

Telling the London Market story



Introduction

In 2014, the London Market Group (LMG) in collaboration with Boston Consulting Group published a report entitled “London Matters”. One of the key recommendations from this report was a need for the London insurance market to communicate the role it plays in global markets more clearly; and to promote the unique benefits it offers.

To help it to do just that, the LMG commissioned a project in partnership with Interbrand and FWD Research, to undertake a robust qualitative research study with buyers and potential buyers around the world to understand their perceptions of the London Market.

The output from this research has provided us with important insight, and is helping us to develop a more compelling story with which to explain and promote the London Market around the world. This paper sets out the key themes identified.

On behalf of the LMG and everyone involved in this project, we would like to thank you for your time and sharing your views on the London Market and your perceptions of the insurance industry and its future. Your input has been invaluable, and has helped to shape our thinking and how a communications strategy to support the London Market could be developed.

*The LMG is a market-wide body, that speaks collectively for market practitioners on growth and modernisation issues. Its aim is to build on London’s position and reputation as the global centre of insurance excellence.

The LMG is supported by the International Underwriting Association of London (IUA), Lloyd’s of London, the Lloyd’s Market Association (LMA) and the London & International Insurance Brokers’ Association (LIIBA).

Research Overview

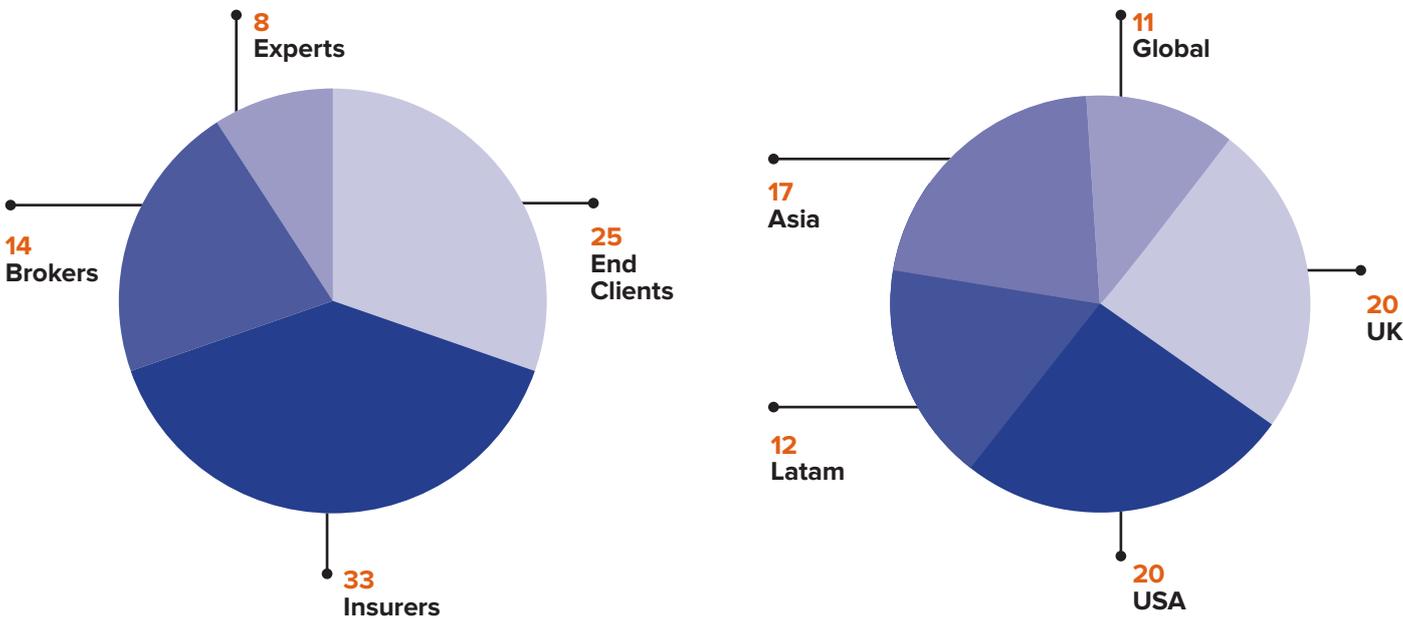
Objectives:

