

Challenges **IN 2013**



Bernard Ray, CEO for Emerald Risk Transfer

Globally, 2012 was the third worst year in terms of insured losses and certainly natural catastrophes were a large part of that. One would assume that poor results would lead to an increase in rates and no doubt there will be some kneejerk reactions. However, due to the highly competitive nature of the markets, particularly in the smaller to medium-sized commercial market, rates are likely to remain flat in the short term. Having said that, the solution does not lie with rates alone. Insurers will have to pay more attention to understanding their risks and place much more emphasis on risk management and risk mitigation strategies.



◀ Mitch Marescia, CEO of Camargue Underwriting Managers

Irrational competitive behaviour among underwriters needs to be moderated in an attempt to change the soft markets we currently see. In contrast with some of the portfolio pricing that has become common practice and an excuse for "rate slashing", a return to a risk pricing model is required. We hope that a direct result of the massive property losses recently incurred will be that all insurers return to more technical rating models rather than merely moving business for the top-line growth in premium income.



Marcel Woods, Head of Centre of Excellence for Risk Management at Etana Insurance

Risk management and assessment is such an essential factor in effective protection that the entire industry needs to continually challenge the status quo and embrace sophisticated technologies that deliver improvement. Continual innovation is a driving force at Etana and we're committed to delivering cutting edge expertise to businesses. We recently introduced infra-red technology to identify invisible electrical risks, free to our brokers – an industry first. To reduce human error we also created sophisticated, computer-based, ARQ (Advanced Risk Questionnaire) to replace paper checklists which allow oversights. ARQ does not allow shut down, or report printing, until every risk question and segment has been answered.

