



British  
Insurance  
Brokers'  
Association

# 2024 **BIBA** Manifesto

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Managing risk for growth  
and economic security



# Contents

<b>1</b>	<b>Introductions</b>	<b>1</b>
<b>2</b>	<b>Top 10 risks facing UK organisations today</b>	<b>4</b>
<b>3</b>	<b>A broking sector underpinning our economic security</b>	<b>6</b>
3.1	Closing the protection gap	7
3.2	Societal need – helping customers to find insurance	9
3.3	Demonstrating why signposting is important	12
3.4	The benefit of brokers	14
3.5	Removing barriers to the take up of insurance	18
<b>4</b>	<b>Meeting the needs of the modern economy</b>	<b>22</b>
4.1	Responding to emerging risks	23
4.1.1	Multi-occupancy buildings	23
4.1.2	Accelerating the pace of remediation	26
4.1.3	Modern methods of construction	29
4.1.4	Cyber	32
4.1.5	Insurance for future motor transport	35
4.1.6	The impact of climate change on flood risk and adaptation	36
4.1.7	Protect Duty	38
4.2	Responding to current risks	40
4.2.1	Prior insolvencies	40
4.2.2	Prior declinatures/cancellations	41
4.2.3	Clearer definitions	41
4.2.4	Ensuring a healthy personal lines market for retail brokers	42
<b>5</b>	<b>A flagship UK sector</b>	<b>44</b>
5.1	A regulatory environment that facilitates growth	45
5.2	Delivering excellent service	52
5.3	Embracing technology	54
5.4	Bringing the best talent	56
5.5	Environmental Social & Governance progress	60
5.6	Innovating for the future – AI	62
<b>6</b>	<b>About BIBA and BIBA brokers</b>	<b>64</b>
<b>7</b>	<b>Market statistics</b>	<b>66</b>
<b>8</b>	<b>Contact BIBA</b>	<b>68</b>

# 1 Introductions

## View from BIBA's Chair

Insurance offers major benefits. First, it provides peace of mind for financial security against a potential loss. Second, it helps people comply with the law, for example with motor insurance or employers' liability. Third, it helps people meet contractual requirements like those within a mortgage for buildings insurance. And most importantly of all, it is a financial instrument where, if a claim occurs, it can compensate people and businesses for their loss.

Insurance brokers and insurance companies bring hundreds of years of risk management expertise and professional insurance services for their clients. For example, providing help when a home is flooded: to disinfect, dry out and reinstate the property, while providing alternative accommodation until the home is ready to move back into. Or to provide support after a cyber-attack: recovering data, and restoring a company's IT systems as soon as possible.

BIBA and its members are committed to improving access to insurance and supporting the economic security of customers.

I look forward to working closely with everyone during 2024.

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**JONATHAN EVANS**

BIBA Chair

## Message from BIBA's Chief Executive

Our 2024 Manifesto theme 'Managing risk for growth and economic security' will resonate with all political parties. It represents an extensive programme of activity for the BIBA team.

Insurance broking is a flagship sector of the UK economy, arranging £105.5bn of gross written premiums. Our insurance broker members continue to innovate to support customers' changing needs with new products, offering vital financial protection, so that SMEs can take calculated risk and grow, becoming the scale up businesses of the future.

This should all take place within a well-regulated, economically secure environment. Following the Financial Services and Markets Act, we have high hopes for a proportionate regulatory framework that can facilitate growth.

For 2024 we will focus on societal need, removing barriers to the take up of insurance and providing solutions to ensure we are meeting the needs of the modern economy.

Insurance broking employs more than 100,000 people and we will aim to attract new talent to ensure this continues to be one of the most vibrant, inclusive and innovative sectors in which to work.

This is an ambitious Manifesto and I look forward to working with all of our stakeholders on the many challenges that we face in the year ahead.

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**GRAEME TRUDGILL FCII**

BIBA CEO  
Chartered Insurance Practitioner

## Comment from the Insurance Minister



Our economic prosperity will be fuelled by growth and investment in UK plc. Businesses of all sizes have their part to play and need a base of financial resilience and stability to thrive. They need the confidence of financial protection to invest in their businesses – and the insurance broking and intermediary industry is a vital component of helping consumers and businesses find the right solutions.

The Financial Services and Markets Act has given us the regulatory framework to help us meet the growth challenge with its new secondary objective. But now the work starts to bring this to life. The new reporting metrics for the regulators are an important part of this and will, I hope, give greater voice to practitioners and enable Parliament to provide effective scrutiny.

I look forward to working with BIBA and its members as I believe a balanced combination of strong consumer protection and regulation that supports a thriving, competitive market is what we should strive for.




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**BIM AFOLAMI MP**  
Economic Secretary  
to the Treasury

# 2

## Top 10 risks facing UK organisations today

BIBA member Aon conducted its global Executive Risk Survey in October 2023 which identifies those risks that are front of mind for senior executives at leading companies in the UK, Europe, Asia and the US. The top 10 risks for the UK were as follows:

1. Cyber attack or data breach
2. Failure to attract or retain top talent
3. Economic slowdown or slow recovery
4. Damage to brand or reputation
5. Failure to innovate or meet customer needs
6. Business interruption
7. Regulatory or legislative changes
8. Cash flow or liquidity risk
9. Supply chain or distribution failure
10. Climate change

New to the list in 2023 is cash flow or liquidity risk, an indication of the sharp rise in cost of living in the UK, along with persistently high inflation and interest rates. Failure to attract or retain top talent's number two ranking reflects the exceptionally tight UK labour market, in which organisations face stiff competition for specialised talent – a risk that resonates with our members.

Cyber is the number one current risk ranking in 2023. Organisations in the UK continue to struggle to contend with the ever-present threat of cyber-attacks amid rapid digitalisation.

The UK was the only region surveyed by Aon in which respondents ranked climate change among their top 10 current risks, at number 10. Climate change has been affecting the UK via rising temperatures: 2022 was the UK's hottest year on record, with an average year-round temperature higher than 10°C. Other climate change effects bringing this risk to the forefront of participants' minds include flooding and an increase in wildfires.

“**The results of the survey show the complexity and range of risks that face UK businesses. The role of the professional insurance broker to help customers navigate, mitigate and solve these risks has never been more important. Brokers find solutions that enable CEOs and entrepreneurs to invest and take on more risk to grow their business.**”

**JANE KIELTY**

Chief Executive Officer UK, Aon

# 3 A broking sector underpinning our economic security



## 3.1 Closing the protection gap

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As the cost-of-living crisis continues to bite and inflation pressures are slow to subside, we remain concerned that customers are cutting back on important insurance protection in order to save money.

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Research by Premium Credit in October 2023 showed that 45% of SMEs said the cost of their insurance premiums had increased in the past year with 9% saying it had increased dramatically. It went on to show that around a third (32%) of SMEs, which have reduced their level of cover, cancelled at least one policy.

A November 2023 survey of 500 UK SMEs, conducted by Opinium, revealed that in the last 12 months 42% have had to reduce the amount of insurance they buy for financial reasons. At the same time, the incidence of underinsurance is stubbornly high, with Aviva reporting that they are sending 4,000 letters a month to SME customers where they think declared values are potentially inadequate.

Having a vibrant and growing insurance broking sector to fight against this trend has never been more important and encouragingly, the Opinium research showed that 66% of respondents use a broker.

Opinium showed that 49% think brokers provide a product which fits their specific requirements, compared to 35% who don't use a broker. Well-designed insurance allows businesses to grow and support our economy. The Opinium research went on to reveal that more than three in five (62%) of senior decision-makers at SMEs agree the financial protection of insurance has enabled them to grow their business, either by taking greater risks or making larger investments, with 25% feeling this to a great extent.

Closing the protection gap is what brokers do for a living. Gaps still exist, such as the absence of terrorism cover on household policies which requires Government action to close. Cyber risk affects all of us and yet there remains much work to be done to raise awareness and encourage greater take up of appropriate cover.



## 3.2

# Societal need – helping customers to find insurance

Brokers find solutions for individuals and businesses that may find themselves in a more vulnerable position and need specialist advice that enables greater financial inclusion and resilience.

Last year our Find Insurance Service received around 350,000 enquiries from consumers and businesses looking for insurance. Customers who have non-standard insurance requirements often believe that they cannot get cover, because standard providers or policies do not meet their needs. However, cover is available from brokers and we have worked with Government and the industry on four signposting agreements and specialist directories to point consumers whose provider cannot help them to one that can.

- + Agreement on Age and Insurance covering motor and travel insurance
- + Travel Medical Directory which meets FCA criteria for a 'medical cover firm directory'
- + Flood Insurance Directory
- + Voluntary Protection Insurance Signposting Agreement for people with pre-existing medical conditions and disabilities

The Age agreement signposted its one millionth customer to our Find Insurance Service in August 2023.

