

INSURANCE & risk

APRIL - MAY 2008

professional

**RATES:
MOVING
ON UP?**

**CLUSTER
POWER:**

**Steadfast hubs,
AIMS meets**

**STORMY
REACTION:**

**Insurers take heat
from investors**

**WHAT IS A
BROKERAGE
WORTH?**



**How technology works for brokers:
Adelaide's Mike Donnelly has an eye on
emerging personal lines markets**

A man with white hair, smiling, wearing a white dress shirt and a blue and white striped tie. He is standing in front of a blue wall with the word "Donnelly" in white. To his left is a wooden cabinet with a glass display case containing various colorful objects. The background is a solid blue wall.

Donnelly

THE TECHNOLOGICAL BROKER

Meet a man who has plenty of answers to the perennial question – how can brokers stay on top?

Terry McMullan interviews Mike Donnelly, personal lines specialist, NIBA Board member and IT advocate



On brokers and technology:
The systems we've got here [are] far superior to what is available overseas

On getting buyers involved:
I see that internet "introductions" are probably the way to go

On IT expense:
The insurers could assist their own costs by assisting brokers

Mike Donnelly is a typical broker with an untypical approach to the business. His success in working in personal lines – a class of business where brokers don't have the inside running – demonstrates what is possible with a bit of lateral thinking.

Mr Donnelly is an expert on the use of technology to manage large numbers of customers. The systems and techniques he has developed make him a strong competitor with direct insurers in his home town of Adelaide, and he's working on new ideas even as he approaches the age where retirement beckons.

The son of a postmaster, Mr Donnelly was born in Waikerie in the South Australian Riverland, and moved to Adelaide when he was 10.

He studied pharmacy for a year at university, but he "had too good a time there" and failed first year, so his parents told him to get a job.

Like most of his peers, he "fell into" insurance – a job was available and he took it.

He worked for four years at Northern and Employers Group, which was later acquired by Commercial Union, then went to brokers Price Forbes Leslie for two years before moving across to Willis Faber Johnson & Higgins for four years.

He set up his own brokerage, Donnelly Insurance Brokers – better known simply as Donnellys – in 1976.

As one of the longest-serving members of the NIBA Board – he has been helping guide the broker sector since 1993 and is in his final year on the board – Mr Donnelly is recognised as a passionate advocate for broking and the use of technology. He has a reporting role to the NIBA board about IT developments in the industry and their possible impact on brokers. His dedication to broking and brokers was recognised in 2005 when he was awarded the Lex McKeown Trophy.

Prior to becoming NIBA's South Australian Divisional Board Representative in 1993, he was a member of the South Australian Divisional Committee from 1986 to 2003. He also served as NIBA Convention Committee Chairman in 1997 and 2002.

People don't stumble into insurance as readily as you did all those years ago. How do you recruit good people in a tight market like Adelaide?

I think headhunting is the best way, if you do know somebody that's around the place that's got a good reputation. We often canvass the local insurers to find out whether they know somebody that might suit the role we're looking to fill.

More often than not, because of the way we do business, we tend to look for people who've got the personal qualities that we want, and then we train them, rather than try and find trained people already.

I think I've learned over the years that perhaps the personality is more important to the fit than anything else. And I have learned how different personality styles best fit different parts of my business.

We have had up to 20 staff in the past when we had some joint ventures, but I'm very happy these days to have only six of us plus one authorised representative working as a harmonious team. I think we can still grow the business further without increasing staff numbers using technology even better than we do now.

Since 1976 you've prospered by working in the area of personal lines, which is very unusual for a broker. How did that come about?

I decided that I needed to carve a niche for myself in the

insurance market by doing something a bit different to others. I settled on affinity group marketing of personal lines because I got an opportunity to market Donnellys to the 20,000-plus members of the South Australian Public Service Association. I figured that was a safe market segment which the Government was unlikely to interfere with. But I certainly didn't anticipate the FSRA imposition in 2001.

When I was at Willis Faber Johnson & Higgins, they used to run a bordereau system for personal lines business, so I saw how that worked.

And I thought, when I was looking to start up my own business, perhaps that would be a good way of doing it. It was a very efficient way of doing business.

I thought if it could be automated and perhaps streamlined a little bit more, then that would be a good way of doing business.

For those readers who don't know, can you explain the bordereau system?

