Chartered Insurance Institute

# THE JOURNAL

THE VOICE OF YOUR PROFESSION

**thejournal.cii.co.uk**
December 2017 – January 2018

## TRY, TRY AGAIN

RUGBY WORLD CUP-WINNING COACH SIR CLIVE WOODWARD APPLIES HIS FORWARD-THINKING METHODS TO BUSINESS

**Moment of parity**
Is AI picking up our bad habits?

**Work, interrupted**
The growing importance of BI

**Tough at the top**
Why D&O cover is now essential

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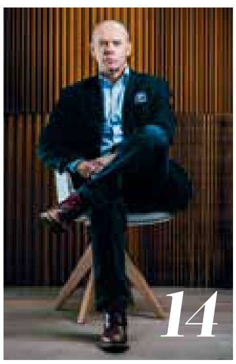





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## CONTACT US


Chartered Insurance Institute
Standards. Professionalism. Trust

**The Chartered Insurance Institute**
20 Aldermanbury
London, EC2V 7HY
Tel: (020) 8989 8464
Fax: (020) 8530 3052

**Chief executive:** Sian Fisher





**Editor:** Michelle Worvell (020) 7417 4763
michelle.worvell@cii.co.uk

**Deputy editor:**
Luke Holloway (020) 7417 4778
luke.holloway@cii.co.uk

***For sales and advertising please contact charles.boutwood@redactive.co.uk***
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INGA BEALE

# TRUST THROUGH DIVERSITY

**Dame Inga Beale** explains how inclusion holds the key to rebuilding faith in the insurance sector

Beginning a new year gives us all a chance to reflect on the year that has been. As I look back on 2017, one of the things that really struck me was the level of public distrust of business, government and media. Around the world people have been rallying against the status quo – challenging what is, and demanding change for a better future.

For the global insurance sector, we need to come to terms with what this means for us as a significant contributor to global prosperity, with enormous potential and power to change the lives of millions for the better. Of course, we do this everyday – from paying claims for broken iPhones or lost luggage, providing advice to individuals around pensions, right through to supporting countries at times of national disaster.

When I stop and think about it, the enormous value of what we collectively do is really quite extraordinary. But we're not the ones that need convincing – though we might need reminding from time to time!

In this world of distrust, how do we restore the trust of the millions of customers we serve?

> IN 2017 THE CII REACHED MORE THAN 10,000 YOUNG PEOPLE

When you boil it down, this is all about inclusion. Although this might seem like an all too simplistic synopsis of the complex challenges right around the world, this one word encapsulates society's plea to have a louder voice, to be thought about, and to be involved.

The CII has an important role to play when it comes to rebuilding public confidence and trust across our profession. And part of this involves transforming the image of our sector through the people that work in it. There is no question that increasing the diversity of our sector by cultivating inclusive environments will continue to remain a critical part of that journey in the years and decades ahead.

Of course, gender diversity is right up there when it comes to being more representative of, and trusted by, our customers – half of which are women. This year in the UK we celebrate 100 years since the signing of the Representation of the People Act 1918, which gave women the right to vote. This milestone and the ongoing suffragette movement worked to achieve equal rights for men and women.

## LEADING BY EXAMPLE

Although we have come a long way, there is still significant work to be done – particularly when it comes to the number of women in senior positions. By 5 April this year, any UK organisation that has more than 250 employees must publish and report on its gender pay gap. Although the CII has a gap, I'm proud that it has taken a leading role in publishing its own data, together with calling on the insurance sector to do the same.

Which brings me on to new talent – to help reinvent our image, we need to more meaningfully engage with new talent, the people who are the future of the insurance sector. We need to keep working hard on telling a better story about our profession and we need to better engage with young people at the critical stages of their early career planning.

That is why the CII's Discover Risk initiative, which continues to encourage young people in school and university to consider career options within the insurance sector, is so important. In 2017 there were more than 250 events across schools, colleges and universities, reaching in excess of 10,000 young people. The Discover membership now has more than 2,500 students and careers advisers in the scheme, receiving sector updates, case studies and jobs. That's a great result and one to build on during the next year.

Those efforts, alongside the collective efforts of insurance firms in the UK and our members are so important in capturing the hearts and minds of our future talent – the talent who are already living and breathing the technology that will drive our sector in the years ahead. ●

*Dame Inga Beale ACII, President, CII*

FROM THE CII TWITTERATI »

@martinbamford
A productive afternoon with @CIIGroup helping them with a podcasting project. Watch (listen to?) this space.

@IIL_London
ICYMI - missed a #CPD #IILlecture this year? Podcasts are available for @CIIGroup and @pfsconf members to view online! bit.ly/OawvcH

@LizaPActive
Exam results through #hardworkpaidoff @CIIGroup @MbroCII In shock passing AF1 & JO2. Only 1 more AF to go to be #Chartered @ActiveFinancial

## GENDER PAY GAP

# CII ENCOURAGES SECTOR TO GET TO GRIPS WITH THE GENDER GAP

The CII is encouraging firms in the insurance and financial advice sectors to start disclosing their gender pay information ahead of next April's deadline, regardless of whether or not they are required to.

In issuing the 'call to action', the CII is leading by example by doing so itself – five months in advance – despite the fact it is exempt by being under the 250-employee threshold.

The move coincides with the publication of a specially-commissioned briefing paper, Mind The Gap, which outlines the key factors and causes of the gender pay gap, as well as what can proactively be done to bring about better balance.

The CII's mean hourly pay gap is currently 28%, compared to a sector average of 47% and national average of 14%. The median hourly rate gap is 18%, compared to a sector average of 37% and national average of 10%.

"The data that firms are sharing between now and April 2018 is only the start," said Sian Fisher, chief executive. "Our stakeholders want to see evidence of what we are doing individually and collectively to reduce the gap and they will expect to see significant improvement in future years."


## DIVERSITY

# CMS HOSTS ALL-FEMALE OPEN DAY AT LLOYD'S

Up to 50 female graduates and undergraduates have received a unique insight into the roles available for insurance professionals, at a unique event in the City of London yesterday.

CMS worked alongside the CII and Pioneer Underwriters, with support from the London Market group to develop Insight to Insurance: an event targeted at female undergraduates and recent graduates with no pre-existing knowledge of, or links to, insurance.

Victoria Murray, an associate at CMS, explained: "The day was an opportunity to learn about insurance, what it does and what opportunities these young women have to join in and stand out in a market committed to improving diversity.

"For many young people, especially women, the City of London and the insurance industry can seem opaque. The aim of today's event is to introduce these ladies to the market, explain how it works and how the roles interrelate and, through panel discussions and an intimate environment in which to ask questions, give them a clear picture of what this sector can offer."

In addition, attendees developed their understanding of risk through the CII's Discover Risk interactive game and developed their application skills via an assessment centre run by Aon.







@ianmckennaftrc
Many thanks to @CIIGroup for hosting our #ProtectionForum today with so many key adviser firms & life cos great conclusion on how to help advisers improve customer outcomes and

@MattBraithwait
I received my @CIIGroup R01 certificate yesterday, hopefully the first of many! Next stop, R05! #regulatedfinancialplanningdiploma

@6th_CHSIlford
Brilliant workshop on #careers in #FinancialPlanning run by @CIIGroup and @NationalCareers for #SixthForm #Finance #students

#CIIGroup Twitter
13,912
Followers and counting...

## INSURING WOMEN'S FUTURES

# NEW CROSS-SECTOR TASKFORCE ANNOUNCED

Senior leaders from across the insurance profession are joining forces to improve women's resilience to risk. The new taskforce is being formed as part of the Insuring Women's Futures (IWF) programme and will develop new and innovative solutions to the risks that women face in life.

IWF is a programme of change led by the CII to improving the sector's knowledge of women's risks, the representation of women at every level of the profession and access to solutions to those risks.

The new taskforce will focus on three key areas:

- Improving awareness among women of the risks they face in life and engagement with the existing solutions
- Developing joined-up policy interventions
- Identifying new and improved insurance solutions to women's risks.

The taskforce will concentrate on setting the priorities for positive change and galvanising the profession into action. It will work in conjunction with a number of working groups that will look at tactical activity to drive change, facilitated by the CII.

Inga Beale, patron of the IWF programme, CEO of Lloyd's and president of the CII, commented: "Women are less engaged with insurance protection products and services than men and as a consequence, are underprotected. That is a risk for society, not just for women. This new taskforce will bring together expertise in a range of areas to work with the insurance profession to address this issue and drive real change."

## BROKING

# FCA LAUNCHES WHOLESALE INSURANCE BROKERS MARKET STUDY

The UK Financial Conduct Authority (FCA) has launched a market study to assess how competition is working in the wholesale insurance broker sector. The FCA wants to ensure that the sector is working well and fosters innovation and competition in the interests of its diverse range of clients.

The London insurance market is one of the world's leading centres for large-scale, complex commercial and specialist risks, controlling more than £68bn in gross written premium.

There have been significant changes in the wholesale insurance sector in recent years, which have seen brokers developing new services and business practices. The FCA plans to explore how competition is currently working and whether it could work better.

The FCA believes that effective competition contributes to ensuring London remains an international centre for insurance.

For more information, visit: **bit.ly/2BgZZT8**

READ THE JOURNAL ONLINE AT WWW.THEJOURNAL.CII.CO.UK

BROKING

# SIAN FISHER BRISTOL VISIT

Chartered Insurance Institute (CII) CEO Sian Fisher visited Brunel Professions in November to learn more from chairman Chris Ladkin and his team about one of the fastest-growing insurance brokers in the southwest. While in the area, they discussed the firm's increasing involvement with the CII, as it launches its new venture – Brunel Insurance Brokers.

The trip coincided with Ms Fisher's visit to the University of the West of England.

At Brunel, she met CEO Russell Lane, operations manager Jane Perrett and Mr Ladkin, reviewing ways Brunel could work more closely with the Insurance Institute of Bristol and its young professionals.

Ms Fisher also met employees currently studying for CII qualifications, offering training and internal testing solutions from the CII and explaining changes in the CII, along with the benefits that insurance brokers could gain from them.

WOMEN IN FINANCE

# RSA SIGNS WOMEN IN FINANCE CHARTER

RSA has announced it has signed up to the Women in Finance Charter, a joint commitment by financial services organisations and HM Treasury to improve gender diversity in the financial services industry.

The Women in Finance Charter is a commitment by signatory firms to work collaboratively to build a more gender-balanced industry. The Charter commits organisations to supporting the progression of women into senior roles and requires them to set targets and publicly report on progress toward these.

Cathy Lewis, RSA's group HR director and executive sponsor for the Charter, said: "This is an important milestone for RSA and we wholeheartedly support the Women in Finance Charter.

"Becoming a signatory is part of our wider efforts to build an inclusive and diverse culture at RSA, where talented individuals feel welcome and included. Companies with diverse workforces are more likely to succeed. We recognise the importance of this commitment to attracting and developing our people and we look forward to putting our energy behind it."

By signing up to the Charter, firms agree to:

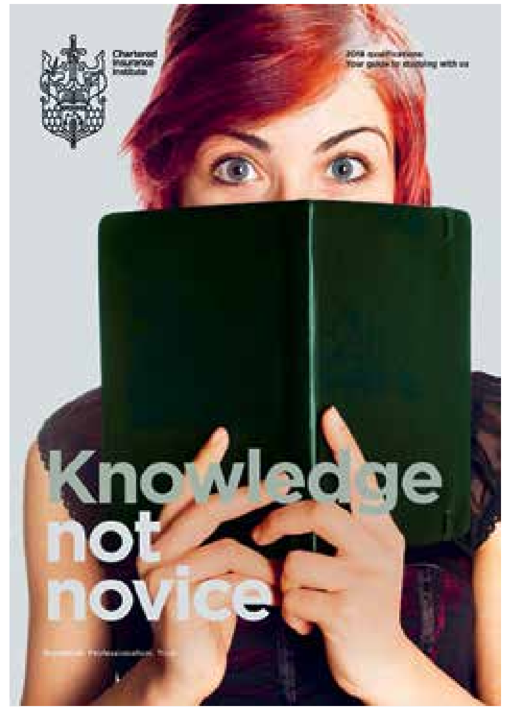
- Having one member of our senior executive team who is responsible and accountable for gender diversity and inclusion;
- Setting internal targets for gender diversity in our senior management;
- Publishing progress annually in reports on our website;
- Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity.

RSA will be setting targets for gender diversity as part of the development of our wider diversity and inclusion (D&I) strategy, led by Cathy Lewis and Lynn O'Connor, who was recently appointed to the newly created position of head of D&I.



QUALIFICATIONS

# CII LAUNCH NEW QUALIFICATION BROCHURE




The CII have released their qualification brochure for 2018. Including both the insurance and personal finance frameworks for the first time, the new brochure presents qualifications in a concise and easily digestible guide, with direction for candidates who want to know the best learning pathway to get their career started, or professionals striving for Chartered status.

Every section of the brochure includes short website links that enable members to quickly find out more information on what they're reading and clear signposting on starting the enrolment process. The new design makes it straightforward to see which qualifications and their respective units go together to help progress to the next level.

Clear pathways leading all the way to Chartered and Fellowship status are included with popular unit pathways highlighted throughout, helping to navigate the options available when it comes to recommended unit combinations.

To view the 2018 qualifications brochure, visit: **cii.co.uk/brochure**



LETTER

# THE VALUE OF THE PROFESSION

I am currently completing my DIP CII qualification which is due in December 2017, after which I intend to commence my ACII studies in January 2018.

However, I am now beginning to question the true value of CII qualifications and whether to carry on with my ACII. I would be very interested to hear other viewpoints on this topic.

When looking at insurance industry job vacancies even at a relatively senior level a common phrase now is: CII Qualifications desirable but not essential. Very few vacancies state any CII qualification is essential at all.

I have spent hundreds of pounds of my own money and many hours of my own time studying for my DIP which I will be excited to pass, but I have to ask is it really worth it?

I am seeing people within the industry who I deal with on a day to day basis giving out poor, incorrect or even completely wrong advice. Senior managers within some of the big insurers and brokers do not have any CII qualifications at all and actually struggle understanding even some of the most basic concepts and terminology.

