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The Insider

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A YEAR LIKE NO OTHER

How 2020 has shaped business and consumer behaviour
and the trends that look set to continue in 2021

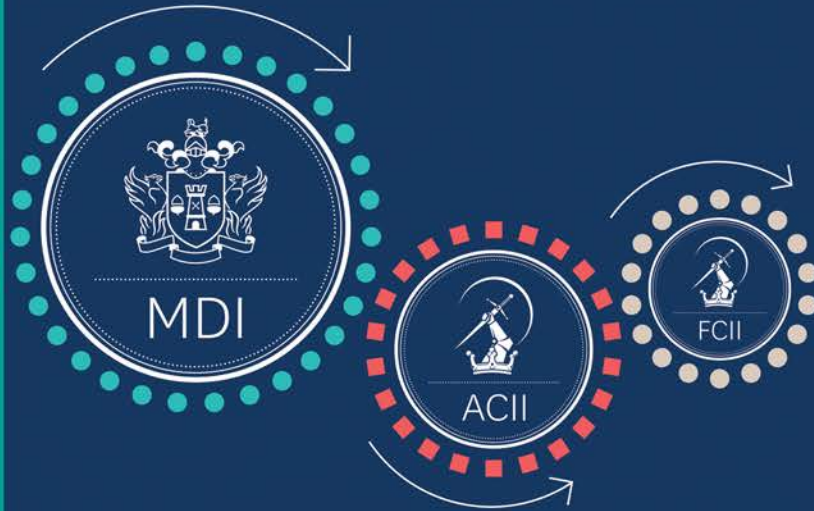


Focus On Controlling The Controllables During The Crisis

How Insurance Companies Can Thrive In A Post Pandemic World



The Insurance Institute



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A note from **The Editor**

Welcome to issue 16, our final edition of The Insider magazine for 2020. This has been a year like no other, but I'm delighted that we're able to end the year on a positive note with a magazine that is brimming with informative and interesting content, which as usual will help to keep you up to date on topics and issues relevant to our industry.

The way in which we live our lives, do business and work has been radically transformed this year - in our cover story (Page 8) we take a look at the trends that have emerged with regards business and consumer behaviour, and we examine which ones look set to continue.

Mike Ennis, from Deloitte discusses how insurance companies can thrive in a post pandemic world (Page 20) and Michael Harris from LexisNexis brings us a highly informative piece on financial crime (Page 16). We also have tips on how to look after ourselves and keep healthy from Life Coach, Tara Rafter (Page 26).

This edition is available in PDF format through the member area as usual, but there will not be a printed edition. We have however created an online page where you can read the main features, also download a full copy, and subscribe to future editions: iii.ie/theinsider.

We really hope you enjoy this edition. It goes without saying that we've all had many challenges to deal with throughout the year, but our industry has once again shown great resilience and character. I want to take this opportunity to wish you all a Happy Christmas and the very best for 2021.



Dermot Murray

CEO

The Insurance Institute

Interested in contributing?

Please send all suggestions and feedback to editor@iii.ie

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The Insider is the official magazine of The Insurance Institute. The views expressed by contributors should not be interpreted as those of The Insurance Institute or its members.

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The Insider
Winners at The Irish Magazine Awards 2018
Best Designer – Business Media



What's in The News



The Insurance Institute Launches Digital Membership Card

At the Institute we are delighted to launch our new Digital Membership Card - the new card is now available for members to download to their Smartphone. Going Digital will enable members to always have their membership card available at their fingertips. The new card will help keep members better connected - it does everything the current plastic card does, and more.

Holding an Insurance Institute Membership Card symbolises a commitment to professionalism and a dedication to education and training. It also signifies that members are an integral part of the insurance community. We hope the new Digital Membership Card will optimise members' journey with us, and further improve their membership experience.

Law Reform Commission Finds Capping of Damages in Personal Injury Cases would be Constitutionally Permissible

The Law Reform Commission recently published its report, Capping Damages in Personal Injuries Actions and it found that introducing a cap on damages awarded in personal injury claims would be permissible under Irish constitutional law.

The Commission report also noted that while it examined whether capping of damages would be permissible, it would be the responsibility of the Government, with advice from others including the Attorney General, to legislate for it. The review of damages was prompted by rising insurance premiums for businesses and motorists, which the industry claims is a result of excessive payouts being awarded during personal injury claims.



2021 Apprenticeship Graduation

The class of 2021 apprentices graduated this month. These 54 apprentices were only the second group to have completed The Insurance Practitioner Apprenticeship. Once again their results from their exams were outstanding, with over 50% of them having achieved a first class honours degree - each of them have proved that they are highly capable, adaptable and ambitious - all traits that will serve them well in our industry. We, at the Institute, want to wish the class of 2021 the very best of luck, each of them has a bright and promising future ahead.

The Apprenticeship Incentivisation Scheme Extended

The Apprenticeship Incentivisation Scheme announced by the Government in July has been extended until next year. The grant provides employers who hire an apprentice with 2,000 Euro immediately and then another 1,000 Euro one year later if the apprentice is still employed in the business. While it was planned to end this year, under Budget 2021 provisions, the offer will now be extended until mid-2021. An additional 1,000 apprentices will be taken on through the scheme.

Insurance firms anxious about rising claim costs from the pandemic

According to a recent PwC/Insurance Ireland CEO survey, more than one third of insurance firms are concerned about the costs of claims, as a result of Covid-19, and 60% fear they will see a reduction in premium volumes because of the economic fallout. The report also found that 35% of firms in the sector were anxious about claim costs, this was up 16% from last year.

Just under two-thirds of those surveyed were concerned by a possible deterioration in premium volumes due to the current economic crisis, while a similar number expressed concern about the impact of low interest rates on their investments.

In more positive news, seven out of 10 (71%) insurance chief executives said they were confident about growth prospects for their organisations in the year ahead.



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A YEAR LIKE NO OTHER

How 2020 has shaped business and consumer behaviour
and the trends that look set to continue in 2021

Prior to the global pandemic, the world was already grappling with political, social and environmental change. On the streets and on social networks people were voicing their concerns and demanding a more equal and just society. Issues such as racism, climate change, and homelessness, as well as Government accountability were already dominating the headlines long before we knew anything about Covid-19.

Consumers had been demanding more from businesses in terms of their products and services and were seeking out organisations that have ‘real values’ and offer meaningful change. The pandemic has only intensified this desire, with businesses now being held to a higher standard and expected to be both environmentally and socially responsible at all times. Like every other country, over the past year we here in Ireland have witnessed enormous change, not only to the way we live our lives, but to how we work, how our health system operates, and how our economy functions – these changes would have been unimaginable just a year ago.

