



# RECAP

## ILF 2017 BY THE NUMBERS

**1085**

Total Attendees

**580**

CIAB Brokers (148 Firms)

**442**

CICE Carrier Partners (59 Companies)

**70**

International Working Group Participants

**14**

New Member Firms in 2017

**170**

New/First-Time attendees

**1100+**

Private Events/Functions

## EXECUTIVE SUMMARY

More than 1,000 brokers, carriers and industry partners came together at the 104th Insurance Leadership Forum in Colorado Springs, Colo., to discuss shifts in customer expectations, talent and the changing needs of the client in an increasingly data-driven world. As we move at seemingly lightning speed towards the future, keeping pace with these and other industry shifts requires smart thinking and more innovative ways of doing business in order to maximize growth and retention. By the end of the forum, the consensus was clear: opportunities exist for risk advisors who are willing and able to collaborate, partner and evolve.



## PREVAILING THEMES

- Technology is paving the way to greater efficiency through a more personalized approach towards risk prevention and customer service. However, innovation must live within the mindsets of those running the business to consider, on a more consistent basis, new ways of managing firms and serving clients.



- The ability to serve clients with data analytics and predictive modeling will not be optional going forward—it will be necessary. Customers expect the same level of service, including analytics and insights, from our industry as they get from others. This requires

data sharing, which more carrier/broker partners are exploring and implementing.

- Hiring for the brokerage of tomorrow should be a key organizational priority. Talent should reflect the global customer, the global workforce, and consider the skillsets that align with the technological shifts molding the industry. Valuable lessons can be learned by paying attention to the successful recruiting and hiring practices of other industries that have experienced large-scale innovation.
- Automation will restructure work but the human element is still needed for personal relationships, critical analysis and intuition, and creating insights from data. Automation and data will not replace these skills but rather the goal is to integrate the two, with automation and data supporting the human aspects of the job.
- InsurTechs and industry incumbents speak different languages and are in need of a translator and/or common language to understand one another and work towards shared goals.
- Blockchain can help with insurance pain points and has use cases spanning across the value chain. It has the potential to change the financial services industry in unprecedented ways.



## SAVE THE DATE: ILF 2018

The 105th annual Insurance Leadership Forum will be held at The Broadmoor in Colorado Springs, Colo., Saturday, Sept. 29 – Wednesday, Oct. 3, 2018. We hope to see you there!

## WOMEN'S FORUM: STRENGTHENING YOUR POSITION TO LEAD IN EMERGING AREAS

**Moderator:** Elizabeth Bishop, *EVP, Heffernan Group*  
**Panelists:**

- Amy Zupon, *CEO, Vertafore*
- Martha Notaras, *Partner, XL Innovate*
- Peter Miller, *President & CEO, The Institutes*

### SUMMARY

Executives from across the industry gathered for this dynamic conversation about transformational new areas of investment, including InsurTech, blockchain and the leveraging of data. Q&A and open networking followed a 30-minute moderated panel discussion.



### HIGHLIGHTS

- Technology is really just an enabler a company can leverage to solve problems. Try to learn it, understand it and appreciate it but don't be afraid of it.
- The key is understanding customers' expectations. As their lives get more complicated, they have little tolerance for antiquated processes.
- Our business must mirror the evolution and innovation your clients' businesses are experiencing.
- Whether its disruptive technology, AI or blockchain, the real question is what kind of business problem are we trying to solve in the industry, and what are we trying to accomplish?
- Digital natives think differently, make sure you are tapping into them. Doing so moves forward the understanding of the expectations of both our workforces and our customers.
- Innovation in technology and the evolution of how data can be leveraged is still in its early stages and has a playing field that is wide open. This presents a great opportunity for women to develop expertise and get out in front.
- Considerations for your organization to take into account when deciding when and where to invest: investment backers, diversity of leadership team, an idea that can scale, whether the offering reduces friction, the eco-system in which it exists (i.e., the integration capability), etc.
- It's about living in a world where there is continuous improvement, so that you are constantly seeing and making investments—both for your company's ROI but also for the customer you are trying to serve. If you do that well, the next customer is going to buy and the investment will continue.

