



International Insurance Interest Group

June 2016

The Informant

3iG Chair's Leadership Summit Review

I have been involved with the 3iG since 2012 when I was asked by Mickey Brown and Elaine George to join the group to try and effect positive change in the organization. This came about because of complaints I made about the Society not being very proactive on promoting CPCU internationally. They explained to me that the 3iG's focus was to improve this situation as well as to support the Society in promoting and ensuring proper recognition of the designation.

I have to say that the 2016 Leadership Summit (LS) represented a real turning point for the Society and how International CPCUs are recognized. This has come about due to, in my opinion, the following reasons:

The increase of American owned insurers that now operate internationally

- The increase in CPCU designees internationally
- The Society emphasizing the need to develop the program internationally
- The number of International CPCUs who have decided to take up the challenge and assist the Society in building the brand in their region.



Besides the above, the most important factor has been the work the 3iG has done over the past four years to build relationships worldwide. It has created a network of professionals, resources and support to move the CPCU forward in my region. Our work has also positioned the 3iG as a key part of the Society's developmental plans

This year's LS demonstrated the changing focus of the Society. It now appears to understand how International CPCUs can benefit from being members of the Society and vice versa. The 3iG has members from all over the world. It no longer surprises me that we have CPCU volunteers in Korea, China, Dubai, India, Guam, etc. who regularly contribute to the efforts of the 3iG and the Society.

This year's LS provided us opportunities to meet new persons with great ideas. Our 3iG Committee meeting was attended by more than 20 persons who were from all over the US, Switzerland, Bermuda and Trinidad and Tobago. We met to discuss our group's many projects including the following:

- Webinars that we will be presenting later in the year
- Four Seminars we will be presenting at the Convention in Hawaii
- The Connections visit we hope to have in India in 2017, and
- Our plans for various articles and research papers

On Friday of the event, we had a great dinner arranged by one of our hard workers (and 3iG Co-Vice Chair, Amy Trione). It was well-attended, fun and it included a Western Costume Contest. The winners in the cowboy and cowgirl categories respectively were members Bruce Hicks and Judith Vaughn.

All of the seminars that I attended were great! Three sessions that truly stood out were the general session speech Ret. Vice Admiral John Bird, Brett Clausen's "Mentoring and Career Development" presentation and Elaine George's "Best Practices in Leading an IG."

For those of you who would like to get more involved in the Society through the IG, Chapters etc., the Leadership Summit is a great event to get connected with many experienced Society members. They are able and willing to guide you to activities in the Society that match up well with your skills and interests.

Christopher Henriques Chairman 3iG (2016-2018)



