

# the broker



**BIBA's compliance forums:**  
taking off across the regions

**London market  
technology:**  
working IT out

**Why company culture counts:**  
keeping employees loyal



## Liability market on a tightrope

**Is high-risk cover on shaky ground?**

FROM CHAIRS  
TO FISH,  
WE'LL SEE A WAY  
TO INSURE THEM.



Whether it's a furniture factory or a fish farm – or just about anything in between – QBE can provide the cover. That's because our innovative approach and healthy appetite for risk enable us to find solutions to problems in all kinds of areas. Even the ones that leave other insurers high and dry. No wonder we're one of the UK's leading insurers. Share the success, visit [www.QBE.com/uk](http://www.QBE.com/uk) or email [differently@qbe-europe.com](mailto:differently@qbe-europe.com)



IT'S OUR POLICY TO SEE THINGS DIFFERENTLY

## the broker

### BIBA contacts

**Eric Galbraith**  
Chief Executive  
020 7397 0201  
galbraith@biba.org.uk

**Peter Staddon**  
Head of Technical Services  
020 7397 0204  
staddonp@biba.org.uk

**Graeme Trudgill**  
Technical Services Manager  
020 7397 0218  
trudgillg@biba.org.uk

**Paul Garland**  
Membership Manager  
07808 166124  
garlandp@biba.org.uk

**Steve White**  
Head of Compliance and Training  
020 7397 0222  
whites@biba.org.uk

**Doreen Campbell**  
Office Manager  
020 7397 0219  
campbelld@biba.org.uk

**Lindsay Campbell**  
Executive Assistant  
020 7397 0221  
campbelll@biba.org.uk

**Leighann Burtrand**  
Communications Co-ordinator  
020 7397 0223  
burtrandl@biba.org.uk

**Kirsty Gordon**  
Membership and Broker ASSESS  
020 7397 0224  
gordonk@biba.org.uk

**This magazine is about you and for you – so we do rely on your contributions. Please contact Leighann Burtrand with your news and views. Her details are in the contact list above.**

**BIBA House, 14 Bevis Marks, London EC3A 7NT**

**Design:** Beetroot Publishing  
**Print:** SMP  
**Advertising:** Mainline Media

Whilst every care has been taken in the compilation of this magazine, errors or omissions are not the responsibility of the publishers or editorial staff. ©All rights reserved. Products and services advertised within *the broker* do not carry endorsement or recommendation by BIBA. The BIBA logo is added free by request to members' advertisements. It warrants or signifies nothing more than the advertiser is a member.

COVER IMAGE: TOM FROST

## WELCOME



**Are you experiencing problems placing liability cover for higher risk cases? Although the market has eased, there are fears that, like a latent volcano, the liability crisis could erupt again.**

It was back in 2002 that BIBA launched a major campaign to tackle growing problems in placing employers' liability. We achieved a massive amount of awareness and our press coverage included lead stories in the *Financial Times* and *Daily Telegraph* business sections. The Government was involved in talks, but no clear conclusion was reached. The situation resolved itself because of more capacity and the soft market – even so, our feature on page 18 suggests that problems remain.

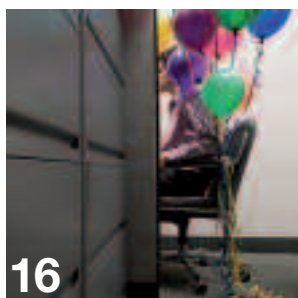
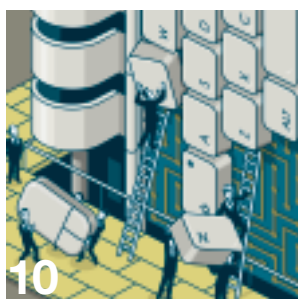
Thanks to Ian Dickinson, chairman of BIBA's West of England region, for being our guest columnist. The regions are our lifeblood and they are flourishing as never before.

This is partly down to our team of regional executives who play an important role in helping organise local events and providing administrative support. We always welcome more regional involvement. So, if you'd like to find out more about BIBA's regions and the activities taking place in your area, please check out our website.



**Leighann Burtrand**  
Editor of *the broker*

## INSIDE WINTER 2006



### Regulars

- 04 Viewpoint**  
Chief executive Eric Galbraith speaks his mind
- 05 News and views**  
Updates from across the UK
- 07 BIBA regions**  
Regional latest and guest columnist, Ian Dickinson
- 08 Media watch**  
BIBA presses on with its travel cover campaign and comment from *Insurance Times* editor, Elliot Lane

### Features

- 10 London market technology**  
Lloyd's has not had the best reputation for IT innovation. Jon Guy explains why times are changing
- 13 Compliance forums**  
Why this new BIBA initiative is proving invaluable
- 16 Employee retention**  
Brokers tell Katy Dowell about the importance of company culture
- 18 High-risk liability**  
Marcus Alcock looks at cover for riskier sectors

### Management

- 22 Your business**  
Spotlight on private medical insurance cover, revamping websites and tackling workplace bullying
- 25 Training**  
BIBA's affordable compliance courses are taking place across the UK
- 27 Schemes focus**  
Why BIBA's travel scheme is going from strength to strength
- 30 Technical briefing**  
Insuring large goods vehicles can be a minefield. Tony Gardiner of Davis Underwriting steers a course through it
- 33 Professional indemnity**  
BIBA's Graeme Trudgill advises on how to choose the right cover
- 37 In my experience**  
Gina Dixon, managing director for Jelf commercial insurance, on making it
- 38 Question time**  
BIBA's in-house experts provide the answers. Plus take on our crossword challenge





**Eric Galbraith,**  
BIBA's chief executive,  
talks about the key  
matters on his agenda

#### **Commission disclosure – we must work together**

It was back in May that BIBA produced a new TOBA wording which members could use for their commercial customers. Our aim was to encourage greater transparency, and it reminded clients that they could ask their broker what level of remuneration is being received.

We support the FSA's goal of recognising and managing potential conflicts of interest in the way that brokers are remunerated. By amending their Terms of Business Agreements (TOBAs) to commercial customers, our members have made an important step towards greater transparency and we are pleased that the FSA's chief executive, John Tiner, recognises the value of this.

BIBA is keen to assist the FSA in accomplishing its objective and is confident an industry-led solution is not only desirable but achievable. We will continue our dialogue with the FSA to work towards a market-led solution and would urge all members to make their views known directly to BIBA or the FSA. Only by engaging with the FSA will we ensure a market-led solution.

To help achieve such a solution, we are strongly recommending to brokers that, when dealing with commercial customers, they ensure that, as a minimum, the following is in place:

- **Conflict Management**  
receiving commission from an insurer while acting as agent of the customer generates a potential conflict of interest. Firms must be able to demonstrate that this potential conflict of interest

has been identified and is being managed. Firms may wish to consider implementing a formal conflicts of interest policy. Details of how to do this can be found on our website.

- **Disclosure**  
firms must ensure that they have processes in place to ensure that if and when a commercial customer asks about remuneration, a full disclosure is made – to include all commissions, profit shares, volume over-rides, fees, charges, etc
- **TOBAs**  
firms must ensure that their TOBAs with commercial customers include the BIBA wording in respect of transparency – Mr Tiner praised this approach in his recent speech – and that the wording has been positively brought to the customer's attention.

The FSA has announced its forensic review will almost certainly include looking at how firms are dealing with commercial customers and the steps they have taken to improve the degree of transparency in the process. Should you wish to discuss any aspect of this, please do not hesitate to contact Steve White, BIBA's head of compliance and training.



**An industry-led solution is not only desirable but achievable**

#### **FSCS and FOS funding must be fair**

We will be keeping a watchful eye on new funding proposals from the Financial Services Compensation Scheme (FSCS) and the Financial Ombudsman scheme. This is in light of the FSA's latest *Discussion Papers* which set out a number of options that could mean higher contributions from insurance intermediaries.

The broker marketplace has generated relatively few calls on the FSCS or complaints and is low risk compared to other sectors under FSA regulation. Brokers should not be subsidising other sectors which are more problematic. We will campaign hard against any increase that is disproportionate.

#### **Time to take control**

I've been speaking at a number of regional events recently across the UK and have enjoyed catching up with many members. But, whether in Scotland or the South West, one fact remains clear – the competition is not letting up.

While multi-distribution is here to stay, our discussions with members suggest a sense of feeling that they are no longer willing to be quite as tolerant of some practices. We must respond where there are challenges to customer access, inappropriate marketing, or different quotations within the same channel. It is important to keep BIBA aware of these issues – so let us know of any matter which concerns you.

Email Eric Galbraith at [galbraith@biba.org.uk](mailto:galbraith@biba.org.uk)

## A solution to contract certainty?

**The FSA spotlight is shining on provincial brokers to confirm their ability to comply with the industry's contract certainty guidelines.**

FSA chief executive John Tiner has warned that progress must not falter and that insurers need to work more closely with BIBA to find other ways of demonstrating contract certainty among regional brokers.

Concern may have arisen from omissions within the latest set of returns provided to the FSA by provincial brokers, rather than a genuine inability to comply with the guidelines. But, according to the Market Reform Programme Office in its recent *Progress Update*, data gathered from regional brokers suggests only 63 per cent of commercial

contracts are being issued to customers within the 30-day period. This is woefully short of the current 85 per cent target and the 90 per cent being met by insurers.

Most provincial brokers use software systems to administer their insurance business and therefore have at their disposal the potential for recording insurance transactions, tracking the time for contract documents to be received from insurers and the time taken to pass these to the customer.

Through specific reporting provided by these systems, it should be easy for brokers to provide evidence and report compliance or highlight instances where contracts may not have been issued within guidelines. Better still, electronic diary facilities provided by the system should enable brokers to take timely action to avoid contracts being issued outside them.

Software systems can help take the pain out of reconciling client money by making it easy for the broker to configure their system in line with their agency agreements and by providing reports to enable client money to be tracked and segregated. Software houses cannot guarantee a broker will meet the FSA's regulations. But, if used correctly, software will reduce the effort, and therefore cost, to the broker in providing evidence of compliance.

**Laurence Walker is managing director of SSP Holdings**



**Laurence Walker**

## Roshan's a knockout in young broker award

**Roshan Choolhun of Lloyd's wholesale broker Chesterfield Group has won the Sheikh Abdullah Young Broker of the Year Award.**

The 26-year-old, who specialises in accident, health and contingency business, wowed the judges with his commitment, academic achievement and business acumen.

Roshan formerly had a career as an amateur boxer but is now dedicated to broking, having risen to an assistant director's position with Chesterfield. He joined Chesterfield at the age of 21 and by 24, had gained the ACII and is now planning to embark on the FCII. He has helped his company's revenue increase substantially – the income from his team accounts for some 25 per cent of the total for the group, with a turnover in the region of £1 million.

"I like the fact this is an

entrepreneurial business and there is so much opportunity. Winning was fantastic and I treated myself to a digital radio with the prize money," Roshan said. He admitted his wife and mother had also done rather well from the winnings too.

Roshan won a £2,500 prize which was presented by Lord Mohamed Sheikh, who is chairman and chief executive of brokers Camberford Law. Lord Sheikh launched The Sheikh Abdullah Foundation which promotes the education, development and recognition of young people in the UK and worldwide.

Chesterfield operates in a number of niche markets, including high-risk occupations, terror cover and film insurance. It also provides cover for those working abroad, including troublespots such as Iraq and Sudan.

**Roshan Choolhun (far right) receives his award from Lord Mohamed Sheikh**



## We're Achieving Excellence in 2007

BIBA has announced its conference theme for 2007 is **Achieving Excellence** – the event itself will take place from 23 to 25 May at ExCeL London.

The title has been selected to reflect brokers' many achievements over recent months. This includes many cases of exceeding regulatory requirements, in recognition of the strong professional relationships we have with clients and in developing the highest levels of technical competence.

Eric Galbraith, BIBA's chief executive, said: "BIBA 2007 will address issues for all segments of the broking and intermediary channel – large, small, local, national and international, showcasing the UK and London."

Following the sell-out exhibition at the 2006 conference in Brighton, with 143 exhibitors and more than 2,000 attendees, ExCeL London offers even more floorspace on one level for delegates and exhibitors. Next year will be the first time the event has been held in London for more than 10 years.

