

3 Strategies to Navigate the Hard Insurance Market

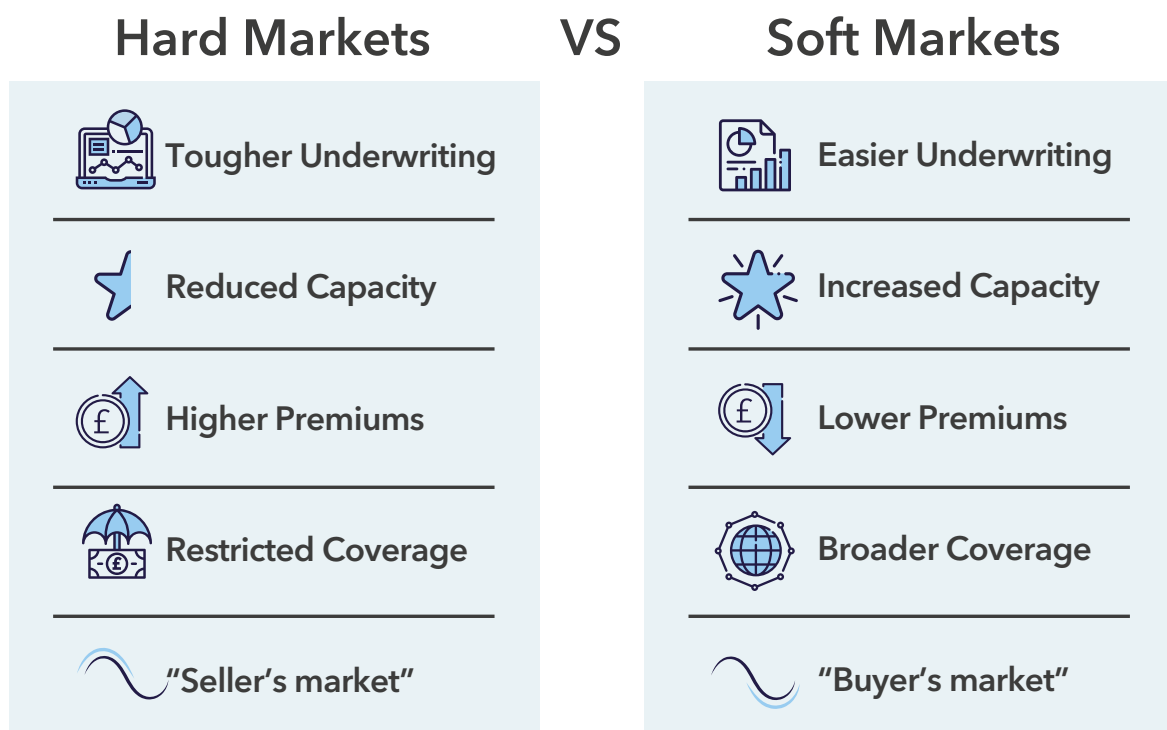
for Ambitious Brokers



The Hard Market, Explained

Most industries experience trends or patterns that emerge as a result of changes in different markets or business environments. For the commercial insurance industry, this cycle of expansion and contraction is demonstrated through soft and hard markets. Like a pendulum, it fluctuates between these markets over a period of time, which can last anywhere between 2 and 10+ years.

When the market is soft, competition is high and premiums are low. As it hardens, the demand for insurance coverage increases amongst a reduced capacity from insurers and underwriters. Brokers must mitigate the challenges brought on as a result. They are faced with having tough conversations, explaining to their clients that the price of their insurance is increasing.



Changing market cycles accelerated by Covid-19

Many factors can drive the transition into a hard insurance market. Catastrophic losses caused by economic downturn, natural disasters, cyber-attacks and regulatory changes are most prevalent. The resulting increase in claims costs, restrictive underwriting standards, reduced appetite for risk on investment returns, and expensive reinsurance coverage, can also fuel a market shift.

So, how did we get here? The market was already hardening pre-Covid. So, it comes as no surprise that the global pandemic has accelerated the hardening of the UK's insurance market. The business interruption brought on by Covid-19 marked the beginning of a new recession, accelerating the market cycle tenfold.



Brokers must find ways to mitigate the challenges, to continue to thrive

Although most brokers will be prepared for the challenges of broking in a complex and rapidly changing hard market, each cycle presents its own mitigations. It's a difficult playing field, where preparedness and wide market reach will prove invaluable. Have you considered how you will adapt, and ultimately provide your clients with the same level of service, amid the current market transition?



