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THE WIRE

2016

Insurance Brokers and ITIC

Welcome to this third special edition of The Wire, specifically for insurance brokers.

The following selection of articles are intended to provide both interesting reading for you and useful information, which can be shared with your colleagues and clients.

Did you know that:

- Over 80% of ITIC's annual premium is produced by insurance brokers and as such the insurance broking community is a very vital part of what makes ITIC the successful insurance company that it is.
- The ITIC website has an area dedicated to insurance brokers, which contains proposal forms, sample policies and details on ITIC's finances.
- ITIC has over 2300 Members worldwide.
- ITIC's gross premium is over USD 53m per annum.
- Free reserves are in excess of USD 134m.
- ITIC's cover is designed to suit individual needs of your client.
- ITIC's cover is provided to professionals in the marine, offshore, rail and aviation sectors.

ITIC
IS MANAGED
BY **THOMAS
MILLER**



Kevin Sandom

ITIC's broker development manager & senior account executive

Number of years at Thomas Miller:

Almost 29 years

Geographic areas responsible for:

South America, Turkey, Belgium and Luxembourg and Scotland

Foreign languages:

Intermediary Spanish

How long have you worked at ITIC?

I have worked in ITIC for just over 9 years having previously worked at the UK P&I Club (part of Thomas Miller), where I was a senior account executive.

What does your role as ITIC's broker development manager entail?

With 80% of ITIC's business coming from insurance brokers, the relationship between ITIC, as an insurer, and the broker is vital. It is important to maintain the strong relationships with the brokers who support ITIC and to develop relationships with those we don't know as well. We also appreciate that not all brokers will regularly see the types of risks that ITIC insures, so we will assist the broker as much as required in their dialogue with their client.

How do you balance this with your other roles and responsibilities?

Like all things in life, it's a challenge but we have a very experienced team in ITIC who know their individual markets. All account executives have numerous responsibilities, including underwriting, claims handling and sales and marketing within their geographic regions. This varied role helped to prepare me for the additional role of broker development manager. Support is also offered by the specialist underwriters who are focused on rail, offshore, aviation, marine surveyors and P&I Club correspondents. It's a team effort.

What is the biggest challenge of being ITIC's broker development manager?

The insurance market is very fluid. It's important to keep abreast of any changes, particularly movements of individuals, takeovers and mergers.

How do you see ITIC and brokers working together over the next five years?

We are continually trying to develop and adjust to make the insurance broker's life easier. I would hope that in the next 5 years insurance brokers will be able to access their clients' documents and records on line. We are also looking at providing a wider product range which has been in response to various insurance brokers' suggestions. Naturally ITIC is very keen to enhance the brokers' knowledge and understanding of our product and we are more than happy to bring our roadshow to a place near you.

How important are brokers to your business?

Insurance brokers are essential. As mentioned earlier, over 80% of ITIC's business worldwide comes via insurance brokers. All insurance brokers – in London, regional UK and internationally – are key to selling ITIC.

To emphasise the importance of brokers, there is a dedicated insurance broker section of ITIC's website. This allows easier access to some of the areas of the ITIC website which brokers tend to need on a daily basis: <http://www.itic-insure.com/insurance-brokers/>

I've read that you are offering continuity credits again this year, how does that affect me as a broker?

ITIC pays commission on the gross premium paid so it's a win-win situation; the member receives a credit and the broker receives the commission on the gross premium.

Can ITIC provide worldwide cover?

Unlike many similar insurance covers available on the market, ITIC provides worldwide cover. Many other covers exclude claims arising from work carried out in the United States of America. ITIC does not.

What is the profile of ITIC's client base?

ITIC's business is very miscellaneous. ITIC has historically been a provider of professional indemnity insurance to those in the marine industry. The core business today still focuses around marine related risks. However, widening the professional indemnity cover to transport related businesses has meant that there are a significant number of assureds in the aviation, rail and offshore industries. A list of potential assureds, which is by no means exhaustive, can be found on ITIC's website: <http://www.itic-insure.com/cover/assureds/>

What does the future look like for ITIC?

ITIC is always looking at ways to improve what can be offered. There are a range of additional products, such as debt collection, D&O, cash in transit and the new cyber liability extension. ITIC has an excellent and experienced underwriting and claims team as well remaining very strong financially. This has enabled ITIC to continually grow even in a depressed market. So, I would say the future looks bright!

If you didn't work for ITIC, what would you be doing?

