

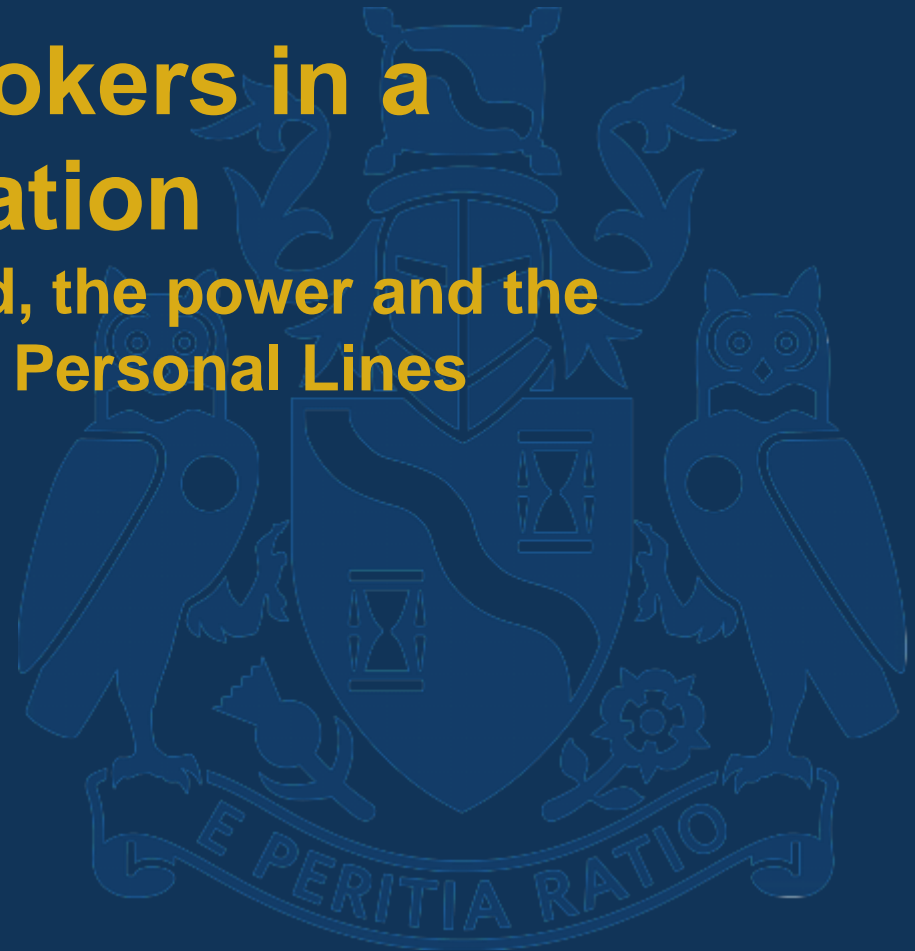


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What's the Point of Brokers in a World of (Dis) Aggregation

Some comments on the value add, the power and the profits from the players in the UK Personal Lines Insurance marketplace

Martyn Green, BGL





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Introduction

ertise
ponsorship
Thought leadership
Progress
Community
Sessional Meetings
Education
Working parties
Volunteering
Research
Shaping the future
Networking
Professional support
Enterprise and risk
Learned society
Opportunity
International profile
Journals
Support

16 June 2014

Who am I?



R Watson & Sons



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Who is BGL?





Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

While graphs and numbers shown are designed to be directionally correct they have been loosely drawn from a range of sources, and cannot necessarily be relied upon for any purpose whatsoever.





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The Industry Model

A way to view the competitive landscape

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The Wheel-making industry in 4000bc



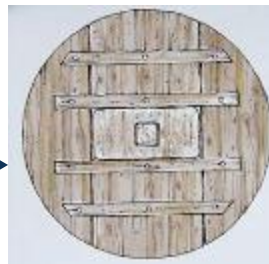
Source: www.cavemenworld.com



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Snapshot of the Wheel making Industry of Mesopotamia in 2724bc

- Trees are plentiful and pretty well anyone can go and help themselves
- Wheel making was the hot place to be 20 years ago and hundreds of teenagers had trained up to be wheel-makers
- Cart makers have been the poor relations for a long time now, but with all the talent going into wheel making for so long, there is now a shortage.
- There's big demand as carts are being used for transport as well as by the military.