- To challenge the assumptions the London Market has of itself with global audiences
- To understand the London Market’s role in the future insurance marketplace
- To identify and understand the drivers and barriers to placing business in the London Market vs. other insurance centres

Methodology

Over 60 hours of discussions were held with 80 key industry professionals and experts across the global insurance industry in Asia, Latin America, the USA and the UK. The interviews included brokers, end-clients, industry experts and carriers, and were conducted by Mike Harmer, of FWD Research, an independent market research agency.

Fig 1: A breakdown of the respondents interviewed by job and location



Key Themes

Ten key themes emerged from the research on the potential future growth of the London Market.

1 From financial capital to human capital

With the soft market set to remain for the foreseeable future, respondents felt more able to get insurance capacity from other markets around the world.

Therefore:

The proposition needs to be broader than just capital provision and demonstrate the depth and breadth of intellectual capital in the London Market in terms of delivering risk solutions.

2 Access to all

There is a lack of understanding about what the London Market can offer buyers around the world, and a sense that it is difficult to access.

Therefore:

The proposition needs to inform and educate brokers and clients on how to access the London Market, and the benefits it can offer.

3 Time for something new

Compared to other financial markets and professional service sectors, the insurance industry does not feel progressive. The London Market, as the founding father of the industry, tends to be seen as a traditional market, rather than a modern market at the forefront of innovation.

Therefore:

The proposition needs to demonstrate the London Market's ability to innovate and find solutions to new risks and customer demands.

4 Beyond insurance

Insurance can mitigate against many aspects of a company's risk, but as risks develop and become more complex, new processes and solutions are required. Respondents, especially clients, are increasingly looking for help in this area.

Therefore:

The proposition should communicate a move from insurance to risk – away from a product-based approach to a more holistic risk mitigation service.

5 Whose line is it anyway

The London Market currently does not talk with one voice. Creating a single proposition around which the market can coalesce.

Therefore:

The proposition needs to set out the benefits of the market as a whole, which can be used by all participants in the London Market.

6 Balancing the two sides of the market

There is overall a lack of understanding of the benefits that the London Market offers and a confusion between Lloyd's and the company market.

Therefore:

The proposition will need to clarify how the unique aspects of the London Market work together to find solutions to a wide range of insurance issues.

7

Restrained intelligence

The London Market is seen to be full of intelligent and smart people but, beyond the complex and emerging, there's little knowledge of how that intelligence adds value elsewhere (particularly on more everyday deals).

Therefore:

The proposition will need to explain how smart thinking is relevant to all insurance deals/and that more 'regular' insurance deals are worthy of smart thinking.

8

Global potential

The London Market is well-regarded as the place to write the complex, multi-jurisdiction insurance needed by multinational businesses. But, there's a risk that its current global reputation excludes the needs of new entrepreneurial technology based companies looking to gain a global footprint (companies such as Deliveroo and Spotify, for example)

Therefore:

The proposition will need to communicate the London Market's relevance to globally-mobile entrepreneurs as well as the more conventional multinational companies.

9

Why a 'market'?

Although respondents are clear that the London Market is a unique economic cluster, the benefits of a 'marketplace' are less apparent.

Therefore:

The proposition will need to communicate the benefits that a competitive and collaborative marketplace offers to clients.

10

Familiar relationships

To those in the know, there is a real sense of camaraderie and friendship in the London Market however, this can appear cliquy to those who are on the periphery.

Therefore:

The proposition will need to find a way of demonstrating the market's friendliness and openness to all.

Next Steps

Supported by the research output, we have created a value proposition which encapsulates the growth opportunity for London. The next phase of activity will be to define a series of messages that the London Insurance Market can use to engage with both internal market participants and ultimately the end client and intermediaries. To deliver this effectively, a creative vehicle will be established to engage with these audiences. The purpose of this communication will be to challenge existing perceptions and influence buyer behaviours in order to drive a re-appraisal of London in the eyes of buyers of risk.