

**Your CII: building
public trust with a
united profession**



**Chartered Insurance Institute
Annual Report 2017**

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Our vision: “Working together, as a united profession, we will drive confidence in the power of professional standards”



About us

Last year’s strategic manifesto gave us a mandate for change, with a clear purpose, vision and overarching objectives. It also reasserted our Royal Charter commitment to “secure and justify the confidence of the public”.

During the last year, we have further developed this into a framework that outlines what we need to do to deliver the manifesto promises, including:

- Our focus
- Our activity
- Our success criteria
- And our behaviours in driving this change.

For the first time, the Chartered Insurance Institute (CII) is publishing its Net Promoter Score (NPS). Many organisations solicit their customers’ feedback and NPS is a widely used measure based on likelihood to recommend.

In 2017, CII members scored us +17, up from +11 in 2015. While there is room for improvement, this is a good indicator of progression and with our clear focus on delivering more relevant membership experiences, we are confident that our NPS will reflect improved member perceptions in future.

The NPS is just one of the ways in which the CII measures its performance. The newly launched Public Trust Index allows us to benchmark the success of our united profession in building public trust, for example, and is just one of the 10 strategic measures that demonstrate the impact of our transformation programme.



£42.1m

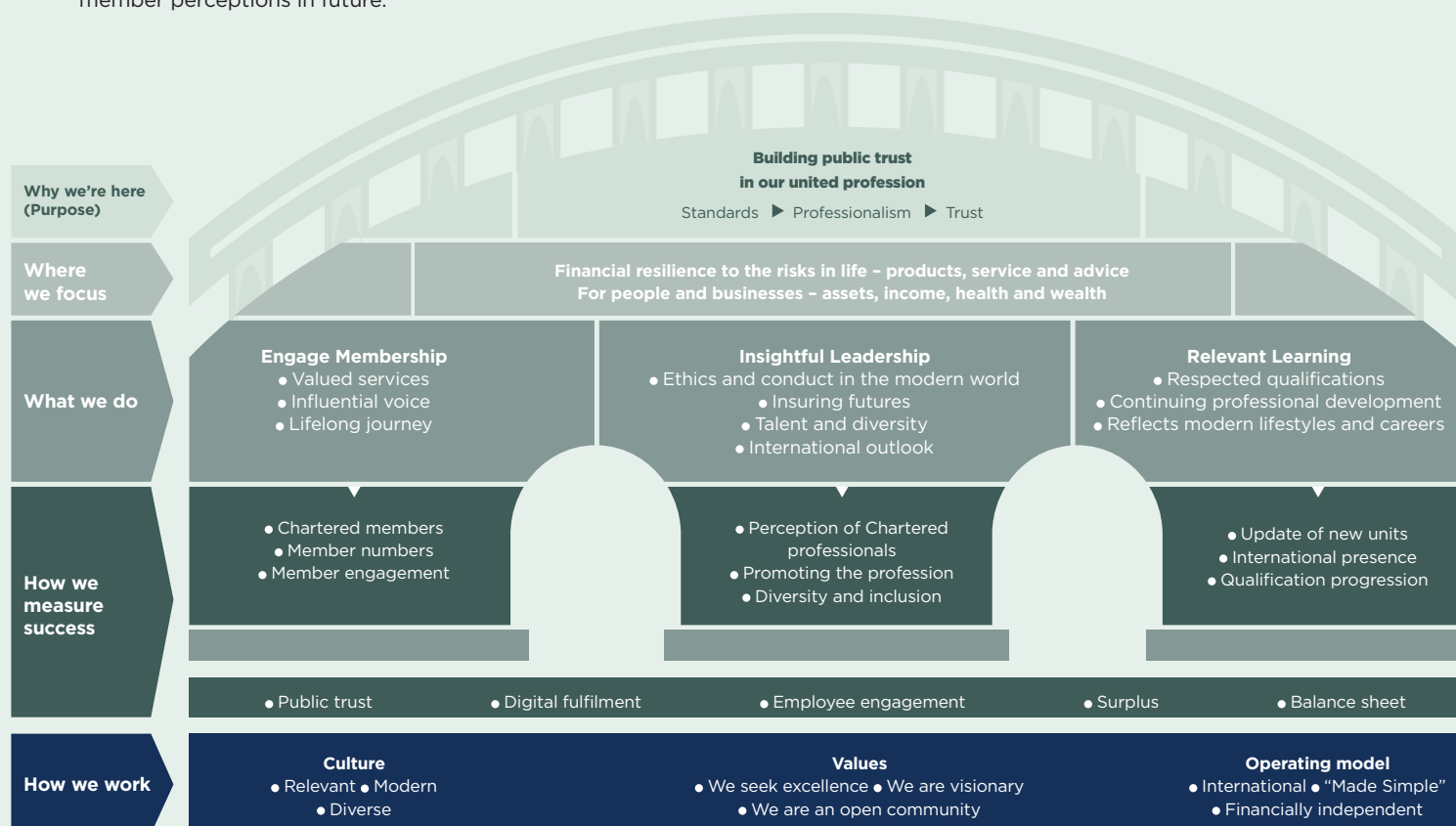
Total revenue for the year was £42.1m with revenue from membership services and subscription services up 4%



126k
members



150
countries





Our market: key facts

Insurance and financial planning professionals in the UK make a huge difference to our economy and society. They build greater resilience among households and businesses, by helping them to save for the future and by protecting them from a huge range of risks. In doing so, they pave the way for growth across the economy. As a global financial hub, the UK leads the way in insurance and financial services expertise, contributing vital income to the UK in the process.

Net premium income:
£150bn
(£30.5bn non-life & £119.6bn life)
21.2%
of the European total premium income

405,000
people employed by the insurance and financial planning profession
Source: Own estimates, ONS, ABI, PIMFA



925
 non-life providers
Source: ABI


357
 life and long-term savings providers
Source: ABI


Contribution to the economy:
£11.8bn
in taxes and
£35bn
to the GDP
Source: City of London Corporation




The UK is the largest market in Europe and



Source: SwissRe



4th in the world, after the US, China and Japan
Source: SwissRe



£2,400

per person paid in 2015 in pension benefits and claims

Source: ABI



98%

presented protection claims were paid out in 2016

Source: ABI



In 2014, Britain was the first non-Islamic country to issue a Sharia-compliant bond, Sukuk

In 2017, London maintained its position as **leading global financial hub** followed by New York, Hong Kong, Singapore and Tokyo

Source: Global Financial Centres Index



London market contributed an estimated

0.9%

to the UK's GDP in 2015



Property and motor insurance account for more than

50%

of the non-life written premiums

Source: ABI

The London market is the largest global centre for commercial and specialty risk, controlling more than

\$91bn

in GWP in 2015

Source: London market Group (LMG)



POPULATION

65.7m

GDP

£1,940bn

REAL GDP PER CAPITA

£29,287

Update from the CEO

Our Strategic Manifesto was published at the end of the last financial year and set out an ambitious blueprint for the future with “building public trust” at its heart.

Our aim is to create an organisation which is equipped to inspire the same level of trust in the standards and ethics of the insurance and personal finance profession as the public has for other traditional professions. The test is whether people genuinely feel that our sector is ‘there for them’ through the perils and pitfalls that life throws at all of us.

The challenge this year has been to convert this ambition into a workable five-year plan and to start to deliver on it.

Last year, we made a commitment to becoming more modern, relevant and diverse. In addition, we committed to three areas we will deliver for the profession: relevant learning, engaged membership and insightful leadership.

This report is an update on progress.

Modern, relevant, diverse

Internally, we have concentrated on getting our own house in order:

- We moved to an agile way of working, which will be further enhanced by our move into new, modern offices in the heart of the city at 21 Lombard Street
- We appointed a new professional standards director, Melissa Collett, to give focus to the importance and power of standards
- We created a new team of directors, with well-defined roles based around the manifesto workstreams to drive change
- We conducted and implemented a full review of our

corporate governance structure, connecting the board, its committees and executive

- We committed ourselves to a new set of values developed by our colleagues.

The art of leadership

I shared my belief last year that Insightful Leadership represents both the biggest challenge, and the greatest opportunity, for the CII to really fulfil its role as a professional body. It is therefore pleasing to see the progress we have made.

- We have focused on the design, implementation and launch of the Public Trust Index, which measures where the profession stands in the hearts and minds of its customers. This means we are now able to benchmark the success of our united profession in building public trust.
- Insuring Futures was established as part of our strategy to maintain our professional relevance to the next generation. In 2017, we conducted meaningful research on the risks women face, and discussed possible solutions with the insurance and personal finance profession, policymakers and the third sector at IWF Live.
- We have now established a taskforce of 15 senior professionals from the sector with eight meaningful workstreams to bring about change.
- As part of our leadership on standards and ethics, we conducted a review of the role of Chartered. The aim is to ensure the titles are fit for the modern market, and that they are improving the profession, and public trust in it, by representing quality, aspiration and value.
- We are also seeking to launch a new Chartered title – Chartered Insurance Underwriting Agent – next year, subject to approval from the Privy Council and our members.

- It is a success of the Personal Finance Society that we have increased our consumer presence and have been recognised by regulators as an organisation to consult with, both on changes in financial planning that might affect the public, and when they would like to engage the views of the profession.

