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The London Insurance Market: under threat from hybrid working?

How is hybrid working impacting learning
and development in the London Market?





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About us

This report has been produced by the London Market New Generation Group, a group of Chartered Insurance Institute (CII) members who have volunteered to complete a project aimed at furthering public trust in insurance. The views of the authors do not necessarily reflect the views of the CII.

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1 Executive summary

The London Insurance Market is renowned for its expert knowledge and ability to insure the world's largest and most complex risks. Its unparalleled expertise has been critical in maintaining its competitive advantage and is a cornerstone of the sector's success.



The COVID-19 pandemic, which hit the United Kingdom in early 2020, forced employers to adopt working from home practices. As a result the London Market, traditionally a face-to-face business, moved online and was forced to utilise electronic means of communication. Lloyd's of London, where brokers meet underwriters to negotiate and place risks, was closed.

As the pandemic eased, hybrid working became the 'new normal'. Learning and development in the London Market has historically relied upon 'on the job' training with individuals learning by working alongside

more experienced colleagues. However, with hybrid working becoming the new normal and the time spent in offices being reduced, the New Generation Group sought to better understand the impact that this is having on learning and development of market practitioners. Our research has focussed on this area because of the vital importance that London's expertise and knowledge has on its ability to be the world's premier insurance marketplace for placing complex risks.

To better understand the impact of hybrid working, a survey was released to the London Market. The survey was open to all London

Market professionals across a range of departments and disciplines. The results indicate that there are benefits as well as challenges brought about from hybrid working. Benefits include improvements in work/life balance, access to managers and formalised learning. However, hybrid working poses particular challenges to:

- On the job learning
- Accessing mentors
- Learning and development of junior underwriters and brokers

This report will explore all the findings, both positive and negative, with the hope of bringing attention to the most significant impacts of the shift in working practices. The report should serve as a start to important conversations about how companies and employees can retain the benefits of hybrid working whilst preventing any negative aspects from threatening the London Market's competitive advantage and future success.



2 Introduction and methodology



Hybrid working; remote working; smart working – whatever we call it, the notion of the 5-day office week has been challenged across desk-based industries since the widespread adoption of mobile computing, with employers increasingly offering the opportunity to work from wherever their employees feel most productive.

By contrast, the London Market has been notoriously unwavering in its approach to tradition; the centralised, face-to-face nature of the marketplace, touted as a selling point, just as much as the deep-rooted knowledge and expertise of its professional workforce.

Cue COVID-19. The global effect of the pandemic cannot be overstated, so it is worth stressing that its impacts have been felt in ways far more significant than those making waves across the City. A series of lockdowns served as a catalyst for significant changes in working practices; overnight the London Market went from relying heavily on paper-based, face-to-face negotiations, to adopting electronic trading and meetings over Teams.

This shift from traditional office-based City life to that of a hybrid working model lands the London Market in uncharted territory; it presents both an unprecedented opportunity and an imposing threat to the long-held position of London at the front of the global insurance stage. This report examines these outcomes through the lens of learning and development, exploring the impacts – both positive and negative – felt by professionals within the London Market to date, as well as considering how any drawbacks can be overcome and improvements can be maximised.

Methodology

Between April and May 2022, a questionnaire was distributed across the London Market to gather the thoughts and opinions on how insurance professionals view the impact of hybrid working on their learning and development.

The questions related to both formal (structured courses and training sessions) and informal learning opportunities.

Over 260 responses were gathered from a diverse selection of insurance professionals. The results of the survey have been analysed and summarised with the aim of highlighting those areas particularly impacted by the move to hybrid working in the hope of contributing to the continued success of the London Market and the wider insurance industry.



