

MARSH JLT SPECIALTY

# Concirus Power 20 Summit Vision for the Digital Future of Broking

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London

# Vision of the Digital Future of Broking

## 8 Questions

1 How do our customers remain relevant in an ever competitive market place?

2 Acquisition costs can be significantly lower in different territories. Are our customers really doing enough as an industry to deal with this?

3 Will electronic placement be the industry cost solution that the business believes it can be? What future does the face-to-face trading concept have? Do we need it?

4 What does the industry need going forward in order to create an environment where clients put greater value on the insurance product?

# Vision of the Digital Future of Broking

## 8 Questions

5

Investment in talent is a critical issue that continues to test us all. Are we employing the right type of people? Is the industry attractive to the right type of person?

6

(How) Will data capture enhance the insurance product offering?

7

Can the Insurance Industry evolve rapidly to cater for new and emerging risks? Are we anticipating the sorts of emerging risks that our clients will be looking at in the next 5 years?

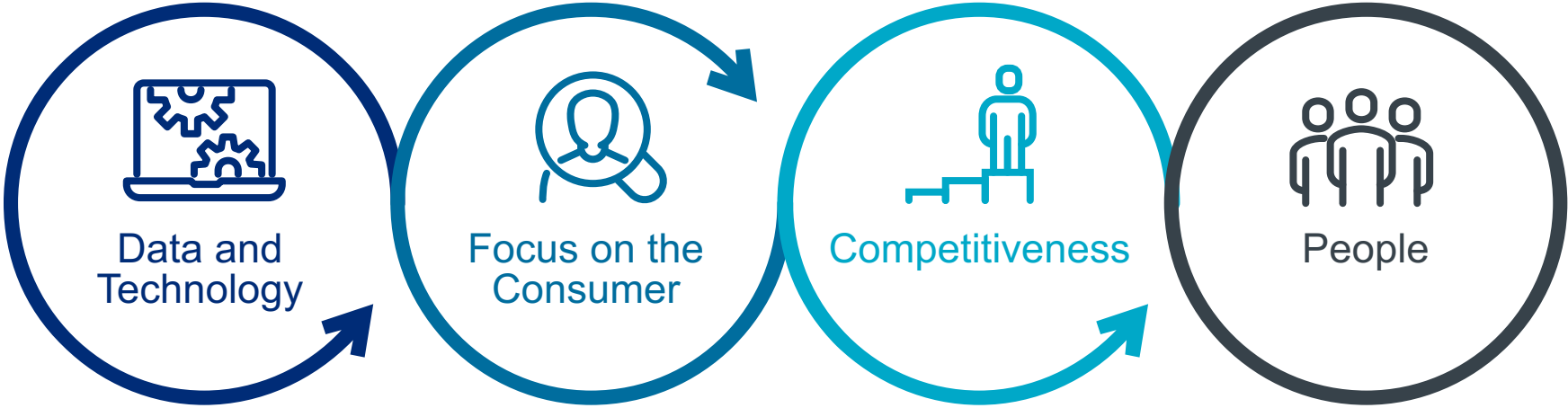
8

What do clients expect from Marine Insurance?  
Reducing the gap between the demand expectations and the supply capability.

# The Future?

# Vision of the Digital Future of Broking

## 4 Themes



# Vision of the Digital Future of Broking

## Data and Technology



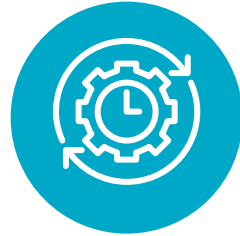
Today our broking “value” is based upon our personal experience and often our personal relationships.

Tomorrow I expect our value to be based upon our access to and our analysis of data.



Big data is the Oil of the 21st Century.

- The more you have the more value you have and the more value you can create.



Is it all about “time”?

- Placement time.
- Client time.
- More consulting time, less transactional time.