 Further information on the conference will be posted on the BIBA website at [www.biba.org.uk](http://www.biba.org.uk)



## Health and safety for SMEs

**Brokers are being encouraged by BIBA to recommend Workplace Health Connect, a new Health & Safety Executive-funded initiative, to their small and medium-sized enterprise (SME) clients.**

Workplace Health Connect provides free health and safety advice in the workplace. It includes an advice line and site visits can also be arranged.

Peter Staddon, head of technical services, said: "It's often quoted that 28 million days are lost through work-related ill health. But, there are often easy steps that companies can take which will keep their workforce safer and healthier. The fact that this is a free service means that many small businesses can pick up useful information without any outlay."

He adds that Workplace Health Connect's website contains information on key areas such as implementing an absence management programme. "It explains, in practical terms, how to manage staff absence. Even common conditions such as stress, asthma and back pain should not be viewed as unavoidable. Having sound procedures in place can reduce both the incidence and severity of these and prevent accidents occurring. The end result is that the business should be more profitable."

Workplace Health Connect offers both a helpline and site visits from an impartial adviser can also be provided.


 More information can be found at [www.workplacehealthconnect.co.uk](http://www.workplacehealthconnect.co.uk)

IMAGE: ISTOCKPHOTO

## BIBA calls on DCA to redraft bill

**BIBA is urging the Department for Constitutional Affairs (DCA) to exempt brokers that offer claims management services from further regulation.**

It was announced in the recent Compensation Bill that claims management services will be subject to regulation. This role will be carried out by the DCA and Staffordshire Trading Standards – the latter will undertake the compliance work.

The current drafting of the proposed regulation could pose further onerous responsibilities on brokers. BIBA's head of compliance and training, Steve White, said: "As drafted, the regulations could catch brokers when passing uninsured injury cases on in the

absence of a 'before the event' legal expenses policy, such as where a motor policyholder is injured in a non-fault accident."

He said BIBA was a strong supporter of regulation for claims farmers, but that brokers carrying out this work were invariably doing it to assist their clients. "This will often include assistance in pursuing uninsured losses, both in respect of property damage and personal injury. The activity is usually incidental to insurance mediation."

Mr White says there needs to be an exemption for those firms that are already subject to FSA regulation. "We would like to see a redrafting. The intermediary sector only came under the

jurisdiction of the FSA in January 2005 and to impose a further regulatory burden now, less than two years later, would be wholly unjustified. We believe that anything less than a complete and unequivocal exemption for insurance brokers would run counter to the established key principles of better regulation – namely, proportionality and targeting."

The interests of both intermediary firms and customers are best served by allowing those firms that are authorised and regulated by the FSA to be exempt from the regulation of claims management services, where the activity is incidental to the insurance mediation activity.



MEMBERSHIP  
MATTERS

## Far from all quiet on the Western Front

**There has been a lot happening in the West of England region. We recently held our annual dinner in Bristol and a golf day in Taunton, with more than 50 brokers participating.**

Being a regional chairman is hard work but enjoyable and, with a second year to complete, I'm hoping still more can be achieved.



**Ian Dickinson**

Regional chairman BIBA West of England

There's plenty going on, but it's not all dinners and days out. Far more is about committees, attending meetings at BIBA House and let's not forget the day job – I'm also compliance manager and commercial account executive for the Brunsdon Group.

It helps having a supportive employer, although the experience I gain also benefits my company.

I probably spend around one day a week on BIBA work and a day a month in London at BIBA House. Thanks to technology, I work a lot from home – this is not a role for someone wanting a nine to five routine!

I'm not complaining though – I get an awful lot out of it and have an excellent committee. The arrival of regional executives has been enormously helpful and, in the West of England, Barry Blakley has been second to none.

I'm also a vice-president of the Chartered Insurance Institute in Bristol and sit on the education committee. I'd like to bring BIBA and the CII closer, as members of both share so much common ground. I'm sure there will be more events we can host jointly.

Communication about what we are doing matters. There are regular BIBA bulletins and information is available on the web, too. But this may at times only reach more senior people. We must make sure we let people 'down the chain' know too.

I'm a passionate believer in the value of BIBA's regions. We're in touch with members and can feed back directly what they think. This makes BIBA what it is.

I would invite anyone who wants to find out more to get involved. We're not an exclusive club – please join us.

## BIBA Anglia and CII host joint forum

**Newmarket's Millennium Grandstand was the impressive setting for the recent Joint Market Forum organised by BIBA Anglia and Cambridge CII.**

Hot topics on the agenda included: regulation and whether this has been good for clients, broker and insurer consolidation, commission disclosure, offshoring and if e-commerce presents threats or opportunities to brokers.

A top quality panel of speakers

discussed these issues, followed by a question and answer session.

The panel comprised BIBA's chief executive, Eric Galbraith; George Berrie, Norwich Union's director of trading; Norrie Erwin, the CII's business development director; AXA's distribution development director, Jillian Watt; Steve Wood, Ecclesiastical's general manager; and Paul Maidment, director with Allianz Cornhill. The early evening event was well supported with 100-plus attendees.

## All the fun of the fairway

**More than 40 golfers took part recently in this year's BIBA West Midlands Golf Day, held at the Bromsgrove Golf Centre.**

"It was superb weather and we were delighted to receive so much sponsorship. Brokers, insurers, premium finance companies and other sponsors were among those playing. This is the second year the event's been held and we're already looking forward to 2007," said Stephen Clowes, managing director of BIBA member Millennium Insurance. His

company was among the sponsors. Other sponsors included Groupama, Close Premium Finance and Kaupthing Singer & Friedlander Premium Finance.

The winner of the BIBA Trophy was Simon Anderton of Cheshire Data Systems who received the trophy from Richard Wynne-Jones, chairman of the West Midlands committee.



IMAGE: ISTOCKPHOTO

## Regional executives – contacts

### Yorkshire and Northern

Ian Raper  
01274 209748  
biba@rapporttechnical.co.uk

### Scotland

Clive Hurn  
07836 609960  
clivehurn@btinternet.com

### Anglia

Jo Morgan  
01638 565880  
jo@memltd.com

### Merseyside, West Cheshire, North Wales, Isle of Man and Greater Manchester

Bob Nicholls  
07831 423628  
nicholrobe@aol.com

### West of England

Barry Blakley  
07766 235037  
blakleyb@biba.org.uk

### West Midlands

Bob Darwin  
0121 3547760  
bobdarwin@blueyonder.co.uk

### South East and Central

Diane Smyllie  
01959 701793  
smyllied@biba.org.uk



IMAGE: ISTOCKPHOTO

## BIBA battles on to protect holidaymakers

Exclusion clauses leave tourists exposed to huge bills

**BIBA is continuing its campaign to ensure the public is protected against terror attacks when abroad.**

Despite BIBA first raising awareness of the issue back in 2004, many insurers still have a general exclusion against terrorism. This means anyone affected could be faced with potentially huge bills for medical costs and repatriation.

Graeme Trudgill, BIBA's technical services manager, was interviewed recently on BBC's *Real Story*, presented by Fiona Bruce. The television programme featured victims and relatives of those caught up in the Sharm el Sheikh

bombing. This criticised both the insurance industry for the exclusion and the Government for its refusal to pay compensation to those injured abroad.

"BIBA believes that medical expenses is the most important area of cover under the travel policy and consumers are being left exposed because of this exclusion," said Mr Trudgill.

He added he wanted insurers to take action. "When some insurers have been questioned, their argument is that prohibitive costs will be passed onto consumers. We do not believe this is the case."

He said BIBA's talks with travel underwriters showed that cover against terrorism could be included, at a cost of around one per cent to five per cent of the premium. "It's a minimal amount. What we are saying is that this is an unlikely event, but is absolutely crucial that the holidaymakers have this protection."

He said there was further cause for concern, because travel agents – which aren't regulated by the FSA – are unlikely to be telling their customers about the exclusion.

### PRESS BRIEFING

**John Tiner's threat to brokers that they are drinking in the last chance saloon if they try and resist full commission transparency has left some thinking the glass is half full.**

The optimists in the broking community believe mandatory disclosure will finally bring in the expected level playing field – much talked about although often derided – that will actually harden the market and bring much-needed profitability.

Brokers caught in the small and medium-sized enterprises renewal maelstrom bemoan the "softest market we have ever seen". Around five per cent top-line profitability in the second and third quarters of 2006 among the nationals and super-regionals has not pleased shareholders and venture capitalist parents alike.



Elliot Lane

Though the FSA is frustrated over the "gridlock" in producing an industry-led scheme to tackle transparency because of suspected "consumer detriment", the common theme among brokers is that all their clients are TCF-ed to the hilt and are happy with the relationship.

Smaller brokers, even the emerging "mini-supers" in the provinces, will benefit from disclosure because the nationals will inevitably have to pursue volume and naturally higher commissions to survive. It is already obvious on the borders of Wales, in the north-east of England and Scotland that the local brokers are eating into the nationals' clients base because the commission is lower – though only slightly – and the service is better.

Canary Wharf talks about principles-based regulation and brokers should think of disclosure as just that – a principle, and not the end of their business.

Sitting Canute-like waiting for the tide will just lead to many brokers being washed away. Embrace the core value of service and the commissions will come.

Elliot Lane is editor of *Insurance Times*



Do you agree with Elliot? Let us know – email [burtrandl@biba.org.uk](mailto:burtrandl@biba.org.uk)





**Burchell's Zebra** (*Equus burchelli*)

Family groups look out for one another. If one zebra becomes separated from the rest, the others search for it. If one of the family is injured the rest will often encircle it to protect it from further attack.

# Communities don't give you rights, they give you privileges.

In commerce as in nature, the privileges of membership of a community come with responsibilities. Understanding the needs of the community and matching your resources to meet those needs is essential.

At St. Paul Travelers we fully understand the business sectors and professional communities that we work within, providing products and services specific to their requirements.

St. Paul Travelers – your natural selection.



St. Paul Travelers Insurance Company Limited  
St. Paul Travelers Syndicate Management Limited  
St. Paul Travelers Professional Risks Limited

[www.stpaultravelers.co.uk](http://www.stpaultravelers.co.uk)

St. Paul Travelers Insurance Company Limited and St. Paul Travelers Syndicate Management Limited are authorised and regulated by the Financial Services Authority.  
St. Paul Travelers Professional Risks Limited is an appointed representative of St. Paul Travelers Insurance Company Limited.



**Jon Guy** looks at the London market's attitude to technology and finds that there is growing realisation that change is needed fast

# We're fixing IT

**The old saying "if it ain't broke, don't fix it" is an adage that, in the past, could easily have been applied to London Market brokers' attitude to technology.**

The market's hesitation to embrace technology with enthusiasm is understandable to a certain extent, considering the spectacular failure of more than one technological project – Kinect immediately springs to mind – in the past.

However, in recent years, there has been a quiet evolution in the market's approach to technology – with many brokers waking up to the fact that something is broken and it's within their powers to fix it.

The secret to success, claim a number of market commentators, is an informed and, more importantly, a uniformed approach. And the various market initiatives in place to facilitate the progression of the entire market, from the Market Reform Group to the G6, are ensuring that the technological ideals are becoming an everyday reality.

"We see it as imperative that if London is to remain a competitive and attractive place for customers to place business, then it has to focus on improving its approach to technology," says David Hough, executive director of the London Market Insurance Brokers' Committee (LMBC).

## Modernisation

The LMBC is one of a group of four market associations, including the Lloyd's Market Association (LMA), the International Underwriting Association (IUA) and

Lloyd's, which makes up the Market Reform Group (MRG) responsible for driving the overall modernisation of the market.

