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WORKER SHORTAGES

What the labour crisis means for insurers

The dangers of deepfakes

Is social washing worth the risk?

Australian Insurance Awards: meet the winners

EDUCATION | LEADERSHIP | TECHNICAL EXPERTISE | INSIGHTS | INNOVATION | COMMUNITY

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Cover all your bases with ANZIIF's guide to what you should be attending, reading, watching and learning right now.

New Zealand Insurance Industry Awards

30 November | Cordis, Auckland

The New Zealand Insurance Industry Awards are back in person for the first time in two years, recognising outstanding accomplishments of individuals and businesses across the industry. Excellence in Environmental, Social and Governance Change and General Insurance Claims Team of the Year are among four new categories for 2022 with winners chosen by an esteemed panel of industry judges. Don't miss out on your ticket to the New Zealand insurance industry's night of nights.

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8 November
Four Seasons, Sydney

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7 December
Sydney

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→ **Buy tickets**

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If It's Smart, It's Vulnerable

By Mikko Hypponen

From stereos to security systems, all our household gadgets are going online. But once these devices connect to the internet, do we really have any hope of keeping them safe from cyber hackers? Veteran cybersecurity expert Mikko Hypponen delivers an eye-opening and jargon-free exploration of the cybersecurity challenges of a 'smarter' world — along with plenty of hacking horror stories.

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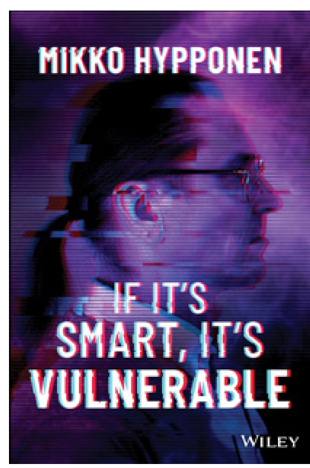


by Abigail Murison

IN SHORT

- Many countries in the Asia Pacific are experiencing workforce shortages across multiple industries because of restrictions on travel over the past few years.
- Having overworked and inexperienced workers can increase the risk of workplace injuries, burnout, supply-chain failures and poor-quality products and services.
- Some short- and medium-term ways to address the staff shortfalls include improving employee retention benefits, reskilling workers from other industries, retaining older workers past retirement age, and using automation and robotics.

The long and short of UNDERSTAFFING

Across the Asia Pacific, workforce shortages are taking their toll on worker health and business profitability, productivity and reputation. How do companies mitigate these risks while holding on to the talent they have?

Finally, shops and entertainment venues can open, houses can be built, elective surgeries are going ahead, and people can travel. There's just one thing missing: the workers who make it all happen.

A record 85 per cent of Australian businesses reported staff shortages in February 2022: a reflection of the 3.4 per cent July unemployment rate — the lowest on record in the last 48 years. Worker shortages are also a major issue in Singapore and Hong Kong, where the latest unemployment rates at the time of publication stand at 2.1 per cent and 4.3 per cent respectively.

'Singapore is very dependent on immigrant labour for a number of industry segments,' says Brendan Dunlea, ANZIIF Fellow and QBE regional property and engineering manager, Asia. 'Given the restrictions on non-residents entering Singapore, getting key workers into the country has been a big challenge.'

In New Zealand, unemployment stands at 3.3 per cent for the June quarter, and the Building and Construction Industry Training Organisation estimates its sector is short more than 140,000 workers this year alone. In March and April, some kiwifruit farmers were paying fruit pickers NZ$60 an hour, owing to the lack of seasonal workers.

APAC countries are also competing for workers — from working holiday travellers to healthcare professionals.

FING

Double whammy

What's unusual about the current labour situation is that there's both a skills shortage and a labour shortage. So, impacted countries have too few cleaners, fruit pickers, nannies and factory workers, as well as too few IT professionals, doctors and engineers.

'There's a lot of industries impacted by just a simple lack of workforce, particularly where there is a large migrant population in that workforce,' says Kristy Nicholson, national manager — safety, Mercer Marsh Benefits at Marsh Australia. 'Agriculture, retail, travel and tourism, accommodation, food service, entertainment — they're the types of industries that have those big shifts in workforce and they've just had a simple lack of people coming in.

'The construction and trade industries have also been severely impacted, particularly when you're talking about mining and large infrastructure projects. They have absorbed local resources, especially where they can't access resources internationally, and that's left other areas short.

'Then, workforces in some industries are just burnt out. The healthcare, aged-care and education sectors have really borne the brunt of the COVID-19 pandemic and people are leaving those industries. Our clients are telling us they just can't get skilled people.'

Nicholson adds that many workers in the travel, tourism, food service and entertainment industries that were impacted by lockdowns over the past few years have been forced to reskill. Despite vacancies in their former professions now, they aren't moving back into those roles.

'... Workforces in some industries are just burnt out. The healthcare, aged-care and education sectors have really borne the brunt of the COVID-19 pandemic.'

Kristy Nicholson / Marsh

‘Shortages have impacts on employee wellbeing, including burnout and mental and physical health challenges.’

Rachel Pu / QBE

CAUSES OF WORKPLACE INJURY

According to Safe Work Australia, the top five main causes of workplace injuries in 2020 were:

1 Body stressing

2 Trips, slips and falls

3 Being hit by moving objects

4 Mental stress

Sources: *Key work health and safety statistics*, Australia 2021 (Safe Work Australia); WorkSafe New Zealand Fatalities Register

Mental and physical risks

Chronic understaffing presents a range of risks for businesses and individuals.

'Shortages have impacts on employee wellbeing, including burnout and mental and physical health challenges,' says Rachel Pu, QBE's Singapore country lead for workers compensation and motor. 'Employees can also experience elevated stress levels when their organisation operates through workforce shortages, requiring employees to work longer hours and / or additional roles. Productivity under such circumstances is likely to suffer, as employees are stretched. Other considerations include human error and fatigue-related incidents.'

On the business side, multiple risks can stem from production delays and quality issues, including customer dissatisfaction, fewer referrals or renewals, and lower revenue.

Dunlea points to the Singapore construction industry to illustrate the impacts. 'While construction sites faced delays during COVID, the renovation and maintenance segments were also faced with large cost increases,' he says. 'And if you had a leak or a power cut, it could take days, or a lot of money, to get things fixed.

'Then, there are the issues of cost cutting, which can often mean lower-quality work. Particularly for the construction and energy industries, that lack of quality control could result in large losses due to collapse, explosion or other major accidents.

'A number of construction sites are at a standstill. When workers eventually return to a site, often it's not the same workers who had been performing the work to date, so there are problems ensuring the projects run smoothly. This can result in incidents where workers and property suffer.'

5
Hitting objects with a part of the body

The number one cause of Australian **workplace fatalities** in 2020 was vehicle collision, which accounted for 80 fatalities — 41 per cent of all deaths.
Vehicle collision was also the leading cause of workplace death in New Zealand, resulting in 30 fatalities (48 per cent of total workplace fatalities) in 2021.

Skill shortages also exact an opportunity cost from understaffed businesses. Gallagher Bassett New Zealand's national people and culture manager Gabrielle Cook explains: 'There's strong competition for talent out there and when there's a shortage of people with key skills available, some organisations are going to miss out. There's the real risk of business growth being stunted.'

Managing the fallout

Some insurers are already seeing the impact of overworked or inexperienced workers in different industries.

Says Pu: 'In the first four months of 2022, Singapore saw 20 workplace fatalities, the highest number since 2016. There has also been an increase in job site accidents and medical claims from foreign workers at an industry level.'

In Australia, Nicholson says that, with the work-from-home / work-from-anywhere shift over the past couple of years, Marsh's clients are seeing an increase in home-related incidents that are classified as workplace injuries.

Supply chain risk is also a major concern. 'One of our clients can't find drivers to get their products out,' says Nicholson. 'They're able to make a product, but can't distribute it to their customers. The global connectedness of businesses means that a workforce shortage in one area can have a significant impact on so many other places. It's not just the workforce within the organisation itself.'

In other instances, it can be tricky to link incidents strictly with workforce shortages, although they would appear to be a main contributor. 'In power generation across Asia, we've seen what we believe to be a higher incidence of plant breakdowns over the past 18 months, but we can't pinpoint exactly why,' says Dunlea. 'It could be due to not enough key technical workers getting to plants or maintenance and overhauls getting postponed, but it could also be due, in part, to employer and employee attitudes.

'We are having to be thorough in our risk assessments, assessing the quality of contractors and maintenance staff. Do they have a full workforce? Do they have critical spares to avoid having to wait on overseas deliveries? Business interruption deductibles have increased.

'There is also the issue of inflation on sums insured. These need to be reviewed by insureds to ensure they are sufficiently covered in the event of a loss.'

Lastly, while Cook says many organisations — including Gallagher Bassett — stepped up their staff wellbeing programs and check-in processes, mental health continues to contribute to workforce shortages, absenteeism and insurance claims.

Perhaps surprisingly, people who lost their jobs in Australia over the past two years may actually have fared better in terms of mental health than workers who were kept on. Says Nicholson: 'We did a study in Australia during COVID-19 looking at mental health and wellbeing risks. What we found very early in the pandemic was that the decline in mental health was worse for the workers who were left in the workplace, rather than the workforce that was laid off.

'Laid-off workers were being managed through the JobKeeper process. They had less stress. Meanwhile, it was the workforce that was left within the business to keep it running that had the worst mental health and wellbeing impacts.'

Close to home

The insurance industry is not exempt from workforce shortages.

'Post-COVID, people are really looking at their own companies and asking themselves if this is the place they want to be. An organisation's reputation has become absolutely critical,' says Rodney Hanratty, Australia / New Zealand head of people and culture at Zurich.

'There isn't an endless supply of underwriters or claims managers, so you have to draw on your business's reputation and strengths.

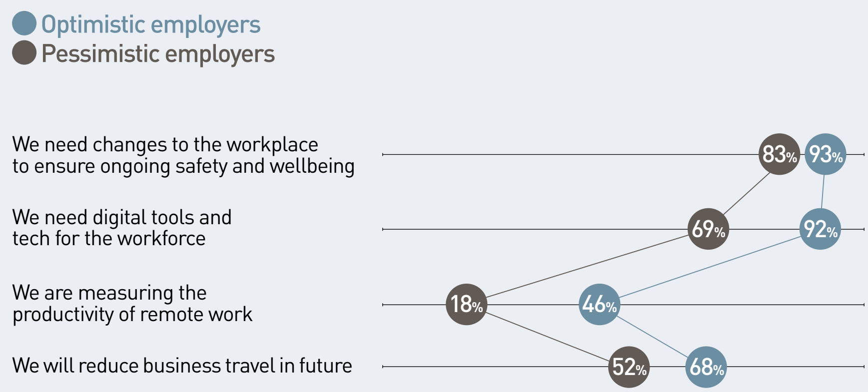
'Zurich has a reputation for its commitment to training, and we have a sophisticated approach to hybrid working. Each team has been asked to form a team agreement on work-from-home and office time that will meet customer needs, team needs and personal needs. If there's a good thing to come out on the pandemic, it's that rebalancing between those three elements.'

Craig Furness, CEO of Gallagher Bassett New Zealand, says the hybrid work model also presents challenges for the insurance industry and many other professional service areas. 'Working from home impacts on issues such as how we train and develop our people,' he says. 'How do we build skills that are outside of technical skills: the ones you learn from interacting with key areas of the business? Those are skills that we've taught our people in the office in the past without even realising it.

'As we move forward, businesses will need to change the way they interact with their people and develop skills, because we're working in a different way.'

EMPLOYER ATTITUDES TO WORK

In the EY *2022 Work Reimagined Survey* of 17,000 employees and 1,575 employers across 22 countries and 26 industries, employer optimism impacts how businesses are approaching the 'new normal' of workforce shortages and post-pandemic work.



Source: *EY 2022 Work Reimagined Survey*

Pu points to a combination of employee benefits and continuous learning as the key components at QBE Singapore. 'We offer a full suite of training and learning modules — from health and wellness programs to technical underwriting courses — for our people to upgrade and upskill to stay relevant in the new economy.'

While insurers are certainly still competing with each other for talent, Hanratty says that the industry may now have an edge with younger workers weighing up their options across professional sectors.

'If anything, COVID has made insurance a more attractive option,' he says. 'It's put the industry on people's radar — particularly the younger generation that is looking at more purposeful work. Essentially, when you need help, insurers help you. It does fit with that meta-need if people are looking for a more purposeful career.'

Getting ahead of the curve

Insurers are working with their clients to help business leaders identify the risks they run if they find themselves short-staffed. Companies can then work out ways to mitigate certain risks and develop better employee retention mechanisms to hang on to some of the talent that they already have.

Hanratty says Zurich Resilience Services develops strategies to help larger organisations deal with staff shortfalls, to futureproof businesses as much as possible. For smaller businesses, the Zurich Risk Advisor app provides self-assessment for supply chain risk, as well as mental health and wellbeing at home, work-from-home examples, and so on.

Similarly, Marsh's strategic risk team helps employers understand their holistic risk profile and identify and implement risk-mitigation strategies. 'Organisations are often unprepared or underprepared,' says Nicholson.

Furness points to the focus on mental health. 'We've seen a lot of organisations very aware of the need to make sure that they look after the mental wellbeing of their people to a greater extent than they perhaps would have previously,' he says.

In Singapore, QBE is conducting knowledge-sharing sessions with partners and customers to update them on product information, potential risks and government support available to them.

Says Pu: 'Our duty of care to our insureds also sees us involved in national-level initiatives like bizSAFE, a nationally recognised capability building program designed to help companies build workplace safety and health capabilities. This ensures we are always up to date with best practices and can share this knowledge with our stakeholders.'

Critically, businesses can't afford to lose the staff they have. 'It's a very expensive exercise to lose a skilled employee and have to replace them,' says Nicholson, 'so we're working with employers to really help them ensure they attract the right employees and then retain them through employee benefits and health benefits, whether that be personal accident [cover], salary continuance or private health insurance-related programs.'

Interim solutions

While most country borders are now open — with the important exception of China, Dunlea notes — it's likely to take a couple of years for worker migration to normalise and talent pools to grow again.

What are the options in the meantime?

'As a short-term measure to alleviate the tight workforce situation, the Singapore Government has recommended that companies fill their vacant positions by employing safe-distancing ambassadors (SDAs), officers that were previously employed by the government to enforce safe distancing in public areas during the pandemic,' says Pu. 'However, some of these SDAs may need to be retrained or reskilled to adapt to other roles.'

A longer-term solution might be to draw on the skills of the grey workforce. Says Cook: 'New Zealand has an ageing workforce, and we're seeing more and more workers who are 65 years and over. It brings a whole lot of diversity into the workforce, as well as a lot of intellectual property if workers have been with an organisation for a long time.

