



UK Intermediated
Insurance
Distribution Trends
Change beneath the surface

October 2023

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Foreword

Are the focus areas of UK brokers changing how they trade with insurers and operate in the market?

The results of the latest Deloitte insurance distribution survey offer insight into how brokers are facing challenges within the current economic climate alongside the impact of technology advancements, the need for new skills and the ESG agenda.

Brokers serve a wide range of client markets and industries, differing by business segment, size, risk complexity, and the geographies they operate in. Despite client diversity and needs, the business model at its heart has been relatively stable for some time.

However, changing client needs, technology and data capability advancements, normalisation of new ways of working, or new priorities such as ESG are driving the need to react and evolve. These trends are requiring new propositions, skills, capabilities, solutions and more. As well as brokers, insurers have a key role to play in supporting this evolution.

To help providers better understand the outlook for the model of insurance distribution in the UK market, Deloitte surveyed 351 UK based insurance brokers on their experiences, expectations of change and outlooks on the market.

The research revealed seven key findings on how brokers are reacting to market trends and the economic climate:

1. Brokers are largely focusing on challenges that are here and now rather than longer term trends

Brokers view managing rising insurance premiums as their number one external challenge whilst largely focusing far less on longer term issues such as the ESG agenda and the development of strategic skills.

2. Drivers of placement are finely balanced between price and relationships

For brokers, the key to their role is understanding client needs and finding the most appropriate cover but a number of other factors are influencing placement decisions including broker relationships and proposition design.

3. Hybrid working is here to stay therefore brokers and insurers need to strategically flex/adapt to this.

Despite the traditional model being predicated on significant in-person interaction across many parts of the market, the insurance industry has adopted well to the hybrid working model. For brokers, the transition to hybrid working has been significant and many are maintaining the new norm.

4. Broker technology and the integration to carriers is considered largely not fit for the future

Technology is a key driver of change in the insurance marketplace. From automation to artificial intelligence, digital tools are reshaping industries. However, it seems that many are behind with many brokers citing continuing to rely on outdated, manual processes that are not fit for the future.

5. Brokers recognise the split between technical and relationship skills, but the blend is changing

As the insurance industry continues to digitise, while traditional skills remain crucial there is an increasing demand for digitally native skills, particularly within global brokerages. Brokers must build expertise in automation, AI, machine learning, and data analysis to remain competitive.

6. More fulfilling digital trading potential is on the horizon, and it is approaching fast

The insurance industry has been incrementally building digital trading capability, but recognition is required that brokers and carriers need to collaborate to nurture adoption and to maximise mutual operational and trading efficiencies.

7. ESG is yet to be prioritised at scale by many brokers

Many brokerage staff still consider ESG a minor or longer-term future challenge and are faced with a lack of understanding of the topic, notwithstanding its growing significance in the insurance market

Brokers should assess the balance of tactical and strategic priorities and corresponding investment to gain a competitive advantage in an evolving market.

Insurers should consider how they will collaborate with brokers to support and advise their evolution, provide clarity on their own carrier emerging capabilities and identify synergies.

Key Finding Summaries

Broker focus is firmly on immediate term challenges

Brokers view managing rising insurance premiums as their number one external challenge whilst largely focusing far less on longer term issues such as the ESG agenda and the development of strategic skills.

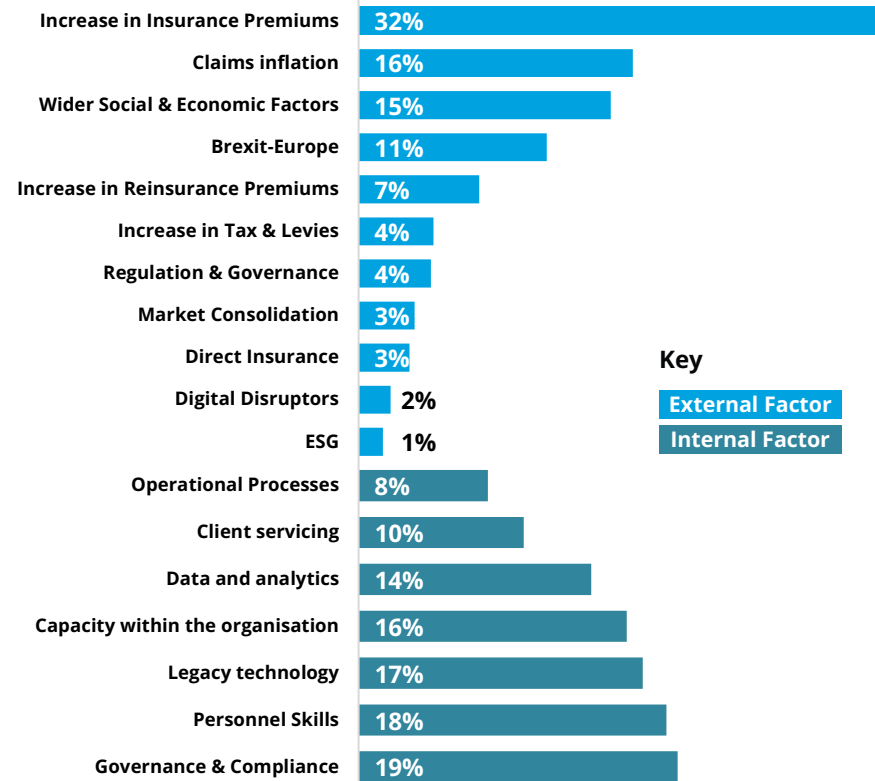
Externally and according to respondents, brokers are currently **prioritising the challenges posed by premium and claims inflation**, given that it directly impacts their clients, alongside the changing requirements of insurance. The rise in claims-related inflation will continue to drive up premium costs and increase the expenses associated with conducting business. Brokers will need to continue to provide greater guidance to their clients regarding the implications of premium inflation on renewal terms and **emphasising the importance of effective risk management measures** to offset some of these effects. However, given the sharp rise in premium and claims inflation these measures are unlikely to completely offset the changes in premium rates across the market.

