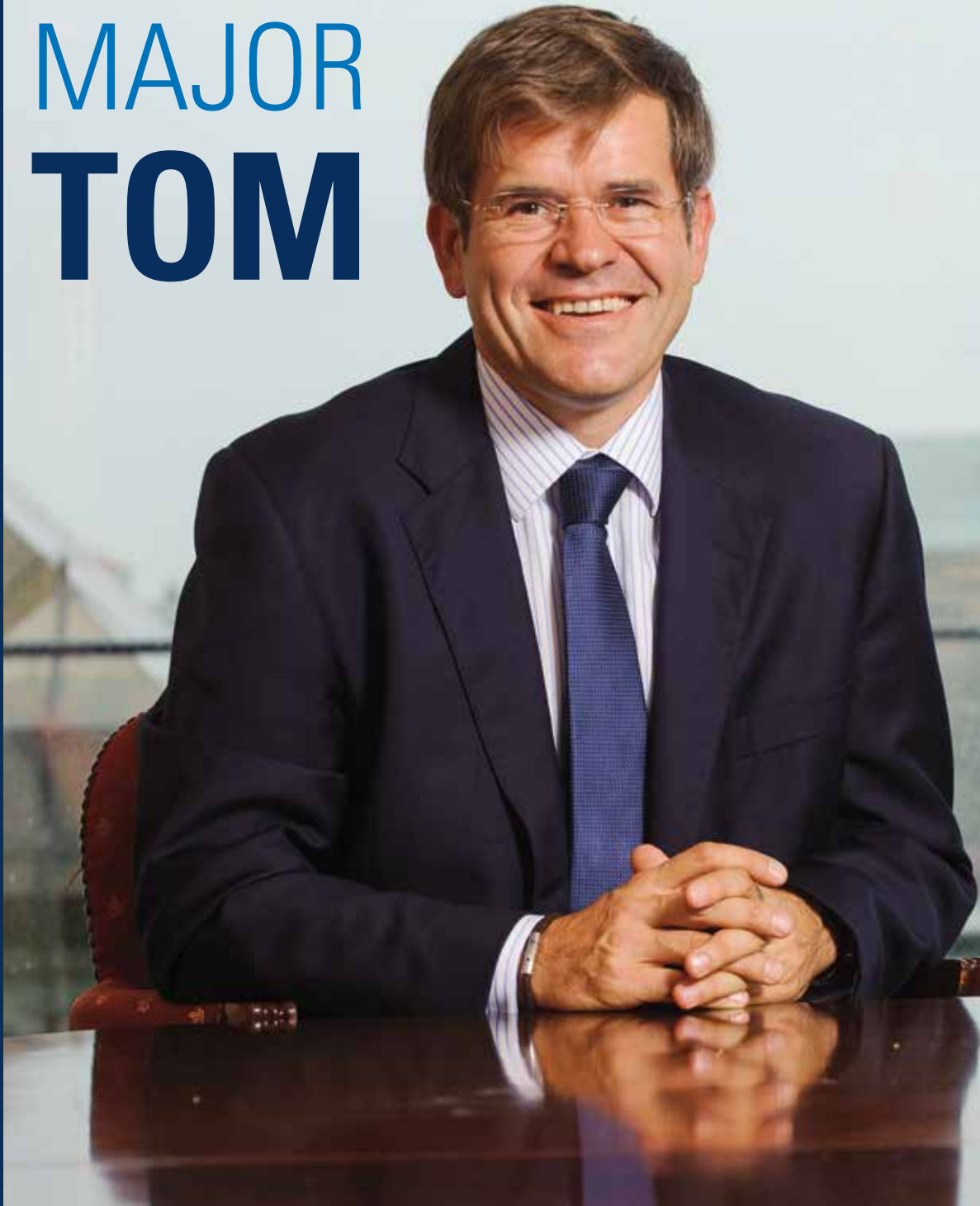




LONDON CALLING NEWS

NEWS, VIEWS AND TOPICAL DEBATE FROM THE LONDON INSURANCE MARKET

MAJOR TOM



INSIDE THIS **EDITION**

IN THE **CITY**

"IT WASN'T ME!"

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SNOWBALL AHEAD . . .

WHINING AT THE
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PROMISED YOU A
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VILLAGE OF 100 PEOPLE

BREXIT

CYBER **NEWS +**

LLOYDS **LEGEND**

MAJOR TOM

ADRIAN THORNYCROFT

MARKET **LEGEND**

STRONG MAN
DANNY GINDEN

BUSINESS
LEADERSHIP

WHY PERSONALITY
MATTERS . . .

DEAR **BILL**

LOVE THE **BUZZ**

and more



Rarely if ever does the UK change the world economic and political weather but she certainly may have with ... Brexit”

David Doe Editor
david.doe@tysers.com

Welcome to the latest edition of London Calling. We must thank you for all of your feedback it is very important to us as we like to hear your views, in our last edition we received many comments about the ‘World as a 100 people’ and so we have repeated it on a bigger scale as requested by so many of you. In this latest edition we are delighted to feature a thoroughly intriguing interview with Adrian Thornycroft the man charged with implementing the new London Market Target Operating Model (TOM) which should see the market in which we operate take a giant leap towards modernisation within the next 24 months.

We also have a marvellous interview with good friend Danny Ginden the President of US MGA and Wholesale broker; Standard Lines Brokers Group (SIB), Danny has kindly shared with us details of his participation in Highland Games and he must surely be one the Strongest Men in the Insurance World! Amongst our usual somewhat eclectic mix of news, articles and gossip we have two exceptionally good articles from the highly talented Jesse Lyon of AmWINS on the very in-vogue subject of Cyber Liability, we also have our usual satirical ‘Dear Bill’ letter that we know by your responses has become increasingly popular – can you crack the code? Another one for you to mull over is the new picture ‘Name the faces’ can you name them?

Rarely if ever does the UK change the world

economic and political weather but she certainly did so with the spectacular Brexit referendum result. Even though the UK only amounts to just 4% of worldwide gross domestic product the ramifications of Brexit are potentially stunning. The economic shockwave could join the dots of some very concerning economic frailties and the ensuing contagion could easily expose Italian banks, dampen Chinese trade with Europe and even impact world trade. If Italian banks look likely to fail the bail out will be a problem tenfold in size to the Greek crisis. Dampened demand for Chinese goods by the EU would see an effective devaluation of the Yuan with massive implications for world trade.

The likely short to medium term outcome will be a rising US dollar as investors seek sanctuary in American assets and the UK could find a trading lifeline by being accepted into the Trans-Pacific Partnership (TPP) which would allow open trading access to the USA, Canada, Australia, New Zealand, Brunei, Japan and a host of other nations. It would require Americas blessing – so the ‘special relationship’ might once again prove it’s worth in time of British need! We have more thoughts on Brexit in our very own article examining what has happened and what might happen.

We hope that you enjoy this latest edition of London Calling and you will certainly not be alone as our circulation now stands at an estimated 28,000+ if you require a hard copy please do let us know and if you want to be added to our email edition listing just drop us a line at the address below.

NAME THE ‘FACES’

Can you name the faces? It is November 1994 and the Anglo American Insurance Company Clay Shoot at Penshurst Place in Kent.

Here is a clue: One now runs a successful vineyard in France.



LONDONCALLING

NEWSLETTER REQUESTS

We know that London Calling gets ‘re-circulated’ via e-mail, but if you do want to join our mailing list then please contact us directly at david.doe@tysers.com or editor@londoncallingnews.co.uk and please let us know if you require a ‘hard copy’ which, depending on availability, we are happy to mail to you.

AN UNDERWRITERS EXCUSE ME?

“IT WASN’T ME!”

THE SHAGGY ANSWER!

OK I would admit it I do generally have a somewhat ‘narrow’ view when it comes to my own taste in music – it is dominated by punk rock and ‘new wave’ music as befits someone from my generation and educated within the state comprehensive school system.

But no I do have some extensions to my own cultural rules – I have some classical, I have some Beatles, Rolling Stones, The Who and I even have to admit to some Donna Summer and worse still some Diana Ross – but I do also have an album from Shaggy, to be fair I only like three of his songs; Carolina, Mr Romantic and of course the fabulous ‘It wasn’t me!’ the story about a poor lad who unfathomably approaches Shaggy for sage guidance after his girlfriend has caught him sleeping with the ‘girl next door’ indeed he was caught ‘banging on the floor’ and she even caught him on film, and she ‘...stayed until it was over’ – Shaggy’ totally nonsensical advice is to deny it all and just say ‘... It wasn’t me!’ and in fact to keep on saying ‘It wasn’t me!’ his relationship advice isn’t great and in fact it is completely stupid but it makes for a good chorus and a marvellously rhythmic song! It makes me laugh because in the insurance business it seems to me there are few ‘...It wasn’t me!’ excuses that you do hear and more often than is comfortable.

The exiting underwriter, now far removed from the company or syndicate where the results are going bad ‘...It wasn’t me!’ meaning when ‘I’ was there it was alright and the results were better, it isn’t my fault that the results are now going sour! Really? Well that of course isn’t always the case within the insurance business, and especially on those ever so pesky longer tail lines of liability business – the ‘...it wasn’t me!’ excuse can and does run rather thin sometimes when the facts are rather more exposed.

A few weeks ago I met an old wag from the

market, a solid broker now turned underwriter in a senior position at a blue chip Lloyd’s syndicate he informed me about another large syndicate’s complete withdrawal from a number of major liability lines of business – unusually the syndicate, a prior well known leader in the classes, has now surprisingly and somewhat abruptly removed themselves completely from these classes of business. The results had become so problematic that they just couldn’t carry on and the parent company had had enough and the Chief Underwriting Officer was told to take the required remedial action – often this means a re-engineering of a particular class of business, a complete removal is unusual and smacks of dreadful losses and maybe more development to come, exhausted by losses the management have taken drastic action that they deem needed. The interesting point my old friend made to me is that a certain other ‘very senior’ underwriter had moved on nearly two years ago from the same syndicate and got himself a very swanky new job at another high profiled syndicate.

Writing the same business he had at his prior home, the exact same type of account that

had effectively nearly brought the house down with such terrible results. He admitted to me that he could not resist being somewhat mischievous and had asked the underwriter in question about what had happened at his prior syndicate, of course it was a ‘Shaggy answer’ he immediately responded with the classic line ‘...it wasn’t me!’ well of course it wasn’t but er...hold on a minute, it was on the same class of business that had caused the same problems so if not him, then who?

My friend confirmed that in a truly toe-curling moment the ‘suspected’ underwriter blurted out that ‘others’ did get involved in ‘his’ class of business but admitted as the Class Underwriter he did run the entire account, it was his overall responsibility but he continued adamantly that the ‘bad results’ were not of his making that most definitely ‘...it wasn’t me!’ As of course Shaggy would say! But please don’t be like Pontius Pilate and ‘wash your hands’ of any connection to things gone wrong it was indeed your executive and corporate responsibility and therefore was your fault wasn’t it? Maybe the more Shakespearian era quote of ‘methinks he doth protest too much’ might be more apt!