### Questions?

Contact The Council's Alycia Kiley at [alycia.kiley@ciab.com](mailto:alycia.kiley@ciab.com).

## RiskMatch Insight

### WHAT IS YOUR BIGGEST CONCERN WHEN EVALUATING NEW TECHNOLOGY?

Integration with existing systems	48.0%
Features and functionality	32.0%
Training and implementation	12.0%
Creating internal buy-in	8.0%

# INDUSTRY TOWN HALL

## DATA ANALYTICS: CHANGING THE UNDERWRITING GAME

**Moderator:** Eric Joost, *Global Head of Property and Casualty, Willis Towers Watson*

**Panelists:**

- Tony Kuczinski, *President & CEO Munich Reinsurance America, Inc.*
- Broniek Masojada, *Chief Executive, Hiscox*
- Martha Notaras, *Partner, XL Innovate*
- Arvind Parthasarathi, *CEO, Cyence*

### SUMMARY

Data is the bedrock of insurance from underwriting to loss ratios to predictive modeling. This panel discussed how changes in data analytics and technology are shaping insurance innovation. The spirited dialogue demonstrated energy and enthusiasm around how the insurance ecosystem is evolving.



**“A knowledge gap crisis is coming with mass retirement -- let’s capture that information so it can be used by future generations - via AI!”**

– Martha Notaras, *XL Innovate*

### HIGHLIGHTS

- Mass retirement of 300k workers within the insurance industry could be positive since new talent brings a new wave of ideas and way of working/doing/thinking. Prediction that talent will move from actuaries to data scientists. The industry will increasingly be competing with other industries particularly science and technology.
- Through enhanced data analytics, residential property losses have seen a 5-15 percent increase in accurate loss predictions. Expect this to push through to the commercial side.
- There is an unprecedented amount of data available today but much noise exists within that data. It is key to design your analytics to accommodate each individual risk.

### INNOVATION

- The pace of change continues to increase. Brokers need to embrace and be active participants.
- Insurance has always been data driven but artificial intelligence (AI) amplifies capabilities paving the way for innovation and expansion of value.
- The insurance industry could use innovator/disruptor like Amazon. It will raise the bar and serve as the catalyst for change. Our industry needs to stop comparing to one another and begin comparing to other industries. Many lessons exist.

### OPPORTUNITY

- The panel agreed that the InsurTech space is moving from disruption to collaboration within the industry. Firms should hone organizational strategy then align with InsurTech offerings. Be cautious of shiny object syndrome. There are many products/ services out there but stay committed to your strategy to avoid distractions and deviations.
- The industry should not settle for outsourcing innovation. Need to get the business thinking differently to disrupt from within vs. external sources.

### Questions?

Contact The Council’s Jenn Urso at [jennifer.urso@ciab.com](mailto:jennifer.urso@ciab.com).

## RiskMatch Insight

WHAT SHIFT IS HAVING THE BIGGEST IMPACT ON THE INSURANCE MARKET?

New technology platforms	52.4%
New brokers	33.3%
New carriers	9.5%
New products	4.8%