BIBA is also a signatory of the Armed Forces Covenant where we pledge to help forces personnel and families to access insurance. We regularly work with charities, and recently helped the The Aortic Dissection Charitable Trust with some guidance on finding insurance.

We believe that signposting should be 'total' so that anyone who is struggling to access insurance of any kind may be signposted to a specialist broker or to a service like our Find Insurance Service. Our service, available online and by telephone, plays a vital role helping customers live fuller lives, enabling them to travel, drive, and protect their homes and businesses with the peace of mind insurance provides.

### BIBA Commitments

- + To continue to manage, facilitate and promote signposting agreements via our Access to Insurance Committee
- + To continue to identify areas and provide support to customers where access to insurance can be improved
- + To encourage and promote the importance of total signposting across all classes of insurance to the industry
- + To work with specialist members, Money and Pensions Service and Government to encourage registered social landlords to re-prioritise tenants' contents insurance schemes, as a vital mechanism for supporting the financial resilience of low-income households

“ Our collaboration with BIBA remains as important as ever as we work together to support a thriving insurance industry and provide the best outcomes for customers. Our work to help signpost people in areas of higher flood risk to insurance cover and the renewal of the age agreement has been key to this, alongside the ongoing work to understand how we can best help the leaseholders living in buildings affected by fire safety issues. This remains our priority for the year ahead.

**HANNAH GURGA**

Director General, Association of British Insurers



## 3.3 Demonstrating why signposting is important

### Case study 1

David Gadsden is an accomplished skier who has been regularly skiing since the 1980s. After turning 75, David encountered a problem with finding a winter sports travel insurance policy to cover his ski trip to La Plagne in the French Alps due to his age. His usual travel insurance provider referred him to BIBA's Find Insurance Service. David was transferred to a specialist broker who found him the travel insurance he needed at no extra cost.



“David said: “When my friends arranged a ski trip for March, I didn’t hesitate to commit to go, but without BIBA’s intervention I would have found myself in a very difficult position. Not going skiing just wasn’t an option so I relied on BIBA to find someone prepared to take on the risk. I’m generally healthy and an experienced skier, so thankfully, it worked out well and at a competitive price too.”



### Case Study 2

Mr Desmond Ruel (71) struggled to access travel insurance after he booked a Baltic cruise to celebrate his 45th wedding anniversary with his wife, Myrna. BIBA's Find Insurance Service helped him to find travel insurance after his bank were unable to continue to cover him due to his age.



### Case Study 3

#### Lboro Circle®

In January 2023 Abdul Anwar created a dating app for his fellow students at Loughborough University.

“Abdul explained: “I needed professional indemnity insurance as well as cyber cover to protect the app and the various data that is collected. No one was taking me seriously at first because I’m young and a student, but BIBA’s Find Insurance Service put me in touch with a broker and I had cover within five minutes. They made it very simple.” The app *LboroCircle*® has now grown dramatically and has expanded to 200 other universities in three countries.

### Case study 4

#### AB Controls and Robotics

Alex Blackett set up AB Controls and Robotics a few months ago, providing freelance robotics automation for large machinery. After searching online and speaking to a provider that couldn’t help, Alex was directed to BIBA's Find Insurance Service who put him in touch with specialist broker LBH Insurance.

“Alex said: “I work with large factories and it’s a must-have to get the right liability insurance in place before I can even get a foot in the door. There were some providers who just couldn’t offer cover, probably due to limited knowledge about the risks of a large automated robot. Speaking to BIBA and then to the broker was a godsend. As a start up, I had no prior experience and it was all sorted out straight away.”



## 3.4

# The benefit of brokers

### Acting in the consumer's interest

The new Consumer Duty gets to the heart of what brokers deliver for their customers: putting customers' needs first and always acting in their best interests.

Underlying this is a relationship between customer and broker built on an understanding of needs and what financial protection is best suited. This is not a transactional relationship of buyer and seller, but one of valued customer and trusted advisor – often built up over many years. A broker has the knowledge and experience to offer financial protection against many types of risk that an individual or a business may face.

These could include the heightened risk of flood at a time of dramatic climate change, or addressing intangible risks that now often dominate the balance sheets of businesses, such as management practices liability, intellectual property and brand infringement or cyber. Recognising and closing such protection gaps can be the difference between economic prosperity and potential ruin.

“**The new Fair Value Assessment Framework developed for BIBA members by Oxera has been incredibly helpful to our firm, helping us to deliver the best outcomes to our customers. We now have a new, focused process through which we can demonstrate the value of the services we deliver to our customers in a consistent and nuanced way.**

**ANGELA IRVINE**

Sales Director, BIBA member insurance broker, The Bletchley Group

### Delivering fair value

In October 2023, working in partnership with the economics and finance consultancy firm, Oxera, BIBA delivered a new Fair Value Assessment Framework and associated guidance. This aims to help members better quantify, evidence and articulate the value of the products and services they distribute to customers, and to weigh this against the remuneration they receive to gauge reasonableness.

The Framework and guidance are voluntary and help BIBA members refine their existing fair value assessment methodologies, tailored to their particular needs and operating models. It also gives specific guidance to brokers who are active in the multi-occupancy buildings insurance sector to make sure that the interests of leaseholders as policy-stakeholders are taken into account along with those of the freeholder (policyholder).

### BIBA Commitments

- + To continue to promote the new Fair Value Assessment Framework through regular workshops, webinars and regional compliance forums
- + To revisit the guidance in autumn 2024 to ensure that it remains current in light of any FCA rule changes and to capture relevant feedback from members and other stakeholders

## Delivering great customer outcomes through the commission model

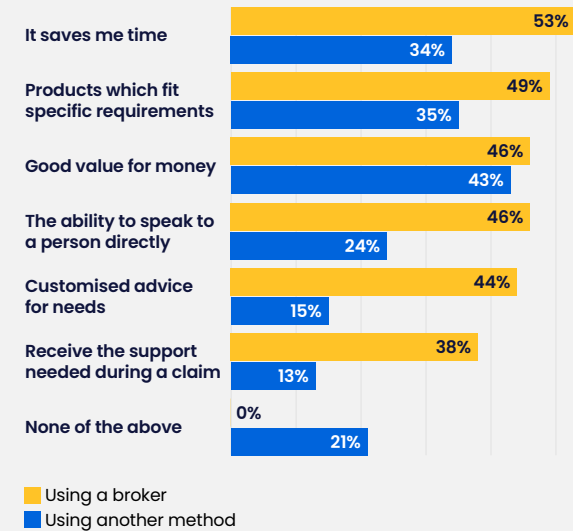
Remuneration via commission is an established practice in the general insurance market and allows brokers to allocate appropriate levels of resources to individual risks. A key advantage of commission-based remuneration is that the customer benefits from broker advice before the risk is bound at no upfront cost. This period is often when a broker invests a lot of effort – for example, on risk identification, cover recommendations and market canvassing exercises. Once insurance has been placed, brokers may also help the client with ongoing risk management and represent the customer in any claims.

Opinium research in 2023 shows that most decision-makers (79%) think that advice from a broker (with no upfront cost for the advice and no obligation to buy) is useful.

### BIBA Commitments

- + To increase understanding of the benefits of the commission model of remuneration among insurance buyers, the regulators and Government
- + To produce guidance for members to help them explain to customers the benefits of commission-based remuneration

### Perceived benefits of Senior Decision Maker's current insurance purchase method



Source: Opinium 2023

“ RSA has a proud history of supporting the UK broking market as a vibrant, innovative and effective distribution channel that delivers good outcomes to customers. The role of the broker as the trusted adviser of the customer has never been more relevant as existing risks evolve and new ones emerge. Welcoming NIG and FarmWeb to the RSA and Intact family underlines our confidence and commitment to the sector.

**KEN NORRGROVE**

CEO, RSA

## 3.5

# Removing barriers to the take up of insurance

### Insurance Premium Tax

Insurance Premium Tax (IPT) receipts for the 2022/23 financial year reached a record £7.34 billion, an **increase of 11% from 2021/22 – an extra £714 million to the Exchequer.**

The start of the 2023/24 tax year saw the rapid rate of increasing IPT receipts being maintained and looks set to surpass Office of Budget Responsibility expectations of £7.6 billion. As a result, Government can afford to cut IPT substantially, making insurance more affordable for consumers and businesses.

2024 will mark the 30th anniversary of the introduction of IPT at a rate of 2.5%. Now it stands at 12% with a higher rate of 20% for travel insurance and some other classes.

It is a regressive tax that hits the poorest hardest and acts as a barrier to the take up of adequate insurance at a time when people are increasingly vulnerable because of the cost of living crisis and businesses struggle to manage costs because of high inflation.