In contrast, **brokers do not seem to be prioritising issues on the horizon**, such as how digital disrupters and ESG could change the nature of their businesses by introducing new complexities, competition and new customer needs.

Consensus on internal areas of focus is less definitive with brokers facing a wide range of challenges. There is more of a balance of focus on internal factors likely due to potential competing priorities. Just under 1 in 5 brokers surveyed believed Governance and Compliance (19%), Personnel and Skills (18%) and Legacy Technology (17%) as the most important internal challenge to be apparent in their roles, whilst different demographics had additional focuses:

- 33% Global brokers reported that legacy technology and operational resource capacity are major challenges they face.
- National brokers more readily recognise challenges in staffing of personnel and legacy technology than Global and Regional Brokers.

Fig 1a. Most important external challenge facing brokers



Calls to Action:

Brokers are largely responding to immediate internal and external challenges, although they must also develop strategies that anticipate and **prepare for future priorities**.

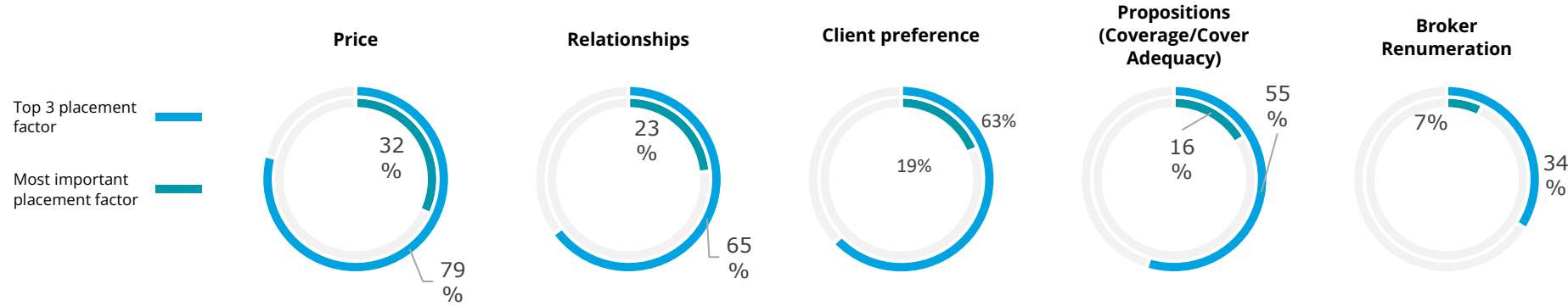
Brokers would appear to be paying far lower attention consistently to the potential impact of digital disrupters and ESG on their organisations, which could bring about intricacy, new rivalries, and novel customer requirements. **Insurers may be able to support broker readiness for ESG, especially for smaller players through strategic alliances.**

Insurers can support their broker trading partners in tackling short term issues through transparent decision-making and open communication regarding placement and pricing.

Drivers of placement are finely balanced between price and relationships

For brokers, the key to their role is understanding client needs and finding the most appropriate cover but a number of other factors are influencing placement decisions.

Figure 2. Most Important Placement Factors According to Brokers



Price is paramount – Policy premiums remain the most significant factor driving broker guidance to their clients on where to place business with an insurer. With increasing premiums and client retention pressure, it's unsurprising that price is prioritised. Brokers reported that 79% of brokers consider price within their top three placement factors with 32% considering price the most significant factor, whilst also reporting that the rise in insurance premiums was the most significant external challenge faced.

Relationships have bearing on most placement decisions – Despite the rise of digital trading and a cited decline in face-to-face interactions, brokers still highly value their insurer personal relationships. According to our study, 65% of brokers consider the relationship with an insurer as a significant reason for placement with 25% rating as their top reason. Whilst brokers appear to worry more about price than relationships this supports the continuing investment in development of trust and collaboration between brokers and insurers.

Remuneration remains on many brokers minds – Whilst brokers report that commission and remuneration is largely not the most important factor in their decision-making process when it comes to placing their clients' risks, 7% rate it as the most significant placement decision factor.

Calls to Action:

Brokers are largely focused on finding cost-effective solutions for their clients, and are more likely to prioritise price above other factors such as the quality of coverage or the reputation of the insurer.

As price appears to be the primary determining factor for insurance broker recommendations, it can create a challenging environment for insurers; with transparency of pricing decisions and risk appetites along with seeking differentiation in propositions and coverage.

Brokers consider the strength and quality of their relationships with insurers to be highly influential in their decision-making process and insurers must consider how they are able to maintain strong relationships in an every digital and hybrid working environment.

The insurer interaction model is changing with less face-to-face

Despite the traditional model being predicated on significant in-person interaction across many parts of the market, the insurance industry has adapted well to the hybrid working model. For brokers, the transition to hybrid working has been significant and now finds most brokers (54%) maintaining the new norm.

