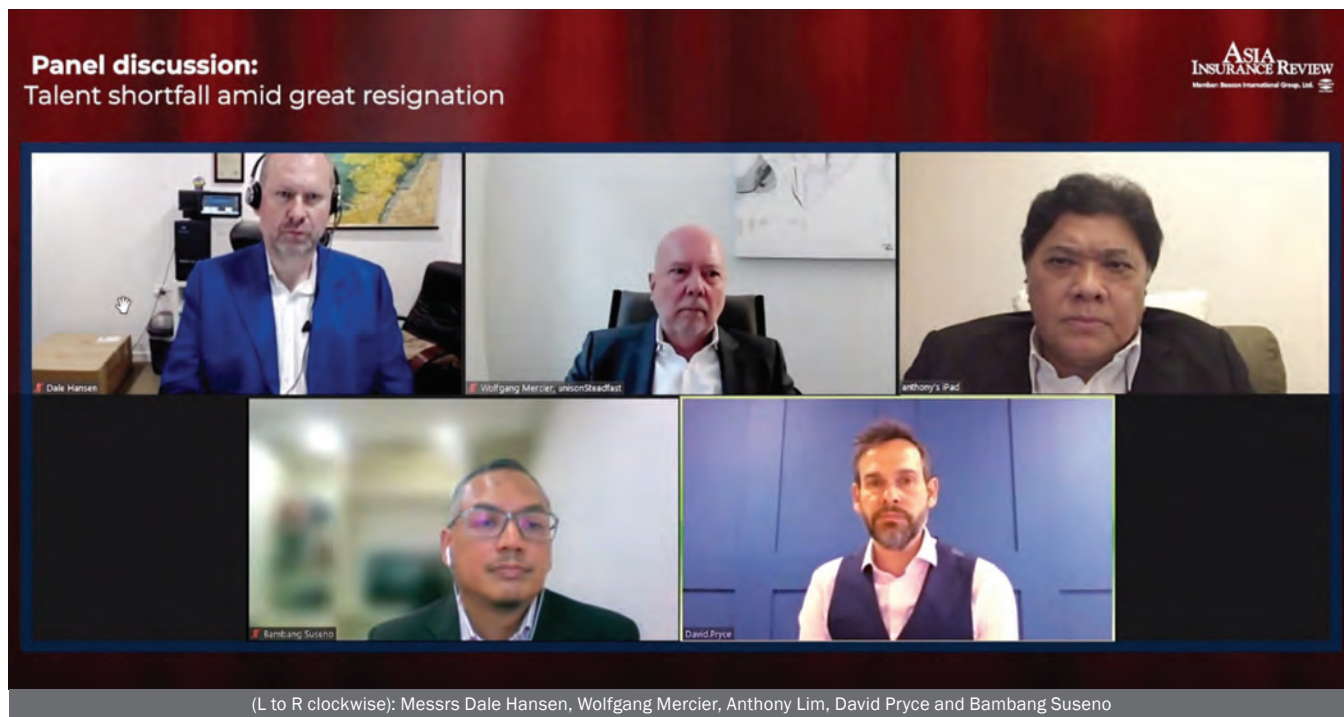


Brokers have a niche future



Insurance and reinsurance brokers will continue to be important for the market but will have to reskill and leverage technology like never before, said speakers at the virtual Asia Insurance Brokers' Summit held in March.

By Jimmy John



In his keynote address, Brokerslink board director and Acclaim Insurance Brokers founder and executive chairman Anthony Lim said that brokers will have a major role to play in the market and those with a niche will not just have a future – but will also thrive.

He said that we are living in challenging and uncertain times and the broking community was also greatly impacted. Highlighting the many areas of concern for brokers, he said the COVID-19 pandemic, geopolitical tensions in the region, Russia's invasion of Ukraine, anti-globalisation tendencies, increasing nationalism and the challenges from global warming and climate change are amongst some of the greatest risks.

Speaking about some of the factors driving consolidation among brokers, he said there was a need for companies to scale as customers were becoming bigger and more sophisticated.

Global risk report

Speaking about the Global Risk Report 2022 published by the World Economic Forum in collaboration with Marsh McLennan, Marsh Broker Japan chairman and Japan Insurance Brokers Association president Satoru Hiraga highlighted the top 10 risks perceived to become most severe in the next decade.

Some of the top risks were environment related and these include climate action failure, extreme weather events and biodiversity loss and ecosystem collapse. Navigating the climate transition is one of the thematic contents of the report.

