



RECAP

ILF 2016 By the Numbers

1013

TOTAL
ATTENDEES

553

CIAB
BROKERS
(155 COMPANIES)

432

CICE CARRIER
PARTNERS
(62 COMPANIES)

119

FIRST-TIME
ATTENDEES

22

firms
NEW MEMBERS
IN 2016

The Buzz InsurTech

SUMMARY

It's important that we as an industry and an organization have a solid handle on the evolution of the InsurTech space and to be part of the conversation and the innovation. InsurTech is a single category of Fintech which defines a market segment using technology to re-invent aging business processes in the financial services sector. InsurTech companies utilize technology and data to disrupt or circumvent insurance firms that rely on archaic and manual business processes. A few facts:



KEY POINTS

- Fintech investments have declined 51 percent in 2016, while InsurTech investments have increased 260 percent
- Some estimates show cumulative funding in InsurTech as high as \$16.5 billion
- Forty-Eight (48) percent of insurers fear they could lose as much as 20 percent of their business to standalone InsurTech companies over the next five years
- Sixty-Eight (68) percent of insurance companies have stated they have taken concrete steps to meet the InsurTech challenge head-on
- Estimates vary but there are at least 982 InsurTech companies in existence today across 14 InsurTech categories

HIGHLIGHTS

- Everyone wants to get a handle on data; getting started is the challenge
- IT strategic planning tops the list for many this coming year.

HEARD AROUND THE
CONFERENCE

“Given what is going on in our business we can’t afford to not be engaged at ILF.”

Prevailing Themes

GLOBAL BUSINESS

COLORADOCARE, THE
NATIONAL POLITICAL
LANDSCAPE & ELECTION 2016

TALENT, DIVERSITY &
INCLUSION

Global Business

SUMMARY

This year's International Working Group hosted 43 dedicated international executives from 35 companies across the globe, all focused on companies' cross-border risk placement. The group was evenly split: 22 from the U.S. and 21 from outside the U.S. The program featured a workshop by Babson College's Dr. Lakshmi Balachandra on cross-cultural aspects of business negotiations and effectiveness which outlines cultural awareness in negotiations and cross-border/cross-cultural assessment for business negotiations. Discussion also centered on practical aspects of what drives negotiators' behavior in a cross-cultural setting.



HEARD AROUND THE CONFERENCE

“Out of discomfort comes innovation.”

There will be an international networking opportunity at our Employee Benefits Leadership Forum in 2017. For more information, contact The Council's Vlad Gololobov at vladimir.gololobov@ciab.com.

HIGHLIGHTS

- Negotiators' challenge hinges on advancing interests through cooperation to create value and competition to claim a market share
- In a cross-cultural setting, businesses run into polarizing objectives, compounded by various communication styles. This can be addressed through recognizing cultural differences, identifying opportunities for trade and including avenues for flexibility.
- Four levels of cultural assessment will guide parties throughout negotiations:
 - Common expectations for behavior
 - Negotiation process expectations
 - Decision-making and governance
 - Political and economic factors

PEYTON MANNING TAKEAWAYS

Be direct in your communication.
Stay focused.
Find a mentor.



Photos Around ILF



ColoradoCare, the National Political Landscape & Election 2016



General Session I Featured Guests

Leon Panetta, U.S. Secretary of Defense, 2011-13; Co-Founder of the Panetta Institute for Public Policy
Robert Gates, U.S. Secretary of Defense, 2006-11

Executive Forum Featured Guest

Ed Perlmutter, U.S. Representative, D-CO

General Session 2 Featured Guest

John Boehner, Speaker of the U.S. House of Representatives, 2011-2015

ColoradoCare

The Council is highly focused on soundly defeating Colorado Amendment 69, which would take Colorado to a single-payer healthcare system, including workers' compensation.

- The Council sees this as a national issue that could have a domino effect across states considering single-payer
- Rep. Perlmutter cautioned that Colorado has a particularly easy amendment process—all it takes is 50 percent plus one to pass

National Political Landscape

- **Healthcare:** There are probably deals to be cut to tweak the ACA. Some say repeal and replace, but it's difficult to go backwards on some of these things. "There needs to be a transition, something that empowers states and individuals and gives tax credits for those who can't afford it," said Boehner. Rep. Perlmutter said there are a lot of fixes that could be made, if we can get past the gridlock.
- **Exchanges:** This is a budgetary issue. The risk corridors that were promised to insurance companies and co-ops for covering the sick were repealed as part of a must-pass omnibus bill. So now, co-ops are failing and others are pulling out. Rep. Perlmutter would like to see those reinstated and also noted that allowing the big insurers to move ahead with their mergers would reduce the competition and help fix this.
- **Cadillac Tax:** Rep. Perlmutter believes a repeal of the tax should pass and it currently has a majority in the House and Senate.
- **Tax Reform:** The Council's biggest legislative priority is preserving the employer-sponsored system of health benefits. This system may potentially come under attack in the tax reform debate next Congress and is already facing scrutiny. Rep. Perlmutter said there's consensus that something needs to be done, but no consensus on what that is. If there's reform, it's going to be really broad, and everyone is going to feel a little bit of the pinch. Boehner doesn't see employer-provided healthcare coming into play as a part of this. He noted that ERISA is the foundation of our healthcare and pension system.

Election 2016

All four speakers said the next president will need to work much harder with a divided Congress to achieve anything.

