Winter 2019

THE INSURANCE Insider

SIRC ROUNDTABLE 2019

Winds of change

With the (re)insurance industry at a "flex point", it needs to improve returns beyond merely meeting the cost of capital

THE INSURANCE Insider

Insider London

Compounding Momentum

#InsiderLondon

***Insider* London** is all about giving (re)insurance professionals everything they need to set them up for the rest of the year. The idea is that if you only had time to make it to one conference a year, an annual visit to ***Insider* London** would be sufficient to keep you abreast of all the key developments. The conference will address the critical trends facing global (re)insurance professionals and examine what actions must be taken to successfully navigate the trials facing the global sector in 2020. Industry heavyweights will be deciphering reinsurance outcomes at 1/1 and pointing out any pitfalls ahead. It's an ideal opportunity to make lots of new contacts in a high-quality setting in the heart of the insurance district.

COME AND FORMULATE YOUR GROWTH PLANS FOR THE YEAR AHEAD BEFORE ANY OF YOUR COMPETITORS

Date:

28 JANUARY 2020

Time:

08:15 - 16:05 (followed by networking drinks)

Venue:

etc.venues Fenchurch Street, 8 Fenchurch Place, London EC3M 4PM

events.insuranceinsider.com/insiderlondon

Flex point or sandwich?

The reinsurance sector is at a crossroads. Whether you consider that crossroads to be a "flex point" or a "sandwich", to quote our roundtable participants, one thing is clear – whatever direction the industry takes from here it needs to start generating returns that justify (and significantly outweigh) the cost of capital.

On the one hand, there has been a long term trend of underpriced risks but, as Asia Capital Re's Bobby Heerasing points out, the claims trend has also been towards increasing frequency and severity of major loss events and an uplift in attritional losses – alongside low interest rates that have eroded investment returns.

Part of the loss picture appears to be climate-change driven, particularly with regard to the greater incidence of wildfires and the impact of flooding in hitherto flood-free zones.

However, it's not simply a question of risk modelling challenges. The reinsurance sector could probably do more to assess likely aggregations, and be prepared to walk away from certain risks.

There are other pressures to consider, however. Retro rates are up, so while reinsurers are able to push rates with cedants – who are likewise pushing pricing increases with insureds – the several successive quarters of increases needed to get both insurance and reinsurance pricing back to sustainable levels suggests that a rise in retro prices will continue the squeeze on reinsurance market returns.

The one bright spot for the Asia Pacific market in this wider (re)insurance picture is that its growth has outpaced that of equivalent markets in the US and Europe.

As Hyperion X's David Flandro puts it: "AsiaPac was once considered a small, rather esoteric, diversifying risk. We are quickly getting to the point where Asia is the most important region in the world, not just for the global economy but also for insurance."

But, as with mature markets, this maturing one has structural issues to address if its growth potential is to be realised in the most effective manner possible.

Talent is one challenge. Taking Singapore as an example, the market has done a good job of developing its domestic (re)insurance talent and is now expanding that pool to ancillary industries such as claims, legal and loss adjustment.

However, Singapore and the other Asia Pacific hubs still need to work out not only how to retain that talent, but how to develop a more entrepreneurial environment to match that found in key reinsurance centres such as London and Bermuda.

And then of course there's data and technology; how to leverage the capture and analysis of one and the implementation of the other, to make sure the (re)insurance sector remains relevant and responsive to the needs of insureds.

Whether that entrepreneurial spirit and new technology comes from the outside via independent InsurTechs, or internally via in-house initiatives, it is clear that the (re)insurance industry needs to keep pace with the wider Asia Pacific technology boom if it is not to be disrupted out of existence.

Read on to learn more!