Figure 3. Trends seen by Broker Post-Pandemic

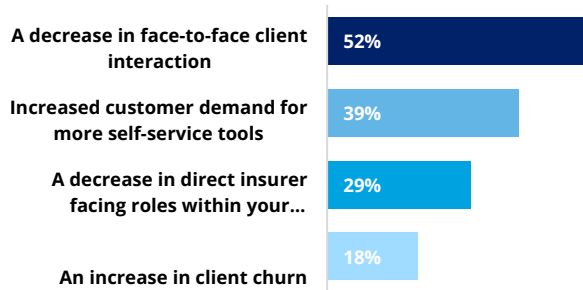


Figure 4. Current Broker Employee Ways of Working

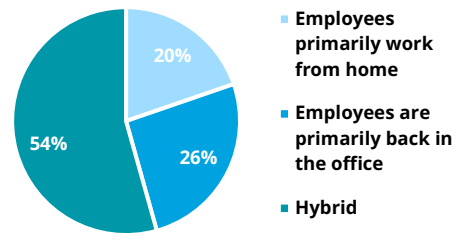
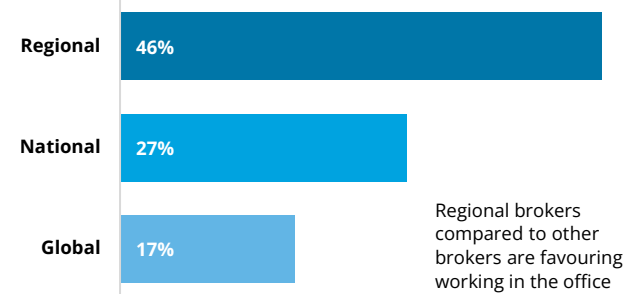


Figure 5. Broker Employees Mostly Working from the Office



Calls to Action:

The industry is becoming more digital. There has been a movement away from face-to-face and continued adoption of digital practices. Insurers and brokers must invest to capitalise on these new capabilities through targeted plays.

The role of brokers is changing. Moving digitally and relying less on face-to-face interactions brokers may be expected to spend more time on other tasks, such as analysing data and developing customised insurance solutions for their clients.

Insurers can support effective digital practices. As face-to-face interactions with insurers becomes less frequent insurers need to adapt to the changing practices; with investment in digital channels or building propositions that brokers can market effectively.

Servicing diversified channels require a seamless experience across channels and insurers will need to bring brokers along that journey.

Customer expectations are changing. The decline in face-to-face interactions may be seen in customer facing roles, with customers more comfortable with digital channels and prefer to communicate with their brokers online or through other digital means, but not at the expense of neglecting the relationship.

Normalisation is being seen in how the market is traded in a hybrid world

The pandemic has brought about a shift in the way the marketplace operates, accelerating a transition to technology supported trading with many insurers supporting online placement practices, making it easier for brokers to access insurance products and services remotely. Whilst this move was already in flight for personal lines to mid market commercial, speciality and reinsurance have seen the starkest chest.

The consequence has been the decline of face-to-face interactions. Previously a staple in discussions of how relationships are built in insurance, face-to-face interactions are noted as being less significant by brokers; with such interactions considered 'extremely important' by only 7% and 'very important' by a third of those surveyed. This trend was acknowledged by over 50% of brokers. This directly challenges the role of Relationships in the top three drivers for placement meaning that interactions between brokers and insurers are more valuable than ever. During and since the pandemic, client interactions have also changed, with a significant decline in face-to-face meetings.

Hybrid working is here to stay for now

With 54% of all brokers responded that they are now working in a hybrid manner post-pandemic and 67% of brokers reporting that they believe there will be more remote working in future, hybrid working does not appear to be a short term, temporary feature of the industry. Our survey suggests that whilst brokers may prefer to retain some face-to-face interaction, they are also welcoming the benefits of hybrid working such as cost savings and improved work life balance.

Broker technology and the integration to carriers is considered largely not fit for the future

Technology is a key driver of change in the insurance marketplace. From automation to artificial intelligence, digital tools are reshaping industries. However, when it comes to insurance brokers and their use of technology, it seems that many are behind. Despite the availability of a wide range of digital tools that could help brokers improve their business processes, enhance customer service, and increase revenue, many brokers cite continuing to rely on outdated, manual processes that are not fit for the future.

In the future, Brokers anticipate a **far more technologically supported environments** with many of their own processes needing to be replaced or upgraded with new technology. This trend is not limited to internal workings, with brokers expecting a **growth in digitally traded business and self service capabilities provided by insurers**.

The prospect of widespread automation remains under consideration; Technological obstacles have a significant impact on brokers' daily operations, necessitating manual processing, administration, and time-consuming workarounds. As a result, 70% of brokers firmly believe that a minimum of 50% of their business processes are still awaiting sensible automation or streamlining through technology. **Our survey indicates that although the majority of brokers anticipate further automation in the future (73%), Global brokers, in particular, envision the advent of automation on the horizon, with over 80% expecting the automation of manual tasks through technology.**

Fig 6. Utilisation of digital tools by brokers

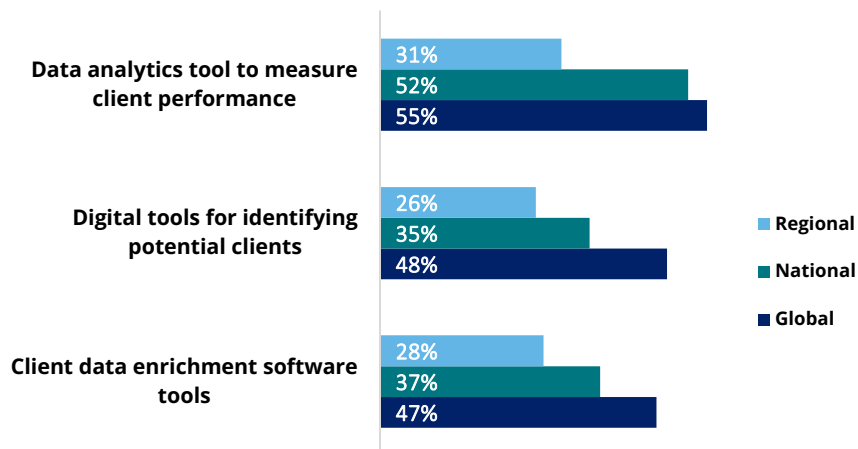
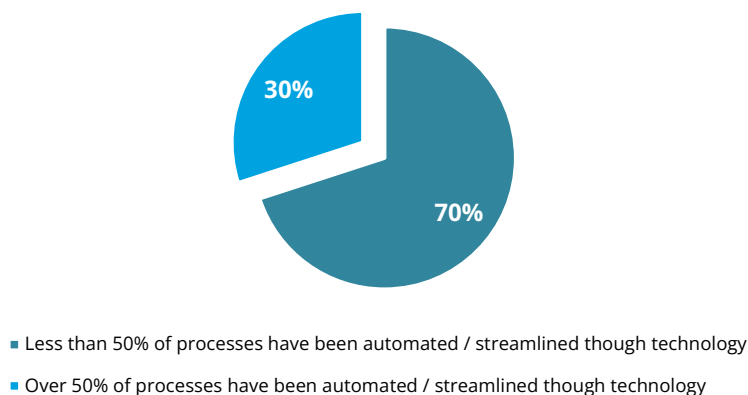