'The flipside is that there is also the risk that people will retire at a moment's notice, before you are able to transfer skills to other people in the business.'

Advances in technology may also plug certain workforce gaps. 'Businesses are turning to technology to alleviate labour challenges, and we are seeing the use of robotics, including robotic dogs to survey construction sites and shelf-reading robots to scan labels on books,' says Pu.

On the retention side, Cook stresses that it's as much about holding on to your existing people as it is attracting new ones. 'Make sure your people can see that you are genuinely making real efforts to look after them, and make sure they have opportunities for development and flexibility,' she says. 'If you get that right, and you've planned it well, you can offset some of the impacts that we're seeing to a certain extent.'

Hanratty agrees. 'You need to be a good employer and do the right thing by your employees. Whether you're employing a chef, an underwriter or a nurse, it's the same principle.'

Lastly, while workforce shortages need to be addressed and the risks mitigated, Furness says we need to avoid getting caught up in media hype around short-staffing. 'It's an important factor that we don't create workplace shortages and create gaps by over emphasising them. Instead, if we keep on talking about the positive things that can happen, that, in itself, will have a positive impact.'

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ABIGAIL MURISON

Freelance writer

'In our town, it's not unusual now to see businesses reducing their operating hours or their product range because they're short-staffed. After researching this article, I have a much better understanding of the risks businesses run if they're relying on tired or inexperienced workers. I think it would be fantastic if more older workers delayed retirement or returned to the workforce, and it's certainly a golden opportunity to retrain for a new trade or career. Perhaps a change is as good as a holiday?'


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ASKA FANG LIU EVOLVING MODELS FOR SUCCESS

COMPANY // OneConnect

TITLE // General manager, Insurance Division

Aska Fang Liu is bringing the best of Chinese technology to the world stage in her role at OneConnect, Ping An Group's fintech arm.

STORY *Anna Game-Lopata* **PHOTOGRAPHY** *Dan Sandoval*

With more than 110,000 technology personnel and 4,500 scientists, leading Chinese insurance and financial services group Ping An presides over a massive reservoir of technical expertise and firsthand digital transformation experience.

According to Aska Fang Liu, general manager of the Insurance Division at OneConnect, the group's fintech arm, Ping An can tap into a diverse talent pool and bring the best minds to successfully deliver innovative solutions for its clients.

'Ping An has 227 million retail customers and 647 million internet users in its ecosystem, so our solutions are tested on a large scale,' says Liu.

'For example, Ping An's agent Sales and CRM [customer relationship management] solution reflects nearly one million active user adoptions, and with that level of data and usability verified, its software can easily be developed and implemented.'

An explorer's heart

Born and raised in Beijing, Liu was educated in mainland China, Hong Kong, the United Kingdom and the United States. Having grown up in a family full of love and support, she says she always had the freedom to choose what she wanted to do.

'I got my explorer side from my father, who travelled all over China for work at a time when free movement was hardly possible,' she says. 'I always had the courage to jump out of my comfort zone and take new challenges.'

When it comes to career choices, Liu's roles have also been extremely varied. She started her career as a scientist with GlaxoSmithKline at the University of Cambridge before taking a role as a management consultant at McKinsey & Co, where she spent eight years.

Prior to being appointed head of OneConnect's Insurance Division in 2020, she held the position of strategic sales director with prominent technology company Salesforce in the UK. During this period, she also took an expedition to the Arctic and North Pole as a Chinese translator with Poseidon Expeditions.

'Every single transition has been challenging, with the associated changes in geography and industry plus the so-called reverse cultural shock all at the same time,' says Liu. 'I had to adapt myself to each different company culture as well as the Chinese way of doing business when I returned to China after spending more than 10 years in the West.

'I truly enjoyed the experience along the way, and I can see the unique value I bring to the OneConnect and Ping An businesses because of my diverse background.'

The opportunity with OneConnect came at a time when Liu was considering a career back in China. Having worked with Salesforce in the UK for just over four years, she was keen to put her energy into helping Chinese tech companies gain global recognition.

'Every single transition has been challenging, with the associated changes in geography and industry plus the so-called reverse cultural shock all at the same time.'

TWO-MINUTE BIO

EDUCATION
Aska Fang Liu graduated in mathematics and science from the Beijing-based high school affiliated with Renmin University. She completed a Bachelor of Science at Hong Kong University of Science and Technology, majoring in biochemistry and mathematics, undertook courses in Digital Marketing Strategy at Columbia University, New York, Design Thinking and the Art of Innovation at Stanford University, California, and two executive leadership programs at the University of Oxford's Saïd Business School. She was awarded a Master of Philosophy in Applied Mathematics majoring in computational biology from the University of Cambridge and later received her MBA with Distinction from London Business School.

CAREER
Liu's diverse career began at the University of Cambridge as a GlaxoSmithKline scientist in 2007. She then spent almost eight years at McKinsey & Co as a management consultant before joining Salesforce in the UK as director of strategic account advisory. Along the way, she also joined an expedition to the Arctic and North Pole with Poseidon Expeditions as a Chinese translator. She was appointed general manager, Insurance Division, at OneConnect Financial Technology in October 2020.

OUTSIDE THE DAY JOB
Liu loves travelling and seeing the world and has visited all seven continents — including Antarctica — and more than 50 countries. She also enjoys playing tennis and having interesting conversations with friends.

TOP TIP
'Be true to yourself.'

'Ping An has invested billions and billions of dollars developing its own technology,' enthuses Liu. 'The ability to bring its proven technology to the global stage and accelerate the insurance industry's digital transformation is a dream come true.'

OneConnect's dedicated artificial intelligence (AI) division is of pivotal importance to the Ping An Group.

'As one of the largest integrated financial service groups in the world, Ping An's large-scale market prominence makes it necessary to use AI technology to optimise management practices, improve operational efficiency and provide better services to our customers,' explains Liu. 'The Ping An Group has achieved reputable adoption rates by striking a deep and effective balance between the integration of technology and business enablement.

'We specialise in bringing industry-leading AI technology and applications, combined with extraordinary expertise and deep insurance knowledge that supports both Ping An internally and our insurance clients to make digital transformations successful.'

Smarter finance

OneConnect's AI value proposition is 'AI for smarter finance'.

'Our aim is to help our clients provide financial services that are more efficient, more precise, more predictive and more customer friendly,' says Liu.

'The unique strength of OneConnect's AI lies in its accumulation of models, technology, expertise and business scenarios within the Ping An Group. Ping An has always been at the forefront of using AI technology. Our scale is a real privilege and the differentiator when it comes to AI. With billions of records accumulated in the group, we're able to train large numbers of AI models under all sorts of business scenarios.'

Rich expertise

As the fintech arm of the Ping An Group, OneConnect's innovation goal is to solve real-world problems and drive business value.

'Ping An is first and foremost a financial institution — it integrates business understanding into all its solutions,' says Liu. 'Our rich expertise in financial services is enhanced by the variety of business scenarios collected by more than 30 subsidiary companies with proven results. This makes it possible for the adoption and evolution of AI models.'

Liu adds that all these factors are essential for the deep integration of business and technology, resulting in solid performance improvement.

'When we deliver innovation to our clients, it is not just about delivering the technology. We also share Ping An's best practice and help our clients build capabilities to sustain value creation.'

STARTING OUT IN INSURANCE / INSURTECH

'Get a good understanding of both insurance and technology, as the two are more and more intertwined. To drive the advancement of one will inevitably need a good understanding of the other. Candidates with a deep understanding of both are highly desired in the market.' Also, she says, 'Explore different areas and roles within insurance or insurtech to get a bigger picture and to be able to see through things from different perspectives'.

With customers in mind

Liu also points out that OneConnect's products and solutions are designed with customer-centricity as the guiding principle.

'At OneConnect, we believe our solutions should address our customers' immediate pain points and needs while also preparing them for any potential hiccups they may encounter using Ping An's transformation journey as a reference,' she says.

'For us, customer service does not simply mean to give our customers what they think they need, but to provide thought leadership and guidance in the strategy that will make them most successful. As an industry leader, this is our responsibility and obligation to our customers.'

Liu says the achievement that brings her the most pride is having built an elite international insurtech team.

'Our team consists of highly motivated and dedicated team players from diverse backgrounds, who all have a deep understanding of both insurance and technology,' she says. 'We are recognised as the top-notch, strategic partners to insurance companies on their digital transformation journeys. I am very proud of my team and the value we bring to our insurance clients with Ping An technology.'

Liu predicts that the Chinese insurtech market will continue to bloom and will accept more 'flavours of consumer-centricity and disruptive innovation'.

'Through their contribution, Ping An and OneConnect have been advocates for ecosystems within the insurance industry,' she says. 'We foresee a greater global investment in these growing networks and plan to create more digital enablement for key stakeholders within the value chain.'

MENTAL HEALTH

by Susan Muldowney

IN SHORT

- Increasing numbers of people globally are being diagnosed with mental health conditions, including anxiety and depression.
- A greater incidence of mental health conditions has the potential to impact multiple areas of insurance, from underwriting to health, TPD and life insurance claims.
- Apart from redesigning products to better cover mental health conditions, insurers are also focusing on customers' mental wellness and access to early intervention programs, to mitigate the risks of poor mental health.

Hard to diagnose and quantify, mental ill health remains a challenge for insurance product developers, underwriters and claims teams.

MATTERS *of the* MIND

The insurance industry has had an uneasy relationship with mental health conditions. A lack of robust actuarial and statistical data has seen blanket exclusions across many product lines, and cover remains hard to come by in some Asia Pacific markets.

However, as the prevalence of illnesses such as depression and anxiety continues to rise around the globe, insurers must adapt to a future where mental health conditions may become commonplace among their customers.

Even before COVID-19 swept the globe in 2020, mental health conditions were among the leading causes of global health-related burden. Their frequency spiked by 25 per cent in the first year of the pandemic, according to data from the World Health Organization, and the enduring impact on mental health remains to be seen.

The long-term effect of mental health conditions on the insurance industry is also uncertain. To promote the sustainability of relevant forms of cover, some insurers across Asia Pacific are redesigning products and focusing on early intervention and risk mitigation.

APAC region response

In countries such as Australia, where almost half of all adults have experienced a mental health condition, research from the Financial Services

Illustration: iStockphoto

Council (FSC) and KPMG shows that those who have made a mental health claim are 18 times more likely to claim again, compared with people who have never claimed for a mental health condition. FSC data also shows life insurers paid A$809 million to 8,500 Australians with a mental health condition in the 2018-19 financial year.

Carly Van Den Akker, head of life and health claims ANZ at Swiss Re, says the complexity of mental health conditions means the duration of associated insurance claims typically exceeds those of common musculoskeletal claims.

'This can mean the customer fluctuates in and out of work, which can then lead to a cycle of closing and re-opening claims,' she says. 'Looking forward, of concern is the increase seen in adolescent mental health issues. As our customers of tomorrow, we'll need to ensure that our insurance products, our underwriting processes and our support at claim time consider potential impacts. Can we continue to make the same assumptions used in insurance today, or will we see a different progression?'

In markets such as Singapore, mental health cover is relatively new, despite one in seven people there experiencing a mental health condition in their lifetime. AIA Beyond Critical Care, launched in 2019, was Singapore's first insurance policy to cover mental health conditions, and AIA is currently the only insurer in the city-state to offer a critical illness plan covering up to five mental health conditions.

Individuals with mental health conditions are also underserved by Hong Kong insurers. A report from Swiss Re that examines mental health cover in Hong Kong shows that while 61 per cent of its survey respondents had poor mental health, there are few insurance products that cover the management and financing of associated conditions. In 2018, insurer FWD introduced Mind+, the first critical illness insurance plan in Hong Kong to incorporate mental health. Kelvin Yu, chief product officer, FWD Hong Kong and Macau, says the plan was bundled with other types of cover because of the stigma in the market that surrounds mental health conditions.

'There is space for improvement for insurers in understanding the local mental healthcare sector, conducting risk assessments and designing a suitable product with reasonable coverage and premium levels if they are to extend insurance coverage to mental health,' says Yu. 'This explains why only a few insurance products in Hong Kong cover mental illnesses.'

Impact on underwriting and claims

The long-term impact of mental health conditions will be seen across various areas of the insurance sector, including underwriting and claims.

'For underwriting, without a diagnostic test, and with the breadth of variability in mental illness, it is a complex condition to assess,' says Van Den Akker. 'Ultimately, individual consideration is vital. Underwriters will include in consideration an applicant's prior mental health disorders and wider factors that we know from our claims experience are important, including how mental illness impacts work capability and stability, impact on lifestyle and the effectiveness of treatment.'

GLOBAL INCIDENCE OF MENTAL HEALTH CONDITIONS

The World Health Organization (WHO) defines a mental health condition as characterised by a clinically significant disturbance in an individual's cognition, emotional regulation or behaviour. In 2019, WHO data showed **one in eight** — or approximately **970 million** people around the world — were living with a mental health condition, including **301 million** people with an anxiety disorder and **280 million** people living with depression.

In 2020, the number increased significantly because of the onset of the COVID-19 pandemic. Initial WHO estimates show a **26 per cent** and **28 per cent** increase respectively for anxiety and major depressive disorders.

‘… Of concern is the increase seen in adolescent mental health issues. Can we continue to make the same assumptions used in insurance today, or will we see a different progression?’

Carly Van Den Akker / Swiss Re

Van Den Akker adds that insurers will need to ensure their claims teams are adequately resourced, so that complex mental health claims are managed with ‘an evidence-based and recovery-focused approach’.

‘Mental ill health is already the leading cause of claims on many of our product lines, and a lot of these products were designed many years ago, when the prevalence of mental ill health was lower,’ she says. ‘As a result, the wording and payment structures don’t always give the customer the best chance at recovery.’

The value of early intervention

Insurers providing mental health cover have typically focused their support at the claims stage, but some are now turning their attention to early intervention to help prevent or reduce the progress of a mental health condition and improve customers’ overall wellbeing.

A recent report from the Association of Superannuation Funds of Australia (ASFA) and Deloitte Access Economics shows that the ability for life insurers to pay for rehabilitation treatment and services for their members is likely to have significant economic and social benefits. This includes potentially reducing social welfare and unemployment costs by A$224 million a year by 2062.

Dr Martin Fahy, CEO of ASFA, says insurers are recognising the need to ‘recalibrate their approach’ to mental health.

‘From an insurance point of view, all the evidence suggests that early engagement and early detection leads to early prevention and early treatment,’ he says.

Ben Lodewijks, director at Deloitte Access Economics and co-author of the report, says that while life insurers in Australia are currently prevented from paying for medical treatment, they have a role to play in supporting members to recover.