“Mounting conviction for a fast climate transition being slowed by social, political and economic complexities may spur a kaleidoscope of net zero trajectories, each with different speeds and complications,” said Mr Hiraga.



Another topic of concern in the report is the new space race marked by accelerated commercial and military activity, which may exacerbate tensions.

Synergy between brokers and technology

Speaking about the survival of the broking community in the era of algorithms, Vumi Global Services managing director, Middle East, Africa and Asia David Youssef said that AI is unable truly to replicate human interaction.

“People will always have insurance questions that only brokers can answer,” he said. Brokers, he said are better equipped to deal with unusual situations and also help clients deal with financial and human losses.

He spoke of the need for partnerships between brokers and technology. “AI is not the enemy but an important ally and insurance industry professionals must take control of it, mould it and make it directly address their insureds’ needs,” he said.

Highlighting case studies in his presentation on dealing with engineering insurance and risks Talent Asia training and consulting director Pooba Mahalingam said that brokers can contribute more to their clients in area of investigation, interpretation of policy wordings and in the claims process.

The customer experience of the future

A panel discussion moderated by NCI Brokers CEO-Asia Stuart Anderson discussed the role of technology in allowing brokers to understand customer behaviour and deliver a personalised experience.

Descartes Underwriting head of Southeast Asia Robert Drysdale said that as technology develops, it will benefit the entire value chain of the insurance business. “There is a lot of investment from tech companies which can be

leveraged by brokers,” he said.

Risk Exchange (DIFC) chairman and Arya Insurance Brokerage CEO Aftab Hasan said that technology is changing the industry and so everyone will have to invest in it to align themselves with the other stakeholders. “Customers are likely to gain from the digitalisation experience, with better services and products,” he said.

Malaysian Insurance and Takaful Brokers Association chairman Vicky Rajaratnam said that the industry needs to pursue innovation to serve the customers better.

Association of Indonesian Insurance and Reinsurance Brokers chairman Jusuf Adi Sofyadi said that customer needs are rapidly changing which cannot be ignored but has to be embraced and for this technology plays an important role. “In the Indonesian market, digitalisation is geared more towards the customer side,” he said.

Customer centric focus post-pandemic

Fenchurch Law partner Aaron Le Marquer in his presentation on COVID-19 and business interruption said that the trend of policyholder-friendly judgements in England and Wales continues, in contrast to many other jurisdictions. Courts, he said, have repeatedly affirmed that construction of insurance contracts under English law is to be determined objectively from the perspective of a non-specialist policyholder.

Speaking about how wellness has changed in a post-pandemic world, MAXIS GBN head of health and wellness Leena Johns said that



Mr David T Youssef



Mr Aaron Le Marquer

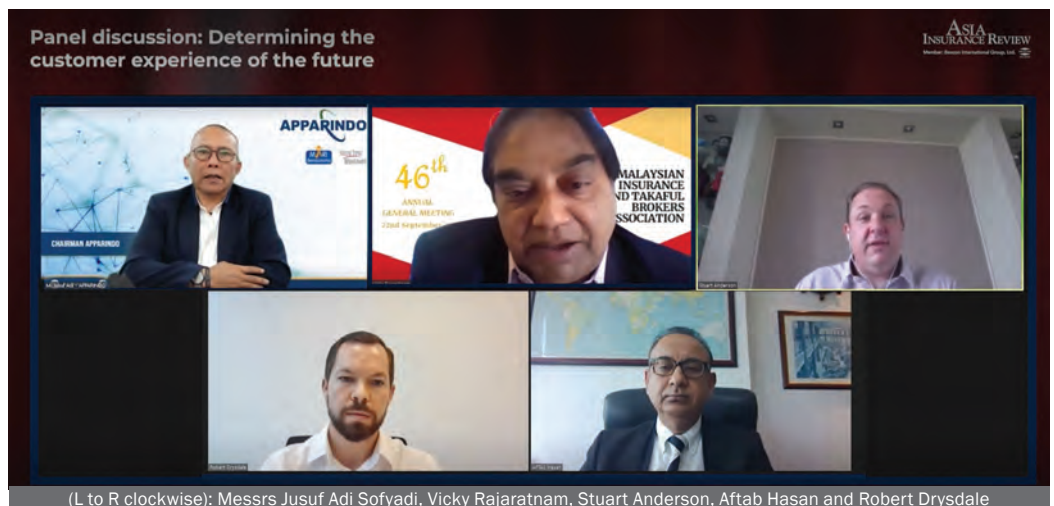


Dr Leena Johns

2020 was the most stressful year that people have ever experienced in their working lives, but it has also taught us to engage proactively with our employees on their mental wellbeing.