Christopher Henriques, CPCU
Chair of 3iG 2016



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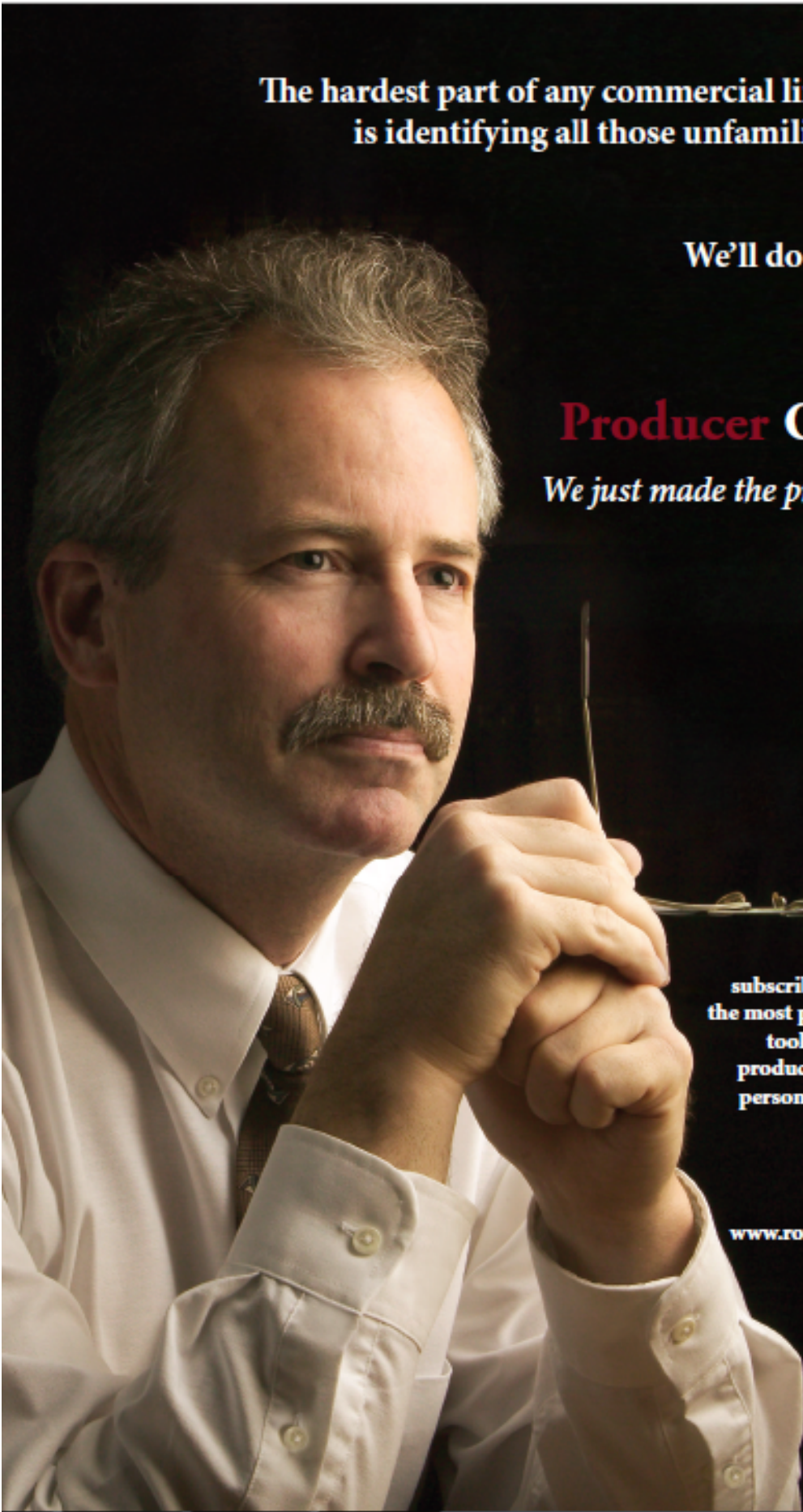
Emerging
market
analysis

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A Bookclub Meant to Build Leadership Skills

by Informant Editors

The Society's interest groups (IG)s all look for ways to help its members. One new method was recently announced to the Committee's Leaders during the past Leadership Summit, the 3iG LinkedIn Book Club! It was the idea of members Abi Clough and MacKenzie Fredericks. Two more members, Amy Trione and Jessy Robinson, enthusiastically joined them.

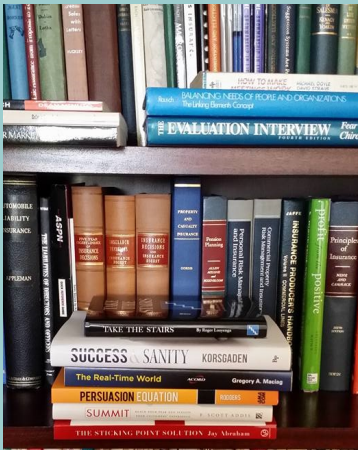
This start-up shows how well our group's members are plugged in, tightly aligned with part of the re

sults of Society research. A recent survey revealed a high level of interest among members for developing soft skills that enhance job and career growth. The book club's members will suggest, choose, read and later discuss the selected books. The focus will be on popular business, leadership and management topics. The club's founding members are all avid readers of such books and have previously recommended them to each other. This activity was a spark that led to the club's formation!

