



# Considering the multiple implications of Brexit across Insurance classes

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# Introduction / housekeeping

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Welcome and thank you!

Webinar format – muted and video off. Interactive features – polls, Q&A

60 minutes including short period of Q&A



Diane Jenkins

- Background in Insurance Broking Sector – technical programme design, M&A due diligence, BI reviews
- Former chair and education secretary of London Business Interruption Association

Nick Thomas & Associates

- Specialist training, coaching and consulting to the UK Insurance Sector
- Technical insurance, sales, business and soft skills, compliance training

# Objectives

- Understand the impact of the Brexit Withdrawal Agreement /UK-EU Trade Cooperation Agreement on the main classes of general insurance
- Be aware of issues that may affect clients
- Know what specific solutions to the issues are available

# Brexit and non-UK cover

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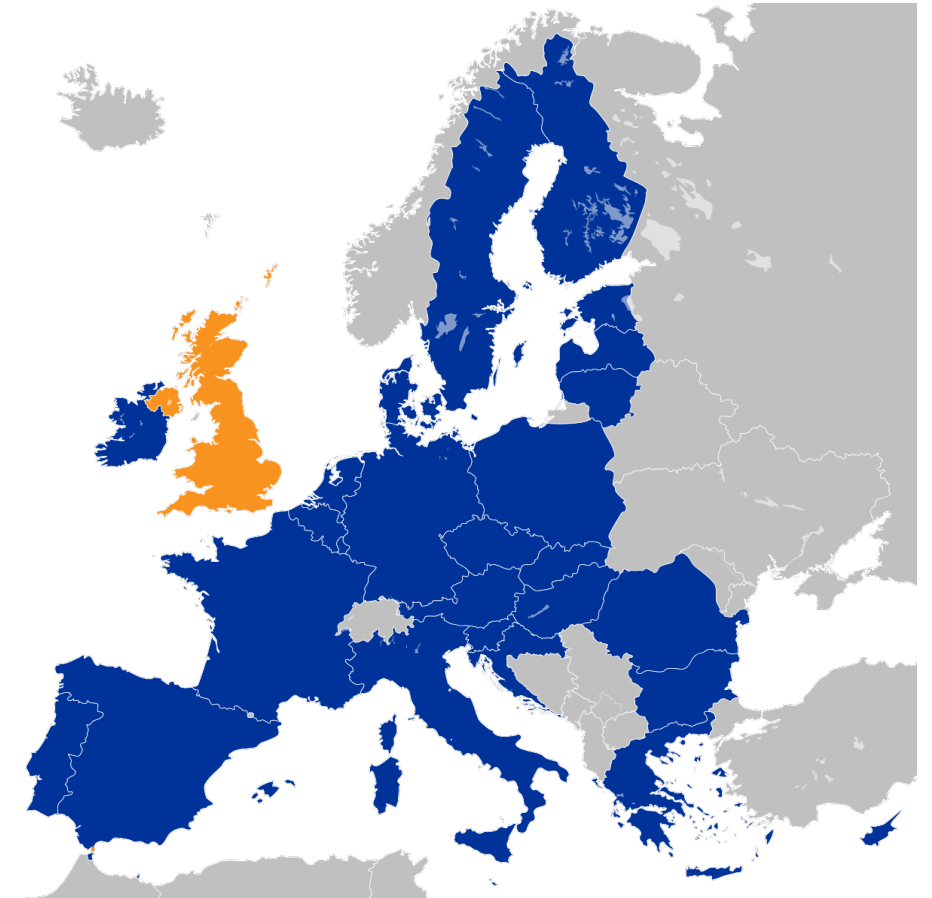
Financial services not in Dec 2020 agreement

UK and EU still discussing financial services – aim to have agreement by March 2021

Freedom of Services policies cannot be issued in UK

Issue as UK policies will be ‘non-admitted’ – issued by insurer not authorised to do business where risk is located

- Some EU countries do not permit non-admitted cover (e.g., France)
- Some EU countries do not permit non-admitted cover for compulsory classes (e.g., Germany)



