



British
Insurance
Brokers'
Association

2023 Manifesto

Managing Risk – Delivering Stability

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2023

1 Introduction from BIBA's Chair – Jonathan Evans

“

Insurance plays an important part in the economic well-being and stability of our society – both for individuals and businesses. It offers resilience in difficult times and financial risk transfer, protecting families and SMEs' balance sheets, enabling investment and growth.

Insurance buying can be complex for individuals with specific challenges and needs, and for businesses whose needs often cannot be fully met through generic, off the shelf products. Insurance brokers offer access to the most appropriate products for individuals and businesses.

BIBA is committed to improving financial inclusion for consumers and to helping businesses manage their risk to maintain financial stability and encourage growth.

JONATHAN EVANS
BIBA Chair

2 Viewpoint from the Insurance Minister

“

Managing risk is something we all do every day. It helps us be resilient to the unexpected and brings stability to our lives, enabling us to flourish. Insurance has a long history of providing financial resilience and BIBA brokers and intermediaries play a crucial role to help consumers and businesses find the right protection.

As society changes so does the nature of risk and the protection needed. BIBA members are at the forefront of finding insurance to meet these evolving needs. But regulation too must keep pace with change. The Government is committed to effective, efficient and proportionate regulation that keeps markets healthy.

The Government outlined in its 2022 Growth Plan the role played by the financial services sector in enabling investment that drives growth across the whole economy and I hope that the Financial Services and Markets Bill will help to address some of the issues experienced by brokers.

I know I can rely on the broking sector's continued support of businesses and consumers to help them deliver stability and thrive.



ANDREW GRIFFITH MP
Economic Secretary
to the Treasury

3 International survey of business leaders

BIBA member Aon conducted its Executive Risk Survey in October 2022 by garnering the feedback of 800 C-suite and senior executives from companies with more than 500 employees in the UK, Europe and North America.

It was striking to see 62% of 'very prepared leaders' agree that their company's appetite to address risk has increased in response to the current economic climate.

61% of 'very prepared leaders' also agree that all risks are interconnected, and that the most successful companies can handle risk regardless of where it comes from.

The top ten risks that all 800 business leaders report they are most focused on are:

- #1 Inflation
- #2 A financial crisis
- #3 Energy supply
- #4 Cyber-attacks
- #5 Supply chain disruptions
- #6 Government policy or regulation change
- #7 A workforce shortage
- #8 A future pandemic
- #9 Valuing and protecting intellectual property
- #10 Climate change

Many of these risks and how they might be addressed feature throughout this BIBA Manifesto.



Jane Kielty, Head of Commercial Risk for Aon in the UK, and Deputy Chair of BIBA

Our research showed an interesting pattern in terms of optimism – with CEOs across the pond being more positive about their operating environments than here in Europe. But one thing was clear, leaders who address and embrace risk head on feel better prepared to deal with the unexpected – from pandemics to recessions. Addressing risk is no longer a choice, it's a question of survival and this is where brokers can provide invaluable advice and support to help customer organisations navigate the uncertainties they face.



4

Ensuring financial resilience and stability in difficult times

BIBA is concerned, given the cost of living crisis and high rates of inflation, that the financial resilience of both consumers and businesses will come under renewed pressure.

When we asked brokers directly about how the cost of living was affecting their own business, a common response was that because some customers had ceased trading and others were seeking to reduce their insurance expenditure or pay premiums later, brokers are having to make adjustments to how their own firms operate. Reactions include postponing IT projects or moving to smaller premises. At the same time, many brokers are giving cost of living payments and significant pay rises to employees to help them manage during this difficult economic period.

4.1

Customers cutting cover

In late 2022, BIBA canvassed its members to identify the main areas where personal and commercial customers have sought to reduce or cancel their insurance cover because of the impacts of the cost of living crisis. There is a risk that this trend combined with double digit inflation will exacerbate the problem of underinsurance.

The Chartered Institute of Loss Adjustors estimates that in 2022 48% of business interruption insurance policies were underinsured and the degree of underinsurance was around 41%. Only 44% have an indemnity period of 24 months or more.

BIBA cost of living crisis survey results



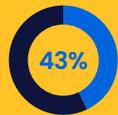
Stand alone cyber insurance was one of the most affected areas with 40% of respondents saying that clients that previously held cover are no longer insuring their cyber risks



Private car and motorcycle insurance 42% of respondents said customers had removed an add-on cover



Home buildings and contents insurance 38% of respondents advised customers had removed add-ons including accidental damage, personal possessions and legal expenses. 9% of respondents said customers are no longer insuring their home



Premium finance 43% of respondents advised they were seeing a greater take up of premium finance instalment options



Shop and office insurance 20% of respondents said customers had opted to reduce sums insured



Tradesman insurance 22% of respondents said that clients had opted to remove a section of cover while 15% had reduced limits of indemnity



Property owners' insurance 23% of respondents said customers had increased their excess in order to reduce their premiums



Group PA and business travel 32% of respondents advised customers were no longer insuring this risk

These results reveal that customers risk unfunded losses in their lives and businesses.



Adam Beckett, Chief Distribution Officer, Ageas UK

The cost of living crisis is hitting families hard. We've been working with data experts to understand the ways different segments of the population may be affected and how this might be reflected across customers and potential customers we engage with. To support those in need, we are building on our vulnerable customer programme and upskilling our customer-facing people with tailored training to even better support those who find themselves in extremely vulnerable situations. We will continue to work closely with BIBA and its members to help customers and, in particular, vulnerable customers with their insurance needs at this challenging time.

Further evidence of businesses cutting cover

Research by BIBA premium finance facility provider, Premium Credit Ltd (PCL)¹ identified that six out of ten small businesses fail within three years of opening. 82% of failures are due to cash flow issues. Business invoice payments have now increased to 29.9 days and late payments increased to 7.7 days – up 1.8 days since 2020.

The financial crisis has had an impact on insurance buying behaviours of businesses. PCL found:



51% Of businesses have stopped buying at least one insurance cover in the past year



26% Of SMEs stopped buying compulsory employers' liability insurance



22% Stopped buying professional indemnity insurance



21% Stopped buying public liability insurance



19% Stopped buying business interruption insurance

¹ The survey was undertaken for the PCL Insurance Index, by Consumer Intelligence. They surveyed 681 SME owners and managers.

These statistics matter because they suggest a reduction in businesses' resilience to unexpected incidents and losses. It is important to understand that a lack of insurance serves to inhibit risk taking and innovation. Both are liable to be a drag on growth.



Nick Hobbs, Chief Distribution & Regions Officer, Allianz Commercial

This topic resonates with us. Our own 2022 survey of SMEs has revealed practices that would leave businesses without sufficient cover in the event of a relevant loss. We are delighted to have launched the new underinsurance guide with BIBA.



How to avoid underinsurance



BIBA COMMITMENTS

- > To continue to work with our members to do all we can to support them and their customers through these difficult times, searching for appropriate solutions
- > To continue to flag the critical issue of underinsurance and the need for regular valuations by promoting guides on these topics



A guide to valuations

4.2

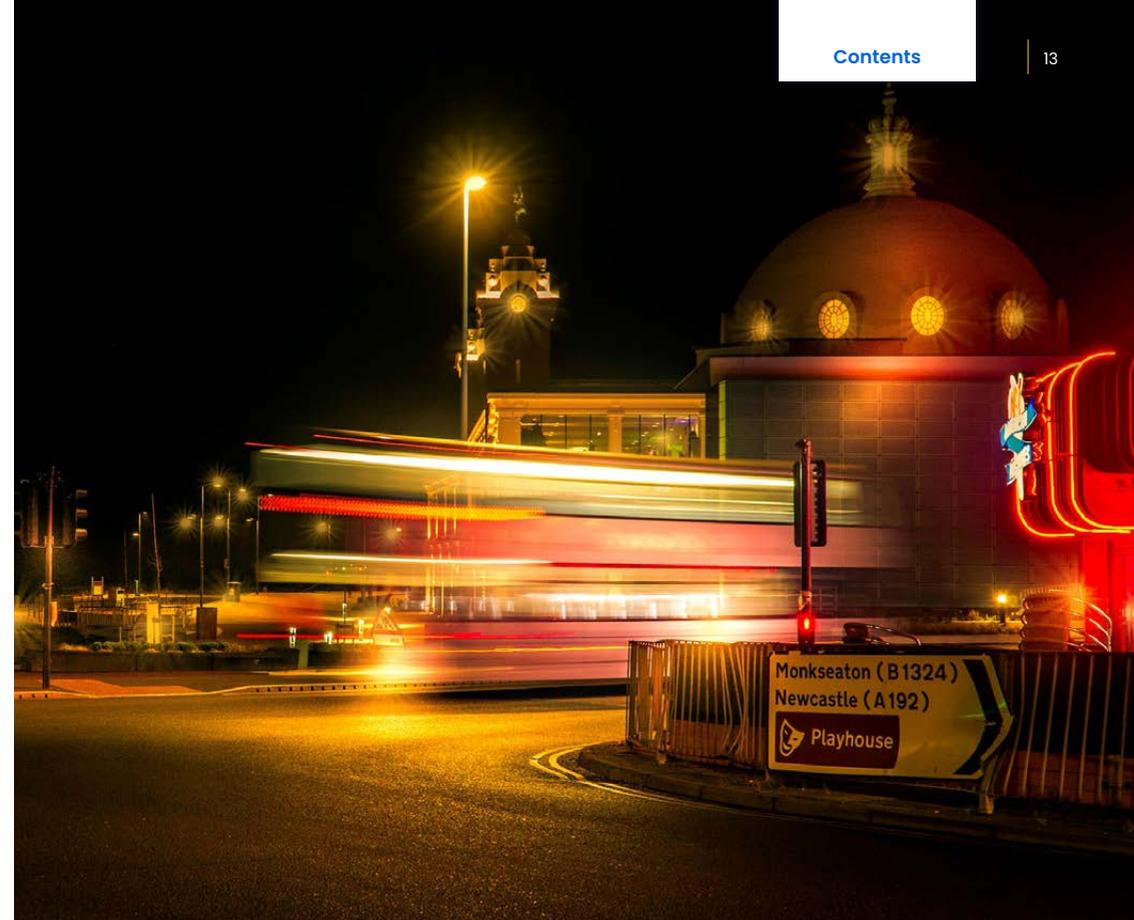
Guidance – practical advice about safely saving money on insurance and making a claim

BIBA believes that a short guide to balancing the cost of living with adequate insurance protection will be valuable to individuals and businesses.

