



2018 INSURANCE LEADERSHIP FORUM

RECAP

ILF 2018 By the Numbers

1195

Total Attendees

637

CIAB Brokers (150 Firms)

478

CICE Carrier Partners (61 Companies)

70

International Working Group Participants

21

New Member Firms in 2018

170

New/First-Time Attendees

1100+

Private Events/Functions



EXECUTIVE SUMMARY

More than 1,000 brokers, carriers and industry partners came together at the 105th Insurance Leadership Forum in Colorado Springs, Colo., to discuss shifts in customer expectations, talent, diversity and inclusivity, and what the digitization of our environment means for our industry.

PREVAILING THEMES

- There is a lot of opportunity to completely revitalize the client experience and have a more meaningful impact on your business. In this day and age, you have to present your insured with more than a pen-and-paper process.
- The evolution and utilization of AI is top of mind. Whether you're a broker or a carrier, all indicators are that in the next decade, things are going to change dramatically. The best thing to do is to keep at it. Find the right people, hire them and train them well.
- Inclusive leaders are adaptive and have an awareness of cultural and cognitive diversity. They shape environments where people can thrive.
- Man-made risk meets natural risk...watching the impact of this will help us understand what coverages are new and needed.
- Anxiety is high with the midterm elections around the corner.



SAVE THE DATE: ILF 2019

The 106th annual Insurance Leadership Forum will be held at The Broadmoor in Colorado Springs, Colo., Friday, October 4 – Tuesday, October 8, 2019. We hope to see you there!

Better understanding and visualization of our data	35%
Benchmarking to see what coverage customers should be purchasing	29%
Identification of specific opportunities for cross-selling	24%
More information about carrier appetite for new lines of coverage	12%

WOMEN’S FORUM: AN EYE TOWARD THE FUTURE

Moderator:

Daniel Wagner,
Managing Director, Risk Cooperative

Panelists:

- Barbara Bufkin, Executive Head of Business Development, Commercial Lines, Assurant
- Joshua Motta, CEO of Coalition
- Helene Paounov, Director of International, Verlingue

SUMMARY

Executives from across the industry gathered to address a range of topics critical to today’s business. Panelists spoke about the evolution of the customer experience, utilization of AI, how cyber risk is managed, who is controlling the pen and how firms are building unique partnerships with both traditional and non-traditional organizations.



HIGHLIGHTS

- Brokers and carriers alike have taken a step forward in the way they think about and invest in technology and data, and they have considered how these areas will play a role in the company’s current and future endeavors. Insurance companies specifically have invested heavily in these areas, and brokers are interested to see how this will benefit work-flows, capability and user experience.
- In order to be successful, you have to break through biases, align over common ground and celebrate differences. Success has been found by partnering with IT transformation providers to accomplish objectives.
- The skills needed in today’s account management teams mirror some of the skills that have been used by other industries for some time, i.e. Scrum Masters, which are facilitators for an agile project management style.
- More E&O will be purchased as a result of increasing awareness of cyber risk. Companies that have not been historically considered technology companies are today because of their utilization of apps and their collection of data. This creates new risk profiles and exposures.
- There is much opportunity to use available information online to underwrite cyber risk and to be on the offense not the defense in terms of coverage. Think about it in terms of the cyber-criminal.
- Partnerships are being sought, fostered and established between organizations that historically have not tried to solve for the same problem. Organizations are thinking more creatively about customer need and acquisition. In order to be successful you have to break through biases, align over common ground and celebrate differences.
- To be successful going forward, organizations need cognitive diversity within their employee base. You have to have not only IQ and EQ, but LQ (love quotient, which is the human component that offers respect for others).

Questions?

Contact The Council’s Alycia Kiley at alycia.kiley@ciab.com.

TECHTALK

Moderators:

- Nick Shalek,
Managing Director, Risk Cooperative
- Cheryl Matochik,
SVP, Market Intelligence & Insights,
The Council

SUMMARY

The Council's first TECHTalk featured five fast-growing companies that are bringing technology into the commercial insurance space and solving for inefficiencies along the insurance value chain. Each participant gave a short presentation on what problem their company is trying to solve, followed by joint Q&A with all participants.