Collaboration and support

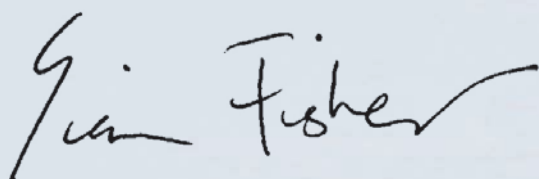
- We are strong advocates of the Insurance United Against Dementia initiative, which hit the first £1m of its £10m fundraising target.
- We are big supporters of the DiveIn festival and, in 2017, held our own events in India, Hong Kong and London, in order to champion diversity and inclusion in our profession. In 2018, we are planning events in London, Glasgow and Manchester.
- The CII signed up to the Time to Change campaign, England's most ambitious campaign to end the stigma and discrimination faced by people who experience mental health problems.
- We launched Forces MoneyPlan, building on the success of Citizens Advice MoneyPlan.
- We are working with the regulator on the ScamSmart campaign, in order to provide information to consumers on how to avoid investment and pension scams.
- The PFS' Festival of Financial Planning demonstrated that professional events didn't need to be dull, dry and predictable. About 3,500 delegates came together to experience a colourful and fun vibe resulting in overwhelming positivity and pride from all involved.

An international focus

The CII, and the profession we represent, are outward looking and open to new opportunities across the world, where we can provide quality learning and qualifications, and share our experience of good practice. In order to deliver more effectively, we have reviewed our international presence during the year with input from stakeholders and colleagues across the business.

In summary

We have successfully begun to move from strategy to action this year and I am delighted to be leading a re-energised team of talented people, ready to deliver change to build public trust.



Sian Fisher,
CEO of the Chartered Insurance Institute



Ourselves



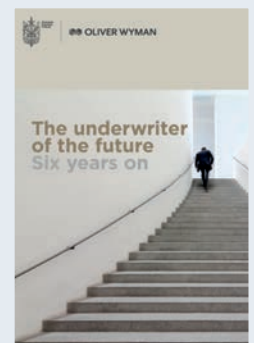
Insuring
**Women's
Futures**
LIVE 2018



Insurance Personality of the Year

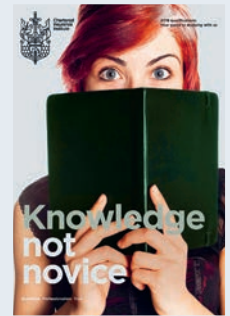
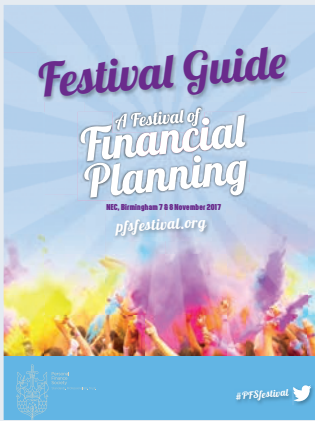


Discover Risk

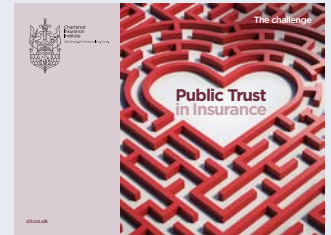


Supporting



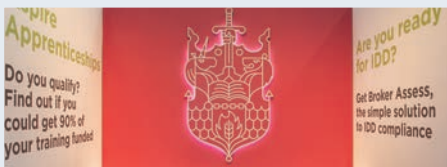


Network Conference 2018



Collaborating

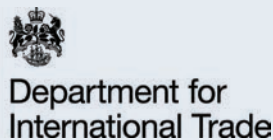
CHARTERED BODY ALLIANCE



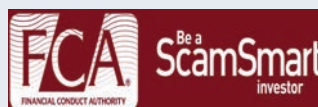
DIT Trade Mission



BIBA conference



Ministry of Justice



هيئة التأمين Insurance Authority



Measuring our performance

1 Public trust

2,000

The CII launched its new Public Trust Index in June 2018. The index was designed to measure consumer confidence in insurance with nine 'building blocks of trust' that shape the customer experience – six focused on buying and holding, and three on claims. The research consisted of surveys with 2,000 consumers and 1,000 small businesses, with performance against each of the building blocks categorised as 'maintain', 'improve' and 'urgent action'. In this year's survey, eight of the building blocks were ranked in the 'improve' category and one in 'urgent action'. The aim, over time, is to move towards all of the building blocks being ranked in the 'maintain' category.

2 Building a united profession

23,137

Total number of individual members holding one of the CII's Chartered titles: Chartered Insurance Broker, Chartered Insurer, Chartered Insurance Practitioner, Chartered Insurance Risk Manager, Chartered Financial Planner. (2016: 23,266).

3 Relevant learning

13,842

Enrolments in new units (14% of all enrolments). The basis for calculation of this measure has been revised and improved since last year's report (2016: 11,836).

4 Engaged membership

124,924

Total members (14% churn). Engagement index up nine points (2016: 124,863).

5 Insightful leadership

30,000

People attending CII events that promote the profession to new talent (2016: 9,910).

6 A great big world

11.1%

Of group revenue from outside the UK; 10% from outside the British Isles. (2016: 11.6%).

7 Service effectiveness

We are currently updating our measurement method to reflect changing customer behaviour. Our new metric will be included from 2018.

2017 performance again

8 Made simple
£192k

Revenue per full-time employee
(2016: £189,000).

10 Pride of place
50%

Two out of 4 D&I rating - CII met two of the four criteria set (note: 2016 figure as no survey in 2017).

9 Pride of place
68%

Employee engagement
(NB. 2016 figure as no survey in 2017).

Introducing our strategic measures

Measuring the delivery of our strategy

We introduced 10 strategic measures in 2017 to demonstrate the impact of our transformation programme. Over the years to come, we will be using these measures, alongside the financial measures, to report progress.

During 2017, the CII's focus was on engaging with a wide community of stakeholders, assembling information, defining and prioritising

the required changes, and mobilising our resources. For these reasons, while we expect to see a step change in the coming years, the opportunities are not yet reflected in the measures for the past year.

There has been a significant improvement in our reach when promoting the profession to new talent (measure five), due to our increasing use of web-based channels

Moving with the times

In 2018, the CII will move into new offices at 21 Lombard Street, the planning for which began in early 2017.

The rationale for the move was that we needed a space that supported our manifesto aim of being relevant, modern and diverse, and the existing heritage office at Aldermanbury was struggling to deliver against that aim. Our new values and behaviours were at odds with the traditional nature of the building and it therefore made sense to move on. We also wanted the CII to be known among all stakeholders for what it stood for and achieved, rather than being synonymous with a building. Our members' views

were taken into account in making the decision and it became apparent that delivery, not presence, was important to them, with the vast majority unconcerned by where we were based, having never in fact visited the offices.

Best use of members' money

A significant investment would also have had to have been made both to maintain the building and to make it current and modern within the listing

restrictions that were in place. The board took the view that this would have not been a good use of members' money, as it would only serve the needs of a small group of members and staff and that the investment could be better used on the delivery of the CII's strategy.

We were also delighted to have found a purchaser in the City of London that has the best interests of the building at heart, and will respect its heritage and invest for its long-term future. Some have suggested that the CII could have funded and managed this but we took the view that we were not property developers. When the building was commissioned, it was built to provide a place to work and a central go-to place for the profession. The new offices will provide a far more appropriate amenity for this purpose.

Keeping learning relevant

We have not abdicated our responsibility for the heritage of the organisation however, with the best elements of the library having been brought to the new offices. Large swathes of the library are now digitalised; and all of the library is now available in a storage facility with a fast call-back facility for members. We also have plans in place to rehome

Our strategy in action

In this section, we highlight some examples of our work in action, to give a flavour of the progress we are making, as well as the new initiatives we have undertaken during the year.



the firemark collection and the various pieces of artwork that were in the old building. Pictures of the stained-glass windows in the Great Hall will be displayed on a revolving basis in the new offices, so our heritage will never be forgotten.

Moving onwards and upwards

Our new offices at 21 Lombard Street are conveniently located for the profession, open-plan and on one floor. We were also aware that, as a not-for-profit organisation, we needed to find somewhere that was not ostentatious and overstated; we therefore signed the lease for an older building that had been modernised in a modest but modern way. Under the terms of the lease, the landlord of the building is fully responsible for its maintenance, which means that we can use members' contributions on the outputs from our strategy not on maintaining a building. The move has enabled us to upgrade our technology, which would have been problematic and more expensive in our previous offices. We therefore have the infrastructure to support our employees and enable them to work in an agile fashion.



Modernisation

The new offices have a 52-person seminar and town hall space, which we will use to accommodate larger gatherings. For events bigger than this, we can either use the Great Hall, other City of London venues or the plethora of spaces that are available nearby us in the City. In addition, we have a Knowledge Lounge that will be available to members, visitors and staff, where people can come to study or just meet each other, with reference library books and heritage items on display. We have also encouraged our customer service colleagues at the South Woodford offices to work at Lombard Street and vice versa, with South Woodford also being modernised in the near future.