Basically an insurer provided us with the capacity to quote and bind cover and issue documents on their behalf. At the end of the month we just provided a bulk return with a summary sheet with copies of our transactions, and they would put through one bulk entry. So it was very efficient for them, and all they needed to do in the event of a claim was to confirm that somebody was on cover.

I guess the trick between

what we do and how a lot of other brokers try to tackle personal lines business is simply that they have individual files for every client even though it might be just a little home contents policy.

We had to get beyond having that filing system into computerised systems, so that was something I worked on. Computers were just coming of age at that stage and I recognised that we needed to build something that was going to do that same job in an automated fashion.

I bought a Wang PC computer and designed a program to run an automated bordereau system with all the back-office functions I needed. It had automated rating and worked very well for many years. But there was a continuous need to upgrade hardware and software and that forced me to move to one of the more established broking admin systems.

My business plan when I first started was to market Donnellys through affinity groups such as unions, credit unions, a health fund, large employers or any large organisation with a membership database. We actually formed joint ventures with some credit unions over the years which worked well until they became too successful and the credit unions wanted to take over the business themselves.

So I studied direct marketing and became proficient at developing marketing brochures, direct response campaigns and our own advertisements and posters, and we used them to grow our new business and cross-sell our existing database. We're a strong user of Yellow Pages and we are now trying to crack how to get the best use out of internet searches to build our business.

No regrets at concentrating on personal lines?

No, it's worked pretty well for us for 30 years now, but we have to recognise the competition in direct marketing by insurers and their agencies. It makes sense for us to use our skills in the small end of SME business because we're geared for high-volume low-premium transactions. We now have about 30% of our business in commercial lines.

How has technology in the insurance business developed?

Fantastically well in Australia. I've travelled overseas quite a bit, and while we often criticise the systems we've got here, they're far superior to what is available overseas.

You've got piecemeal systems available in the United States, for example, that do certain things very well but don't have the same level of integration that we've got here.

Insurers have been talking about providing a single-entry multi-company interface (SECMCI) for well over a decade, but it's dead in the water; they can't get a consensus among themselves. There's a move by NIBA's equivalent association in the United States to promote a system that uses open standards and provides full cycle transactional capability, but it's up to the agents and brokers to convince the myriad of insurers over there to take on the system development required. That's a very difficult task.

I think we were very fortunate in the early 1980s when Davis Blumentals, who was a visionary, got the two sides of the industry together – the brokers and the underwriters – and convinced both parties that

electronic data interchange was the way to go for the future.

How has the use of technology over the past five years impacted on your business?

Look, we couldn't have done what we've done without it. We've got a very high level of productivity even compared with the best in the commercial arena internationally.

We've only been able to do that because of good staff and good technology. For example, the Sunrise Exchange system now allows us to use one set of common questions, which feeds through the underwriters' mainframe and sends back their quotes within 30 seconds; so we've got an array of quotations to give the client. The quotes response integrates with the policy comparison system so we're able to get an online comparison of the covers as well as price. It's a pretty effective system.

At the end we can save a quote and convert it to a new policy and integrate it into our broking admin system. So it's a single entry system – an Aussie version of SEMCI that the Yanks would love!

Most brokers have a number of different ways they can do busi-

ness electronically with insurers, like websites, emails, Sunrise, desktop tools. Have you resisted using any of them?

We use websites sparingly. If we know that an insurance company, underwriting agency or maybe even a broker with a specialist facility has a website where we can get a quote and bind online, then we use that from time to time.

But that would only be where there's not much volume involved, because where there's volume we need integration back into the broking system.

We use email where we want to get a number of quotes on commercial business. The Sunrise Exchange system is too slow if you need multiple quotes. If we want four quotes we've got to enter the underwriting information four times into four differently formatted systems. If we haven't got time to be doing that then we'll send it off by email and ask for the responses back. That's not very satisfactory because of time delays in the insurers responding. But the premiums are often sharper using email than you'd get from a technical rate from the products available on Sunrise.

It's a shame that insurers don't want to provide brokers with the same Sunrise SECMCI single-keying system for commercial lines products that we have for personal lines business. I think this works against them as they are not geared for the volume of email and faxed quote requests they receive and it defeats the purpose of the Sunrise system which was designed to automate the business where possible.

And of course we use Sunrise Exchange extensively, whenever it is effective for us.