I see the quality of advice offered within insurance now gradually starting to spiral downwards, as employers seem to be recruiting people without any formal insurance qualifications and that can only be bad for the industry.

It is now time for some proper regulation and a complete overhaul of insurance industry standards within all insurance related workplaces, maybe with a mandatory minimum qualification such as Cert CII as a starting point for anyone working within insurance. ●

*Name and address withheld*

*Don't forget to send your letters to our editor at:*
michelle.worvell@cii.co.uk



LinkedIn

CII LinkedIn Group
**ciigroup@linkedin**

**43,334**
members and counting...

**Current discussions include:**

**WATCH OUR MANIFESTO JOURNEY SO FAR...**
It's been just over a year since we launched our strategic manifesto outlining our plans to secure and justify the confidence of the public
→ **bit.ly/2ysfths**

**TOO OLD TO LEARN?**
Passed AF7 today. Not too bad for someone who was 69 on the date of the exam. Some 46 years since I took my first CII exam...
→ **bit.ly/2AEu3IJ**

**WHAT IF INSURED ANNUAL CARRY LIMIT EXCEED THAN DECLARED UNDER MONEY INSURANCE...**
...and do not declare to insurers and some claim happens. Would he get full claim or there will be any deduction?
→ **bit.ly/2o3I8JP**

**RISE OF DISRUPTIVE TECHNOLOGY - NOW ON DEMAND**
Very excited to have hosted my first webinar on the rise of disruptive technology with Glen Clarke and Adam Rates from Allianz UK - See the on-demand video here.
→ **bit.ly/2mLPNfm**

**SM&CR SURVEY - ARE YOU ABLE TO HELP?**
We want to get the views of firms on their experience to date with SM&CR.
→ **bit.ly/2AmTVod**

SINGAPORE

# CYBER DEBATE AT CLAIMS CONFERENCE

Chartered Insurance Institute Hong Kong regional manager, Helen Roberts, hosted a panel discussion at the Claims Conference Singapore, addressing the evolving and hazy scope of cyber and ransomware claims

With the rapid development of digital products and services, companies in Singapore and in Asia-Pacific are facing increasing risks from cyberattacks, while traditional methods of cyber defence are becoming obsolete.

The panel discussed future trends of cyber insurance and cyber claims; cyber customer pricing; and why cyber insurance is not more central to businesses in Singapore.

Helen Roberts speaks to Jose Touceda, Klaus Lejon, Timothée Grange and Robert Riha

Panellists included Robert Riha of XL Catlin; Jose Touceda of FM Global; Timothée Grange, of GM Consultant; and Klaus Lejon of QBE Insurance.

MALAYSIA

# LESSON FOR MALAYSIA

THE MALAYSIAN INSURANCE INSTITUTE

The Malaysia Insurance Institute (MII) has invited the CII to deliver a presentation on 'The UK Aldermanbury Declaration – Lessons for Malaysia'.

As qualifications alone are only one aspect of professionalism, the Aldermanbury declaration provides a framework for professional standards covering: commitment to excellence, training and development, professionalism within insurers, brokers and insurance service organisations and broking, underwriting and claims management standards.

The MII is interested to explore ways that it can help to provide further guidance on an insurance competency framework, sharing the same common goal of increasing trust in the insurance profession.

Helen Roberts, regional manager, CII Hong Kong, was honoured to share full details of the Aldermanbury declaration and review survey and project results to reflect on the success of the initiative.

INDIA

# ACII SPONSORSHIP IN INDIA

At our recent Dive In 2017 event in India, Sian Fisher, CEO announced a sponsorship programme for two young girls from underprivileged backgrounds for the CII ACII qualification.

Our ambition is to attract talent from a wider pool to join our profession and one way is to inspire, engage and involve young girls by empowering them to take on roles and opportunities which they otherwise would never had the chance to do.

Our aspiration is to see them take on roles which they find fulfilling and help them develop and grow through their learning.

The initiative will commence in 2018 and applications will be invited from all the CII partners in India. Two candidates will be chosen for the sponsorship programme, providing local students with an exclusive opportunity to the international qualifications.

**JOIN OUR CII HONG KONG LINKEDIN GROUP AT: LINKEDIN.COM/GROUPS/4337279**





# WHAT'S ON THE RADAR?

**The CII** takes a look at what's new on the policy and public affairs front this month

1

## BREXIT – IRSG REPORT ON THE ARCHITECTURE FOR REGULATING FINANCIAL SERVICES

The International Regulatory Strategy Group (IRSG) has published a report which calls for a review of the UK's rulemaking system for financial services post-Brexit.

The report outlines four main recommendations for review:

- The powers and resources of UK regulators, including how any significant policy decisions are reached
- Framing the responsibilities of regulators to ensure regulation continues to be at the forefront of global standards, while remaining flexible and adaptive to market needs
- The scrutiny and oversight of regulators, how they interact with the UK parliament, key stakeholders and the public
- The legislative and regulatory process, including consultation and review mechanisms, as well as an assessment of areas for consolidation and simplification.

The report can be viewed at: **bit.ly/2kDUM14**

2

## TREASURY COMMITTEE PUBLISHES REPORT ON EU INSURANCE REGULATION

The Treasury Select Committee has published its report on the Solvency II Directive – the harmonised EU-wide insurance regulatory scheme.

In response to the practical difficulties of the directive, the report recommends that the Prudential Regulation Authority (PRA) should have a pragmatic discussion with the insurance industry. This should focus on the scope for amendments and increased proportionality in the implementation of the directive.

As well as the PRA's primary objectives, it has a secondary objective, which is to "facilitate effective competition". The committee recommends that the Treasury should consider giving this objective equal primacy.

The report can be viewed at: **bit.ly/2BEQsWj**

3

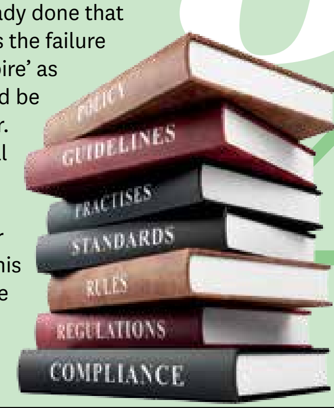
## FIRMS FALLING SHORT ON RENEWAL EXPECTATIONS

In October 2017, the UK Financial Conduct Authority (FCA) revealed that it has been monitoring how firms have implemented the consumer renewal disclosure rules, which came into force in April 2017.

Although examples of good practice were observed, the regulator found instances where firms 'obscured' the required transparency information or failed to give it sufficient prominence. It has also observed some firms extending their 'shopping around' message to suggest that the broker has already done that work for the customer, as well as the failure to treat some policies which 'expire' as renewals, even though they could be carried forward for a further year.

The FCA has now asked several firms to re-contact customers, to clarify renewal information retrospectively and made it clear that it will continue to monitor this area of compliance and intervene where necessary.

For more information see: **bit.ly/2jyWb4A**




4

## FCA MISSION: 'OUR FUTURE APPROACH TO CONSUMERS'

The FCA has issued the first of a series of consultation publications which form part of its mission. This includes questions based around firm and consumer responsibility, vulnerable consumers, tackling exclusion and delivering better outcomes for all consumers. The FCA also raises the possibility of introducing a new duty of care for firms into its handbook.

The consultation closes on 5 February 2018 and a final publication will follow later in the year.

The consultation can be viewed at: **bit.ly/2imjBKG**

**7 MARCH** — MAKING YOURSELF MEMORABLE
→ 12:15pm – 1:15pm
The Insurance Institute of Stratford Upon Avon
www.cii.co.uk/stratford

**13 MARCH** — PENSIONS UPDATE
→ 7:45am – 9:00am
The Insurance Institute of Leicester
www.cii.co.uk/leicester

**13 MARCH** — INVESTIGATING FIRES
→ 12:30pm – 1:45pm
The Insurance Institute of Norwich
www.cii.co.uk/norwich

HALIFAX

# COVEA REGAINS ITS HALIFAX QUIZ TITLE

Eleven teams competed in this year's Insurance Institute of Halifax annual quiz, 'Judge Fudge and the Arbiters' finishing as clear winners.

It looked like being a very close contest with only two points separating the top eight teams after the first round.

The teams this year were competing for the Martyn Foulds Memorial Trophy. The trophy was kindly donated by Ian Walker of the Bradford Institute, in memory of our sadly missed friend and past President Martyn Foulds, who died suddenly at the end of last year.

A raffle was held during the break for a pie and pea supper, which raised £100 for the Insurance Charities.

GUILDFORD

# YOUNG PROFESSIONALS CONTINUE TO GROW

The Insurance Institute of Guildford young professionals group continues to go from strength to strength, with its second event held in November, themed for Halloween.

The primary focus of the event was to unveil the group's plans to launch a cross-business mentoring programme, linking up young professionals in the area with an experienced mentor.

Held at a rustic pub in Guildford, the group discussed what a mentor/mentee relationship should entail and what the programme should look like going forward.

"The event was really enjoyable and it was interesting to learn more about how mentoring will work in the Guildford area," said Katie Pitman, of Allianz.

The mentoring programme will launch in the new year but not before a Christmas social finishes off 2017.

BIRMINGHAM

# ACHIEVERS CELEBRATE THEIR EXAM SUCCESS

BII 2017 achievers with deputy president Rachael McNamara (front centre) and Omar Khan, BII head of professional development and education (front right).

Local insurance and financial services professionals came together to celebrate their latest achievements at Birmingham Insurance Institute's (BII) annual presentation evening.

A group of members who have passed exams in the past 12 months were invited to the city's Council House Banqueting Suite to be presented with their certificate.

The BII also presents prizes to its most meritorious completers in the given period and two of the recipients were in attendance to receive their awards: James Baird FPFS, Cert CII (MP) for The Most Meritorious Completion of the Advanced Diploma in Financial Planning; and Eleanor Smith Cert CII for The Most Meritorious Completion of the Certificate in Insurance.

Other prize winners were Ian Yeomans for The Most Meritorious Completion of the Certificate in Financial Services; Jasmine Stewart for The Most Meritorious Completion of the Diploma in Insurance; Lawrence Gedge for The Most Meritorious Completion of the Diploma in Financial Planning; and Alistair Warden for The Most Meritorious Completion of the Advanced Diploma in Insurance, together with the Barbara Smith Memorial Prize.

Nikki Southwick-Gough, BII president commented, "The Council House is a wonderful venue, which lends the event a great sense of occasion. It is heartening to see so many members who are working hard on their professional development."

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REGIONAL NEWS

**15 MARCH** — GDPR – AN UPDATE
→ 5:30pm – 7:15pm
The Insurance Institute of Sussex
www.cii.co.uk/sussex

**20 MARCH** — POOL RE AND TERRORISM
→ 6:00pm – 7:00pm
The Insurance Institute of York
www.cii.co.uk/york

**21 MARCH** — AVIATION CLAIMS
→ 1:15pm – 2:00pm
The Insurance Institute of London
www.cii.co.uk/london

MID-KENT AND READING

# INSTITUTES HIGHLY COMMENDED BY THE INSURANCE CHARITIES


Two UK institutes, Mid-Kent and Reading, have been formally recognised by The Insurance Charities for their hard work and effort in raising awareness and funds for the charity.

Mid-Kent raised an outstanding £5,100 during the year, but received the 'highly commended' certificate not for the amount raised, but for the significant increase in fundraising activities from previous years.

Reading also received a 'highly commended' certificate for its proactiveness in raising awareness of the charity in the last year. Having appointed a charities awareness officer, Kerry Mills, at its 2016 AGM, Reading set about engaging with its members and the local insurance and financial services community by hand delivering the Insurance Charities Awareness boxes in time for Charities Awareness week. The Institute also regularly posted about the charity on its Facebook and Twitter pages and created a leaflet about the charity as well as its own monthly fundraising draw. Funds raised from the monthly draw and key events, including the institute's annual dinner, saw it raise £1,994 for the charity.

The Insurance Charities, first established in the City of London in 1902 as The Insurance Clerks Orphanage, now provides help and support to insurance, and insurance-related employees and their families.

→ Visit **www.theinsurancecharities.org.uk**

**CIIEdinburgh**
@CII Edinburgh
The ISoE is proud to support our friends across the M8 #glasgowdinner

**Reading Institute**
@CIIReading
If you are near Basingstoke railway station this afternoon from 4pm to 8pm look out for our President, Anne Therese Cromwell who is there collecting for @ParkinsonsUKSC

MANCHESTER

# FAST TRACK ACII

At the beginning of 2017, the Insurance Institute of Manchester (IIM) launched its flagship 'Fast Track ACII Programme' to a select group of students.

Less than a year on, three ACII modules have been completed and those involved are looking forward to a well-earned break over Christmas.

This programme was launched in response to feedback from IIM members about what they wanted from their local institute. Many students undertaking their insurance

exams passed their Certificate & Diploma qualifications easily enough, but found the ACII subjects much harder and often received limited support from their employer. They were looking to their local institute for support and often this was not provided or was too general to be of use.

The IIM wanted to offer a solution and designed a programme that would provide students with a structured programme of learning, taking them through five core subjects needed to pass the qualification, but also offering additional mentoring and support. The end goal being that at the end of the two-year programme, 14 students would have achieved their ACII.

At the end of the first year, the Manchester institute could not be happier or prouder of what the group has achieved. The group quickly bonded despite different ages, backgrounds and experiences – with a diverse mix of backgrounds and job roles meaning the group members are also learning from one another.

13

THE INTERVIEW: SIR CLIVE WOODWARD

# WINNING MENTALITY

## Rugby World Cup-winning coach Sir Clive Woodward speaks to **Luke Holloway** offering an insight into his methods and how they apply to the business world

## SIR CLIVE WOODWARD

**On the field**
Sir Clive's rugby union playing career included time at Harlequins, Leicester Tigers and Manly, and 21 caps for England.

**World class**
He was director of sport for Team GB at the Beijing 2008, Vancouver 2010 and London 2012 Olympic Games.

**High performance**
Clive is the director of sport for APEX 2100, which aims to become a world-leading high altitude performance centre, based at 2,100m in Tignes, France.

Sir Clive Woodward's convictions have served him well. His relentless determination and forward-thinking work methods have helped him and those around him to the pinnacle of their profession.

