

STEVE WHITE CONFERENCE SPEECH 2023

Thank you, Jonathan, and for all you have done for BIBA in the last year. I am delighted that you have agreed to serve our members for another three years.

Well, hello, ladies and gentlemen... what a year it has been. Twelve months ago, I stood here and bemoaned the lack stability caused by economic turmoil, political crises, and a terrible European war.

It is fair to say things have not got any quieter. At my last count, since then, we have had three Prime Ministers, four Chancellors and five Education secretaries. It is genuinely hard to keep up.

Even Arsenal's hopes of winning a Premier League have lasted longer than Liz Truss as Prime Minister. To be fair, most things, including a lettuce, lasted longer than Liz Truss as Prime Minister.

We sadly lost Her majesty The Queen and welcomed the first King in most of our lives. And saw one member of the Royal family go... spare. Regretfully, the war in Ukraine continues, but increasingly out of view and thus, sadly, often out of mind.

And the economy...well... let's just say - in possibly the understatement of the century - it could have been....better. So, it has been anything but a quiet year.

And while we have all had a dark laugh at times – mostly at Liz Truss' expense -actually, in hindsight, at our own literal expense... none of it is really a laughing matter. As a leader of an organisation tasked with doing the right thing, in the right way, I have to say that I am often hugely frustrated – and at times angry - by some of the problems we all face.

Let me explain. We, as an industry, have always been proud to take a long-term approach in what we do. We believe such thinking is a bedrock that stands us strong in the face of difficulties. And we believe that relationships are built on a foundation of trust and that trust is only built by listening and showing you have a long-term plan and mindset.

As Warren Buffet so eloquently said, “someone is sitting in the shade today because someone planted a tree a long time ago.” You all have been planting and tending to metaphorical trees to help them grow throughout your careers. Thank you for doing that.

That work and mindset has never been more valuable because of the uncertainty out there. The World Economic Forum's Uncertainty Index shows the last few years have been – and I quote - a “particularly disruptive period in human history.”

The banking crisis of 2008 has bled into a debt crisis, a rise in populism, Brexit, Trump and then Covid. That led to deglobalisation, ongoing financial concerns and then the invasion of Ukraine and the resultant impact on supply chains, commodities, and, of course, the energy crisis.

I'd argue that a lot of the problems we have faced stem from those in charge thinking short term to get through each immediate crisis. Just look at the world's response to the increasingly real climate change crisis.

I predict that historians will look back on this era and seek to connect such thinking to the subsequent problems humanity faced. Trying to wrestle with this, I understand that a recent Harvard essay suggested part of our tendency toward short-termism is part biological.

It said that while the mathematical side of our brain makes careful calculations of risk and reward over time, the more primal, emotional parts of our brain tend to focus on the here and now. So, which part of the brain do you think becomes active when research subjects are presented with real-life decisions involving risk and reward?

Yep, you are right: The more primitive system, which understands greed and fear, but is less focused on long-term consequences.

Short-termism also grows out of the institutional rules that govern our behaviour.

When executive pay varies according to current-year earnings or stock prices, it creates incentives to maximise short-term results even at the expense of longer-term considerations.

Yet such things still remain part of normal everyday business thinking. And it isn't only the business or financial world that thinks short term. We must doth our hats to our friends in politics for demonstrating just how addicted to short-termism some people can be.

Across the West, there is little in our electoral systems that encourage leaders to think beyond the next election. Regrettably, few politicians see the benefit of being a long-term leader doing what is right for a country and thus committing to projects that pay off long after they have left office.

Increasingly, such a mindset has led to a political response to economic woes - rooted in the destructive politics of identity - that often drives inequality - and deepens mistrust. And all these problems and uncertainty are not going away anytime soon.

In an article for the FT Weekend, Gillian Tett wrote of how business leaders were dealing with increased uncertainty. 88 per cent accepted they needed to reconfigure their supply chains to cope with deglobalisation while 56% thought that technology innovation was happening so fast their company could not keep up.