- Boehner believes the Senate Republican majority is in trouble. Regardless of who wins, he said, "To get things done, he or she needs to work with a bipartisan majority in the House and Senate, have a relationship with those leaders, trust them and stand up to your own party to do it."
- Boehner said the single most important issue at stake is the appointment of Supreme Court justices. "America is more divided than I've ever seen. And more and more issues will end up in front of the Supreme Court. The next president will appoint 2-4 justices."
- Rep. Perlmutter has seen a great deal of confusion in Colorado where some Democrats are voting for Trump yet every other Democrat on the ballot and some Republicans are voting for Clinton yet every other Republican on the ballot.

CouncilPAC Update

This is a critical year for our advocacy team as the election results and impending tax reform will pose both opportunities and challenges for our legislative agenda. Our team will continue to educate and be in front of decision-makers serving on important committees of jurisdiction and those who will be champions for us in the next administration. CouncilPAC raised a **record \$1,180,000** upon the conclusion of ILF.

To learn more about CouncilPAC or to donate, contact The Council's Brittany Thune Lindberg at brittany.lindberg@ciab.com.



Talent, Diversity & Inclusion

SUMMARY

Talent continues to be a top pain point for member firms. Development of talent is a must—at every level, including the leadership team.

HIGHLIGHTS

- Producers, producers, producers. Domestic and international firms alike expressed the continued need to find and develop producers. To address this, firms are increasingly tapping into other industries. However, still a gap in best practices for training/developing exists.
- Culture is at the forefront of attracting and retaining talent, particularly millennials. Firms are investing in dedicated staff to establish and drive culture forward.
- It's all about expertise and specialization. Days of being a generalist are gone.

National Broker Smackdown

SUMMARY

Broker Smackdown is a 2.5 day workshop that challenges up-and-coming leaders to run a simulated brokerage that competes in a virtual marketplace. The National Broker Smackdown brought together the winning teams of each of our four regional competitions to compete on an enhanced computer simulation.

HIGHLIGHTS

- Differing from the regional competition, the national program required that participating teams run not only a brokerage firm but also an insurance carrier. This additional complexity challenged the teams to function in a much broader world.
- Seeing the inner workings of both the brokerage and the carrier, participants gained a new respect and awareness of both the points of synergy and of friction in the broker /carrier partnership.
- The Council Leadership Academy, powered by CNA, is all about developing the full spectrum of leadership skills, from member firms' emerging talent to senior-level talent. We're also introducing a 12-month slate of Virtual Workshops which will cover the following topics: Conflict management, Negotiating skills, Emotional intelligence, Organization skills for maximum effectiveness, Five functions of highly effective teams, Business coaching, Delegation, Communication skills, Managing relationships, Influencing skills for leaders, Strategic thinking and Goal-setting. **Registration for 2017 Leadership Academy** programs is now open.



Contact The Council's Elizabeth McDaid at elizabeth.mcdaid@ciab.com for more information and to get your team involved.

Diversity and Inclusion

- New energy around this topic and a great desire to create change. Diversity and inclusion are much more than HR initiatives. They must be a part of your key business planning.
- Participants were heard discussing how to attract and hire women producers, how to attract other ethnicities into the industry and challenge each other's thinking on their firm's diversity initiatives. How does your business respect the needs of these groups and make your firm attractive to them?
- With increased international engagement at ILF, perspectives from cultures around the world lend refreshing points of views and intelligence, giving new dimension to this initiative. More about our international discussions is outlined below.
- The industry must reflect the global world in which we live with vibrant, diverse talent. Clients and prospects look for this integration and representation.

WOMEN IN LEADERSHIP EVENT: A GATHERING OF GRACE & GRIT

This high-level networking event was open to all attendees at ILF. This recent McKinsey study, **Women in the Workplace 2016**, is a comprehensive study of the state of women in corporate America and was printed as a takeaway. The group was encouraged to continue the discussion on The Council's LinkedIN group.

For more information about this initiative, contact The Council's Alycia Kiley at alycia.kiley@ciab.com.



HIGHLIGHTS FROM MCKINSEY

- On average, women are promoted and hired at lower rates than men, so far fewer women become senior leaders and very few end up on the path to becoming CEO
- Women of color encounter even more barriers
- There has been progress, but women are still underrepresented at every level

The Council Foundation Scholarship Program Open to All in 2017



The restructured Council Foundation Scholarship Program utilizes member firms' existing internship programs with the chance for standout interns to be nominated for scholarship money from the Foundation. This new process, which is open to all member firms in 2017, compliments firms' recruitment of top-performing interns for full-time positions upon graduation.

BY THE NUMBERS

- In 2016, the Foundation awarded \$250,000 in college scholarships to 50 interns
- The Foundation Auction at ILF raised a total of \$84,330, which included \$23,000 at the closing night's live auction
- **Special thanks** to our **Foundation Partner, Liberty Mutual Insurance**, as well as all who donated items and those who bid on items, especially **The Broadmoor** and **The Broadmoor-Sea Island Company** for their donation of a coast-to-coast resort experience for two; **Greg Milward, John Milward and J. Smith Lanier** who donated a Kentucky experience, including a meeting with Triple Crown Winner American Pharoah; and **Ryan Specialty Group** which donated an 8-day experience in Croatia.

Contact The Council's Cheryl Matochik at cheryl.matochik@ciab.com for more information about the scholarship program or how to be more involved in our fundraising efforts.

Save the Date: ILF 2017

The 104th annual Insurance Leadership Forum will be held at The Broadmoor in Colorado Springs, Colo., **Saturday, Oct. 7 – Wednesday, Oct. 11, 2017**. We hope to see you there!