Gavin Bradshaw
Features editor,
The Insurance Insider

Participants

David Flandro
Managing Director, Analytics, Hyperion X

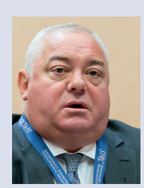
Jeremy Fox
Chairman, APAC, Guy Carpenter

Michael Garrison
President, APAC, Allied World Assurance Co

Bobby A Heerasing
Executive Director & Chief Executive, Asia Capital Reinsurance

William Ho
Head of Reinsurance – Asia, MS Amlin

Yann Marmonier
Head of Insurance, APAC & MENA, Canopius



Stephen Warwick
CEO Reinsurance, APAC, RFIB

Published by: Euromoney Trading Limited, Level 1, 29 Ludgate Hill, London, EC4M 7NX, UK. **Tel Main:** +44 (0)20 7397 0615 **Editorial:** +44 (0)20 7397 0618
Subscriptions: +44 (0)20 7397 0619 **e-mail:** info@insuranceinsider.com.

SIRC Roundtable 2019

Emmanuel Kenning
Bobby, "The winds of change" is the theme of this conference, so what changes are you seeing in the market?

Bobby A Heerasing
Our industry is at an interesting flex point. From a carrier's perspective, the industry is not exactly replete with margin – none of us are making a significant amount of money. Even the best businesses are back to delivering the returns on capital inflow we saw prior to the financial crisis. A lot of us are struggling to demonstrate returns that even meet the cost of capital.

Particularly from a reinsurance perspective, we are seeing a trend in terms of, depending on where you sit from a climate change perspective, frequency and severity. After seven or eight years of reserve releases, we're probably seeing an end of that. We have been in a low-interest rate environment. All that, plus general attrition and rate reductions, puts us in a difficult spot.
We're starting to see rates moving up, particularly on the fac and specialty side and the insurance side of the business, but we have to see consistent rate rises over the next two to three years to enable reinsurers to make an adequate return and keep capital in the business.

"Many lines are taking loss hits, and especially in the US liability sector this is accentuated by storm clouds on the horizon with the opioid crisis, social inflation and larger court awards"

Jeremy Fox

Emmanuel Kenning
Is the industry at a flex point, Yann?

Yann Marmonier
I don't know if it's a flex point or a sandwich. In Singapore, we talk about the "sandwich generation". We're in that place where we probably need rates to increase. The exposures are going up and it seems our reinsurance is going up as well. We do have cost constraints and we need to be able to transfer that to the market. It's a hard bed we are sitting on and we have pressure from the expense ratio. So I would agree with Bobby.

Emmanuel Kenning
So we've got a flex point and we've got a sandwich.

Michael Garrison
We have seen a behavioural underwriting shift in 2019. While it would not be prudent to broad-brush all the Asia Pacific insurance markets, we can say that most countries are seeing underwriters walk away from business if the terms, conditions and pricing do not meet their expectations. This has caused the sort of consternation between the underwriting and broking communities that we have not experienced in the past, as underwriters are influencing pricing with little concern about being left off placements. We expect this market behaviour to continue into 2020.

Emmanuel Kenning
There have been more calls by underwriters to walk away from underpriced business. From a broker point of view, is this something you're experiencing?

Stephen Warwick
Yeah, we do experience that. We tend to get involved in the tough stuff. That's what we need to find a solution to. The question is not always price; it's how much capacity is available to do things clients want and where there is a need. We talk about pricing and everyone accepts that pricing is

going to firm or increase. But we need to look deeper into what classes those are – property, casualty, specialty lines and so on.

From a macro perspective, the market wants more yield; the question is where is it going to come from when you drill down to specifics? There is a walk-away market and there's walk-away in retro. That's going to have an impact. What's important is not just the focus on price but the market has got to be with clients and come up with solutions. Clients can make the decision but they need to have capacity in front of them to make it.

Jeremy Fox
It's a "one size doesn't fit all" situation. We will see the reinsurers take a view on the client, how they're running their business and how they've performed etc. One of the trends that worries me with capacity is what's happening to the liability sector. I joined the market just when asbestos, Agent Orange and thalidomide hit, and you saw a wholesale change with the advent of the liability crisis.

If you wind it forward 15 years or so, you get to 2001/02. A big loss that affected several lines of business was 9/11, but actually at that time the liability market had seen years of negative results that depleted all the reserves, in similar circumstances to 1985, and it reduced the market capacity and drove pricing.

