



Global Insurance Trends

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Insurance Megatrends



Consumer expectations being set by general experience with advanced technology – rapid service, simple process



Regulation complexity increasing and often at odds with customer desire for simplicity



Technology disrupting business models and robotising processes. Analytics replacing underwriting and AI replacing advisers



Low growth set to continue, providing a challenge for savers and the ability to offer guarantees



Skills shortages as companies shift more to using technology



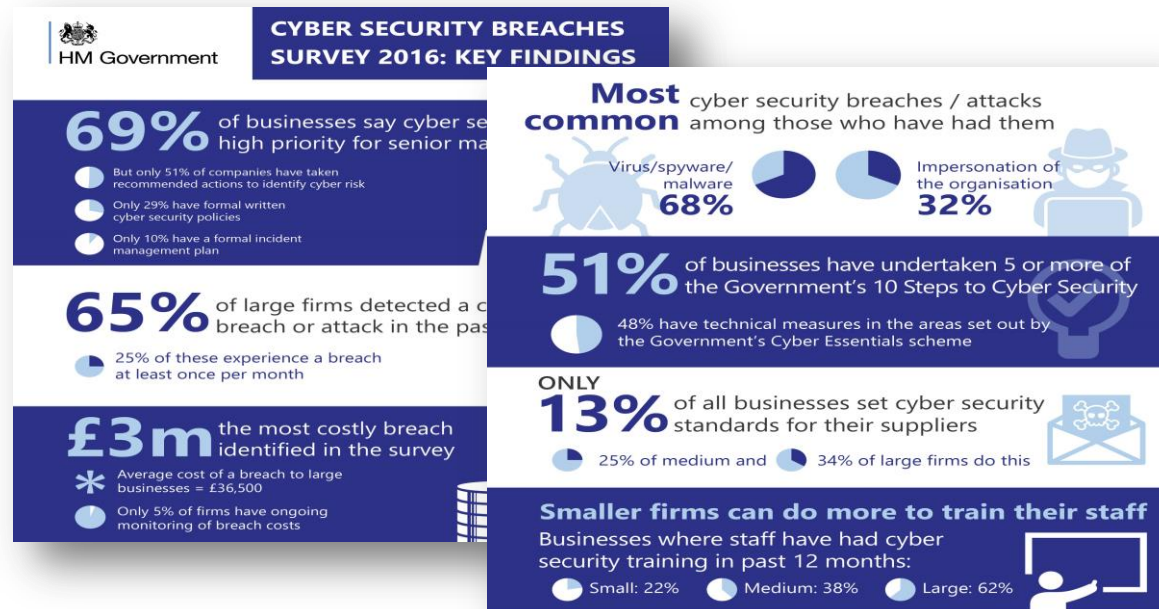
Emerging markets maturing and growing demand for insurance

Global Risk Themes

Cyber

- Fear of the unknown
- Human weakness
- Scope of damage
- Robo

Changing the game
fast.
large.
unavoidable.



Global Risk Themes

Third Party Risk

- Increased look-through
- Retained responsibility
- Access to information
- Resilience
- Supply chain
- Reputation

Your problem
inside.
outside.



Global Risk Themes

Conduct

- Hard to define concretely
- Customer focus
- Market reputation
- Changing standards
- Retrospective
- Influence on product/pricing