Fig 7. Current processes which have been automated or streamlined through technology



Calls to Action:

Brokers lack end to end integrated digital capabilities which limit the ability to flexibly respond to changes and adopt new solutions

Core systems lack integration capabilities and offer little to no avenue to achieving true interoperability with carriers at an appropriate effort – cost intersect.

Most broker and insurers utilise e-trade capabilities but continue to transact via manual or case by case processes in other segments including hard to place risks which otherwise could have benefited from technology.

Data, Analytics and AI is not consistently leveraged at scale with exploratory discussions likely to be the current trend rather than wholesale adoption. Market experience suggests that brokers are however starting to invest in these solutions at pace and this will likely change rapidly as a statistic.

Automation or technology augmentation may still be used to change individual roles with most brokers expecting further change and technology.



The skills brokers need are changing with the ongoing opportunities presented by technology, data and analytics

As the insurance industry continues to digitise, while traditional skills remain crucial there is an increasing demand for digitally native skills, particularly within global brokerages. Brokers must build expertise in automation, AI, machine learning, and data analysis to remain competitive.

Brokers recognise a **balance between human and technical skills** but identify that there is a need for an incremental **step change in their data and analytical capabilities** alongside traditional skills in order to be fit for the future.

72% of brokers believe their future ways of working will involve new or upgraded solutions, processes or tools with 70% expecting their roles to rely on new or upgraded technology. Data and analytics will be undeniable at the heart of this transformation. Brokers anticipate that simpler businesses will increasingly be automated, particularly those with lower premiums in the sub £100K range with up to 80% automation in these placements in the future.

By product line, brokers expectations show different expectations for skill focuses:

- **Accident & Health (A&H)** - Over 60% of Brokers anticipate that digital skills and capabilities will play an increasingly important role in the future.
- **Aviation** - Over 70% of Brokers foresee technical skills as increasingly important, especially with the abundance of sector data available to support smarter placement and risk management.
- **Cyber** - As a competing trend, around half of Cyber brokers anticipate a need for more human interactions with a greater focus on technical specialists as opposed to technology and technical sector knowledge improvements where the line may already be considered strong despite significant market complexity advancements.
- **Property, Casual, Liability and Motor Fleet** focused brokers tended to follow the aggregate response across expected skills.

Are brokers responding to these changing skillset needs?

Three quarters of brokers believe that their organisation does not provide tailored development planning to meet their future needs, with only 31% reporting that the learning opportunities on offer will meet their future needs for both digital and soft skills.

Fig 8. Anticipated change in technology used by broker employees in the future

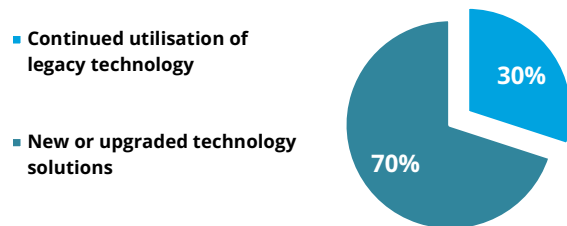
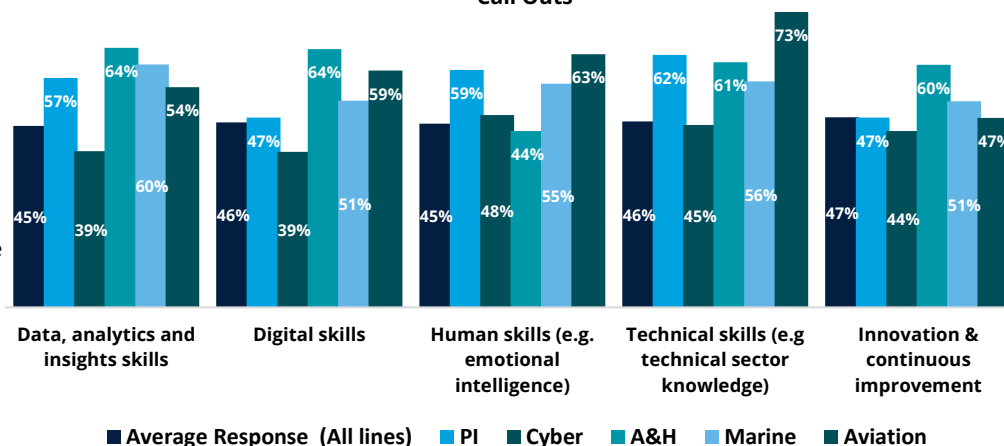


Fig 9. Broker skills required for the future including Specific Line of Business Call Outs



Calls to Action:

Skills that brokers need to be effective will change with the adoption of technology – this will pick up pace and require **innovate solutions such as out of sector hiring**. Brokers must **do more to prepare their people to deliver against changing skill expectations**.

