

# *A new market for the post pandemic world*



## London and International Insurance Brokers' Association: 2021 Agenda

LIIBA represents Lloyd's insurance and reinsurance brokers acting in the London and international markets. Our purpose is to ensure that the interests of members are appropriately represented to government and regulators and in discussions on the development of market infrastructure. LIIBA will constantly strive for value in delivering these services to ensure our members benefit at optimum cost.

When considering our plans for 2020 at this time last year, we failed to anticipate the issue that would come to dominate our agenda – and all of our lives – through the year. At that point Covid-19 was still just an outbreak of a coronavirus in seemingly far off parts of the world. Its rapid spread shows the level of inter connectedness the global economy has brought; and emphasises a central feature of the work of any trade association. Whilst you can and should have plans as to how to best represent your members interests in the year ahead, the most important service you can deliver to them is the ability to react to events.

So 2020 turned out to be the year where our primary focus was on helping members deal with a global pandemic that fundamentally altered ways of working. Fortunately, one key priority of our work in the preceding years – supporting our members adoption of electronic trading – provided a vital foundation for the market to continue to function in lockdown. But more support was needed, including:

- working with government and FCA to agree pragmatic changes to the way insurance intermediation is regulated and supervised to take account of the need to work remotely; This included sensible adjustments to the client money rules; supporting members respond to FCA surveys on resilience; and liaising with government on issues where public intervention could help under pressure markets.

- working with HMRC to ensure interests that are particular to international insurance broking are understood and incorporated in to policy decisions.
- working with LMA and IUA to try and refine the various Covid exclusion clauses to avoid unintended consequences that could lead to client detriment;
- liaising with the other market associations and Lloyd's over plans to return to the office – and how to manage the return to lockdown later in the year;
- beginning the work to define what elements of the physical marketplace we must retain in future to preserve London's unique offering – and identifying those features of the old world that the pandemic has demonstrated we should leave in the past;
- keeping members in touch with developments through our regular Corona Chronicles to ensure that, as far as possible, members still felt part of the marketplace even if that was now centred on their living room not the underwriting room.

But other issues did not stop just because everyone was confined to their homes. And so we also delivered the following from our planned 2020 agenda.

- Support for our members determining and delivering the right Brexit solution. This has involved liaising with EU government and regulators as well as HM Treasury and FCA to help members establish acceptable “reverse branch” models to be able to continue to service EU clients' business. More than 50 of our members now have a new EU entity in their group and we have also helped them with the sometimes labyrinthine process of setting these firms up as operational new parts of the market.
- Continuing to help members achieve their professional development requirements. Since lockdown in March around 2,000 people have attended a LIIBA webinar on topics that have included all aspects of Brexit from regulation to EIOPA recommendations to recruiting in EU. We have also kept members up to date with domestic regulatory developments including Senior Managers and Certification Regime (SMCR), client money rules and data protection requirements. We have welcomed several speakers on topics in and around the Future at Lloyd's proposals and we have recognised the need for everybody to focus on business culture with our sessions on non-financial misconduct.
- Providing the voice of the broker and the client in the discussions around the Future at Lloyd's proposals. This year we have focussed particularly on delegated authority arguing strongly for a strategy aimed at delivering better value for the client rather than just to make insurer regulatory returns easier to complete. We have also been at the centre of the debate on how to streamline our archaic accounting and settlement processes – the area of most potential benefit in terms of making the market more competitive. And we continue to aim to ensure that the proposals are not just about Lloyd's. The work in the claims area in particular is one where cross market collaboration and support is key as can be demonstrated with the renewed focus on the single claim agreement party (SCAP) initiative. If we do not modernise the whole of the London market we will have failed.

- Contributed to the debate around current and future regulation by responding to multiple FCA consultations and being part of the debate with HM Treasury on the future regulatory framework.
- Maintained our involvement in international issues through our membership of our European federation – BIPAR – and the World Federation of Insurance Intermediaries. This has included being part of discussions with both EIOPA and OECD on possible solutions to insuring future pandemics.
- Continued the work of all our committees ensuring we deal with market issues across areas as diverse as operations, the various specific lines of business and UK and international tax proposals.
- Some of you will remember that the central service supplier, DXC, experienced a serious Ransomware attack in July. LIIBA worked closely with DXC and the other Associations to assist DXC's recovery and communicate with members. Fortunately this situation did not lead to any loss of data, unfortunately we are continuing to see the effects with service areas such as Corrections. LIIBA's BASIC group continue to work with DXC to identify ways of improving this situation and are hopeful that the changes already put into place will bear fruit in early 2021.