Famously leading the England rugby team to victory in the 2003 Rugby World Cup, he not only guided and inspired players on a personal level, but implemented coaching methods and data analysis never before seen in the world of rugby and at the very cutting edge of sports science.

Sir Clive coached England between 1997 and 2004, before moving onto the British and Irish Lions in 2005. But despite his remarkable achievements, he argues there is no great secret to leadership. "You don't get trust and respect just because you're a leader, you earn that through the quality of what you do," he says. "I believe in throwing everything at a task, every ounce of effort. Work as hard as you possibly can and people will follow you."

Being a good boss certainly does not include dictating every decision and for Sir Clive, it is important that people know the team goals, but crucially, the reasons behind what they are working towards. "Take people on that journey with you. Don't just tell people, 'this is what we're going to do', and that's it. You have to bring them in and tell them *why* you're going to do it this way and when they have an opinion, it is important to listen.

"If people understand why what they're doing is going to make the overall performance better and the team more successful, people will work better. The 'why' is the most important thing."

### TALENT AS A STARTER

New talent is something the insurance profession is now placing huge emphasis on and both finding and developing talent has been key to Sir Clive's success.

"I don't think you can ever spend enough time, effort or money on trying to get the right talent into your team. Despite that, having the right talent must be seen as the starting position, not the finishing position.

"A great team is made up of great individuals. Once you've got those individuals on your team, what can you then do to make those people better?" he asks. "You need individual training plans – so it's not the same for everybody – and really focus on improving every individual. No matter how talented someone is, you should always aim to make them better."

Having a team of diverse individuals is also vital and not just as a tickbox exercise, but to harness different perspectives to create real benefits to a business. "Diversity is incredibly important and often not understood as it should be," says Sir Clive. "For me, it is all about diversity of thought. The more diverse your team is in terms of gender, ethnicity, culture, you'll get different ideas and variety of thought – and that makes you a better team."

> ASKING FOR HELP IS ALSO VERY IMPORTANT. BUT IF YOU FAIL, SLAM THE DOOR AND DON'T LOOK AT WHY THINGS WENT WRONG, YOU WON'T PROGRESS

### COPING UNDER PRESSURE

Now a successful sport and business consultant, there is an incredible amount that Sir Clive feels can be translated from the field to the workplace. Not least the art of dealing with pressure.

One method he teaches is 'TCUP' – Thinking Correctly Under Pressure, which means rather than ignoring pressure or hoping it won't affect you, being ready for it.

"What is pressure?" he asks. "If someone walked in with a knife, that's pressure. And you've got a better chance of handling a situation if you have prepared yourself mentally and thought through that situation step by step beforehand," he says.

"No matter how experienced you are, people do still freeze or 'choke' – it can happen. But the more you plan for moments of pressure and the defeats in life, the better you can handle them.

"It is important to talk about losing because it is going to happen, it's part of it. You need to be prepared for it and when the time comes you know how to react positively – and that is never a weakness, it is a great strength."

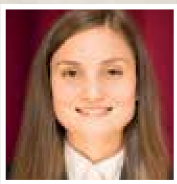
### LEARNING THROUGH LOSING

Though known for great victories throughout his career, Sir Clive is no stranger to failure and he is adamant that losing is not only nothing to be ashamed of, it is something you should use to your advantage and actively prepare for.

"I've probably failed more than I've succeeded. You learn more about yourself when you lose than when you win," he says. "There's a famous quote which I love: 'I never lose, I either win or I learn'. Yes, you may have failed, but you need to take something from that, life goes on and another opportunity will come around.

"The more you capture and use knowledge, looking at why things worked or didn't work, the stronger you will become. Asking for help is also very important. But if you fail, slam the door and don't look at why things went wrong, you won't progress. Never lose, just learn." ●

# APPRENTICE OF THE YEAR – 12 MONTHS ON



This time last year, **Samantha Eustace** had just scooped the *Apprentice of the Year* award as part of the CII's Apprenticeship Live campaign. We found out where her journey led her next...

## WHEN DID YOU COMPLETE YOUR APPRENTICESHIP?

My apprenticeship finished in August 2017 and I moved from operations to corporate affairs.

## HOW HAS YOUR CAREER PROGRESSED?

I started in the operations department, with a significant amount of interaction with our global corporate underwriting floor across a 15-month period. I then moved into a project management role for a team transition. I trained a new team of six people to perform a variety of tasks. I also managed the KPIs and analysed the data behind project outputs. I then moved into the corporate affairs team to sit across PR and communications, public affairs and corporate responsibility. I now work with politicians, journalists and other stakeholders to deal with topical matters affecting our business, while promoting Zurich.

## HOW ARE YOU PERCEIVED IN THE BUSINESS NOW VERSUS WHEN YOU STARTED THE PROGRAMME? AND HOW ARE YOU PERCEIVED AGAINST THE GRADUATES?

Since starting in 2015, I have made it my mission to create a strong personal brand. I get involved in a variety of networks to help promote positive change and this has made me a more recognised individual in the workplace. Now, I am just another employee wanting to work hard and provide a good output. I am not seen as any different to others because of my apprenticeship route. I find myself giving new graduates advice on starting out in their career and getting to know the business. If you have confidence and do a good job, it doesn't matter how you came into the workplace – it only matters how hard you are working and how you are delivering on your objectives.

## WHAT ADVICE WOULD YOU GIVE TO COMPANIES LOOKING TO GROW THEIR APPRENTICESHIPS?

In my experience, apprentices are always incredibly enthusiastic and willing to work very hard. It is important though for employers to really invest in the apprentices and make sure that they are treated as full and equal members of the team. A lot of time and effort has gone into graduate programmes and now is the time to replicate and improve on that for apprentices. It is important to give the grassroots the correct support to become thriving talent for the business and the industry.



## WHAT ARE YOU LOOKING TO DO NEXT?

For now, I am striving to learn a lot within my role. It is broad and open, which means I have plenty of room to learn and develop. I am very keen to step into lobbying on issues that I have a personal passion for such as diversity and inclusion, and mental health. Outside of my role, my next steps are to drive the ASSET network. ASSET is the first apprentice network for all insurance apprentices – past, present and future. Its aim is to provide nationwide support and network for all. Apprenticeships are the way forward, so what better way to influence companies, support individuals and share best practice then to create a network for that to happen?

## HOW ARE YOU PROMOTING APPRENTICESHIPS IN YOUR BUSINESS AND BEYOND?

In my business, I make it my mission to engage with all new apprentices. I like to let the network know I am always around to talk with, bounce ideas off of, and to support them. Outside of my office, I promote apprenticeships through ASSET and also by going and talking in schools, at events and in the media. ●

Interested in learning more about apprenticeships and introducing them in your business?
Use our simple registration process via: **bit.ly/2z3fnR5**

*Caspar Bartington is relationship manager for education at the CII*

# FEEDBACK LOOP

The CII reached out to members to understand how best to bring its Strategic Manifesto to life. **Cristina Biagioni** looks at the key insights...

Having launched the CII Strategic Manifesto, we felt it was vital to engage with members and non-members throughout the country as we figure out how to bring the new purpose and vision to life.

During the summer, we worked with specialist research agency Ignition House and their director, Janette Weir, to uncover the opinions and expectations of many segments of the insurance sector workforce – from tech-savvy enthusiasts embarking on their careers to highly experienced owner-managers approaching their fifth decade in the profession.

In addition to some tailored questions in the member survey, this involved a series of focus groups held up and down the country.

The research generated a number of vital and thought-provoking insights, which are being used to set our priorities under each of our key strategic themes – relevant learning, engaged membership and insightful leadership – and here we share these with you.

## INSURANCE IS THE 'BEST KEPT SECRET' IN THE FINANCIAL SERVICES SECTOR

Is insurance a career of choice? Does it attract top talent? We heard accounts of 'falling into' insurance and surprise reactions from those outside the sector regarding the depth and breadth of roles and skills required. The consensus is that it is a fulfilling, rewarding career, with longevity.

As a reminder of how the industry contributes to the economy, one passionate CII member told us: "We [the industry] are a big footprint in the City but there is no recognition that we are this many people and we are contributing this much to UK GDP."

*Key insight included:*

- Outside the sector, many are ignorant to the variety of jobs and skills and of the importance of this industry both to the UK economy and internationally. There are lots of good news stories to tell.
- We should be doing more to promote the sector to young people through greater awareness with schools and universities.

## JUST EXAMS, OR SO MUCH MORE?

"Why on earth would I want to keep paying once I've got my Certificate?" asked a young Lloyd's underwriter.

This reflected a widespread perception that the CII is an outstanding, credible and well-established examinations body.







But, especially among those new to the profession, there was at best hazy awareness of what else is on offer.

*Key insight included:*

- No recollection among lapsed members of targeted communications pre- or post-qualification completion about the wider value of membership.
- Perception that continued membership post-completion would involve onerous CPD compliance for little benefit.

## HOW QUALIFICATIONS AND CPD DELIVER CAREER DEVELOPMENT

Completing CII qualifications signals commitment and can help get better paid jobs with other employers. Some questioned the impact of qualifications on future career paths and how they helped progression with current employers. Surprisingly, many who have reached the pinnacle are not actively promoting their designations.

*Key insight included:*

- The fragmented nature of the industry means many do not have access to mentoring programmes – could the CII step in to fill this gap?
- Addressing the issue of impact on future career paths, creation of a skills map would be helpful to understand how people can advance in their career.

A non/lapsed member in their early career told us: "You need to know what jobs you can get once you get a qualification. They [the CII] need to show a career path for people."

**137**
PEOPLE INVOLVED IN FOCUS GROUPS:
**64**
MEMBERS
**47**
NON-MEMBERS
**17**
CONSUMERS

## 21ST CENTURY LEARNING FOR 21ST CENTURY JOBS

We have all heard the buzzwords 'artificial intelligence', 'big data' and many more. These emerging big trends will affect the sector and impact the jobs and skills that will be needed. To ensure we are fit to respond soft skills, IT skills and understanding technologies were themes suggested that we might want to consider for inclusion in qualifications.

*Key insight included:*

- Our course content is deemed to be too distant from the needs of people's day-to-day jobs. Content needs to be adapted to reflect the changing roles and the CII is currently seen as being behind the curve on some emerging trends. Suggested areas for the CII to take more of a leading role include: cyber insurance, risk management and behavioural economics.

We also explored preferences for learning.

*Key insight included:*

- The format of CII learning materials is designed for one learning style and needs to adapt to keep up with developments in the market.

A Personal Finance Society member summed up their experience by telling us: "If you've just come out of school and you're in the swing of sitting your exams, it's a lot easier. For people that are wanting to get Chartered that have been working in the industry for decades and are going back to studying, it's really tricky."

## CORPORATE CHARTERED STATUS TO REDISCOVER ITS PURPOSE

We have come a long way since launching corporate Chartered status in 2007, however to enable corporate Chartered status to reach its full potential the CII needs to do more to promote the advantages of becoming a Chartered firm and improvements need to be made to increase the resonance with consumers and clients.

We have been on a journey of discovery over the last few months which have given us some fascinating insights that will help guide us and shape our products, services and proposition. Thank you to all of those who were involved in our focus groups or contributed to the member survey. ●

*Cristina Biagioni is project office manager at the CII*

2018 QUALIFICATIONS BROCHURE

# Your Qualifications brochure...

**Make your New Year's resolution to progress with your learning and demonstrate to clients and professional peers, your commitment to professional development.**

Including both the insurance and personal finance frameworks, the new brochure presents qualifications in a concise and easily digestible guide. Whether you're just beginning and want to know the best learning pathway to get your career started, or a seasoned professional striving for Chartered status, we've got you covered.

We've made it easy to find what you're looking for online. Every section of the brochure includes short website links that will enable you to quickly find out more information on what you're reading and clear signposting on starting the enrolment process.

The new design makes it straightforward to see which qualifications and their respective units go together to help you progress to the next level. Clear pathways leading all the way to Chartered and Fellowship status are included with popular unit pathways highlighted throughout, helping you navigate the options available when it comes to recommended unit combinations.

It's never been so important to demonstrate your ongoing commitment to professional standards and that's why the new brochure shows more than our qualifications.

Professional body membership is a vital component of any professional's career development. This is reflected in the importance placed on joining a community of like minded professionals, and the benefits of undertaking your continuing professional development with the Chartered Insurance Institute.

Our new branding aligned our societies, faculties and institutes to reflect a shared purpose of driving confidence in professional standards. The new qualifications brochure stays true to this clear objective and its transformation represents a step towards uniting the profession through our shared purpose.

## What do you think of the new look?

Let us know via Twitter and post your comments including **@CIIGroup**

View the 2018 Qualifications brochure and plan your next steps: **cii.co.uk/brochure**


Map your journey all the way to Chartered status and even on to the ultimate accolade- Fellowship

Popular unit pathways help you decide how best to complete your qualification

See the study package included in the unit price

See all available units that can be taken at each Level and map out your preferred pathway with ease

Colour coding enables you to quickly see the study and assessment type for each unit

# ...but not as you know it





thejournal.cii.co.uk / The Journal / December 2017 - January 2018

ARTIFICIAL INTELLIGENCE

# THE BAD HABITS OF AI

**Duncan Minty** examines the increasingly urgent need to address gender bias in artificial intelligence

Insurance is starting to be transformed. Many aspects of underwriting, claims and distribution are being remodelled. This transformation is being powered by the massive amounts of data we are producing as part of our everyday lives.

Success is measured not by the size of that data, but by the insight you can draw from it. For this, insurers are using a variety of tools under the heading of artificial intelligence (AI). Algorithms are one such tool, being a structure of mathematical formulae for identifying relationships within data.

As data used by insurers grows vast and varied, the capacity of humans to create handwritten algorithms is slowly but surely being reached. The solution has been machine learning, in which algorithms learn for themselves where those relationships within data lie. For machines to learn, they must first be trained on historical data.

**1,000**

**THE NUMBER OF FACTORS SOME MOTOR INSURERS NOW USE TO UNDERWRITE RISK**

**42**

**SECOND IS HOW LONG IT TAKES A US HEALTH INSURER TO PROVIDE A QUOTE, BY ASKING ONLY FIVE QUESTIONS**

## THE SPREAD OF ALGORITHMS

Underwriters are using algorithms to expand the risk factors that influence quotes and to reduce the questions needed for a quote. Claims people are using them to reduce the time to settle claims and to spot fraudulent claimants. And marketing people are using algorithms to personalise marketing campaigns and predict consumers' behaviours.