Consumer Intelligence polling for BIBA in autumn 2023 showed that 35% of consumers believe that it is unfair to impose IPT on compulsory classes of insurance such as motor while 55% feel that it is unfair to charge IPT on any kind of insurance.

Separate polling data from Opinium shows that 42% of SMEs surveyed have had to reduce the amount of insurance they purchase to some degree, and 13% say they have had to greatly reduce their insurance expenditure over the past 12 months. IPT needs to be fairer to let businesses have the protection they need to take risks and grow the economy.

These trends are deeply worrying and undermine the financial resilience of both society and the broader economy and reducing IPT is a means of reversing them.

### BIBA Calls for Action

#### For Government

- + To cut the headline rate of IPT from 12% to 10%. We estimate that this rate will still produce a similar level of receipts compared to 2021/22
- + To exempt from IPT the insurance premiums for multi-occupancy residential buildings that require or are undergoing remediation to lessen the financial burden on leaseholders
- + To exempt from IPT cyber insurance premiums to increase take-up of this vital protection where levels remain low: only 7% of businesses and 8% of charities have a specific cyber insurance policy<sup>1</sup>
- + To end the anomaly of the 20% rate of IPT on travel insurance premiums and charge instead the prevailing standard rate applied to other classes of insurance

1. Cyber security breaches survey 2023 – <https://www.gov.uk/government/statistics/cyber-security-breaches-survey-2023/cyber-security-breaches-survey-2023>

## Personal Injury Discount Rate review – Cost of insurance

The **Personal Injury Discount Rate (PIDR)** is an important mechanism, fulfilling the longstanding common law principle that when someone is wrongfully injured they receive full damages, including for their future financial needs. It is a percentage figure used to help calculate how much defendants have to pay in damages to claimants in serious, life-changing personal injury cases, when the damages are paid in the form of a lump sum.

There are different rates within the UK – set by the Lord Chancellor for England and Wales, and the Scottish Government and the Northern Ireland devolved administrations.

The Ministry of Justice, the Scottish Government and the Northern Ireland Executive are due to review their PIDRs and new rates are due to be announced in the second half of 2024.

BIBA supports the aim of settlements that are as close as possible to 100% of estimated total future losses, neither under nor over compensating, so consideration of options to refine the PIDR mechanisms – the so called ‘dual rate’ approach – could be considered. But we believe it is crucial to consider the correct balance between the improved compensation outcomes from an amended PIDR mechanism, and the implementation costs of such change. This may result in added complexity and time in agreement of quantum and consequently more cost. Ultimately these additional costs will be reflected in the premiums paid by policyholders, directly impacting the affordability of motor and liability insurance.

The headline PIDRs currently stand at minus 0.25% in England and Wales, minus 0.75% in Scotland and minus 1.5% in Northern Ireland.



The rates have a direct effect on the cost of motor and liability insurance premiums. Motor insurance is compulsory in law and essential for the livelihoods of thousands of people. Employers' liability insurance is also a compulsory insurance required by all businesses. Helping contain the cost of these insurances at a time of financial hardship and economic uncertainty through reform of the discount rate would be a welcome move by Government and the devolved administrations.

### BIBA Calls for Action

- + For Government and the devolved administrations to review their policy on the PIDR and the level of the rates, recognising the wider context of affordability of compulsory insurance

There are two other areas where BIBA thinks that judicial reform will have a direct impact on the cost of motor insurance:

- + **In Northern Ireland**, for Government to help bring forward the Department of Justice proposals to increase the jurisdiction of the County Court cases to £60,000 and District judges to £20,000 to lower the cost of claims
- + **In Scotland**, for Government to adopt similar reforms on whiplash that were introduced in 2021 in England and Wales and help to crack down on crash for cash criminals

# 4

## Meeting the needs of the modern economy



## 4.1

### Responding to emerging risks

#### 4.1.1 Multi-occupancy buildings with material fire safety issues

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Premiums relating to multi-occupancy buildings, in particular those with material fire safety issues, have risen sharply in recent years, drawing the attention of both the Department of Levelling Up, Housing and Communities (DLUHC) and the Financial Conduct Authority (FCA).

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This has been an area of intense BIBA work for the past three years with constant engagement with Government and the insurance market to make insurance more affordable and available. BIBA recognises the increased financial burden that this has put on leaseholders and is committed to finding practical solutions.

## BIBA Commitments

- + To work with members, the Association of British Insurers (ABI), DLUHC and other stakeholders to present eligible risks to insurers that have signed up to the forthcoming reinsurance facility for buildings with fire safety issues designed by McGill & Partners. In this way, it is hoped that more affordable premiums can be achieved which will have a direct financial benefit for leaseholders
- + To encourage BIBA members in the real estate sector to observe the pledge agreed with DLUHC with regards to remuneration when placing multi-occupancy buildings over 11m or 4 storeys in height that have material fire safety issues
- + To work with members to embed the Oxera Fair Value Assessment Framework and associated guidance that is tailored to the specific segment of multi-occupancy buildings

## The DLUHC pledge

The pledge applies to buildings insurance for residential buildings over 4 storeys or 11m in height with identified fire safety issues made known to the broker such as a building affected by combustible cladding or other material fire risk issues. Insurance brokers that have signed the pledge have committed to the following points:

1. We commit to stop the practice of sharing commissions with those parties who place/arrange buildings insurance. Those parties include property managing agents, landlords and freeholders. Note: The placer/arranger of insurance will need to determine their own charging arrangements
2. We commit to having a cap on any retained commission of no more than 15% of the total premium (for all brokerage work including any undertaken by parties on behalf of the broker) on buildings which have or have not yet been remediated
3. We commit to disclosing our commissions to leaseholders in accordance with Financial Conduct Authority (FCA) regulations (as permitted to do so) if requested and work with third parties to deliver transparency on fees to leaseholders



**Scan the QR code to sign your firm up to the pledge**

**or email**

**[brokerspledge@levellingup.gov.uk](mailto:brokerspledge@levellingup.gov.uk)**

### 4.1.2 Accelerating the pace of remediation – PI in the built environment

For several years BIBA has highlighted to Government the urgent need to encourage more professional firms to undertake work to make higher risk residential buildings safe. Firms' reluctance is symptomatic of wider problems in the construction industry and highlights the gap between the liabilities that construction professionals are routinely asked to bear and the professional indemnity (PI) insurance cover that can be accessed to meet them. Government needs to help create an environment in which the market for this work can be reset, allowing construction professionals to focus on competing on other factors as well as how much liability they are prepared to accept.

Learnings can be taken from the work that the Office of Government Procurement has undertaken in Ireland, to introduce a cap on liability in their standard conditions of engagement at a level which most consultants can be expected to fund over the medium to long term.

As matters stand today, a large number of SME professional firms are excluded from engaging in the remediation effort simply because the liabilities they are potentially taking on are too great and undefined. Now that Government has announced further funding to help remediate buildings between 11 and 18m (the Cladding Safety Scheme) it is more important than ever to address the PI question and develop a new approach if SMEs are to be encouraged to tender for this vital work.

### BIBA Calls for Action

#### For Government

- + To mandate a standard set of terms and conditions for work funded by either the Building Safety Fund or the Cladding Safety Scheme between the professional and the building owner (similar to that mandated for professionals conducting EWS1 surveys under the Government insurance scheme)
- + To look at the PI requirements and associated limitation of liability for both funding schemes and to revise them downwards to a more realistic level, reflecting what the insurance market is prepared to offer
- + To consider holding the professional harmless for the fire safety/fire engineering aspects of any remediation work that is undertaken
- + To look again at the joint and several liability regime that distorts the liability landscape and to replace this with a proportionate approach to allocating liability between parties. Many international examples can be drawn upon which provide for a much more sophisticated approach to allocating liability between the parties
- + To consider setting up a cross industry forum, bringing together construction, legal and insurance professionals, to address some of the underlying challenges in the construction sector

“ Insurers are understandably reluctant to allow parties to unfairly transfer risk onto their balance sheet, and fresh thinking by Government, the insurance and the construction industries is urgently needed. We are happy to continue to support BIBA’s efforts and taking a prominent lead in this debate has never been more relevant.