# EXECUTIVE FORUM

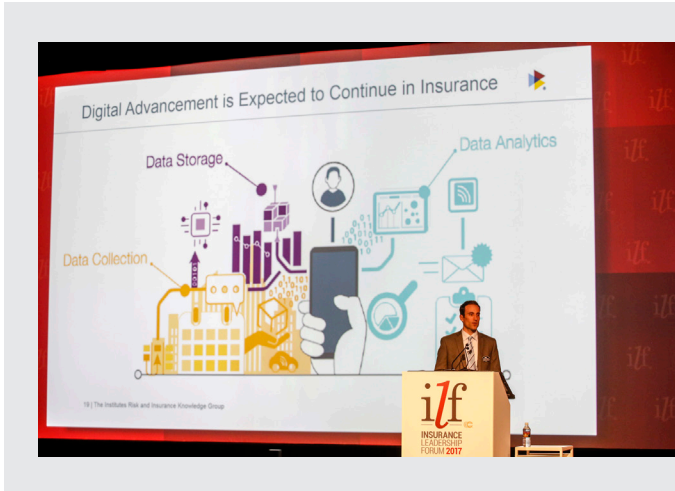
## BLOCKCHAIN: INDUSTRY GAME CHANGER

### Presenter:

Patrick Schmid, PhD, Vice President, The Institutes/RiskBlock Alliance

### SUMMARY

Blockchain is being touted as an industry game changer. In fact, blockchain is as significant to business evolution as the advent of the internet, according to Patrick Schmid of The Institutes. The World Bank also predicts that 10 percent of the global GDP will be stored on blockchain by 2027. This session explained the hype around blockchain and how it ties into the insurance industry.



### DEFINING BLOCKCHAIN

Blockchain technology allows for the recording of data—transactions, contracts, agreements—in a way that means the data is simultaneously stored, but also updated in real time—on hundreds or even thousands of computers globally. Blockchain technology makes the data almost impossible to tamper with or hack into, yet each transaction is updated instantly for every user, while still encrypting the content behind each transaction.

### HIGHLIGHTS

- The Institutes' blockchain consortium, RiskBlock Alliance, is comprised of more than 30 insurance organizations, including brokers, carriers and reinsurance companies. Their working groups are currently exploring various segments of the risk management and insurance industry, all working on potential use cases in the insurance industry.

Get Involved: Contact Patrick Schmid at [schmid@theinstitutes.org](mailto:schmid@theinstitutes.org)

- Blockchain use cases across the insurance value chain include product pricing and distribution, underwriting and risk management, finance payments and accounting, claims management, policyholder and acquisition services, regulation and compliance.

- Through blockchain, costs for data storage and sharing should dramatically decrease.
- Smart contracts are self-executing contracts that can help with insurance pain points such as improving customer experience, increasing entry into emerging markets, speeding product innovation, lowering administrative costs through automation, reducing fraud, improving third party integration, producing greater efficiency and streamlining data sharing.

**"I believe blockchain will be the single most important financial services innovation of my lifetime."**

– Patrick Schmid, The Institutes

### Questions?

Contact The Council's Rob Boyce at [robert.boyce@ciab.com](mailto:robert.boyce@ciab.com).

# INTERNATIONAL WORKING GROUP

## SUMMARY

The International Working Group program hosted a stimulating peer conversation on emerging risks and trends, affecting international businesses' bottom-lines. Participants exchanged views on the broker's evolving role of a multinational risk advisor, global trends in InsurTech and data analysis, and operational and risk compliance challenges through clients' eyes. In the current globalized world, the pressure to compete pushes companies to change at an accelerated pace, so a requirement to stay on top of both clients' business and insurance developments is essential.

## RISK MANAGERS' PANEL: BROKER-CLIENT DYNAMIC: TAKE ON EMERGING GLOBAL RISKS AND INNOVATION

**Moderator:** Joe Watts, *Holmes Murphy*

**Panelists:**

- Cindy Roelke, *Western Union*
- Greg Luttrell, *TeleTech*
- Josh Saunders, *Otter Products*

## RiskMatch Insight

### WHAT IS YOUR FIRM'S BIGGEST PRIORITY IN THE NEXT 12 MONTHS?

Growing and diversifying books of business	37.9%
Attracting and hiring talent	24.1%
Investing in technology to support your business	24.1%
Streamlining your operations	13.8%

## PANEL HIGHLIGHTS

The panel explored brokers' roles in emerging global risks. Brokers' advice may affect crucial business decisions worldwide, thus partnership relations and open communication channels about clients' internal developments are important. Multinational clients operate under tremendous regulatory scrutiny, so clients look up to brokers to lessen risks of regulatory compliance. Brokers' advisory role in risk management and benefits is especially important for markets with small capacities and smaller staff. Brokers can gain an edge through investment in consumer-focused technologies, development of the digital space, and intelligence on crosscutting regulatory compliance requirements.