At a time of high inflation and economic slowdown consumers and businesses alike are looking at all means to reduce or contain expenditure. It is understandable that the cost of insurance will come under scrutiny, especially given the backdrop of a hardening insurance market which has persisted for the past three years.

Making a claim

BIBA's industry-wide Claims Working Group believes that customers would benefit from some simple guidance which could be issued with policy documents to help them in the event of a claim. The guidance will advise customers how to submit a claim and achieve a timely and fair settlement.



BIBA COMMITMENTS

- › To produce guidance for its members which will help them explain to customers why insurance premiums have increased and what they can do to contain these costs while maintaining adequate insurance protection
- › To publish in quarter one 2023, three guides on making a claim that address motor, home and holiday travel insurance
- › To publish a suite of guides to help explain the key insurance cover needed by SMEs

4.3

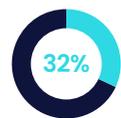
A low tax economy and IPT

The financial burden of Insurance Premium Tax (IPT) on insurance buyers has grown significantly. At its introduction in 1994, the standard rate was 2.5% and receipts £117million. Since then, receipts have increased significantly and have more than doubled in the last seven years from £3bn in 2015 to a **record high of £6.627bn now**, at a standard rate of 12%. Revenues for the last financial year (2021/2022) were a staggering £320 million higher than the previous financial year.

This trend looks set to continue with total provisional IPT receipts for the 2022 to 2023 financial year-to-date (April to June) already at £1,766 million, £165 million (10.3%) higher than for the same period in the previous financial year.

When setting the opening rate in 1994, the Chancellor was able to conclude that a low rate across a wide tax base would be unlikely to have a significant impact on the overall cost of insurance and thus on the take-up of insurance. However, this is no longer the situation, especially in an economic and cost of living crisis.

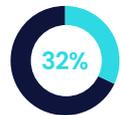
BIBA's own research shows that:



Of customers are already removing add-on covers from their motor insurance



Of customers are removing optional covers like accidental damage and personal possessions from their home insurance



Of customers have stopped buying group personal accident and business travel cover

A number of factors are affecting the cost of settling claims including higher interest rates and inflation causing increased costs of transport, labour and materials. This has contributed to the insurance sector experiencing 'hard' market² conditions in several insurance classes, e.g. cyber, professional indemnity, insurance for high-rise cladded buildings.

The pressures on insurance premiums from global events have led to increased premium levels for such classes/sectors and these higher premiums provide a disproportionate 'windfall' of IPT receipts for the Government. The amount of IPT due on these increased premium levels across a class of insurance belie the idea that IPT could be considered mildly progressive.

IPT is a tax on the price of the insurance product and is an indirect tax on consumers and businesses that is collected by insurers and paid to HMRC – but ultimately the customer is required to pay it in their premiums.

2. A hard insurance market exists when insurance capacity is reduced and premium rates are high.



BIBA CALLS FOR ACTION

- > Though we believe the rate of IPT is too high, we recognise the current economic challenges faced by the UK and call for the headline rate of IPT to be frozen for the remainder of this Parliamentary term to help guard against the risk of underinsurance
- > For a specific exemption from IPT on property insurance premiums for impaired high-rise multi-occupancy buildings that await or are undergoing remediation

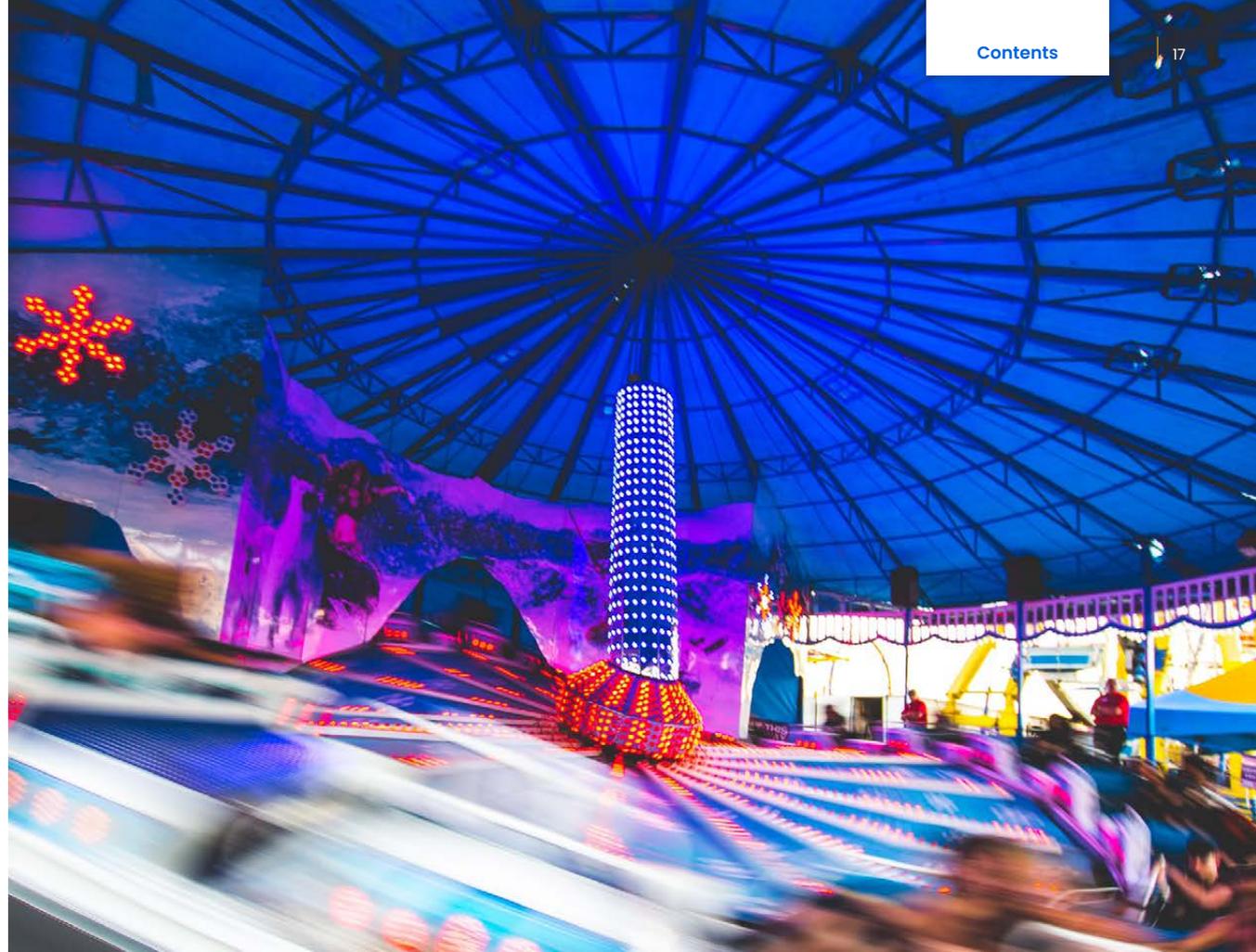
4.4

Personal Injury Discount Rate reform

The Discount Rate is a figure used to help calculate lump sum compensation payments for high value personal injury claims, and the rate in England and Wales is set by the Lord Chancellor. The rate in England and Wales is due for review with a final decision no later than July 2024. The Ministry of Justice (MoJ) anticipates making a call for evidence in relation to this in quarter 1 2023. That consultation period is likely to last three months and BIBA welcomes this review.

The rate is intended to reflect the accelerated receipt of, for example, a life time's earnings. The lower the discount rate the higher the lump sum. The rate currently stands at minus 0.25% in England and Wales, minus 0.75% in Scotland and minus 1.5% in Northern Ireland. Contrary to the Government Actuary's recommendation of a rate of plus 0.25%, the Lord Chancellor added a margin of prudence to take the rate to minus 0.25%. These rates were set at a time of ultra-low interest rates for investments which led to much larger claims awards affecting motor and liability premiums.

