

The brokers of tomorrow

By Ahmad Zaki (/Authors/AuthorsDetails/id/46104) | 21 Mar 2018



The three opportunities brokers should capitalise on are technology, SMEs and cyber insurance, said the collected speakers at Asia Insurance Review's 6th Asia Insurance Broker's Summit.

The world is in a state of constant change, said Mr Jeremy Lee Eng Huat, Director of Consumer and Market Conduct Department at Bank Negara Malaysia. The challenge for brokers and the insurance industry, is to keep pace with those changes and continue to serve the economy and society.

“Two requisites must exist for anyone to remain ahead of the curve: One, we must be much more adept and intuitive in anticipating future trends – environmental awareness, intellectual curiosity and acute foresight are absolutely critical in this respect. Secondly, we must master the tools that will allow us to adapt quickly and effectively,” he said.

Mr Sendy, CEO and President Director of Futuready Insurance Brokers, noted that for a broker, there is absolutely no difference between a traditional insurer and an InsurTech firm. “I don't see why we differentiate between insurance and InsurTech, as if InsurTech is an entirely different industry. This is an important issue for brokers, because we believe that our business lies in traditional brokerage, but the entire world is going digital. And we happily submit the digital space to something called InsurTech. And what that happens, we're letting our business go by accepting a difference between traditional and InsurTech. We shouldn't let InsurTech be the sole player in tech game.”

Looking out for the little guys

SMEs also represent a huge untapped market for brokers and insurers, especially in Asia. “In Malaysia, there are more than 900,000 small and medium enterprises (SMEs) and they provide more than half of the country's employment. The SMEs also account for more than a third of the country's GDP. However, a significant number of these SMEs do not have adequate insurance coverage,” said Mr Lee.

He brought up the example of insurance brokers in the US and the UK, who have managed to become a vital enabler for the smooth supply of insurance to this market segment. “Insurance brokers in the advanced countries have reinvented the user experience design, compressing the complexity into simple, convenient, and intuitive solutions for SMEs,” he said, urging Asian brokers to embark on similar approaches.

A better firewall

Connected to the issue of SMEs and their lack of insurance, is the matter of cyber security. Mr Troy Filipcevic, Founder and Managing Director of Australian cyber security firm Emergence, said that brokers need to change the mindset of business owners regarding cyber security and insurance.

“Cyber security is a business problem, not an IT problem. Businesses need to think about it more critically, because it will have an impact on their business,” he said, adding that the number one vulnerability in the security infrastructure of a company is its employees.

“Cyber insurance needs to be positioned to protect the business from the mistakes an employee makes,” he said. The most basic issues such as weak passwords, misplaced work laptops and falling prey to phishing e-mails are easily solvable and brokers can be instrumental in this solution.

The summit was organised by *Asia Insurance Review* and co-organised by AMTD Group and Steadfast Group. It was held in Kuala Lumpur, Malaysia, on 13 and 14 March.

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