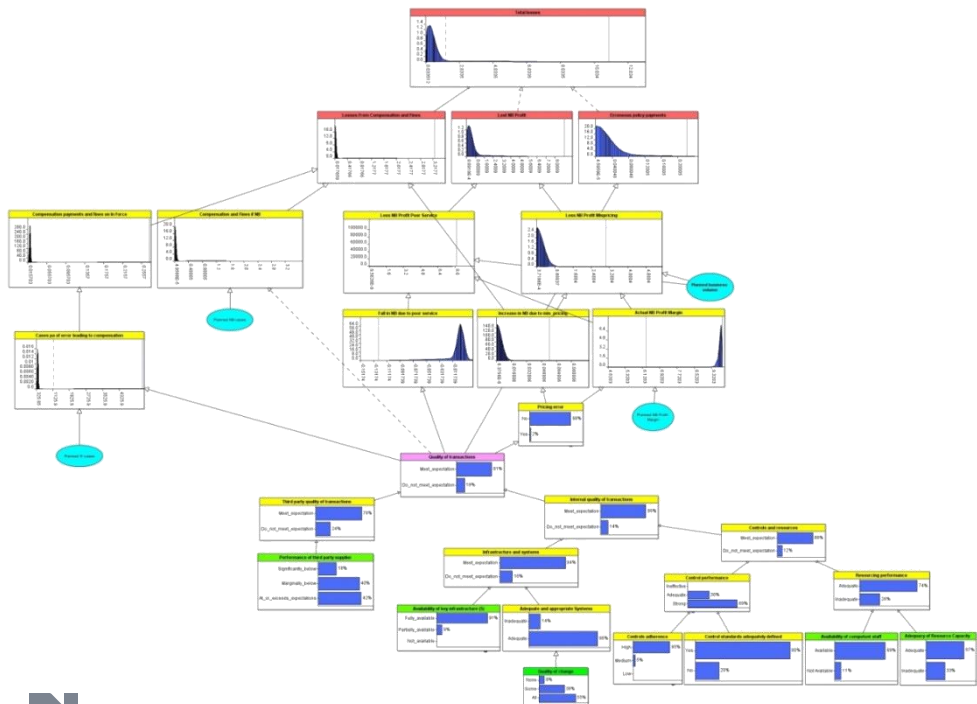
Customer first
behaviour.
outcome.



Global Risk Themes

Operational Risk

- Describe “how” scenario happens
- Describe “what” the outcomes are
- Acknowledge adaptation

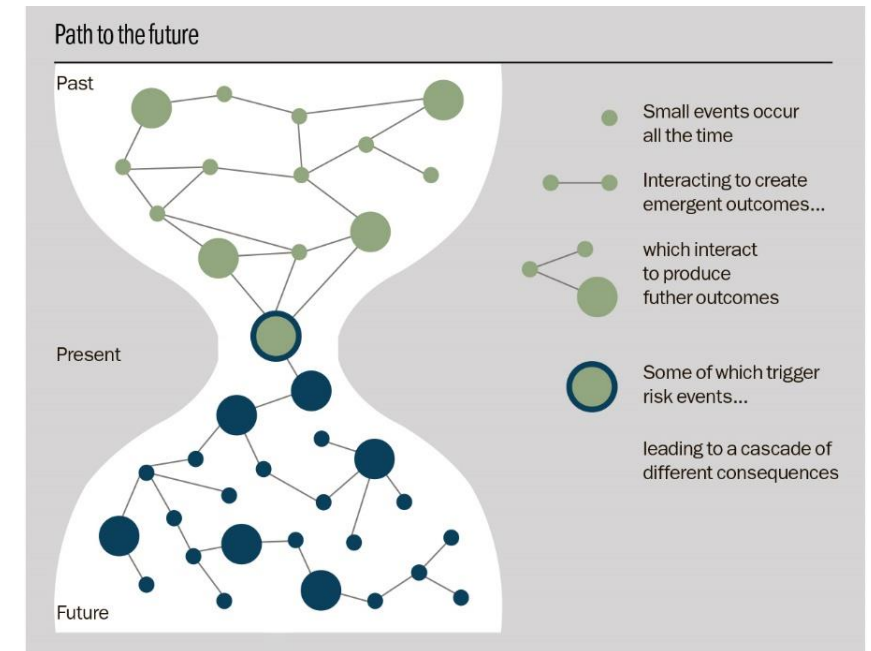


Aggregate scenario outcome

Contributing outcomes

Scenario dynamics

The Future a step at a time.