Now that interest rates are much higher and gilt yields increasing, there is a poor correlation with the actual return for claimants making low risk investments over the long-term and we believe that the discount rate should be moved into more positive territory which could help reduce the pressure on premiums at a time of financial hardship. In addition these higher awards impact the adequacy of limits of indemnity with pre-set limits in some packaged insurance policies in danger of being exceeded so increasing the risks of underinsurance.



BIBA CALLS FOR ACTION

- > For the review of the Personal Injury Discount Rate, starting in 2023, to consider an increase to reflect the outlook for interest rates
- > For the Lord Chancellor's margin of prudence to be discontinued
- > For greater transparency, post settlement, of award investment and spend

4.5

Financial inclusion and helping people to access insurance

The subject of access to insurance continues to rise in importance, particularly in a 'hard market' and when the prevailing economic conditions are challenging.



BIBA COMMITMENTS

- › To continue to facilitate and promote our four signposting agreements
 1. The Signposting Agreement on Age and Insurance
 2. The Travel Medical Directory which meets the Financial Conduct Authority's (FCA) criteria
 3. The Agreement on Access to Protection Insurance for people with pre-existing medical conditions and disabilities
 4. The Flood Insurance Directory
- › As members of the Ministry of Defence Financial Services Steering Group we will continue our commitment to help forces personnel and their families more easily access insurance
- › For the BIBA Access to Insurance committee to engage with stakeholders and initiatives to help drive forward wider access to insurance
- › To work with our members and other stakeholders to make cover more easily accessible to low income renters and social housing tenants through social landlord schemes

BIBA engages with the Financial Inclusion Commission and during 2022 we helped more than 240,000 people who were seeking cover through our Find Insurance Service.

People in social housing have a low level of take up of contents insurance with only 37% of low-income households benefiting from contents insurance. Yet social housing tenants and low income renters are the most vulnerable, with 73% saying they would find it impossible to meet an unexpected bill of £500. Many residential social landlords have stopped providing access to low-cost schemes.

How brokers are helping with insurance for risks related to Ukraine

BIBA members can source home insurance cover for those hosting refugees either in their own home or another domestic property. Many insurers have pledged that they do not require homeowners to inform them for the first 12 months of hosting a refugee on a non-paying basis in their own home only. But for other situations, BIBA members can help find suitable insurance.

BIBA members can also help find motor insurance for drivers in the UK who hold a full and valid driving licence issued in Ukraine³. BIBA's specialist members may extend UK motor policies for travel to Ukraine in very limited and specific circumstances.

BIBA continues to help those hosting refugees in their homes or other properties and Ukrainian drivers access suitable insurance.

3. Cover is available for drivers operating using a full and valid foreign driving licence for a maximum term of 12 months after which time the policyholder would need to apply for a UK provisional driving licence and is required to retest on both the UK theory and practical driving tests.

4.6

Access to insurance case studies

CASE STUDY 1

Legendary broadcaster 'Whispering' Bob Harris OBE experienced an aortic dissection in 2019 and is keen to show that people can still go on to lead a busy and fulfilling life.

Bob was signposted to BIBA when looking for travel insurance and was put in contact with a specialist travel insurance broker to cover his trip to the US.

“ Bob says: *“I was concerned that travel insurance may not be available, but I am glad to say that BIBA was able to put me in touch with a specialist broker who was able to insure the trip. I am keen for more people with aortic dissection or other medical conditions to benefit from signposting and get the insurance cover they need so they can travel and enjoy life with the peace of mind of insurance protection.”*



CASE STUDY 2

Rugged Nature, a men's cosmetics manufacturer struggled to find business insurance to cover their expansion into contract manufacturing. Their existing insurer had pulled out of their market and after speaking to several different insurers it looked as though their plans to expand would be put on hold as they couldn't find insurance to cover the manufacturing of other brands' products. Luckily Joe Poxon at Rugged Nature was directed to BIBA's Find Insurance Service who helped put him in touch with specialist brokers SJL Insurance Services who were able to quickly secure the cover needed.

“ Joe commented: *“We saw a gap in the market to expand our business but finding the right insurance almost stopped us taking our plans forward. Thankfully via the Find Insurance Service, we found SJL who were the only ones able to cover our specific requirements – otherwise it would have stunted our business growth.”*

CASE STUDY 3

Mark Anness, a trustee at charity Myra's Wells⁴ that drills wells to supply fresh water for local communities in Burkina Faso, West Africa, needed to find travel insurance for his trip, together with other trustees, to commission new wells to be constructed. However, due to the threat of terrorism in the country, the Foreign, Commonwealth and Development Office advised against travel to most of the country, meaning that finding travel insurance was a big challenge. Mark and his fellow volunteers all had to fund the trip themselves including paying for the travel insurance. This meant that the charity project was dependent upon travel insurance being available to them, and at reasonable cost. Thankfully, Mark was able to find travel insurance from specialist broker Voyager after being referred to BIBA's Find Insurance Service. As a result, 20–30 new wells were commissioned to provide clean fresh water to the families and children that desperately needed them.

4. Myra's Wells is a Christian charity providing clean water in Burkina Faso where it is needed, irrespective of ethnic or religious background.

“ Mark commented: “We receive requests for new wells but due to cultural and language differences we don't always get the information that we need so once a year we have to go out to Burkina Faso to get the details ourselves.

“Getting the insurance was vital and allowed the trip to happen. As a result we've commissioned numerous new wells for either rural locations where local people previously relied on rivers or in urban areas where populations have increased due to the terrorism threat leading to more people seeking refuge there. I'm very impressed with BIBA's Find Insurance Service, I expected to be given a list of numbers to call but the team found me a specialist broker within ten minutes and transferred me straight to them. It also wasn't for a vast sum of money – I expected it to be much higher!”



5

Helping the UK economy respond to challenges and grow

5.1

Cyber insurance – delivering stability and facilitating business innovation

The pandemic saw a huge shift towards online trading and the supply of robust cyber insurance is key for the digitalisation of the UK economy to progress in a safe and rapid way. Good cyber insurance is more than a policy that provides an indemnity in the face of a loss. It provides holistic cyber risk management to the customer including security monitoring 24/7 for every day of the policy, sophisticated vulnerability scanning and forward-looking threat intelligence to help prevent a cyber incident happening in the first instance. Cyber insurance customers don't need to make a claim to get value from a policy.

In spite of the availability of broad cyber insurance products in the UK, the vast majority of businesses, in particular SMEs, do not have a standalone policy in place (only 5% have a standalone policy and 43% have some cyber cover as part of a wider insurance policy according to the Department of Culture Media & Sport (DCMS) Cyber Security Breaches Survey 2022). Yet SMEs are the very businesses that are targeted by cyber criminals, with leading cyber insurer CFC stating that they account for 96% of all cyber-attacks. They are often soft targets for criminals to extort money or the back door, as suppliers, into larger businesses. Often SMEs lack awareness and resources to protect themselves, which is where cyber insurance as a service becomes so important.



Cyber Breaches Survey 2022



BIBA COMMITMENT

- > To actively promote our new Guide to Cyber Insurance for businesses written in collaboration with CFC and published in December 2022. Promotion will take place via the BIBA membership and through the FSB and CBI to their members. The guide is designed to help UK businesses prevent and survive a cyber-attack and to understand the scope of cyber insurance as a service



A guide to cyber insurance

BIBA is compliant with Cyber Essentials requirements and will encourage greater engagement amongst its members.



5.2

Flood

The availability of suitable and affordable flood cover is important for the financial resilience of consumers and businesses.

BIBA has made constructive progress in helping improve access to flood insurance for homes via the Flood Insurance Directory and for businesses via our evolving schemes for commercial risks.

We are keen to collaborate with Government on its work on the National Planning Policy Framework and the National Flood and Coastal Erosion Risk Management Strategy for England. BIBA will also work with flood authorities and stakeholders in devolved nations. Our members actively arrange flood cover throughout the UK and it is important to share their experiences and contributions.

According to the National Infrastructure Commission report 'Reducing the risk of surface water flooding' published November 2022, surface water flooding is a potential risk to many homes and businesses in England. Currently around 325,000 properties are in areas at the highest risk. BIBA welcomes the report's recommendations to Government "to mitigate the impact of urban development on surface water flooding". BIBA supports the adoption of Sustainable Drainage Systems (SuDs) to obtain planning consent and the removal of the automatic right to connect to the sewerage system for new developments. This means a new forward-thinking collaborative process where developers, planners, water companies and local authorities consider buildings that are sustainable to avoid flooding.

As the impacts of climate change and development affect the potential for increased surface water flooding, it is vital that progress in these areas is made to maintain a competitive insurance market.



BIBA CALLS FOR ACTION

- › For Government and devolved administrations to take forward actions in the report by the National Infrastructure Commission on effective management of surface water in planning, so that surface water risks are assessed to the same degree as fluvial and coastal risks. In addition they should make available more granular surface water flood mapping information and help to improve public awareness so homes and businesses can prepare for flood risk
- › For Government to enforce property planning guidance and building regulations that ensure sustainable home building. This means that stakeholders including developers will give a long-term commitment to providing and maintaining drainage infrastructure and property level flood resilience that reduces the impact of future flooding
- › To continue to promote Flood Re's work with insurers to 'build back better' when repairing a home after a flood, allowing for the payment of claims to include an additional amount for resilient or resistant repair, above and beyond making good the original damage
- › For Flood Re to be allowed to discount insurance premiums where there are recognised flood resilience measures installed by the property owner



**Hannah Gurga, Director General,
Association of British Insurers**

The Flood Insurance Directory is a great initiative to ensure that those living in areas of higher flood risk are able to access flood cover for their homes. The ABI and BIBA have gone one step further with this Signposting Agreement which will help those both within scope, and out of scope, of Flood Re to be directed to specialist providers for their needs.



