

BUSINESS INSURANCE

Change Champions: Engaging the next generation

September 18, 2018

Chicago, IL

#BI_Inclusion

About us



Susan Holiday
International
Finance Corp.



Jeff Grange
QBE



Deborah
Pickford
InVEST



Andrew Miller
Spencer
Educational
Foundation

The need

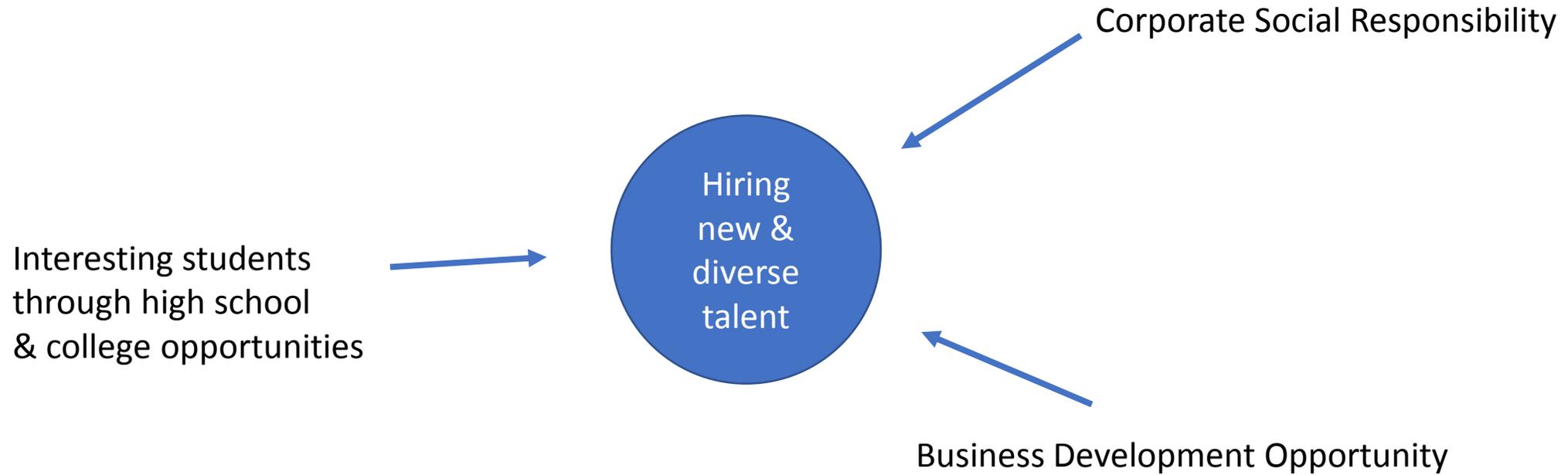
400,000

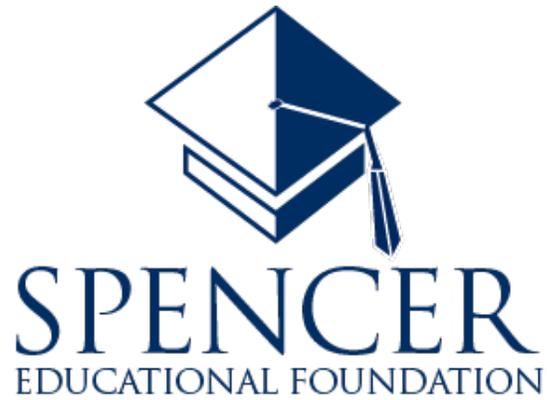
vacancies by 2020 due to baby boomer retirements

Beyond Millennials:

How do we attract and maintain new AND diverse talent from Gen Z as well as from other demographics?

Approaching the issue





Scholarships

Grants

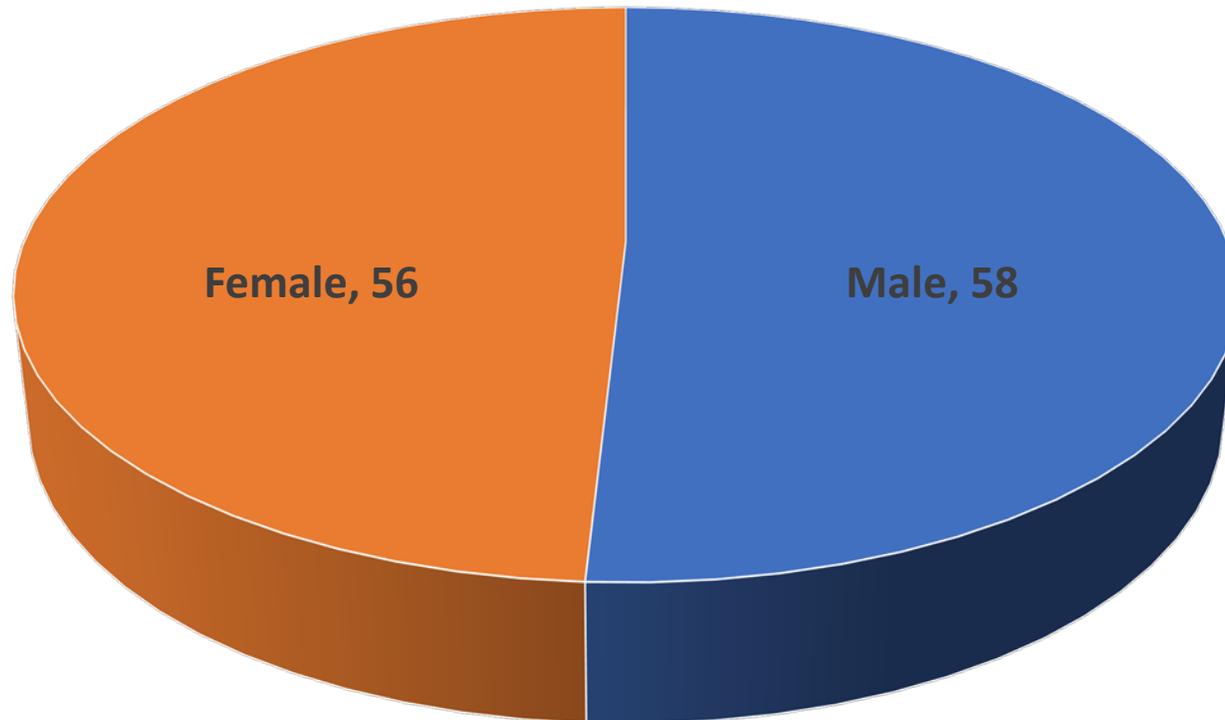
Generating awareness about industry careers