3 Who did we hear from?

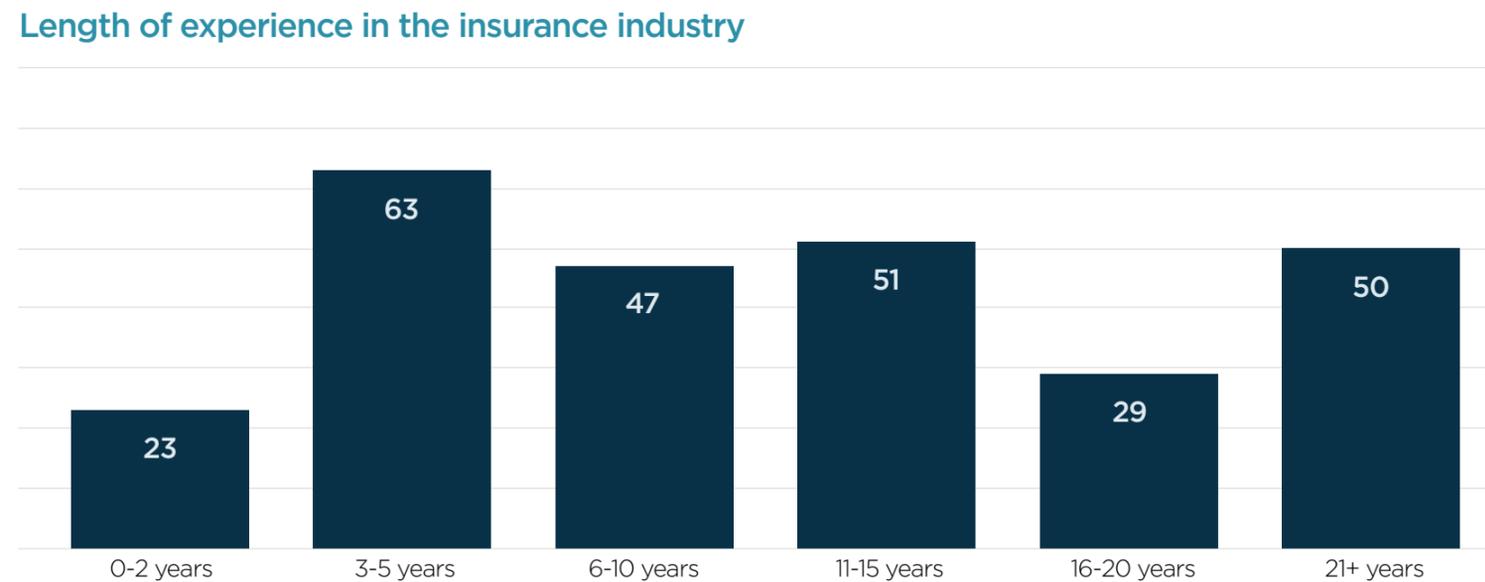
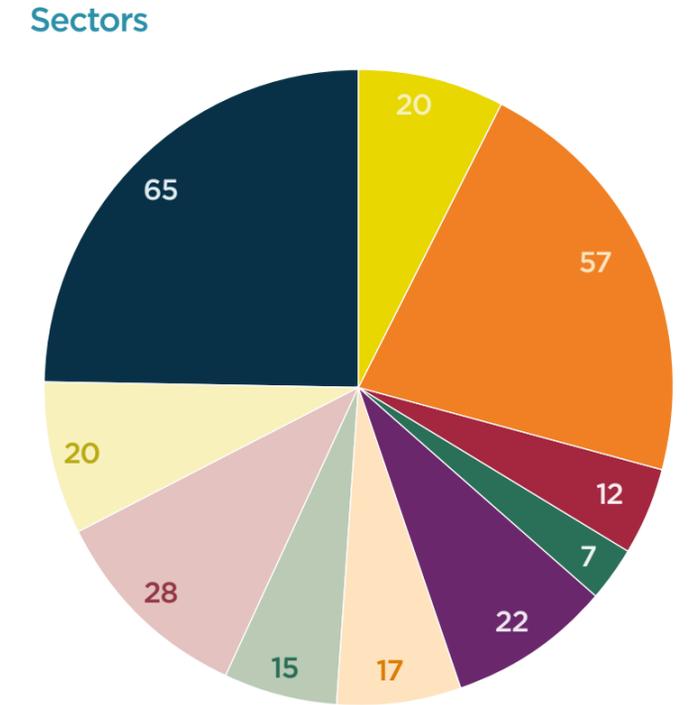
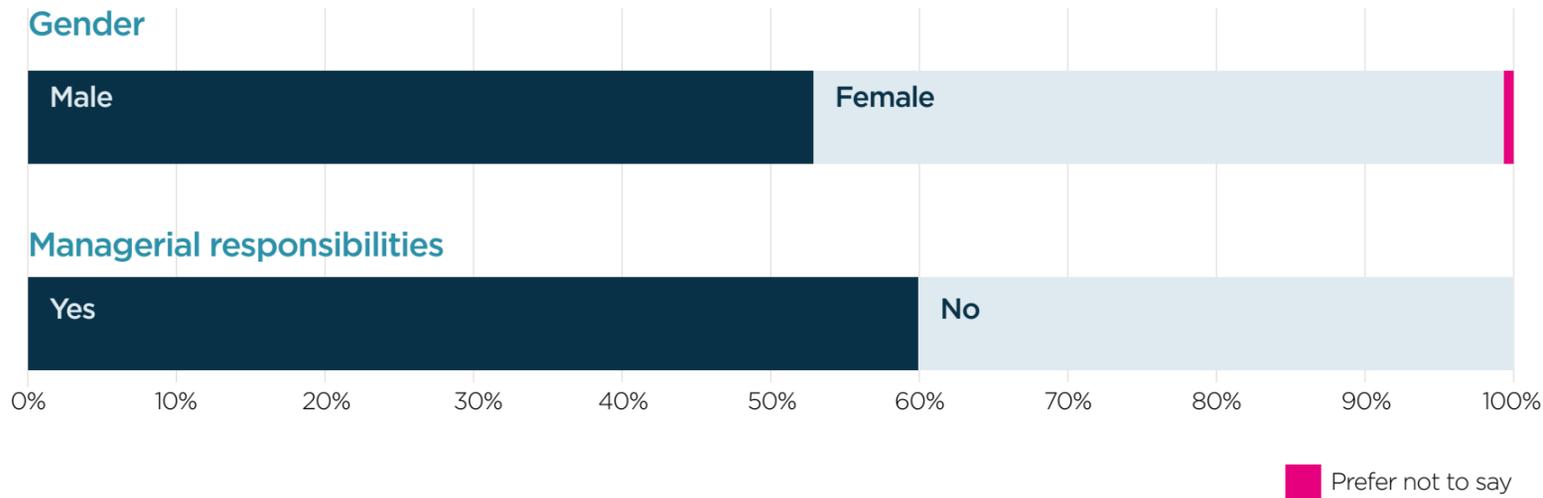
The survey received a diverse wide range of respondents from across the London Market.