“Unprecedented work-life integration and social and physical distancing have had a transformational impact on the employee experience,” she said. Companies that prioritise employee wellbeing and experience will gain a competitive advantage as the world builds back from the COVID-19 pandemic.

Mr Aftab Hasan spoke of the added value that brokers bring to the insurance value chain which goes beyond just placement of risks.



(L to R clockwise): Messrs Jusuf Adi Sofyadi, Vicky Rajaratnam, Stuart Anderson, Aftab Hasan and Robert Drysdale

BROKING



Ms Christina Kindstedt



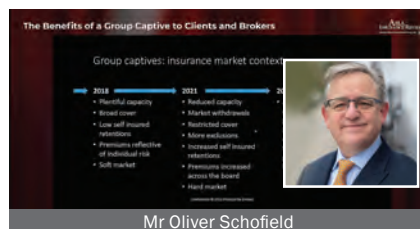
Ms Annie Undikai



Ms Shiwei Jin



Mr Alan Oates



Mr Oliver Schofield



Mr George McGhie

Talent shortfall

A panel discussion on talent shortfall in the industry amid the great resignation was moderated by Fenchurch Law managing partner David Pryce. The Association of Indonesian Qualified Insurance & Reinsurance Brokers chairman Bambang Suseno said that in order to retain talent a hybrid working environment with flexible work conditions was needed.

“Collaboration and bonding between people are essential leadership qualities and the absence of this can be a reason for people to resign,” he said.

UnisonSteadfast president and CEO Wolfgang Mercier said that it looks for people who are committed to the company and dedicated to the job given to them. “Leadership means that you are able to take over all responsibilities including taking maximum responsibility upon yourself,” he said.

Mr Anthony Lim said that in order to future-proof their talent, companies must go beyond the profit motive and encourage social responsibility among employees. “Employees must see a career path in the organisation and so learning and growth opportunities are important factors for them,” he said.

Austbrokers Coast to Coast CEO and chief broking officer Dale Hansen said that the industry needs to educate the next level of talent pool and their learning environment has to change. “We are a diverse industry and so we have to keep that diversity in thinking differently,” he said.

The big captive opportunity in Asia

Advantage Insurance Management (USA) managing director Christina Kindstedt, speaking on the opportunities in the captive market said that Asia has tremendous growth potential.

Highlighting the huge opportunities that countries like China and India offer for captive business, she said that economic growth pivots towards Asia. “Developing economies tend quickly to adopt best practices cultivated by pioneers over a much longer period,” she said.

Brighton Management managing director Annie Undikai highlighted four different scenarios that can happen in a hard insurance market and the benefits of cells in a commercial protected cell company.

AXA XL global programmes and captives regional director APAC Shiwei Jin said that captives can play an important role in addressing pandemic risks. “Captives can provide step-in step-up technique for traditional insurers, with a thorough understanding of the underlying risks,” she said.

She also said that companies need to evaluate and be open to solutions to achieve their critical objectives.

Aon head of advisory and specialty Asia Pacific, health solutions Alan Oates said that employee benefits captives are moving to early adoption. “The primary driver for change for many is not financial but flexibility to deliver on diversity, equity and inclusion goals and governance to improve oversight, control, visibility and reporting of insured benefits,” he said.

The employee benefit captive, he said, can play different roles and these include financial, strategic and holistic.

Demand for group captives remain strong

Principal Re head of captive and ART consulting Oliver Schofield said that over the past few years there is an unprecedented demand worldwide for group captives.

A group captive is a captive that is owned by a number of different parent companies from the same, similar, or entirely different industries but facing the same insurance issues.

“Group captives have been successfully operating for many decades and represent a commitment to longer term intra-company relationships for the common goal of stability and control,” he said.

Independent consultant - Asia Pacific risk and insurance George McGhie said that captives are not in competition with commercial insurers but must be seen as partners. “As the industry develops there will be greater adoption of captives in the region and InsurTechs can further help in this,” he said.

Highlighting the role of brokers, he said that they are important partners in guiding clients but they need to embrace broader skillsets and resources to ensure clients are best advised.

The three-day summit with the theme ‘Do brokers have a niche future?’ was organised by *Asia Insurance Review* and sponsored by Brokerslink. 