

OUR ROLE IN A NET ZERO FUTURE

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enough in the fight to
stop global warming?

New technologies to
model fire risk

Testing your rQ

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Learning the long game

Effective leaders must become students in every facet of their business, says Chubb's regional president for Asia Paul McNamee.

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EVENT

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The panel will discuss a range of topics, including the changing

landscape for risk, conduct and customer advocacy, and the impacts of using technology to increase efficiency and agility.

In 2022, this event will be adapted to a hybrid format. Attendees can join us in person at the Cordis Hotel, Auckland, or virtually via the ANZIIF website.

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- + Learn about the current issues and challenges impacting the New Zealand insurance industry.
- + Identify key elements of change and opportunity.
- + Develop a deeper understanding of how these elements shape industry dynamics.
- + Apply this knowledge in workplace decision-making and planning.

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IN SHORT

› Insurers can help the world limit global warming to 1.5°C by advising their clients, investing in clean energy and other carbon-reducing innovations, and adopting net zero business models.

› The coal, oil and gas industries are the major causes of greenhouse gases, and insurers need to move out of insuring and investing in these sectors as quickly as possible.

› The insurance industry can be an incredibly powerful force in the drive for net zero, but it requires action and courage — especially from the market leaders.



The COP26 climate summit concluded in Glasgow last month with a consensus from almost 200 countries to accelerate action on meeting their Paris Agreement commitments. Despite the grounded flights, closed factories and empty highways in 2020 and 2021, COVID-19 hasn't stopped the countdown to 2050. In fact, the pandemic delayed the date we'll reach 1.5 degrees of warming by only three weeks.

According to Net Zero Tracker, 138 countries have committed to carbon neutrality by 2050, but even if all of them achieve their objectives, we can still expect a temperature rise of 2.5 to 2.8°C by 2100 — more than a degree higher than scientists say is the tipping point for irreversible climate impacts (see breakout pg. 9).

To have any chance of limiting global warming to 1.5°C, the world needs to halve greenhouse gas emissions by 2030 — giving us just eight years to make significant changes to how we live and work.

According to Michelle McPherson, a director of the Australian Sustainable Finance Institute and chief financial officer at IAG, insurers have a unique understanding of the risks associated with climate change, not only through their core underwriting practices, but because they see firsthand the devastating impacts that more severe and more frequent natural disasters are having on their customers.

Eight major insurers — AXA, Allianz, Aviva, Generali, Munich Re, SCOR, Swiss Re and Zurich — signed on to the United Nations' Net-Zero Insurance Alliance. Each member says they will transition their underwriting portfolios to net zero greenhouse gas emissions by 2050.

But with their client influence, investment funds and their own business net zero targets, can insurers make an impact beyond their own portfolios and help governments and businesses achieve even more?

NET ZERO:

rising to the challenge

The world has just eight years to halve greenhouse gas emissions if we want to limit global warming to 1.5°C. Insurers can play a critical role in achieving net zero, but are we doing enough, and are we doing it now?

PICTURED

Scientists are clear on the main sources of greenhouse gas emissions; oil and gas production (top), coal mining (bottom), and agriculture, including livestock.

‘Once the shift started among insurers, we saw quite rapid momentum on coal, but we haven’t seen that yet with oil and gas.’

Peter Bosshard / Insure Our Future

Influencing clients

One group that believes insurers can do more in this space is Insure Our Future, a global coalition of non-government organisations (NGOs) and social movements pressuring insurers to get out of coal, oil and gas and support the move to clean energy sources.

‘All actors in society need to get behind the goals of the Paris Agreement: governments, businesses, NGOs and citizens,’ says Peter Bosshard, a spokesperson from the group.

‘Insurers play an important role in shaping the direction of modern industrial society. They decide whether risks are acceptable or not, and which ones we can afford to take and which ones may be unaffordable.’

In their role of trusted business partner, insurers can educate and advise their clients on how to reduce and offset emissions.

One insurer that has a long history of providing climate-related insights is Parhelion, which was founded 15 years ago as a mission-oriented company, looking at the role of insurance in climate finance. In 2022, with investment from the Howden Group and US\$500 million additional capital currently being raised, it will launch the world’s first sustainable insurance carrier, providing traditional risk coverage and creating new and diversified environmental, social and governance (ESG) products.

Says Julian Richardson, founder and CEO of Parhelion: ‘The analogy we use is that the insurance industry does a lot of risk engineering. You could sell someone a fire damage policy and tell them where to put their sprinkler systems, and we can be doing the same for ESG and sustainability.’

Consultation needs to be respectful and constructive, but it also needs to have teeth.

Zurich, for example, says it engages with companies producing 65 per cent of portfolio emissions and lacking targets aligned with the Paris Agreement over a period of at least two years. It requires companies to set targets and promises consequences if they don’t.



'Should engagement fail, and companies refuse to set targets after due dialogue, Zurich will vote against board members at shareholder meetings,' a Zurich spokesperson explains.

But it's not only insurers who hold businesses accountable for their lack of action on climate change, says McPherson. 'More and more we're seeing investors, customers and communities holding businesses to account for their climate-related action. Businesses who set inadequate targets or don't achieve them risk being perceived as making empty commitments and not putting in the work to achieve real outcomes. They risk damaging their reputation and ultimately their bottom line, by not meeting their community, customer and stakeholder expectations.'

Making changes to reduce emissions should deliver rewards to the individuals and businesses that act. There, too, insurers can support change through innovative products and rebates.

'Some of the examples we see across the industry include offering insurance based on use, offering price benefits to businesses with strong ESG ratings, insuring low-emission and zero-emission technologies, and supporting policyholders to make their homes and businesses more resilient to natural disasters,' says McPherson.

An example of IAG's work to encourage customers to make greener choices is its Low Carbon Living Project, which is investigating how the organisation can encourage customers to integrate energy efficiency and renewable energy into their homes.

We need to talk about oil and gas

Scientists are clear on the main cause of climate change: greenhouse gases — specifically, carbon dioxide and methane. And the main culprits are coal mining, oil and gas production, and agriculture, including livestock.

While some activists question whether insurers should be underwriting coal, oil and gas at all, Richardson suggests a more measured approach. 'If we all suddenly stopped producing oil, gas and coal today, it would have massive impacts on the economy, people's wellbeing and so on,' he says. 'Engagement with these industries is important, but that's not an excuse for inaction. The transition has to be sincere and done responsibly, and at scale and speed.'

Getting out of fossil fuels also doesn't necessarily mean sacrificing profits. 'Those interests, which many years ago in some cases divested from coal and other fossil fuels and shifted their investments to the renewable energy sector, have done very well,' says Bosshard.

'Once the shift started among insurers, we saw quite rapid momentum on coal, but we haven't seen that yet with oil and gas, unfortunately.'

One insurer bucking that trend is Suncorp, which has stopped underwriting, insuring or investing in coal and new oil and gas projects. It will stop financing and underwriting all gas and oil projects by 2025 and stop directly investing in oil and gas by 2040.

Another mover is IAG. Says McPherson: 'Since 1 June



WHY 1.5°C MATTERS

1°C

Right now, the world is 1°C warmer than it was before the industrial era began in 1850.

The Paris Agreement targeted limiting global warming to 2°C above pre-industrial levels, but most scientists agree we need to aim for no more than 1.5°C — a tipping point. Even if we are to be able to cool down the globe after that point, the climate changes that are triggered can't be reversed.

1.5°C

At 1.5°C of warming, we can expect more severe land and marine heat waves. Ice sheets and permafrost will melt faster, sea levels will rise, the diluted saltwater could impact sea currents, and we will kill 70–90 per cent of our coral reefs.

On land, we can expect deserts to grow and the Amazon rainforest to start dying off. We'll also experience more extreme weather events — wildfires, floods and storms — as well as potential changes to the monsoon cycles.

2018, IAG stopped offering or quoting new policies to any entity where the majority of its assets are directly invested in or income is directly generated from mining or extracting fossil fuel resources. This position applies to all our professional risk products.

'We are also committed to ceasing underwriting entities predominantly in the business of extracting fossil fuels and power generation using fossil fuels by 2023.'

Other insurers are still working on mapping out their way forward.

'Through the Net-Zero Insurance Alliance, Zurich — together with peers — is working to understand how methodology can be developed to calculate the emissions associated with the underwriting portfolio,' says a spokesperson. 'Once there is a widely accepted methodology, analysis needs to be done on the transition pathways of the underwriting book and how we should expect the carbon emissions to develop in line with our path to a 1.5°C future. The final step is to translate that into realistic, actionable steps and work with our customers to facilitate the transition.'

But groups like Insure Our Future are looking for faster change. 'Several of the founding members of the alliance — particularly Allianz, Zurich, Munich Re and AXA — are major underwriters of oil and gas, and they are still underwriting the expansion of oil and gas,' says Bosshard.

'The alliance is working towards agreeing on a methodology, and members will need a detailed methodology for a comprehensive transition. However, they already know there are certain things they just can't do anymore. They have acknowledged that for coal, and they know it for the expansion of oil and gas but just haven't acknowledged it yet. They don't need to wait 18 months for a complicated methodology to address the clear-cut cases.'

'If some of the biggest actors moved, it would put peer pressure on the others. It would create momentum.'

Investing in the future

Green power sources need investment, and there may even be innovations that haven't been developed yet that will need capital and support. With their investment funds, insurers are in a strong position to put their money where their mouths are.

'Innovation is needed in all sectors,' says a Zurich spokesperson. 'We are already seeing a fast transformation of the automotive industry, with forecasts that battery-powered electric vehicles and internal combustion engine vehicles will be equally priced at parity by 2022. Carbon-intense sectors are accelerating the development of carbon-capture technology and sequestration solutions, and the food industry is thriving with new plant-based solutions to convince consumers to replace meat with vegetables. Finally, it is worth mentioning that efforts are underway to develop more sustainable aviation fuels and to explore how they can be deployed on a large scale.'

In Australia, Swiss Re has partnered with Southern Green Gas (SGG) to commercialise carbon-capture and



PICTURED

People took to the streets to demand action at November's COP26 Climate Summit in Glasgow.

sequestration processes. SGG has developed solar-powered direct air capture modules. The reinsurer says the carbon removal industry needs to grow to the same size as the oil and gas industry by 2050 if the world is to meet its Paris Agreement objectives. At that scale, carbon removal tech will be able to remove up to 25 per cent of the carbon dioxide emitted.

Elsewhere, QBE is supporting innovations in clean energy in Singapore. It's the lead risk insurer for the Sembcorp floating solar farm, comprising solar photovoltaic modules the area of 45 football fields, supported by food-grade, high-density polyethylene pontoons to minimise impact on water quality. The farm is located on the Tengeh Reservoir in order not to take up prized land in the city-state, and the cool water also allows the solar farm to operate more efficiently.

'As part of the negotiations, we agreed to undertake a number of risk assessments during the construction, so that we could learn more about the risk and provide ongoing recommendations,' says Brendan Dunlea, regional property and engineering manager for QBE Asia. 'As a result, we were also able to connect the client with other experts in the industry — such as a leading provider of lightning and surge protection technology.'

Richardson says insurance is 'a really important part of the capital stack'. 'It's both the glue and the oil of the capital stack: nothing gets invested unless it's insured,' he explains. 'On the underwriting side of the insurance industry, we have huge amounts of influence. Similarly, all the assets that are sitting on insurance balance sheets make up an enormous proportion of the ownership of stocks and shares and investments into the debt market. The insurance industry is fundamental to the change to net zero and achieving net zero.'

Bosshard points to life insurance companies, which are huge investors in real estate. If they invested in energy efficiency in the millions of apartments they own, they could accelerate the transition to more sustainable living directly and indirectly, by both creating the market and making some of these innovations more affordable.

'If a large investor in housing like a life insurance company installed solar water heaters in all its properties, it would become more affordable for everyone else,' he says.

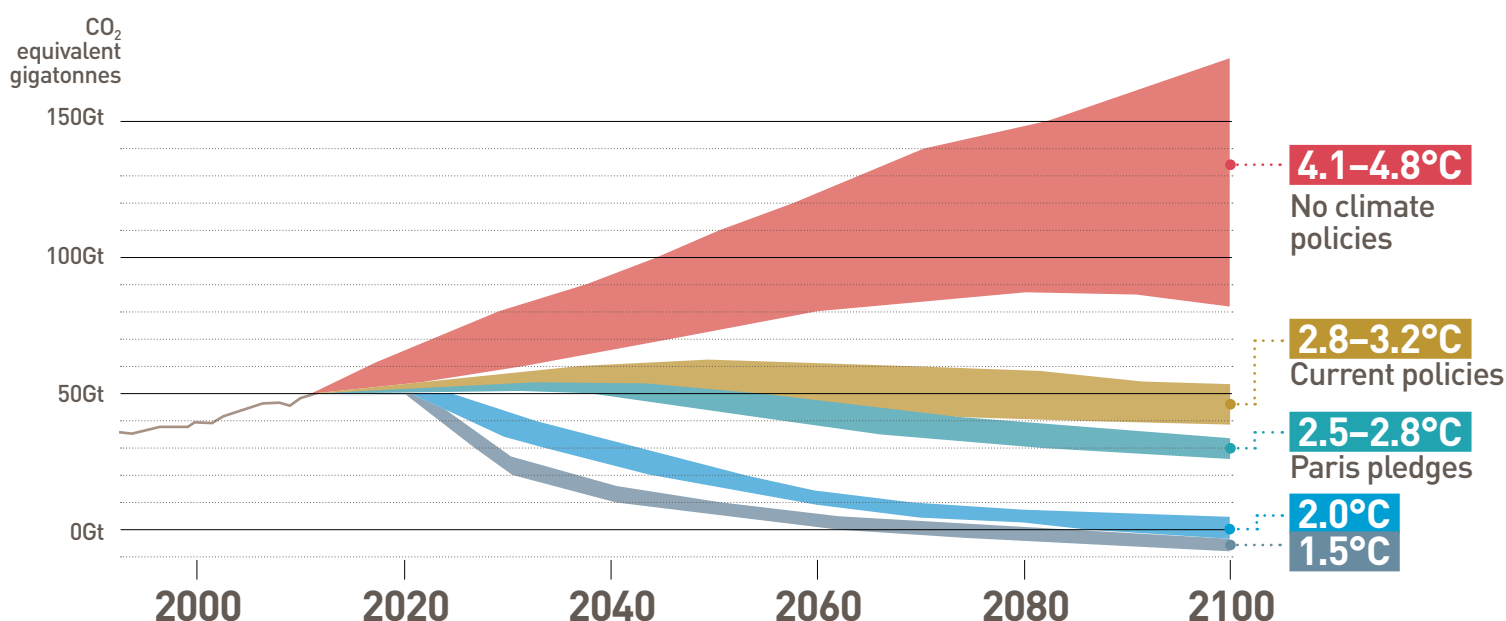
Richardson adds that the insurance industry can drive innovation by taking risks that investors and equity and debt providers can't or shouldn't take.

'That doesn't mean we should be reckless with what we're underwriting, but we can be a lot more

GLOBAL GREENHOUSE GAS EMISSION PATHWAYS

Even if all signatories to the Paris Agreement achieve their goals, global warming is still estimated to reach 2.5–2.8°C by 2100. With 2°C of warming, sea levels could increase by up to a metre, displacing 10 per cent of the world's population. Cities such as Shanghai (China), Dhaka (Bangladesh), Jakarta (Indonesia) and Bangkok (Thailand) are in danger of being underwater by 2050.

ANNUAL GLOBAL GREENHOUSE GAS EMISSIONS



Source: CO₂ and Greenhouse Gas Emissions, by Hannah Ritchie and Max Roser, ourworldindata.org

innovative about the new products that we offer,' he says. 'A lot of insurers have said, "let's sell property damage policies to wind turbines". Yes, every wind turbine needs a property damage policy, but that's not terribly innovative. Innovation of new products to take new risks that are being created because of this transition is a really important role.'

For example, customers can now purchase insurance cover for wave and geo-thermal energy, and bio fuels. There is also a growing market for carbon credit delivery coverage, designed to protect businesses if they fail to reduce their carbon dioxide levels enough to gain and then sell carbon credits to investors.

Within motoring and property, some insurers allow customers to replace a traditional petrol or diesel vehicle with a comparable electric or hybrid car in the event of a loss, or to rebuild or repair damaged property with eco-friendly, sustainable materials. In this way, insurers are replacing 'like for like' with 'like for better / greener'.

Change starts at home

The climate emergency challenges us all as individuals to reduce and offset our carbon footprints. Businesses can do the same, and many have already outlined how they intend to change their business models to achieve net zero.

In March 2021, Zurich announced it was setting new climate targets for its investments and operations. This includes cutting emissions from its operations by 50 per cent by 2025 and 70 per cent by 2029. And for its investment portfolio, by 2025, Zurich aims to reduce the intensity of emissions of listed equity and corporate bond investments by 25 per cent (tonnes CO₂-equivalent per US\$ million invested) and reduce the intensity of emissions of direct real estate investments by 30 per cent (kilograms CO₂-equivalent per square metre).

Across the globe, insurers are stepping up. In January 2021, Nippon Life Insurance became the first

Japanese insurer to aim for net zero emissions for companies in its stock and bond portfolios by 2050, with an interim goal of reducing portfolio company emissions by 26 per cent by 2030. Currently, Nippon Life's holdings are responsible for around 12 million tonnes of carbon dioxide annually. As one of the largest private institutional investors in Japan, it could influence other investors to follow suit, resulting in faster decarbonisation.

Insurers can reduce their own emissions, buy carbon offsets, overhaul underwriting, make their property investments green and revamp their procurement models.

Says Richardson: 'It's about how businesses transition to net zero, and doing that as appropriately and rapidly as possible, using the right tools. You've got to start with your own emission abatements and take decisive action. Then, there is the option of using carbon offsets for those emissions that aren't avoidable.'

CLIMATE LEADERS VS LAGGARDS

130+

According to the Energy & Climate Intelligence Unit, more than 130 countries have committed or are considering a commitment to carbon neutrality by 2050 or earlier. But how many are backing up their pledges with action?

CO2-

Only two countries — Bhutan in South-Central Asia and Suriname in South America — are currently carbon negative, meaning they are removing more carbon from the atmosphere than they emit.

13

New Zealand, Japan, France, South Korea, Canada, and the United Kingdom are among 13 countries that have passed their carbon-neutral targets into law. Many others (including Australia and the US) have policy documents, but for the remaining countries, carbon neutrality is still under discussion — meaning their pledges have no official standing.

Source: Net Zero Tracker

'We don't need to wait for the government; let's just get on with it.'