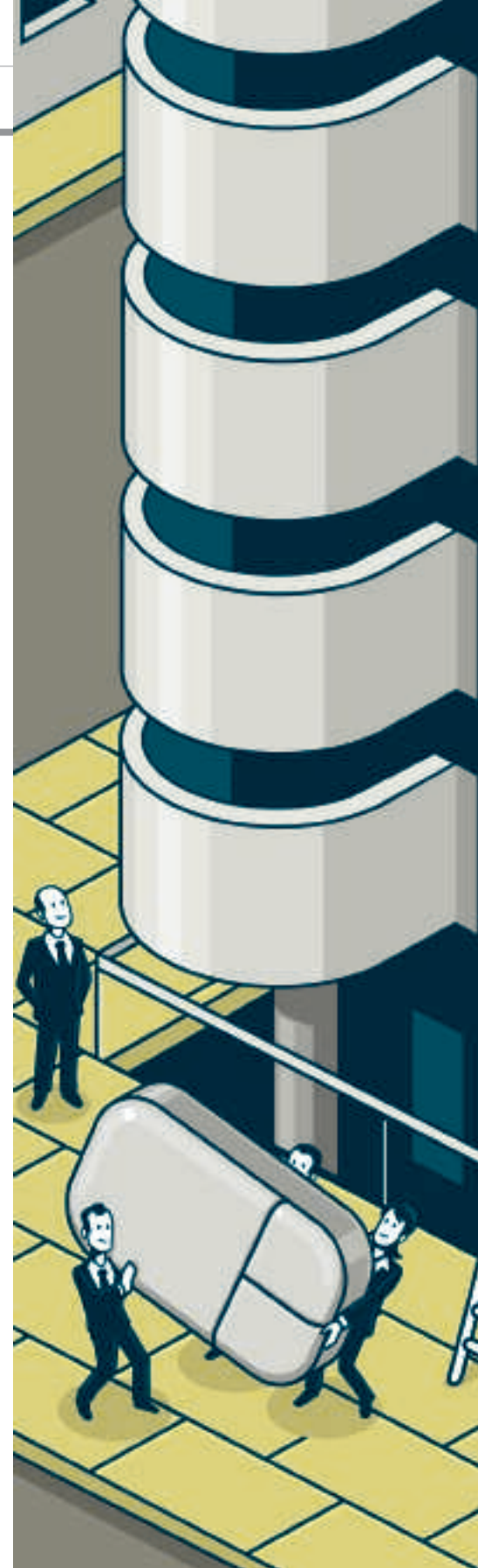
"At the MRG we are planning a three-year strategy to include an overall framework and timeline on the reform initiatives," says Mr Hough. He is under no illusions as to the potential issues associated with such a task: "Moving the market forward never happens as quickly as it should and it is certainly a challenge. It's just a question of encouraging those involved to move as fast as they can, so we don't have to wait for the speed of the slow."

## Electronic claims

Ian Summers, director of change strategy at Aon, says there are key advantages in upping the ante. "It will make the market more attractive to clients to support the unique market processes and make it more efficient," he says. "In a nutshell, it will help to remove the so-called 'Londonisms' that it is perceived to have at the moment."

Mr Summers says Aon aims to be at the forefront of the technological initiatives. "We're already using electronic claims around the world, with 100,000 claims already been processed to date and we will use the same technology to accommodate electronic claims filing in London."

He adds in terms of accounting and settlement Aon is already using technology for Europe and the US and we will be bringing this to London. "These initiatives illustrate that we're well on the way to



meeting the roadmap objectives – now we have to drive the implementation."

In March 2006, Benfield announced the completion of its first electronic transfers of reinsurance submissions using peer-to-peer standard messaging with some of the Group of Six (G6), the alliance of six Lloyd's insurers working together to agree this type of electronic processes by a group of major



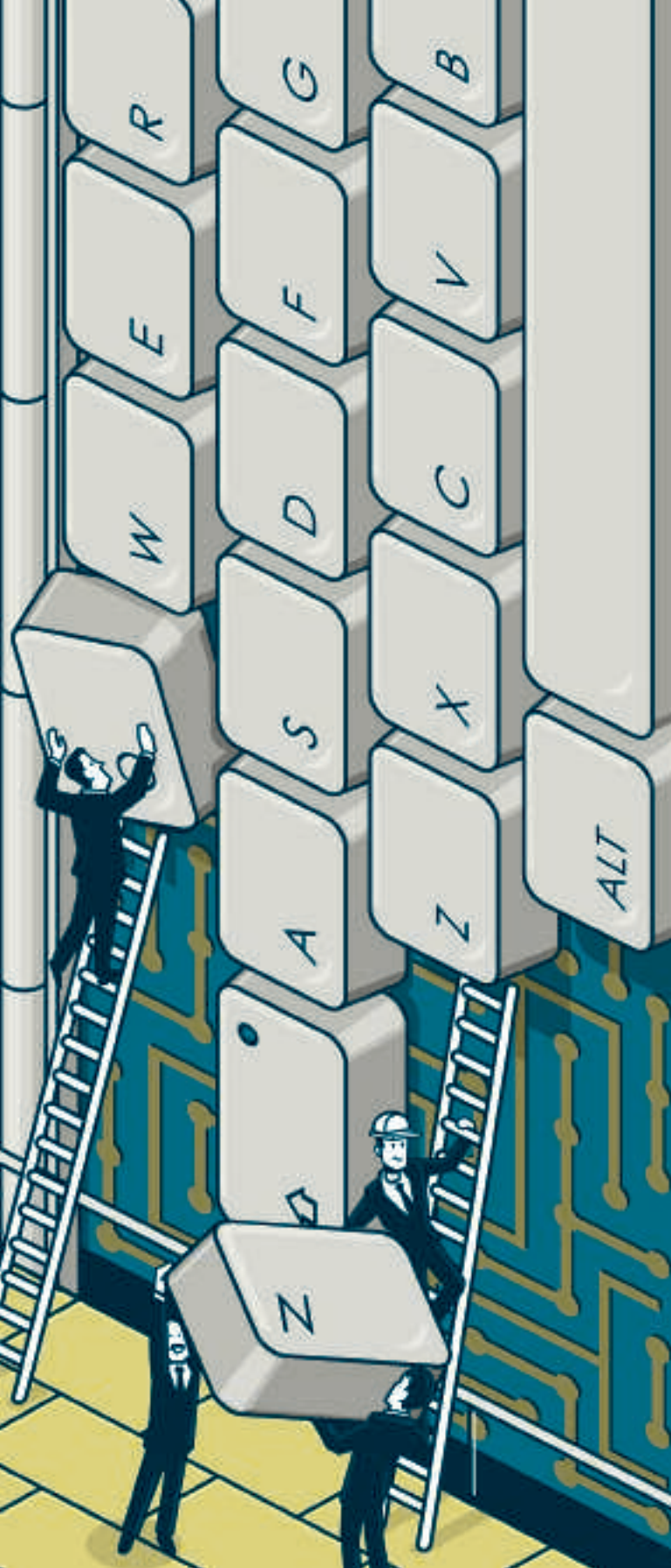


IMAGE: NATHAN DANIELS

brokers using the internationally-recognised ACORD data standards.

Benfield says the project is the latest initiative undertaken by the company to create electronic systems that promote streamlined processes and greater market efficiency. In 2004, Benfield announced its global capability to provide all technical documentation – claim advice, claim

settlement, premium credit closing and treaty balance – in a fully electronic format that eliminates paper trails.

“We want to move at the speed of the fastest person and it’s been very encouraging, I think, for those who do want to see change in the London market to have a group of people such as G6 coming together and really putting some

momentum and impetus into the process,” says Rupert Swallow, head of global operations at Benfield.

Another working example of progress came recently when Hiscox became the first insurer to successfully complete a transaction under the Electronic Claims Files (ECF) system, which is being made available to all Lloyd’s managing agents and brokers. Lloyd’s claims the move indicates “a significant step forward in reforming the market’s processes by enabling brokers and underwriters to process claims electronically”.

The ECF technology has been tested by 12 managing agents and five brokers over the past four months and has now been rolled-out to the whole of the Lloyd’s market.

Says Jeremy Pinchin, group claims director at Hiscox: “This move will certainly speed up the process of claims management and stop the archaic lugging around of files.”

The urban myth relating to brokers and



**When the technology is used correctly, it helps us free up time to deal with clients face-to-face**

the London market is that the so-called “archaic” processes involved in the market is an issue that brokers are reluctant to lose, specifically that it will replace the traditional face-to-face interaction currently favoured. On the contrary, the reality, say those in the know, is that technology will be the enabler which will free up more time to allow brokers to deal face-to-face in those cases that need it the most.

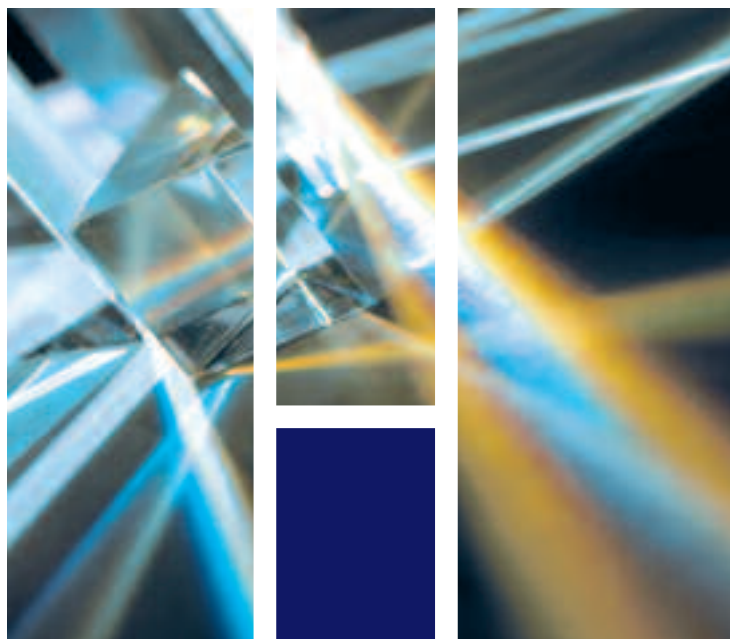
#### **Adding value**

“When the technology is used correctly, it actually helps us free up time to deal with clients face-to-face where this approach really adds value,” comments Mr Summers at Aon. “There’s this myth that technology will remove value, but this is definitely not the case.”

Other concerns include the fact that technology could reduce the number of companies operating in the market, but this does not appear to be a major concern for the majority of those in the market. Of more importance, it seems, is that London remains a leader in the global marketplace. “The fact is that if we make the market more efficient and strip it of certain costs through the use of technology, then it will remain a healthy environment,” comments Mr Hough.



## Independent captive management



Prism Insurance Management is the leading independent captive insurance manager in Guernsey. Our independence and freedom from ownership by any other insurance or broking organisation means that we are best placed to partner UK brokers in securing the advantages of captive insurance for their clients.

Our team of Guernsey and London based specialists provides many organisations with cost effective risk transfer solutions that offer significant advantages over traditional methods of insurance.

We create and manage a comprehensive range of captive insurance and alternative risk transfer vehicles, including Protected Cell Companies (PCCs) and Special Purpose Vehicles (SPVs), which deliver sustainable financial advantages for our varied clients.

Including captive insurance in the services you offer can help deliver added value to your clients and consolidate long term relationships, rather than just relying on the annual renewal process.

For information please contact **Charles Allen** or **Nick Heys**.

*Prism is part of the Heritage Group, a leading independent provider of insurance and specialist financial services, uniquely structured to provide effective solutions to clients' varying and complex needs.*

**Prism Insurance  
Management Limited**

Polygon Hall  
PO Box 225  
Le Marchant Street  
St Peter Port  
Guernsey  
GY1 4HY

Tel: +44 (0)1481 716000

Fax: +44 (0)1481 716553

[contactprism@heritage.co.gg](mailto:contactprism@heritage.co.gg)

[www.prism.co.gg](http://www.prism.co.gg)

*A Heritage Group Company.  
Licensed by the Guernsey Financial Services  
Commission.*



# Group therapy

Having responsibility for compliance can be tough, but forums being run across the regions are easing the burden, as **Rachel Gordon** reports

It's often said that the best ideas are simple. A classic example is BIBA's compliance forums, which bring together broking staff who have regulatory responsibility and allow them to share best practice.

BIBA chief executive, Eric Galbraith, says: "I think these are one of the most impressive initiatives the regions have instigated and the level of attendance and feedback we've received has shown that there is clear demand for them – therefore, we'll be holding them regularly throughout 2007."

The forums work because they are held locally and are open to broking staff at all levels. All you need is some involvement in ensuring your firm meets its compliance obligations.

Larger brokers may well have their own compliance manager, but very often, in smaller firms, someone will need to take on the responsibilities in addition to their regular job. There are also one-man-band firms where the principal wears many hats.