Three trends are worth noting. AI introduces a more automated level of decision making. It also pays attention to the feelings and contexts that influence our decisions. And it is using machine learning to convert social media chatter into virtual identities.

The common denominator here is the vast amount of historical data needed to create this automated reality. This comes from the decisions and opinions we make in our online lives. While many of these will be conscious decisions, the cleverness of AI lies in identifying the unconscious element that often underlies those conscious decisions.

## GOOD AND BAD DECISIONS

If you train an algorithm on historical data, it will learn not only the good decisions we have made, but the bad decisions as well. It will learn the biases in society.

Research published in the April 2017 edition of the journal Science illustrates this. Researchers looked at an AI tool called 'word embedding', which is transforming the way computers interpret speech and text. What they found was that word embedding helped an algorithm learn how words for flowers were clustered around words linked to pleasantness, while words for insects were closer to words linked to unpleasantness. They then found that words like 'female' and 'woman' were more closely associated with arts and humanities occupations, while 'male' and 'man' were more closely associated with maths and engineering occupations. What this tells us is that AI will learn the gender biases in historic data and then propagate it into the automated decisions that insurers make in underwriting, claims and marketing.

> Information is the oil of the 21st century and analytics is the combustion engine

## THE IMPACT OF GENDER BIAS

Propagating gender bias across insurance decisions could result in women paying more in premiums, receiving less in claims settlements and facing a greater exposure to mis-selling. Such detriment will vary from insignificant to significant, from occasional to widespread. That is missing the point though. Gender bias in analogue decisions is illegal. It is just as illegal in digital decisions.

But surely insurers already have controls in place to guard against such bias? Only to a degree. Two trends make this a real risk for insurers. Firstly, some of the insight that AI generates will come from real historical data, while some will be 'manufactured' from the clusters of correlations that algorithms identify. And secondly, both those real and manufactured insights will then be injected into automated decision making, the workings of which become more complex and opaque.

The challenge this presents is of 'black box' processes giving insufficient consideration to ethical concerns. Detriment blends into the normality of busy firms using complex systems. Complexity may be the new norm, but that does not mean gender bias should be so too.

## WHAT SHOULD INSURANCE DO?

Insurance firms should work together on a structured response to the challenge of gender bias. Key principles should be adopted and business leaders should publicly emphasise the need to follow them. Tools for testing historic data and algorithms for discriminatory features should be adopted. Responsibilities should be allocated and training provided. Suppliers and business partners should be told to follow suit.

Individual professionals should keep in mind their obligation to work in the public interest and to uphold the Code of Ethics. Understanding the challenge and how it might affect their particular responsibilities is the starting point. Pressurising for positive change is the next step. And providing leadership across the sector to address the issue is a natural continuation.

Many insurance leaders are extremely concerned about how trust could influence their firm's growth. Tackling gender bias in automated decisions is an issue that needs to be part of every insurer's trust agenda. ●

*Duncan Minty is business ethics consultant at Duncan Minty Consulting*







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HOT TOPIC

# INTERRUPT RESPONSE TIME

In contingent business interruption, the same sort of claims appear again and again and yet it seems the sector continues to use CBI as a sweetener. Is this the year the profession learns the lessons of the past?

IMAGE: GETTY







> 1 IN 10 RESPONDENTS TOLD THE BUSINESS CONTINUITY INSTITUTE THEY DO NOT KNOW HOW MANY SUPPLY CHAIN DISRUPTIONS HAPPENED IN THEIR SUPPLY CHAIN - 51% OF ORGANISATIONS DO NOT INSURE SUPPLY CHAIN AT ALL

Thanks to a series of natural catastrophes worldwide – from the Atlantic hurricanes to mudslides and typhoons – it seems at least part of the global insurance industry has had a wake-up call.

The figures speak for themselves – last year the cost of 315 catastrophic events was calculated at $210bn, with just $54bn of that insured. This year, in the period up to 25 August, Swiss Re said natural catastrophe losses were $44bn – the next month alone saw some $120bn of losses.

And it appears much of what was insured was not necessarily paid for in terms of premium collection.

Reinsurer after reinsurer admitted they face losses in the wake of one of the costliest months ever in terms of insurance claims. And it seems the premium income has not kept pace.

Figures suggest some reinsurers saw losses of two and half times their 2016 premium income – hardly a sustainable model.

However, with so much capacity floating around the market it has been hard for the insurers and reinsurers in particular not to chase business down to its lowest pricing. Terms and conditions have been easier than ever before for insurance buyers to negotiate, and sweeteners abound.

One of those that has proved particularly costly has been business interruption. While business interruption itself is usually paid for as part of the bundle, many insureds have been offered contingent business interruption (CBI) almost as a throwaway.

It seems some lessons have not been learnt.

After Hurricane Katrina in 2005, in what became a defining case (Orient Express v Generali), a hotel owned by Orient-Express Hotels (OEH) suffered significant damage during Hurricane Katrina and was closed until it partially reopened on 1 November 2005. →

## CONTINGENT COVERAGE

Contingent business interruption insurance and contingent extra expense coverage is an extension to other insurance that reimburses lost profits and extra expenses resulting from an interruption of business at the premises of a customer or supplier. The contingent property may be specifically named, or the coverage may blanket all customers and suppliers. CBI insurance is also known as contingent business income insurance or dependent properties insurance.

*Source: IRMI*

The local authority in New Orleans imposed a mandatory evacuation of the city, which was not lifted until the end of September. OEH suffered significant business interruption (BI) losses due to both the damage caused to the hotel and the evacuation of the surrounding area. The case set the standard for CBI claims.

Back in 2011, after the Japan earthquake and tsunami, just one motor manufacturer, Mazda, which was not even directly hit by the catastrophe, claimed about $65m alone for CBI losses because its supply chain was disrupted.

Again, in 2011, floods in Thailand proved immensely costly with some unexpected CBI claims. Lloyd's alone put the overall claims at more than $2.2bn. At the time, insurers admitted they had not necessarily appreciated the aggregation of having so many insureds vulnerable to the same catastrophe, while the onward impact to the global supply chain had also been largely underestimated.

As one risk organisation admits when discussing CBI with insureds: "Your insurer may not have contemplated such claims when writing the policy." Surely the question is: why not?

**$210bn**

**THE COST OF 315 CATASTROPHIC EVENTS IN 2016, WITH JUST $54BN INSURED**

There are some broad areas in which CBI may be a factor, as US-based Hill and Hamilton Insurance and Financial Services explains to its customers:

- There are a variety of ways in which business work flow could be interrupted. An example from the cyber liability world is if the insured customer database or computer production line is hacked and causes the business a loss of income due to a loss of service until systems are restored and security is back up and running. Similarly, if a business relies on the systems of a third party, the business could suffer a loss if that system were hacked.
- Another example is if a neighbouring business acts as a 'leader property' by serving to attract customers to a business. If something were to happen to their company, for example a fire, the business may suffer significantly as well.
- What would happen to the business if the largest supplier stopped supplying their products for a month? These kinds of incidents can easily happen due to factory property damage, cyber attacks, transportation disruption, etc. Insureds are encouraged by brokers to place a business interruption policy on the main supplier.

For the insurance sector, it can be hard to quantify the CBI exposure. As a recent PwC report states: "Part of the challenge is that cyber risk isn't like any other risk insurers and reinsurers have ever had to underwrite. There is limited publicly available data on the scale and financial impact of attacks.

While underwriters can estimate the likely cost of systems remediation with reasonable certainty, there simply isn't enough historical data to gauge further losses resulting from brand impairment or compensation to customers, suppliers and other stakeholders."

It is hard enough for the insureds themselves as another survey, this time from KPMG, reveals. It found 87% of respondents citing supply chain risk as a major threat to achieving their growth agenda.

Worryingly, only about 42% had visibility of the risk down to tier one suppliers and less than one in 10 had such visibility to tier two suppliers.

There is constant talk now of a changing landscape globally and the probability that the major reinsurers will look to force premium rates up – only time will tell if that can happen and if there is an increased focus on CBI and its true cost to the sector. ●

### HOW BUSINESS INTERRUPTION WORKS:

For example, a company with yearly revenues of $730m generates $2m of revenue per day on average ($730m/365 days). If a major earthquake hit the facility and it was down for one week, then its lost revenue would effectively be $14m ($2m x 7 days). Note that this calculation is a simplified approximation that assumes all days are equally important and does not account for seasonality (such as when retailers ramp up production in anticipation for the holidays).

**How CBI works**

Let's say one of your clients has a production facility in Japan that assembles cars. This manufacturer has a supplier in Florida that makes engines (this immediate supplier is often referred to as a tier one supplier), and the engine maker has its own supplier in Italy (a tier two supplier) that produces a custom gasket. If the Italian supplier is hit by a major earthquake that results in three days of downtime, this event could ultimately prevent the final production facility in Japan from being able to make cars. It is this disruption in Italy that flows through the chain of sub-suppliers to the production facility that is the CBI risk. Of course, many companies will have multiple suppliers, reserve inventory and other resiliency measures in place to mitigate CBI risk. But in this example, the company in Japan may end up having anywhere from zero to three days of downtime, depending on its supplier network.

*Source: AIR Worldwide*

> FIGURES SUGGEST SOME REINSURERS SAW LOSSES OF TWO AND HALF TIMES THEIR 2016 PREMIUM INCOME – HARDLY A SUSTAINABLE MODEL







# REFLECTING ON HISTORY

**Patrick Okolo** offers some thoughts on Black History Month 2017

Every October, the UK celebrates black history month. First celebrated in the UK in London in 1987, this year marks 30 years of celebrating black history, culture and heritage.

Being a man of black ethnicity, it was a time to reflect for a brief moment to see how far we have come and what we can look forward to in the future. I was told as a child that I had to work three times as hard to prove myself because I am black, and that I had to exceed my peers to be able to come close to a somewhat successful career.

When I started in the industry a long time ago, all the regulatory modules I had to complete frequently included people who did not visually represent the workforce. I remember the first time I saw a black person on one of the modules, recalling myself smile with just a little pride. It felt like black people were beginning to gain recognition for the first time. It was a big deal to me and I'm sure also applies to many like me, but who choose to stay silent on these matters.

> PRIVILEGE IS INVISIBLE TO THOSE WHO HAVE IT

## ROLE MODELS

There were a number of black speakers at the black history events in October who are in senior roles in our industry. My question was: how come I never see these senior black people, as they rarely seem to be visible when multinational or global insurance companies hold roadshows or events? The stats on gov.uk show that only 5% of black workers are in managerial, senior official or director positions, compared to 11% of white workers – so that explains that disparity. Which led to so many more questions...

One quote from an event I attended was, "Privilege is invisible to those who have it". This means we all have blindspots when it comes to challenges that do not affect ourselves but perhaps affect our colleagues. Things such as access to an office if you have a physical disability, worrying about how to describe your same-sex partner when you have not come out yet, or if you're not white, questions like, "No, but where are you really from?" That is one I have been asked many times.

At senior levels, we have people that are adequately qualified and experienced. But surely there are also people equally qualified from the black asian minority ethnic races that work in the insurance industry and could offer as much or maybe more by virtue of their diversity.

We have thankfully made progress in recent years in respect of gender equality, as we now have more women in senior positions. That is something I welcome wholeheartedly, being a father and knowing my daughter can one day look at these women as role models.

Anti-discrimination, equality, inclusion and diversity now constitute a big topic in the workplace and I am extremely happy we are moving forward as a community and addressing these issues.

The ideal future for me is one where anyone who looks at pictures of the boards of senior management in the insurance industry is able to relate to at least one person on them. ●

# ARE YOU CLICKING WITH CUSTOMERS?

Ecclesiastical Insurance investigates how brokers are interacting with customers and how new communications channels can help drive business growth

In 2017, Ecclesiastical commissioned a series of research projects to gain a deeper understanding of the support brokers want from insurers, enabling Ecclesiastical to provide tailored solutions to its broker partners.

The latest piece of research focused on customer contact. In a competitive market, differentiation can be a challenge. With this in mind, the research examined the way brokers interact with their customers to strengthen relationships and deepen their own knowledge of the markets they operate in.

### HAVE YOU CHOSEN NEW WAYS TO TALK TO YOUR CUSTOMERS IN THE LAST YEAR?

- 41% Email
- 27% Paid for ads
- 24% Direct mail
- 22% LinkedIn
- 21% Twitter
- 21% Regional press







### WHAT SUPPORT WOULD YOU NEED FROM AN INSURANCE PARTNER TO TARGET THE UNDER 30s?

- 53% NONE
- 29% HELP WITH SOCIAL MEDIA
- 23% HELP TO CHANGE THEIR VIEW OF BROKERS
- 20% HELP US TO UNDERSTAND WHAT MAKES THEM TICK

*Respondants could choose multiple answers*

The research found that two thirds (64%) of brokers were happy with the level of engagement they currently have with their customers, however a third (32%) admitted they do not have enough time or people to dedicate to relationship building.

It also found that entrepreneurial brokers are finding new and more efficient ways to engage with customers. Some 41% said they had used email to reach customers for the first time in the previous 12 months and a fifth said they had used social media channels Twitter (21%) and LinkedIn (22%) as new ways to reach out to customers.

## THINK SMART

Adrian Saunders, commercial director at Ecclesiastical, comments: “Regulation changes, such as the impending Insurance Distribution Directive (IDD) and General Data Protection Regulation (GDPR), coupled with increased competition, can put real strain on a broker’s resources. So being smart about how and when they contact customers can be a real advantage. Email and social media are great tools to reach high volumes of potential and existing customers.”

However, almost a third (29%) of brokers told Ecclesiastical they only contact their customers once a year and the majority only make contact to discuss renewals or upsell products.

“It can be tempting to just push out sales messages and hope you get a few sales but, particularly in the social media arena, being part of the conversation, demonstrating your own expertise in the market and building those key relationships can be much more fruitful and provide more opportunities to grow your business in the long term,” explains Mr Saunders.

