



# Up.

UNIQUE PERSPECTIVES  
FROM OUR WORLD



## BEING AN INSURER IN THE NEW ENVIRONMENT

The way we live and work has changed since the pandemic arrived. The challenge for insurers is to improve the way we work to benefit everyone in the market.

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Mark Stephenson, Head of Business Development and Market Relationships at LSM, explains how the firm is adapting to the pandemic.

In March 2020, our business continuity team realised that how they reacted over the next 6–12 months would set the foundation for the future operations. In a constantly evolving environment, it's required a combination of innovation, change management, and people focus; skills we expect to be essential long after COVID-19 has been brought under control, however long that takes.

Our top priorities were to maintain trading functionality, broker and client relationships, and to support employees in what was to become the new normal environment.

Although no-one had predicted the pandemic, nor once it began how long it would last, we found that the move to working from home went smoothly. The technology worked, teams, brokers and policyholders adjusted, and most importantly they were able to continue to write business. As the days turned into months, it became clear that some of our pre-pandemic initiatives were coming into their own and some completely new solutions were going to be needed for the changing work practices.

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### The hardening market

COVID-19 exacerbated an already hardening market, and resulted in a substantial rise in submissions across classes including aviation, cargo, Direct & Facultative (D&F) property and downstream energy. Given the length of the previous soft market, many of our younger underwriters had not experienced such market conditions before. Underwriting leaders worked hard to ensure their teams were not feeling isolated, while empowering and continuing to help them to understand the market change and make the right decisions.

Our priority has been on renewing existing business in line with our long-term approach which thrives on building and sustaining relationships. In addition, the pressure on underwriting teams to review new business submissions has been intense and has required excellent internal stakeholder management. Exposure management, finance and actuarial teams have aligned closely with underwriting teams to maintain a steady work flow.

### Adopting digitalisation

Across the business, teams have risen to the challenge as a new way of working has evolved.

The absence of what I have heard referred to as 'water-cooler serendipity' - that informal access to timely information - means that alternative communication channels have proliferated. Getting on someone's radar, especially if they

have been locked in calls all day, has meant embracing instant messaging and WhatsApp as well as familiarising themselves with all of the functionality of video conferencing software.

It has also meant that we have seen the adoption of digitalisation speed up to levels we hadn't predicted. There is no doubt that digital trading has worked and we expect to see more innovation in what has been a very traditional market place as we look for ways to improve and embrace what has become the new normal way of working.

## The triage approach

Liberty has developed and implemented a new innovative business triage system, within the D&F property team, that colour codes business opportunities against LSM's risk appetite. The launch coincided with the arrival of COVID-19 and is proving to be very useful in improving underwriters' efficiency when dealing with an increased flow of broker submissions whilst working from home. It is founded on a rules-based, self-educating proprietary algorithm devised by LSM underwriters, actuaries and the system development teams in London and Boston.

We are already seeing a difference. It gives our underwriters more time to focus on larger, higher premium, complex or multi-territory risks and to spend more time exploring solutions with brokers and clients.

We expect it will become a great source of information and insight, and will help drive consistency in broker submissions and across the portfolio as the volumes of data processed grow and the algorithm becomes more mature.

## Significant challenges

Another project initiated pre-pandemic was the 'Dynamic Customer Growth Programme'. It was designed to support our teams to adopt a more customer-focused mind set and enable underwriters to behave more like trusted advisers.

The training has enabled us to engage more effectively with brokers and clients. It has given teams the confidence to have difficult conversations face-to-face, instead of resorting to email. That has proved to be really important in this environment, especially where market terms and conditions are changing, and brokers and their clients are facing significant new challenges. How you deliver news, good or bad, affects the relationships, our reputation and how underwriters are seen in the market.

Brokers are noting how insurers are behaving in these challenging times, such as, who is being hard-nosed or inflexible. The feedback Liberty received is that they are seen as flexible, approachable and pragmatic. The training has helped with that, as through the crisis, they have had more interactions with brokers than ever before and it's brought them all closer together.

Digital trading via PPL and Whitespace and use of Liberty's E-stamp were already well-established pre-COVID-19, but it became apparent early on that trading \$2bn over Skype long-term was going to be a challenge for Liberty's broking partners and employees. Our solution was the launch of Liberty Virtual Rooms, which we developed in response to market wide feedback from our strategic brokering partners. Launched in September 2020, Virtual Rooms is a digital meeting place where brokers can live video call with Liberty contacts via their web browser, it allows market discussions to take place in real time. It enables junior employees to watch interactions between brokers and underwriters to replicate the functionality of a traditional, spontaneous, face-to-face, trading environment.

The ability to trade in the style the market is used to may enable some normalisation around working hours and help re-inject some spontaneity and even camaraderie. We hope that it will help them maintain the momentum of our growth programme and support the desire to move from the role of underwriting partner to trusted adviser.

## The focus

The continued shift to trusted adviser status is important as clients have rarely faced the need to make so many significant decisions simultaneously. Furloughing employees, reviewing office options, protecting assets, restoring liquidity... the challenges are significant. But while there is no doubt that risk management has never been more important, rarely has it faced more competition for discussion time at the top of Board agendas.

In previous hard markets, changing terms and conditions encouraged a flurry of reappraisals. Insureds switched brokers; brokers switched carriers. But in this market, Liberty is seeing very little switching – instead, the focus is less on insurance and more on immediate and pressing concerns. This, in turn, makes it all the more important that underwriters are able to make the most of existing relationships, understand policyholder needs and respond accordingly – deploying all their existing and new found skills in terms of underwriting, consultancy, advice and communication.

## Looking to the future

With English government guidelines recommending people work from home if they can, our London offices closed once more in autumn 2020. The launch of Liberty Virtual Rooms has been pivotal in maintaining business as usual; but ultimately Liberty will embrace a variety of approaches. One thing is clear: the future will be led by clients and we will do what is needed to respond flexibly and efficiently to their needs. ■

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