

Building sustainable, digital distribution



London and International Insurance Brokers' Association: 2022 Agenda

2021 – success in the shadow of the pandemic

2021 was probably not quite the year that we all had hoped for in terms of our emergence from the pandemic. But, in general, it was a successful one for our market. Tightening domestic markets saw more business flow to London showing that, as ever, we are the centre that stands up for our clients in their times of most need.

It was also a successful year for this Trade Association. Our mission at LIIBA is to try and create the appropriate regulatory, tax and operating environments that allow our members business to flourish.

Our relationship with government delivers signs for optimism

At the core of this is our relationship with governments and regulators at home and abroad. In UK, both in our direct dealings and through our participation in London Market Group (LMG) along with the carriers, our influence with government continues to grow. 2021 saw:

- our work liaising with HM Treasury over its Future Regulatory Framework Review bear fruit with the proposal that both UK regulators should have a secondary objective to maintain the competitiveness of the financial services sector – a key LIIBA policy issue for the last five years;
- HMRC respond to our input by dropping proposals to make brokers responsible for unpaid Insurance Premium Tax (IPT) from insurers that were not registered for the tax; and plans to extend IPT to broker fees;

- LIIBA support members in their discussions with Treasury and Department for Digital, Media, Culture and Sport that led to the launch of the government backed solution for live events insurance;
- LIIBA continuing to look to open up new and existing markets being key partners with Treasury in its discussions with Brazilian authorities seeking to further liberalise its insurance market; and presenting to trade commission staff across Asia Pacific and Latin America on the strengths of the London offering; and
- Internationally, through our memberships of the European Federation of Insurance Intermediaries (BIPAR) and the World Federation (WFII), we have cautiously welcomed the news that the formal review of Insurance Distribution Directive (IDD) is likely to be delayed until 2024.

Meeting the climate challenge

As the pandemic (hopefully) recedes, the biggest challenge facing society will be the climate crisis. In 2021, LIIBA:

- published a paper – *Our Role in Net Zero* – that set out the pivotal contribution insurance brokers will make if society is to achieve its sustainability ambitions;
- hosted a roundtable event featuring representatives from ClimateWise and the government’s Climate Change Committee to further explore the challenge and opportunity; and
- held discussions with UN Net Zero Insurance Alliance around some proposals it has for commitments that brokers and trade associations might make.

Action on culture

Another dialled up element of our agenda in 2021 was our work on developing a more inclusive culture in the market. In October we ran a five day training course for 50 school age science, technology, engineering and maths students from under represented backgrounds. This involved input from across the membership taking the students through a cyber attack scenario and how different roles in our sector would react to that circumstance. Feedback from the students has been tremendous and we now have a new alumni group of young adults enthused at the prospect of a future career in insurance. We will repeat this exercise in 2022 along with additional programme initiatives aimed at high achieving university students from under privileged backgrounds and young people no longer in full time education to promote the London Insurance market as a first choice career option

The continued drive for modernisation

We continued to support the market level work around Future at Lloyd's and Blueprint 2 by specifically:

- ensuring appropriate broker input into the development of the Core Data Record that will be the foundation of new, more efficient systems to support accounting and claims;
- being fully engaged in the development of the next generation of PPL software that is due for release this year; and
- continuing to work with Lloyd's to improve the systems and processes introduced in 2021 for delegated authority business
- supporting the Faster Claims Payment (FCP) pilot, working with the LMA to introduce the Delegated Claims Standards. Work has also been conducted with various parties to introduce an upcoming cross market co-lead claims agreement clause

Developing talent

2021 saw over 4000 people attend a LIIBA webinar – providing vital continuing professional development credits helping people meet their regulatory target. As well as core insurance topics such as client money rules, the Senior Managers and Certification Regime and managing appointed representatives, our programme has also expanded to cover subjects such as leadership, developing inclusive cultures, communicating effectively online and social media management.

2022 – building sustainable digital distribution

We will continue much of this work in 2022 focussing on the following.

Government relations

- Further work with HM Treasury on the future regulatory framework. The proposed new competitiveness agenda is welcome. But it will only translate into the more proportionate regulatory approach our export focussed market needs if there is a fundamental change in culture at Financial Conduct Authority (FCA). It needs to accept the very different risks to its overall purpose posed by wholesale markets dealing with sophisticated corporate clients that do not need protecting and it needs to adopt a lighter touch approach accordingly. 2022 must be the year that the unnecessary regulatory burden our clients have to bear is eased.

