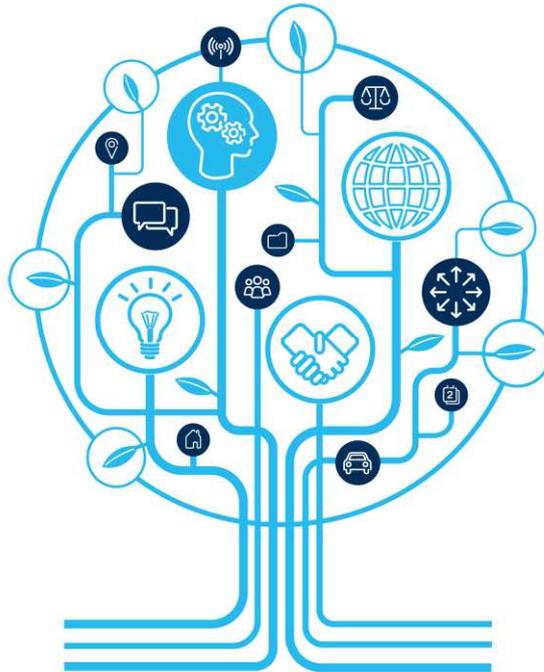


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AN INSURANCE BROKERS VIEW
OXFORD JULY 2015

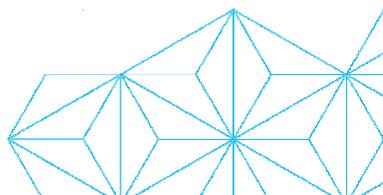


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PI FORUM

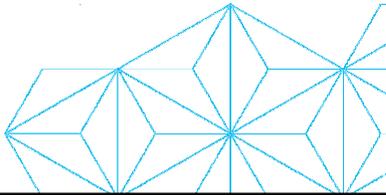
- Challenges facing the London Insurance Market
- Particular to the PI Insurance market
- Presenting a united front
 - Government
 - Regulator
 - Trade bodies
- Moving forward together

OUR KNOWLEDGE: YOUR ADVANTAGE



When facing uncertainty what do we do?

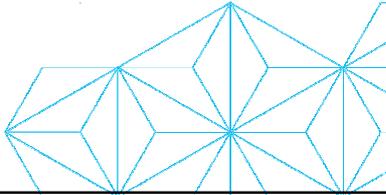
OUR KNOWLEDGE: YOUR ADVANTAGE



TAKING PRECAUTIONS – USA STYLE



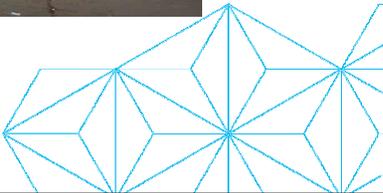
OUR KNOWLEDGE: YOUR ADVANTAGE



TAKING PRECAUTIONS – NEVADA
STYLE

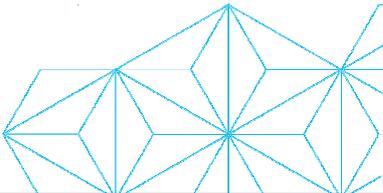


OUR KNOWLEDGE: YOUR ADVANTAGE



What would
we do?

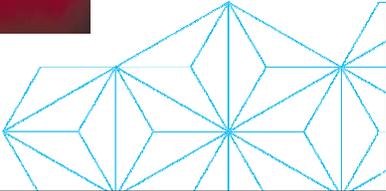
OUR KNOWLEDGE: YOUR ADVANTAGE



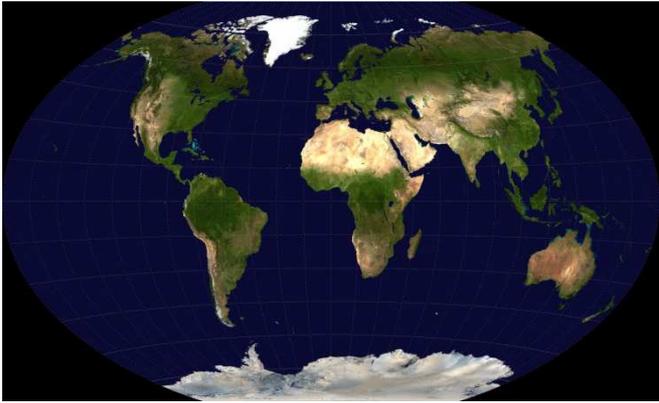
WE MIGHT.....



