



# **Your CII: delivering our strategy through engaged membership**

**Chartered Insurance Institute  
Annual Report 2018**

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



# About us

In our strategic manifesto, published at the end of 2016, we made three commitments to change ourselves and a further three to deliver to the profession.

Internally, our commitments are to become more modern, relevant and diverse. To our profession, our commitments are to provide:

- relevant learning
- engaged membership and
- insightful leadership.

We committed to these things to build public trust in our profession, in line with our Charter purpose. As our strapline says: Standards drive Professionalism and being a Professional builds Trust. “Standards, professionalism and trust”.

The means, measures and activities associated with the achievement of this goal are summarised in the diagram below – our strategy on a page. It has been revised this year to better emphasise the essential role our members have in delivering our strategy. Without the professional member, the boots on the ground, we cannot connect to the public we serve.

In this report, we provide an update on the tangible actions that have taken place in the last year and our performance against the strategic measures we set ourselves.

## Customer service

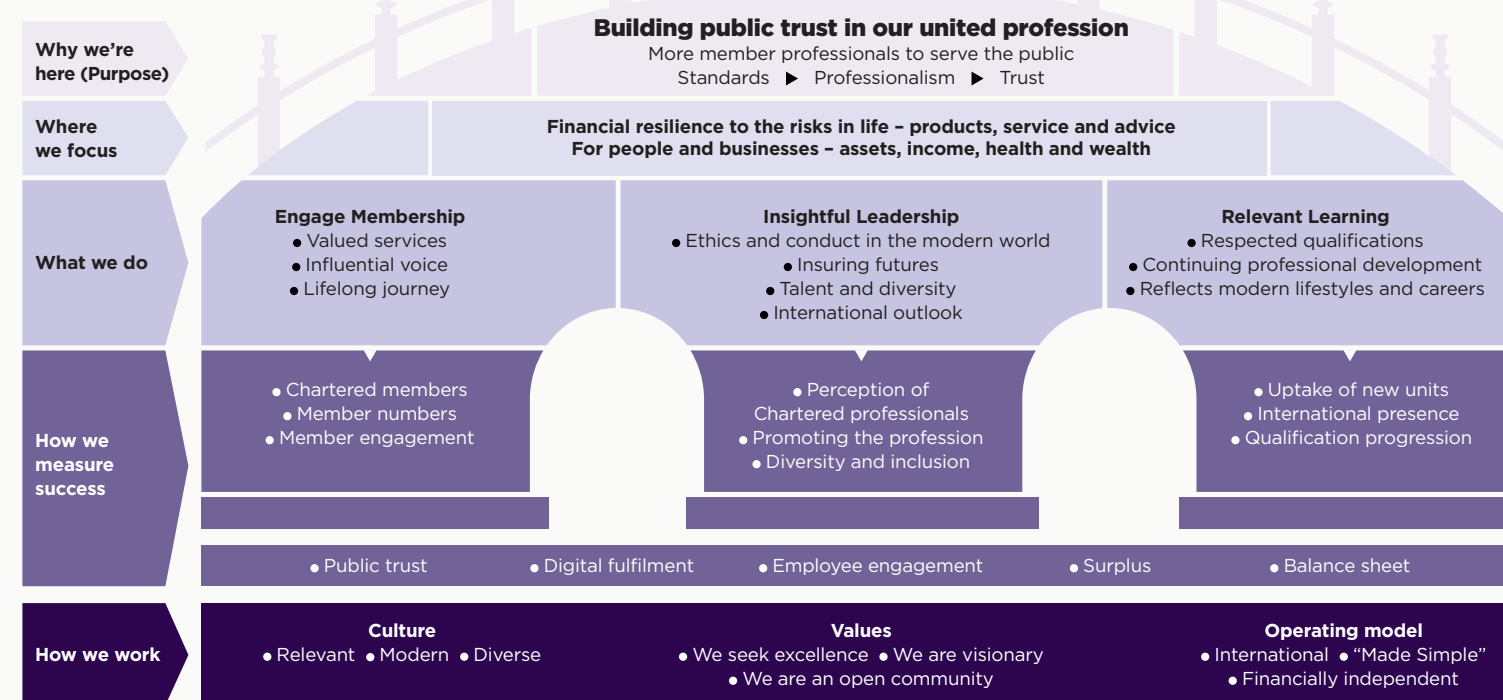
Given the importance of our relationship with our customers, we have maintained our net promoter score on membership and adopted a new exacting measure of customer service in the period, scoring 75.3 in the Institute of Customer Service satisfaction index against the UK all sector average of 77.9. Whilst this is lower than we would want currently, our net promoter, trust and customer effort scores were better than those of both the UK all-sector average and the insurance sector. We have also put in place a number of significant customer service improvements during the period such as interactive voice response (IVR) call back, web chat, approximate response time facilities as well as investing in the training and skills of our customer service teams.

**£43.2m**

Total revenue for the year was £43.2m, a £1.1m increase on 2017

**127k**  
members

**142**  
countries



# Our market: key facts

The UK insurance and long-term savings sector is the largest in Europe and the fourth largest in the world and leads the way in insurance and financial services expertise, professionalism and standards, delivering financial and non-financial benefit in the process. Our profession therefore makes a positive contribution to the UK economy and society by helping people save for the future and protect themselves against a large number of risks.



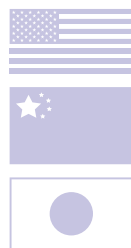
The UK is the largest insurance and long-term savings market in Europe and

Source: SwissRe



in the world, after the US, China and Japan

Source: SwissRe



Net premium income:  
**£196bn**  
(£30bn non-life & £166bn life)  
**23.4%**  
of the European total premium income

Source: Insurance Europe, EU European Insurance Key Facts 2018

**405,000**  
people employed by the insurance and financial planning profession

Source: CII research, ONS, PIMFA



**872**  
non-life providers

Source: ABI



**337**  
life and long-term savings providers

Source: ABI

Contribution of financial services to the economy:

**£11.8bn**  
in taxes and  
**£32.9bn**  
to the GDP

Source: City of London Corporation

**£23.9m**

number of individual pension policies in force in 2017

Source: ABI



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



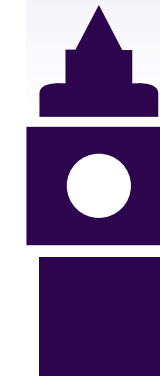
**97%**

presented protection claims were paid out in 2017

Source: ABI

In 2018, London was the second leading global financial hub. New York is in first place in the index, seven points ahead of London.

Source: Global Financial Centres Index



London market contributed an estimated **0.9%** to the UK's GDP in 2015

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)



Property and motor insurance account for more than **50%** of the non-life written premiums

Source: ABI

POPULATION

**66m**

Source: ONS

GDP

**£2,110bn**

Source: ONS

REAL GDP PER CAPITA

**£31,800**

Source: ONS





# Update from the CEO

**More than two years on, our strategic objectives of making ourselves relevant, modern and diverse and delivering relevant learning, engaged membership and insightful leadership to the profession remain unchanged. What has changed is the level of progress that we have made in bringing these objectives to life.**

**Our work has focussed on engaging our membership, not primarily through growing their numbers but through increasing the depth of their engagement with the CII as the quality of the interaction with the public is of critical importance in building trust.**

During the year, we completed our extensive review of our corporate Chartered status designation, which was created 10 years ago. This involved an important conversation about "Why Choose Chartered?" We are delighted that this has resulted in a fully-refreshed "ethos," which makes clear the importance of the public commitment that firms and individuals are making to competence, integrity and care through being Chartered. The scheme is not just about rules for member-companies but also about a set of deliverables from the CII and Chartered firms to make Chartered status real, engaging and forward-looking. The results of the review, including the new ethos, was fed back to members in April 2019 and Melissa Collett, our Professional Standards Director, talks in more detail about the consultation process and lessons learned later in the report.

We also remain committed to improving engagement with our individual members throughout the whole of their careers, not solely in the early phases when they are gaining their qualifications. We do this so that

the CII becomes a lifetime partner to members. To that end, we have begun the introduction of societies to insurance, with the societies of insurance broking and claims professionals being launched in the period covered by this annual report. These are focused on breaking down the profession into communities that are relevant and that matter to the individuals working in them. Our aim is to create a broad church by attracting those from outside the immediate world of insurance, for example those at law firms, accountants and actuaries who work closely with our profession. In determining how these societies should operate, we have lent heavily on the expertise that we have internally at our successful Personal Finance Society. Mark Hutchinson,



Societies and Member Marketing Director, talks in more detail about the rationale for the launch of the societies later in this report.