Businesses see the uncertainty for what it is. The identified risks could destabilise many. And I know many of you are wrestling with similar challenges. And while it is vital that we are never complacent, I do want us to take a moment to recognise that you are not the problem here.

You are and have always been part of the solution. You have repeatedly pushed against the short-termism we face. You learn from the past and seek to take a different approach in the future. You do not overcomplicate what does not need to be overcomplicated. You are constantly rising to the challenge.

And you deliver for our customers, communities, and industry every minute of every hour of every day. I am deeply proud to be associated with you and everyone in this industry. We refuse to be swept up by the short-termism that feeds uncertainty. When I first stood on this stage ten years ago as your new CEO, I had never been prouder.

And when I assess how we have collectively responded to the challenges the political and economic world throws at us, the pride that we all keep going only grows. We have consistently stood up for ourselves, our industry, and our customers. We have constantly sought to do what is right despite the uncertainty faced.

What's enabled us to do that? Well, I would suggest its rather simple. Our starting point is always to listen to you, our members. You and your mindsets are what make this industry great. We believe our annual tour and listening exercise - that began in 2013 - provides a North Star that gives us stability for our strategy and our actions.

It mitigates risks and ensures we are on the front foot in all that we do. Every year, we follow that exercise by publishing a manifesto outlying what we will be prioritising for the next twelve months. That in turn holds us to account. It is now a well-oiled process, led by Graeme - which includes engagement across all stakeholders.

It allows us to work knowing we understand the real views of the industry and the challenges ahead. And prioritise what really matters. Why have I set out the multiple challenges facing us all? Well, I believe it is important that we call out where we think there are problems.

Not because we want to be running the country... but because it is only right that as a well-run and responsible industry like ours makes our voice heard when it matters. We will always back the desire of politicians from all parties to get the country's economic house in order and to drive a much-needed growth agenda.

But we will call out false economics when they are damaging to our industry and customers.

And the reality is the regulatory burden faced by UK insurance brokers is unacceptably high, significantly more so than most other jurisdictions. The result is that it increases risks for all of us.

Updated research by London Economics shows how costs, both direct and indirect, have increased exponentially over the last three years. And this is hitting investment in and growth by our industry. The FCA and Government must look again at how the current regulatory costs can be reduced.

It is the right thing to do given the cost-of-living increases hitting our members and our customers. Ronald Reagan was right when he said, "inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hit man". You have been clear that more needs to be done to protect your customers and your businesses.

We have moved early to produce guidance to members on how customers can contain insurance costs whilst maintaining adequate cover. But I do question why in the middle of a cost-of-living crisis the Government thinks it is acceptable to hit insurance buyers with a 12% Insurance Premium Tax?

While we all accept the Treasury needs revenue given what has happened in recent years, 12% is too high. At the very least, it should be frozen and not raised for the remainder of this Parliament. We also call for an Insurance Premium Tax exemption to apply to property insurance premiums for impaired high-rise multi-occupancy buildings that await or are undergoing remediation.

And the work you are required to do to comply with the Fair Value assessments mandated by the regulator is simply disproportionate to any value gained by customers. We call on the FCA to look again at the scope and the process behind these assessments.

I do not believe these are big asks. I mentioned earlier your focus on doing the right thing by our industry and our customers. I do believe though, that the late business leader Bill Bartmann was right when he said "in life, you don't get what you deserve; you get what you believe, plan and expect."

Well, we have believed in our industry, and we have planned for the long-term good of our customers and the economy. Now we expect to be backed. You play a vital role in supporting financial inclusion and your work should be supported by any Government.

We deserve to be actively promoted on the world stage in all trade deals going forward. Politicians must step up and back us in the way that we back our communities.

Time and time again our signposting agreements have helped customers access the insurance they need. People like the broadcaster 'Whispering' Bob Harris OBE. Bob needed specialist assistance in arranging travel insurance to the US following an aortic dissection. Others couldn't help. You stepped in.

