
Q& A:

with **Joanne Musselle**
Group Chief Underwriting Officer

Writing the future

Shaping the future of underwriting means embracing risk, investing in data and analytics, and taking a fresh approach to training underwriters. >





Joanne Musselle has been with Hiscox since 2002 and held a number of senior positions in both claims and underwriting. In 2019, she became Group Chief Underwriting Officer, driving rigorous standards and using data and analytics to meet the challenges of the future.



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Q: You've been with Hiscox for over two decades now – what was it that drew you here in the first place?

A: I'd been busy working for some of the big corporates, always in the technical areas, whether it be on the reserving side, pricing, underwriting or claims. I'd been in Asia for about five years, working for big global insurers, when I got a call about a role at Hiscox. I knew Hiscox from the syndicate side, but back then the retail company was tiny, with premiums of just over £200 million. And there was something in it that really struck a chord. It was like a green-field site. So when I met some of the team, the idea of helping build out the retail side sounded really exciting. And unlike the big global insurers it was already customer-centric rather than product-centric, which really appealed to me. What I didn't know then was that I would be coming for 20 years!

Q: So what is it that's kept you here so long?

A: Lots of things, but first and foremost the values – you can't stay somewhere for that long if the values don't chime

with your own. And then it's the people. There is just this rare quality to the people I work with: professional, brilliant at what they do, experts, collaborative. I don't find it hierarchical either. It's genuinely 'best answer wins'. We want to get to the best answer, and that can come from anyone at any time. I love that courage is one of our values, because it gives you license to say: *"I know everybody wants to turn left, but I want to turn right. Can we discuss why..."*

Q: For the past couple of years, you've been the Group Chief Underwriting Officer. What does that involve?

A: It's all about the technical side – the risk selection, pricing, exposure management, reinsurance, product development, wording. We have six business-unit-focused Chief Underwriting Officers around the Group who are responsible for the day-to-day execution of our strategy, but my job is to set that strategy with the Board. It's big things like how much risk we want to take, what new areas we may want to move into, how we structure our propositions and how we think about emerging risks.

I always think that no matter what role you've got, it has three parts to it. The first part is just doing the job well, doing those things I've just mentioned. The second is evolving the role for the future, investing in things like data and analytics. And then the final part, which is the most important, is people: making sure we're engaging, attracting and developing the people around us.

Q: How has Hiscox's approach to underwriting evolved in recent years?

A: It's obviously been a complex period for everyone, and like the rest of the world we've had to navigate our

way through some unprecedented situations. Our focus on data and analytics is definitely giving us a better understanding of how a book of business is performing. But I've been really keen not just to respond to the here and now, but really think about where we want to take the organisation. We've spent a huge amount of time and energy on something we're calling 'underwriting evolution'. Part of this is around critically assessing our portfolios. Are we in the right lines? Are our portfolios structurally profitable? How are we assessing emerging risk? Do we need to develop new propositions, new products? I think our portfolios are probably now in their best shape for a long time, but there's always more we can do.

Q: So where else do you think the portfolio should go?

A: Like others in the industry, our commitment to sustainable underwriting means we've got an exclusion strategy – that's focused on eliminating our underwriting exposure to some of the worst carbon emitters, like coal plants, by 2030. But exclusion isn't enough. We've always invested heavily in climate and climate research and we're a big natural catastrophe underwriter, so we've got a lot of technical expertise in that space, and we can utilise that expertise to help build out products around changing risks such as flood. We can also help our customers to navigate the low carbon transition, for example, in big-ticket lines where we're providing liability cover for decommissioning fossil fuel infrastructure or where we're supporting the installation of renewables. We're a niche and specialist insurer, so we're not going to be able to play everywhere, but we need to be challenging ourselves on our role in the transition as best we can.



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Another thing that plays into this, and it's going to be a big focus of mine in 2023, is what I call 'risk mitigation'. It's something I'm really passionate about. If you have a house, there's a risk your house might flood. You buy insurance to transfer that risk. But if we can mitigate that risk, if we can help you as a homeowner prevent a flood taking place, that's good for you, it's good for us and it's good for society. Reducing that risk also feeds back into our pricing. We've done a couple of things already, like LeakBot – a device that we've given to our homeowners which shuts off the mains if there's a leak. We've also spent a huge amount of time looking at cyber resilience for small businesses, putting in place really practical tools that can empower them to mitigate their cyber risk.

Q: What kind of opportunities are being opened up by advances in data and analytics?

A: One of my jobs is risk selection and making sure that we really understand the risks we underwrite, so we need to utilise data for that to improve our performance. But we're also thinking about how we utilise data to improve the customer experience. For example, you might ask a customer tens of questions when they buy insurance from you, but if some of those answers already exist externally, then can you pull that information together in such a way that results in you asking the customer less questions? And then, also thinking about how to use data and technology to reduce our costs. That's really important, because if we've got lower costs, we can reflect that back to our customers in terms of pricing.

Q: What's your approach to training and developing underwriters?

A: Recently, we've been building out

what we call the 'faculty of underwriting'. We spent a lot of time coming up with the capabilities that we think an underwriter of the future will need, but we spent just as much time thinking about how we deliver those capabilities. I'll give you an example. The old model was to sit in training sessions for days on end, staring at PowerPoints. But people these days don't learn like that. They want to learn in quick, bite-sized bursts, so we've partnered with a gaming company to develop training apps that tap into the psyche of competition, presenting underwriting questions in a really addictive way. We hadn't anticipated quite how competitive our people would be, and we've got people doing these modules eight, nine, ten times to keep improving their score which is brilliant.

Q: Outside of work, what gives you energy?

A: My family and friends for sure. I'm a mum of two teenagers, so it's like living in student accommodation at the moment! More personally, I just get a buzz out of a run. I am not an Olympic runner, I'm never going to win a race, but for me, for my mental health, just to clear my mind, I absolutely love it. You don't need anybody else and you can do it anywhere in the world – just put on your trainers and off you go. ■