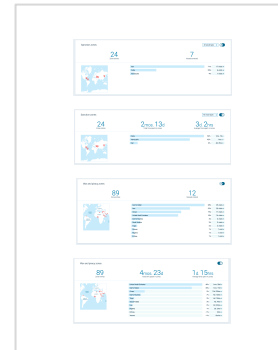
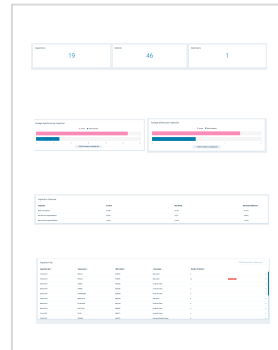
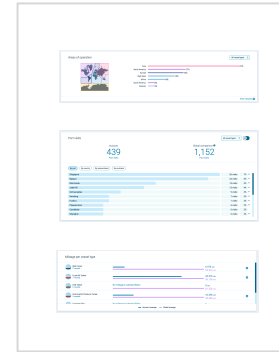
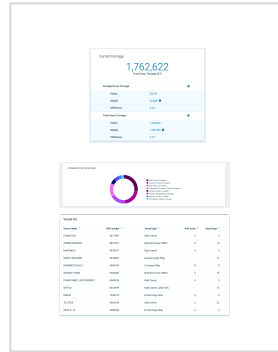


When we have a better grasp of Data how much business are we going to be able to transact automatically?

- DNK are currently able to monitor ships in real-time and adjust automatically pricing for vessels that trade into high risk areas.

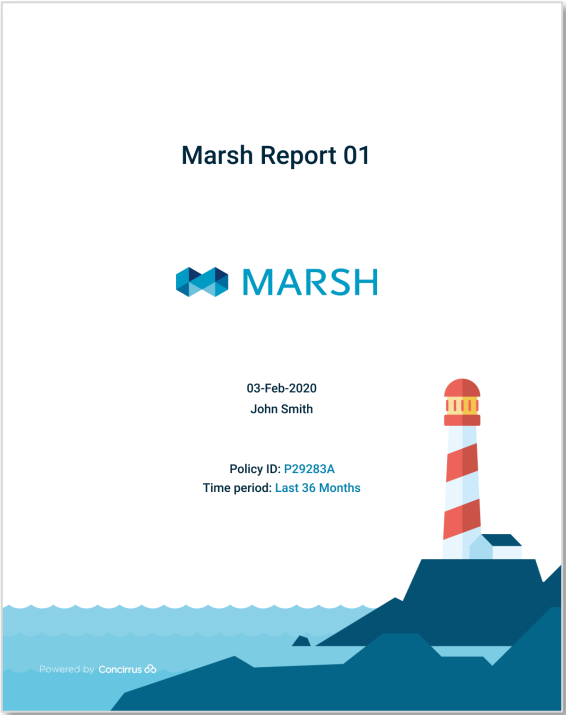
# Marsh Report

# Report Overview





# Title Page



# Tonnage Card and Breakdown by Vessel Type

## Current Tonnage

1,762,622

Total Gross Tonnage (GT)

### Average Gross Tonnage



Policy: 53,413

Global: 52,308 **i**

Difference: 2.1%

### Total Gross Tonnage

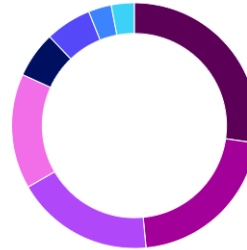


Policy: 1,762,622

Global: 1,726,180 **i**



















Difference: 2.1%





## Breakdown by Vessel Type



- Bulk Carrier (9 vessels)
- Crude Oil Tanker (7 vessels)
- LNG Tanker (6 vessels)
- Chemical/Oil Products Tanker (5 vessels)
- Container Ship (2 vessels)
- Platform Supply Ship (2 vessels)
- Vehicles Carrier (1 vessel)
- Oil Products Tanker (1 vessel)