Stay connected to market



The ability for brokers to stay connected to market has been made even more difficult by a global pandemic. Travel restrictions mean that social interactions between insurers and brokers have significantly reduced. Not knowing whether your carrier's appetite has changed, or in some cases been entirely withdrawn, is particularly challenging.

For an industry that uses networking as the primary conduit for information exchange, the brutal combination of the pandemic and hardening market has exacerbated challenges already in play. Without this collaborative aspect of the market, broker's overall knowledge of the market landscape has taken a hit. But in the age of digital disruption, perhaps it's not as bad as first feared?



Virtual is the new reality.

Online communication tools like Zoom, Microsoft Teams and Google Hangouts (to name a few), have been the driving force behind digital collaboration during times of uncertainty. As a broker, utilising these platforms to nurture your professional relationships and maintain access to market is essential.

Hard-to-place, no more.

Sometimes you will get a risk that is unusual or outside your normal wheelhouse and in a hardening market, these already difficult risks become even more challenging to place. But should that put you off? Just because you don't have a network of contacts in your smartphone, it doesn't mean they're not readily available.

The emergence of InsurTech and the ever-increasing number of MGAs has opened up a myriad of opportunity when it comes to niche products. As the digital connection platform for the global commercial, specialty and wholesale insurance markets, Insurcore can help broker's find the right underwriter at the touch of a button. With over 75 Insurers and MGA's already operating across the networking platform covering a wide range of niche products, there's no such thing as hard-to-place.

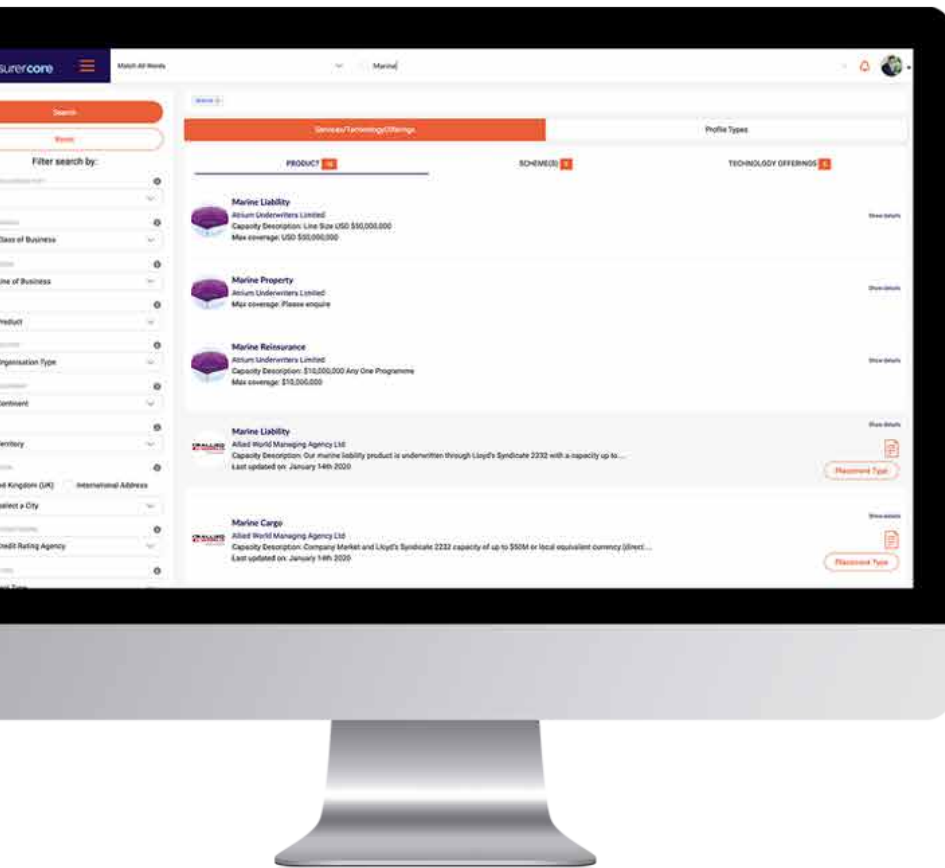


Strategy

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Prepare well, & prepare early

In a hardening market, “the early bird catches the worm” rings truer than ever before. Carrier appetites are reducing in a significant way and brokers are finding it harder to place risks. For both renewals and new business, rates and terms & conditions are drastically evolving and in some cases, not available at all. Any lack of clarity in carrier appetite can only complicate things further. So, how can you conquer your next hard market renewal?



Communication is key.