Looking into 2021, much of this work will remain our priority. We will continue to support members' Brexit solutions as they bed down into normal operation. And we will begin to consider how we might influence the evolution of our trading relationship with EU for services. We will remain at the heart of the Future at Lloyd's discussions to ensure that the needs of the people that bring business to the market are adequately reflected in the solutions delivered. We will maintain our constructive relationship with regulators at home and abroad to seek to manage the burden on members and ensure optimal customer outcomes. This will include continuing to engage with HM Treasury as it develops its thoughts on the future of regulation. And we will do the work needed to ensure all this is delivered by an inclusive and diverse market.

But we will also continue to seek to facilitate the global opportunities for our members to develop new markets. And to build on existing themes to promote the social good that insurance can deliver.

We will seek to ensure that the role that insurance can play in supporting resilience is a key part of the climate change debate. This should include broker involvement in the COP26 conference.

We will be at the heart of the discussions on how to return to a physical trading environment that preserves the unique offerings of the London market without losing the efficiency gains the pandemic has accelerated.

We will expand our support to members in their work to develop a more inclusive culture drawing on the experiences of our larger members and delivering some LIIBA led initiatives.

We will promote the work of our wider membership to politicians and regulators so that they understand there is a thriving SME sector in the City working tirelessly to deliver excellent service to clients.

In 2021 LIIBA will be focusing on the following areas.

## 1. Government relations

<b>1.1</b>	<b>Brexit</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Continue to support members as their new Brexit solutions become fully operational.</li> <li>• Continue to work with Lloyd's Europe and other EU insurers to ensure a smooth approach to trade and processing.</li> <li>• Seek to influence the evolution of the UK/EU trading relationship in services</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Continue to work with HM Treasury to develop ways in which our trading relationship with EU could be improved.</li> <li>• Work with BIPAR and its national association membership to seek to influence EU27 Governments and institutions.</li> <li>• Liaise directly with EU regulators in countries where LIIBA members have opened subsidiaries.</li> <li>•</li> </ul>
<b>1.2</b>	<b>Review of financial services regulatory framework</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Work with HM Treasury on its ongoing review of financial services regulatory framework.</li> <li>• Promote a restatement of regulatory strategy that recognises that markets work and it is only where there is clear evidence of market failure that regulatory intervention can be justified.</li> <li>• Identify opportunities for a more proportionate application of the existing framework to ease the burden on LIIBA members whilst maintaining optimal customer outcomes.</li> <li>• Seek to ensure that UK regulators recognise that clients of London's specialty markets possess a degree of sophistication that justifies less onerous regulatory intervention.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Approach</b></li> </ul>	<ul style="list-style-type: none"> <li>• Work directly with HM Treasury officials including responding to the current open consultation.</li> <li>• Continue to take this message to supranational regulators via BIPAR and World Federation of Insurance Intermediaries (WFII)</li> </ul>

<b>1.3</b>	<b>New opportunities</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Work with members to identify potential target growth markets.</li> <li>• Work with HM Treasury on post Brexit opportunities to liberalise trade in services.</li> <li>• Work with Lloyd's and others to develop products that respond to the challenge of future pandemics or other black swan events.</li> <li>• Where needed, seek to lobby appropriate governments to liberalise trade in services.</li> <li>• Identify potential growth product areas.</li> <li>• Work with the market to identify new and/or changing working practices.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Work with HM Treasury and others to remove barriers to trade with overseas markets.</li> <li>• Work with HM Treasury officials on follow up actions following Chancellor's trade discussions with Brazil.</li> <li>• Liaise with World Federation of Insurance Intermediaries where necessary.</li> </ul>
<b>1.4</b>	<b>Tax</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Continue to lobby against future rises in Insurance Premium Tax.</li> <li>• Work with HMRC to ensure mutual understanding of future taxation plans, including VAT and its application within insurance</li> <li>• Provide HMRC / Treasury with review and commentary on consultations affecting industry</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Lobby UK and international governments where needed.</li> <li>• Support the work of the LIIBA Tax Working Party</li> <li>• Ensure LIIBA represented at HMRC's ILG meetings</li> <li>• Liaise with Tax committees of other associations to ensure consistency across industry</li> </ul>
<b>1.5</b>	<b>US issues</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Continue to monitor policy developments in London's most important market.</li> <li>• Analyse any opportunities emerging as the Biden administration takes office.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Work closely with Council of Insurance Agents &amp; Brokers (CIAB) and Wholesale &amp; Specialty Insurance Association (WSIA)</li> </ul>