Julian Richardson / Parhelion

'Procurement doesn't just stop at buying low-energy light bulbs and renewable energy. Companies really need to green every line item. It's not enough to say they've procured renewable energy; they must look at every purchase that they're making and commit to sustainable procurement.'

Keep calm and lead

Insurers can make a real difference — if they want to — but it will take courage and decisive action.

'We don't need to wait for the government; let's just get on with it,' says Richardson. 'There are huge business opportunities out there to bring new, diversified, low-competition products and solutions to revenue lines and clients, and to work with people who understand the reality of the challenge that we're facing and the opportunities that are out there.'

Adds Bosshard: 'Insurance companies are very well respected because they take a long view. What they say and do often has a signalling effect beyond their own investments in their own businesses.'

'As a citizen, I would prefer governments and insurance companies to follow the science. We know we have to take action now. Committing to net zero by 2050 is meaningless if we don't use the chance we have to make progress today.'

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The Journal editor

'While the 2030 deadline to halve greenhouse gas emissions is alarmingly close, it's empowering to know how much we can do as individuals to make a difference. Insurers have a remarkable contribution to make too, and could be private-sector leaders if they break with fossil fuels and support clean energy and other sustainable innovations.'

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IN SHORT

➤ Digital IDs present opportunities for insurers to improve the customer experience and reduce the risk of fraud.

➤ The technology already exists and secure ecosystems that bring identifiable attributes together are emerging across the globe.

➤ Challenges for insurers include current limitations in infrastructure, engendering consumer trust and a willingness to collaborate with competitors.

Identity politics

One of the challenges of digital and remote interactions is establishing for certain that the person you're interacting with is who they say they are. Digital IDs could be a solution.

User identity is the Achilles heel of the internet. Proving who you are in the ever-growing digital world can require a mix of usernames, passwords, scanned documents, SMS codes and more. It's cumbersome for consumers and a boon for cybercriminals. In

Australia, one in four people has been a victim of identity crime, according to the Australian Institute of Criminology, and the New Zealand Department of Internal Affairs estimates identity theft costs its economy upwards of NZ\$200 million every year.

However, with billions of devices now connected to the internet, public and private sectors across the globe are tackling the problem through the introduction of robust, user-centric digital identity solutions. Plenty of insurers are getting on board with the aim of improving the customer experience, but as digital IDs also apply to objects and assets, experts say they can help reduce the risk of fraud.

Is it really you?

Digital IDs provide a single, streamlined way to prove identity for access to government and private-sector services, from selling a property to lodging an insurance claim. They can include everything from bank account details to public transport passes, as well as verifiable credentials, such as vaccination records and university degrees.

Much of the digital ID technology already exists in the form of digital wallets, blockchain and biometrics like fingerprint readers, retinal scanning and facial recognition. What's been missing, however, is the ecosystem that brings the identifiable attributes together.

That's changing in countries across the globe. In Australia, for instance, the federal government's Digital Transformation Agency (DTA) has spent more than A\$210 million developing a national digital ID program that allows single login access to government services such as Medicare and the Australian Taxation



HEALTH INSURERS PROVIDE LESS CONTACT, MORE CONVENIENCE

Contactless mobile payments have boomed since COVID-19 swept the globe. In July 2021, health insurers Bupa, Medibank, nib and GU Health took steps to improve the customer experience by offering a digital membership card as part of a world-first launch of contactless digital health insurance cards in Apple Wallet.

Medibank customers, for example, can activate their digital card via My Medibank App and claim on the spot at 20,000 healthcare practices by holding their iPhone or Apple Watch near any HICAPS claims terminals in Australia.

An encrypted connection between the smart device and HICAPS terminal ensures Apple does not receive any private health information.

'It's about giving our customers a simple and secure claiming experience directly from their device,' says Rob Deeming, Medibank's group executive of customer and brands.



VACCINATION PASSPORTS: A TICKET TO FREEDOM?

The COVID-19 pandemic has brought the value of the digital economy into sharp focus. Many countries are developing a digital vaccine passport as a way of managing the risks.

In China, a vaccine passport for citizens is stored on the social messaging app WeChat, and allows individuals to travel across the border, enter grocery shops and move freely in society. In the European Union, holders of the Digital COVID Certificate should be exempt from testing or quarantining when crossing a border within the EU. New Zealand's Ministry of Health has developed a digital vaccine passport known as My Covid Record. And in Australia, those who are fully vaccinated against the virus can access a certificate — paper-based or stored in a digital wallet — as an authorised ticket to greater freedom of movement.

Deloitte's John Jones says vaccine passports and certificates are currently 'clunky, early-stage versions' of what verifiable claims may look like in the future. In Australia, questions have already been raised about the security of the vaccination certificate, with several software developers identifying a number of flaws in the system when it was first released that could lead to forgeries.

'The market is not very mature in places like Australia, and it may be that each state will need to hook into a government agency like Services Australia to get the relevant data and surface that alongside a QR code,' he says. 'Eventually, we'll get to a point where there is a central ecosystem for the data, and this will promote security.'

Office, and future expansion is expected to include private-sector organisations.

The European Commission recently proposed a framework for a European Digital Identity, which will allow all European Union citizens to prove their identity and share electronic documents from a European digital identity wallet stored on their phone. In New Zealand, organisations such as Digital Identity NZ are assisting the government in developing a digital ID trust framework that will set the rules of engagement for all participants.

Insurance industry players are already tapping into digital ID programs in places such as Hong Kong, where digital life insurer Blue has adopted the government's iAM Smart authentication method for selected insurance products. Rather than uploading an image of their Hong Kong identity card when making a new online policy application, registered users can verify their identity via the iAM Smart mobile app.

Meanwhile, AIA Singapore recently became the first insurer in the city-state to connect to the government's Singpass program, which enables users to access more than 1,400 government and private-sector services online and in person via their fingerprint, facial recognition or a six-digit passcode.

Melita Teo, AIA Singapore's chief customer and digital officer, says the integration is part of the company's broader digital transformation strategy. 'It provides fast, secure and even more convenient customer experiences without compromising their data security, which is essential in an increasingly digital world.'

Power to the people

Michael Murphy, executive director of Digital Identity NZ, says the ultimate goal of digital identities is the creation of secure, user-centric, user-controlled data.

'One of the biggest pains in applying for things like insurance, for example, is filling in all the paperwork,' he says. 'Imagine if all the information you needed was located on your phone.'

This is the convenience behind AIA's integration of Sign with Singpass, which allows users to digitally sign an electronic document via the Singpass mobile app. This means customers can remotely authenticate and digitally sign new business applications — a valuable tool during COVID-19 lockdowns, says Teo.

'We were fortunate that the hard work of setting up our digital ecosystem infrastructure had already been done pre-pandemic,' she adds. 'The integration further enhances remote authentication and boosts digital signing capabilities with biometric technology to accelerate our digitalisation.'

‘Nirvana is when we reach a point where you can open up your phone and access any service without having to remember a username or password.’

John Jones / Deloitte



Reducing risks

Insurers have always relied on data for risk assessment, underwriting and pricing. With digital IDs, verified data can help detect and prevent fraudulent claims and policy applications.

AI-based video identification is being used to meet know-your-customer and anti-money laundering requirements and prevent fraud. In the video calls, customers answer a few simple questions and present any documents a company needs to sight. The video-call software uses biometric facial recognition, and analyses body movements to check the customer is a real, living person.

John Jones, digital identity partner at Deloitte Australia adds that pricing can become more granular when an asset can be precisely identified through a digital ID.

If the assets you owned were recorded on a blockchain, for instance, you could share that with an insurer and, in theory, get a home and contents insurance quote without needing to share your identity at that point, because the insurer would have confidence about the provenance of your assets.'

Digital IDs can also lead to more personalised cover, says Murphy. 'Behavioural data is already used by insurers to determine things like car insurance premiums,' he says. 'If an insurer can identify exactly who is driving exactly what car, they can start to segment and slice that insurance much more granularly.'

Private matters

While consumers have a growing appetite for digital convenience, many remain concerned about the protection of their personal information.

Ben Hamilton, partner at law firm Hall and Wilcox, says digital ID systems require a robust privacy framework to foster public trust and protect individual privacy. He notes that as Australia's digital ID system is rolled out to state governments and the private sector, it will bring into law a set of principles covered by the current Trusted Digital Identity Framework. This includes restrictions on data profiling, data collection and the use of biometric information.

'With respect to biometric information, it will limit the circumstances in which that can be collected by others, and it will be subject to a consent regime,' says Hamilton. 'For instance, others may be able to access biometric information for proof and authentication purposes only, but there will be restrictions on collecting it and it will have to be deleted.'

'It's too soon to tell exactly what the new laws will entail, but privacy, data security and consumer protection will be a clear focus.'

For AIA Singapore, the challenge was in promoting uptake of the digital ID service across its existing consumer base.

'Younger customer segments were already digital natives and accustomed to interacting and transacting online,' says Teo. 'However, when COVID-19 circuit-breaker and heightened alerts were announced, it was more our mature customers who began exploring digital channels, some for the first time.'

'In short, we see our challenge as making sure that our technology is democratised — equipping employees, AIA insurance representatives, as well as customers to maximise its benefits without leaving anyone behind.'

Coming together

Getting the infrastructure right is another challenge for digital ID systems, says Murphy.

'There are interoperability issues between sectors,' he says. 'It's complex enough within your own industry to get everyone to come together to build an ecosystem, without trying to consider how an individual login with health data can actually be used in financial services, for instance. There's not as much cross-industry collaboration as there needs to be, but I think that will come.'

Jones adds that industry collaboration may delay progress of digital IDs in some sectors.

'When you think about Australia's open banking system, banks are now required to share customer data with each other when a customer requests it,' he says. 'A concern among insurers, for instance, may be that if they participate in an ecosystem of other insurance providers, what does that mean for them? I think there's a tendency to wait and see what other industries are doing before some are willing to take the step.'

However, Jones stresses that digital IDs are set to transform the customer experience and tighten data security.

'Nirvana is when we reach a point where you can open up your phone and access any service without having to remember a username or password,' he says. 'We're not there yet, but that's where we're heading.' //

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'I look forward to the day when I can forget my passwords for good, but the key advantage of digital IDs is that they give consumers greater control over their own data. With companies collecting less information about their customers, there's also less at stake in the instance of a data breach, so it's a win-win for both parties.'



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Aurora Voss

Story Anna Game-Lopata

Photography Michael Amendolia

Building blocks for success

As co-founder and CEO of Zemble, Aurora Voss is searching for ways to simplify the digital experience for those on the insurance industry frontlines.



Insurtechs have been powering an incredible transformation in the insurance industry, but if you ask Aurora Voss, CEO and co-founder of web-based SaaS [software as a service] platform Zemble, customer fundamentals remain key to achieving success.

'As an insurtech with new tools to offer, we've had to focus first and foremost on winning and building trust with customers,' she says. And that often means something very different to the "move fast and break things" approach that has become so synonymous with start-ups.'

Initially, Voss came to Zemble (formerly ClaimSpace) as an investor through H2 Ventures, Australia's earliest-stage artificial intelligence and fintech-focused venture capital firm. Working with early-stage fintechs gave her an understanding of what it's like to build technology for highly regulated industries and their customers.

With backing from H2 Ventures, Voss joined Zemble as co-founder and CEO in early 2019.

'We knew that the experience of frontline staff dealing with complex claims and compliance processes in insurance and financial services was frustrating and inefficient,' she says. 'As a kid, I clearly remember how stressful the claims experience was for my parents when we lost our home in a flood.'

The core issue

Voss says that part of the problem is the complicated relationship that industries like insurance have with 'core tech', which results in a lack of transparency.

'This leads to separate, over-customised and department-specific ERPs [enterprise resource plannings], each being used to perform what are often very similar systems or adjacent tasks,' she says. 'The result is a generally siloed approach to data, which shows up as very clunky workflows that create complicated experiences for customers and everyone else outside the enterprise.'

While Voss believes the insurance industry at large gets a 'bad rap' for being slow moving and 'not innovative enough in its thinking', she argues it's actually a chicken-and-egg situation.

'It's hard to be innovative if you're working with tools that limit your ability to adapt quickly or to focus on higher-value work,' she says.

'Insurance organisations are dealing with an unprecedented rate of regulatory change, and their systems just can't keep up with it. For example, in Australia, the definition of "claim start date" varies from code to code, so it's more important than ever to have tools that can make complying and reporting on compliance much easier and faster.'

A single source of truth

The Zemble platform allows insurance organisations to do just that, without the need for any technical expertise. Zemble's process builder allows claims, complaints and compliance teams to map and execute complex processes involving many stakeholders, steps and materials. With configurable workflows and real-time collaboration, Zemble acts as a single source of truth for every case.

'At Zemble, we saw an opportunity to support small to mid-market insurance and financial service businesses with new "building blocks" that help deliver secure and accessible digital experiences to everyone involved in complex claims and complaints processes,' says Voss. 'We truly connect the front and back office.'

Zemble raised pre-seed funding of around A\$1 million in early 2020 from venture capital and angel investors in both Australia and the United States.

'We've used those funds to further develop our product, win an early stable of customers and grow our core team,' says Voss. 'Soon we will look to start raising our seed round of capital, which will allow us to further fuel R&D and customer acquisition with a focus on the US and Canadian markets.'

'It's hard to be innovative if you're working with tools that limit your ability to adapt quickly or to focus on higher-value work.'

TWO-MINUTE BIO

Aurora Voss

COMPANY // Zemble

TITLE // CEO and co-founder

EDUCATION

Bachelor of Arts, Arabic and Islamic Studies, University of Sydney.

BACKGROUND

Aurora Voss was born in South Africa and immigrated to Australia with her family at the age of 10. After initially deciding she would like to be an eye surgeon and beginning a pre-med course, she changed direction and travelled instead to the United Kingdom. There, she worked for the National Health Service rolling out new diagnostic technology for diabetic retinopathy.

CAREER

On her return to Australia, Voss undertook a bachelor's degree in Arts and then embarked on her start-up technology journey, beginning with the role of head of customer experience at The Entourage, an education company for entrepreneurs and business owners. She later worked at KPMG's High Growth Ventures before accepting the position of program manager at H2 Ventures in 2017. With the backing of H2 Ventures, she co-founded insurtech ClaimSpace the same year. The start-up was later rebranded and redeveloped as the web-based SaaS platform Zemble, and Voss stepped into the CEO role in 2019.

OUTSIDE THE DAY JOB

Away from work, Voss enjoys spending time with her husband and two young sons. She is also a board member of Insurtech Australia and loves connecting with others across the industry.

ANZIIF MOMENT

Voss recently participated in an ANZIIF online panel discussion about the way forward for innovation in insurance. The panel was held as part of ANZIIF'S Women in Insurance Month and Year of the Insurance Professional.

TOP TIP

'Always aim to ask better questions and listen to learn.'

‘The best insurance organisations I know are able to act as ecosystem orchestrators, because they connect everyone needed for the best outcome ...’



An eye to the future

Born in South Africa, Voss immigrated to Australia with her family at the age of 10. A hereditary corneal disease inspired her early dreams of becoming an eye surgeon, and, as a teenager, she spent many afternoons after school and during holidays working for one of Australia's leading eye specialists, Paul Beaumont.

‘Paul has been one of the most important people in my career, as he gave me a chance, early on, to learn so much about the healthcare industry and the technology driving it,’ she says.

However, just three weeks into her pre-med degree, Voss decided to change tack and travelled to the United Kingdom, where she took a job with the National Health Service rolling out new diagnostic technology for diabetic retinopathy.

When she returned to Australia in her mid-twenties, she chose a degree in Arabic and Islamic Studies. ‘I have a knack for languages and I love learning about new cultures,’ she says. ‘For better or worse, I didn’t do [the course] thinking about the job I would have at the end.’

Building blocks of trust

Without doubt, winning trust and business from Zemble customers is the achievement Voss is most proud of, as well as ‘building a dedicated and diverse team focused on open communication and respect’. She reveals the Zemble team has ‘big things’ planned for its customers.

‘We’ll continue to enable them with the most secure and accessible building blocks that turn their complex processes and stakeholder networks into high-performing, empathetic experiences,’ she says. ‘In particular, we look forward to supporting our customers to adapt their processes and reporting capabilities to changes in current regulatory requirements.’

Zemble will also continue working with small to medium-sized carriers, managing general agencies, third-party administrators and other insurance-related businesses here in Australia, ‘but with an increasing focus on the US’.

According to Voss, the biggest opportunity for the insurance industry is to empower its people with the most flexible and empathetic tools possible. This will allow those who know the industry and its customers best to create meaningful experiences and outcomes for all.

‘I’m hoping to see core systems shift to the cloud, as this will help insurers become more nimble when launching new products and creating better customer experiences,’ she says.

‘And as we all realise, insurance truly does “take a village”. I think we’ll see ecosystems and partnerships continue to develop globally.’

‘The best insurance organisations I know are able to act as ecosystem orchestrators, because they connect everyone needed for the best outcome — that includes customers, distributors, vendors, healthcare providers, carriers and reinsurers.’ //

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Creating the **IDEAL** **WORKPLACE**

New research examines how employers
are holding onto their talent amidst
record-breaking candidate shortages.





IN SHORT

- › The COVID-19 pandemic has exacerbated an already tough insurance job market. The biggest challenge is the shortage of candidates.
- › New research by ANZIIF has looked at how employers are attracting and retaining talent. Flexible work is important to two-thirds of employees surveyed.
- › Along with compensation, older employees are seeking a challenge as one of their top career priorities.

Mandarin feature



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The COVID-19 pandemic has made it more challenging than ever to attract talent in the insurance industry. With international borders closed, supplies of international talent have been cut off, and many employees have been reluctant to change roles during a time of great uncertainty and upheaval.

Attracting talent has often been challenging for the insurance industry, so in some ways it is better prepared to overcome today's stressed job market. With the majority of the workforce falling into their roles by chance rather than design, insurance has long been dubbed an invisible industry, with few people studying insurance or actively seeking out a career in it.

A candidate's market

New research by ANZIIF has revealed how employers are attracting and retaining talent in these turbulent times. According to the study, *The Ideal Workplace*, insurance is swiftly becoming a candidate's market, with more jobs available than there are candidates to fill them. Two-thirds of employers have found it difficult to fill roles in 2021 and are reporting a lack of experienced and qualified talent, and that high salary expectations are prevalent.

Cameron Watson, head of strategy at Fuse Recruitment, agrees with the findings. 'I've been in insurance for 30 years and this is the most challenging employment market I have seen,' he says. 'The next 12 to 24 months are going to continue to be incredibly challenging, and it is coming off the back of what has always been a particularly candidate-short market.'