\$6.4M in Scholarships; \$3.25M in grants; more than 43,000 students touched

80% of scholars still in the industry

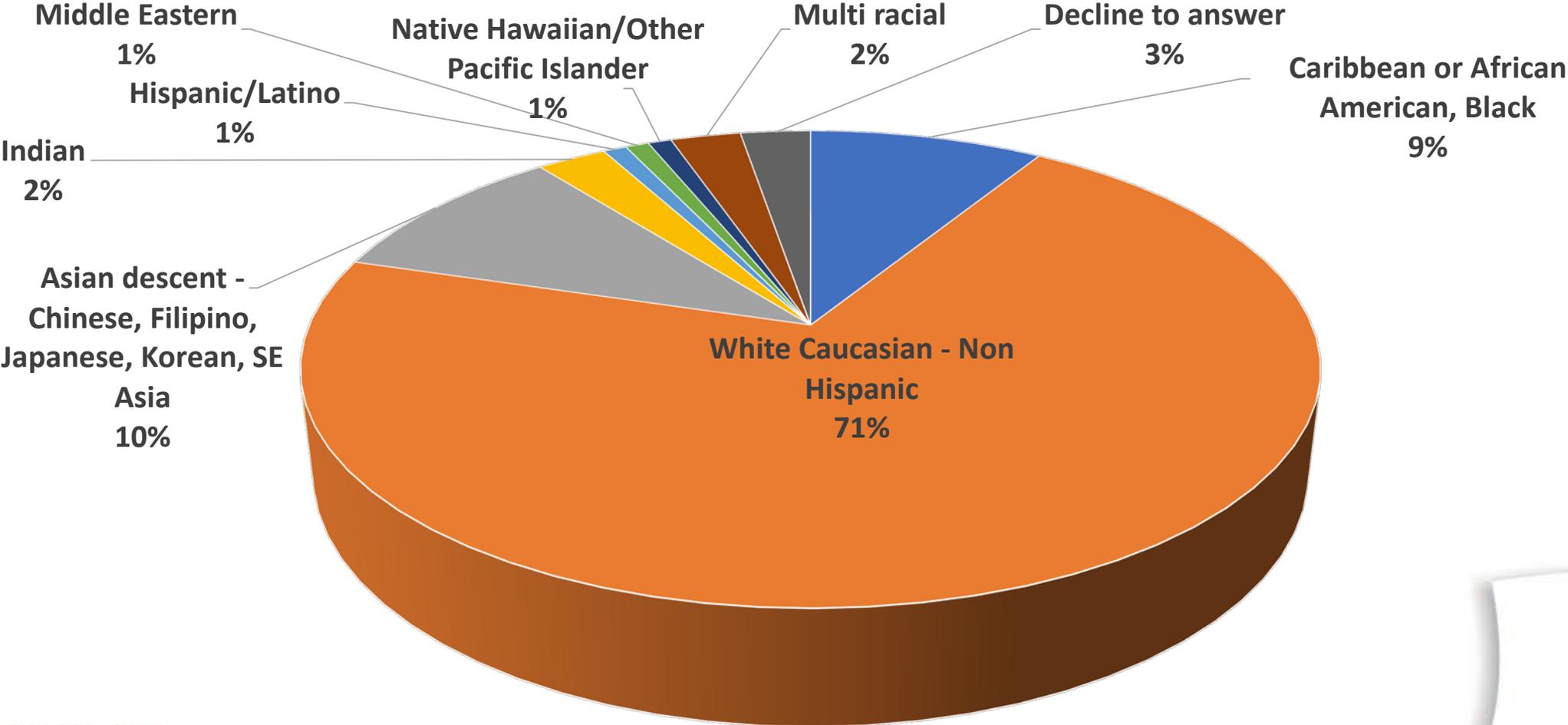
www.spencered.org

Spencer Scholars Survey: Gender



On a separate question, one person declined to answer whether their gender identity corresponded with gender on original birth certificate

Spencer Scholars: Race/Ethnicity



Spencer Scholars survey:

- 15% were not US citizens and were attending school in the US
 - China, Germany, Ghana, India, Korea, Moldova, Philippines, Romania, Tanzania, Trinidad & Tobago, Zimbabwe
- 4% reported that they were bisexual or homosexual
- 10% reported that they had a disability of some kind (physical or mental)

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Capturing the Women's Insurance Market:

