

Brokers confront the protection gap



Climate risk, the widening protection gap and the reinvention of the broker's role dominated the discussion of the 14th Asia Brokers Summit, as senior industry figures offered contrasting but converging views on where intermediaries need to head next.

By Ahmad Zaki

Speakers at the opening session of the 14th Asia Insurance Brokers' Summit in Jakarta Indonesia said that Asia's insurance broking industry is entering a defining era, as they face structural pressure and increasing competition from digital platforms and embedded insurance ecosystems.

In his welcome address, Association of Indonesian Insurance and Reinsurance Brokers (APPARINDO) Chairman Yulius Bhayangkara said that while the broking community currently faces a lot of challenges, it is keen to build transforming and not just transactional brokers in Indonesia.

"We should become experts and engage with clients and provide solutions for their risk management problems," Mr Bhayangkara said.

He further said that the broker in 2030 will compete not only through market access but through insight, innovation and trust.



"As consultants, we need to create innovative solutions for our clients and also develop future insurance leaders that will strengthen industry capabilities and create capable brokers," he said, further noting the need for collaboration between different stakeholders in the industry.

Leading customer centric transformation

Howden Indonesia President Director Willy Ignatius spoke of the need for brokers to lead with customer-centric transformation and to build an organisation that earns trust, loyalty and sustainable growth.



"As brokers, we are looking at building an organisation that earns trust and loyalty which leads to sustainable growth," said Mr Ignatius.

He was also optimistic that this may become a strategic framework for the broking industry in Indonesia and across Asia.

Mr Ignatius also made a clarion call for the industry to embed customer-centricity as a core business strategy, not just a service initiative.

“Brokers must go beyond their service initiative and build trust in order to drive growth. We are dealing with sophisticated clients who expect more from us, than just being a transaction broker and for this we need to have more skills in terms of analytics and benchmarking,” he said.

Mr Ignatius also spoke on the need for brokers to align with people, culture and technology to deliver exceptional customer value and drive sustainable growth by building organisations that anticipate and adapt to evolving client needs.

“Sustainable growth means earning trust with the right kind of people and having the discipline to say no when a relationship undermines the process,” he said.

Closing the protection gap

EDME Insurance Brokers Global CEO of Treaty Reinsurance Vinod Krishnan gave a stark reminder of how far developing Asia lags on insurance penetration. Citing World Economic Forum risk surveys and figures from major reinsurers, he put the global protection gap at roughly \$400bn to \$500bn a year, with natural catastrophe losses running at \$100bn to \$120bn annually and 80 to 90% of those losses in the region going uninsured.



Mr Vinod Krishnan

Drawing on the 2011 Thailand floods and the 2015 Nepal earthquake, where insured losses covered only a fraction of the economic toll, he argued that government intervention, through subsidy schemes, disaster funds and

public-private pooling arrangements such as Indonesia's MAIPARK, remains essential to narrowing the gap.

“It's a little bit of preplanning required,” he said, pointing to India's disaster management framework and a post-flood payout mechanism as examples of governments shifting from reactive to proactive postures.

From transactional to strategic

UIB Asia Reinsurance Brokers CEO Francis Savari framed the industry's central challenge as one of positioning. “Transactional is today, strategic is tomorrow,” he said, arguing that brokers who chase short-term margin at the expense of client trust will be left behind as clients grow more sophisticated.



Mr Francis Savari

He urged brokers to move beyond placement into portfolio analysis, exposure management and regional expansion support, while cautioning against conflating price with value.

“Price is what you pay. Value is what you get,” he said, citing panel quality upgrades as one lever brokers can use to compete on grounds other than rate. Talent development, he added, is central to that shift, describing internship and management associate programmes as an investment in a pipeline of technically capable brokers.

Putting the broker on trial

Price Forbes Broking (Asia) Managing Director of Specialty & Retail Julian Coates took the most provocative line, structuring his talk as a mock trial of the broking profession.



Mr Julian Coates

He argued that routine tasks such as policy wording review and submission drafting no longer justify a broker's fee in an era when generative AI can perform them in seconds and pointed to placement timelines of 11 to 12 weeks for large programmes with no real-time visibility for clients, in contrast to the instant tracking consumers now expect from Amazon or Uber.

“If information becomes abundant, what truly becomes scarce,” he asked, arguing that judgement, negotiation skill and advocacy on claims are where brokers must now differentiate themselves.

Defining the strategic relationship

Speaking at the panel discussion on strengthening the broker-insurer relationship, HDI Global SE Managing Director and Principal Officer Alex Tarantino said that strategic brokers distinguish themselves by understanding underwriter appetite and concentrating placements with a small number of trusted carriers rather than spreading risk indiscriminately. Piling business into a single insurer without regard for accumulation, he warned, creates a knapsack problem that eventually pushes rates up.

General Insurance Association of Indonesia (AAUI) Honorary Board Member Dr Firdaus Djaelani framed professionalism in similar terms, cautioning that brokers who steer business to insurers purely on price ultimately shortchange their clients on service quality.

WTW Indonesia Country CEO and Head of Corporate Risk Broking Dr Kameswara Natakusumah, said the relationship needs to be understood as a genuine partnership rather than a buyer-seller transaction. “We need underwriters more than we ever need our shareholders,” he said, noting that capacity, not capital, is what allows a broking business to scale.

Retail reach and the penetration problem

Much of the discussion turned to distribution across Indonesia's 38 provinces, where insurance penetration remains around 3 to 4% of GDP and most of the country's roughly

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150 direct brokers operate out of Jakarta. Mr Tarantino said the bulk of premium sits in the small and mid-market segment, making retail distribution critical to closing the protection gap, while large corporate risks will always draw capacity from overseas markets.

Dr Natakusumah argued that opening branch offices is inefficient for brokers competing against banks, leasing companies and agents that already have nationwide footprints, and pointed instead to InsurTech and digital platforms as the more efficient route to underserved regions.

Dr Djaelani noted that Indonesia's capital requirements currently do not distinguish between retail and large commercial brokers, and suggested regulators may eventually need to

calibrate capital rules by broker size to encourage retail expansion.

Innovation still waiting on regulation

Panellists agreed that innovation in product design, from parametric earthquake cover to catastrophe modelling, has been discussed in the Indonesian market for years without translating into meaningful take-up.

Dr Natakusumah pointed to corporate clients increasingly setting up captives as a sign that brokers and insurers risk losing premium if they fail to modernise faster and called for regulatory support to make parametric and pooled solutions easier to bring to market.

Dr Djaelani said Indonesia's regulator has generally encouraged innovation but that non-life

insurance remains constrained to a limited set of approved products.

Mr Tarantino described innovation at HDI Global as spanning coverage for emerging risks such as AI and cyber, loss-prevention technology including water-leak detection systems adapted from European markets, and accumulation modelling designed to give insurers confidence to deploy capacity in catastrophe-exposed areas such as Indonesia.

The 14th Asia Insurance Brokers' Summit, with the theme: 'The Future Broker – Reinvention & Strategic Roadmap Towards 2030' was organised by *Asia Insurance Review*, and was held in Jakarta, Indonesia, from 22 to 23 July 2026. It was sponsored by HDI Global, Howden and Agiliux, and was supported by APPARINDO. 