Ben Holloway

Strategic partnership manager — special projects at Partners Life in Auckland, and 2019 winner of the ANZIIF Young Insurance Professional of the Year (New Zealand)

Q Why did you join the insurance industry?

I'm pretty similar to most people in that I didn't choose the insurance industry. In my last year of university, I did an internship with Westpac and that's when I came to understand the insurance aspect. From there, it was a matter of networking and building relationships that led me to getting into the insurance industry. I finished my last university exam on the Friday and I started in the industry the following Monday! I also had personal experience with the insurance industry. My dad had cancer and if he hadn't had health insurance, he wouldn't be alive today. So, I had a huge appreciation for this industry and what we do.

Q What were the most important factors when deciding to accept your current job?

Early on in my career, I reached out to Rob Fyfe, who is a business legend over here in New Zealand. One of his pieces of advice that really struck me was, 'find leadership and culture that you think is worth following, and don't chase the big brands or remuneration early in your career'. An opportunity presented itself where I could broaden my skill set and rejoin [COO] Nadine Tereora at Partners Life, who is a type of leader that I believed Rob's advice spoke to.

Q What would make you consider moving employers?

Culture is important. Throughout my career, I've been fortunate enough to be part of teams that had a strong culture and have seen the incredible results that stem from this. That's what would make me move to a different employer: if I felt the culture was lacking.

Q Would you consider a career outside insurance?

For me, it's not so much about which industry I'm in, but the change I can effect where I go. At this stage in my career, I have set my focus on gaining international experience in a leadership role and this would be a key consideration for my next move.



Jillian Pancott

Senior manager, Forensic Advisory Services division at Sedgwick in Sydney, and 2019 winner of the ANZIIF Young Insurance Professional of the Year (Australia)

Q Why did you join the insurance industry?

I was doing a university internship placement program in Canada and I thought forensic accounting sounded interesting. I didn't fully understand the scope of that role. I realised that it was actually predominantly around insurance and I found it fascinating, particularly doing modelling and analysis in relation to future performance. It seemed like a natural choice for me after I graduated in business and accounting.

Q What were the most important factors when deciding to accept your current job?

It was the chance to be involved in the process of helping businesses and individuals get back on their feet after something's happened to them through an insurance claim. My previous roles were probably one step removed, so I couldn't see the results of my efforts. My analysis would be sent off to the principal that engaged us and they would settle the claim. I didn't know how much of my analysis they relied on, or if all the parties were happy with the outcome.

Q What would make you consider moving employers?

I've been with Sedgwick for six years and I wouldn't consider moving. Hypothetically, though, it would have to be to a business that aligns with my principles — it would need to be another company that is actively involved in trying to get the best outcome for everyone.

Q Would you consider a career outside insurance?

I'm a big baseball fan and I've always followed my home team, the Toronto Blue Jays. Before I got the role at Sedgwick, I was considering an internal accounting or marketing role with the Australian Baseball League. It never came to fruition because I joined Sedgwick instead. I realised that it was more because I was burning out in my previous role, and therefore thinking about doing something completely different.

FINDING THE RIGHT FIT

Three young, ambitious insurance professionals explain what is most important to them in selecting a role and remaining with their organisation.



Nicholas Chan

Senior branch manager of Manulife (International) Limited, and 2021 Asia Trusted Life Agents & Advisers Awards Rookie Insurance Agent of the Year and Young Executive of the Year

Q Why did you join the insurance industry?

I graduated from the School of Journalism and Communication at The Chinese University of Hong Kong in 2016, then I worked as a TV sports reporter and host. Two years later, I realised my career had reached a bottleneck and I decided to take a leap of faith outside my comfort zone. Financial planning offered me a promising path to move up the career ladder, which comes with huge income potential and personal growth.

Q What were the most important factors when deciding to accept your current job?

Freedom to create and flexibility were the biggest motivations for me to accept this job, as we are building our own business and personal brand. In building my business, I also make use of my own social media platforms, such as Instagram, to create educational content about wealth management, and this explains why a majority of my clients are young professionals and millennials.

Q What would make you consider moving employers?

I'd consider the company's vision and strategic priorities, its brand and reputation, as well as its market position. I'd also take into account whether the employer appreciates our efforts with incentives and rewards, especially for young leaders like me.

Q Would you consider a career outside insurance?

Not now, as my plate is full with sales and learning.

Within the sector, the most acute skills shortages are in professional indemnity and liability claims at the consultant and manager level, given the increasing number of claims, according to Carl Piesse, director at recruitment agency Hays. Commercial claims consultants are also in great demand for the same reason.

Underwriters with strong relationship development and communication skills are highly sought after, because the automation of manual processes has pushed the function out of the back office and into relationship management, he adds.

Retaining top talent

Watson has observed that companies are doing a much better job of retaining talent because they understand how difficult things are at the moment. With an impressive range of employee initiatives, Zurich is a prime example of an organisation working hard on this. Last year in Australia, it launched a female sponsorship program to develop future leaders. Each participant is matched with a senior leader with significant influence in the organisation, who advocates and connects their sponsee with their networks and potential career-advancing opportunities.

The ANZIIIF research also found that with working from home becoming the norm for almost two years, employees expect flexibility in the future. Two-thirds of employees say flexibility is of relatively high importance to them, and 68 per cent want some form of hybrid working arrangement. Only 12 per cent want to work from home exclusively.

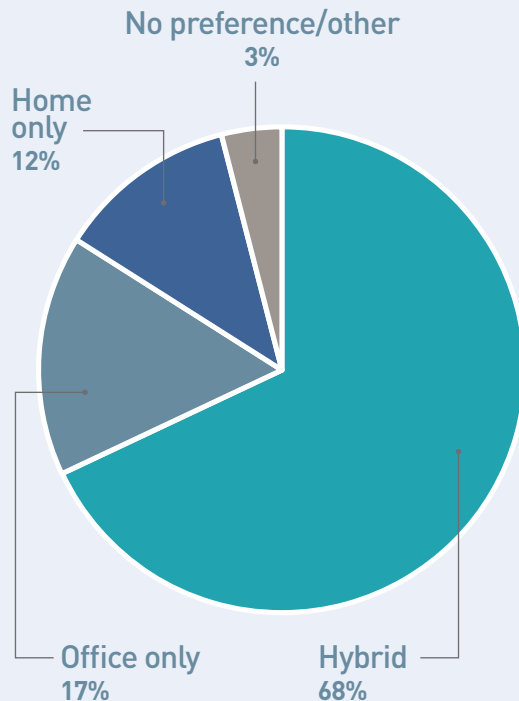
'Candidates now expect working from home or hybrid working to be standard.'

Carl Piesse / Hays Recruitment



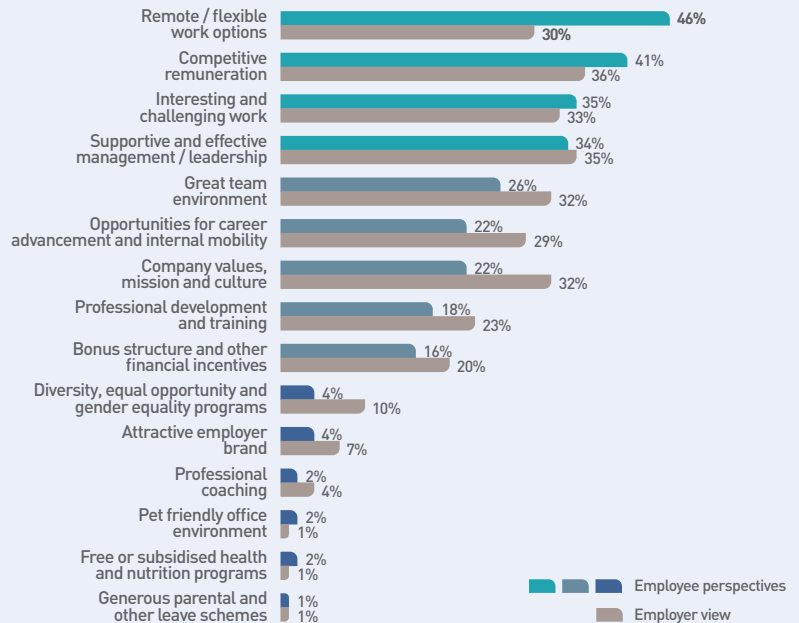
PREFERRED PHYSICAL WORK ARRANGEMENTS

A majority of ANZIIF's *The Ideal Workplace* survey respondents said they preferred a hybrid work arrangement, combining time in the office with working from home.



WHAT FACTORS ATTRACT AND RETAIN EMPLOYEES?

While employees in the survey said flexible work options and competitive remuneration were the two most important employment factors, employers said salary, supportive and effective leadership, and interesting and challenging work were key to attracting and retaining talent.



Source: ANZIIF 2021 Corporate Supporter Research, *The Ideal Workplace: Talent, Attraction and Engagement in Insurance*.

After the first lockdown in New South Wales in 2020, Zurich encouraged employees to adopt a working rhythm of three days in the office and two days from home. It aims to have all Australian offices adopt the model once restrictions ease across the country. 'It's important to strike the right balance, so we continue to foster a great culture and help newcomers when onboarding and navigating their way, particularly during the first six months,' says a Zurich spokesperson.

Changing priorities

According to Piesse, a competitive salary and flexible working options are the two most important factors for job seekers today.

'Candidates now expect working from home or hybrid working to be standard,' he says. 'For suitable roles, employers who fail to offer this flexibility find that candidates quickly lose interest.'

Piesse adds that this is especially true for claims consultants and underwriters, as there is no need for teams to be together to carry out their duties.

Watson believes that younger employees are more focused on remuneration and career development opportunities than flexibility.

'More senior employees who are 45 years and over tend to be seeking a challenge that is going to satisfy them, along with flexibility and the ability to work from home,' he says. 'Flexibility is also important to younger candidates, but it doesn't tend to be the number one priority.' //



JESSICA MUDDITT

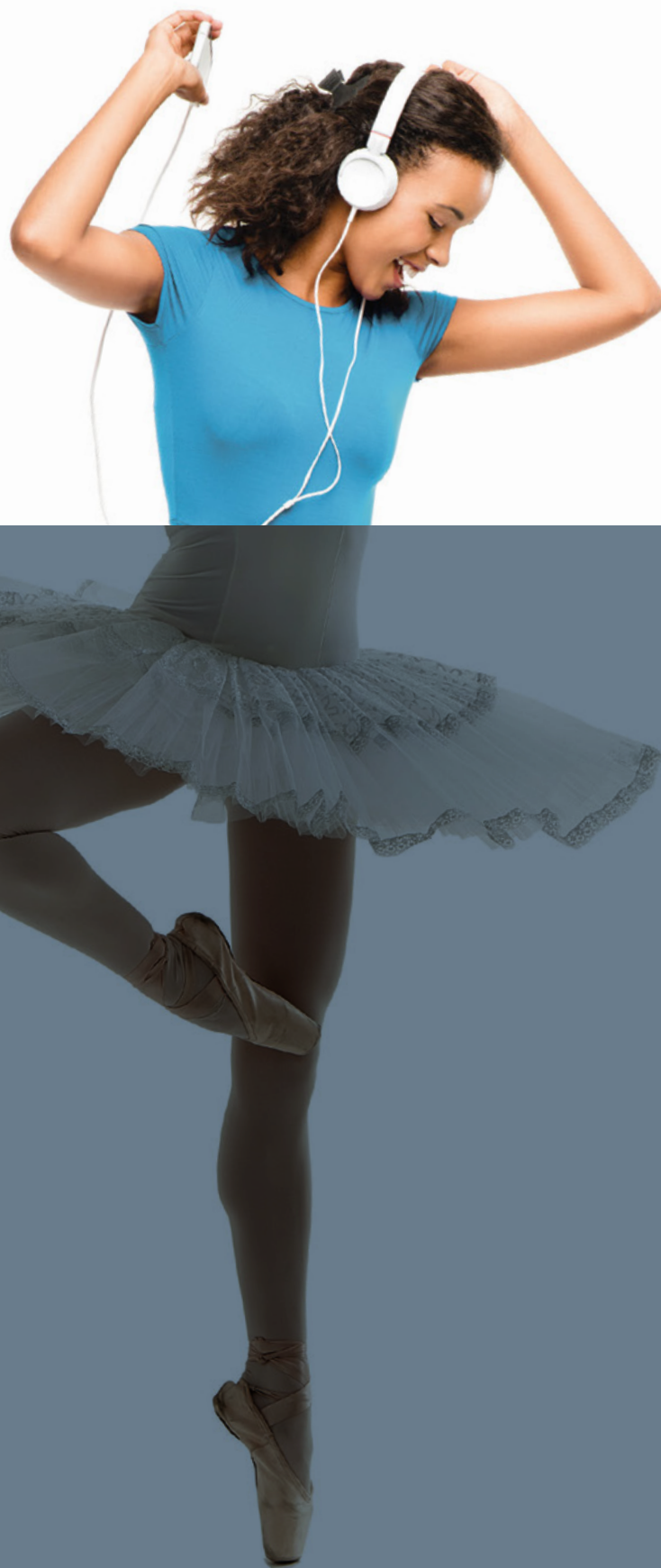
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'One of the most interesting findings of the research was that only 12 per cent of employees would like to continue working from home exclusively once lockdowns end and it is safe to return to the office. I expected it to be higher than that — but then again, hybrid working really does seem like it could offer the best of both worlds. I am happily home-based and will remain so!'

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Learning the long game

An effective leader must become a student in every facet of their business, says Chubb's regional president for Asia Pacific **Paul McNamee**.

For Paul McNamee, Chubb senior vice president and regional president for Asia Pacific, building a large, successful insurance company is not a sprint. He says that is a tried strategy which usually 'ends in disappointment'.

Instead, he says, it's more effective to have a sound, strategic plan that is aligned to customers' needs and backed by a sense of discipline in exposure management, pricing of risk, reserve management, claims leadership, technology and employee welfare.

Desire to contribute

While McNamee says he did not start his career with the desire to be a leader, he always had a sense that the best way he could contribute to the success of Chubb, and bring value to its customers and stakeholders, would be to lead the business in the APAC region.

'As a leader you will always have your specialties; however, you must become a student in every facet of your business,' he says.

'For example, if you're investing in technology, you must understand it deeply, not superficially. Similarly, if you are selling a new product, you need to be absolutely certain about the impact of the new exposure to the balance sheet, solvency and liquidity.

'Innovative new small products can often lead to the most extreme of risks. Lessons have been learned and are continuing to be learned today in our region from failures of leaders to properly evaluate such decisions holistically.'

Migration and mentors

Born in South Africa's Eastern Cape province, McNamee came to Australia with his parents in 1977, when he was

two years old. Like most of the friends he grew up with in the eighties, local sport played a big part in his early life.

He entered the insurance industry in 1995, starting his career at CIGNA Corporation's international operations in Australia and joining ACE (now Chubb) the same year, underwriting the commercial property business in Australia and later Asia, Europe and the United States. McNamee returned to the Asia-Pacific region in 2013, where he held a variety of general management positions throughout the company.

He says he's been very fortunate to have had several strong mentors in his career at Chubb.

'In fact, my very first mentor, who hired me as an underwriting assistant 26 years ago, still works with us today — and, yes, I still seek advice from time to time when enquiring about what's happening on the front end of our business.'

Shared history

McNamee loves the fact that at Chubb, the majority of senior leadership has been together for a long period of time, navigating the company through many opportunities and challenges over the past few decades.

'As a team, we talk regularly, and during the most challenging times it is literally every day,' he says. 'So in that sense, I feel we all act as mentors for each other — it's very comforting.'

Personally, McNamee is most proud of 'helping build this great company' into what it is today at all levels of the organisation, both in Asia Pacific and around the world.

He says it's 'well known' that Chubb is a company of builders.

TWO-MINUTE BIO

Paul McNamee

COMPANY // Chubb Group

TITLE // Senior vice president and regional president Asia Pacific

BACKGROUND

Paul McNamee was born in South Africa and immigrated to Australia with his parents in 1977, when he was two years old. A sporting enthusiast growing up, he attended St Ignatius' College Riverview on the Lower North Shore of Sydney.

CAREER

McNamee started his insurance career in 1995, joining CIGNA Corporation's international operations in Australia. The same year, he was appointed underwriting assistant for ACE (now Chubb). He was named head of Property and Technical Lines for Asia Pacific in 2002, based in Singapore, and went on to become chief operating officer for ACE in Hong Kong before being posted to London in 2005 as the executive vice president and head of ACE's International Property and Technical Lines business. In 2013, he became deputy regional president and executive vice president, Commercial Property and Casualty, Asia Pacific, a position he retained after ACE's acquisition of Chubb in January 2016 (ACE adopted the Chubb name globally after the acquisition). Previously, he was president of ACE's North America Property and Specialty Lines.

OUTSIDE THE DAY JOB

McNamee says most of his time outside work is spent as a part-time taxi driver, part-time commerce tutor, part-time chef and full-time sporting spectator for his teenage children. He enjoys all sports, particularly team sports such as rugby, and he loves to ski. He also loves tennis and has a great affiliation with the Australian Open — Chubb being its Official Insurance Partner — but says that while he shares a name with one of Australia's tennis-playing greats, that's where the similarities end.

TOP TIP

McNamee believes the search for meaning in life is a very individual pursuit. 'This should come naturally to people, not be forced, encumbered upon by the influence of others.'





'We consider our world broadly and study the movement and flow of risks such as climate change and cybercrime,' he says.

'Too often we are asked about cyber and climate-related risks. These risks are no longer emerging. Frankly, if you aren't managing these exposures effectively today, the insurance business is not where you want to be. Such risks are clear and present, and facing us across all areas of the business, on both sides of the balance sheet.'

Innovative approach

McNamee points to innovative approaches at Chubb that include considering the risks deeply, searching for insights into opportunities and thoroughly understanding the landscape before establishing a plan.

'At times, when we see underserved risks or opportunities to bring our experience and expertise, we embrace that challenge and move resources effectively to meet the need presented,' he says.

'Our vision in Asia Pacific is simple — we are committed to growing our business by serving the vast populations with enhanced product, delivered through broad, efficient and effective distribution methods, whether they be digital or analogue in their nature.'

McNamee says customers large and small are talking about the impact of the COVID pandemic as it relates to rising political tensions and trade sanctions, supply chain exposure and, of course, business interruption.

'Pandemic risk cannot be solved by the industry alone as our balance sheet is finite and the risk is simply not bound by geography and time,' he says.

'However, I believe there is an opportunity in many countries of the region, including Australia, for federal and state governments to form partnerships with the insurance industry.'