Businesses like Rugged Nature, who struggled to find insurance when they moved into the contract manufacturing market. Others couldn't help. You stepped in. And charities like Myra's Wells, that drills wells for clean water in Burkina Faso. They needed travel insurance for their trustees to visit Burkina Faso to commission new wells. Again - others couldn't help. You stepped in.

In each of these cases the traditional route to insurance led to barriers being created. Our Find Insurance Service contact centre provided them with the right connections so you could step in and quite literally save the day. You can do it because you understand the market and our role as a solutions provider, and you have an expertise others cannot compete with.

And, because you look to the long-term, you are committed to ensuring we have a sustainable bench of talent to keep doing this in the future. I am proud that we are promoting the sector as a destination industry. And rightly so. We have begun a digital campaign highlighting our regional young broker ambassadors who I hope will be our next generation of brokers stepping in to help those others leave behind.

Some are in the room today and it's great to see you. Thank you for joining us. Our future is bright.

And we are, like all of you, committed to making it even brighter.

Look around you at the people in this hall. I don't believe that anyone here, or who is in a leadership position in our industry believes that their legacy will ultimately be what they achieved for themselves. I know we all know what matters is what we do for the next generation of brokers.

We will be doing more and more on this front going forward. Whether that is working with the Careers and Enterprise Forum to go into schools, colleges and universities to promote insurance broking as a career.

Or to encourage the Government to do more to expand the Apprenticeship Levy, something we have embraced already working with our friends at the Chartered Insurance Institute to promote and support its Aspire Apprenticeship programme.

In looking to the future, we must also be honest with ourselves. I am concerned by research showing that less than 16% of those who hold key senior management functions in insurance broking businesses are women. That is not good enough. There is clearly more we must all do in the gender diversity space.

It is the right thing to do, and it will also make our industry stronger. We will be encouraging a healthy debate during this conference on how best we can proactively move to address the imbalance.

A lot of the work we do is not front-page news. It is quietly expert and committed thinking to find solutions that help those others are failing to support. This is true for insurance for multi-occupancy buildings, a subject that has occupied my colleagues for many months now.

We are continuing to work with our friends at the ABI to help implement the planned reinsurance facility for the most difficult cladded risks. And we commit to working with you, our members, to promote a pledge which reinforces the principles around fair value.

Again, hugely important for those who facing barriers that can have such negative impact on their lives. Again, it is the right thing to do.

As is our collaboration work to identify how we can ensure our customers get the best service possible when they use a broker, and to highlight examples of good practice. Our thinking in this area extends to tackling the arrival of new technology and the impact it has on our every day lives.

Just look at the debate going on about the future of motor transport and in particular e-scooters. E-scooters have been described by commentators as either the "saviour" or the "scourge" of urban transportation. And I have a secret to share with you all. Now, this can't leave this room...

As you know, I am at the cutting edge of new technology. What!? Why are you looking at me like that!? It was only last year that I showed you the 2005 Ipod that I still own and use... cutting edge. So, it will not surprise you one bit to know I have been an owner of an e-scooter for four years now.

Yes...I think... that classes me as an... early adopter. However, being a 'tech guru' does not mean I am stupid, and I vowed not to take it out in public until it was lawful to do so, as you would expect. Anyway, I digress... what matters is the work we are doing on this saviour or scourge of modern transport.

We have called for the Government to legislate for a basic level of public liability insurance to be compulsory for e-scooters and to introduce a regulatory framework that incorporates e-scooters and build standards - so we can provide the financial protection needed... and I can take mine out of the garage!

All this work is essential for our communities and our economy. And here's the thing. We all love doing it. We are not here to showboat. We are here to make a difference. We are happy to step in when others cannot because we have built an industry on foundations of great strength. The challenges faced are at times worrying.

And we have seen other industries fall apart. But our focus on doing things in the right way - with a long-term mindset - turns challenges into opportunities for us to build further and to have more of an impact.