# Brexit and non-UK cover

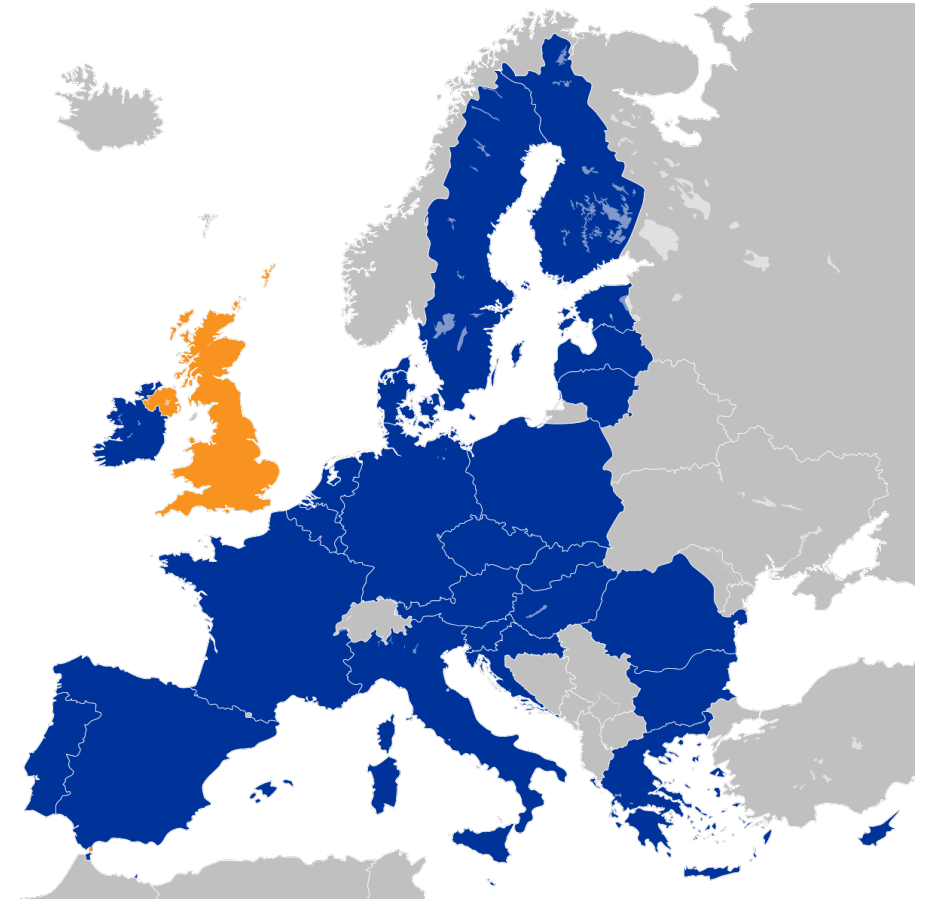
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UK insurers wanting to offer cover in EU will need authority from each EU country (lost 'passporting rights')

- differing rules in each country
- France not allowing UK insurers to offer cover to French residents

Many insurers have set up EU offices (e.g., Lloyd's in Brussels)