Desktop tools I've not had much experience with except for our cluster group which provides a range of business tools that make doing business easier. These tools include Policy Comparison which is great value to us, a business interruption sum insured calculator, a library of policy documents that we can refer to or order online very efficiently, a compliance control system and many other member services – all in one convenient place. I understand some insurers provide this sort



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of functionality too but I'm not personally familiar with it.

What are the key issues for brokers in investing in technology?

Well, I think they need to look only at a mainstream system. I don't think there's any point in going out and buying something that's cheap and may have a limited application. You want something that's going to integrate with all the mainstream insurer systems.

In the early days, when I developed my system, it was fantastic. But I spent a lot of money on keeping it up to date in terms of developing the software and buying new hardware. And eventually I realised I'd have to be happy with 80 or 90 per cent of what I really could get by going onto a mainstream system.

So integration with the mainstream is vital?

That's right. The system has got to give you that integration with what the market is doing; otherwise you're not going to get any efficiencies out of it.

Technology has to be a major investment for a broker anyway, hasn't it?

Yes. I think you've got to get used to the fact that you're going to be replacing the hardware every three years and that you're going to be upgrading the systems all the time to get the benefits.

But if you're really using it productively then it can be worth the effort.

Some of the technologies we use include Sunrise for EDI transactions for auto-rated policies.

We use a document management system; that's been very good for us. There's probably two or three different systems out there in the marketplace, but we chose this particular one because it uses mainstream Microsoft technology.

So now we're effectively paperless, if you like, except for our pending renewals hard copy report which we use as a control document for the processing cycle, with all other records on the computer system.

And all backed up.

You've got to have a proper

backup system. I wasn't happy with the concept of having tapes. We've now got a portable hard disk system that I found last year when I was overseas; it's a Dell system. We've got huge capacity, so we feel quite reassured now that if disaster strikes, we've still got our data and reports that we can recover.

Do you see more open technology in the future?

The insurers are working towards what they call a placement system now, which is for non-auto-rated business. There's an industry-wide working group looking at ways to introduce open standards to the business. What they're developing is a set of common questions for a couple of products which can be mapped to the underwriters' systems. Brokers would be able to send that placement slip by a messaging system to the underwriters.

They'll then underwrite it either totally manually or partly automatically, depending on how they can handle it internally, and send it back electronically. Eventually it would integrate back into broker systems.

So potentially, at the end of the day we will have solved the

problem of SEMCI for non-auto-rated business but maybe also for business pack.

Given that your business does a significant amount of personal lines business, do you see technology playing a role in allowing the customer access to tools so that there can be a little more self-service?

We got involved in quoting over the internet quite a few years ago; we were one of the early players. However, there was only a 1.5% sales success rate. We also put Actionquote on our website for a period so that customers could actually get their own quotes. But we found that that resulted in no business sales at all! People were just seeking information and going somewhere else.

Because it doesn't matter how hard you try, people don't want to know about the quality of the product; they want to know about the price – until it comes time to claim.

So we took Actionquote off the website, because we decided we need to speak to people to have a chance of selling some business.

We're now using our own website to try and get people to call us, because we've got the

skills to develop that into actual business.

We're using the site to try and provide better service to clients, put more information there that's meaningful to them.

But what about active participation, a self-help system?

We do provide a home and contents valuation guide on our website and also a motor vehicle crash guide. SME business owners can access a fact-finder tool for recommended covers for their particular type of business through a link from our website.

We recognise that things don't always happen in office hours. People buy properties on the weekend, buy cars and have claims.

We're looking at how we might set up a system where we can let clients know in advance that if they are purchasing something like that, they can go to our website and send information through and they're automatically covered. We should be able to do this within about six months. We're also looking at a phone messaging system which would direct people to our website for instructions on how to report a claim out of hours and what to do if the event is serious.

Those are the sorts of things that I think can be developed using the website productively and not just as a library of information.

I'm grooming my son Chris to take over this business at the right time. What I'm trying to do is build up a marketing program that's going to produce legs for this business in an ongoing fashion, because that's been my role in the past; and if I disappear unexpectedly, the danger is that that might stop.

So I see that internet "introductions" are probably the way to go. We're doing a lot of work trying to find out how we get ourselves up the Google list, by experimenting with different search words that are going to drive people to our website.

How long will it take to develop a program like that?

We're on a four-month program trying to find out how we can develop that stream of leads. If we can crack that, then I think



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we've got something that's really worthwhile for the future.