Creating A Value Proposition for Women

Diversity and Inclusion Conference

18-19 October

Chicago

#BI_Inclusion

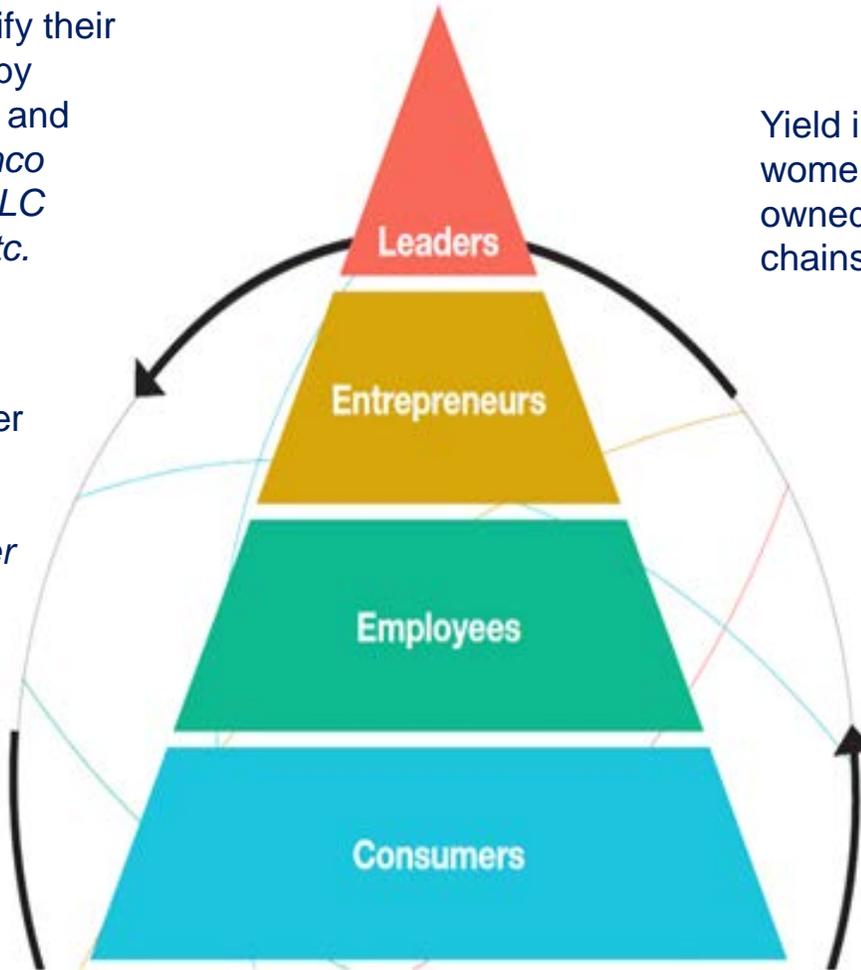
Susan Holliday
Principal Insurance Specialist
International Finance Corporation

IFC Creates Profitable Gender-Smart Client Solutions

Financial Institution clients diversify their portfolios and gain market share by catering to women entrepreneurs and consumers more specifically, *Banco Itau, Banco International Chile, BLC Lebanon, Access Bank Nigeria etc.*

Clients can create stronger value chains through capacity and capital support to women, *Boyner Turkey*

Companies can increase profits by specifically marketing to women as a fast-growing consumer base, *AXA Mansard, Nigeria and Bharti AXA, India*

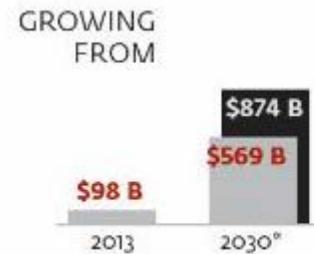
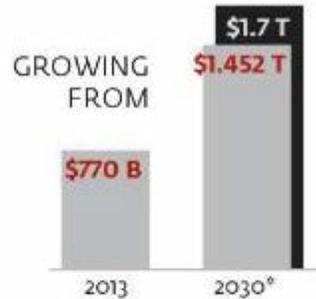


Yield increases when more women farmers and women-owned firms take part in value chains, *ECOM, MAS client*

Companies can maximize their talent through efforts to recruit, retain, and promote women