BIBA COMMITMENTS

- › To continue wide promotion of the Flood Insurance Directory and commercial schemes available from BIBA
- › BIBA remains committed to its participation in the DEFRA Property Flood Resilience Working Group

5.3

Insurance for multi-occupancy buildings

Following the FCA's report into the availability and affordability of insurance for multi-occupancy buildings, we will work with the regulator and the Department for Levelling Up, Housing and Communities (DLUHC) to implement its recommendations. We also believe that buildings requiring remediation should be exempt from Insurance Premium Tax during this period.



BIBA COMMITMENTS

- > To continue to work with the ABI and its members to implement the planned reinsurance facility for the most difficult cladded risks which we helped design. This will enable insurers to broaden their appetite and to deploy greater capacity on impaired risks pending remediation
- > To work with members to promote a pledge which reinforces the principles around fair value and only share commission with third parties who are involved in the arrangement or administration of insurance for multi-occupancy buildings when FCA requirements are satisfied
- > We will work with the ABI and members to establish a common code for the core pieces of risk information to be systematically collected and recorded for multi-occupancy buildings affected by flammable cladding or other material fire safety issues

Our Pledge

We have an objective to work with our broker members individually to support them where necessary, as they review their remuneration practices for the distribution of insurance for multi-occupancy buildings.

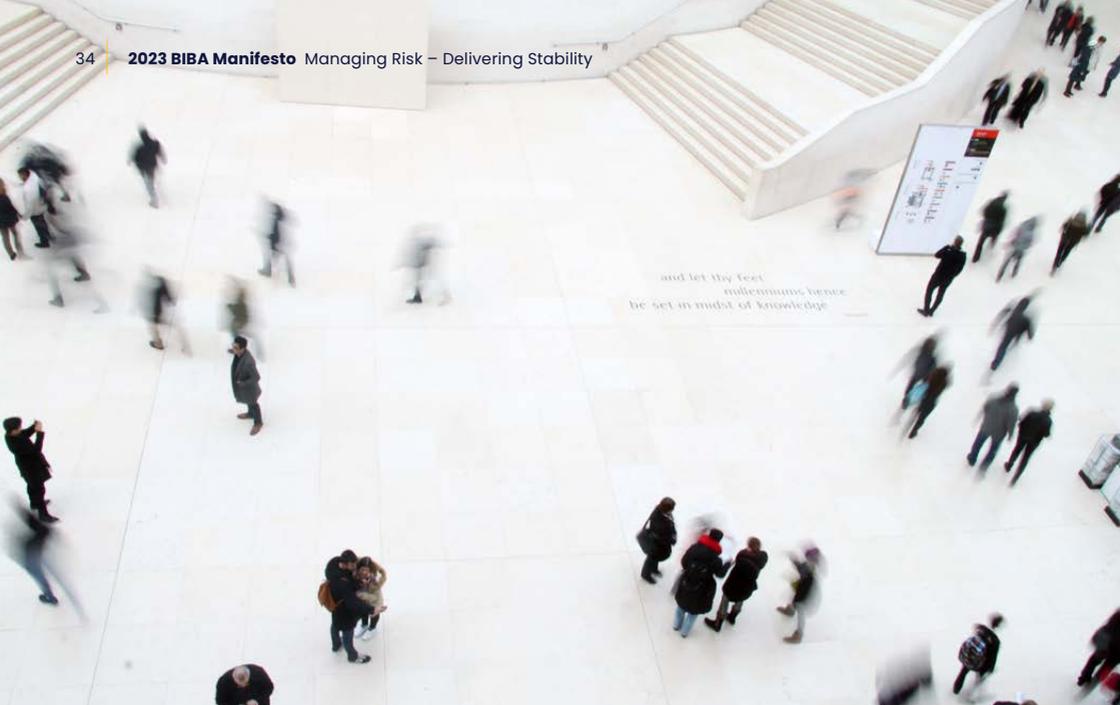
The aim is for members to only make payments to third parties in this sector where they are satisfied that such payments comply with the relevant FCA fair value requirements. This includes payments to property managing agents or freeholders.

We will keep the FCA and DLUHC informed as necessary. We shall at all times be conscious that our engagement with our members must remain compliant with competition laws.



BIBA CALL FOR ACTION

- > For Government to make the insurance of buildings that require or are undergoing remediation exempt from Insurance Premium Tax



5.4

Professional indemnity insurance in the built environment

Professionals wanting to engage in the remediation work of high-rise residential buildings (HRRBs) and the broader construction sector continue to face significant problems in obtaining adequate professional indemnity insurance (PII) in particular to cover any aspects of their work that touches upon fire safety engineering or the fire safety performance of a building. If the problems are not resolved, work will be concentrated in the hands of the very largest firms which will serve to increase the cost through less competition and slow the pace of the remediation effort. More broadly, the problem will stymie UK PLC's and Government's aim to sustainably 'build back better'.



BIBA CALLS FOR ACTION

We welcome Government's recent PII intervention that indemnifies professionals conducting EWS1 surveys. However, Government needs to recognise that there is a wider crisis in the supply of adequate PII in the construction sector and that this is having a negative impact on the pace of remediation of unsafe HRRBs, as well as the broader construction industry. To this end Government should consider:

- › Mirroring or extending the current PII intervention to include architects, engineers, contractors, and surveyors who are engaged in remediation work of HRRBs. Alternatively, for Government to hold the relevant professionals harmless in respect of personal civil liability for a defined scope of their work, namely fire safety claims;
- › Reviewing the current limits of PII required by professionals undertaking remediation work that is funded by the Building Safety Fund (BSF) and to reduce these to more realistic levels. At the same time to revisit some of the language in the Building Safety Act to ensure that current PII policies are capable of responding to associated claims;
- › Reviewing contracts that are entered into by professionals undertaking BSF work to make sure that they align with what cover the insurance market is prepared to offer; and
- › Longer term, engaging with BIBA, the insurance industry and key stakeholders in the design and construction of the built environment to consider amending the law on joint and several liability to ensure fairer, more proportionate outcomes

5.5

Balance in the Protect Duty

The Government has announced plans to publish draft legislation, which will be UK-wide, in early Spring 2023. The legislation, which will be known as Martyn's Law, will put some responsibilities for terrorism security onto organisations who own and operate publicly accessible locations (PALs). There are potential implications for the private sector.

The Protect Duty will have a significant impact on the security and insurance sectors, as well as the vast number of industries with sites that will fall under the legislation. Insurance could serve as an integrated component of meeting Protect Duty requirements as a method of both managing and transferring risk.



BIBA CALLS FOR ACTION

- > For Government to give sufficient time for businesses to prepare for the new Duty
- > If insurers elect to restrict liability capacity for terrorism exposure following introduction of the new legislation, thereby leading to partial failure of the market, that Pool Re be authorised to explore the potential expansion of its cover in order that all policyholders can access the necessary cover

The Bill

The Bill intends to impose a duty on the owners and operators of certain locations to increase their preparedness for and protection from a terrorist attack by requiring them to take proportionate steps, depending on the size and nature of the activities that take place there.

Premises will be drawn into the scope of the Duty if they meet the following three tests:

- > That the premises is an eligible one – i.e. a building (including collections of buildings used for the same purposes, e.g. a campus); or location/event (including a temporary event) that has a defined boundary, allowing capacity to be known
- > That a qualifying activity takes place at the location; and
- > That the maximum occupancy of the premises meets a specified threshold – either 100+ or 800+

Proportionality is achieved through a tiered model of duties, linked to the activity that takes place at a location and its capacity:

- > A standard tier will drive good preparedness outcomes. Duty holders will be required to undertake simple yet effective activities to improve protective security and preparedness. This will apply to qualifying locations with a maximum capacity of over 100
- > An enhanced tier will see additional requirements placed on high-capacity locations in recognition of the potential catastrophic consequences of a successful attack. This will apply to locations with a capacity of over 800 people at any time

5.6

Helping the UK economy grow out of the downturn – innovation

BIBA has formed an Insurance Technology & Innovation Committee (ITIC) consisting of people from software houses and each segment of our membership to represent members interests on all technology, innovation in insurance, and related matters.

Its role is to connect, improve and innovate the insurance technology eco-system, covering relevant issues affecting members and to provide advice and counsel on all matters relating to insurance technology.



**Janthana Kaenprakhamroy –
founder and CEO, Tapoly**

Insurance brokers have always been innovators and are eager for new flexible technical solutions. I hope insurers and all stakeholders will work with BIBA members to evolve new e-trading technology to improve the broker and customer journey.



5.7

How can the industry deliver great service for customers?

Our aim is to collaborate with insurers so that our insurance broker members can ensure systems are in place that are efficient and flexible, providing first class delivery to our clients.

BIBA is working with Gracechurch Consulting via an ongoing independent survey to objectively assess the issue of insurer service, establish an industry benchmark against which progress can be measured and to help identify actions that will promote better service.