## Feedback

Ian Dickinson, the current chairman of the West of England region, is compliance manager for Brunson Group as well as its commercial account executive. "I'm really pleased with the way these forums are operating. It's so helpful to get together with others in the same situation and there's been a lot of useful feedback. We need to make sure that the topics where it could be relevant to put pressure on the FSA and other parties go back to BIBA House – and this is happening."

Steve White, BIBA's head of compliance and training, has attended many forums and comments: "The compliance officer's job can be a lonely one. They can be sat in a corner and left to get on with it. The job can be pressurised and they can also come up against some unpleasantness at work from colleagues – they become known as the 'business prevention officer'. But if we can



If we can get a group of people with similar issues around the table, then they can start sharing ideas

get a group of people with similar issues around the table, then they can start sharing ideas and come up with solutions. They can also stay in contact afterwards, via phone and email."

The credit for the idea of holding forums goes to Chris Clarke, development director with the Jelf Group and a former West of England regional chairman. In November 2005, in his BIBA role, he emailed the local membership to gauge interest for holding regular meetings to discuss compliance matters.

The words Mr Clarke used remain equally true today: "Compliance is a non-competitive area where we can truly learn from each other and we will all benefit if we raise the level of professionalism within our own industry."

There was strong support and the first forum took place in February 2006, with around 30 attendees.

## Ownership

By then, Ian Dickinson had picked up the chairman's reins and has worked hard to ensure the forums are held regularly. As with any meeting, there is plenty of organisation required and this is where the role of the regional executive can prove invaluable.

For example, Mr Dickinson is assisted by Barry Blakley, regional executive for the West of England. "I think these work

because there is a good sense of ownership and they are easy to get to. We hold forums during the day because they are work related and many brokers are already doing long enough hours. In Bristol, we've been fortunate as Marsh has good offices and allows us to use them. It's not just members who catch up, we also recently had Andrew Honey, head of insurance for the FSA's small firms division, as a guest speaker," explains Mr Blakley.

## Participation

Bob Nicholls, regional executive for Merseyside, West Cheshire, North Wales, Isle of Man and Greater Manchester, covers a big catchment area and is also organising a number of forums for early next year. "I think they work because there is plenty of participation. The forum elects a chairman and they create their own agenda. The group can talk about specific problems – perhaps relating to rules, but also wider issues. We recently discussed contract certainty and the problems brokers had in meeting this when insurers were late sending over documentation."

He adds that there have also been some positive noises about the forums from the FSA. "They must be pleased that compliance is being actively discussed, rather than people working in isolation. We're hoping to hold our forums quarterly."

## A BIBA compliance forum – what's it all about?

**By their nature, compliance forums are not prescriptive. The aim is for anyone with compliance responsibilities to feel they can attend and ask questions in a supportive environment.**

**An agenda is emailed to attendees and minutes are also provided afterwards, but everyone is welcome to have their say. Ian Dickinson has supplied the following points to show the overall forum flavour:**

- **talking it through**  
the FSA is a non-prescriptive regulator. This poses challenges for compliance officers as it can create uncertainty.
- **topics for discussion**  
among the areas covered are the FSA's rules and themes such as Treating Customers Fairly and the impact of regulation on an insurance broker's culture.
- **sharing experiences**  
firms who have already been through arrow visits or had other contact with the the FSA can share the experience.
- **using outside experts**  
forums often bring in guest speakers and discuss training initiatives.
- **voicing opinions**  
following a forum, key issues may be raised which can then be fed back to BIBA's head office – and, if necessary, used in lobbying and wider awareness raising.



IMAGES: ISTOCKPHOTO

To find out more about compliance forums happening in your area, contact your local regional executive and also check out the BIBA Regional Committees section of the website.



# PLANTEC HOLDINGS LTD

## END TO END MOTOR CLAIMS SOLUTIONS

As one of the fastest growing Motor Claims Services Group in the UK, Plantec Holdings Ltd know the best way to handle your claims, whilst putting into practise the core ethic of the group; the importance of high quality service provision.

- Car, van, motorcycle and specialist claims management
- True in house end-to-end service process
- High quality bespoke claims service

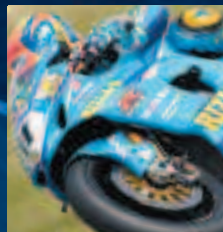
To find out how Plantec can make the difference to your company, call our Business Development Manager on

**0870 285 5005 or 0870 236 8888**

Or register your interest to [nigel@plantecholdings.co.uk](mailto:nigel@plantecholdings.co.uk)

# 24/7 365...

## MOTOR CLAIMS



**RIZLA + SUZUKI**



**FROM CHAIRS  
TO FISH,  
WE'LL SEE A WAY  
TO INSURE THEM.**



Whether it's a furniture factory or a fish farm – or just about anything in between – QBE can provide the cover. That's because our innovative approach and healthy appetite for risk enable us to find solutions to problems in all kinds of areas. Even the ones that leave other insurers high and dry. No wonder we're one of the UK's leading insurers. Share the success, visit [www.QBE.com/uk](http://www.QBE.com/uk) or email [differently@qbe-europe.com](mailto:differently@qbe-europe.com)



IT'S OUR POLICY TO SEE THINGS DIFFERENTLY



Attracting and retaining staff is far from easy in today's tough jobs market. **Katy Dowell** picks up some pointers to succeed

**The launch of the Chartered Insurance Institute's talent initiative at the recent UK Insurance and Financial Services Conference has once again thrown into the limelight the industry's problems with recruiting fresh talent.**

Speaking at the conference, however, AXA chief executive Peter Hubbard blew open the debate by suggesting that retaining talent is just as important as recruitment. He believes brokers need to ensure their staff enjoy a vibrant work culture, because a content workforce will inevitably mean happier customers.

In an industry where recruitment is tough, the reasons for maintaining a strong company culture are clear.

Amanda Blanc, chief executive of Towergate Risk Solutions, says retaining staff brings financial benefits: "Staff retention is crucial to Towergate. The direct financial costs of replacing staff are high."

### **Career development**

This is particularly true when there is, as Jelf's group commercial director, Phil Barton, says, "a war for talent". From call centre operatives to middle management, those entering a career in insurance can command higher wages – and recruitment costs are increasing.

Furthermore, as customer service becomes increasingly important in a competitive marketplace, it is crucial that brokers build and foster relationships with their clients.

Mr Barton says: "Retaining quality employees is integral to fostering robust relationships. Ours is a people business, so investing in developing a team of unrivalled professionals is essential to our continued success."

Mark Wood, managing director of the Broker Network, agrees: "Retention is always key, not only from the simple economic perspective, but also in terms of continuous improvement in our customer service delivery to members of the Broker Network, clients and insurers."

For young people coming into the market, career development is now more important than the calibre of the employer. Young professionals are clear about what they want from their daily grind. Meanwhile, those who have worked in the industry for some time feel a need to belong in the workplace. Creating good relationships within the working environment will have its benefits.

Ms Blanc says Towergate recognises that different employees have individual



**Ours is a people business, so investing in developing a team of unrivalled professionals is essential to our success**

ideas of what their employers should be offering. She adds that the largest consolidating broker has a variety of initiatives aimed at creating a staff culture. "These range from internal career opportunities to supporting work/life balance with all our fun activities," comments Ms Blanc.

The work/life balance is addressed through rewarding families of employees: "We believe in rewarding not only staff but families too," she says. "In addition to excellent employee benefit packages, we hold annual family fun days. These are where staff and their families can enjoy a day out at Thorpe Park or Alton Towers."

There is also emphasis on strong internal communication. Online staff forums,

graduate training programmes, summer and Christmas parties all help to keep up staff morale. At Towergate, staff briefings are held regularly, and there is an online intranet which allows staff to share a skills base. "Our knowledge network is particularly successful at promoting a culture of knowledge sharing," says Ms Blanc. "This online facility enables staff to tap into the extensive network of experts located across our UK offices."

### **Support**

When Jelf bought Reading-based Goss Group in March, aligning the two company cultures was essential to ensure the acquisition was successful. The broker used a charity social event to mark the acquisition and consolidate relationships between the two brokers' staff base. The New Dawn Ridgeway Walk was aptly named to celebrate the next phase in Jelf's growth, while raising money for the National Deaf Children's Society.

Alex Alway, Jelf's group chief executive, explains: "We were at a very important juncture and our success has been largely due to the support and cooperation of our employees. This event was not just a scenic walk through the idyllic countryside – it

denoted the formation of a stronger, more formidable presence within the market. Only by working together as one team can we continue to thrive."

The consolidating broker, says Mr Barton, faces dangers when trying to integrate in a new business. There is a risk that company cultures can become diluted. "We manage this through careful selection of companies that hold similar values – such as client focus," he adds. "As we grow, we strive to retain our core ethos by continually reinforcing our brand and values through proactive external and, equally important, internal communication."

The Broker Network also believes that internal communication can underpin a

# Why company



company culture. Mr Wood says: "We have introduced a process which allows for effective two-way communication between the board and the staff. This aligns with our aspirations to be an inclusive culture with the requirement to have a focused vision and implementation of our strategy."

Yet these growing brokers know that staff social events alone will not create a buoyant company culture. Career progression and financial rewards are just as important.

As an AIM-listed broker, Jelf offers long-term employees share options, giving them direct ownership of the company they work for. Towergate also gives its staff the opportunity to take a stake in the company. "A percentage of the company is held in our employees' benefit trust, which shares Towergate's success with staff," says Ms Blanc. For the Broker Network, strong remuneration and benefits packages are also essential.

All three of these businesses also have in place a career progression plan.

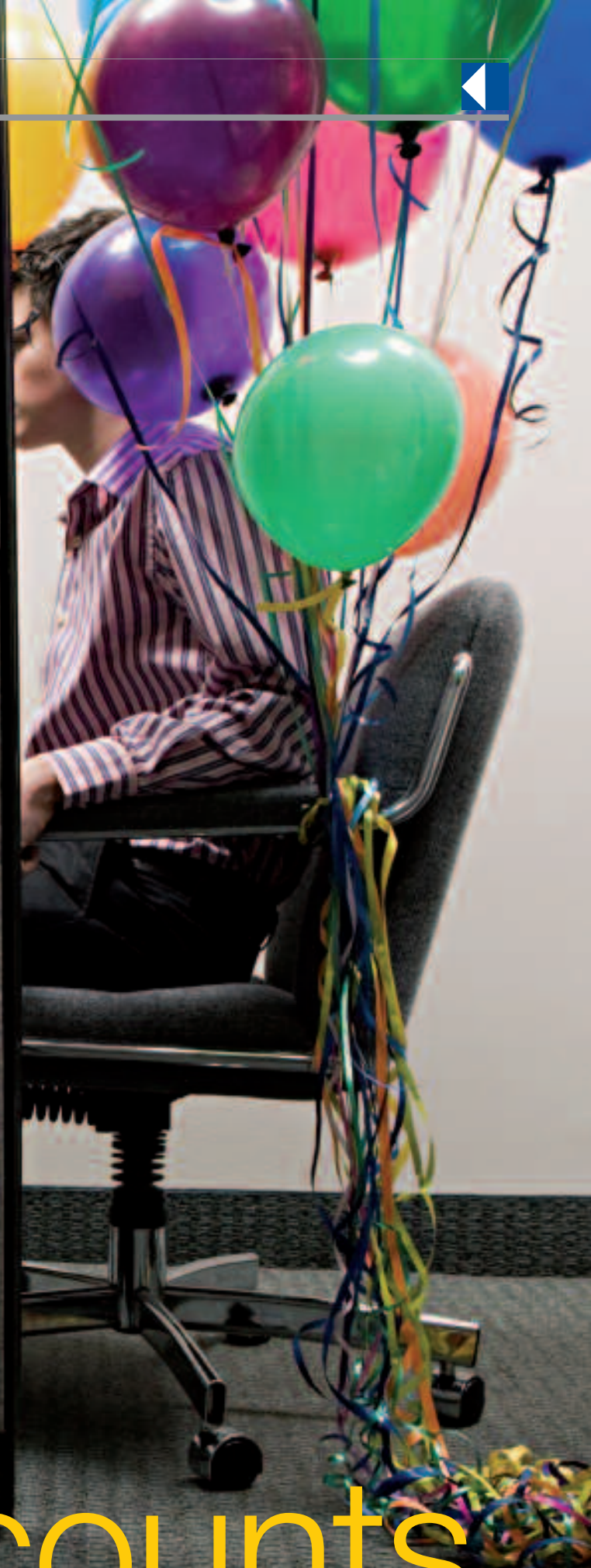
#### Progression

Grant Ellis, chief executive of the Broker Network, grew tired of waiting to feel the benefits of the CII's talent initiative and so recently launched his own graduate training scheme. This offers undergraduates taking a year out of their course a work placement with a retainer fee for retuning to the company once they have finished their course. The Towergate Academy, meanwhile, offers staff the opportunity to progress through the company ranks by taking up further training.