There has been a definite trend toward digitization and improving the customer experience. But of the billions in venture capital that have gone into the insurance space in recent years, 75 percent of insurance technology funding has been in the consumer/personal lines space. This leaves a lot of opportunity in the commercial insurance space. More technologists are starting to build and help the commercial insurance industry get some of the benefits of AI, machine learning and internet-connected devices, bringing some of that data into pricing insurance more intelligently.

Panelists:

- John Swigart, Co-Founder & CEO, Pie Insurance
- Jayant LakshmiKanthan, Founder & CEO, CLARA Analytics
- Mike Furlong, Founder & CEO, Indio Technologies, Inc.
- Andrew Robinson, Co-CEO, Groundspeed Analytics
- Mike Cormier, VP, Carrier Engagement-Intelligence Solutions, RiskMatch



“Building technology is as much a talent strategy as it is about customer experience. The best brokers want to work for the best brokerages, insurers and reinsurers that really focus and emphasize technology.”

– Nick Shalek, Ribbit Capital

JOHN SWIGART, CO-FOUNDER & CEO, PIE INSURANCE

- Small business-focused workers' compensation MGA that is working to build the business around the customer experience for today's digital consumer.
- Focus: to give small business owners a better, faster, easier and more valuable solution for workers' compensation insurance.
- Serves 5-6 million small businesses in the U.S. that are fundamentally underserved and overcharged in the current market.
- “Full stack” solution, which means they handle everything from quote to claim. The basis of its business is built on data, analytics and predictive modeling.

Contact John at john@pieinsurance.com

JAYANT LAKSHMIKANTHAN, FOUNDER & CEO, CLARA ANALYTICS

- Builds plug-and-play widgets and utilities that can help bring claims costs down dramatically.
- Goal: to drive down loss costs in commercial claims operations through easy-to-use AI.
- Focused on workers' comp but goal is to move into other lines such as commercial auto, general liability.
- Aims to give more predictive and prescriptive visibility in what to do with your claims earlier on in the process and get that information to all stakeholders as quickly as possible.

Contact Jayant at jayant@claraanalytics.com

“The impact the internet had on the past couple of decades is exactly the impact AI will have on the next couple of decades.”

– Jayant Lakshmikanthan,
Founder & CEO,
CLARA Analytics

ANDREW ROBINSON, CO-CEO, GROUNDSPPEED ANALYTICS

- Automates loss reporting and being able to understand ultimate loss ratio and program structures.
- Goal: to deliver value to brokers and carriers by using machine learning and AI to attack the problem.
- Focuses on improving efficiency, underwriting more properly, being able to identify the profit pools that exist from an underwriting perspective and illuminating some of the insights that brokers and carriers are trying to get (that are difficult to obtain in traditional ways).
- Delivers to the client a clean data set that includes loss and loss development, exposure rating basis and program structures by client.

Contact Andrew at andrew.robinson@groundspeed.com

MIKE FURLONG, FOUNDER & CEO, INDIO TECHNOLOGIES, INC.

- Works to help insurance agencies streamline the process of collecting data and information from the insured during the new business and renewal submission process.
- Builds user-friendly software that uses a branded platform and digital forms for insurance agencies to use with insureds. All the common data points are mapped out year over year.
- There is a significant lack of technological innovation right now within insurance agencies. Many use legacy software built 10-20 years ago; lots of manual work still being done by CSRs and account managers.

Contact Mike at mike@useindio.com

MIKE CORMIER, VP, CARRIER ENGAGEMENT-INTELLIGENCE SOLUTIONS, RISKMATCH

- The problem: Front-end data capturing within Agency Management Systems is inconsistent. As a result, using the AMS to support operational decision making can be a challenge.
- Extracts info from the AMSs of their clients in order to use the data and have more data-driven conversations with clients and opportunities with partners.
- Extracts the data from the AMS and then consolidates, normalizes and enhances it. Broker receives it back with price and product insights and dashboards to use with carriers and clients.
- Goal: to provide brokers with data-driven insights about their clients and markets.