## Technology and talent

We have also worked with our board to commit significant investment to greatly improve our technology. We have launched a new website and are at the start of rigorous work to update and upgrade our commercial platform for our members and customers.

Our sector faces an ongoing challenge of attracting and retaining the best talent in an increasingly competitive environment. We have increased our investment in the development of talent and skills with the introduction of the Aspire Apprenticeship programmes. These provide purpose-built and standardised training for firms to develop and grow highly capable apprentices. We have developed a productive relationship with the Institute for Apprenticeships and Technical Education. Their next big project, where the Chartered Body Alliance is involved, is the new "T" levels, one of which will be for finance and accounting. Alongside these programmes, we are actively involved in discussing the future needs of the sector through the Chartered Body Alliance's support for the "Financial Services Skills Taskforce." We have also continued to develop the schools' Discover Risk and Discover Fortunes programmes.

## Road travelled

Internally, the pace of change has not slowed:

- We completed our office move, the rationale for which was covered in last year's report. A breakdown of the proceeds and the uses they have been put to are shown in the Finance Report. The heritage website has also launched to members and the public during the period ([insurancehistory.cii.co.uk](http://insurancehistory.cii.co.uk)) where you can take a 360-degree tour of The Insurance Hall at 20 Aldermanbury, London, and view the unique stained-glass windows and the collection of more than 1,500



**Strategic objectives**  
Making ourselves relevant, modern and diverse

**Technology**  
We have also worked with our board to commit significant investment to greatly improve our technology

**360-degree tour**  
You can take a 360-degree tour of The Insurance Hall at 20 Aldermanbury, London.

**Financial Services Skills Taskforce**  
We are actively involved in discussing the future needs of the sector through the Chartered Body Alliance's support for the "Financial Services Skills Taskforce."

Fire Marks formerly on display in the staircase of the building. There are also digitalised versions of hundreds of insurance-related documents and books.

- We have embedded the strategic measures shown on page 3 into everything we do, with a review of our progress against them included in all executive management team meetings. These have become the key performance indicators used in the comprehensive business plan prepared in the period.
- We have proposed a whole set of changes to our bye-laws to bring the governance of the CII in line with modern thinking and good practice.
- We have made significant progress on narrowing the gender pay gap through initiatives such as job levelling.
- We have upgraded our internal IT infrastructure to enable agile working for everyone.

## Road ahead

We also have very clear plans for the year ahead. One of our major priorities will be our international engagement work with regulators and our affiliate institutes aided by the appointment of David Thompson as international director and the opening of a dedicated office in Dubai. We will also be implementing the results of the Chartered consultation; launching another society - underwriting; continuing our focus on building access and relevance through our Insuring Women's Futures Taskforce and participation in the Pensions Advice Taskforce, Access to Insurance Taskforce and the Resilient Households Group. We will also be developing our Public Trust Index by providing members with highly granular, drill-downable information on their own performance.

It has been a year of strong underlying progress but there is still much to do. However, I believe that we now have the momentum to engage our membership in our drive for constructive change and through it, greater public trust.

**Sian Fisher,**  
CEO of the Chartered Insurance Institute



# What we're doing



## Public Trust Awards



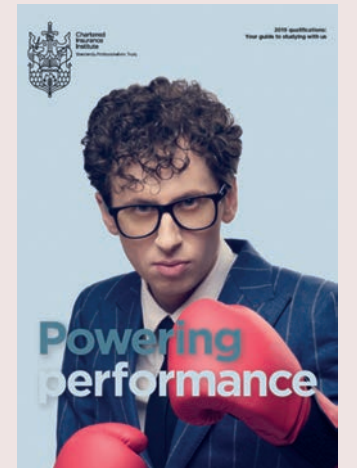
## Podcasts



## President's Dinner



## Collaborations



BIBA



## New Gen





**1 Public trust**  
**2,000**

The CII's Public Trust Index was refreshed in June 2019. 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 1,000 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'. Over the year, we have seen action by individual firms and trade associations that we are confident will improve these rankings over time.

**2 Building a united profession**  
**23,391**

Total number of individual members holding one of the CII's Chartered titles: Chartered Insurance Broker, Chartered Insurer, Chartered Financial Planner, Chartered Insurance Practitioner & Chartered Insurance Risk Manager (2017: 23,137).

**3 Relevant learning**  
**13,878**

Enrolments in new units, 14.8% of all enrolments (2017: 13,842 enrolments).

**4 Engaged membership**  
**127,480**

Total members (2017: 124,924).

**5 Insightful leadership**  
**c.62,000**

People attending CII events that promote the profession to new talent (2017: 30,000).

**6 A great big world**  
**11.2%**

of Group Revenue from outside the UK; 10% from outside the British Isles: (2017: 10%)

**7 Service effectiveness**  
**75.3**

This year we have adopted the Institute of Customer Service (ICS) satisfaction index (UKCSI) benchmarking customer survey results. Our latest position was CII 75.3, versus a UK all sector average of 77.9.

**8 Made simple**  
**£191k**

Revenue per full-time employee (2017: £187K). The basis of the calculation has been altered to include international employees. The 2017 figure has therefore been restated on this basis.

**9 Pride of place**  
**74%**

Employee engagement (2016: 68%) as measured through our biennial employee engagement survey.

**10 Pride of place**  
**100%**

CII more than met all four of the diversity and inclusion criteria (strategy, leadership, HR process and other) in a PWC reputational risk audit, with two measured at "advanced" and two as "leading". In 2016, the CII met two of these criteria.



**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 2018, 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.

Our focus on improving member engagement over the last year has resulted in the group achieving a net promoter score of 29 for the first quarter of 2019. Many organisations solicit their customers' feedback and NPS is a widely-used measure of *likelihood to recommend*. This score represents a significant uplift on the previous score of 17 (2017). While there continues to be room for improvement, this is a positive indicator of progression and we are confident that a clear focus on delivering more relevant membership experiences will result in improved value perceptions amongst our members.



During the Autumn of 2018 we ran a series of conferences under a pilot scheme to deliver centralised CPD as a new, additional member engagement touchpoint. This was created under the transformation programme as something separate and complimentary to what the local institutes currently deliver.

From September to November 2018, we visited six locations chosen for their proximity to large insurance companies and the number of insurance professionals working within that region. We held the conferences in Cheltenham, London, Stirling, Birmingham, Ipswich and Huddersfield.

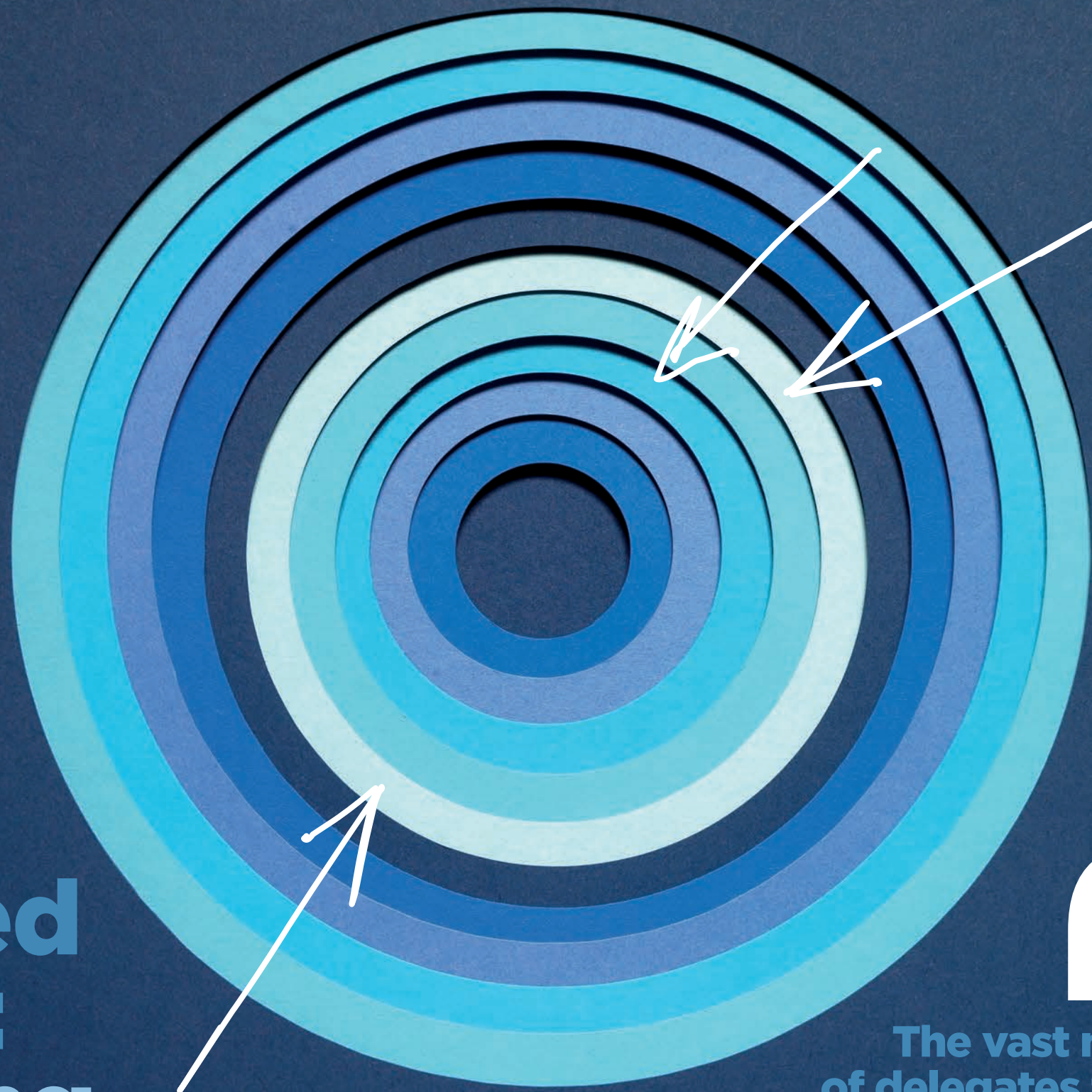
We featured a range of relevant topics in order to attract a diverse delegate base of brokers, underwriters, claims handlers and administrators of all levels and abilities as well as a great mix of ages.