**CARL EVANS**

CEO, Griffiths and Armour, Professional Risks Division

### 4.1.3 Modern methods of construction

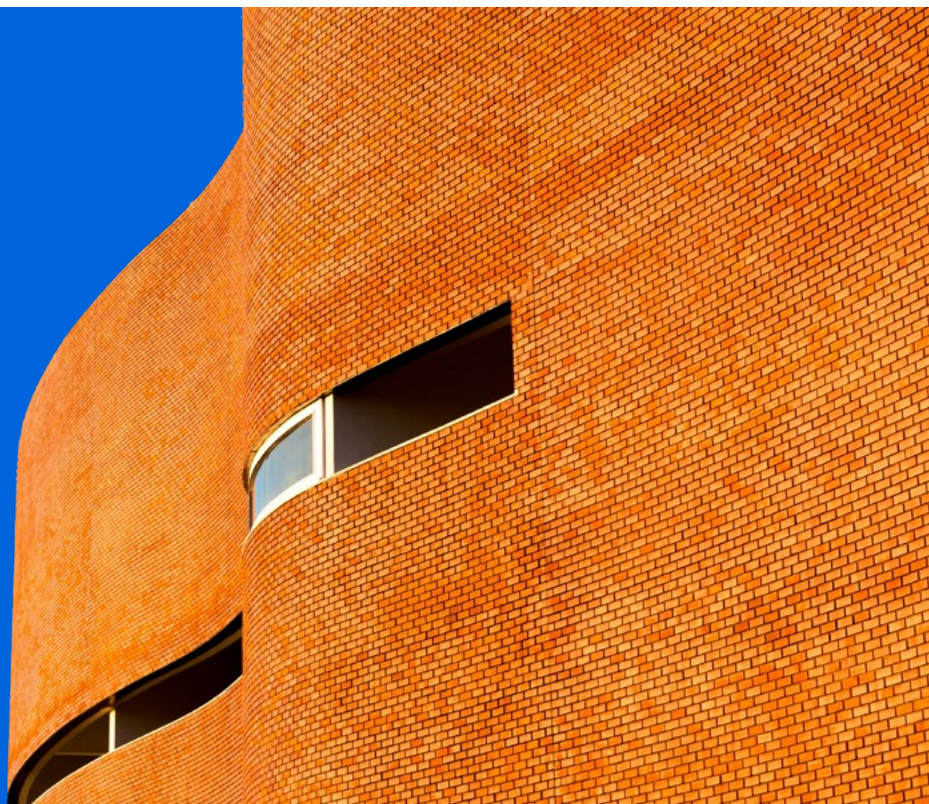
To achieve Government’s twin aims of building 300,000 new homes every year and meet its 2050 net zero target, radical action is called for. However, according to the Building Cost Information Service,<sup>2</sup> the average number of net additional dwellings each year over the last ten years hovers just under 180,000, well short of the target. Further, the way the built environment is currently designed and constructed sees this sector contribute 40% of carbon emissions.<sup>3</sup>

A key tool in addressing both of these critical Government commitments is modern methods of construction (MMC). These involve a range of new ways of working and the use of innovative materials such as greater use of modular design, mass timber, low carbon concrete and recycled steel. But these in turn present insurance challenges which need to be addressed if widespread adoption is to happen. For example, 41% of respondents to a recent survey on the adoption of low carbon concrete cited insurance and warranty concerns as a major barrier.<sup>4</sup> Like many big issues, the underlying problems lie not in the insurance market per se, but in the wider context in which MMC is viewed, regulated and in practice delivered.

2. <https://bcis.co.uk/news/how-achievable-are-the-uk-governments-housing-targets>

3. Royal Academy of Engineering

4. Survey of construction professionals by the Green Construction Board’s Low Carbon Concrete Group, July 2023





### BIBA Calls for Action

- + For Government to update the regulations and implement a robust system of certification covering the design, manufacture and sign-off and controls around the off-site construction of buildings using MMC to ensure they are built with precision. (The British Standards Institution is currently working on specifications and technical standards using a range of MMC categories and defining quality and assurance processes for the sector)
- + For a tailored inspection and sign-off regime that will ensure tighter coordination between the offsite and onsite phases of any MMC project to minimise defects and a clash of 'culture' between the expectations and requirements of traditional build and modules produced in a factory setting. This will make provision of relevant PI insurance at the design and construction phase of the project and subsequent latent defect and property insurance for the completed build more achievable
- + For insurers to create property insurance solutions to encourage wider adoption of MMC and associated green methods of construction, in particular the greater use of mass timber and low carbon concrete to deliver transformational change to the sector

“ A low-carbon construction sector is crucial to tackling climate change and Aviva is committed to playing a lead role in advancing it. Developers are looking to build more sustainably, both by using materials like engineered timber and by adopting modern methods of construction. Aviva wants to embrace both: widening our underwriting appetite to insure commercial buildings using engineered timber, and using our risk management expertise to deliver resilient properties. We support BIBA's call for Government to ensure that resilience and risk management are central to construction practices so that the buildings being constructed today are fit for the future.

**JASON STORAH**

CEO, UK & Ireland General Insurance, Aviva Plc



## 4.1.4 Cyber

### Cyber insurance and SMEs

Take-up of standalone cyber insurance remains a real issue with very low penetration. In the 2023 Cyber Security Breaches Survey<sup>5</sup> only 6% of micro-businesses and 11% of small businesses have this cover. 29% of micro businesses and 33% of small businesses say they have cyber cover as part of a wider policy; however, blanket cyber exclusions are now standard in many commercial policies and may affect the breadth of cover in force.

An Opinium poll carried out for BIBA in 2023 showed that 25% of SMEs are not confident about buying cyber cover. The Federation of Small Businesses reported in 2022 that their members are confused about what good cyber insurance looks like in terms of the scope of cover. This is where brokers bring value by ensuring that businesses have suitable cover in this evolving area of risk.

'Cyber Insurance as a Service' products are available that include 24/7 threat and vulnerability monitoring which might be helpful for many SMEs.

The Government's ground-breaking Cyber Essentials scheme includes foundation level insurance support. It provides an opportunity, perhaps for the first time, for businesses to discuss insurance protection, thereby helping over 100,000 accredited businesses improve their cyber security resilience.

### Categorising cyber losses

The approach to systemic risk following a malicious cyber attack (for example core internet failure or outage of a global cloud provider) is not uniform amongst insurers and different exclusions have emerged as a result.

5. Department for Science Innovation Technology Cyber Security Breaches Survey 2023 – <https://www.gov.uk/government/statistics/cyber-security-breaches-survey-2023/cyber-security-breaches-survey-2023>

Insurance buyers need certainty around the cover they buy so initiatives to identify, define, and categorise major cyber events are critical to long term confidence. Such initiatives will also help build capacity within the (re)insurance market.

### BIBA Commitments

- + To work with specialist members and other stakeholders to improve understanding of common heads of cover that may be included in a cyber policy
- + To consider the reach of insurance in Cyber Essentials so more businesses might benefit from the full range of products and 'Cyber Insurance as a Service' offered by the market

