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► **Redefining risk** - A growing requirement for risk expertise in increasingly complex lines of business demands a changed approach to risk and insurance. Deborah Ritchie asks AXA Corporate Solutions' Matt Reeves how the insurer is responding to these new needs

Navigating complexity



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The past year has been a challenging one for insurers, as they are faced with fierce competition and aggressive rate cuts. At the same time, risk managers are encountering their own difficulties, as their role has become both more vital, and at the same time more demanding. While some larger risk teams are taking highly sophisticated approaches to risk management, others are struggling with smaller teams, and sometimes without a dedicated risk/insurance function altogether. In the ever more complex economic, political and business management context, having access to the knowledge and the resources necessary to mitigate and transfer difficult risks is vital. Against this backdrop, a new relationship between insurer and client is emerging, one that focuses on a true, and sustainable partnership, creating value for both parties.

DR: How is AXA responding to the needs of businesses in today's complex environment?

MR: As our customers' understanding of their risk has improved, so has their requirement for up-to-date and accurate information. We have been particularly focused on ensuring ease of access to pertinent risk information and timely delivery of that information to the right people.

The industry's traditional approach to customer segmentation is no longer fit-for-purpose. Trying to analyse customer requirements based solely on turnover and size does not reflect the variations by trade sector, procurement strategy, and general approach to risk management.

Being a true insurance partner means we need to ensure we are removing complexities and time-consuming elements of the process of working with our customers and

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brokers. We understand that insureds are looking to engage in a variety of ways, and we want to make sure we are responsive to those needs.

“Our customers are looking for ever greater expertise from their insurance partner in their specific industry. It is vital to the smooth running of their insurance programme that their underwriters understand the changing trends within their market, as well as the technological shifts in their operations. The experience of the underwriter is particularly important when providing solutions that are innovative, current and relevant to their business.” Rogier Soer, Cyber Practice Leader & Senior Casualty Underwriter

We are proud of the expertise we hold within AXA Corporate Solutions, and have looked to build greater levels of understanding across

all the industries we serve, including the most recent addition of our energy and chemicals offering.

Another area we have paid close attention to is that of disruption and technology, which was the key theme of our latest UK client forum. Businesses are facing an increasing imbalance of a growing output requirements with greater limitations on resource. This can create insurmountable internal pressures, making the efficiencies and suitability of external partnerships even more important, and the potential added value from these partnerships even more necessary.

Have these developments changed the way you engage with clients?

We want to make sure that our approach enables a best fit for all customers. In order to achieve this, we have embraced a flexible approach. We already have the resources and proposition in place for customers that are looking for increased engagement with their insurance partner; or those that have a dedicated insurance function within their business, but we wanted to make sure we had a strong proposition for customers who do not have this resource in place. That way, we can assist them in their specific insurance requirements, at engagement levels to suit them.

Insurable risk is only one facet of our customers' exposures, and

our clients looking for dynamism from an insurance partner to help them manage both the physical and economic exposures that threaten their businesses. As such we have taken a holistic view of the spectrum of risk; rather than the narrow focus on simple, traditional covers that the industry has offered in the past. And this is what led us to develop Risk Pilot.

What is unique about Risk Pilot?

Risk Pilot has been specifically designed to consider the bigger picture of risk, and remove the complexities, with expert insight from AXA CS technicians. It operates as a flexible suite of options so customers can select exactly the elements they would like to engage in; be it insurance solutions and associated risk financing, claims servicing, international programme management, and/or risk consultancy. It is designed to work in conjunction with the existing analysis that brokers and consultants can carry out, as well as enterprise risk management. Risk Pilot is intended to act as a guidance system for our clients in highlighting, managing and ultimately protecting their business from risk.

Risk Pilot's pricing strategy is based on a holistic view of the relationship between AXA CS and our customer. The benefit of a packaged insurance programme is price stability – achieved through the economies of scale of the programme. Not only are the prices reflective of the whole relationship, but they are also more consistent over the long-term, which delivers the up-front benefit of cost efficiency with budget stability going forward.

What types of businesses is Risk Pilot best suited to?

Risk Pilot is particularly suited to

clients that don't have the benefit of a large, in-house insurance team. Often, insurance and risk will then be a subset of the finance division, or rest in the hands of a sole individual within a wider function. Without fail, the individual responsible always has a large workload, and Risk Pilot is designed to ease that burden. We want to ensure that these customers have the benefit of knowledge and experience in their risk management, rather than simply have the commodity of an insurance policy. Risk Pilot offers the simplicity of package insurance policies, with the option of discussing innovative risk financing solution for uninsurable risks. This is supported by market-leading claims service, and expert risk consultancy.

How quickly can insureds expect claims to be paid?

Claims are an inevitable reality at times, and can be the cause of much work and potential frustrations for the insured. We focus not only on how we protect our customers' business when a claim does occur, but also on prevention of the claim occurring in the first place. This forms the basis of the partnership approach we have in place between our customers and our claims department, with support from our underwriting and risk management functions.

We see consistency and expectation management as the two key elements to a successful claims experience when a claim does unfortunately occur. As such, we commit to not passing claims on to lawyers or external teams when they become high value; we will maintain ownership within AXA to guarantee consistency, and ensure that claims are managed in line with a pre-agreed claims protocol, which clarifies the process before the event to ensure

a smooth experience with minimal disruption.

“Our customers can expect swift resolution, and we commit to making claims payments within three working days from the date of the claim being agreed and authorised. In 2016, 99.6% of claims were paid within the three working days time commitment.” Lesley Turner, Head of Claims

How does Risk Pilot support businesses with global strategies?

For international customers, Risk Pilot has the additional element of global programme management, providing seamless, globally compliant programmes. We currently manage 1,900 international programmes, covering 150 countries, with 10,000 local policies issued. In a globalised economy, customers can become international overnight; particularly as a result of M&A. So our customers need a flexible and responsive service, to ensure that their programme is consistent with their global footprint.

“A well-managed, globally compliant programme fits the Risk Pilot design of removing complexity and inefficient workload for our customers. Our network team is not only the dedicated resource for AXA CS UK, but is also a referral point for a number of AXA entities, as well as all external partners. Our Risk Pilot customers will therefore know that they have the appropriate experts working on their account.” Cheryl Simmons, Manager, Policy & Programme Management

For more information on Risk Pilot, or AXA Corporate Solutions, please call +44 (0)20 7702 6711 or visit www.axa-corporatesolutions.com



Risk Pilot

Helping you
navigate risk