Being specialist and expert is something that Ecclesiastical has used to its own advantage, carving out a reputation for its in-depth knowledge in its core markets: charity, heritage, education, art and private client, as well as the schemes market.

“We are a specialist insurer and our strength is our expertise in our niches, which enables us to provide real, compelling solutions to clients, backed up by commercial insight on the issues and risks they face. The expertise of our teams can be a real benefit to brokers and can be tapped into for the benefit of the client,” says Mr Saunders.

**32%** OF BROKERS DO NOT HAVE ENOUGH TIME OR PEOPLE TO DEDICATE TO RELATIONSHIP BUILDING

**49%** OF BROKERS DON'T ASK THEIR CUSTOMERS FOR FEEDBACK

## SOCIAL MEDIA

Social media channels can be a rich source of information on the issues and concerns of specific customer groups, as well as potentially opening up a whole new customer base. Even the smallest of brokers can reach potential customers across the whole country, quickly, easily and cost effectively.

Mr Saunders explains: “From talking to our brokers, we know that social media is an area they would like to explore but often don’t know where to start. So we’ve been working with experts in this field to develop a range of tools to support our brokers and provide solutions they can easily implement in their own businesses.”

Some 29% of brokers said they wanted help with social media from their insurance partners, so Ecclesiastical has released a series of tools to help brokers develop their own social media channels. The kit includes a tips sheet for brokers who are looking to develop and boost their LinkedIn profiles, and a short video on how to use PR and social media to boost your business.

“We’ve listened to the feedback from our broker partners and are finding new ways to support them. Alongside these tools, we are also working with some of our brokers to deliver an accredited introductory training course with the Chartered Institute of Marketing, which will equip them with a recognised social media qualification and the confidence to develop their own social media plans,” concludes Mr Saunders. ●

*The research was commissioned by Ecclesiastical in March 2017 and undertaken by independent research company FWD. A panel of 250 brokers from across the country were surveyed by telephone.*

# BREAKING NEW GROUND

**Luke Holloway** investigates how artificial intelligence is about to revolutionise the motor claims sector

The move towards artificial intelligence (AI)-powered driverless cars received a new thrust of momentum recently with the Budget announcement of £400m investment for electric vehicle infrastructure, a £40m boost for driverless car research and development, as well as removal of legal constraints and rules that apply in many EU nations.

UK Chancellor Philip Hammond said: "No technology is as symbolic of the upcoming revolution as driverless vehicles," while making it clear in his Budget speech that the government fully supported the move to driverless technology and would "step up support for it".





But, before driverless cars, he said, cars need to become electric.

Russell Goodenough, client managing director, Transport Sector at Fujitsu, says: "The future of transport is notoriously difficult to predict; however, we're seeing a clear move towards increasingly connected and autonomous cars becoming the norm in just a few years' time.

"The latest announcement from Chancellor Hammond is yet another indicator of the UK's commitment to accelerating the pace of change and the government's intention to secure an instrumental role for UK business in the industry's future."

## AT THE CUTTING EDGE

But where use of autonomy is yet to become commonplace in society, insurers are already ahead of the curve, using the very latest in cutting-edge technology to deal with claims, policy premiums and fraud.

Tractable is a deep learning company specialising in computer vision and focused on claims automation. The firm's proprietary AI algorithms assess auto physical damage from photos just like human experts and their products reduce fraud, waste and abuse while transforming the claims value chain and customer experience.

**80%**

**OF GLOBAL INSURTECH FUNDING IS CURRENTLY IN THE US**

**£40m**

**INVESTMENT FOR DRIVERLESS CAR RESEARCH AND DEVELOPMENT IN THE UK**

Senior business development and product manager for Tractable in Europe, Jan Moehlmann, tells us: "The technology we have now is extremely powerful and can impact the entire value chain. We have already begun to demonstrate that we can facilitate significant savings by reducing friction in the motor claims handling process with use of our AI algorithms.

"Every player in the motor collision ecosystem benefits; not just the body shops and the insurance companies but also, and perhaps most crucially, the policyholders."

The technology now being used helps to remove friction in the motor claims handling process, leading to lower costs, shorter cycle times and immediate feedback when filing a claim. It also gives insurers the ability to cost effectively review every single claim, flag inconsistencies and therefore fight the fraudsters.

Mr Moehlmann continues: "Tractable just won the award for the 'insurtech with most strategic impact' at the Digital Insurance Agenda in Munich, one of the largest insurtech conferences. This is because we are helping insurance companies tackle these challenges.

"The policyholder is arguably the biggest beneficiary in all this. With our technology, insurers can not only keep their costs in check but also offer a superior claim experience. This ultimately results in a better insurance product, better coverage and better service, all at a lower price. Win-win."

## MACHINE LEARNING

At telematics innovation company ITS, new technology is helping match driving attitudes to real outcomes and, more than ever, help drivers to avoid becoming a statistic.

Working with Microsoft Azure, the firm is developing technologies such as machine learning which, combined with telematics data, can create accurate prediction models.

ITS is applying machine learning to the impact data received from the telematics units to predict if the data received indicates a true accident or not. This has the capability to generate an accident notification within minutes that can be used by insurers to contact the policyholder as soon as an accident is detected.

The firm's CEO Andrew Bennett says: "The technology currently available can completely change the claims process by detecting legitimate incidents and, more importantly, it can immediately identify fraudulent claims. This rapid and accurate model can recreate the accident using the collected data and then produce accessible on-demand reports that can be accessed via a customer portal.

"When crash does occur, our tech enables the customers experience to be the best it can be and the insurer's exposure to be minimised, by enabling the right decision to be taken over liability much more quickly than ever before."

## FUTURE NOW

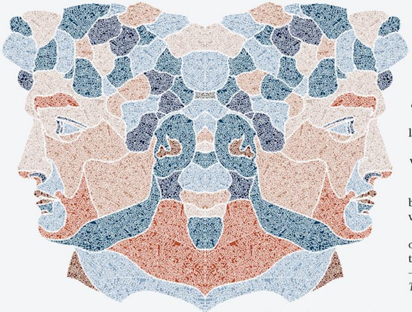
So, the path towards autonomous vehicles appears clear and closer than ever to coming to fruition. With new technology and algorithms now taking vast quantities of data and turning that into real, actionable AI, accident rates will decrease, fraudulent claims will be minimalised, ultimately leading to cheaper premiums and effortless motor insurance claims.

Mr Bennett concludes: "Telematics technology and the way we apply it will ultimately reduce the frequency and severity of accidents. It will simply mean better customer propositions can be developed and we can ensure insurance remains affordable in the context of ever more sophisticated vehicles.

"In 2018, we expect the first insurers starting to really onboard telematics claims and taking benefit from the severity as well as frequency cost reductions. We believe we're at the start of something groundbreaking." ●

# LOOKING BACK, FACING FORWARDS

**Terry Hayday** explains how the upcoming iNED Forums can help insurance non-executive directors



Nobody is suggesting that insurance non-executive directors (iNEDs) should be two-faced, but their prominence in the world of corporate governance has been growing during recent decades and is set to continue.

Like the Roman god, Janus, traditionally depicted with two heads or two faces, simultaneously looking backwards and forwards, let's recap on the past and see what is in store for iNEDs as we move into a brand new year.

In 1992, the Cadbury Report, Financial Aspects of Corporate Governance, set out recommendations on the arrangement of company boards, including those relating to the value, number and roles of NEDs.

Subsequent codes led to the publication of the Higgs Report on Non-Executive Directors in 2003. Higgs required NEDs to challenge and contribute to the development of strategy and to scrutinise and monitor performance of management in meeting agreed goals.

Higgs argued that NEDs should determine executive directors' remuneration, appoint as well as remove senior management and possess personal attributes of independence, impartiality and integrity.

More recently, the Prudential Regulation Authority (PRA) has developed a focus on personal accountability. It argues that board members should be held individually accountable for their responsibilities. Under its Senior Insurance Managers Regime, the PRA "will hold all senior managers, including non-executive directors, to a clear standard of behaviour and they will take action where senior managers fail".

The Financial Conduct Authority (FCA) also maintains that "having individuals within firms being held personally accountable for their work has been shown to affect outcomes positively".

In parallel, the UK Corporate Governance Code states that except for smaller companies (below FTSE 350 size), at least half the board, excluding the chairman, should comprise independent NEDs.

## FUTURE EXPECTATIONS

So how can today's iNEDs acquaint themselves with such onerous responsibilities and expectations? One answer lies within The Worshipful Company of Insurers' iNED Forum programme. Building on its five-year history but with an eye to the future, the 2018 series of educational events, accredited by the CII, is designed to assist iNEDs with their professional development.

The first two iNED Forums will confront regulation head on. In February, experts will concentrate on the General Data Protection Regulations and offer an explanation of the FCA's revised Senior Managers & Certification Regime and the Insurance Distribution Directive.

In April, representatives of both the PRA and FCA will take to the platform at the CII's Great Hall to present an update on insurance regulations.

iNEDs whose firms operate delegated authorities, or managing general agents, will hear from carriers, brokers and Lloyd's 'regulators' in June about key aspects of such business acquisition.

Talking of business, EY will analyse the London market's latest trading results at a workshop in July.

Following 2017's spate of natural catastrophes, iNEDs will be made aware, in September, of how boards should respond to such events.

In November, a distinguished panel of underwriters, brokers and a leading market association representative will offer views on the direction of the market in 2019.

Like Janus, the 2018 iNED Forum programme will draw on past experience to enable iNEDS to perform better in the future. ●

*Terry Hayday is chairman of the WCI iNED Committee*

DIRECTORS AND OFFICERS

# LEADING FROM THE FRONT

Increasing regulation, the GDPR and Brexit are all putting directors at higher risk of investigation than ever before. **Sam Barrett** explains why cover is essential

Few directors would dispute that it's tough at the top, especially as the regulatory focus increasingly shifts to the individual rather than the company. Against this backdrop, having the right cover is essential.

The findings of Directors liability: Entering unchartered territory, the annual survey conducted by Willis Towers Watson and Allen & Overy, highlight the issues senior executives are facing. It found that a third of respondents had experience of a claim or investigation involving a director of their company, up from 27% a year before. "Other trends have come into the top five such as extradition and the Bribery Act but the risk of regulatory investigations has remained the top concern for directors since the report began in 2011," explains Joanna Page, a partner at Allen & Overy. "There's much more focus on directors' personal accountability now."

## MORE INVESTIGATIONS

The financial services sector is a good example of this. The Senior Managers and Certification Regime (SMCR) came into force in March 2016, putting the spotlight on the senior executives within banks, building societies and investment firms.

While there are still only a handful of investigations underway, it has helped to set the tone across the sector. For example, the number of investigations the Financial Conduct Authority (FCA) has opened against individuals has increased from 62 in 2015 to 152 in 2016.

Francis Kean, executive director at Willis Towers Watson, says there has been a marked shift in the regulator's stance. "It's much more likely to place an individual under investigation, without there necessarily being the evidence that would lead to enforcement," he explains. "It wants to get directors to take the regime more seriously."

The number of investigations could be on the up too. While the SMCR only applies to about 900 firms, its remit is being extended to all 47,000 FCA authorised firms at some point in 2018/2019.

**152**

**THE NUMBER OF INVESTIGATIONS THE FCA OPENED AGAINST INDIVIDUALS IN 2016**

## EMERGING RISKS

New risks are emerging too, with both cyber and data protection issues on directors' agendas. "It's no longer an IT issue, it's a board issue," says Lawson Caisley, partner at Allen & Overy. "The board is squarely in the crosshairs of the regulators and shareholders if it can't demonstrate it's taken responsibility for cybersecurity."

While TalkTalk's £400,000 fine from the Information Commissioner's Office in 2016 will have sharpened many directors' minds, the introduction of the General Data Protection Regulation (GDPR) next May will increase awareness still further. Under this, the cap on fines increases from £500,000 to 4% of global turnover.

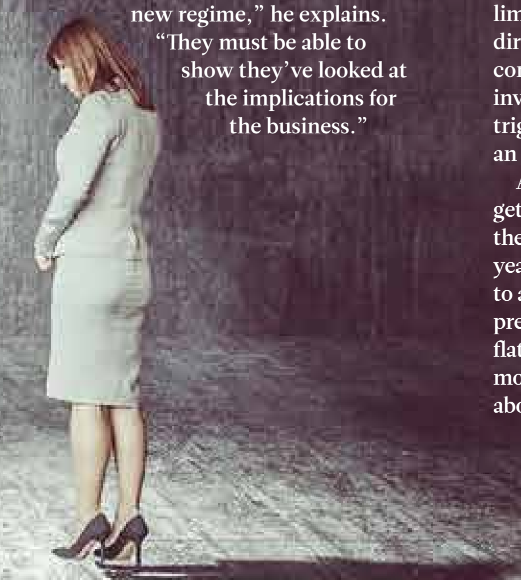
However, George Melides, head of management liability at Zurich Insurance, says this might not be the case. "A recent report from Forresters suggested that 80% of firms won't comply with GDPR when it's introduced, with half of these intentionally taking this position having weighed up the cost and risk of compliance," he explains. "Directors could leave themselves open to lawsuits."

What is particularly concerning, according to Mr Kean, is the fact that the UK government is looking to take directors' responsibilities around data breaches even further than the EU regulations. Section 177 of the Data Protection Bill 2017 refers to the responsibilities of directors and states that the individual will be liable alongside the corporate body where the offence has been committed with their "consent, connivance or neglect".

## BREXIT RISK

Political issues also feature among directors' concerns, with 38% of respondents pointing to Brexit as one of the most significant risks to their business.

Although there is still plenty of uncertainty around the shape of the business environment when the UK does leave, Andrew Coleman, an underwriter at QBE, says there is the potential for legal action. "Shareholders could turn to directors and say they haven't taken appropriate action for the new regime," he explains. "They must be able to show they've looked at the implications for the business."



### TOP FIVE RISKS FOR DIRECTORS

1. Regulatory and other investigations and inquiries
2. Cyberattack
3. Risk of data loss
4. Criminal and regulatory fines and penalties
5. Concerns in a post-Brexit landscape

*Source: Directors liability: Entering unchartered territory, Willis Towers Watson, Allen & Overy,*

Given the increased liability they face from all these risks, directors need the certainty that their insurance provides adequate protection. "Directors must ask the questions themselves," says Mr Kean. "The board often assumes the directors and officers (D&O) insurance is the company's responsibility, but they shouldn't just assume it'll be alright. The interests of the company and the individuals may not always be aligned, especially after a director's left."