# Vessel List

|  |   |  |
|--|---|--|
|  | <b>COMMANDER</b><br>Crude Oil Tanker<br>IMO: 9280354<br>Position received: an hour                            | On cover  |
|  | <b>SOUTH SEA</b><br>Crude Oil Tanker<br>IMO: 9286657<br>Position received: 8 hours                            | On cover  |
|  | <b>ICE VICTORY</b><br>Crude Oil Tanker<br>IMO: 9301744<br>Position received: 8 minutes                        | On cover  |
|  | <b>IOANNA</b><br>Crude Oil Tanker<br>IMO: 9387566<br>Position received: 8 minutes                             | On cover  |
|  | <b>TILOS I</b><br>Crude Oil Tanker<br>IMO: 9800271<br>Position received: 8 minutes                            | On cover  |
|  | <b>LAKATAMIA</b><br>Oil Products Tanker<br>IMO: 9232796<br>Position received: an hour                         | On cover  |
|  | <b>KOURION</b><br>Chemical/Oil Products Tanker<br>IMO: 9516258<br>Position received: 6 hours                  | On cover  |
|  | <b>GUANGZHOU SHUNHAI SH153</b><br>Platform Supply Ship<br>IMO: 9892030<br>Position received: No movement data | On cover  |
|  | <b>GUANGZHOU SHUNHAI SH154</b><br>Platform Supply Ship<br>IMO: 9892042<br>Position received: No movement data | On cover  |

| Vessel name  | IMO number  | Vessel type  | Risk score  | Vessel age  |
|---|--|---|--|--|
| CHANG LIN   | 6617609  | Bulk Carrier  | 4  | 4  |
| SPRING DRAGON   | 8827351  | Bulk/Oil Carrier (OBO)  | 8  | 19   |
| MARTINA C   | 9439187  | Bulk Carrier  | 5  | 5  |
| SANTO SUCCESS   | 9452892  | General Cargo Ship  | -  | 11   |
| KOMENOTSU NO.7  | 9660140  | Container Ship  | 8  | 8  |
| SEAWAY YUDIN  | 9563005  | Bulk/Oil Carrier (OBO)  | 3  | 22   |
| POWSTANIEC LISTOPADOWY  | 9545235  | Bulk Carrier  | 5  | 9  |
| GIFTED  | 8515699  | Bulk Carrier, Laker Only  | -  | 15   |
| RODLO   | 7349778  | Ro-Ro Cargo Ship  | 3  | 3  |
| TS STAR   | 9524138  | Bulk Carrier  | 2  | 33   |
| SETA N 73   | 9366304  | Ro-Ro Cargo Ship  | 4  | 4  |

# Risk Score and Vessel Score

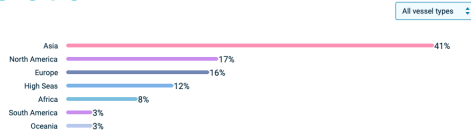


# Influential Factors



# Trading

## Areas of Operation



## Mileage per Vessel Type

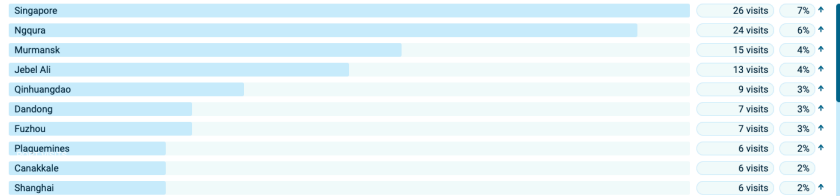


## Port Visits

Account  
**439**  
Port visits

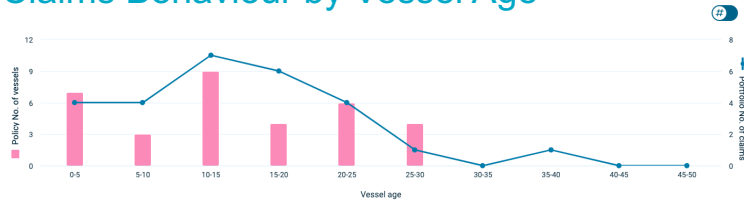
Global comparison  
**1,152**  
Port visits

