

CHANGE is a very simple title, but it is a complex issue which can have significant impact on individuals and businesses. Change can be driven by a desire to improve a situation, a reaction to external events or a combination thereof. Regardless of the stimulus for change, as an industry, we must embrace it and use it as a catalyst for improvement.

HOW COVID-19 HAS PROMPTED CHANGE

Society has had to make rapid and wholesale changes in the workplace and our daily lives. We would like to focus on how this pandemic has forced everyone to re-think how we conduct ourselves.

People can be resistant to change, but they are also highly adaptable.

“Working from home” has become the new normal for many people and we may never see a full return to being “in the office”. Companies are likely to investigate a more permanent home-working solution now that employees have the technology to enable them to function well remotely. Business travel may also be re-evaluated now that so many meetings, once considered crucial to have in person, have been conducted virtually via Zoom or other virtual platforms.

We have been given a firm push forwards and the rate of change has been accelerated by the virus.

WHAT CHANGES MUST OUR INDUSTRY CONSIDER?

The change disconnect is pronounced in the aviation insurance industry. On the one hand, we have airlines and aerospace manufacturers who have had to constantly evolve their business models to adapt to customer attitudes, competitive tension and external events outside of their control; and on the other we have insurance market practitioners who have been accused of not keeping up with the pace of change.

The time, consistency and stakeholder support necessary to nurture new product development in the aviation insurance sector is too often in short supply, encouraging intermediaries to revert to their ‘day jobs’ of primarily discussing mandatory insurance covers in the same way to the same people. Recent events have made it impossible to

It is often said the insurance market lags behind other financial industries with respect to technological innovation. Is this fair?

ignore that this is unsustainable even in the medium term. An increasingly commoditized business is at odds with what has been long held as being a relationship business.

The face to face negotiation that occurs between brokers and underwriters makes it unique but we believe that would be better saved for more complex risks.

We have been able to transact business electronically for two decades but brokers still regularly walk documents around the market, even for basic transactions.

The London Market's e-Trading platform, PPL, is an example of how to streamline the physical placement process. The success of this platform means we can embrace technical modernization and ask the questions "Why do we need ink stamps at all?" "Why are we clinging to this legacy idea?"

In a 13 May 2020 article by The Financial Times, it said that "since the crisis began, usage (of PPL) has hit a record high. A year ago, the system was being used for about 970 policies per week in Lloyd's and the wider London insurance market. That has risen to almost 3,500." PPL was introduced in 2016, but it has taken the current circumstances to generate this dramatic shift.

It is unfair to say that our industry's use of technology remains completely antiquated but we need to do better and do it faster in line with how quickly the world around us is moving, so we must accelerate the pace.

John Neal, Lloyd's of London CEO, has been vocal on the need for industry change and has embarked on the ambitious Future At Lloyd's project to modernize, using technology and digitization to cut the cost of doing business to ensure their underwriters remain relevant and competitive on pricing.

Brokers will have to demonstrate their value beyond the standard transaction, where competition is rife and margins thin. Those who seize the opportunity to be truly client centric are set to gain a competitive edge and hold a stronger more meaningful relationship with their clients.

The nature of risk itself has changed beyond recognition and some of the most difficult risks these days: reputation, climate, ESG responsibility, geo political tension and others now form the center of the new risk debate, they're no longer an additional afterthought.

Now, more than ever before, risk is a boardroom imperative and the flip side of risk is opportunity. Taking a consistent, knowledge-based approach to risk will change the dial between winners and losers in the new environment.

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THE PIIQ PERSPECTIVE

Since our launch at the start of 2020 we have set out to change the dynamic in the aviation insurance space.

We have placed a heavy emphasis on using market leading technology to create innovative solutions such as our trading and analytics platforms, which will connect insureds and underwriters and evolve exposure analysis, fresh marketing perspectives and application of state of the art data analytics.

Our placing system will provide automated production of customer-ready documentation and management information.

“An optimist sees the opportunity in every difficulty”

Winston Churchill

Piiq was created to bring change to the aviation insurance industry. To find new and better ways of doing business and removing inefficiencies **all with the goal of maximizing results for our clients.**

Change needs to be driven by those who transact on a day to day basis. That is why our team is made up of some of the best talent in the marketplace.

Inevitably, many studies will be performed in the aftermath of the Coronavirus pandemic leading to

a whole new career path for many sociologists and similar professions, but there is no doubt that great adversity drives change and those that are able to adapt will not only survive, they will thrive.

AUTHORS

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Danny is a client executive in the Piiq UK team based in London. He is responsible for ensuring delivery of our value proposition, both client and market facing.

Before joining Piiq in January 2020 he was a Senior Vice President at Marsh where he managed many of the world's leading Aerospace companies on a wholesale and retail basis.

He started his career at Leslie and Godwin which through various mergers and acquisitions became Aon. During this time, he managed a wide portfolio of accounts including most of the major airlines in north central and south America, latterly transitioning to the Aerospace sector.

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Sarah is a Senior Partner in the Piiq UK team. She is responsible for the development and implementation of Piiq's unique value proposition as well as the creation of bespoke insurance solutions for Aerospace / Space clients.

Before joining Piiq, Sarah was a Senior Vice President with Marsh London providing risk management advice as well as designing and placing complex insurance programs for large multi-national Aerospace companies.

Sarah has had a varied background during her 23-year aviation insurance career, representing a diverse group of aviation and space clients in the US and London markets.

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