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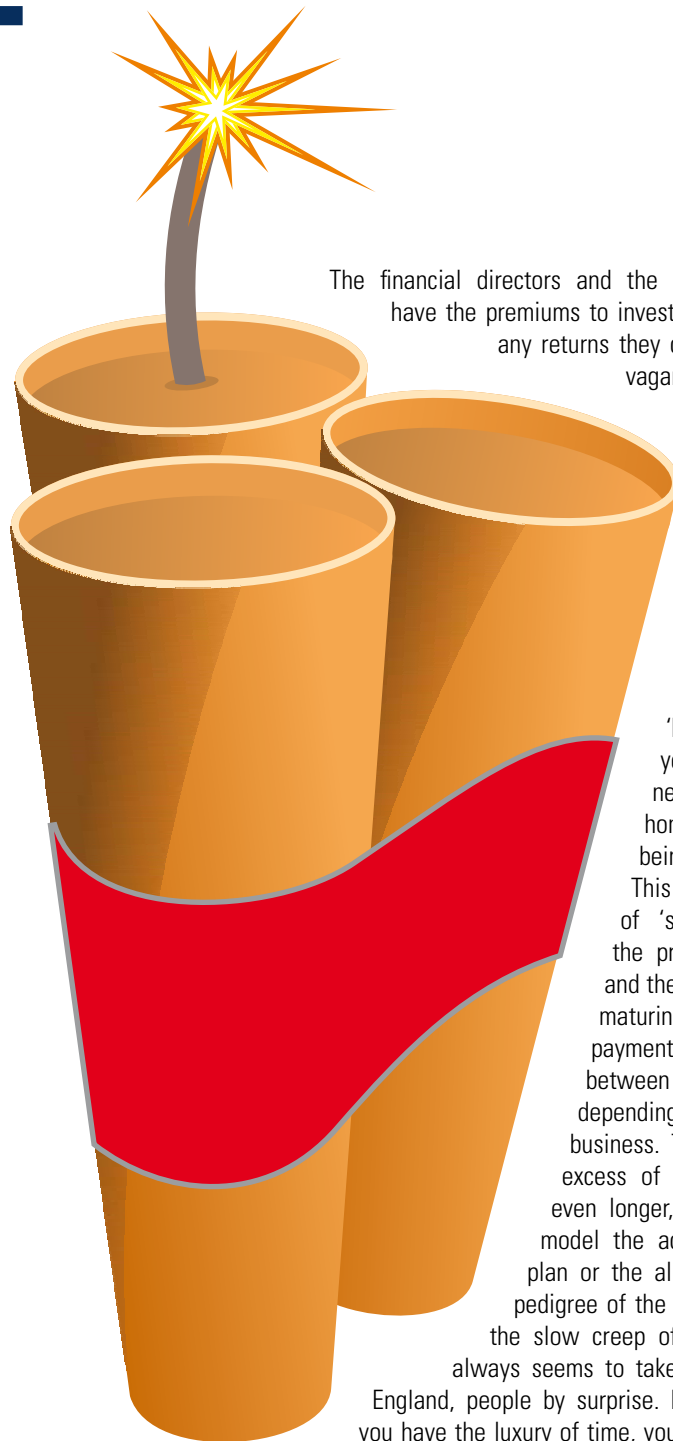
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KEEPING THE SNOWBALL AHEAD OF THE AVALANCHE

WRITING HIGH VOLUME IN A LOW MARKET

Well here we go again, our favourite subject, it is back in the headlights. When underwriting long-tail business, the time lag between receiving the premiums and paying the claims allows for quite a few things to happen. The underwriters sit comfortably during the Monday morning underwriting meetings with management and they can concentrate on writing more business.



The financial directors and the investment managers have the premiums to invest and play with, albeit any returns they can achieve given the vagaries of the current investment market will at best be insipid. The reinsurance costs will be contained, low or even if you are particularly brave (that is usually code for stupid) there is a reinsurance 'holiday' until the back years mature – that is a new one on me but I was honestly informed of such being a 'good' cost saving. This period of unbridled joy of 'salad days' between the premium being booked and the claims coming in and maturing to actual physical payments can be anything between 2 years and 8 years depending on the actual book of business. To compound matters excess of loss layers can take even longer, no matter what the model the actuaries the business plan or the alleged experience and pedigree of the individual underwriter the slow creep of claims development always seems to take, rather like snow in England, people by surprise. But in the early days you have the luxury of time, you are young and life is

long, indeed it is as we have always alluded to before; that mercurial magic, that ultimate insurance ruse; the camouflage of time. The liability underwriters can relax, they can be heroes for now as the bar charts and graphs put them way out ahead. It is of course somewhat of an illusion, as one old timer famously told me it is 'Tommy Cooper underwriting' the 'trick' is to look good even though it is all going wrong behind the scenes. The stunning thing is that this recycling of regurgitated business plans keeps on coming and keeps on giving. Same old stuff, new bucket. A soft market allows for underwriting indiscipline and rather like confetti at a summer wedding some underwriters give out their 'pen' rather too easily to look after business production needs. What are the ingredients for this snowball? You need a good dollop of underwriting capacity, coupled with a thirsty underwriter - well no problem there and then you need an MGA that is a Managing General Agent again take your pick? Ideally, and if you are an experienced hand this should be part of your 'business plan' you need a 'good' reinsurance broker to offset as much as you dare and for as little as possible. In the new swanky sky scrapers in bright corridors of big London broking houses and below the City's grey streets in dimly lit wine-bar basements such animals are still to be found with big personalities and limited scruples they have impeccable suits, consume expensive wine and with a list of usually Germanic reinsurers they ply their trade, they remind me of a particularly sinister type of street dealer; ...they can get you anything you want with their evil smiles it's good to have a reinsurer on speed dial! So there you have it, one liability snowball ready to roll. You need an underwriter, usually a respectable type, at a nice syndicate or company, a business plan that makes perfect sense and reads very well, a number of profiled MGAs (dig a little deeper here – often former 'market' underwriters themselves) with equally bullish business plans with a connection of production sources. They all need, they all seek one thing and that is premium income and they have a collective plan to go and get it. All signed off and ready to roll, in the immortal words of Mills Lane '...let's get it on!'

THE WRONG WAY ROUND

As ever, the one thing that really surprises me is how all this is done, how it is that these people get through all the hoops. But it is once again all a bit illusionary. The compliance and regulatory aspects seem to take pride of place, it is the essential kit in getting the contract done it matters not whether that is formation of an MGA or signing off on a new delegated underwriting authority of coverholder approval. The most important thing seems to be all the compliance and regulatory tick boxes are completed and correct, nothing else matters as long as that is all good. It is quite absurd that you must get all of that right before the basic fundamental of whether the underwriting plan is correct or not. The whole effort seems to me to be the wrong way round – from a market 'policing' point of view it seems evident that the over-seers are busy giving out parking tickets and missing all the murderers!

The MGAs start banging in the business, which is funny because this is still a highly over-capitalised marketplace, how do you manage to write more and more business when the market is so very competitive? Well that is an easy question to answer isn't it? Maybe pay more commission, give more cover and of course the most important thing about insurance, I'm reminded of what an old friend Harris Rutsky would say '...the three most important things sell insurance and they are; price, price and price!' yes the 'price' must be cheap, very, very cheap. But I am sorry they will always make sure in the business plan not to put in the word; 'cheap' that is too obvious, too crude, indeed rather 'cheap' be more diligent, be more careful and smooth in delivery say something like '...selectively competitive' after careful and thorough professional underwriting review

and risk exposure analysis and application of risk management and claim abatement – yes that sounds much better doesn't it? But at the end of the day be cheap! Where do the original rates come from? Better still how do you apply and justify the credits and myriad of discounts? It is easy to have standard rates and indeed standard policy forms but be wary of the endless ability to credit and discount the premium and also to enhance coverage by application of endorsements. It is comparatively easy to 'fox' the system by the smoke and mirrors of a detailed business plan and underwriting matrix that allows ultimate flexibility in rating and policy wording production. There is something that genuinely concerns me here, as briefly alluded to earlier, some of the people within the chain, the original underwriter and/or those at the MGA and/or coverholder are often experienced hands at underwriting, they know the business, they know what to do they are experts in the particular class. They are the ones authoring the business plans and implementing the specific underwriting philosophy and strategy. Ultimately it is their own advice that guides the underwriting process that exposes the capital to risk for the return of premium and desired profit. They are professional people, they are experienced market people they are of course good honest people, aren't they?

But when you write lots of premium volume in such a hyper competitive marketplace what happens? Well you have to wait and see, wait and wait and indeed you will see. Without any dramatic change to market trading conditions I would take a side bet here (and yes this is a side swipe as well) that at many, not all, but many of the plethora of 'new' MGAs that are powering ahead writing liability premium volume that many will eventually produce dreadful results. But time in this business is the greatest thing as it can hide the original sins of poor underwriting mistakes or rather of a deliberate strategy. What often amuses me is get the timing really 'right' and you will see the personnel changes. Certain people might be retired, in a blaze of glory, champagne all round! Well done old chap! Excellent results, good job! When in-fact the tail is yet to fully mature, they are leaving on a high before the tide comes in. The newly appointed manager or underwriter will inherit the past and might well become its victim often in stark contrast to the original underwriters who designed and implemented the business in the first place. They might be long gone, sitting by the pool reading the trade press of bad news, of poor results and business closures and run-offs, they might even delude themselves and 'tut tut' that it wasn't like that in 'their' day '...not in my day sir!' even though they were the original architects of the plan they are long gone and why not? Everybody can be a millionaire, so everybody's got to try, in the laws of this human jungle only the heartless will survive!

There is a snag in all this of course, one very significant snag. If a business plan goes wrong that is one thing, but if a business plan is written knowing that it will go wrong (that investors and/or shareholders will lose money) then that is something quite different it is a fraud and that is of course a criminal offence. Years ago I read the Godfather by Mario Puzo on the first page there is the quote; Behind every great fortune there is a crime. – Honoré de Balzac it is something I've always remembered. Now I am absolutely not suggesting that every new MGA or Coverholder is like this of course not that is nonsense, the vast majority are solid, honest and highly professional and needed outlets for business development, but when I look at the liability sector of the market I do worry that there are a few, a very few that to me look rather odd. There is no question when I see certain people writing too much volume rather too quickly in certain sub-sectors of business I question what is going on, I question why the rates are half the standard market rate and I question why certain people, so knowledgeable about the market are behaving like that and in this market. Why indeed?

WHINING AT THE WINE LIBRARY!

It is discreetly hidden away, it could be something out of a Charles Dickens novel, amongst a row of crumbling down Georgian era built houses diagonally opposite the mighty imperial looking Trinity House and the former home of the PLA the Port of London Authority and more recently the blue blooded Lloyd's broker; Willis Faber & Dumas, in Trinity Square – the one thing ruining the 'Dickensian London' feel is that it is 200 yards from Tower Hill tube station.

The steps off the street are a risk manager's nightmare, a spiralling metal staircase painted in heavy white leaden paint maybe to hide the rust, it takes you down and down and you open the door and literally fall in, you have arrived at your destination; the Wine Library. With rows of racks of bottles of wine you walk through the rather theatrical cowboy style saloon bar doors and you enter a cavern of nooks and crannies where people go to drink away the gloom, usually in two's sitting huddled together on rather uncomfortable bar stalls. You see a cross section, the boss and the attractive petite secretary on, but of course a 'business' lunch (i.e. none of your business), the two old retired drunks with purple noses, and watery eyes slurring and blurring at one another, recounting for a thousandth time funny stories that get funnier still by the bottle, the serious ones, the compliance officer and financial director allowing themselves the unusual treat of alcohol at lunch-time; but not too much and for not too long, the old chums coming down to moan about their wives and lack of bonuses.

There is a 'self-service' food bar, or more correctly a ledge where a heavily laden larder of goodies awaits, pates, meats, cheeses, lashings of butter and crusty bread. Customers, are invited to serve themselves and many a small plate is filled to overflowing, and noticeably more portly gentlemen with glowing reddish faces feel no shame in returning twice and thrice times. There are no disapproving looks, no policing of the food, it is all very casual quiet and sedate. It's not Michelin starred gourmet food, but it is very good fare, and the wine is knockout, the manager/cum Maître de, a rather awkwardly quiet bearded man knows his wine

and he knows old friends Lord & Lady Essex (also known as; Hollie Bellingham and Simon Turner) great successes in insurance and also experts in wine, now owners of a magnificent vineyard in South Africa they personally fill many of the racks with their own produced fine wines – and very good they are too! Overall the Wine Library is a veritable gem of a place; good wine, good food and good value (make sure you bring along good company) – I cannot recall ever having a quick lunch here with the exception of one the other week.

It was a rare meeting with an old friend from way back when; he is now a high ranking officer in the army that is the massive worldwide broker that he has worked at for over twenty years. It is one of those sorts of impromptu luncheons, often the best. A rare sight in Lloyd's I chat momentarily with him outside the main entrance, early one morning, I am short of time (I cannot be late for Atrium) and he is running to another meeting as well – lunch? Yes, can do today? Great, make it early, 12.30 as I have a call at 2.30pm – OK! The Wine Library? Excellent stuff – see you there! I make my way down there on schedule annoyingly; he has beaten me there, but has already ordered a rich large glass of Shiraz a particular favourite. I pretend to 'know my stuff' and dutifully the bearded manger plays the part and opens a bottle of Lord 'n' Lady's Essex' best. We are up and running! The wine, food and conversation quickly flow – it is interesting, it is always 'interesting' after the customary niceties and small talk it is into the business conversation.