So you can make a comparison with what's happening in the market now. Many lines of business are taking loss hits, and especially in the US liability sector this is accentuated by storm clouds on the horizon with the opioid crisis, social inflation, court awards getting larger, and reserve releases that have been depleted. We're seeing something that we've seen before.

Emmanuel Kenning
In terms of the "one size doesn't fit all" issue, surely carriers should always have been looking at that, but is it now being more developed?

William Ho
It is being developed. Using the historical can only help predict the future to a certain extent. One of the big things about this region – each market and each emerging market – is the way it's grown. The pace at which it's grown hasn't been replicated in past European or US markets. They are becoming a thing of their own and will develop into markets with unique characteristics. And while the historical will help us make predictions or judgements on how best to tackle them, there are always going to be some characteristics or events that will be new to the market. The best we can do is do the research, be as disciplined as possible and be as prepared as possible for when some of these challenges occur.

David Flandro
AsiaPac was once considered a small, rather esoteric, diversifying risk. You could write Japanese earthquake excess-of-loss at a certain rate; you could write Florida wind at another, even though Japanese quake was a peak peril, it was and is priced differently than Florida hurricane.
We are quickly getting to the point where Asia is the most important region in the world, not just for the global economy but also for insurance. As that happens, will there be a repricing?

We can talk about reserves and we still haven't talked about the reinsurance capital overhang that persists although, as we all know, the dynamics behind that are changing. We can talk about pricing in other lines, global interest rates and reinsurance global property-catastrophe pricing coming off multi-decade lows. All these are factors.

If things are going up in the D&F and retro markets at the top end, and things are going up in primary lines, it is unlikely that reinsurance rates on line will be flat, on average. There are, of course, mitigating factors, but it's unlikely that the current situation can continue for long without reinsurance rates making a change.

"We are quickly getting to the point where Asia is the most important region in the world, not just for the global economy but also for insurance. As that happens, will there be a repricing?"

David Flandro

Emmanuel Kenning
We put expectations front and centre in the questions, but when we talk about the need, the historical experience and the factors underneath, Bobby, will it actually happen?

Bobby A Heerasing
I'll go back to what Stephen mentioned – one size does not fit all. Part of underwriting is the ability to differentiate

"If you look generally at rate levels and where they've gone over the past 10 years it's uniformly down. Clients are paying less and we've had significantly more exposure, particularly in Asia"

Bobby A Heerasing

and treat clients accordingly. Having said that, if you look generally at rate levels and where they've gone over the past 10 years it's uniformly down. Clients are paying less and we've had significantly more exposure, particularly in a dynamic region like Asia.

And then we've talked about all these other factors, which remind many of us of when we started in our careers or more recently 2002. It was a mixture of events which led to the last real hardening of the marketplace. The reason I call it a flex point is that I see parallels with 2002 and what it drove. Our ability to continue delivering solutions in the short term but also over the longer term, bearing in mind the changes that are going to be happening across our societies, has to be predicated on our ability to make money. If we don't keep that capital anchored in our business we're going to struggle to provide solutions for our clients.

Stephen Warwick
Counterparty strategy for clients is key, where they're going to look at their strategic partners. We're talking about price here, and reinsurance markets are delivering contingent capital. If you look at the expense ratios in the market, they're running at 20-40 percent. So are you telling me that each reinsurer can have the same price? Are they delivering efficient capital? Are they delivering an efficient relationship whereby they can understand the business of the client rather than one particular component of that business?

That's why it's a people business. We can't just run an algorithm and come up with a price. The question is – how can you apply the efficiency of delivering that capital through providing a good business, in what territory and in what relationship with the client? People will pay more if they think they're dealing with a quality market that's going to be there over the long term.

Jeremy Fox
The real change we've seen, in Asia specifically, is that global clients have bought many of the larger domestic insurance companies in the past few years. There are two markets effectively – reinsurance of the globals and their regional programmes, and reinsurance of the domestic "in-country" insurers. There are differing conversations – the global insurers have multi-faceted, global relationships with the reinsurers, and terms, pricing and security are dictated by these factors. The smaller domestic companies in-country have differing factors that drive their purchasing and appetite for levels of security.