Respondents included representatives with various levels of experience, from junior professionals to senior executives.

A wide range of sectors within the insurance industry were included in the survey such as underwriting, broking, actuarial, claims, HR, operations, legal and compliance.

53% of survey respondents were male whilst 47% were female.

60% of survey respondents held managerial responsibilities.





3 Who did we hear from? - continued

The 'new normal'

Working days spent in the office post COVID-19 reduced significantly compared to pre-pandemic. **Hybrid has become the 'new normal' in the London Insurance Market.**

Pre-Pandemic

The vast majority of employees attended the office 5 days a week.

90% of survey respondents attended the office 4 times a week or more.

Those who attended the office less than 4 days a week were majority female and held back-office roles.

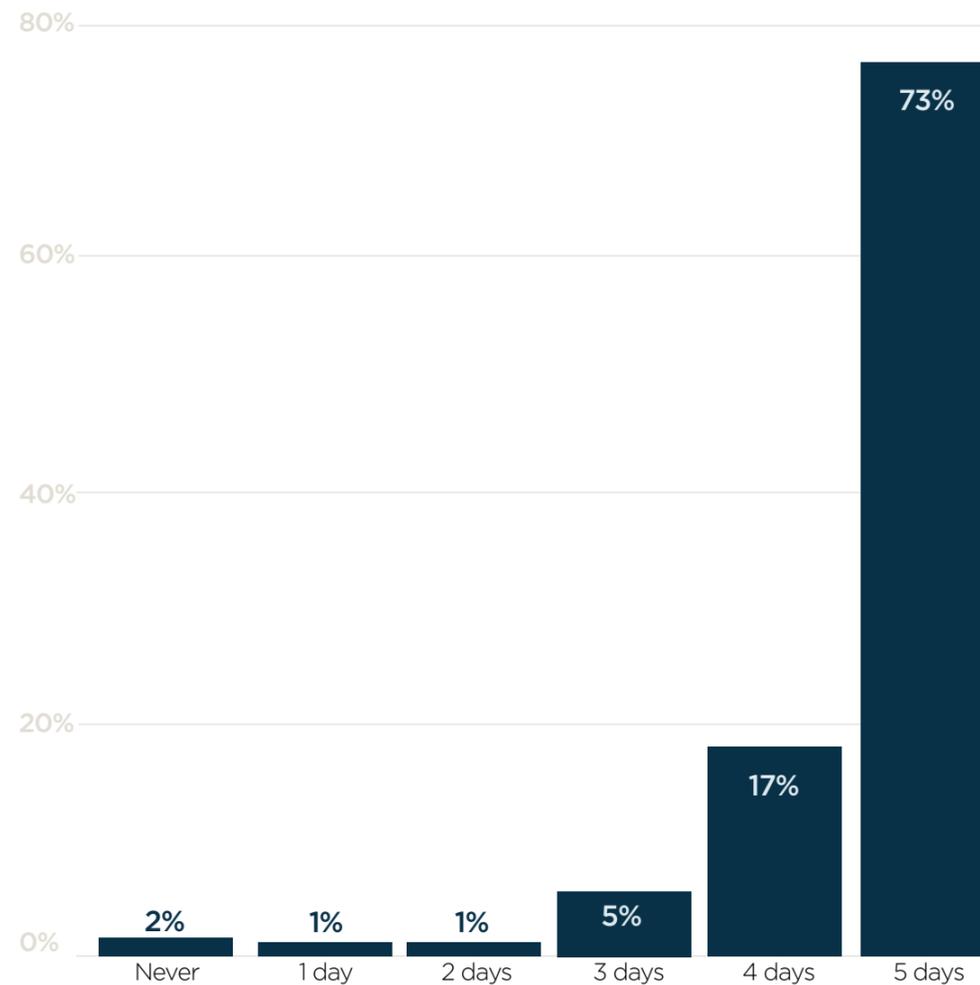
Post-Pandemic

There is a stark contrast post pandemic, with 86% of respondents now attending the office 3 times a week or less.

