Corporation of the Channel
Paul Masterton from Insurance
in a risky world

Insurance – peace of mind

Our own fire brigades would know which houses to save! Since then insurance has evolved to today’s immense array of policies and covers, aiming to protect value and to minimise damage and loss.

Providing protection and minimising risk in an increasingly uncertain, rapidly changing world has never been more challenging. Profound changes, not least from technology, on business and consumers has dramatically altered our lives bringing immense benefits but also huge new risks and threats. Considering the recent cyber attack that disrupted our health systems is a real-time demonstration of this. These changes – social, technology, environmental, economic and political – require the insurance industry to take a hard look at how it serves and supports its customers. The encouraging news is that whilst risks are increasing, so is our ability to understand them and to provide the most appropriate solutions. The increasing availability of information, the digital footprint that we each create from social media, localisation services and purchases, are enabling extraordinary insights into our behaviours. This combined with information technology now being used in all walks of life – think ‘smart car’ or ‘smart houses’ – will enable insurance companies to accurately assess risk to provide cover that directly meets customer needs. These new technologies will directly reduce risks through monitoring and reporting, identifying emerging problems before they become catastrophic.

The changes and challenges ahead may be daunting but constant through this is our commitment to our customers. With the backing of our parent RSA, a leader in the insurance industry to take a hard look at how it serves and supports its customers. The encouraging news is that whilst risks are increasing, so is our ability to understand them and to provide the most appropriate solutions. The increasing availability of information, the digital footprint that we each create from social media, localisation services and purchases, are enabling extraordinary insights into our behaviours. This combined with information technology now being used in all walks of life – think ‘smart car’ or ‘smart houses’ – will enable insurance companies to accurately assess risk to provide cover that directly meets customer needs. These new technologies will directly reduce risks through monitoring and reporting, identifying emerging problems before they become catastrophic.

Crisis management is the key to survival. To manage a crisis and prepare for life’s nasty surprises is as strong today as ever; meaning the role and relevance of insurance is also as important, perhaps even more critical given the current level of change for both businesses and consumers.

In many ways, the development of insurance over the centuries mirrors the development of societies, of trade and business and the increasing sophistication and needs of society.

The Great Fire of London in 1666 led directly to property insurance, with early companies placing fire marks on houses to ensure that in the event of a fire, payments would be made to the owner of the house.

The consolidation of different types of insurance in the United States and Europe in the 1800s led to the development of ‘all risks’ policies, which provided comprehensive protection for property and liability.

The development of life insurance began in the 1700s, with the first life assurance companies being established in Europe and North America.

The 20th century saw the rise of insurance as a global industry, with the expansion of international trade and the need for risk transfer.

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The challenges and opportunities in the insurance industry are vast, and companies must be prepared to adapt and innovate to remain competitive.

The European Union, with its single market, has facilitated the spread of insurance across borders, but the potential impact of Brexit on insurance is uncertain. The UK’s decision to leave the EU has raised concerns about the future of the insurance market, with questions about regulatory alignment and the impact on the industry. However, many insurers have already established a presence in other jurisdictions, suggesting that the industry is well positioned to adapt to the changing landscape.

Insurance is a vital component of risk management, providing customers with peace of mind and protection against unexpected events. As the industry continues to evolve, insurers must be prepared to adapt and innovate to meet the challenges of the future.