Guess who makes most money?

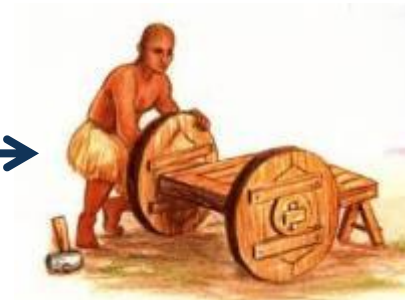
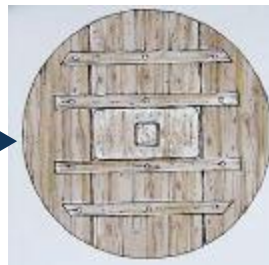
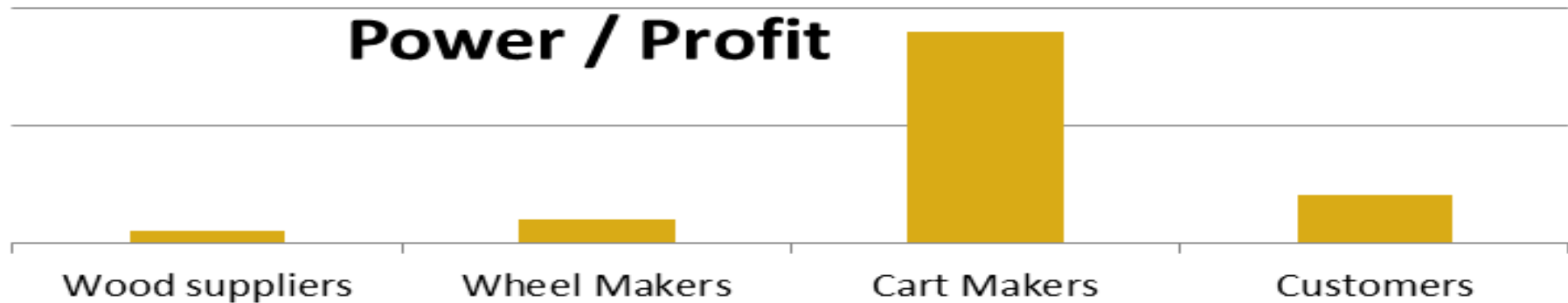
Images Source: http://www.thelivingmoon.com/43ancients/01archives/Ezekiels_Story01_files/fig5.jpg <http://www.israel-a-history-of.com/images/sumerian-wheel-and-ancient-egyptian-four-lobe-pinion-pulley-21605682.jpg>



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Snapshot of the Wheel-making Industry of Mesopotamia in 2724bc

Power / Profit

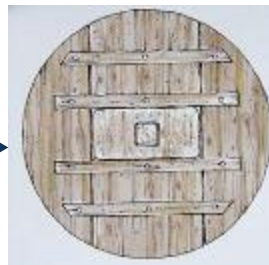
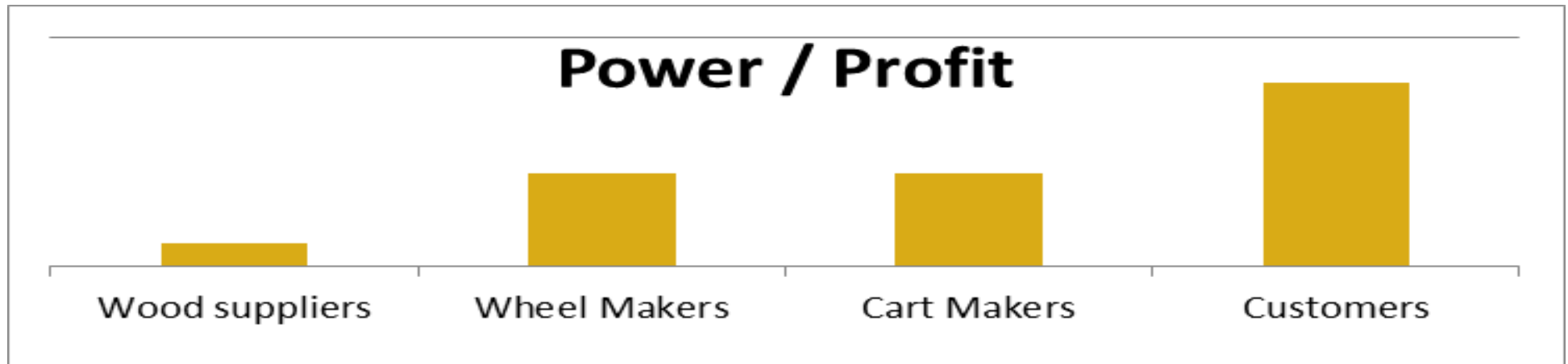