‘Some insurers currently provide services for assessments and essentially facilitate members with mental health issues to get treatment earlier and treatment that’s more appropriate for their circumstances,’ he says.

In New Zealand, where 47 per cent of people are likely to experience some form of mental health condition, Asteron Life’s focus on early intervention is helping to make mental health cover more sustainable.

In recent years, Asteron Life has referred suitable customers to its Mental Health Claim Management program, which includes access to a psychiatrist or psychologist and up to 10 sessions of treatment that is usually arranged within the first 10 days of the referral being made.

‘This is much faster than the public system process,’ says Seema Bangera, executive manager claims and customer solutions at Asteron Life.

The insurer’s early intervention strategy also includes extending access to its Best Doctors virtual medical service to customers with disability insurance, at no additional cost. The Best Doctors package now includes the Mental Health Navigator service, which provides direct access to specialists and mental health clinicians via telehealth.

‘Mental Health Navigator is not dependent on a claim, so our eligible customers can access it whether they are lodging a claim with us or not,’ says Bangera.

Redesigning cover

As many mild to moderate mental health conditions are episodic in nature, some customers may experience recurrent symptoms over a lifetime, with periods of recovery along the way.

Illustration: iStockphoto

> **‘By closing the recovery service gap with bespoke support for our customers … we can help our community to tackle potential mental health issues and provide another kind of mental health support.’**
>
> **Kelvin Yu** / FWD Hong Kong and Macau

TEAM EFFORT

Some insurers are partnering with mental health organisations and digital platforms to support early diagnosis and intervention.

ZURICH + MR PERFECT

Zurich works with Mr Perfect, a men’s wellbeing network that encourages conversations and connections through informal barbecues across Australia. Now in a fourth year of partnership, the insurer has supported Mr Perfect to expand to more than 40 locations in most states and territories around the country.

FWD HONG KONG + HONG KONG SOCIETY OF PSYCHIATRISTS

FWD recently sponsored the Hong Kong Society of Psychiatrists to develop a Mental Health Self-assessment Online Tool. Freely accessible, it is designed to help people in Hong Kong to better understand their mental health and identify the potential need for treatment. To date, more than 31,000 citizens have taken the assessment via the online tool.

SWISS RE + WYSA

Swiss Re has partnered with mental health platform Wysa to create an insurance-specific app to help consumers track their mental wellbeing and improve links to insurers’ existing support networks, such as therapy providers or employee assistance programs. The collaboration builds on the success of Wysa’s existing platform, which has helped more than 3.5 million users worldwide, through its artificial intelligence enabled Life Coach for mental and emotional wellness.

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By Domini Stuart
0.25 CIP pts

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How to identify vulnerable customers

By Jessica Mudditt
0.25 CIP pts

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Van Den Akker says reshaping TPD cover to take an instalment-based rather than lump-sum approach may help to promote its sustainability.

‘TPD insurance was designed to support customers whose ability to work is totally and permanently impaired at the point in time they are assessed, and therefore the product terms and assessment of permanency is difficult with mental ill health,’ she says.

While superannuation funds such as Catholic Super changed their TPD cover in 2016 to an instalment-based approach, Van Den Akker says more consumer focus groups and consultation with mental health advocacy groups are required to better understand the direction TPD insurance needs to take in the future.

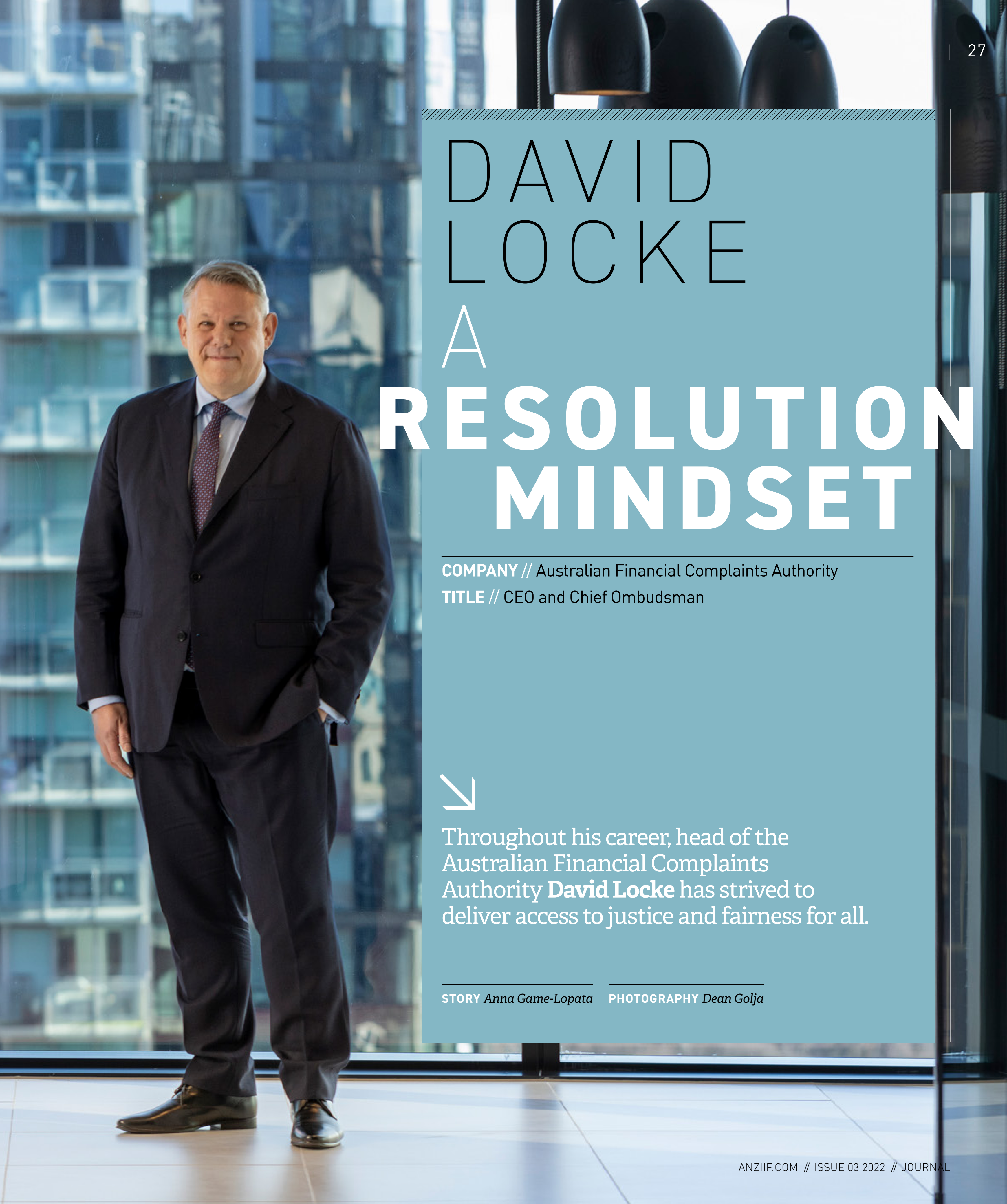
For insurers such as FWD in Hong Kong, integrating support services into products will help make cover more sustainable. Last year, it launched its FWD Care, a six-month recovery plan designed to provide survivors of critical illness with tailored health support from a registered recovery nurse.

‘By closing the recovery service gap with bespoke support for our customers and their family members that meets their physical and emotional needs, we can help our community to tackle potential mental health issues and provide another kind of mental health support,’ says Yu.

‘We believe there is room to increase the promotion of TPD cover in the long run,’ he adds. ‘The very first step would be to offer products that cover mental health.’

SUSAN MULDOWNEY
Freelance writer

‘With mental health an increasing part of the volume and cost of claims, its long-term impact on the industry remains to be seen. More importantly, however, is the long-term impact it may have on people and society.’



DAVID LOCKE

A RESOLUTION MINDSET

COMPANY // Australian Financial Complaints Authority

TITLE // CEO and Chief Ombudsman

Throughout his career, head of the Australian Financial Complaints Authority **David Locke** has strived to deliver access to justice and fairness for all.

STORY *Anna Game-Lopata* **PHOTOGRAPHY** *Dean Golja*

The opportunity to establish a new agency in your career is relatively rare, but David Locke, CEO and Chief Ombudsman at the Australian Financial Complaints Authority (AFCA), has done it twice.

In 2011, English-born Locke was seconded by the Charity Commission of England and Wales to help an implementation taskforce establish the Australian Charities and Not-for-profits Commission (ACNC).

He had originally been brought out to Australia from the United Kingdom for a week by the not-for-profit (NFP) legal service Justice Connect to meet with the then minister about creating a regulator for the not-for-profit sector. As chief adviser to the taskforce, Locke consulted with the NFP sector, Commonwealth departments and agencies, states and territories, as well as advising on the legislation for the ACNC.

'Setting up a new Commonwealth regulator in what was a contested political space was a complex task, but it was also very exciting,' Locke recalls. 'The Australian Government's work was supported by the Charity Commission of England and Wales, as well as senior officials from both the Canadian and New Zealand charity regulators.'

Innovation and transformation

Locke stayed, taking the role of assistant commissioner, with responsibility for the ACNC's advice and support functions, investigations, compliance and intelligence work. 'We delivered the first national Register of Charities and in 2016, we won the Institute of Public Administration's National Innovation Award for Best Digital Transformation across government,' he says.

It was on the strength of this work, along with two decades of independent decision-making for regulatory bodies in the UK, that Locke was appointed to another new organisation — AFCA — which opened its doors while the Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was under way.

AFCA BY THE NUMBERS

The Australian Financial Complaints Authority (AFCA) registered more than 72,000 complaints in the 2021-22 financial year, taking the total since it opened its doors on 1 November 2018 to more than 270,000.

In general insurance specifically, AFCA registered nearly 16,000 disputes in the last financial year, totalling more than 68,000 since the organisation's inception.

David Locke says AFCA's latest data shows that 44 per cent of insurance complaints were resolved at the earliest stage of the process — registration and referral — when the complaint is sent back to a firm for another look. 'That compares with 58 per cent in banking and finance and 33 per cent in each of investments and advice, and superannuation,' says Locke.

Overall, he adds, 58 per cent of insurance complaints were resolved by agreement at some stage in the process, compared with 74 per cent in banking and finance, 54 per cent for superannuation and 45 per cent for investments and advice.

'Building a one-stop shop for complaints by combining the operations of the three predecessor schemes was also a challenging process,' says Locke. 'The AFCA board and executive were determined, though, that this needed to be a distinctly new body, building on the good work of the predecessor bodies but more ambitious in its scope — not just to resolve disputes, but also to work with industry and consumer bodies to help address the underlying causes.'

Waking up financial services

Locke adds that the royal commission was a wake-up call and demonstrated a critical need for fairness to be applied to all financial and consumer services.

'As an ombudsman service, it's important we deliver our services effectively and efficiently, because the progress of complaints has a major impact on consumers, small businesses and financial firms,' he says.

'As well as managing complaints that are escalated to us, we want to help financial firms prevent complaints arising, or to manage them quickly through their own internal complaints process, by offering insights gained through our work in complaints. Those insights should also allow us to influence reform for the benefit of the financial services sector and financial services consumers.'

Locke says AFCA encourages all financial firms to have a 'resolution mindset'.

'Resolving complaints early, in a way that is fair to both parties, is efficient and cost-effective for firms, good for their ongoing relationships with policyholders, as well as taking away anxiety and uncertainty for complainants,' he says. 'If disputes can be resolved early you are likely to retain customer loyalty, which is good business.'

Working towards good relationships

For Locke, complaints are often about people and relationships.

'We know good relationships based on mutual trust and respect result in issues being communicated and resolved early,' he says. 'However, we also know that when communication breaks down, things can get messy, quickly.'

He says complaints resolution works well when staff consider the human behind the complaint, focus on the customer as a valuable asset and work with them to unpack and understand what has gone wrong.

'We much prefer to see complaints resolved by agreement, with our help through conciliation if necessary, rather than a complaint requiring investigation and determination by an ombudsman.'

Dealing with delays

In the current financial year, AFCA has seen nearly 20 per cent more complaints against the top four insurance companies than the previous year. Locke puts it down to the number of natural disasters during a pandemic and a war in Ukraine that continue to disrupt supply chains and exacerbate labour and skills shortages.

'Acknowledging an issue and being prepared to say sorry can go a long way.'

'One of the biggest increases in complaints lodged with AFCA was generated by natural disasters, with 1,586 complaints — more than double the 653 complaints from such disasters the previous year,' Locke confirms. 'These increases have a flow-on effect on our dispute resolution service, too.'

While acknowledging the issues insurers face and that there are genuine reasons for delays in progressing claims, he says consumers are sometimes in urgent need of assistance. 'So we are encouraging everyone to communicate and to work together to find fair and workable solutions.'

At the coalface

On the front line of the complaints process, Locke asserts that the strength of the relationship between staff and consumer has a significant impact on successful resolution.

'Acknowledging an issue and being prepared to say sorry can go a long way,' he says. 'It's important that you do what you say you will, that you explain your approach and that you avoid surprises.

'In a practical sense, we encourage engaging by phone as much as possible, not just via email, so you can listen and understand with empathy. Assumptions on both sides can be a problem — explore what your customers understand and what they don't. Listen out for what else is going on in people's lives and recognise that people can feel disempowered in these sorts of situations.'

When it comes to financial disputes, specialist training can help to separate emotional behaviours from the facts. 'Ultimately, remember that we're all only one or two life events away from vulnerability,' Locke advises.

'At AFCA, there is nothing we like more than having someone tell us they felt heard and they were treated fairly, even when they may not have got the result they wanted.'

An insurance partner

Looking to the future, Locke says AFCA sees itself partnering with the insurance industry to help protect and enhance customer relationships through the insights generated by its work.

'We want to share our deep and broad experience in complaints management and insights from our data to help insurers and other financial firms resolve disputes and mitigate the underlying causes of complaints,' he says. 'That's good for the consumer, it's good for the insurer, and it's good business.'

TWO-MINUTE BIO

BACKGROUND

As of 2022, David Locke is a 'proud Australian citizen', but he's originally from a mining town in the West Midlands, England. Like many generations of his family on both sides, Locke's dad left school at 15 to work in the local coal mine. His parents later ran a corner shop for 35 years. As a young man in the 1980s, Locke experienced the collapse of the coal industry and the loss of thousands of jobs as the UK Government removed its support and rendered many of them unviable. 'You can argue about the rights and wrongs of that decision, but socially it had a huge impact on communities, and witnessing it helped shape me,' he says. Locke became the first member of his family to go to university, completing legal studies at Hull University. Many of his classmates went into big law firms, but Locke gravitated to legal aid.