The effectiveness of e-trading also impacts service delivery. 77% of BIBA members embrace e-trading but 46% of members express issues with risks being out of scope on the platforms; greater flexibility would help resolve these issues.



BIBA CALL FOR ACTION

- › For insurers to develop more innovative e-trade systems that can accommodate a wider range of risks and more flexible cover options



**Adam Winslow, CEO, UK & Ireland
General Insurance, Aviva**

Brokers are a vital part of Aviva's distribution strategy. Brokers want to work with insurers they can trust – which is why we've invested, to ensure we're providing the level of support, service and access to propositions that brokers rely on us to deliver. We look forward to working with BIBA and the wider industry on supporting the broker distribution channel through delivering great outcomes for customers.



BIBA COMMITMENTS

- › To work with insurers on delivering positive outcomes for brokers and customers and to identify areas for quick improvement
- › To establish a steering committee to look at the issues
- › To showcase areas of good practice
- › To update results in July 2023 to gauge progress

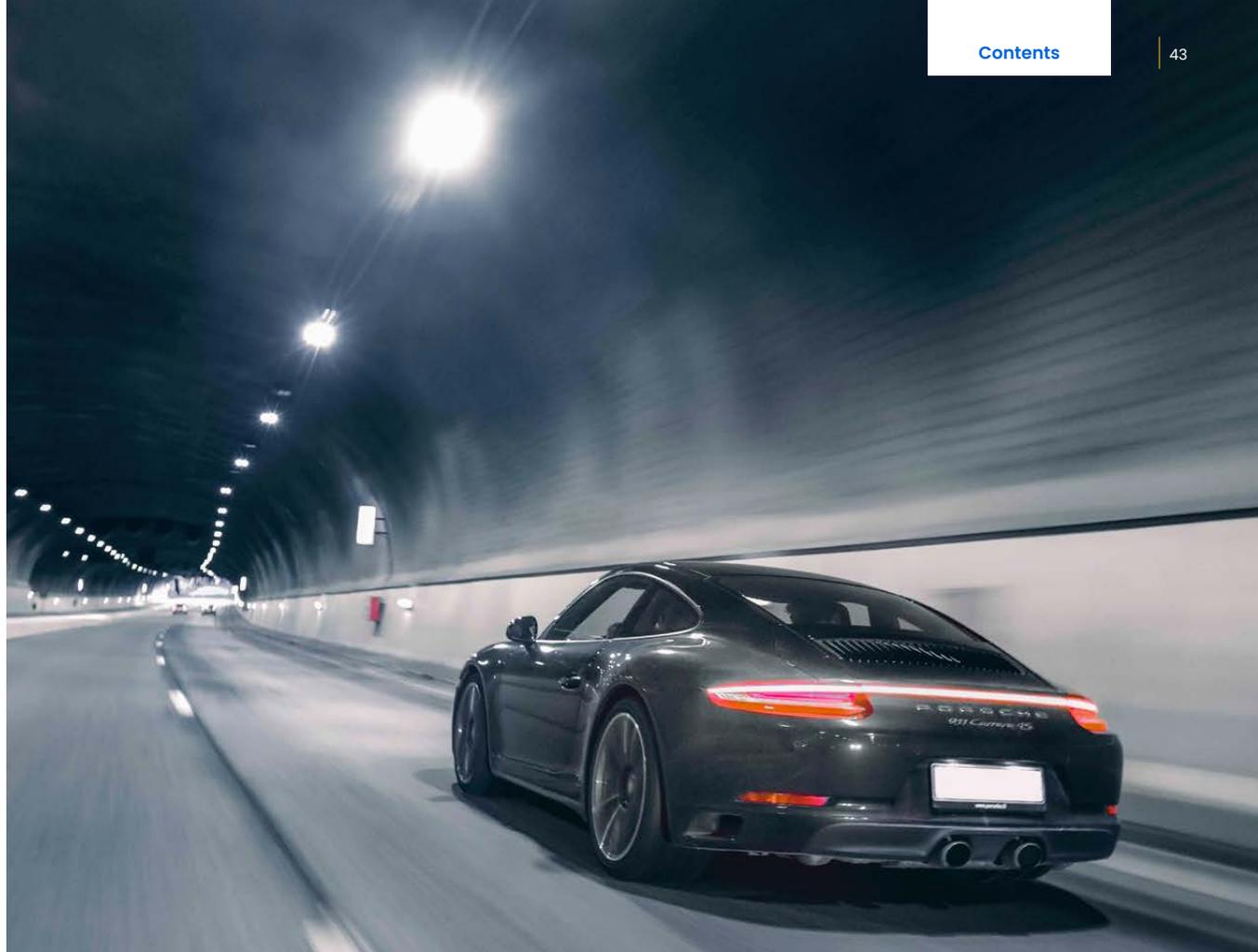
5.8

Underwriting considerations

New exclusions and the law of unintended consequences

Over the past two years new 'model' exclusions have appeared that bring with them a range of possible unintended consequences which might only come to light at the point a claim occurs. These include:

- > **Cyber exclusions on property damage and business interruption policies.** The exclusions are so broad that, for example, human error in keying data to a machine that subsequently leads to an explosion on a production line could see the resultant damage and interruption loss excluded under the material damage policy. The mis-keying could be deemed a 'Cyber Incident' which is defined as 'any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system'
- > **Cyber exclusions on motor policies.** New exclusions are now appearing that would exclude own damage claims that result from a cyber-attack to the vehicle
- > **War exclusions on cyber policies.** While the exclusion of war risks is common across most lines of business, cyber poses unique challenges. A business that is hacked needs an immediate response by its insurer. Taking months to decide whether or not the attackers were state actors engaging in cyber warfare is too long to wait. A more pragmatic approach is needed



BIBA COMMITMENTS

- > To work with insurers to narrow these exclusions and to develop endorsements whereby cover can be bought back
- > To alert Government to these important gaps in protection and to work with them to explore the potential need for a public-private catastrophe reinsurance market for cyber risk

Declaration of adverse credit history

Credit referencing agencies remove notes of adverse credit from someone's file after six years. However, insurance buyers are usually asked to declare all CCJs, bankruptcies, liquidations and other adverse credit without time limit or cut-off date, whether this is personal or business insurance.

This can cause innocent non-disclosure if insurance buyers assume insurers follow the same procedures as the finance industry, and could result in claims not being paid and insurance voided. The voidance of an insurance policy by an insurer must be declared ad infinitum to the double detriment of the insurance buyer.

Some criminal acts may be 'rehabilitated' in law so that further declarations to insurers are not required, but often this does not apply for CCJs and bankruptcies.

Polaris, the data standards provider for e-trading and software houses, aligns its question sets with the credit referencing agencies – putting a limitation period in place, but this is still dependent on individual insurers agreeing to adopt the standard.



BIBA CALL FOR ACTION

- › To encourage insurers to follow the welcome progress made by some of their peers and adopt a market practice that aligns with the credit industry so that insurance buyers do not have to declare CCJs and bankruptcies after six years

5.9

Insurance for future motor transport

New types of micromobility

The Department for Transport's Future of Mobility urban strategy set the scene for the development of micromobility which is defined as 'the use of small mobility devices, designed to carry one or two people'.

These new vehicles introduce a vehicle type not envisaged by existing legislation for road vehicles. At present this means e-scooters, but other forms of transport may also evolve in the future.

Government trials for e-scooter rental schemes are continuing into 2024. However, it is clear that the number of illegal, private e-scooters is proliferating and their use on roads and on pavements puts both the users and pedestrians at risk.



BIBA CALLS FOR ACTION

- › For Government to legislate for a basic level of public liability insurance to be compulsory for e-scooters
- › For the Government to introduce a regulatory framework that incorporates use of e-scooters and build standards so that new insurance products can provide financial protection to users for their legal liability for injuries caused and compensation for accident victims

Vehicle automation

The advent of automated or self-driving vehicles on UK roads is getting closer – albeit initially these will be vehicles that can only drive themselves in limited and prescribed circumstances and with a qualified human driver ready to take back control⁵. As technology evolves the driving parameters for self-driving vehicles will expand incrementally.

Education

It will be crucial for drivers to understand the capabilities of their vehicle, what activity is permitted while the self-driving feature is engaged, and their responsibilities.

BIBA supports the work of the AV-DRiVE Group (Automated Vehicle Driver Responsibility in Vehicle Education), which is developing and disseminating education materials to build the public's understanding of Automated Vehicles (AV) technologies.

Legislation

The Government's policy paper, *Connected & Automated Mobility 2025: Realising the benefits of self-driving vehicles in the UK* sets out its intention to introduce legislation for a regulatory framework for self-driving vehicles. The paper was a response to the Joint Law Commission's Report on Automated Vehicles that was published in January 2022.

Vehicle data is the key element for establishing civil liability and processing insurance claims for injury and damages fairly and quickly. The Government has stated its intention to consult on details of a new regime for **data collection and retention** needed for processing insurance claims, including what data and the storage duration.

5. ALKS – Automated Lane Keeping System – will be the first specification on British roads for a vehicle designed to enable the driver to delegate the driving task to the vehicle.