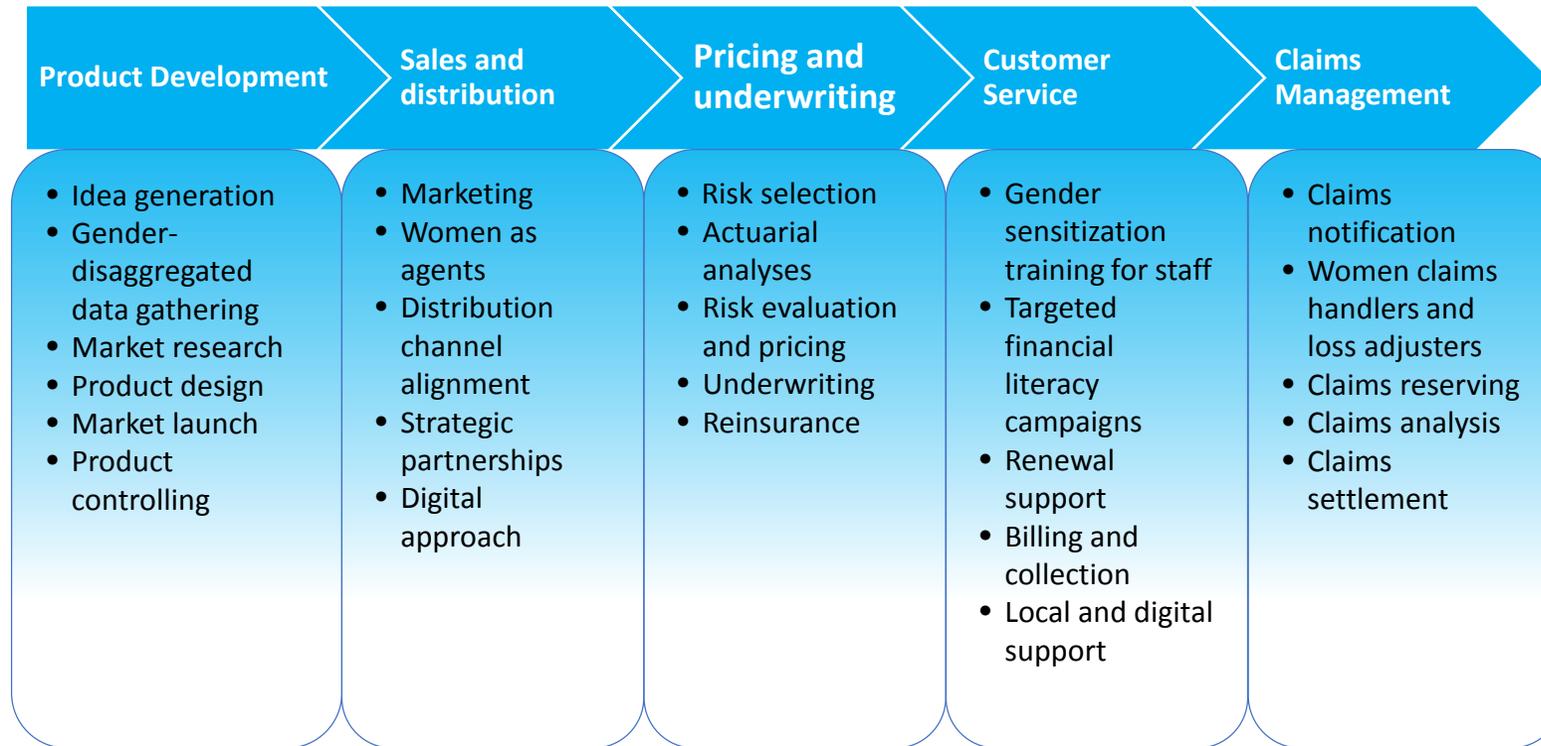
Women on the Rise

Women will significantly drive insurance market growth, especially in emerging markets



10 countries (China, Brazil, Turkey, Mexico, India, Colombia, Indonesia, Nigeria, Thailand, Morocco) will represent 50% of the women's insurance market in 2030 (vs. 10% in 2013)

Addressing Women's Needs Along the Insurance Value Chain



Strategies for Unlocking the Market Potential

There is no such thing as “one size fits all” in insurance solutions for women

Develop targeted value propositions for women at every lifecycle stage



Salaried Women without Children



Working Mothers



Retirees



Low-Income Customers



Women Entrepreneurs

Build intelligence on women’s insurance needs

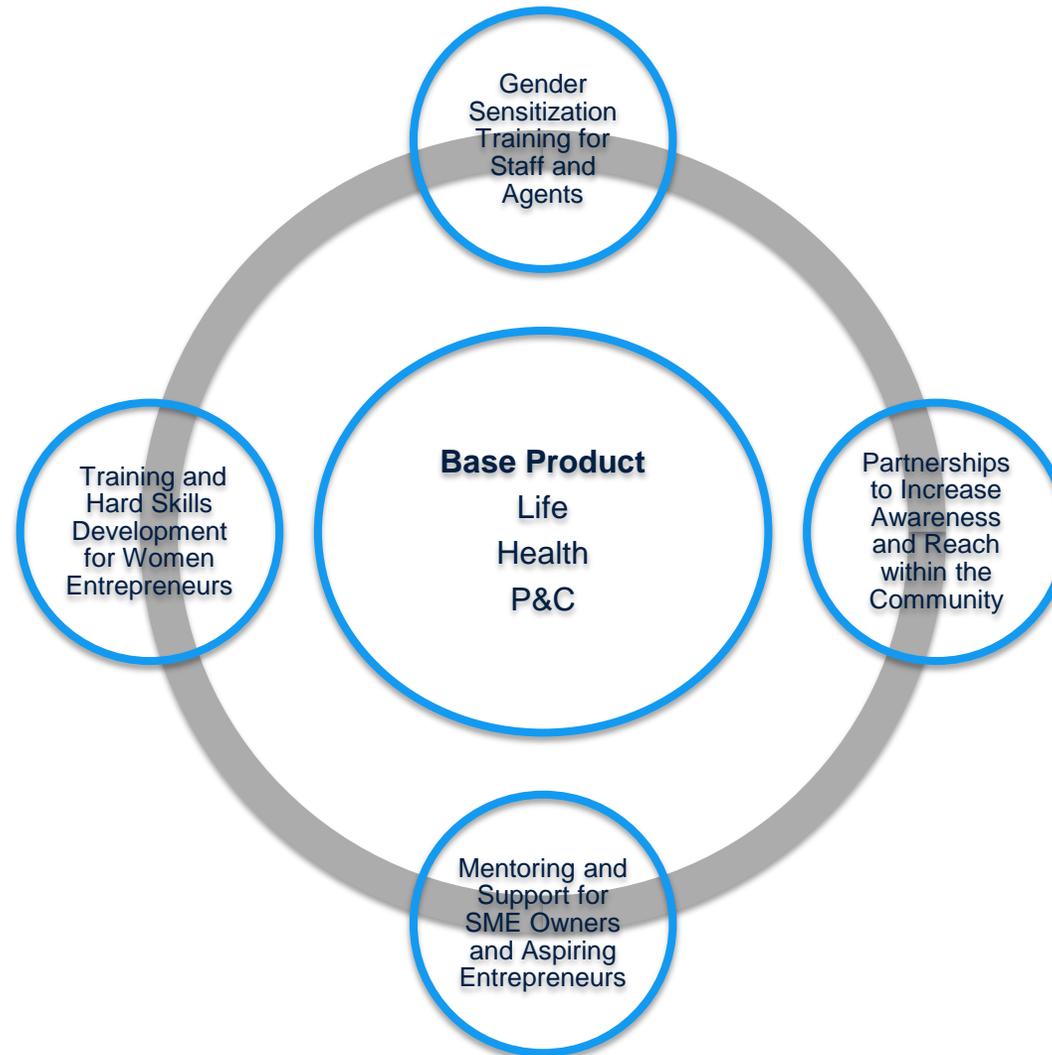
- Gender-disaggregated portfolio monitoring
- Analyze existing and collect new data on women’s demographics, needs and behaviors
- Implement feedback loops