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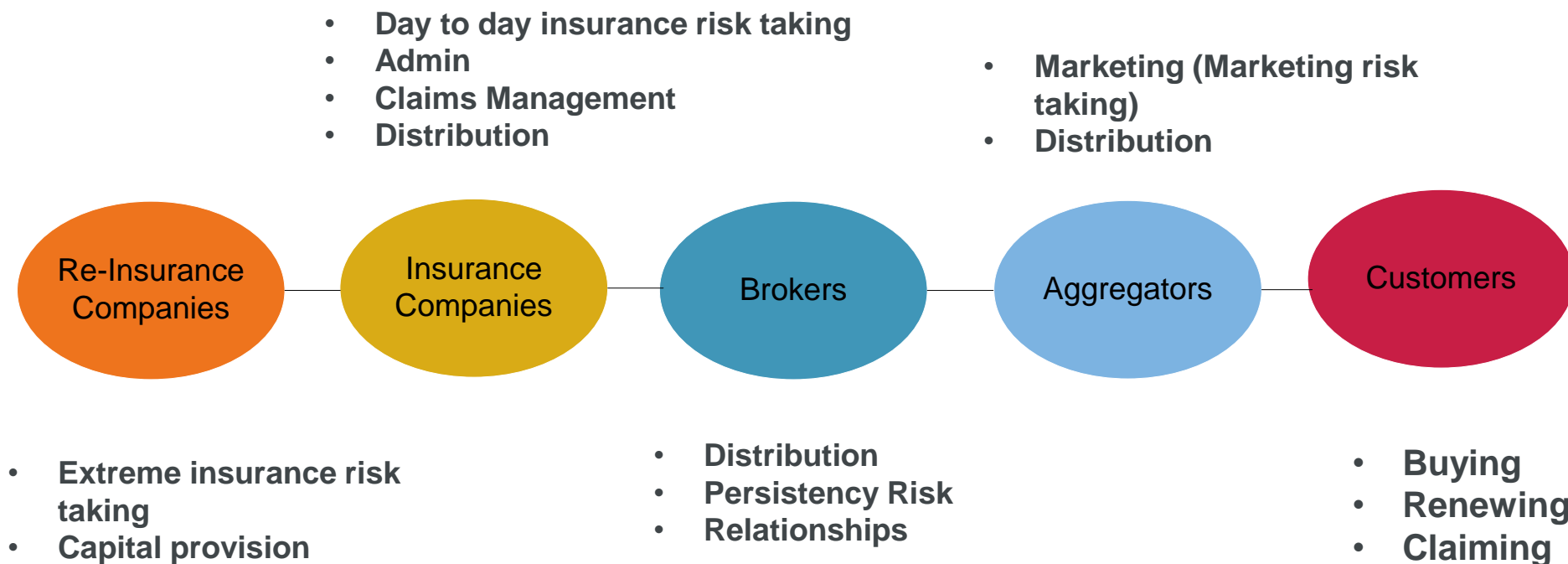


