

Insurers agree time has come to improve risk assessments



Lengthy questionnaires not the answer

◆ DATA

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Leading insurers say the time has come to improve the use of technology and boost communication with clients to tackle complaints over endless risk questionnaires and remove inefficiencies in the placement process.

Those on a panel debate at our recent conference were told that insurance buyers are increasingly frustrated by the extremely lengthy and sometimes

erroneous questions they are asked by insurers about their risks. This traditional questionnaire approach is becoming particularly burdensome in the hardening market and causes real frustration when the answers were provided in previous renewals, they complain.

TIME TO UPDATE

Although it is clearly right and fair that insurers want to investigate any risk before they take it on, the panellists agreed that endless questionnaires are not

There is an urgent need to use technology to address some of the industry's inefficiencies

good practice. They said things need to move on to bring the insurance placement process up to date.

“It is interesting that in 2020 we are still talking about risk questionnaires and lists of questions. I think there is an urgent need in this industry to move ahead and become much more of this century in terms of using technology and really addressing some of the industry inefficiencies that we all know exist between the parties, especially with multinational programmes. Technology has developed so far that there must be better answers to the way we are doing things today. The administrative process is driving inefficiency and this

“It is interesting that in 2020 we are still talking about risk questionnaires”





needs to be solved,” said Fred Kleiterp, CEO of EMEA for Swiss Re Corporate Solutions.

But he believes this can only be addressed if risk managers and insurers work together. “We cannot change it alone, and you as risk managers cannot change it alone,” said Mr Kleiterp.

He said he understands buyers’ frustrations on this issue and wants to see a better risk dialogue that would in turn help insurers give clients more risk management feedback.

“It could be beneficial for both parties and a win-win. How insurers look at risk and give feedback is very important for risk managers to then consider risk management actions and processes. Risk engineering services are an integral part of that. But we need to talk about the real exposures. So, what is your business really exposed to beyond the insurance cover? What are the things that you should be aware of? What are the trends in nat cat risk? What are

the trends in US casualty?” he said.

REAL DIALOGUE

Isabelle Clausner, head of client and broker engagement at AIG Europe, agreed that questionnaires are not the only way to obtain information from many clients. “We need real dialogue,” she said.

Ms Clausner added that communication is key to boosting risk understanding and stressed that insurers could offer more risk management advice if it improves.

“Communication is vital. It comes back to understanding the needs of the client, the exposure and risk. Insurers can provide a different lens and share expertise around the exposures we are seeing across the market. We can help risk managers understand how their risk could change and how their clients could be impacted,” she said.

“The whole notion of communicating and engaging early is vital, particularly when you are looking at more complicated exposures. How do



Thomas Mannsdorfer said insurers need to be pragmatic

we make sure that we as insurers fully understand the breadth of the exposure, the risk and complexity of each company? The need for the broker to communicate that is essential,” she added.

Thomas Mannsdorfer, EVP, head of European specialty insurance underwriting at Somo International, agreed that standard questionnaires aren’t always relevant. “Insurers need to be pragmatic and know our clients well by asking the right questions at the right time,” he said.

Communication is key to boosting risk understanding