- We have been invited to give evidence to the House of Lords Industry and Regulators Committee for its investigation into the regulatory approach to commercial insurance.
- Continuing our work to open up new and existing markets. This will mean further work with UK trade commissioners to ensure that those government officials charged with promoting UK business have the insurance industry constantly in mind. We need to ensure that conversations with other governments do not stop with “UK can help you build things” and “UK can help you operate things” but extends to “and UK can insure all that for you as well”.
- We will also be continuing discussions with Department for International Trade about its Business of Resilience campaign – aimed at promoting UK exports, including insurance services, to support international firms managing cyber and climate risk.
- We will carry on our work with DCMS on UK data reform to highlight current issues and implications associated with change. These include topics such as legitimate interest, artificial intelligence, data subject access requests and reverse transfers.
- We will be working with HMRC following the publication of their next steps on Insurance Premium Tax (IPT). This will involve the introduction of a voluntary Code of Conduct and Register of Insurers registered for IPT.

Regulation

As well as contributing to the strategic debate being led by HM Treasury, we will continue to input into the day-to-day work of FCA.

- We will work with FCA to ensure its new competitiveness objective delivers a pragmatic new approach to regulation.
- We will liaise with FCA’s international division to ensure that the approach to supervising our members’ EU entities (created as part of their Brexit planning) is appropriate. These are firms with no UK clients and thus pose very little risk to FCA’s objectives. They should be regulated accordingly.
- We will continue to participate in relevant FCA consultations. Quarter 1 2022 will see responses on FCA’s proposals regarding the appointed representative regime and the compensation scheme amongst others.
- We will seek to enhance the dialogue between FCA and our membership which has not been as fluid in recent years as it should be.

Climate

- LIIBA members will be at the heart of the global debate. If London is to be the global centre for green finance, our government needs to recognise that that means more than just banks. So we will continue to promote the pivotal role of insurance broking in achieving net zero

- We will hold two round table sessions with All Party Parliamentary Group for Insurance and Financial Services in the first quarter of 2022. These will highlight to ministers and MPs the enormous opportunities for UK economy in London growing as the centre of excellence for managing climate risk; but also the need for regulatory flexibility if we are to deliver the innovative services and products necessary for us to grasp this opportunity.
- We will continue the conversation with UN Net Zero Insurance Alliance around the further commitments brokers and trade associations should consider.

Culture

Our STEM training week in October was a huge success. But it must only be the start of an accelerated programme of events to seek to develop a more inclusive culture across our membership. In each of these exercises we are keen to allow our smaller member firms to participate as much as possible. 80% of our membership employ 50 or fewer people. These are firms determined to play their part in developing a more diverse community but that do not have the resources to run this sort of exercise on their own. That is what we are here to do and to get those firms involved.

- We will repeat the STEM training week with a new cohort of students. And we will talk to London Market Group (LMG) about how we might industrialise the process by involving the carriers so that we can run multiple events through 2022.
- We have agreed to sponsor a group of high achieving students from under represented backgrounds through university via a scheme run by the charity UpReach. Our aim will be to engage our smaller members in this and have them provide the work experience and internship opportunities for these students as they learn about our industry.
- We are working with Prince's Trust to develop a "Get into Insurance" programme aimed at 18-30 year olds no longer in full time education. This will launch with a roadshow style "Teaser Day" in February.
- We will launch our *belonging@liiba* campaign.
- All of our initiatives are being delivered through practical action with our members and we will also look to expand further under the LMG

Market modernisation

We will continue to be a critical friend to the Future@Lloyd's programme. We will work to ensure we deliver efficient, adoptable services that make dealing with London easier for our clients.

- Our directors on the board of Placing Platform Limited will lead our support of the work to deliver a new version of the PPL platform in Q3.

- We will continue to work with Lloyd's to improve the way that delegated authority business is handled. We believe this requires a restatement of the overall vision for this sector and a clear mapping as to how outstanding systems releases will deliver this vision.
- Support the development of new services as part of the Joint Venture agreement signed by IUA, LMA, Lloyd's and DXC. These must be built to serve the principal customer of the services – the London broker. They must deliver the streamlined accounting process that has been a key strategic objective for some time now.
- Agree the data standards and sets that will be the foundation of these new services. We will look to lead this work through our membership of the Data Council.
- And we must not forget claims and will seek to ensure that various initiatives, including Faster Claims Payments are advanced further in 2022 along with supporting an ambitious timetable for the CLASS and ECF replacement.

