



Philip Smith, CEO, RSA Insurance, was recently appointed as President of Insurance Ireland, the representative body for Ireland's Insurance industry.

Irish Broker recently availed on an opportunity to talk with Philip about Insurance Ireland's strategy and objectives during his term of office.

Congratulations Philip on your appointment as President of Insurance Ireland. The organisation, previously known as the Irish Insurance Federation, has undergone a major transformation over the past year. Can you advise us about the key changes?

At the outset let me say thank you to Irish Broker for your good wishes and for this opportunity to talk with you.

Insurance Ireland has undergone a rapid transformation process and this process continues. In representing an industry that forms a pillar of Ireland's financial services sector, it's important that we, as the voice of the Insurance industry, take regular stock of our core purpose and intent and ensure we are aligned to best serve our industry and member interests.

With this in mind and under the direction of our previous President, Irish Life's Gerry Hassett, an in-depth Strategic Review was undertaken aimed at making sure the organisation was positioned to represent the emerging needs of members and the market itself. I want to thank Gerry and the Board for their tremendous commitment to this process.

The outcomes of our Strategic Review are progressive, geared to serve the industry very well over coming years and include the following primary strategic goals:

- Promote the positive role of insurance in society and the Irish economy;
- Influence the development of an appropriate domestic and international regulatory environment, in the interests

- of consumers and insurers;
- Promote a positive approach by industry and government to retirement planning within a cohesive national policy framework;
- Safeguard insurability allowing insurers to manage risk, combat fraud and reduce unnecessary costs for consumers;
- Support the continued development of Ireland as a base for insurance business.

We've an expansive programme of activity supporting each goal and I'm pleased to say that, under the leadership of our recently appointed CEO, Kevin Thompson, Insurance Ireland is already making strong headway across all key elements.

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Are there specific areas of progress to date you can share with us?

Many early successes have been recorded particularly in implementing our new structures and activating an extensive stakeholder engagement programme.

- We recently welcomed Sylvia Cronin, Augura, and Ciaran McGettrick, Phoenix Ireland to our expanded Board.
- The enhanced format of our Councils, addressing the Life, Non-Life, International and Health agendas, are fully operational and I'm very pleased that Andrew Langford, CEO, FBD

Insurance has agreed to Chair our Non-Life Council.

- We've broadened our important participation with Insurance Europe and have also joined the Global Federation of Insurance Associations.
- We were delighted that Fiona Muldoon, Director, Credit Institutions and Insurance Supervision with the CBI, could join us at our International Council meeting in July resulting in progressive dialogue on current issues and setting a clear path for ongoing liaison with CBI.
- A series of topic specific meetings have already been held with industry stakeholders including the IBA, the Department of Finance, the FSI, DIMA and our neighbours in the Insurance Institute.
- We're activating a strong media and public affairs programme in support of our profile build intent - and a series of important seminar events addressing key topics are being scheduled for the coming months.

Such activities represent a flavour of the extent and pace of development now underway at Insurance Ireland.

How do you see the coming year unfolding under your Presidency?

We can't ignore the fact that, as with many sectors, the scale of the Insurance market has been diluted in recent years by some 30% on the Non-life side and 40% on the Life & Pensions side. This has resulted almost directly from the economic and fiscal landscape presented to the market and our customers. And the coming twelve months will remain a challenging period with the economic backdrop continuing to influence the pace of progress and development of a growth agenda for our members.

I must, however, echo the messaging expressed by previous Insurance Ireland Presidents in stressing the robustness of our industry and its capacity to survive and thrive in testing times. Throughout the crises experienced across the country, the Insurance industry has demonstrated its stability and underlying strength time and time again.

With 15,000 people employed directly by our industry, through the annual contribution of some €1.1bn in tax payments to the Exchequer, in managing assets approaching €200bn and importantly, in the payment of more than €10bn in claims payments each year to our customers, the criticality of the sector to Ireland's economic wellbeing is very clear.