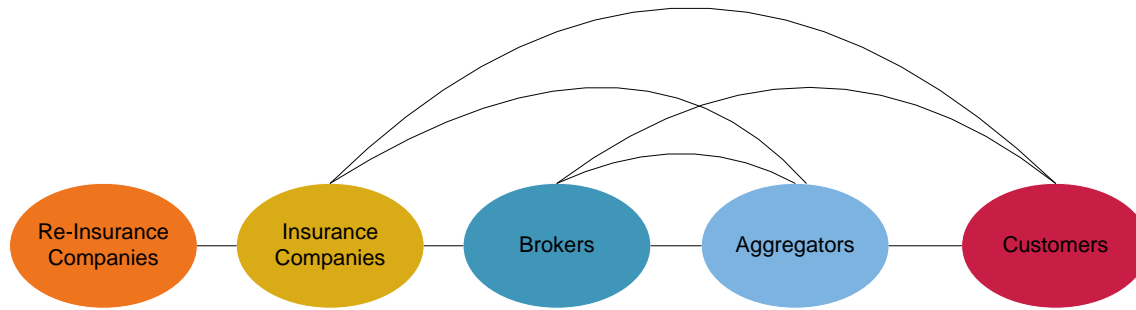
The UK Personal lines marketplace

Who are the key players in the UK Insurance market?

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The key players in the UK Insurance market?





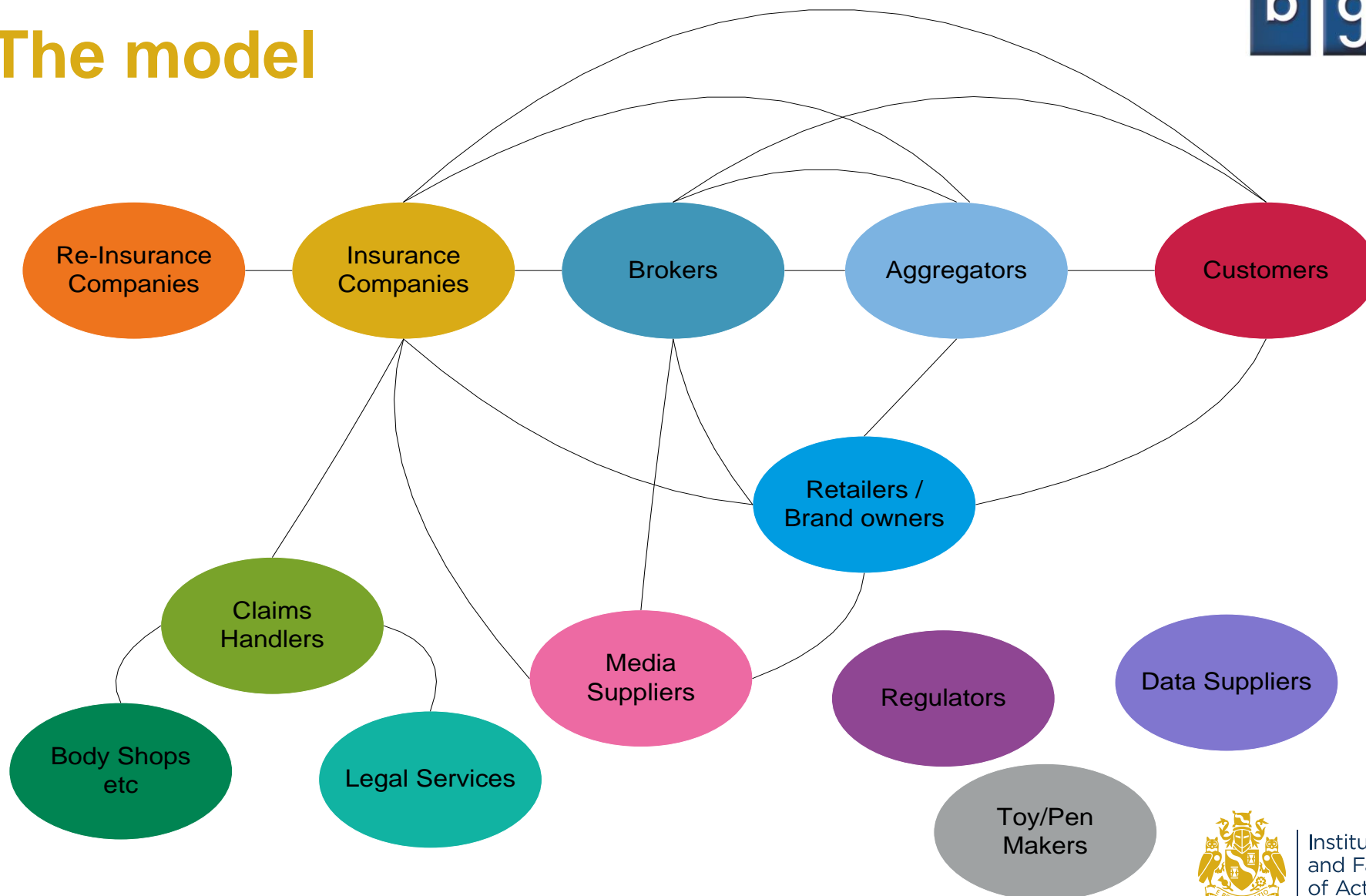
Who else makes money from insurance?