'A partnership will help provide greater coverage, greater certainty and a stronger claims mechanism for customers to endure future pandemics rather than resort to hastily employed, expansionary fiscal solutions. These, while somewhat effective, have undoubtedly led to a misallocation of resources in certain segments of the economy.'

A strong digital business

McNamee says Chubb Asia Pacific will continue its mission as an underwriting company of reaching more customers with more distribution channels.

'On the consumer side, we have built a strong digital business, embedding solutions — such as Chubb Studio "insurance in a box" — within our many partners' applications. These can be accessed whether customers are enjoying a GrabTaxi ride in Kuala Lumpur, banking with DBS in Singapore or flying with Cathay Pacific in Hong Kong.'

'Our technology solutions are helping these partners, and many more, to bring peace of mind to their customers while enjoying a seamless digital experience. This will continue to expand alongside our many direct response consumer businesses across Asia and our many intermediated businesses, such as our Private Risk Services [Masterpiece] business in Australia and New Zealand.'

High expectations

On the commercial side, McNamee says Chubb continues to see a 'flight to quality' in its Major Account business, an area in which the company has a deep and rich experience across the region, with many customers who have been with Chubb for decades.

'We never take our leadership position in this segment for granted,' he says. 'In fact, we cherish it, and, despite the many accolades we receive, we are continually sourcing feedback from our clients and brokers as to how we can improve our service levels and offerings to them.'

'In addition to this, it's no secret that we have been building out our capabilities in small commercial, especially in Australia.'

'This is where we have invested heavily in our technology solution to partner with brokers across the country in delivering our products and claims reputation to customers of all sizes. We have high expectations for this business and will continue to invest where we feel we can add value to our brokers and customers. //

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TRADE RISK

WARREN SAUNDERS INSURANCE BROKERS

MARSH

Trade Risk was ANZIIF's 2021 Small Broking Company of the Year, off the back of its outstanding customer education work, client retention and staff support during the pandemic. In particular, the company stood out for using social media to engage with its customer base. The Trade Risk Facebook group Tradie Daily is now the largest online tradie community, with more than 280,000 members.

Trade Risk managing director Shane Moore says Facebook was simply 'the default option' when he started the business back in 2010.

'It's not a platform for us to promote insurance as such, as that's not what someone browsing Facebook is looking for,' he says. 'Instead, it's somewhere for us to build our presence and authority in our chosen niche and share more content about our people rather than product.'

Warren Saunders Insurance Brokers (WSIB) was ANZIIF's 2019 Small-Medium Broking Company of the Year, demonstrating a consistent commitment to supporting the community and industry. As part of this, WSIB ran a community support program that helped raise A\$20,000 to help drought-affected farmers.

The company not only improved its client retention rate, but also retained all its existing staff and brought on new employees during the pandemic.

Making it three wins in a row, ANZIIF Large Broking Company of the Year **Marsh** was recognised for its partnership with the AFL and Cricket Australia to raise money for bushfire relief. Its support didn't end there, though: staff also volunteered their time to help communities impacted by the fires.

Marsh's focus on clients and community support was rewarded with a positive net promoter score (NPS), and the judges were suitably impressed, noting its performance demonstrates how a major Australian broking company can bring its strengths to play.

AUTHORISED REPRESENTATIVE NETWORK OF THE YEAR

INSURANCE ADVISERNET

According to this year's Authorised Representative Network of the Year **Insurance Advisernet**, 'the future is advice, not price'. The organisation achieved extremely strong customer claims satisfaction scores, underpinned by a data-driven approach to the challenges facing insurers.

ANZIIF judges were impressed by Insurance Advisernet's online education, training and employee assistance programs, as well as the company's generous A\$50,000 donation to the New South Wales South Coast bushfire recovery efforts.

Insurance Advisernet managing director for Australia and New Zealand Shaun Standfield says the company is 'very pleased' to have won the award three years in a row.

'The award reinforces our strategy of constantly challenging ourselves to invest in enhancing the experiences of our authorised representative practices,' he says. 'If we get this right, we know our practices' end customers will benefit.'



UNDERWRITING AGENCY OF THE YEAR

CHU UNDERWRITING AGENCIES

A finalist in 2019, **CHU Underwriting Agencies** was awarded Underwriting Agency of the Year in 2021. The judges were impressed with the company's proactive response to the Hayne royal commission reforms, as well as its innovative, multilingual resources designed with its diverse customer base top of mind.

The company launched a new online learning management system for staff, to support them and encourage continuous education and growth that worked for both remote and in-office learning.

CHU has also done significant work to reduce and prevent landfill waste — an area that's going to become ever more important for insurers.

SERVICE PROVIDER TO THE INSURANCE INDUSTRY

PAYNTERS

This year's Service Provider to the Insurance Industry winner was construction company **Paynters**. The company was intrinsic to the rebuilding process after the New South Wales South Coast bushfires, including assessing the damage and coming up with designs and solutions for the Club Malua bowls club, plus other work with the local councils. Paynters also directly helped a family in need via its Lend a Hand campaign.

Insurers provided positive feedback on and testimonials for the company's work, and it's no surprise Paynters had an impressive customer NPS to match.

LIFETIME ACHIEVEMENT AWARD

Wayne Goodall

Wayne Goodall has been recognised for his more than 40 years of service to the insurance industry, which included senior claims roles at the Transport Accident Commission (TAC), and the Victorian Managed Insurance Authority (VMIA). He retired in 2021.

Q Can you tell us how you got your start?

A I joined the Victorian Public Service as a 17-year-old in 1972, assigned to the State Insurance Office (SIO). Like many of my industry colleagues, I didn't choose insurance, but I'm very grateful to have had a career with diverse opportunities and challenges.

Q Is there a particular time in your career that had a significant impact on you?

A My time at the TAC in the 1980s and 90s had a huge impact on me. TAC had assumed the SIO compulsory third party liabilities for victims injured in road accidents. We moved from a full-blown adversarial claims system to a hybrid of liability litigation and an innovative no-fault compensation scheme focused on treatment and rehabilitation.

Q What will be some of the challenges and opportunities for the industry over the next decade?

A Insurance plays a critical role in a healthy economy, allowing organisations and people to recover from loss. The key challenge will be keeping pace with the changing risk landscape and ensuring the industry's financial viability while continuing to innovate and develop new products and schemes to manage risk. Another challenge is attracting talent to the industry — not just university graduates but also talent straight out of secondary school, just like the pathway I took into the industry. We need to stay focused on achieving diversity of all kinds.

→ [Read our full interview with Wayne here](#)

GENERAL INSURANCE COMPANIES OF THE YEAR

GUILD INSURANCE

HOLLARD INSURANCE

Small General Insurance Company of the Year **Guild Insurance** stood out to the judges for its commitment to the wellbeing of the community. The company provided pandemic relief to a large number of dentists through discounted premiums in 2020, which increased its dentist NPS. It also supported the COVID-19 vaccination rollout and made sure customers were clear on how their cover worked. In addition, Guild's new leadership academy led to high employee engagement.

The 2019 winner of the Large General Insurance Company of the Year award — **Hollard Insurance** — took out the top gong again in 2021. The company supported staff during the pandemic with extra paid parental leave and wellbeing leave, plus new mental health, gender equity and learning and development initiatives.

Judges also praised Hollard's outstanding support of vulnerable customers, which contributed to an increase in the company's NPS and positive customer feedback.

Hollard CEO Paul Fahey says he was particularly proud of the company's decision to offer free counselling sessions for vulnerable customers.

'Hollard empowered frontline staff to offer three free confidential counselling sessions to any customers experiencing mental health trauma, whether it was in relation to a claim or not, through our employee assistance program,' he says. 'Our customers and employees have commented on how beneficial this service has been, and we continue to offer this service to customers in need.'



LIFE INSURANCE COMPANY OF THE YEAR

METLIFE AUSTRALIA

MetLife Australia was recognised as ANZIIF's 2021 Life Insurance Company of the Year for the second year in a row.

Judges were impressed by its focus on mental health, cancer, cardiac health and diabetes. This focus was supported by 360Health, an innovative program that offers customers information, support and direct engagement with health experts.

MetLife staff volunteered and did fundraising for community initiatives, including the company's community partner, Habitat for Humanity. The organisation also waived life insurance premiums for customers impacted by the 2020 bushfires.

Says MetLife CEO Richard Nunn: 'I'm incredibly proud of the entire MetLife team, which has worked tirelessly over the last two years to continue to support our customers and each other despite the disruption of the pandemic.'

'We have consistently demonstrated our people-first approach, our commitment to our partners and customers, and our ability to adapt to the rapidly changing life insurance industry.'

INSURANCE LEADER OF THE YEAR

Damien Mu, CEO and managing director, AIA Australia and New Zealand

Q How would you describe your leadership approach?

A It's a privilege and a responsibility to be a leader, and this is something I honour and remind myself of everyday. I believe it's important to be purpose led and to lead by example. It's also vital that I ensure my team understands the significant role they play in making a difference in the lives of our customers. I seek to empower the AIA family, so they understand that every role performed in the business is required for us to deliver, and collectively we strive for continuous improvement, demonstrate strong teamwork and provide great customer service.

Q Tell us about AIA's decision to launch the free mental health app Mentemia during the pandemic.

A We were concerned about the impacts that financial uncertainty and social isolation could have on incidences of depression and anxiety. As a life and health insurer, we have a strong belief in the importance of early intervention and preventative health care. We had seen the value that Mentemia offered to users and believed that it was important that we made the program available to the Australian community during an unprecedented time, when many would need it the most.

Q What has been your greatest challenge during COVID-19?

A Like a lot of Melburnians, I've spent a lot of the past two years working from home. The experience has shown me the true value of resilience — but I thrive on collaboration, and it hasn't quite been the same in a virtual setting. I'm looking forward to returning to the office and seeing the AIA Australia magic happen in person. It's incredible to drive a purpose-led organisation and see how it comes to life.

→ [Read our full interview with Damien here](#)

INSURTECH OF THE YEAR

CODAFICATION

Judges selected **Codafication** as ANZIIF's 2021 Insurtech of the Year. A number of big Australian insurers have already adopted the company's innovative Virtual Assist program, which uses real-time, high-definition video streaming to guide customers through the claims process.

Virtual Assist has resulted in shorter claims life cycles and reduced cost overheads and carbon dioxide emissions.

Codafication's submission explained how the program works and included data demonstrating the positive impact it has had on customers.

Says managing director and co-founder Daniel Sandaver: 'We are absolutely blown away and humbled to be recognised by our industry peers and by ANZIIF as Insurtech of the Year.'

'Codafication began over five years ago with just two founders with an idea. Now, our remote claims assessment technology Virtual Assist and claim management platform Crunchwork have ensured business continuity for some of the largest insurers in Australia in the face of a global pandemic.'

EXCELLENCE IN WORKPLACE DIVERSITY AND INCLUSION

HOLLARD INSURANCE

A 2019 finalist in the inaugural Excellence in Workplace Diversity and Inclusion (D&I) category, **Hollard Insurance** took out the 2021 award, complementing its win as this year's Large General Insurance Company of the Year.

Hollard has developed a D&I roadmap linked to the company's purpose: empowering a resilient future. In practical terms, the company stepped up and committed to no COVID-19 staff redundancies, flexible work arrangements, domestic and family violence support, and wellbeing support.

The company has made a gender equity pledge and provided D&I survey data in its submission to demonstrate its progress. It is also working with government and community groups to achieve D&I goals.

'We're committed to this because we believe in cognitive diversity and the psychological safety that thinking differently promotes,' says CEO Paul Fahey. 'One recent development is revisions to our sexual harassment policy that now treats sexual harassment complaints as reportable workplace health and safety incidents. This ensures full transparency and raises sexual harassment to the level of a health and safety issue.'



YOUNG INSURANCE PROFESSIONAL OF THE YEAR

Linh Nguyen, business development manager, Sedgwick Australia

Q What has been the most useful tool for your professional development?

A Aside from completing traditional studies at university and attaining relevant diplomas, I found early on that taking an expansive networking approach to learning has served to strengthen my understanding of the industry, as well as my personal and professional brand. Treat everyone you get to meet as a learning opportunity; their experience is invaluable. My development has also been enhanced through my involvement in professional industry groups, such as being a council member at ANZIIF as well as serving on the organisational committee for industry events such as the ANZIIF General Insurance Breakfast, AICLA / ANZIIF Claims Convention and ANZIIF Rising Star events.

Q What advice would you give industry newcomers who are looking to get ahead?

A Make sure to define what success looks like for you, set up a clear plan to help you there, but don't overcommit. I believe that success can be achieved by everyone — if people know what they're seeking.

Q What does winning ANZIIF's Young Insurance Professional of the Year mean to you?

A This award is a platform to showcase insurance as a progressive, supportive industry where diversity thrives. As a young female from a refugee family who entered the insurance industry having no prior connections within it, this award demonstrates that authentic representation matters and will help shape how minorities are viewed and view themselves. By breaking down the barriers that exist, we will be open to new ideas and develop new, strong role models.

INSURANCE LEARNING PROGRAM OF THE YEAR

SEDGWICK

Sedgwick was, once again, awarded the Insurance Learning Program of the Year, largely in recognition of the company's Caring for Customers Experiencing Vulnerability program.

The online learning program, which was initially designed for claims handlers, was seen as valuable by participants and, most importantly, improved customer outcomes. Sedgwick provided examples of how staff implemented program learnings in real-life situations, as well as possible areas for developing and improving the learning program. Because of its success with claims staff and customers, the program was subsequently rolled out to all Sedgwick staff.

PROFESSIONAL SERVICES FIRM OF THE YEAR

FINITY

The 2021 Professional Services Firm of the Year award went to **Finity** for its outstanding work for staff and customers during the pandemic — as well as its significant investment in innovation.

Finity's COVID-19 insights campaign investigated the implications of the pandemic on general insurance and provided educational resources, benefiting the community and the industry.

The organisation also introduced API technology, which was adopted by multiple insurers. It helped Finity and start-ups improve their analytics capability and agile pricing models.

Finity managing director Scott Collings says the company is 'proud to service the insurance industry', adding '2020 wasn't the year we set out to win awards for; our focus was to keep our people safe and help clients in whatever way we could.'



ANZIIF New Zealand Insurance Industry Award winners

The New Zealand Insurance Industry Awards recognise the outstanding achievements of individuals and companies across all sectors of insurance and celebrate the positive impact they have made on the community. We congratulate the winners for 2021.

LARGE BROKING COMPANY OF THE YEAR

INSURANCE ADVISERNET NEW ZEALAND

Insurance Advisernet New Zealand (IANZ) was awarded Large Broking Company of the Year for the second time in a row. The judges said the organisation displayed a strong focus on professionalism throughout 2020 — helping its clients, the community and its employees.

IANZ launched additional client communication tools to support customers during the pandemic, contributing to consistently high service quality. This was rewarded with a higher client retention score. The organisation also promoted and supported numerous charity campaigns, including the KIDS Foundation, which helps people with illness related to primary immune deficiency.

In addition, the organisation launched a new wellness initiative that provided informative support for its network and expanded its professional development and training offering to employees. This led to a greater uptake of claimed CPD points.

UNDERWRITING AGENCY OF THE YEAR

DELTA INSURANCE

Underwriting Agency of the Year, **Delta Insurance**, was rewarded for its broad submission, which included work to support and educate health entities and professional bodies. Delta produced and promoted white papers on medical malpractice, risk management and cybersecurity — serious risks for modern medical practices.

It complemented the white paper initiative with a new webinar platform, which achieved strong engagement and positive feedback. As a direct result, client retention rates were high.

Dinesh Murali, managing director of Delta Insurance New Zealand, says the company's efforts to support clients through education have been one of its core strengths since day one.

'We haven't yet met a client who wants to get into a situation where they need to make a claim,' he says. 'There are so many other business implications beyond a loss, so they are keen to learn more about managing and mitigating risks.'

GENERAL INSURANCE COMPANY OF THE YEAR

AA INSURANCE

'Customer, Conduct and Culture' was the winning combination for ANZIIF's General Insurance Company of the Year, **AA Insurance**. The company had a unique response to community and industry needs, and how it approached internal and external COVID-19 challenges.

In particular, judges were impressed by AA Insurance's support of vulnerable customers who were financially affected by the pandemic. The company promoted customer services — and the insurance industry — in the New Zealand media.

The organisation also presented forward-thinking and well thought-out approaches to climate issues and insurance affordability.

Off the back of this stand-out work, AA Insurance achieved excellent net promoter scores (NPSs), as well as record-breaking staff engagement scores.



LIFE INSURANCE COMPANY OF THE YEAR

ASTERON LIFE

Asteron Life was recognised as Life Insurance Company of the Year, particularly for its investment in its staff. The company supported employees working remotely, providing additional resources such as educational seminars, workshops, the promotion of its employee assistance programs and one-on-one professional coaching and training to build resilience and manage change.

Judges were also impressed by the organisation's significant investment in an employee training program designed to gain, develop and further the skills of frontline staff responding to customers experiencing vulnerability.

Asteron Life invested in its digital capabilities too, which helped improve customer outcomes during the pandemic. With a great online experience and well-trained, supported staff, judges were not surprised that the organisation achieved outstanding customer satisfaction scores.

Asteron Life head Grant Willis says the result reflects the company's commitment to being 'supporters for life' for both its customers and advisers.

'The last 18 months has been unprecedented in terms of the rate and scale of change, and I am proud to be recognised for the work we've done to prepare both our company and advisers for the future, and to create great outcomes for our customers.'

'I want to acknowledge and thank the team for their enthusiasm, commitment and effort — this award belongs to our people.'

YOUNG INSURANCE PROFESSIONAL OF THE YEAR

Stephen Cantwell, head of client strategy and advice services, FMG

Q You came to the graduate program at FMG from a degree in agricultural studies. Can you tell us why the company appealed?

A What we're trying to do is prevent claims from happening in the first place. FMG is a mutual insurer and while we are a profit-making business, we are not a profit-maximising business. If we can reduce the claims that we have, then we can help stabilise premiums, which is great for everyone.

Q Tell us about your approach to professional development.

A I am always trying to learn something new and get better at the craft. In 2019 we hosted the International Cooperatives and Mutual Insurance Federation Conference in Auckland, and it was great to meet mutual insurers from around the world. We are still connected with some of them in Canada and Denmark and it is so interesting to be able to share ideas and learn from each other.

Q What do you love about your current role?

A I used to have a portfolio of clients and worked with them on a one-to-one basis, which I enjoyed. Now, I've got a national role where I'm helping our people at FMG who look after our clients. I want to be able to help give them the knowledge and the skills to be able to have really good conversations with their clients. The great thing about it is you get to be there to help people when they really need it. Not every job can offer that.