The disruption caused to the business world has been both sudden and dramatic – technology solutions have been accelerated as a result of the crisis – digital transformation, remote operations, and moves away from traditional structures and business models quickly became imperative to survival. These unexpected events, coupled with the societal changes that were already in train, have radically impacted how we do business and how we live. So as we look toward 2021, we examine how business and consumer behaviours have changed, and what trends look set to continue.

Business Digitisation

It is said that ‘necessity is the mother of invention’ and this statement could not be more accurate when it comes to discussing the digitisation of businesses during the pandemic. Literally overnight many companies had to find ways to operate their entire business remotely, digital solutions offered companies continuity which in turn made them resilient and provided them with a life-line. Workplaces were digitally transformed in order to continue to function effectively, and decisions around the adoption, the assessment and the deployment of technology, which ordinarily may have taken years, were achieved by many organisations in a matter of weeks.

In a McKinsey report, entitled

‘Digital Strategy in the Time of Crisis’ it states that the way companies use this moment and the exponential learning curve will “deeply influence their performance in tomorrow’s changed world, providing the opportunity to retain greater agility as well as closer ties with customers, employees, and suppliers.” Meaning that the business world has irreversibly changed and so organisations need to continue to adapt to this new accelerated digital environment in order to stay relevant.

At the recent Insurance Institute Certified Insurance Director Alumni presentation, Lory Kehoe, Adjunct Assistant Professor, Trinity Business School referenced research which shows that revenue for growth for digital leaders is on average four times that of companies that dabble

in disjointed digital initiatives. During this presentation to Institute members, Lory referenced just some of the benefits to those who implement these modernisation initiatives, including, a 40% reduction in IT costs, 40% increase in operations productivity and an increase in revenues.

The majority of organisations are aware of their need to implement digital tools throughout their operations, and are already planning for the next phase of their digital acceleration. In PwC’s CEO Pulse Survey (published in September) organisations were asked if they expect their business models to further embrace digitisation and virtual business models as a result of Covid-19 - it found that the technology, media and telecommunications (24%), health (24%) and finan-



cial services (23%) sectors believe that their operations will become more virtual as a result of the changes to their products and services after the pandemic.

This digital transformation of business however is not new - but the pandemic has brought it into sharp focus and it has reshaped the way businesses operate. It is expected that this wide-scale digital adoption will outlast the global pandemic, beyond the roll out of a vaccination.

Values instead of Value

Capitalism is being revolutionised and growth for profit alone is becoming something of the past. Consumers are becoming increasingly conscious of how their behaviours impact other people and the environment. With this has come the desire for products and services that are both meaningful and environmentally beneficial. In many

ways, the pandemic has only intensified this shift, with people becoming even more conscious of where and who they spend their money with.

We are seeing this move towards purpose rather than profit across the board and it would seem that the future of companies will be shaped by the actions they take to address their role in the climate crisis, and other major global issues - in this new 'values' focused environment, organisations cannot be passive, and must be seen to be taking action.

Fjords Trends 2020 Report, from Accenture Interactive, outlines how this new move towards purpose, rather than profit will lead to new definitions of growth and new thinking for businesses in terms of their meaning and metrics. New performance measures might include personal growth, good health, reduced waste or employee satisfaction.

The Fjords Report also states that Economic models will evolve. Mean-

while, environmental social and corporate governance will be demanded by shareholders because they believe "it's going to drive everything else they care about: growth, market share, profitability" according to Robert Eccles, Visiting Professor of Management Practice at Saïd Business School, University of Oxford.

Businesses are already being held to a higher standard and this looks set to continue as consumers will be seeking out companies whose values and ethics align with their own and positively impact upon the world around us.

Lory Kehoe, Trinity Business School said that it's not only organisations that are becoming more 'human' and 'conscientious' but their leaders as well - he calls this the emergence of the 'compassionate leader'. Lory said, "The last 10 months have been a testing period for everyone in society but also a real test for how companies responded to their customers

and employees. Overall, company responses have been positive with increased efforts made to simply do what it takes to be there for customers, but also and refreshingly, taking the same approach to their employees. We have seen the emergence of the compassionate and developmental leader. Where once compassion was seen as a potential sign of weakness, especially within financial services, it has now become table stakes when managing others."

Businesses Becoming More Employee-Centric

The world of work is being somewhat revolutionised - and again this has been fast tracked by the pandemic. The modern workplace looks nothing like the one of the past, and so with that comes the need for a completely fresh look at what drives business growth and employee productivity. Business leaders are realising the importance of making their organisations more

employee-centric, and as a result of the pandemic, are prioritising their employee's well-being more than they ever have before. Research has long shown that employees are happiest when they feel they are contributing to meaningful work, and when they feel valued by their employer. However the pandemic has resulted in a host of struggles for many employees - issues such as isolation and loneliness, connectivity issues and adjustments to working from home have all impacted enormously on employee's well-being and their job satisfaction levels. Business leaders are realising the impact this is having and they have seen the importance of engaging with and making efforts to care for their work-

forces since the start of the pandemic. In PwC's CEO Pulse Survey, 23% of Irish leaders said their first priority would be expanding their health, safety and wellness programmes for their staff in the months ahead. They also have little appetite for making their operations leaner by reducing headcount - only 3% in Ireland said that

was their first priority. An overwhelming majority, 97%, said that they felt that protecting employee health and safety would be a lasting result. While, 70% felt that conducting employee well-being initiatives will remain in place for the foreseeable future.

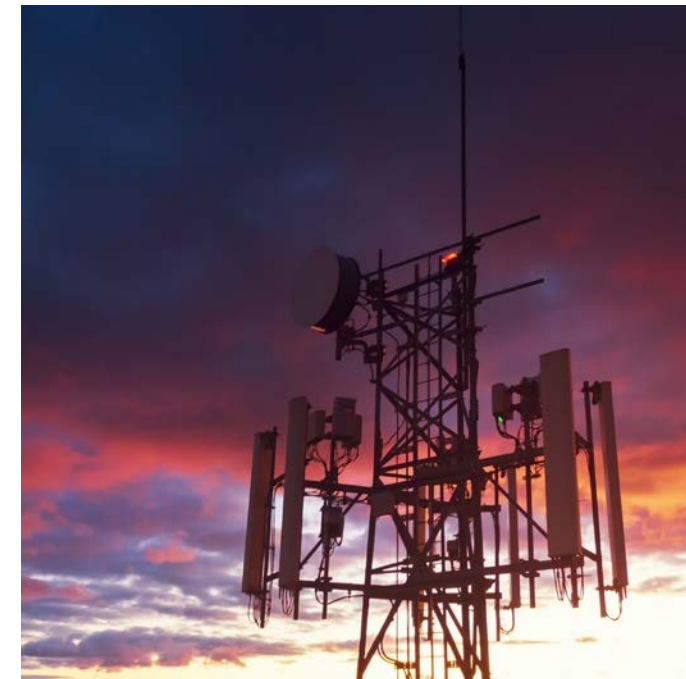
In addition to doing more to help their employees, the pandemic has also resulted in many business leaders becoming more trusting of their staff - mainly because they have less direct control over them. Increasing trust, along with employee satisfaction can result in extremely positive outcomes and better staff performance. Also when there is more trust, there is less stress and this can only be a positive in the current environment!