The big broker's account of engineering projects is doing damage, and a massive amount of it. We've just collected \$200M, he tells me, the biggest claim I've been involved in! Worst follows; noticeably he takes an abnormally large swig of the dark plummy wine, and suitably fortified stirs himself and admits looking up to the ceiling in an almost evangelical sermon like fashion '...worse is to follow....we have a One Billion dollar claim due...' the numbers rather mock at me '...come on? A Billion? Yes a Billion! And no question they are right about it! And the worst bloody thing is the market doesn't even have as much as \$1 reserve on it!' Now at this point I have to raise a question,

being at the different end of the food chain to my lunch partner, in my life as a primary insurance man, although setting reserves can be a challenge but it is best to always air on the side of conservative caution and reserve high. In my experience underwriters absolutely hate surprises in reserve hikes. The rather unconvincing argument is made; well of course the claim is noted by the primary 'captive' layers but that the above layering is such that the '...excess chaps' just couldn't ever really keep up? Um, well I am not too sure about that, and given the potential of a Billion dollar bang I'd rather like to know if I were a supporting underwriter, it being irrelevant if you are excess or not, being a Billion dollar potential everyone is exposed – but what do I know? This is BIG business, played by the BIG boys with BIG boys rules!

I am I must admit all rather subdued and in a state of mild shock, I am thinking how many '0's are in a Billion, and I'm not sure I'd be right! It is taxing my miniscule comprehensively educated CSE Maths brain to the limit, of its very limited powers! It all sounds awful to me, but the worst thing is the punchline, despite the earlier earnest concern about the possibility of effectively nuking part of the market his ending line is the worst of lunch; he says now more 'relaxed' with casual indifference; '...well mind you, we have enough capacity to replace all those who are getting smashed – we cannot accept rate increases!' so in other words those misfortunate underwriters that have been creamed do not get an opportunity to replenish the well with rate increases as other hungry capacity is available, so much for relationships in business then? I am glad I don't work within a massive impersonal and dispassionate machine like that. I get left with the lunch bill, I always get left with the bill, and he has to run off again, he is always running off for calls, meetings, cars planes and Arsenal football club.

At least I have the last glass of Lord & Lady Essex' finest to swig back, it is enjoyable as is the Wine Library but some of the conversation today is to me absolutely baffling and also extremely concerning. But I guess it's Big Boys Toys!



STICKING WITH IT!

STOCK MARKET INVESTING

People can be very funny with money it brings the best and worst out of people. I gave a friend some 'advice' about investments a while back, and I really wish I hadn't! I gave him a 'tip' about a fund I quite like the look of by using my own experience of investing in the market since my father passed away some 26 years ago now – I've done OK over the long-haul with pretty aggressive stockmarket fund investing. I became a bit of a Sunday morning 'anorak' endlessly vetting various 'unit trust' funds comparing fund managers reports, portfolio make up and charges etc. and investing in at first PEPs (Personal equity plans) and then later in ISAs (Individual Savings Accounts) these were, and still are, very tax efficient investment 'vehicles' as all gains are tax free and a married couple can make use of two such plans in any one tax year so it is a good way of not paying tax on your investment gains – and quite right too as you are basically putting in taxed income that you earn into longer term savings plans, I've always thought it morally wrong to tax again income that has already been taxed.

Anyway being stockmarket related investments these are volatile and of course are open to the fluctuations trials and tribulations of the market. But over the decades the funds should do well, and with a couple of exceptions; most noticeably my dalliance with the Credit Suisse South Africa fund and an M&G Technology fund my overall returns from funds have been good with Fidelity Special Situations, M&G Recovery, M&G Growth and Cazenove UK Alpha funds all performing extremely well over many, many years. But that is the trick, people cannot invest in stock markets without what a Banker once

told me is five and ten year period of patience. That is exactly the point, if you can't leave it for at least five years then you shouldn't be doing this sort of investing. I 'recommended' a fund I liked to my friend the Fidelity North American Special Situations fund. He dutifully put some of his hard earned money into an ISA and guess what? He looks at it every five seconds and of course in the past six months, like most stockmarket investments it isn't having a great time at the moment. I explained to my friend a couple of very interesting facts about the main UK Stock Market the FTSE 100. Despite volatility it wins, it always wins over a long period. Let's look at some major stockmarket crashes:-

BLACK MONDAY

After what seemed like an almost constant prevailing tide of good economic news very suddenly on Monday 19th October 1987 the FTSE 100, along with all other major leading world markets very dramatically lost almost a third of its value. It was at the time a shocking one day crash, (the largest ever recorded one day percentage decline in the DJIA; the Dow Jones Industrial Average – the largest stock market in the world) it is known as 'Black Monday' funny enough referred to as 'Black Tuesday' in the Australian and New Zealand markets! But in the subsequent robust market recovery by May 1989 the markets had regained all the lost ground. It was an impressively speedy rebound.

THE 'TECH' BUBBLEBURSTING

There was a great term that the then serving Chairman of the US Federal Reserve; Alan

Greenspan came up with 'irrational exuberance' to describe over-heated and indeed almost frenzied investments pouring into the new fad of Technology business, his comments preceded the bursting of the bubble. The market fell, and kept falling and falling, it started in March 2000 and the pain carried on until January 2003 – the market lost more than 40% of its value. But once again, in the following recovery the market(s) by January 2007 had regained all of its lost ground.

THE FINANCIAL CRISIS OF 2007-2008

The unwinding of the 'sub-prime' mortgage system in America triggered an almost cataclysmic chain reaction to the global financial system that brought down the investment bank; Lehman Brothers (and others) and in-turn instigated the biggest global depression since the infamous Wall Street Crash of 1929. Only massive governmental intervention prevented a melt-down of the entire financial system. The market lost a staggering 50% of its peak value by the end of 2008. But once again, albeit taking its time and not an easy recovery by mid-2013 the market had somewhat remarkably once again returned to pre-crash levels.

So the moral of the story is simple: have patience and stick with it for the long haul and not short term opportunities and the stock market will be a good source of returns over longer periods of time. Indeed conversely at times of major market turmoil when markets crash then that is an excellent time, and proven so historically, to visit the stock market!

PROMISED YOU A MIRACLE



©Imperial War Museums (FKD 2020)

‘Promised you a Miracle’ is the title of a song from 1982 by the brilliant band Simple Minds, it is also the well-chosen title for a book on social and economic history of early 1980s Britain by the rather left leaning author and journalist Andy Beckitt needless to say a somewhat unusual choice for me.

Before a recent business trip to the US, as I always do almost as a ritual, I made sure that I bought a couple of books to read to help pass the long flying time to Los Angeles, unusually for me I extended away from books on World War 2 with ‘Promised you a Miracle’ – I quickly flicked through my usual ‘war stories’ and by the way I’d advise anyone interested in WW2 history to read Battle of the Atlantic by Jonathan Dimbleby, it is brilliant and captures the intensity of the longest running battle of the war and one that the Allies came at times very close to losing.

I actually bought the book after attending a lecture by the author, Jonathan Dimbleby on the subject of the Atlantic War given at the venerable surroundings of Greenwich Maritime Museum, it was a great evening and something I was so grateful for my good friend Nick White to invite me along to. As a conduit to that book I also bought the biography of Admiral Doenitz the leader of the U-Boats and ultimately Hitler’s successor at the end of the war, the two books were interconnected and I read both quickly, the other book in my bag was the ‘odd one out’ my rather heterodox choice; ‘Promised you a Miracle’ funny enough despite the whiff of burning martyr so common within ‘liberal bleeding heart’ left wing whinging I found it very informative and good reading of an era of course of history that I was very much growing up in, I started work at 17 in 1979, and even volunteered for the army in 1982 it was vividly my time, my history.

It captured my attention to the point I actually found myself re-reading pages to make sure I was absorbing the tale fully, it is a truly fascinating period of history with the coming of Margaret Thatcher as Prime Minister in 1979, when in a complete paradox of the word conservative the newly elected Conservative government was actually ‘revolutionary’ in its vision and its mission, it implemented massive economic and social change that completely altered the UK and whose foundations remain engrained not just physically on the landscape but in the very psyche of the majority of

British people. The election of Margaret Thatcher in 1979 was far more pivotal than any election that we’ve had in the UK since 1945 with the then election landslide victory of the Attlee Labour government that set in motion a wholesale revision of Britain with the establishment of the NHS the National Health Service and the beginnings of the welfare state, a land fit for heroes and why not?

The British people had endured horrible hardships in the 1st and 2nd World Wars, the British people exhausted by war rightly wanted, sort, and got change to their society and who would deny them? Indeed, it is not too far-fetched to remember that with the fall of France in May 1940 that had Britain (and the Commonwealth) not carried on the fight against Nazi Germany (and it must be remembered at the same time Fascist Italy and Imperial Japan as well) then the path of world history would have changed course most dramatically with the Nazi war machine with its own terrible brand of extreme doctrine would have held all of continental Europe and with Britain not engaged it would have almost certainly conquered the Soviet Union, Britain would have surely at some point acquiesced as well into a Nazi puppet state. The basic principle of western civilisation and of Christian humanity would have vanished into a new ‘dark age’ – that it did not is down to the British & Commonwealth people and their brilliant leader - the man that did the leading was Churchill but it was the British population that followed and endured the hardships. The election of a ‘revolutionary’ Labour government committed to fundamental social and economic change was a side product of victory.

Churchill was horrified but the British people had changed and voted for dramatic change. Thirty four years later the British people might not have fully realised it in those same grandiose terms but once again they voted for very dramatic and almost ‘revolutionary’ change but unlike Labour in 1945 they carried on voting for the continuance of such in 1983, 1987 and even in 1992 many political observers say that one of Thatcher’s greatest success was to bring Labour from left-wing socialist obscurity to the middle road of ‘New Labour’ of Tony Blair and a continued period of very similar politics, economics, aspiration and social motivation. The grossly inefficient nationalised industries were brutally closed down, the unionised working practices confronted, even with a certain

degree of 'political' policing, no prisoners were taken, no tears were shed, no question it was all done with dedicated dispassion in the purest pursuit of free market economics, the medicine however horrid had to be applied to the patient, Britain the long-time 'sick man' of Europe was to be 're-born' again, to emerge rebuilt, re-energised once again a force to be reckoned with, that was the aim, could it be achieved? Ironically, by a peculiar quirk of history it was, for had the Falklands War not have happened in all likelihood the dreams of Thatcherism would have been consigned to the dustbin of history and a one term failure of a government. So unpopular had the Thatcher government become in 1981 and early 1982, but for a 'popular' war it would have more than likely been swept aside as the measures being applied; heightened unemployment and hurt the country socially and economically, a five year government was not long enough to produce a miracle, more time was needed. Thankfully for Britain's 'Blue revolutionaries' help was on hand as a certain Argentine desperado called General Galtieri in a fluster of Latin American Machismo embarked on an at first highly popular invasion and capture of the UK held Falkland Islands, known as the Malvinas in Argentina.

It was almost farcical but also very real in warfare terms. Diplomacy failed as the Argentinian Junta not used to any form of democracy could not allow themselves to back down, in a huge miscalculation they gambled that Britain would not care to fight, however, Thatcher had no choice but to fight, British subjects, maybe only 2,500 of them but all British and on British territory had been overrun by a ruthless military regime. The world watched aghast and America was particularly concerned over what they viewed as a huge gamble but Britain's armed forces very professionally and at times with almost borderline recklessness outfought the Argentine Air Force, Navy and then Army in a brutal bloody slog. In purely military text book terms the British Task Force with only local air superiority and outnumbered on land were not supposed to win, but the textbook was thankfully wrong as British Army units and especially the 2nd and 3rd Battalions of the Parachute Regiment along with other Army units and the entire force of elite Royal Marine Commandos won the day to send the 'Argies' back home to think again, in an age of modern warfare of high tech weaponry of spy satellites and guided missiles the ultimate telling factor was that young British soldiers in close quarter combat with even bayonets drawn, brutally outfought their Argentinian counterparts, basic fighting won the day, it was a famous victory and a rightful one as well, the British people were

euphoric. The British victory laid down a marker in the Western world and George Shultz, the former American Secretary of State proclaimed it in his memoirs as the first decisive military engagement by a leading Western nation in the post-Vietnam era, the West would for the right cause fight and fight to win. Something not lost on the then Warsaw Pact forces facing NATO in Europe – after the Falklands War in reassessing the fighting ability of the British they substantially reinforced front-line units.