→ [Read our full interview with Stephen here](#)

INNOVATION OF THE YEAR

GALLAGHER BASSETT

Gallagher Bassett's myGB Poster Designer was awarded Innovation of the Year. This free, online tool helps employers customise posters to run targeted health and safety campaigns in the workplace. Companies can use it to promote the benefits of a safer workplace in New Zealand, saving time and costs.

Gallagher Bassett provided a selection of poster templates addressing occupational health and safety concerns such as mental health, fatigue, common injuries, workplace hygiene and more.

The company presented detailed evidence of the New Zealand organisations that have adopted the tool and how it is helping to make workplaces safer and healthier for New Zealanders.

SERVICE PROVIDER TO THE INSURANCE INDUSTRY

CORELOGIC NZ

'CoreLogic NZ has set up sustainable, long-term goals for the future and has presented a well thought-out approach to how it will achieve them,' was the ANZIIF judging panel's comment on recognising CoreLogic NZ as this year's Service Provider to the Insurance Industry.

CoreLogic's climate and flood hazard risk solutions made a significant difference to clients suffering the effects of severe weather events. These solutions included new tools to calculate flood risk and catastrophe modelling platforms.

The organisation actively collaborated with industry to support New Zealanders during times of need. Consequently, the business recorded high industry net promoter scores: a testament to its improved customer offerings and services.

LEADING THE WAY FOR *clients* AND THE *industry*

Insurance Advisernet were once again, very proud to be awarded the *Authorised Representative Group of the Year* at the prestigious *2021 ANZIIF Awards*.

The result is testament to our national network of over 175 practices and their unwavering focus on providing clients with advice they can genuinely trust, every day.

We would also like to thank our key Industry Partners for their ongoing dedicated support of Insurance Advisernet.

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PROFESSIONAL SERVICES FIRM OF THE YEAR

McLARENS

In a stand-out submission, **McLarens** demonstrated how it grew its business in 2020 to become one of the largest loss adjusters in New Zealand.

Key to its success was adopting innovative technologies to assess risk and provide clients with in-depth disaster modelling. The company also launched ModeConnect, an automated system to enable smaller insurers to send straightforward claims directly to their national repair network, cutting out the need for a traditional loss adjuster.

McLarens didn't forget about its people either: it offered ongoing support for employees during the COVID-19 pandemic, focusing on mental health and wellbeing, flexible work arrangements and regular video communication from the CEO and senior leaders.

The organisation also launched a new intranet to enhance internal communication and connection with employees, which contributed to improved employee engagement and greater staff retention.

BROKING PROFESSIONAL OF THE YEAR

Faith Owens, director and senior insurance broker, Bridges Insurance Services Ltd

Q What does professionalism mean to you?

A I think it's about being open, honest and educational when working with both our clients and our employees. Also putting our clients' needs at the heart of everything we do whilst still being respectful and understanding of the insurer's position and being able to navigate the views of both parties.

Q You've been with Bridges for almost 15 years — how would you describe your time there?

A I love it! We've grown from a team of seven when I started to our current crew of 28, so we're definitely doing something right. [Fellow directors Ron Bridges and Chris Rolfe and I] work well as a leadership team and we're certainly not afraid to have robust discussions when the need arises.

Q What do you think this award will mean to your customers?

A I think our clients already know that they're in safe hands when working with me and the wider Bridges Insurance team, but being recognised as the best within an industry already filled with incredible talent will just cement this. I did jokingly tell our managing director that I can retire now, but he wasn't too impressed with that. So, I'll keep learning and leading, but perhaps with a bit more of a spring in my step.

→ [Read our full interview with Faith here](#)

EXCELLENCE IN WORKPLACE DIVERSITY AND INCLUSION

SUNCORP NEW ZEALAND

For the second year running, **Suncorp New Zealand** was recognised with ANZIIF's Excellence in Workplace Diversity and Inclusion award.

The company supports a broad spectrum of initiatives and networks, many of which were created and organised by employees. The organisation now has five employee groups that focus on different areas of diversity.

Suncorp New Zealand provided education and training to its employees on diverse and inclusive workplaces and celebrated key dates of importance to staff. It also improved its parental leave policy and ways of empowering its people living with a disability.

Suncorp New Zealand CEO Jimmy Higgins, who was also named joint New Zealand Insurance Leader of the Year, says the company is committed to 'ensuring our employees are comfortable to bring their whole selves to work'.

'In the last 18 months, one of our major focuses has been increasing our cultural fluency, particularly with regard to te ao Māori,' he says. 'We have taken steps to raise the visibility and relevance of Māori and Pasifika culture and language through our increased commitment to the TupuToa internship program, ongoing programs to embed te reo [Māori language] into our workspaces and the creation of a new Tikanga employee resource group.'



LIFETIME ACHIEVEMENT AWARD

Doune Connett, chief risk and compliance officer, AIA New Zealand

Doune Connett was one of the first female actuaries to qualify in New Zealand when she started her career at Tower Insurance in 1985. Having held actuarial positions at Prudential Assurance, Colonial and Sovereign, she now leads the risk function at AIA New Zealand.

Q What led you to a career in insurance?

A My father was a life insurance adviser and he told me about the actuary role and helped me when I was deciding which path to take. I've always been clear about the value that we add and making sure that our companies are going to be there for the long term to meet our customers' needs.

Q You started your career as the only woman in your team with very few females in leadership positions. What was that like?

A That's changed over the years, which is great, because it's kind of hard when you don't have that many role models. I learned a lot from the actuaries I worked with in my early years and I want to try and pass some of that wisdom and experience down to the people I come into contact with.

Q What are some of the biggest challenges facing the insurance industry today?

A The big thing hanging over everyone is COVID. It has brought significant risk implications and there's still a lot of uncertainty around where that's going to end up. Another risk we have to be aware of is automation. How do you manage risk in an increasingly automated world? I think that is something companies will need to think about differently.

→ [Read our full interview with Doune here](#)

INSURANCE LEARNING PROGRAM OF THE YEAR

AA INSURANCE

General Insurance Company of the Year
AA Insurance had a second award to celebrate: Insurance Learning Program of the Year.

AA Insurance's Compliance eLearning Suite focuses on supporting customers experiencing vulnerability. The program received incredible feedback from participants, helping the company identify how its compliance tools are positively influencing professionals and creating meaningful change for the organisation. That isn't to say the learning program doesn't have room for improvement: the business was also transparent in describing key learnings and future challenges in its submission.

The judges were impressed by the company's focus on increased professionalism and learning outcomes, supported by data-driven evidence.

'Given the pressures the entire country has endured, we're delighted to be recognised by the industry with these awards, especially given the calibre of the competition,' says Chris Curtin, chief executive for AA Insurance.

'It's an absolute honour and speaks volumes of the effort our people have put in to look after our customers, as well as each other, regardless of what's going on in the world.'

INSURANCE LEADERS OF THE YEAR

This award recognises professionals whose outstanding leadership has had a long-term, positive impact on the industry. This year's winners were acknowledged for the role they played in the development of a world first — New Zealand's new Natural Disaster Response Model (NDRM).

Jimmy Higgins, CEO of Suncorp NZ

'I've never dealt with anything more complex than this Canterbury earthquake sequence. The disaster tested everyone in insurance but, more importantly, it tested our customers and the broader Christchurch communities.'

Sid Miller, CEO of the Earthquake Commission (EQC)

'We accept that we should have done better for the people of Canterbury. Their trauma has been the inspiration for our team to work hard to learn from those experiences.'

Blair Williams, general counsel and executive general manager — external relations, IAG NZ

'While we hope most New Zealanders will never need to experience the new model firsthand, we know that, if they do, this successful industry-wide effort has delivered a system that will help make their recovery experience as seamless as possible.'

Campbell Mitchell, executive general manager — claims and operations, Suncorp NZ

'I believe this is a watershed moment for the insurance industry. It provides alignment and consistency when disaster strikes — the times New Zealand needs us most.'

→ [Read our interview with the winners here](#)



INNOVATION OF THE YEAR

At the recent Australian and New Zealand Institute of Insurance and Finance (ANZIIF) awards, held for the first time since the pandemic struck, leading claims management solution provider Gallagher Bassett was recognised as providing the Insurance Industry Innovation of the Year through its interactive Poster Designer tool.

The free online tool was designed to ensure companies of all shapes and sizes could effectively communicate health and wellbeing messages with their employees by providing access to a range of customisable poster templates. Craig Furness, CEO – Gallagher Bassett, said the award recognised how the company treats innovation as a core function.

“We really pride ourselves on delivering claims solutions that are bespoke and fully customisable, so when it became clear that our clients were struggling to gain cut through on important health and wellbeing messages to their teams, we knew we had to find a solution,” Mr Furness said.

“The timing of the launch was really important – we made Poster Available for free as the global pandemic was beginning and loaded it up with a great collection of posters designed to communicate around sanitation, social distancing and checking in, helping to familiarise New Zealand employees with those concepts”.

“Innovation is more than a buzzword at GB, we really pride ourselves on thinking outside the box and finding new

opportunities for our clients to succeed each and every day, and this award is something each member of our team should be proud of.”

Drew Spilsbury, Global Vice President – Brand Strategy, Management & Growth at Gallagher Bassett, who lead the development of Poster Designer, said the team utilised data to identify what core messages insurers were struggling to communicate.

“Basing our decisions on data, we built a user-friendly, accessible platform with a host of themed posters that employers could easily edit and replicate in their own businesses. Through this, we helped thousands of companies find the opportunity to improve their team’s understanding and prevent accidents and injuries in the workplace.

“Through our free Poster Designer tool, any company could access our cutting-edge technology and easily design and deliver material that had lasting, positive impacts on their workforce.

“In the face of a shrinking talent market, we applied a creative and meaningful process to help employers provide their team with the right tools to do their job best.

ANZIIF Judges were impressed with Gallagher Bassett’s approach, stating, “the submission took them on a journey highlighting the innovation’s ability to deliver critical information to New Zealand organisations and communities in a unique and engaging way.”

Championing professionalism

The Allianz Donna Walker Awards were launched in 2021 as part of ANZIIF's Year of the Insurance Professional in memory of Donna Walker, Allianz's former chief technical officer, a former ANZIIF board member and a much-loved and respected industry figure. The awards recognise individuals who have made a significant contribution to industry professionalism and promoting diversity and inclusion.

DONNA WALKER AWARD FOR EMERGING TALENT SHANNEN DE LA MOTTE

Junior legal counsel, AIG

Starting a new job is nerve-racking at the best of times, let alone during COVID-19 lockdowns. Shannen de la Motte was conscious of how tough it's been for new recruits to the insurance industry in recent times. Work-from-home policies have meant opportunities for face-to-face interaction are few and far between, particularly in Melbourne and Sydney.

De la Motte, executive assistant to the general counsel and junior legal counsel at AIG Australia, sensed the feelings of disconnect and organised a series of panel sessions designed to help young recruits feel they were part of the industry.

'I'm part of the Young Professionals Group, which is a subgroup of the Australian Insurance Law Association, and we held a panel session where we discussed opportunities within the insurance industry,' she explains. 'We did this to make young professionals feel more included — a lot of young people who started in the industry this year or last year weren't really feeling connected. So, we came up with an event to connect people and allow them to ask any questions they might have about the industry.'

De la Motte says that winning the Donna Walker Award was a 'highlight' during lockdown. 'In a time where young professionals can be feeling a bit stagnant in their career due to the inability to connect face to face with others in the industry, it is refreshing to see these opportunities for engagement.'

// Read our interview with Shannen de la Motte [here](#).



ABOVE

(top to bottom)

Shannen de la Motte;
Jo Broomhall; and Hoa Bui.

DONNA WALKER AWARD FOR INSPIRING LEADERSHIP JO BROOMHALL

*Executive general manager,
IPAR Rehabilitation*

For Jo Broomhall, good leadership in diversity and inclusion means empowering your team members to participate in creating a more inclusive workplace.

As executive general manager of health and workplace solutions provider IPAR Rehabilitation, she makes it a priority to ensure her team of more than 400 feels empowered to have their say in developing initiatives and strategies that improve workplace diversity.

The company's reconciliation action committee involves staff meeting regularly to look at different ways to advance participation from Aboriginal and Torres Strait Islander people, whether it be through their clients, customer base or employees.

'We've got some really great individuals who contribute to this group and have implemented things such as Indigenous place names in our email signatures,' says Broomhall. 'We have also screened Indigenous films for our team and bought screening rights, so that [the films] could also be viewed by Indigenous communities. That particular idea came about through one of my team members — some of our best ideas have come through our people.'

// Read our interview with Jo Broomhall [here](#).

HOA BUI

*Managing director, Bui Advisory and
non-executive director, AIA Health*

Throughout her 35-year career in the insurance industry, Hoa Bui only had one female boss. She has worked hard to make sure this is not the case for future generations of insurance professionals.

'When I joined KPMG Actuaries in 2004, I was the first woman in the life insurance leadership team,' Bui recalls. 'By the time I left in 2020, my team had the highest proportion of women in the senior ranks of manager and above across KPMG Australia.'

A qualified actuary, Bui held positions at AXA and Tower before working her way up to partner at KPMG. She now sits on the board insurance committee for QSuper and is non-executive director at AIA Health.

As president of the Actuaries Institute in 2020, she founded a series of events called 'Asian Female Leaders', where senior women actuaries of Asian descent share their views.

'I wanted to launch an initiative that would encourage these members to step up and become leaders,' she says. Another achievement during her 12-month tenure as president was founding the Young Actuaries Advisory Board. 'Often, it's not until you're in your fifties that you get the opportunity to be elected to a governance body,' says Bui. 'Having an equivalent forum for people under 35 will develop their confidence and encourage them to participate in the profession.'

// Read our interview with Hoa Bui [here](#).

SCHOLARSHIP ESSAY

Climate change

by Adi Mehta

A window to the future

It is the year 2050 and the world has been neither proactive nor consistent in taking action on climate change. In his 2021 Aon Scholarship-winning essay, Adi Mehta paints a compelling picture of how the (re)insurance market has responded.



You could hear the shrieks of women, the wailing of infants and the shouting of men. Some prayed for help. Others wished for death. But still more imagined that there were no gods left and that the universe was plunged into eternal darkness.' — Pliny the Younger, Eruption of Vesuvius, 79 AD.

The year is 2050. The Paris Agreement to limit the rise of global temperatures to 1.5 degrees Celsius above pre-industrial levels has failed. The 2021 Glasgow Climate Summit is now recognised as having been our last chance to reach collective cohesive action on the single greatest existential threat of our species and indeed life on earth.

Shanghai (population 26 million), Mumbai (20 million), Bangkok (8 million) and Alexandria (5 million) are underwater¹. So are Miami, Boston and New Jersey².

Vast swathes of the earth are experiencing prolonged drought and bushfires. And more than a billion people experience lethal heatwaves regularly³.

The increasing moisture in the air means cyclones

are more intense and occur more frequently. The melting of permafrost layers has exposed humans to pandemics they have no biological defences against.

Floods are impossible to predict and are prevalent in parts of the world unused to and unprepared for them. Australia's Great Barrier Reef, once endangered, is now the latest on a long list of man-made mass extinction events.

'The Heilenbecke is usually a small creek, which is a maximum of 20 centimetres high, but in the space of hours it rose up to five metres high.' — Phillip Huckenbeck, Wuppertal. *'My city looks like a battle has taken place.'* — Gregor Jericho, Rheinbach, Germany, 2021.

Back in 2020, we realised clearly for the first time — and more than ever before — how we are all connected, and this gave thought to common threats.

However, too busy battling a pandemic, we didn't realise that one in five people were dying due to fossil fuel-generated fine particle pollution⁴, and today the proportion and number is too high to count.

A shrinking insurance industry

The life and health insurance industry is on its knees.

Despite premiums rising steadily and sharply over decades, with an initially expanding (due to rising deaths leading more to seek cover) and eventually rapidly shrinking (due to unaffordable cost of premiums) pool of insureds who can afford to buy insurance cover, claims have significantly outweighed premiums over the long term.

The same can be said of commercial and personal property insurance. It seemed that a hardening market and rising premiums would protect insurers from the effects of more and more properties becoming uninsurable.

Everyone knows it's difficult, almost impossible to find affordable flood insurance in a designated flood plain and everyone knows it's difficult to find cyclone insurance on a tropical island.

But what happens when history provides no basis for the catastrophes of the future? There was no historical data that could have predicted Hurricane Sandy⁵. As a result, earlier in the century, insurers and reinsurers began limiting and reducing cover from more and more areas and jurisdictions around the world for many natural perils⁶.

The consequence is that the once important and dominant insurance market that managed approximately one-tenth of total assets in the world⁷ is less relevant.

This has been exacerbated by the collective inaction of governments (who spent years and taxpayer funds appealing and fighting wars in court while neglecting the fact they, too, have a duty of care to protect their citizens⁸ and industries globally).

Now, in 2050, insurance assets under management amount to less than 1 per cent of global asset management.

Survival of the fittest

Insurance is now seen as a luxury afforded by a wealthy, rarefied few, who opportunistically acquired inland areas in preparation for sea-level rise and climate change.

People would rather fit air filters in their cars (as the air is too toxic to breathe and the risk of asphyxiation much higher than a crash, especially as cars are largely self-driven) than buy motor insurance.

The effects of a once-in-a-hundred-year global pandemic remembered as COVID-19 are still felt in the community, with yearly vaccinations necessary, and more keenly in the insurance market as the time when public perception saw the market walk away from their insureds, unaware that 'pandemics are something that have never been contemplated for cover simply because they are too large an event'⁹.

ABOUT THE AON SCHOLARSHIP

Now in its sixteenth year, the Aon Scholarship was established by Aon and ANZIIF to strengthen links between local professionals and their international counterparts, and to develop the knowledge of the global reinsurance markets among insurance practitioners in Australia, New Zealand and Papua New Guinea

The scholarship is open to Australian, New Zealand and Papua New Guinean permanent residents and citizens who are currently residing in one of those countries and have less than 10 years' experience in insurance or reinsurance.

To find out when applications open for the 2022 Aon Scholarship, keep checking the ANZIIF website.

A select few reinsurers, however, with long memories and even longer histories had been seriously warning about the risks of climate change as early as the 1970s and increasingly set aside a war chest to contend with the impacts of life and non-life perils around the world.

Considering their livelihoods and lives at stake, they effectively formed a progressive corporate wealth fund with advanced knowledge of predicting risk and a measurable and indisputable observation of the worst effects of climate change.