CAREER

Locke started his career as a lawyer working in a disadvantaged area of North London before moving into a leadership role at a central London law centre. This led to involvement with the boards of a number of charities and a new career in the charities sector. In 2002, Locke left the community law centre to join the legal team at the Charity Commission for England and Wales. He was appointed head of charity services in 2005 and executive director in 2007, with responsibility for all the commission's direct services to charities and the public. 'At the time I joined, the Charity Commission was taking 92 days to register a charity. By 2010, we'd got that down to 28 days, and under five days for straightforward applications,' says Locke. 'As part of the Charity Commission's international program, I worked in Kenya, Ethiopia and Zambia working with both government and the not-for-profit sector on NGO regulation.' What was to be a short visit to Australia resulted in Locke being seconded to a taskforce in 2011 to help establish the Australian Charities and Not-for-profits Commission. He stayed on and was appointed inaugural CEO and Chief Ombudsman of the Australian Financial Complaints Authority in June 2018.

OUTSIDE THE DAY JOB

'As a relatively new Australian, I love travelling around the country exploring new places. COVID made that a little more difficult in recent years, but we are back on the road again. At home, my partner and I are entertained and exercised by two labradoodles, Pancake and Banjo.'

LIFE PHILOSOPHY

'It's as simple as treating others in the way you would like to be treated. I think that's the fundamental starting point for customer service and people management — having empathy and understanding, no matter how challenging or difficult the situation might be.'

TOP TIPS

'A key to working in dispute resolution is the ability to listen — and listen with empathy. So often disputes over what may be quite a small issue escalate or become entrenched, because people feel they're not being listened to, they feel they're not being respected, and they feel powerless. Working in dispute resolution is not just about technical skills but also very much about people — understanding what people need, what's driving them, how you can bring people together from divergent positions. The best way to gain that understanding is to really listen.'

Before & after

by Domini Stuart

IN SHORT

- While there have been some improvements in terms of blatant sexism, women still struggle to be treated fairly and equally in the workplace.
- Microaggressions are more subtle but, over time, they can erode women's confidence and professional achievements.
- Diversity doesn't work without inclusion. That means tackling male and female cognitive biases and helping everyone to change.

Challenging the unspoken rules

Cultural expectations and cognitive biases around how men and women should act in the workplace have long hampered efforts towards gender equality. So, do women still have to 'play nice' to get along (and get ahead)?

'In the workplace, women still encounter preconceived notions, roles and gender stereotypes. If they are too gentle, they get bulldozed over by male colleagues. Too firm, and they are resented for being too bossy, sometimes even by female subordinates.'

That's according to Singapore Prime Minister Lee Hsien Loong, who spoke these words at the closing session of the virtual Conversations on Singapore Women's Development last year. He perfectly captured one of the most enduring reasons why, around much of the world and in every industry sector, working women still struggle to be treated fairly.

In some cases, inequality appears to be an aspect of the culture.

Investing in Women, an Australian Government initiative, has been working closely with companies in Indonesia, the Philippines, Myanmar and Vietnam to understand the dynamics and obstacles behind improving workplace gender equality in South-East Asia. It found that, while many large companies are rewriting their policies to support equality, social norms and corporate cultures are hampering their efforts.

Mandarin feature

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'... Women still encounter preconceived notions, roles and gender stereotypes. If they are too gentle, they get bulldozed over by male colleagues. Too firm, and they are resented for being too bossy ...'

Lee Hsien Loong / Prime Minister of Singapore

For example, many of those interviewed believed that some positions were more suited to either men or women. One female employee said: 'This work ... requires perseverance, and that character trait women have more often than men.' A male said: 'Normally, the female doesn't like the way that people are aggressive ... and then they [take] it personally. Then they get emotional.'

The rise of microaggressions

The LinkedIn *Opportunity Index 2021* report shows that there are many who want to step outside cultural expectations. The report, which surveyed how men and women across Asia Pacific feel about today's workplace opportunities, found that 41 per cent of women feel they get fewer job opportunities than men do, and 37 per cent believe they're paid less. This was particularly true for women in Singapore (49 per cent), Japan (47 per cent), Malaysia (45 per cent) and China (44 per cent). One in three women sees gender as a significant barrier to opportunity.

Yes, the situation has improved over the past couple of decades. In many countries, there now are laws to protect women from blatant discrimination and sexist behaviour. But that doesn't mean the problem has been solved.

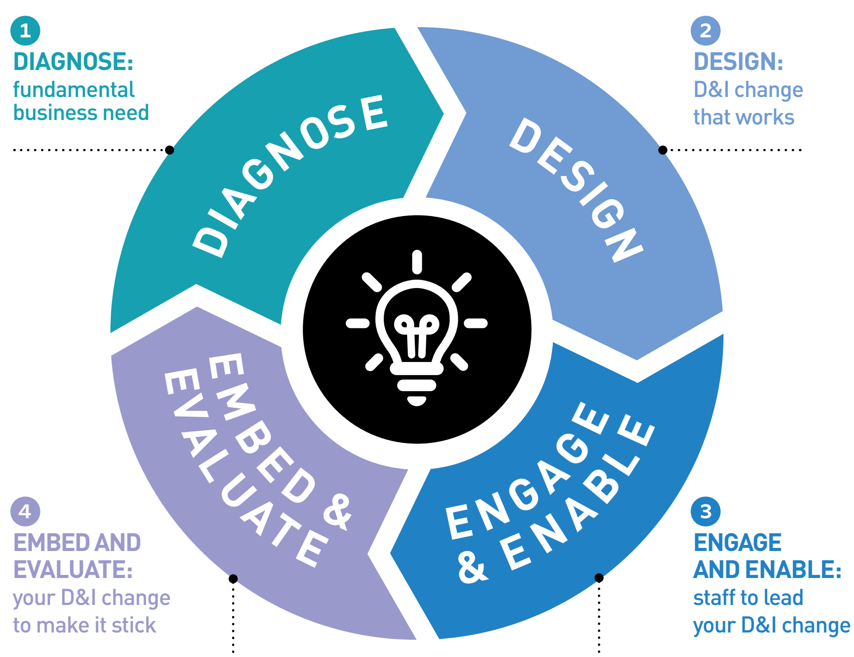
Today, discrimination is more likely to take the form of microaggressions — more subtle, harder to pin down, yet considered to be one of the main barriers for women's professional advancement.

Microaggressions signal disrespect and inequality, and can also be professionally undermining. For example, a women might be persistently interrupted, talked over or have her judgement questioned.

According to McKinsey's 2021 *Women in the Workplace* report, women who regularly experience microaggressions are twice as likely to be burnt out, more than twice as likely to report feeling negative about their job, and almost three times as likely to say they have struggled to concentrate at work as a result of stress.

CHANGE AT WORK

Dr Gunilla Burrowes, from business consultancy Gender Matters, relies on Diversity Council Australia's Change at Work model to help business leaders put transformative diversity and inclusion (D&I) plans into practice in their organisations.



Source: Diversity Council Australia, *Change at Work* model, 2019.

PERSPECTIVES ACROSS THE REGION

AUSTRALIA/NEW ZEALAND

Korn Ferry found that, in many ways, Australia and New Zealand are outliers in Asia Pacific, with practices and norms that more closely reflect the trends in North America and Europe. Both are reasonably mature, particularly around gender diversity — however, there's still progress to be made on inclusion. According to the data, 71 per cent of organisations struggle to advance underrepresented groups into more senior positions, which means the make-up of senior management and boards doesn't represent the diversity within society.

CHINA

Yaqiu Wang, a China researcher at Human Rights Watch, believes that women in the workplace often face discrimination due to cultural assumptions. '[The assumption is] men are smarter, men are better at management, men are just better leaders,' she told the Society for Human Resource Management. 'Sometimes companies don't promote women because they anticipate women will take maternity leave or be distracted by children and chores at home. [They think] "I'm not sure whether you're up to the task, so why not just promote the man?".'

SINGAPORE

The White Paper on Singapore Women's Development, which passed in March 2022, included 25 actions to tackle gender equality. These include moves to make the workplace fairer and provide more opportunities for women. New legislation requires all employers to evaluate employees and job seekers based on merit, regardless of their gender, marital status or family, in order to protect women and ensure fair treatment in the workplace.

'Everyone has their beliefs and judgements distorted by cognitive bias, though many are convinced it doesn't apply to them.'

Dr Gunilla Burrowes / Gender Matters

Inclusivity is everyone's problem

Part of the problem is the still-prevalent attitude that women need to be less sensitive, learn to take a joke, relax and go with the flow. However, according to Dr Gunilla Burrowes, whose Gender Matters consultancy advises businesses and universities on gender and unconscious bias issues in the workplace, the only way to achieve gender equity is for everyone to change.

While many business leaders see gender diversity as the solution, this is nothing more than having equal numbers of male and female workers. It is visible, easy to measure and relatively easy to achieve by adjusting the company's recruitment policy.

However, this can lead to what management consulting firm Korn Ferry calls the revolving door effect. You're attracting more women into your organisation, but, if they're uncomfortable with the corporate culture or see limited opportunities for advancement, they'll quickly move on. Diversity will only work when it's supported by inclusion.

Diversity Council Australia (DCA) describes inclusion as 'feeling valued and respected, having access to opportunities and resources, and being able to contribute perspectives and talents to improve the organisation'. This means tackling the biases that stand in the way.

'Everyone has their beliefs and judgements distorted by cognitive bias, though many are convinced it doesn't apply to them,' says Dr Burrowes.

Scientists tested this when they presented managers with identical descriptions of a worker, apart from the name, who was sometimes male, sometimes female. Their research, published in the journal *Science Advances*, found that most managers rated the 'male' worker as more competent and recommended he receive a higher salary.

'Business leaders need to recognise just how much cognitive bias can influence decision-making, choices and behaviour,' says Dr Burrowes. 'We recommend training that can help everyone in the organisation to understand how bias works, so they can mitigate its effects and then embed the mitigation processes into the organisation's HR policies, procedures and day-to-day practices.

'It's not up to women to behave differently to fit in. Both men and women need to understand their biases and commit to changing how they behave.'

How can things change?

Only 23 per cent of the working professionals surveyed by LinkedIn agreed that gender diversity was a priority in their organisation. If employees and organisations are to experience the benefits of gender equality, that thinking needs to change.

DCA has identified inclusive leadership is a key enabler — that inclusive leaders are uniquely placed to drive innovation, performance and productivity by leveraging diversity.

Dr Burrowes draws on DCA's evidence-based Change at Work model (see breakout pg. 31) when she's working with clients. Cyclic in nature, it has four components: diagnose the fundamental need; design change that works; engage and enable staff to lead the change; and embed and evaluate to make the changes stick.

'It's simple and straightforward, which means it's more likely to stick than the more complicated alternatives around,' she says.

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D&I: The business case for a fair go

By Abigail Murison and Anna Game-Lopata

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WHAT ARE MICRO-AGGRESSIONS?

Microaggressions are subtle actions that can chip away at women's professionalism and self-confidence. Examples include:

- assuming all women work in lower-paid support roles
- questioning a woman's competence in her area of expertise
- manspreading, so that women are forced to occupy a physically smaller space
- mansplaining — explaining something to a woman in a condescending way as if she has no knowledge of the subject, even if she's an expert
- assuming a woman is a primary caregiver and/or will take on traditional 'female' duties, such as getting tea and coffee for the rest of the team
- feeling that a confident, assertive woman is aggressive and challenging, but seeing the same attributes in men as indicators of leadership ability
- giving men more time and opportunity to share their views at meetings.

Source: RPS gender-related microaggressions.

DOMINI STUART

Freelance journalist

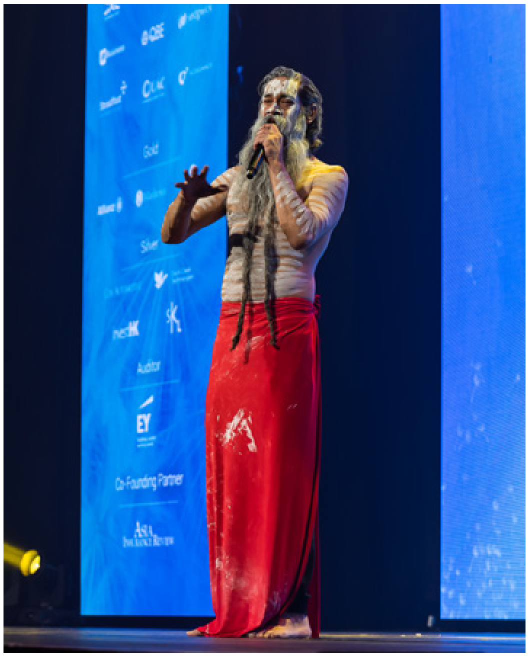
'If a woman calls a man out for touching her inappropriately, she will — hopefully — gain sympathy and support. Complaints about persistently being told to smile or being told she's doing well for a girl are easier to dismiss as hypersensitivity. Yet, as McKinsey's research shows, even small gestures of disrespect chip away at a woman's mental health and limit her career prospects. To bring about meaningful change, organisations must tackle gender bias head on and embed inclusivity in corporate culture.'


QBE


UAC
Business


EXL
UAC
UNDERWRITING AGENCIES COUNCIL
Business
QBE

by Abigail Murison



2022 ANZIIF Australian Insurance Industry Awards

The Australian Insurance Industry Awards were a celebration of excellence, professionalism and community — and an opportunity to 'get the gang back together again' for an evening of glitz and glamour.

A full house of more than 750 insurance professionals in their black tie best gathered at The Star in Sydney on 25 August to celebrate ANZIIF's 18th Australian Insurance Industry Awards.

'It is so good to have the gang back together,' ANZIIF CEO Prue Willsford said in her welcoming address, a sentiment echoed throughout the evening as attendees revelled in marking the occasion in person for the first time in three years.

The awards recognise and celebrate individuals and companies that have demonstrated exceptional dedication to the industry and share a common pursuit of excellence. Winners were named in 17 categories, including two new categories for 2022: General Insurance Claims Team of the Year and Excellence in Environmental, Social and Governance Change.

Willsford thanked the judging panel of industry representatives for taking the time to consider the submissions and congratulated the finalists. 'Every finalist embodied the true meaning of professionalism and has contributed to building trust and confidence in our community,' she said. 'For that, you all deserve to be celebrated.'

BROKING COMPANIES OF THE YEAR

+ CLEAR INSURANCE

+ SCOTT WINTON INSURANCE BROKERS

+ MARSH

Clear Insurance, the 2022 Small Broking Company of the Year, has grown its income and gross written premiums over the past five years as a direct result of changing its business strategy. This included introducing a fee-for-service remuneration model ahead of the Hayne royal commission, and a focus on customer-centric advice. These moves have led to greater customer satisfaction and consistent business growth.