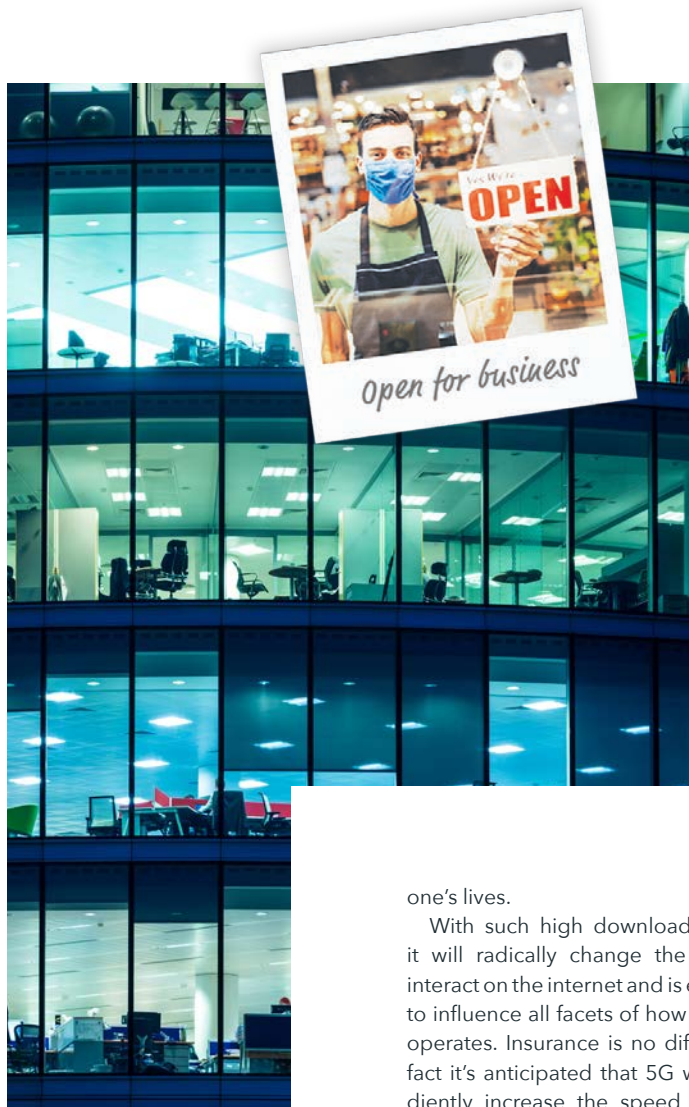
It's expected that businesses will look for ways to better engage employees as they continue to work from home and we can expect to see more discussion in relation to employee physical and mental well-being in the workplace.

The 5G Network

Over the past year there has been an unprecedented demand for increased internet speeds and bandwidth, everything from business, to education to socialising is being conducted online. A recent report from McKinsey Digital (entitled 'The Covid-19 Recovery will be Digital') shows that both business and consumers have vaulted five years forward in digital adoption in just a matter of months.

5G is the fifth generation of mobile wireless communications technology - the upgrade to the 4G network. By using shorter, higher-frequency bands of the radio spectrum, 5G promises lower latency, faster speeds, and greater load capacity. Some researchers believe that 5G could deliver browsing and download speeds 10 to 20 times faster than the 4G network. This is definitely the need of the hour as the internet is fast becoming a basic necessity in every-





and creative products that push boundaries, while also making cost savings. Think driverless cars and much more besides!

It's expected that 5G will impact all areas of insurance. In healthcare for example, it will enable always on and secure device connectivity which is expected to reduce costs and improve outcomes by supporting, proactive and predictive care.

In essence, the more information insurers have access to the more easily they will be able to calculate risks and prevent claims.

However, 5G won't be rolled out everywhere immediately - but it is on the way and we should expect to see a lot more from it next year.

Artificial Intelligence (AI)

While many believe that AI is something of a future trend we actually already see it every day in algorithms that preselect content for us.

It would be impossible to talk about AI and not mention the role of 5G - the two are very much intertwined. Put simply, 5G speeds up and enhances the integration of various technologies, including cloud services. AI then analyses this data, but can do so at a much greater speed because of 5G.

Prior to the global pandemic, AI was already invading our daily lives but its relevance has become more prevalent since. International Futurist, Bernard Marr, predicts that AI is set to become an even more valuable tool in 2021, helping us to interpret and understand the world around us. Marr states that the volume of data currently being collected on healthcare, infection rates, and the success of measures we take to prevent the spread of infection will continue to increase. This means that machine learning algorithms will become better informed and increasingly sophisticated in the solutions they uncover.

While many worry that AI has the

one's lives.

With such high download speeds, it will radically change the way we interact on the internet and is expected to influence all facets of how business operates. Insurance is no different, in fact it's anticipated that 5G will expediently increase the speed of every aspect of insurance, with many in the industry describing it as a tsunami about to take over. Many believe 5G is a window of opportunity for insurers because it offers greater efficacy, and a more precise and accurate calculation of risks. For insurance there are three key ways that 5G will change the industry - this includes:

- The Internet of Things - will enable insurers to collate larger volumes of data in real time.
- Faster Computing Speeds - in simple terms, 5G enables computer systems to work much faster and removes user error.
- More Creative Products - 5G will encourage the insurance sector to come up with new, innovative

potential to make some jobs obsolete - it's much more likely that AI will only serve to increase business productivity and drive success. Over the next few years it's expected that AI and machine learning will continue to be the most important modern business trend, with companies of all sizes and in all sectors utilising it to provide the most innovative solutions available.

Commenting on the potential impact of AI on the insurance industry, Stephen Dunne, Founder of Praxis Consulting and Lecturer at Dublin Business School said, "AI is set to revolutionise the insurance sector, it will modernise what is in many ways a traditional model and move it towards a much more innovative and tech central one - we can expect it to bring benefits but there will of course be challenges."

Stephen believes much of the challenges will be around shifting the mindset of consumers and insurers but also particularly in terms of the willingness of customers to share data - which is central to how many of the innova-

tions behind AI work. Stephen outlined three trends which are emerging related to AI and insurance and believes these will be transformative.