The hard lessons, economic scars and disruptions of 2020 permeate through remaining reinsurers and insurers as they provide benevolent protection to the most vulnerable, funded by the pools of risk generated in those parts of the world feeling the impacts of climate change the least in 2050. //

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This is an edited extract of Adi Mehta's 2021 Aon Scholarship-winning essay on the topic of 'Climate change: Industry impacts, challenges and opportunities'. Visit the [Professional Development](#) section of the ANZIIF website to read the full version.



ADI MEHTA

Adi Mehta is a risk engineer with Swiss Re and is based in Melbourne. He joined Swiss Re as a general property risk engineer in January 2019 following more than 10 years' experience in the fire protection and fire safety industry. As winner of the 2021 Aon Scholarship, he will attend either the 2022 Aon Global Clients Reinsurance Seminar in London or the 2022 Aon Hazards Conference in Australia, subject to travel availability.

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Risk intelligence

Risk intelligence — or rQ — has become the new watchword for businesses wanting to manage and mitigate risks, as well as capitalise on new opportunities.

REINSURANCE // **On the frontlines**

New technologies are taking wildfire risk modelling to greater heights. However (re)insurers can't fight the potential losses of another catastrophic fire season alone.

IN SHORT

► Digital brokers can vary from online insurance aggregators to software that human brokers can use to streamline quotes and renewals.

► In some cases, digital brokers can access data such as mileage or stock levels from accounting software or cars and devices directly to give customers more accurate risk assessments, pricing and cover.

► Brokers say the balance lies with allowing customers to manage some simple aspects of their cover themselves online, while still providing quality, personalised advice for more complex risks.

Does the future belong to digital brokers?

Data, artificial intelligence and machine learning are transforming broking. So, can all customers manage insurance themselves, online? Not so fast ...

We bank and invest online. We shop online. Many of us even work online. Why can't we buy and manage our insurance online? For around a decade, tech companies and insurers have been talking about just that: digital brokers.

According to insurance software provider Applied Systems: 'A digital brokerage leverages modern technologies to connect its brokers, insurers, current policyholders and prospective clients. It automates business operations to transform into a paperless brokerage, saving time.'

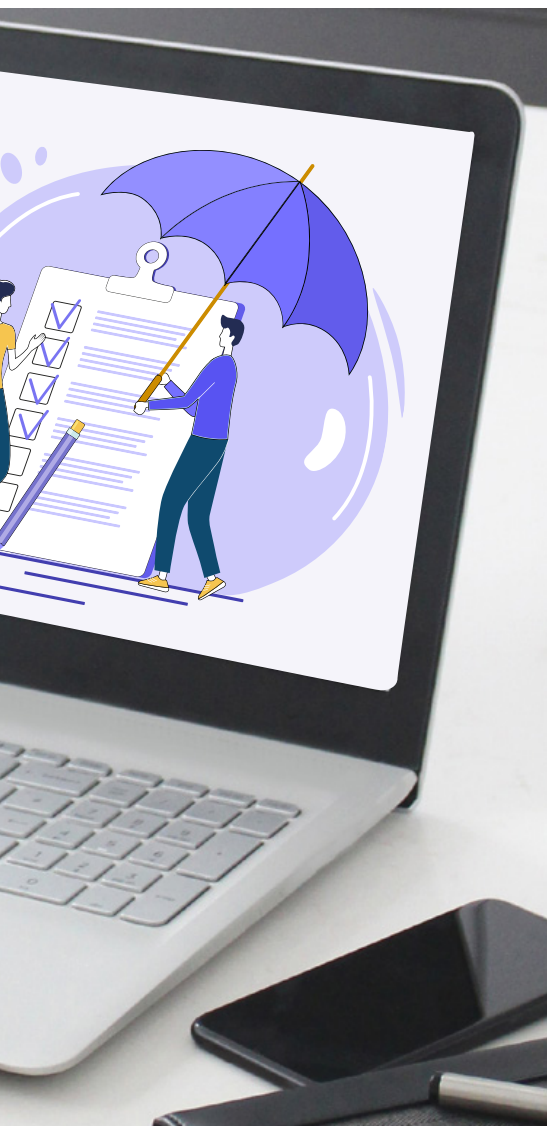
In practice, digital broking can vary from an online insurance aggregator like iSelect and Compare the Market to artificial intelligence (AI) and machine learning-based software that human brokers can use to provide a multichannel customer experience.

Supply and demand

Digital natives — millennials and gen Z — comprise 51 per cent of the global population. While younger adults want and need the advice a broker can give, they also typically prefer to manage their lives online and on mobile. Or do they?

Jason Wilby is co-founder and co-CEO of Open, an underwriting agency that issues car, home and travel insurance products on behalf of insurance companies. Open sells insurance directly online and provides white-label products as well as working with brokers who want to issue products to their customers — and allow customers to manage policies themselves.

While he believes human brokers have an essential role to play in the future of broking, he points to the day-to-day management of insurance as a pain point for modern consumers.



'Once you've bought an insurance product from a broker, the only way you can manage that product — lodge a claim, update your address, change your billing details — is to pick up the phone or start a big email exchange with the broker again,' he says.

'Now, for some people that's exactly what they want, but an increasing proportion of the population is used to being able to manage things online, at 2am because that's when it suits them.'

However, the picture changes for more complex risks and forms of cover.

'If we consider young people who are perhaps starting a business, they don't use a digital accountant or a digital lawyer or digital HR,' says Robert Cooper, a director at CPR Insurance Services. 'They are simply not using digital methods for these functions. We find that when it comes to insurance, they want someone

DIGITAL BROKING HUBS



Internationally, the **United Kingdom** is considered a mature digital broking market and **Australia** is not far behind it, both with a lot of insurance products bought online via aggregators.



Despite its reputation for a focus on technology, the **United States** is something of a laggard when it comes to financial services.



'**New Zealand** is further up the curve of digital adoption when it comes to financial services than the US,' says Jason Wilby, co-founder and co-CEO of Open. 'You've also got big investment in tech because the government is supporting it. Fintech is becoming a really big export for the country and Kiwis will be the beneficiaries of that.'



Singapore, Hong Kong and Indonesia have also embraced digital broking. For example, Symbo was sandboxed in Singapore and launched its digital brokerage in March 2019. Customers can buy insurance directly online, and brokers can use the platform to offer their own white-labelled insurance lines, generate leads and manage customer data.

who is local, someone they have been referred to or that they know, and that they can discuss their risks easily.'

The human touch also prevails at crunch time: when it's time to make a claim. Says Cooper: 'The fact is if there is an incident, a client will ring you — even if it's the middle of the night. They don't want to go to an app.'

Another consideration is attracting and

'... an increasing proportion of the population is used to being able to manage things online, at 2am because that's when it suits them.'

Jason Wilby / Open

retaining talent in the insurance industry, says Dale Smith, CEO and founder of JAVLN, a New Zealand-based software company that provides cloud-based systems to the insurance industry in nine countries across the Asia Pacific.

'Young people are coming into the insurance broking profession,' he says. 'You can imagine the look on their faces if you sit these young professionals down and put them in front of a computer that looks like a green screen and ask them to get to work. Some of the older software and technology in brokerages just isn't fit for purpose anymore.'

Mandarin feature



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Connecting with data

According to Smith and Wilby, digital brokers leverage data and connectivity to innovate and improve broking processes. Done correctly, customers will get more accurate risk assessments and more relevant cover for those risks, plus simpler insurance management.

'We are first and foremost a technology business,' says Wilby. 'We see insurance as an information business, and our core focus is building proprietary technology that's designed to harness the power of data.'

Smith adds: 'The easiest way to achieve structured, consistent and usable data is through the integration of your applications through an [application programming interface] to external data sources such as vehicle data look-ups, property valuations and the company's office. This ensures your data is entirely consistent, accurate and usable 100 per cent of the time.'

Wilby points to car insurance as an example of how a digital broker can transform the industry.

'We offer pay-as-you-drive car insurance: you pay based on how much you drive in a given period of time. You can keep a logbook yourself, or you can link your digital insurance to something that has a record of what you're driving, whether that's the car itself, a third-party app or your accounting software where you're keeping track of your mileage,' he says.

Digital broking at work

Digital broking software can also automate some of the broking services that don't require huge amounts of client consulting time.

'We can automate 100 per cent of renewals,' says Smith. 'Plus, if my car's value has gone from \$20,000 to \$15,000, I can update the value and renewal version of the policy online myself.'

Combining digital broking technology with business management systems can also help brokers unlock value in the book, cross-selling or up-selling products.

Says Smith: 'A lot of our clients use various [business intelligence] tools such as Power BI or QuickSight. That can provide all sorts of insight into the insurance book: not only around up-selling, but also where the risks are around property or business,

'We think face-to-face broking will survive, but the tools we use will be digital. If digital cuts out time, reduces costs and adds to our client service, we will embrace it.'

Robert Cooper / CPR Insurance Services

for instance, and where they can create more value.

'Then, on renewal for example, JAVLN can be used to automatically include targeted marketing messages. I could say: "Your domestic policy's come up, and we've also got a great opportunity for your business insurance. Click here to get more information".'

Best of both worlds

Digital broking software doesn't look set to replace human brokers — Cooper estimates just 5 to 10 per cent of competing business goes to digital brokers — but it certainly offers a way to work faster and smarter, while letting customers manage the simple stuff themselves.

'We think face-to-face broking will survive, but the tools we use will be digital,' says Cooper. 'If digital cuts out time, reduces costs and adds to our client service, we will embrace it.'

Wilby says that at the moment, the broking experience can be quite binary. Some digital brokers offer the convenience of an online experience but no offline or human experience. Traditional brokers, meanwhile, focus on the human experience and are not fully harnessing the power of digital.

'I think more and more brokers will adopt multichannel experiences,' says Wilby, 'so customers can dip in and out of digital when it makes sense, and work with traditional brokers when that makes sense.'

Smith agrees. 'Risks are becoming more

complex and customers need good advice. When you have a broker with good tools and a good advice model, it's powerful. Not only have you got the tools to make sure the client experience is good from a digital perspective, you back that up with the value of good advice. That's a really powerful proposition.' //

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Workers compensation
by Zilla Efrat

Work in progress

Prevention is better than cure when it comes to workplace injuries. Increasingly, insurers are finding innovative ways to help their customers make workplaces safer to avoid workers compensation claims.



PICTURED (Opposite & below)

Safe Work Australia estimates that the total cost of workplace injury and disease is around 4 per cent of GDP.

IN SHORT

> Insurers are investigating the latest technologies that can help clients improve work health and safety and reduce claims.

> The prevention of mental health claims is clearly on the agenda, in addition to the more common musculoskeletal injuries.

> Working from home during COVID-19 has added complexity to reducing risks and claims.



A recent report from McKinsey & Company predicts that one of the biggest shifts we'll see in claims over the next decade will be the focus on prevention. The report says insurers are likely to proactively approach clients with data-driven suggestions on ways to reduce risks and claims.

When it comes to work health and safety (WHS) risks, insurers are increasingly on the lookout for innovative opportunities for improvement.

Greg Lindner, co-founder and director of WorkSafe Guardian, says he's been talking to several insurers about his workplace safety app. It allows employees working alone in the field, office or in dangerous areas to activate a medical or safety alert if they need help. This is picked up by a 24/7 response centre, which sends out the help required through location tracking.

'I've spoken to two large insurers in the past six weeks and some state bodies that handle workers compensation,' says Lindner.

'Insurers are looking to add value to their products and to differentiate themselves from their competitors.'

Greg Lindner / WorkSafe Guardian

'They are not sitting around thinking that one size fits all. Insurers are looking to add value to their products and to differentiate themselves from their competitors. They may not be able to compete on price, but they can compete on extra value.'

Innovation to the rescue

The physical, emotional and financial costs of injury are huge. Safe Work Australia puts the total cost of workplace injury and disease at around 4 per cent of GDP. Despite the clear rise in mental health claims over recent times, Katherine Gobbi — head of Recovre, part of Mercer Marsh Benefits — says musculoskeletal injuries remain the most common form of injury sustained in the workplace.

She adds that no sector of the economy is exempt from workplace injuries. 'While claims come predominantly from blue-collar industries, this dynamic is changing as companies in blue-collar industries invest heavily in WHS and focus on their recruitment processes.'

Gobbi says insurers are partnering with technology firms, including dorsaVi and Sparta Science, to find ways clients can avoid injuries and workers comp claims.

QBE Australia, for example, inked an agreement with dorsaVi in 2020 that will allow its broker network and customers to use dorsaVi's wearable sensor technology. The sensors pick up muscle activity and movements, and this data is combined with video records to identify workplace injury risks. Companies can use the information to change workplace design, ergonomics and practices to improve WHS.

In the United States, specialist sports insurer A-G Administrators teamed up with Sparta Science movement diagnostic software to help mitigate the risks associated with student-athlete

medical expenses. An athlete's movement is measured on a force plate, and the individual is given a personalised plan to improve their performance and reduce the risk of musculoskeletal injury.

With COVID-19 disrupting training, the assessments are helping college and university sports program administrators decide when their athletes are fit to compete, while reducing the chances of injury.

Back in Australia, Insurance and Care NSW is working with construction and engineering group Acciona to study the use of wearable exoskeletal technology. A gravity-balancing arm helps workers building Sydney's M4-M5 Link Tunnels to lift tools weighing up to 16kg, with minimum effort. The exoskeletons have reduced the risk of repetitive strain injuries and increased productivity, because workers are able to use the right tools for the task.

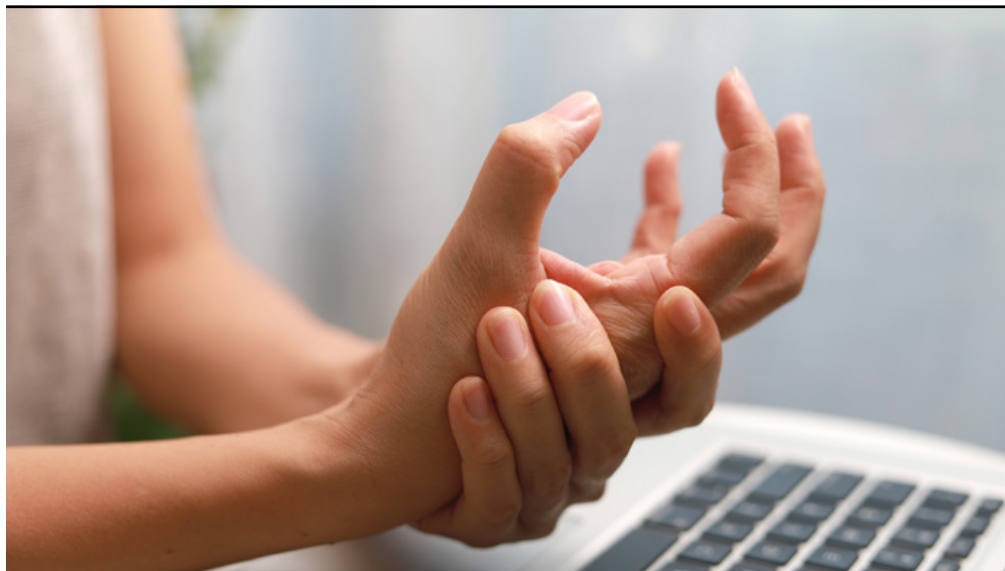
Mental health on the agenda

Lindner notes that workers compensation in the past was more often about physical issues. 'Now it's also about mental wellbeing, which can be uncharted territory,' he says. 'There are very economical tools around to make staff feel safe.'

Georgina Lamb, national account manager – life insurance at Australian return-to-health-and-work specialist IPAR Rehabilitation, says her company has been working on programs in this area.

'Increasingly, insurers are looking to promote programs that adopt a biopsychosocial approach to injury prevention, rather than just focusing on the physical risk factors.'

Georgina Lamb / IPAR Rehabilitation



WORKING FROM HOME COMPLICATES CLAIMS

More people have been working from home during COVID-19, presenting new work health and safety challenges.

A Chubb study conducted in the United States in 2020 found that more than 40 per cent of respondents were experiencing new or increased shoulder, back or wrist pain since they started working from home. According to Marsh, that may be the result of poorly designed workspaces. Researchers found that while 43 per cent of Americans working from home during the pandemic have home offices, 48 per cent have been working in bedrooms, living rooms and at kitchen tables.

'From a safety perspective, many organisations have gone from a small number of workplaces to thousands of uncontrolled workplaces,' says Katherine Gobbi, head of occupational rehabilitation provider Recovre.

'This means that many people no longer have set hours, such as 9am to 5pm. They work in and around family commitments and other aspects of daily living. When someone is injured at home, there is more conjecture as to whether the injury "arose out of or was in the course of the employment".'

'This adds a level of complexity to a claim which may not have ordinarily existed.

In turn, this can have a significant impact on the management of the claim and claims costs, affecting insurance premiums.'

According to Safe Work Australia, employers have a responsibility to help staff set up an ergonomic workstation at home. It suggests providing guidance and self-assessments and allowing workers to borrow office equipment if required. Recovre's remote workplace support services include conducting video and photo inspections to confirm whether or not a workspace is suitable and making recommendations for improvements.

Desk-based workers also need regular physical movement in their workdays and apps such as StretchClock are a useful tool for companies to remind their employees to take a break at scheduled times and guide them through simple stretches and exercises.

Employers also need to consider if their employees are working from home alone, and whether they may require extra support. As Canadian lone worker safety platform SafetyLine explains: 'Although the work itself may not be dangerous, the hazards associated with lone work often arise from a worker's inability to seek help if there is an emergency.' Regular automated or manual check-ins and safety apps such as WorkSafe Guardian and SafeZone can help ensure workers are well and safe.

'In 2018, IPAR partnered with TAL to develop a unique, evidence-based psychosocial recovery program specifically for workers living with post-traumatic stress disorder,' she says.

'Increasingly, insurers are looking to promote programs that adopt a biopsychosocial approach to injury prevention, rather than just focusing on the physical risk factors. The design of such programs involves extensive consultation and collaboration at all levels of a business, giving all stakeholders the opportunity to engage in the process and resulting in better programs.'

IPAR has also partnered with MLC Life Insurance in an innovative, multimodal, mental health support program called

'... At the most basic level, organisations can ask themselves if they want to invest their money in positive risk reduction strategies or their workers compensation premium.'

Katherine Gobbi / Recovre

Mindset4Life, designed to help individuals diagnosed with depression and anxiety improve their mental health.

The program is offered free to all customers with an active income protection claim, and Lamb says it encourages long-term lifestyle and behaviour change to better prevent relapses and reduce incidence rates.

An evidence-based tool assesses aspects such as a person's self-confidence and resilience, as well as expectations about their ability to return to work.