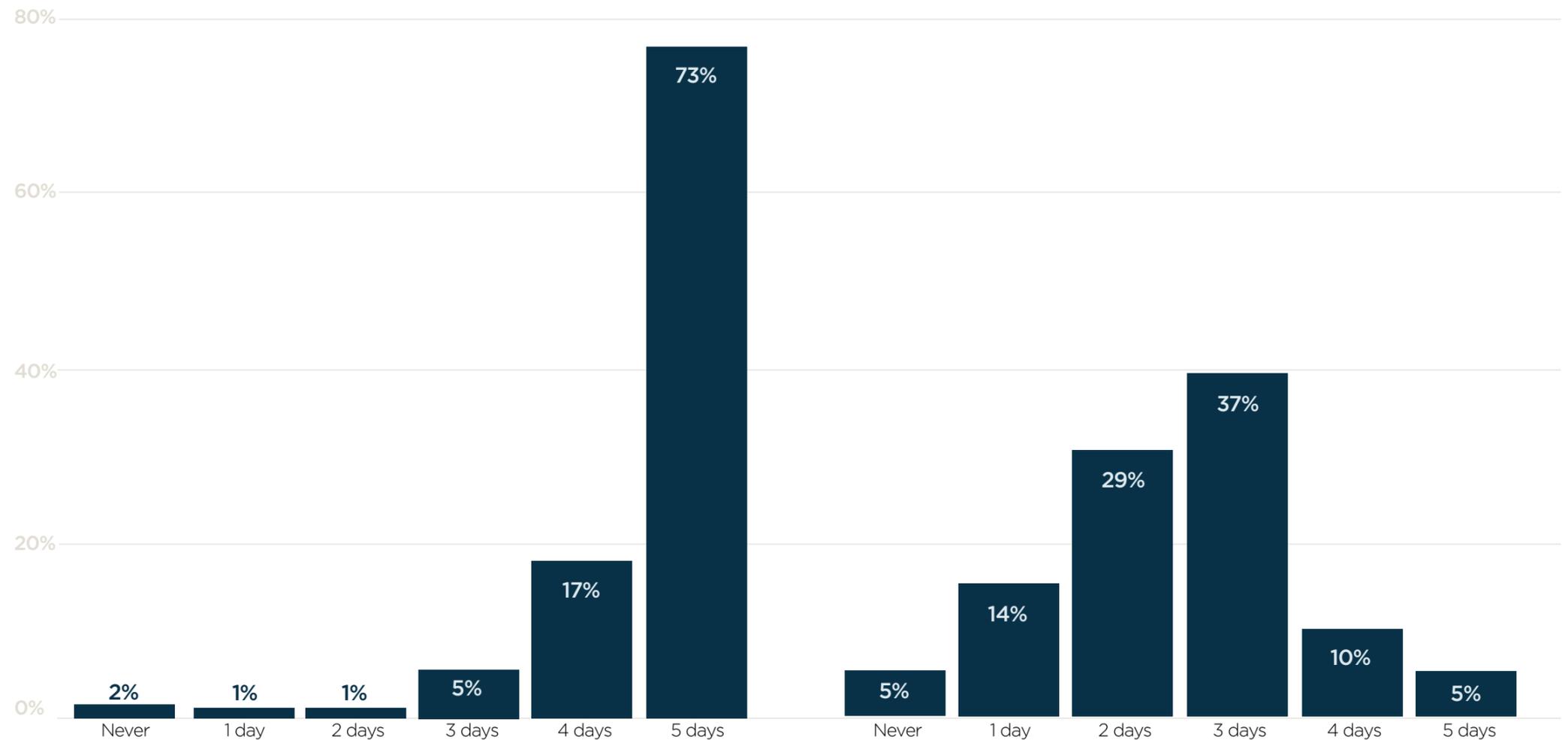
Less than 5% now attend the office 5 days a week.

70% of those who continue to attend the office 5 days a week are male and work in either underwriting or broking.

Pre-pandemic office attendance



Post-pandemic office attendance



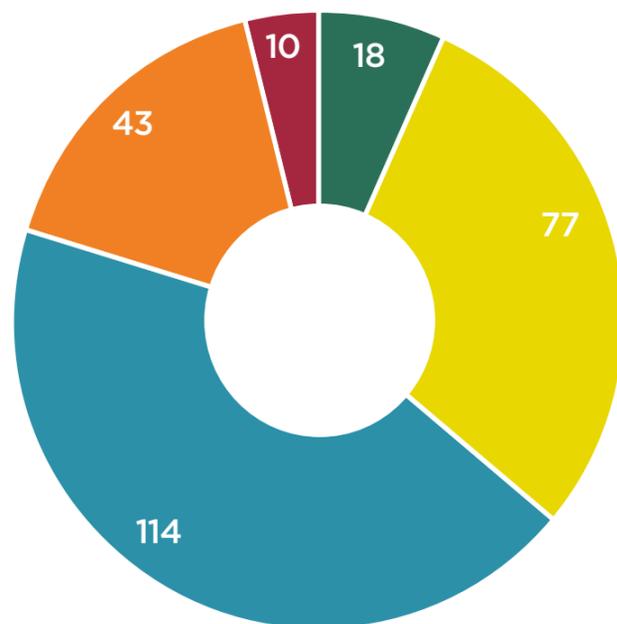


4 Positive impact of hybrid working

Our survey results demonstrate that respondents believe there are several benefits from hybrid working. These primarily centre around improvements in **formal learning and development, work-life balance**, and **access to line managers**.

