

New Zealand Insurance Law Association Inc

“INDUSTRY DIRECTION”

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The De-Regulated Market

- Bigger clients want an advisory service
- Smaller commercial clients will become more demanding
- Clerp 6 will impact
- Will it come here?

Globalisation

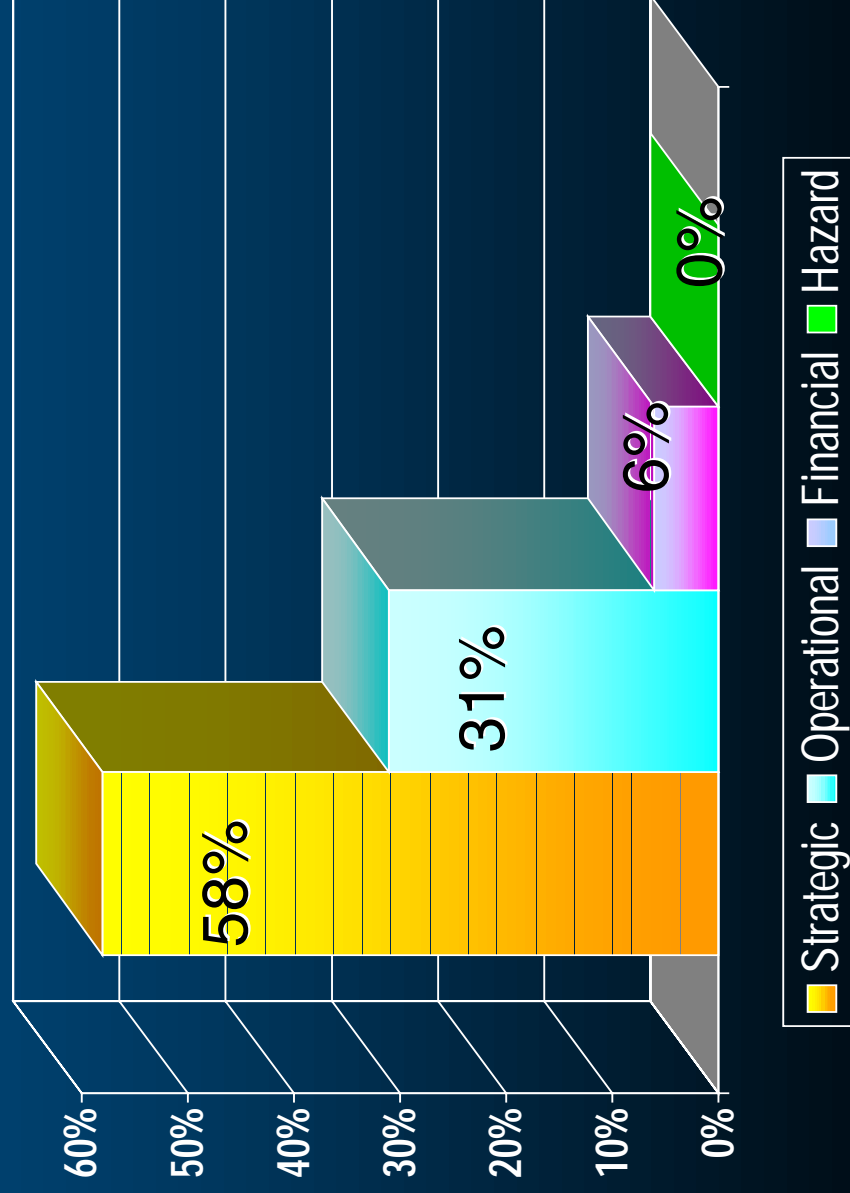
- The great enabler of globalisation is technology
- Technology means business can be conducted around the globe
- Global companies have instantaneous contact with their far-flung operations
- Can share information with speed and effectiveness

Convergence

- Blurring of lines between insurance and other sectors of the financial services industry
- This phenomenon was previously seen as negatively impacting the insurance industry
- Insurance markets have co-opted many of the capital markets' techniques
- Solutions arising from insurance carriers are developing a distinct capital market flavour

