

Sompo pledges lead capacity for growth in France and Spain

📍 Rodrigo Amaral • April 23, 2024



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Sompo International is making a big effort to grow in France and Spain, with more continental European markets likely to be targeted, and told *Commercial Risk* that it will offer more capacity to a broader range of risks and wants be the lead placement on more insurance programmes.

The company has also pledged to empower its local offices to make decisions on policies sold in these countries to encourage buyers to come on board. Risk managers have complained that global insurers have withdrawn authority from local teams during the latest hard market.

“When we invest in countries like France and Spain, we want to make sure that we are not only hiring the best talent, but also that the people we hire are empowered,” Ralph Brand, president, continental Europe, for Commercial P&C Insurance at Sompo, told *Commercial Risk*. “We trust our local experts to make decisions.”

According to brokers, the Japanese insurer was one of the

most assertive sources of new capacity for corporate buyers in Southern Europe during the latest renewals.

Over the past 12 months, the company has hired new leaders for its Spanish and French operations, opened a new office in Madrid, and expanded the local underwriting and commercial teams.

According to Brand, the company has striven to boost its capabilities not only in Spain and France, but also in Switzerland and Germany. New markets in continental Europe could follow soon, he said. Sompo is also looking to broaden the lines of insurance on offer.

“Our primary focus is on large corporates and the upper middle market. At the same time, we are also open to offering solutions in the SMEs space. We would typically partner with MGAs or look for other forms of distribution to access that customer base,” Brand said.

Sompo wants to lead more insurance towers, he added.

“Apart from excess or co-insurance that we can offer today to all our customers across all our products, we are also already able to offer lead or co-lead capacity in certain lines, such as commercial D&O, PI, FI, casualty, commercial, property, marine or A&H,” Brand said.

Sompo’s push in France started about half a year ago and it obtained authorisation to write primary insurance in the country this February. Marilyn Faugas, who has been country manager since October, said that Sompo is willing to cover sectors where the insurance market has been very selective in recent years. These include activities such as wood processing, food and chemicals. She added that her current 11-strong team should almost double in size by the end of this year.

“France is a very dynamic market where customers are always looking for insurers that are able to provide capacity,” she said. “Sompo has no forbidden industries here. We will consider all the good risks that come to our desks. We have already put some capacity on activities that can be considered tense today.”

Faugas added that the quality of services is vital in the French market, which is why Sompo is investing in risk engineering as well as underwriting. And the company is prepared to work with captives, which got a boost in France last year after the approval of friendlier rules to setting up risk retention vehicles in the country.

“The topic of captives is very important in France, and we have recruited experts who are able to manage captives in our clients’ programmes, to understand them and to find the right solution to meet their needs,” said Faugas.

Sompo was already more established in Spain, where it has worked for nearly 30 years, mostly serving Japanese clients, said country manager for Iberia Jamie Cañellas.

But in the past year, Sompo decided to increase its presence in the Spanish market, opening the office in Madrid, in addition to its traditional Barcelona presence. Sompo’s Spanish team now stands at 26.

Cañellas, who was promoted to the top Iberian job in April last year, said that the company is working closely with Spain’s risk management associations Agers and Igea to stay in tune with the needs of local buyers. And the authority to make decisions is one important factor to have emerged from the discussions.

“Our broking partners and clients want fast and efficient service,” he said “They want people empowered to make decisions locally and who value long-term relationships.”

And he stressed that risk management has taken significant steps forward in the country.

“Lately, there has been much investment in loss and risk prevention, as well as in crisis management,” Cañellas said. “That is something quite new in Spain. A few years ago, many companies did not even have sprinklers in their facilities. But there has been a whole new approach to risk management lately, which is very interesting, as clients are able now to retain some of the risk, which they did not use to do.”