Mackenzie Frederick shared a bit more on the venture:

"... the 3iG will be offering a book review club beginning May 2016. Committee members will choose one book per quarter for participants to read and discuss. Book selections will be largely on leadership skills and management issues..."

The club's activity will be run via the 3iG Linked In page. Any interested Society member is free, and encouraged, to join. The club has chosen its first book, Daniel Pink's "Drive: The Surprising Truth About What Motivates Us." The first notice for a Linked In book conversation was scheduled to be sent out in Mid-May. The discussions will be handled via conference calls. No other book titles have been selected and interested CPCUs who join the club may send book suggestions (via its Linked In page) to Mackenzie Frederick, Amy Trione, Hema Chaurasia or Jessica Robinson.



Betsey L. Brewer, CPCU

Next Issue Feature & Presidential Insight for Hawaii Annual Meeting

The next issue of The Informant will include an interview with past CPCU President, Betsey Brewer. She became president during the last Hawaii annual meeting and she offers this tip for the upcoming event:

"Patience! With 15-20,000 of your closest friends attending the Annual Meeting you will find things in Honolulu very busy. Even more important take time to really visit all of Oahu and have a little Aloha time with your family and friends. The conferment will be a magical moment for our New Designees when they look around and see so many others. For those of you with time zone sleep problems use my method – if the sun is up, you are up! If it is dark outside, it is time for bed."

2016-17 CPCU Society International Ambassador

Frank's ambassador duties will include writing an article about his annual meeting experience and helping to arrange a number of Connections visits when he returns home.

The Society recently announced that Frank Wang has been selected as the CPCU Society International Ambassador. This comes after an application and vetting process involving a number of very worthy CPCU ambassador applicants. With this selection, Wang becomes our fifth ambassador, succeeding Orlene Arriola, CPCU.

The position comes with the opportunity to attend this year's annual meeting in Hawaii with the Society waiving the registration fee and paying for associated expenses (up to \$4,000 USD). Besides participating in the various annual meeting activities, another goal of the program was created in order to recognize a foreign-based CPCU for efforts in promoting the CPCU designation globally.

Wang received his designation in 2009 and is a member of the 3iG. He is a Liability Specialist and Treaty Underwriter with Gen Re's Asia Pacific Treaty Department

based in Shanghai, China. He has become a key resource in developing a China presence for the CPCU Society. He shared the following in his application for the position:

"Understanding the importance of getting younger generations involved, I have been mentoring young people entering the insurance profession and directing them to the CPCU courses and other certificates offered by the Institute. I am happy to report that we have been seeing more and more young Chinese professionals taking the CPCU exams, with or without the support from their employers."

Frank's ambassador duties will include writing an article about his annual meeting experience and helping to arrange a number of Connections visits when he returns



home. Honestly, Frank has been an unofficial CPCU Ambassador for years, having created a community for CPCUs in China's version of Twitter, which has more than 100 members, and by being an active speaker on insurance issues.

If you're attending this year's meeting in Hawaii, please find a chance to meet Frank in person. He is another reason why the 3iG is the jewel of the CPCU Society's Interest Groups.