Bobby A Heerasing
And again, if you break it down country by country from a regulatory perspective, from a solvency perspective and from an RBC perspective, there is significant degree of maturing that needs to take place. So you then have to go back to governments, regulators and ministries of finance to say – there's a disconnect here in terms of what your economies are experiencing, the growth rates, the values exposed and, particularly when we talk about climate change, how are you going to finance these losses? Are you prepared to have public-private partnerships? Or do you just want to go back to your tax coffers and basically raise taxes to pay for these catastrophes as and when they happen?

David Flandro
Will this problem be solved pre-emptively or will there have to be a big dislocation first? In Florida, I can remember the thinking was: "Hey, we're building all these big hotels on the beach. Yes, we've got reinsurance but what's going to really happen when the big one hits?" And then it happened and the government had to step in, the state government in that case. Is that what's happening right now in the Philippines or Malaysia? Which is: "Yes, risk of loss has increased and we might have a big typhoon here some day. We probably don't have enough reinsurance or optimal regulations in place for the worst scenario, but we'll deal with it when it happens." That seems like what is happening to me.

Michael Garrison
It's an emerging market phenomenon. Around the Asia Pacific region there is billions of dollars-worth of large, industrial infrastructure that did not exist 20 years ago. The environmental impact studies were likely not as robust as they could have been, and now we see mitigation taking place as some of these industrial parks have been surprised by flooding – in Thailand, for example.

Additionally, when we looked at the construction of the casinos on Macao in the early 2000s we felt there was very little in terms of rates and conditions to cater for the cat exposure. Macao was hit two years in a row by storms and now the insurance market is having to react to the large losses that were incurred.

Around the region we do not feel that the frequency of storms is picking up, but they are getting far more intense far more quickly than we have experienced in the past.

David Flandro

Shouldn't 2011 have taught us that? In 2011 we had Christchurch, we had Tohoku-Fukushima, we had Thai floods, we had Yasi. The year before that we had Canterbury. 2011 was the largest insured property catastrophe loss year ever up until that point, and the losses were primarily in Asia. Shouldn't this have been a clarifying moment? In fact, many of the emerging peak risks worldwide might be in this region. Nobody thought they could lose that much money on Thai floods. Even more recently, had Typhoon Mangkhut taken a right turn up into the Pearl River delta, that's 20-30 percent of China's GDP exposed right there.

Michael Garrison

It would be nice to see a greater penetration rate in the number of buyers of natural catastrophe coverage. Most markets are doing a better job at analysing their aggregates, even in places that aren't as well-modelled as we'd like. Our accuracy in quantifying aggregates and impact from potential events has improved markedly in recent years, in Thailand and Macao for example.

We know the events can and will happen and it's not going to hurt us as much as it used to. That's what we're trying to do – alleviate the shock and volatility we've seen in the past caused by the surprise event.

Yann Marmonier

We deal with large numbers and look at worst case scenarios in billions, hundreds of billions. But I don't think politicians or even national companies can comprehend the magnitude. And I wonder whether, with climate change, for instance, more of it will come from homeowners.

Look at Australia, where we're already seeing entire regions not having any water and requiring truck delivery for their personal and home use of water. What happens then? Property prices will drop and those zones will become uninhabitable. And this is where climate change will start affecting people and small businesses – when property prices, which is where most wealth is held, disappear. So I wonder whether the comprehension of those factors, whether it's large cats or climate change, will come from the homeowners type of exposures.

David Flandro

The last big balance sheet shift certainly came from the housing sector.

Stephen Warwick

The discussion here highlights that Asia Pacific is massively diverse. So we're talking at one end about the New Zealand economy and then China, which is very different. The markets need to look at the political and economic infrastructure in those countries in how they manage losses. You talked about the Pearl River delta. Ping An is one of the biggest China insurance companies and last time I looked its market capitalisation was $207bn. It buys about $600mn or $700mn of cat. IAG on the other hand, in Australia, has about $3bn of capital and buys $7bn of reinsurance.