Global Risk Themes

Culture

- Fall-out from last financial crisis
- Culture as a control
- Tone from the top
- Group vs. individual behaviour
- Sub-culture vs. culture
- World-view diversity

6 dimensions of organisational culture



Good behaviour
do right.
tone from the top.

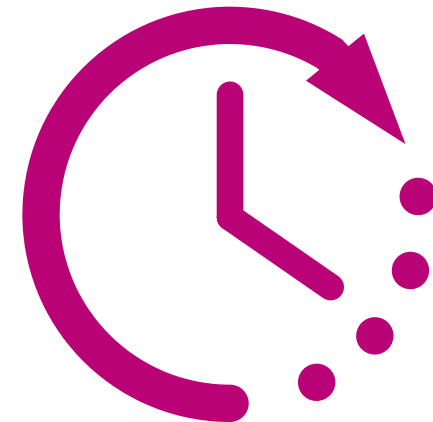


Global Risk Themes

Pace of regulatory change

- Fast!
- Political
- Populist zeitgeist
- Resource stretch
- Risk-based solvency
- Resolution
- Different perspectives of risk

Shifting game
uncertainty.
control.

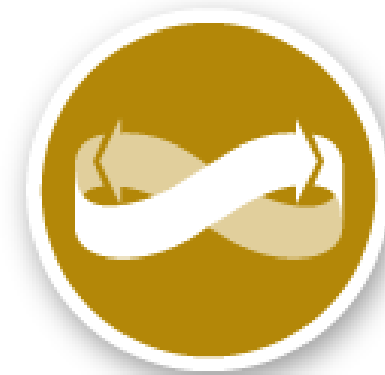
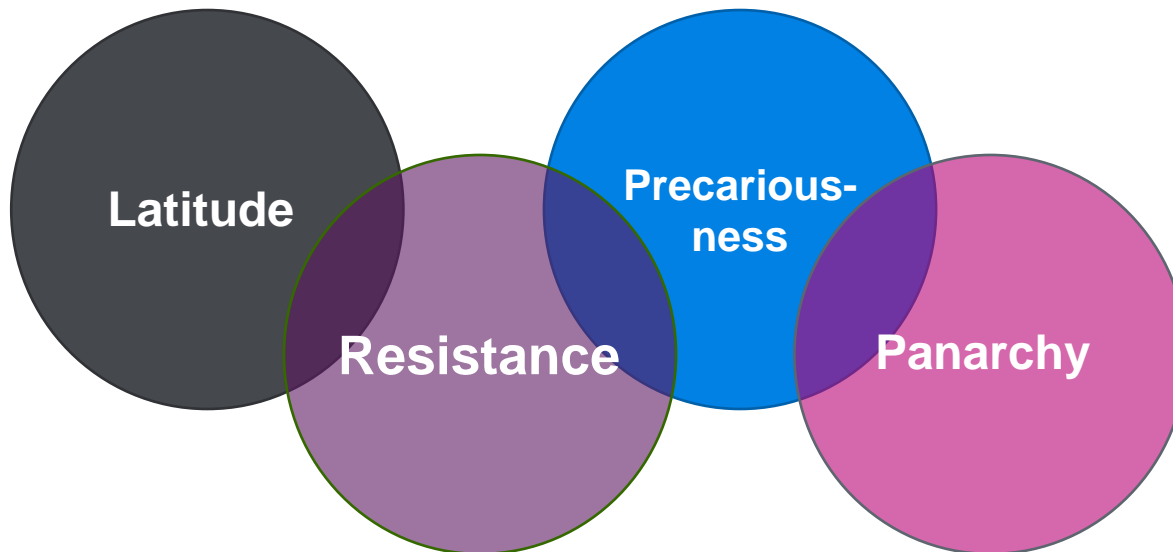


Global Risk Themes

Resilience

- Survive vs. avoid/manage
- Complexity
 - Hard to see trends
 - Tipping points
- Flexibility built-in
- Different organisation approach

Change is normal
insight.
flexibility.