- Data Suppliers
- Media Suppliers
- Distribution Owners
- Toy/Pen makers
- Body shops and their suppliers
- Claims handlers
- Legal services

And who else has power?

- The Regulator
- Customers

The model



It's a jungle out there!



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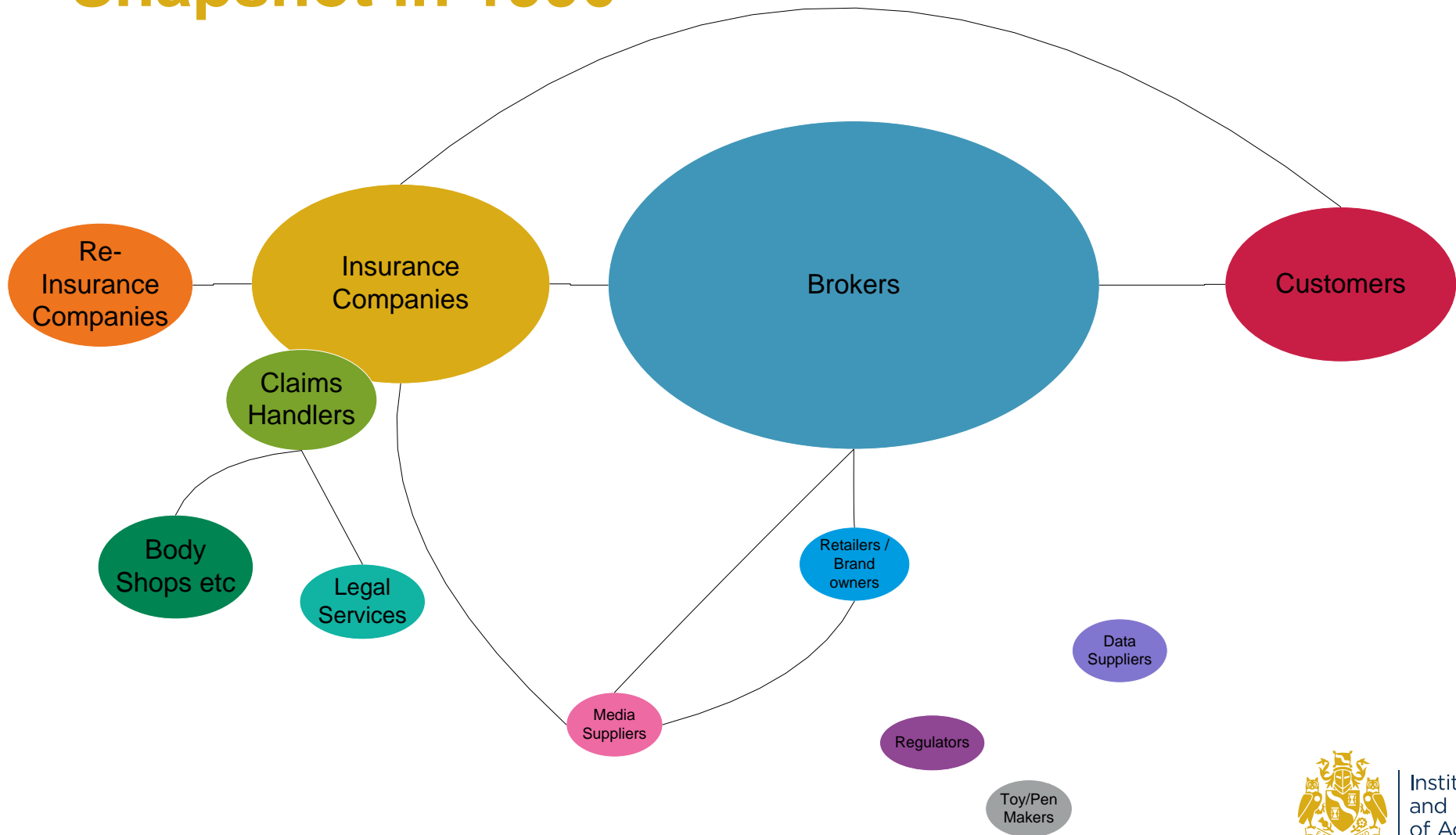