So the total infrastructure is different in each country. And so are the governments. That's where we have to tailor our approach, rather than take the same one across the region.

Emmanuel Kenning

We're going to move it on to Singapore and how APAC isn't just APAC, it varies.

Bobby A Heerasing

Most of us have worked in London at one point. The thing that made London what it was is that as a broker you could walk into Lloyd's or walk into the market and place your risk, and when there was a claim you had access to the claims people, the legal advisers, the adjusters and the arbitrators. So you had an ecosystem that supported the industry, and jurisdiction that was relatively stable and delivered results people could live by. Singapore is starting to see the development of those ancillary services.

Jeremy Fox

I've spent a lot of time in Hong Kong over the past year and have been watching closely the development of the Bay Area Financial District and the infrastructure the Chinese were trying to put in. The prize for many reinsurers is, as

"Macao was hit two years in a row by storms and now the insurance market is having to react to the large losses that were incurred"

Michael Garrison

"It was more the availability of talent that drove the decision to continue investment in Singapore. And that's driven by the ecosystem"

Yann Marmonier

Steve said, is when China reaches its potential and becomes the biggest cat market in the world. The benefits of being in Hong Kong then could have outweighed Singapore but the sudden change, with the demonstrations and the uncertainty, means the pendulum has swung back to Singapore.

Yann Marmonier

The regulator is well-organised and strategically balanced between a really prudential style and the regulatory aspect, which is quite flexible. And yes, they have pushed to attract all the services. From our point of view, being pretty new and in a different phase to some of you here, it was more the availability of talent that drove the decision to continue investment in Singapore. And that's driven by the ecosystem. You wouldn't want to stay here for a long time if there wasn't a future in a carrier.

Emmanuel Kenning

Is the industry getting the right talent here, and is it maturing and developing people well?

William Ho

I have seen over the last decade a lot more local underwriters emerging, local brokers emerging that have been trained well and have taken more entrepreneurial approaches, and that really comes to the fore in this local market.

The talent and the ability is here but what Singapore also does well, if it is missing some skill sets and experience, is allow a flexible environment to bring that in.

Stephen Warwick

I was in Wuhan, in the centre of China. There are a million students across a number of universities. There are 1.4 billion people, many highly educated, on the doorstep of Hong Kong. Many would rather stay in mainland China so, as far as talent in our industry goes, it's not just in Hong Kong but also in China. Hong Kong has a deep financial services market; the stock market is five times bigger than Singapore's, and it's been here a long time.

So all the ancillary services – the law firms and accounting firms are huge – were set up to service China. It's not Hong Kong versus Singapore necessarily. Asia Pacific is hugely diverse. It needs multiple marketplaces including not just Hong Kong and Singapore but also Shanghai, Tokyo and Sydney. They all have reinsurance markets. But there is a point about entrepreneurialism – we've got to get that into the market. No-one wants to deal with one or two players.

Michael Garrison

The silver lining here is that AsiaPac is experiencing the greatest training environment in the history of the regional insurance market. The experience the young people who have come into our industry over the past 10 years are gaining in this market cycle is going to be extremely powerful over the next decade. This gives us further opportunity to attract more talent because we're going to need even more resources that are capable at negotiating and selling.

I'm seeing less business being done over email and more face-to-face and via phone calls. More people negotiating and, probably most importantly for our local talent, working in an environment where they can build confidence. The silver lining is the transformation to a more sophisticated insurance marketplace.

Bobby A Heerasing

To segue from talent to the greater good, it goes back to purpose. We're here to enable people to get on and do what they do every day. We're here to enable people, businesses, to take risks, be entrepreneurs, because they know they've got a backstop, and the backstop is our balance sheet. Then how do we foster or help with innovation and how do we help our societies and people and businesses deal with issues such as climate change? How do we take part in the process of decarbonising? Not only are we providers of solutions from an insurance or reinsurance perspective, we're also investors. So we drive decision-making from how assets get allocated or what people are investing in.