Enhance distribution methods to improve proximity to women customers

- Leverage women specific networking and advocacy habits
- Utilize technology
- Build partnerships
- Engage more women in the insurance salesforce and leadership positions

IFC is in the Business of Creating Holistic Solutions

Together with the Entrepreneurship team, the Women and Insurance program does more than create products; we create solutions



Insurers with Keen Interest in the Women and Insurance Program Around the World

Insurers piloting a holistic Women and Insurance initiative

AXA Mansard
Nigeria

Bharti AXA
India

Examples of insurance companies targeting women

Mozambique

Real Lady Insurance is a product offering from Real Insurance which is targeted at women in Mozambique. Real Lady products include buildings, personal accidents, liability, motor vehicle insurance, etc.

South Africa

Established in 2004, 1st for Women offers tailor-made insurance for women in South Africa. Products include life, health, motor, business, portable and personal insurance, etc with added benefits such as concierge service, road, medical and home assistance.

Italy

"Business Gemma" insurance policy and loan that insure women entrepreneurs in Italy in case of a business interruption and for personal protection. It includes protection for a diverse-set of women-specific personal and health needs including maternity, female specific check-ups, and legal protection against divorce, etc.

Brazil

Auto Mulher product by Porto Seguro offers 24-hour home and vehicle assistance; access to drivers who can pick up children from school or take the parents to a doctor; repair and installation services; pickup and delivery of cars to maintenance centers; and discounts on child safety seats products, etc.

Mexico

Zurich Seguros has partnered with Avon, a beauty and cosmetic company, on an innovative incentive plan to provide health, medical and accident benefits to Avon's salesforce of primarily women representatives. Representatives who reach a certain tier of sales are entitled to opt-in to the corresponding tier of insurance coverage for free.

India

Wellsurance Woman Policy is a health insurance product offering available in the Indian market. Includes lump-sum benefit for 11 critical illnesses including Cancer. Tangible benefits to women include free health helpline, discounted health & wellness services, etc.

How Does this Apply to Commercial Business?

- Women employees – are group schemes really proving women with the protection they need?
- Women entrepreneurs running SMEs and their female employees
- Women working at insurance companies and as agents
- Brokers and related services (loss adjusters, claims handlers)
- Women on boards

Piloting Solutions for Women Entrepreneurs in Nigeria



MyAXA
MyNetwork

Challenge: AXA Mansard sought to design solutions to enhance trust and build relationships that will enable agents to cross-sell over time and expand women's individual spend on insurance overall

Solutions: *Solution360* - Building on AXA Mansard Investments' Money Market Fund to support Nigerian women's ability to start, grow, and build their business / side hustle

MyAXA, MyNetwork - Positions AXA Mansard in the women's market while providing services to women entrepreneurs such as visibility, linkages, timely business information, and access to existing insurance products

What women entrepreneurs get

- ➔ Access to one-on-one coaching, skills building opportunities, expanded support networks, connections with mentors and prominent local business leaders
- ➔ Personalized financial advising to help them grow their businesses and work towards savings goals
- ➔ Public recognition at annual Everyday Woman Award ceremony

What AXA Mansard gets

- ➔ Enhanced customer loyalty, increased insurance spend, and referral business
- ➔ Improved reputation and brand recognition among women and the community at large
- ➔ Opportunity to prove that AXA Mansard is passionate about supporting Nigerian women

With IFC Become the Insurer of Choice for Women



Realizing the full potential of the women's insurance market will create impact far beyond the insurer's bottom line, increasing innovation, women's economic empowerment, and economic growth

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Jeff Grange
President, Specialty Lines
QBE

September 18, 2018

Chicago, IL

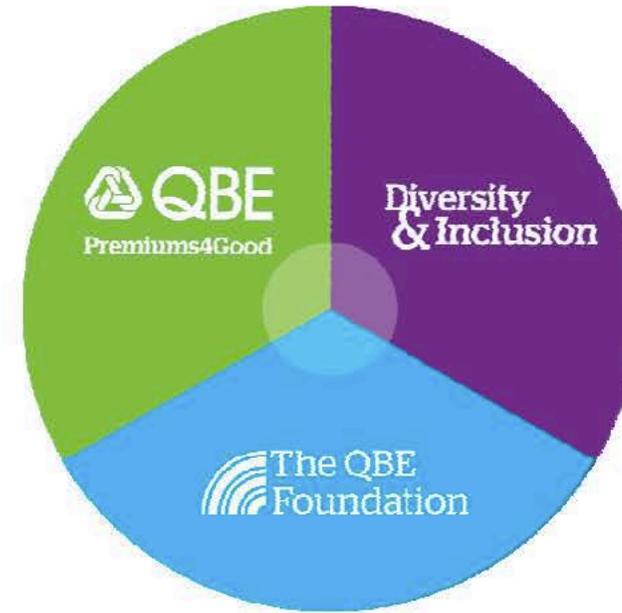
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Agenda

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Premiums4Good defined
- How impact investments work
- Timeline
- Examples
- Benefits of Premiums4Good
- Additional ESG activities



What is Premiums4Good

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Premiums4Good is a global QBE initiative to allocate premium dollars towards investments that have an added **social or environmental objective** while providing a profitable financial return for shareholders