The Ambassadors Club—Past Winners



Orlene O. Arriola, CPCU, CRIS, AINS, 2015 CPCU Society International Ambassador from Guam



Ian Maciulis, MBA, CPCU, 2014 CPCU Society International Ambassador from France



Arun Kumar V, CPCU, FCII, FIII, 2013 CPCU Society International Ambassador from India



Shahid Nadeem, CPCU, ARM, AMIM, 2012 CPCU Society International Ambassador from Saudi Arabia

Lloyd's and the MGA: A Primer

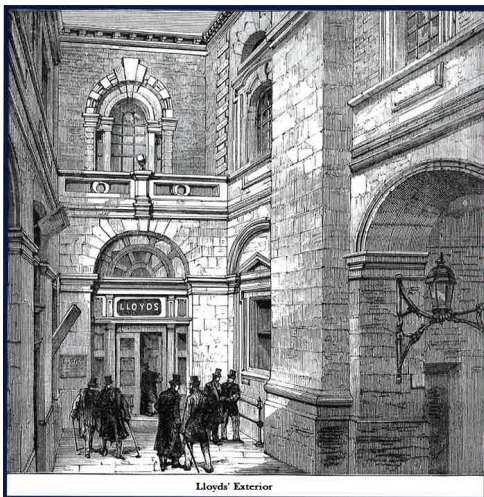
By Martin Ween, J.D.

Editor's Note: This article is a reprint from the May 2016 issue of CHART Magazine. It appears here with the kind permission of CHART Magazine publisher Glenn Clark. We also thank article author Martin Ween and Wilson Elser, partners of the CHART-Exchange.

In February 1688, according to the Lloyd's of London website, an article in the London Gazette declared a reward for a stolen horse and encouraged anyone with information to contact Edward Lloyd at his coffee house on Tower Street in the city. The lost ten-year-old chestnut mare was described as having a white stripe down the nose and white hind feet. She was believed to have been taken by a rather insalubrious gent with "black curled hair, Pockholes in his Face, Wearing an Old Brown Riding Coat, and a black Bever Hat."

It was an early sign of insurance, or at least reward, the website adds. Nevertheless, what Lloyd's coffee house specialized in was information about shipping. At the time, more than 80 coffee houses existed in the city—each a center for entrepreneurs and merchants, and each with a specialist interest to offer. A driven man, Lloyd made sure he provided intelligence second to none.

At Edward Lloyd's coffee house, marine and shipping risks were insured by various risk takers. This system has, of course, evolved over time. Today syndicates, composed of individual or corporate "names"—in essence, investors—are managed by managing agencies on behalf of these names. The syndicates are presented with risks, or programs of related risks, by Lloyd's brokers, who are the only entities that are licensed and entitled to place these



risks directly with the syndicates.

A syndicate will consider or "underwrite" a risk and either decline to participate or agree to accept a percentage of the risk in return for a percentage of the premium paid by the risk. If the syndicate agrees to participate, it will "subscribe" to the risk and sign the "slip," which officially indicates the subscription agreement and the percentage for each syndicate.

It sometimes happens—to the delight of the placing broker—that the risk is oversubscribed. In other words, there are more syndicates and more percentage participations than 100% of the risk. In that situation, each syndicate might be allocated a lower percentage, or certain syndicates might drop out of the risk.

At other times a risk cannot get a full subscription, so the syndicates that

have subscribed must consider whether to increase their percentage, or "line," or allow the risk to be declined as undersubscribed. Keep in mind that Lloyd's is not one monolithic company or insurer. The Council of Lloyd's, estab-

lished by English law in 1982, manages and supervises the business aspects of the total market. But the Council does not underwrite risks. This is left to the syndicates, so Lloyd's is really a group of insurers working together to insure risks under the organization of Lloyd's.

How does the United States-based domestic managing general agent fit into this scheme? A place for domestic MGAs—and other agents, for that mat-

A syndicate will consider or "underwrite" a risk and either decline to participate or agree to accept a percentage of the risk in return for a percentage of the premium paid by the risk.

How does the United States-based domestic managing general agent fit into this scheme? A place for domestic MGAs—and other agents, for that matter—can be as “coverholders,” who hold “binding authority” for the syndicates subscribing to such a binding authority.

ter—can be as “coverholders,” who hold “binding authority” for the syndicates subscribing to such a binding authority. A coverholder can have either full or limited authority to write risks for the subscribing syndicates, usually within underwriting criteria and guidelines provided by the syndicates and governed by the terms of a managing general agency agreement.