This is something we, collectively and individually, will be flying the flag on at every opportunity.

What are the priority items that will shape your agenda?

Following our strategic process, a range of priority items were identified linked directly to the delivery of our strategy and objectives.

Among these, we're upping the ante on promoting the positive role of insurance in society and the Irish economy. In doing so, we'll work closely with Government bodies and regulatory authorities and provide supports to ensure evolving domestic and European regulatory frameworks help stimulate the market, while providing essential protection for the stakeholders in our industry - most importantly our customers.



We're also focussing on supporting the development of Ireland as a base for European and Global insurance business. There's real opportunity in this arena that, underpinned by well structured foundations, can deliver strong employment and exchequer benefit. In addition, there's a pressing need to really address issues surrounding the Retirement Planning agenda. A cohesive, national policy framework is essential - one that can support the Government programme, while recognising the commercial realities facing Insurers and the monetary pressures facing consumers.

And as our CEO, Kevin Thompson recently pointed out, we need to safeguard insurability, allowing insurers to manage risk, combat fraud and reduce unnecessary costs for consumers.

Apart from the Strategic objectives, there are separate issues facing the domestic Life & Pensions and Non-Life sectors. Where do you see Insurance Ireland's main focus in relation to each area?

There are of course many topics to address across each sector. In isolating just a few of these it will be no surprise to readers that, for the Life & Pensions sector, the ongoing Pensions 'debate' is a current dominant area of focus.

In recognising recent developments made,



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for example, in the areas of applying a pension cap of €60k per annum from next January and the removal of the 0.6% levy post 2014, additional work needs to be undertaken to allow Pension reform proposals transition quickly from debate to action. The industry, as key stakeholders serving the interests of customers, must remain formally engaged with Government in the design and administration of any such reforms.

On the Non-Life side we want to ensure the focus on road safety is not diluted. Real progress has been made in this area over the past decade but the topic requires a constant spotlight. The importance of elements such as driver education, traffic policing and offence detection and the consistent application of an appropriate penalty and fines system are such that they warrant constant review.

Also, severe weather events have now become an unfortunate feature of our market with resulting negative impact on the economy. With the industry continuing to react in a highly professional manner to these occurrences, added attention must be placed on the progressive work undertaken by agencies such as the OPW and our Local Authorities. The levels of investment in, for example, flood defence works must be maintained. Apart from supporting the wellbeing of consumers and the economy, such investments pay direct dividends to Government, Insurers and by extension to consumers.

As key stakeholders in the Industry what are your thoughts on the evolving position of Insurance brokers in the market?

It's an important topic and one that warrants separate profiling. In summary however, the individual constituents of the industry must always evolve, whether in how we face up to the economic canvass or in meeting changes in consumer needs, behaviours and purchasing patterns.

As with all intermediated sectors, brokers have faced tough market challenges of late. But there's an inherent resilience and strength within the broker community. What's important now is that we collectively ensure the value added elements and the extensive range of services our



members and the broker community provide are promoted and clearly understood.

We're eager that broker colleagues remain fully informed about developments on areas of common interest. In this context and with Intermediaries being a critical link between the Insurer and the Life or Non-Life customer, we'll be maintaining close dialogue with the IBA council on each of our priority activities.

In closing Philip, how optimistic are you about the future wellbeing of the industry when placed against domestic and global economic challenges?

I'm very optimistic about the future. The Irish Insurance Industry is robust, well

capitalised, making a significant contribution to the economy and most importantly, delivering for customers.

This is testament to an unwavering commitment to the core values of Trust and Transparency and to the quality of the many thousands of great staff working in our member companies and across the industry. It's important to note that our Industry values have stood us well over many, many decades and throughout periods of economic advancement and turbulence.

And importantly, led by Kevin and his executive team at Insurance House, Insurance Ireland will play a key role in securing our industry's future wellbeing. With a clear strategic intent and progressive goals, Insurance Ireland is well placed to promote member interests and support the industry as it plays its part in Ireland's economic recovery and development.

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