We are delighted with the success of the project: 20 Aldermanbury is in the safe hands of an organisation that is sympathetic to its history and will invest for its future; we are free from the responsibility to invest in a building that was not fit for purpose; and most importantly we have a new home that enables us to work in line with the values and behaviours that we hold true.

'Anytime, anywhere'

Agile working case study

Esther Brooks

Esther is assessment manager at the CII. A key member of her team, Rachael Allen, assessment co-ordinator, has been working on a project to refresh the CII's 991 and 994 dissertation brochures, bringing the content into line with up-to-date CII coursework and online learning. Also, taking into account CII member feedback to make the learning materials more relevant and user-friendly.

As the two team members live close by to one another, on occasion, every two to three weeks, they work agilely at a nearby coffee shop.

Esther says: "It makes for a really great working environment. There's air con, big open windows and a nice buzz about the place, which means you feel motivated; and being in a different environment can help you refocus on a specific project.

Esther and Rachael are able to work remotely with their laptops, using free, secure wifi and their work phones, so can deal with any day-to-day matters from the office.

Esther continues: "It's very convenient for both of us and we're really happy to have that flexibility. There's plenty of space to work and there's no need to book a meeting room. I can definitely say the work we're doing has benefited hugely from agile working."

We are delighted with the success of the project. Aldermanbury is in the safe hands of an organisation that is sympathetic to its history and will invest for its future"



OUR STRATEGY IN ACTION

Measuring the difference we make

Our duty of care for the public is central to our Charter and change programme. In June 2018 therefore, we published our first Public Trust Index, which for the first time measures the elements of insurance that are important to consumers and relates it to their values.

This was of critical importance to the CII as we now have a benchmark for the delivery of our Charter purpose, by better understanding the consumer's level of confidence in our united profession and the areas for improvement. It also clearly had relevance to understanding our progress on the four components of the insightful leadership theme from the Strategic Manifesto, namely: modern ethics, international, talent and diversity, and insuring futures.

For the index to be meaningful it needed to be consumer-driven, so we started with in-depth research with 24 customers, a number of who had been through a claims process. We wanted to capture how customers thought about insurance in their own terms, rather than through the categories that insurers might be interested in. We therefore asked this group not only about their experience of insurance but also what values were important to them. The research was focused on a targeted range of products – motor, travel and home insurance for consumers, and liability and property insurance for small businesses.

From this work, we distilled nine building blocks of trust that shape the customer experience – six focused on buying and holding, and three on claims.

Building blocks of trust

'Buying and holding' and 'claims'



Confidence

I am buying from a reputable company that I can rely on



Price

I pay the price that is best for me



Loyalty

Being rewarded for loyalty to my existing provider



Protection

The policy meets my needs



Ease

Ease of buying the policy



Relationship

I have a long-term relationship with my insurance provider



Speed

A quick and efficient claims process



Respect

Being treated with respect and sensitivity



Control

Having a say in how the claim is settled (e.g. repair work)

We conducted a pilot survey that fed into the main survey of 2,000 consumers and 1,000 small businesses, who were given the chance to rank the importance of each of the building blocks and the performance of their insurer on each of the nine elements. The results were then grouped from overperforming; to maintain; to improve; to urgent action.

The key themes that emerged from the research were:

- There are some areas where the profession is performing well – insurers are doing an excellent job when it comes to settling claims and keeping people protected, flying in the face of some of the popular criticism.
- There are other areas where the profession needs to improve – insurers are doing less well when it comes to rewarding loyalty, for example the disparity between the pricing for new and existing customers in the personal lines market is eroding trust.
- Insurers are developing ways in which they can have a richer ongoing relationship with the public (such as helping manage risk and telematics) and there are huge opportunities to grow trust in this area.

Recommendations

The detailed conclusions and recommendations were shared with members at the Network Conference in June and we are now developing a web-based tool that will enable members to ask additional questions of the research, specifically around the values that are important to the customer. This aims to enable the insurer to build a longer-term relationship by focusing resources on the elements that really matter to the customer.



To see our academic report on trust, executive summary and research, go to www.cii.co.uk/publictrustindex

OUR STRATEGY IN ACTION

Chartered: evolving a successful formula

In 2007 we launched three corporate Chartered titles to improve standards and develop the recognition of insurance and personal finance as a profession. Chartered standards are the key to achieving parity of esteem with existing Chartered professions, such as Chartered accountants and surveyors.

The three current Corporate Chartered titles are: Chartered Financial Planners, Chartered Insurance Brokers, and Chartered Insurers. We have had great success with these in providing a recognisable standard for the profession.

75%

of SME business owners say they would be more likely to use a Chartered firm over a firm without Chartered status

90%

of Chartered brokers believe Chartered status has enhanced the perception of their business as a professional organisation for potential staff

982

Chartered firms, of which 236 are insurance and 734 are financial planning

Over 47,000

people work for a Chartered firm: 36,000 in insurance and 11,000 in financial planning

“

...these changes will reinforce Chartered as the bastion of professional standards...”



for managing general agents given their increased importance in the UK and international insurance sector. We intend to launch the new 'Chartered Insurance Underwriting Agents' title by December 2018 dependent on Privy Council and member approval.

Undertaking a review

In the 11 years since the launch of the Corporate Chartered titles, there have been many changes in the market, from corporate structures to public expectations on what good looks like. It is more important than ever that Corporate Chartered titles represent quality, aspiration and value. We decided that the time was right to undertake a review of Chartered status to ensure the titles are fit and proper for the modern market, and that they are improving the profession and public trust in it. Our aim was to move Chartered status beyond a focus on qualifications and membership to include broader ethical criteria, and thereby truly represent best practice.

It is important to us that we are transparent in our intentions, so we will be inviting feedback from the market on how we can create a truly united profession through Corporate Chartered title developments. The discussion will run up to September 2018, with developments to be announced before the end of 2018.

Our belief is that these changes will only reinforce the importance of Chartered status as a bastion of ethical standards in the minds of the public, and thereby increase their trust in the profession.

Promoting and advancing Chartered

To that end, in the year we have also set up the Chartered Body Alliance (<http://charteredbodyalliance.org>) with the Chartered Institute of Securities and Investments and the Chartered Bankers Institute. The logic for this was simple: if we believe that people see us as one profession of financial services then why not collaborate with other closely-related professional bodies to improve ethics, diversity and inclusion, the concept of professionalism and therefore public trust? We also have a shared interest in promoting and advancing those issues in the policy world, with government and in society in general. Currently there are a number of joint events planned around inclusivity and modern ethics but the intention is to develop deeper relationships over time.

In February 2018 for example, RSA Claims achieved Chartered status, with RSA's Commercial and Global Risk Solutions businesses and UK Chief Underwriting Office also having gained Chartered status in May 2017. At the time, Karl Helgesen, RSA UK & International chief claims officer, commented:

“As we continue towards our ambition to become a best-in-class claims function, with claims being a differentiator for RSA, gaining Chartered status is a major milestone in our journey. It is an achievement that we are confident will resonate well with our brokers and customers.”

We are also looking at introducing a new Chartered title

OUR STRATEGY IN ACTION

Our role in leading positive change

As people engagement director, Tali Shlomo is responsible for people, diversity and inclusion, internal and external engagement, learning and development, and talent programmes. She has been with the CII for 17 years and oversaw an overhaul of its people strategy last year. Commenting on the progress made in promoting diversity and inclusion internally during the past 12 months, Tali said: “We have been working on improving diversity and inclusion in the CII for 10 years, with some success. What has driven our progress in the last couple of years is a more organised and structured approach, driven by our responsibility to set the standards for our profession.

“The transformation programme looked at values and behaviours and specifically at developing a high-performing and purposeful culture that is modern, relevant and diverse. One of these values was that our community should be an open one, where we engage and communicate clearly and effectively; where we encourage and support individual opinion and dialogue; and where we champion inclusion, respect and trust. This approach then fed into our overall diversity and inclusion strategy.

“It was therefore a highlight for me when an internal focus group on corporate culture examined which words summed up the CII and ‘diverse’ emerged as one of the top answers, along with ‘evolving’, ‘ambitious’ and ‘flexible.’”

The CII’s diversity and inclusion strategy is focused on “providing leadership and setting standards for a diverse and inclusive profession”. It has three distinct but related arenas to achieve this – internally; within the regional distribution network; and within the profession. In this section, we aim to highlight some of the progress made against this strategy in the last year.