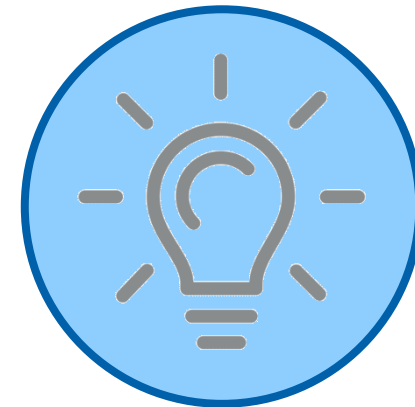


Global Risk Themes

Insight

- Out-dated management models
- New analytics
- Multi-variate
- Dynamic
- Bayesian: predict...look...revise
- MI as a control
- Emerging risk / scenarios

20/20 Foresight
**seeing the wood
for the trees.**

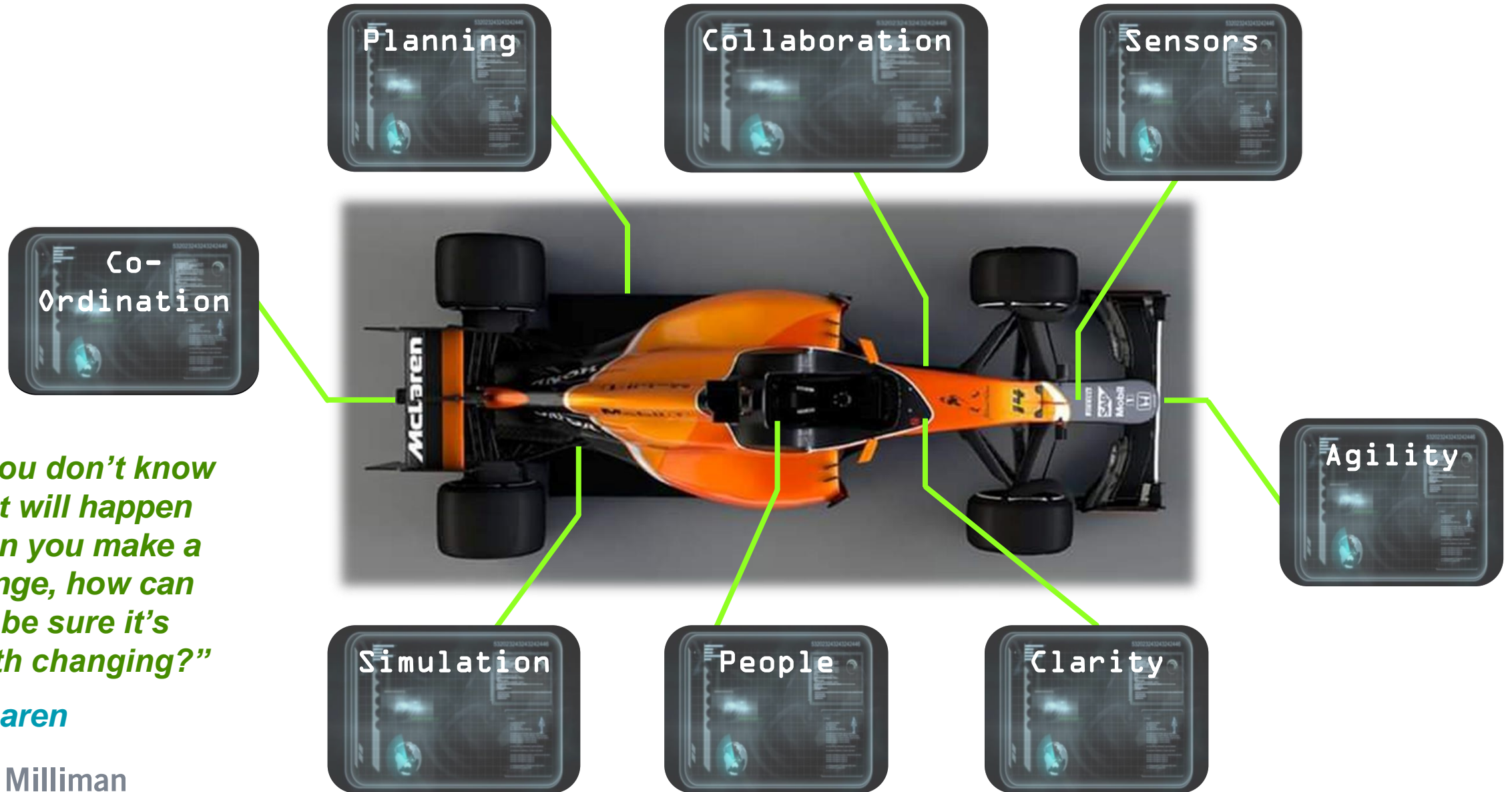


 **Dan Ariely** ✓
6 January 2013 · 🌐

Big data is like teenage sex: everyone talks about it, nobody really knows how to do it, everyone thinks everyone else is doing it, so everyone claims they are doing it...

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McLaren – Risk in Real Time