Even Argentina benefited as the military defeat directly led to the resignation of Galtieri and the ruling military junta, one of the most murderous regimes in South America had gone and Argentina quickly returned to democracy. Thatcher also benefited hugely and went to the polls early the following year in 1983 and with the 'Falkland's factor' achieved a landslide victory gaining an overall majority in Parliament of 142, a huge mandate. The newly elected government had got the time needed for the harsh economic policy and the hard medicine to work, with the 'big bang' of deregulation, of further industry privatisations, the selling off of council homes, the defeat of the last of the truculent unions; the National Union of Miners in 1984 and by 1986 with personal income tax reductions and massive expansion of the economy the Exchequer was getting more income than expected, ergo the Thatcher revolution was in-part complete. No question Britain did change and importantly has remained so that the 'change' is now actually the norm.

The British people and their society have become immeasurably different. Almost as many people are members of the rural and historical society the National Trust as are members of Trades Unions, more Britain's than ever are likely to be self-employed, more than ever are homeowners, although this is rapidly changing, more Britain's have private health insurance and private pensions the British work longer hours than their European neighbours, we have become more entrepreneurial, but also more insular, more prone to living alone and to divorce. It is undoubtedly a mixed picture as is our society becoming ever more mixed whether by creed, race, religion or whatever measure is applied to it. British society has become unabashedly consumer driven and aspirational in all ways, people desire and demand higher quality, when once British cuisine's only contribution to the world of food was the humble chip, Britain now boasts much heightened spending and quality in all food sectors.

The British people once naturally shy and not openly forthcoming are no longer afraid to complain, to speak their mind and have become ever more assertive. The waste lands of East London's vast derelict docklands, ruined by



ludicrous unions that laid to rot some of the largest docks in the world was re-built into glittering towers of the 'new' economy of banks and financial houses as a new modern hub of the City regenerated and revitalised the economy and real estate of once impoverished East and South East London. Just look now at the endless growth in the new buildings in London with a sea of new cranes no longer pulling cargo from ships and barges but in building ever higher sky scrapers, London is booming and albeit slowly so too are many of the British regions.

The early 1980s was indeed a period of enormous transition when Britain said good bye to post war laxity, decline and inertia to become embolden, commercially successful, harder, harsher and maybe occasionally nastier than the more liberal rest of Europe. Even the most recent economic data seems to back the difference, Britain has the lowest unemployment rate of all the major Western European nations and we have the highest level of growth as well. Only America amongst the Western nations has better economic indicators than Britain, and that must surely be the aspirational target of the 'heirs' to Thatcher to achieve American levels of production. I even caught it being discussed after the latest UK budget to Parliament.

'Promised you a miracle' was an excellent read, true it is written from a more liberal view than is mine, but that is not necessarily a bad thing, an alternative view should be absorbed. There will of course be those with strongly varying views on this part of British history, but it cannot be denied, what happened then still shapes us now in all walks of British life and will do for a very, very long time.

THE WORLD AS A VILLAGE OF 100 PEOPLE

When I visited the excellent Eden Project in Cornwall, the entrance had a wall with a huge breakdown of the world displayed on it. Basically if we could reduce the world's entire population to a village of exactly 100 people, with all existing human ratios remaining the same, the demographics would look something like this:-



The village would have;

- 61 Asians, 13 Africans, 12 Europeans, 9 Latin Americans and 5 from North America.
- 50 would be male, 50 would be female
- 75 would be non-white, 25 would be white
- 67 would be non-Christian; 33 would be Christian
- 80 would live in substandard housing
- 16 would be unable to read or write
- 50 would be malnourished and 1 dying of starvation
- 33 would be without access to a safe water supply
- 39 would lack access to improved sanitation
- 24 would not have electricity (and of the 76 that do, most would only use it for light at night)
- 8 people would have access to the internet
- 1 would have a college/university education
- 1 would have HIV
- 2 would be near birth, 1 near to death
- 5 would control 32% of the wealth (all 5 of them would be US citizens)
- 48 would live on less than \$2 (£1.30) per day
- 20 would live on less than \$1 (60p) per day

THE UK AFTER BREXIT –

WHAT HAPPENED AND WHAT NEXT?

It was a big shock, it wasn't in the script, the British would vote to stay in the EU after over 40 years of marriage it was inconceivable that the UK would leave. However, on the morning of 24th June 2016 (a now historic date) the British electorate (more accurately the Welsh and the English) voted clearly to leave. The referendum was decisive with angry voters using the EU referendum to vent their collective anger, at immigration, at the government, at the 'experts' at big business, the bankers and brokers at a whole host of things actually many of which were overall very little or indeed nothing to do with the EU itself.



One thing that grated the English is the hardly even faintly hidden anti-English rhetoric of many of Scotland's nationalist and socialist leaning politicians who stand up in the UK parliament and tactically (and somewhat mendaciously) bemoan the lot of Scotland but uniquely they can vote on English only policy matters whereas English members of parliament cannot do the same on Scottish issues, it is a ridiculous and clearly undemocratic element of parliament that rightly irks the English. The English population makes up 86% of the UK population but the English, unlike the Scots, the Welsh or the Northern Irish do not have their own parliament or even an English political party, they are in effect denied a voice in their own country clearly a recipe for disaster and it

has certainly helped to stoke-up bitter feelings. The normally placid English have become more and more angry and the worst thing is no one in 'normal' politics saw it coming. It isn't nice to say it, and less still to see it but England is bitter and many English have become angry and yes, even to hate. Rudyard Kipling's poem 'Beginnings' is an excellent and now perhaps rather poignant piece in describing the uncomfortable scene of the English hating the last verse being:-

It was not suddenly bred; it will not swiftly abate, through the chill years ahead, when time shall count from the date that the English began to hate.

It certainly resonates very powerfully with today's ill-feeling within the English. For a nation famous for impeccable manners, self-restraint, the stiff upper lip, in not showing emotion for the nation that invented queuing there is undeniably behind the afternoon tea, cucumber sandwiches and polite conversation an anarchic streak. England isn't just a nation of Her Majesty the Queen and Cricket but also of Johnny Rotten and Skinheads with a thousand years of history splattered with the blood of no end of wars and conflict. The English are remarkably indifferent to conflict and wars, even Henry Kissinger, the elder statesman of world diplomacy in commenting on the UK's front-line commitment to conflict in Iraq and Afghanistan stated that somewhat uniquely in the modern world of leading Western nations that '...the British still like to fight' it wasn't necessarily an endearing comment.

WORLD-WIDE BUSINESS INVESTMENT

So what next for the British or more exactly the English and Welsh, because the nation state of 'Britain' will likely become just two nations being England & Wales, it would not be beyond possibility to see Scotland and even Northern Ireland devolves from the current union of the UK. There might be an ability to in-still a very dynamic new 'super competitive' economy to replace the loss of EU membership; indeed, it might be the only way for Britain to proceed. If Britain can

bring down corporation tax to almost 'off-shore' levels to make the whole of Britain (or at least huge parts of it) effectively one massive 'enterprise zone' that will dramatically re-attract world-wide business investment and you only have to look at the UK's 'second City' being Canary Wharf, which is a stunning example of successful urban redevelopment when the derelict and desolate waste lands of London Docklands was almost magically transformed into glittering glass skyscrapers of banks and financial houses trading around the world and regenerating a whole district of London and gaining enhanced income for the UK exchequer. It is a stunning example of what can be done, with government help and indeed what must be done if Britain is to not only survive Brexit but to flourish after it.

The talk of a Northern Powerhouse should now be acted upon with haste, if the large areas of North West and North East England might be transformed with huge inducements of low corporation tax breaks as well as other incentives from the government ranging from massive infrastructural investment to cutting through 'red tape' and allow redevelopment and planting of new hi-tech and service industries then Britain, always a great world trading nation can recapture itself as a leading and open world economy. The alternative to become a little and bitter England would be a hugely retrograde step. We need boldness and decisiveness from politicians and business alike – can Britain do it? Frankly it has to, there really is no other alternative!

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THE RISKS AND VIRTUES OF A CYBER REPOSITORY

There is a movement currently that is being spearheaded by the U.S Department of Homeland Security (DHS) to create a “Cyber Incident Data Repository”. Insurers argue that such a repository will help them better price Cyber Liability insurance.

Chief Information Security Officers in the private sector argue that it will help them better demonstrate a return on investment when it comes to buying cyber security equipment and deploying cyber security breach prevention protocols. A government entity like the DHS argues that it will help the U.S government to better protect the private sector from cyber threats and mitigate those threats as well. However, the creation of the repository will result in a clear and present danger to the private sector, even more so if the repository stores the necessary data, and all of the risk of the repository will be borne solely by the private sector.

The “Type of Incident” category is the first of sixteen data points that the repository is going to track. The type of incident is broken down into: ransomware, DDNS (Distributed Denial of Service), social engineering, zero-day exploit, and so forth. Data point two of the repository is the “Severity of Incident,” which along with the first category establishes the following issue. The second data point tracks which industry is being affected by the different incidents, and if the repository itself is breached by a hacker this information can be used to the detriment of the private sector. If the insurance industry is attacked forty percent of the time, for example, by a DDNS attack but only five percent of those attacks are successful, then the hacker knows that using such an attack on that industry is likely to be unsuccessful. However, from a prevention stand point, the repository needs to be taken one step further. If Company ABC is attacked by zero-day exploit 123ZF-P, then that also needs to be

tracked by the repository, because not everyone can afford the hardware and service of an organization like FireEye. Far more importantly, though, is the fact that it is in an insurer’s best interest to keep a running list of all known zero-day exploits. After all, if an insurer has to payout \$500K to mitigate the effects of exploit 123ZF-P, then it does not make any sense for that same insurer to not alert every one of its insureds to that same exploit so that each company can enact the appropriate fix. (Just because an exploit loses its zero-day status that does not mean it is no longer dangerous.) By alerting its insureds to the exploit, it can responsibly deny a claim by any of its insured clients who did not put into place the needed fix, and subsequently suffered an attack related to that same exploit.

However, recording such information also creates actionable data to any hacker, especially to nation-state hackers such as the FireEye branded APT29 group. After all, a



zeroday exploit can be worth between \$5,000 and \$250,000, sometimes even more, to the right buyer. As argued above, one of the points of creating the data repository is to be able to track which exploits are used, which means then that the repository becomes a very useful database to any hacker who can gain access to it. For instance, if Chinese government hackers break into the repository and see that zero-day exploit 123ZF-P is a known exploit to the database, then that will allow those hackers to know that the exploit is no longer a viable exploit to use (assuming insurers are using the repository for prevention purposes along with actuarial purposes). Once the intruders have found out which exploits are known, then the intruders can formulate an attack based on exploits unknown to the database. Consequently the hackers would have the upper hand when attacking any organization. By creating a comprehensive repository it will allow insurance companies to create a wider community immune to an exploit like 123ZF-P, but it will also allow any intruder to know what the insurance companies know. This creates a clear and present danger to everyone.

Large corporations and government organizations will be vulnerable to the knowledge a hacker will gain by breaching the repository, but it will be medium sized businesses which will suffer the most. After all, large corporations have more resources to fend off or mitigate a cyber attack, but medium sized businesses almost always have significantly fewer resources to defend themselves. Medium sized organizations are already at a significant disadvantage against hackers, since hackers evolve attacks faster than a medium sized firm can bolster its defenses. However, hackers, with the putative added knowledge of what attacks and on which industries will most likely succeed, will essentially have the ability to attack with impunity. Small sized firms will suffer even more harm, but then small firms are already at a hacker's mercy. The creation of the data repository will create a clear and present danger to every private organization in the United States, and even outside of the United States. After all, if a zero-day exploit is unknown to U.S. insurers, then it is extremely unlikely that any insurer in a country like Vietnam will be aware of the exploit.

While the private sector would become more vulnerable to attacks due to the creation of the data repository, it would also be losing much of its anonymity. According to the DHS part of the effort to create the repository will "focus on the legal and privacy protections, anonymization approaches, and other characteristics that a



trusted repository must have in order to establish it as a safe information sharing space." For the most part, taken individually, the data tracked in any one of the sixteen categories is insufficient to determine who is the hacked organization. If taken as a whole, though, it will be easy to figure out which organizations have been breached. While insurers may be able to find significant advantages in having a data repository, the rest of the private sector will lose in anonymity at least as much as the insurers gain.