Global QBE initiative

A unique initiative in the insurance industry



Automatic 5% allocation

An opportunity to make a difference to communities and the environment



No impact on premium

QBE takes the risk, as with traditional investments



It is not a charitable donation

QBE will commit to communicating the impact of the investments

Effective 1/1/2018, we plan to roll out Premiums4Good across most Specialty lines of business

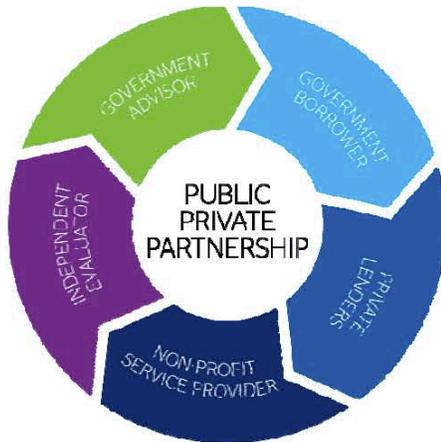
What are impact investments?

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Impact investments refer to investments made into companies, organizations, and funds with an intention to generate a measurable, beneficial social or environmental impact alongside a financial return

Pay for Success/Social Impact Bonds



Green Bonds

- Fund projects that have an environmental and/or climate benefit
- Per Climate Bond Institute, **\$81B** USD in green bonds were issued in **2016** (\$3B USD in 2012)
- 2016 was almost double 2015 (\$41B USD)

QBE P4G Investments

- Handled by investment team in Sydney
- Focus on high impact investments
- Committee of external and internal stakeholders that determine whether high impact or moderate impact

Timeline

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



Copper Mountain Project

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Infrastructure debt investment in Nevada
- Solar farm that generates 250 MW of power from renewable, clean fuel source
- Production capacity generates enough energy to power 80,000 homes
- Located in the most solar intensive part of the U.S.



Connecticut Family Stability Pay for Success Project

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Pay for success (PFS) project focused on reducing parental substance abuse and keeping families together
 - First PFS for the State of Connecticut that will support 500 families through Connecticut over 4.5 years
 - Government repays private investors only if the program meets measured outcomes as determined by independent evaluators
 - State of Connecticut and Department of Children and Families in conjunction with Yale Child Study Center, UCONN Health, and the Harvard Kennedy School of Government Performance
 - Private investors include QBE, BNP Paribas, Reinvestment Fund, Doris Duke Charitable Foundation, Laura and John Arnold Foundation, Nonprofit Finance Fund and two anonymous family foundations

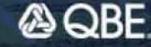


Government	Identifies critical need
Private Funders	Supply pilot or upfront project capital
Service Providers	Deliver services
Evaluators	Rigorously assess outcomes
Government or Third Party	Repays funders' upfront investment or providers if successful

Photo credit: Third Sector Capital

Salt Lake County Pay for Success Project

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



- Salt Lake County Pay for Success Program has two initiatives targeting crime and homelessness

- REACH program will serve 200 ex-offenders over six years to reduce recidivism through tailored evidence-based therapies, short-term housing support, and case management
- Homelessness Program will serve 300 persistently homeless people with move-in support, time-limited rental assistance, roommate matching for peer support and cost efficiency, and intensive case management for self-sufficiency and employment needs



“Third Sector applauds QBE’s commitment to supporting the Salt Lake County Pay for Success Initiative. Their support is integral to the success of Salt Lake County’s efforts in applying outcomes-based contracting to improve the lives of individuals facing persistent homelessness.”

- **Caroline Whistler**
Third Sector President
& Co-founder

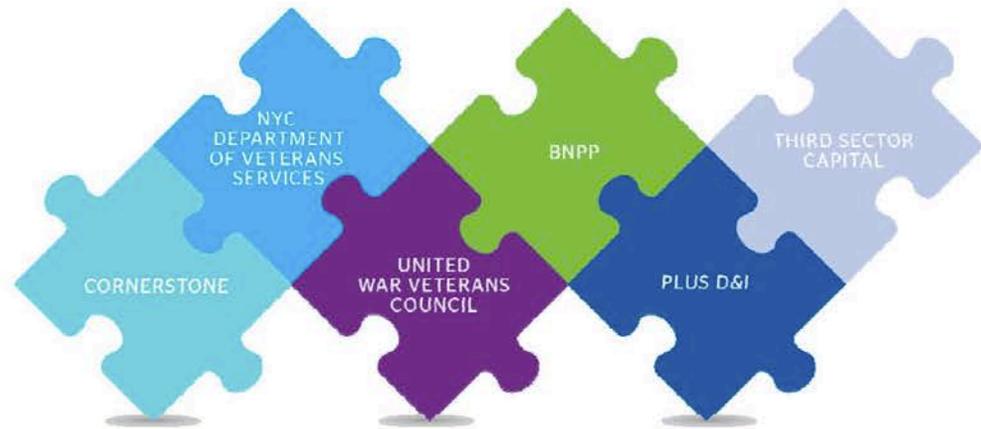
Increased engagement with community

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



QBE Premiums4Good

— COMMUNITY PARTNERS —



- Builds the QBE brand
- Increases employee engagement
- Opportunities to interact with our communities as well as partner with our customers on impact investments, philanthropy, and D&I
- Thought leadership on CSR and impact investments

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Market response

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“This is unbelievably smart. Hats off to whoever came up with this idea. All marketing research suggests buyers want a connection with companies that ‘do good.’ You are the ‘first mover’ in the insurance space – and I love it. I’m sure others will follow, but you are setting the lead. Great idea!”

– Caley LaRue
Senior Vice President,
Management Liability Group
Arthur J. Gallagher & Co.

“Cool idea. I will keep an eye on this.”

– Matthew Hoover, Esq.
Vice President
Aon Risk Services Financial
Services Group

“Great idea and one of a kind message.”

