

Video transcript: Flexible liability cover for your clients

MARK SEATON: Hi, I'm Mark Seaton, and I'm joined today by Matt Heath and we're going to talk about commercial liability, appetite, and proposition.

MATT HEATH: Hi Mark. So here at Aviva, what type of commercial casualty products can we write?

MARK SEATON: The majority of our business that we write is on a package basis, for a commercial combined contract, where we write liability with property and other covers. And actually, that's really attractive to us. We do that really well. We see a great opportunity in writing as many covers for a single customer, someone that we know and understand and can provide a good solution to.

However, we can also write on a monoline basis. So we can write combined liability, employers liability, public liability, and products together. Or we can write them on an individual basis. So we might write public liability only or employers liability only. A good example of where we do that is reverse flow employers liability. We do quite a bit of that and we're really capable in that space and that's business that we've got real appetite for. And I guess another area that we've worked on quite a lot recently is, how we write our excess of loss policies. So, we can write excess of loss employers liability and excess of loss public liability. So we can do the length and breadth of product suite in commercial casualty, which is great and I guess we've seen a really good amount of growth over the last six to 12 months in liability both through that package route and on a monoline basis. And we're looking to continue that and start pushing our appetite even further.

Within some of those products we can write some additional covers, things like environmental cleanup costs and product recall. So we have a lot of flexibility to meet the needs of the client. We're just looking to push that even further.

MATT HEATH: So what would you say is our most attractive casualty business for Aviva at the moment?

MARK SEATON: Well, Matt, we write business across the length and breadth of the UK economy, frankly. And, whether that's industrial manufacturing type risks, leisure and hospitality. We write construction, we write retail wholesale distribution, we write motor trade. We really do meet the needs of the length and breadth for the UK economy.

There are some sweet spots for us though. And when we look at the next 24 months, let's say, and where we want to, grow and drive more business, that's really in the industrial space. It's in retail and wholesale. They're really the areas that we want to push as well as services. So, you know, that's another area that we see great growth potential in the UK economy and where we believe we can meet the needs of the clients with our products.

What we're looking for within those sectors, Matt, are customers who have strong risk management capabilities and controls in place in their business, and we can help an awful lot with improving those controls as well to reduce the frequency and the risk of losses taking place. But above all else, we've got empowered underwriters in the business who have strong decision making capability on the frontline and have the capability to write business across all of these sectors.

Whether it's a heavy employer's liability risk or a more complex, high hazard products liability risk, we've got both the capability and the confidence, to write that type of business.

MARK SEATON: Can you give us some examples about certain risks that you might have written over the last couple of months that have stretched our appetite?

MATT HEATH: What we look to do at Aviva is very much, distinguish between hazards, and risk. So for these clients, it's very much about us, understanding their health and safety culture and their risk management controls, to then, determine whether the, the activities, and their work are controlled enough to be absolutely acceptable risks for us. From a PO and products perspective, as an example, you've mentioned a sweet spot for us, Mark, as industrial. We've seen two new clients within the manufacturing sectors recently. Now these are precision engineering clients and of course a precision engineer would have a very broad, range of products, that they manufacture and supply. And the application for those products will be extremely broad as well. Generally speaking, the market public liability, the wordings within the market will exclude products liability for aviation.

Now what we did for these two customers was very much understand the products and the application because they did have an element of products going into the aviation industry. The quality assurance and the quality control around those products meant these were absolutely acceptable exposures and we're pleased to offer favourable terms for those clients. As with all insurance companies, there is of course, sometimes restrictions on the capacity we can deploy, for individual customers, but typically we can consider deploying 25 million indemnity on both EL and PL and products liability. So yes, I'd very much encourage our brokers to speak to us about any potentially complex or larger casualty customers.

MARK SEATON: And of course, if a client requires a higher level of limit indemnity, for example, that's something they can still talk to us about, see if we can find a solution for the client?

MATT HEATH: Absolutely. Mark,

MARK SEATON: When you get a large complex piece of casualty business, what proposition do you typically build for them, and how do you go about doing that?

MATT HEATH: So we can consider long-term agreements to help, and give our customers confidence in the sustainability of the pricing, and to help their budgeting. We can also consider profits, rebates, to recognise good underwriting performance.

From the claims proposition perspective that's really key to us at Aviva, that's our promise to our customers. So on the larger more complex casualty clients, we of course expect there to be a frequency of claims. And so what we do, we typically will use a claims relationship manager who will work as a dedicated contact point for that client, and we'll understand what the broker and customer would value from from our claims proposition. Typically this could be regular electronic claims reporting or it could be face-to-face meetings with the broker and clients to understand and analyse trends, and talk through ways we could maybe help from a claims defensibility perspective.

That takes us to the last point of the proposition really, which is the risk engineering piece. So the risk engineering piece here at Aviva, we've got a market leading risk engineering team, covering the length and breadth of the economy. We would utilise our risk engineers. So we would, look at claims trends for that client and try to understand what we can do from a risk management perspective in terms of offering best practice advice and offering our expertise to help our customers mitigate risk and counter out some of those claims trends.

MATT HEATH: Here at Aviva, what have we done to improve the way we engage with our larger, more complex casualty clients?

MARK SEATON: So while we've got some sector sweet spots that we've already talked about, I think a lot of what we've done around training our people and upskilling our technical capability focuses on risk, quality, health and safety management.

And ultimately when we wrap in the proposition that you've talked about, it's all about how do we identify and work with clients who have strong capability and really want to work with Aviva to improve their risk, reduce their total cost of risk to them, and really get the most out of the relationship between ourselves, the broker, and the client. So, we've worked really hard over the last 18 months. That's great. And yeah, we're ready to grow the business.

So no matter how large or complex a piece of liability business is, talk to us. Speak to your local sales or underwriting contact. There's a lot we can do from a product and proposition perspective to meet the needs of your liability clients.

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