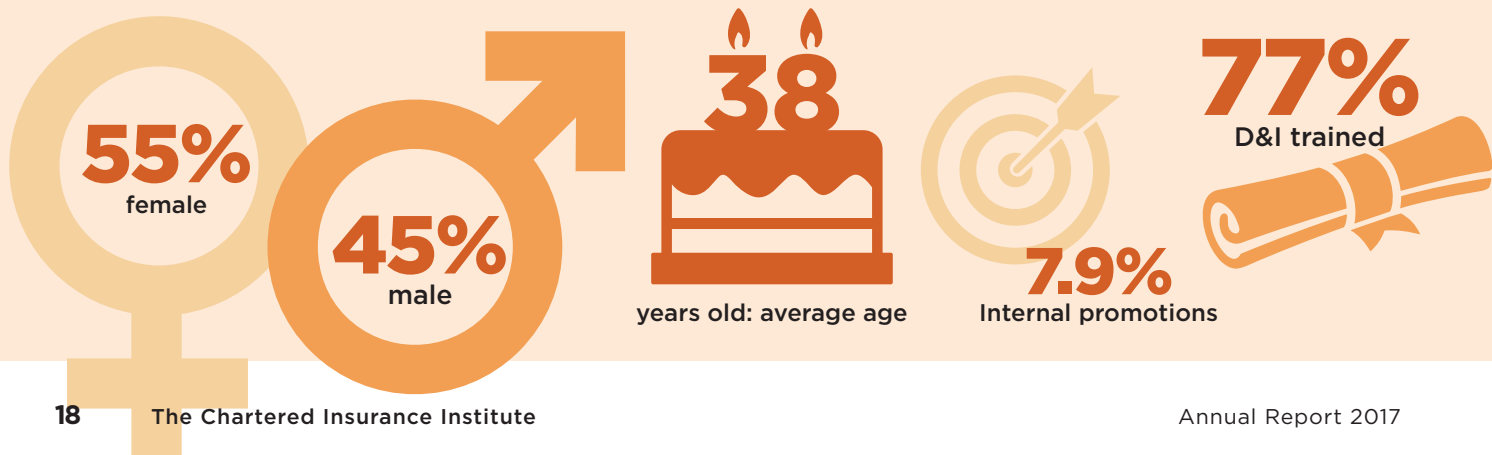
Internally, we have engaged in a plethora of activities including:

- The embedding of inclusive processes for recruitment with no positive discrimination, but recruitment on merit with an aspirational target for gender balance
- Our annual inclusive leadership session
- Awareness and inspirational event internally for our colleagues and externally for our members on LGBT+ and mental health and age diversity
- Becoming a signatory of the ‘Time to Change’ pledge to end mental health stigma
- Ensuring that we mitigate unconscious bias in rewards, recognition and appraisal, through different moderations
- Enabling four women to be externally mentored for nine months as part of our commitment to the 30% Club, as well as introducing an internal mentoring programme
- Online learning about unconscious bias, the Equality Act and emotional intelligence
- The initiation of regular monthly and annual engagement surveys for employees to check what progress is being made
- Becoming one of the first organisations to disclose our gender pay gap data despite the fact this was not required of us because of our size.

Utilising the network

Within our regional distribution network, we have set and communicated our suggested best practice diversity and inclusion guiding principles, template policy and practices, through various publications on inclusive

D&I at the CII





recruitment, the gender pay gap, and running an inclusive organisation. We have also organised various thought leadership sessions for the local institutes, in Glasgow, Birmingham and Manchester, as well as supporting Insurance United Against Dementia by helping to raise awareness and encouraging fundraising. The current project on a mental health guide in collaboration with Mind will be the next policy guidance, due out soon.

Externally – the profession

In the wider context of the profession as a whole, we were instrumental in leading the debate on the gender pay gap, through preparing a policy paper that summarised the reality and made some meaningful recommendations; proactively engaging with the trade press on the issue; and hosting an industry HR director’s breakfast on the subject. The focus now is on designing an action plan to help the industry close the gap.

Insuring futures

We have also made good progress on our first major insightful leadership initiative – Insuring Futures – which was set up in recognition of the number of disengaged, financially excluded members of society whose needs the industry was failing to address appropriately.

We focused initially on women, with three workstreams: getting more women into the insurance profession; gaining insight into women’s risks; and finding risk solutions for women. This year we followed up our initial research with a further, more in-depth, report that shows that women today are living longer, have better education and more career opportunities, but they are likely to be worse off than their male partners, mothers and grandmothers. So, while modern society affords women greater freedoms, their

economic progress and financial resilience has not kept pace and they are profoundly more exposed to financial difficulty.

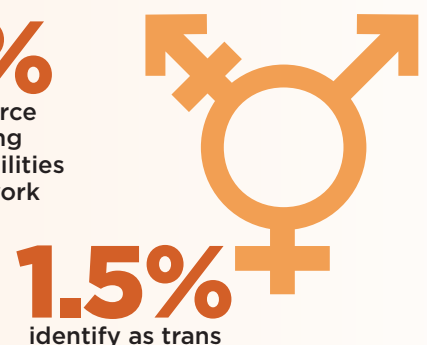
On the back of this work, we hosted the IWF Live 2018 event, which brought together the insurance and personal finance professions, policymakers and the third sector, to discuss the unique risks women are exposed to throughout life and how the insurance and personal finance professions can collaborate with wider societal groups to address them.

We also established a market taskforce of 15 highly influential senior people from across the sector and gained their commitment to an action plan. This group has agreed the priorities that have come out of the research, with five key areas of focus and eight workstreams. Its initial focus will be addressing the pension deficit, with women having smaller pensions than men, especially if they are divorced or separated. Once it has made discernible progress on the

pension deficit, it will move onto addressing the other key areas of focus.



Clockwise from top left: Attendees get into the swing of voting at IWF Live; CII President Inga Beale speaking at IWF Live; a panel debate at the event got people talking



OUR STRATEGY IN ACTION

Building, informing and inspiring our membership

The need for the CII to reach out to new markets while also developing membership engagement, guidance and support beyond its role as a professional body was recognised in the strategic manifesto. During the year, we have made great strides against this aim – here we highlight the development of our international strategy, the introduction of the Aspire Programme and the launch of societies.

New international strategy

The CII has developed a significant international presence, with more than 10% of revenues coming from non-UK operations in 2017. Its most notable recent international deal was the partnership signed with the United Arab Emirates (UAE) Insurance Authority in 2016. This has resulted in 450 UAE nationals going through the CII qualifications at Certificate level in 2017, and in 2018 we have opened this up to expatriates too.

It has been a steep learning curve for everyone involved during the past 12 months and the project has stretching-but-achievable targets, with the aim of training 12,000 professionals during the next three years to Certificate level and a five-year plan to roll that into the diploma.

In order to continue to build the CII as an international body and enhance our footprint, we have developed a new international strategy with input from all stakeholders, which will need its own dedicated resources and effective integration across the business.

Our international activities will focus on the following five priorities:

- Defend and retain current position – including improvement to our digital international customer experience
- Deliver pipeline of opportunities – Hong Kong and Asia-Pacific, India and SAARC, Middle East and United Arab Emirates, where appropriate giving clear focus to any regulatory initiatives
- Fulfil the potential of ACII – through distribution partnerships with our overseas local institutes
- Expand our activities in three new markets – Bangladesh, China and Ghana

- Build on existing relationships – with major global organisations.

In order to support these priorities, we are in the process of setting up a Middle East presence in Dubai, where we will have an international director reporting as part of the executive management team and a regional corporate development director as part of the senior management team.

The lifeblood of the CII

Each year the CII organises a Network Conference, which gathers together two representatives from our 55 local institutes across the UK. This gives the CII the key opportunity to update its invaluable local network on the progress we have made so far, details on the strategic manifesto, as well as providing insight into our plans for the future.

This year's conference, with the theme of 'Engaged Membership' was held in Belfast and hosted by the Insurance Institute of Northern Ireland. The combination of short main-stage presentations and breakouts also gave the 150 delegates the opportunity to interact with each other and feedback ideas to the CII.



The conference also gives us the chance to thank institutes and demonstrate how important they are in engaging with our membership. They truly are the lifeblood of the CII.

The launch of societies

As part of our commitment to deliver more relevant, engaging and valued membership experiences, we are evolving faculties into sector-focused professional body societies. Societies will enable us to better engage with specific segments of our membership and the wider sector, through more tailored CPD content and guidance more closely aligned to sector salient topics. Societies will also enable us to demonstrate greater relevance by evolving the role of a modern professional body, allowing greater engagement with a range of key stakeholders, while growing our reach and influence to help drive professional standards.

The Personal Finance Society is an example of how a specific focus on a segment of the market, that has distinct needs, has succeeded in growing engagement and influence. It has also been the platform on which we have been successfully engaging with government, regulators and consumer groups to influence policy and the future direction of travel.

In the last year, for example, the PFS has successfully put in place a number of initiatives to increase engagement and build public trust, including:

- **Forces MoneyPlan:** Building on the success of Citizens Advice MoneyPlan, PFS members now provide pro bono financial guidance to sick and injured armed forces personnel and veterans, who, as with MoneyPlan, have difficulty accessing professional financial guidance.

- **Partnerships with the Jersey Financial Services Commission and Isle of Man Financial Services Authority:**

We have supported consumer awareness campaigns flagging the dangers of investment and pension scams, and driving consumer action on sensible financial planning.

- **Mutual recognition agreement with the European Financial Planning Association (EFPA):**

We signed an



Mark Hutchinson

societies and member marketing director, commented: “We believe that societies deliver two significant benefits.

“Firstly, they deliver more relevant and valued content to our members as part of

an improved membership proposition. So, once you have demonstrated professional competence through professional qualification, your society will then support you throughout your career as a professional. It will help you keep your knowledge updated through continuing professional development and provide practical good practice guidance as well as essential thought leadership, to help members and their businesses evolve to meet the changing needs of consumers.

“Secondly, societies are all about the bigger picture policy engagement and influence that can drive improved consumer outcomes, confidence and trust in a united profession.”