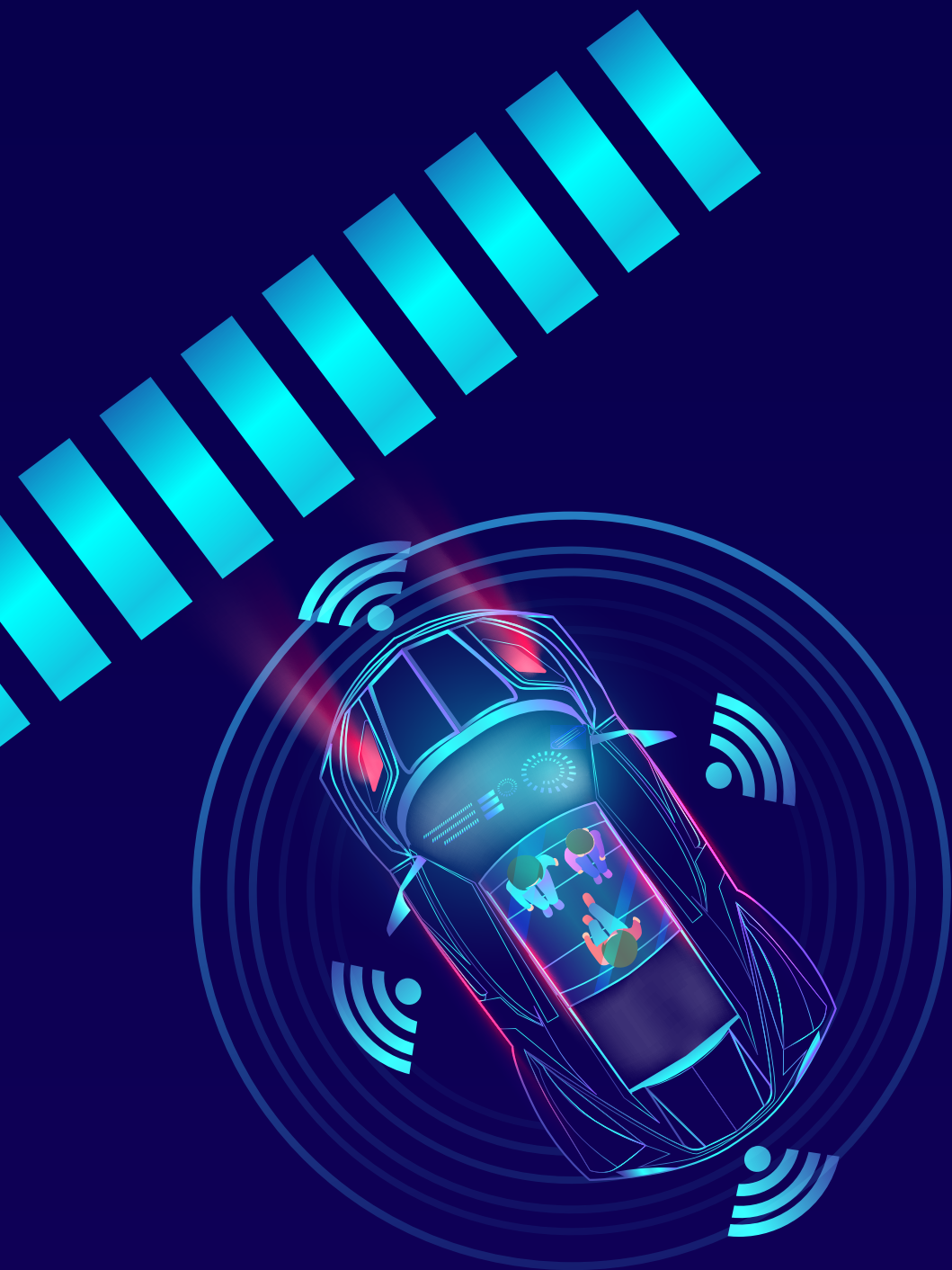
### BIBA Call for Action

- + For stakeholders to support proposals for categorising cyber losses through the establishment of an independent body comprising academia, legal professionals and security analysts and for insurers to support its implementation as soon as possible

“**Cyber Insurance as a Service and the Cyber Essentials Scheme are pro-active levers to help organisations, in particular SMEs, to implement security controls and financial resilience to a cyber attack.**

CEO

National Cyber Security Centre



## 4.1.5 Insurance for future motor transport

### Self-driving vehicles

BIBA welcomes the Automated Vehicles Bill, that provides the framework to put self-driving vehicles on the roads in Great Britain, implementing the recommendations of the Law Commission of England and Wales and the Scottish Law Commission.

The new Bill is not directly concerned with insurance issues for self-driving as the Automated and Electric Vehicle Act 2018 remains the legislative framework for civil liability for injury or damage caused by a vehicle in self-driving mode. This states that an insurer is liable for injury or damage caused by the self-driving vehicle which includes all occupants. This is different to liability for traditional non-self-driving vehicles, which is based on negligence of the driver. Both scenarios allow for contributory negligence of other parties.

Vehicle data that includes showing whether or not a vehicle was self-driving at the time of an accident will be crucial to the processing of insurance claims fairly and quickly and there must be a regime for data retention, collection and sharing to facilitate this.

### BIBA Call for Action

- + For Government to adopt a data sharing protocol within its legislative framework that facilitates the processing of insurance claims by insurers and insurance intermediaries

#### 4.1.6 The impact of climate change on flood risk and adaptation

The National Infrastructure Commission's Second National Infrastructure Assessment (NIA2) estimates that currently about 900,000 properties in England have more than a 1% chance each year of being flooded by rivers and the sea, and around 910,000 properties have more than a 1% chance of flooding from surface water.

The risk of surface water flooding is increasing. NIA2 reports that 325,000 homes are already at high risk of surface water flooding. It states that by 2055, those at risk could increase by 20,000–135,000 because of climate change, by 35,000–95,000 because of new development, and by 50,000–65,000 because of impermeable surfaces.

However, 2,947 homes between 1 April 2022 and 31 March 2023 were granted planning permission against Environment Agency advice<sup>6</sup> according to transparency data.

Putting in place long-term solutions to mitigate the risk of flooding is critical for the resilience of the UK population.

The National Planning Policy Framework sets out how residential development in flood risk areas is regulated and, following the Levelling Up & Regeneration Act 2023, the Government has committed to review the framework that will include a public consultation.

6. Environment Agency Transparency Data 08/23 – <https://www.gov.uk/government/publications/environment-agency-objections-to-planning-on-the-basis-of-flood-risk/how-to-use-the-list-of-planning-objections>

### BIBA Calls for Action

#### For Government

- + To commit to long-term investment in flood defences at a higher level than 2020 due to significant inflation and heightened risk of flood
- + To place emphasis on building regulations which require property flood resilience to obtain planning consent in areas at risk of flood
- + To exempt from Value Added Tax property flood resilience materials
- + To provide joined up surface water mapping that will improve public awareness of the risk
- + And for **local planning authorities** to enforce the regulations on new builds

The coming Flood Re Quinquennial Review, is an important step as the Flood Re solution is scheduled to end in 2039.

### BIBA Calls for Action

- + For the review of Flood Re to consider leaseholders and align with the rights conferred by FCA PROD rules that make leaseholders 'policy stakeholders'
- + To help not-for-profit Residents' Management Companies to access Flood Re
- + For Flood Re eligibility rules to assist financial inclusion through zero excesses and monthly policies
- + For insurers to be explicit when they offer Build Back Better benefits so brokers and their customers can compare options available, which may support the uptake of property flood resilience creating a wider economic and sustainability benefit

### 4.1.7 Protect Duty – Proportionality and the supply of adequate insurance

The King's speech in November 2023 announced that the Terrorism (Protection of Premises) Bill to implement the new Protect Duty (known as Martyn's Law) will be brought forward in 2024. BIBA welcomes the intent behind the legislation but stresses the need to be proportionate in the application of the new Duty.

#### BIBA Calls for Action

##### For Government

- + To look again at the threshold for Tier 1 venues and to understand the full impact on businesses in terms of cost if the proposed threshold of 100 capacity is adopted
- + To look at the liabilities that will be placed on the Accountable Person for Tier 2 venues and to liaise with the insurance industry to make sure that adequate and affordable Directors' & Officers' insurance will be available
- + To be on standby to fill any gaps in cover should insurers look to withdraw or sub-limit cover in the wake of the new Duty by extending the remit of Pool Re

##### For insurers

- + To be clear that public liability policies that will continue to cover terrorism after the Duty becoming law are offered at risk reflective premiums

#### BIBA Commitments

- + To issue guidance for members so that they can advise their customers on how to prepare for compliance with the new Duty
- + To work with specialty insurers to develop a holistic insurance product that caters for the new liabilities created by the Duty in case of any withdrawal of cover by mainstream insurers



## 4.2 Responding to current risks

### 4.2.1 Prior insolvencies – County Court Judgements

There is little consistency among insurers in insurance application forms about prior insolvencies and the time limits for which information is sought.

A customer might have been a director of a firm that went insolvent 30 years ago but under some wordings would still be obliged to disclose it.

To bring clarity and minimise the risk of a claim being declined, we think the question could be restricted to instances where the proposer as an individual has been declared bankrupt or been disqualified from being a director or involved as a director with a company that has gone into receivership or liquidation. In addition, we think the question should set a time limit on how far back this information is needed, for example in the last five years.

#### BIBA Calls for Action

##### For insurers

- + To bring clarity to their questions on prior bankruptcies or insolvencies and to include a time limit within them
- + To include time limits when asking for information about prior cancelled or voided policies in light of the Consumer Duty

### 4.2.2 Prior declinatures/cancellations

The request to disclose cancelled or voided policies in a proposal can also be open ended in time meaning any 'penalty' represents a life sentence – whereas most criminal convictions become spent under the terms of the Rehabilitation of Offenders Act.

### 4.2.3 Clearer definitions of 'Buildings Declared Value' and 'Buildings Sum Insured'

Many commercial property insurance policies specify both a *Buildings Sum Insured* and a *Declared Value* reflecting a specific mechanism in the policy to protect against the impact of inflation. However, they are confusing for many customers, who often wrongly assume declared value is the same as market value, and this can lead to significant policyholder detriment through the risk of underinsurance and claims payments being reduced through the condition of average.

#### BIBA Calls for Action

##### For insurers to consider revised definitions of these terms as follows:

- + Buildings Declared Value is the 'Estimated Rebuilding Cost at the commencement of this policy'
- + Buildings Sum Insured is the 'Estimated Rebuilding Cost to allow for inflation associated with re-building over an anticipated period of time, were a project to start at the end of this policy'

#### 4.2.4 Ensuring a healthy personal lines market for retail brokers

The retail personal lines market has come under increasing pressure in the past year for a number of reasons, and it is important that brokers can continue to access capacity and service the needs of their customers.

Rates in both motor and household have increased significantly as insurers react to increased claims costs caused by inflation and stressed supply chains. For example, the market appetite to cover electric vehicles has become more challenging because of the cost of parts and delays in obtaining them.

In addition, some insurers have withdrawn from the personal lines sector leaving brokers to find alternative markets at short notice. Some regions of the UK face particular challenges, such as Northern Ireland where the number of insurers who remain active is smaller than in GB and has been reducing.