BIBA COMMITMENT

- › To continue engagement with this work and distribute education materials to our members to assist their client engagement, as well as on its social media channels



BIBA CALL FOR ACTION

- › For the Government to bring forward as soon as possible the legislation for a regulatory framework for AVs and the consultations on a data regime and disclosure

5.10

Closing the global protection gap and securing the UK's position as the centre for insurance and reinsurance

The UK is uniquely positioned to build better global resilience to risk because of our world-leading position as the centre for insurance and reinsurance. The central challenge is the 'protection gap' between economic losses and those that are insured. That gap is estimated to be 62%, but can be much higher in locations where insurance penetration is particularly low – in Asia Pacific, for example it is 88%. This means that millions of households and businesses around the world are exposed to significant financial risk, which in turn has far reaching ramifications for the local economy and particularly those least able to cope. Similarly, emerging risks such as cyber need to be addressed if the world is to seize the opportunities created by digitalisation and yet globally 90% of all cyber losses remain uninsured.

The UK insurance industry has £2 trillion of investments under management and handles £100 billion of gross written premiums. It has financial and intellectual capital to address the global protection gap and is already providing leading edge solutions in areas such as flood, windstorm, crop, terrorism and cyber risk to overseas customers and governments. It leads on catastrophe modelling, climate risk analytics, insurtech solutions and parametric insurance products. It also leads on climate change bringing together risk managers, risk carriers and investors to address the problem and supply products and services to help finance, manage and accelerate the decarbonisation of economies. It supports the growth of greener industry, transport and energy and solutions for the new risks that these changes entail.



BIBA CALL FOR ACTION

- › For the Department for International Trade to actively promote the UK's insurance broking and reinsurance broking sectors in all trade deals going forward, in particular with Europe and the United States

6

A broking sector that has proportionate regulation is best positioned to support UK growth

6.1

Reducing the cost of regulation

A STUDY BY LONDON ECONOMICS ON BEHALF OF BIBA

Insurance brokers want to support growth in the wider economy. Insurance provides financial resilience and frees up businesses to take more risk, this supports economic growth.

However, insurance brokers are experiencing significant financial pressures on their businesses in a similar way to many businesses across the UK that are having to pay much higher energy costs along with high levels of small business rates or corporation tax. In addition, the cost of regulation for insurance brokers is at an all-time high.



Steve White, BIBA CEO

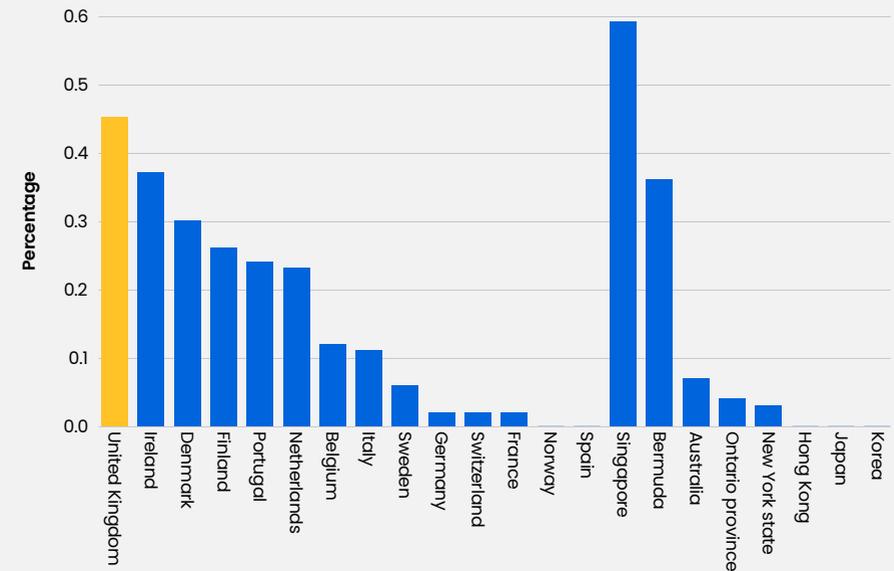
BIBA's central view of insurance and brokers in particular is that we are a growth driver across the economy – enabling risk taking, increasing resilience – as well as being a source of employment and tax revenue in our own right. Insurance brokers can play their part in spurring the recovery across the economy and excessively cautious regulatory approaches impact not just the sector directly but – crucially – the wider economy too.

London Economics has re-run the now triennial research on the direct and indirect costs of FCA regulation for insurance brokers. The results are the most worrying since the research was first carried out in 2014.

- > On average, across all survey respondents, direct regulatory costs in the United Kingdom stood **40% higher than in the 2019 research**
- > Almost all survey respondents reported that direct regulatory costs (87.5%) and indirect regulatory costs (95%) have increased since 2016. Moreover, the majority of survey respondents noted that **direct costs (55%) and indirect costs (57.5%) had increased by more than 25% since 2016** (up from increases of 21% and 13% in 2019)
- > Overall, the direct regulatory cost in the UK is one of the highest relative to the 21 other jurisdictions covered by the present report. This cost is:
 - > More than **twice as high as on average across all jurisdictions in the case of a small broker**; and,
 - > **More than four and five times as high in the case of a medium-sized broker and a large broker**
- > Overall, for the group of survey respondents, total (direct and indirect) **regulatory costs are equal to 8.1% of insurance intermediation fees and commissions in 2021**
- > Overall, **85% reported that the work involved in the Fair Value Assessment process was not proportionate** to the little benefit it delivered for customers

Average direct cost of regulation across jurisdictions

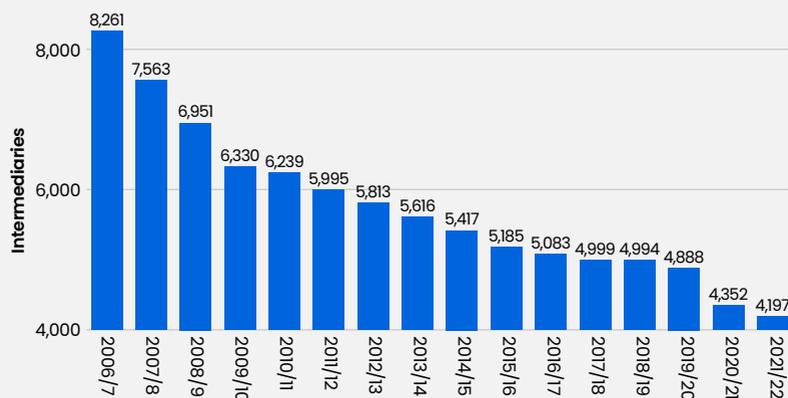
Percentage of insurance intermediation fees and commissions / € – 2022



Note: The cost figures do not include the costs of any professional insurance that insurance broker firms may be required to have. Countries are in order of highest average direct regulatory costs as a percentage of revenue across firm sizes (separately for countries within Europe and the rest of the world).

Source: Competent authorities and/or national associations and London Economics calculations.

UK General Insurance Intermediaries



Source: 'FCA Data Bulletins'

One of the consequences of the high cost of regulation is that the number of general insurance intermediaries in the UK has nearly halved since 2006, reducing from 8,261 in 2006/7 to 4,197 in 2021/22. Most brokers exiting the market state inappropriate and disproportionate regulation for low-risk insurance brokers as the primary reason for their exit.

Disproportionate regulation is also a barrier that disincentivises new start-up firms in the sector. FCA authorisation can also take considerable time. Legislation states it should take a maximum of three months to process an insurance intermediary application, but this time limit is extended to six months where a firm wants to offer premium payment by instalments. This means that start-ups face considerable costs to be ready to make an application, without any means to generate an income while they await authorisation.

Going forward, BIBA welcomes the Treasury Committee new sub-committee created to scrutinise regulatory proposals for financial services following the UK's exit from the EU. It brings an intention to intervene at the consultation paper stage of the regulatory proposal process, when there is clear scope for improvement challenging whether a particular FCA proposal is justified and desirable.



BIBA COMMITMENT

- › We welcome the Government's announcement, the 'Edinburgh reforms', set to drive growth and competitiveness in the financial services sector. We support the Government's aims to 'ensure the sector benefits from dynamic, proportionate regulation'. We will engage with this process during 2023



BIBA CALLS FOR ACTION

- › For the FCA to reduce the cost and disproportionate burden of regulation to allow UK SMEs and larger businesses to benefit more from these financial protections and be able to take more risk, creating new economic growth in support of the Government's aims
- › For Government and the FCA to take advantage of Brexit freedoms to consider whether the current financial services regulatory regime is proportionate to the risks posed by the insurance broking sector and delivers additional customer benefit, not simply cost
- › For Government to ensure that the incoming obligation for the FCA in the Financial Services and Markets Bill to facilitate the long-term growth and international competitiveness of the financial services sector carries sufficient weight and is backed by reporting requirements which include demonstrating this consideration in future regulatory decision making
- › For the FCA to further reduce its authorisations backlog for both changes of permission and for start-ups

6.2

The Consumer Duty and Fair Value Assessments

The roll out of Fair Value Assessments (FVAs) has proven to be one of the most problematic and resource-intensive tasks the insurance broking sector has ever had to put into practice. 85% of respondents to the London Economics Cost of Regulation survey reported the view that they were not proportionate at all.

It has required all firms to divert significant levels of resource in order to comply. This has negatively affected productivity and, in many cases, required firms to either incur additional financial costs to hire new employees to achieve the required outcome, or has left them unable to devote their full attention to meeting their customers' needs.