Insurers should consider how broker advancements will affect their own relationships, trading and operating models

Surprisingly, brokers expect a greater focus on analytical skills versus relationships, with a particular change for Global and National brokers.

Product and segment will determine skill focuses in the short term with those segments historically reliant on manual trading means most affected.

Brokers anticipate greater automated and self-service capability. 69% responded that they expect more interaction with self-service portals, AI and algorithmic capability in the future. This is especially relevant to Global brokers with 85% believing this trend will hold true for them.



More fulfilling digital trading is on the horizon, and it is approaching fast

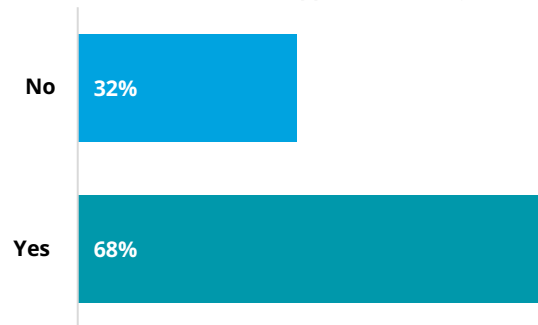
The insurance industry has been incrementally building digital trading capability but recognition is required that brokers and carriers need to collaborate to nurture adoption and to maximise mutual operational and trading efficiencies

The most recent trends in broker activity have set the scene for growth in digital trading

Growth of eTrade capabilities and appetite is setting the scene and hybrid working is adding to that.

Digital trading is already a meaningful part of brokers business with 89% of brokers utilising an insurer provided digital tool and most brokers either placing or servicing business via an insurer portal.

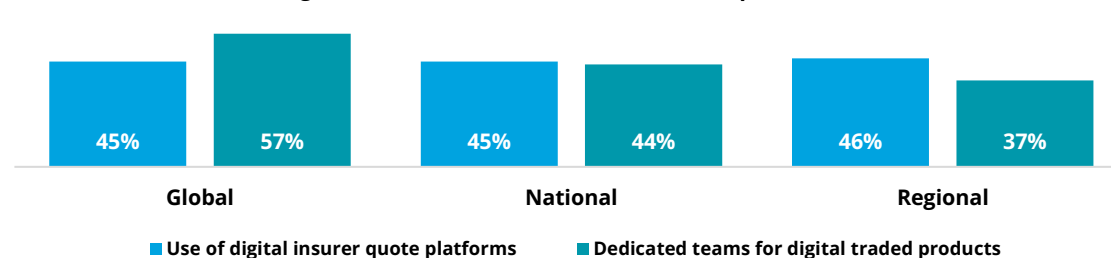
Fig 10: Current utilisation of insurer portals by brokers in support of trading



Brokers recognise the importance of receiving support from insurers in order to facilitate a successful digital transition and trading route. To achieve this, brokers emphasised the need for improved digitally aware relationships with insurers, enhanced trading tools and support, and ensuring that complex cases especially for mid-market clients are not overlooked by simplistic solutions or lack the drive to leverage technology. By addressing these areas, insurers can strengthen their collaboration with brokers and effectively navigate the digital landscape.

- A significant proportion of surveyed Brokers expressed that the trajectory of digital trading will continue, exemplified by Brokers who are accustomed to face-to-face interactions swiftly readjusting to offer uninterrupted service to clients
- 43% of brokers already are satisfied with digital trading solutions (responding very or extremely satisfied), with the other 57% requiring more change and support from insurers.
- To build digital trading platforms that enable brokers and simplify placement insurers may consider support for adoption, servicing products across the range of complexities, integrating with diverse systems and delivering against broker value drivers.

Fig 11. Broker utilisation of insurer e-trade platform



Calls to Action:

Digital trading is here to stay and will grow and is strengthened by situation the market trends post Covid-19 – investment in digital capabilities should be sustained

Insurers and brokers must balance improving digital capability whilst encouraging and developing mutual trading relationships.

Although not all lines of business or segments have utilised aspects of digital trading, deploying efficient platforms is likely to deliver efficiencies across segments and portfolios in order to develop economies of scale.

Whilst the market environment might encourage greater focus on digital trading, with increasing operational costs and pressures on overall costs to clients brokers continue to be aware of relationships as a factor in their placement decisions suggesting that to improve relationships, insurers have options that can be delivered alongside digital trading:

- Improving service standards
- Develop open and clear communication regarding risks
- Have a consistent risk appetite

ESG is yet to be prioritised at scale by many brokers

Many brokerage staff still consider ESG a minor or longer term future challenge and are faced with a lack of understanding of the topic, notwithstanding its growing significance in the insurance market.

Brokers are unprepared for the challenges posed by ESG, with many indicating that they do not understand its impact on their business (41%).

Despite the lack of understanding for many brokers, the frequent industry press on the topic and global awareness of the challenges of for example climate change, concern for ESG impact is relatively low compared to other external challenges. Whilst most brokers consider ESG a challenge they face (68%), there are many (32%) that do not consider it a challenge and the majority view ESG as a minor challenge to their businesses (53%).