Contact Mike at mike@useindio.com

“The experience you are providing to the insured when you’re having them fill out a 20-page E&O or D&O app—as much as you may help them with it—is not an optimal technology-driven experience.”

– Mike Furlong,
Founder & CEO, Indio
Technologies, Inc.



PODCASTS

[CLICK HERE](#) for a podcast with Ribbit Capital’s Nick Shalek hosted by The Council’s Cheryl Matochik. This podcast offers a unique view of insurtech investment through the fintech venture capital firm lens with a message to brokers: get out in the action and engage; just monitoring won’t give you what you will need.

More podcasts on the way!

Some workflows are better but a lot of work remains	61%
We've improved many workflows but it's too early to see the impact	29%
What are workflows?	7%
Very satisfied, it's no longer a challenge	4%

INDUSTRY TOWN HALL

Moderator:

Deb Smallwood,
 Founder, Strategy Meets Action

Panelists:

- Jack Roche, *President & CEO, The Hanover Insurance Group*
- Richie Whitt, *Co-Chief Executive Officer, Markel Corporation*

SUMMARY

The CEOs of two major carriers—The Hanover and Markel—discussed everything from last year’s record-making nat cat season to the investments their companies are making, views on insurtech and rising talent. There’s a tremendous amount of optimism in our industry right now. The pace of change in our business is our friend. Bring it on.



“It’s undeniable that if you look at the way in which you do business today, it can be done better.”

– Jack Roche,
 President & CEO, The Hanover

HIGHLIGHTS

NAT CATS

- 2017 was one of the largest nat cat insured loss years on record. It highlighted both the importance of our industry and the critical role that we play in helping people recover, as well as that the industry could take a punch. The ILS (insurance-linked securities) market was able to reload quickly, becoming a proven model.
- What we find with each event is that many policyholders are not adequately covered for flood—models still inaccurate; need to be constantly looking at flood risk portfolio.

INSURTECH

- There is excitement about the changes in the industry, with many looking at what sectors have an operating model that can be transformed. There is real interest in learning and eventually using insurtech in the upper end of small commercial and into the middle market.
- The changes coming at our industry are an opportunity to change the way we do business...but there are many hazards in embracing technology the wrong way.
- While there is very little insurtech generating revenue at the moment, it’s important to keep an eye on it. There is still a great need to innovate current operations today. It also still comes down to relationships—the technology should enable people to get out of the office and build relationships.

TALENT

- The industry needs to attract people who want to build and embrace change—people with varied perspectives on the business—people who can collaborate effectively. Industry’s workforce needs to be more representative of our customers. Good intentions are not good enough.
- Talent is a pillar of all strategies. Agents and brokers are always going to be critical to us. They are our eyes and ears to the customer. When there’s a lot at stake, people want a trusted advisor.

Questions?

Contact The Council’s Cheryl Matochik at cheryl.matochik@ciab.com.

We haven't made it an organized priority	41%
Workflows are spread across the entire organization and difficult to control	29%
We don't know where to start	18%
We don't have the tools to implement changes easily	12%

INTERNATIONAL WORKING GROUP

SUMMARY

The International Working Group once again met on the front-end of ILF. Gathering for a full-day program with three panels, participants discussed clients' evolving needs in international risk management and multinationals' corporate decision making when it comes to cross-border risk placement and global insurtech investment flows and how to prepare for brokers' new dynamic with tech startups. Participants were also briefed on London market developments affecting brokers' operations directly, as well as Lloyd's Bridge, a recently launched matching platform for insurance businesses and Lloyd's underwriters.



HIGHLIGHTS

RISK MANAGERS' PANEL: PARENT-SUBSIDIARY DYNAMIC AND GLOBAL RISKS PLACEMENT

- Certain areas, such as workers' comp, require a specialized local expertise. Local risk managers still need headquarters for coherence and "punching power" in negotiating the coverage.
- Risk managers need to be mindful that not all on the executive team may share their strategies. Panelists stressed the need for succession and synchronization between objectives set by ownership and management.