+17

In 2017, CII members scored us +17, up from +11 in 2015

agreement with the EFPA to secure members a vital foothold in Europe, which means that Diploma and Advanced Diploma qualifications are now aligned and recognised through the equivalent European financial planning standards, which are fully or part accredited. The purpose of this agreement was to help deliver our shared vision of engaging consumers with high-quality and trusted professional financial advice. It also gives UK advisers greater certainty in advance of Brexit.

- **Good Practice Guidance and CPD:** PFS guidance documents are increasingly relied upon, with thousands downloaded each year. The national CPD programme has evolved into the largest face-to-face programme of its kind in the UK, with more than 22,000 attendees during 2017.

Helping practitioners become competent professionals through a relevant qualifications framework is an essential part of driving standards and consumer trust. But that is not the end of the journey; having a dedicated professional body to support individuals in professional advancement throughout their career is equally important. An ethical framework to guide members and a programme of ongoing professional development helps maintain knowledge and learning to remain current, as thinking and practices evolve over time. Strategic insights from practitioners can help to identify sector-level issues that can drive initiatives focused on consumer outcomes, which can help restore public trust.



Our People

It is our intention to create an environment that is transparent, simple and inclusive. This will involve looking at our reward strategy, competencies, P&DR and talent programme.

We will work throughout 2017 and 2018 to achieve all of the above, beginning with defining and working with employees on being a purpose-driven organisation.

Our people strategy will enable the delivery of our business model as we build public trust and position the CII as an employer of choice by:

- **Attracting** highly competent and driven individuals to enable the delivery of our vision
- And **Retaining** them.

Source: CII 2017

A well-qualified organisation

28

members of staff whose highest level of qualification is 7+



80

members of staff whose highest level of qualification is 6



42

members of staff are currently studying for a CII qualification



5

members of staff are studying for a non-CII qualification



122

members of staff hold non-CII professional qualifications

16

members of staff hold CII professional qualifications



In 2017...



Staff have participated in

959

hours of external learning and development (L&D)



199 hours have been spent on internal L&D



114 hours have been spent on completed e-learning programmes



11.7

An average of 11.7 hours has been spent on L&D per employee

Approximately

2,647

hours has been spent on learning in total (including e-learning and study for qualifications)

Figures above as of 1 January 2018.

UK employees		International employees		Total
216	+	10	=	226

Our executive team

During the year, we have:

- Conducted and implemented the recommendations of a full review of governance at the CII, aimed at connecting the priorities of the board with the executive and the business with the executive
- Recruited a new professional standards director, Melissa Collett, to give added focus to the critical importance of maintaining high standards in a changing market
- And appointed new directors beneath the executive level, with well-defined roles specifically grouped around the manifesto workstreams.

Brief biographies and roles for our executive team members are shown here, with details of our broader senior management team available on our website.





Our executive team



<
John Bissell
Chief operating officer

John has 30 years' experience in the insurance profession including strategy, underwriting, marketing, development and operations leadership, often with an international component. During his career he has worked at a senior level at an insurer, intermediary, service provider and standards body. He joined the CII in January 2017. He is responsible for the day-to-day operation of the organisation; the creation and delivery of the operations strategy and policies; aligning workforce capabilities with the operating model; and ensuring effective financial management, budgeting and planning processes.



^
Steve Jenkins
Development director

Steve has more than 35 years' experience in financial services and is a Chartered Insurance Practitioner. Much of his early career was spent working in various roles within the Axa Group in the life sector, latterly as head of bancassurance. Steve joined the CII in 2006 with a brief to lead its corporate and market relationships. He played a key role in the review of Corporate Chartered status for the financial services and insurance markets. Steve leads the CII's support for employers in the UK market and has been instrumental in expanding the international presence, working with local regulators, major employers and education institutes.

>
Rowan Paterson
Company secretary

Rowan started his career at an international road freight operator in 1973, working throughout Europe and the UK and gaining a good grounding in goods-in-transit and marine claims. He then joined loss adjuster GAB Robins as company secretary. He came to the CII as its company secretary in 2004 to run the legal and secretariat department. He is responsible for all aspects of governance including relations with the Privy Council, and the administration of a participative corporate structure of committees led by the main board of the CII. Rowan will retire as company secretary in July 2018, although will remain with the CII until 31 December 2019 in the post of governance director.



>
Simon Graham
Learning and assessment director

Simon has spent 20 years in the learning and development field, split between Aviva and the CII. His corporate experience covers open learning, training delivery and management, and developing academies. In his current role he heads up all product development, management and operational delivery across learning, assessment and qualifications.





^
Melissa Collett
Professional standards director

Melissa has an extensive background in consumer insurance and legal issues. She spent more than a decade at the Financial Ombudsman Service, was a director at Fairer Finance and sits as a Tribunal Judge. She is also a qualified solicitor and specialised in insurance law at Hogan Lovells. Melissa joined in September 2017 to lead the CII's professional standards, ethics and conduct activity as a united profession. She is also responsible for the professional body's legal affairs and risk management.



<
Sian Fisher
Chief executive officer

Sian has held senior roles at a Lloyd's Syndicate, a UK and European insurance company, a startup intermediary, a market-leading MGA, a major international broker and a US corporate. She was a founder and original board director of the Managing General Agents' Association and has held senior positions with both the CII and the Insurance Institute of London. She is a graduate of Oxford University, has her ACII, and an executive MBA from Harvard. In February 2016, she joined the CII as chief executive officer, responsible for the implementation of its strategy.



<
Ian Simons
Marketing director

Ian is responsible for marketing and proposition for the CII group. Ian originally qualified as an underwriter with RSA, before moving to Zurich and requalifying in marketing. After a short period in investment banking, Ian came back to the insurance profession, heading up market development at QBE before returning to RSA to head up UK commercial marketing and finally as group head of social media.



>
Keith Richards
Managing director of engagement and CEO of the Personal Finance Society

Keith has more than 30 years' experience operating at executive level across both manufacturing and distribution. He was appointed chief executive of the PFS in May 2013 and additionally appointed managing director of engagement for the CII on 1 August 2016. His role is to improve engagement with members, government, regulators and consumer groups.

Setting the standard

Melissa joined in September 2017 in the new role of professional standards director to lead the CII's professional standards, ethics and conduct activity. She is also responsible for the professional body's legal affairs and risk management. She spent more than a decade at the Financial Ombudsman Service, was a director at Fairer Finance and sits as a tribunal judge. She has an extensive background in consumer insurance and legal issues and is a qualified solicitor.

During her time as insurance ombudsman, Melissa made more than 1,500 legally binding decisions on disputes between consumers and insurance firms while sharing her insights with the sector, often through its trade bodies, around what best practice looked like and how to raise standards. Her aim in doing so was to help companies avoid disputes in the first place. This focus bore fruit, with the number of non-disclosure complaints having halved within a year after the introduction of new joint guidance – a highly satisfying outcome given the often fraught and complex circumstances surrounding this type of complaint.

Professionalism

In this role, she also worked closely with David Hertzell, the chair of the CII's Professional Standards Committee, who was the Law Commissioner in charge of the Insurance Law Reform Project at the time. She is enjoying working with him again: "I report into the Professional Standards Committee, which provides valuable independent oversight of the work that we are doing around standards and professionalism."

Throughout her career she has seen a discernible improvement in the standards in the profession – there is far more focus on putting consumers' needs at the heart of the business. She believes therefore that the direction of travel is largely positive, however, the

understanding and responsiveness to consumer needs is often piecemeal and, as the Trust Index shows, there is room for improvement around key areas such as loyalty.

Putting the customer first

She is also concerned by the rise of price comparison websites and their primary focus on price, as opposed to core features of cover. "The popularity of the price comparison websites has at times resulted in 'Swiss cheese' cover with many exclusions. It's an issue that still needs to be grappled with but I know that there is a lot of effort being made to try and help consumers compare on quality as well as price."

Driving up standards

Her role at the CII is a new one, bringing together activities carried out across a number of departments previously: "My role is to promote professional standards throughout the sector to members, external stakeholders and to the wider public. It's to raise awareness of best practice and drive up ethical standards in the profession. It's really about encouraging people in insurance to be professionals and promoting the value of professionalism."





My career to date has revolved around a passion for raising standards in the insurance sector and helping companies do what's right by consumers. This new role continues that focus and takes it to the next level"

She also has an internal responsibility for standards and is in charge of the discipline of members by looking into such issues as alleged breaches of the CII's Code of Ethics or alleged cheating at exams, as well as the vetting of corporate chartered firms.

Professionalism drives trust

Her appointment is in part a recognition that the importance of standards in building public trust needed to be reinforced at the CII: "I believe strongly that standards underpin professionalism and professionalism drives trust. The starting point for our standards is our Code of Ethics with five key principles, which all members sign up to when they join. Having had conversations with other professional bodies, by and large the principles are similar across all of them. So being a professional means that basic principles apply whether you're in insurance or accountancy or investment or any other profession."

She sees technology as changing the standards landscape with a need for distinct digital standards: "The rise of personalisation of insurance, where the risk is priced according to the individual, can lead to cherry picking. And it could mean the end of pooling of risk and mutualisation, potentially preventing people from getting access to insurance the way they used to when there were much wider

pools of risk. There are issues also around the use of data because you may not want your insurer to know about your personal life, for example your dating habits, to price your car insurance, but the day is not far off when that could happen."

