

The problem with talent

Levels of frustration among talented brokers is running high – expect an exodus of talent to smaller firms where creativity and innovation are back on the table, says Mike Schnur, partner at TigerRisk.

Frustration with the growing levels of bureaucracy that exists in the industry's big three brokers is spiralling out of control and there could soon be an exodus of senior talent heading for pastures new as a result.

That is the stark warning from Mike Schnur, partner at TigerRisk, the reinsurance broker formed almost five years ago by industry veterans Rod Fox and Jim Stanard. Since then, the company has attracted an impressive pool of talent and big names away from the bigger players and he says this flow of talent into smaller players is only going to increase.

"We are talking to a lot of senior brokers at

the big players at the moment and there is universal frustration out there," Schnur says. "They feel they just don't have the chance to make a difference to their clients. These are creative, intelligent, innovative people and they are looking for something new."

TigerRisk has attracted a number of senior people to its ranks, most with more than 20 years' experience. He says staff enjoy the feeling of being truly part of a team again instead of feeling they have to protect their own clients to justify costs, expenses and the size of departments.

"People enjoy sharing ideas and creativity and being part of a team," Schnur says. "We



Mike Schnur, TigerRisk

work together and help each other in every way we can and the clients benefit directly from that.

"I have spoken to a number of senior people lately and I anticipate an exodus of talent very soon, not just to us but to smaller brokers generally. The levels of frustration are as high as I have ever seen them." ●

Beazley targets regional growth

Despite some big losses in recent years, regional US insurers represent good business opportunities for reinsurers, says Patrick Hartigan at Beazley.

While insurers that specialise in specific regions of the US have endured a torrid couple of years in terms of losses, these markets remain resilient and can provide good opportunities for growth and diversification for reinsurers, says Patrick Hartigan, head of Beazley's reinsurance team.

In 2011, 1,691 tornadoes hit the US – the second highest number on record – and 2005's Hurricane Katrina was one of the costliest events in US history. But despite these record losses, Hartigan says regional clients have responded well. Most have increased rates and deductibles. Because of these changes, business is now becoming more sustainable.

"We're getting encouraging signs from clients and it's one of the key areas of business that we are looking to develop," he says. "I also think we'll see increased demand on a severity and

frequency basis, and we feel we can provide the solutions clients and brokers are looking for at an appropriate price."

Hartigan also believes providing more support to single state mutual and farm bureaus will provide diversification for Beazley, offsetting its exposure to larger companies with nationwide or coastal exposures.

In addition to the treaty portfolio, Beazley has teamed up with several US insurers involved in both health care and commercial lines to sell their professional and management liability products through the insurers' more extensive distribution channels in the US.

"We have been embedding our specialist products within their suite – we effectively manage the claims and the companies are able to sell a much broader package of products to their customers," he explains.



Patrick Hartigan, Beazley

The company's privacy breach and cyber risk packages have also been successful. Earlier this month, Beazley announced a deal with Premier's healthcare alliance, which includes more than 90,000 healthcare sites and 2,700 hospitals.

Premier will now offer Beazley's Breach Response package – coverage for breaches affecting up to five million people. It's an area of business that will continue to develop, says Hartigan, as people become more aware of the risks they face and want to ensure they meet regulatory requirements. "It's a high profile product, and cyber risk is an area where a lot of clients are looking for insurance solutions. There is growing demand," he says. ●