Staff retention has never been so important to a broker's financial success. Creating a company culture will ensure a staff loyalty where clients will feel the strongest benefits. Simple measures such as "dress down days" and charity events can help boost staff morale. Yet career progression and financial rewards are just as important.

As Ms Blanc says: "The greatest challenge is for brokers to have a long-term outlook in a fast-paced competitive environment. Culture can't be changed overnight."

IMAGE: PHOTOLIBRARY.COM



# culture counts



The liability crisis may have passed, but **Marcus Alcock** warns external forces could push rates up again, particularly for those in higher risk trades

**In the current soft market for UK liability risks, it seems almost incredible to think that any sort of trade would have difficulty finding cover. Capacity is so plentiful and premiums at such attractive levels that even riskier trades are not finding the purchase of insurance cover for employers or public liability too problematic.**

Yet this was not always the case. Only three years ago, with the market facing a “perfect storm” in the aftermath of the terror attacks of 9/11, with reserves under pressure and investment income insufficient, the UK was in the midst of what the media was quick to label “a liability crisis”.

For many trades, the dramatic escalation in premiums they faced in 2002 and 2003 came as a real shock.

### Market forces

In the wake of this problem, the UK’s Office of Fair Trading and the Department of Work & Pensions launched an inquiry, and heads were banged together among business, Government, underwriters and brokers to try and come up with a solution to the situation.

Yet despite the hours of negotiation, time and effort put into understanding the issues at stake, in the end no ‘on-high’ Government intervention was forthcoming and market forces were left to work themselves out.

Everything is seemingly rosy at the moment, but are we heading for yet



Affordable cover is of particular concern to those businesses that are designated high-risk

another repetition of the crisis when the market hardens next time around?

Affordable cover is of particular concern to those businesses that are designated high-risk. These are trades such as roofing contractors, scaffolders, waste disposal contractors and any business

involving the use of heat or work at height.

These are the sorts of businesses who, because of the environment in which they work, present the greatest risk to underwriters.

In 2005, the ABI estimated the average price rise for employers’ liability insurance



# No room for com



in the UK in 2004 was only seven per cent, compared with rises in the 30 to 40 per cent range in 2003. So far in 2006, the indications are that the soft market has continued apace.

Peter Franklin, national technical director at broker Jardine Lloyd Thompson and chairman of BIBA's Liability Committee, comments: "If you say the market is a lot easier at the moment and we haven't got problems with specialist

schemes available, that's true to an extent. But I wouldn't say that cover is cheap, although it is available."

This viewpoint is echoed by Ian Richens, chief executive of broker FM Green, which arranges a specialist scheme for roofing contractors. "The situation at the moment is that there is oodles of capacity in the market and everyone is making money while the industry is in this euphoric mood. But

# placency...



## Mystery shopper

### BACKGROUND

**Business:** Best Roofing Limited, a roofing contractor that is yet to start trading but wants to get up and running as soon as possible.

**Annual gross turnover:** Estimated at £70,000 for the first year.

**Staff:** One director and two employees.

**Location:** Shoreditch, London.

#### Detail for insurance purposes:

Best Roofing undertake both 'hot' and 'cold' roofing, with approximately 40 to 50 per cent of the business hot roofing, involving blowtorch and bitumen work. No asbestos work is involved and no premises over four stories high.

**Insurance required:** Employers' and Public Liability.

### EVALUATION

#### AXA Direct:

**Service:** 2/10 **Quote:** n/a **Overall:** 0/10

**Comments:** AXA Direct does not offer cover to roofing contractors. It didn't help that I had to wait 10 minutes in a phone queue to be informed of this.

#### Aon:

**Service:** 8/10 **Quote:** Minimum of £10,000 + tax for EL and PL.

**Overall:** 6/10

**Comments:** The most knowledgeable of all the people I spoke to. Asked detailed questions about the type of work the business would be undertaking and showed a thorough sector understanding. Not the cheapest.

#### Creamer Group, Warrington:

**Service:** 8/10 **Quote:** £11,390 through Towergate and £3,500 + tax with Quinn (EL policy). **Overall:** 6/10

**Comments:** Was the fastest and most efficient of all the people I spoke to, coming back to me quickly with one quote, then 10 minutes later with another.

#### Richard Weston Insurance, London

**Service:** 5/10 **Quote:** 7/10 **Overall:** 6/10

**Comments:** Very good at discussing details of what insurance I needed but, unfortunately took longer than expected to get back to me. Also said I needed to e-mail my details over in order to get a formal quote, though eventually was informed that the policy would cost £1,850 per person because we were using heat – still a good price.





IMAGES: TOM FROST

I feel cover will be available, just at a higher price.”

Despite such sentiments, he feels that we shouldn't panic. “You'd need some sort of catastrophe event like 9/11 to trigger that off again, because that almost wiped out reinsurance capacity overnight. But you will see price increases, though these will be more gradual – whereas last time we had 500 per cent increases for some trades.”

According to Alan Leaman, director of communications at the Association of British Insurers, what happened last time was a market-wide transition.

## Pressures

“I think our perception was that the liability crisis was a serious market adjustment – not just a cyclical event – and now the market has settled at a more sustainable level, so we're hopeful that such violent changes will not be seen again,” he comments.

“Additionally, insurers are now more sensitive to health and safety issues which will help with negotiations.”

But no-one should be lulled into a false sense of security. For even the ABI suggests that there could be macroeconomic factors at work that could still spell trouble for high-risk



...high-risk trades can expect to be first in the firing line once more

some businesses, especially direct writers, have pushed prices down and we have seen premiums drop to pre-9/11 days, but there has been nothing put in the kitty for increased claims costs since 2001.”

He adds: “There is masses of capacity and people can't fill their quotas. But when the market gets tougher, which I feel will happen from 2008 onwards, a lot of capacity will pull out of the market and rates will toughen again. We'll be back to our good old situation of having no capacity. As an industry, we really do shoot ourselves in the foot.”

So what can we expect to happen as the market hardens with respect to high-risk trades?

Mr Franklin muses: “I wouldn't say that the work done last time has produced any startling results, though there is more work done now on risk management. And some trade associations have done good work here and have good deals in place. But one of the plus points is that the market has to

respond to the contract certainty issues put forward by the Financial Services Authority. And this has taken away some of the mad last-minute rush that we've seen previously.”

The reality, it seems, is that although negotiations about renewals will be less fractious than hitherto, nonetheless high-risk trades can expect to be first in the firing line once more.

## Price increases

“The trough is deeper than it has ever been and it's quite something that rates have fallen off as much as they have,” comments Mr Richens.

“But what happens when the market hardens is that insurers look at the least desirable part of the portfolio, which is employers' liability and public liability for high risk trades. So if the current market conditions change, then high-risk liabilities will be the first risks that underwriters will look to avoid, so I wouldn't say in that regard that the problem has gone away. Having said that,

liability. As Mr Leaman says: “There are still enormous cost issues for insurers and Government pressures such as the extra NHS charges.”

Such charges are not insignificant for underwriters. This autumn, the NHS will be able to recover the cost of treating victims of workplace accidents from insurers, potentially adding £150 million to the cost of claims, according to official estimates.

The change was to have come into effect in April 2005, but was delayed. And the pressures on the industry do not end there. The Government has also previously proposed that employers should compensate workers who are victims of crime during working hours, and has suggested that employers' liability insurance should be used to pay for this compensation.

Unfortunately, it could well be the high-risk trades who will be the first to feel the cost increase that underwriters are likely to impose as a result of such pressures.



# MUCH MORE THAN JUST BOILERS...



- **Inspections**
  - **Health & Safety Consultancy**
  - **Construction Risks**
  - **Machinery Breakdown & Profits**
- and much more...***

Contact your local HSB office or email: [info@hsbeil.com](mailto:info@hsbeil.com)

alternatively visit [www.hsbeil.com](http://www.hsbeil.com)

Don't leave it to chance  
make sure you're protected with...



ENGINEERING INSURANCE LIMITED

Registered office: HSB Engineering Insurance Ltd,  
Aldgate House, 33 Aldgate High Street, London EC3N 1EN

HSB Engineering Insurance Ltd is authorised and Regulated by  
the Financial Services Authority (No.202738)

Inspections and Consultancy Services are provided by  
HSB Houghton Engineering Insurance Services Ltd.



Online trading, employee appraisals, how to deal with office bullies and private medical insurance are this issue's topics

## Time to smarten up online trading

**A new year is a good time for brokers to take a look at their operations and see if they can be improved. In terms of e-business, it could be that many brokers are not making the most of online opportunities.**

But one BIBA member has certainly got its act together. Manchester-based Caunce O'Hara has just launched a new website, which allows online purchase of PI, business combined, accident and health, travel, legal expenses and health and safety policies all of which are aimed at freelance professionals. The quote engine allows users to calculate annual premiums and if satisfied, they can go ahead and buy cover. Once the payment is processed, an email is sent to the customer within seconds. They can then go to a secure area where certificates and policy wordings can be printed.

Caunce O'Hara has been targeting this sector for 10 years and broking director John Batty commented: "One of our target markets is IT consultants so we knew we needed to have a sharp



IMAGE: ISTOCKPHOTO

website. What's more, self-employed professionals are often busy people who may want to purchase cover outside office hours."

Mr Batty makes sure the site is regularly updated and apart from product information, it also contains a lively news section. He adds that choosing the right service providers is also crucial.

Caunce O'Hara used designers Harper James which provided the site's clean image and Blue Egg Ecommerce for search engine optimisation. Mark Holdsworth,

Blue Egg Ecommerce's managing director said: "If you want to appear highly on search engines, your site has to be live. There is no point spending a lot on launching one and then just leaving it, you won't get the return on investment. If a broker is after a particular niche they need to let people know about it who are searching on the web. You also need to make sure you have the right key words in the text."

He says it is essential to regularly update the site by means of news and other material.

### Does your website need a revamp?

**It could well be time to take a long hard look at your website and assess its performance. Key areas to look at include:**

- **the overall look – does it flow? Is the design and colour appropriate? It is immediately obvious what your messages are? Is there too much text and are images confusing?**
- **graphics – are these working? Is your brand clearly evident and does your logo stand out? Any photography should be crisp and clear.**
- **navigation – is it easy? If customers can buy online, this should be secure, fast and as simple as possible. If your site is large, you should have a search facility. Is contact information obvious?**
- **easy to find – many people use search engines. There are specialist companies who can make sure your company receives plenty of relevant traffic.**

## Appraise you

**Regularly appraising employees and doing this well makes a lot of sense given the market is now regulated, advises Elizabeth Mills, a director with Broker Network.**

She explains that Financial Services Authority training and competence rules make it appropriate for brokers to set

time aside to review staff performance. But, these need to work on both sides. Here are her top tips on appraisals:

- make sure the right person conducts the appraisal – often this should be the line manager
- a pre-appraisal questionnaire is a useful tool for the employee to complete to make sure relevant aspects are covered before the main meeting
- this should include how they rate themselves against the core competencies of the role, a review of their job likes and dislikes, a review of objectives and training and development they have taken and what they feel is needed
- provide a written outcome of the appraisal
- use open questioning

techniques to encourage honest discussion

- act following an appraisal – if there are areas of weakness, implement training or support if relevant
- it may well be worthwhile to conducting appraisals more than annually, particularly if your business is fast moving and you are empowering your employees.



