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UNIQUE PERSPECTIVES

Liberty
Specialty Markets

BUILDING TECHNOLOGY IN
OUR OWN IMAGE IS NOT
THE SOLUTION WE NEED

Since the London Market started to embrace digitalisation, its instinct is to expect there to be a technological solution for every challenge it faces. But what happens when the technology itself is the problem? Matthew Moore makes the case for more inclusive thinking.

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During our last Unique Perspectives event, I was struck by a comment made by our guest, entrepreneur Baroness Martha Lane-Fox of Soho, CBE. Talking about inclusivity in technology, she remarked that Twitter would have been a very different platform had it been founded by four women or four people who felt vulnerable rather than four white men. It had not occurred to them that it might be the place where things could get aggressive or difficult. She also said when creating anything for the digital world it's important to think about the responsibility of what you are creating.

The name 'Martha Lane-Fox' may still evoke vivid memories of the dotcom boom and one of the UK's first fully-fledged e-commerce businesses, Lastminute.com – but her presentation to our Unique Perspectives audience focused on the issue of technology and inclusivity – or more accurately, the lack of inclusivity. It is a subject close to her heart after she worked on the digitalisation of the UK government's services – what we know as gov.uk. In the UK, if a business wants to file a tax

return or an individual needs to renew their television licence or car tax, they go to gov.uk.

Disconnected thinking

The challenge is that even in a comparatively wealthy country like the UK, millions of people still don't have access to the internet. According to 2020 government data, one-in-five households with a single resident aged over 65 were not connected to the internet. The 2019 UK Consumer Digital Index found that 22% of Britons lack the essential digital skills needed for day-to-day life in the UK. That equates to nearly one quarter of the population being excluded from something most of us take for granted.

The tech industry has its inclusivity issues too. Technology companies are increasingly disclosing workforce race and ethnicity data in a conscious effort to address a longstanding diversity problem. But despite these initiatives, there is more progress to be made. A 2020 report by not-for-profit community interest company Extended Ventures looked at how Venture Capital (VC) has been invested in the UK between 2009 and 2019 — providing data on 3,784 entrepreneurs who started 2,002 companies over this period. It found that all-ethnic teams received an average of just 1.7% of the venture capital investments made at seed, early and late-stage over this decade and only 10 female entrepreneurs of Black

appearance received venture capital investment across the 10-year period, with none so far receiving late-stage funding.

The key is that digitalisation of the insurance industry is not just something that happens – something that is 'done' to us. It can often feel that way: we arrive in the office, switch on our computers and find that apps have updated, screensavers have changed, new icons have appeared on our desktops. It seems like a magical process, where announcements of technology updates are followed rapidly by implementation.

Digital decisions

But it's not magic. Digitalisation is the result of a series of management decisions, a willingness to commit resources, technical expertise, creative thinking and a lot of hard work. Many people will have been involved in the process, over months, possibly years. And at each step of the way, people have made decisions based on their understanding of the world in which we live and work. But as we've learned through our growing awareness of diversity and inclusion – and, for some of us, our coaching in unconscious bias – our understanding of the world can vary wildly.

Even those organisations that aim to promote diversity and inclusion with technology solutions such as interviewing software or CV filtering, need to be aware of the risks that go alongside their good intentions. By identifying patterns in data and basing actions upon them, AI has the potential to perpetuate existing biases. As Wendy Hall, author of a review into artificial intelligence commissioned by the UK government, told the Financial Times: "We used to talk about garbage in, garbage out. Now, with AI, we talk about bias in, bias out."

Implications for insurance

So, what, you may be asking yourself, has this to do with the insurance industry and the London Market? Firstly, most of us in the London Market accept that our record on diversity and inclusion requires improvement. Progress is certainly being made but we're starting from a low baseline. For example, the London Market Group is working to reinvent our market's brand as an inclusive, competitive industry in which to have a successful career. In fact, initiatives are springing up right across our sector, which are very welcome and one might say, long overdue.

My second point is that over the next decade, the London Market is going to transform itself using digital technology and AI to automate process-driven tasks and manipulate data in ways we are only just beginning to grasp. In many respects, the limitations of this transformation are the boundaries of our own imaginations. But where such far-reaching change is concerned, we need to ensure that the transformation is guided by us, not imposed upon us. That means engaging as broadly as possible with the London Market community and being open to considering aspects far beyond the technical solution.

Take, for instance, Liberty Virtual Rooms, our online system that allows brokers and underwriters to interact in much the same way as they would when meeting face-to-face in the Lloyd's Underwriting Rooms. When COVID-19 restrictions limited the market's traditional face-to-face trading, we set out to replicate the ease and efficiency of meeting at the box but with added functionality. The key to designing the system which had to appeal to large numbers of brokers and underwriters was not to impose

a solution, but to consult widely and capture market practitioners' views.

Focus on inclusion

I'm not trying to suggest that Liberty Virtual Rooms has fully addressed something as serious as inclusivity, but I think its direction of travel is pointing the right way. Not an imposed solution, but a democratic solution. Technology that is a product of our markets' combined experience and world view, thus working for as wide a spectrum of people as possible.

Inclusivity has proven difficult for corporate culture. Technological inclusivity is the next challenge. But we've taken the first step – becoming aware that technology can only fulfil its potential if it is truly accessible and founded on unbiased data and unbiased assumptions. I don't, for one moment, underestimate how difficult a challenge that is. But it is a challenge the London Market and our wider society needs to address right now. ◼

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