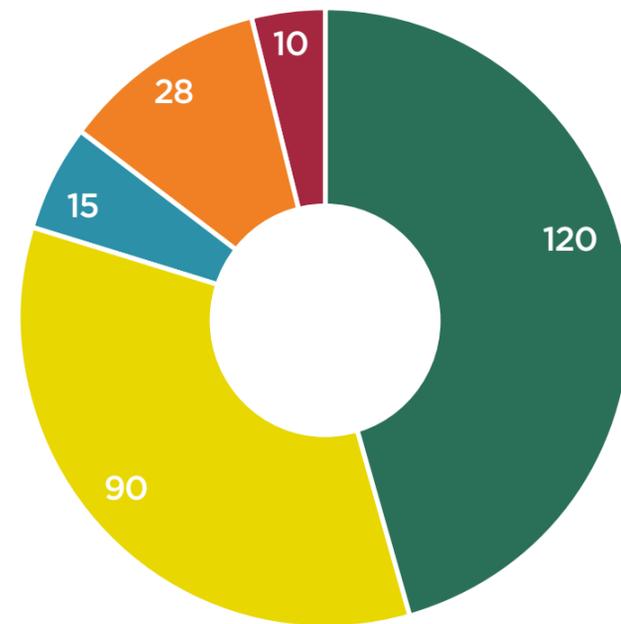
Formal Learning and Development

- 37% of respondents stated that hybrid working is having a positive or very positive impact on their formal learning and development versus 20% who found it was having a negative impact.
- Due to the pandemic and the increased adoption of video conferencing technology, formal training has shifted online. The reduction in travel enabled by hybrid working may enable increased levels of formal training due to savings in time efficiencies.



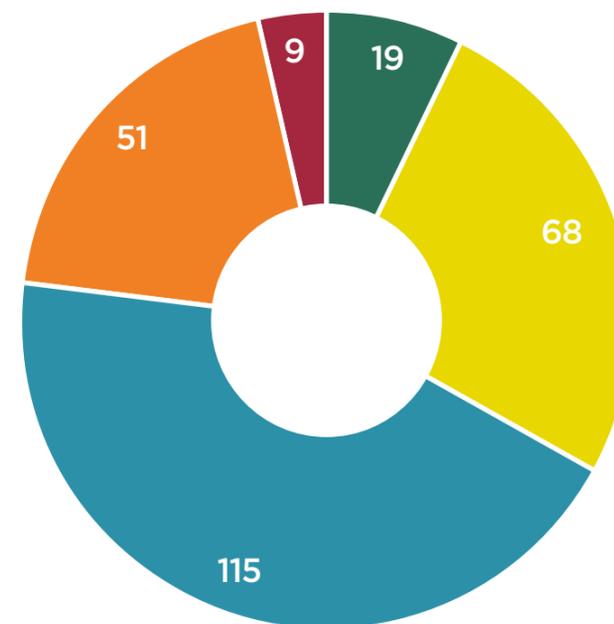
Work-life Balance

- Our survey shows hybrid working has an overwhelmingly positive impact on work-life balance
- Nearly 80% of the respondents stated a positive impact with only 14% stated negative Impact.



Access to Line Managers

- Surprisingly, over 33% of the respondents stated hybrid working has had a positive or very positive impact on their access to line managers with only 23% of them stating negative impacts.
- Overall, it is felt that line managers become more available in hybrid working, perhaps thanks to regular meetings and more frequent 1-2-1s.



Hybrid working brings a range of benefits for both employees and employers. Work-life balance, as expected, is the major improvement. This is linked to improvements in formal L&D with employees likely having more time to complete qualifications. Improvements in formal L&D and access to line managers has been fostered by an improved adoption of technology. Due to these clear advantages, we do not expect a reversal to a 5 day in person office – **hybrid working is here to stay**.