An analysis of the history

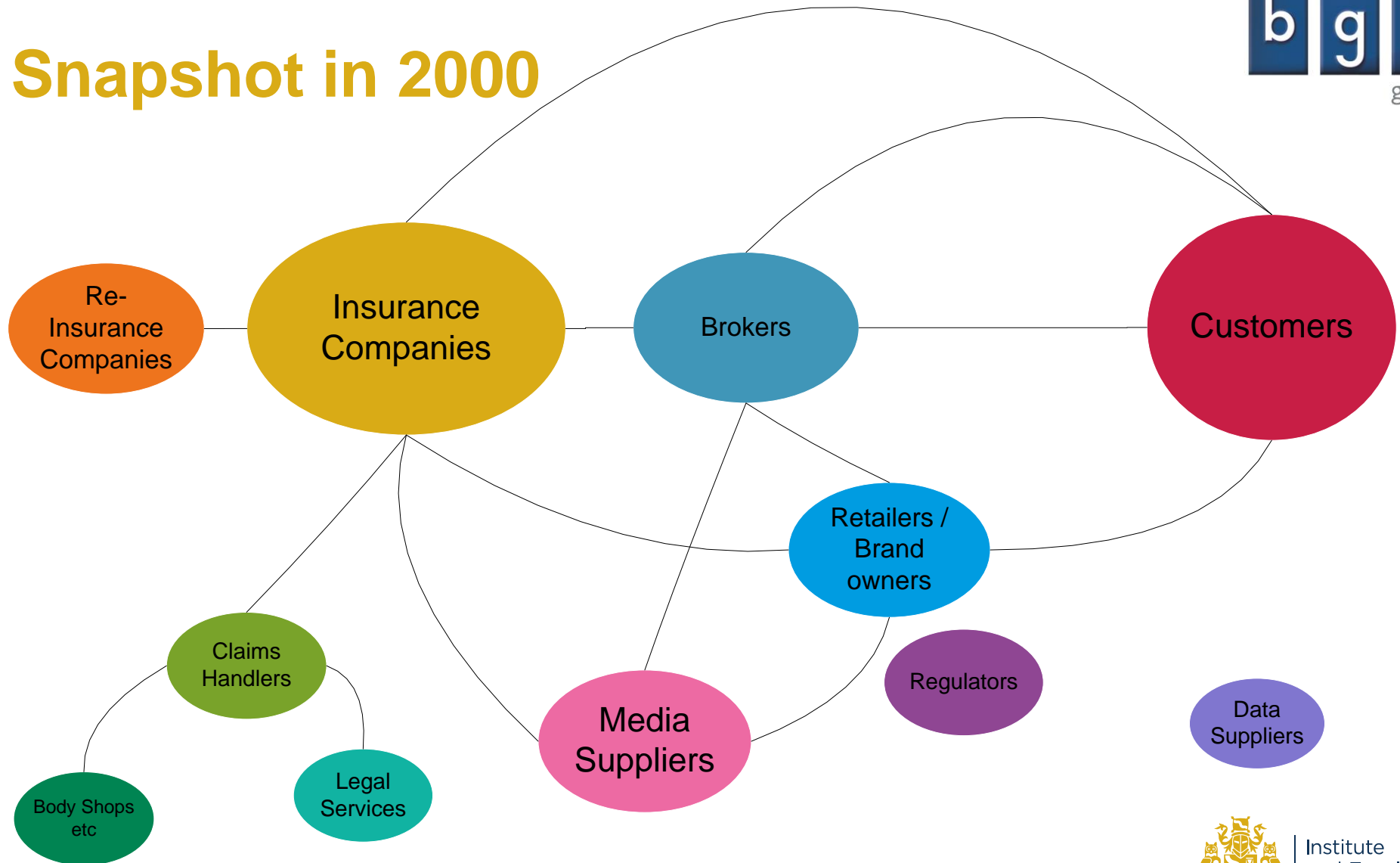