## 2. Regulation

2.1	Senior Managers and Certification Regime	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Seek to ensure that the supervision of the new regime is proportionate.</li> <li>• Help members with their implementation of the new regime.</li> <li>• Liaise with FCA on lessons learnt from the implementation</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Run further seminars on the new regime.</li> <li>• Work with compliance officer groups to share experiences of implementation.</li> <li>• Continue to push for a proportionate implementation in meetings with FCA supervision team</li> </ul>
		<ul style="list-style-type: none"> <li>•</li> </ul>
2.2	Supranational regulatory developments	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Contribute to the ongoing debate around digitalisation in insurance intermediation led by Organisation of Economic Co-operation and Development (OECD).</li> <li>• Promote the role that insurance has to play in addressing the climate crisis as part of sustainable finance initiatives of EIOPA and OECD.</li> <li>• Monitor the redrafting of IAIS principles and its potential future impact on UK conduct regulation.</li> <li>• Support the development of international regulatory standards to be used as the basis for further free trade in financial services.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Work via World Federation of Insurance Intermediaries (WFII)</li> </ul>
2.3	Data Protection	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Ensure the membership is kept up to date with developments around the international exchange of personal and corporate data</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Work with the cross market data protection group, BIPAR and WFII to monitor development and review implications</li> <li>• Run appropriate seminars and other events to keep membership informed.</li> </ul>

### 3. Market Modernisation

<b>3.1 Future at Lloyd's</b>		
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Ensure that the needs of the client are at the heart of the development of the Future at Lloyd's proposals.</li> <li>• Ensure the proposals sufficiently cater for the needs of a global marketplace.</li> <li>• Ensure that the proposals adequately cater for the differences between LIIBA's larger and smaller members.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Actively contribute via Future at Lloyd's governance</li> <li>• Provide expert input into each workstream via our specialist committees structure</li> <li>• Maintain dialogue between John Neale and the independent wholesale membership.</li> </ul>
<b>3.2 Electronic trading</b>		
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Inform and guide PPL with the development of its new platform</li> <li>• Continue to build on the adoption of the various electronic trading platforms.</li> <li>• Secure the financial and efficiency benefits for brokers and their clients.</li> <li>• Support broker priorities regarding integration</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Continue to promote usage of PPL, Whitespace and other electronic trading platforms as appropriate.</li> <li>• Contribute to the market debate on the development of data driven trading supported by global standards</li> </ul>
<b>3.3 Claims</b>		
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Contribute to the work to design the next generation of claims support systems.</li> <li>• Ensure work recognises that claims are increasingly as much about delivering services as money.</li> <li>• Ensure the true needs of the client are reflected in any solutions delivered.</li> </ul>

	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Be an active participant in claims market working groups.</li> <li>• Continue work of LIIBA Claims Operations Liaison Group (COLG) and DA Claims Committee (DACC) to lead broker input into the Future at Lloyd's programme and cross market collaboration to progress operational efficiencies</li> </ul>
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<b>3.4</b>	<b>Market wordings</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Explore and develop with members and Market Associations market clauses and contract structure that aid efficiency for member firms</li> <li>• Specifically ensure that emerging cyber and communicable disease wordings do not over correct on areas such a silent coverage and render London policies uncompetitive with other centres.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Develop via LIIBA Committees and dialogue with member firms.</li> </ul>
<b>3.5</b>	<b>Delegated Authority</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Continue to support the development of market level infrastructure to improve the efficiency of Delegated Authority business.</li> <li>• Work with Lloyd's to explore other opportunities for promoting the market and its risk appetite to potential coverholders via brokers' networks.</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Continue to participate in the Future at Lloyd's DA Programme governance and ensure members are kept informed of developments</li> <li>• Liaise with LMA on Project DARE.</li> <li>• Liaise with broker and coverholder groups and associations</li> </ul>
<b>3.6</b>	<b>Central services</b>	
		<ul style="list-style-type: none"> <li>• Ensure day to day broker user experience is appropriately fed into the management of market central services.</li> <li>• Seek to ensure central services deliver the efficient customer outcomes that are intended.</li> <li>• Respond, communicate and advise in the event of unexpected impact to service (e.g. cyber attack).</li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Continue to participate in the relevant market/DXC governance groups.</li> </ul>