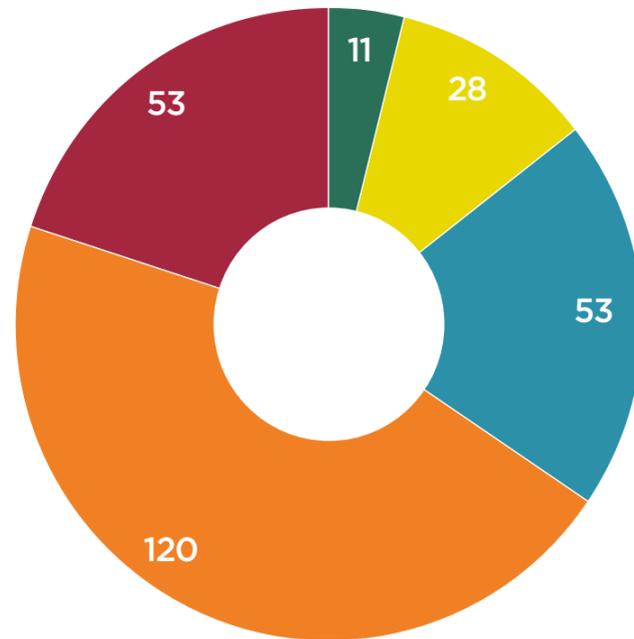
■ Very positive
 ■ Positive
 ■ Neither positive or negative
 ■ Negative
 ■ Very negative



5 Negative impact of hybrid working

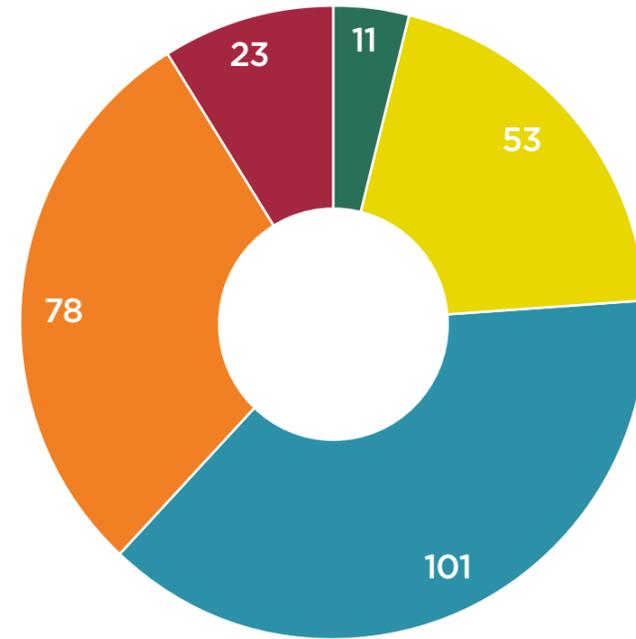
Social interaction

Social interaction and networking was the primary category where respondents across all sections of the insurance industry reported negative impact, with a staggering 65% reporting negative or very negative impacts.



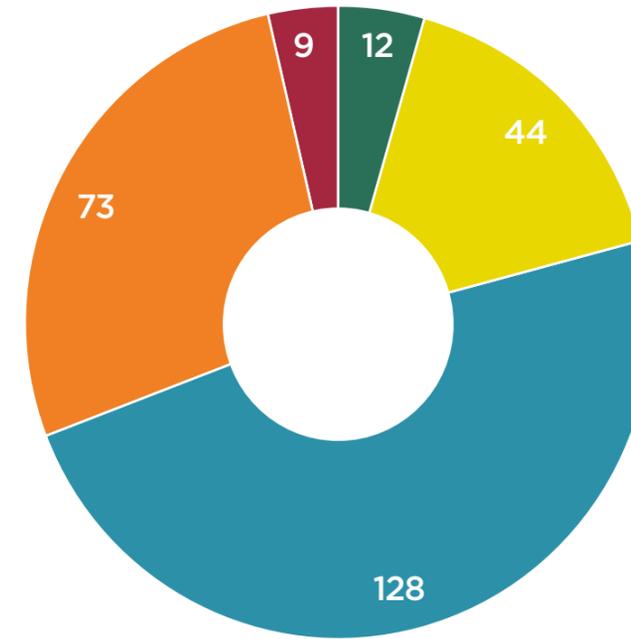
On the job learning

On the job learning also saw a largely negative response, with 38% of respondents reporting negative or very negative impacts.



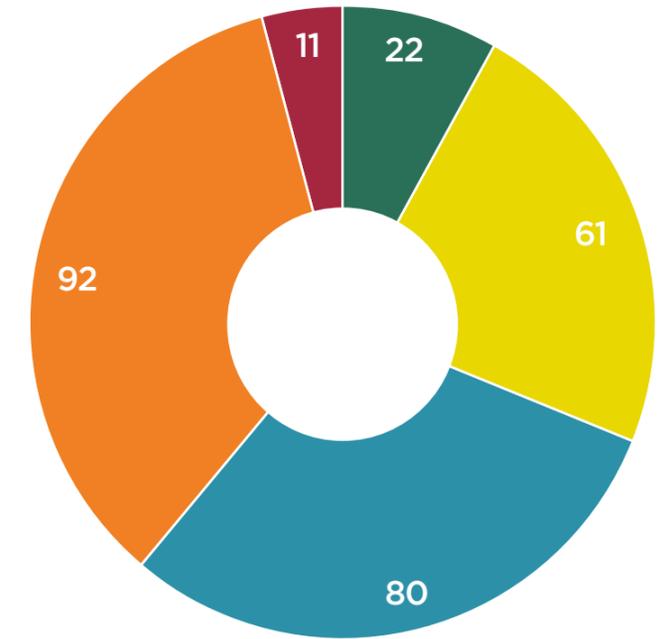
Access to mentors

Access to mentors was similarly reported to have had significant negative impacts, with 31% reporting negative or very negative impacts.