Medium Broking Company of the Year — **Scott Winton Insurance Brokers** — impressed the judges with its near-perfect customer retention rates, as well as efforts to raise awareness of insurance careers and attract new talent to the industry. Four university graduates have joined Scott Winton, and the company's social media strategy and insurance content have improved customer engagement.

Making it four wins in a row, ANZIIF's 2022 Large Broking Company of the Year **Marsh** had its strongest-ever growth year and high customer retention rates. Two elements that made Marsh's 2022 submission stand out were its work internally and with clients on environmental, social and governance (ESG) goals, as well as activities linked to the company's Reconciliation Action Plan. For example, Marsh's Darwin-based staff helped local communities increase school attendance.

PICTURED

(Left, top to bottom) Clear Insurance managing director Lisa Carter; Scott Winton Insurance Brokers; Marsh; *(Right)* Insurance Advisernet's Shaun Stanfield.

AUTHORISED REPRESENTATIVE NETWORK OF THE YEAR

+ INSURANCE ADVISERNET

This year's Authorised Representative Network of the Year, **Insurance Advisernet**, really stood out for how it's using technology across the business. The company is harnessing business data to automate processes for staff.

Insurance Advisernet managing director Shaun Stanfield says the payoff has been that brokers can spend more time with clients and less time on administrative tasks such as gathering data or producing quotes.

'We see technology as an enabler of not a replacement for advice driven by personal relationships,' he says. 'We have also launched a business management dashboard that highlights the key business metrics each practice should follow up on, such as overdue for renewal, debtor management and other tools to assist them in managing their practice activities.'

During the lockdowns, Insurance Advisernet also launched a wellness app for staff, providing education, training and new employee initiatives. At the end of a difficult year, there was zero staff turnover — a remarkable achievement.

INSURANCE LEADER OF THE YEAR

Sharanjit Paddam

+ FINITY CONSULTING

ANZIIF's 2022 Insurance Leader of the Year Sharanjit Paddam has spent the past decade raising awareness in the insurance industry about the importance of climate change — a task he admits has been challenging at times.

'These days, I'm much more optimistic about talking with insurance companies about climate change,' says Paddam. 'Things have changed very rapidly over the last few years, especially in Australia.'

Paddam is a consulting actuary with nearly 30 years' experience in general insurance, actuarial and analytics consulting in the United Kingdom and Australia, and is currently a principal — climate and ESG risk at Finity Consulting.

He advocates for the use of risk management, financial modelling and communication to help banks and insurers understand what climate change means for them, how they can prepare for an uncertain future and the many opportunities to meet the changing needs of customers.

Most recently, Paddam and his team at Finity authored a green paper for the Actuaries Institute on home insurance affordability and socio-economic equity in a changing climate — a topic he is extremely passionate about.

'What's very clear from our analysis is that climate change will affect vulnerable groups of people far more than everyone else,' he says. 'The people who already have it tough are going to have it even tougher.'

Paddam hopes the ANZIIF award will further invigorate industry action on climate change. 'We need to think of insurance as having the much wider purpose of enabling success and economic activity,' he says.

'It's a chance [for insurers] to renew their social licence and connection to community, as well as presenting them with many openings for assisting their customers and making commercial investments in Australia's future.'

→ *Read our full interview with Sharanjit Paddam here.*

UNDERWRITING AGENCY OF THE YEAR

+ CHU UNDERWRITING AGENCIES

CHU Underwriting Agencies was awarded Underwriting Agency of the Year for the second year running.

Internally, CHU achieved the highest-ever staff engagement scores in the company's 43 years, a possible reflection of the company's FuCHUre of Work initiative, as well as more flexibility and support offered to staff.

CHU also launched an industry-first build-to-rent property insurance product for residential property developments. To be eligible, the owner, developer, managed investment trust or other entity must retain and rent out units, and only sell the development as one property.

With the build-to-rent sector growing in Australia, CHU's CEO Kimberley Jonsson says the company had seen a dramatic increase in the number of quote requests for non-registered strata-style residential buildings. 'These risks typically fell between the cracks for insurance, as they are neither a registered strata plan nor a standard residential home building,' she says. 'While we are known as a strata insurance specialist... we saw a great opportunity in this emerging market and a natural extension of our service.'

PICTURED

(Left to right)
Sharanjit Paddam; CHU

GENERAL INSURANCE COMPANIES OF THE YEAR

+ RACT + SUNCORP

Almost 99 per cent of Tasmanians are aware of **Royal Automobile Club of Tasmania (RACT)** — this year's Small–Medium General Insurance Company of the Year. RACT has 200,000 members and actively lobbies for safer roads and better driver training to reduce road trauma.

Last year was a year of change for the insurer, with Suncorp divesting its 50 per cent share and selling it back to the club.

In its winning submission, RACT demonstrated how it had improved claims processes, underwriting and product classes. It also explained how it's using data to improve member communications and is investing in its staff through flexible working arrangements, mental health support and professional development.

Suncorp Group was awarded Large General Insurance Company of the Year, off the back of a business model focused on transformation. In 2021, the company improved its digital capability and developed a more empathetic and personalised approach to customer experiences.

Suncorp supported community groups and charities, including the Victorian and Queensland State Emergency Services. It's also been proactively working to mitigate flood and other natural disaster risks to homes across Australia.

Lisa Harrison, Suncorp's CEO of insurance product and portfolio, says it is an honour to receive the award from ANZIIF, adding that she is 'most proud' of Suncorp's continued advocacy for greater investment in measures that enhance climate resilience.

'This year, Suncorp Insurance launched Resilience Road, an initiative aimed at encouraging homeowners to take practical steps to strengthen and safeguard their homes against extreme weather,' she says.

'As extreme weather events continue to be experienced across the country, it's important that the homes on every street, neighbourhood and community become as strong as they can be.'

GENERAL INSURANCE CLAIMS TEAM OF THE YEAR

+ CGU STRATEGIC BROKER CLAIMS TEAMS

CGU Strategic Broker Claims Teams took out the inaugural award of a new category: General Insurance Claims Team of the Year. The aim of the award is to highlight the great work of claims professionals — especially in a year impacted by COVID-19 and multiple natural disasters.

In its submission, CGU included a case study about how it supported a local broker handling a claim from a vulnerable customer — something that demonstrated the team's empathy, understanding and service, said the award judges.

'The challenges presented by major events over the past 12 months, compounded by COVID-19 and supply chain disruption, have given us the opportunity to show our brokers and customers that we are there to support them when they need us most,' says Timothy Rafton, CGU's executive general manager — intermediated claims. 'We have been most effective when we offer solutions which are tailored to the needs of our broker partners and their clients, in that moment of truth.'

'I've seen our people build particularly close relationships and do some of their best work during these periods of increased stress. We feel privileged to be able to help communities through these difficult circumstances.'

Judges also commended CGU for investing A$1 million in programs to empower Aboriginal and Torres Strait Islander communities.

YOUNG INSURANCE PROFESSIONAL OF THE YEAR

Bianca Parussolo

+ PRORISK

In 2017, Bianca Parussolo left a promising career in law to work in insurance because she wanted to make a greater impact. Five years later, she's been recognised as a leader in her cohort, being named the 2022 Young Insurance Professional of the Year.

As claims team leader at Professional Risk Underwriting (ProRisk), Parussolo manages a portfolio of professional indemnity, medical malpractice and general liability claims. She also oversees claims for ProRisk's other product lines through mentoring and supervising the organisation's claims examiners.

Parussolo says she loves that no two days in claims are the same, with claims arising that require urgent attention. The circumstances of each claim are unique and require excellent analytical skills. The stakes are high in medical malpractice and her work requires empathy for everyone involved.

'We're protecting somebody's livelihood and professional reputation, and I take that responsibility seriously,' she says.

Parussolo loves learning and is glad to be in an industry that is knowledge-based. Ongoing professional development enables her to stay up to date with regulatory and legal changes and to deliver the highest standard of service to customers.

'When I studied law, I gained theoretical knowledge, but I felt like I then had to start to learn all over again when I joined a law firm to understand how to practise as a lawyer. Whereas when I studied with ANZIIF, I was able to see the benefits straight away, because I could implement what I was learning. It was a great experience to work and study at the same time.'

→ *Read our full interview with Bianca Parussolo here.*

LIFE INSURANCE COMPANY OF THE YEAR

+ AIA AUSTRALIA

The 2022 Life Insurance Company of the Year award went to **AIA Australia**. The judges were impressed with the AIA Embrace health and wellbeing framework, which offers 3.8 million Australians access to products, programs and partnerships that help support and improve their health. AIA Embrace has also increased customer engagement and satisfaction.

One partnership that is part of the Embrace wellbeing ecosystem is Pain Revolution, which supports people living with chronic pain.

Overall, the judges observed that both the winner and finalists in this category demonstrated a strong commitment to professional standards, driving the Life Insurance Code of Practice and participating in the Executive Decision Committee.

AIA Australia chief executive officer Damien Mu says the award is 'an incredible honour'.

'At AIA Australia, we want our customers — and the community more broadly — to be empowered to lead healthier, longer, better lives,' he says. 'I'd like to congratulate the other life insurers nominated and a big thank you to Prue and the team at ANZIIF for hosting the awards, and for inspiring our industry to achieve great things for our customers and community.'

PICTURED

(Left to right) CGU Strategic Broker Claims Teams; Bianca Parussolo; AIA Australia.

LIFETIME ACHIEVEMENT AWARD

Jacki Johnson

ANZIIF 2022 Lifetime Achievement Award winner Jacki Johnson can recall a time, in the 1990s, where she wasn't allowed to wear trousers in the workplace and often found herself the only female around the executive table.

'I think of so many female leaders who had to endure those times. Our male colleagues realised it wasn't right either. And working together, we changed what was acceptable behaviour in our sector,' she says.

Over the past 25 years, Johnson has built a rich and diverse career in insurance, with significant accomplishments that span the health sector, injury and safety management, mutual banking and general insurance.

She spent almost 20 years with IAG, many of those in various executive roles including CEO of the insurer's New Zealand business from 2010 to 2016 during which time she was named *New Zealand Herald* Executive of the Year. Johnson was also president of the Insurance Council of New Zealand and chair of the Christchurch Recovery Chief Executive Forums.

Described by the judging panel as an inspiration, Johnson has been integral in securing results through pioneering purpose-led transformations and driving high-performance cultures that value diversity and inclusion.

Johnson says she is not a fan of quotas, believing that jobs should be about merit. She says that is it important to 'make sure our pipelines are strong and inclusive of diversity, not just gender but indigenous, disability and refugees too.'

'Diversity has real benefit for innovation and thinking,' she says. 'But it's also about making sure people have a sense of belonging.'

→ *Read our full interview with Jacki Johnson here.*

INSURTECH START-UP OF THE YEAR

+ MITTI INSURANCE

Mitti Insurance — a business insurer that uses advanced risk inspection software and assessments to help its clients prevent workplace incidents and avoid claims — was selected as 2022 Insurtech Start-up of the year. Mitti uses both intermediaries and direct channels to provide insurance solutions that save small business owners money and deliver great value.

Judges said the company's submission captured its connection to safety culture, something Mitti co-founder and general manager Dan Cummins describes as 'a foundation of the business model'.

'We're using data and analytics to help small businesses run a safer, better business by integrating better insights and proactive risk management tools,' he says. 'By using tech coupled with industry data, it allows business owners to focus on key areas of risk within their businesses but also gives them the oversight of what's happening on the ground and helping them to help themselves.'

Meg Duckworth, co-founder and head of sales and underwriting at Mitti, says the team was 'thrilled' to be recognised by the industry and celebrate in person.

'Being named the Insurtech Start-up of the Year gives us the confidence that we're on the right path and builds credibility that we've got what it takes to continue to disrupt the market,' she says.

PROFESSIONAL SERVICES FIRM OF THE YEAR

+ MINTERELLISON

Top legal firm **MinterEllison** was chosen as Professional Services Firm of the Year because of its outstanding service to its insurance and financial services clients. In 2021, the firm formed a new legal optimisation team to help clients with integrated solutions for regulatory requirements, governance, compliance and risk.

MinterEllison is also reducing its carbon footprint in line with its environment and sustainability strategy. It has used recycling and lower electricity and paper use to reduce its emissions.

The firm also contributes to the Australian community with a legal clinic for people experiencing homelessness, donates laptops to Afghan refugees, and is a pro bono supporter of the Victorian Pride Centre. This support includes providing the centre with free legal services, as well as laptop donations.

Chern Tan, MinterEllison partner and head of insurance and corporate risk group, says the award is 'a testament to the work of our exceptional clients'.

'The insurance industry has faced difficult times over the last few years, but it's been great to see the industry continue to band together to help meet these challenges,' he says.

PICTURED

(Left to right) Jacki Johnson; the Mitti Insurance team; MinterEllison's Chern Tan.

SERVICE PROVIDER TO THE INSURANCE INDUSTRY

+ IVAA

IVAA is an independent validation adviser, specialising in jewellery, watches and a niche selection of other household goods. IVAA had a 100 per cent customer retention rate and near-perfect customer satisfaction scores to match.

IVAA has worked on its user experience to streamline and speed up the claims process for customers. Making the process more efficient has also freed up staff to focus on the accuracy of details of the items that were stolen or lost.

In the community, the company has taken part in initiatives such as hearing awareness campaigns and sustainable fishing for people with vision impairment.

PICTURED

(Left to right) ANZIIF's Ari Charilaou and IVAA managing director Matthew McHutchison; the Holland Insurance team; QBE CEO Sue Haughton.

EXCELLENCE IN WORKPLACE DIVERSITY AND INCLUSION

+ HOLLARD INSURANCE

Two-time Excellence in Workplace Diversity and Inclusion winner **Hollard Insurance** positions diversity and inclusion (D&I) at the centre of its business framework. It also tracks and measures its progress — making for a strong awards submission.

Hollard's D&I focus areas are: accessibility / disability, cultural diversity, gender equality, LGBTI+, mental health, and domestic / family violence. Working groups for each area aim to increase staff awareness and take positive action within the company. These groups are engaging more people than ever, helping the company attract and retain talent.

The business has increased the number of women in leadership positions year-on-year to 40.5 per cent. LGBTI+ programs have improved the wellbeing and safety of staff and improved understanding of customers who identify with the LGBTI+ community.

EXCELLENCE IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE CHANGE

+ QBE

With climate change risk and social inequality significant risks for insurers globally, this year ANZIIF introduced a new category to celebrate ESG achievements in insurance. The inaugural award winner was **QBE**.