DATA REPOSITORY

Presently the different organizations that are discussing the creation of the data repository believe that submitting data by a breached company should be voluntary, which is unreasonable. Historically insurers have removed an insured's ability to hide moving violations and other driving transgressions. Setting history aside, cyber breaches are more costly, on average, than any other type of breach, which is evident given that Target has already spent \$290 million in breach related costs.



Additionally, a vast majority of companies store PII (personally identifiable information), which alone can cost an insurer more than other types of professional insurance claims. Furthermore, if the main point for insurers is to obtain from the repository a large body of information with which to price insurance, then forcing every insured organization to provide the needed information about each event is the only way to achieve insurers' main goal within a reasonable time frame. After all, presently there is no benefit to a company to admit it was hacked. Even without PII costs, a cyber breach can cost a company in other ways such as a lawsuit by the FTC, loss in shareholder trust, forensic investigative costs, and other very tangible penalties. Forcing every insured organization to submit data to the repository may be harsh, but it ensures an abundance of actionable data.

This paper has noted a couple of ways in which the risk of creating a data repository lies solely with the private sector, which is one reason why the repository needs to reside with insurers and cyber security companies alone. The knowledge that is going to be contained in the repository can cause significant harm to any part of the private sector if that knowledge, or even part of it, were to fall into unfriendly hands. The United States' government has had difficulty keeping its own data safe. The Snowden incident proved, beyond a reasonable doubt, that the government is doing little to safeguard the data it has. One person was able to expose not one or two state secrets to the entire world but rather a multitude of them. After Snowden, the Office of Personnel Management found itself hacked, which again exposed an enormous amount of private data to the world. Additionally, the United States' government will suffer no repercussions if it hosts the data repository and that repository is breached. Who

are insurers going to complain to? Legislators who barely know what a CPU is? People in the executive branch who think it is acceptable to allow state communications on a personal e-mail server, or who are willing to lie to the People about weapons of mass destruction? If a private company makes a major mistake, it suffers significant damage from lawsuits, fines, and bad publicity. If it is a publicly traded company, even an executive officer or two may be forced out, as was the case with the last CEO of Volkswagen. Granted the private sector has its share of gross incompetence and stupidity but, when a private company makes a mistake, it will suffer consequences and either act better in the future or go out of business. If the private sector is going to be bearing all of the risk caused by the existence of the data repository, it might as well host the data which should ensure that insurers have all the needed incentive to keep the data safe.

To keep the data safe at the very least, the repository should be created by the combined efforts of three insurance companies. If Chubb has the first five of the sixteen data points, while W. R. Berkley Insurance Group has the next five, and Lloyds the last six points, then it will be impossible for anyone to gain access to the entire list by simply breaching one

organization. Additionally, it would be wise if each insurer which has a part of the list worked with a different cyber security company from the other two. Chubb, for instance, could work with Wombat Security Technologies, W. R. Berkley with Palo Alto Networks, and Lloyds with FireEye. With three sets of eyes on the data in addition to the insurers' own eyes, it will increase the likelihood of detecting an attack on the repository. Each company should keep the data on a server that has a different operating system than the others. So Chubb could use Windows, W. R. Berkley can use Linux, and Lloyds can use the Macintosh OS. By using three different operating systems, it significantly reduces the likelihood that an attack on one insurer will work on the others, even if the attackers use a zero-day exploit. Furthermore, it would behave Cyber Liability insurers to share the data in the repository with only trusted insurers. Just because an insurer includes a little bit of Cyber Liability coverage in a business owners package (BOP) should not be sufficient reason to allow insurers access to the repository. The above security measures are broad brush ways of keeping the data safe. The security measures used to protect the repository will need to be far more refined than those listed above.

A Cyber Incident Data Repository is, without a doubt, something that insurers sorely need. Computer hardware and software technology is constantly evolving which means that, without the repository, an insurer is doing more gambling than making an informed decision about when to provide a company with a Cyber Liability policy. Threats need to be tracked and insurers need to be able to provide the insured with data that can keep them safe from said threats known to the repository. Trends need to be brought to light so informed or preemptive decisions can be made, and the price of Cyber Liability insurance needs to match as closely as possible the real cost of providing that insurance. Forcing every insured organization to submit data about every cyber incident to the insurer who will then send the data to the repository may seem unfriendly but "corporate protection" is needed. From a corporate social responsibility standpoint and from a self-preservation standpoint, insurers will need to take every measure to safeguard the data in the repository. However, if insurers fail in their due diligence duties to safeguard the data, then the data will fall into the hands of those who will undoubtedly decimate not the private sector of one country, but the private sector of any country or countries the hackers wish to attack. This must not be so!

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Please feel free to contact the North American & International Specialty Division.

LONDON'S AIR AM

Our second helicopter is now operational in London, thanks to generous contributions to the charity from the people and organisations of the capital including TYSER's.



Second Helicopter

The G-LNDN registered MD902 Explorer is available to deliver our advanced trauma team to critically injured patients, and is here in time to cover our current helicopter (G-EHMS) which has now gone offline for its annual maintenance this week.

Following our 'Your London, Your Helicopter' fundraising campaign last year to acquire and sustain a second helicopter and extend its summer daylight flying hours for five years, just over £4 million was raised allowing us to acquire the aircraft, convert the helicopter to meet aviation regulations and provide the same medical interior, and to cover some running costs for the extended service. The cost of providing our service has increased to £6 million each year and donations are needed now more than ever to maintain the delivery of our 24/7 advanced trauma care to London.!

OTHER CHA

It was a bitter, cold day at Wembley on Saturday, and despite the early snow flurries, the sleet and the wind (it was freezing!) the whole team turned up and survived a brutal 10km obstacle course.

By the end they were all soaking wet, shivering, battered and bruised, but most were still smiling!



Men's Health Survival of the Fittest – raised over £7,000

Well done to everyone who took part, it was an amazing feat of endurance and incredible team work; the sheer determination to keep going and finish despite the artic conditions was massively impressive.

(There are some fabulous action photos which will be uploaded to the intranet in due course).

The team certainly worked hard for their donations, so thank you to everyone who has already donated

and for those who haven't, it's not too late.



Ride London 100

Congratulations to David who successfully completed the Prudential Ride London event in a fantastic 4 hours and 9 minutes, so far raising £1,145 for London's Air Ambulance.

BULANCE

Two groups from Tysers visited the London's Air Ambulance Helipad at The Royal London Hospital in Whitechapel. It was an incredible experience and a privilege to have been given the opportunity to see the helicopter and meet the pilots and paramedics who do such an amazing job.

The experience really brought home how important this service is and why supporting this charity means so much to the people who live and work in London. In 2014 the helicopter was out of service for approximately 55 days for servicing and maintenance (planned and unplanned). The aim is to raise enough funds to buy a second helicopter so that the pre-hospital advanced trauma doctors and paramedics can delivery critical care across the city, continuously, 365 days a year.

Acquiring a second helicopter and extending daylight flying hours in the summer months



Tysers visit the LAA Helipad



New Helicopter

will mean that London's Air Ambulance will be able to reach an estimated 400 more patients per year by aircraft.

By having a helicopter available at all times, it will also give London greater resilience during major incidents.

RITY NEWS



Christmas Jumper Day - £238.00



Cake Sale - £500 (matched by Tysers) = £1000 in total

Team Tysers were amongst 26 teams competing in LAA's City Bounce Tournament on Thursday 10th March.

Tysers fought a brave battle in their first match and won 3-1, acquiring new 'bounce' soccer skills along the way; namely knocking your opponent over with as much force as possible (even when the ball isn't in play!).

The second match resulted in a 3-2 loss, but the Team rallied well and the following two matches were won 2-1 and 1-0 respectively. Team Tysers narrowly missed going through to the semi-finals on goal difference.

Well done to all the team: Greg Bowles, Tyler Hubbard, Ricardo Vieira, Dan Green, Matt (Dan's friend). (Goal scorers: Ricardo Vieira: 5, Tyler Hubbard: 2, Greg Bowles: 1)

You can view some of the action here – many thanks to Anne Clark for capturing the action! The event raised a total of £14,900 for London's Air Ambulance.



City Bounce – EVENT raised over £14,900

WANTED: RESPONSIBLE 21ST CENTURY INSURANCE ACTIVITY

©christiaan colen

There is a crisis right now that is affecting nearly everyone on the planet; one that is growing more costly and more destructive with each passing year. At the core of the crisis are binary code, software technology companies, and the professional insurance sector.

How the professional insurance sector addresses this problem will either define it as one that cares little for others, or as a socially responsible sector that honors its heritage.

As technology evolves, humans are increasingly dependent on it to function, both in the personal and professional spheres. Computers, operating systems, and productivity software like Microsoft Office have been developed and survive with very little oversight from either the U.S government or the technology sector itself. The 1990s saw the creation of Windows 95, 98, and 98SE, all of which caused all users to experience (sometimes with frequency) the “blue screen of death.” To this day security, stability, and speed issues continue as evidenced by the awkwardness of Windows Vista, Android, and the numerous hacking incidents from 2010 forward. Most attentive people know that upgrading from one version of Android to the next causes a person’s mobile device to suffer speed and stability issues, and upgrading to the next version of Android does not seem to provide much in the way of improved security. Moreover, for the past thirty-five years, there have been very few judicial rulings and laws that have been able to hold the technology sector accountable for any of its actions. Companies that offer Tech E&O policies have blithely ignored or taken for granted that it has been very

difficult, prior to August 2015, to sue a software company for the poor coding and performance of its software.

Now we are on the cusp of that change taking place, and these changes must be met with a strong sense of purpose and corporate social responsibility (CSR) on the part of Tech E&O insurers.

The only agency that has had any real measure of success in policing the technology world, at least in the United States, is the Federal Trade Commission (FTC). After all, the Uniform Commercial Code (UCC) has a plethora of limitations that make it difficult to sue for a faulty product. Meeting the requirements of negligence, which include duty, breach of duty, and foreseeable harm, severely limit suing a software company due to negligence. What duty does Google have to a given Android user? When that duty is established, if it is established at all, then what exactly would Google have to do to breach that duty? And how is the consumer’s suffering foreseeable to Google? With over one billion users it is difficult to claim that harm to any of those users could be reasonably predicted on Google’s part. However, Section 5a of the FTC Act allows the agency to take legal action against an organization that is involved “in a deceptive or unfair commerce practice”. In the 2015 Wydnham Worldwide ruling it was Section 5 that the federal court upheld in order to validate the action that the FTC took against Wydnham Worldwide. The FTC has used, albeit infrequently, Section 5 to encourage better behavior out of software companies. In 2003, after Microsoft admitted to a flaw in its Passport Service, the FTC encouraged Microsoft to be more

responsible by threatening it with a \$2.2 trillion fee. However, the frequency of the FTC using Section 5 to force more secure software from any technology company is now going to sky rocket. This is almost entirely due to the increasing number of breaches that are putting undue stress on the ordinary consumer. It is also supported by history.

Starting in 2008, the Secretary of Health and Human Services unleashed Recovery Audit Contractors (RACs) on the United States, and those contractors have been quite eagerly finding medical billing errors in hundreds of cases involving medical organizations throughout the United States. After the Great Recession of 2008 social anger at financial institutions was forged into the Dodd-Frank Act, which continues to have repercussions in the financial sector.

SOFTWARE CONTROLS

For the past thirty-five years software companies have been telling consumers to trust them, and, yet, that trust has resulted in years of poorly written software, whether it is an operating system, software that controls vehicle functions, or an online platform. In the near future, when software controls nearly every function of an automobile, when software comes to dominate mass transportation, when software becomes integrated into all aspects of the ordinary consumer’s home, then even our everyday safety becomes an issue. If the poor coding of software can expose our dark desires, like those exposed through the Ashley Madison hack, or if software can make our homes prey to outside forces, then how will any

part of our lives be protected? Perhaps the worst part is the fact that, for over fifteen years, insurance companies have been indemnifying and sustaining the reckless disregard software companies have for humanity. This must not continue!