– Jeffrey R. Lattmann
Managing Director
National Executive Liability Practice
Beecher Carlson

“I wish you well, and that is a very classy act on the part of QBE.”

– William T. Harris Jr.
Managing Director
Guy Carpenter

“**Premiums4good** The uptake by QBE’s clients of this staggeringly simple initiative has been so strong that it’s left the company searching for suitable investments to match flow with! QBE’s recently issued Green Bond was 3x oversubscribed. A clear PURPOSE creates cultural employee alignment – **it’s simple; when you are proud of the organisation that you work for, you’ll work better.**”

– CLSA report

Additional ESG activities

2017 QBE Specialty Producer Appreciation Conference & Advisory Council



 **The QBE Foundation**

\$3.7 million in grants  **More than 1 million** in the US alone

10-4-10

Veteran's Day **Parade** 

 **AIDS Walk** New York

250+
charities

Diversity & Inclusion

- Diversity & Inclusion Councils
- Business Resource Groups
- Business Insurance Dive In Conference
- STEMconnectors

COMMITTED TO **INCREASING** gender-balanced leadership teams to

38% by **2020** 

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Deborah M. Pickford, Executive Director

September 18, 2017 / Chicago, IL

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At a Glance

- Our **former** mission: Improve insurance literacy in young people and attract new talent to the insurance industry.
- Our **new** mission: Educate, prepare, and attract diverse talent to the independent agency system.
- With the help of InVEST insurance professional volunteers, students learn about insurance, participate in job shadows, internships or even careers after graduating from InVEST.
- Our online insurance curriculum provides all the materials needed to teach and engage students: lesson plans, e-textbook, activities and more. **OUR RESOURCES ARE FREE!**
www.investprogram.org
- We are a non-profit organization generously funded by insurance carriers, independent agencies, insurance tech companies, state associations and IIABA.

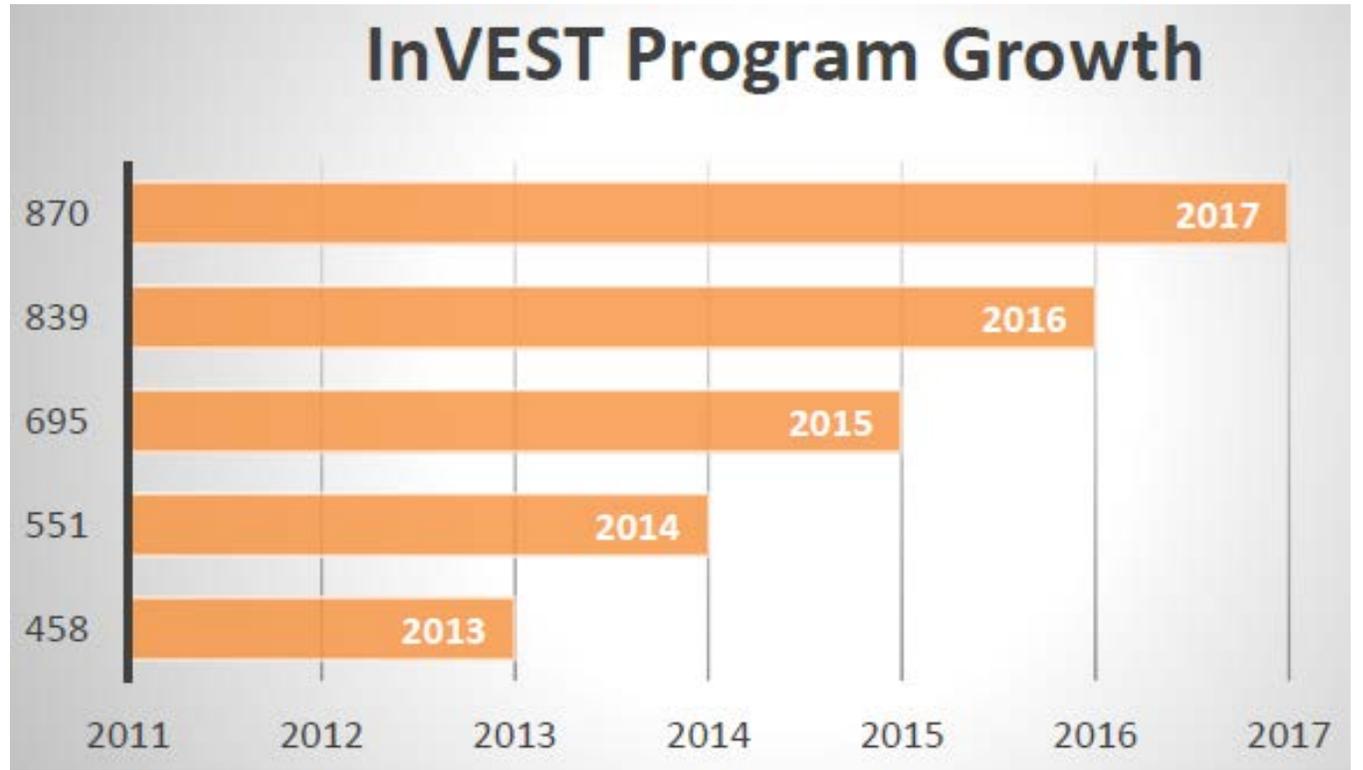
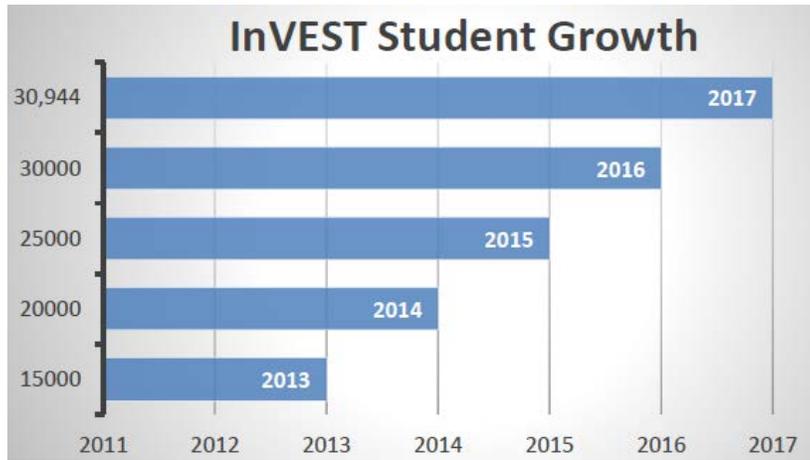