The feedback we received from delegates was excellent with the vast majority of delegates feeling that the topics were relevant, the speakers appropriate and well-prepared and the organisation excellent. We created a Twitter handle before the start of the conference circuit.

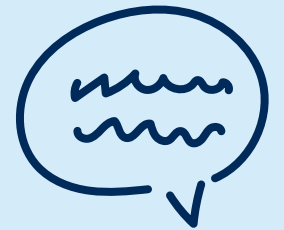
Based on the success of these events during the pilot, we will be running 14 more Professional Focus Conferences (seven during Spring and seven during Autumn) in different locations in 2019.

OUR STRATEGY IN ACTION

# Centralised CPD pilot: showcasing good practice



**The vast majority of delegates felt that the topics were relevant, the speakers appropriate and the organisation excellent”**



## What our members are saying on social media about our conferences

 **@BrianSullivan4**  
Great day yesterday at #CIIProfessionalFocus learned some new things and met some interesting fellow delegates. Worth going if there is an event near you see link: Professional Focus CPD Conferences 2018 [generalinvestment.co.uk](http://generalinvestment.co.uk)

 **@BrokersBest**  
We attended the CII Professional Focus Conference yesterday in Cheltenham and what a pleasure that was! Great topics covered and impressive speakers. #ciiprofessionalfocus #cii #business #brokers #conference

 **@SFS\_Group**  
It's a packed agenda at the @CIIGroup conference in Ipswich today. We're particularly looking forward to hearing about AI and the future of the industry this afternoon #ciiprofessionalfocus #futureofwork

 **@alexandra.rose05**  
Attended the CII Professional Focus Conference today in Cheltenham and what a pleasure that was #ciiprofessionalfocus #cii #charteredinsuranceinstitute #insurance #broker #educateyourself #conference #worktrip #cheltenham #doubletreebyhilton



OUR STRATEGY IN ACTION

# The institutes: local heroes

When you become a member of the CII in the UK, the Channel Islands and the Isle of Man, you also become a member of a local institute, usually close to where you live or work.

This network of 56 local hubs is run by dedicated groups of sector professionals, providing members with a programme of services, typically including:

- Technical, market and regulatory CPD events.
- Soft skills and business-related training.
- Social and networking activities.
- Student career guidance and mentoring.
- Local news and market information.

These events can count towards CPD requirements, if considered relevant to your professional development needs.



**The lasting impression is that we have much more in common than divides us at a time when the established world order is changing**

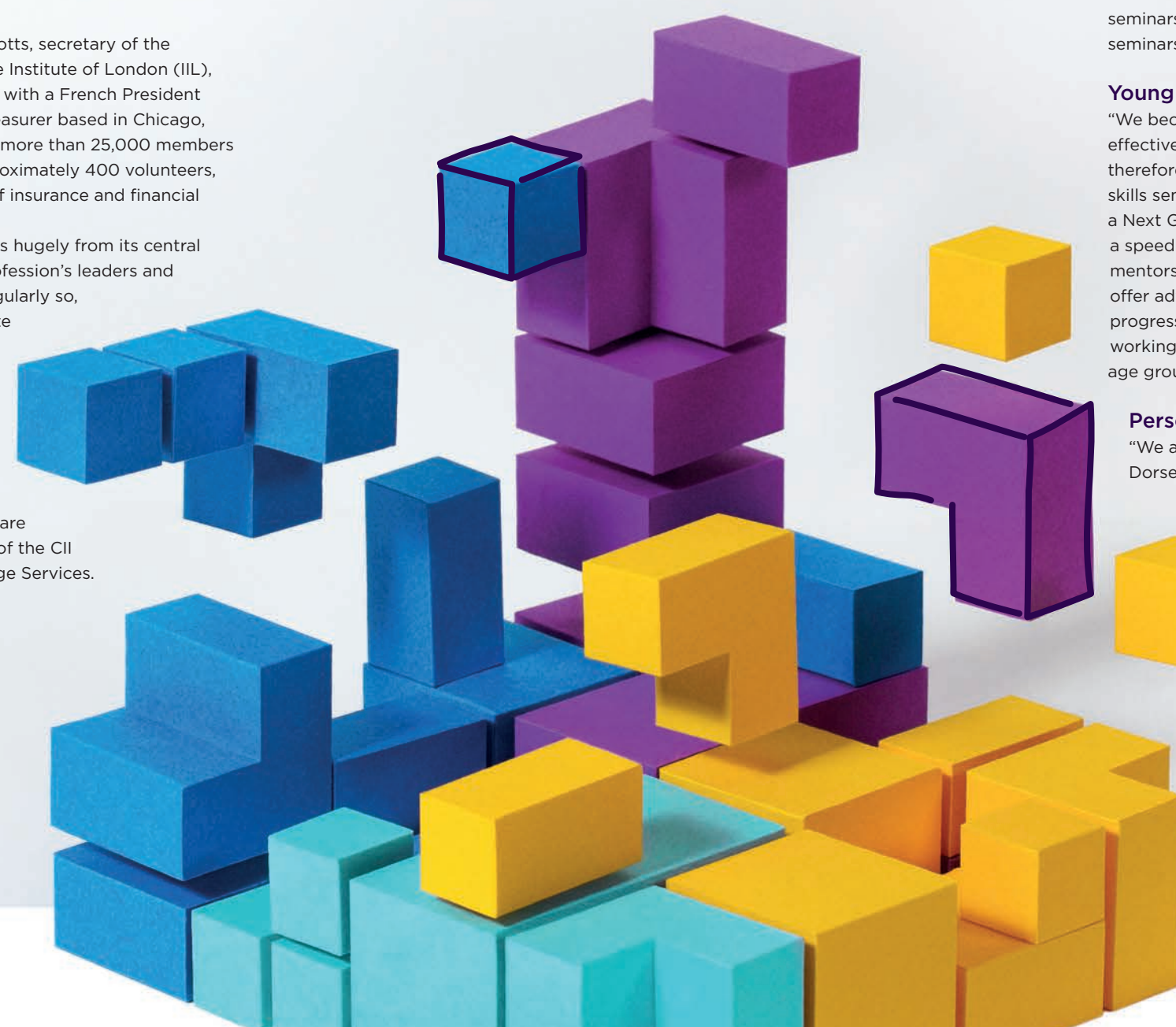
Here we showcase the work of two of the Local Insurance institutes, London and Southampton, which have been employing innovative ways to engage their members.



Allison Potts, secretary of the Insurance Institute of London (IIL), says that with a French President and a Treasurer based in Chicago, ILL, with more than 25,000 members and approximately 400 volunteers,

reflects the global nature of insurance and financial planning in London.

She says: "The IIL benefits hugely from its central location as many of the profession's leaders and influencers visit London regularly so, whenever possible, we invite them to give a lecture. At the same time, we want to share our good fortune as much as possible so for more than 10 years now we have been making podcasts of our CPD lectures, which are accessible by all members of the CII worldwide via CII Knowledge Services."



