

Ecclesiastical Insurance Broker Roundtables July 2020

Commercial Continuity and Pandemic Response

10th August 2020



Introduction

Through July 2020, we ran four broker roundtable events with 14 members of our broker network spanning all regions of the UK. The roundtables focused on the sudden impacts of the pandemic on work styles and commercial operations, the adjustments we are still making and what this phenomenon may mean for future operation in the context of a hardening market.

Three themes emerged from the sessions:

ADOPT – the impact of seismic change

Culture shock and survival mode

The shock has been huge. We've seen the spontaneous exchange of ideas through office contact reduce dramatically. Everyday communication fell back to remote working by phone, email and collaborative platforms.

- WhatsApp became an alternative channel for work and social glue between colleagues.
- There has been widespread examination of engagement, internally and externally.
- The early experience of the pandemic flagged a central concern – mental wellbeing.
- The consensus was that internal and external engagement is still evolving, subject to public health guidance.

Business continuity and technology

Brokers relying on call centres recalibrated them for Covid-safe operation. Transactional websites were resilient and IT networks quickly adapted to widespread remote working.

Where previous virtual working experiments were felt by some to be sub-optimal, operational issues broadly dropped away in the teeth of this crisis. There was broad agreement that remote working has succeeded beyond expectation.

We agreed there have been big overhead savings on things like travel expenses, travel downtime and office consumables. Customers have been going through their own survival phases. There was broad consensus that terms of customer relationship management have changed significantly.

ADAPT – re-engineering work-styles

External engagement & CRM

Face-to-face interaction has always been vital in our businesses and many customers have missed the personal touch. However, they know that the pandemic has reset operational agendas.

What's said and how it's presented will likely become increasingly important as will a focus on adding value. There was consensus that the measures taken are succeeding and with smart-thinking, can provide the industry with a solid opportunity to rebuild better out of 2020 and into 2021.

Internal engagement & employee trust

Remote working has long been an option rather than standard and now it's the latter. There was agreement that fears about staff trust, getting the job done, and the need for control and visibility were unfounded.

Employees have been more productive during the pandemic. Trust was granted cautiously and has been repaid. The key metric has quickly become 'the outcome'.

Mental health & HR outreach

With employees bunkering down, mental health quickly emerged as a major concern.

- Lockdown has been tough on those with families, those living alone, in shared accommodation or younger employees unused to such sudden shock.
- People adrift with their holiday entitlements creates potential problems with crisis fatigue and overwork.

These were spotted early and mitigated by a number of now-recognisable virtual techniques:

- Senior management TEAMS briefings.
- Online weekly meeting schedules.
- HR and management calling programmes.
- Using digital social networks for employee polling.
- Online social events.
- Virtual end-of-week drinks and real-time chat.
- WhatsApp 'water cooler' groups.

There was broad agreement that face-to-face working in a secure environment will be reintroduced and that the future work-style will be a hybrid of the remote and the personal.

Collaboration

One of the most noticeable impacts has been the loss of the spontaneous collaboration that takes place when people share the same physical space. It's a difficult thing to bottle online. There was a consensus that physical interaction will form key part of New Office Life.

- Observations in the private client broker session indicated that while virtual scheme building was a big learning curve, it was working - but the face-to-face limitations made it a challenge.

Training

Remote training of staff has happened at scale and successfully. Comments highlighted that training people in an effectively sterile digital environment means they don't pick up engrained, bad habits from others - and they on-board faster. Making this an opportunity for the future. Also observed:

- The issue for younger employees is that they've never experienced a hardening market.
- Possible next steps tabled highlighted the need to mentor inexperienced employees in how best to adapt to tougher market conditions.
- There was common agreement that it would be useful to share experience for mutual support as part of employee training and development programmes.

Recruitment

With remote working now a key component of business operation, there's a potential skills bonus for those firms typically drawing people from a commutable radius from the office. The proof of remote working means that many are actively exploring a recruitment pool at regional and national level.

RECOVER – future working in a hardening market

Leadership & good communication

By July, the collective sense was that we – and the sector generally - was entering a recovery period. The loss of face-to-face contact has been keenly felt and the sudden, near-total reliance on technology highlighted the need to maximise it innovatively.

There was agreement that some in our sector have done it better than others. Customers have bought into the switch. Fast claims settlement has been an issue which will likely mean a re-evaluation of specific perils and significant clarification of all risks covers.

The sense was that much of the sector had been watching to see how others acted, before acting themselves. Understandable, but it indicates a need for strong leadership voices that will keep the insurance supply chain connected clearly and dynamically.

Hybrid workstyle & crisis fatigue

There was broad appreciation about the danger of relying solely on technology with the risk of fatigue threatening to undermine employee mental health.

We discussed second-wave lockdowns. There was an appetite for pivot positions that enable businesses to maintain continuity under given conditions – being able to open up safely or pull back into the technology, subject to circumstance.

Small Vs Big

We debated the relative agility of small versus large organisations. Larger ones can often be slow to manoeuvre and there was agreement that now was opportunity for smaller firms to respond and innovate faster to drive competitive edge.

Customers have extra time to focus, analysing their own risk needs more and asking more questions of us. There was broad agreement around enhancing service levels and that consultancy would be a good way to limit churn as customers shop around more.

NEXT STEPS & NEW APPROACHES

We've spent five months adopting new ways of working, adapting them for efficiency and then beginning the move into recovery.

- *Good communications:* consistent, timely and sharply relevant contact and information will be key success factors, both internally and externally.
- *Strong fallbacks:* in a pandemic resurgence, we need to explore operational work settings we can move to quickly and efficiently.
- *Active wellbeing:* managing thorough mental health programmes for employees will be a priority over the medium term.
- *Shared expertise:* the market is hardening and there is a clear need to mentor the younger employee generation about how to adapt to it.
- *Hybridised working:* the value of widespread, technology-led working is proven beyond doubt but the bio-secure office is key to the future working mix.
- *Enhanced service:* the way we serve customers has changed and means a focus on better service that maintaining the value of consultancy and innovation.

We shall take what we have heard in these roundtable sessions and look to build on this exchange.

- Further deep-dive research into key areas like client engagement and communication technology will be completed and shared to help build knowledge for better client engagement.
- As we look to the recovery phase of our business operations, we shall be developing tools around taking a risk-based approach to short-term and long-term business planning.

These are just a few of the areas we will be looking at to help support you and your business.