It's a big move.

Look, our website now needs to be not only just a library of information, it needs to be organised so that it's a sales tool as well. So that people, when they come, are only going to spend two or three seconds looking and you've got to be able to entice them to stay and give them the information they're looking for.

So that will put you on a par with the direct insurers?

Hopefully even in front of direct insurers as we can provide choice of markets.

Turning to a less happy subject – the FSRA. It was designed primarily to protect the interests of the personal lines consumer. How did it impact on your business?

We elected to follow the "general advice" model. There were a lot of consultants out there who were confusing brokers about what was really personal advice and general advice.

Of course, because it was early days, nobody really knew, so consultants sat on the fence and they encouraged a lot of brokers to go down the personal advice route as a safe bet. That meant reams of paper and system changes and all that sort of stuff; whereas the general advice model really was just exactly the way we'd handled the business in the past.

It probably regimented the way we did things a little bit better, which is fine. It's also required a certain formalised training regime.

But you know, that's a good thing. We always did it in the past, but it's just formalised it a bit more.

So I think all the things that the FSRA introduced has really just brought the whole system up into a professional business situation, forcing us to document things that have always just been in our heads or passed along by word of mouth historically.

No negative impacts?

Not really. I don't think it's had too much negative impact



I think another phase of the "Needabroker" advertising campaign would be helpful to educate the public about the merits of dealing through a broker

on us from that point of view. Where it did affect us primarily, which was a surprise to me, was in the competition that it caused us from the financial institutions and other insurer agencies.

I thought the FSRA might have made it too hard for them to comply but I think they did well out of some significant carve-outs in the legislation. It became a real opportunity for them.

That's tough competition. They would have the systems and the scale.

That's right. All of a sudden we found the financial institutions experiencing a squeeze on their margins, and they had control of huge databases if they wanted to cross-sell insurance. They were probably encouraged to actively market personal lines business by some of the insurers who wanted to expand their business in that particular distribution channel.

They really beefed up their act, with the result that we've probably now got only half the amount of enquiries from the same marketing we've done over the years. So it's been a fairly major impact on us. Direct insurers have also beefed up their media advertising which compounds the problem.

I think another phase of the "Needabroker" advertising campaign would be helpful to educate the public about the merits of dealing through a broker.

So, in a market like this they are particularly intense competition?

Absolutely. They offer things

like lottery prizes, 13 months' cover for 12 months' premium, strong radio and TV advertising for specials or major discounts, monthly premiums at no extra cost... the whole deal.

They weren't before?

They were bit players before; they weren't really committed to the market. But having to go through the training for the FSRA, I guess they thought, "Well, we've now got credentials in this business, lets make the most of it". I think it was just sort of opportunity at the time when the margin squeeze came as well.

So we've had to develop other means of getting to our business leads and broaden our target markets to include more SME business.

What would you like to see changed about the FSRA?

I think the new regulations about SOAs [statements of advice] and a reduction in verbal disclosure to become effective mid-year should assist with handling phone quotations for retail clients.

The clients usually have about 20 days as a cooling-off period under their policy. That should be enough protection with all the disclosure information they receive in writing, so there should be no need for any verbal warnings or disclosure.

People buy from people they trust and not based upon the amount of disclosure that is forced upon them by legislators. I don't think anyone has

benefited from all the paper that has been generated by FSRA requirements. The product disclosure statement concept was for people to be able to use that document to compare other products. That's impossible as it turned out – there's no uniformity in their format or contents to be able to do that. I don't think anyone reads a broker's FSG.

What do you think of the insurers investing more and more in portals, and have these portals added any benefit to your business?

As I said before, where they've got a unique low-volume product, it makes sense to be able to do business online with them.

One of the issues they've got, though, is that they're not recognising the back-end process. They can get us to do business online to their website portal, but then we've got an issue with integrating the transaction back into our system, and they've got the same problem at their end integrating back into their system.

One of the big advantages of Sunrise that people often forget about is the reconciliation of accounts. I can remember when I started about 40 years ago, that was a big issue.

There were reams of paper, people ticking off stuff. I don't think it's any different in insurance companies now, trying to check stuff off from the myriad of intermediaries they deal with.

Presumably there's a fair expense involved in trying to integrate all

those distribution systems internally?