She has therefore been meeting with some of the innovators in the insurtech space and creating relationships with them, in order potentially to form a working group to look at digital standards and establish the CII's place at the table: "We have to ensure that no-one is unfairly excluded from cover. Insurance is such a force for social good. We can't afford to lose sight of that in this rush to digitalise everything."

The challenge

In her first nine months with the CII, she has also been highly involved in reviewing the criteria, the process and the audit of corporate Chartered status to ensure that the titles remain a mark of quality, aspiration and value, details of which are shown on pages 16-17; conducting a review of the disciplinary procedure to make it more proportionate, efficient and fair with the aim of speeding up and improving the process; whilst also building the capacity of her team. She is excited by the opportunity that the role offers her: "I have come in as an independent person with a history of championing standards at a time of great change for the CII. I am thoroughly enjoying the challenge."



Aspire Apprenticeship Programmes

The CII launched the Aspire Apprenticeship Programme (Aspire) in 2018, with financial planning going live in May and insurance in June.

The CII believes that this programme is key to driving talent into the profession and was a direct response to employers' need for quality-assured apprenticeship training programmes that were accessible, convenient and offered a simple solution to access available funding for businesses of all sizes.

These new purpose-built and standardised training programmes are easy to access, convenient to use and help businesses access available funding. With training providers carefully selected by the CII, these programmes arm apprentices with the knowledge, skills and behaviours to add real value to the profession. Additionally, as providers are typically looking to work with the larger firms, the programme has been designed to be particularly attractive to smaller firms, allowing them to access 90% co-investment funding.

President's statement

Dame Inga Beale, ACII, president

Inga began her career in insurance 36 years ago, qualifying as an Associate of the CII in 1987. Armed with this professional qualification, she has enjoyed an illustrious career in the profession, culminating with her appointment in 2014 as chief executive of Lloyd's of London. It is therefore not surprising that during her year as president she chose the theme of 'attracting new talent' as the focus of her presidency, while also becoming a patron of the Insuring Women's Futures initiative.

This theme links very closely to the 'Classroom to Boardroom' Strategic Manifesto workstream, focused on ways to attract, develop and maintain talent in insurance: "In 2016, we estimate that we had 10,000 young people attending our events in schools and colleges, where we bring to life the exciting opportunities that a career in insurance could offer them. We set ourselves the target of attracting 15,000 attendees to these events during my presidency; I am therefore delighted that we have more than achieved this target. I believe we now have the momentum and infrastructure to continue to grow this figure."

Aspire to be an apprentice

The Aspire Apprenticeship Programme also launched during 2018, with personal finance going live in May and insurance in June. This programme was a direct response to employers' needs for quality-assured apprenticeship training programmes that were accessible, convenient and offered a simple solution to access available funding for businesses of all sizes. Commenting on the new programme, Inga said: "With the introduction of the apprenticeship levy, it is an auspicious time for the CII to encourage further entry to the profession via apprenticeships. Young people coming into insurance are crying out for the insurance qualification to be recognised at the same level as other Chartered professions, because they understand the role of qualifications and Chartered

status in building public trust. I was therefore delighted that the Aspire Programme launched this year. These programmes will help to encourage a new wave of professionals and future leaders into the profession."

Diversity and inclusion

Inga has also been impressed by the progress the CII has made on diversity and inclusion during the year. She recently attended a co-sponsored session with Pride in the City, which aimed to illustrate the progress that the profession had made in being more modern and inclusive: "I am convinced that as a profession, supported by the CII, we are making a real difference. The CII has been impressive in looking more broadly outside of the UK, organising events in India and Singapore for Dive In, the festival for diversity and inclusion in insurance, illustrating that our responsibility for fostering the open and inclusive approach we want for the profession goes beyond the UK."

Looking outside the box

She has enjoyed learning more about the progress made by the Personal Finance Society in driving standards and engagement with the regulator: "It's fascinating for me to be exposed more to the work of the Personal Finance Society because my experience is all on the insurance side. It seems to me that they have led the way on standards, driven by regulation over many years, meaning that financial advisers had to be highly qualified and sign up to conduct standards. There are things we need to learn from that, to consider for the insurance side. The Festival of Financial Planning conference is an inspiring event that more than 3,000 financial advisers attend, sharing best practice as professionals who are full of pride in their industry."

Inga concluded: "It has been an honour to serve as president this past year. While visiting events, dinners, institutes and training days around the country, I have been struck by the number of young people and the energy that exists in our young professionals group, which is highly encouraging for the future of the organisation."

Summary of financial accounts

Lucie Risley, the CII's finance director, gives a summary of the financials during the last year.

The CII group continues to move forward with its five-year transformation plan, with great progress having been made in 2017.

In the year, the CII invested in a wide variety of projects including, but not limited to, the relocation of the CII, upgrades of the internal infrastructure, cyber resilience and a RevisionMate upgrade.

The transformation programme saw £1.0m invested in staff-led initiatives to develop, research and commence implementation of the workstreams that underpinned our new strategic measures from 2017. The CII made a surplus of £0.5m before tax (2016: £1.7m) and a pre-transformation investment and one-off project surplus of £1.9m before tax (2016: £2.1m).

Transformation

The transformation programme is a huge opportunity for the CII to become relevant to the wider profession with new products for changing and new markets, creating efficient ways of delivery and simplified journeys with increased engagement. The CII is evolving and modernising, and although it is proud to be under Royal Charter and 'not for profit', there is a need to consider the commercial element of the business in order to ensure that funds are invested efficiently and create value.

The key revenue drivers include learning assessments and membership, which help provide the CII with a stable platform in order to create its own momentum. Income is slightly higher in 2017 at £42.1m – this is a solid base to grow from, with the delivery phase of the transformation programme commencing in 2018.

Expenses are, in total, £41.6m – a £1.4m increase. This is primarily attributable to the £1.0m investment in the transformation programme. This is the first instalment of the strategic investment as agreed by the board.

Overall, the CII continues to strive towards its vision and making the 2016 manifesto promise a reality.

The main pages of the financial statements are the income statement, statement of financial position and cash flow statement. These three primary statements provide a good view of the health of the CII and the ability to continue to invest in the transformation programme.



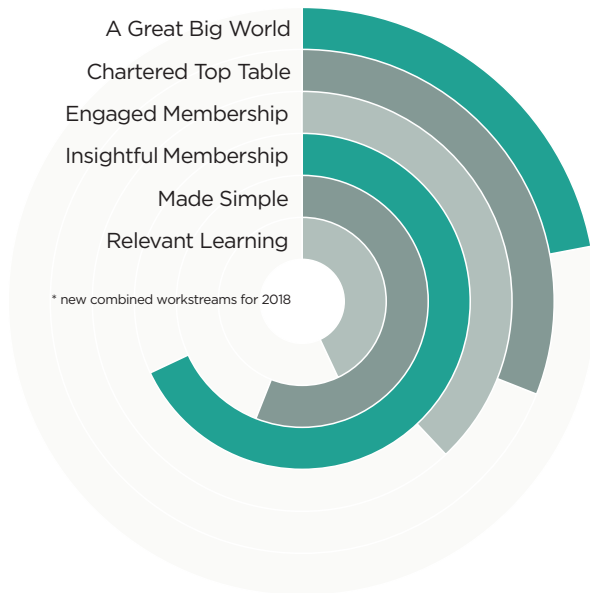
Results for 31 December year-end

2016	2017
£41.9m	£42.1m
Income	Income
–	–
£39.8m	£40.2m
BAU expenditure exc. trans/one-off	BAU expenditure exc. trans/one-off
=	=
£2.1m	£1.9m
Surplus before tax (exc.) trans/one-off	Surplus before tax (exc.) trans/one-off
∨	∨
£0.4m	£1.4m
Transformation investment plus one-off projects	Transformation investment plus one-off projects
∨	∨
£1.7m	£0.5m
Surplus before tax (inc.) trans/one-off	Surplus before tax (inc.) trans/one-off

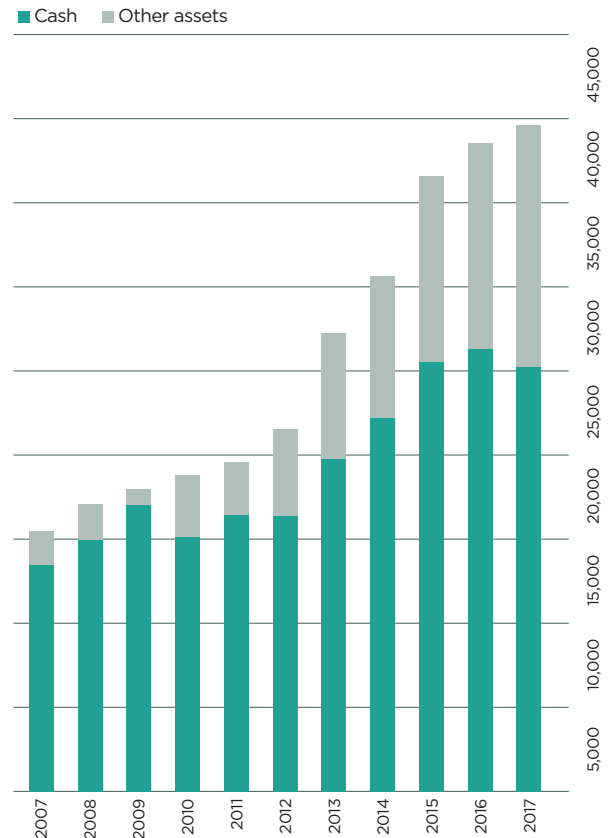
BAU expenditure equals all operating expenses and non-operating income/costs