Typical small broker burden in producing FVAs



BIBA understands the reasons behind the FCA’s demand for FVAs, but when giving advice to customers and recommending one particular product over others, brokers are assessing fair value for customers with each and every sale – ensuring that they put forward a product that provides suitable cover for the customer at a fair price.

We believe the FCA’s aims could be achieved more proportionately if FVAs were only required for non-advised sales. This would allow for better outcomes and imposes less cost on the industry (which is ultimately passed to customers).

To ensure the remedies against dual pricing remain in place, product manufacturers would still be required to carry out FVAs on their products, regardless of how they are sold, but they would not require distributors to supply information to them in regard to products sold as advised sales. This would still align with the Consumer Duty focus on the respective duties of those who may have a material influence on good customer outcomes.

We believe that directing the focus onto non-advised sales to retail customers will provide the fair value test the FCA is looking for, while at the same time delivering proportionate and smart regulation that recognises the ‘suitability tests’ already undertaken when advice is given.

BIBA worked constructively with the other leading insurance industry trade bodies to put together a Product Value Information Exchange Template. FCA support for this would be most welcome and could help to resolve the enormous process challenges our members have experienced.



Craig Tracey MP, Chair of the APPG on Insurance and Financial Services

There is no doubt that the FCA has gone too far with unnecessary requirements on advised sales for commercial businesses in the Consumer Duty. I recommend they listen to the sensible and fair proposals from BIBA and adjust the scope and process to a more proportionate system helping those who do not receive advice in their insurance buying process.



BIBA CALLS FOR ACTION

- › For the FCA to adjust the scope so that Fair Value Assessments are only required for non-advised sales
- › For the FCA to provide more support for, and raise awareness of, the industry-developed ‘Product Value Information Exchange Template’



Fair value assessment template

6.3

FSCS fee funding

BIBA supports the FSCS, the protections it affords and the confidence it helps generate in the UK financial services sector. We want to ensure that the costs to do this are distributed across levy payers in a fair and sustainable way.

Working with independent economics consultancy Oxera, BIBA has proposed modifications to the funding model that would resolve the current imbalance in the fee charging structure.

The insurance broking sector, which is made up largely of small firms, contributes 52% of the funding towards calls on the retail pool 'backstop', upon which they have never required a claim. A fairer system of 'polluter pays' would see those sectors that are making claims contribute a fairer share.

We welcome the FCA feedback statement and their forthcoming review of the funding class thresholds, to consider whether the class thresholds remain at an appropriate level.



BIBA CALL FOR ACTION

- › For the FCA to introduce a fairer fee charging structure at the earliest opportunity

6.4

A career of choice – being a destination industry

Recruitment is proving challenging to employers across the UK. BIBA aims to support numerous workstreams to help provide the workforce of the future to the UK broking sector, making it a career of choice and a 'destination industry'. Through social media campaigns, careers days, promoting apprenticeships and working with the CII to provide training, we will focus new resource on this challenge for 2023.

In addition, ex HM Forces personnel bring with them an array of transferrable skills once they leave service, and in particular interpersonal skills, risk management, communication, leadership, and adaptability. These skills can be of enormous use in the insurance broking sector. BIBA will look to assist where possible with redeployment opportunities in our community.

BIBA is a founding member of GAIN, the group for Autism, Insurance and Neurodiversity to help support careers in the broking sector.



Niki Facey – Marsh, BIBA Regional Chair and BIBA Young Broker Ambassador

Insurance broking is a versatile and diverse career that will support, develop and challenge you. As a BIBA Young Broker Ambassador, I look forward to encouraging as many new young people into the sector as possible.

A great career

As an insurance broker you will enjoy learning new things and can make a difference in your workplace and community. You will take on responsibilities within a team as you grow your knowledge and skills, tackle real projects, and work with real clients. In return for working hard you will earn a very competitive salary.

Your employer will help you develop your career and support your maintenance of a good work/life balance. As well as technical aspects of insurance and the chance to get professional qualifications, you can also learn:

- > Communication skills
- > Analytical skills
- > Problem solving
- > Project management
- > Negotiation skills and more



Keith Hector, Director of Commercial Operations and Distribution, Covéa Insurance

Recruitment in our industry is incredibly challenging – in my experience it is the worst we have seen. Covéa offers Apprentice and Graduate Programmes, and supports important initiatives such as 10,000 Black Interns. We need to identify our future talent, demonstrate the hugely varied and interesting career paths available, and to adapt our approaches to attract great people. We acknowledge and applaud the steps BIBA is taking to focus on making insurance a 'Career of Choice'.



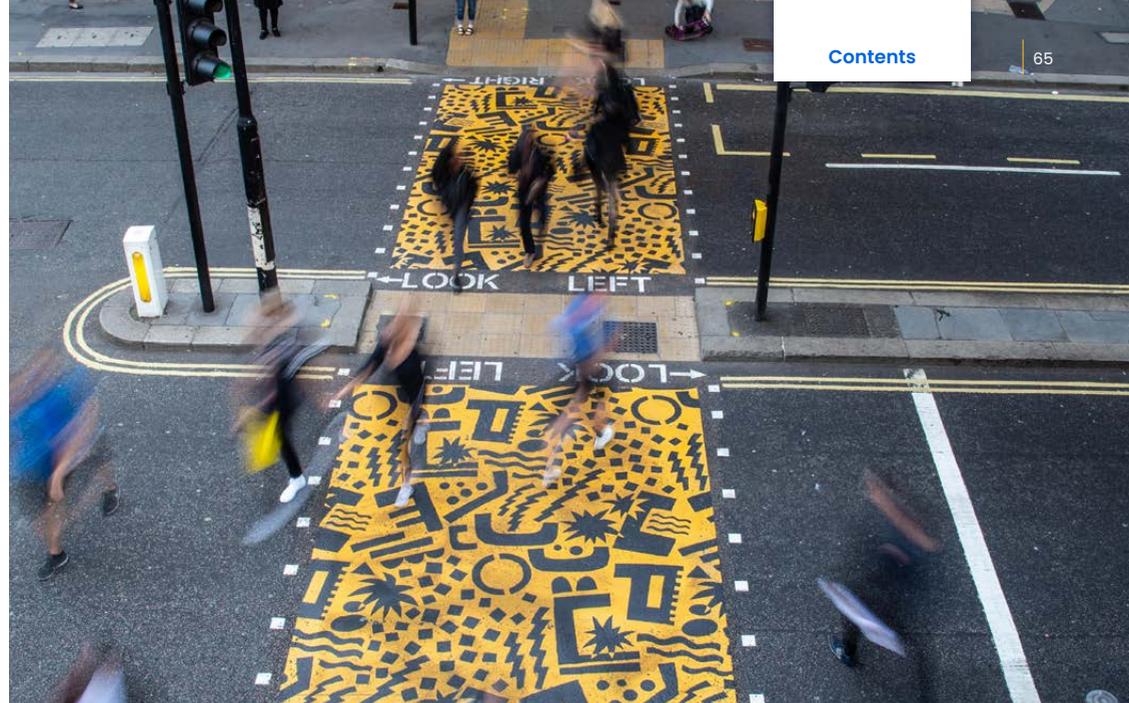
BIBA COMMITMENTS

- > **Social media campaign on working in insurance**
BIBA will create a new social media campaign and work with our national young broker committee to help encourage the next generation of insurance brokers to come forward
- > **Schools, colleges, universities initiative**
There is a great deal of enthusiasm around the UK for brokers to go into schools, colleges and universities to discuss career opportunities in insurance broking. BIBA will help to facilitate this activity across our regions along with working with the Careers and Enterprise Forum

6.5

Apprenticeship Levy

The Apprenticeship Levy needs to be more flexible to ensure maximum impact. Being able to hire from a central pool of broker apprentices would help broker recruitment. Many brokers pay the Apprenticeship Levy, so should be supported in ways to share best practice as to how to best use this, such as featuring at local apprenticeship fairs. There needs to be more investment in developing people for the future of our sector.



BIBA CALLS FOR ACTION

- > **Expansion of the Apprenticeship Levy to a wider skills development levy** (similar to the current approach in South Africa) which would provide support for all workplace skills and training which would include training both in and outside of an apprenticeship framework
- > Apprenticeships currently have a minimum 12-month duration, which is not always necessary for all qualifications. The removal of the 12-month minimum duration means organisations could be less restrictive in the development opportunities offered via apprenticeships



Tim Bailey, CEO, Zurich

There is great value to be had by attracting new talent to the sector, and we share BIBA's view that the Levy in its current form has room for improvement. Apprenticeships need to be more agile, future-focused and flexible, and the Government should commit to reviewing the levy so that a portion of the funding can be used to reskill workers using other methods.

6.6

Education and Training

Broker ASSESS

BIBA works strategically with the Chartered Insurance Institute (CII) to raise professional standards by supporting and endorsing the CII's learning tool, Broker ASSESS, the online training and competency solution designed for insurance brokers.

Broker Assess develops and assesses knowledge across hundreds of product and technical areas. It also helps brokers meet their regulatory requirements with inbuilt CPD and reporting functionality.