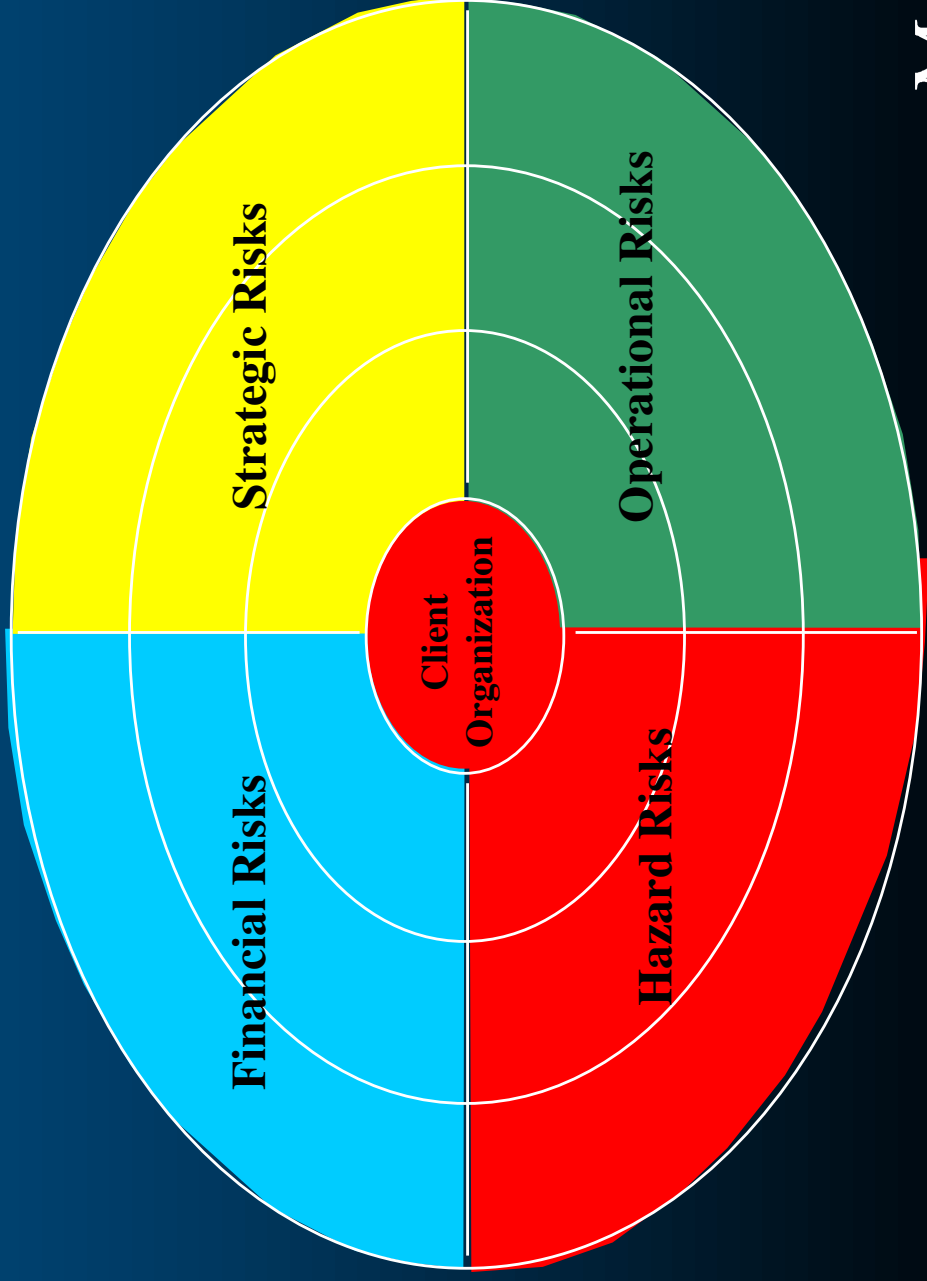
Enterprise Risk Management

Risk Factors behind 100 largest one month drops



Risk must be viewed broadly

Risk Radar Screen



Alternative Risk Transfer

- Flexibility
- Risk Fusion
- Multi-Trigger Policies
- Derivative Products

E-commerce

- INSWEB
- Traditional systems will come under pressure
- Possible enhancement of relationships
- On-line information
- Access to global knowledge base

E-commerce

- Personal relationships still important
- Touch phone contact
- Speed of doing business
- Cost savings

Conclusion

- Blurring of lines and competition more evident
- More creative solutions and lower costs for clients
- Brokers need to broaden their view of risk
- Growth of technology