Transformation programme expenditure 2017

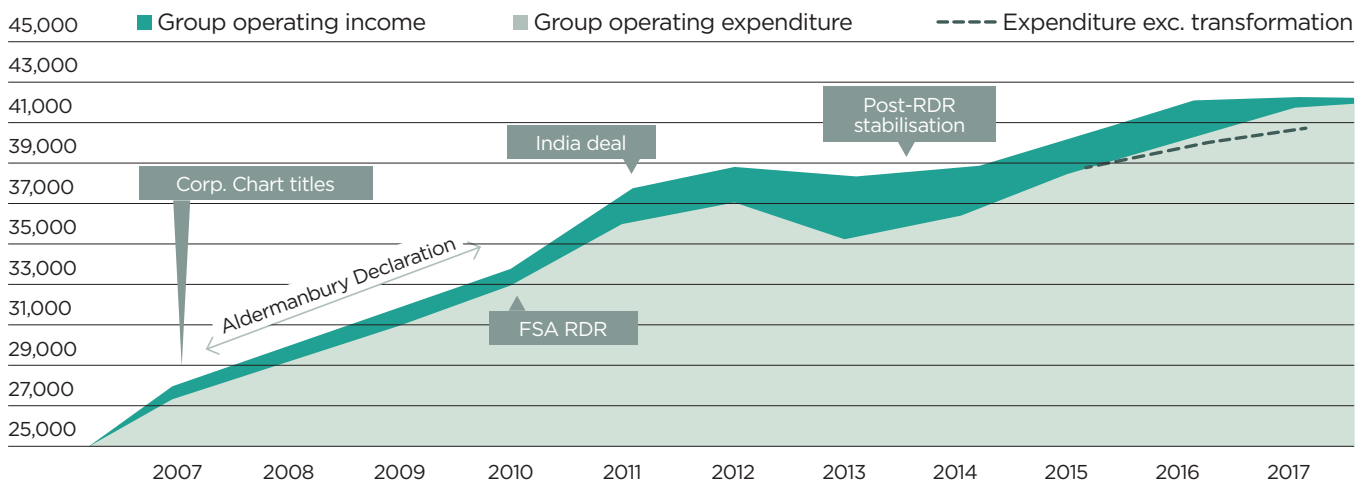
£1.0m



Total group funds £000s



Group operating income and expenditure 2007-2017 (£000s)



Our membership

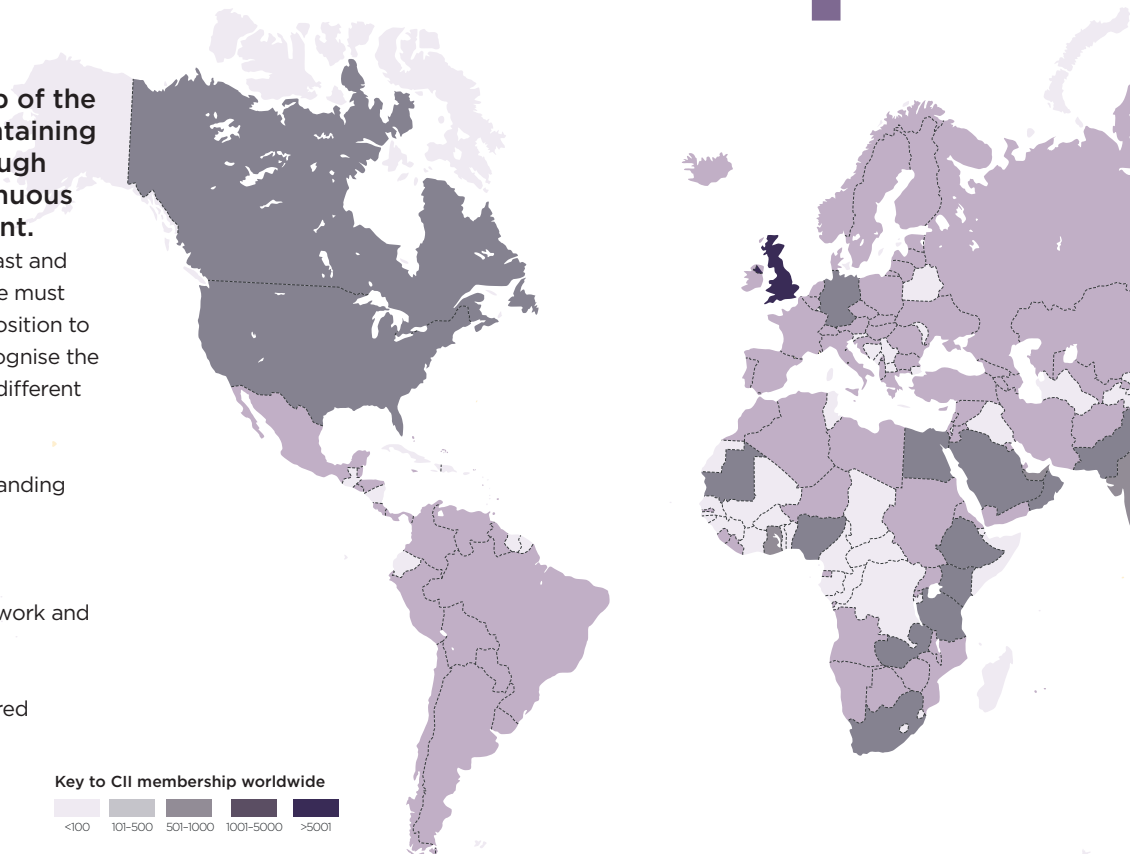
Historically, membership of the CII has been about maintaining technical expertise through qualifications and continuous professional development.

This has served us well in the past and delivered steady growth. But we must focus on the membership proposition to ensure that it does more to recognise the different needs of members at different stages in their careers.

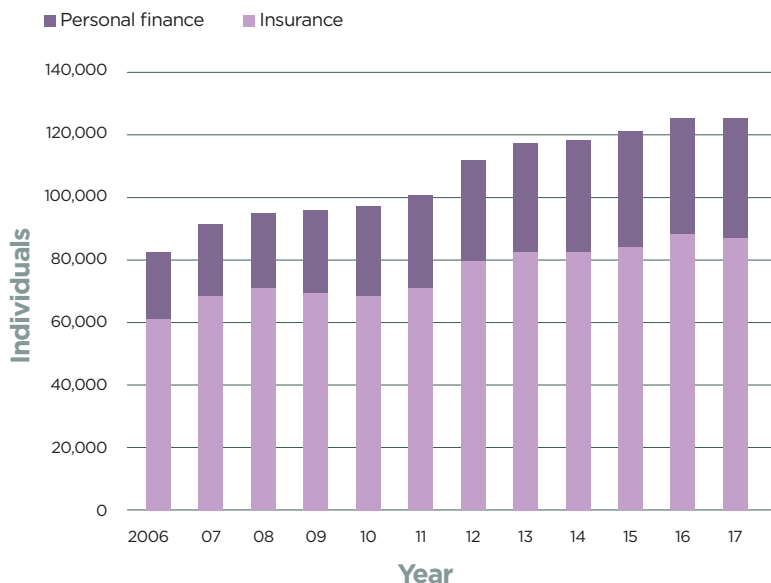
We will be seeking ways of expanding the proposition including;

- Mentoring
- Career guidance
- Personalised capability framework and planning tools
- Recruitment services
- Enhanced benefits for Chartered individuals/firms.