The first trend Stephen discusses is "Behaviour Policy Pricing", which Stephen describes as "the Internet of Things but for insurance and uses data related to our behaviour. Stephen said "This usage based insurance could be a latent type of cover which is activated only when the insurer is actually using the item being insured - for example with motor insurance it will only work when driving a car. It is a switch on / switch off policy and uses policy holder's current history and behavioural data to adjust the policy premium. This will mean changes for how insurers intake and process data and how they calculate premiums."

The second trend Stephen mentioned was "Customer Experience and Cover Personalisation" - according to Stephen, this "Enables AI to present to you, using your personalised data, the type of insurance policy it believes you need or want. This innovation

works completely off your data and so there is a potential challenge for regulation (in the context of the basis on which the most suitable products are selected) and it will no doubt look at who is driving the online selection process etc. However this is coming down the tracks and could have enormous benefits."

The last trend Stephen mentioned was "Customised Claims Settlement with AI" - this he said refers to "peer to peer insurance - this is the concept of a virtual claims adjuster and where data is reviewed and organised in real time." Stephen said this allows customers to review premiums and claims live, and also enables insurers to identify fraud more easily.

Stephen believes that while yes AI will bring its challenges for the insurance sector, its benefits far outweigh any risks - it will however be up to the industry to embrace it, and he believes now is the time to ensure these developments evolve in a way that the insurance sector can be satisfied reflects the unique nature of their product.



Working from Home to Continue

While working from home was something that was forced upon many people by the pandemic, the reality is that it's unlikely to be only a temporary measure. Most companies have made provisions to enable their workers to stay working remotely until the middle of next year, while many, like Microsoft for example, have said that they are happy for their employees to work from home permanently.

Many businesses that may have been nervous with having their workforce remote are now seeing their employees continue to perform and in many cases it's been reported that many employees in fact believe they are more productive working from home.

A recent study conducted by The National University of Ireland Galway (NUIG) on remote working found that 94% of employees would like to continue to work from home some of the time or all of the time on an ongoing basis. Of that 94%, the majority (54%) said they would like to work remotely several times a week, with 27% saying they would like to do so five days a week and 13% saying several times a month.

But it's not all a bed of roses - issues such as isolation, poor connectivity, burnout and a lack of boundaries between home life and work, have all been reported as problems facing employees working from home. However, despite these challenges the benefits, such as more flexibility, no traffic, reduced costs etc seem presently to be outweighing the negatives.

During his Certified Insurance Director Alumni presentation, Lory Kehoe, Trinity Business School also commented on how the move to work from home has impacted the insurance industry.

Lory said, "For insurers, we have seen the accelerated shift by consumers from physical to digital. On the insurance employee side, we have seen the



mass movement from working in large offices to working at home. The contact centre team members make up a large percentage of this cohort and this has required a huge amount of effort to equip employees with laptops and quickly ensure they have access to all the systems and tools they need to do their jobs supporting customers. More time has been required by team leads and management to spend with agents to help them answer customer queries, convert sales, and process claims. Time has also been invested to ensure that productivity levels and Net Promoter Scores remain at the levels near to where they were before Covid-19 and in addition time has also had to be spent ensuring team members continue to feel valued."

Lory continued, "If you think about it practically, the ability to sit amongst a group / pod of experienced agents is really a fantastic way to learn from your peers and also gives you the ability to ask a colleague a question if you have a query. Insurers have had to work hard to replicate those informal learning settings through the use of digital platforms such as Zoom, MS Teams and Slack. A move of this magnitude has required many teams working together (IT, operations, contact centre, claims, HR) to continue to deliver for the insurer's customers. It has not been easy, there have been challenges but the 'new normal' has

been established successfully and business has continued."

It would seem that the resounding demand for working from home will remain, even post Covid -therefore this presents both opportunities and challenges for businesses as they will need to redefine how they manage their workforce in the future. As referenced by Lory Kehoe, Dr. Dave Cook, anthropologist from University College London outlines that there are four options for employers in a post Covid-19 world:

(i) Remote First

- Where everyone works from home. This might be easier for small and early stage start-ups but challenging for large corporates where sitting next to someone provides a great and effective way of learning.

(ii) Remote Friendly

- Where people work from home a couple of days a week and spend the rest of the time in the office.

(iii) Office Only

- This model was under threat prior to Covid-19.

(iv) What Works for You and Your Business

- This is the most appropriate option but will take time to get right and will need consistent evaluation and tweaking.



The
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Institute

We would like to wish our members a very

HAPPY CHRISTMAS

Opening Hours

Our offices will close at 1pm on Christmas Eve and re-open at 9am on Monday, 4 January.

End of Year CPD Submissions: Limited support will be available between 10am and 3pm on the 29, 30 and 31 December, to help with any urgent CPD annual submission issues - memberservices@iii.ie or 01 645 6670



CONFIDENCE OR COMPLACENCY? FINANCIAL CRIME IN IRELAND

Article by Michael Harris, Director Financial Crime Compliance at LexisNexis® Risk Solutions, the global data and analytics provider

Irish financial services firms' efforts to tackle financial crime are to be commended, according to the latest Future Financial Crimes Report by LexisNexis® Risk Solutions. It shows that banks and financial institutions in Ireland are confident that they're winning the fight against money laundering and terrorist financing, with more than nine out of ten (94%) of the compliance professionals surveyed, displaying high levels of self-assurance in their ability to identify and track new types of crime and criminal methodologies.

This should, in turn, provide some reassurance to us all. Financial crime doesn't just target account holders'

savings and assets, it provides the funding for a wide range of other offences. It's fuel for the organised crime that costs Ireland over €1.7 billion a year, according to a study funded by the European Commission. That includes violent drug gangs that blight communities and a host of predicate offences to money laundering, including murder, terrorism, and human trafficking. Any success combating these is a clear win for society and very welcome.

Ireland's current confidence levels have been hard-won. The country's financial institutions have spent heavily on bolstering their controls that help prevent financial crime. On average, large Irish firms spend €23 million on

