BIBA Chairman Andy Homer explains why we are working on a programme of review, which will create a trade association that is fit for the 21st century and he calls on members to ensure we receive your input.

At this year’s conference in May, BIBA Chief Executive Eric Galbraith announced that a strategic review was underway, one of the most important projects which has been carried out since our formation in 1977.

The background to the review
The purpose of the strategic review is to consider what BIBA, as a trade body in the 21st century, should look like and following consultation and agreement with members, we will make the necessary investment to achieve this.

The timing of the review makes sense since the merger with the IIB was formally completed in November 2011. We want to ensure that former IIB – and now BIBA – members are fully on board and involved with discussions.

There is much more for us to address in this review notably in the light of the increasing burden of regulatory demands and the pace at which insurance distribution is changing.

We face the threat of mandatory disclosure – and even a possible ban on commission as has happened in the independent financial services sector following the Retail Distribution Review.

Then there is the unfair structure of the Financial Services Compensation Scheme and the positioning of the new Financial Conduct Authority. Its new Chief Executive designate Martin Wheatley recently said the regulator will work on a “shoot first and ask questions later” basis. Against this background, it is clear why we need a review.
The six workstreams are likely to include:

1: Board Governance, including optimal size and representation, plus a review of committee structures and the creation of an Advisory Board or Boards to ensure all members have a voice.

2: Strengthening of the Executive team and association overall and taking on more resources where appropriate.

3: Clear segmentation of members to ensure relevance and effectiveness of BIBA’s representation and service delivery.

4: Having ‘one voice’ in the general insurance sector by working effectively wherever we can with organisations such as ABI, LIIBA, MGAA, Lloyd’s and CII.

5: A review of BIBA’s commercial activities to improve income on an open, transparent and fair basis.

6: The creation of a principles based Code of Conduct for member companies which will be a compulsory element of BIBA membership.

A series of regional meetings to describe and discuss this programme will be arranged to take place over the next few months and as the programme and workstreams are established we will keep the members informed via regular updates on the BIBA website.

I look forward to updating members on progress and I also want to emphasise that this review is inclusive – all voices will get a hearing. So, please speak up and play your part in shaping your trade association.

Earlier this year, we conducted a survey, with all members asked to participate. This was one of the biggest pieces of research we had ever run.

Some 95% said they were satisfied with BIBA’s performance, however, according to Eric Galbraith, the real challenge is to move the 42% of members who said they were ‘satisfied’ with BIBA’s activities to join the 54% who said they were ‘very satisfied.’

Other key findings were as follows:

- 49% said insurer service was the second most important issue facing their business
- Nearly 90% of members want BIBA to represent to government the need for more appropriate and proportionate regulation; 80% said more cost effective regulation; and nearly 75% said reform of the FSCS
- Out of 75% of brokers who are finding the cost of regulation an issue, 10% rated it as having a ‘critical impact’ and a further 90% as ‘some negative impact’.

We asked what should BIBA’s focus be in 2012 and according to members:

- 73% said representing brokers to government
- 45% said protecting brokers’ interests
- 41% said promoting brokers
- 27% said being the voice of the broker
- 26% said regulation information and advice

Our strengths were identified as representing members to government, regulation information and advice, and the BIBA conference.