Training and committee work

- We will continue to run our programme of webinars throughout 2022 focussing on regulatory developments, climate issues, market modernisation and a wide range of other relevant topics.
- The vital work of our committees is ongoing. Our Executive Committees – Marine; non-Marine; Aviation; and Reinsurance – will continue their important work managing market issues as they arise; inputting to the development of new market wordings where necessary; and providing expert input into all our work.
- Our input into the Future@Lloyd's work will be led by our Operations Committee. This year we say goodbye to Kate Roy as Chair and thank her for her enormous contribution to LIIBA over the years. We are delighted to welcome Adam Stafford of BMS as our new chair. The Operations Committee is supported by our specific committees dedicated to project and business as usual areas:
- Claims will be a key area for change and our Claims Operations Liaison Group (COLG) and Delegated Authority Claims Committee (DACC) have set out their priorities for 2022 to ensure broker and client interests are represented.
- The development of improved services for delegated authority is vital given the importance of this sub-sector to London. Our expert Facilities Committee will be at the forefront of this work.
- As well as contributing to the development of new services via Blueprint 2 we must continue to input to the management of existing ones. And so our role on the various committees overseeing the bureaux services provided by DXC will remain a vital part of our work.
- Part of London's vibrancy is drawn from its ability to regenerate and so another key part of our service will be to continue to work with firms seeking to become a Lloyd's broker –

helping them navigate the operational and regulatory challenges of set up and then, hopefully, welcoming them into membership.

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An extensive and ambitious agenda for 2022. But we remain wary that our 2020 agenda, penned in December 2019, made no provision for helping the membership cope with a global pandemic. Trade Associations, like politics, will always be beholden to events. And so a key part of our service is and always will be to be flexible to developments and adjust accordingly.

Annex 1 - LIIBA Committee & Working Group structure

Committee	LIIBA Executive members/ attendees
LIIBA Board	Geraldine Wright Christopher Croft
LIIBA Executive Committee	Geraldine Wright Christopher Croft
Marine Executive Committee Marine claims subcommittee Marine cargo subcommittee Marine technical committee	Geraldine Wright
Non-Marine Executive Committee Non-Marine claims subcommittee	Geraldine Wright
Aviation Executive Committee Aviation claims subcommittee Aviation technical committee	Geraldine Wright
Brokers' Reinsurance Committee	Geraldine Wright
Claims Supervisory Committee	Geraldine Wright
LIIBA Operations Committee (LOC)	James Livett Christopher Croft Jacqueline Girow Sophia Lane
LOC Sub-committees	
Claims Operations	Jacqueline Girow
Facilities	Jacqueline Girow
DA Claims	Jacqueline Girow
Accounting & Settlement Operations	James Livett
Broker Placing	James Livett
Operational Resilience	James Livett

Committee	LIIBA Executive members/ attendees
“Enhanced firm” Compliance Officer Group	Geraldine Wright Christopher Croft
“Core firm” Compliance Officer Group	Geraldine Wright Christopher Croft
LIIBA/FCA Quarterly liaison	Geraldine Wright Christopher Croft
Tax working group	Jacqueline Girow Christopher Croft
LIIBA/LMA Chairman & CEO Quarterly liaison	Richard Dudley Christopher Croft
LIIBA/IUA Chairman & CEO Quarterly liaison	Richard Dudley Christopher Croft
LIIBA/BIBA Chairman & CEO Quarterly liaison	Richard Dudley Christopher Croft
LIIBA/Lloyd’s Quarterly liaison	Richard Dudley Christopher Croft
Working Groups	
Diversity and Inclusion Panel	Jacqueline Girow Christopher Croft Geraldine Wright Sophia Lane
Human Resources Group	Geraldine Wright

Stay in touch with LIIBA

For more information on LIIBA's work, or assistance on any issue 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
 Jacqueline Girow
 Sophia Lane
 James Livett
 Or follow LIIBA's company page

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<p>Jo Brady 020 7280 0151 jo.brady@liiba.co.uk</p>	<p>Events, Training, Seminars, Communications</p>
<p>Jackie Hobbs 020 7280 0154 jackie.hobbs@liiba.co.uk</p>	<p>Electronic trading, Delegated Authority, Data Integration, Tax, Brexit processing</p>
<p>Sophia Lane 020 7280 0153 sophia.lane@liiba.co.uk</p>	<p>Events, Training, Seminars, Communications, LIIBA social media</p>
<p>James Livett 020 7280 0152 james.livett@liiba.co.uk</p>	<p>Accounting & Settlement, IMR, Data Integration, DXC issues, Brexit processing, market technology services, placing, MRC. Electronic Trading adoption.</p>