Among the areas he highlights for directors' attention are how the D&O limit is shared; what protection a director would have after leaving the company; and, with the appetite for investigations on the up, what the trigger would be for cover for such an investigation.

Arranging cover may be about to get a little bit tougher too. While the market has been soft for many years, Mr Coleman says this is coming to an end. "We've had 10 years of premium decreases but the curve has flattened out over the last six to nine months," he explains. "It could be about to change."

IMAGE: ISTOCK




thejournal.cii.co.uk / The Journal / December 2017 - January 2018

THE MILITARY

# A HELPING HAND

Some 62% of those living in the UK can name at least one relative who has been in the military, past or present, so looking after the insurance needs of this group specifically would impact many lives. However, it seems the insurance sector has been slow to pick up the challenge

IMAGE: ALAMY

Insurers generally pride themselves on providing a helping hand and when it comes to the military, or veterans, that helping hand is extended that bit further.

So, it was something of a shock when Military Mutual last year discovered that 52% of military families said general insurers do not meet their specific needs – a figure that rose to 60% among serving personnel.

Other findings included:

Only 25% of those serving and 22% of veterans believe insurance companies fully meet their needs as a current or former member of the military.

Insurance companies are not seen to be very good at supporting the families of those that are serving – 29% overall agreed. This rose to 38% for immediate families of those serving, 31% for those in active service and 30% for veterans.

More than one third of those currently serving (34%) felt that "it's never straightforward and I'm busy so I sometimes don't get any cover even though I know I should" (15% overall).

Just 14% of those serving (22% overall) said they didn't have any difficulties when it came to taking out insurance. Furthermore, only 9% of those serving (20% overall) said they fully understand their policies and are fully happy with them all.

In 2014, only 47% of the Military Family who held any form of insurance said the general insurers they had recently dealt with had fully met their needs as a current or former member of the military. At the start of 2017, it had fallen to 33%.

## SQUARE PEGS

Major General (Ret'd) Sir Sebastian Roberts, chairman of The Military Mutual, says: "For too long, members of the Military Family have been a square peg in a round hole when it comes to financial services.

"Many, especially those serving or moving into civvy street, have needs different to the average consumer and the mainstream financial services community has never really woken up to this. Those that have served their country, or are transitioning into civilian life deserve better: better value based on better values."

Now the Military Mutual is about to start work on its 2018 survey.

Paul Koronka, director at The Military Mutual, says: "Now into our third year, the Military Mutual continues to grow at a steady pace, attracting members with a common goal – to find the right cover to meet their specific needs at a fair price and from an organisation that they own. We have already helped many thousands of members with the cover they need for their home, car, business or organisation, and we have ambitious plans for 2018."

**25%**

**OF THOSE SERVING IN THE FORCES BELIEVE INSURANCE COMPANIES FULLY MEET THEIR NEEDS AS A MEMBER OF THE MILITARY**

### HOW INSURANCE HAS NOT MET THE NEEDS OF THE FORCES PERSONNEL

| Various ways insurance companies have not met needs as a current or former member of the military (base: those that said insurers have not met their needs) | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| Automatically putting up insurance renewals without telling me first | 41% | 49% | 48% | 45% |
| Not taking the security of my living arrangements into account when quoting | 44% | 47% | 43% | 29% |
| Bombarding me with jargon | 34% | 41% | 35% | 33% |
| Operating policies to the letter, not showing any discretion to my particular needs or circumstances | 44% | 40% | 42% | 36% |
| Raising the price of my car insurance even when it's parked in the barracks | 41% | 35% | 45% | 23% |
| Not taking queries from my partner when I am away on tour or duty | 26% | 35% | 35% | 21% |
| Not being easy to get in touch with | 33% | 34% | 36% | 29% |
| Not giving me cover I need | 32% | 29% | 22% | 12% |
| Not updating my details when I have moved | 17% | 29% | 22% | 12% |
| Failing to support me between transition periods (eg moving base or leaving active service) | 32% | 22% | 23% | 18% |
| Don't know | 8% | 6% | 6% | 14% |
| Other | 5% | 2% | 6% | 14% |

*Source: The Military Mutual*

## INDUSTRY RESPONSE

In the past year, the CII has also been working hard, encouraging insurance and financial service professionals to offer their services to the military, veterans and their families.

Since 2007, Personal Finance Society (PFS) members have worked alongside their local Citizens Advice Bureau to provide valuable pro bono financial guidance for consumers who would not ordinarily be able to access professional advice, through a partnership known as *MoneyPlan*.

In the past year, the PFS, together with CII members, has rolled this initiative out to form Forces MoneyPlan, where qualified PFS members provide pro bono financial guidance to sick and injured armed forces personnel and veterans, who (as with MoneyPlan) have difficulty accessing professional financial guidance.

The PFS says: "By rolling out this initiative, we are providing an opportunity for PFS members to share their expertise with a sector of society who have given much for their country, giving them the information, knowledge and confidence to take greater control of their own financial affairs.

"Not only will this deliver direct improvements in consumer outcomes, it will also help change the negative perceptions that have beset financial planning for too long."

Tony Miles, business development consultant to the PFS, adds: "Having established Forces MoneyPlan with the help of our volunteer financial advisers during 2017, our intention is to expand significantly in 2018 through the participation of an increasing number of armed forces charities.

"We are keen to hear from anyone who can help in this respect or who simply wants to know more about this initiative." ●



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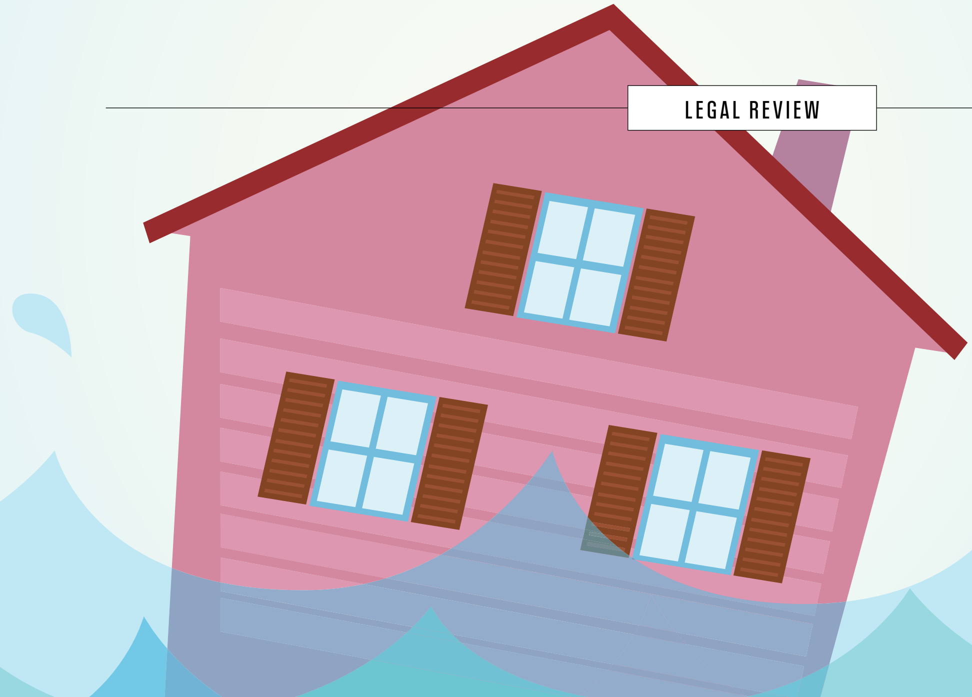


# ACCIDENTAL DAMAGE



**Graham Bartlett** reviews a recent High Court case in which the judge reviewed the case law on the application of the term 'accidental damage'

The English High Court has recently given a very useful summary of the law on the meaning of accidental damage, particularly where the damage was inevitable or due to inherent vice.

In *Leeds Beckett University and Travelers Insurance Company Limited [2017] EWHC 558 (TCC)*, underground flowing water undermined the foundations of the university's accommodation blocks. The university had all-risks insurance, covering damage other than by an excluded cause. The excluded causes included damage caused by inherent vice, gradual deterioration and wear and tear. Damage was defined as "accidental loss or destruction of or damage". The university challenged the insurer's rejection of its claim.

Although it was agreed that the damage was caused by flowing water, the precise mechanics of causation were disputed. The trial lasted eight days and included a site visit. More than half of Mr Justice Coulson's 291-paragraph judgment relates to causation. He did, however, review the case law on the meaning and application of the term "accidental damage" and set out some general principles that are of wider application beyond the specific circumstances of the university's claim.

The principles to be applied when deciding whether damage is accidental are:

(a) The insured must prove that the loss was caused by some fortuitous event, but does not have to prove the exact nature of the accident. It is enough for the insured to prove that the event casing the damage was non-inevitable. The event does not need to be extraordinary or calamitous and foreseeability is irrelevant.

(b) Accidental damage occurs by chance and is not wilful or deliberate.

(c) Accidental damage is caused by a chance event, against the risk of which the insurance was taken out. The purpose of insurance is to protect the insured against accidents that may happen and not against events that must happen as an inevitable consequence of the insured's activity.

(d) Accidental damage is not inevitable. If at inception of the policy the parties would have regarded the event as something that was going to happen, it would not be fortuitous.

(e) The inevitability of an event is assessed at the time that the insurance is taken out.

(f) Accidental damage is not damage due to the inherent characteristics of the property. The inherent characteristics of a property include ordinary wear and tear and damage resulting from normal use and defects in design or construction that are the cause of the loss or damage, without the intervention of any fortuitous external event.

(g) The policy should be construed in accordance with the ordinary rules of construction.

The issue of gradual deterioration:

(a) Deterioration is the process of becoming progressively worse and the use of the word 'gradual' is intended to convey something that developed in time. As deterioration takes place over time, then gradual deterioration must mean a process that may go even more slowly.

(b) Gradual deterioration is progressive by degrees, as opposed to sudden and catastrophic.

On the issue of subsequent damage:

(a) Subsequent damage must be distinguished from the damage originally caused.

(b) That different damage must be not be caused by an excluded cause. There must be a new or different cause to the gradual deterioration or inherent characteristic. ●

*Graham Bartlett is a barrister at Trinity Chambers in Newcastle upon Tyne www.trinitychambers.co.uk*





# REAP WHAT YOU SELL

They say doctors make the worst patients, now it seems those selling cyber insurance may be among the worst security offenders

Somewhat ironically for a profession trying to sell others cybersecurity insurance, it appears financial service workers are the worst offenders in the UK for putting confidential professional documents and data at risk.

The news is even more ironic when you consider the recent messaging to members of the UK's largest risk organisation, Airmic. Adeola Adele and Glyn Thoms of Willis Towers Watson told Airmic members: "Insurance is critical for mitigating the impact of cyberattacks, but prevention must start with employees. Risk managers must work with HR to ensure that skills, training and resources are a company's strongest cyber defence."

A survey of 2,000 UK workers commissioned by IT provider, Probrand.co.uk, revealed that employee attitudes to confidentiality and cybersecurity are worryingly relaxed, with 81% of financial service workers admitting to using personal technology to freely access work documents.

The research also found half (52%) of UK workers access their work emails on an unsecure personal device such as a mobile phone or laptop, meaning many are running the risk of leaking confidential business communications.

Laissez-faire attitudes towards digital security also mean that more than a third (35%) of workers have professional documents stored on gadgets that are not password protected.

Those working in the financial services industry were followed by legal industry workers (79%) and those in the education sector (76%) as the worst offending employees, putting sensitive client information at risk by using personal gadgets for professional communication.

## GROWTH MARKET

A Cyber Insurance Market Report, published by Allied Market Research, forecasts that the global market is expected to be worth $14bn in terms of insurance premiums by 2022.

The research found North America constituted the largest cyber insurance market share in 2015 and would continue to dominate the market during the forecast period. Growth in the region is supplemented by enforcement of data protection regulations in US.

The report also states: "Increase in awareness about cyber risks from boardroom to data centers owing to the rising number of cyberattacks in the past 23 years, is the prime factor that drives the market."

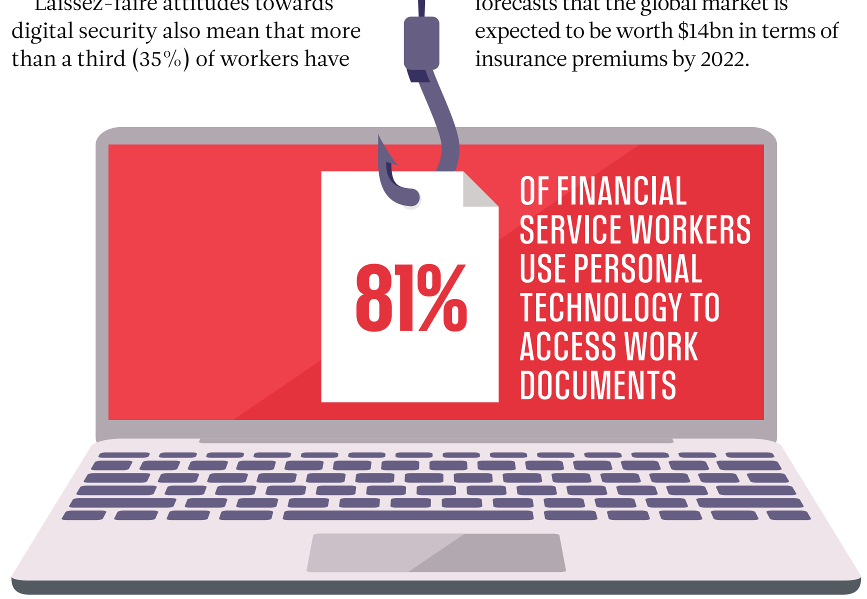
Maybe that is a message for the insurance industry itself.

Matt Royle, marketing director at Probrand, says: "Cybersecurity and the safety of customer personal data should not be taken lightly.

"Relaxed attitudes to security and the trend for mobile working, which often sees sensitive, business-critical data reviewed on personal mobile devices, can present a risk to data being 'leaked' or accessed by others. This is especially the case if the device is connected to an unsecure wireless network.

