

Graeme Trudgill, BIBA CEO – BIBA Conference 2024 opening address

Good morning everyone, I am Graeme Trudgill, BIBA Chief Executive and I certainly feel lifted by the incredible sight of everyone here today. And also with the support I have received in the last ten months since my appointment.

And that support is what we do, as brokers, as insurers and as the entire insurance industry, we support our clients through the good times, and the hard times if they need to claim.

We are there for them, ensuring they can carry on with their lives and their businesses, due to the important work that we all do.

You have all dealt with significant challenges in the last few years. You have remained strong despite tests from Brexit, Covid, climate change, numerous elections, various Prime ministers, and even more chancellors, inflation, the highest level of interest rates for 16 years, new regulation, a hard market and... Michael Gove.

When I took the role, we were facing one of our biggest ever threats to the insurance broking model that I have ever seen. As Jonathan touched on, Following the increase in premiums in multi occupancy buildings with fire risks, Michael Gove threatened to Ban Commission across all lines.

BIBA and our members committed in our Manifesto to supporting leaseholders, who were paying these higher premiums. We did three things:

- We committed to a pledge with leading real estate members on insurance for cladded buildings in our Manifesto
- We created and launched the Oxera fair value assessment framework, and
- we worked with the ABI and McGill and Partners to launch the new fire safety reinsurance facility for multi occupancy buildings.

I am glad these efforts will make a real difference to leaseholders and that subsequently Gove stood down his threat to ban commission.

But this is just one issue, we can't pause for breath, there are new risks every day. Global instability is only on the rise. So WHAT'S NEXT? We have a continued war in Ukraine, a deteriorating situation in the Middle East and raised tensions in the South China Sea.

Alongside those, this is a year of elections with nearly half the planet voting. Including here in the UK and Ireland, and a little bit further afield in the United States.

At times of such unpredictability, it is vital that we ask ourselves tough questions, and challenge our industry to step up on what really matters. I am pleased that you are all here to do that this week, and agree what's next in our priorities.

Now, I want to take the time to thank you all. You put your trust in me ten months ago to take up this role. In all seriousness, your support has been extraordinary. And I am most grateful. Particularly in these challenging times - floods, fires, windstorms, theft, accidents, injuries, deaths, collisions, droughts, subsidence, injured pets and insuring grain ships from Ukraine.

These risks are already with us, and insurance brokers are doing an important job, ensuring they are there with both financial and practical support, to help clients through their most challenging times.

I am proud that I know most of you, but for those that I don't, I am, in fact a former insurance broker. Man, and boy, as you can see! "That means I really understand your work for clients and I understand the risks we face together"

As some of you know, I created BIBA's first public affairs dept in 2008, along with it our first ever Manifesto. As you can see from the rogue's gallery, we have worked hard to have an influence over those in power ever since. And we've not been bad at predicting who might be in power next.

My love of this industry runs deep. In fact, it is in the family. Both my grandfathers were called Fred, though, they were a tad different... one was in the air force, the other, the braver one, worked in insurance.

And while the lure of Harrier jump jets and RAF tornadoes was a strong one, the inner risk manager in me opted for a career in insurance. Not quite the same as the RAF, but I now have the privilege of serving you on the World Council of the World federation of insurance intermediaries.

Sadly, I don't get a uniform. But I do get to see the reality of what clients across the globe face with an increase in frequency and severity of risk, from flood, through to cyber-attack and more.

There is a significant concern over the protection gap that people and businesses are facing, the gap is the fact that, only a small portion of the economic risk faced by individuals and businesses is insured. And insurance capacity is increasingly hard to come by, as you all know.

Our MANIFESTO theme for 2024 is "Managing risk for growth and economic security". That growth part is something we all want to see including the Insurance Minister Bim Afolami, and here he is launching our Manifesto in the Houses of Parliament in January

Now, nothing moves without insurance. Planes don't fly, homes don't get built, we couldn't hold this conference. So it is vital we close this protection gap. So my call to our industry is to innovate, to cover new risks, not to exclude them.

There is still much work for us to do to better protect our clients. But that will only be done if we work together. Working together is at the core of why I believe this industry is special. You will do it throughout this week.

Through allyships we can work together for the greater good. BIBA has achieved some great progress during this last year. With the ABI and McGill and partners on the fire safety reinsurance facility. And we have allied with the LMA and LIIBA, in looking to reduce the scope of the FCA consumer duty, to -
- well...consumers!