The judges said the company's action on net-zero emissions targets was particularly impressive. Among its standout climate change initiatives, QBE has set itself a target to use 100 per cent renewable electricity sources across its global operations by 2025. Looking along the supply chain, it has also set minimum sustainability expectations for its suppliers, partners and clients.

Within the business, events and education about how each individual can contribute to reducing global warming have led QBE staff to reduce their waste and electricity use.

Viv Bower, QBE group executive for corporate affairs and sustainability, says the award was a recognition of the company's efforts to 'create positive change'.

'Our industry has faced many challenges over the past few years and among them climate risk and broader sustainability goals are a key focus,' she says. 'To receive this award is an incredible affirmation for our teams, who have worked so hard to contribute to and care for our communities and our planet.'

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Technical.

Keep up to date with the latest research, market trends and big issues facing the industry.

Deepfakes

by Cameron Cooper

IN SHORT

- **Automation of insurance claims has created an avenue for fraudsters to target through the submission of doctored images and documents.**
- **Insurtechs with niche strengths are joining forces to provide more comprehensive and simpler antifraud solutions for insurers.**
- **Antifraud measures using artificial intelligence and blockchain technology can be easily implemented by claims teams to check thousands of images in real time.**

When **seeing** *isn't* **believing**

Innovative technology solutions are enabling insurers to fight back against claim scams, including deepfake images.

Doctored photos and documents from customers making insurance claims are one of the growing fraud threats for the insurance sector.

Yet research suggests that only 20 per cent of insurers are taking action against deepfakes, or synthetic media, in response to the manipulation or modification of photos, videos and other data. In its 2022 report *Deepfakes: A Threat to Insurance?*, American tech company Attestiv notes that altered photos that falsely inflate claims are the main concern for insurers.

Attestiv CEO Nicos Vekiarides says deepfakes use artificial intelligence (AI) to create synthetically generated photos and videos that do not have the forensic traces found in typical edited media. 'They look like photos that have come right out of your phone,' he says, 'so it's very difficult to spot the anomalies.'

The insurtech uses AI and blockchain technology to provide a tamper-proof media validation and automation platform. With fraudsters getting more sophisticated, Vekiarides says there is no room for complacency, as the insurance sector increasingly turns to automation and relies on customer-supplied photos or videos during the claims process.

Fighting back

In New Zealand, ISACORP managing director John Borland heads an investigative company that is using metadata extraction software to help claims specialists identify altered photos and documents.

In one case, he used GPS tracking technology to expose the lies of a driver who crashed his car after doing burnouts. The fraudster submitted a legitimate video, but it was of another accident that occurred hundreds of kilometres away. 'I was able to pinpoint the location where the video was taken and shoot down the claim,' says Borland.

Currently, most cases in New Zealand involve genuine images — not AI-generated deepfakes — that are being used for unrelated claims. Borland says simple checks of 'the DNA of an image' can reveal the original date that images are taken and if and when they have been doctored.

'We catch out a lot of people who modify images and documents, especially when it comes to proof of purchase, receipts and so forth.'

While such manual investigations are valuable, Borland admits the future for insurers rests with AI-driven solutions that can process mass claims in real time. 'If it was my company, I'd be pushing for paid subscriptions where you can just dump all the images on a technology platform and get them quickly assessed,' he says.

It's a message that resonates with Michael Lewis, CEO of Claim Technology in the United Kingdom. His business provides no-code tools to help insurers automate claims in the cloud, while also overseeing an ecosystem of more than 60 insurtechs that offer complementary digital transformation and risk-management solutions.

'We act as the glue helping companies access the solutions more easily,' he says.

Lewis says self-service and automation of claims using images supplied by the insured can speed up claims, cut operational costs and lead to a better customer experience. However, it heightens fraud risk for the insurer. He cites the example of a claimant submitting a genuine photo of a broken television.

'The problem is that the TV may belong to a friend down the road. So, if you're introducing digital automation, it's absolutely vital to have sufficient counter-fraud checks in place.'

Technology in play

One of the innovators coming to the aid of insurers is UK insurtech BlockFrauds.

Through its platform, insurance companies can subscribe to a private blockchain system, where images, videos and documents are assessed in a trusted environment, with that intelligence being shared among insurers. Claims handlers get claim credibility scores and claimant reputational scores to help prioritise their investigations into potential cases of fraud.

> 'We catch out a lot of people who modify images and documents, especially when it comes to proof of purchase, receipts...'
>
> **John Borland** / ISACORP

BlockFrauds co-founder and chief technology officer Soadad Farhan says that, in addition to doctored images, his business specialises in analysing voice data of insurance customers, with algorithms checking what people say and how they say it. Drawing on the context of the audio and the intonation of the speaker, the technology then provides a 'sentiment analysis' that can alert claims handlers to possible risks of fraud.

Farhan says the sum of the forces of multiple tech innovators is the real strength of the anti-fraud effort. 'When you combine the techs together, then all of a sudden you see multiple use cases, and all the emerging techs are coming together to provide this extra and really unique value.'

With Attestiv's technology, the first line of defence is prevention. It forensically scans each item to detect anomalies and store a fingerprint on a blockchain where it cannot be changed, enabling validation in the future.

Vekiarides says this gives insurers the ability to identify deepfakes at the point of capture. 'Certainly, in terms of stopping the deepfakes, this blockchain tokenisation is the most powerful tool we have,' he says.

The second line of defence is around detection and using AI to identify any issues with an image.

FOUR STEPS TO SAFETY

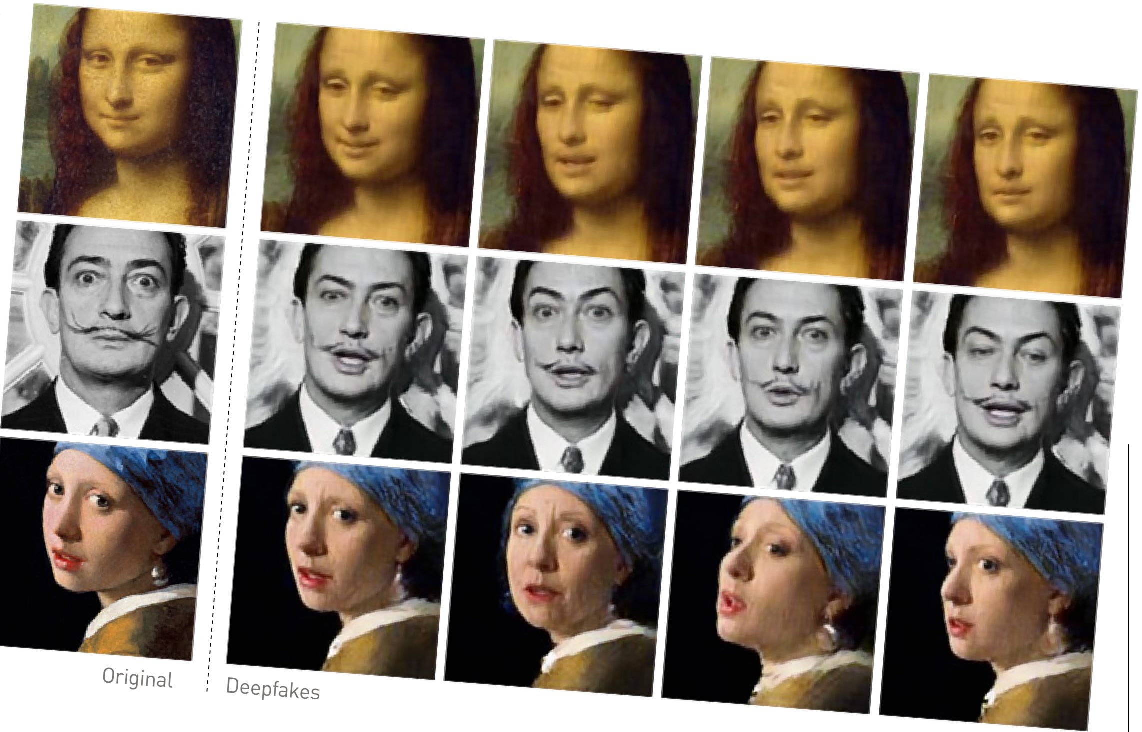
Resistant AI's Joe Lemonnier outlines how insurers can use smart technology to tackle deepfake fraud:

Forensically **analyse all incoming images** and documents, checking internal structures, metadata, pixel layouts, compression levels and other technical details instantly.

Automatically **block obvious forgeries,** and compare images and documents to detect reuse and template farming.

Analyse suspicious behaviours in the submission process around the actual documents to stop bots, dummy accounts and account takeovers.

Let legitimate documents through to speed up payouts and improve customer experience and satisfaction.



PICTURED

Spot the difference. Original images of Da Vinci's *Mona Lisa*, Salvador Dali and Vermeer's *Girl with the Pearl Earring* appear in the left column while deepfakes appear on the right.

Images: NATO StratCom COE; Alamy; Getty Images

The triage approach

Joe Lemonnier is head of product marketing at Resistant AI, an AI-powered anti-fraud platform headquartered in Prague. He believes the difficulty and time required to generate convincing deepfake images means that fraudsters are more likely to focus on 'shallow-fake' digital forgery techniques.

This involves downloading an image from the web of, for example, a damaged car to modify the licence plate number, or taking an invoice of a low-value item and inflating the value and changing buyer names and addresses. 'These modifications are so easy to make — and invisible to the human eye — that they can use the original documents as templates and farm out hundreds or thousands of variants,' says Lemonnier.

The goal of the con artists is to overwhelm claims teams across multiple insurers. 'While some may be caught, many more will get through,' notes Lemonnier, 'and even a 50 per cent success rate will be wildly profitable given the effort invested.'

Resistant AI technology specialises in preventing that kind of scaled, automated attack from fraud rings by forensically analysing each image or document in more than 500 ways, comparing it against all others it has seen to link them together. It also scrutinises the behaviours of claimants on submission — all to provide a clear, actionable verdict in seconds.

'That level of forensic analysis is really beyond the scope of claims teams, who usually have minutes to review a case and make a call,' says Lemonnier. 'An automated solution is needed to help them triage submissions.'

Watch this space

While the headlines often focus on the importance of stopping fraud, Farhan says the motivation among insurers for using technology that verifies photos and documents is often much simpler — they want to avoid criticism for taking too long to process insurance claims, and protect their brand.

'What they want to do is have the ability to push genuine claims forward very quickly, because this affects customer sentiment,' he says.

With analysts suggesting that about 60 per cent of claims will be touchless by 2025, Vekiarides has no doubt that Attestiv's apps, APIs and distributed ledgers will continue to be busy detecting fraud.

'My message is that this is something that insurers have to start looking at, if they're not already doing so, because it can be a tremendously bad source of fraud if they don't take any action.'

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CAMERON COOPER
Freelance writer

'Technological change is happening in the insurance claims space — and it does not have to be scary. Indeed, this story highlights how artificial intelligence and blockchain can address challenges around deepfake images and fraud that are collectively costing insurers tens of billions of dollars a year. Through smart engagement with insurtechs, there is a real opportunity to minimise fraud and provide a better customer experience.'

by Lachlan Colquhoun

The challenge of long COVID

What do you do when a case of COVID just doesn't go away? That's the question confounding long COVID sufferers, doctors and insurers alike.

As COVID-19 moves from the pandemic to endemic stage, the disease can leave a lingering legacy in the form of long COVID.

In the United Kingdom, for example, the Office for National Statistics says that 200,000 people reported symptoms of long COVID in April 2022, bringing the national number to 2.1 million, or 3.1 per cent of the population.

In Israel, a study by Maccabi Healthcare Services found that half of those who reported symptoms of fatigue after contracting the coronavirus were still suffering 18 months later. In medical journal *The Lancet*, a study has been published claiming that 46 per cent of people with long COVID were forced to reduce their number of hours worked.

So far, there have been more than 544 million reported cases of COVID-19 globally, and it is estimated that up to 30 per cent of these people could subsequently develop long COVID.

Quantifying the challenge

The emergence of a new chronic disease has potential implications for the insurance industry, with the scale of the challenge compounded by the fact that very little is so far known about long COVID, other than the common symptom of fatigue and 'brain fog', problems with memory and concentration, and joint and muscle pain.

Dr Achim Regenauer, chief medical officer at global reinsurer PartnerRe, says that while there are now more than 200 noted symptoms of long COVID, there is still no widely accepted clinical case definition, no laboratory or imaging diagnostics and no effective treatment. He believes there could be several versions of long COVID, not just one.

And, he adds, although the insurance industry understands that long COVID will impact on morbidity trends and life and health insurance underwriting, there is still considerable uncertainty — and this is likely to continue for some time.

IN SHORT

- **With up to 30 per cent of COVID-19 sufferers going on to develop this new chronic condition, long COVID presents a challenge for life and health insurers.**
- **As more patient data is collected, it will become easier for underwriters to understand and quantify the risks long COVID presents.**
- **While comparatively few long COVID claims have been received to date, insurers are treating them on a case-by-case basis, checking whether policies such as income protection should respond while people recover.**

Mandarin feature

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'First of all, we have to understand long COVID better in clinical medicine,' says Dr Regenauer. 'This is very often a subjective disease with symptoms described by the patient, but how can this be turned into objective, measurable phenomena?

'The general practitioner notes down the symptoms but cannot measure the fatigue of a patient who says they can't walk more than 500 metres, and there are no imaging results from chest X-rays whatsoever.'

The industry has techniques for pricing this kind of risk, however, based on its experience dealing with other long-term health conditions and diseases such as hepatitis. A case in point is chronic fatigue syndrome, which was first defined in the late 1980s. Many people with the condition experience the same kind of lingering, debilitating fatigue that is seen in long COVID.

'We need to be cautious about this now, knowing that we are making a risk assessment without the benefit of full knowledge of this disease,' says Dr Regenauer. 'While the medical understanding will evolve over time, we won't get the opportunity to reassess today's risk 10 years down the line.'

