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
Introduction
Who am I?
Who is BGL?

Intermediated Businesses

Legal Services

CTM

Brand-led Businesses

Group

Support Functions and Coral Services

Institute and Faculty of Actuaries

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Colour palette for PowerPoint presentations

- Dark blue: R17, G52, B88
- Gold: R217, G171, B22
- Mid blue: R64, G150, B184
- Light grey: R63, G69, B72
- Pea green: R121, G163, B42
- Forest green: R0, G132, B82
- Bottle green: R17, G179, B162
- Cyan: R0, G156, B200
- Light blue: R124, G179, B225
- Violet: R128, G118, B207
- Purple: R143, G70, B147
- Fuscia: R233, G69, B140
- Red: R200, G30, B69
- Orange: R238, G116, B29
- Dark grey: R63, G69, B72
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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.
The Industry Model
A way to view the competitive landscape
The Wheel-making industry in 4000bc

Source: www.cavemenworld.com
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?

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

Power / Profit

Wood suppliers  Wheel Makers  Cart Makers  Customers

Snapshot of the Wheel-making Industry of Mesopotamia in 2723bc

Power / Profit

Wood suppliers  Wheel Makers  Cart Makers  Customers


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The UK Personal lines marketplace
Who are the key players in the UK Insurance market?
The key players in the UK Insurance market?

- **Re-Insurance Companies**
  - Extreme insurance risk taking
  - Capital provision

- **Insurance Companies**
  - Day to day insurance risk taking
  - Admin
  - Claims Management
  - Distribution

- **Brokers**
  - Distribution
  - Persistency Risk
  - Relationships

- **Aggregators**
  - Marketing (Marketing risk taking)
  - Distribution

- **Customers**
  - Buying
  - Renewing
  - Claiming
Who else makes money from insurance?

- Data Suppliers
- Media Suppliers
- Distribution Owners
- Toy/Pen makers
- Body shops and their suppliers

And who else has power?

- The Regulator
- Customers

Claims handlers
Legal services
The model

- Re-Insurance Companies
- Insurance Companies
- Brokers
- Aggregators
- Customers
- Retailers / Brand owners
- Media Suppliers
- Regulators
- Data Suppliers
- Toy/Pen Makers
- Claims Handlers
- Body Shops etc
- Legal Services

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It’s a jungle out there!
An analysis of the history
Snapshot in 2000

- Re-Insurance Companies
- Insurance Companies
- Brokers
- Customers
- Claims Handlers
- Media Suppliers
- Legal Services
- Retailers / Brand owners
- Regulators
- Data Suppliers
- Body Shops etc
- Toy/ Pen Makers
- Customers
- Insurance Companies
- Re-Insurance Companies
- Claims Handlers
- Media Suppliers
- Legal Services
- Retailers / Brand owners
- Regulators
- Data Suppliers
- Body Shops etc
- Toy/ Pen Makers

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And today

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Insurance Companies

Re-Insurance Companies

Brokers

Aggregators

Customers

Retailers / Brand owners

Media Suppliers

Regulators

Data Suppliers

Legal Services

Claims Handlers

Body Shops etc
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?

Re-Insurance Companies — Insurance Companies — Brokers — Aggregators — Customers

- Claims Handlers
- Body Shops etc.
- Legal Services
- Media Suppliers
- Retailers / Brand owners
- Regulators
- Data Suppliers

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The self driving car

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