#### BIBA Call for Action

- + For insurers to remain committed to the broker channel for the distribution of personal lines products

“Brokers are at the heart of Ageas and their loyalty is incredibly important to us. We’re all about personal lines, and we’re dedicated to brokers. Our strategy demands that we have their backs as we navigate through tough times together.”

ANT MIDDLE

CEO, Ageas

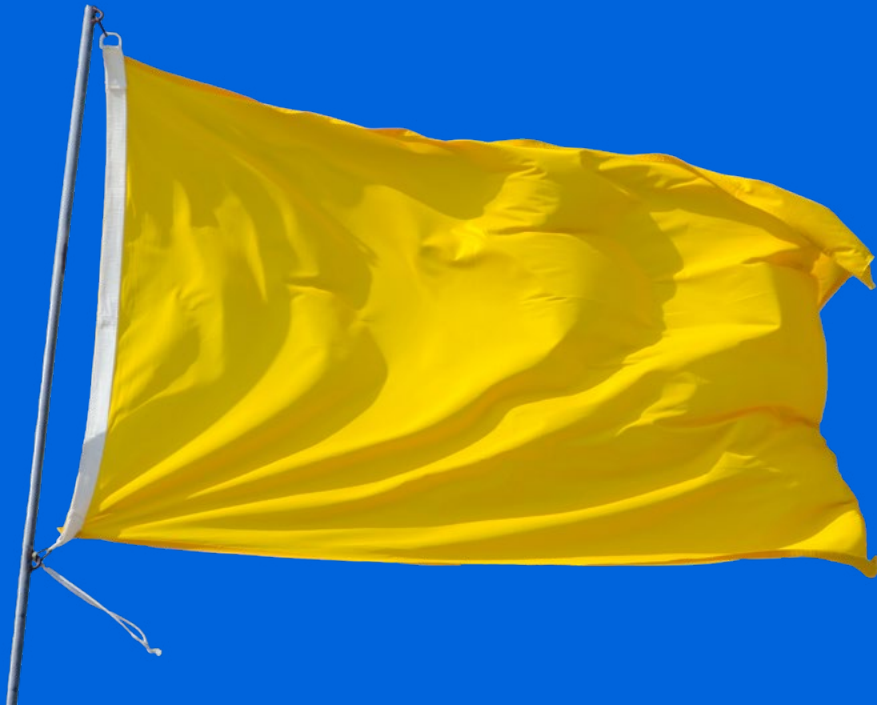
“We are very proud of our broker partners who represent us throughout the UK including Northern Ireland where we have traded for many years and have great support. We are committed to providing solutions that reflect the emerging needs of our mutual customers and will continue to innovate just as we took the lead on electric vehicles.”

MIKE CRANE

Managing Director, LV Broker

# 5

## A flagship UK sector



### 5.1

## A regulatory environment that facilitates growth

### Financial services regulation – measuring success

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The FCA's new secondary objective for growth & competitiveness will, BIBA hopes, align its regulatory approach with the Government's aim for growth.

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“ I have long championed the need for proportional regulation and supported the passage of the Financial Services and Markets Act. The new reporting metrics which monitor regulators' success in meeting its secondary duty and the Cost Benefit Analysis Panel (CBA Panel) for the FCA, are important parts of ensuring Parliament can provide effective scrutiny over the costs and benefits of new rules.

I look forward to continuing to work with BIBA and its members to support their vital role in providing individuals and businesses alike the advice they need to find appropriate cover.

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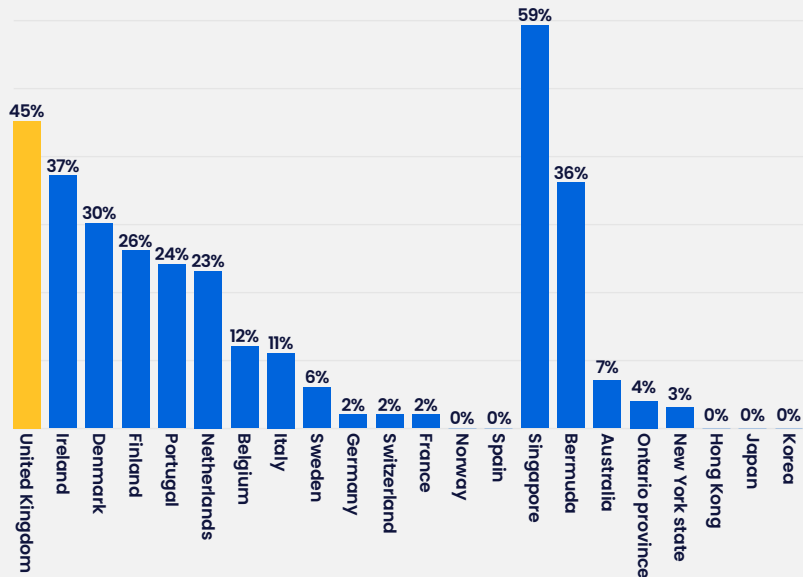
#### CRAIG TRACEY MP

Chair of the All Party Parliamentary Group on Insurance & Financial Services



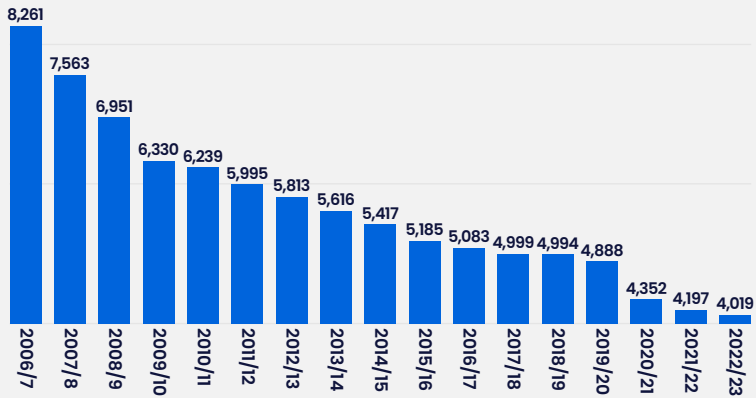
### Average direct cost of regulation across jurisdictions

Percentage of insurance intermediation fees and commissions / € – 2022<sup>7</sup>



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

### UK General Insurance Intermediaries



Source: FCA Data Bulletins

7. 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).

Research which shows that the high cost of regulation in the UK compared with other leading jurisdictions, as well as the declining number of insurance intermediaries since 2006–7, indicate that insurance broker regulation has become a disproportionate burden. We want the new growth & competitiveness objective to deliver a healthy, competitive market for insurance buyers – both in terms of an increased number of market participants and a more proportionate cost of regulation, as this is ultimately passed onto consumers and businesses.

BIBA supports a regulatory focus on customers that promotes trust and stability. Regulation also needs to underpin and facilitate a thriving and competitive market through clear and simple rules. This was a key point of our parliamentary lobbying during the passage of the Financial Services & Markets Act.



Metrics that monitor the regulators' success in meeting their new secondary objective are a crucial tool for scrutiny by Government and industry.

The newly established CBA Panel for the FCA is a welcome step that will offer an expert, external view and challenge on proposed new rules with the aim to better inform HMT and parliamentarians when weighing up the costs against the benefits of rules under discussion.

### BIBA Calls for Action

- + For robust and effective scrutiny of the new growth & competitiveness objective by Parliament and HM Treasury facilitated by appropriate Government approved metrics
- + To achieve more proportionate regulation by revising the scope of the consumer duty in the general insurance sector to only 'eligible complainants' as per the existing FCA handbook definition. To apply these rules would, for example, mean that the granular Fair Value obligations of the Consumer Duty would only apply to eligible complainants. This would mean that only one simple definition needs to be considered by firms when considering whether FCA consumer duty and product governance protection rules are applicable

### BIBA Commitments

- + To offer our support to the work of the new CBA Panel
- + To undertake work to further the understanding of the cost of regulation as a proportion of insurance premiums paid by consumers and businesses

## Working with the FCA on efficiencies

### Reporting

Regulatory reporting by insurance brokers is an important tool for effective supervision by the FCA. However, it has a resource and cost impact on firms whose senior employees dedicate many hours to this task and often incur external fees for accountants and compliance experts to verify information for both regularly scheduled reports and ad hoc requests.

### BIBA Call for Action

- + For the FCA to accelerate its work to move to a more streamlined approach to data collections as a key driver of efficiency and reduced regulatory cost for firms

### Authorisations

We share the FCA's desire to make sure the UK is the best place in the world for financial services to thrive, so it is important that new authorisations and changes of regulatory permissions are given in a timely fashion and within the FCA's own targets. Additionally, we would welcome the reintroduction of the change of legal status form to simplify and speed up changes and improve productivity.