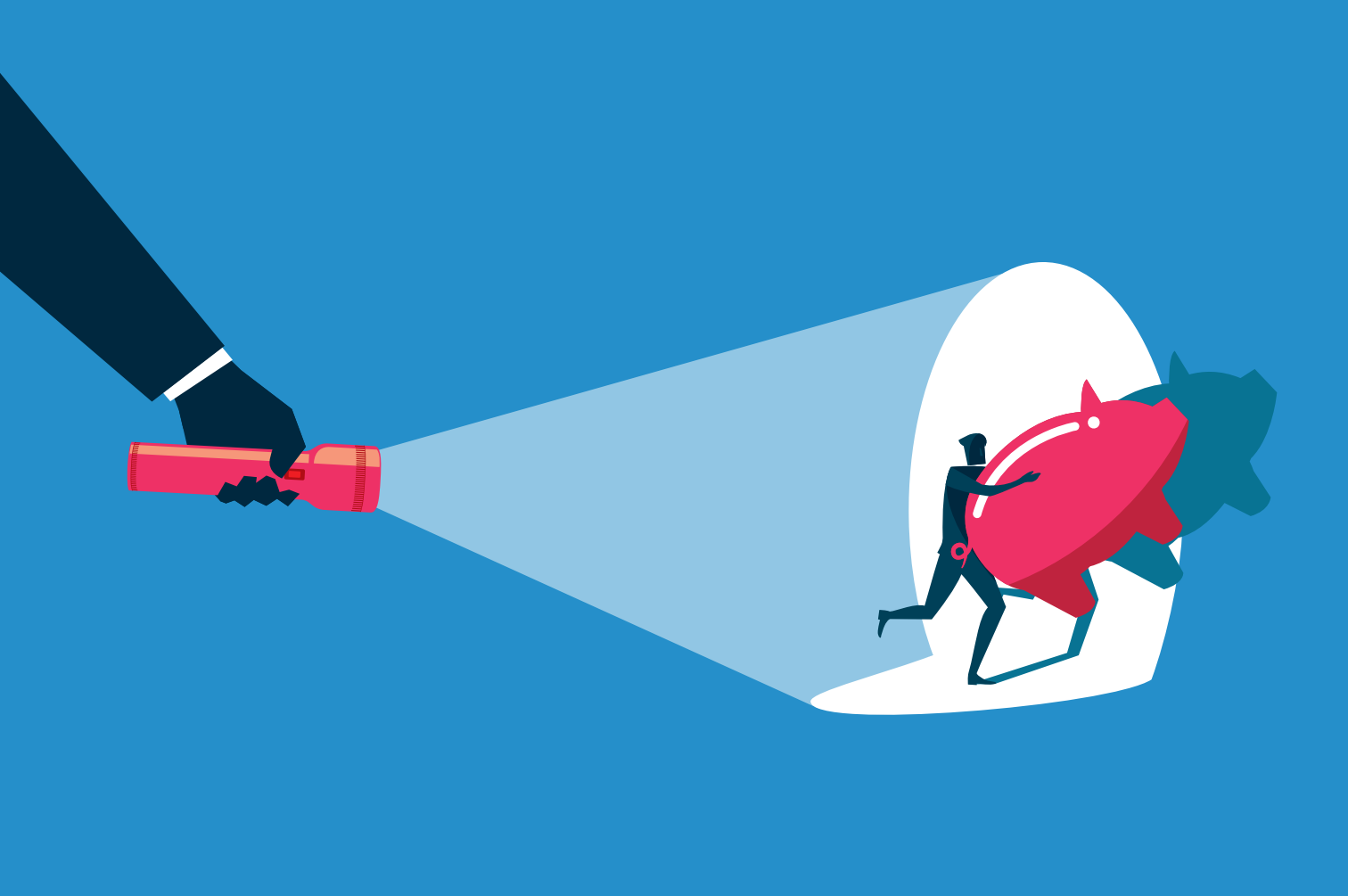
compliance with financial crime regulations, such as anti-money laundering and "know your customer" legislation.

Underestimating the challenge

Not that any of us can afford to be complacent for a moment. If there's one thing organisations can be assured of, it's that financial crime is a relentless and constantly shifting spectre. And so the robustness of a firm's anti-money laundering (AML) and combating the financing of terrorism (CFT) processes must also be regularly pressure tested.

According to the report financial institutions are being overwhelmed not just by the sheer volume of attacks, but also by the complexity and the wide variety of attacks that bad imper-





sonators are using to facilitate money laundering activity. When asked about the biggest threats they have been exposed to in the past 12 months, the most common forms of attack firms detected were criminal use of third party advisers, money mules and abuse of Irish and UK offshore corporate structures.

Over half (54%) of Irish firms were exposed to the criminal use of third party advisers, and over a third (35%) expect this to continue to be a risk in the future. However, the majority (93%) of institutions expressed confidence in their ability to detect this form of financial crime, and over half were very confident.

Similarly, 47% of banks said they'd detected the use of money mules – a form of second-party fraud designed to facilitate money laundering – and

a third (33%) expect to see this crime continue to be a risk. As a typology, money mules are extremely difficult to spot due to the fact that to all intents and purposes, the customer appears genuine and often is a genuine impersonator or actor who has been recruited, rather than an account opened for fraudulent purposes.

The abuse of offshore structures – using shell companies to hide large transfers of money, globally – was detected by 38% of firms, and over a quarter (27%) expect to see this rise in future.

Perhaps most concerning is that the report suggests financial criminals are tailoring attacks based on the perceived weakness of the target organisations, using typologies they believe they're least able to detect. For example, 46% of the banks surveyed in

the UK detected money mule activity in their networks, but this rose to 60% for challenger banks which are known to have greater difficulty spotting the indicators of this crime due to the lack of extensive historic customer data to call upon. It's likely that this behaviour is equally as prevalent among criminals in Ireland, as well as the rest of Europe.

The ever evolving tech landscape

Financial crime also continues to evolve as a result of criminals' innovation and sophistication, as well as new business practices, products and technology. The rise in cybercrime is perhaps the most obvious example.

While more than a quarter of UK firms (26%) say they're exposed to the illegal use of emerging technologies and methodologies, such as cryp-

tocurrencies, only 11% of Irish firms agree. Likewise, fewer than one in ten (7%) of AML professionals in Irish firms say they expect misuse of cryptocurrencies to pose a growing threat to their organisation in the next 12-18 months, compared to more than three times that number (29%) in UK firms.

In part, this gap may be due to differences between the firms being questioned, both in terms of their size (the largest UK firms are typically bigger than those in Ireland) and type (different institutions are exposed to unique risks). Smaller firms with fewer customers are consequentially likely to have fewer customers wanting to transact in cryptocurrencies, added to which, many banks continue to refuse to handle transactions of these types. Another consideration is the inherent difficulties spotting anomalies with these types of transactions – just because firms are not detecting them, doesn't mean they're not happening.

The apparent gap in perceived threats between the UK and Ireland may be behind the disparity in confidence levels between institutions in the two countries. Just 65% of UK firms say they feel very confident in their ability to tackle new financial crimes, compared to 94% in Ireland.

UK firms are also spending considerably more on their efforts to do so. Average compliance spending by large and medium-sized British firms is more than double what it is in Ireland, at €48.9 million. For small firms, the UK figure is more than triple, at €9.5 million.

It could therefore be that Irish firms surveyed are indeed better prepared, or at lower risk of attack – or a mixture of both. But could other factors also be at play?

