London

Ref:CII127876CE

Senior Financial Control Analyst

£60,000 - £75,000 + Benefits

A leading specialist insurance company has a requirement for a Senior Financial Control Analyst to join their London office. You will have the opportunity to extend and enhance a rigorous SOX compliant infrastructure as well as developing regular liaison regarding assurance and reporting activities with risk, compliance and internal audit. The successful candidate will be ACA qualified or equivalent looking to develop a career within insurance, ideally with some existing experience. Must have excellent communication skills and knowledge of Microsoft Office, particularly Excel and PowerPoint.

Contact: Kiran.Soor@ipsgroup.co.uk - London

Ref:CII127995KS

Deputy Head of Compliance for a Lloyd's Insurer

£75,000 - £85,000 + Bonus & Benefits

Must be able to demonstrate your ability and understanding of Conduct and F.C. The role offers day to day management of the compliance function with managerial responsibility of a well-established team with full autonomy to shake things up! Requires good technical knowledge of FCA / PRA / Lloyd's regulation and been able to foresee how the changing landscape will affect the business.

Contact: Alex.Curtis@ipsgroup.co.uk - London

Ref:CII128007AC

Compliance and Risk Executive

£30,000 - £40,000 + Bonus & Benefits

Joining an established and performing Lloyd's underwriters' compliance function with the focus of furthering your compliance knowledge in this area. Previous experience advantageous but not essential. Must be able to demonstrate Lloyd's and compliance regulation understanding + concepts.

Contact: Alex.Curtis@ipsgroup.co.uk - London

Ref:CII127898AC

Conduct Risk Manager

To £65,000 + Benefits

This role will report in to the Head of Conduct of the newly formed Conduct team of this major Lloyd's Managing Agent. You will be the key interface with the business to facilitate Conduct Risk. In addition to practical experience of Conduct Risk within Insurance, you will need excellent interpersonal skills and be confident influencing at all levels of the business.

Contact: Tim.Southworth@ipsgroup.co.uk - London

Ref:CII127111TS

Delegated Underwriting Analyst

To £50,000 + Benefits

This role will be part of a small team, supporting the DUA Manager on a growing Delegated Underwriting Authority book. Working for this ambitious Lloyd's Syndicate, you will work to develop the DUA framework, manage Coverholder Approvals and work closely with Underwriters. The ideal candidate will be working for a Lloyd's Managing Agent in a DUA role covering Coverholder approvals, Audit Coordination and Bordereaux processing.

Contact: Tim.Southworth@ipsgroup.co.uk - London

Ref:CII128404TS

Property Wordings

To £65,000 + Benefits

You will work closely with the Head of Wordings and Property Underwriters of this high profile Lloyd's Syndicate, negotiating and agreeing Wordings. The client is seeking an individual with strong Property Underwriting knowledge who will take a proactive approach, building strong working relationships with the Underwriters and Brokers, and keen to develop their career as a Wordings specialist.

Contact: Tim.Southworth@ipsgroup.co.uk - London

Ref:CII128350TS

Underwriting Team Leader

To £40,000 + Benefits

Prestigious syndicate group are looking for either a current team leader or a senior underwriting technician looking to develop their career up the underwriting support management path rather than being an underwriter. You will need to communicate well, have an eye for detail and be able to demonstrate the ability to manage workflow and meet service standard deadlines. There will be plenty of support and development in the role.

Contact: Alison.Taylor@ipsgroup.co.uk - London

Ref:CII127761AT

Underwriting Analyst - Binders

To £30,000 + Benefits

Interesting challenge managing all the binding authority data, checking, reconciling, analysing and reporting. Working as part of a well established and highly organised delegating underwriting team you will work for an effective manager and be supported with your learning and development in this area. ACII support and on the job training available for a committed technician keen on this career route.

Contact: Alison.Taylor@ipsgroup.co.uk - London

Ref:CII128156AT

Reinsurance Technical Specialist

£50,000 (12 month contract)

A Global Insurance organisation has an immediate requirement for an experienced Reinsurance Specialist to work as part of their Outwards Reinsurance Team specialising on reinsurance protections. You will be assisting in the review and monitoring of reinsurance purchasing, loss recovery and counterparty risks. Working with a variety of internal and external contacts analysing financial statements and providing reports.

Contact: Carl.Crossfield@ipsgroup.co.uk - London

Ref:CII128534CC

Insurance Manager

£ Negotiable

This is a role with a leading transport company that has a global insurance program in place. Reporting directly into the Global Insurance Director, you will mainly assist on the UK and European program, primarily handling property, liability and fire. The broad job requirements also includes knowledge of contract risk, interpreting policy wording, claims handling and preparing renewal data. Ideally you will be educated to degree level, have technical knowledge of European insurance markets, as well as an attention to detail approach. If not already achieved, support/encouragement will be given to gaining professional qualifications.

Contact: James.Dick@ipsgroup.co.uk - London

Ref:CII128308JD

Casualty Reinsurance Underwriter

To £55,000 + Benefits

Large global firm seeks a reinsurance underwriter to join their corporate reinsurance division, assisting them their portfolio of Casualty business (EL, PL, Med Mal, PI, D&O and FI). This is a superb opportunity for an analytical underwriter to move into a reinsurance position. You will have previous experience of underwriting Casualty business, ideally including some US exposure, within the London market.

Contact: Dana.Hill@ipsgroup.co.uk - London

Ref:CII128536DH

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