### BIBA Commitment

- + To engage with the FCA to ensure authorisations can be granted as quickly and smoothly as possible

### FSCS fee model reform

BIBA recognises the importance of consumer trust in financial services markets, and the part that the Financial Services Compensation Scheme (FSCS) plays in that.

The fairness of the funding model and its funding class thresholds continues to be a concern for the low-risk insurance broking sector that falls in the general insurance distribution funding class.

Brokers have experienced an increase in direct regulatory costs of 40% between 2019 and 2022 and, as part of this, are expected to contribute to a fund to subsidise business failure in other classes. BIBA commissioned economic and financial consulting firm, Oxera, to create alternative models that would ensure the fee model is fairer to low-risk firms and that the 'polluter pays' their fair share. The outcome would be a more equitable model for all, while maintaining the overall level of consumer protection.

The FCA has committed to a review of the funding model and the funding class thresholds but this work has been delayed while focusing on supporting initiatives that aim to manage compensation costs.

### BIBA Call for Action

- + For the FCA to commence the review of the FSCS model as soon as possible so that those sectors that make claims on the FSCS fund contribute their fair share of levy funding, and to secure the long-term stability of funding calls for the insurance broking sector

### EU Free trade deal on financial services

Following the announcement of the 2023 Windsor Framework that provided an arrangement to restore the smooth flow of trade within the UK internal market, we need a mechanism to trade across the island of Ireland and improve the ability for firms to maintain or establish physical insurance operations in Northern Ireland.

### BIBA Call for Action

- + For Government to find a path forward via the UK-EU Trade and Cooperation Agreement (TCA) so that Northern Ireland based insurance brokers and insurers can once again trade directly with Northern Ireland based clients that have risks based in the Republic of Ireland and vice versa



## 5.2

# Delivering excellent service

### Gracechurch–BIBA UK Insurers Service Monitor

In our partnership with Gracechurch Consulting, we aim to collaborate with UK insurers to provide a first-class service.

Gracechurch has developed an objective benchmark of service levels based on a continuing independent survey of BIBA members. So far, over 800 broker interviews have been conducted and over 6,000 Net Promoter Scores (NPS) captured. The latest report of the UK Insurers Service Monitor issued in October 2023 shows service levels have begun to improve since 2022.

The headline result shows that the average insurer NPS is up by 9 points since January 2023, and +16 points since mid-2022, a solid trend improvement.

The results show 9 out of 22 insurers now have a positive NPS and the market leader is setting the pace with a good NPS of +28. By shining a spotlight onto the issues and using objective data to measure progress, BIBA has raised the profile of the importance of service to insurer partners.

At the same time Gracechurch's insurer clients use the detailed results to pinpoint where improvements can be made and how they can use service to create competitive edge, so raising the service performance bar.

### BIBA Commitments

- + To continue to work with Gracechurch and aim to issue a twice-yearly update on the results from the UK Insurers Service Monitor
- + To progress the Gracechurch 'Voice of the Broker' panel – a dynamic group that contributes to the surveys and shares in the feedback and service improvement learning and best practice initiatives
- + To add the Gracechurch UK Claims Monitor to the existing Monitor for a greater understanding of service in the round
- + To work with Gracechurch to promote Service Quality Marque accreditations to insurers who deliver excellent service in claims and underwriting



## 5.3 Embracing technology

The industry is investing increasingly in eTrading solutions and claims portal technologies with the aim that 'self-service' will reduce the cost of handling standard business, while freeing up time for underwriters and adjusters to focus on helping brokers and customers resolve more complex issues.

Brokers have always been innovators, so it was no surprise when the Gracechurch research revealed that the majority of UK brokers regularly eTrade, and generally see it as benefitting customer service.

But technology isn't a silver bullet and can't replace the need for experienced people providing professional advice and judgement. Achieving a 'sweet spot' between technology and people is key. The survey shows that the balance isn't always achieved, with six in ten brokers regularly experiencing risks being out-of-scope, meaning they have to revert to traditional means of getting the risks placed.

BIBA's Insurance Technology & Innovation Committee (ITIC) is working to understand better how technology can help improve service bringing together the leading software houses, Polaris and brokers.

### BIBA Commitments

- + To undertake further research into eTrading with Gracechurch to gain a deeper understanding of the technology 'pinch points' and to identify potential solutions and industry best practice
- + To evaluate the research findings in conjunction with ITIC and produce a set of practical recommendations for consideration by all stakeholders

**“ At Allianz we are committed to providing eTrade solutions that work for our broker partners. We look forward to working with BIBA to help improve the eTrade journey so that an increasing number of risks can be quoted and bound without referral. In this way we free up our underwriters to focus on brokers' more complex risks that need more attention. ”**

**HELEN BRYANT**

Managing Director, Digital & Legal Protection, Allianz Insurance plc

## 5.4 Bringing the best talent

### Apprenticeship Levy reform

The current levy system could be amended to ease barriers to the take up of apprenticeships and ensure that levy funds are fully used by businesses. More than £3.3 million of unspent levy funding was returned to the Treasury over three years from 2019.

Apprenticeships are available to all age groups, but these are often too inflexible for those whose need – whether for personal learning styles or family circumstances – is for smaller chunks of targeted and specific training rather than longer-term programmes. There is an additional barrier for workers specifically in the requirement for qualifications in both maths and English.

Each insurance broking business has a unique and diverse need for technical and non-technical skills based on its business model. A more flexible approach that includes wider skills could reduce barriers to using the apprenticeship system to train new and existing staff, particularly amongst SMEs.

In Scotland no one aged 25 or older can access apprenticeships through the levy funding system which impacts the opportunity to recruit and train workers of all ages that are needed in our sector.

The extra administrative burden on running apprenticeships is more onerous for SMEs. They should not face greater challenges to offer training opportunities when compared with larger businesses that can absorb more easily the additional administrative load and associated costs.

### BIBA Calls for Action

#### For Government to

- + Amend the levy-funded training to include wider skills training outside formal apprenticeships
- + Amend the minimum duration requirement so that a wider range of training can be provided using the levy
- + Remove the blanket maths and English requirements for working people
- + Consider how levy reform could encourage more SMEs to offer apprenticeships
- + Remove the age restriction for apprenticeships funded via the levy in Scotland

“ It is vital that we attract new, diverse talent to the sector, with fresh ideas about how the insurance sector can best serve our customers. That is why we support BIBA’s work in supporting the attraction, recruitment, retention and professional development of brokers. The need for new skills and talent is the reason why the Government needs to reform the Apprenticeship Levy to be more agile, future-focused and flexible.

DAVID NICHOLS

Head of Retail, Zurich

## Attracting talent

Recruitment of new talent is crucial for the insurance broking sector. ONS data for employment by age and industry for 2019<sup>8</sup> shows that of those working in financial and insurance activities, 50% are aged 40 or older.

BIBA commissioned research with Consumer Intelligence to understand levels of awareness about the insurance sector among 18–25 year olds and the diversity of roles and opportunities it offers. Of those who do not work in the industry, 36% have considered a career in insurance. Even more positive is that just over two thirds of those already working in the industry expressed a strong desire to work within and pursue a career in insurance.

BIBA is keen to build a new future talent stream by specifically targeting awareness amongst young people between the ages of 16 to 19.

## Education and training

BIBA works strategically with the Chartered Insurance Institute (CII) to raise professional standards by supporting and endorsing the CII's online learning tool Broker Assess which is designed for insurance brokers.

The training and competency solution develops and assesses knowledge across hundreds of product and technical areas. It also has inbuilt CPD and reporting functionality to help brokers meet their regulatory requirements.