Seek and you shall find

Another significant factor may be regulation. The EU's fifth anti-money laundering directive (5MLD) came into force in UK law in January 2020, but Ireland only authorised it in August this year. Among various requirements, the

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IT'S LIKELY REGULATORS WILL INCREASINGLY INSIST ON SUCH A BLEND OF SOLUTIONS, BUT EVEN WHERE THEY DON'T, THE CASE FOR INVESTMENT IN TECHNOLOGY IS STRONG.

directive brings some emerging technologies under regulatory scope for the first time, with new requirements for crypto-asset exchanges and digital wallet providers, as well as the banks that serve them.

The UK's experience operating and reporting under 5MLD probably explains some of the increased emphasis UK providers put on these risks – a disparity that may reduce over time. Another related factor is the different approaches the two countries take in tackling and detecting financial crime.

On the face of it, Irish and British firms' spending on compliance is weighted similarly, with a bias towards investment in people, over technology and systems. Across all sizes of firms, the split between labour and other spending is identical in the UK and Ireland. About two thirds (64%) goes on human resources in both.

In practice, though, labour costs in Ireland are lower, because of wages. Salaries for the head of AML in a London firm, for example, start at £100,000, according to recruitment consultants. In Ireland, the figure is €80,000, with the same sort of disparities evident for both more junior and senior roles. The likely result is that Irish firms have higher relative headcounts and consequently less reliance on technology.

Yet manual controls are generally accepted as less effective than automated solutions when it comes to analysing massive amounts of data to detect the patterns of suspicious activity that can be indicators of these complex forms of financial crime.

Of course, businesses must ensure that they invest in people with the right skill set to be able to carry out the more cognitive risk-based analysis of the data. But the sweet spot is likely to be a balance of the two; machines taking the heavy lifting, in turn allowing staff to carry out the more complicated investigative analysis.

It's likely regulators will increasingly insist on such a blend of solutions, but even where they don't, the case for investment in technology is strong. Technology allows compliance teams to spend more time doing what they do best. Given the increasingly complex and constantly shifting financial crime landscape, this is especially important. Financial institutions that have these types of holistic measures in place can be far more assured in their ability to detect crime effectively, not just today, but tomorrow and beyond.

HOW INSURERS CAN MOVE FROM RESPOND, TO RECOVER AND THRIVE IN A POST PANDEMIC WORLD

There is a new wave of expectation arising from a post pandemic world, and Mike Ennis, Head of Insurance, Consulting at Deloitte, believes insurers have a once in a lifetime opportunity to become truly customer centric - he believes they can do this by responding proactively to the market and to changing customer needs and behaviours. Mike believes this will help insurers to move away from an often negative and controversial narrative on the industry. In this article, Mike shares his thoughts on what this new narrative might look like.

Customer's expectations are shifting....

The new narrative is simple; customers want and are growing to expect that their service providers should be more than just providers of products; they should be partners, providing them with choice, service, and in the case of insurance, should help them to protect the things that matter most to them; families, homes, health, incomes etc.

What do I really mean you might ask? Well, let me give you an example. Australia's NRMA Insurance has created a proposition called 'Safety Hub' as a loyalty programme to reward customers for being proactive about household safety. Through the analysis of historical claims data, they discovered that c. 60% of household claims occurred as a result of 2-3 both common and easily addressable issues, e.g. blocked drains, faulty electrical wires etc. The app shows and ultimately rewards customers (in cash!) for taking preventative measures to

protect their homes from damage; thereby playing a far more meaningful role in customers' lives.

Being a true partner, should mean your interests lie much more in care and prevention, over product sales - now that is true customer centricity - and everyone wins, customers feel more protected and valued; and insurers reduce their claims costs.

With that example in mind I believe there are a number of areas where Insurers (both Life and Non-Life) can lock in positive customer sentiment, improve business performance and galvanise their workforce in the period ahead.

This revolves mainly around supporting your customers and could include some or all of the below recommendations:

» Pivot from responding to customer and broker queries, to helping them through these challenging times; care and prevention is now king. Focus

70%

of millennials feel that **24/7 service** is very important

40%

of consumers will **likely switch** to another insurance provider in the next 12 months

78%

of consumers would share personal information to obtain **personalised services**

1 in 2

consumers consider **social media comments** in making insurance-buying decisions

29%

of consumers have switched insurance providers after **price shopping online**

88%

said they would **use the internet** when shopping for / researching life insurance



on the social context of the situation and customer needs. Provide non-traditional advice and support to customers e.g. claiming from government relief funds.

» Find ways to help the small businesses of intermediaries/brokers run their businesses, e.g. Cash flow support, Mental Health and Well-being assistance for employees etc.

» Understand how the economic downturn will impact the existing in-force and new business premiums. Identify new growth opportunities (e.g. new segments, and partnerships), innovate products (e.g. parametric pandemic insurance), and consider simplifying policy wordings to make it easier for customers and businesses to understand what they are covered for....and not.

» Go beyond the traditional insurance offering (e.g. shift to services)

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CUSTOMERS WANT AND ARE GROWING TO EXPECT THAT THEIR SERVICE PROVIDERS SHOULD BE MORE THAN JUST PROVIDERS OF PRODUCTS; THEY SHOULD BE PARTNERS

to help existing and new customers. Use transparency (e.g. on exclusions) to drive customer knowledge and coverage. For example look at the new on-demand auto cover proposition from Naked Insurance (the name definitely gets it more clicks!). They have developed a new proposition called CoverPause, which allows customers to turn off certain covers, like accident when they are not driving for a couple of days or weeks. Customers are still covered for flood, fire, theft and other nasty stuff that can happen while your car is standing still – really simple idea, but the customer is at the heart of the solution.

Reinvigorate your workforce

» Ensure the workforce is engaged, motivated, healthy, and can function effectively when remote and onsite. It's critical for managers to assume

this 'new normal' may extend and employees will have varied needs over time.

» Build a truly digital culture underpinned by the required skills and capabilities to succeed in the new normal. Enhance business resilience and flexibility and embed and sustain new ways of working with workforce and workplace interventions.

» Re-validate the emotional contract with employees to support long-term success, including measures to ensure a sense of belonging within teams and confidence in long-term career prospects.

» Formalise improved practices around wellness and engagements. Take time to think through performance management models to manage productivity and engagement in this new context.

With the above in mind take a look at the new proposition from Aviva called Aviva360. In partnership with Deloitte, Aviva has launched Aviva 360, a new product designed for professional services businesses with c. 1-15 employees; bearing in mind that c. 65-70% of the businesses in Ireland fall into the Micro/SME segment with

under 20 employees.

This proposition combines Liability Insurance, Employers Liability insurance, Physio Essentials (because evidence tells us that poor backs, and muscular aches and pains are a major cause of absence from work), Simplified Group Life and Aviva Digital GP – all in one package. This package recognises that employers and employees need protection and supports in place to ensure the business can function in the event of 'everyday challenges'

Accelerate digital and embrace the 'financial ecosystem' to drive greater customer engagement

» Expand digital marketing competencies to improve consumer awareness, education, and engagement through a multiple purchase lifecycle.