Insurance companies need to start forming coalitions, both within the insurance sector as well as within other sectors of business, because, ultimately, the ordinary consumer is not going to be protected by the government. In time Congress will pass a law that will give software companies the ability to continue their reckless activities, or the FTC will find itself fighting against a software company, or perhaps the software industry at large, before the U.S Supreme Court. At the conclusion of that putative trial the FTC could theoretically be stripped of most of its power to regulate software companies. Regardless we have arrived at a pivotal moment in U.S history, at least as far as insurance companies and consumers are concerned. The path forward for the professional insurance industry is exceedingly clear: when the government fails to protect consumers, the professional insurance sector needs to be ready to stand between the public and technology companies. If insurance companies that offer Tech E&O fail to adhere to the principle of CSR, then insurance companies will be equally responsible for every cyber breach, for every stolen social security number, and for all of the pain that people will experience in a software dominated world. To do the right thing, however, insurance companies will need to pursue multiple courses of action.

Software engineering is perhaps one of only a handful of professions that requires extreme technical knowledge while lacking real licensing standards. Attorneys must pass the bar exam, residential property appraisers must meet USPAP certification requirements, but there is no professional certification body for software engineers, though these engineers have a tremendous impact on our daily lives. There are some IEEE (Institute of Electrical and Electronics Engineers) concepts that can be followed in order to foster a more grounded approach to software engineering, and universities which want to secure a more thoughtful software engineering program will meet the standards set forth by the Accreditation Board for Engineering and Technology. However, IEEE concepts are not comprehensive, nor are they required to be followed in software creation, and ABET accreditation is voluntary and its

accreditation standard is less exacting than that demanded of architects and civil engineers. In a real sense there is little difference between the sixteen year old that has learned how to write in HTML, PHP, and Java and the twenty-two year old software engineer who just graduated from the University of California at Berkeley. Both of those individuals, from a standards standpoint, are equal in that they have not had to prove themselves. The software for the avionics control systems on an airplane is written by software engineers who have not had to demonstrate a level of experience beyond what is needed to obtain a four year degree. Insurance companies need to work with universities, software engineering companies, and organizations like IEEE and ABET to develop structured software engineering practices and standards that graduating software engineers must meet in order to be accepted into the society of professional software engineering. Furthermore, insurance companies need to work with those same organizations to develop continuing education requirements.

ENGINEERING STANDARDS

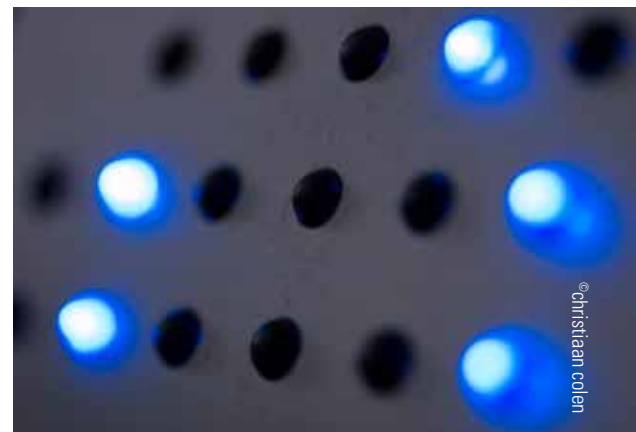
To encourage software companies to help with the framework of higher and continuing education, insurance companies could create two tiers of Tech E&O. The tiers would be distinguished by the percentage of software engineers employed that meet the previously mentioned professional standards. Tier one policies would be for companies whose software engineer workforce is comprised of at least sixty percent of engineers meeting the professional software engineering standards. And tier two policies would be for companies whose software engineer workforce is below the sixty percent threshold. The tier one Tech E&O policies will enjoy benefits such as lower premiums, lower deductibles, and higher limits, both on an individual policy or when layering policies in order to achieve, for example, a higher policy limit. The tier two policies, on the other hand, will have premiums that are treble those of tier one premiums for the same class of business with similar revenues. Additionally, tier two policies will have higher retentions, and the policies will only be offered by non-admitted carriers.

Consequently, if a company with a tier two Tech E&O policy is paying

thirty-thousand dollars and has a fifteen thousand dollar retention while having a lower policy limit, then it has three strong incentives for becoming socially responsible, incentives that will endure even if a law is passed that limits the force a government may have on the actions of software companies.

In the past fires were a very real civic danger, and it was the insurance sector in the late 17th century which rose to the occasion and paved a better path forward for Europe and the United States. Because of insurance companies, fire patrols were established which allowed for a much better response time when a fire broke out. Because of insurance companies, ordinary consumers had a much better chance of having their home or office saved from being completely destroyed by a fire, due to a decreased response time. When insurance companies' fire brigades worked together to put out fires the whole city stood a better chance of not being consumed by fire. A similar approach by insurers to this new threat is now warranted.

The likelihood that a law will be passed or a legal decision made that will limit the regulating of software companies is extremely high. That possibility, plus the lessons of history, demands that the insurance sector must build coalitions and frameworks that will foster a high level of excellence from software companies. Even if a law were passed that forced better behavior out of software companies, insurance companies still will have the same responsibility from a CSR standpoint to pave the path forward. The professional insurance sector must be mindful of the past and act in the present to help assure a more secure future for humanity. It is time to help shape and build the best possible future, instead of propping up a sector of the business world that cares very little for how easily it can devastate lives, countries, and humanity's future.



ARRIVEDERCI!

A CRISIS IN ITALIAN BANKING COULD DWARF THE BREXIT CRISIS

Given time the Brexit vote might, just might, not look as completely eccentric as it at first looked

Although the Great British electorate might not have been thinking too hard about the viability of the European banking sector and the stability or otherwise of the Euro currency when they ticked the leave box on their ballot papers there is an intriguing situation developing within the Italian banks that could very easily destabilise the entire EU economic scene and much more so than Brexit.

If Italian banks need bailing out, and come the end of the year this could become a very real issue it will literally be more than a ten-fold multiple problem than the Greek banking crisis that stretched the EU to the very limit. The bleak scenario for the Italian banking sector is not something overcooked it is a very real and dangerous problem unfolding right now. In Italy 17% of banks' loans are bad, and that figure is 10 times the

level in the United States where even at the height of the financial crisis of 2008 it reached just 5%. Italian banking problems have been festering away for a very long time and it is nothing new but the enormity of the problem has become worse still after years and years of lax lending by Italian banks they have made themselves particularly vulnerable when the economic slump hit home, even worse still many Italian banks effectively turned a blind eye to



problem loans by just extending loans where borrowers were not paying on time with the hope that an economic up-turn would improve matters. It has of course just made things much worse. Why then is the Italian banking problem so bad? There can be many excuses but compared with other leading G8 economies Italian banks haven't been run well, management has been weak, at its core lending has been undisciplined, banks are over-staffed and have too many branches, efficiencies applied to other leading nations banking sectors have not been applied within the Italian sector. Another big issue impacting on the Italian scene is the uniquely cumbersome court system where the unwinding of bad debts and clearance of insolvencies can easily take over 10 years and this just magnifies the problems the banks have. Throw in the lowering valuations of Bank sector



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shares, continuing anaemic economic growth coupled with low interest rates as well as the developing 'tail' of bad loans and the Italian banking sector is facing an almost perfect storm.

This all becomes an even more tangled mess given the politics of the EU the Germans effectively hold the purse strings for Europe and have been mightily unimpressed by what they see as southern Europe' largesse and poor fiscal management in Greece first and now Italy. Whilst the Italian government

is proposing an urgent \$40 Billion capital injection into the banks to help ameliorate the problems, the Germans are steadfast in their rejection of such a move. Berlin has been consistent in the view that 'free' bail outs are not corrective action and they would prefer to see banks go insolvent with investors being wiped out rather than pander to the banks and, as they see it, almost reward bad behaviour with 'good' money being used to bail out the banks. The Germans after the Greek problems will be in no mood to see a gigantic bail out of Italian banks and maybe with good reason as possibly Spain, Portugal and even some French banks would ask for the same tonic as Italian and Greek banks.

Watch this space! Who knows what the outcome will be of all of this. But it could be entirely conceivable that other nations decide to join Britain and jump ship from the EU.



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ADRIAN THORNYCROFT

Programme Director – TOM, London Market Group

The Lloyd's and London insurance markets are well over 300 years old, (indeed Lloyd's having started in 1688 it is 328 years old) and as such you'd think it rather 'stuffy' old fashioned and well maybe even boring being stuck in its past.

To be fair insurance doesn't always inspire excitement and over the years it is an industry that could be rightly accused of being stereotypical in that it is full of grey men, in grey suits, carrying out a grey business, in grey buildings on grey rainy days. Well you might well have thought that but think again! The London Insurance Market is an enduring ageless institution and as with any successful entity it does not stand still it is a constantly evolving, moving and changing animal. It has to, in order to survive and to succeed it must remain fluid if it is to remain relevant.

The very reason that the Lloyd's and London markets has survived and continue to survive is that they are indeed a paradox. Yes they are traditional and rightly proud of its history but it is revolutionary and not afraid to embrace change. One such example is the new London Market TOM (Target Operating Model) – a programme of activity to modernise how the market will conduct and transact business, yes the unique face to face negotiations will thankfully persist but gone will be the



inefficiencies of the idiosyncratic paper chase of the market. The man charged with being in charge of the TOM is Adrian Thornycroft, an instantly likeable South African who has a big project to convince the market to embrace change, no easy task when you gather

the not inconsiderable mix of egos and characters within the market whether underwriters or brokers. But Adrian has an abundance of charm mixed with unparalleled professionalism. Here Adrian Thornycroft gives London Calling a candid interview.

Q. HOW DID YOU GET INTO THE 'IT/ COMPUTER' BUSINESS?

My area of expertise is in helping businesses change, rather than IT specifically.

Q. HOW DID YOU END UP AT LLOYD'S?

Prior to working for the TOM, I was a consultant, primarily in retail and transport industries. My experience is broad, and includes satellite telecommunications, internet start-up, general insurance, life insurance, and specialty insurance.

Q. HOW HAS YOUR CAREER EVOLVED?

I have always been involved in projects of one form or another. The subject matter and industry of the project has varied but it has always been about driving change to enhance business process and practices and drive increased performance and profitability.

Q. IN YOUR VIEW WHAT HAVE BEEN THE MAJOR DEVELOPMENTS IN IT SYSTEMS FOR BUSINESS SINCE YOU STARTED?

Moore's Law and the Internet. Moore's Law because it set expectations that people then used about the increase in processing capability. Internet because it took this capability and made it available to all of us.

Q. HOW DO YOU VIEW THE CURRENT MARKET SITUATION WITH REGARDS TO TOM?

Incredibly exciting. There are obviously differences in the detail but when looking at the challenge in totality there really is market-wide agreement that we need to change and a real desire for that change which will foster growth in the market and individual businesses. Participation and engagement across the market is on a larger scale than has ever been seen before.

Q. YOU ARE A NOTED 'LEADER' IN THE IT WORLD, WAS THIS SOMETHING YOU HAD PLANNED?

Not really. I have just always ended as the co-ordinator or driver of things whether it is a project, programme, varsity RAG club, sports social club, or my kids' study timetable.

Q. OVERALL HOW DO YOU RATE THE STANDARD OF IT WITHIN THE MARKETPLACE?

Like all things in our market place, complete spectrums. I have seen some really great stuff (making applications available to me anywhere anytime, very quickly) to some just bizarre massively old school practices that are decades out of touch.



Q. IN WHAT WAY DO YOU THINK THE TOM WILL ENHANCE THE LLOYD'S MARKET?

The TOM will make it much easier to do business in London which will be good for everyone. It will build on the strengths of the market, the face to face element, but will create efficiencies and remove the paper based, London specific processes that slow us all down. These and other improvements will provide a platform for the creative types in our industry to come up with new ways of providing customers with even better solutions. We can only be better off for that.

Q. WHAT DO YOU MOST LIKE ABOUT THE BUSINESS?

The scale and intensity. But perhaps more significantly the reality that I'm part of something that will have a profound and lasting impact on the London insurance market.

Q. WHAT DO YOU LEAST LIKE?

People forgetting that hindsight vision is exactly that, vision after the fact.

Q. WHO WOULD YOU SAY HAS HAD THE BIGGEST INFLUENCE ON YOUR CAREER?

My mum - she motivated me to take the offer for my first job in consulting, where I learned an absolutely incredible amount.