Collaboration

Collaboration was the final category where hybrid working was reported to have more negative and very negative impacts (39%).



■ Very positive
 ■ Positive
 ■ Neither positive or negative
 ■ Negative
 ■ Very negative

Digging into the demographics

The negative impacts of hybrid working on **social interaction and networking** were reported across all categories, including sex, experience & sector.

The negative impacts of hybrid working on **'learning on the job'** were most pronounced in

underwriting and broking and there were no differences reported for back-office roles. Surprisingly, less experienced respondents in back-office roles reported more positive impacts than those with greater experience in back-office roles.

The negative impacts of hybrid working on **access to mentors** and **collaboration with colleagues** were most pronounced in underwriting and broking compared to back-office roles. Junior colleagues were particularly impacted. This was to be expected, as those

with less experience will typically seek greater interaction with mentors and colleagues, which can be more easily achieved in an in-person environment.



6 Groups particularly impacted by hybrid working

Our research demonstrated that industry groups are being impacted differently by hybrid working.

Underwriting and broking are the two areas which showed a greater negative impact than all other industry sectors. The areas of particular note are **collaboration with colleagues**, **on the job learning**, and **access to mentors**.

Underwriting and Broking

Collaboration with Colleagues

Over 47% of respondents found their collaboration with colleagues was negatively or very negatively impacted by hybrid working.

On the job learning

Almost 50% of respondents found their on the job learning was being negatively or very negatively impacted by hybrid working.

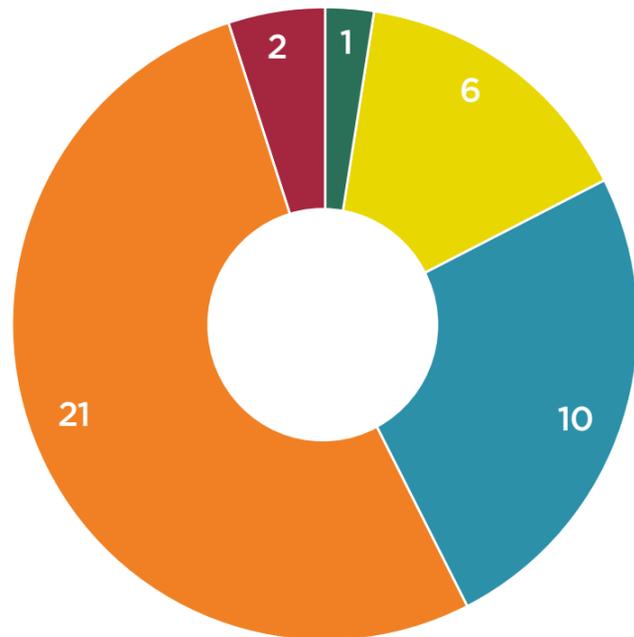
Access to mentors

Over 41% of respondents found their access to is being negatively or very negatively impacted by hybrid working.

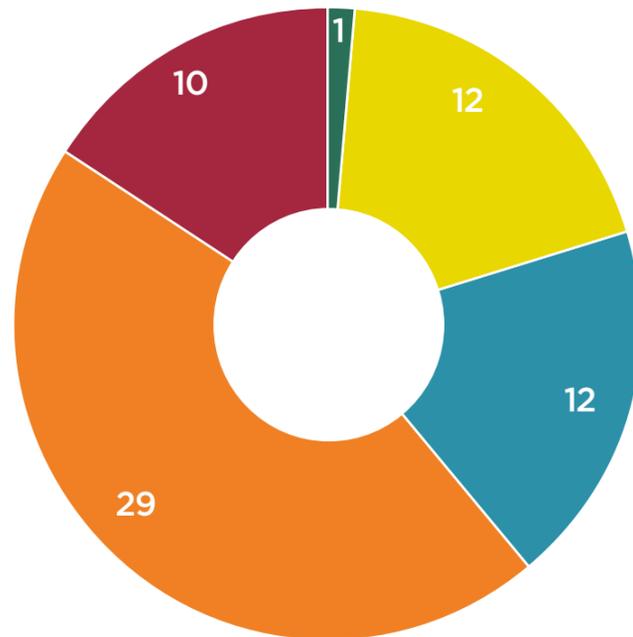
Junior underwriters and brokers

- The negative impacts increased for those underwriters and brokers with less experience.
- **Over 57.5% of junior** (under 10 years in industry) **underwriters and brokers** stated that hybrid working was having a **'negative'** or **'very negative'** impact on their 'on the job' learning.
- Those with the least amount of experience (under 5 years) demonstrated considerable negative impact in terms of collaboration (57.5%) and access to senior leaders (63%).