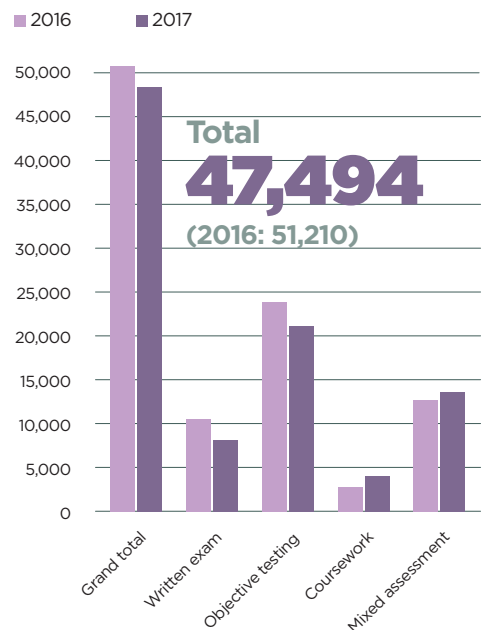
Key to CII membership worldwide

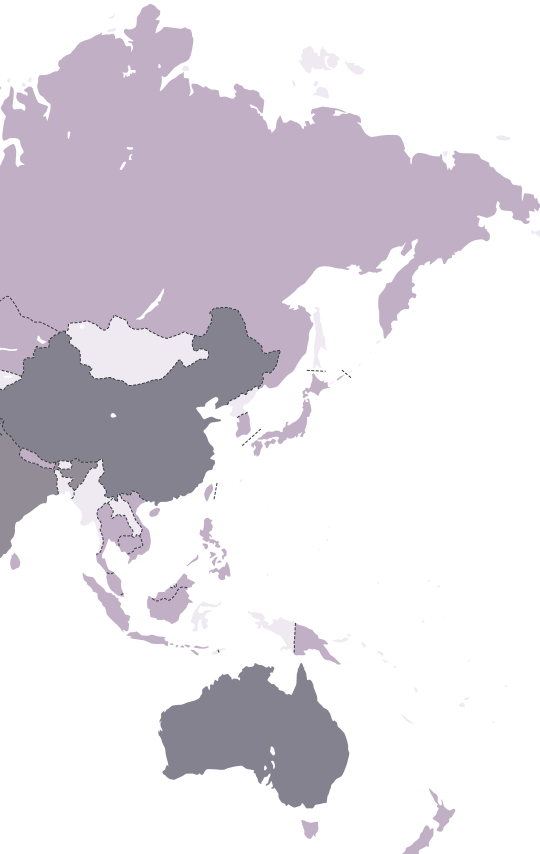


Membership growth

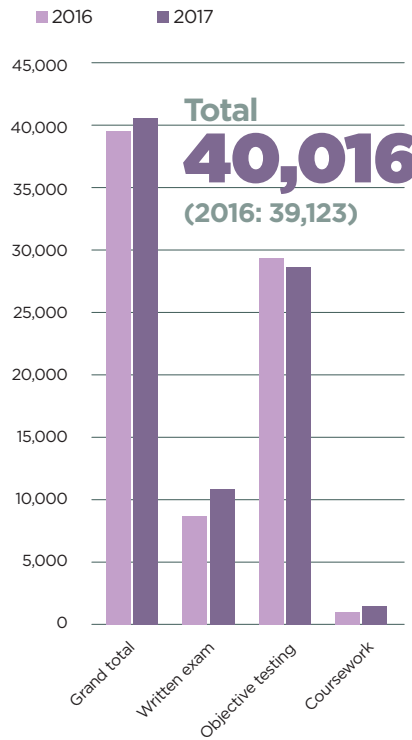


Insurance assessments



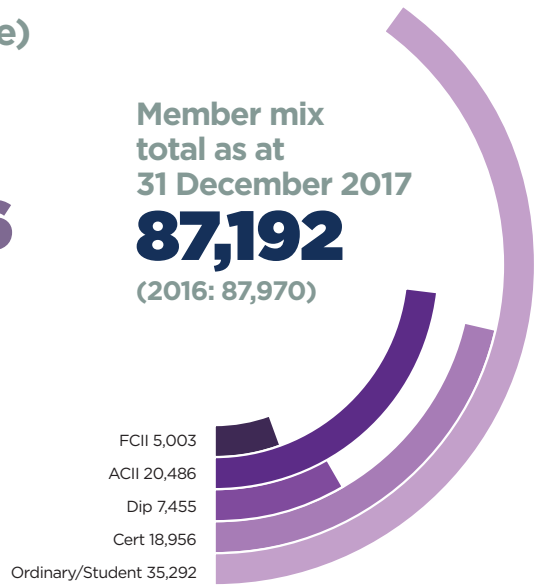


Personal finance assessments (incl mortgage advice)

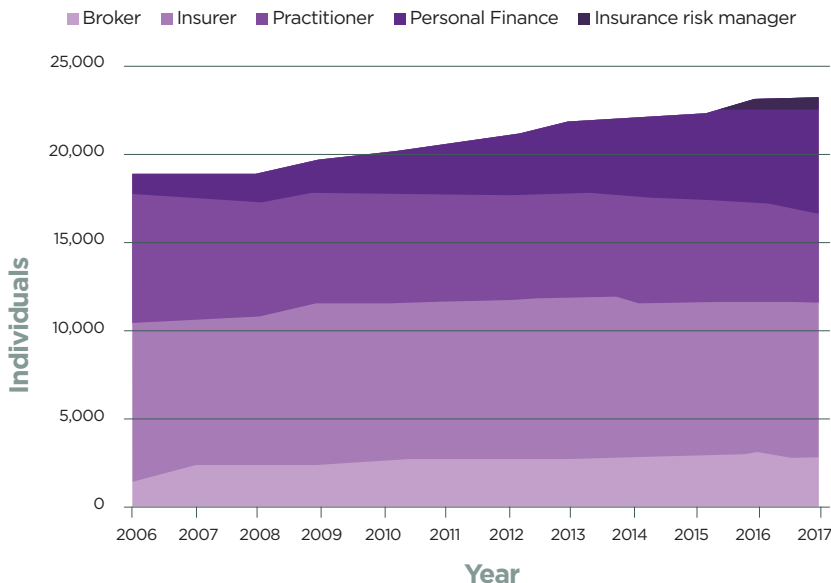


Insurance (CII)

Member mix total as at 31 December 2017
87,192
 (2016: 87,970)



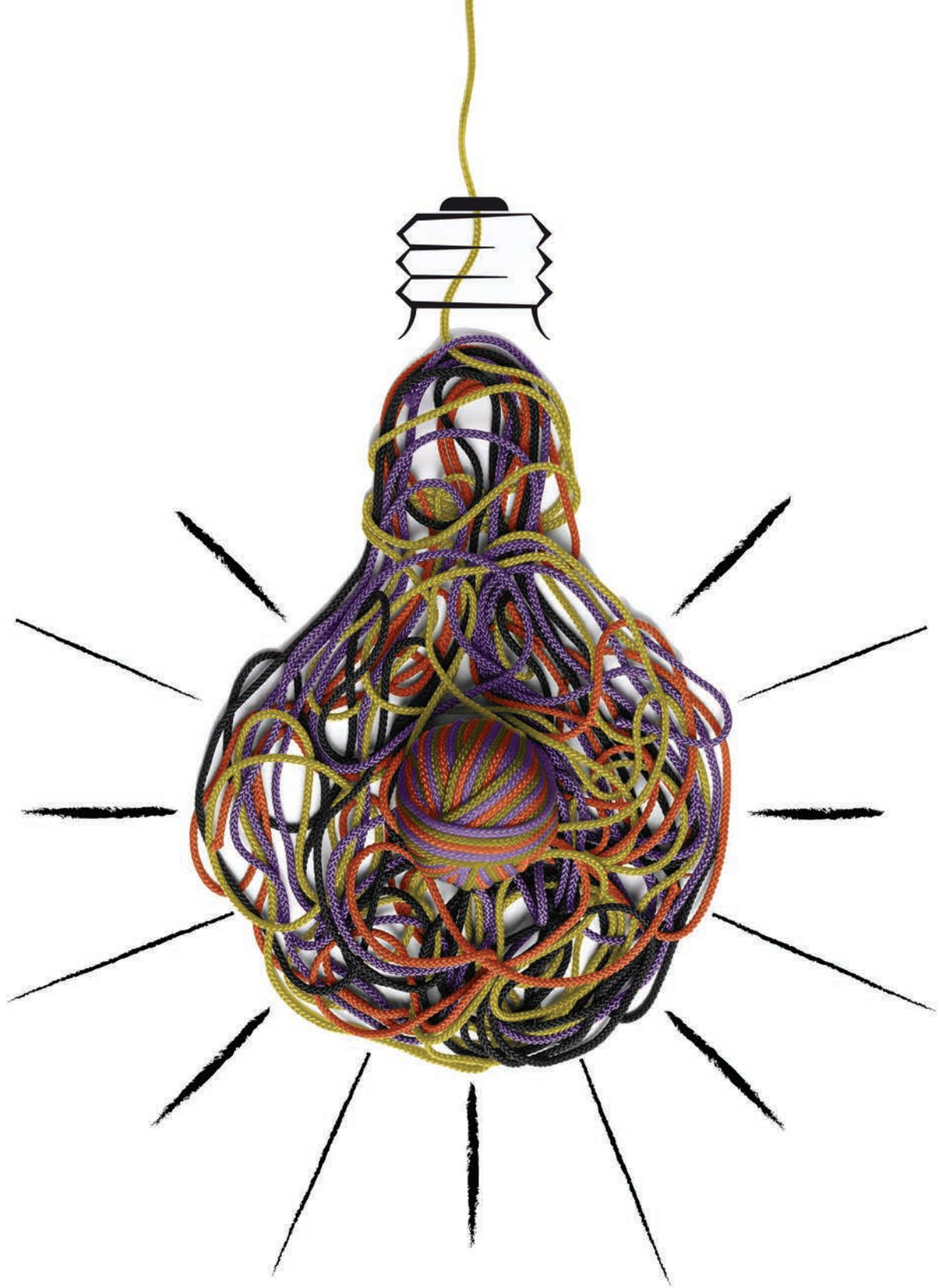
Growth of Chartered



Personal finance (PFS)

Member mix total as at 31 December 2017
37,732
 (2016: 36,893)





Chartered
Insurance
Institute

Standards. Professionalism. Trust



Chartered
Insurance
Institute



Chartered
Banker

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