

Cambridge Centre for Risk Studies 7th Risk Summit

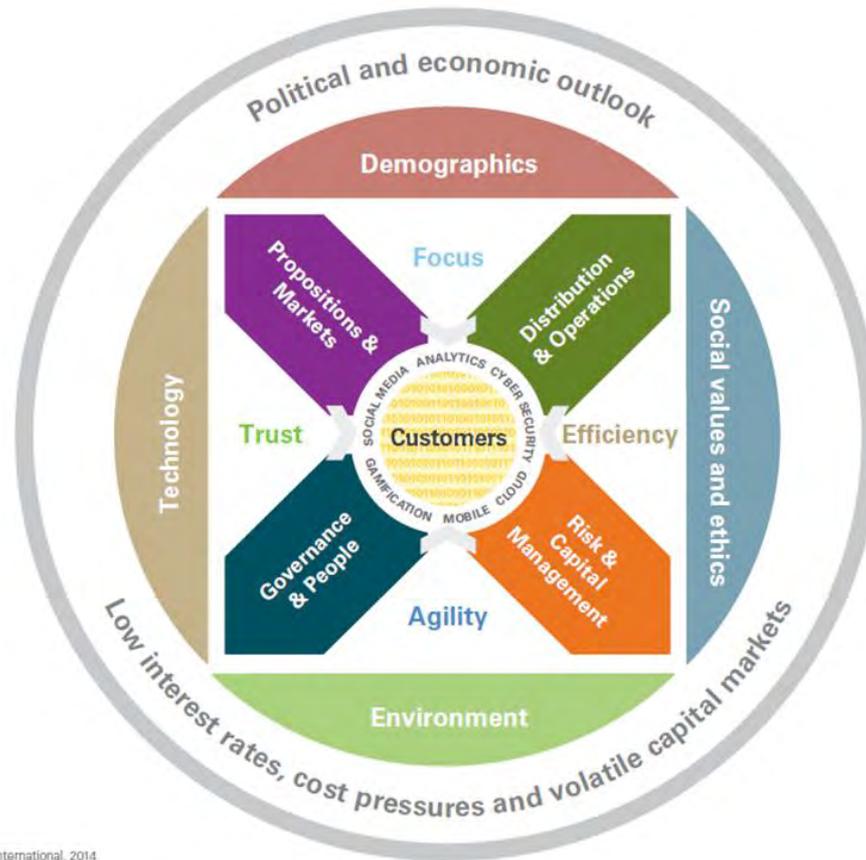


XL CATLIN

The Experience Culture & Business Value to Firms

Paul Jardine
Chief Experience Officer

Disruption in every dimension of the value chain



International, 2014

The challenge



“In today’s world, where ideas are increasingly displacing the physical in the production of economic value, competition for reputation becomes a significant driving force propelling our economy forward. Manufactured goods often can be evaluated before the completion of a transaction. Service providers, on the other hand, usually can offer only their reputations.”

Alan Greenspan, former US Federal Reserve Chairman giving the Harvard University commencement address in 1999

How are we doing as an industry?



**Don't get
mugged
by an
insurer**

www.dontgetmugged.co.uk

A disruptor's view



“There are 46 insurance companies in the Fortune 500, with an average age of around 95 years. We’re talking pre-internet, and it shows.”

Spencer Lazar of General Catalyst Partners on why the time is right for insurance to be innovated and where his three investment theses in the space lie.