#### 4. Culture

	<b>Aim</b>	<ul style="list-style-type: none"> <li>• To support LIIBA members work               <ul style="list-style-type: none"> <li>○ developing inclusive working cultures,</li> <li>○ promoting gender equality in the London Market.</li> <li>○ promoting diversity and inclusion in the London Market.</li> <li>○ ensuring the London Market is future protected by encouraging young professionals to work in the Market and to ensure existing talent stays in the Market</li> <li>○ offering retraining opportunities for Market professionals</li> </ul> </li> </ul>
	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Draw on the experiences of our larger members and share lessons and techniques with the wider membership</li> <li>• Deliver LIIBA led initiatives which give the wider membership an opportunity to participate in a way they could not manage as individual firms.</li> <li>• Contribute to and lead the work of LMG Diversity &amp; Inclusion working group chaired by Greg Collins.</li> <li>• Contribute to and lead the work of Inclusion@Lloyd's – including the Dive-In festival.</li> <li>• Ensure LIIBA community is fully informed of the benefits of a more inclusive culture and diverse marketplace.</li> <li>• Ensure LIIBA community is properly prepared to meet obligations such as gender pay gap reporting</li> </ul>

#### 5. LIIBA Executive

<b>5.1</b>	<b>LIIBA Communications &amp; training</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Provide a comprehensive training programme to help members achieve their 15-hour annual CPD requirement.</li> <li>• Ensure members are fully aware of business, regulatory and legal framework change that affect the industry.</li> <li>• Promote the benefits of LIIBA membership to all Lloyd's brokers.</li> </ul>

	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Build on the successful webinar programme delivered in 2020.</li> <li>• Continue to expand access to our services for members through video content including all webinars.</li> <li>• Continue to expand LIIBA’s social media presence.</li> <li>• Provide comprehensive information updates via market circulars</li> <li>• Provide targeted information to specific broking community areas</li> </ul>
<b>5.2</b>	<b>Support LIIBA Committee structure</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• Provide executive support for LIIBA executive and other permanent committees to facilitate discussion and action on issues of mutual interest to the membership.</li> <li>• Launch a new Market Issues committee to deal with cross class topics.</li> <li>• Identify issues specifically related to individual classes of business or market operations.</li> <li>• Where appropriate, deal with them directly with underwriter representatives or refer them to relevant sub-committees or up to Main Board.</li> <li>• Develop and maintain relationships with opposite numbers in the underwriter associations</li> <li>• Regular meetings with underwriter associations’ joint committees and Boards</li> <li>• Communicate to brokers and hold training and seminars as necessary</li> <li>• Provide executive support to ad hoc and project working groups for specific issues as required.</li> <li>• Ensure actions from these meetings provide appropriate resolutions.</li> <li>• Promote engagement with the committees from the whole membership, big, medium and small</li> <li>• Full list of committees and working groups as at 1<sup>st</sup> January 2020 at Annex 1</li> </ul>
<b>5.3</b>	<b>Support potential new brokers to enter the market</b>	
	<b>Aim</b>	<ul style="list-style-type: none"> <li>• To ensure that potential new entrants have access to the information they need to create a successful business.</li> <li>• Encourage growth of London Market broking sector</li> </ul>

	<b>Approach</b>	<ul style="list-style-type: none"> <li>• Advertise this as a LIIBA service.</li> <li>• Work with Lloyd's to promote this offering to applicant Lloyd's brokers.</li> </ul>
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**Annex 1 - LIIBA Committee & Working Group structure**