Yes. And the insurers want to keep their electronic costs and processing costs down. I believe insurers could assist their own costs by assisting brokers to achieve more cost-efficient systems. The better the systems the more brokers would use them. That would result in more business being transacted electronically to insurers, which would drive down their costs.

It's very convenient to forget that brokers need the transaction to interface back into their

the top every time.

So they're spending a lot of money out there. There's a theory that you can write that sort of business cheaper over the internet than you can from other sources, but I suspect that if the acquisition cost is brought into the equation as well as staff involvement the cost might not be less.

How long do you think it's going to take before insurers have some real scale in the SME market?

Well, it's happening right now. But the thing I think about this is that they can write

end. Most of them are geared to the top and middle end but not necessarily structured to do that small end because of the servicing cost.

That's something that we want to work on for the future, with a couple of our younger people that are training now in SME business. I want to take them out and visit that lower end of the market; train them up in that area and make sure that they are ready later for the bigger end of SME business.

Marketing is surely important in competing in the SME space?

Absolutely. I've had discussions with other brokers about how we might do some campaigns for target markets but it is hard yakka. But at the end of the day there's probably a lot of money to be made with the existing business we have on our books by servicing existing clients better and by going out and actually seeing what businesses are doing, selling the add-ons and increasing sums insured, which are usually too low. Referrals from existing satisfied clients will always remain the best source of new business leads.

So brokers still have room to move?

Yes. There's justification in putting more effort into the lower end of the SME market, I think. They need the advice and often grow quickly into key accounts.

Plus brokers have got to become more attuned to marketing themselves. Websites, as we discussed, are one way. They're more likely to get enquiries from companies if they've got a decent website.

If I was going to quote on a new business client, the first thing you do is look and see whether they've got a website so you can get some information about what they do and how they do it before you go out there. Surely the client is going to do the same thing with their prospective broker as well.

You mentioned open standards before, as they relate to insurers. Do you think that open standards really can play a role in the local industry, and how would they benefit the broking community?

I think the major benefit is

to the insurers. They provide reduced costs in the end by having a standard platform across the industry, not only nationally but also internationally.

Maybe there are some tradeoffs where brokers could help the insurers with payment systems, integration – things like that – and save them a lot of money in back-end processes in return for a SEMCI broker front end.

Where it might help brokers ultimately is access to overseas markets, and if you've got an integrated platform that's international then obviously it makes it easier to deal with Lloyd's, or other markets around the world.

But I think probably it's going to apply to new business products, going forward.

Wouldn't it be worth retrofitting open standards to established products?

I can't see how you could go backwards and try and retrofit things that have been done before. But I think it's probably fair to say that technology vendors have been using ACORD [Association for Co-operative Operations Research and Development] standards for things they have been doing for quite some time because it made sense to do so.

It's really probably just the insurers that are lagging behind in moving in that direction.

So it really is a case of leadership, to a large extent, as to how quickly this will develop?

Yes. Insurers have got to see a business case as to what it's going to save them, because there's going to be a fair amount of cost in changing their back-end systems.

Common question sets for classes of business is an example of how open standards could assist brokers to achieve a method of transacting all classes of business.

There's a case for brokers to take an interest in open standards, but we're lacking anyone taking the lead at the moment to justify insurers investing in them. We really need the consensus of broking groups to move forward this way to create the momentum that's needed. Otherwise the



I can remember when I started about 40 years ago... There were reams of paper, people ticking off stuff. I don't think it's any different in insurance companies now

broking system. If you forget that, then the portal thing sounds like a really good idea. But brokers aren't going to use it on high-volume transactions because they've physically got to double-handle the thing.

We've spoken about SMEs and some insurers cranking up their efforts to gain a larger foothold in that space. Do you see insurers moving increasingly into what has been traditionally a broker-dominated market?

I think they're already trying as hard as they can. It's happening out there right now. When I do some searches on Google for certain classes, you find certain companies right up

that business cheaply in the first instance, but how are they going to service it?

Good point.

They haven't got outside staff to go out and talk to those business customers. And one quick way to get into trouble is not to go and visit these SME clients because they can grow very, very quickly and all of a sudden become a totally different business than when you first wrote their insurance business.

I think the challenge for brokers is to make sure that they've got themselves organised so they can actually provide the service at that lower

idea will die quickly.

What are the key areas technology providers in the industry should be focusing on now?