8. Office for National Statistics <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/12467employmentbyageindustryandoccupationuk20102015and2019>

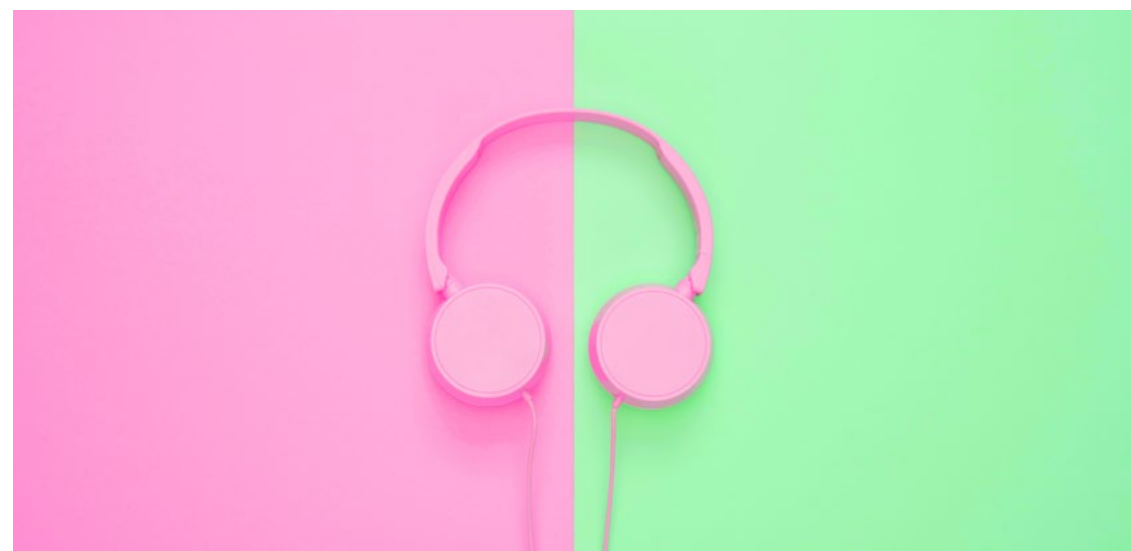
## BIBA Commitments

- + To work with schools in a disadvantaged area of London to help raise aspirations and awareness of opportunities in the insurance sector within these communities
- + To build on its work in 2023 to raise awareness of the benefits and variations of a career in insurance

“Professional development is vital to ensuring consumer trust in financial services. I am pleased to work with BIBA to promote learning and development and to see that many young people working in insurance are engaged with the opportunities to gain internationally recognised professional qualifications through the CII.

**DR HELEN PHILLIPS**

Chartered Insurance Institute Group Chair



## 5.5 Environmental Social & Governance progress

BIBA is committed to demonstrating, through its actions, its commitment to sustainable insurance, to ensure a positive impact on the people and communities that we support every day.

Regulators are examining ESG in regulated firms and reporting requirements are expected to be introduced for larger firms. We will be working with the FCA regarding new reporting requirements on equality, diversity and inclusion that we believe should be proportionate, and we will be helping members to meet any new requirements.

We recognise that this is not the end of the journey for D&I, but that there is more to do. This will take time and commitment but will make the industry an attractive place to work for future talent and reflect the needs of the diverse customer base that we represent.

BIBA is a signatory of the Women in Finance Charter, and we will continue our work on this and across our organisation to expand diversity on our boards and committees.

In 2023 we launched member guidance on ESG, which will be regularly reviewed and updated.

### BIBA Call for Action

- + For the FCA reporting requirements on D&I to be proportionate and in balance with individuals' desire for privacy

### BIBA Commitments

- + To help members prepare for and meet coming regulatory requirements on D&I particularly around data collection to deliver the positive change in culture that the regulators are seeking
- + To continue to work with and support the Women in Finance Charter, the Group for Autism Insurance & Neurodiversity and United Nations Principles for Sustainable Insurance and be transparent about our activities with them
- + To provide subsidised mental wellbeing training for members
- + To help members make more informed decisions and not be misled by communications on 'greenwashing' and other ESG issues by continuing to update and keep current our ESG guidance

“ **Equality, diversity, and inclusion are essential to the continued success of the insurance broking sector in terms of its customers and its employees. We are making steps in the right direction, and I am looking forward, as a leader at iCAN, to working with BIBA and many of its members in making progress in the industry.** ”

#### AJAY MISTRY

Co-Founder & Co-Chair of iCAN – The Insurance Cultural Awareness Network



## 5.6 Innovating for the future – AI

### The impact of Artificial Intelligence

Artificial Intelligence (AI) technologies are already being used across the insurance sector, including by brokers, who are adopting them in a range of ways including assisting with remote home inspection for quotes and claims; fraud detection; client verification and automating compliance checks; chatbots in customer support; commercial acquisition; improving the underwriting of schemes; and more.

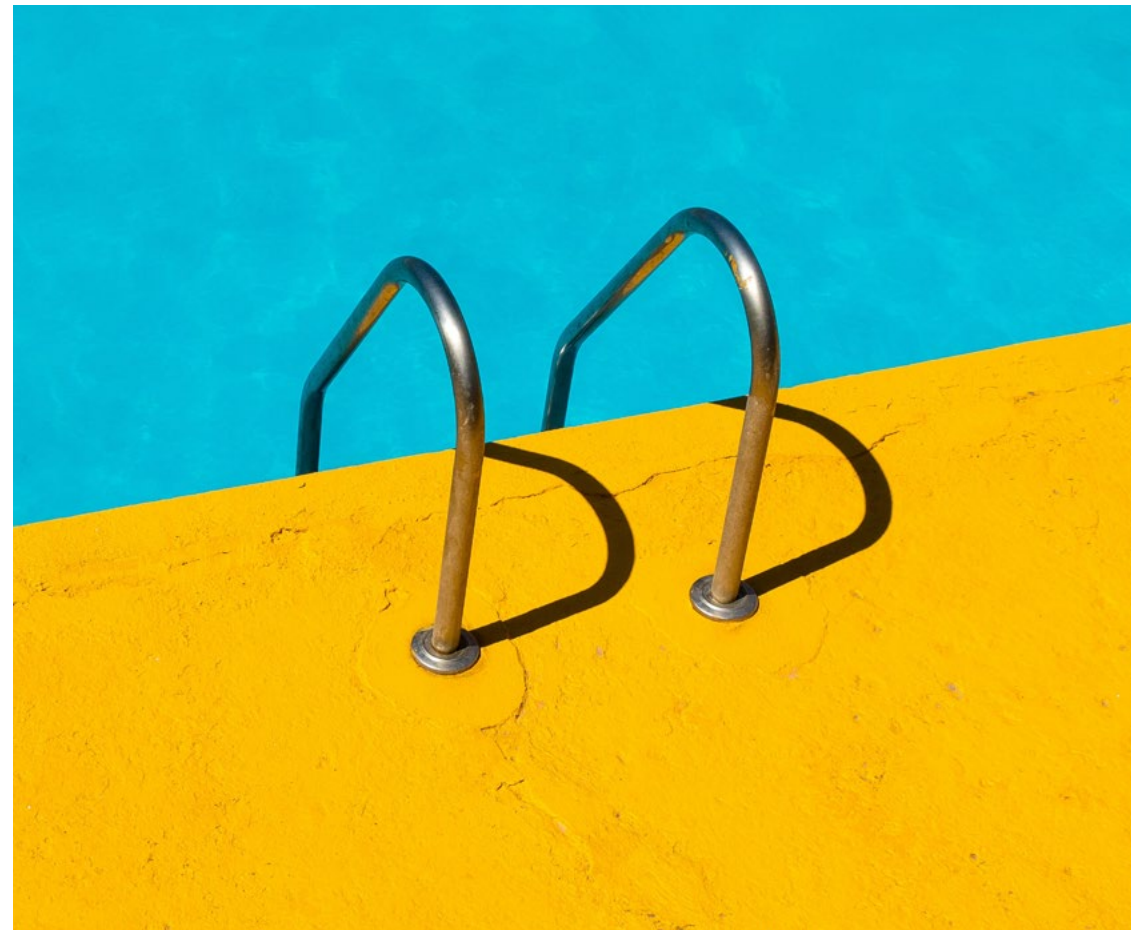
Brokers are increasingly aware of the potential benefits of AI, both for their business, and for their customers. Equally, and in the context of a dynamic AI regulatory environment, there is a growing recognition that suitable regulation needs to be in place to ensure the right outcomes.

### BIBA Commitments

- + For BIBA and our Insurance Technology & Innovation Committee to work to bring forward innovative AI solutions to help support the needs of the insurance broking sector
- + For BIBA to produce new guidance for members on harnessing the benefits of AI and associated technologies

### BIBA Call for Action

- + For the Government and regulators to consult and ultimately introduce an appropriate framework of regulation for AI in insurance



## 6

# About BIBA and BIBA brokers

The British Insurance Brokers' Association represents the interests of insurance brokers, intermediaries 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. Around 350,000 people contacted our Find Insurance Service via phone and online in the 12 months up to October 2023.



## 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 without any upfront payment
- + They provide 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 and 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
- + Added security for eligible classes of insurance provided by the Financial Services Compensation Scheme (FSCS)

# 7

## Market statistics<sup>9</sup>

### Total market statistics written through insurance brokers<sup>10</sup>

Includes Lloyd's, ABI, and non-ABI members, 'home-foreign'<sup>11</sup>, MAT<sup>12</sup> & 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

9. Estimated numbers supplied by the ABI on 28.11.23

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

11. Includes an estimate of the Lloyd's home foreign business

Home Foreign is insurance written in one country on property or risks located in another country. Premiums and losses are usually payable in the county where the insurance is written

12. MAT (Marine, Aviation & Transport) ABI members only

## 8

# Contact BIBA

## Telephone

0344 770 0266

## Find Insurance Service

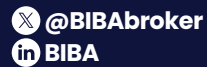
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