<b>Committee</b>	<b>LIIBA Executive members/ attendees</b>
<b>LIIBA Board</b>	Geraldine Wright Christopher Croft
<b>LIIBA Executive Committee</b>	Geraldine Wright Christopher Croft
<b>Brexit Working Party</b>	Geraldine Wright Christopher Croft
<b>Marine Executive Committee</b> <b>Marine claims subcommittee</b> <b>Marine cargo subcommittee</b> <b>Marine technical committee</b>	Geraldine Wright
<b>Non-Marine Executive Committee</b> <b>Non-Marine claims subcommittee</b>	Geraldine Wright
<b>Aviation Executive Committee</b> <b>Aviation claims subcommittee</b> <b>Aviation technical committee</b>	Geraldine Wright
<b>Brokers' Reinsurance Committee</b>	Geraldine Wright
<b>Claims Supervisory Committee</b>	Geraldine Wright
<b>LIIBA Operations Committee (LOC)</b>	James Livett Christopher Croft Jackie Hobbs Sophia Lane

<b>Committee</b>	<b>LIIBA Executive members/ attendees</b>
<b>LOC Sub-committees</b>	
<b>Claims Operations</b>	Jackie Hobbs
<b>Facilities</b>	Jackie Hobbs
<b>DA Claims</b>	Jackie Hobbs
<b>Accounting &amp; Settlement Operations</b>	James Livett
<b>Broker Placing</b>	James Livett
<b>Management Information</b>	Jackie Hobbs
<b>Integration</b>	James Livett
<b>“Enhanced firm” Compliance Officer Group</b>	Geraldine Wright Christopher Croft
<b>“Core firm” Compliance Officer Group</b>	Geraldine Wright Christopher Croft
<b>LIIBA/FCA Quarterly liaison</b>	Geraldine Wright Christopher Croft
<b>Tax working group</b>	Jackie Hobbs Christopher Croft
<b>LIIBA/LMA Chairman &amp; CEO Quarterly liaison</b>	Roy White Christopher Croft
<b>LIIBA/UA Chairman &amp; CEO Quarterly liaison</b>	Roy White Christopher Croft
<b>LIIBA/BIBA Chairman &amp; CEO Quarterly liaison</b>	Roy White Christopher Croft
<b>LIIBA/Lloyd’s Quarterly liaison</b>	Roy White Christopher Croft
<b>Working Groups</b>	
<b>Brexit Working Group</b>	Geraldine Wright Christopher Croft



# Stay in touch with LIIBA

**For more information on LIIBA's work, or assistance on any issue to do with Brexit or any other aspect of market activity, follow us on social media at:**

**On Twitter**

@LIIBALondon  
@LIIBACEO  
@jhobbs\_LIIBA  
@JamesLivett

**On LinkedIn connect with:**

Christopher Croft  
Jo Brady  
Jackie Hobbs  
Sophia Lane  
James Livett  
Or follow LIIBA's company page

**Or contact:**

<b>Christopher Croft</b> 020 7280 0150 <a href="mailto:christopher.croft@liiba.co.uk">christopher.croft@liiba.co.uk</a>	Brexit policy, Government affairs, Domestic & International lobbying, Operations strategy,
<b>Geraldine Wright</b> 020 7280 0156 <a href="mailto:geraldine.wright@liiba.co.uk">geraldine.wright@liiba.co.uk</a>	Executive Committee work, Claims, FCA & Regulation, Diversity & Inclusion
<b>Jo Brady</b> 020 7280 0151 <a href="mailto:jo.brady@liiba.co.uk">jo.brady@liiba.co.uk</a>	Events, Training, Seminars, Communications
<b>Jackie Hobbs</b> 020 7280 0154 <a href="mailto:jackie.hobbs@liiba.co.uk">jackie.hobbs@liiba.co.uk</a>	Electronic trading, Delegated Authority, Data Integration, Tax, Brexit processing
<b>Sophia Lane</b> 020 7280 0153 <a href="mailto:sophia.lane@liiba.co.uk">sophia.lane@liiba.co.uk</a>	Events, Training, Seminars, Communications, LIIBA social media
<b>James Livett</b> 020 7280 0152 <a href="mailto:james.livett@liiba.co.uk">james.livett@liiba.co.uk</a>	Accounting & Settlement, IMR, Data Integration, DXC issues, Brexit processing, market technology services, placing, MRC. Electronic Trading adoption.