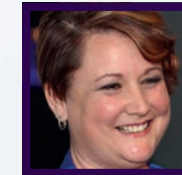
"For example, during the year we welcomed Dr Michael Menhart, chief economist at Munich Re, who gave an excellent talk on 'Economic growth despite Brexit and protectionism? European fears and global challenges.'

**Attracting talent**

"The CII is also often a destination for international visitors to London. These can range from officers and staff of the Chartered Insurance Institute of Nigeria and the Singapore College of Insurance to groups of university students from the USA. Working with the CII, we give them a brief introduction to the London Market and highlight some of the current market issues. Whenever possible, we also host a reception which introduces some of our young members to our visitors. From time to time it has been known for visiting students to secure short work placements in London and for some of our young members to be invited abroad for a similar experience."

IMAGE: GETTY

"The lasting impression is that we have much more in common than divides us and at a time when the established world order is changing, London needs to attract the best talent so that its workforce reflects its client base."



Alyson Farmer, Past President of the Southampton Institute, says: "There have been four notable projects that we have championed this year to improve engagement with our 2,700 members:

**Facebook live**

"We decided to try and reach a wider audience for our CPD points, we therefore now live-stream all the CPD seminars (that we have agreement for from our speakers) on to Facebook. This has helped us to reach more of the membership that are unable to attend the seminars without affecting the number attending the seminars in person."

**Young professionals' group**

"We became aware that we were not engaging as effectively with our members under the age of 35. We therefore organised a networking event with a soft skills seminar on successful networking. Following this, a Next Gen group was formed which has recently held a speed mentoring event. At this event a number of mentors were available from across the industry to offer advice or answer questions on topics from career progression to work-life balance. The group is currently working on social events and more seminars for this age group."

**Personal Finance Society collaboration**

"We are working very closely with the Hants & Dorset PFS committee to help get exam training and other events off the ground with an initial seminar having been organised that will be beneficial for both communities."

**Conference with neighbouring institutes**

"We met with our neighbouring institutes at the last national conference and decided it would be a great idea to organise a regional conference. We have therefore booked a venue and our topic for the day is fraud. We currently have more than 120 people booked. We are in the final stretch of getting all the speakers for the seminar organised."



Engaged membership

Engaged membership

# International and local



Thailand



Young Achiever Awards



Afro-Caribbean Insurance Association



Malaysia



Future Advisory Forum



We're committed



to gender equality

insuringwomensfutures.co.uk



Scotland



Myanmar



Saudi Arabia



FT Asia Summit

Hang Seng University



Northern Ireland



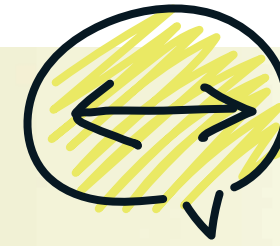
Cheltenham & Gloucester Institute



India







OUR STRATEGY IN ACTION

# Building our Societies: engaging our membership

Since our last report, as part of our commitment to deliver more relevant, engaging and valued membership experiences and thereby improve consumer confidence and trust, we have launched two Societies - the

Society of Insurance Broking in September 2018 and the Society of Claims Professionals in January 2019. We plan to launch a further society - the Society of Underwriting - later this year.

The formation of the societies is a recognition that historically the CII has done an effective job engaging with members in the early years of their career when there are exams to be taken; and a reasonable job of engaging with them in the later stages of their careers when members have reached senior positions and wish to help others achieve their ambitions, however during the intermediate phase of their careers where members are performing busy roles, the CII's influence and engagement has waned.

The societies will focus on providing practical guidance, knowledge and support throughout members' careers by offering relevant content through channels such as good practice guides, blogs, opinion pieces and e-zines and thereby raise technical competence and improve public trust.

Our aim is to create a community by attracting members and those from outside the immediate world of insurance, for example those at law firms and assessors who work closely with our profession. We will do this by providing tailored solutions based around areas that they are interested in and, most importantly, help them do their jobs better. There are, for example, more than 20,000 people who work in claims insurance in the UK alone, but there is currently limited professional dialogue between these individuals. The societies will consequently work to encourage a diverse and inclusive membership with everyone eligible to join irrespective of whether they hold an existing qualification from the CII or elsewhere.

### Inspire and engage

High-quality professionals from a cross-section of senior roles have been appointed to both of the existing societies' advisory boards, inspired by the opportunity to influence their sectors and improve public trust.

The societies also provide the CII with a meaningful entity with which to engage with other professional bodies, associations and regulators to tackle issues affecting public trust through the lens of professional standards and improving professional behaviour. Given the societies speak for 9,000 in claims and 14,000 in broking, they have a powerful voice to engage with the regulator on subjects such as vulnerable customers.

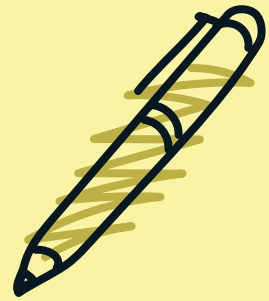
Mark Hutchinson, Societies and Member Marketing Director, who was responsible for the new strategy and its implementation, comments: "The Societies' strategy is about segmenting the general insurance membership down into sectors and providing them with content that's relevant to their needs. This is the CII identifying individuals with specific needs because of their work in a certain sector of insurance, and delivering them relevant news, research,

**Given the Societies speak for**  
**9,000**  
**in claims and 14,000**  
**in broking, they have a powerful voice to engage with the regulator on subjects such as vulnerable customers**





Mark Hutchinson, Societies and Member Marketing Director







**The Societies will focus on providing practical guidance, knowledge and support through relevant content:**

-  Good practice guides
-  Blogs
-  Opinion pieces
-  e-Zines

More than  
**20,000**  
work in the claims community in the UK alone but there is currently limited professional dialogue between these individuals

good practice guidance and events. A professional community of members also provides us with a voice to engage with the regulator, government and other key stakeholders on the issues that matter most.”

Jeremy Trott, head of claims operations at Allianz and the Non-executive Director of the Society of Claims Professionals, adds: “The CII has historically been very good at promoting and selling exams and being a content provider that pushes information out. I see the role of the societies as promoting much more of a two-way relationship, picking up topics far broader than the traditional technical space that the CII used to sit in. The future challenges for the profession are going to require a much better dialogue and engagement between ourselves and our members, and on much broader topics.

“I believe that the vision for Societies should be for professionals to feel it is highly valuable to be an active member of the Society, because they’re getting both good content and thought leadership back as well as being able to contribute good content in. The aim as a society, and as the CII, is improving the public trust in the profession even in light of the significant challenges that we face in the near future.”



**Jeremy Trott,**  
head of claims operations at Allianz and the Non-executive Director of the Society of Claims Professionals

OUR STRATEGY IN ACTION



# Moving with the times while protecting our heritage

We take our responsibility for the heritage of the CII very seriously. The heritage website recently launched to the public ([insurancehistory.cii.co.uk](http://insurancehistory.cii.co.uk)) enables you to take a 360-degree tour of The Insurance Hall at 20 Aldermanbury, London. You can view the unique stained-glass windows and the collection of fire marks formerly on display up the staircase as well as accessing digitalised versions of hundreds of insurance-related documents and books. In addition to this, all of the former library items are available to members with a fast call-back facility. As well as the website, heritage items and pictures of the stained-glass windows at 20 Aldermanbury, London, will be displayed on a revolving basis at the new CII offices at Lombard Street, London.

Reg Brown, chair of the CII’s Heritage Working Party and former President of the CII, comments:

“The move has given us the opportunity to assess the heritage items that the CII owns and determine how to provide access to, exhibit, and preserve them for current and future members as well as interested parties. One of the longer-term ideas that we are discussing and actively considering with other industry bodies is the potential for a Museum of Insurance to showcase the profession’s involvement in world events and support of the public and business over the years.”

IMAGE ALAMY





OUR STRATEGY IN ACTION

# Corporate Chartered: our ethos



We launched three corporate Chartered titles in 2007 to improve standards and develop recognition of insurance and personal finance as a profession. Since then, around 900 companies have enrolled, publicly demonstrating their commitment to professionalism and its importance for clients.

Ten years post that launch was a sensible time to conduct a review of these titles to both reflect changes in the market and to ensure that they were truly effective in building public trust and remained relevant to the whole profession. The review began in 2016 and involved discussions with members, consumers and other stakeholders including a full consultation process during 2018, the results of which were fed back in April 2019.

The main outputs of the review were:

- That there should be a shared public declaration to raising professional standards from the CII and Chartered firms.
- That this shared Chartered ethos should revolve around nurturing knowledge; client centricity and thereby serving society.
- That stakeholders appreciated the value of corporate Chartered status but felt in certain areas a different approach was necessary to remain relevant and maximise impact.