Most insurers will automatically transfer EU cover to their EU authorised office



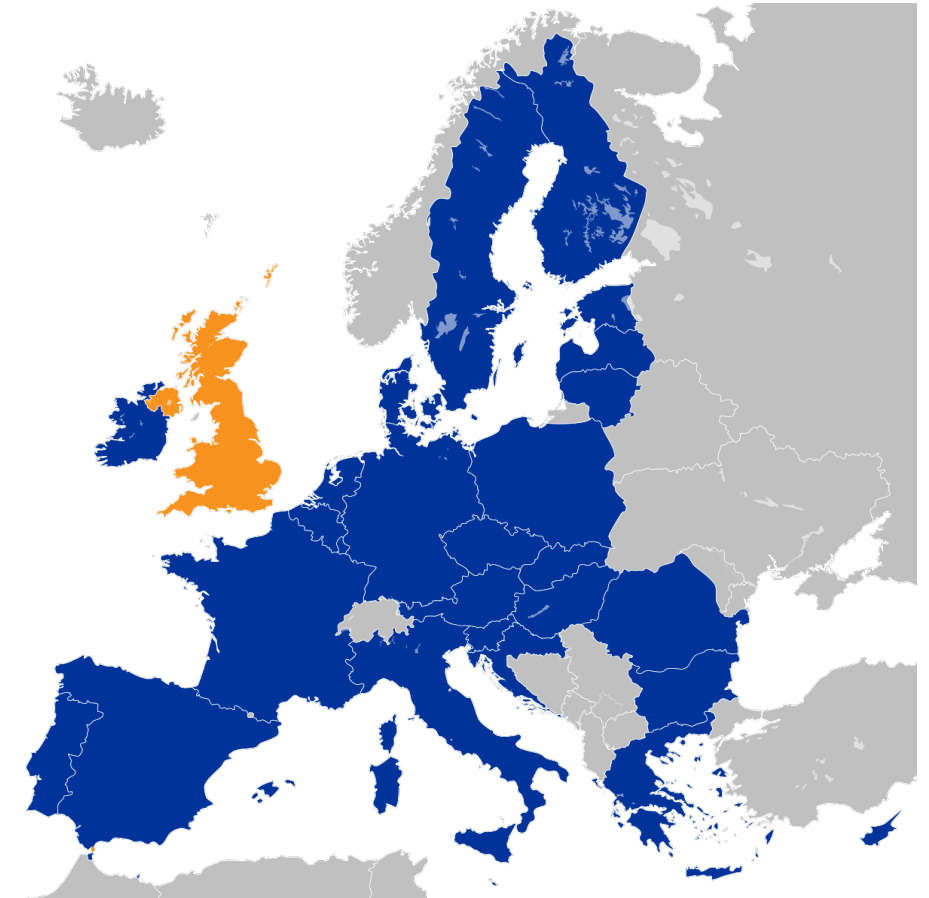
# Brexit and non-UK insurers

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UK have provided temporary permissions for non-UK based EU insurers to continue trading in UK (TPR insurers)

Equivalence for Solvency II

Currently approved EU insurers can service UK business for at least 15 years



# Brexit and property insurance

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## Sums insured need to be reviewed

- raw materials/stock – increase due to delays in supply/delivery
- raw materials /stock – just in time businesses may build up buffer stocks
- declaration basis for stock - -as will fluctuate
- machinery/stock – tariffs, inspection fees, will increase replacement costs
- machinery - may keep additional spare parts
- construction costs may increase (labour shortage)



# Brexit and property insurance

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## Check territorial limits

- some insurers may change EU to UK only

## Check extensions

- will public authorities still include EU requirements
- Check territorial limits stay the same (e.g., exhibitions, capital additions)





# Brexit and BI insurance

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## Review indemnity periods

- machinery and plant may take longer to replace
- raw materials replacement may be more difficult – port delays
- construction labour shortages mean rebuilding may take longer

## Consider need for AICOW

- short term solutions may not be economic
- still need to be necessary and reasonable (agreed with loss adjuster)
- for example – flying in replacement machines instead of sea/road transit



# Brexit and BI insurance

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## Review sums insured

- have costs increased for Brexit, especially carriage and freight
- check for available return premiums

## Check supplier's extensions

- are limits still adequate
- are territorial limits still correct (NB subject to policy territorial limits unless specifically extended)



# Brexit and motor insurance

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Will need International Motor Insurance Certificate (Green Card) when driving in EEC

- proof have required insurance in place
- need physical /printed document
- don't need to be green - can print on white paper (black text)
- need one per vehicle and for trailers which are over 750kgs or braked
- most insurers not charging for pdf document by email but it is a hard market so...

Check that insurer provides cover in countries intend to visit



# Brexit and motor insurance

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UK-based victims of accidents abroad have to make their claims direct to the third party foreign insurer

- claims must be brought in the country where the accident occurred
- any compensation will be assessed under the law and regulations of that country
- Most countries will cooperate on exchange of information (not France)

In the event of an accident with an uninsured or 'hit-and-run' driver, claims must be made to the foreign equivalent of MIB

MIB is no longer able to consider claims relating to accidents caused by uninsured or hit-and-run drivers abroad

Brokers need to consider if they will assist motor clients in these cases



# Brexit and products liability

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Changes to regulatory arrangements may come in future

More insureds will become 'importers' for regulatory purposes (i.e. liable as if manufacturer)