"New legislation coming into place next year will mean there are even larger fines for companies not abiding by General Data Protection Regulation, with stricter policies on the processing and handling of data and documents.

"The message is, get your security in order and equip your business for greater data protection and health." ●



# NO SPAIN, NO GAIN

**Jay Patel** explains how the recovering Spanish economy is affecting the local insurance market







COUNTRY PROFILE – SPAIN

The Spanish economy grew by 3.2% in 2016 and is on course to grow at a similar rate in 2017. The robust growth of this economy is of course partly due to the severity of the downturn that ended only as recently as 2014. However, there is also much to say for the improvement in Spain's competitiveness (unit labour costs have declined for six consecutive quarters since the beginning of 2016) and the accommodative monetary policy from the European Central Bank (ECB) that has boosted demand across the eurozone, and until 2017, also assisted growth via depreciation in the euro.

This economic backdrop has enabled the federal and regional governments of Spain to maintain fiscal discipline by reducing deficits, as growth has been supported by an impressive growth in net exports as the current account has moved from a deficit of 7% of GDP in 2012 to a 2% surplus.

**3.2%**

**THE GROWTH OF THE SPANISH ECONOMY IN 2016**

## ECONOMICS AND CATALONIA

A major reason for the strength of the recovery is because the economy already had a relatively (by European standards) competitive industrial base before the crisis. It was the large levels of borrowing by regional governments and property developers to fund ill-advised construction projects that resulted in vast deficits for regional governments and concerns in the banking system over lenders suffering from the deteriorating property values.

This meant the federal government had to increase its level of borrowing to bail out the banks and regional government, leading to Spain being drawn into the sovereign debt crisis.

The austere fiscal policy imposed by the federal government in Madrid to meet bailout conditions imposed by the ECB and International Monetary Fund, contributed to resentment towards Madrid in Catalonia, which in turn was a key factor behind the independence referendum held on 1 October 2017.

Although it seems that at least in the short term there is no prospect of Catalonia becoming independent, it is expected that there will be an impact on economic growth. Luis de Guindos, the Spanish finance minister, recently stated that GDP growth has been lowered by 0.4–0.5% due to the referendum.

This change in forecast may have →

In association with timetric

implications for the targets of non-life insurers with operations in Spain and particularly in Catalonia. However, looking to the UK and the issues insurers are facing in figuring out how cross-border policies would and could be honoured, things could be a lot worse.

## MOTOR INSURANCE

As the chart below shows, motor insurance was affected more negatively than property insurance during Spain's recession.

Motor gross written premiums fell at a rate of 2.5% per annum during the course of the five years. Only in the 2014-2015 period was there a modest rebound in premiums. The decline in passenger car registrations looks to have played a large role in this. According to data from Statista, new passenger car registrations fell from 985,287 in 2010 to 723,948 in 2015. The squeeze on real incomes and rising unemployment in this period, coupled with tighter lending conditions, dramatically impacted demand for new cars, thus contributing to a fall in motor insurance premiums.

There was also a decline in the number of medium and heavy commercial vehicles in use, according to the industry body, the European Automobile Manufacturers Association. The number of medium and heavy commercial vehicles in use fell from 559,853 in 2011 to 517,268. This again is not surprising due to the fall in industrial activity, which was caused by a fall in demand for exports (as other eurozone economies struggled) and a fall in consumer and business confidence, which reduced demand for commercial vehicles.

Since 2014, both lines of business have grown as GDP growth recovered, thus lowering unemployment, boosting incomes and commercial activity.

In the case of motor insurance, there have been other macroeconomic drivers such as the fall in the price of oil between 2014 and 2016, which greatly reduced the cost of vehicle transport from a personal and commercial perspective. This, along with the growth in the number of vehicles on the roads, led to an increase in claims which exerted upward pressure on premiums,

> THE AUSTERE FISCAL POLICY IMPOSED BY THE FEDERAL GOVERNMENT IN MADRID IN ORDER TO MEET BAILOUT CONDITIONS IMPOSED BY THE ECB AND INTERNATIONAL MONETARY FUND, CONTRIBUTED TO RESENTMENT TOWARDS MADRID

at the same time demand grew. Furthermore, according to a report on the Spanish market by Mapfre Economic Research, upward pressure on premiums also arose from "the updating of market tariffs in response to the increase in compensation following the entry into force of the new automobile fees scale".

## CONSOLIDATION LEADS TO CONCENTRATION

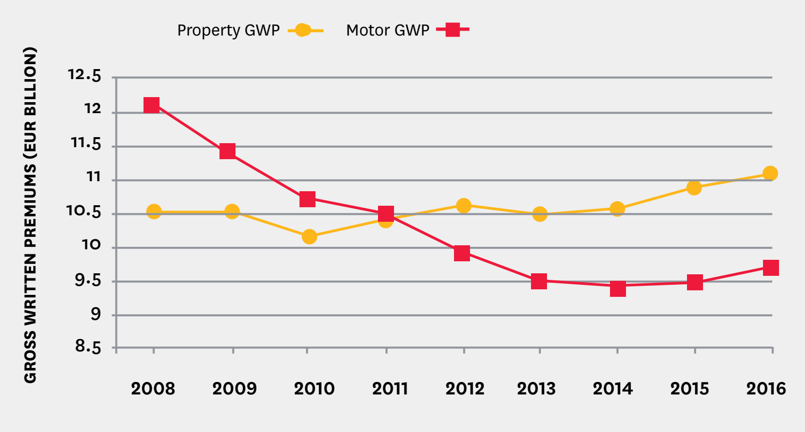
During the past five years in Spain there has been consolidation in the financial sector, as some of the weaker financial institutions have been bought by larger players. In the banking sector, one of the more recent instances of this has been Santander's rescue of Banco Popular in July 2017.

The Spanish government – keen not to commit any more public money to bank bailouts but also keen not to introduce any more risk into the banking system – has, like other European governments, been more relaxed regarding the competition concerns that surround such consolidation. There has also been cross-border retrenchment as many banking entities seek to reduce their global footprint in aftermath of the crisis. Barclays, for example, recently divested a number of its businesses in the Iberian region, including some insurance operations.

This consolidation in the financial sector has also had an impact on insurance. Many of the largest banks in Spain have their own insurance arms or bancassurance agreements. Therefore, when consolidation has taken place, the new group tends to streamline its bancassurance offerings to maximise cost synergies that would have been part of the deal rationale. This in turn has reduced the choice for consumers among larger insurers.

The concentration ratio for the 10 largest non-life insurers in the Spanish market has increased from 58.9% in 2011 to 62.0% in 2015. While the ratio for the five largest firms in the sector rose from 41.6% to 44.3%, according to Timetric's Insurance Intelligence Center data. This shows that the concentration has been focused on the five largest players on the market as they continue to accumulate market power at a steady pace. ●

SPAIN: PROPERTY AND MOTOR INSURANCE



STUDY ROOM – CLAIMS

STUDY ROOM

# TRUST: THE GLUE OF LIFE

Zurich's **Charles Bush** discusses the rebuilding of customer trust, a subject he spoke about at the recent European Intelligent InsurTECH Conference

There is an issue of trust in our industry and specifically a lack of trust between the customer and their insurer. Here we will look at the subject of moving to a customer-centric insurance process, from the perspective of commercial insurance as opposed to the retail sector, so that is multinational, global companies that purchase their insurance in the London market.

Beginning with the topic of trust, insurance is purchased by customers who want reliability from their insurers to agree to pay valid claims as well as the management of those claims through behavioural excellence. This is not only achieved by buying trust in a brand, or a company's financial stability, but also in its people and their behaviours.

Based on a number of newspaper headlines and industry reports, it would appear that we are falling short of this mantra; the very mantra that insurance was founded on of utmost good faith. Of particular relevance is a global report by Ernst and Young – *Reimagining Customer Relationships: Key findings from the EY Global Consumer Insurance Survey 2014.*

It is pretty damning that E&Y's research shows the percentage of consumers who cite 'complete trust' and 'moderate trust' in the insurance sector is in the bottom two of the six industries surveyed in all but two of the eight territories. Only in LATAM is the insurance sector rated more highly than the banks, which considering this report was commissioned in 2014, at the height of the global financial crisis, makes for even more depressing reading.

The report states that of the most important characteristics during an ongoing relationship with an insurer are: being 'easy to understand', 'clear communication', and 'being easy to deal with'. The report goes on to state: "Consumers are telling us that stronger, two-way relationships may be the key to future market leadership in insurance. Certainly, they would not mind hearing from their insurance providers more often."

I agree with this statement from EY and believe that customers, having purchased an insurance product, expect an open, reliable, honest, and transparent service that is founded upon strong relationships.

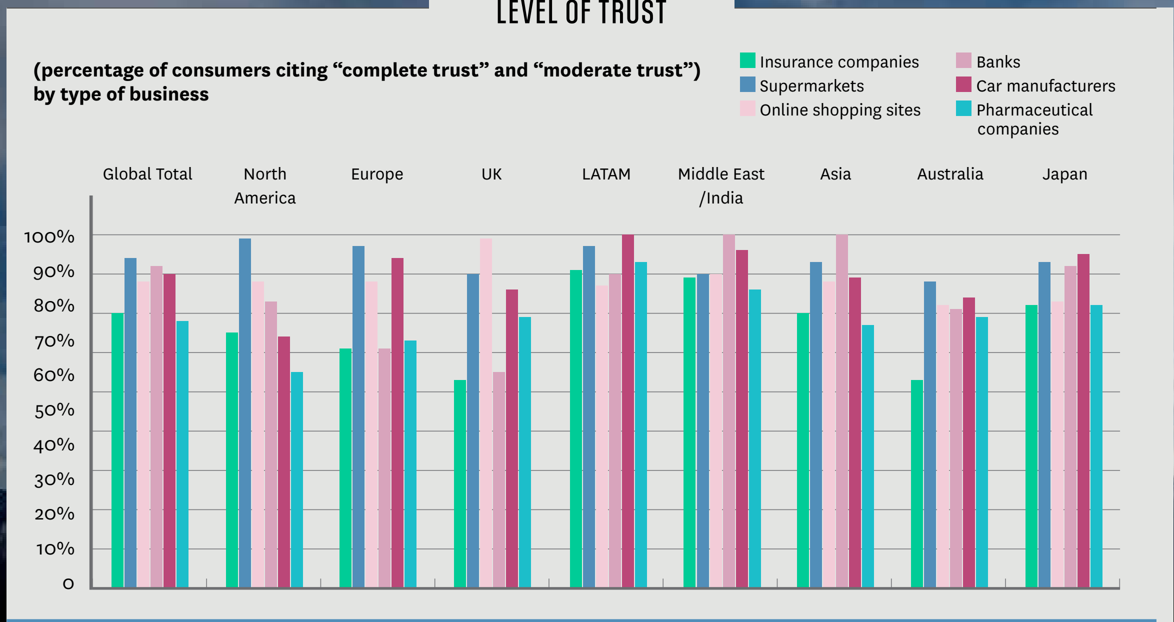
This is painting a slightly bleak picture, however – we all know this is not always the case and there are countless fantastic examples where the opposite is true. In the right hands, our insurance industry can absolutely deliver for our customers; however, it is about doing it consistently.

During the past 18 months, Zurich has sought to deliver a customer-centric claims process, in turn building trust with our customers, through the delivery of our Claims Commitment.

From the outset, we looked to create our Claims Commitment with the engagement of our customers through formal working sessions combined with ad hoc feedback on what they saw an excellent claims experience looking like.

At the core of our commitment are four pillars which set out the principles of how claims professionals at Zurich engage with our customers.

LEVEL OF TRUST










thejournal.cii.co.uk / The Journal / December 2017 - January 2018

These are that the claims experience should be:

*Clear* – We want our engagement and our communication with the customer to be clear, and to avoid ambiguity.

*Personal* – There is not a one-size-fits-all approach. Simply put; insurance as a product is personal to the buyer, and therefore requires a tailored service.

*Effortless* – We want the claims experience to be effortless on the part of the customer. As an example, although the customer will need to provide certain information we want to ensure that this is requested with a purpose, asked for only once and where possible, stored on file from the underwriting submission.

*Collaborative* – We want to engage with the customer at the earliest possible opportunity. For instance, on large claims, shortly after notification, we will arrange a conference call with the customer, the broker and the appointed experts.

In order to deliver a claims journey in line with our commitment, it requires robust leadership where the claims handler is able to form a strong and agile team, giving clear instruction, which in turn leads to a prompt assessment on coverage. Key to achieving this is the effective and transparent approach to communication with the broker and customer.

Aside from the four principles of our commitment, one way I believe we can restore trust in our industry is through large loss scenario workshops and pre-loss customer engagement.

It is my belief that in our quest to build engagement and trust between the various parties to an insurance contract, claims professionals need to engage with our customers directly pre-loss.

With the cooperation of the broker, and willingness from the customer, insurers supported by a loss adjuster work through hypothetical loss scenarios enabling all stakeholders to develop a mutual understanding of how the policy would respond in the event of a claim.

Such engagement enables the parties to understand one another's businesses, for insurers to learn the customer's emergency response measures and their business continuity plans and is also an opportunity for us to set out the various roles and responsibilities of individuals in the claims process,

**44%**

**CUSTOMERS HAVE HAD NO INTERACTIONS WITH THEIR INSURERS DURING THE LAST 18 MONTHS**

**14%**

**CUSTOMERS VERY SATISFIED WITH CURRENT OUTBOUND COMMUNICATIONS FROM INSURERS**

including their approach to claims management.

There has been a recognition that for London Market insurers to remain competitive and be the go-to marketplace for complex insurance risks, we need to modernise and enhance our claims operation.

In summary, the London insurance market is seeking to modernise and streamline existing claims practices for non-complex claims through the introduction of a collaborative cross-market programme known as the Single Claims Agreement Party initiative (SCAP).

I am fortunate enough to be the Chairperson of the working group tasked with drafting the SCAP clause, and while the workings of SCAP are complex, the underlying objective is simple.

Current claims practice is that company market insurers agree all claims for their own interest, irrespective of quantum and whether or not they are the lead insurer. Lloyd's is different in that it has the Lloyd's claims scheme and while this is an improvement on company market practice, it is by no means seamless.