By the Numbers



- **877 educators.**
- Active in **44 states.**
- Over **31,000 students** learning about insurance and career opportunities in the classroom.
- InVEST working with **95 colleges** that offer insurance as certificate, associate or four-year degree program.
- This year, **76 students** awarded InVEST scholarships totaling **\$75,500** to pursue insurance careers.
- Over the last ten years, over \$750K has been earned by InVEST scholars.



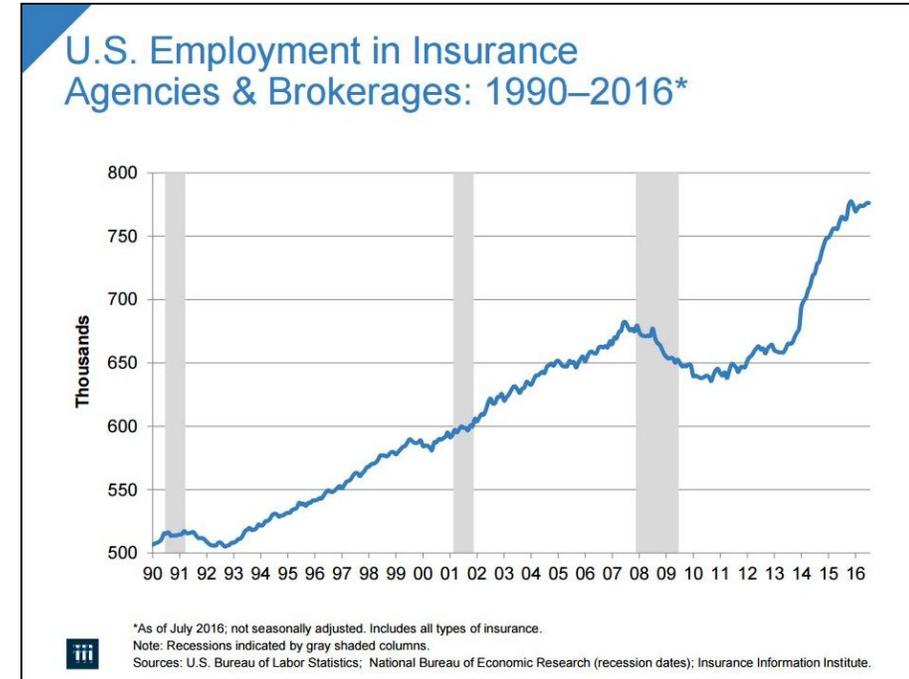


By the Numbers

- By 2014, Millennials were already the largest and most diverse generation in the U.S.
- A record 42% of individuals identify with a race or ethnicity other than white.
- The share of Hispanics alone in this age group tripled between 1980 and 2012 from 7% to 21%.

Challenge #1: Rapidly Aging Insurance Workforce

- Average age of an insurance professional in the U.S. is 60.
- Over the next 10 years, over half of the U.S. insurance workforce will retire.
- By 2020, the Bureau of Labor statistics estimate there will be 400,000 open insurance jobs within companies and insurance agencies.



reputation

necessary
complicated
stagnant
deadend
bad sales
boring
deskjob
dull
white
staid
ripoff
expensive
policies
insurance
men
autos



Focus on Diversity



- Deeper commitment to diversity in our agency force.
- Increase diverse schools in the InVEST program.
- Closer integration on the national level with IIABA Diversity & Technology committees.
- Partnership with the National African American Insurance Association (NAAIA).
- Spanish-language materials.





Working with Diverse Students



CHICAGO

- 24 InVEST schools in that city!
- Effort led by Michael Hilson of GBG Insurance and Shannon Churchill of IIA Illinois.
- High-school insurance 'Boot Camp' hosted Traveler's Insurance Company this summer.
- Harold Washington College recent "Meet and Greet" with InVEST board.



Working with Diverse Students

GEORGIA

- Classes at Martin Luther King High School in Atlanta and some restarting at Meadowcreek High School in Alpharetta.
- Volunteer insurance education efforts led by Jose de la Cruz and Tommy Davis of Travelers.
- InVEST curriculum partnership with Junior Achievement piloted in Georgia.
- Working with NetVu to bring InVEST students to their May tech conference.





Working with Diverse Students

- Hartford, Connecticut has multiple InVEST programs and three insurance carriers supporting our efforts there: Travelers, Hartford and Hartford Steam Boiler.
- Strong programs in Dallas, Texas and soon expanding to San Antonio school district.
- Louisiana State Insurance Department leading the InVEST program and working to match schools and teachers with insurance education taught by volunteers.
- Working with a group of insurance professionals from the Diversity & Inclusion Council to coordinate volunteer opportunities at InVEST schools.
- Exploring an insurance education program with Goodwin College in Connecticut for single mothers who haven't completed college.

Cool
Leadership
Helping Inclusive
Diverse Fun Travel Exciting Caring
Career New
Options Cyber
High Pay
Opportunities
Entrepreneurial
Cutting Edge Resourceful
Innovative