More specifically five priorities were agreed, that needed focus to ensure corporate Chartered status changed for the better, with action plans for each outlined in the feedback to stakeholders.

## Enhancing value

**Promotion** Public promotion of the value of Chartered

**Public trust** Supporting your contribution to the development of the profession and the building of public trust

## Relevance to changing business models

**Criteria** Amendments to the operation of criteria relating to divisions and appropriate management teams

**CFP eligibility** Amendments to the operation of the Chartered Financial Planner rules to encourage growth and new talent

**New title** Launch of a new Chartered title to reflect the growth of the Managing General Agent sector

## Applications and renewals

**Simplification and support** Digitalisation of the application and renewal processes, coupled with consolidation of our 'rules' documentation

**Dedicated staff and tools** Dedicated staff and tools to guide firms through the process, coupled with regular monitoring of backlogs to ensure no applications are held 'in limbo'

## Effective oversight

**Good practice** Changes to oversight arrangements to reduce unnecessary bureaucracy and focus on public trust – coupled with greater sharing of information and tools that promote good practice

## Social impact

**Inclusion** Expansion of our criteria around 'core values and business practices' to encompass diversity and inclusion (D&I)

Overall the agreed vision for the future of corporate Chartered status was that:

- Corporate Chartered status should be rooted in a way of operating that we call 'the Chartered ethos'. So, while there are many excellent insurers, brokers and financial planners which are not Chartered, corporate Chartered status involves a public declaration to raising professional standards. This declaration involves a series of commitments – made openly, transparently and in full view of the firm's customers and clients. These commitments include a commitment to ongoing people development, alignment of ethics and values, committing to customer-first values, supporting wider societal initiatives and wearing the 'Chartered badge' with pride.
- As the awarding body, the CII is not a passive bystander – we recognise that, for corporate Chartered status to be effective, there are a number of responsibilities and commitments that fall on our shoulders. We must provide flexible learning pathways, develop thought leadership and research, facilitate communities and good practice, drive initiatives focused for social good, and grow public awareness of Chartered.
- The inescapable result of the CII and Chartered firms both fulfilling their commitments is the reinforcement of public trust in the concept of Chartered firms. Importantly, the term 'public' is used here to encompass all the direct and indirect users of insurance and financial planning products and services. These can be

individuals, families, start-up or early stage businesses, public sector organisations, third sector bodies, or global corporations. All these stakeholders have a close interest in the sustained existence of a vibrant, customer-centric Chartered profession.

Melissa Collett joined as Professional Standards Director in September 2017 to lead the CII's professional standards, ethics and conduct activity. She has been highly involved in the review of, and consultation on, the future of corporate Chartered status.

She says: "Our aim is to reboot and refresh corporate Chartered status. We want to make it more modern, relevant and diverse. There's great support for the Chartered concept from all stakeholders, however to ensure it continues to have relevance we believe that its ethos needs to be a joint public commitment between us and firms.

"In the past we focused a lot on firms having to follow certain rules and obligations. Now what we're saying is that the CII also has obligations and therefore we are partners on a journey together to build public trust through raising standards.

"The next significant challenge will be implementation, including launching a new Chartered title – Chartered Insurance Underwriting Agents. I am confident that these are the right changes as they will reinforce the value of Chartered status in the minds of the public, and thereby increase trust in the profession."

## Our commitment to you

- Provide relevant learning to keep you at the forefront of the profession
- Develop thought leadership to showcase Chartered expertise
- Facilitate communities that support good practice
- Drive collaboration initiatives focused on social good
- Grow public awareness of Chartered

## The Chartered Ethos

Nurturing knowledge  
Client centricity  
Serving society

## Your commitment to the public

- Commit to ongoing people development
- Align ethics and values
- Commit to customer-first approach
- Support initiatives that build public trust
- Contribute to the development of the profession
- Wear the Chartered badge with pride

## Public trust in Chartered

Together we will drive public awareness that Chartered firms:

- Are accredited by a professional body
- Display a universal badge of professionalism
- Invest in people with knowledge appropriate to their role
- Have committed to an ethical code
- Exceed minimum standards
- Commit to good practice and good customer outcomes
- Give back to society





# Our people

Our people strategy is focussed on enabling the delivery of our business model while building public trust and positioning the CII as an employer of choice. The strategy has five related themes:

- Improving our **productivity**, both efficiency and effectiveness.
- Improving our **capability** through the provision of learning and development and professional qualifications.
- Improving our people's **drive and agility** through our policies, processes and engagement.
- Improving our **reward and recognition** of excellent performance through how we behave, informed by our guiding principles.
- Providing leadership and setting standards for a **diverse and inclusive** working environment underpinned by policies and guiding principles.

In this section we highlight some of our progress against this strategy in the year; as well as outlining some of

the engagement initiatives we use to keep our people informed; and then hear from two colleagues about their experience of working at the CII.

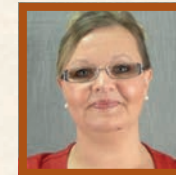
Firstly, some examples of our success in the period:

- **Employee engagement:** our employee engagement scores improved from 68 per cent in 2016 to 74 per cent in 2018, according to an employee survey.
- **Investors in People:** We retained our Investors in People Gold standard in December 2018 with 21 of the 27 themes examined at the "advanced" level and seven at "established". A significant achievement given the potential disruption caused by the office move. We believe this reflects our work on improving the colleague experience by, for example, improving benefits through job-levelling; improved engagement; investment in locations and IT and investment in diversity and inclusion.
- **Stonewall Workplace Equality Index:** The CII was part of a benchmarking exercise, which focused on how LGBT+ inclusive our workplace practices are. Although there is still much to do, we were encouraged by the fact that out of the 445 organisations that took part, the CII ranked 248, a significant improvement on our ranking of 400 in 2017.

We have also improved the framework by which we enable and encourage two-way communication with our people. Here are just three of the methods by which our colleagues can express and contribute their ideas and views and engage with the CII:

- The People and Inclusion Group plays a key role in supporting the internal communication across the CII group. The group is comprised of colleague representatives from across the organisation and representatives of senior management who meet quarterly to discuss business matters and issues raised by CII staff. It provides a means for colleagues to put forward suggestions or ask questions about the business. The group is also responsible for delivering key diversity and inclusion initiatives.
- Quarterly business updates provide a mechanism for colleagues to understand the progress we are making against our strategic objectives in line with our values, mission and our purpose.
- We have an active social committee, which helps to develop the sense of teamwork that we believe is important in ensuring our continued success. The aim of the CII social committee is to try to run a variety of events during the year, recognising that people have different interests and preferences, but hoping that there will be something for everyone.

We also asked two of our colleagues to give us a flavour of what it's like to work at the CII.



Donna Trainor, Contact Centre Manager, South Woodford and chair of the People and Inclusion Group, who started with the CII in 2010:

"It's been really exciting over the last 18 months in how far I feel the CII has progressed and become more modern and relevant. I feel now that everyone works more collaboratively. Whatever level you are, you're welcome to become part of things, part of projects, have your input, have your say, and I think that has created more happiness in employees.

"I was the person that led the project on agile working for South Woodford, and so I'm really proud that it's worked so well in the contact centre. One of the main things I promoted was that we should aim to match the work life balance of those at Lombard Street despite the slightly different parameters driven by our hours of work and the nature of our jobs. I really do feel that there's more integration now between the two offices. People that work here that maybe would have felt a little bit uncomfortable about going to work at head office for the day, would probably have no problem with it now. They can go up there, hot desk, go to their meeting and maybe finish their day up there because that makes more sense. So, we're getting all sorts of benefits out of that as well as the overall positive collaborative working feel."

IMAGE: GETTY



Samantha Mitchell, Membership Marketing Executive, and member of the People and Inclusion Group, who started with the CII in October 2018:

"I really like working here. It sounds like I've been told to say that, but no, it's honestly the truth! Everyone is really friendly, and obviously having the agile working and the flexibility is really helpful. I also strongly believe in the initiatives that I'm involved in with membership. There's a real focus on inclusion and diversity as well, which I think is excellent and I am grateful to be able to contribute and support these initiatives through my role as a people and inclusion representative.

"Obviously, we have the strapline of 'modern, relevant and diverse' and I think these themes really do come through, especially during the regular business updates that we have. It feels like there is a shared understanding among colleagues here of what it is we're actually working towards. There is such a strong sense of how your role fits into the wider business objective and plan, and I think that's really important.

"When I started, I spoke at my interview about how I was keen to pursue further qualifications and was looking for personal development opportunities, and that's one thing that I think this organisation is particularly good at in terms of developing their staff. Since I've been here I've already been on a handful of training courses. My probation period is just about to end and my manager and I are already discussing my development plan and starting to set targets, which will help me achieve professional and personal objectives. I think if you are willing to work hard there are definitely plenty of opportunities for individuals to grow and develop here at the Chartered Insurance Institute and that is a really exciting prospect."