I know some of you will have been concerned about the growth of Artificial Intelligence and the headlines it has made this year. But even that is an opportunity. Yes, as its capacity becomes broader it will have a dramatic impact on how service industries function.

And that will be a huge challenge. But what we do cannot simply be replaced by technology. Not even one that puts a cognitive approach at its heart. We should be embracing the new cognitive technology and learning how to use it.

In a seminal article on AI co-written a few months ago by Eric Schmidt, formerly CEO of Google, the diplomat Henry Kissinger and Daniel Huttenlocher, the top academic and computer scientist, the argument is made that humans need to “develop the confidence and ability to challenge the outputs of AI systems” rather than just accepting the answers the software provides.

That is a challenge we must take on, head on; developing our own sophisticated thinking that can empower our industry to smartly use and smartly challenge the interactivity of generative AI. I know we are all driven by feelings of wanting to help. It is our purpose.

We should embrace technology that can help us be more efficient, while at the same time being confident that those feelings and that commitment is what makes the difference for our customers. That’s what matters, and that part of what we do cannot be replaced.

We should consider AI as a tool that humans have invented to enable us to work better and following the Government’s recently published White Paper on the subject, this will inevitably become an increasingly important focus for us all..

As the great Charlie Munger, Warren Buffet’s right hand man, said: “The best thing a human being can do is to help another human being know more.” To do that regarding insurance is why we all do what we do.

Here’s the thing folks... we live in unstable times. But we have always worked to create stability that can beat the uncertainty. I’ve been at BIBA for over 19 years now, and we have always sought to do that.

I became CEO ten years ago and promised you in my first speech to this conference that I was committed to “making BIBA the best” we could be - and would do that by both “sitting down and listening to you and your issues - and then standing up and speaking out on them, on your behalf”.

That has been the glue that has enabled us to reform the organisation - strengthen its governance - and make it financially stable. I have loved every moment. And, as I said earlier, have been so proud to be leading BIBA through such turbulent times.

We have never sought to survive the challenges; we have always sought to flourish in them. I want to take this opportunity to thank all of you, our members, for what you have done in engaging with us over the years to make us stronger so we could withstand the uncertainty that has hurt other organisations.

I want to thank the amazing Board members, advisory board members, technical committee and regional committee members and our young broker ambassadors – all of whom have served and invested so much time and effort into making us better at what we do and reminding us of the importance of a long-term strategy.

And I want to thank my colleagues who have been there every step of the way. They work so hard for you all and have never let me or you down. They have kept me going in some tough times – not least the early months of COVID, or when Arsenal was beaten by Brentford – and I wouldn’t still be standing here if it wasn’t for them.

Thank you all. I’ve done this job for ten years now. A decade. That’s a long time. While I know none of you think I have aged a bit... it is a sad reality, we all do.

So, I read with interest something the US writer Toni Morrison said.... She wrote that “all art is knowing when to stop”.

Well, I like to think of BIBA as our collective work of art. And, ladies and gentlemen, the time has come for me to stop.

I recently informed the Board that I will be stepping down from the role of Chief Executive in the autumn and retiring. I will do so with a heavy heart. But also, huge pride at what we have built at BIBA. And huge excitement and confidence for its future.

I have never made this job about 'me'. It has always been about 'we'. We have never been stronger. We have never been more stable. We have never been better.

The team you have working at BIBA is amazing, and it doesn't really matter who is at the top. But, as the guy on the stage now, I do get the last word. And I want to leave you with one of my favourite quotes from the leadership guru David Cottrell that I believe sums up why we are in a position of strength.

He said, "doing the right thing isn't always easy - in fact, sometimes it's real hard - but just remember that doing the right thing is always right." Ladies and gentlemen... Thank you for doing the right thing.

Thank you for continuing to do the right thing when faced with the huge uncertainties of the last decade. Never be shy of shouting that you are doing the right thing and standing up to those who are not. And please don't you ever stop doing the right thing as it is what makes this amazing industry what it is.

Thank you. And enjoy your conference.