The coverholder also may be vested with responsibility for claims handling for the risks written. Coverholder arrangements are strictly regulated by the Council of Lloyd's, with a requirement that binding authorities be registered with the Council.

Further, before a broker can become a coverholder, it must undergo a rigorous application process, known as “tribunalization,” by which the Council seeks to ensure that those who are placing risks on behalf of Lloyd's syndicates are well managed and financially secure, as well as being duly licensed to place risks in their own applicable jurisdictions.

The applicant first must obtain a sponsoring Lloyd's broker and a managing agent to support the application. The application process is geared to the different types of delegated authority. Substantial information and documentation, including financial statements, are required of the applicant.

Lloyd's (Continued)

Specific undertakings and representations must be made by the applicant as to its recognized responsibilities. Because of concern about fraudulent practices, the applicant is required to have, among other things, written procedures regarding anti-money laundering, staff training and awareness, record keeping, and compliance with the UK Bribery Act.

Questions asked of the sponsoring broker include:

- Rationale from the underwriter as to why it is willing to sponsor the application;
- The background and nature/length of the relationship;
- Rationale for the binding authority, from both the broker's and the applicant's perspectives; and
- A description of current market conditions.

The tribunalization process is exhaustive, but its completion brings the reward of

being able to write domestic risks for the syndicates. It does not, of course, end the responsibilities of the coverholder. Continuing reporting requirements exist as the coverholder arrangement proceeds. The coverholder, once tribunalized, approved, and operating, will stand in the shoes of the syndicates.

The author *Martin Ween, J.D.*, is an attorney at *Wilson Elser Moskowitz Edelman & Dicker LLP*. *Wilson Elser*, which is based in New York and has 27 offices throughout the United States and in London, provides insurance industry clients with a full range of legal services that span the spectrum of litigation and related areas.



Lloyds' Interior

Plans for Paradise—2016 Annual Meeting

Several members of the 3iG are hard at work putting together plans for various activities for the CPCU Society Annual Meeting in Hawaii. If you have ever been responsible for organizing large social events for friends/family or business meetings, you are aware that it takes a lot of effort. Members who volunteer to handle these tasks routinely do so behind-the-scenes as they are concerned with creating a great annual meeting experience by supplementing the seminars and business events with 3iG activities.

While final plans are not in place, 3iG members are working on the 3iG Group Dinner, our Infamous 3iG Cocktail Party and, possibly assisting the Diversity Committee with a Lunch Luau

On the business side, we have been even busier, awaiting finalization on our seminar submissions. The 3iG routinely has as many as three or four sessions approved for annual meetings.

Planning seminar topics are long-range in nature and IG leaders often formulate ideas years in advance. For the Hawaii meeting, our initial submissions included:

- The Role of Integrated Risk Management for Sustainable Growth (in conjunction with the RMIG)

- Master The Science Of Communication, Negotiation, And Closing More Sales (A multi-Interest Group Session)
- Living Lean: Driving results through lean management Sales (A multi-Interest Group Session)
- Risk Based Pricing, Science or Art? (Sole 3iG Sponsored Session)
- What Everyone Ought to Know About the Japanese P/C Insurance Market (Sole 3iG Sponsored Session)
- Cyber Risk Underwriting: Removing Fear of the Unknown (A multi-Interest Group Session)
- Is Climate Change Fueling Wildfire Activity? Impacts and Opportunity for the Insurance Industry (in conjunction with the Claims and Personal Lines IGs)
- In our global indus-

try.....Regulation or Political interference with Insurance? (in conjunction with Regs and Legs IGs)

- Insurance and risk management for Catastrophe prone geography - A Business Continuity Approach (in conjunction with the Risk Management IG)

What can you conclude? That your 3iG is thoroughly involved in the upcoming annual meeting.