# How to tackle office bullies effectively

**It is a sensitive topic, but brokers, like other businesses, may have a problem with bullying in the workplace.**

Research from the Chartered Management Institute indicates that bullies use a range of tactics to intimidate colleagues. This includes overbearing supervision and undermining by overloading and criticism. They may block promotion and/or training and make threats about job security. Bullies may also spread malicious rumours.

The research found almost two-thirds of respondents found workplace bullying was becoming increasing common – a third said the situation was worsened because their company was ineffective at dealing with it.

The Chartered Management Institute points out that

organisational change is often a key factor leading to bullying behaviour.

Jo Causon, director of marketing, said: "No single off-the-shelf policy will suit every organisation, but the organisational culture and management style should make it clear that bullying is unacceptable. Shying away from the issue is no excuse."

The Institute's research shows that where organisations have a formal policy, 70 per cent of managers believe they are effective at deterring bullying.



**A free guide is available at [www.managers.org.uk/bullying](http://www.managers.org.uk/bullying). More information can also be found at specialist charity Andrea Adams Trust – [www.andreaadamstrust.org.uk](http://www.andreaadamstrust.org.uk)**

## PMILATEST

**For more than 20 years, most private medical insurance (PMI) has been sold direct by the insurers via their sales forces. But, over the last five years, maintaining a sales force has become increasingly more expensive for them.**

The final death knell of large PMI sales teams was sounded on 14 January 2005 with Financial Services Authority regulation. Additional compliance costs meant the run-down of sales forces accelerated rapidly. Today, PMI providers with their own sales team are a rarity. To my knowledge, the only remaining substantial one left is Secure Health and, with their recent acquisition by AXA, this must now be in doubt.

Over the last 18 months, insurers have been trying hard to get back to doing business with brokers. The problem they faced was the large number of brokers spread the length and breadth of the UK each only submitting a low volume of PMI – not very cost-effective. Plus, of

course, with your own sales force you hope the client will not seek alternatives, whereas brokers, if they are doing their job properly, will do exactly that.

Insurers are now seeking out alliances with a very limited number of specialist PMI brokers. They offer them competitive premiums, enhanced commission rates and exclusive menu-based



**Michael Webber**

products. In this way, they can deal with the whole broker market. Brokers whose business is primarily not PMI can now often obtain cheaper premiums, better products and a higher level of commission by working through one of these alliances than going direct to the provider.

There are a number of advantages to this way of working. From an insurer's point of view, it can now concentrate its resources in just a few places. From a broker's perspective, it can now deal with somebody who specialises in PMI and can advise their clients knowledgeably, and at the same time, obtain lower premiums and a higher level of commission.

**Michael Webber is managing director of specialist intermediary, The Health Insurance Shop**

IMAGE: ISTOCKPHOTO



**FROM CHAIRS  
TO FISH,  
WE'LL SEE A WAY  
TO INSURE THEM.**

Whether it's a furniture factory or a fish farm – or just about anything in between – QBE can provide the cover. No wonder we're one of the UK's leading insurers. Share the success, visit [www.QBE.com/uk](http://www.QBE.com/uk) or email [differently@qbe-europe.com](mailto:differently@qbe-europe.com)



**QBE**

IT'S OUR POLICY TO SEE THINGS DIFFERENTLY



the **broker** winter 2006 **23**





THE HEALTH  
INSURANCE SHOP



# Private Medical Insurance

*service for you or your clients*

**Expert advice • Choice of 99% of UK providers • Exclusive plans**  
**Competitive Premiums and High levels of indemnity commission**  
*(often better than going direct to the insurer).*

**Tel: 01747-835440 Fax: 01747-835450**

**Email: [info@healthinsuranceshop.co.uk](mailto:info@healthinsuranceshop.co.uk)**

**Post: THE HEALTH INSURANCE SHOP, FREEPOST, NATW120, WARMINSTER BA12 6BR**

**[www.healthinsuranceshop.co.uk](http://www.healthinsuranceshop.co.uk)**

Head Office: 39 Brickfields Business Park Gillingham Dorset SP8 4PX

**AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY**



## Accredited Professional Indemnity Insurance Broker to BIBA



FirstCity is pleased to offer BIBA members an exclusive Professional Indemnity scheme which offers highly competitive policy cover and benefits.

### Policy cover

- FSA compliant wording
- Damages awarded by Ombudsman
- Excess not applicable to defence cost
- Fidelity cover

### Service

- Independent risk management
- Free claims helpline
- Free compliance helpline
- Competitive premium finance rates

For more information about professional indemnity insurance please contact:  
Richard Bowdidge on +44 (0)20 7410 4894  
[richard.bowdidge@firstcity.com](mailto:richard.bowdidge@firstcity.com)  
or visit our website at [www.firstcity.com](http://www.firstcity.com)

**FirstCity**



# Master class in compliance

## Regulatory courses: what's on offer

### Client money

- acting as agent – agreements with insurers and clients
- statutory and non-statutory trust deeds/bank status letters
- firm's selection of a bank
- segregation using designated investments (NST only)
- capital resource requirement
- audit requirements
- special conditions for operating a NST
- treatment of interest earned
- client money transactions
- treatment of commission
- the Client Money Calculation
- disclosures to the Financial Services Authority
- reconciliation of bank and firm's records
- appointed representatives
- foreign exchange risk
- credit write-backs

### ICOB

- key definitions of retail and commercial
- differences when selling to these types of customer
- statement of demands and needs
- mid-term changes
- renewals
- claims

BIBA is running classes to assist brokers with regulation across the UK. **Steve White** reports on the options available

**Brokers often learn from experience. Over the years they pick up on the ins and outs of different policies and various insurers, and perfect the art of managing both employees and their customers. But compliance is a different matter. If a broker makes a mistake in this area, they risk being fined, losing their reputation and at worst, could go out of business. There is, simply, no margin for error. This is why attending specialist training really makes a difference.**

BIBA offers a full range of compliance courses, held across the UK. We use highly experienced tutors to lead these, including Branko Bjelobaba, who heads his own consultancy, Branko, and Ian Ritchie, a consultant with RWA Compliance Services.

As Mr Bjelobaba explains: "Mastering compliance does not happen by osmosis. And, brokers who try and wade through the Financial Services Authority's Handbook will find this almost impossible. Since many brokers do not have someone purely dedicated to compliance, they have a lot to deal with, which is why attending a one-day course is the best way of understanding the basics and being able to

clear up any misunderstandings they might have."

Noel Humphries, who runs a brokerage in Craigavon, County Armagh in Northern Ireland, attended recently. He comments: "We're a small business and I share the role of compliance officer with my office manager. The course brought clarity and Branko certainly knows his stuff."

Compliance courses for 2007 are currently being arranged and will be listed on the training section of the BIBA website. We expect to hold them in: Belfast, Birmingham, Bristol, Edinburgh, Glasgow, Ipswich, Leeds, Leicester, Liverpool, Manchester, Norwich, Perth and Cardiff.

Each course covers a dedicated topic and these include the Insurance Conduct of Business (ICOB) rules and client money. The cost to attend a course is £150 for a BIBA member and £230 for non-members.

Mr Bjelobaba adds: "These courses represent excellent value for money and using the services of a consultant directly is far more expensive. I would urge brokers who are holding out on cost grounds to think how much it would cost them if there was a problem."

**Steve White is BIBA's head of compliance and training**

FROM JET ENGINES  
TO STAIRWELLS,  
WE'LL SEE A WAY  
TO INSURE THEM.

Whether it's aviation treaty or property – or just about anything in between – we can provide the cover. No wonder we're one of the UK's leading insurers. Share the success, visit [www.QBE.com/uk](http://www.QBE.com/uk) or email [differently@qbe-europe.com](mailto:differently@qbe-europe.com)



IT'S OUR POLICY TO SEE THINGS DIFFERENTLY



# More profit. For a change.

Make a change for the better.

A change to Premium Credit is simplicity in itself and you'll find it just about the most rewarding too, in many ways.

Our offer is simple, clear and straightforward - better new business rates, increased finance commission, better renewal rates and better service.

No strings, no small print and no catches - we guarantee it.

Premium Credit *is* Premium Finance.

That's simply because we do it better than anyone else.

Get more - call 01372 746913 or email [marketing@pcl.co.uk](mailto:marketing@pcl.co.uk)  
[www.premiumcredit.co.uk](http://www.premiumcredit.co.uk)



Premium Credit *is* Premium Finance



BIBA's travel insurance scheme offers among the widest cover available in the market.

Shouldn't you be making your customers know about it? asks

**Graeme Trudgill**

**A new year is approaching and so are three new BIBA scheme launches.**

Full details will be provided in the next issue of *the broker*, but to whet your appetite, they'll cover 24-hour licensed premises and nightclubs, static and touring caravans, and a scheme for a fast and expert response at the scene of any commercial claim.

The focus in this issue, however, is our travel scheme, which was launched six months ago and has already proved a massive success.

The BIBA Holiday Travel Insurance scheme is underwritten by Arch Europe, which may be a new name to some, but has excellent security of A- with Standard & Poor's and A- (Excellent) with AM Best.

**Flexible**

We chose to work with Arch as they were one of the few insurers to agree to our strict requirements of covering the more difficult but important areas that are valuable to brokers' clients. This includes: cover for medical expenses, repatriation, personal accident and baggage claims in the event of a terrorist attack. This is in addition to one excess per person per claim, higher than average limits of cover, the ability to insure older people and those with pre-existing conditions. We were delighted recently when Arch demonstrated its flexible approach by providing cover for a 90-year old who was

# Travelling right



It remains a concern that many people still buy their travel insurance from a travel agent when booking a holiday



flying to Ireland to celebrate her birthday.

If required, the cover can be sold via a fully interactive internet-based system, which allows policies to be quoted, sold and issued online, in addition to the traditional Pad system.

Arch will visit brokers that wish to provide the scheme and set up their internet system – irrespective of a broker's size or location. The insurer has also created a travel insurance advertisement template which enables brokers to customise it with their own logo and contact details. The advertisement is in Word format and is ideal for placing in local newspapers.

## Travel agents

It remains a concern that many people still buy their travel insurance from a travel agent when booking a holiday, despite a recent *Which?* report that this could lead to consumer detriment because of either a lack of, or bad, advice. Additionally, travel agents are not regulated by the FSA.

The *Which?* investigation found the cover was also often overpriced and its researchers found that nearly two-thirds of travel agents failed to ask about medical histories, even though undisclosed pre-existing conditions could invalidate a policy.

BIBA recently met with Ed Balls, the economic secretary to the Treasury, which has announced it will carry out a review into sales of travel insurance, and BIBA is assisting with this.

We are also collating a questionnaire that will demonstrate that consumer detriment exists when consumers buy from a travel agent or tour operator. We expect that this will illustrate the benefits of buying cover through a broker – and this will be a useful message to pass onto your clients.

## Quality cover

It could be argued that travel insurance is small-ticket business, but clearly there is a need for people to benefit from quality cover and advice.

We have found a big increase in the number of annual policies sold in the past two years or so and these obviously bring in more sizeable premiums – in fact, these now outsell single-trip policies.

The BIBA Holiday Travel Insurance scheme is a market-leading product and has been independently rated as providing five-star cover by Defaqto, which also stated it was excellent for winter sports.

The BIBA Holiday Travel Insurance scheme is available to all members with no minimum level of support.

**To find out more, contact**  
Dipesh Patel at Arch Europe on  
020 7562 3128 or email at:  
dpatel@archinsurance.co.uk or Geoff  
Chapman on 020 7562 3166 or email at:  
gchapman@archinsurance.co.uk.