\$2 Trillion in Premiums



Property & Casualty is HUGE



P&C
\$600B



Hotels
\$163B



Taxis
\$11B

Insurance Challenges Driving Radical Change



Growth < Economy

Insurance Share of GDP Decreased .5% in last decade

Rising Costs

Regulatory and Distribution

Bad Customer Service

Net Promoter Score as Low as -1

New Risks

Need Better Ways and Models to Underwrite New Tech/Trends

Data Deluge

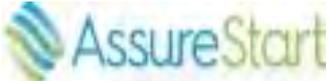
Accessible Data Decision Science

Demographics

Attract More Talent & Generational Affinity

\$2.2B+ Invested in Insurance Tech Startups



P&C	Healthcare	Benefits	Analytics
      	     	     	 

Predictions



Number 1



**Data will transform both our and
our clients' understanding of risk**

Number 2



**Value will be in the execution,
NOT the infrastructure**

Leading service performance is a bit like an ugly man competition



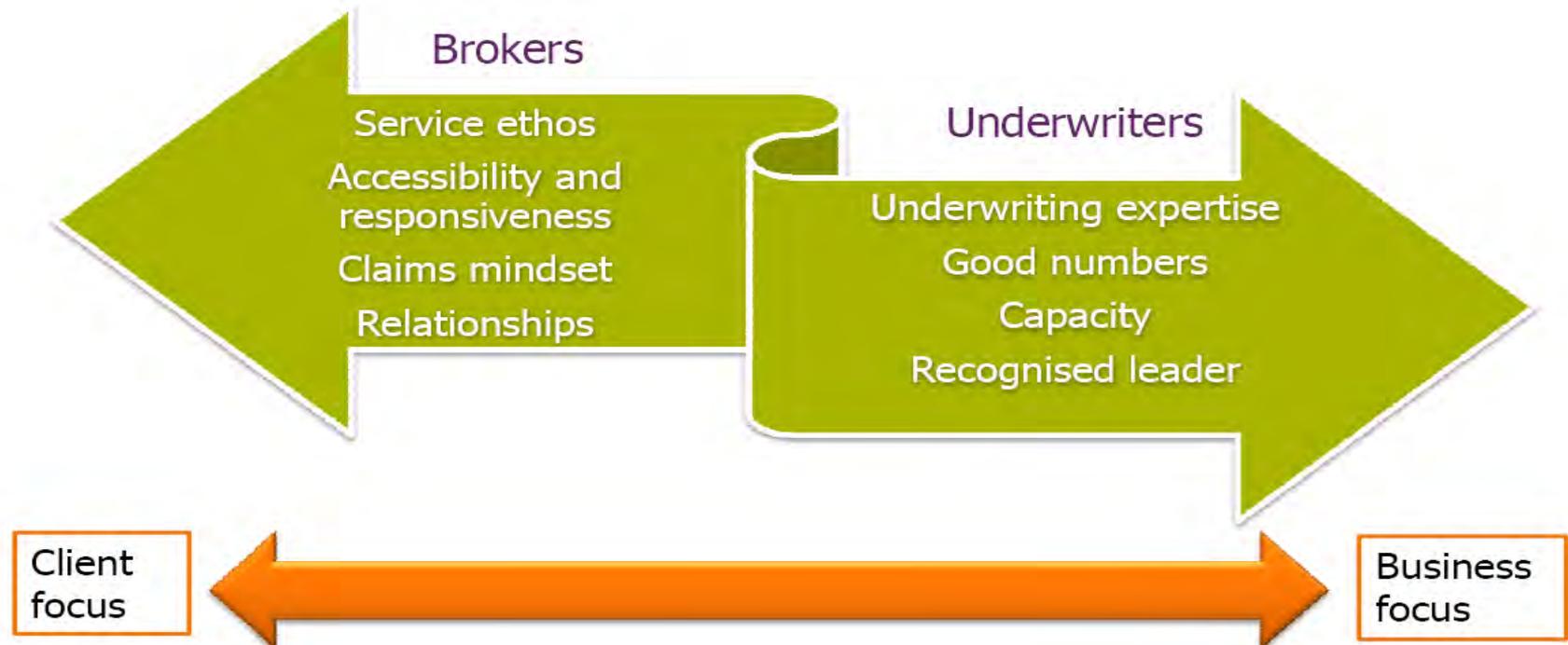
Service drives value



Differing views on what matters



'Best-in-class'



Number 3



Mobile will Transform Personal Lines Distribution



Number 4



Small and Medium Commercial Distribution will be Reinvented



Number 5



**The Biggest Opportunity Will be in
Addressing New Risks & in
Accessing Non-Regulatory Capital**

Number 6



P&C Industry Brokers Will Be Paid as Advisors, not by Commission

Who is the client?



“Insurance companies’ biggest oversight is simple: they have not been serving their customers. Actually, they rarely interact with their customers, since the vast majority of their business comes through brokers. Brokers are treated as their customers, and collect \$45 billion of fees every year from insurers globally.”