BIBA COMMITMENT

- > BIBA will continue our successful partnership with the CII to maintain strong engagement and delivery of Broker ASSESS



Alan Vallance, CEO, CII

We work closely with BIBA to help brokers acquire and stay on top of all of their learning requirements, which are vitally important for our profession.



Alan Vallance, CEO, CII

Apprenticeships are a vital part of building the next generation of insurance leaders and the CII will work closely with BIBA to bring forward new apprentices to the insurance broking community.

Aspire Apprenticeships

The insurance profession faces immediate and long-term skills challenges. Apprenticeships can help by giving brokers access to potential employees who might not have considered a career in insurance broking before. Aspire provides easy to access apprenticeship standards and frameworks that are aligned to CII qualifications.



BIBA COMMITMENT

- > To continue to collaborate with the CII to support the Aspire Apprenticeship Programme and promote it to our members

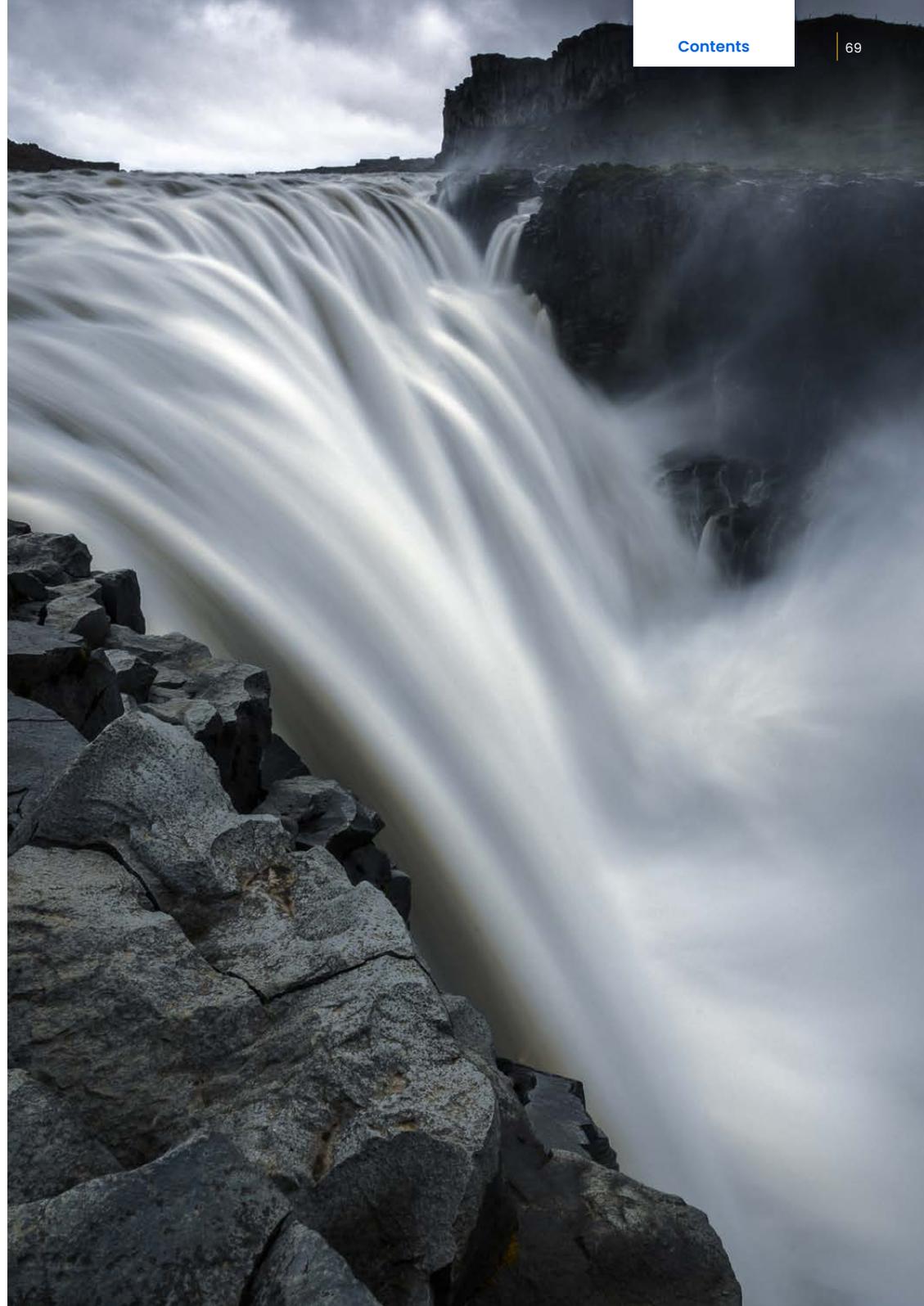
6.7

Environmental, Social and Governance

Global businesses regardless of their sector are experiencing increasing pressure and scrutiny from investors and regulators to show that they understand and have a grip on existing and material Environmental, Social and Governance (ESG) issues. As ESG moves to centre stage, identifying, measuring and managing ESG-related risks is becoming paramount. So too is identifying the opportunities.

Throughout 2022 BIBA has been considering its purpose and the full spectrum of its activities against this backdrop. We are driven by a desire to get our own house in order first, so that we can be confident that the support we give members towards sustainability has a strong foundation.

Discussions about ESG have already become a fixed agenda item with our main Board as well as our five Advisory Boards. Progress is being made regionally, with a greater spread of diversity across our regional committees and Young Broker Ambassadors. Those discussions have been lively and varied highlighting the diverse needs of our membership and have helped shape a series of broad ESG commitments, reflecting the values of our membership, which will be central to BIBA's future activities.



BIBA has also shown its commitment to support the sustainable development agenda through becoming a signatory of the UN Principles for Sustainable Insurance and we continue to aim to play our part in supporting our members in solving these challenges. We will look to embed the values of the UN Principles firmly in BIBA's activities in the years ahead.

As a signatory to the UN Principles, now is the time to make public our commitment to ESG. In the coming year we will consolidate our efforts and commitment across these areas as we formalise our sustainability strategy. We aim to walk the talk on ESG, demonstrating how BIBA seeks to impact positively the people and communities that we support every day.



Ryan Bond of Marsh and BIBA main board director

As BIBA Board Member with the lead for ESG I know the whole board want to nurture greater diversity in brokers' staff and be more sustainable in how we run our businesses. The BIBA guide to support members will be rolled out in 2023.



BIBA COMMITMENTS

- › To publish BIBA's ESG Policy in Q2 2023
- › To publish an ESG guide for members which will help them identify and work through key issues so as to make real change, including advancing towards carbon reduction in their businesses
- › To help members to navigate new ESG trends and regulations
- › To identify, share, and learn from, the experience of our members
- › To support members in disclosing their performance against ESG issues
- › To report on BIBA's ESG performance in Q4 2023

Some of the more specific commitments include:

- › To broaden the diversity of members on BIBA's various advisory boards and technical committees
- › To support our members in improving the mental health of our industry by providing mental health training courses for our members' line managers via our mental health facility provider MHIB
- › To support members in understanding how to apply ESG principles, broadening the diversity within their organisations
- › To identify, calculate and work to reduce our carbon footprint and to share the lessons learned from that journey with our members. This extends to our annual conference and exhibition where we will review and measure the carbon emissions at the event, and offset using an accredited initiative
- › To work with our insurer partners to help them engage with their claims value chain in a sustainable manner, for example increase green repair in claims instead of replacement, encouraging its use whenever possible

7 About BIBA

The British Insurance Brokers' Association represents the interests of insurance brokers and their customers. We have more than 1,800 insurance broking firms in membership operating from over 2,600 offices throughout the UK. BIBA members provide insurance to many millions of customers. BIBA is a not-for-profit organisation and we work closely with our members to help people and businesses to find the insurance they need. Over 240,000 people contacted our Find Insurance Service in 2022.

Why use an insurance broker?

- › Insurance brokers have access to a wide choice of products from the majority of insurance markets and can search the market for you
- › They can give advice on suitable insurance protection
- › Access to cover for unusual or challenging risks and situations
- › They can represent you in claims settlements
- › They are regulated by the Financial Conduct Authority
- › They can help you to assess your risk management, health and safety issues, fire prevention and premises security
- › They provide clear information and documents
- › They have their own professional indemnity insurance protection providing customer confidence
- › They clearly state the costs of the policy including any fees they may charge
- › They give fair treatment to customers in the event of a complaint, with the additional assurance of the Financial Ombudsman Service
- › Security for eligible classes of insurance provided by the Financial Services Compensation Scheme (FSCS)

8 Market Statistics

Total market statistics written through insurance brokers⁶

Includes Lloyd's, ABI, and non-ABI members, 'home-foreign'⁷, MAT⁸ & reinsurance



Total GWP through brokers across **ALL lines**



Total GWP through brokers within **personal lines**



Total GWP through brokers within **commercial lines**

ABI member only basis

Excludes MAT & reinsurance, includes 'home-foreign'



Total GWP through brokers across **ALL lines**



Total GWP through brokers within **personal lines**



Total GWP through brokers within **commercial lines**

6. Includes an estimate of the Lloyd's business that is attributed to personal lines.

7. Home foreign is insurance written in one country on property or risks located in another country. Premium and losses are usually payable in the country where the insurance is written.

8. Marine Aviation and Transport insurance ABI member only basis.

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