Graeme Trudgill is BIBA's technical services manager

## BIBA's schemes: the full range

- 1 Accident, Sickness and Unemployment
- 2 BIBAlet
- 3 Business Travel
- 4 Commercial Combined
- 5 Cyber-Liability
- 6 Electronic Marine Cargo
- 7 Excess Liability
- 8 Haulage and LGV Insurance
- 9 High Net Worth
- 10 Home
- 11 Loss Recovery Insurance
- 12 Marine Cargo
- 13 Motor
- 14 Non Standard Property
- 15 Personal Accident
- 16 Holiday Travel
- 17 Unoccupied Properties
- 18 Web Based Directors and Officers

## BIBA facilities

- 19 Broker Continuity Planning
- 20 Contract Law Services
- 21 Financial Compliance Support
- 22 Insurer Security Services
- 23 Members' Own PI Insurance
- 24 Personal Lines Administration
- 25 Premium Finance
- 26 Telecoms
- 27 Conflict Investigation Service

## Don't take our word for it...

Here's what members say:

**"Our company is signed up for the travel website, which is easy to use. This means we can either issue quotes and policies for our clients or they can get a quote and buy online via a link on our website. We can also have the website banner customised with our company branding, which is a nice touch."**

Duncan Hughes, Smart & Cook, West Wickham

**"I like the fact that I can call the Arch underwriters direct and discuss individual cases. Recently, a director of one of our biggest commercial clients needed cover beyond the standard policy. We were able to agree special terms over the telephone and provide cover where we might not have been able to do so in the past."**

Chris Frost, Chris Frost Insurance Services, Maidenhead

**"In the light of recent terrorist threats, my clients are becoming increasingly concerned to source travel insurance that covers them in this situation to some degree. Terrorism cover is included in the Arch policies for medical expenses, personal accident and baggage – and this is a comfort."**

Ian Dickinson, Brunsdon Group, Gloucester





# Step up to the high life...

**We'll help you take high net worth insurance in your stride with our Executive Home insurance policy.**

**With Executive Home, the sky's the limit. And you'll find no better guide to the high life than Sterling, the leading HNW household provider for professional brokers and intermediaries in the UK.**



**Go places with Sterling...**

**Executive Home High Net Worth Team: T: 0845 2711300 F: 0845 2711468**  
**Agency Team: T: 01708 777 900 F: 01708 777948**  
**Address: 50 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JX**  
**E: [executivequotes@sterlinginsurancegroup.com](mailto:executivequotes@sterlinginsurancegroup.com)**  
**[www.sterlinginsurancegroup.com](http://www.sterlinginsurancegroup.com)**





# Keep on trucking

Insuring large goods vehicles is not an easy business. **Tony Gardiner** provides brokers with some straightforward guidance

**The insurance requirements for haulage contractors and the operators of large goods vehicles are complex and can be open to misinterpretation.**

Many motor insurers will avoid risks where hazardous or dangerous goods will be carried, which could include industrial chemicals, petrol/oils, explosives, acids and corrosives. Those insurers that can accommodate such motor business often set a reduced limit in respect of third-party property damage claims attributing to the carriage of hazardous goods.

Where a £5 million third-party property damage limit applies, brokers may find a restriction down to £1 million and in some circumstances, £250,000, for third-party property damage claims relating to the carriage of hazardous goods.

It is possible to arrange excess third-party property damage motor liability insurance, for example providing £4 million in excess of the primary £1 million for any one incident where hazardous goods are involved.

#### **Cross-contamination**

For haulage contractors involved in the carriage of bulk goods, where they are delivered into silos and other similar containers, it is important to consider cross-contamination cover.

For example, a haulage contractor carrying sugar to a biscuit factory may connect the pipes to his tanker incorrectly and discharge the load into a silo containing cocoa powder. Not only is the load of sugar then contaminated, but the cocoa too.

Under both the haulier's goods in transit liability insurance (providing cover for the load being carried and unloaded) and public liability insurance (providing cover for third-party property damage), cross-contamination extensions can be included.

Many goods vehicles and trailers are fitted with lifting devices, such as tail lifts and cranes. It is important to make sure that adequate cover is provided for this equipment in respect of accidental



**A knowledgeable underwriter will be able to guide the broker through clients' requirements**

damage, fire and theft. Brokers should also be aware if the policy contains any exclusions for accidental damage cover while the attachment is being used as a tool of trade.

It is important to point out to the client that such lifting equipment will be subject to the Lifting Operations and Lifting Equipment Regulations 1998 and, as such, will be subject to thorough examination at an interval of 12 months (six months if lifting persons) and that this engineering inspection service can be arranged via the insurers' engineering departments.

It is not unusual for heavy goods vehicle operators to have forklift trucks. It is important to identify whether or not there is use that will require motor insurance cover as demanded by Road Traffic Acts.

A forklift truck may not be registered for road use, however, if it is used, even to cross





a road, or in a public place such as a car park or loading bay and it causes third-party damage or injury, then there is a requirement for motor insurance. Remember that public liability policies will exclude liability in respect of any mechanically-propelled vehicles where compulsory insurance is required.

Hauliers' freight liability or goods-in-transit insurance can also be a complex class of insurance where a specialist underwriter can assist the placing broker greatly. It is vital to understand what conditions of carriage the haulier has adopted and to make sure that they include these conditions of carriage in their customers' information.

#### **Conditions of carriage**

Failure to incorporate the conditions of carriage to prove that the hauliers' customers have been informed that they apply can mean a massive exposure to the haulier themselves. They are then unable to rely on the financial limits applying to the lost/damaged load, which are contained within the conditions of carriage.

It is possible to extend the insurance policy to include non-incorporation of contract conditions. This extension will then provide liability in common law to the limits specified in the policy where the haulier has failed to incorporate his conditions of carriage. This will happen only where the haulier can demonstrate that in their normal practice there is a select procedure to incorporate conditions, and failure to do so has been an error or omission on his behalf.

It is worth looking closely at the policy limit in respect of any one vendor/loss under the haulier's goods in transit insurance. It is quite common to see policy limits of £250,000 for a multi-vehicle operator. Such a limit may well require a significant uplift to reflect their true exposure. For example, should the haulier have a number of loaded vehicles or trailers in his yard at a weekend and suffer a total loss, such as an arson attack, the aggregate value of the load could be substantial.

The class of traffic that the haulier is involved in is important. The haulier carrying bulk agricultural produce would

generally have a low load value whereas a haulier involved in container traffic may well be exposed to very high value loads such as bottled spirits, computer equipment or expensive footwear. Such a risk would therefore require higher policy limits in respect of any one loss/event.

#### **Advice**

The different requirements and products on offer for hauliers and large goods vehicle operators can be confusing. A knowledgeable underwriter will be able to guide the broker through their clients' requirements. They will be able to explain the various options and highlight which covers will be most appropriate for your client. Passing this advice onto clients will set a broker aside from their competitors and will help them to win and retain business in this specialist area.

**Tony Gardiner is director of Corporate Risks at Davis Underwriting, which provides MotorRisk BIBA – a members' approved scheme for up to 15 large vehicles, or any number of skip-carrying vehicles.**





# Does your business need a new direction? Swinton could have the solution

Are you thinking about the future of your business, does the majority of your effort produce the least reward?

Maybe it's time for change.

Swinton are interested in discussing the purchase of part or whole businesses and will structure a deal that allows you to move in the direction you prefer.

It costs nothing to find out how Swinton can help.

Talk with us in confidence on 0800 298 2750, email us at [future@swinton.co.uk](mailto:future@swinton.co.uk) or alternatively visit our website at [www.swinton.co.uk/future](http://www.swinton.co.uk/future)





Although they specialise in advising clients, brokers may not always choose the right professional indemnity policy for their own needs.

**Graeme Trudgill** provides a buyer's guide to such policies

# Pick the right protection

**No business is immune from complaints, errors or omissions – they are a fact of life. And so, to help give members further advice and support, BIBA is about to publish a guide to professional indemnity (PI) policies for brokers.**

This is part of an ongoing initiative to give members added advice and protection from the inevitable occasional complaint and claim.

Peter Tyldesley, the solicitor at the Law Commission responsible for the current review of insurance contract law, recently pointed out: "The current legal position is untenable because different rules are being applied by the court, under Financial Services Authority rules, and by the Financial Ombudsman."

BIBA's PI consultant, Roger Flaxman, agrees: "This is a significant problem for intermediaries trying to work out where they are at risk. It makes good PI protection even more important. Some PI policies do not meet expectations when called upon and this is a risk that the modern intermediary can ill afford to take."

Steve White, BIBA's head of compliance and training, comments: "PI insurance is a

requirement of FSA regulation, but even if it wasn't, there is sound business reason for buying it. The cost of dealing with complaints and claims can be immense and it's not only the monetary cost, but the time and commitment in dealing with them that could otherwise be spent more profitably. These considerable costs are not covered by PI insurance policy."



**Some PI policies do not meet expectations when they are called upon and this is a risk that the modern intermediary can ill afford to take**

There is a much misunderstood aspect of professional negligence risk which is one of the most harmful to a business – denial. It can be hard to recognise that everyone is vulnerable to criticism, complaints and claims.

Every broker selling liability insurance will have heard at least one prospect say: "I could never be liable for that." Well, so do many brokers when negotiating their own cover.

Even predicting the outcome of known facts of a claim is no more than 60/40 either way 90 per cent of the time, so there is no chance of predicting the outcome of an unknown.

"It has become apparent to BIBA that many members have assumed that compliance with FSA regulations will take care of their risks," adds Mr White. "It will not, because the risk of being sued in contract or negligence is not connected in any way with the requirements of the regulators. If anything, the regulatory compliance requirements can add to the risk of being sued because a breach of the regulation could be prima facie evidence of negligence."

Claims against brokers are not



uncommon. A policyholder's expectation of an insurance policy sometimes exceeds what is reasonable and on these occasions it is not unusual for them to criticise their broker. Sometimes this is justified and at other times it is not. In either case, there is likely to be a complaint and this can become a claim.

Both require a robust defence. According to Neville Miles, managing director of Lockton International, one of the principal values of the broker's PI policy is the quality of the advice and service from the insurer's claims department and legal advisers.

Experience has shown brokers often try to use the commercial relationship they have with insurers to get themselves out of the potential claim and, in doing so, do not report the matter to their insurers.

While this is wholly understandable, there is a danger that by doing this the broker will prejudice their position with insurers.

Rather than be forced to say "guilty as charged," time and expense need to be spent defending the allegation.

Defending claims of professional negligence properly is a skilled art. And, only those who deal with them every day know how best to defend them, says Colin Plumb, partner with FirstCity.

Paul Wordley, partner with lawyers Holman Fenwick & Willan, adds: "Insurers will expect the broker to be more knowledgeable, prudent and reasonable in their understanding of risk and insurance than any other class of policyholder."

For this reason, there will be a corresponding expectation that the insured will observe the duties of disclosure of material information, understand and comply with all policy terms and conditions and fulfil all the obligations imposed by regulation, in contract and in common law.

Nevertheless, the insurer is underwriting the business to make a profit. This requires them to distinguish their products by different coverage features and terms and conditions.

Experience has shown that intermediaries often do not understand the terms of their PI policy and are surprised at the reactions of insurers when they make their first claim. The terms are similar from one policy to another only as far as the subject matter is more or less the same.

Hugh Price, partner with solicitors Hugh James, comments: "The devil is in the detail – and there is a lot of it. It's prudent at least one person in every broker is familiar with the policy terms and conditions. They should be responsible for ensuring everyone in the organisation knows what's required as to the need to report circumstances and claims. Equally important is knowing what evidence and information lawyers will look for to defend claims and how to gather facts and expert opinion to assist with the successful defence of claims."

**Graeme Trudgill is BIBA's technical services manager**

## Making the right PI choices

**BIBA's PI consultant Roger Flaxman supplies some golden rules:**

- **don't risk buying your own PI insurance to save money. BIBA recommends that members arrange their PI policy through a BIBA-accredited broker. BIBA has appointed three specialist accredited PI brokers based on their experience to help members. The value will be more than repaid if you have a claim and need someone to advise you from a position of experience, knowledge and skill**
- **do not assume it cannot happen to you. The purpose of FSA regulation is to raise the standards of practice and delivery from brokers. The benchmarks set by the regulations can be used to determine civil liability**
- **take care to understand the conditions and exclusions in your PI policy.**

For further information, take a look at the new PI section on the BIBA website.

IMAGES: ISTOCKPHOTO



# LOCKTON™

# MARKETS

Accredited  
Professional  
Indemnity  
Broker for over  
20 years



A partner in



eosrisk.com

## Can you afford to ignore us?

[www.lockton.com/international](http://www.lockton.com/international)

Professions. A Division of Lockton Companies International Limited. Authorised and Regulated by the Financial Services Authority. A Lloyd's Broker.