Fig 12. ESG as a challenge to brokers and their trading

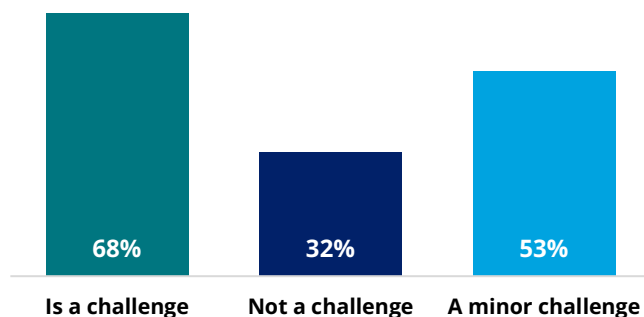
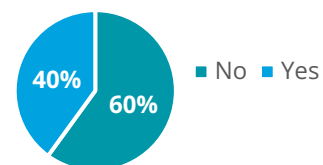


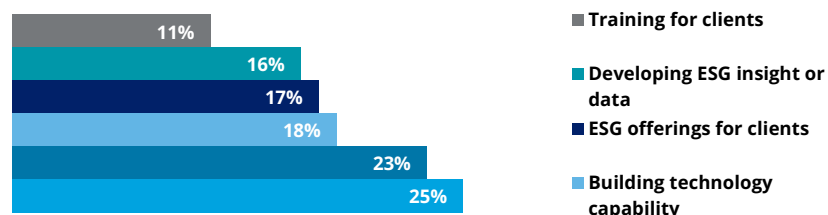
Fig 13. Proportion of responding Brokers who have an established ESG strategy that is communicated and understood



The lack of concern amongst brokers is also apparent with most brokers (60%) reporting that they do not have or know of their plan for ESG. Those that do have ESG initiatives planned are taking steps to develop internal capabilities, train staff to develop skills, and upgrade reporting and analytics, indicating a recognition of the need to strengthen their advice and propositions in this space.

The most popular response to developing ESG capability is to undertake internal training (25%) although many brokers are exploring a combination of initiatives; developing their skills along with investing in their digital capabilities that support ESG awareness and trading.

Fig 14. What do brokers have planned to prepare for ESG?



Global Brokers are most likely to understand ESG and its impact on the market with an above average understanding and are the most likely segment to have an appreciation for the topic. 33% of global brokers indicate that internal training is an initiative their organisation is investing in, contrasting the regional and national brokers that report less than 20% believe they will receive training in the short to medium term.

However whilst 72% of Global brokers may understand the impact of ESG 52% responded that they had no actual planned initiatives for ESG. This compares to 66% of National brokers and 70% of Regional brokers.

Calls to Action:

Taken together, this suggests that, **whilst ESG is an increasingly important topic for insurers, brokers have yet to prioritise the topic.** play to an active role in ESG awareness and adoption to such brokers.

As the **insurance sector and other industries confront the formidable hurdles presented by climate change** and other environmental, social, and governance (ESG) concerns, brokers may increasingly accord importance to this matter. **This is especially true as clients seek specialised knowledge and guidance to effectively mitigate their risks.**

As insurers develop propositions that focus on **ESG aware solutions**, this may lead to the **expectations and capabilities of brokers developing more** in this topic outside of Global Brokerages at a faster pace. Insurers have the potential

Broker Personas



Broker Personas

Commercial insurance brokers in the UK can be identified through a wide range of definitions, resulting in a diverse array of broker types. The lack of a universal categorisation for brokers in the industry makes it challenging to standardise these types. However, in this survey we employed the most commonly used commercial broker labels for consistency.

- **Regional insurance brokers:** These brokers operate within a specific region or area, providing insurance services to local businesses.
- **National insurance brokers:** These brokers operate across the UK and provide insurance services to businesses in different regions.
- **Global insurance brokers:** These brokers operate internationally and provide insurance services to businesses with operations in different countries.

Although brokers across the spectrum agree on certain core principles, our survey found that there are some key questions on which they do not see eye to eye.

Challenges

National and regional brokers found common ground in recognizing that their biggest challenge was the rise in insurance premiums. On the other hand, global brokers identified broader economic and social factors as their primary challenge at present.

Digital tools

All types of broker are more likely than not to be using insurer provided portals to help clients. Although Global Brokers are the least satisfied with these tools (or at least not excited by them).

Digital Tools

Regional brokers less threatened by Digital Disruptors than other broker type with only 7% considering it a challenge to their industry.

Trading

Price is the number driver for placement of business regardless of broker type with 79% of respondents stating that it impacted where they placed their business.

Whilst others provide a direct comparison or are diverging for broker segments

Ways of working?

Hybrid is most likely for brokers – except for regional brokers – who 46% are back to the office

Digital tools

Regional brokers lag the market for uptake on other tools such as tools for identifying clients or analytics to measure performance

Digital Tools

Global Brokers see an emphasis on analytical and technical based skills being underpinned by more interaction with automation and self service tools

Internal challenges

Legacy and capacity is significant for Global brokers

Market consolidation

Global brokers are worried about this to the tune of 87% (across major and minor challenges) with 67% considering it major

ESG as a challenge

Nearly half of regional brokers do not consider ESG a challenge (47%)

In comparison 77% of global do – whilst the majority of this is minor (50%). National brokers also seeing the challenge with 72% considering a challenge

