

# W+K APIG SCHOLARSHIP

## 2015 WINNER'S SUBMISSION

Kristine Salgado | Willis Australia

*Share your views on the present and/or future for the insurance industry from a perspective that affects your position.*



Cain Jackson (Partner, Wotton + Kearney), Kristine Salgado, Lisa Biggar (AIG and APIG National Committee).

### Insurance is EXCITING.

This word isn't commonly used to describe an industry where, at the mention of the word *insurance*, images of con-artists, sales people and ever increasing car insurance premiums spring into the minds of family and friends!

All through my Finance degree I was convinced my destiny was to be employed by one of the 'BIG 4' Australian banks; after all isn't that what everyone with a business-related degree wanted? If I'm being honest the thought did enter my mind...*insurance...really?* Isn't that limited to the realms of call centres, door to door sales people and individuals named "Jason" who sell home and car policies?

As the current chairperson of the Willis Victoria Young Professionals (YP) Committee, and an Account Manager in the financial lines (FINEX) division, I am vocal of the countless opportunities I have received whilst in this industry (and have even attended a university careers fair to speak to graduates and try to dispel industry misconceptions). I am heavily involved in developing the YPs of Willis, organising events which build and strengthen market relationships and training sessions to develop a wide range of skills. Within the FINEX team I have championed transitions to processes which create improved efficiencies for brokers and therefore provide better service to clients, and also trained and developed new team members.

Insurance, and in particular the financial lines sector, is unexpectedly challenging but incredibly thought provoking. We are entering a stage in the insurance life cycle where it is more important than ever to balance

the traditional approach, with its steady attitude and strong focus on relationships, with the constantly evolving new world character in which clients demand more innovation and businesses must embrace rapid modernisation or cease to remain relevant. The definition of innovation itself is also vastly different from what it used to mean. Innovation publications now talk about advancements in human genome mapping and research that could lead to declines in dementia and other diseases, and improvements in aerospace engineering which will dramatically change transportation as we know it<sup>1</sup>.

The current 'hot-topic' risks link to some of the major issues facing the world today. Risks now go beyond the traditional 'bricks and mortar' exposures and businesses are no longer being confronted with only a handful of easily identifiable market disruptors. Disruptors are now risks like climate change, cyber-crime, rapid digitalisation and political instability.

One of the biggest challenges companies face is tremendous pressure to transform digitally to avoid irrelevance. Changes which stem from a snowballing reliance on technology can lead to an increased need for insurance policies which have never played a front role in the minds of clients and insurance professionals. For example driverless cars may spell the demise of car insurance, but this could be balanced by growth in Professional Indemnity insurance which protects the engineering and design risks behind this technology.

The overarching lesson is clear: the insurance industry needs to proactively develop solutions to partner with businesses and manage emerging and future risks together. What generations of insurance professionals have come to expect from the industry is rapidly evolving. Traditional insurance products are fast losing relevance, replaced with a need to provide protection for risks that arise from intangible services. Future risks create an exciting opportunity for the financial lines market to demonstrate value and generate innovation. With the benefit of hindsight and the eagerness of foresight we need to challenge the status quo, push boundaries, and discover new opportunities.

The insurance industry, and its future, is **exciting**. I cannot think of a better word to describe our industry.

### Kristine Salgado

<sup>1</sup> "The World in 2025 – 10 Predictions of Innovation", a paper compiled by Thomson Reuters