## the broker's partner



Towergate is dedicated to providing insurance solutions for intermediaries. Our product range continues to grow giving you access to standard and specialist products, many of which are not readily available elsewhere. We work with you to meet your clients' needs and provide easy access to expert underwriters, and quick decision-making, backed by top UK Insurers.

If you have a specific requirement or want advice, please call or email.

### Towergate BIBA Schemes

#### Business Continuity Planning

Broker Continuity Planning  
Tel: 0870 411 1890  
[info@brokercontinuity.co.uk](mailto:info@brokercontinuity.co.uk)

#### Commercial Combined

Towergate Underwriting  
Commercial Schemes  
Tel: 0870 366 9561  
[commercialschemes@towergate.co.uk](mailto:commercialschemes@towergate.co.uk)

#### Credit & Surety

Towergate Credit Risk Solutions  
Tel: 0870 905 0668  
[credit@towergate.co.uk](mailto:credit@towergate.co.uk)

#### Professional Indemnity

Towergate Professional Indemnity  
Tel: 0161 831 3222  
[pi@towergate.co.uk](mailto:pi@towergate.co.uk)

#### Personal Accident

Towergate Underwriting  
Personal Accident & Travel  
Tel: 0870 905 0672  
[patravel@towergate.co.uk](mailto:patravel@towergate.co.uk)

Telephone our Broker Support Unit  
for details of the full product range

**0870 901 0397**

[brokersupportunit@towergate.co.uk](mailto:brokersupportunit@towergate.co.uk)



Towergate Underwriting and Towergate Partnership are trading names of Towergate Underwriting Group Limited. Registered in England No 4043759. Authorised and regulated by the Financial Services Authority

[www.towergateunderwriting.co.uk](http://www.towergateunderwriting.co.uk)







Do you have  
a commercial  
client who has  
had liability for  
their claim  
denied?

Edwin Coe has been successfully  
pursuing disputed insurance  
claims for more than 25 years.

Contact us to arrange a **FREE**  
review of your client's claim,  
without obligation.

Call us on

**020 7691 4000**

please quote ref: MW/CBS TDS

or e-mail:

[michael.whitton@edwincoe.com](mailto:michael.whitton@edwincoe.com)

[christopher.berry@edwincoe.com](mailto:christopher.berry@edwincoe.com)

**Specialists in Claimant  
Insurance Litigation**

**Edwin Coe**

2 Stone Buildings,  
Lincoln's Inn,  
London WC2A 3TH  
[www.edwincoe.com](http://www.edwincoe.com)

LAW FIRM



To  
advertise  
please contact

**Jayne Stewart**

on

**T: 01536 747333**

e: [jayne.stewart@mainlinemedia.co.uk](mailto:jayne.stewart@mainlinemedia.co.uk)



**BIBA PARTNERS**





# Having it all

**Gina Dixon** is managing director, commercial insurance for Jelf Group – one of the UK's fastest-growing brokers. She talks about what she's learned along the way

## What was your first job?

I joined Commercial Union in Cardiff as an insurance clerk with a handful of 'O'-levels. I wasn't particularly interested in staying on at school and wanted to start work. I saw the job advertised in the local newspaper.

## What was your big break?

When I joined the Royal, where I spent 23 years. I wasn't a graduate, but I was put on the fast-track graduate training scheme. There is no doubt I was a token woman – but I grasped the opportunity. It was like being picked out of a crowd and I remember I did face some criticism. All in all, it was a fantastic grounding and even now – when giving advice or coaching – that stays with me. It was there that I

became one of the first female inspectors in the UK.

## Would you recommend broking as a career?

Yes, but we have to do more to raise awareness. As a whole, people have no understanding of insurance careers. They may have some understanding it's about



There is no doubt I was a token woman – but I grasped the opportunity

protection, but insurance jobs are seen as boring. It's a challenging career and insurance can touch every aspect of people's lives. Those starting can learn many different skills and I feel that there are massive opportunities right now. This business certainly developed me as a person.

## Do you enjoy the social side of work?

I do very much, but not just the freebies – there needs to be an outcome, even if it's just building a new business relationship.

## Why Jelf?

I was working placing commercial insurance with Julian Hodge Bank as a divisional director. I was successful, but started talking to Jelf as they wanted to open an office in Cardiff. I spent about six months getting to know the company and they impressed me because I felt they were genuinely customer-facing – group chairman Chris Jelf still works closely with his clients. We have some great people here and we'll be taking more on. We work as a team – and also go out together on occasion – there's such a good feeling here.

## What's been the worst part of your career?

It's been when someone who's worked for me has not reached their potential. It's only happened a couple of times, but it can be very frustrating when someone you have high hopes for does not come through.

## What has helped you in your career?

I came from an ordinary background. But I have always set myself life goals and believe if you want something, you can have it – if you're prepared to work hard. You need to be determined and stick with it. It has also helped that my husband is very supportive as I have three children aged 23, 19 and 16. So many women give up their work when they have children, but I've managed to have both a lovely family and a career.

## How do you relax away from work?

With my friends and family. This is something I always appreciate. Sometimes it can seem like the world is very corporate, which is why it's good to have friends outside the business. I enjoy good food and wine, reading and retail therapy.



# Food for thought

BIBA's technical team answers your queries. Plus enter our crossword to win a tasty prize

**Q: I keep reading about Treating Customers Fairly (TCF) but am not sure what I should now be doing to demonstrate this?**

A: The Financial Services Authority (FSA) expects all firms, irrespective of size, to take the fair treatment of customers seriously and to embed the spirit of fair treatment into their cultures so that it becomes business as usual.

Firms should start by undertaking a gap analysis, which might include ensuring that:

- advertisements are clear, fair and not misleading
- any advice given is suitable
- all staff are competent
- all staff understand the products they are selling
- adequate and accurate records are kept
- your complaints procedure is fair and effective
- customers are clear about the nature of services being offered
- all aspects of the business are reviewed to identify any risks to the fair treatment of customers
- you are collecting, and acting upon, adequate management information.

Once the gap analysis has been completed, firms can move to the implementation stage. The FSA expects all firms to have reached the implementation stage in a substantial part of their business by the end of March 2007.

**Q: What is contract certainty and why is BIBA so interested in it?**

A: Put simply, contract certainty has two facets. First, that all the contractual terms are agreed between the insurer and the customer – or the broker as his agent – prior to the start of cover. Second, that formal evidence of the contractual terms, by way of a policy document, is provided to retail customers within five days of inception and to commercial customers within 30 days.

The FSA is concerned that in certain parts of the market, an attitude of “deal now, detail later” has been prevalent. Its chief executive, John Tiner, announced in 2005 that he wanted to see an end to this way of doing business and gave the sector two years – until January 2007 – to implement a solution, with the clear threat of regulatory intervention if the market could not prove its effectiveness.

This is the first opportunity the FSA has given our sector to develop a market solution to a problem in preference to regulatory intervention. BIBA strongly believes it is in our members' best interests to take this chance to demonstrate to the regulator that we can collectively address our problems without the need for prescriptive rules. If we succeed, the FSA is more likely to give us the chance to use a market solution as its preferred approach if and when the next problem arises.

 Visit the BIBA website for further guidance on technical issues – [www.biba.org.uk](http://www.biba.org.uk)

## Win a £200 voucher!

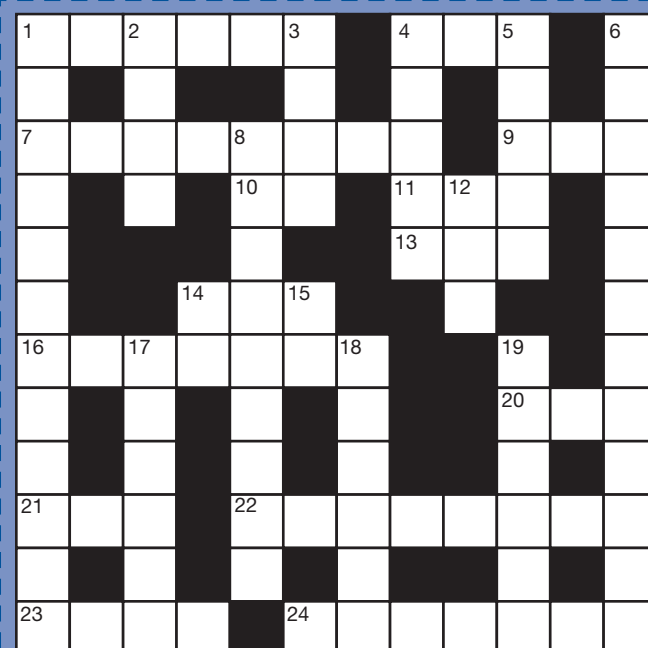
If you complete our winter crossword correctly and your entry is first drawn out of the hat on Friday 5 January 2007 we'll send you a £200 voucher of your choice

### Across

- 1 Type of customer (6)
- 4 They represent insurers (3)
- 7 Standard of advice (8)
- 9 In the past (3)
- 10 Roman Catholic (Abr.) (2)
- 11 Type of Client Money account (Abr.) (3)
- 13 Definitive article (3)
- 14 Roland or Pack (3)
- 16 A collection of weaponry (7)
- 20 Crown Prosecution Service (Abr.) (3)
- 21 Our regulator (3)
- 22 Not positive (8)
- 23 FSA reporting (4)
- 24 and needs (7)

### Down

- 1 Holding money as insurer's agent (4,8)
- 2 Fall (4)
- 3 BIBA's London Market arm (4)
- 4 Intermediary's legal status (5)
- 5 Not pleased (5)
- 6 BIBA's award-winning training and competency tool (6,6)
- 8 Regulated activity (9)
- 12 Female (3)
- 14 Religious Education (abr.) (2)
- 15 Thanks (slang) (2)
- 17 Largest African desert (6)
- 18 Sean Connery film “of Extraordinary Gentlemen” (6)
- 19 The effect of acting (6)



### Entry form: winter crossword

Name: .....

Firm: .....

Address: .....

.....

Telephone: .....

Email: .....

Please send your entries to: Leighann Burtrand, BIBA crossword competition, BIBA House, 14 Bevis Marks, London EC3A 7NT. The Editor's decision is final and no correspondence will be entered into.





# "TRADITIONAL PMI PRODUCTS? THEY NEEDED MAJOR SURGERY!"

## With PruHealth the market is back on its feet

We have created a fairer type of PMI. One that rewards your clients twice over – once for not making a claim and again for leading a healthier life.

We are now an established player in the PMI market. But we are certainly not sitting on our laurels. We are continually working to further improve our offering. There are yet more rewards for your clients for looking after themselves and discounts to help them live healthily. Our underwriting is now fairer and simpler. And of course, there's the Broker Vitality scheme to reward you for your support.

We're improving health insurance.

**It's all part of The Plan from the Pru**

To speak to a consultant today, call

**0800 092 1333**

Lines are open 8am to 8pm Monday to Friday and 8am to 12pm Saturday.  
Calls may be monitored or recorded.

Visit [www.pruhealth.co.uk/adviser](http://www.pruhealth.co.uk/adviser) or e-mail  
[sales@pruhealth.co.uk](mailto:sales@pruhealth.co.uk)

Terms and conditions apply. PruHealth is a trading name of Prudential Health Limited which is registered in England and Wales. Registered office at Laurence Pountney Hill, London EC4R 0HH. Registered number 5051253. Prudential Health Limited is authorised and regulated by the Financial Services Authority.

# THE AXA

"If my client had  
to declare everything  
over £500 we'd be  
here all day"  
PLAN.

## AXA Extra

Extra peace of mind

If you've got a client whose household contents are worth more than average, then you want to be able to provide them with better than average insurance. AXA Extra offers £50,000 worth of contents cover

automatically, and doesn't require personal possessions under £10,000 to be individually identified. It's also easy to transact on EDI, providing extra peace of mind all round. To find out more, call 0870 3000 705.



INSURANCE

INVESTMENTS

PENSIONS

HEALTHCARE

Be Life Confident

Lines open 9am to 5pm Monday to Friday AXA Insurance UK plc. Registered in England No 78950. Registered Office: 5 Old Broad Street, London EC2N 1AD. A member of the AXA Group of Companies.  
AXA Insurance UK plc is authorised and regulated by the Financial Services Authority. In order to maintain a quality service, telephone calls may be monitored or recorded.

