

Managing  
General Agents'  
Association

**MGAA**

# MANAGING GENERAL AGENCIES AND THE ROLE OF THE MGAA

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## AGENDA

1. Definition of an MGA
2. Why the MGAA
3. What we do
4. Our aims
5. Where we are now
6. Q&As

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## DEFINITION OF AN MGA

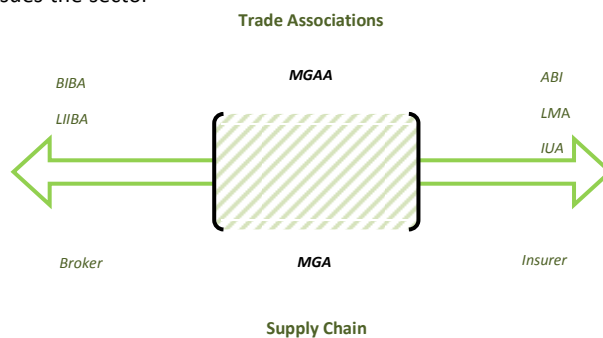
The MGAA has defined an MGA as:

“an agency whose primary function and focus is the provision of underwriting services and whose primary fiduciary duty is to its Insurer principal”

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## WHY THE MGAA

We have filled the gap to address some of the historical issues the sector has faced...



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## WHY THE MGAA

1. Historically the regulator has categorised MGAs as “wholesale intermediaries”. We are currently regulated by the FSA and under the proposed changes we will be regulated by the FCA (Financial Conduct Authority).
2. The FCA:
  - Independent Regulator
  - Responsible for retail and wholesale conduct supervision, supervision of trading infrastructure and prudential supervision of firms not prudentially supervised by the PRA (Prudential Regulatory Authority)

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## WHY THE MGAA

- Created in 2011 to be a central representative body for our members and to independently represent members unique interests.
- It is estimated that there are over 250 MGAs in the UK who transact over £5 billion of gross written premium.
- Greater clarity and understanding of the distinctive role and activities of our members.
- Central framework for defining and promoting best practice.
- Single voice to represent and promote members’ interests.
- To actively improve the sectors professionalism
- To be a technical centre providing commentary on regulatory and other developments

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## WHERE WE ARE NOW

1. 55 full members underwriting in excess of £1.8 billion of GWP
2. 20 Insurer Associate members – who recognise the importance of this distribution model
3. 22 Supplier Associate members including law firms, accountants and software houses
4. 10 Technical market briefings - 12 in 2013
5. CII CPD Accreditation achieved
6. First “Capacity Exchange” Event

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## WHERE WE ARE NOW

### Quotes from satisfied participants at the Capacity Exchange

“We found the capacity exchange event a proactive and effective way to explore business opportunities with MGA members . The event was well organised and offered an innovative way to network . We look forward to supporting future capacity exchange events .” Jim Best  
Corporate Client Manager HSB Engineering

“What a great event – we thoroughly enjoyed it... 5 Minutes was about as condensed as you can get – but that in itself created a buzz. We are meeting with two insurers to discuss capacity – and others have made contact – even though we are much smaller than some of the other companies.” A new MGA member.

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## WHERE WE ARE NOW



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## TO CONCLUDE

The model is gaining popularity :

1. Reduces costs for insurers.
2. Give access to niche markets without the need for substantial investment in people and infrastructure

However the regulatory oversight required is increasing and the systems, processes and procedures demanded by capacity providers are growing.

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# QUESTIONS AND ANSWERS