Jeremy Fox

(Re)insurance oils the wheels of life. You can't do anything without insurance. Construction doesn't happen, transport doesn't happen and so on. One of the key things is getting people excited about the business and what it can do.

If you look at an event like Christchurch, effectively the industry rebuilt a city. There's immense pride in that, and we need to articulate that to the talent – that's the sort of industry you're in. If you think about what's happening in the world now, it's an amazing time to be in risk.

David Flandro

As someone who used to work in an investment bank, it's indisputable that the net social good of insurance and reinsurance is greater than that of our sister sector. One area, though, where they have us beat is data. You can check tens of thousands of security prices on your phone at any time of day, but you can't see what the Spanish marine cargo market was doing yesterday, or the German E&O market or the Malaysian property market or the Chinese liability market.

That's an area where AsiaPac can lead because innovation and technology is part of the raw material here; it's part of the fabric of business. And historically, AsiaPac comes up with a lot of disruptive innovations.

The second reason is a lot of smaller entrepreneurial companies here have the nimbleness and flexibility to come up with innovations and particularly data.

Stephen Warwick

We've seen increasing investment in InsurTech, both within the industry and outside. Do you think that as more InsurTech is adopted we can mine that data? I worry that we'll still be just worrying about the same old data we've had in the past and not doing enough about it. We've really got to get behind this. The primary market is doing InsurTech. We need to make sure we can get that data into the reinsurance business.

Yann Marmonier

The buyer's behaviour is essential. There were some stats coming from Infinity in Australia and something like 75 or 80 percent of under-40s were more likely to use platforms to buy insurance compared to something like 35 percent of over-40s. So that's the change in technology adoption that is coming from the local markets and it's going to have to translate into how we deliver products on the insurance side and eventually on the reinsurance side as well.

David Flandro

The way we've been gathering data in the insurance industry until now has been – this is the way you need to enter it into the system so we can collect it properly. The way millennials do it, the way programmers do it, the way that AI and machine-learning work is – Jeremy, just give me your spreadsheet. I promise I will never share it with anyone, it will be totally anonymous and we will have some very intelligent people write an algorithm that will extract the data so you don't even have to worry about it. You can give me a yellow notepad if you want, we can write a program in Python that will extract the data. That's where InsurTech is going to change the way we gather data.

Jeremy Fox

As an anecdote, I was sitting with someone in Australia the other day who said their algorithm-written mid-market business is far more profitable than it's ever been because there's no human aspect any longer. There isn't the mate doing the favour for his mate and accepting the risk that blows the whole book up.

Stephen Warwick

If you look at M&A, we saw a lot of it in the reinsurance space. We saw a lot of M&A between insurance and reinsurance, a lot of insurers looking to buy reinsurance. That's another conversation. I haven't seen as much activity in the broker space since about 1997/98, when there was an enormous amount of consolidation. Part of that was the arms race for analytics and it really started creeping up towards the end of the 1990s. That's very costly.

Now, we come to a point where analytics is pretty much settled in at the big three brokers. So we're seeing a lot of investment going into the market, and David here is an example of that. We're seeing statements by Lockton, BMS and so on, so there's a lot of activity and that's going to create innovation.

David Flandro

I don't think that at any time during any of our careers Lloyd's has had an expense ratio of nearly 40 percent. And I'm just going to say that that's unsustainable. We've got to do something about that; it's an elephant in the room.

"It's not Hong Kong versus Singapore necessarily. Asia Pacific is hugely diverse"

Stephen Warwick

"We mentioned Lloyd's and (re)insurance companies and how the expense ratio is too high. And you called it the elephant in the room, but the elephant is actually being addressed"

William Ho

And it's not just Lloyd's; it's the entire insurance industry. Whether or not there's a correlation with M&A I'm not going to posit here but we have to do something, whether it's with technology or competition, because you cannot be profitable over the cycle with an expense ratio of 40 percent. For the sector to function over a 20-year period, we've got to get that expense ratio down. The way to do it is with technology and competition, and that's really the next big thing for our industry.