Collectively we continue to discuss with the FCA the benefits of reducing the Consumer Duty scope to eligible complainants as per the Ombudsman definition, aiming to take many commercial clients out of scope.

We have a great allyship with the CII, our joint Broker Assess training tool helps to provide training for over sixteen thousand individuals a year. And BIBA worked closely with ELTO to help achieve the positive ICOB change around ERN collection rules.

I was also delighted to welcome Flood Re into the BIBA family as a partner and to promote the excellent build back better initiative to help people make their homes more resilient to flood.

Working as allies we help people find insurance through our flood insurance directory and signposting agreement.

And our Deputy Head of comms Leighann would nudge me at this point to say... remember to mention the signposting agreements that BIBA has not just on flood, but on age, and on people with medical conditions and disabilities seeking travel and protection insurance.

We also have an important commitment to help our armed forces personnel and their families, obtain suitable insurance through signing the armed forces covenant. Some of you in the audience today have served in the forces. Thank you, and to all those who serve our country during these unstable times.

Now, numbers matter and often provide an insight to societal problems. Remarkably, our find insurance service, supported by you, our broker members, now receives over 380,000 enquiries a year from those with more challenging risks.

These allyships that we have across the industry and government help people find the important protection they need from a relevant helpful BIBA member. So, remember, if you can't write it, please do signpost it, to us. Doing so is making a tangible difference to hundreds of thousands of people.

Now, I can't promise to reach that number, but you have my commitment that I will personally, lead our contact programme to see as many industry leaders, members, government officials, politicians and relevant stakeholders, as possible, in order to ensure the best outcomes for you, our members, and your clients.

Ten months into the job and I am very clear about your priorities having met with many of you on our best ever attended regional tour. You want us to continue to invest in the future.

I will ensure that happens. Investment is my commitment to you. And I am pleased to report that investment is already paying off. We will be promoting brokers like never before. We will only have succeeded until people outside this room start seeing us on the news and media outlets.

And as one member said to me recently he was quietly having breakfast in his PJ's, when he switched on the TV and nearly choked on his cornflakes seeing me on BBC Breakfast.

As Jonathan set out we have ramped up our investment to support you, our members, with the Oxera Fair value Assessment Framework, with new roles created in our public affairs and regulation teams, we've had our broadest ever engagement in political party conferences, new guides, new schemes and facilities for members including an Electric Vehicle Scheme just last month. And, importantly I am proud that we have kicked off a new insurance careers initiative with two schools in under-privileged areas.

I am also heartened that our young broker day tomorrow has its biggest ever number of registrations by far. Thank you to ICAN, the insurance cultural and awareness network for your great support with this.

ICAN are one of our partners on ESG, a subject very important to BIBA. We have reduced our carbon footprint at this event. We have also become Corporate Members of The Woodland Trust, helping to create, restore and protect UK Woodland. And we have donated to their Smithills Estate in Greater Manchester,

At this year's conference is our cyber hub, sponsored by CFC. Cyber risk is a serious and growing challenge. So please pop along and speak to the tech experts there to get the very latest on what's next for cyber risks and how we can mitigate them and support our clients with a comprehensive service if the worst happens.

Please also take the opportunity to say hello to the brilliant members of the BIBA Board this week.

It makes me proud that our main Board contains: small brokers, regional brokers, larger brokers, international brokers, wholesale brokers, network brokers, MGAs, a consumer champion, - and an independent chair, in addition to the Executive. It is a broad church and being truly representative of our membership is so important.

I believe we are in great shape to meet the needs of all types and sizes of broker. That will make us a stronger, and more resilient industry. That's important, as we will never know exactly 'what's next', as Clive, found out when he was sitting in the BBC news room one week, and then found himself wearing a bullet proof vest on a Ukrainian rooftop the next week... as missiles hit the area all around him.

Most of us have at one time or another suffered unexpected shocks, have been a vulnerable customer or have someone in our family who relies on us in difficult times. Some of us have had losses in our lives. That's the whole underlying principle of an insurance broker - that we are there, to provide financial and physical help when clients need us. And especially to those most vulnerable.

So, what can we do next that can help us go further in our important work? Well, technology and AI are going to provide critical support for our sector as we adapt and harness the new tools available to us. We have a great session on that tomorrow and BIBA will be producing new guidance on this, to help members maximise the opportunities.

Our continuing work on fair value, including our new premium finance guide launched today, will ensure we are doing our bit to support customers of all types in these difficult economic times, while providing fair value.