INSURTECH PANEL: LEVERAGING INSURTECH STRENGTHS FOR MARKET LEADERSHIP

- Brokers have integrated technology in their growth strategy through startups, partnerships and investments in solutions that increase operational efficiency and improve client experience.
- Clients value simple interface to solve large problems, thus scalability, customization and efficiency are essential characteristics here.
- Insurtech cuts waste, but can also be an enabler when clients seek new income sources through digital solutions.

LLOYD'S INSIGHT: LONDON MARKET DEVELOPMENTS AND WHAT THEY MEAN FOR BROKERS

- Lloyd's has adopted a hardline approach to MGA and syndicates: it will review eight portfolio classes to chart a plan to bring them to profitability.
- By year-end, Lloyd's expects 30 percent placement on the electronic market. New and existing binders can select a platform they wish to operate.
- The platform is open to MGAs, but only a handful of MGAs have subscribed to the digital platform.

Questions?

Contact The Council's Vlad Gololobov at vladimir.gololobov@ciab.com.

MIDTERM FORECAST

Presenters:

- Joel Wood, Senior Vice President, Government Affairs, The Council
- Joel Kopperud, Vice President, Government Affairs, The Council



SUMMARY

The Council's lobbyists, Joel Wood and Joel Kopperud, handicapped the upcoming midterm election and how results may impact the insurance brokerage industry. Wood and Kopperud discussed the possibility of Democrats winning control of the House of Representatives and possibly the Senate. Policy implications for brokers include the regulation of drug costs, initiatives to strengthen the individual health insurance marketplace, Medicare expansion, reauthorization of the National Flood Insurance Program and renewing the Terrorism Risk Insurance Program.

Questions?

Contact The Council's Joel Wood at joel.wood@ciab.com or Joel Kopperud at joel.kopperud@ciab.com.

COUNCILPAC 2018 REPORT

2018 Chair: Mike Victorson, M3 Insurance

2018 Co-Chair: Keith Schuler, InterWest Insurance Services



Tens of thousands of lobbyists in Washington jockey for position every day with 535 Members of Congress. With issues as broad as preservation of the employer-provided group health insurance marketplace, and as narrow as insurance regulatory compliance issues, it is easy to get lost in the maze of competing voices.

This year, CouncilPAC is working hard to raise **\$1.5 million** ahead of the midterm election to support pro-broker candidates running for office. **We only have \$150,000 to go, and we need your help to get there. If you haven't made your 2018 donation, please do so today.**

Here's a snapshot of what The Council's advocacy team does every day in Washington...and how CouncilPAC supports their efforts.

WATCH HERE



JOEL KOPPERUD
VP, GOVERNMENT AFFAIRS

JOEL WOOD
SVP, GOVERNMENT AFFAIRS

Questions?

Contact Brittany Thune Lindberg at brittany.lindberg@ciab.com.

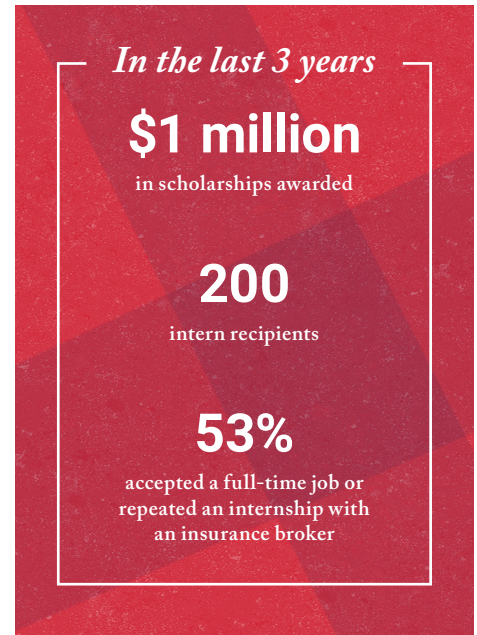
Talent Development

THE COUNCIL FOUNDATION & SCHOLARSHIP PROGRAM RECRUITING FRESH, DIVERSE TALENT INTO THE BROKERAGE SECTOR ONE INTERN AT A TIME.