## PRESENTATION: GLOBAL ASPECTS OF INSURTECH & DATA ANALYSIS

**Presenter:** Chris Gagnon, *CIO, The Council*

Total InsurTech investment is nearing \$20 billion. While it is unlikely investors will see direct returns from these startups, the activity and focus will no doubt change the way our industry operates. There is nothing magical about current InsurTech. The industry progresses from reviewing market data to market insight, which opens great opportunities to predictive modelling and decision-making based on those insights. Data is not a differentiator, but what brokers do with it is what sets them apart. Different jurisdictions have various philosophical and policy approaches to treating data, but sharing relevant data, without jeopardizing clients' financial wellbeing, can help avoid risks. A uniform level of data protection for partners across the board may help allay cross-border data sensitivity and privacy concerns.

## OTHER HIGHLIGHTS

### Local Participation in Risk Management and Benefits Procurement

It is essential to ensure that local options offer flexibility to buy required policies. Clients may allow procuring a local policy and

buy something practical as long as it's done collaboratively and corresponds with the global business strategy. Unfortunately, policy duplication and triplication due to the lack of communication persists. In procuring local policies, clients' risk managers like competition among brokers, but turn to their master policy and internal rules for additional coverage. Clients' risk managers are responsible to help deploy capital effectively across the world.

## INTERNATIONAL BENEFITS

Global business travelers must be able to get in touch with risk managers quickly. Due to worsened geopolitical risks, companies have increased investment in their duty of care initiatives—what they do about a crisis and how they react. Risk managers may work with a corporate security department to know where employees are all the time and use mobile apps and chatrooms to connect. Although decisions on international benefits aren't made in a vacuum, risk managers are clients' sole contact points for brokers.



## Questions?

Contact The Council's Vlad Gololobov at [vladimir.gololobov@ciab.com](mailto:vladimir.gololobov@ciab.com).

# FOOD & THOUGHT

## STRATEGIC LEADERSHIP AT ALL LEVELS



**“90 percent of anything is execution.”**

– Dr. Steven Stowell

### Presenter:

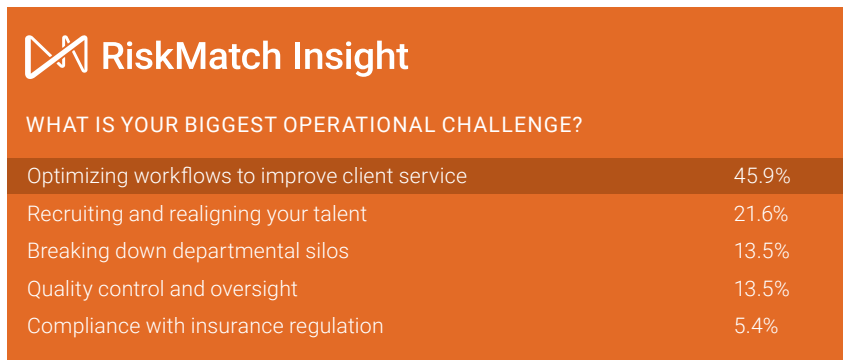
Dr. Steven Stowell, *Founder & President, Center for Management & Organization Effectiveness*

### SUMMARY

This session explored the process required to drive strategy deep into your organization. With only 23 percent of organizations reportedly having a “line of sight” into the long-term goals of the organization, there is much work to be done. “Operationalizing” the strategy is one solution that allows the leaders of an organization to find connection points and engage everyone in the mission. Ways to operationalize your strategy include alignment meetings paired with results forums. These opportunities for improvement will help produce a high-functioning leadership team.

### HIGHLIGHTS

- The number one job of a leader is to secure the future.
- Leaders have to work “on the business” as well as “in the business.”
- Strategy is everyone’s job and is both top down and bottom up.
- Everyone has to be forward-looking, entrepreneurial and engaged in transforming the business.
- Challenge your team: Would you rather have a brilliant strategy executed pretty good or a pretty good strategy executed brilliantly? Why?



### Questions?

Contact The Council’s Jenn Urso at [jennifer.urso@ciab.com](mailto:jennifer.urso@ciab.com).