## Whatever level you are, you're welcome to become part of things, part of projects, have your input and have your say



# Our executive team

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



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**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.

>

**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.



^

**David Thompson**  
**International director**

David was appointed the international director of the Chartered Insurance Institute (CII) in October 2018. He is based in Dubai UAE and is responsible for the development of the organisation outside of the UK. David has more than 33 years' experience within the insurance industry, he is fully equipped with commercial awareness and product knowledge, strong leadership and people skills combined with the ability to work collaboratively and effectively across a wide range of client and stakeholder arenas. He has managed sales teams globally to meet business objectives through large corporates with large customer bases. During his long career he has been a constant advocate for qualifications, has a passion to build public trust in insurance and has been a massive supporter of the CII since taking his first insurance qualification in 1990.

>

**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.



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**Rowan Paterson**  
**Governance director**

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.



v

**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.



^

**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.

>

**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.



IMAGES: TOM CAMPBELL



# Risk management matters

Becky Merritt, Risk Director, joined the CII last year in a new role reporting to Melissa Collett, Professional Standards Director. She is a Chartered Certified Accountant who has extensive risk experience and has predominantly worked in financial services FTSE 100 companies, in hands on risk management roles.

2018 has been a year of implementing and delivering our transformation programme and continuing to deliver benefits and value to our members, learners and other key stakeholders. We have continued to identify, assess, manage and monitor our key risks in this changing landscape and have strengthened our risk governance and risk management framework.

The CII board has overall responsibility for risk, delegating risk management activities to the Audit and Risk Committee and Management. Every CII employee has a responsibility for managing risk within their respective area. In 2017 the duties of the Audit Committee were expanded to incorporate risk.

In 2018, the Audit and Risk Committee, supported by the Risk Director and Business Risk Group, has played a key role in shaping the development of our risk framework. This has been achieved by enhancing the review of the CII top risks, ensuring risk is an integrated part of the business planning process including stress and scenario assessment and introducing an Enterprise Risk Management policy, that includes a risk appetite framework. We also have ensured risk review and oversight of large change projects, enhanced our enterprise wide project office and new product processes and are refreshing our internal policy framework.

The risk management framework will continue to be enhanced in 2019, which will be a year of implementing and embedding risk standards.

### Risk appetite

This year we have redefined our risk appetite framework, ensuring it is practical, adds value and is incorporated into decision making. The CII board agreed our risk appetite statement, that sets out our general approach to risk, this being:

- The CII will make considered risk-based decisions, to build and grow into new and existing sectors by developing relevant learning, engaged membership and insightful leadership for members and stakeholders. We will do this by living our values of being visionary, open and seeking excellence.
- We will minimise risk by balancing cost and control, in core areas. These being the CII brand, quality of qualifications and services, member proposition and promoting professionalism.

In 2019 this will be supported by measurable risk appetite limits linked to our key risks and strategic measures, that will be reviewed on a monthly basis. This will ensure that where necessary early actions can be identified and taken.

IMAGE: TOM CAMPBELL



**This year we have redefined our risk appetite framework, ensuring it is practical, adds value and is incorporated into decision making**



### She has three main objectives in the new role:



#### Oversight and assurance of the key risks

Firstly, to provide oversight and assurance of the key risks and risk-related issues to the Audit and Risk Committee and then up to the board.



#### Decision-making

Secondly, to ensure that risk is incorporated and considered into decision-making, and;



#### Internal control and governance

Thirdly, to facilitate the consistent identification, assessment, management, monitoring and reporting of the CII's key risks and ensuring there is an effective system of internal control and governance.



# President's statement

Jonathan Clark, CII, President



IMAGE: JON ENOCH



**My election as the 108th President of the CII at last year's AGM was a huge honour. As I read the list of past Presidents, I reflected that I knew a lot of them as people who I either had the privilege of working with or have been influenced by. It also struck me that it was for me a real opportunity to inspire others to be involved in the way that my predecessors influenced me.**

I came to insurance as the result of working for a loss-adjusting firm in my gap year in 1976, and returned to make claims my profession at the end of my time at college. The very first claim that I dealt with was a wet carpet in Tottenham! My firm at the time had strong local relationships in the insurance market, so I was authorised to arrange a replacement straight away and get the claim sorted. Many years later, that particular moment still sticks in my mind because I was able to help people who have had unfortunate events happen to them immediately, and in a way that worked for them. I feel that I can still make a genuine positive impact from my day's work. That for me is one of the great things about our profession.

### United profession

My theme for the year was to "develop a united profession" and is taken from the CII's core vision. I saw this as reinforcing the unity around our profession's acceptance of the importance of standards, professionalism, and the diversity of both our profession and our customers. I have therefore worked to support Sian's team's work on building a true community of professionals, based around continued learning, adopting the right behaviours, courtesy, empathy and being ethical in all that we do. I have also kept a keen eye on my predecessors' themes, John Moore on Chartered and Inga Beale on developing new talent for the profession. I am sure they will be encouraged by the review of Chartered status completed in the year; and on the success of the Aspire programme during this period.

We also moved to new offices in September last year, I was always convinced that it was the right thing to do and anyone visiting the new building cannot deny the positive buzz emanating from our teams working there. I am therefore pleased that we have done it, but even more pleased that we have done it well. It represents an important sign of the positive recent changes to make the CII modern, relevant and diverse.

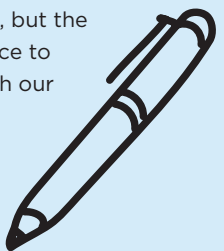
On my travels around the various institutes, I have been highly impressed by the quality of the new generation of presidents that are coming in – from Ipswich, Exeter, Manchester and Liverpool, for example, and of course many others I have not been able to visit this year. These are people who've clearly got a long future in the profession, are hugely energetic because they believe that their work really matters and they have the chance to make a positive difference.

### New Societies

I have also been hugely impressed by the launch of the new Societies. I believe the shift in emphasis to building communities with shared interests is absolutely right, and even in the short amount of time that they have been in existence there is clear evidence they are drawing people together and providing an ethical framework. The quality and calibre of the board members of both societies is highly impressive, and it should be noted that, as with the local institutes, they are giving their time for free.

In summary, I feel I have been very fortunate to have served as President during a period when the CII is enthusiastically modernising itself both internally and externally with a very clear idea of the need to change to better serve the public. We have some way still to go, but the right ingredients are definitely in place to continue to build public trust through our engaged membership.

**Jonathan Clark  
President**





# Summary of financial accounts



John Bissell, Chief Operating Officer, gives a summary of the financials during the last year.

Delivering growth means having the ability to continuously adapt and improve our ways of working. The CII group continues to strive to achieve this goal with the manifesto's strategic values of being relevant, modern and diverse remaining at the forefront of the group's focus.

## Financial Overview

I am happy to report that 2018 was another year of financial progress with revenue of £43.2m, a £1.1m increase on 2017. Including, all transformation and one-off costs and the gain on the sale of Aldermanbury, we achieved surplus before tax of £1.1m.

The transformation programme has continued to progress with the commencement and delivery of key initiatives which have contributed to our focus of increasing our engagement with our membership, such as learning solutions that suit modern needs and a modernisation of the CII's business systems to improve our ways of working.

The transformation programme saw £3m invested in 2018 (approximately £2.4m has been expensed with £0.6m capitalised on the balance sheet. In 2017 £1m was expensed).

The CII made a surplus before tax of £2.8m (2017: £1.9m) pre-transformation and one off costs and gain on sale surplus. A good indication of the financial stability of the group's underlying operations is that business as usual expenditure has remained stable indicating sufficient cost controls. This demonstrates that an appropriate balance is being achieved between the costs of change and prudent financial stewardship.