SUMMARY

With the impending shortage of critical talent due to retirements in the next few years, it is estimated that the industry will need to fill 400,000 positions by 2020. In addition, studies suggest that less than 5 percent of millennials are interested in working in insurance. To counteract this trend, The Council Foundation is working directly with member firms to offer college scholarships for their standout interns. Internship programs are an excellent way to introduce young professionals to the industry and allow organizations to find potential employees who can help grow the business. [Click here to learn more.](#)



NATIONAL BROKER SMACKDOWN



SUMMARY

The Council's Leadership Academy addresses the critical need for constant professional growth and business acumen while developing a leadership pipeline for the future. Academy resources help build the leadership skills of your staff, from emerging leaders to those climbing the C-Suite.

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 top teams from our regional competitions to compete on an enhanced computer simulation. Differing from the regional competition, the national program requires that participating teams run not only a brokerage firm but also an insurance carrier. Seeing the inner workings of both the brokerage and the carrier, participants gain a new respect and awareness of both the points of synergy and of friction in the broker/carrier partnership. The winning team was announced during the opening general session.



2018 FINALISTS:

- All Risks, Ltd.
- Brown & Riding Insurance Services, Inc.
- Cottingham & Butler, Inc.
- InterWest Insurance Services
- PayneWest Insurance, Inc.

2018 NATIONAL CHAMPIONS:

- Chris Loewenberg, Cottingham & Butler
- Austin Kline, Cottingham & Butler
- Tony Noel, Cottingham & Butler
- Nick Thompson, Cottingham & Butler

ALSO HAPPENING AROUND ILF... BROKER SMACKDOWN ELITE: THE CORPORATE ATHLETE

Broker Smackdown ELITE is an exclusive group of Broker Smackdown “graduates” who come together to support each other on their leadership development journey. ELITE will build the future leaders of our industry by focusing on three key areas: leadership, business acumen and industry expertise. This year’s inaugural program, The Corporate Athlete, took place at the U.S. Olympic Training Center in Colorado and was designed to empower individuals to manage and expand their most critical resource for high performance: their energy capacity. Participants also had the opportunity to join their executive teams during meetings and receptions at ILF.

WHAT PARTICIPANTS ARE SAYING...

“By allowing several of us to extend our stays, participate in carrier meetings and network with colleagues on both the insurance and agency side, [we are] deepening the bench of those in the next generation more prepared to understand the roles and responsibilities of leadership within our organization as well as building the relationships and skills necessary to continue the growth of our organization.”

– Brendan Monaghan, BXS Insurance

“I thought ‘The Corporate Athlete’ was a great session, and I took a lot from it that I have incorporated into my professional and personal life. [At ILF], I was able to connect meaningfully with carrier leadership to help propel a project we are working on as well make important connections with insurer leadership and other brokers. It was my first time attending ILF, and I found it valuable. Thank you for including me.”

– JP Paul Dixon, Hylant

Questions?

Contact Elizabeth McDaid at elizabeth.mcdaid@ciab.com.

2018 KEYNOTES SPEAKERS



JOSÉ ANDRÉS

Chef/Owner, Think Food Group & Minibar by José Andrés; Founder, World Central Kitchen

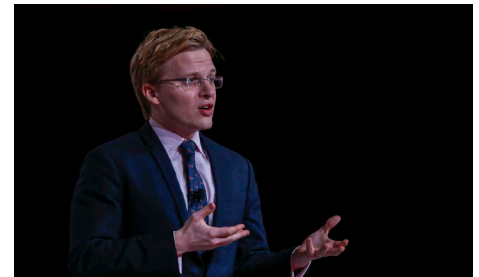
“Food becomes hope. A plate of hope is what you are giving them.”



VERNĀ MYERS

Inclusion Strategist & Cultural Innovator, The Vernā Myers Company

“The approach we need is courage.”



RONAN FARROW

Pulitzer Prize-Winning Journalist

“The free press is a privilege. It needs to be constantly defended.”



GEORGE W. BUSH

43rd President of the United States

“Democracy is only as good as the willingness of its citizenry to participate.”