“If you don’t know what will happen when you make a change, how can you be sure it’s worth changing?”

McLaren

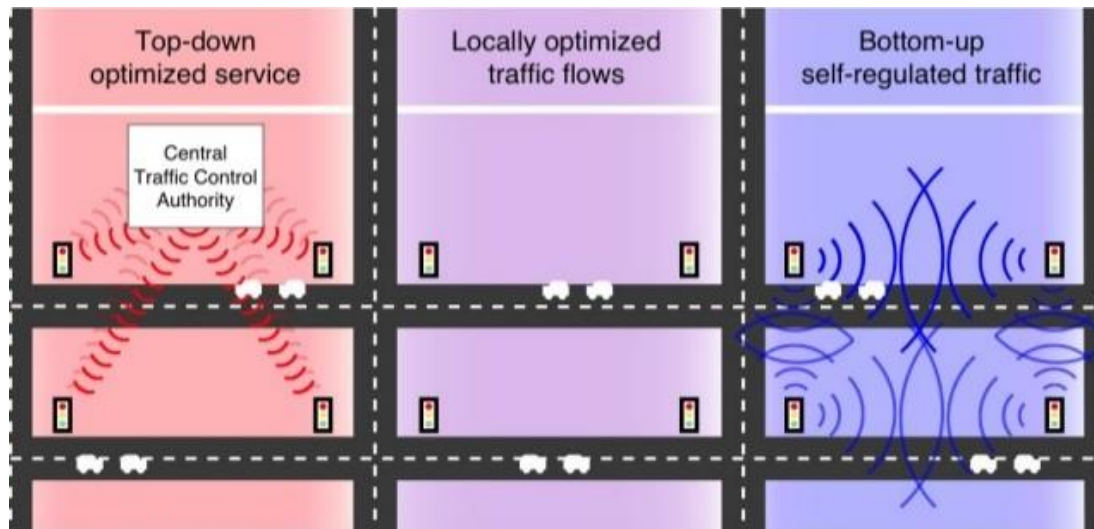


Global Risk Themes

Three lines of defence

- ...doesn't work
- Increasing complexity
- Decentralised control
- Local decision with global perspective

Taking responsibility
act local.
think global.



<https://youtu.be/rTGNSVCubYY?t=1161>

Dirk Helbing

Role of effective **leadership** is understood
as that of **participating**
in the ongoing
conversations

in ways that encourage **fluid** conversation in which
meaning and **possibilities** of action are **opening up**
rather than closing down.

Ralph Stacey

Brexit