It takes many dedicated volunteers to make the meetings and our IG successful! We encourage you to become active.

It's a tremendous way to acquire new skills and contacts!

**3iG members
are working on
the 3iG Group
Dinner, our
Infamous 3iG
Cocktail Party**



A Talk with Tony – Part One

Bruce Hicks, CPCU, CLU

Tony Cabot, CPCU, fondly known to many 3iG veterans as "The Godfather," is one of our iconic members. After an admirable insurance career, he is now entering a long-hoped-for, semi-retirement phase. His stepping back will likely include reduced involvement with our interest group. Former 3iG Chair Elaine George suggested an article as a tribute to him as he has served our group so long and so actively. As an influential international CPCU, The Informant felt it appropriate to....have a talk. Tony's an interesting person, so we'll do this in two parts, beginning with this issue of The Informant.

Informant: When did you get your designation?

Cabot: I got my designation in 1992 after finishing the last two (of ten) exams in Milano, Italy. I had to search for someone to proctor the exams as no one had ever heard of CPCU in Italy when I arrived in 1990. I finally found an international insurance company with a person who had worked in the US for a few years and was sympathetic to my plight. We got the OK from the Society and they mailed everything to this gentleman. It took about two weeks for the first exam to arrive.

I completed the second in late 1991 and when I received my passing confirmation I was over the moon. It had only taken 7 years, two continents, three jobs, two children, a new house, the passing of my father and mother-in-law and convincing my employer to send me to the 1993 Annual Meeting in Dallas.

Informant: How did you initially get involved with the CPCU Society?

Cabot: My initial involvement was limited due to logistics. Outside of attending the annual meeting in 1993 I tried to gather up Europe's CPCUs. I got a list of European CPCUs from John Kelley and wrote each one a personal letter. I did eventually get two or three responses from the 8 or 9 CPCUs that I wrote. One of them



Tony Cabot, CPCU

was Dan Hess, so you know very well. I have been in contact with Dan ever since. The other two were not really interested in communicating.

As I progressed at work I was given more support for CPCU so, from 1996 or 1997 I attended the annual meetings fairly regularly. I joined 3iG in 1998 under, then new committee chair, Tony Berger. From 2002 or 2003 I joined the Board of Governors to complete the term of a CPCU who resigned due to work issues. I remained a Board member for two more terms, including as an International Governor, visiting our CPCUs in Japan and Korea. I remained on 3iG another nine years until I had to rotate off the committee. I stayed on as an observer and came back "officially" to 3iG as soon as I could.

Informant: What role does the 3iG have in the future of the CPCU Society?

Cabot: It is a given that more of the new CPCUs are living and working outside of the US. 3iG is the perfect gathering place for these members to begin their post-designation journey. In my opinion, getting involved in the Society first, at an Interest Group level is huge. Being part of this far flung group and hearing about the challenges, the struggles and the fight for recognition gives foreign based CPCUs a big advantage. It also lets them know they are not alone. Once they become engaged members in 3iG I believe it sets a tone, showing them that CPCU Society membership is more than a designation. It is a network of friends and an opportunity to learn and share knowledge. From there they can see that becoming active in a Chapter or on a committee or task force

Tony's first words of wisdom to me were, 'Always include people, never exclude them.' This was at the 2010 Annual Meeting in Orlando. It was the first time I was meeting him when he overheard me saying that we should dismiss a non-contributing volunteer leader from the 3iG committee. His advice has served me well over the years!

Elaine George

Past 3iG Secretary and Chair

has big benefits. It is a teamwork thing! The support that is learned in 3iG translates over to all the roles found within the Society. 3iG is a model Interest Group and one that should be emulated by the other groups and chapters.

Informant: Can you share about any particularly memorable committee meeting or CPCU moment?