ACC INVESTS TO BOOST SAFETY

New Zealand's Accident Compensation Corporation (ACC) is a no-fault scheme that covers anyone in New Zealand who has been injured in an accident.

In September 2020, the ACC launched an impact investment fund to help improve the health and safety of New Zealanders. Earlier this year, it made its first investment in Robotics Plus, which is developing technology designed to keep forestry, agriculture and transport workers safe.

Logs are the country's third-biggest export, worth NZ\$4.5 billion in 2020. However, log handling resulted in more than 17,000 workplace injury claims last year, costing NZ\$75 million.

Robotics Plus's robotic scaling machines can accurately measure the volume of timber on logging trucks at forestry sites, ports and sawmills, replacing dangerous manual checks.

Support services are provided to help clients improve their holistic wellbeing.

Balancing the books

Preventing workplace injuries and workers compensation claims requires an upfront investment in technology and systems, as well as ongoing staff training and monitoring. Gobbi says measuring a company's return on investment in safety can sometimes be difficult.

'However, the cost of workplace injuries and illness can be enormous and, at the most basic level, organisations can ask themselves if they want to invest their money in positive risk reduction strategies or their workers compensation premium,' she says.

'The benefits of investing in safety can be far-reaching and not just about a reduction in premium. Lower turnover, absenteeism, presenteeism and improved workplace culture, quality and efficiencies are just some of the benefits — as well as not injuring employees and potentially destroying lives through catastrophic injuries.'



ZILLA EFRAT
Freelance journalist & editor

'By embracing new technologies, insurers have endless possibilities to add value in the workers compensation space.'

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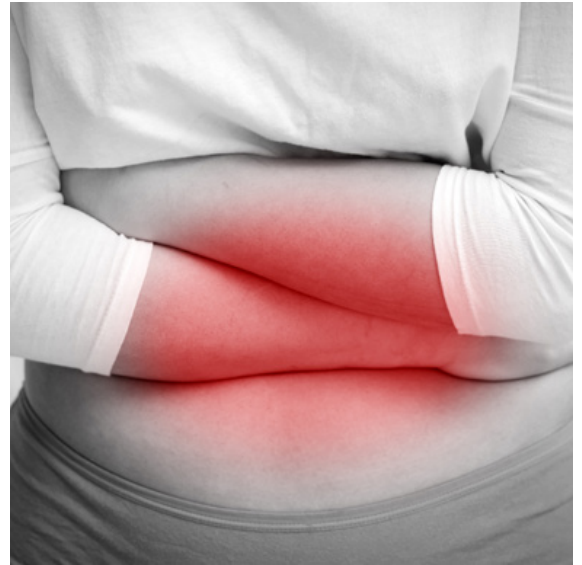
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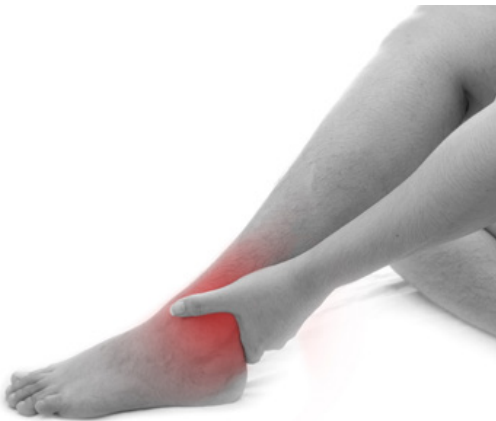
IN SHORT

- Pain management has long been based on avoidance, medication and surgery. Now, experts are focusing on understanding pain science and re-training the brain's responses.
- Life insurers are partnering with specialist pain management clinics to solve the problem of long-term disability claims.
- Claims teams embracing pain coaching have experienced enormous success in bringing claimants back to work, creating a win-win for the business and the customer.



Pain coaching: a win-win for life

Having long been a burning platform in life insurance, chronic pain is being viewed and treated through an entirely new, holistic lens. It's paying dividends for customers and life insurers alike.



When chronic pain sufferer Melissa was introduced to Amelio Health, she was in a dark place. She was extremely distressed: struggling with pain, multiple surgeries, opioid withdrawal and pressure to return to work. With claims stretching over nine years, Melissa had endured multiple failed surgeries prior to a total knee replacement, then subsequent surgeries due to complications.

'She had such high pain levels and she just didn't understand it,' says Kathy Hubble, founder and CEO of Amelio Health, a provider of programs to manage chronic pain. 'She was so upset that she'd been suffering so much more pain than anybody else who'd had the same surgery.'

The opioid withdrawal would see Melissa suffering week-long bouts of vomiting, diarrhoea and migraines.

'The thing that impacted her most was feeling she couldn't be a good mum,' says Hubble. 'She felt like a failure. Every time she would drop a dose, go through awful withdrawal and try to work hard with her physio, everything would flare up.'

'For nine years, she was going around and around in horrible circles. Then, after eight weeks in our program, everything changed. She went back to work full-time and became the mother she knew she could be because she finally had the tools she needed.'

It was quite the change for Melissa, who'd suffered more than her fair share. Of course, it also benefited her insurer. And it was all thanks to knowledge developed over the past decade about how chronic pain should be treated.

The solution has nothing to do with drugs or surgery.

In the case of the Amelio Health program, for instance, it involves a set of integrated, evidence-based approaches to help manage pain, such as rewiring the brain

and learning how to move and exercise safely without fear of reinjury. The program, which also provides just-in-time learning for rehabilitation consultants working with claimants, has an 85 per cent completion rate, with 95 per cent of those participants increasing their work capacity.

Why is chronic pain such as issue?

For decades, chronic pain has been the enemy of sustainability in the life insurance arena, says Simonie Fox, head of shared value partnerships at AIA Australia.

Claims that go on and on, and that are difficult to manage, threaten the viability of certain lines of cover.

'Approximately half of AIA's income protection claims are for chronic pain, as are about 43 per cent of our total and permanent disability claims,' says Fox.

'Sadly, we would have exposure to suicide claims as a result of chronic pain ... we know that 45 per cent of people who live with chronic pain experience anxiety or depression.'

It's not just about business, though. Those suffering chronic pain are desperate for help. The fact that she can be a major part of the solution, Fox says, makes her job exceptionally satisfying.

'We have partnered with Professor Lorimer Moseley AO, a world-leading neuroscientist, and the University of South Australia,' she says. 'Research shows that pain is a protective mechanism to keep your body safe. If your body perceives threat, your pain experience will be far worse than if your body thinks you're safe.'

'Many who end up with chronic pain are extremely concerned they're not going to be able to work and provide for their family. They are afraid, which worsens their pain experience.'

'The pain is very real, but the way you train your brain to not be over-protective is the breakthrough. That's where you get phenomenal outcomes. Our customers who go through five sessions of pain coaching over five weeks see a 27 per cent reduction in pain and an 82 per cent improvement in function.'

'Approximately half of AIA's income protection claims are for chronic pain, as are about 43 per cent of our total and permanent disability claims.'

Simonie Fox / AIA Australia

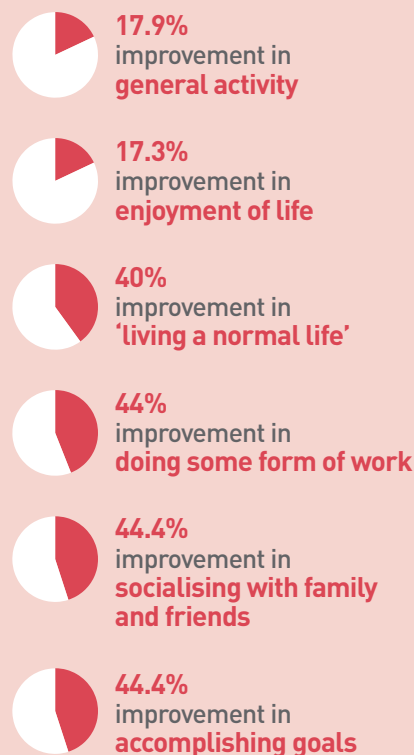


STUDY REVEALS IMPACTS OF PAIN COACHING

The innovative power of a new approach to pain management has been proven in a major Australian study.

A July 2020 Pain Rehabilitation Research study by The University of South Australia reported on the integration of a six-week pain coaching program within AIA Australia's claims management. It revealed some of the breakthrough effects on people previously unable to work due to musculoskeletal-related pain.

Those effects included:



Almost all (96.5%) respondents said they would recommend the pain coaching program to others.

'It's about taking much more of a holistic approach, ensuring mind, body, lifestyle, sleeping, exercise and more are aligned to better manage pain moving forward.'

Josh Agar / MLC Life

How does pain coaching work?

Instead of prescribing painkillers or surgery, pain coaches help people re-engineer their reaction to pain signals. The process involves re-training your brain to dampen down your parasympathetic nervous system — an involuntary part of the nervous system — so pain is interpreted differently.

The treatment is not specific to pain in certain parts of the body, nor from certain injuries or illnesses.

'We offer our pain coaching to anybody with chronic pain,' says Fox. 'Pain coaching educates people about pain science. It gives them a toolkit to bring their pain experience back under control and improve their functional capacity.'

Essentially, Fox says, it helps people realise they are safe to move again.

Josh Agar, manager of wellness and recovery programs at MLC Life Insurance, says early intervention can lead to exceptional results.

'The introduction of these programs early in the claims process is very important,' he says. 'Over the last decade I've seen huge growth and evolution within the pain management space.'

'It's about taking much more of a holistic approach, ensuring mind, body, lifestyle, sleeping, exercise and more are aligned to better manage pain moving forward. Previously, it was about medication and avoidance.'

How does a pain coach see pain differently? Agar says they identify behaviours and motivations around pain avoidance and use those factors to change an individual's response to pain. They teach people to function with the pain, rather than avoid it and medicate against it.

Importantly, Agar adds, the approach must be customised for each individual, taking into account their personal drivers such as family time, professional success and sports participation.

MLC partnered with pain management specialists Beyond Pain to design and manage recovery pathways for those suffering chronic pain. Among those who have taken part in the program — typically customers suffering the most severe chronic pain — 66 per cent have been able to return to work.

'This particular field of work is incredibly rewarding,' says Agar. 'It's all about helping people who need it most.'

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CHRIS SHEEDY
Freelance writer

'Perhaps more exciting than the science of pain coaching, and the sensational outcomes it delivers for those who have suffered so much for so long, is the entirely new level of passion and job satisfaction it brings to claims managers. They now have the power to make a measurable difference to not only their employers' profitability but also the lives of customers.'

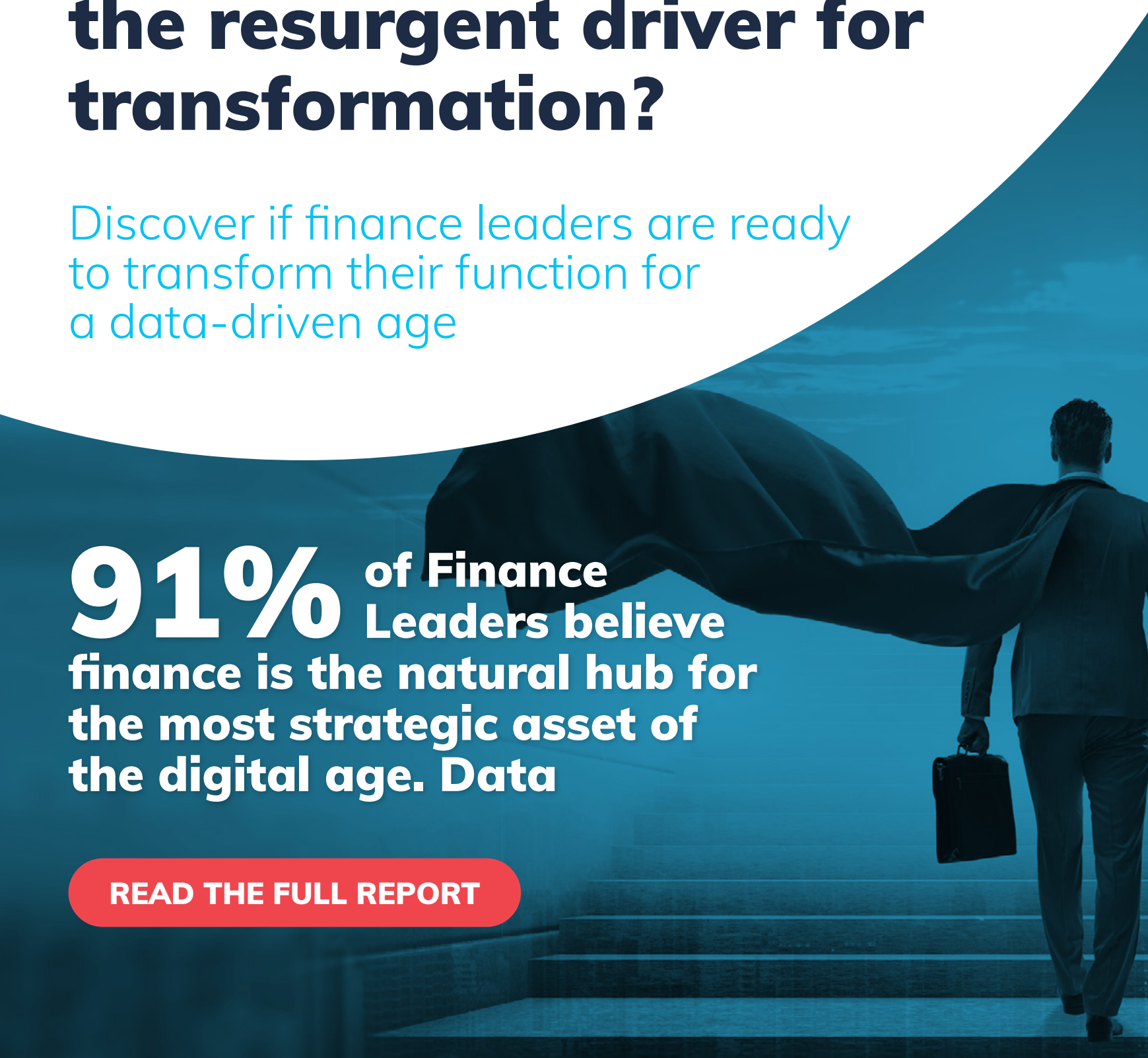


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TESTING YOUR **RQ**

Risk intelligence has become the new watchword for businesses wanting to manage and mitigate their risks to prevent losses as well as leverage risks to capitalise on new opportunities.



IN SHORT

- › While there is no one definition, experts agree that risk intelligence takes a broader, more forward-thinking and opportunity-centric approach to managing risk.
- › In today's volatile, uncertain, complex and ambiguous environment, managing risk should be embedded in an organisation's culture.
- › Insurers are considering more flexible ways to manage their own and their clients' risk.

There is no single definition of risk intelligence. American financier Leo Tilman describes it as 'the strategic reincarnation of risk management'. David Ingram, executive vice president of Willis Re, sees it as 'the ability to reason, plan, solve problems, think abstractly, comprehend complex ideas, learn quickly, and learn from experience in matters involving risk and uncertainty'. For Dr Gavriel Schneider, CEO of Risk 2 Solution Group and program director of Australian Catholic University's Psychology of Risk Program, risk intelligence is 'a living skill and applied attribute that enables better decision-making to proactively embrace opportunity and manage potentially negative outcomes'.

'If it's not a living skill, it doesn't move with the times and we only have the ability to manage in hindsight,' says Schneider. 'We were very purposeful in including that in our own definition, along with opportunity-centrism. The concept of risk carries no suggestion that it's limited to things that can go wrong, yet we've adopted a protectionist mindset which focuses on the negatives, rather than balancing them with things that could work to our advantage.'

Brett Pepler, managing director of management consulting firm Intelligent Futures, sees risk intelligence as a way to navigate risk in a volatile, uncertain, complex and ambiguous (VUCA) world.

'Traditional risk management typically deals with the known and the expected,' he says. 'In a VUCA world you need to be able to anticipate the unexpected, adapt to changing conditions, manoeuvre through obstacles, be decisive on critical issues and be ready to change strategies with limited information.'

A risk-intelligent culture

Nick Kaspers, principal at Senator Risk Management New Zealand, believes that risk intelligence is as much a culture as a process.

'Risk intelligence can't function in a highly controlled, hierarchical structure ... everyone within an organisation should be encouraged to see managing risk as part of their job.'

Nick Kaspers / Senator Risk Management

'Risk intelligence can't function in a highly controlled, hierarchical structure,' he says. 'Everyone within an organisation should be encouraged to see managing risk as part of their job. They should also feel comfortable about bringing challenges to the table, discussing concerns and working as part of a team to find a resolution.'

Kaspers first saw risk intelligence in action as a director of Scouts Aotearoa New Zealand.

'Half of the board has to be under 26 years of age, which creates a very different culture from the average boardroom,' he says. 'We worked a lot in the child protection space, and it was seeing how the younger directors stripped away biases and suggested new ways of discussing and monitoring risk that made me passionate about risk intelligence and what it can achieve.'

Beyond resilience

Risk management is often preoccupied with compliance. 'Doing only what must be done is the basis of old-school risk management, where all variables are known and you have full control of what you do,' says Schneider.

WHAT DOES A RISK-INTELLIGENT ORGANISATION DO DIFFERENTLY?

Brett Pepler, managing director of Intelligent Futures, shares four key features of a risk-intelligent organisation:

1

ANTICIPATORY MANAGEMENT



Decision-making is forward leaning to reduce the likelihood of surprise.

2

BUSINESS OUTCOMES



The strategic dialogue shifts from risk aversion to opportunities, especially those risks that can and should be taken.

3

WAYS OF WORKING



Risk activity is embedded as a highly interdependent system of work, rather than a series of disparate tasks.

4

RISK CULTURE



Everyone understands the organisation's approach to risk, takes personal responsibility for managing risk in everything they do and encourages others to follow their example.



RISK MANAGEMENT VS RISK INTELLIGENCE

As Michael Auret, a partner at PwC Canada succinctly puts it, risk intelligence implies forward thinking, insight and value. Risk management suggests fixing a problem, being reactive and always looking over your shoulder.

Take artificial intelligence (AI), for example. According to Cem Dilmegani, founder of tech industry analyst AIMultiple, integrating AI into insurance processes can increase profitability by providing more accurate customer pricing and a reduction in fraudulent claims.

Balanced against these benefits are some risks — and Brett Pepler, from Intelligent Futures, uses this to illustrate differences between risk management and risk intelligence.

Risk management would be concerned primarily with technical risk in each AI project. This would include its impact on timely delivery and effective embedment to realise added business value.