Q. HOW DO YOU VIEW THE FUTURE OF THE LLOYD'S MARKET IN RESPECT OF IT?

The Lloyd's market has an incredibly complex IT infrastructure, so any change will be demanding. Changing the way we do

business and with relevant IT systems and practices takes consistent application over a long period of time. The key to success with modernisation will involve long-term commitment and tenacity to see it through.

Q. IF NOT EMPLOYED IN THE INSURANCE/ IT BUSINESS WHAT WOULD YOU CHOOSE TO BE?

A fishing guide.

Q. DO YOU THINK BEING SOUTH AFRICAN ACTUALLY HELPS YOU WHEN DEALING WITH PEOPLE IN LONDON?

I think having been on the sides of some fairly big life events and social injustices in Zimbabwe and South Africa makes you see the bigger picture. It also makes you realise the huge value there is in real democracy, solid legal frameworks and meritocracy across business and society – particularly in the UK.

Q. NAME YOUR TOP THREE FAVOURITE FILMS AND THREE FAVOURITE ACTORS?

Star Wars (the original), Lawrence of Arabia (1962), Dune, Yoda, Robert Redford, Natasha McElhone

Q. WHAT WAS THE LAST BOOK YOU READ?

Audiobook by Dan Carlin – Blueprint for Armageddon – amazing history of WW1.

Q. WHAT DO YOU LIKE TO DO IN YOUR SPARE TIME?

Sport, relax, latest TV box set, go on photo-Safari



Q. WHAT MUSIC ARE YOU INTO? NAME SOME OF YOUR FAVOURITE BANDS/ SONGS ETC?

Love a tight, crisp, live band. I am a sucker for lyrics that tell a story on a catchy beat. So not fussy really.

Q. WHAT SPORT DO YOU MOST LIKE TO WATCH AND/OR PARTICIPATE IN?

Watch - Rugby and Test cricket
Participate - Running, Touch rugby, Stand up paddle boarding, fly-fishing and am learning to kite surf.

Q. TELL US SOMETHING NOT MANY PEOPLE KNOW

I was the 627th person in the world to ever swim from Robben Island to the Cape Town mainland.



HOW CAN WE HELP INCUBATE AND FURTHER INNOVATE

“STRAIGHT-THROUGH PROCESSING” FOR “TOM”?

Continuing on the theme of London Market modernization, in this article let's explore work being done for Delegated Authorities within TOM, propose a potential expanded role for organizations like Target Markets and CHART (or any platform with coverholder and potential coverholder communities), and finish with overall highlights on recent successes throughout the whole of the London Market Target Operating Model (TOM). In recent weeks, TOM-related updates were made directly from Peter Montanaro, the TOM Champion for Delegated Authority at various forums. During his Lloyd's Coverholder Department presentations, Peter has elaborated on his aims to (a) further reduce the amount of duplicative requests and improve transparency of data and information to all relevant stakeholders in the delegated authority process, (b) continue improving the coordination and streamlining of coverholder audits and next steps, and (c) introduce standards for on-going compliance excellence through service level agreements and other centralization opportunities. As we know, all of these goals are very relevant to an improved experience with the London Market and they will make the market an easier place to do business. Additionally, Peter has reminded all of us of the Market's efforts to improve and expand the insurance community's creation, usage, and adoption of common data standards (see also the ACORD website at <https://www.acord.org>). Among other benefits, the expansion and usage of ACORD XML data standards will allow the delegated authority community to continue driving towards our collective vision of straight-through processing for risk, premium, and claims data within the London Market. Related work is already underway across all of these funded, market-sponsored, and/or market-supported initiatives.

While this work moves forward, let's also continue to think about how we might contribute to the overall process and let's act accordingly where it makes sense. As an example thought, while many of us endeavor to help grow U.S. coverholder business, we may want to keep



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Practicing consultant and the Director of Insurance Business Services at Wilson Elser Consulting.

a close eye on TOM during our journeys. By doing so, we minimize our chances of having constituents invest in technology, process, and/or human resources that only solve for yesterday's market and we maximize our chances of helping the London Market succeed in the future. As we know, legacy solutions likely contributed to some of the competitive challenges highlighted in "London Matters" by Boston Consulting Group for the London Market Group (LMG) in 2014. That advisory report inspired the opportunity for TOM in the first place and it underpins efforts within Project Tomorrow. Speaking of Project Tomorrow, another possibility for more advanced TOM engagement would be active participation in the market's innovation incubators. More specifically, a savvy group of London risk takers, vendor partners, potential coverholders, coverholders and their London brokers could pool together to advance or accelerate the efforts of Project Tomorrow and deliver additional London Market straight-through processing success. What do we mean by straight-through processing? To a large degree, we mean the evolution of passing insurance risk data, premium data, and claims data between coverholder, broker, and London risk taker(s) in various monthly spreadsheets and in various formats (which is mostly what happens today in the delegated authority community) to a modernized process where XML-formatted

data messages are automatically passed and distributed to relevant parties through automated interfaces and in accordance with previously agreed international insurance standards. Among other advantages, this modernized process means (a) no re-keying of data and reduced possibility of human errors, (b) reduced compliance risks, (c) greater end-to-end insurance processing efficiency, and (d) faster and more effective management information and improved analytics. This is quite achievable. By way of example, an Australian coverholder (and their London constituents) already made this happen on certain insurance business and with particular data sets almost a year ago using market resources available today and I have led successful projects like these in other international insurance contexts throughout my career. As a result, it should be easy to see that our continued on-going attention to these subjects and supporting the London Market's modernization agenda has never been more compelling and will improve our own long term business outcomes as well.

In the same spirit of attention to these topics, I would like to close by briefly reminding us of other general updates on additional progress being made throughout TOM's other workstreams recently. Many of these efforts interrelate and build on the success of one another. Specifically, the Central Service Refresh Program (CSR) launched a new service and channel that allows an early adopting broker to submit premium data using ACORD-approved messages for London Market processing. Additionally, the Placing Platform Limited (PPL) workstream showed off their first electronic placement of insurance software platform through multi-day "open house" demonstrations in the Lloyd's of London Coffee Shop. In addition to Delegated Authorities, both of these TOM workstreams have 2016 priority among a total of 15 TOM initiatives overseen by the LMG. Thanks for reading. Please feel free to contact our consultancy (contact information below) to discuss any of the above advisory updates or ideas, share feedback, and/or inquire about other opportunities.

STRONG MAN OF INSURANCE

DANNY GINDEN

Managing Director of SLB Professional



The insurance business is often known as a ‘people business’ attracting all manner of interesting characters which makes the industry intriguing and Danny Ginden of SLB is one such unique insurance person. Not only is Danny the top executive at the high profiled SLB a boutique MGA and specialist wholesale market broker he is also an accomplished weight lifter and Highland Games competitor! It really doesn’t get much more fascinating than Danny. We are delighted that Danny has agreed to do an interview with London Calling.

Q. HOW DID YOU GET INTO THE INSURANCE BUSINESS?

Coming from what I consider to be an “insurance family”, with my grandfather, father, uncle, and brother in the business and being around the industry my entire life, it seemed like I was destined to work in the industry. After graduating college, like most recent college graduates, I wasn’t quite sure what I wanted to do so I took the LSAT and was planning on going to law school but I wasn’t keen on the fact that I had another 3 years of school and at the time I wanted get some work experience. Taking my fathers advice I contacted some of the larger retail agencies in my town and was hired soon after.

Q. WHEN DID YOU FIRST START DEALING WITH LLOYD’S?

When I was on the retail side, I was writing large P&C business so the brokers that we were utilizing were using Lloyds products. That is when I was first introduced to the London market. And when south Florida was hit with the hurricanes, the London presence grew even more.

Q. HOW HAS YOUR CAREER EVOLVED TO DATE?

After getting my feet wet on the retail side, my father who was still in the business, was running a professional liability MGA/Wholesaler and since he was getting close to the end of his career, asked me to come in and take a shot at implementing new ideas and technology to grow the business and keep it running after he was gone. I took the offer and within a few years I was able to almost

triple the production. Then having partners in that company that were looking to get out of the business, I decided to checkout of there and partner with SLB Insurance Group and create SLB PROfessional, which would be the division that handles all the professional liability and related classes. Now being six years into SLB PRO, we are still growing at a rapid rate and will continue to do so in the years to come.

Q. IN YOUR VIEW WHAT HAVE BEEN THE MAJOR DEVELOPMENTS IN THE BUSINESS SINCE YOU STARTED?

The biggest development in the business since I started is without question the technology. It seems that from company to wholesaler to retailer, some sort of technology has been implemented to either streamline a process or automate a system. Now, I do feel that some of the technology is overkill for certain business structures but ultimately if used properly will continue to help all segments of the industry

Q. HOW DO YOU VIEW THE CURRENT MARKET SITUATION?

I think the market at the current moment is extremely competitive and soft. Premiums

are getting lower by the day and new products are coming out faster than ever before. Since we have not suffered an extreme loss in quite some time, I think more markets are willing to take a chance in an area of business that they normally would not, which is causing prices to drop even more.

Q. YOU ARE A NOTED 'LEADER' IN THE MGA WORLD WAS THIS SOMETHING YOU HAD PLANNED?

Yes. Since the age of five I have been involved in athletics and competition. Having a competitive nature in my life is something that has carried over to my work. I have always pushed myself to be the best in whatever I do and if I fall short I always want to say that I gave my all and best effort, and that is a victory to me.

Q. OVERALL HOW DO YOU RATE THE STANDARD OF UNDERWRITING WITHIN THE MARKETPLACE?

I think for the most part the level of integrity in our industry is still very high, but with anything there will always be some outliers. In this industry I think the most important thing is your reputation, followed by your relationships and in my opinion nothing is worth spoiling either.

Q. WHAT DO YOU MOST LIKE ABOUT THE BUSINESS?

When I first started in this industry, the owner of the retail agency I was working for told me, "Don't ever try to figure out this business". Thinking about his advice now, I think what he was trying to say is that since things can change so quickly in the market, whether it be someone's appetite, or rating, or distribution, with the blink of an eye, it can all change. While for some this may be a negative thing, for me, I like that fact that you have to stay on your toes and be up to date with the current market situation and try to stay ahead of potential changes.

Q.AND WHAT DO YOU LEAST LIKE?

At times, people in the business, whether on the company side, the wholesale side, as well as the retail side, have shown to have a very short memory. You can



be building a fantastic relationship with a carrier partner, provide them with years of proven results, and then with a change in management or someone that you have a great relationship with retires or leaves that company and someone new comes in, you can easily be replaced with someone that the "new guy" has a relationship with, regardless of how well you have done for the company.

Q. WHO WOULD YOU SAY HAS HAD THE BIGGEST INFLUENCE ON YOUR CAREER?

Without question, this would be my father. Growing up most kids idolize a sports figure or musician... I have always idolized my father. Watching him work and seeing the life he was able to provide to our family always had me interested in the business. And when I was able to work with him, that took my knowledge of the business even further.

Q. IF NOT EMPLOYED IN THE INSURANCE BUSINESS WHAT WOULD YOU CHOOSE TO BE?

If I wasn't in the insurance industry I probably would have become a lawyer. If insurance didn't work out for me, I would have went back and accepted my entrance into law school and been practicing some area of the legal system.



Q. TELL US ABOUT YOUR COMPETING IN HIGHLAND GAMES, HOW AND WHY DID YOU BECOME INVOLVED ETC?

My powerlifting coach has a brother who is a Highland Games pro. One night at training my coach said his brother let him know that there was a Games being held in Fort Lauderdale which is close to where I live and asked if I wanted to go compete. I asked what needed to be done and he said, you wear a kilt, drink beer, and throw heavy objects around a field, so I said, "I am in". After my first games I was immediately drawn to it because it reminded me of being on the field playing football again so I continued to practice and train for it and now I try and do as many games each year that my schedule will allow me to do.

Q. WHAT IS THE TRAINING REGIME LIKE?

I train 3 days per week with my powerlifting team. Each day is dedicated to one of the competition lifts. 2 days per week I do highland games training either with my coach or on my own. 1 day I focus on conditioning and mobility work and then the other I take off and rest.