ESG understanding

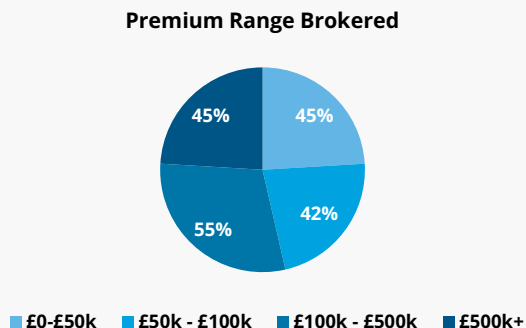
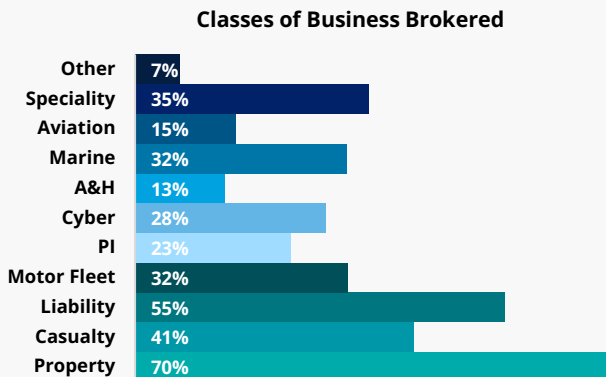
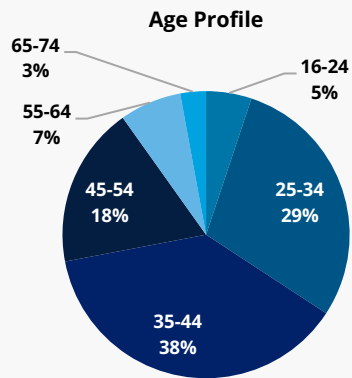
Global most likely to understand ESG impacts (72%) vs much lower for national and regional (58, 42 % respectively)

Response to ESG

Whilst training for staff is the most significant result – this is focused in the global space where 33% indicate that is the plan. In regional and national brokers less than 20% believe they will receive training

Whilst personnel is considered by the same % of national and regional brokers; the challenge for regional brokers is considered more significant (25% think it's a major challenge)

National notably lower on major challenges although



Global Brokers

27% of our survey was made up of Global Brokers



“Global brokers are more sensitive to ongoing Social & Economic factors with 50% of respondents noting it as the number one challenge to their industry”

“As a Global Broker, my clients mainly consists of Large and Mid-Corporations, with the majority of their Gross Written Premium falling between £100k to £500k. The placement of my business is primarily determined by the price and relationships with my clients. To support my role, I leverage technology and data, recognising innovation and technological advancements as crucial changes for the future.”



Key Insights

- Global brokers describe a more wider and consistent use of digital trading platforms than other brokers with a dedicated teams sitting within the organisation for SME and similar risks. Digital placement is also more readily adopted for larger and/or specialty risks.
- A significant majority of the respondents, 70%, expressed the belief that they would engage more with digital portals and have fewer interactions with humans in the future.
- In the future, Global Brokers are expected to increase their business transactions with Insurtech companies in comparison to National and Regional brokers.



Needs / Goals

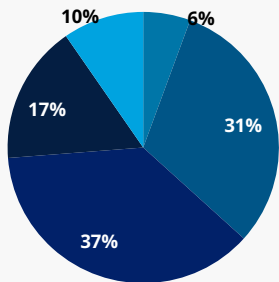
- One-third, of the respondents reported a shortage of organisational resource capacity and skills.
- The necessity for enhanced innovation and technology was recognized by 65% of the participants.
- Within their organisation, more than half of the respondents (52%) believed that they required upgraded technology and processes to continue to be operationally effective.
- Global Brokers anticipate that more technology and data based skills and roles will be required in the future.



Concerns

- Half of the respondents expressed concern over broader socio-economic factors, which Global Brokers consider to be a more significant concern than other issues.
- Global Brokers expect to face greater competition from FinTech companies compared to other brokers.
- According to the survey results, around a third of Global Brokers were worried about the challenge posed by legacy technology within their workforce vs advancements by their peers.

Age Profile



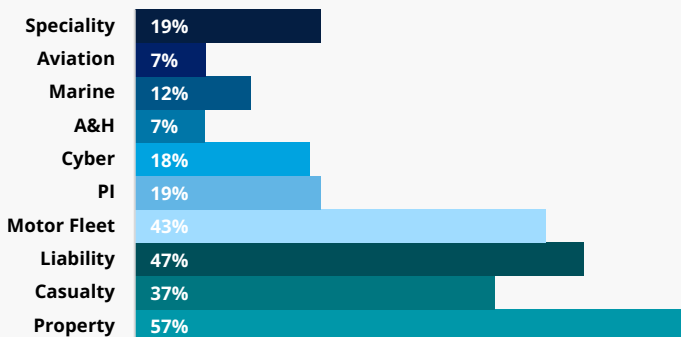
National Brokers

46% of our survey was made up of National Brokers



“National brokers feel less threatened with competition from InsurTechs than other type of brokers”

Classes of business brokered



As a National Broker, I mainly cater to SMEs and mid-sized corporations, with the majority of my clients' Gross Written Premiums falling between £100k to £500k. My placement of business is primarily determined by both price and relationships. To support my role, I utilise technology and data, along with risk management tools provided by insurers, to help my clients manage their risks.



Key Insights



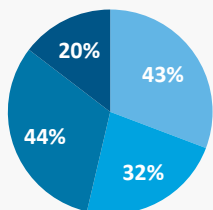
Needs / Goals



Concerns

- National Brokers interviewed primarily deal in General Lines insurance, encompassing Property, Liability, Casualty, and Fleet.
- Market consolidation is a relatively minor concern for National Broker respondents, with only 17% of the respondents feeling apprehensive about this challenge.
- Compared to other Global & Regional Brokers, National Brokers appear to rely more heavily on insurance risk management advice and guidance from Insurers.
- National Brokers, surpassing all other types of brokers, have observed a substantial upswing in the request for self service tools from their end insured clients, with 45% of them recognising this prevailing trend.
- Among National Brokers, skills related to data, analytics, and insights received the highest ranking for becoming increasingly crucial in the future.
- Over 58% of National Brokers expressed their desire for greater transparency from insurers regarding their risk appetite.
- National Brokers cite facing a significant challenge due to the sharp increase in insurance premiums, which is a major concern for 46% of the respondents, followed closely by the related surge in claims inflation, which 42% of the respondents see as another major challenge.