Cabot: I would have to say it was the first time I sat on a Board of Governors meeting. I realized that no one had really given the international CPCUs much thought. Although it was a relatively small number of CPCUs living and working outside of the US they just were not on the radar. Each time someone said "National" I responded "International". It became a bit of a running joke but we were breaking new ground by trying to change the mindset of the Board to be inclusive of our international CPCUs. As this message began to hit home, more of the Board members accepted that International should be a considered constituency within the Society.

Editor's Note: Please look forward to the second part of our talk with Tony in The Informant's next issue!

CPCU Europe Chapter Summer Meeting



Zurich, Switzerland

Join us in beautiful Zurich on July 1 and 2, 2016 for great information, great food in a great city with great people. Zurich is Continental Europe's main insurance hub. Some of the world's most successful insurance companies and sector partners call Zurich home. The Europe Chapter Summer Meeting will provide all attendees a fantastic opportunity for insight and ideas to build their professional portfolios.

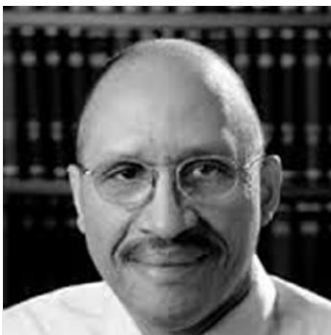
We will also have a chance to visit the lively and fun Zurifest during our time in Zurich. For registration, please visit this link:

<https://www.eventbrite.com/e/cpcu-europe-summer-gathering-tickets-25372169843>

If you have questions, please contact Tony Cabot, cabot.tony@gmail.com or Dan Hess, dh@aaa-insuranceag.com



3iG Leaders in San Antonio—what a group!



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Hey, Let's Play 3iG Bingo!"



Hey 3iG Family! We pride ourselves on embracing a dynamic level of educational effort, business networking, mentoring and fun! Help us with an idea for use at the Hawaii Annual Meeting!

Let's develop a 3iG Bingo card as a fun way to make the most of the ultimate CPCU meeting! Send ideas of items to include on our bingo cards! If this turns out to be a popular idea, we'll create cards in time for the 2016 meeting. We could use ideas on how to use the card too! Open up your creative minds and share.

Send ideas to 3iG Bingo Master Bruce Hicks at bruceh@roughnotes.com

The 3iG Got INKED!

It's quite well-known that the 3iG makes it a priority to enjoy itself and that we are creative. The IG members got a nice surprise during the recent CPCU Leadership Summit in San Antonio, Texas. We now have our very own tattoo! This is unique among the Society's 14 Interest Groups!

3iG Committee member Bruce Hicks, who suspiciously had a large supply of the temporary tattoos available throughout the meeting, had the following info to share on the ink!

"The tattoo is a one-inch square that can be easily applied anywhere a member is comfortable doing so. The image is a stylized "3iG" appearing under a royal crown which



Pictured above: Right, the "Notorious 3iG" Tattoo. Left: Bruce Hicks and his co-worker, Deanna Stone who designed the tattoo.



bears the word "notorious". If you are a fan of RAP music, it may be obvious that the tattoo phrase is a play on the name of the Rap Artist, "Notorious B.I.G.""

Bruce thought it was perfect for us since it, like our group, is playful, but quite bold. He also shared:

"The tattoo was very popular, with more than 100 of them being passed out during the Summit. Males 3iG members favored placing them on their inside wrists, while our female members were more adventurous, using wrists, hands and even their necks!"

The tattoos were readily spotted throughout meeting and at various night spots after the days' official activities were done. Look for the tattoo to be available at the annual meeting in Hawaii!

We may even use in other group promotions and contests! Why? Because we are the "Notorious 3iG!"



International Insurance Interest Group

The Informant—June 2016

Save the Date

July 1-2
Zurich, Switzerland
Europe Chapter Meeting

September 17-20
Honolulu, Hawaii
Annual Meeting

Please Submit Articles by:
August 1, 2016



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