Q. TO DATE WHAT HAS BEEN YOUR GREATEST ACHIEVEMENT 'SPORTS-WISE'?

I have two moments that I am very proud of. First is when I hit my ELITE total in powerlifting. For each weight class in powerlifting, the federation you are



competing in classifies a lifter by the total of their lifts. Elite is considered the top classification and it was something that I was working for since I started competing. The other is from the other side, not as a player, but as a coach. For many years I coached youth sports in my town. One year I was coaching 7-9 year olds in football and my team finished in first place. That gave me a lot of satisfaction that I was able to take the knowledge I had from playing and teach a young group of kids to play the game and be successful all while having a good time.

Q. WHAT MUSIC ARE YOU INTO? NAME SOME OF YOUR FAVOURITE BANDS/SONGS ETC?

I am into all types of music, except country, for whatever reason I have never got into it, however, I do appreciate a talented musician, even if they produce country music. Currently on the top of my playlist is house/club music, heavy metal/rock, and old school hip hop. These genres get me going in the gym and usually keep an upbeat tempo.

Q. WHAT WAS THE LAST BOOK YOU READ?

The last book I read was called War Room. It is about the New England Patriots and their behind the scenes ways of putting together the dynasty they have built over the last decade.

Q. NAME YOUR TOP THREE FAVOURITE FILMS AND FILM ACTORS?

My top three in no particular order are Casino,



Wolf of Wallstreet, and Animal House. My top three actors in no particular order are the late Chris Farley, Al Pacino, and Will Farrell

Q. WHO WOULD YOU CHOOSE TO 'PLAY YOU' IN A FILM ABOUT YOUR LIFE?

This is a very hard question, because I have a very different sense of humor and try to keep situations relaxed with humor, but at the same time I can be very serious when the situation calls for it.

Q. WHERE WOULD YOU IDEALLY SEE YOURSELF IN 10 YEARS' TIME?

Exactly where I am now and doing exactly what I am doing now, just on a much larger scale. I want to be thought of in the industry as someone that was able to create innovative things that helped the business

Q. TELL US SOMETHING NOT MANY PEOPLE KNOW ABOUT YOU?

I am terrified of heights but I will suffer through anything that requires me to push that boundary. I went to the top of the Empire State Building with my family and was sweating through my shirt even though it was winter time. Also, I am one of the worst people to fly with. Aside from my shoulders being broad (I wear a 64 jacket) and not being able to fit comfortably in a seat, the not being in control 30k feet in the air doesn't sit well with me. I am learning how to deal with it and am getting better, but I still need my vodka to make it through.

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MOBILE EQUIPMENT FLOATERS	AIRLINE FREIGHT LEGAL LIABILITY	CARGO IMPORT/ EXPORT REJECTION
CONTAINERS INCLUDING LIABILITIES	TRANSIT/ INSTALLATION RISKS	FREIGHT FORWARDERS & FREIGHT SERVICES
FINE ART/JEWELLERY/ COLLECTION FLOATERS	MUSEUMS/ART GALLERIES & THE LIKE	POLITICAL RISKS/ BREACH OF CONTRACT



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WHY PERSONALITY MATTERS IN EVALUATING



LEADERSHIP CAPABILITY

We all believe we are good judges of character, but research shows that first impressions are formed within the first few seconds of meeting. Like it or not, we are all susceptible to unconscious biases such as background, cultural environment, values and personal experiences that heavily influence our decisions. Similarity/attraction theory also posits that people are more inclined to like and be attracted to others who are similar in attitudes, values and social characteristics. Research into a study of CEO succession in the UK FTSE 350 companies conducted by Rejchrt and Higgs (2014) demonstrated that the majority of boards appeared more comfortable appointing successors in their own image, i.e. on the basis of similar values, social characteristics and age profiles, to the detriment of the companies concerned.



Personality profiling through psychometric measures is frequently used to provide useful insights that are difficult to elicit through standardised processes such as structured interviews, however well executed. Performance in any role is likely to be facilitated or impeded by an individual's temperament as indicated by their personality profile. Personality affects the style or manner in which an individual approaches their work, how they interact with others and their leadership effectiveness, the latter directly affecting organisational outcomes. Capturing normal personality dimensions, as depicted in Five Factor Models, such as the NEO Personality Inventory Revised or the Hogan Personality Inventory, measuring

- **Extraversion/Introversion – social orientation**
- **Openness – to new experiences, ideas and concepts**
- **Agreeableness – attitude towards others**
- **Conscientiousness – reliability/achievement orientation**
- **Emotional stability**

can throw light on *how* a person will work – for example with diligence, co-operation and cordiality or in a conscience free, competitive, moody manner. Information from technically competent psychometric measures also reduces the kind of biases that can distort recruiters' judgement, because they are race and gender neutral.

THE DARK SIDE OF PERSONALITY

At their personal best leaders can stimulate others motivation and energise them to engage in activities aligned to organisational goals. Effective leaders understand their subordinates' needs, abilities and aspirations and create the kind of working environment that maximises the potential for positive well-being and motivation, which in turn promotes sustainable high performance.

If we define effective leadership as being visionary, entrepreneurial, transformational, strategic and inspirational, combined with a large dose of both intra personal and interpersonal intelligence (self-awareness, self-management and perceptiveness about others) then it becomes easier to define destructive leadership. We all have dark side personality characteristics which are, in normal conditions, masked by their attractive and positive aspects and help promote our success.

Typically most people manage their counterproductive characteristics

through exercising appropriate self-restraint across varying circumstances. However, when circumstances such as being under pressure, feeling stressed, tired or in unfamiliar situations distract or challenge the individual's ability to self-regulate, such characteristics can become exaggerated and lead to behaviour that hinders performance and undermines relationships. Conversely, such traits can also become apparent when individuals are relaxed and their social guard has dropped, but they are usually a response to a perceived threat and serve the need for self-protection. Low self-awareness can exacerbate the adverse effects of these behaviour patterns, as such individuals do not possess an accurate understanding of how they impact on others.

The **Hogan Development Survey** (HDS) examines the potential 'dark side' of individual's personality and captures it through a well-defined taxonomy of negative behaviours. These include bullying, harassing, exploiting, manipulating, lying, betraying and micro-managing others as a way of managing anxieties or insecurities. The 11 scales of the Hogan Development Survey fall into three clusters that characterise the way in which individuals attempt to manage their insecurities about perceived threats;

1 MOVING AWAY – INDIVIDUALS TEND TO RESPOND TO STRESS AND PRESSURE BY PULLING AWAY FROM AND SEEMING INDIFFERENT TOWARDS OTHERS THEREBY DISCOURAGING INVOLVEMENT –

HDS Scales

Excitable: Energized and active but also seen as moody, unpredictable and prone to volatility.

Sceptical: Insightful about others motives but also sceptical, critical and mistrustful. Sensitive to criticism and prone to retaliate when they feel wronged.

Cautious: Careful but overly concerned about making mistakes and being criticised resulting in indecision and a reluctance to take chances.

Reserved: Independent-minded and self-sufficient but seemingly disinterested in others and oblivious to their impact or others' social cues.

Leisurely: Present as pleasant, masking their private disagreement, but tend to be quietly stubborn about their own agenda and timetable. Prone to procrastinating over tasks they do not see as important and can be seen as uncooperative.



2 MOVING AGAINST: INDIVIDUALS TEND TO RESPOND TO STRESS AND PRESSURE BY ASSERTING POWER AND DOMINATING OR THROUGH MANIPULATING OTHERS BY CHARM AND SEDUCTION

HDS Scales

Bold: Confident, assertive, ambitious and unafraid of failure but tend to overestimate their talents and contributions, overlook shortcomings/mistakes and are perceived as opinionated, self-absorbed, domineering and unwilling to listen.

Mischievous: charming, pleasure seeking and unafraid of risk, but impulsive, disinclined to consider consequences and tend to play down any mistakes. Also use their charm and 'spin' to manipulate others.

Colourful: socially skilled, interesting, lively and engaging, perform well in public, but tend to be attention seeking, poor listeners and inclined to take the credit for shared work.

Imaginative: creative and original but also impulsive, impractical and potentially eccentric in their behaviours.

3 MOVING TOWARDS: INDIVIDUALS TEND TO RESPOND TO STRESS AND PRESSURE BY SEEKING APPROVAL AND APPRECIATION FOR LOYALTY AND CONSCIENTIOUSNESS

HDS Scales

Diligent: Conscientious, orderly, hardworking and attentive to details, but prone to

perfectionism, demanding exacting standards that cause difficulties in prioritising efforts, a reluctance to delegate tasks and a tendency to micro manage others.

Dutiful: Agreeable and co-operative but overly eager to please, leading to deferential behaviour in order to avoid upset.

Many people will know of leaders who are confident, charming, socially skilled and dynamic, who, over time, acquire reputations for being arrogant, insincere, intimidating, dominating, impulsive and manipulative, or the conscientious, hardworking manager who, under stress, becomes perfectionistic and overly interventionist.

These risk factors have the potential to 'derail' leaders. Apart from highlighting these, the Hogan Development Survey also offers a measure of the risk and provides other valuable information that can shape an agenda for effective action through coaching and personal development. Overall, evaluation by psychometric measures makes a significant contribution to the assessment of leadership capability and promotes much more refined and accurate selection judgements.

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This editions Dear Bill's letter?

OK then, we reckon that there are quite a few famous, and infamous characters and companies from the London and International insurance market listed within this new 'Dear Bill' letter - can you 'crack the code' and be a winner? Please contact the Editor with your answers. Lunch on us for the winner!

LORD RODDERICK
MIRANDAS UNDERWRITING (RUN-OFF)
MONASTERY CELLARS,
MARINE CLUB LANE, EC3

Dear Bill,

My goodness it was a sight for sore eyes coming home on the PLUS bus from Dallas, Sponge Bob Square Pants was furious that he had to squeeze his rather well upholstered frame into a lowly Club class seat as opposed to his usual Downton Abbey armchair in First Class. Just as concerning was Tom Pinch dressed in cowboy boots and a Stetson hat, had me worrying that he and Father Ted might be doing a full on Brokeback Mountain scene mid-Atlantic, fortunately it didn't happen. On account of a shandy Convertible was so 'relaxed' he was almost refused entry on-board whilst Johnny Two Sheds was very much refused entry into the Welsh Wizard - not for the first time I might add, that particular M4 corridor is definitely closed to him. However, Two Sheds and the Tattooed Lady were seen creeping back to the Hilton at all hours during the conference although Two Sheds does claim not to have seen all of the art work. Most shocking of all was Danny Tombstones appalling attire; orange hooped shirt tucked into alarmingly high pulled up white trousers. It might be all the rage cruising around in Charlton (or on Brighton pier) but in the Club Class cabin it is thoroughly unpleasant! It put me right off my Bloody Mary I can tell you!

The Lutine Bell was rightfully ringing proudly out loud! Wonders do never cease at Lloyd's as almost unbelievably Lord Lucan was actually seen on his box servicing a queue of brokers - absolutely amazing stuff! Another reason for the bell to toll was the equally shocking news that Half Price Harry actually turned a risk down! Yes declined a risk - the first time in ten years! The sad broker in question The Persuader from the Tango shop needed urgent resuscitation at the Lamb.

Lord Wimbledon and his gang; Private Pike (by the way rumours abound that he could take on Chopper in being longest in the showers) and Private Baldrick are all the rage, on their annual SAS broker selection weekend tabbing across Cumbria, I understand that during arm wrestling, recruit; Mr Angry, was well beaten, by first his Lordship and then Private Baldrick! He got in a real rage and he now does a thousand press-ups before bedtime and tucking in his realistic haired Action Man and putting on his Captain Scarlet pyjamas! He gets so angry! By the way highly delighted to hear that Lord Wimbledon (aka Lord Lonsdale) struck a thoroughly well-deserved right hook on one of the two faces of a cheeky boy!!

Convertible, poor boy, now hidden on the 48th floor of the Cheese Grater - when he gets in too late his desk, or rather his cardboard box, gets shunted below the building under the escalator's, he met Shag Nasty down there the other day - still doing railway liability business - I can hear him now "the 1981 year is almost closed now Sir!".

I do like some teasing and the Boy Wonder and the A-Team pulled off a good one with the piss taking advent calendar quoting banal broker one-liners given at the box. I understand it heavily featured a number of current and past brokers including; Mr Blobbie, Harry Potters Dad, Love you long-time, E-Wing, Joe 90 and even The Artful Dodger might have got a mention. By the way now the Ginger Germ is back do make sure you get your flu jab in early! We all need protection against the Germ! Must go, mines a large Monkey & tonic! KBO!

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