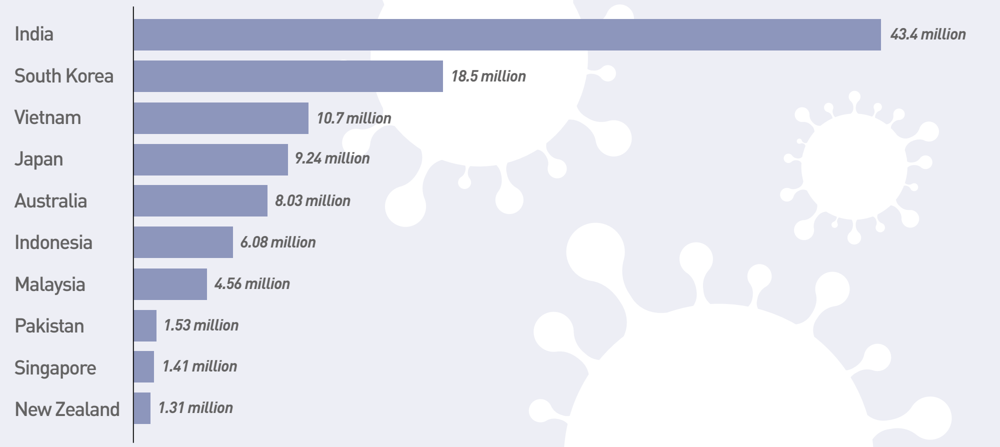
Watch and wait

While the insurance industry in Europe, the UK and the United States prepares itself for the issues raised by long COVID, the incidence in Australia and New Zealand has been much lower. This could be because the Omicron variant was more prevalent than Delta here and seems — anecdotally at this point — to result in fewer long COVID cases.

> 'We need to be cautious about this now, knowing that we are making a risk assessment without the benefit of full knowledge of this disease.'
>
> **Dr Achim Regenauer** / PartnerRe

APAC COVID-19 STATISTICS

Looking across 10 reporting countries in the Asia Pacific, by June 2022 there were almost 105 million confirmed COVID-19 cases. Up to 31.5 million of these people could have or could develop long COVID.



Sources: Wikipedia, *The New York Times*, Johns Hopkins University CSSE COVID-19 Data, Our World in Data

Even so, the issue is appearing on the radar of the antipodean industry. In New Zealand, the government-owned Accident Compensation Corporation revealed in May that of 73 COVID-related claims to have been made so far, only seven have been accepted.

With around one million New Zealanders officially having contracted COVID-19, this would seem only a small, early wave in what could become a tsunami over time.

At the Financial Services Council of Australia, policy director for life insurance Nick Kirwan says that while it hasn't had a widespread impact so far, long COVID is 'here to stay' and the implications for insurance will be revealed in the industry's annual data collections.

'I don't believe [long COVID] is a thing at the moment, but if it turns out that it's having a material impact in Australia, then our data collection will pick that up,' he says.

'What would normally happen, is that if people present with some kind of chronic condition, and it doesn't look like they'll recover soon, then they could go on to claim straight away, depending on the benefits they've applied for.'

Honouring income protection cover

Lucy Hartley, claims service manager, Swiss Re Australia and New Zealand, says the company has seen 'very few' long COVID claims so far, although there have been secondary impacts on claims from mental health issues.

'In a recent deep dive undertaken by Swiss Re across an income protection mental health portfolio, 68 per cent of claims had been negatively impacted by COVID-19,' says Hartley.

She says that 'in most cases', taking into consideration policy terms and exclusions, if a customer has a confirmed case of COVID-19 and then goes on to develop symptoms of long COVID that prevent their ability to work, and if they are accessing appropriate treatment from a qualified medical practitioner, 'then they are likely to have a valid claim'.

'For COVID-19,' she adds, 'we are comfortable that our underwriting approach and guidelines are developed to ensure that any sequelae of disease — particularly for applicants that required more significant treatment or hospitalisation — are understood and considered as part of the overall risk profile.'

LACHLAN COLQUHOUN
Freelance journalist

'I have been spared from COVID-19 so far, and when I think about getting it, I imagine a few days of illness — one week maximum. This story opened my eyes to the possibility of an ongoing chronic condition and renewed my resolve to be more careful and think again about mask wearing and social distancing. And I checked my income protection policy, too.'

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FIND OUT MORE

IN SHORT

- Entertainment insurance goes far beyond cover for event postponements or cancellations.
- Many in the entertainment industry are unaware of the risks they incur.
- The COVID-19 pandemic has highlighted how costly unexpected incidents can be for the entertainment sector.

That's entertainment!

From extreme weather events to cybersecurity threats and increasingly niche hazards of the trade, entertainment brokers are navigating a complex landscape to ensure the show does go on.

by *Adrian Rollins*

Photography: iStockphoto

The Hong Kong Observatory calls them black storms: rainfall and winds so intense that they cause widespread flooding, can bring down multi-storey scaffolding and even force the Stock Exchange of Hong Kong to close.

So, when the storm clouds rolled in over Hong Kong's Victoria Harbour in 2007, Jeff McNally, chief executive of Entertainment Insurance Brokers (EIB), braced himself.

A big ice rink covered by a massive tent had been erected in Victoria Park at Causeway Bay to stage the *Disney on Ice* show. Hundreds of thousands of dollars had been spent on flying in the performers, preparing the venue, promoting the show and ensuring all the services were in place.

McNally also recalls that the local promoter had been wavering on insuring the production, figuring the chances of anything happening were remote.

At your own risk

For McNally, a lack of awareness of potential risks among those in the entertainment industry is nothing new. When he first began spruiking for business in Singapore in 1993, 'it was like banging your head against a brick wall', he says. 'People were like, "nothing happens in Singapore".'

Simon Calabrese, national segment leader – sport, leisure and entertainment for Marsh Australia, says many entertainers worldwide are unaware of the risks and potential losses they are exposed to.

'We deal with individual sole traders right through to some of the biggest names within the entertainment landscape and not a day goes by without a client being unaware of some element of their exposure,' he says.

'For example, a very common misconception made by musicians and performers is the notion that they are covered for public liability insurance when playing at a live venue. This is almost never the case.'

> '... Not a day goes by without a client being unaware of some element of their exposure.'
>
> **Simon Calabrese** / Marsh

THE SHOW MUST GO ON: TOP FIVE TRENDS IN ENTERTAINMENT INSURANCE

1 Inability to attend: covers refunds to event goers unable to attend due to events outside their control (such as COVID-19 infection).

2 Non-damage business interruption: cover for lost earnings where event goers are prevented or deterred from attending (e.g. police cordons or terrorist threats).

3 Loss of attraction: cover for businesses that suffer a loss in revenue, despite being well away from the site of a violent act.

4 Cyber liability insurance: cover for losses incurred by cybercrime, such as phishing scams.

5 Communicable disease insurance: cover for disease risks for events with large crowds, including conferences, sport competitions, music tours and festivals.

The A–Z of covers

EIB offers no less than 40 different types of entertainment-related cover. A small sample includes animal mortality, kidnap and ransom, political risk, interruptions to signal transmission, terrorism, prize indemnity and moral turpitude.

Calabrese says the kind of risks those in the entertainment industry need cover for can go well beyond the standard fare of public liability, professional indemnity and accident insurance.

'There are niche, entertainment-specific insurances,' he says, pointing to negative film insurance (which protects against costs incurred by accidental loss or damage to film negatives or content media) or prize indemnity and hole-in-one insurance (cover for the cost of a chance big prize like a hole-in-one in a golf tournament or half-court shot in a basketball match).

Top of mind

Thanks to COVID-19, the risk of a random natural event forcing a show or concert to be cancelled is all too familiar.

In the past two years, everything from major sporting events, music festivals and film shoots to community fairs, fun runs, art shows and live entertainment at restaurants and bars has been called off because of concerns about virus transmission.

McNally says the outbreak of SARS in Asia in 2003 caused a significant change in attitude and the local market became a lot more insurance-literate — to the extent that many in the entertainment sector were already covered for pandemic-related costs when COVID-19 hit 17 years later.

Entertainers in other regions didn't learn the same lesson. In 2020 alone, casino operator Caesars Entertainment claimed that pandemic-related business disruptions cost it US$2 billion, Italy's entertainment sector was estimated to have lost 8 billion euros and Canada's entertainment industry suffered a 50 per cent decline in operating revenue. Australia's live entertainment industry also lost more than A$1.4 billion in 2020.

Unseen: cyber risk

Even as the sector tries to move on from COVID-19, plenty of other risks abound.

While the huge business disruptions caused by the pandemic have made event cancellation insurance front of mind for event promoters and artists, Calabrese warns that many in the entertainment industry still overlook the massive threat from cybercrime.

'Many clients may not yet realise the full quantum of risk associated with cybercrime,' he says. 'A small phishing scam may easily cost a company upwards of A$50,000 in financial losses. A breach of privacy could become a multi-million-dollar loss when factoring in fines and damages, public relations and remediation costs.'

Photography: Getty Images, iStockphoto

'A small phishing scam may easily cost a company upwards of A$50,000 in financial losses.'

Simon Calabrese / Marsh

PICTURED

(Above) A 2007 production of *Disney on Ice* in Hong Kong was cancelled after a black storm swept across the city.

Pushing the limits

Of course, some entertainers, promoters and investors are well aware of the standard risks they face and are pushing for new or unusual forms of cover.

Ronald Loke, director, media and entertainment, at insurer Gallagher, recalls that one client wanted to insure two lead film cast members who were being towed simultaneously in separate gliders by the same aircraft.

Loke says the pressure for bolder and more eye-catching films and television shows is leading to more novel concepts and storylines, creating different forms of risk for brokers to understand and insure. For example, when foreign language shows are translated into English, it can create production risks around title clearances and errors and omissions, he says.

Weathering the storm

But what of Hong Kong's *Disney on Ice*?

McNally says the local promoter eventually relented under pressure from his US business partner, and McNally organised cover against a range of risks, including storm damage — which turned out to be a very good call.

As the black storm swept through the city, it dumped an enormous amount of rain, sending a two-metre-high wall of water pouring through the venue and destroying the tent. The entire 19-performance season had to be abandoned.

Happily for the promoters and investors, the US$2 million losses were covered by insurance — a very concrete demonstration of the value of the right advice and the right entertainment cover.

VMIA STEPS INTO THE BREACH

In December 2021, Victoria launched Australia's first COVID-19 cancellation cover.

The Victorian Government directed the Victorian Managed Insurance Authority (VMIA) to provide event insurance to help the creative and events industries cope with the effects of COVID-related lockdowns.

The event cover was first offered on 20 December 2021 and will be available for 12 months.

By early June 2022, VMIA had provided cover for 882 events, ranging from small regional music festivals to business conferences and long-run theatre productions.

In some instances, the policy was triggered by COVID-related restrictions announced in early 2022. At time of writing, 134 events had been deemed eligible for a payout.

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ADRIAN ROLLINS

Freelance writer

'Entertainment has a reputation as a high risk/high reward area to invest in. Films can be a blockbuster or bomb, performers can star or get sick, and disease outbreaks can force cancellations. Despite this apparent appetite for risk, it was still surprising to learn that many promoters and performers try to get by with minimal cover, to the potential detriment of not only themselves, but also their audiences.'

Staying ahead of the storm

Accurate monsoon models have become vital to manage ballooning insurance costs and declining profitability. Modellers are doing all they can to provide a solution.

IN SHORT

- **Monsoon events are becoming more regular and intense, resulting in increasing flood damage.**
- **Property insurance in Asia, once predictably profitable, is now suffering because of monsoon-related weather events.**
- **Modellers are using the power of supercomputers to create higher-resolution precipitation and flood models for reinsurance firms.**

The current monsoon climate system in East Asia, researchers hypothesise, developed in the Oligocene epoch, 35.4 million to 23.3 million years ago. It was a time that was characterised by falling global temperatures and the evolution of the first primates.

Much more recently, during the 2014–15 monsoonal floods in Malaysia, 21 people were killed and more than 230,000 were displaced, according to Marsh McLennan. Meanwhile, in its *2019 Indian Monsoon Floods* report, Verisk (AIR Worldwide) found that flooding during the 2019 monsoon in India killed more than 1,600 people and displaced more than one million. And the 2011 Thailand floods still rank as the world's costliest, with insured losses topping US$15 billion, according to Swiss Re.

Considering that the monsoon has been occurring annually for millions of years, the fact that it can still take us by surprise is difficult to comprehend.

'We offer public insurance and other risk management tools for our clients,' says Tony Lee, chief agency leader of Marsh McLennan Insurance Services in Hong Kong. 'Clearly things are better for us, and for our clients, if we are able to rely on some tools or recommendations from reinsurance companies to formulate our insurance products. We need a better prediction mechanism for the types and timings of risks, especially for property-related risks.'

Those events, in a time of global warming, are becoming more regular and intense. When Lee began working in insurance in 1998, property insurance was considered a highly profitable sector. Since 2017, however, major typhoons around Hong Kong and South China have dissolved the accumulated profits he saw over the previous few decades.

It's not just property insurance that is suffering. Business continuity insurance, and particularly event cancellation cover, is becoming difficult to quote. Premiums for these covers, and more, will increase dramatically if accurate modelling does not become available.

THE WORLD'S COSTLIEST FLOODS

Australia

The devastating floods that hit Queensland and New South Wales in February and March 2022 have also been declared Australia's costliest. As at 29 July, the Insurance Council of Australia reported that close to 230,000 claims had been lodged, costing A$5.134 billion in insured losses.

Thailand

The world's most expensive flood was in Thailand in 2011, causing US$15 billion in insured losses (more than US$18 billion today).

China

The Central China flood of 1931 is still considered the costliest in terms of loss of life. It is estimated more than two million people died and 52 million were displaced.

Components of the monsoon

Dr Peter Sousounis, vice president and director of climate change research at Verisk, explains the monsoon is essentially caused by the heating of large masses of land. When heated air above the land rises, cooler air from over the water moves in to replace it, bringing in moisture that is also warmed. That moisture rises and forms clouds, causing precipitation.

However, monsoonal behaviour is also affected by other, larger-scale influences, such as how moisture is distributed throughout the atmosphere and other large-scale weather patterns. Research organisations don't typically model the monsoon itself. It is simply too large in scope. Instead, they model specific outcomes, such as floods. In doing so, they're drawing smaller but more detailed parts of a bigger picture.

'The monsoon as an atmospheric phenomenon is not necessarily one that we model,' Sousounis says, 'but we do account for its effects in our inland flood model and our tropical cyclone model. The monsoon as a phenomenon, and how climate change will affect it, is certainly of interest to us for a variety of reasons.'

> 'We need a better prediction mechanism for the types and timings of risks, especially for property-related risks.'
>
> **Tony Lee** / Marsh McLennan Insurance Services

Dr Ludovico Nicotina, senior director and flood modeller at Risk Modelling Solutions (RMS), says modelling the monsoon as a large-scale weather pattern is relatively simple. It's when you drill down into the details and nuances that things become complex.

'We don't have specific modelling for monsoons,' says Nicotina, 'but we leverage our usual modelling methodology, because the type of models we develop at RMS have as a crucial objective the capturing of large-scale weather patterns to do modelling at continental scale. We need to be able to capture timing, seasonality, spatial distribution of rain, and so on.'

Modelling in a changing environment

At the core of the challenge is the fact that modelling relies heavily on past weather patterns, says Nicotina.