Just because insurance rates are increasing, doesn't mean you can't get a great renewal for your client. The first rule of an effective relationship is communication. So, help your client understand that the market is shifting and prices are on the rise. As you know, there's nothing more damaging to a broker-client relationship than over-promising and under-delivering.

Take the lead.

With reduced capacity from insurers and underwriters, searching for markets earlier than usual is essential. But how early should you start your search? If your client has experienced some loss - particularly aggressive terms, or the risk was originally quite difficult to place - the earlier, the better. This ensures you have ample time to communicate with your client, negotiate on terms, or search again. As a broker you know instilling confidence in your client is paramount, especially in times of uncertainty. So, use this time to shine.



Strategy

3

Embrace technology

It has been said many times before that the commercial insurance market is rapidly changing and it is those that change with it who will thrive in the new environment. The arrival of Covid-19 forced the industry to see digital transformation and disruptive innovation as an evolution, instead of a revolution. No longer futuristic concepts but market-ready solutions that solve these unexpected and immediate problems, what steps can you take to fully embrace technology and thrive during these trying times?



Navigating the digital era.

The secret behind successfully navigating your way through the new digital era is simple; embrace it. The process of digital transformation may not be a straight line, in fact, it almost certainly will not be. Nonetheless, it's a journey worth embarking on for the many benefits it will provide and, quite frankly, its necessity in the current climate. Here are three tips for brokers seeking to embrace the technology available to get ahead of the competition:

- 1. Embrace technology** - its opportunity is endless, and it is here to stay.
- 2. Stay up-to-date on new technologies** - the pace of innovation is astonishing and once you are behind, catching up is no easy feat.
- 3. Listen to your millennials** - they grew up in a digital world, they know how to leverage it.

Helping brokers do better business.

InsurTech solution Insurercore has delivered a digital platform that solves the age-old problem of finding the right market, for the right risk, in an efficient and cost-effective manner.

Brokers are at the very heart of the Insurercore model. Built as a hybrid between a social network and a risk appetite directory, the platform allows participants to expand their network to meet multiple needs - new markets, finding capacity and relevant service providers. Members can find the right market and the perfect underwriter for their risk by filtering their search based on criteria and appetite for risk. The result? A platform that meets brokers' changing requirements whilst launching them into the digital era of commercial insurance.



“UK Brokers are well aware of the need to adapt new technology and processes in what are quite clearly unprecedented times”

- Peter Clarke, Founder & Managing Director, Insurercore

Insurercore for Brokers

Insurercore is the digital connection platform for the global commercial, specialty and wholesale insurance markets. By offering transparency and reach across the market, we have created a tool that will save brokers' time, allowing them to stay ahead in an increasingly competitive global insurance market.

- ✓ Find the right market that is ready and willing to assist with your client's insurance needs.
- ✓ Connect to your counterparties within the insurance market in a safe and trusted environment.
- ✓ Increase the speed at which you handle your business and increase your reach.



Save Time

We provide a quick and easy way to stay in contact with your current network, ensuring that no time is wasted tracking risk appetite changes of insurers within the market.



Expand Your Network

We can help you expand your network by providing you with relevant risk appetites, allowing you to provide a more competitive offer for your client as well as increasing your ability to place risk faster.



Accurate Job Profiles

With accurate personal profiles listing office address, professional accreditation, job role and all products or schemes a user is attached to, you can always guarantee that you are talking to the right person.



Understand Your Market

By having greater visibility on different carriers' appetites, than ever before and all in one place, know exactly who to approach with those tough-to-place risks.



Features



Company Marketing Page

Create a company marketing page including your logo, general marketing points and links to profiles of your Brokers.



Controlled Visibility

Control the visibility of each individual Product, Scheme or Service, meaning you only advertise to those you wish to.



Personalise your profile

Personalise your own individual profile by uploading your image, detailing your bespoke Risk Appetite and showcasing your experience and areas of expertise.



Bespoke Contact Management

Maintain and grow your network by using our bespoke Contact Management feature, allowing you to create custom groups and be notified of any changes across your markets.



Best Match Guarantee

Guarantee you find the best match in our Search by using our insurance specific filters, assisting you in finding the right Product, Scheme, Company or User.



Instant Messaging

Take advantage of our individual and group Messaging tool to arrange meetings, discuss risks and bring your contact groups together.



Notifications

Notify the market of any changes to your risk appetite, any new product or territory exploration, any staff hires or promotions and any other promotional content you would like to showcase.



Complete Analytic data

Access User and Company Analytics to see who is getting in contact, what Products, Schemes and Services are performing better than others and how your notifications are being interacted with.

Would you like a demo of the Insurercore platform?

Book demo

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