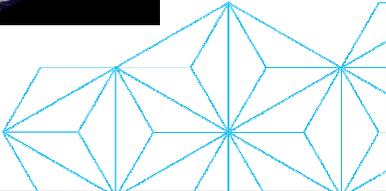
OUR KNOWLEDGE: YOUR ADVANTAGE



A WORLD WIDE MARKET PLACE



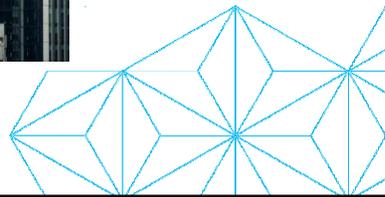
OUR KNOWLEDGE: YOUR ADVANTAGE



BUSINESS TO LONDON



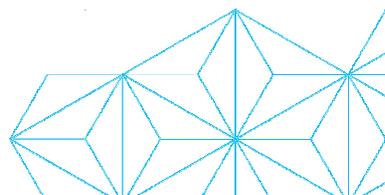
OUR KNOWLEDGE: YOUR ADVANTAGE



PI INSURANCE MARKET CHALLENGES – UK

- A big market, say £1.5bn premium
- Challenges in Underwriter profitability for many professions
- Miscellaneous classes driven to commoditisation
- Commoditisation creates issues in terms of understanding and advice and is increasingly used for major professions
- Claim landscape includes retrospective standards in certain areas
- Lack of consistency by Regulators & Ombudsmen

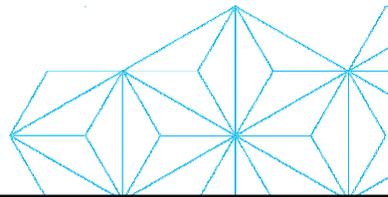
OUR KNOWLEDGE: YOUR ADVANTAGE



DIFFICULT TO GET DEFINITIVE STATISTICS

- Difficult to get definitive statistics
- Lloyd's statistics are backward looking and therefore are open to significant interpretation depending on stage within economic cycle
- Economic cycle drives claims in certain areas – but why should advice be negligent at some times but not in better economic times ?

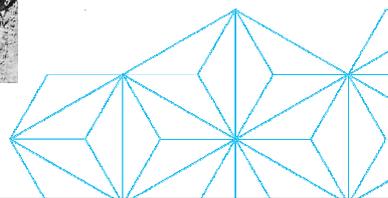
OUR KNOWLEDGE: YOUR ADVANTAGE



VIEWS FROM THE FRONT LINE



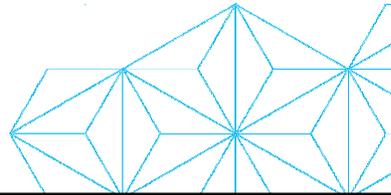
OUR KNOWLEDGE: YOUR ADVANTAGE



WHAT ARE PROFESSIONAL FIRMS SAYING?

- They don't pay (the Insurers) – they take the premiums but don't pay claims
- Waste of money (only buy because we have to)
- PI Insurance – load of b#l#s
- They keep restricting the offering
- Prices up / excesses up / coverage down
- Insurers are making a fortune

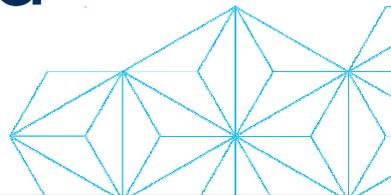
OUR KNOWLEDGE: YOUR ADVANTAGE



WE KNOW THIS ISN'T RIGHT BUT WHAT ARE WE DOING ABOUT IT ?

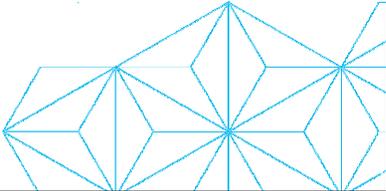
**A serious
response is
required**

OUR KNOWLEDGE: YOUR ADVANTAGE



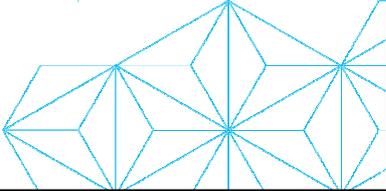
BREAK OUT SESSION ?

OUR KNOWLEDGE: YOUR ADVANTAGE



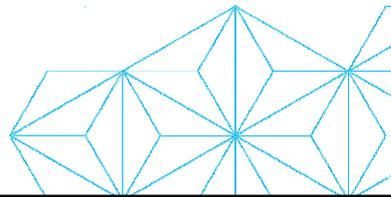
LETS SPEND A LITTLE WHILE CONSIDERING

OUR KNOWLEDGE: YOUR ADVANTAGE



OR... AN ACTUAL MEETING

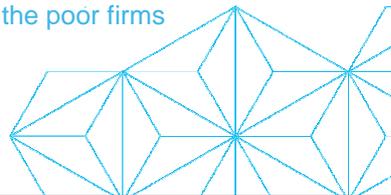
OUR KNOWLEDGE: YOUR ADVANTAGE



BUT WHERE DO WE START ?

