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UNIQUE PERSPECTIVES
FROM OUR WORLD



FINANCIAL RISKS

BUILDING AN INSURER FROM THE INSIDE OUT

Insurance organisations are traditionally populated by underwriters, actuaries and claims handlers. So why are people like data scientists and process engineers playing an increasing role at Liberty Specialty Markets?

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Erica Crawford grew up with a clear view of the galaxy. From her childhood bedroom in England's Lake District, she could lie in bed and gaze directly upwards through a huge skylight at the countless stars comprising the Milky Way. On rare nights, she could even glimpse the undulating green luminescence of the aurora borealis. It was a view that, in many respects, helped inspire her choice of career: data scientist.

Today, Erica's view is equally impressive. From her desk on the 22nd floor of London's Walkie Talkie, where she occupies a window seat, she can see the rooftops of London's business district arrayed far beneath her. Surprisingly, though, she's not working for a satellite business or an astronomical consultancy. Instead, she's employed by Liberty Specialty Markets.

Matthew Freeman shares some of Erica's career DNA. He studied aeronautics and astronautics at Southampton University before joining the Ford Motor Company as a process engineer. If you're driving a Ford car, its cylinder block could have been Matthew's responsibility. He, too, is now at Liberty, working as a configuration analyst.

Both Matthew and Erica are indicative of a change that's taking place in Liberty. Go back 20 years and the skills required

to run an insurance business were fairly standard the team was made up of actuaries, underwriters and claims handlers. Fast forward to today and the old job descriptions are being replaced by more fluid, non-traditional people specifications. The net result is that the people at Liberty increasingly resemble the people who work for its clients.

According to Peter Sprent, Head of Financial Risk Solutions at Liberty Specialty Markets, it's all about wanting to be a better partner for the insurer's clients. "Today's insurance industry is markedly different than it was even five years ago," he says. "Technology has given us the opportunity to look at existing data in a way we never have before and leverage it to deliver the best possible solutions for our clients. It empowers us to better understand what's happening with our clients and what is driving their attitude toward risk and to build a solution that meets that exact need.

"This change in technology means that we can now bring in people with different skills from different backgrounds whose experience helps us better understand what's going on in our customers' businesses. And the better we understand their businesses, the more creative we can be when we think about how to help solve their problems.

Peter sums it up: "Ultimately, people with these skills create more options for us."

One of those options is making better use of data to help the business make better

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decisions. That's where Erica Crawford fits into the picture. After roles with the Welsh Tourist Board, Lloyds Banking Group, Barclaycard and M&G Investments, an interview with Liberty piqued her interest. "The people here seemed very passionate," she recalls. "Everyone in the management information (MI) department were very enthusiastic and I liked the fact they were investing heavily in data. They still are."

As a member of both the Financial Risk Solutions team and the MI team, Erica's role focuses on ensuring that new systems being brought in by Liberty can run in parallel with the legacy systems they will ultimately replace. Once both systems can talk to each other, share the same data and client information, the older one is switched off.

In addition, Erica is designing data dashboards using a range of computer languages. This is when you might catch her wearing headphones listening to Rachmaninov while she writes code – what she refers to as having the opportunity to be 'dry technical'.

For Matthew Freeman, it was the chance to leave the shrinking UK motor industry and work with data that attracted him. "I'm part of a project team in the actuarial department working on a new online pricing programme."

Culturally speaking, both Matthew and Erica can point to differences with their former work environments. For Matthew, Liberty seems a more positive place offering greater scope for opportunity. By contrast, many of the decisions made in the automotive industry seemed to be driven by cost-cutting.

Mutuality is also something that's important to Erica. "Being a mutual makes a big difference," she observes. "At Liberty, we're not subject to pressure from shareholders at the expense of customers and partners. By contrast, my former employer was hamstrung by its major shareholder."

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Both also see the benefits that their different backgrounds present. "Coming from a project management and engineering background," says Matthew, "I feel I can pick up things pretty quickly and offer some valuable insights."

Erica points to a presentation she gave to the Financial Risk Solutions team on the power of business information. She explained to her colleagues how communicating data has both an artistic and a technical dimension. "You need to be able to visualise the concept of the dashboard and then build it. It's all about taking complex data and presenting it in such a way that anyone can read and understand it – and, importantly, can make decisions based on it."

Liberty's certainly not short of data, according to Peter Sprent. The issue has been that it hasn't been making decisions based on that data. But Erica's arrival is changing that. "Data is a huge resource for us, but we were previously only able to quote based on analysis of a fraction of it. The risks we decline or don't quote on are problems for our clients that remain unresolved and revenue we could have been writing, if we'd been able to better analyse the data. Now that technology allows us to do a deeper dive, we are able to look at the data in a whole new way.

"We can now be much more proactive in how we analyse risk, which means that we now need people who are more data orientated to extract and feed the necessary information to underwriters who are then better able to satisfy the brokers' and clients' needs.

"Going forward, we are going to think about underwriting in a different way – say using both risk and data analysts as well as risk underwriters to design client solutions and "reverse engineer" enquiries. We need to pool resources and skills to be more creative."

For Erica Crawford, staring out of her bedroom window at the Milky Way and studying data have much in common. Both are about trying to tease meaning out of a mass of information; both are about making sense of the incomprehensible. And if that allows Liberty to better understand and serve its clients, it's an effort clearly worth making. ■

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