By port | By country | By subcontinent | By continent

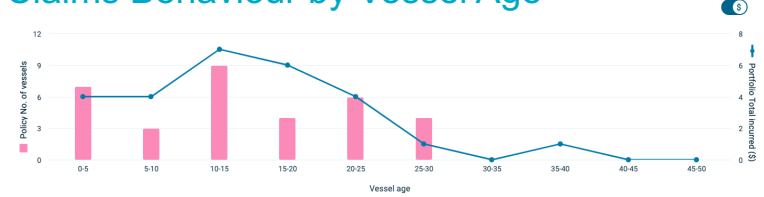


# Claims Benchmarking Graphs

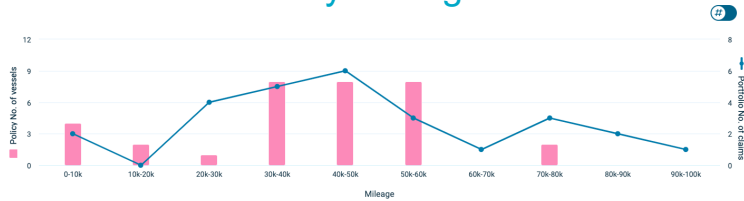
## Claims Behaviour by Vessel Age



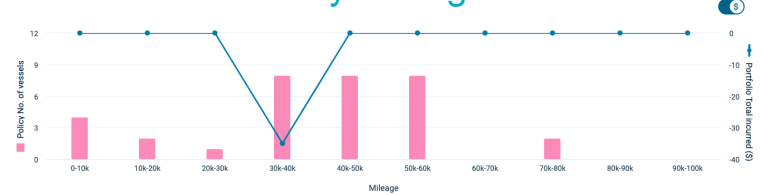
## Claims Behaviour by Vessel Age



## Claims Behaviour by Mileage



## Claims Behaviour by Mileage



# Inspection Overview Summary

Inspections

19

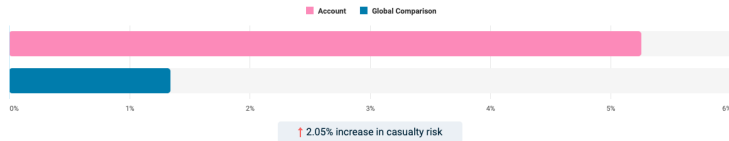
Defects

46

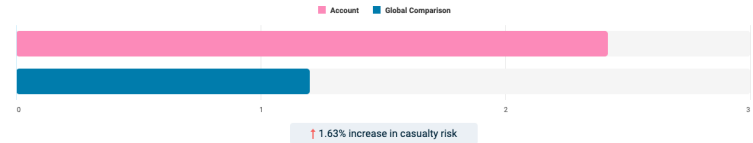
Detentions

1

Average Detentions per Inspection



Average Defects per Inspection





# Inspection Overview & Inspection List

## Inspection Overview

| Inspection                      | Account | Benchmark | Benchmark difference |
|---------------------------------|---------|-----------|----------------------|
| Without any defects             | 57.89%  | 51.76%    | +6.14% ↑             |
| With less than expected defects | 26.32%  | 31.2%     | -4.88% ↓             |
| With more than expected defects | 15.79%  | 17.04%    | -1.25% ↓             |

## Inspection List

🔍 Search by IMO or vessel name...