Yann Marmonier

I'm the only other Lloyd's (re)insurer at the table. There are aspects around the length of the chain to get the business from the country and the region all the way to London versus being here in Singapore. The distribution is a bit shorter and that's the reason we are here as opposed to maybe writing the business in London. But we still represent a minority of the business written through Lloyd's.

So I wonder whether the numbers quoted are distorted by the length of the chain. That will change over time as regulators ask for transparency around the conditions, and ask for the types of services provided to match the commission level. Companies have to do a lot more work on their own expenses and this is probably more technology and processes. I would be fascinated to ask Lloyd's for instance, or companies generally, what the digital literacy at board level is.

David Flandro

I just want to say one thing really quickly. It's not administrative expenses. Administrative expenses have fallen and Lloyd's have implemented a lot of initiatives to lower administrative expenses. They've been successful. It's distribution cost.

Michael Garrison

I don't entirely agree that it's just distribution cost. When you consistently drive premium and rates down, you drive expense ratio up because your earned premium drops. Unless you cut costs, administrative costs, there's not a lot else you can do. Let's be honest, in a more competitive market it gets more difficult to cut acquisition cost – distribution cost – for threat of losing the business.

The more we can move rates up because our margins are squeezed or we are on the wrong side of a 100 percent combined ratio, the better the expense ratio will be as the earned premium increases. There is no better way in our industry to reduce expense ratio than through increased revenue that comes without additional cost.

William Ho

We mentioned Lloyd's and we also mentioned (re)insurance companies and how the expense ratio is too high. And you called it the elephant in the room. The elephant is actually being addressed. You can see the Future at Lloyd's, the blueprint, so I don't think there's a need for the defence of the Lloyd's operating model. It is being addressed and we have to wait to see what the outcome will be over the next 12 or 24 months.

Emmanuel Kenning

Does anyone have any final thoughts? Otherwise, I will pass over to Bobby to wrap it up.

Bobby A Heerasing

Thank you Emmanuel. There is experience in this industry, we're still very passionate. And that passion, and the ability to have a great career, we need to get across to the people we are seeking to attract. We're probably going to have to go and look in new places for some of that talent – to look for diversity not just in terms of gender or race, but also where people come from to add real value to our industry in the entire value chain.

For example, it could be talents from the IT industry that really help us, whether from an operational perspective or to drive and deliver better modelling capability and algorithms.

Going back to my earlier remarks about the industry being at a flex point, as we consider how we move forward from here, aside from looking at things from a technical or technology perspective, how we attract, retain and develop talent needs also to be a priority. Thank you very much.

23 APRIL 2020 | GUASTAVINO'S, NEW YORK

The Insurance Insider US HONORS

NEW YORK

The Honors celebrate the outstanding achievements of the industry, gathering the exceptional talent of the global wholesale, specialty and (re)insurance market.

NOMINATIONS ARE NOW OPEN!

Closing 11 December

CATEGORIES

- BROKING RISING STAR
- UNDERWRITING RISING STAR
- CLAIMS PROFESSIONAL RISING STAR
- RISK CARRIER OF THE YEAR
- INSURANCE INNOVATION OF THE YEAR
- INSURTECH HONOR OF THE YEAR
- NEW UNDERWRITING PRODUCT OF THE YEAR
- BROKING INITIATIVE OF THE YEAR
- M&A DEAL OF THE YEAR
- MGA/MGU OF THE YEAR
- BROKING TEAM OF THE YEAR
- UNDERWRITING TEAM OF THE YEAR
- THE DIVERSITY AND INCLUSION AWARD
- THE MAJOR LOSS RESPONSE AWARD
- COMMUNITY INITIATIVE OF THE YEAR

Nominate your company for ***The Insurance Insider* US Honors** and be in with the chance of winning one of the sector's most prestigious awards. This is a unique opportunity to celebrate the outstanding achievements of your team, and to solidify your company as a trailblazer that champions talent, guides the market and stands above the competition.

For more information visit INSURANCEINSIDERHONORS.COM
or contact EVENTS@INSURANCEINSIDER.COM

#InsiderHonors