For the first time ever, the insurance broking sector, our sector passed £100Bn of GWP, a huge landmark for which you should all be very proud. Yet, despite that, we recently received a letter from a small regional broker saying he was having to sell up, as he just couldn't keep up with the influx of new and demanding regulation from the FCA.

I think you will agree that finding a professional broker put in that position is not right. So I want to remind the regulator today that we are a low risk sector and we do not pose a systemic risk. My message to the FCA is we don't need another stream of new regulation.

The Consumer Duty is an overarching piece of regulation that mirrors much of what a broker has always done for their client. We are run by qualified professionals. And importantly, we are the agent of the client. So please give us a period of stability. Allow us to breathe, to focus on clients and new innovations.

Give us the economic environment so we can help startups become scale ups. I am pleased to report that there is strong engagement between BIBA and the regulator. We welcomed the FCA insurance director to our main board meeting. I also recently introduced the first ever series of formal liaison meetings between the FCA and our advisory boards and committees.

I believe they were very constructive, and I also hope they give the regulator a much better understanding of our sector, especially on matters like fair value, claims, and reporting.

The FCA Chief operating officer is speaking here tomorrow. And for the first time since before Covid, the FCA has a stand here, so please do go and speak with them.

New and demanding regulation has required significant resource from our sector. It is vital for the competitiveness and growth of the UK that we get regulation right. As one government Director General, said to us recently. Regulations is like Bananarama - 'it ain't what you do it's the way that you do it'.

Now, there is some good news. Six years ago, we used our manifesto to make a call for the introduction of a growth and competitiveness objective on the regulator.

It took a while, but I am delighted to see this long-term BIBA lobbying objective is now removed from our Manifesto – this change was finally enacted in the financial services and markets act. Our focus is now on the external scrutiny of any proposed new regulation for our sector going forward.

We have done this recently following the regulators new proposals to name firms being investigated, even though on average two thirds of these firms are proven completely innocent. I think BIBA and the FCA are now in a better place to ensure smarter and more proportionate regulation going forwards.

Now, Today I am delighted to welcome over one hundred and thirty international delegates from twenty countries, covering five continents. You are very welcome, and the sun does shine here in Manchester sometimes.

Rain or shine, there are people here who work so hard for BIBA and also to make this conference happen. And I want us to pay tribute to them. Thank you to our Chair, Jonathan, for his continued wise counsel. A huge thank you to Emma, Katie, Rebekah, Atlanta, Lindsay and the BIBA team for all of their hard work in putting on our largest ever event.

It may be Lindsay's last ever Conference, so thank you for your service and dedication to the company for over 20 years.

I also want to thank our record number of sponsors including our main sponsor AVIVA. Thank you. And to thank the BIBA Team, especially my strategic team of David, Emma, Nicola, Pam and Alastair who have all led vital projects this last 10 months.

And thank you to the 200 members who sit on our boards and committees offering their time for free. Let me give a shout out to John Batty, my personal hero, who has fought off several terrible bouts of Covid and has helped us so much with the cladded buildings issues.

John also leads our regional chairs. He has helped the regions run a record number of new activities after our enforced stoppages due to covid. Thank you, John.

A huge thank you to all of the exhibitors who have brought our conference to life with their technicolour array of stands. But most importantly, I want to say a heartfelt thank you to every one of you, for coming to Manchester and being part of this amazing community.

I know you will have a great couple of days, networking, trading, learning and earning official CII CPD points and I hope to see you for a chat and a discussion about 'what's next' while you are here.

I started by asking What's Next? I am pleased that we are serious about what is possible and what we need to do. It is always easier to be negative. But that wouldn't be right because I honestly feel extremely positive about our future. As I hope you will all see this week, there is so much potential within our sector, within BIBA, and within every one of us.

Don't let the doom and gloom of the headlines take away from your ambitions and plans. Together we are so strong, we really can make a difference for the people who need us the most. Together we are making investments, building allyships and shaping the future. Together we are asking What's Next? Not to create fear, but to identify the challenges AND the opportunities. Because, together, we can realise our potential.

I look forward to that starting this week here in Manchester. But as the new CEO I must remind you, of our only real rule at conference. This is an important one, so listen up.

When here, you must take heed of one of my favourite authors, Dale Carnegie, when he said that "people rarely succeed unless they have fun - in what they are doing". So Have fun Conference. Enjoy the next few days and each other's company. And don't stop asking 'What's Next?'.

Thank you.