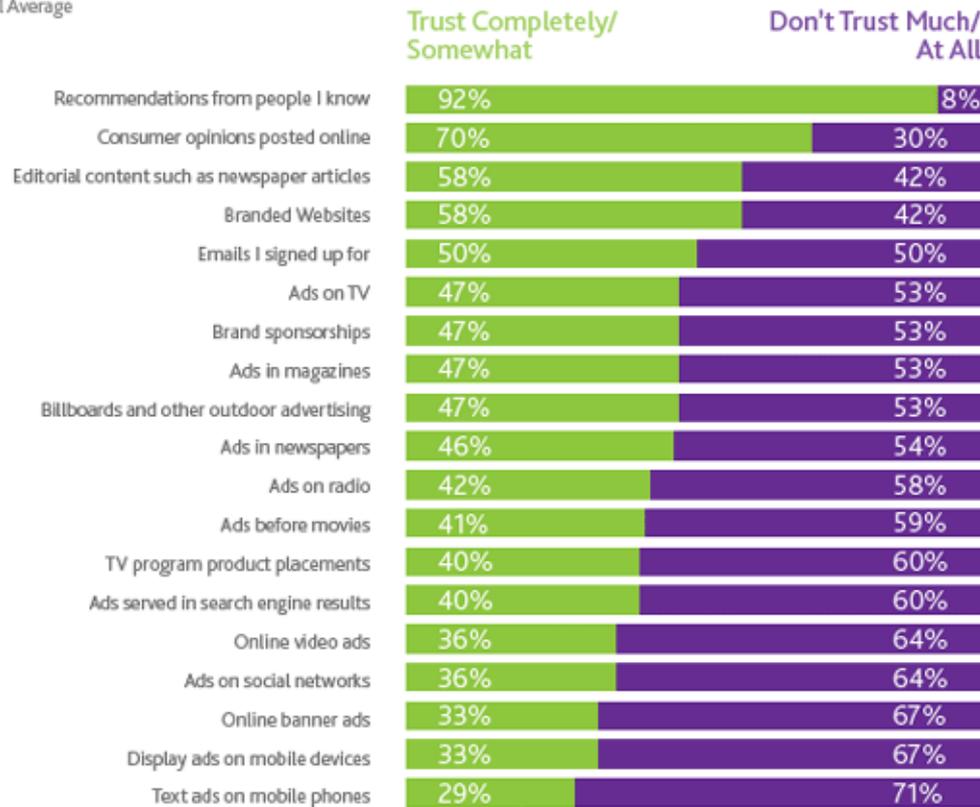
Toby Coppel of Mosaic Ventures

How do you generate trust?



To what extent do you trust the following forms of advertising?

Global Average



Source: Nielsen Global Trust in Advertising Survey, Q3 2011

New competitors or partners?



Google

Alibaba Group
阿里巴巴集团

amazon.com®



SAMSUNG

Red Bull®

Walmart*

Number 7



**Automation and robotics will
impact every aspect of our lives**

A perfect storm?

FAST, UNPREDICTABLE CHANGE
is an absolute certainty



The world is
changing



Technology is
changing



People are
changing



To grow, your business
must exceed the pace of
change

Great service examples



NORDSTROM

the #1 quality that Nordstrom looks for in employees (and looks to instill company wide) is the use of good judgment when taking care of customers.

Just as important, the company gives their employees training, motivation, and the ability to take action on the values that they hope to achieve—no wonder the only rule at Nordstrom to this day is “Use good judgment in all situations.”

Source: <https://www.helpscout.net/blog/customer-focus/>

What are we trying to achieve?



- What do you think is a world class service?
 - **World class service** is memorable **service**, **service** that makes a lasting impression. We all have received it. We all remember it. We all want it.
- What is good customer service?
 - **Good customer service** means having thorough knowledge of your inventory, experience with your products, and being able to help **customers make** the best choices for them. **Good customer service** is treating **customers** with a friendly, helpful attitude.

• Source: <http://www.firststepstraining.com/training/workshops/wcs.html> (first paragraph) and <http://jobsearch.about.com/od/retailinterviewanswers/qt/goodcustomerservice.htm> and <https://www.beyond.com/articles/what-does-good-customer-service-mean-to-you--12488-article.html>

How do we get there?



- The five “best in class” tactics are:
 - Offer personalized service
 - Add a human element
 - Gather customer feedback
 - Create digital experiences that extend beyond our product
 - Empower our team with a strong company culture

Source: <http://blog.clientheartbeat.com/customer-service-experience/>

A strong and consistent culture



Our commitments

Make it better

Collaborate

Be accountable

Do what's right



MAKE YOUR WORLD GO

About XL Catlin



- XL Catlin is the brand used by XL Group plc's (NYSE:XL), insurance and reinsurance subsidiaries. These provide property, casualty, professional and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises throughout the world.
- XL Catlin's insurance companies offer property, casualty, professional and specialty insurance products globally. Businesses that are moving the world forward choose XL Catlin as their partner. To learn more, visit xlcatlin.com/insurance.
- XL Catlin's reinsurance companies are among the world's leading reinsurers. They offer products that include aerospace, property, casualty, marine and specialty. The world's top insurers choose us to help move their businesses forward. To learn more, visit xlcatlin.com/reinsurance.
- We are the organization clients look to for answers to their most complex risks and to help move their world forward. To learn more, visit xlcatlin.com.