Risk intelligence might incorporate a broader view, monitoring weak signals of algorithmic ambiguity within and across the AI projects — perhaps hidden in customer complaints data — which is likely to lead to expanded customer risk, unwanted regulatory attention and reputational damage.

‘A resilience mindset achieves risk intelligence by overlaying the best of compliance and resilience with a focus on opportunity and positive outcomes.’

Dr Gavriel Schneider / Risk 2 Solution Group

‘Even at its most effective, it’s always backwards-looking and never drives performance or innovation.’

Companies that recognise these limitations might focus on resilience by building and testing business continuity and crisis management plans, and preparing for likely scenarios.

‘These things are important, but a lot have learned the hard way through COVID-19 that they don’t necessarily help you to manage disruption,’ adds Schneider. ‘This is why we coined the term resilience™. A resilience mindset achieves risk intelligence by overlaying the best of compliance and resilience with a focus on opportunity and positive outcomes.’

This was supported by Schneider’s reviews of COVID-19 incident response and risk management.

‘We found that the organisations anchored in a compliance-driven approach were struggling to perform,’ he says. ‘Those that were doing well had a balanced approach and encouraged what we would consider a learning environment. Rather than punish mistakes, they treat them as an opportunity to learn — and they also learn from and leverage their successes.’

Pepler is concerned by the common practice of rewarding executives for a blinkered approach to strategy — sticking to agreed decisions rather than paying attention to potential threats inside and outside the organisation.

‘Weak signals are ignored and their interdependencies left unexplored, until an emerging issue poses an existential threat and there are few options for resolution,’ he says.

He believes that risk intelligence can help challenge the organisational biases that discourage adaptive change. These include confidence bias — when we overestimate the truth of what we believe — and confirmation bias, where we mainly focus on information that fits our existing beliefs.

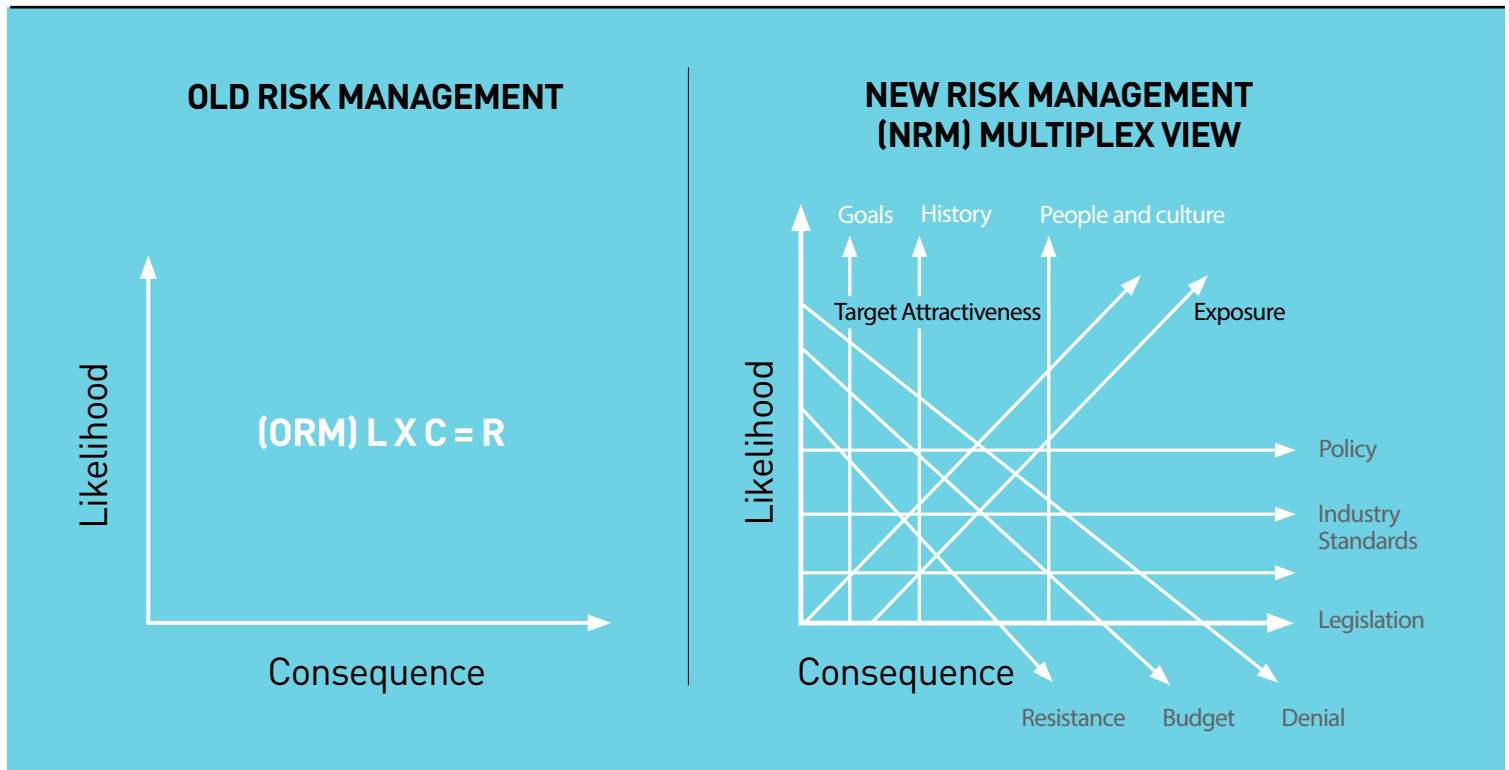
‘These biases can trigger the formation of what [author and strategist] Michele Wucker has labelled “gray rhinos” — a metaphor for a highly probable, high-impact yet neglected threat,’ continues Pepler. ‘Risk intelligence helps us to pay fresh attention to what’s obvious but largely ignored.’

A new kind of protection

When Kaspers began his career in the insurance industry, policies were based around physical assets. Today, intellectual property merchant bank Ocean Tomo reports that 90 per cent of the SP 500’s assets are intangible.

‘One of the challenges for the insurance industry is understanding clients’ intangible needs — what creates value, how we look after that and how it can be destroyed,’ he says. ‘As risk professionals, we need to apply risk intelligence to include the impacts of things like climate change and cybercrime in our assessments, as well as less-visible threats.’





Source: ACU Psychology of Risk white paper: Old Versus New, Embracing a New Risk Paradigm (2017).

Thanks to the increasing availability of data, parametric insurance products are starting to fill the intangible gaps, especially for emerging risks in the environmental, social and governance space.

'Rather than paying out on a claim for a specific loss, the insured receives an agreed amount when a predefined event occurs,' says Kaspers. 'This can help to smooth volatility, give insurers greater flexibility and make it easier for customers to plan. Claims can also be settled quickly because there's nothing to assess.'

For the future, Peppler sees risk intelligence shifting from producing richer insights for executive audiences to achieving organisational outcomes, such as raising risk maturity and increasing broader organisational resilience.

'To expedite this shift, I'm engineering better alignment between the informational, risk culture and risk capability components,' he says. 'In the first instance, these changes will influence the structural element of a risk intelligence capability and, subsequently, its portfolio of products and services.' //

'Risk intelligence helps us to pay fresh attention to what's obvious but largely ignored.'

Brett Peppler / Intelligent Futures

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DOMINI STUART
Freelance journalist

'The complexity of our digital and hyperconnected world is testing traditional approaches to risk management. Risk professionals may not have all the answers, but a flexible, forward-thinking and collaborative approach will help their clients navigate challenges as they arise.'

Tech at the frontline of firefighting

Technologies like artificial intelligence and machine learning are taking wildfire risk modelling to new heights, helping reinsurers better understand and price their risks. But (re)insurers can't fight the potential losses alone.

0101

IN SHORT

- › Technologies like artificial intelligence, machine learning and drones are improving the accuracy of bushfire risk modelling.
- › This is helping reinsurers better understand and price their risks.
- › But experts warn modelling alone won't mitigate the risks. Others need to act on the data to develop better building and planning policies and codes, control fuel loads and tackle climate change.

‘Insurers can’t predict the next climate crisis, but we are getting close.’ That’s a tagline from Kettle Re, a San Francisco-based start-up reinsurer that uses artificial intelligence and machine learning (ML) to predict the likelihood of a wildfire in any given area.

Kettle Re’s catastrophe (cat) modelling software ingests data from 47 different sources, including NASA satellites, weather satellites and laser-based lidar mapping sensors. Circumstances that make fires more likely, such as dry undergrowth, high winds, little rainfall and hot temperatures, are also picked up. For every analysis, models run 42 million simulations using a statistical approach called swarm neural networks.

By providing what it believes is a more accurate view of the fire risk, Kettle Re hopes to make the risk more understandable and more insurable.

So far, the expected loss ratio for 2020 wildfires for most major primary carriers that underwrite for wildfire damage is well above an unsustainable 100 per cent. However, Kettle Re says a simple and direct application of its risk estimate of wildfire probabilities improves pricing and reduces the loss ratio by significantly more than half.

‘Insurers can’t predict the next climate crisis, but we are getting close.’

/ Kettle Re



PICTURED (FROM TOP)

Technology has transformed the way insurers can understand and price bushfire risk; NASA's Terra and Aqua satellites are provided with MODIS, a key multispectral sensor capable of tracking fires and smoky haze. Image: NASA

Tech spreads like wildfire

Kettle Re's choice of technologies for bushfire cat modelling appears to be where the reinsurance industry is headed.

According to Peter Cheesman, head of analytics for Asia Pacific at Aon, recently developed models use moderate resolution imaging spectroradiometer (MODIS) satellite data to better track burnt areas, and ML to validate them. MODIS is a key multispectral sensor that is flown aboard NASA's Terra and Aqua satellites. These satellites view the earth's entire surface every one to two days at a moderate resolution.

'ML is also being used to define burning probability and directional spread probability of fires from historical data,' says Cheesman, adding that cat models are not tools for predicting what any single fire season might look like. Instead, he says, 'these tools are entirely focused towards estimating the potential financial loss for capital requirements such as reinsurance,

and ML is one of the latest techniques that model vendors are using to enhance their modelling accuracy'.

Rade Musulin, a principal at Finity, notes that satellite data and the use of ML to analyse imagery has led to greater accuracy when it comes to identifying high-risk properties and pricing the risk.

Other financial services companies are using similar technology.

Dr Pierre Wiart, head of consulting and risk management solutions for CoreLogic Asia Pacific, says that since the Black Summer bushfires of 2019-20, his company has been experiencing more demand for information and the latest technology to improve understanding of bushfire risks and mitigation strategies.

In Australia, CoreLogic has developed a bushfire monitoring solution. 'We're able to extract satellite imagery on a weekly basis that surveys and monitors Australia's geographic mass and identifies the areas subject to bushfires,' says Wiart.

'We compare this imagery to our comprehensive database and identify properties that have been directly impacted.

'It forms an important part of our broader natural hazard risk mitigation offering, which allows us to monitor other natural hazards, including floods, cyclones, hailstorms and more. Without this service, banks and the financial industry would have limited visibility of how their mortgage portfolios and customers might be impacted by these events.'

Drones flying high

Drones are also being used to collect data on the fire risk of individual properties worldwide.

In the United States, for example, start-up Firemaps is using drone and satellite imagery to help defend Californian homes from wildfires. The company creates 3D maps of properties and uses them to draw up a plan to make the property more ignition resistant. Firemaps also offers a database of qualified general contractors to carry out the work required to mitigate the risks it uncovers.

The company claims it can greatly reduce the risk of a home being destroyed by wildfire. After wildfire risk mitigation work has been done, Firemaps completes customers' wildfire readiness assessments and will share this information with their insurers on request, so customers can maintain insurance coverage and lower their premiums.

Understanding vs mitigation

When it comes bushfire cat modelling, Musulin says it is important to distinguish between information and action.

'I believe we have achieved an acceptable level in defining bushfire hazard. However ... we still need to extend our knowledge.'

Peter Cheesman / Aon



'Cat models help us understand bushfire risk, and pricing for it helps motivate loss reduction. But mitigating risks also requires parties other than insurers to act on that information, such as land-use policy, stronger building codes, controlling fuel loads, fire suppression and, of course, tackling climate change,' he explains.

'With greater availability of satellite data and better technology to analyse that data at a detailed level, we are able to build up a very granular view of the vegetation surrounding any given property. This captures a significant portion of the risk at a property level. The influence of climate drivers is more difficult to understand and predict.'

Still a way to go

Despite the uptake of new technologies to model risks, Cheesman says bushfire remains one of the most challenging perils to model, due to several factors that may affect the loss.

'I believe we have achieved an acceptable level in defining bushfire hazard. However, in terms of loss estimation, fire propagation modelling and vulnerability calculation, we still need to extend our knowledge.'

Cheesman says the main challenges of bushfire modelling are developing realistic burnt extents of the events and defining the underlying fuel layers.

'For example, if a fire ignites in a semi-urban area, how far can the fire go and burn properties due to the defined fuel layers? The other challenge is trying to

AI SCORES ONE FOR REINSURERS

In the United States, reinsurer Aon has formed a strategic partnership with insurtech Zesty.ai to make more detailed property data accessible to property and casualty insurers underwriting wildfire risk.

Zesty.ai has developed the Z-FIRE predictive model, which uses artificial intelligence and machine learning to score individual properties out of 10, in terms of how likely they are to be destroyed by wildfire. The model draws on high-resolution imagery, topography, building records, historical wildfire loss data and weather data.

Risk factors include when the property was built and the building materials used, roof shape, the type and density of surrounding vegetation, and how close a property is to areas considered at high risk of wildfire.

The scores can be used by underwriters to price risk more accurately — and to take a single-property view, rather than accepting or refusing cover based on a customer's suburb or postal code. Z-FIRE scores can also help identify ways homeowners can mitigate wildfire risk through clearing and home renovation.

Insurers such as Farmers expect to write more than 30,000 new property insurance policies in California, using Z-FIRE to identify eligible customers who might previously have been considered too high risk for cover.



accurately predict how any single fire develops and how the severity might cause subsequent damage.'

Musulin adds that catastrophic bushfires have many causal factors, including multi-year climate cycles, local daily weather conditions, fuel loads and human behaviour and intervention.

'While we can understand and form assumptions relating to each individually, the most costly bushfires generally occur from the "perfect storm" of these factors. Capturing how they interact can be challenging,' he says.

Factors to consider

So, what variables should be considered in the modelling?

'Factors like ground slope, area of bushland nearby, area of grassland nearby, surrounding buildings, aspect of nearest bushland and so on,' says Cheesman.

'Historical data is also really important in order to verify models, including event rates and burnt extent.'

Musulin says Finity employs a range of granular data relating to the property when it considers its risk, including the type, location and area covered by surrounding vegetation, nearby road breaks, topographical information and dominant wind direction.

'In calibrating our models, we consider historical losses,' he says. 'However, with building standards changing, population shifts, climate change and changing fire suppression techniques, information about the past is becoming less relevant to the future.'

'... with building standards changing, population shifts, climate change ... information about the past is becoming less relevant.'

Rade Musulin/ Finity

What we can learn

'Other regions like the United States include some other factors such as firefighting capacity and smoke damage in their models, which Australia perhaps needs to consider,' says Cheesman. 'Models in the EU are not as sophisticated as those in Australia and the US.'

Musulin adds: 'Australia has very advanced cat modelling for bushfire risk, perhaps reflecting that it is a relatively larger part of our catastrophe loss profile than is the case in the US, where earthquakes and hurricanes are more dominant. Our modelling capabilities support a strong private insurance market.'

'In California, regulators have been reluctant to allow the use of cat models for pricing bushfire. Instead, according to an American Academy of Actuaries report, "insurers are expected to use a multi-year, long-term average of historical events to develop a catastrophe provision". This has contributed to serious market disruptions there recently.'

Wuart adds that there's been innovative risk transfer in the US, such as bushfire parametric cat bonds. 'There's potential we will see that introduced in Australia in the future,' he says. //

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ZILLA EFRAT
Freelance writer & editor

'We are getting better at understanding bushfire risk, but we are still so far from being able to take on Mother Nature, especially as the climate changes.'

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ANZIIF would like to extend a warm welcome to its newest members.

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5 trends that will shape the insurance industry in 2022

As another year draws to a close, five experts share their predictions for the key trends that will shape the insurance industry over the next 12 months.

01 // Strong growth

Swiss Re forecasts that global insurance demand will remain strong in 2022. 'Our projection finds that the global insurance premium will grow by an above-trend 3.9 per cent and exceed US\$7 trillion in size for the first time by the end of next year,' says Swiss Re's group chief economist Jérôme Haegeli. 'Our consumer survey in 12 Asia-Pacific markets in early 2021 found that many feel under-insured and aim to buy more protection, despite an already high rate of ownership.'

02 // Tailored travel policies

COVID-19 focused attention on what travel insurance does and doesn't cover. 'Aardvark Compare, a travel insurance comparison site in the United States, saw interest in "cancel for any reason" policies had jumped from just 5 per cent to more than 50 per cent,' says Danielle Casamento, a principal at Finity. 'After the pandemic, it's likely that any "cancel for any reason" cover will be less generous. In 2022, I think we'll continue to see insurers and reinsurers globally continuing to tailor their offerings and tighten policy wording.'

03 // IoT takes off

Insurance is one of the fastest-growing sectors in global Internet of Things (IoT), with the compounded annual growth rate expected to be 40 per cent between 2021 and 2024. 'We believe that IoT has the potential to change the future of proactive risk management,' says Scott Gunther, managing partner at IAG Firemark Ventures. 'For example, we recently invested in Myriota, a pioneer in satellite connectivity, as a way of helping our agriculture, transport and logistics customers to monitor and manage a wide range of assets.'

04 // Cyber demand sky high

According to Microsoft Defender Antivirus' telemetry, malware encounter rates have increased by 23 per cent in Australia, 19 per cent in New Zealand and 43 per cent in Singapore over the 18 months to May 2021. 'Given the major cyber incidents of the last few years, there is little question about the criticality of cyber insurance for businesses of all size,' says Eric Cho, a cyber underwriter (Asia region) with Munich Re. 'This reality also reinforces the need for a correction in both cyber pricing and terms and conditions in order to secure future growth.'

05 // Mass-market parametric activity

On one hand, climate change, population growth and urbanisation are driving up annual catastrophe damages.

On the other, increasing computer power and the proliferation of IoT networks mean that mass-market parametric insurance is possible for the first time. 'Parametric insurance has gone from a conference buzzword to form award-winning covers used by clients worldwide,' says Adam Rimmer, CEO of London-based insurer FloodFlash. 'These trends will shape the catastrophe insurance market next year, and for years to come.'



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