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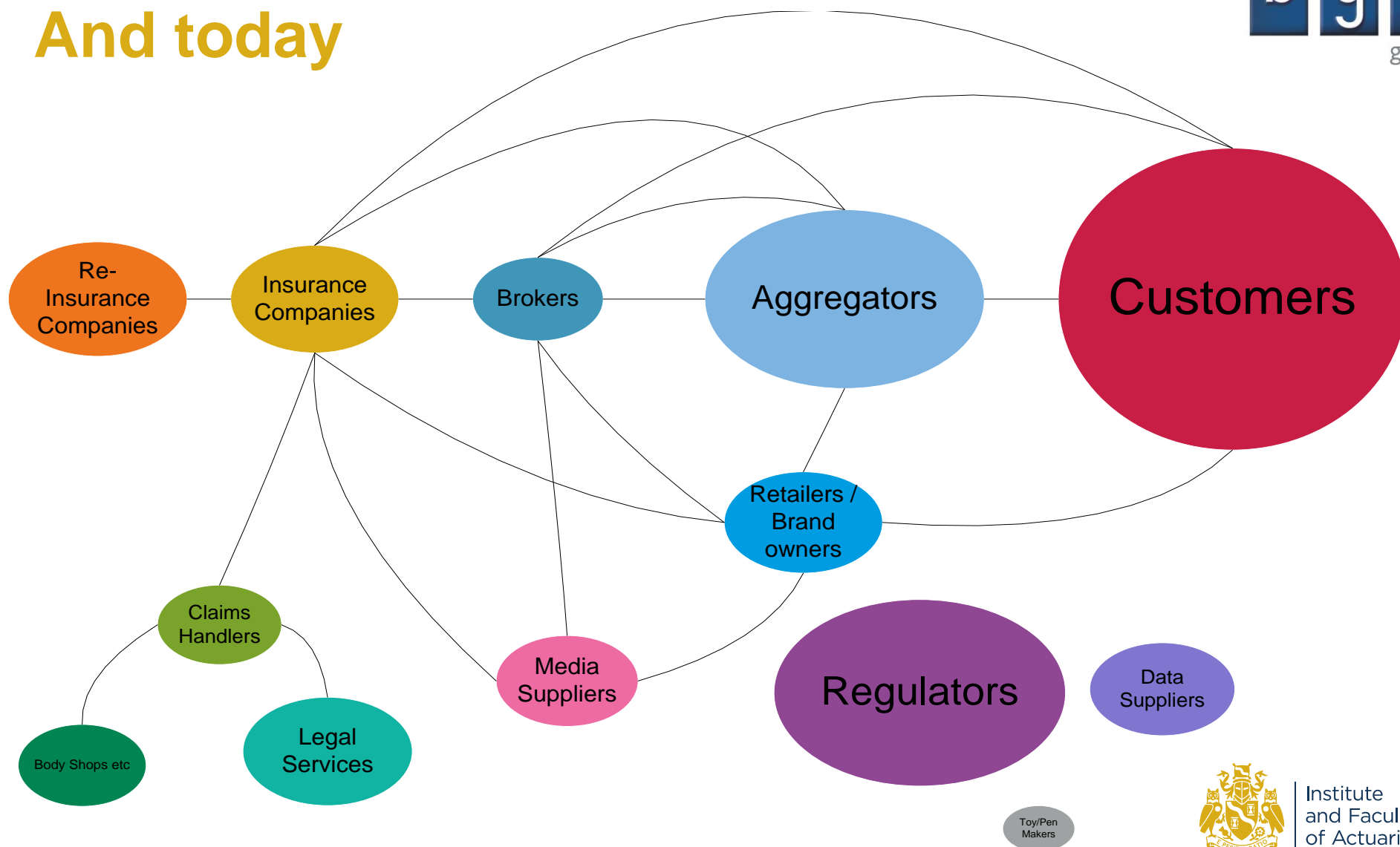
Snapshot in 1990