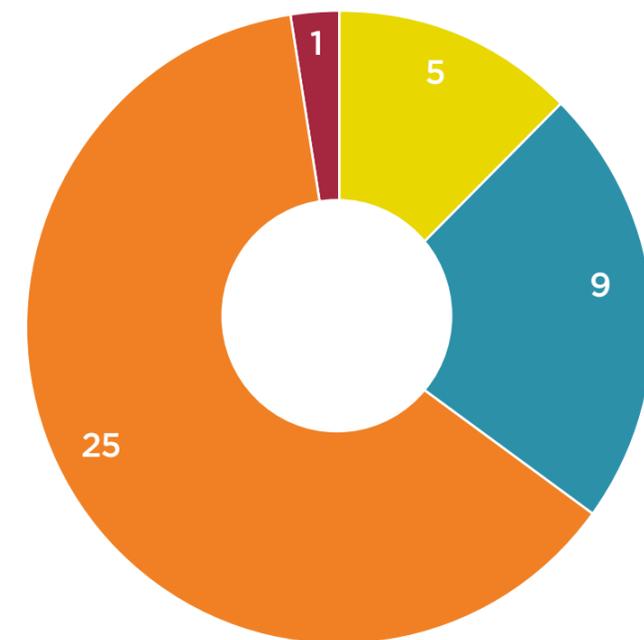
Impact of hybrid working on collaboration of less experienced underwriters and brokers.



Impact of hybrid working on 'on the job learning' of less experienced underwriters and brokers.



Impact of hybrid working on access to senior leadership of less experienced underwriters and brokers.



Very positive Positive Neither positive or negative Negative Very negative

7 Survey respondent comments

Of the 264 people surveyed, 71 provided suggestions for improving learning and development in a hybrid working world. There were three recurring themes for improvement that emerged.

Structured Learning from Employers

A key theme was that participants felt their employers, either through their managers or dedicated learning and development days, should encourage and offer more formalised training. Many participants believe hybrid working is impacting their on-the-job learning, with one participant stating that it is *'very apparent that the traditional model for training underwriters isn't fit for purpose, specifically Lloyd's based underwriters.'*

Coordinated Office Attendance

Whilst many of the participants recognised the benefits of hybrid working, several of them suggested having a coordinated team attendance, through set days or through accessible team calendars that are available in advance, would allow for more productive days in the office and give junior members greater access to more senior colleagues. One manager acknowledged the *'very negative and significant'* impact of hybrid working on their team and even went on to say *'Businesses need to ensure juniors have someone available to refer to at all times'*.

Mentoring Schemes

Previously, mentoring schemes in the industry have mainly been focused on career development or networking. However, there were several participants who suggested a *'robust mentoring scheme'* which would instead focus on technical training and skills rather than the current schemes offered by companies and via organisations such as the Insurance Institute of London, Next Generation in Insurance Network, and the Chartered Institute Insurance. Participants suggested that a more technically focused mentoring curriculum would be most effectively delivered through internal employer-led schemes, rather than market-wide initiatives.

Whilst it is clear from our survey that hybrid working still divides opinion in the London Insurance Market, there are several options available to employees, companies, and networks to combat some of these issues and create more opportunities for people from every level to learn and develop in their career.



8 Conclusion



Hybrid working is here to stay

The move towards hybrid working has been on-going for years. However, the pandemic sealed the fate of the 5-day office week. There is no doubt that hybrid working offers multiple benefits. Our research confirmed that the work-life balance of those in the London Market has drastically improved following the introduction of hybrid working. In addition, there have been improvements to formal learning and access to line managers. Enhanced time efficiencies (i.e. reduction in travel) and adoption of technology underpin these positive impacts. Overall, we believe that the benefits brought about from hybrid working mean it is here to stay.

The London Insurance Market under threat..?

Notwithstanding the upsides identified above, our research has also led us to conclude that hybrid working carries a potential long-term threat to the ongoing success of the London Market. The cornerstone of the London Market's success, its unparalleled expertise and knowledge, is being challenged by the negative impacts that hybrid working is having on the learning and development of its underwriters and brokers. The traditional informal learning pathway of an underwriter or broker is no more. Learning 'via osmosis' will no longer foster the talent that London needs to retain its position as the world's premier market for placing complex risks. As hybrid working is

here to stay, companies must address the associated risks to their organisation, principally the potential for the erosion of organisations' talent pool from the bottom up.

It's incumbent upon market leaders - and those with a passion for the continued success of the London Market - to acknowledge, address and adapt to the challenges brought about by the proliferation of hybrid working practices. The London Market has overcome a variety of challenges throughout the course of the last 300-plus years, but has the London Market ever faced such an existential threat to its position as a centralised hub of expertise?



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