- A united front
- Work with stakeholders - Insurers / brokers / lawyers together
 - Clients
 - Their local associations
 - Regulators
 - Professional bodies
 - FSCS
 - Ombudsmen
- Insurers should not be quasi regulators of the poor firms
 - Individual regulators should squeeze out bad firms

OUR KNOWLEDGE: YOUR ADVANTAGE

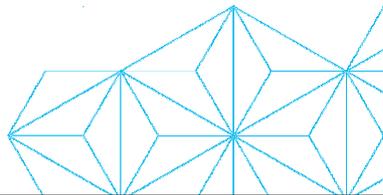


DIFFERENTIATE BETWEEN GOOD PRACTICE AND COMPETITIVE ADVANTAGE

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- As a broker it is obviously very important to differentiate your services from those of your competitors
- So I have to be careful where I go here!
- However there are certain things we should be able to agree on as good for the wider community...

OUR KNOWLEDGE: YOUR ADVANTAGE

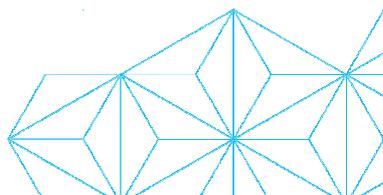


HEADINGS TO CONSIDER

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- Strategy
- Business Efficiency
- Education

OUR KNOWLEDGE: YOUR ADVANTAGE

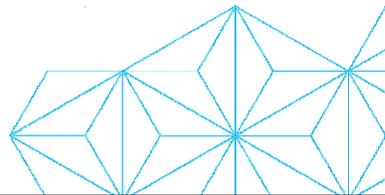


STRATEGY

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- For many of our clients, PI insurance is a regulatory requirement
- But it should not be one they make reluctantly
- In order to change this dynamic, we need to look at other areas:-
 - Promotion with all relevant bodies
 - Better sharing of data
 - Clearer positioning on the vital role PI Insurance plays in allowing Professional Practices to trade safely and grow

OUR KNOWLEDGE: YOUR ADVANTAGE

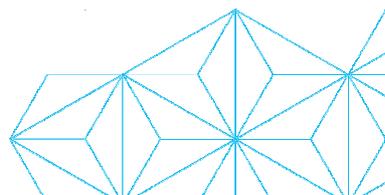


STRATEGY

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- Better understanding of the future needs of clients
 - Example Financial Advisory Market
 - Government positioning on Auto-enrolment
 - Pension freedom
 - Future role of Advisers
- How wider management liability policies and other policies dovetail e.g. cyber

OUR KNOWLEDGE: YOUR ADVANTAGE

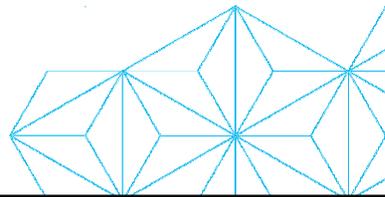


BUSINESS EFFICIENCY

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This is too big a subject to deal with here but as a market we do need to work together and embrace common platforms etc.

OUR KNOWLEDGE: YOUR ADVANTAGE



EDUCATION

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Consistent advice

On what purchasing
and why valuable

- Joined up thinking
- Ensure regulatory framework is conjoined with new policies

- The role Insurers play
- The problems faced
- The issues when policies/advice is changed retrospectively

OUR KNOWLEDGE: YOUR ADVANTAGE

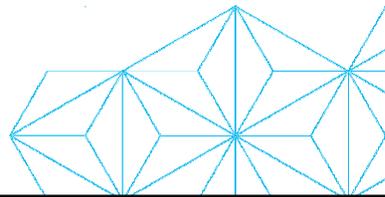


INTERNALLY

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- Consistent underwriting approach
 - Think about question sets in advance
- Don't get overrun by Actuaries
 - Underwriters must air their views and stand their ground
- Unrated Insurers are bad for the market!

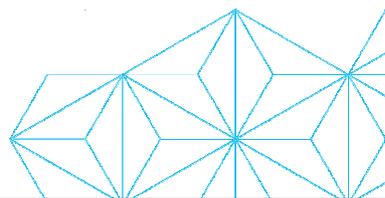
OUR KNOWLEDGE: YOUR ADVANTAGE



WE DO OUR SMALL BIT TO BRING BUSINESS TO LONDON

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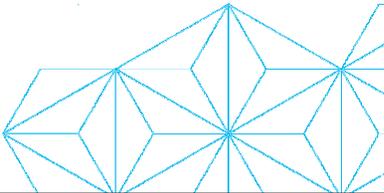
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IN TURN...

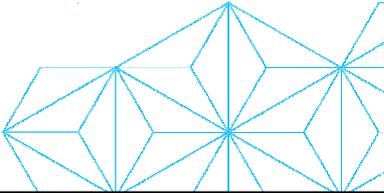
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NEXT STEP THE WORLD

OUR KNOWLEDGE: YOUR ADVANTAGE



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