- recovery for products manufactured in and imported from EU may be more difficult
- insurers will take this into account in rating
- will need to be included in information provided to insurers

Mislabelling may become more of an issue for clients - not covered unless cause injury/damage

Goods that have to be recalled because do not carry appropriate EU safety mark will not be covered by insurance



# Brexit and liability

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## Employers' liability

- no immediate change to health and safety regulation
- need to check compliance with EU states workers comp/EL requirements if sending employees to work in EU

## Public liability

- will not be as easy to sue in EU jurisdictions – language/local rules will apply
- non-UK domiciled businesses will need local cover



# Brexit and travel insurance

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Global Health Insurance Card will replace European Health Insurance cards as EHICs expire

GHIC will not work in Norway, Iceland, Liechtenstein or Switzerland

Insurers may ask if visiting countries where GHIC does not work - may increase costs

Refusal to travel for failure to have 6 months on passport NOT covered in travel policies



# Brexit and marine

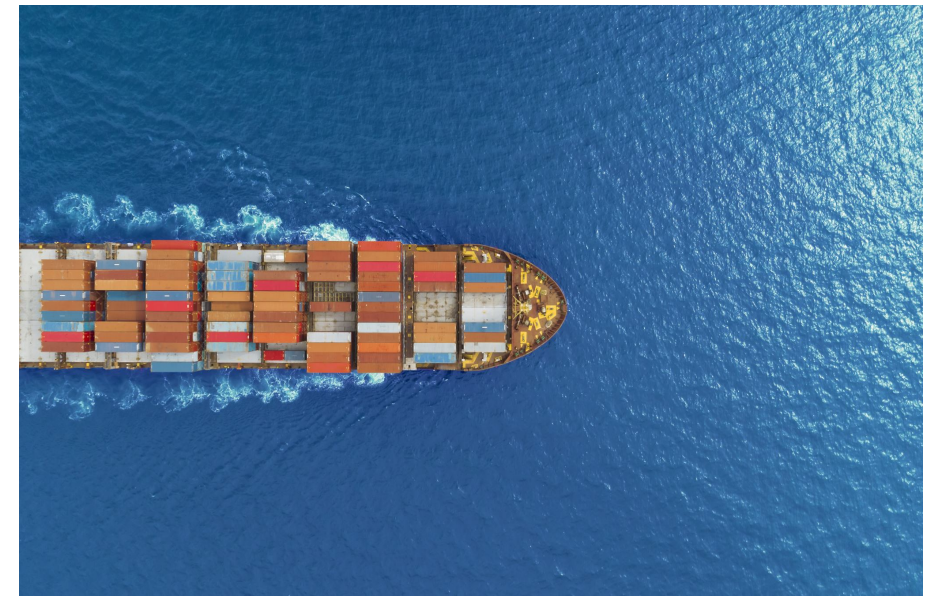
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New trading arrangements causing border and port delays  
(Scottish fish/shellfish)

Port delay not usually covered in 'standard' marine policy

Can buy specific additional cover (Strikes and Delay)

- expensive for perishable goods
- failure to have correct documentation not covered – only causes outside control of insured





# Brexit – other issues

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CII qualifications not automatically recognised in EU

Not all Brokers will have offices in EU to service non-UK policies

May be further issues if UK moves away from regulatory equivalence

FSCS will not apply to non-UK issues policies

Sending data to / receiving from EU – must follow EU GDPR transfer restrictions/regulations. (

<https://ico.org.uk/for-organisations/dp-at-the-end-of-the-transition-period/dp-transition-small-orgs/uk-businesses-and-organisations-who-send-or-receive-data-to-or-from-europe/>)



# What next?

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Session 2: Sales processes, planning and pipeline management

Time: 11am, Wednesday 24 March

Learning:

- Overview core sales process, its importance, and the key activities at each stage
- The advantages of establishing, documenting, and understanding your Ideal Client Profile [ICP]
- Creating your own ICP – multi-factorial approach. Has the shift to remote working and trading shifted the ICP?
- Ongoing qualification of prospects against ICP
- Sales Plans – and core components planning for success
- Pipeline Management and the use of CRM – monitoring performance, gap analysis, adapting strategy and activity, task management etc



# Contact

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