| Inspection date | Vessel name | IMO number | Vessel type      | Number of defects |            |
|-----------------|-------------|------------|------------------|-------------------|------------|
| 21-Dec-2019     | PERLITA     | 9189861    | Bulk Carrier     | 3                 | ▼          |
| 18-Dec-2019     | PERLITA     | 9189861    | Bulk Carrier     | 22                | DETAINED ▼ |
| 04-Dec-2019     | IOANNA      | 9387566    | Crude Oil Tanker | 1                 | ▼          |
| 02-Dec-2019     | IOANNA      | 9387566    | Crude Oil Tanker | 2                 | ▼          |
| 28-Nov-2019     | COMMANDER   | 9280354    | Crude Oil Tanker | 0                 | ▼          |
| 19-Nov-2019     | ABDULLATIF  | 8902929    | Bulk Carrier     | 2                 | ▼          |
| 06-Nov-2019     | ICE VICTORY | 9301744    | Crude Oil Tanker | 0                 | ▼          |
| 05-Nov-2019     | SOUTH SEA   | 9286657    | Crude Oil Tanker | 0                 | ▼          |

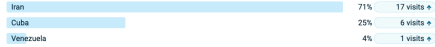
# Sanction and War Zone Cards

## Sanction Zones - Severity

All vessel types

24  
Zone entries

7  
Vessels entered



## Sanction Zones - Frequency

All vessel types

24  
Zone entries

2mos. 13d  
Total time spent in zones

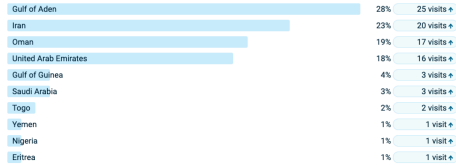
3d. 2hrs  
Average time spent in zones



## War and Piracy Zones - Severity

89  
Zone entries

12  
Vessels entered

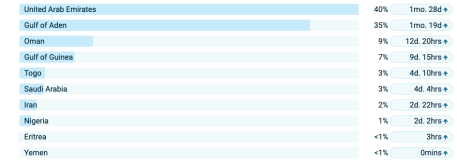


## War and Piracy Zones - Frequency

89  
Zone entries

4mos. 23d  
Total time spent in zones

1d 15hrs  
Average time spent in zones



# Vision of the Digital Future of Broking

## Focus on the Consumer



Access to more data will enhance our client relationships.

Brokers will move from purely transactional experts into Risk Advisors AND Transactional experts.



We will build closer and more valuable relationships with our customers and with our markets, putting greater value on the Insurance product.



Underwriting appetite and coverage can be adjusted rapidly with real time knowledge of loss experience.



Data will identify new sources of risk. New coverage; time limited; fractional; monitored and adjusted in real time. “Inhale innovation”.



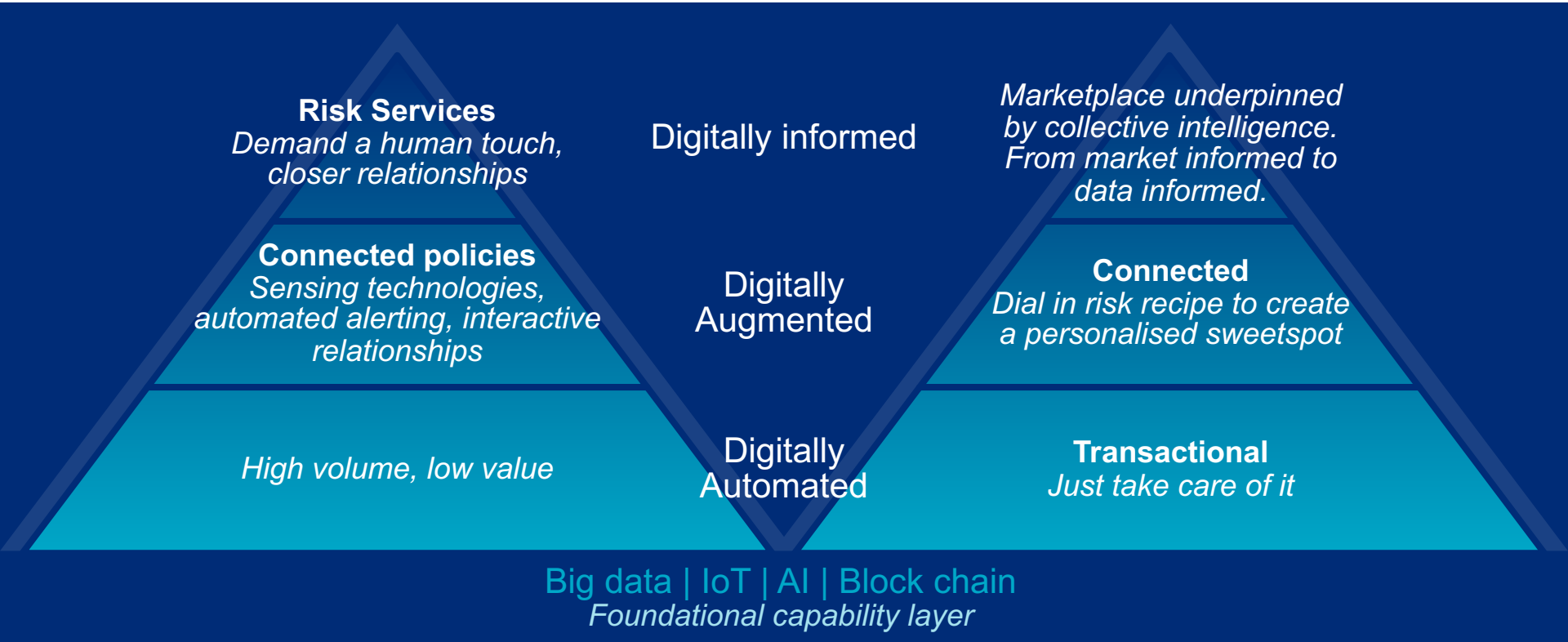
Brokers will be able to build new products to cater for specific client need rather than sell clients something that they feel they have to buy.