» Raise the level of sales enablement and agent functionality to drive increased adoption and productivity.

» Expand digital capabilities to fast forward the establishment of new, supplementary channels and marketplace partnerships.

» Re-invigorate innovation efforts for greater speed to market and return on investment, namely robotics for effi-

ciency, sales and services functionality upgrades, and analytics for customer insight.

» Improve marketing and sales potential by enhancing digital capabilities for both agents and customers. Empower agents to rise to new levels of performance in customer insight, service delivery, and retention.

Let me put the above in some context. More and more customers are expecting and migrating to 'one stop shops' that offer a digital experience; why is this? Well, if you take Financial Services for example, which would of course include Insurance, but also other financial products and services across Retail Banking and Wealth Management; to my earlier point, customers want to feel not only valued but 'partnered'.

Let me provide an example. I have for some time been impressed with USAA.com. They are the Financial Services provider for USA's Military Service men and women. They have c. 12M customers, with a retention rate in the 90's. If you look at their website they showcase all their traditional financial services products, including insurance but here is why they are different....

In addition to their traditional 'products page' which covers the expected range of products from auto and home insurance, personal loans, current accounts and credit cards to pension and investments etc. they have an 'Advice' section. This section is where they offer advice and related products, in an unintrusive way based on 'life events'; e.g. getting married, moving home, preparing for a new arrival etc.; and so in a simple way they have linked their products to "moments that matter"; increasing their relevance, demonstrating their desire to partner with their customers, and you guessed it....displaying true customer centricity.





A SNAPSHOT OF 2020

15,000+
MEMBERS

6,000+
EXAM REGISTRATIONS

TOP 3 ELEARNING TOPICS

1.
ETHICS IN INSURANCE
2.
CLAIMS FRAUD
3.
PRIVATE CAR

LEARN MORE ABOUT...

MICROLEARNING

In this edition, we're introducing to you a brand new column, 'Learn More About' which will seek to inform and update you on topics and areas of interest related to insurance and your Continued Professional Development (CPD). For this, our opening column, we caught up with Amy Martin, eLearning Specialist with The Insurance Institute to Learn More About Microlearning.

Amy, can you explain to me please what exactly microlearning is?

Microlearning, is the latest buzz word in the world of eLearning - it refers to an educational approach featuring short, focused learning content - the idea being that it delivers just the necessary amount of information on any given topic to help learners achieve their desired goal.

What does microlearning look like at the Institute?

At the Institute, we use the term 'Microlearning' to describe short CPD courses (approximately 15 minutes in length) that focus on a single learning outcome. These courses can take the form of various different types of media and have sought to include elements of gamification and mobile learning.

What about CPD?

Shorter, focused learning sessions can be accredited in 15 minute blocks, meaning that members can build up their CPD requirements 15 minutes at a time.

What is the benefit to members?

We have a diverse membership, each with a different learning style but also different time demands. By breaking a longer, 1 or 2 hour eLearning session into 15 minute blocks we are allowing members complete a long course gradually, fitting in CPD as and when their schedule allows.

Our team also spent months researching and developing the best microlearning option for our members - it wasn't just about taking what we had and carving it into smaller sessions. The member experience was key. Improving the use of audio, introducing explainer videos and enhancing the overall look and feel of the courses. We needed to ensure the courses were suitable for mobile devices such as smart phones and tablets and fundamentally our goal was to improve accessibility and convenience for members.

What's next for microlearning at the Institute?

The eLearning team is currently identifying further areas that would be suitable for microlearning development, including adapting content from our more advanced qualifications. The hope for the future is that microlearning will prove to be a convenient and engaging way for members to address gaps in their CPD logs.

80,000+
HOURS

OF INSTITUTE CPD
LOGGED BY MEMBERS
UP TO THE END OF
OCTOBER

TOP 3 WEBINAR TOPICS

1.
CONSUMER INSURANCE
CONTRACTS ACT (2019)
 2.
WHAT MIGHT INSURANCE LOOK
LIKE POST COVID 19
 3.
LIABILITY INSURANCES -
A PANACEA FOR NORMAL PEOPLE
-

HOW TO FOCUS ON CONTROLLING THE CONTROLLABLES DURING THE CRISIS

It goes without saying that the events of this year have brought an enormous amount of worry and anxiety to the entire nation. The daily news updates, the chatter on social media, the restrictions on activity and the massive alterations we've had to make to how we live and work have all impacted upon our stress levels and in turn our overall well-being.

Although it may seem that we are powerless to so much of what is happening, there are in fact many ways you can help yourself and those around you to navigate this strange time. Tara Rafter, also known as 'The Navigation Coach' tells us about the ways we can get back to basics and start focusing on controlling the controllables!

1. Movement

We humans are built to move, we have bones, joints, muscles, ligaments, tendons etc. The human body is an elegant machine that requires movement to keep all the internal components functioning properly. The benefits from regular daily movement can be felt across the physical, psychological and emotional aspects of a person. With working from home many people find they are stuck to the one spot for much of their day. Therefore we need to ask ourselves daily, how we can incorporate more movement into our lives.

2. Sleep

Many people are finding that their usual structures and routines are all over the place at the minute. When you wake in the morning ask yourself, do you feel rested? If the answer is no, then you need to look at developing a night time routine. You need to find ways to wind your body and mind down, like you would a small child. Some useful tips include; Keep your phones and devices out of your bedroom and create a sanctuary for sleep. Limit caffeine and sugar intake before wind down time. Remember your body goes into rest and repair during deep sleep, it needs this priceless time now more than ever.

3. Acceptance

We thrive and flourish in certainty and right now almost everything is uncertain. Think of the last time you tried something new for the very first time, usually it's awkward, and uncomfortable. In this instance, with a global pandemic, we are all trying to navigate this for the very first time and all of this "change" is strange. The best thing you can do for your body and mind is to accept exactly where you are and your current circumstances, lean into the uncertainty, embrace the unfamiliarity and instantly you will feel a sense of relief. Holding resistance in your body is doing your immune system no favours.

4. Choosing your Inputs

When I am chatting with clients at the moment fear is the number one component of every conversation. The common thread is the level of information they are absorbing regarding Covid-19. Ask yourself now, where are you getting your information from? Are your sources reputable? How often are you watching the news? How regularly are you on social media? These daily inputs of information have a huge impact on your overall well-being but you are in full control of them and can decide to limit them in order to feel better and think more clearly.