One of the most enjoyable parts of this business is getting to meet people (home and abroad) and I feel privileged to have a job where I can do that. If I wasn't working for ITIC, I would love to take on property renovations, whether that be doing up a house to restoring or converting old buildings into an elegant living space.

Member and Broker Survey

We would like to thank all insurance brokers who took part in the member and broker survey for ITIC in early 2016. The feedback we gained, from both members and insurance brokers, was extremely positive. 99% of insurance brokers would recommend ITIC to their colleagues and clients. A separate publication outlining the results, and how we intend to build on the feedback and responses, is available from ITIC's website: <http://www.itic-insure.com/knowledge-zone/article/itic-member-and-broker-survey-2016-how-good-are-we-135203/>.



23 ITIC Events

- ITIC hosted a drinks reception, in London on Thursday 19th May, for all insurance brokers as a "thank you". This annual event is always well attended.
- This year we will be hosting a series of insurance broker presentations that will take place in cities in the UK and around the world. If you would specifically like a visit from the ITIC team, please let us know.
- We also have three e-learning seminars available from ITIC's website <http://www.itic-insure.com/support/training-support/>, should your clients be unable to attend any of the loss prevention seminars held for members. The subjects covered are bills of lading, letters of undertaking and confidentiality agreements.

Continuity Credit

ITIC is providing a continuity credit to all those members who renew their insurance cover during the 2016 policy year, which begins on June 1, 2016. This is the 21st year of ITIC's continuity credits.

Stuart Munro, CEO, explains, "ITIC's board of directors is committed to reducing insurance costs wherever possible. The ongoing worldwide economic downturn, together with fiercely competitive conditions in the shipping and transportation sector, continues to make life very difficult for our members. One of the great strengths of a mutual insurer is the fact that the surpluses accrue to the membership, rather than to third-party shareholders. Therefore, ITIC has decided to pay a continuity credit of up to 17.5% of the annual premium for yet another year in recognition of the outstanding loyalty shown by its members. Loyalty, after all, works both ways."

Cyber Attack

ITIC third party cyber liability endorsement

Press stories of attacks by hackers are increasingly common but the reported victims are often well-known companies that hold large amounts of credit card and other sensitive personal data.

Although it may sometimes be difficult to see the relevance of these stories to your company, the use of information technology and electronic communication is a central feature of the activities carried out by ITIC's members. Any business can be the subject of an attack by hackers.

ITIC as a professional indemnity insurer has always provided cover for damage arising from the loss of or damage to computer records in the members' custody and that remains the case.

The threat that has emerged is from third parties misusing your system to cause damage to data held by someone else. Liner agents, for example, exchange large amounts of information both with the line and the port. Hacking into systems operated by such service providers can be used by criminals as a gateway to gain access to both the port and lines systems.

Cover

ITIC has therefore developed an extension to its existing cover. The policy will protect against liabilities arising from the unauthorised use of your computer network.

This insures:

- Computers operated by you along with any software and peripheral devices that are necessary to make the computers function including servers, networking equipment and data storage devices.
- Acts by people who gain access to your computer network without your permission or people who were granted access for a legitimate purpose but misuse that access to cause harm.
- Your liability to pay compensation to a third party damaged by the unauthorised use of your computer network and all associated legal and experts costs incurred by you.

Claims examples

The following claims examples are provided to illustrate how ITIC's third-party cyber liability insurance could benefit you as a member of ITIC.

- Hackers use a liner agents system to obtain the release of cargo which they then steal. In covering their tracks the hackers destroy all data relating to rates, container numbers and date and place of loading.
- A shipbroker's computer system is accessed by fraudsters who use it to send messages to charterers altering the banking details for hire payments.
- Malware inserted onto a ship manager's network disrupts operation of the ship causing claims for delay.

Further information

The above policy highlights and claims examples are illustrations only. For a full description of the terms and scope of ITIC's third-party cyber liability insurance, please read the simple two-page insurance policy available from ITIC's website <http://www.itic-insure.com/cover/additional-products/>

If you would like a quotation for ITIC's third-party cyber liability insurance, please contact your insurance broker or your underwriter an ITIC.

ITIC's cyber insurance is for third party liability only. It does not insure claims arising from privacy or regulatory liability. Cyber risks can also include business interruption exposures. If you require insurance for these risks, ITIC can refer you to TM Specialty Cyber Risk, or you can call Alan Dainty on +44 (0)20 7283 1227.



www.itic-insure.com



For all updates and information follow ITIC on Twitter: @ITICLondon

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ITIC
IS MANAGED
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