The product will be more “precise”.

# Three Tier Model

## Based on Needs and Client Readiness to Adopt Technology



# Vision of the Digital Future of Broking Competitiveness



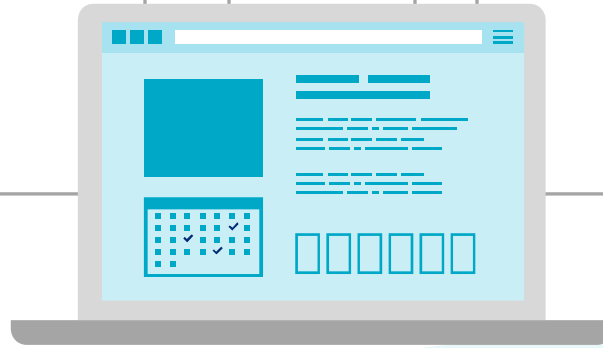
A better understanding of individual market appetite will enable brokers to push product and risk to those carriers that have demand rather than just supply.



More accurate real time pricing will give a competitive edge.



Product innovation through data knowledge will help to enhance competitiveness.



The opportunity to offer better risk solutions including risk advisory work based upon Global data experience will help clients to become better risks.



Transactional efficiency leading to high end advocacy.



Improve productivity.

# Vision of the Digital Future of Broking People



People will still underpin the fundamentals of what we do, but what sort of people?

*Need to be intellectually curious with a broader perspective on the client's interests.*



We need to encourage people with a different skill set to those that we have traditionally recruited to join our industry.



Diversity.



Get closer to the business / client by creating a more trusted relationship.



Return to our roots as innovators and specialists.

# Vision of the Digital Future of Broking

“The future is unknowable but that is not an excuse for inaction”.

We have to embrace digitalisation and automation and become fluent in innovation. If we don't we don't have a future.

The right people (those with intellectual curiosity!) are critical for us to return to our roots as innovators and specialists.

“Digitalise radically”  
Standing still on the question of data and analytics is out of the question. We can not afford to be left behind in this journey.

We have to focus closely on the consumer by becoming more nimble and valuable.

Will we be doing more with less or more with more?

“Everything that can be digitised will be digitised”  
– Maersk

Proactive risk management – recognising the behaviours that could cause a claim before they cause a claim.



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