5. Gratitude

Our brains love patterns. If you can create a new daily habit (pattern) of searching for the good, even during a time of crisis like this, you are creating the opportunity for lifelong positive benefits. A brain that is primed to seek out joy automatically invites more joy into its owner's life. Therefore start by each day writing down three things you are grateful for and observe your emotional shift.





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IT HAS LONG BEEN PROVEN THAT JOURNALING REGULARLY CAN HAVE A POSITIVE IMPACT ON OUR EMOTIONAL WELL-BEING

6. Your internal dialogue

How you speak to yourself internally has a significant impact on how you feel about yourself. Now is not a time to apply unnecessary pressure. Now is not a time to be comparing yourself and your efforts to the rest of the world. Now is a time for kind internal dialogue. Now is a time to reassure yourself and to speak to yourself with compassion and love. Even become aware of the tone your inner voice uses, could you possibly make it more supportive? Are there encouraging ways you could talk to yourself throughout the day?

7. Relationships

All our relationships have been impacted by the pandemic. There is suddenly a restriction on our freedom. Our personal space and time have become priceless. Every relationship, including the one you have with yourself, your partner, your kids, your friends, work colleagues, even the dog has changed! Having an awareness that all of the above is in a potentially fear based period of transition will help you to see and interact with empathy and compassion. Stepping into the other person's shoes, will give you new perspective. Remember we're all in this together and it is often easier to avoid a conflict than to try to mend it.

8. Journaling

Journaling and writing down what's going on for us, or even just recording what happened on a daily basis is an extremely powerful and therapeutic way for us to navigate our feelings and help us make sense of why we might behave in certain ways. It has long been proven that journaling regularly can have a positive impact on our emotional well-being. If ever there was a time to make space in our lives for journaling it is now - it can be very simple and you can just start with a few lines a day but it's guaranteed to help you make sense of your life and the emotions that you're experiencing.

9. Connection

We came into the world in tribes and to this day human connection is fundamentally important to our survival. Huge amounts of research have shown that loneliness is actually detrimental to both our physical and mental health. Each day we must make an effort to connect with ourselves and with the people in our homes and in our wider circle of friends and family. Keep communication channels open, even if you can't meet up in person - there are countless ways to keep in touch. We are stronger together even though many of us are apart. Picking up the phone to a friend or making time to talk to your partner or children in the evening can have a hugely positive impact on how we feel. This pandemic isn't something we can do alone and human connection has never been more important.

10. Spirituality

Spirituality means different things to many people. Whatever your belief system might be or wherever you find solace, now might be a good time to give it some attention. Maybe you find comfort in a higher power or even by having conversations with those that have gone before you.

Or many people find they become anchored and grounded in connecting with nature. Meditation works for a lot of people and there is an abundance of free apps for you to avail of in this area.

In all this chaos and stress you need to find ways to bring yourself some peace. And it might then be possible to use this time to focus on what's really important to you. Sometimes we need to block out all the noise to find out what this is.

11. Support

If you're finding this time extremely difficult there is of course help out there and many coaches, counselors and psychotherapists, including myself, are offering sessions online. So, if you feel you need help or if you just need to talk, please reach out to someone, you are not alone.



Tara Rafter is a fully certified award winning Life Coach. She helps people cope with life's demands and her services aim to introduce clarity and self-motivation. You can check out Tara's new goal setting diary 'My Life Compass 2021 Diary' at thenavigationcoach.com

Tara recommended some reading that she feels will help people navigate these challenging times. It includes:

- The Four Agreements: A Practical Guide to Personal Freedom by Don Miguel Ruiz
- The 7 Habits of Highly Effective People by Stephen Covey
- Daring Greatly by Dr. Brené Brown



Tara has just recently published her brand new book 'My Life Compass 2021 Diary'. It's the ultimate goal setting diary, and is packed full of personal development tools to help you navigate life. We, at the Institute, have teamed up with Tara to giveaway 2 copies of her new book (one for you and a friend) - head over to our Instagram (@insti_ie) to find out more and to be in with a chance to win.

THE FINAL SAY

The Insurance Institute recently published its 2021 Qualifications Guide. To talk about the Guide, as well as the importance of professional development, we caught up with Paula Hodson, Director of Education and Development with The Insurance Institute. Paula has been working in insurance for 35 years, and during this time she has achieved numerous academic awards. Paula's appetite for learning and her desire to always be well informed for the benefit of her job has been the driving force throughout her career.



Paula, can you tell me about the 2021 Qualifications Guide and why it's an important resource?

The 2021 Qualifications Guide aims to provide insurance professionals at every stage in their career with relevant advice about their next educational step. Our industry is constantly changing and it's our responsibility to always understand and be ahead of the curve when it comes to factors influencing our profession. Education and CPD are therefore essential to a career in insurance and advancing our skills impacts both our self confidence and our ability to do our jobs. The Qualifications Guide is an invaluable resource and should provide insurance professionals with all the information they need in terms of their professional development.

Throughout your career you have always made your professional development a priority - do you feel this has paid off?

Yes, without a doubt. It's strange though, as I definitely wouldn't have considered myself to be an

academic. I didn't go to college after finishing school, it was only when I worked in insurance for a few years that I realised the value of education for my career. Personally my learning and development trajectory has always been about my job and my aspirations to become more competent in my work. Investing in my professional development has been one of the best decisions of my life - it has opened up many doors and provided me with countless opportunities.

Did you encounter many challenges along the way?

Absolutely, in fact I would say there will always be challenges when you decide to advance your education and development - they may be different for each individual but it's never usually simple. For me, I didn't enjoy taking the exams and I was always anxious in the lead up to them. However, once you've completed a few your confidence grows and it doesn't seem quite such a big deal the next time around. Also, when taking recent qualifications,

it was the technological aspect of uploading documents and accessing materials online that was extremely daunting for me to begin with. My colleagues and class peers really supported me and over time my confidence in this area grew too. We all have our strengths and weaknesses, it's about knowing what they are and being comfortable with the areas you need to improve on - and always believe that you can.

Have you any advice for those who might not know what their next step should be?

It's important to think about the areas you're interested in - there's no point in clocking up CPD hours for the sake of it. You need to choose wisely and decide what stimulates your interests and what will bring the most value to you and to your work. Professional development is a journey and if you invest your time wisely it can enhance both your life and your career immensely.



KEEP CALM & CLICK SUBMIT

This year's CPD deadline is approaching.

Make sure to check, upload and submit your annual CPD Requirements ahead of the 31 December deadline. Need help? Contact memberservices@iii.ie or check out the links below

ELEARNING
CPD OPTIONS

HOW TO UPLOAD EXTERNAL
CPD TO YOUR LOG

CPD FAQs

Our Member Services team will be available between 10am and 3pm on the 28, 29 and 30 December, to help with any urgent CPD annual submission issues – memberservices@iii.ie or 01 645 6670



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Insurance
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