# FOOD & THOUGHT

## INSIGHTS FROM WASHINGTON



### Presenters:

- Joel Wood, *Senior Vice President, Government Affairs, The Council*
- Joel Kopperud, *Vice President, Government Affairs, The Council*
- Scott Sinder, *Chief Legal Officer, The Council; Partner, Steptoe & Johnson*

### SUMMARY

The Council’s Government Affairs team offered up an insight on what’s happening in Congress and the Administration on issues impacting the industry. They also provided an update on the state of play of the 2018 elections and the impact it could have on the Republican majority and industry issues.

### HIGHLIGHTS

- All eyes in Congress are on tax reform. Republicans are working to reduce the corporate tax rate to the president’s goal of 20 percent.
- It is unclear whether the plan will be revenue neutral or if it will be paid for.
- The Council is working to protect the tax exclusion for employer-sponsored insurance (ESI) to ensure it is not a pay-for in the tax cut.
- Legislation to stabilize the individual health insurance market is moving in Congress. The Council supports legislation stabilize the market and continues to work to repeal the Cadillac Tax and preserve ESI.
- Legislation to streamline ESI was recently introduced, identical to legislation from the last congress. The Council supports the bill and is working with industry allies to see it to the finish line.

### Questions?

Contact The Council’s Joel Wood at [joel.wood@ciab.com](mailto:joel.wood@ciab.com) or Joel Kopperud at [joel.kopperud@ciab.com](mailto:joel.kopperud@ciab.com).

# COUNCILPAC 2017 REPORT

2017 Chair: Mike Victorson, *M3 Insurance*

2017 Co-Chair: Keith Schuler, *InterWest Insurance Services*



Over the past five years, CouncilPAC has increased member participation by 20 percent, bringing us closer to our overall goal of stronger awareness and 100 percent engagement across our membership. Of 166 eligible firms, 105 donated to CouncilPAC in 2017. We will continue to make growing participation our focus in 2018 and beyond.

Given the important issues before Congress, this increase in participation has yielded contributions totaling **\$1.45 million** (\$200,000 above last year's total fundraising numbers). This is the sixth year in a row CouncilPAC has surpassed its fundraising numbers from the year prior. It also marks a **120 percent** year-over-year increase since 2012.

The Council encourages all member firms to utilize available CouncilPAC resources for internal education and fundraising.

## Questions?

Contact Brittany Thune Lindberg at [brittany.lindberg@ciab.com](mailto:brittany.lindberg@ciab.com)

## THE COUNCIL FOUNDATION AUCTION & SCHOLARSHIP PROGRAM

### SUMMARY

The 2017 Council Foundation Auction raised more than \$55,000. Proceeds go directly to The Council Foundation Scholarship Program, which aims to recruit the best and brightest young talent to keep pace with growing industry innovation and the need for diversified skillsets particularly for the technology-fueled change our industry is witnessing. All participating member firms are eligible to nominate their best undergraduate interns to receive one of the available \$5,000 Council Foundation scholarships in 2018. [Click here to learn more.](#)



Of the 50 students who received Council Foundation scholarships in the program's pilot year last summer, **68 percent** were hired or repeated an internship with a Council member firm.



## 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 regional competitions to compete on an enhanced computer simulation. 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.

### 2017 NATIONAL CHAMPIONS

- Jay Hanna, *AmWINS*
- Jennifer Mier, *AmWINS*
- Judd O'Neil, *AmWINS*
- Brendan Monaghan, *BancorpSouth Insurance Services*
- Cole Walters, *BancorpSouth Insurance Services*

### Questions?

Contact The Council's Elizabeth McDaid at [elizabeth.mcdaid@ciab.com](mailto:elizabeth.mcdaid@ciab.com).



## 2017 KEYNOTES SPEAKERS



Joe Scarborough & Mika Brzezinski, *Co-Hosts, MSNBC's Morning Joe*



Tom Brokaw, *Legendary Newsmen, NBC News*



David Cameron, *Former Prime Minister of the United Kingdom, 2010-2016*