Data from past patterns and events is extrapolated to identify potential future extremes. A one-in-100-year flood, for example, comes from analysing past data using statistical models to estimate the flood magnitude that would occur on average every 100 years.

> 'We will need a scientific breakthrough to reach perfection ... In the meantime, we're getting smarter in the way we model weather patterns.'
>
> **Dr Ludovico Nicotina** / Risk Modelling Solutions

However, in a new world of climate change, modellers don't always know what they're chasing.

'We don't know what the most extreme event possible is,' says Nicotina. 'We can use our best knowledge and methodology to model weather patterns and dry and wet days, daily precipitation extremes, correlation in space and time. But, ultimately, we'll look at a single location and at its extreme values distribution — and we might get a new extreme that completely redefines the history of that location. We keep seeing these every year.'

Modellers are learning more about how to model in such a fast-changing environment.

'We're chasing perfection,' he says, 'but it's hard to get there, as we keep getting surprised.'

It's all about the resolution

Weather modelling benefits from higher resolution. 'Resolution' refers to the distance between grid points where atmospheric and oceanic quantities are calculated.

'Higher spatial resolution provides beneficial results in terms of accuracy,' says Sousounis. 'We're also interested in increased resolution in terms of ocean currents.'

Higher-resolution models require serious computing power. Supercomputers have enabled the development, functioning and interconnection of equations around wind, temperature, atmospheric pressure, moisture and more, but technological demands continue to grow. Each time model resolution doubles, 10 times the computing power is required.

Large-scale weather models were developed 10 to 20 years ago to run at a resolution of 200 kilometres, says Sousounis. Bringing this resolution down to 50 kilometres — necessary to identify small changes in ocean currents, existing landscape vegetation, steepness of terrain and other factors — requires 100 times the computing power.

Plus, he says, 'when you get to 50 kilometres, you're still not even at the resolution that everyday weather models use to model the weather on a daily to weekly timescale'.

Climate models for monsoon-related events are typically run for 100-year simulations. That amount of number crunching at relatively high resolution and across expanses of land and sea requires a feat of computing power.

'We will need a scientific breakthrough to reach perfection,' notes Nicotina. 'In the meantime, we're getting smarter in the way we model weather patterns.

'Our longer-term vision for modelling precipitation at RMS is to be able to relate different regions in the world — a New Zealand model and an Australia model, and so on — and to have those models linked by climate indices. They can be used to understand risk by improving stress testing and scenario analysis.'

While we don't have absolute transparency into the extremes brought about by the annual monsoon, models and tools are constantly being improved so (re)insurers can better understand, manage and price the related risks.

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CHRIS SHEEDY

Freelance writer

'The annual monsoon is often considered exclusive to equatorial regions in East Asia and India, but actually it creates significant weather patterns and events as far south as Australia's Northern Territory and as far north as Arizona, New Mexico and Colorado. A better understanding of the behaviour of the weather around monsoonal influences will benefit billions of people and millions of businesses. Modellers are throwing everything they've got at this enormous challenge.'


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Social washing
by James Dunn

It all comes out in the wash

IN SHORT

› Social washing is an umbrella term that describes all types of misleading environmental, social and governance (ESG) posturing, including greenwashing.

› Not all social washing is deliberate: some businesses may have good intentions but fail to implement ESG initiatives successfully.

› Businesses that are caught out social washing run the risk of long-term reputational damage, as well as D&O liability.

Photography: iStockphoto

From greenwashing to pinkwashing — and every shade in between — unscrupulous businesses can open themselves up to reputational risk, and more, when they don't deliver on their promises.

Consumers, regulators, investors and stakeholders might finally have wised up to greenwashing — coined in 1986 by environmentalist Jay Westerveld to describe companies that falsely claim to be helping the environment — but there is a whole laundry list of washing practices that demand their attention.

For example, there's pinkwashing and rainbow-washing: deceptively promoting LGBTQI+ causes as evidence of a caring and inclusive corporate culture. There's bluewashing: exaggerating a company's commitment to responsible and sustainable practices. And there's social washing, which captures all types of misleading posturing around environmental, social and governance (ESG) issues.

The aim is the same: to gain the kudos associated with an ESG leader, without doing the hard work.

Social washing is 'increasingly common in the modern corporate world', says Jacques Jacobs, Sydney-based litigation and insurance partner at global law firm Clyde & Co. 'It has grown in parallel to increasing social awareness of investors and the public,' he says. 'In reaction to the public's growing consciousness of social issues, more and more companies are expressing commitments to social causes to meet consumer and investor expectations and to remain [or to be seen to remain] competitive.'

Jacobs says companies usually engage in social washing by either overstating, misrepresenting or even fabricating their commitments to support social causes. 'Many companies are still grappling with ESG and may seek to take a shortcut and attain a higher ESG status by making ambitious representations, as it could allow them to maintain or gain a competitive advantage in their respective market.'

On the other hand, he says, some businesses may set unrealistic targets without effective implementation strategies. 'It is not always easy for anyone, including insurers, investors or the public, to identify social washing versus genuine corporate social responsibility initiatives,' he adds.

Regulation, reputation and litigation

There are growing risks for organisations around misleading and deceptive conduct 'if the reality doesn't stack up to their promises', says Jacobs.

'The risk of social washing backfiring is significant,' he says. 'This risk takes the form of reputational harm, potential regulatory action and, potentially, litigation. For example, as investors are placing more value on ESG credentials of organisations, they [and regulators] will equally take action in respect of misleading statements about these credentials.

'Beyond this, reputational harm is high on regulators' radars. This potential backfiring is specifically relevant to D&O insurers and policyholders, as there are growing risks of ESG corporate governance failures.'

Social washing can 'impose substantial reputation loss', agrees Professor Jun-Koo Kang, professor of finance at Nanyang Business School, Nanyang Technological University, in Singapore.

'Restoring reputation cannot be done overnight. A number of researchers empirically tested firms' reputation rebuilding actions after adverse events such as financial misreporting and social, environmental violations and their effectiveness. One interesting study shows that companies involved in financial misreporting on average take actions to regain investor confidence, but it has long-lasting and costly reputation losses that companies find very difficult to restore.'

Photography: iStockphoto

WASHED UP

Social washing in the news

Social washing

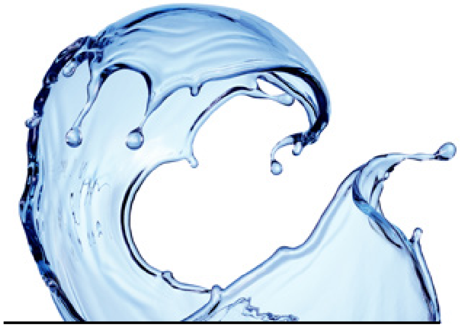
Australian eyewear chain Oscar Wylee was taken to court in 2020 and fined A$3.5 million for false marketing claims that for every pair of glasses a consumer bought, the company would donate a pair of glasses to someone in need. The company admitted in court that it sold 328,010 pairs of glasses but only donated 3,181 frames to charity — without lenses. Oscar Wylee also claimed that it had partnered with Rose Charities to build sustainable eye-care programs in Cambodia. Oscar Wylee's contribution was a single donation of A$2,000 and 100 frames.

COVID washing

A University of Auckland study conducted during New Zealand's COVID-19 lockdowns identified a new variant of social washing: COVID washing. Fast-food and confectionery companies allegedly used the pandemic circumstances to 'promote their unhealthy products to vulnerable populations during a time of increased stress and hardship', noted the study. Researchers observed that health and societal causes surrounding the COVID-19 pandemic were misappropriated. For example, KitKat (owned by Nestlé) and New Zealand chocolate brand Whittaker's posted thank-you messages on social media to health workers, portraying themselves as 'empathetic and contributing in a meaningful way to the pandemic response'.

Green washing

In 2020, *Eco-Business* reported that Indonesian paper company Asia Pulp & Paper (APP) had launched a new range of tissues, with the outline of animals on the box. The idea was for children to 'bring their imagination to life through mindful colouring', the company said, adding that the paper was made from 100 per cent sustainably sourced, plantation-grown acacia virgin fibre. Sustainability groups noted the company had repeatedly faced allegations of clearing or burning animal habitats in Indonesia, despite commitments to stop destroying rainforests. NGO World Wildlife Fund Indonesia estimated that over the past 30 years, APP had deforested more than two million hectares of natural forest.



> 'It is not always easy for anyone, including insurers, investors or the public, to identify social washing versus genuine corporate social responsibility initiatives.'

Jacques Jacobs / Clyde & Co.

Weighing the risks

Aaron Sherriff, Wellington-based partner at law firm Duncan Cotterill, says that in New Zealand, social washing for commercial gain could be subject to a consumer misrepresentation claim against an insured company or individual, including a claim progressed by the Commerce Commission for deceptive and misleading conduct.

'The Commerce Commission's powers include the enforcement of fair trading laws and also the protection of consumers by ensuring clear and accurate information is provided to them,' Sherriff says.

'In that scenario, cover under a statutory liability insurance policy might come into play. A statutory liability insurance policy protects a business, management, and employees against certain unintentional breaches of New Zealand legislation resulting in prosecution, including prosecutions by the Commerce Commission under the *Fair Trading Act 1986* as well as some investigations by the Commerce Commission.'

In a June 2022 report, Marsh points out that if a regulator investigates a company director or officer for a potential breach in relation to social washing, a D&O insurance policy should respond. However, the company isn't off the hook. While the policy will usually cover the defence costs of the legal process, if the director or officer is ultimately found guilty of criminal or 'morally reprehensible' conduct, the D&O policy won't cover any fines or penalties the regulator imposes.

Pricing social washing risk

There's no doubt that companies are extremely concerned about reputational risk. In AON's *2021 Global Risk Management Survey*, brand and reputational risk was the fifth-biggest risk cited by business respondents, behind cybersecurity / data breach, business interruption, economic slowdown / slow recovery, and commodity price risk / resource scarcity. Brand and reputational risk was the second-biggest risk in Australia and fourth in Asia Pacific.

Insurers, too, are certainly thinking of ESG risks and how it may impact them, says Jacobs.

'In relation to how it may impact financial lines insurance, one of the difficulties insurers are facing is how to assess and measure these risks,' he says. 'While insurers and brokers will no doubt speak to their clients about these risks … it is more likely that, over time, they will seek to influence behaviour through underwriting and premiums.

'However, it is unclear whether there is sufficient information available to the market at this point to be able to meaningfully impact underwriting practices and premiums. Time will tell.'

JAMES DUNN

Freelance journalist

'The kudos, warm inner glow and social media 'likes' — not to mention the increased sales — that can accrue for ESG leaders are very keenly sought by companies, to the point that the temptation to take a shortcut can prove irresistible to some. But if you're talking the talk without walking the walk, the reputational downside can be very unwelcome indeed.'

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NEW ANZIIF MEMBERS

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

*For the period 1 July to 8 September 2022.

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Seval Parker	Australia
Sherree Luttrell	Australia
Shruti Shah	Australia
Simon Cottrell	Australia
Simone Lindsay	Australia
Simone Xi	Australia
Skye Davoren	Australia
Skye Halse	Australia
Sophie Hatch	New Zealand
Tanja Bisset	Australia
Tracey Atherton	Australia
Trent Bartholomew	Australia
Tristan Dougan	Australia
Vagi Vagi	Papua New Guinea
Vishy Narayanaswamy	Australia
Vivienne Yariyari	Papua New Guinea
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Xuerong Qin	Australia
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Zoran Senicic	New Zealand

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Anna Game-Lopata

5 strategies to help you **manage virtual conflict**

In today's virtual world, it's essential to rethink how we work together. We asked three experts to share how managers can resolve team conflict that may be playing out online.

Our experts:

SUE BRODIE
PD Training

ALY McNICOLL
New Zealand Coaching & Mentoring Centre

JOE PANNUZZO
WorkPlacePLUS

01 // Communication

Prevention is better than cure when it comes to managing conflict in the virtual workplace.

'Clear communication is crucial,' says WorkPlacePLUS mediator and investigator Joe Pannuzzo. 'In a virtual workplace, managers need to be more explicit in communicating expectations and feedback.'

Sue Brodie, a facilitator at PD Training, advises building trust and a strong and positive culture. 'Be candid, acknowledge conflict, don't shy away,' she says. 'Reflect on your part in it, ask questions and listen well. This demonstrates that you value staff and genuinely wish to resolve the conflict.'

Aly McNicoll, director of the New Zealand Coaching & Mentoring Centre, believes teams don't discuss their communication strategies enough. 'Take the opportunity to renegotiate team processes, rules of engagement and virtual meeting protocols,' she says.

02 // Observation

Managers need to be aware of what's going on in their virtual team.

'Team leaders should become familiar with the nuances of how individuals communicate in the video conferencing medium,' says Pannuzzo.

McNicoll agrees, advising managers to 'pay attention to tiny details, such as changes to tone, signs of withdrawal, pot shots or comments that cause others to feel uncomfortable'.

Other red flags to look for include defensive body language, eye rolling, fatigue and distancing — all easier to hide virtually.

03 // Facilitation

If conflict emerges, intervene early. Follow HR processes, and don't inflame the conflict by addressing it in front of others.

In the virtual setting, conflict resolution requires a safe space. 'Use a secure meeting platform, adhere to confidentiality and the organisation's code of conduct,' Pannuzzo suggests.

'Give people the skills to talk to each other,' adds McNicoll. 'Develop a process with clear agreement that if someone raises an issue, everyone will listen without debating whether or not it's an issue.'

04 // Engagement

'If in doubt, check it out' is a great principle when it comes to conflict management. 'Stepping up to a difficult conversation might be uncomfortable but not disastrous,' says McNicoll.

Take the conflict out of the public arena and manage it in real time. 'Don't deal with issues by email,' counsels McNicoll. 'Pick up the phone and arrange a video call or organise a face-to-face meeting.'

Pannuzzo adds that managers may need to make themselves more available for regular check-ins to help keep staff on track and monitor potential issues brewing beneath the surface.

05 // Collaboration

A golden rule of conflict management is to 'get out of the weeds' and focus on what everyone has in common.

Brodie suggests regular monitoring when it comes to an agreed action plan. 'A manager must ensure both parties are sticking to the plan,' she says. 'Give praise when you see positive behaviour post conflict.'

And Pannuzzo points to ongoing risk management. 'Reviewing your prevention and response processes is an important element,' he adds.

If an internal manager can't resolve remote team conflict effectively, engage an independent mediator. //

Illustration: iStockphoto

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Insurance Brokers Code of Practice 2022

This short course is based on the 2022 Insurance Brokers Code of Practice written by the National Insurance Brokers Association (NIBA). It has been developed in conjunction with subject matter experts from the Insurance Brokers Code Committee and NIBA.

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