The introduction of SCAP will mean that for London market, non-complex, low value claims under £250,000 for the slip interest, the SCAP clause will introduce a delegation of claims handling authority to the slip leader. In practice, this means that the leading insurer on an in-scope claim will make decisions that will be binding on all the following insurers who have adopted the SCAP clause, irrespective of whether they are a company insurer or Lloyd's syndicate.

This customer-centric initiative was established to enhance the London claims service, with the aim of streamlining and simplifying the claims agreement model for the benefit of our customers. It is intended to promote a quick and efficient claims process, thereby improving and reinforcing the attractiveness of the London market. ●

*Charles Bush is UK head of property and energy claims at Zurich Insurance*

*In November Charles was awarded 'Young Claims Professional of 2018' by the International Association of*





STUDY ROOM

# THE BIG TEN

This set of questions, courtesy of online CII training package Insurance Assess, will test your knowledge of topics such as money laundering, contract law and the London Market. The answers are at the bottom...

### QUESTION 1

**What is 'money laundering'?**

- A The act of investing money in a manner to avoid taxation
- B The act of investing money overseas to avoid UK duty
- C The process by which criminals hide the true origin and ownership of money
- D The process by which money is transferred from one bank account or insurance policy to another

### QUESTION 2

**On what basis do insurers set premium rates?**

- A For each individual, based on the proportion of the loan amount to the overall cost of the vehicle
- B For groups of customers, regardless of personal details or even dangerous hobbies
- C For individual customers, based on the values of the vehicles being purchased
- D For specific groups of customers, but excluding those with high risk personal details or dangerous hobbies

### QUESTION 3

**By whom is a "fiduciary duty" owed?**

- A An employee to a fellow employee who might be harmed by their actions
- B Any employee who has signed a contract of employment to their employer
- C Anyone whose work involves paying or receiving money
- D Someone who occupies a position of trust in relation to another and acts on their behalf

### QUESTION 4

**Under contract law, the existence of insurance cover is?**

- A Dependent on the issue of a certificate
- B Dependent on the issue of a policy document
- C Dependent on the issue of some form of written documentation
- D Not dependent on the issue of written documentation

### QUESTION 5

**Who among these people is a de facto director of a company?**

- A Donald was appointed to the board by shareholders despite recommendations by the rest of the board that he would not be suitable
- B Kris is the company secretary
- C Mark is appointed as a director for his market knowledge and contacts but plays no part in the day to day running of the company
- D Susan has not been appointed as a director, although she claims to be one and acts as if she were one

### QUESTION 6

**With what basis of cover are 'Day One' schemes most commonly associated?**

- A Agreed value basis
- B First loss basis
- C Indemnity basis
- D Reinstatement basis

### QUESTION 7

**Which of these is one of the key components of the 'marketing mix'?**

- A Competition
- B Market research
- C Product
- D Purchasing trends

### QUESTION 8

**Why do insurers insert a subrogation condition in their policies?**

- A To allow them to commence a recovery action before they pay a claim
- B To allow them to pursue a recovery action in their own name
- C To give them the right to pursue a recovery action against a responsible party
- D To prevent the insured from claiming twice for the same loss

### QUESTION 9

**What is the core activity of the London market?**

- A The conduct of internationally traded, mostly non-life insurance and reinsurance business
- B The conduct of marine and aviation cargo insurance business
- C The trading of high-value UK-based commercial insurance risks
- D The trading of one-off specialist risks which are difficult to place in the general insurance market

### QUESTION 10

**What is the main distinguishing feature of a 'rolling budget'?**

- A All the divisional budgets are 'rolled up' to form the master budget
- B Each year's budget starts from scratch
- C The budget always runs for a year ahead
- D The budget is 'flexed' to reflect unplanned activity levels

● YOUR SCORE »

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

## ANSWERS

**1C.** The process by which criminals hide the true origin and ownership of money. **2B.** Insurers apply premium rates to groups of customers, taking no account of their personal details or generally the extent to which they engage in dangerous activities. **3D.** A fiduciary is a person who occupies a position of trust and is required to act for the latter's benefit. **4D.** An insurance contract is a 'simple contract' and the existence of cover is not dependent on a policy or other documentation being issued. **5D.** One who claims and purports to act as a director, but has never been appointed as a director. **6D.** The current reinstatement value of the property is declared at the outset and a percentage uplift is applied to this figure to cater for any increase in the reinstatement cost during the policy term. **7C.** To better reflect the mix in service industry marketing, the original four Ps have been expanded to include People, Process and Physical Evidence. **8A.** Subrogation rights exist at common law and do not need to be stated in the policy. **9A.** The core activity of the London Market is the conduct of internationally traded insurance - mostly non-life (general) insurance and reinsurance. **10C.** Subrogation rights exist at common law and do not need to be stated in the policy.

STUDY ROOM

# A-Z OF... INSURTECH

**Mathew Rutter** and **Stephen Turner** take a look at what InsurTech really means for insurers

InsurTech ranges from conventional cover where technology is the product, through to cyber cover and the application of **technology** to all aspects of the **underwriting** and claims processes.

For example, robotics and autonomous **vehicles** require the industry to rethink traditional first and third party covers. Here, traditional cover such as property or product liability will see new ways in which liability can arise. There are different contexts for familiar arguments about whether there is "damage" and when looking at the **boundaries** between traditional classes of **cover**.

Traditional risks such as product liability face new challenges with increased use of interconnected products – no longer just for **gadgets** but traditional products such as fridges and boilers – and artificial intelligence. These include looking at how interconnected products are **juxtaposed** and how liability will be determined if one of several products or services fails.

When analysing legal **liability**, consider the scenario where a robotic product learns through its **environment**: is the **manufacturer** or user responsible for a malfunction causing loss? **Robotics** and **AI** raise fundamental liability issues about where manufacturer liability stops and user responsibility begins, and whether users of robotics, like car drivers now, need their own liability insurance or whether for now at least, this remains a product liability risk.

Where an interconnected product is the **weak** link in a **home** or business's cybersecurity, is this a manufacturer or user issue? If the focus is on manufacturers, a **failure** to identify so-called "silent" cyber liabilities may expose insurers and their boards, a risk the **Prudential** Regulation Authority has already identified.

New entrants supported by **InsurTech** will not carry many of the existing high fixed costs and legacy systems of the established players. The risk for insurers who do not develop innovative products of their own is that they struggle to differentiate themselves among a **kaleidoscope** of other providers.

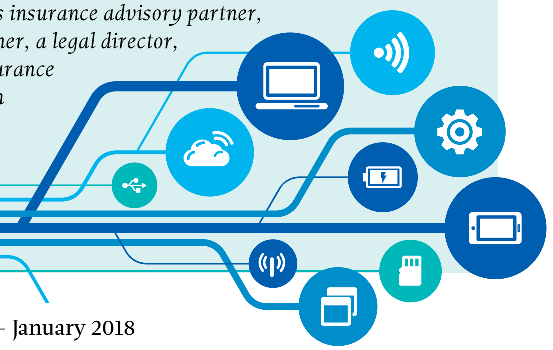
AI and interconnectivity also present **opportunities** for insurers. **Drones** are commonly used to investigate **hazardous** or difficult to access loss locations. Loss scenario simulations and training can be enhanced by AI. Interconnected products can mitigate risk and present **new** challenges. For example, **smart** medical devices can deliver more targeted care and monitoring, avoiding surgery, repeat **x-rays** and so on.

Products which can report faults direct to their manufacturers **quickly** and be fixed remotely before causing potentially dangerous failures also offer scope for loss prevention – provided manufacturers and insurers understand how to control new risks, such as cyber-attacks on connected devices.

When loss prevention isn't possible, better data also has the potential to speed up the claims process and reduce fraud risks, while also making it a smoother experience for the policyholder.

Taking a holistic approach to InsurTech means insurers and their key customers take advantage of the benefits while keeping their eyes open to changing risks. InsurTech is one of the key themes highlighted in this **year's** DAC Beachcroft's annual Insurance Market Conditions & Trends report 2017/18. ●

*Mathew Rutter is insurance advisory partner, and Stephen Turner, a legal director, in the global insurance team, at law firm DAC Beachcroft.*



## KNOWING YOUR A-Z

- A AI
- B boundaries
- C cover
- D drones
- E environment
- F failure
- G gadgets
- H home
- I InsurTech
- J juxtaposed
- K kaleidoscope
- L liability
- M manufacturer
- N new
- O opportunities
- P Prudential
- Q quickly
- R robotics
- S smart
- T technology
- U underwriting
- V vehicles
- W weak
- X x-rays
- Y year
- Z haZardous





# DISCIPLINARY MATTERS

The CII 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 THE CII CODE OF ETHICS

**Shani Odedra, Leicester, UK**

The respondent was found to have falsified his FA7 result and held himself out as having passed the exam when he had not. The respondent refused to co-operate with the CII during the investigation. The respondent was given opportunities to challenge the evidence and did not place any alternative positions to the evidence, despite being given numerous opportunities to do so. The case examiner was therefore satisfied to proceed to determine the matter under Disciplinary Procedure Rule 7.1(b). The sanctions imposed on the respondent were:

a) That he be reprimanded; b) Take and complete the CII online ethics course;
c) Be declared ineligible for membership of the CII for the maximum period of 3 years;
d) Be excluded for a period of 36 months from the examinations or assessments with effect from the date of the order or from applying for CII recognition of prior learning; and e) No examinations, assessments or qualifications obtained by the respondent during the period of exclusion will be eligible for CII recognition of prior learning with effect from the date of the order.

## BREACH OF EXAMINATION AND/OR ASSESSMENT REGULATIONS

**Lauren Leyland, Axa Insurance, Axa House, 4 Parklands, Lostock, Bolton**

The coursework assessment candidate was found to have plagiarised a M92 Mixed Assessment Coursework assignment written by another candidate, in breach of the Mixed Assessment Candidate Guidelines. The CII case examiner, invited the respondent to approve and sign a Consensual Order under 9.1 of the CII Disciplinary Procedure Rules 2015, to which the respondent agreed, and which was signed on 22 November 2017. The sanctions issued were that the respondent:
a) be reprimanded b) had her assignment result disallowed c) be excluded from CII examinations and assessments for 18 months (with effect from 1 April 2017) and would have to take the CII on-line ethics course before taking any CII exams and assessments or applying for recognition of prior learning in future or applying to renew membership of the CII d) would not be eligible for CII recognition of prior learning for examinations, assessments or qualifications obtained by the respondent during the 18 month period of exclusion. The case examiner reduced the sanction which would otherwise have been applied in respect of the offence for c) and d) from 2 years in the light of the respondent's early admission of the charge.

*"To date, the CII has dealt with 21 instances of non-members using CII designations for 2017. As this is an infringement of CII's trademarks, where people persist in misusing CII designations, legal action will be taken against them".*

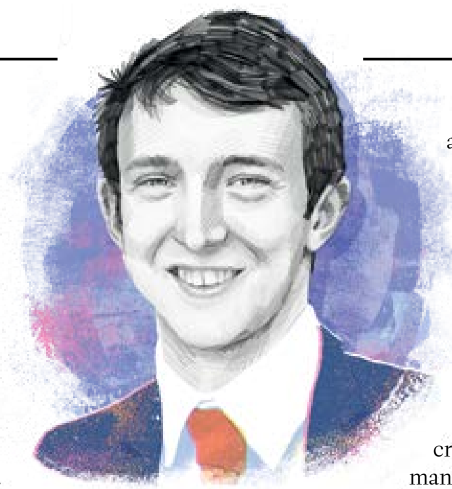
## TAKE NOTE

Where the disciplinary panel or case examiner has decided to publish details of a disciplinary case ascribed (ie where an individual has been named), every care has been taken to identify members correctly. Please contact the CII if there is any doubt about the identity of a member who may have been the subject of disciplinary proceedings and in relation to whom a report has been published.

OLIVER SWINBURN

# FEELING FESTIVE

In his last blog for *The Journal*, **Oliver Swinburn** looks back on a year at the helm and offers some tips for the Christmas period



It really doesn't seem like a year ago that I started writing these blogs for *The Journal*, although somehow the year has flown by! In that time, I have made good progress with my studies and I hope a number of you that are reading this find yourselves in similar positions, and are that little bit closer to finishing your next module or completing your next qualification.

I am writing this with Christmas just around the corner and there are plenty of work pressures to make sure everything is done ahead of people breaking up, which I am sure is the same for most of us. I am using the Christmas holidays as a target to work hard and focus on my studies, so I can enjoy my time off. Christmas, for me, is always a time for catching up with family and friends that I haven't seen for a while and I know it will lead to my focus being elsewhere, so these final few weeks are really important. I have recently started a new module and if I am able to get myself into a position where I can start all the assignments in the new year, I will see it as an achievement.

## PLAN OF ACTION

My latest module is one that only requires assignments, as opposed to having to sit any exams. With the assignments, I have found that it is vital to put together a good plan for what you are going to write and break down the answer so that you can respond to each part of the question. This helps to build structure to your answers and allows you to stick to what the question is asking. This has helped me use my time more efficiently.

With England currently playing cricket in Australia, I have been like many other cricket fans, excited but realistic about our chances of retaining the Ashes. I was counting on some time reading textbooks and writing assignments while waiting up to watch; however, the way we have played so far has not been at all inspiring! Hopefully we will have improved throughout the rest of the series.

As I suggested at the beginning, sadly this is my last blog for The Journal. When I started doing it 12 months ago it was a bit of an unknown, but after writing several blog entries now, it is something I have really enjoyed doing, especially as it has given me a bit of a break from my CII studies!

To everyone reading, I sincerely hope you enjoy your Christmas and have a very happy new year – and all the best to those with exams and assignments in 2018. ●

*Oliver Swinburn is account executive at Morrison Insurance Solutions*

## THREE THINGS TO TAKE AWAY

◊ **READY, AIM, ASPIRE!**
Having targets you can focus on can concentrate your efforts and get results

◊ **STAND BY YOUR PLAN**
Breaking down assignment questions can really help keep your answers on point

◊ **YULE DESERVE A BREAK!**
Make sure you step away from your studies during the holidays and enjoy yourself

ILLUSTRATION: LUKE WALLER