## Office move

In 2018, the CII relocated its London office to 21 Lombard Street. The previous offices in Aldermanbury served the employees and members well over many years and is now in the hands of the City of London Corporation. The sale realised a value of £21m, of which there is a non-operating gain on sale of £1.1m. During the year the CII Board have carefully



## Results for 31 December year-end

2017	2018
Income	Income
<b>£42.1m</b>	<b>£43.2m</b>
Income	Income
<b>£40.2m</b>	<b>£40.4m</b>
BAU expenditure exc. trans/one-off	BAU expenditure exc. trans/one-off move
<b>£1.9m</b>	<b>£2.8m</b>
Surplus before tax exc. trans/one-off	Surplus before tax exc. trans/one-off move
<b>£1.4m</b>	<b>£1.7m</b>
Transformation investment plus one-off projects	Transformation investment less net gain on move
<b>£0.5m</b>	<b>£1.1m</b>
Surplus before tax	Surplus before tax inc. net gain

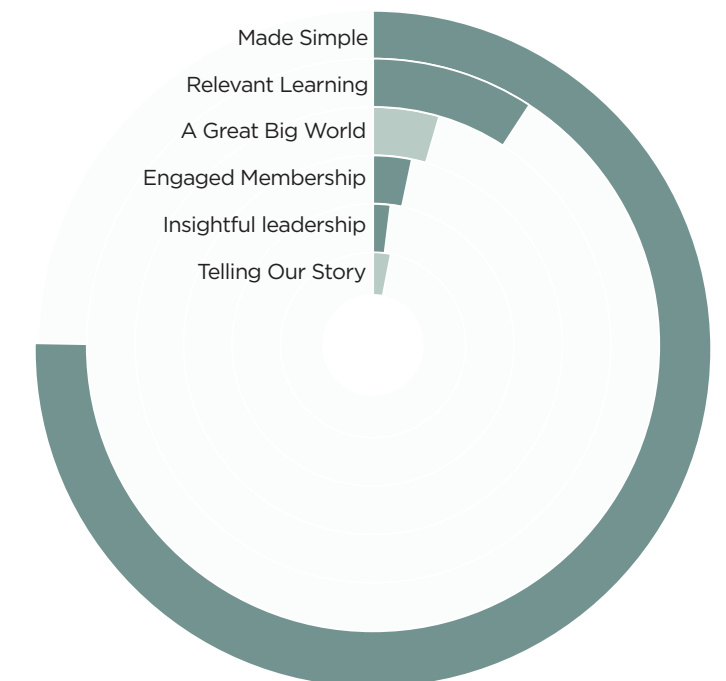
considered the uses for this cash.

The result was a £3m payment into the CII pension fund following the most recent triannual valuation and a further £5m put aside to help facilitate this fund whilst further discussions take place.

On the investment side, with a high level of liquid cash the CII is reviewing its investment options and considering vehicles which will help provide a solid return in line with the CII's risk appetite.

## Transformation programme investment 2018

**£3m**  
(excluding office move)



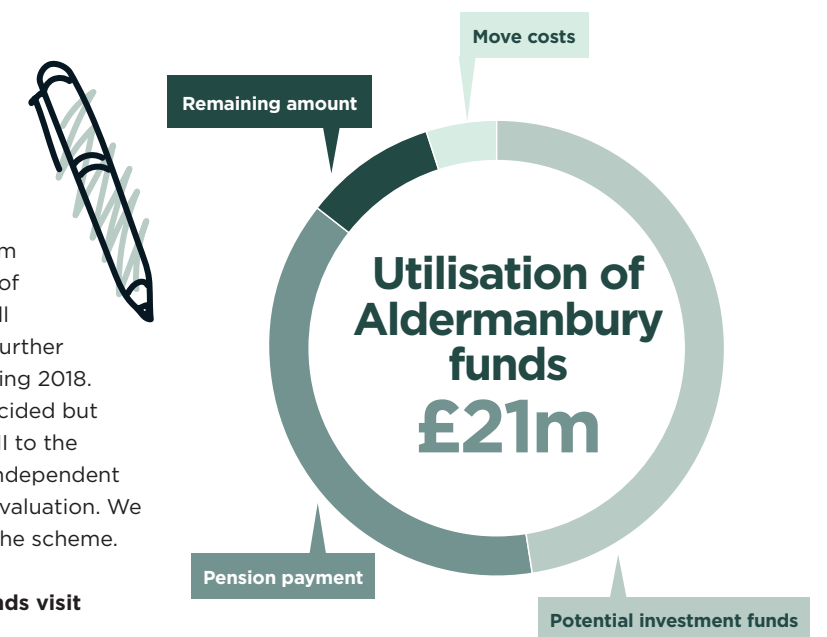
## Key initiatives during 2018

- 1 The corporate Chartered status consultation was completed with feedback of the results to the membership in Q2 2019.
- 2 The Society of Insurance Broking was launched, enabling members to engage with others performing the same roles and to share experience and insights.
- 3 A website refresh was completed that improved and simplified the navigation and content of the CII.
- 4 The Dubai office was opened as part of increasing the CII's relevance internationally.
- 5 Insuring Women's Futures was successfully launched.
- 6 CII achieved readiness for the adoption of the new General Data Protection Regulation.

## Money used for pension scheme

On the sale of Aldermanbury, a cash amount of £5m was paid into an escrow account for the purposes of the CII Pension Scheme 1993. Some of this cash will be released in tranches over a two-year period. A further amount of £3m was paid directly into the fund during 2018. The future of the pension scheme has yet to be decided but these payments indicate the commitment of the CII to the fund as it stands. A plan is also in place involving independent professionals to go to market for a formal transfer valuation. We assume further funds may be required to transfer the scheme.

For more information about the breakdown of funds visit [annualreport.cii.co.uk](http://annualreport.cii.co.uk).





# Our membership

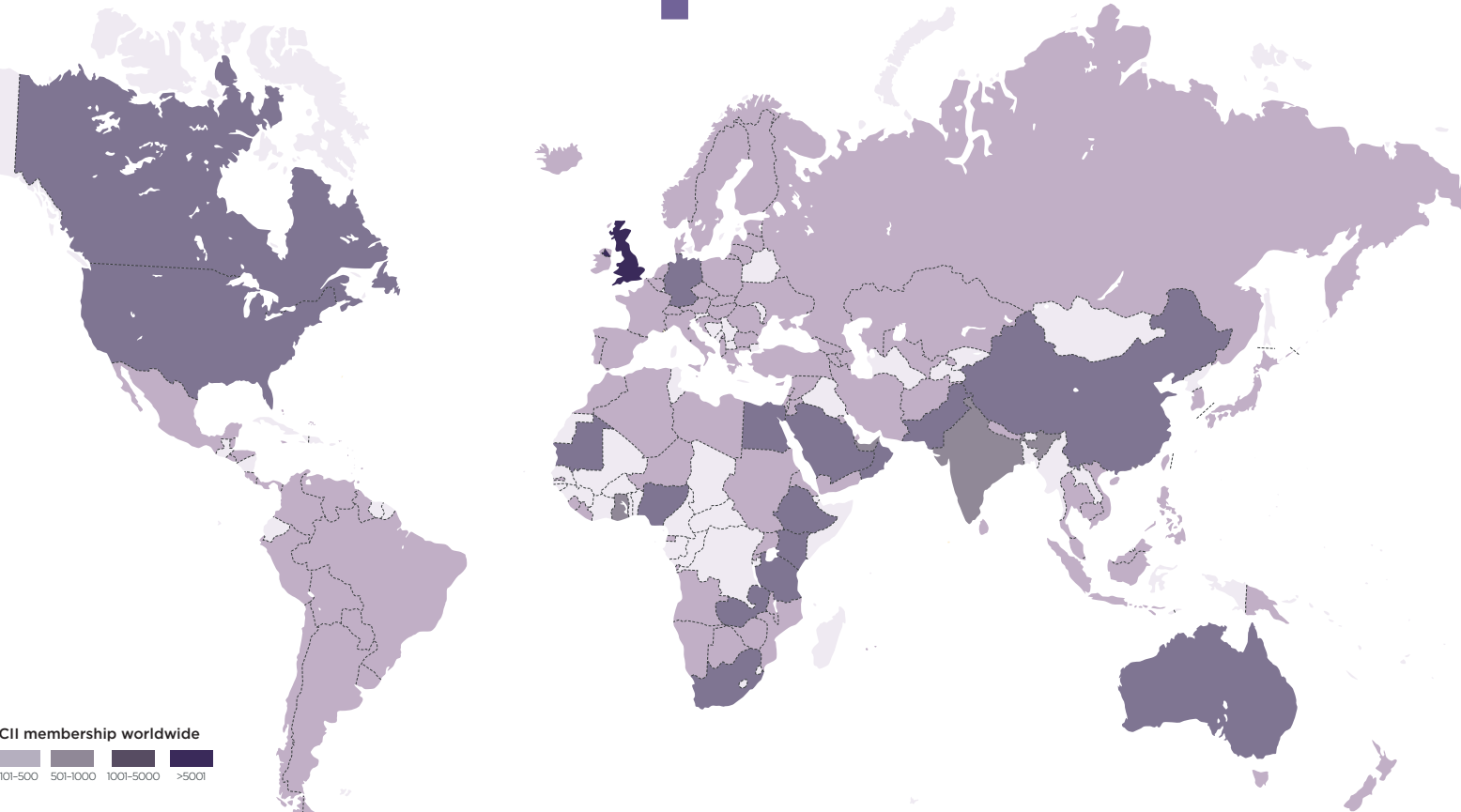
Historically, membership of the CII has been about maintaining technical expertise through qualifications and continuous professional development.