Snapshot in 2000



And today

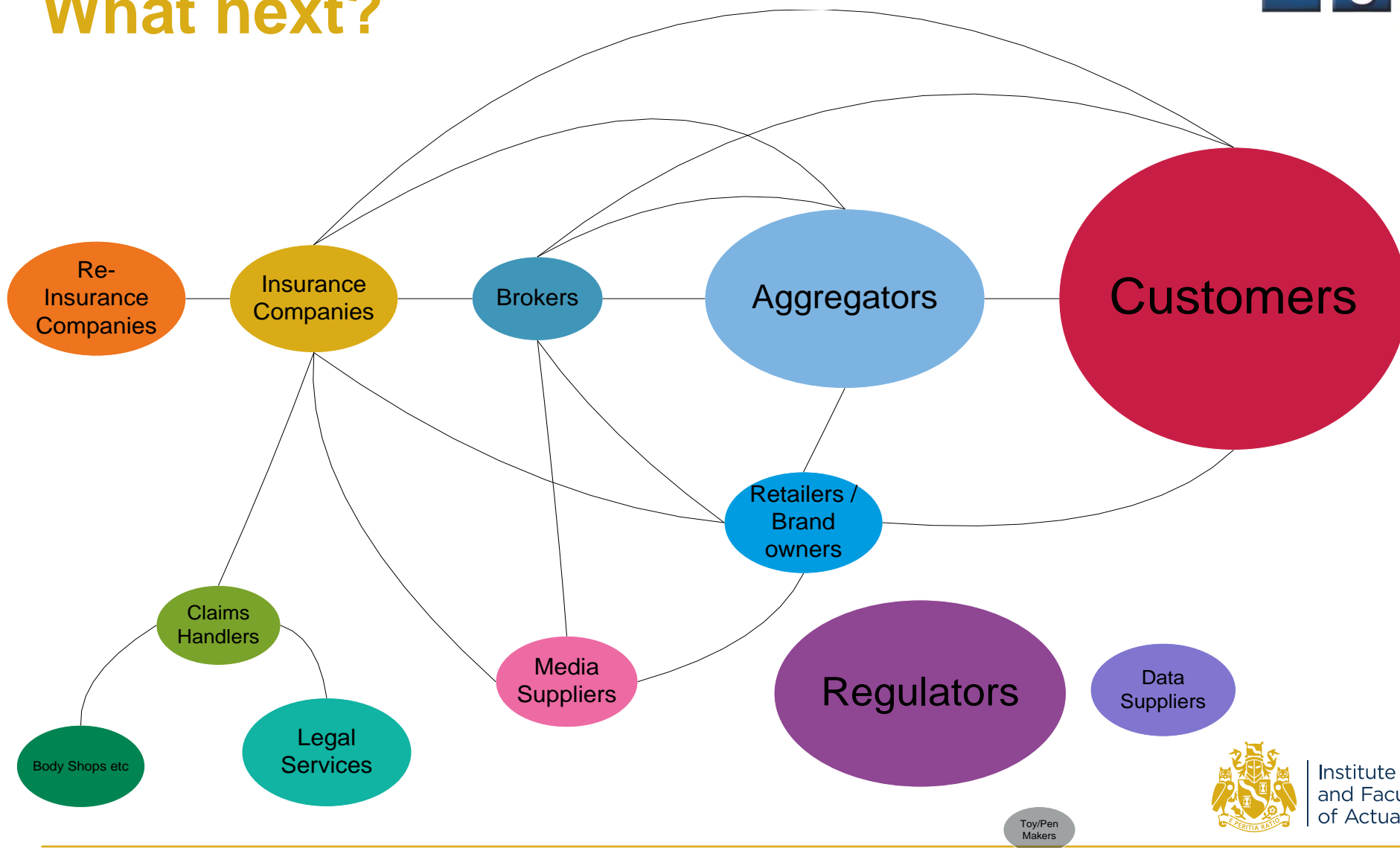


What's the Point of Brokers in a World of (Dis) Aggregation

- Working in partnerships across the industry
- Enabling specialisation to create a more efficient end to end business model
- Closer to the customer
 - **Better customer service**
 - **Deeper customer choice**
- Best Data partners in the market
 - **Unique insight and data**
- Most capable of working with a brand that wants a broad footprint



What next?



The self driving car