I think the broking systems we've got were basically built up out of accounting systems, so they're a little bit weak in respect of client relationship management. I've recently been speaking to our system provider about building a screen for customer relationship management in a pre-formatted way to capture valuable information and client instructions instead of the hard copy books we all use.

There's a little functionality there at the moment, but it could be a lot smarter, and being pre-formatted would help, I think, for searching files. Doing away with hard copy client instruction books would be moving with the times.

Broking administrations systems are generally weak in regards to sales and marketing.

We're just about to do a campaign to all our clients who have car insurance, but not home, and vice versa. And amazingly that was quite a task within the system. You would have thought that would be the easiest sort of thing you could do.

Turning to other matters related to your long involvement in broking, and your long tenure representing South Australia on the NIBA Board – 15 years or so. What do you see as the major challenges NIBA faces going forward?

I think the major challenge is coming through cluster group members questioning the relevance of NIBA today. They see their cluster group providing most of the services that they need, and they're not acutely aware of all the government lobbying and that sort of thing that NIBA does on behalf of all brokers.

Conferences are one area. I think NIBA has a different role to play in that area. You get most of the big insurance company executives attending NIBA, so there is a recognition that NIBA is important in the industry. It's very helpful for brokers to be able to meet the insurers' head office executives at NIBA because often the communication at state level is not as comprehensive as from the horse's mouth, so to speak.

NIBA has made a pretty good start on making the convention attractive to younger brokers and this needs to continue. I'd like to see more insurers' young BDMs [business development managers] from regional offices attending the NIBA Convention to help foster the business and personal relationships that can so often result at conventions. Maybe we need to look at some concessions for these people to encourage insurers to allow their participation.

One of the other issues is the exodus of the Baby Boomers.

The feeling I get is that the Baby Boomers are going to be around for a while, but phasing out at their own speed, which is precisely what I want to do. I'll just wind back and guide my guys on how to run the business.

I want to do a bit of travelling and take off when I feel like it.

So the question in my mind is, if you've got a very loyal group of supporters there now in the Baby Boomers, what happens when they've phased out? Do the younger generation still have that same feeling or commitment for NIBA and what it does?

From that point of view it's very important to engage them in the convention and anything else that we are doing. I'm sure NIBA recognises that.

Do you see brokers becoming recognised more as professionals as time goes by?

You're probably aware of the new NIBA education initiative to introduce a new professional designation. I think that will go a long way in the future to making the young people in our industry feel professional and be recognised as professionals by the public.

As I understand it, that will then form the basis of us being able to become a profession like the chartered accountants and those sorts of people; there's some obvious advantages.

I think it's a fantastic profession, going forward. This business might be fairly indicative of what the trend might be. My son Chris has done his Bachelor of Business and Marketing degree, and we've got an authorised representative here that's got a Bachelor of Commerce, and another young lady that we hired recently is part way through a

Bachelor of Business.

That sort of trend could become more common – the need to get some qualified people through first. You've got to provide them with a decent career path otherwise you'll lose them; they'll become disenchanted with the whole thing.

So I think that's been one of the things with the industry in the past; lots of brokers try to hire tertiary graduates but they really haven't had that career pathway there to keep them happy and moving forward.

Where do you see broking in, say, five years from now, when hopefully you'll have wound back – at least halfway?

I think it's going to be recognised as a very professional business. I think everybody will be proud to be part of it. There's going to be fewer brokers because of a scarcity in qualified licensees.

I still think it's only going to get tougher because of competition; insurers trying to poach in our space, and various other competition.

It becomes tougher for brokers who often, in the past, haven't had any actual marketing plan but just really relied

on referrals, which has been terrific while that works.

But there may come a time where that's no longer enough.

I think that authorised representatives have got a good place in the future. I think it would be a fantastic option, going forward, if you reach the stage where you've got your own clientele, instead of going out and starting a business like I did years ago and having to learn all the compliance rules, and systems, and being an expert in so many different fields.

Imagine being able to just manage your own book of business within the framework of another broker. I think it's a pretty attractive proposition.

You've got the support mechanism, the umbrella, and the opportunity to grow your own business. It's not much different to the long-established system in the US, where producers own their own book of business but share their commission income with the supporting organisation according to the level of administrative support and services they receive.

Why would you want to go and start your own business under that environment when you've got the best of all worlds, really? ■



They're not acutely aware of all the government lobbying and that sort of thing that NIBA does on behalf of all brokers