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.

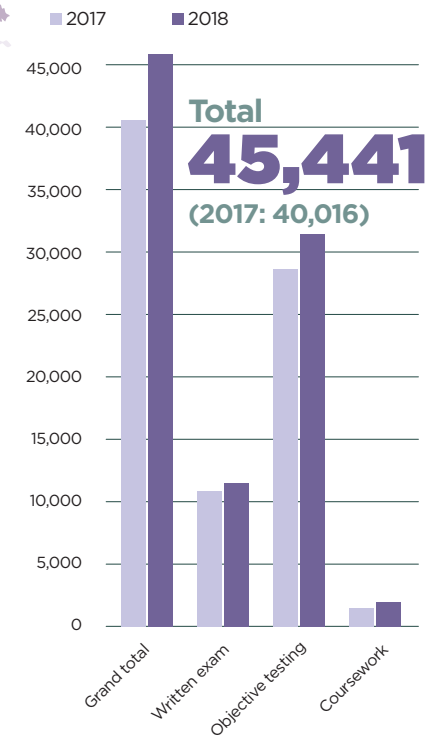
We will be seeking ways of expanding the proposition including;

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

Key to CII membership worldwide  
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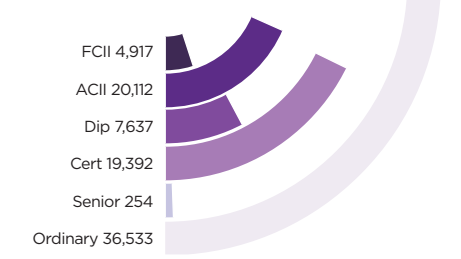


## Personal finance assessments (incl mortgage advice)

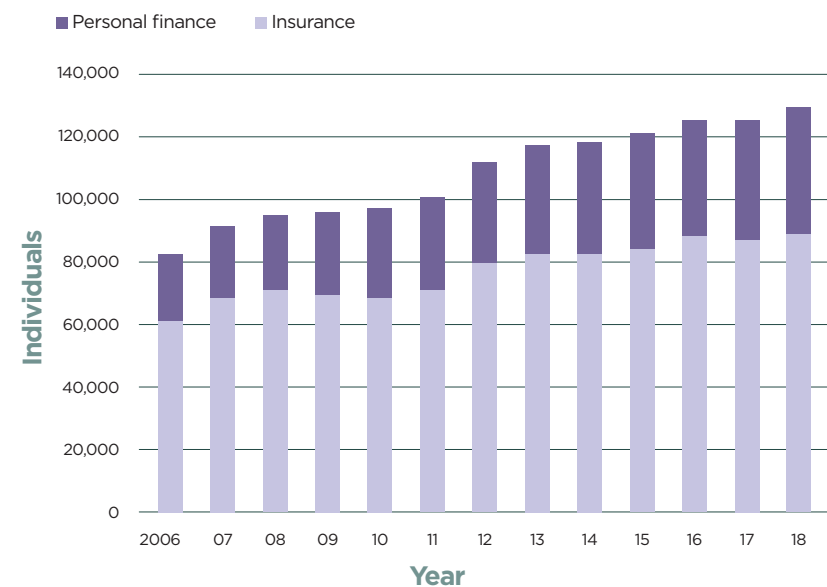


## Insurance (CII)

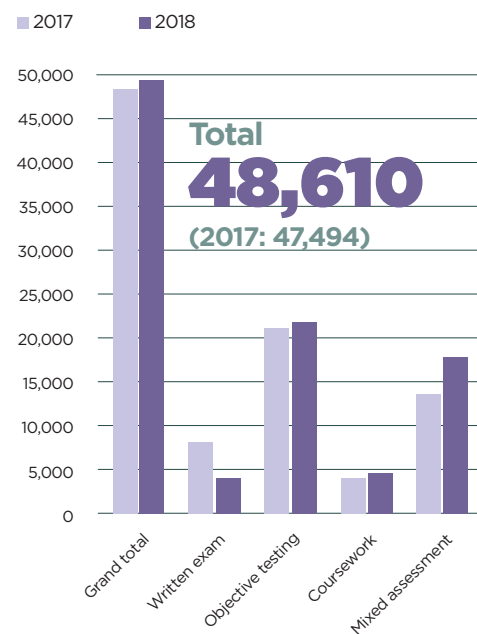
Member mix total as at 31 December 2018  
**88,845**  
 (2017: 87,192)



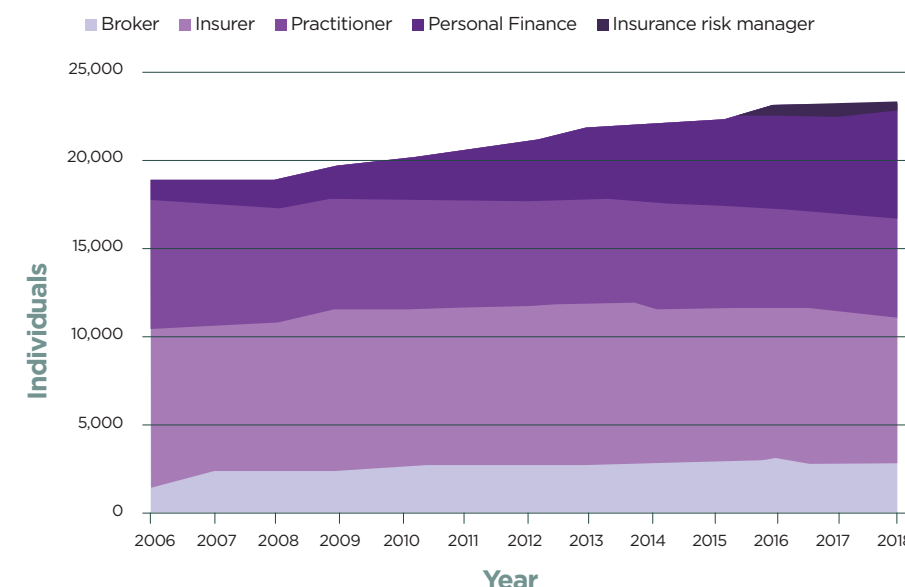
## Membership growth



## Insurance assessments

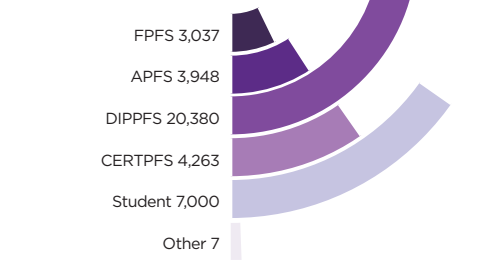


## Growth of Chartered



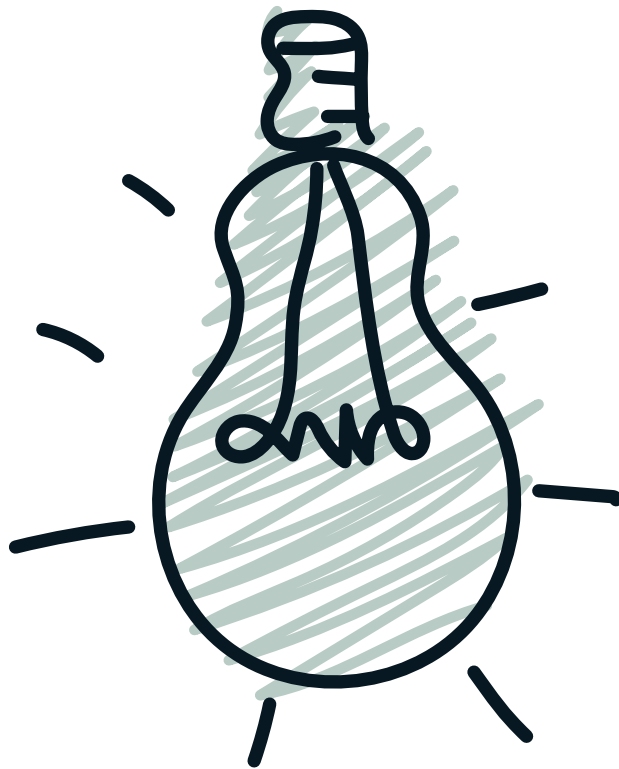
## Personal finance (PFS)

Member mix total as at 31 December 2018  
**38,635**  
 (2017: 37,732)





*engaged  
membership*



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