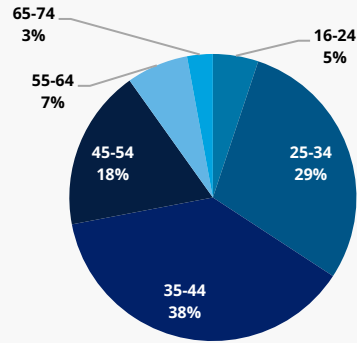
Premium Range Brokered



■ £0-£50k ■ £50k - £100k ■ £100k - £500k ■ £500k+



Age Profile



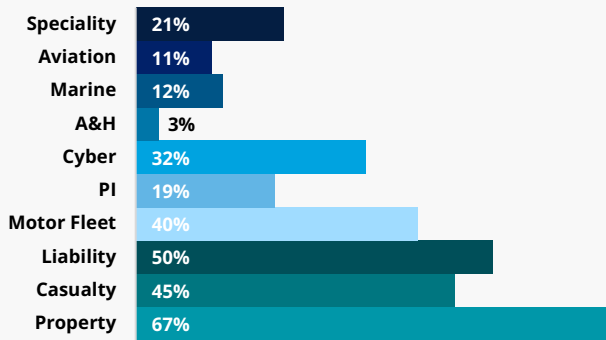
Regional Brokers

14% of our survey was made up of Regional Brokers



“Regional brokers are feeling the most pressure from premium rises. 50% of respondents selected it as a major external threat to their business”

Class of business



“ My expertise lies in catering to the needs of small and medium-sized enterprises (SMEs) and mid-sized corporations across the country as a broker. I primarily deal with clients whose Gross Written Premium (GWP) falls within the £100,000 to £500,000 range. When placing business, my primary focus is on the cost and the quality of relationships. I use a combination of technology and data to streamline my work, and I also leverage insurers' risk management tools to help my clients manage their risks effectively. ”



Key Insights



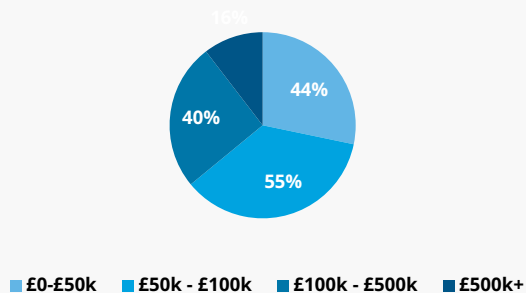
Needs / Goals



Concerns

- Only 7% of Regional brokers see the threat posed by digital disruptors as a significant challenge they face, according to a recent survey.
- When it comes to placing business, Regional brokers place great importance on the proposition put forward by insurers, with 68% of respondents citing it as the second most critical factor after price.
- A majority of Regional Brokers (58% of respondents) expect to increase their business placement via technology enabled placing platforms or tech integrated insurers in the future.
- For Regional Brokers, price is the primary motivator when it comes to placing business with insurers, with proposition coming in a close second.
- According to our survey, 36% of respondents cited a shortage of personnel as a significant internal challenge for regional brokers, reinforcing recruitment challenges that are faced by the industry.
- According to 59% of Regional broker respondents, insurers could improve their service by adopting more open and transparent communication.
- Regional Brokers have identified the increase in insurance premiums as their top external challenge, with almost half of the brokers (50%) listing it as their number one concern.
- Brexit impact remains a significant issue, with 26% of respondents across all broker types citing it as a challenge. Among all broker types, regional brokers expressed the greatest concern about Brexit impacts on their clients and the implications or complexities on their insurance coverage.
- Digital Disruptors were cited as a lesser threat to regional brokers than to other types of brokers, as only 7% of them view it as a challenge to their industry.

Premium Range Brokered



Appendices & End Notes

Demographics and Methodology

Deloitte collaborated with YouGov to conduct a comprehensive survey of Brokers in order to further comprehend and support their approaches to engagement with Insurers from a Distribution standpoint. The survey was disseminated across the UK to 351 respondents, working across Local, National, and Global Brokerage organisations. The respondents were diverse in terms of age, with 37% belonging to the age group of 35-44. The majority of respondents (53%) identified their role as "Insurance Broker" with the highest proportion of participants working in a National Brokerage or outside of London.

The survey analysed a range of insights across various demographics, taking into account age profiles and roles. Deloitte was particularly keen on exploring factors that may influence a Broker's distribution proposition, focusing on key topic areas such as Ways of Working, Broker Technology, ESG, Price and Placement and Skills and Capabilities. Deloitte analysed the responses from various Brokerage types and identified pertinent insights, while also highlighting outliers, with supporting explanations.



Table 1. Percentage breakdown by Region

	UK
Base	
London	17%
South East	15%
South West	5%
Midlands	8%
North East	2%
North West	11%
Scotland	7%
Yorkshire & Humber	7%
Northern Ireland	5%
East of England	9%
Wales	2%
Nationally	12%

Table 2. Percentage breakdown of Brokerage Types

	UK
Base	
Global	27%
National	46%
Regional	14%
Other	13%

Table 3. Percentage breakdown of Age Respondents

	UK
Base	
65 - 74	3%
55 - 64	7%
45 - 54	18%
35 - 44	38%
24 - 34	29%
16 - 24	5%

Table 4. Percentage breakdown Role Profiles

	UK
Base	
Insurance Broker	53%
Client Executive	24%
Director	5%
Account Manager	6%
Claims Broker	6%
Risk Consultant	3%
Other	3%

A total of 351 Brokers were surveyed across the UK with representatives from Global, Regional & National Brokerages.



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