COVER STORY – BROKERS AND MGAS

Brokers: Clients' new allies in battle for talent



Lockton's Mr Adeeb Al Naser says emerging broking trends in the insurance sector include brokers acting as allies for clients in the war for talent. Together they are helping leverage employee benefits such as financial wellbeing and mental health to attract the best and brightest.

By Sarah Si

Over the past year, there have been "some significant shifts in the insurance landscape", according to Lockton CEO UAE Adeeb Al Naser.

"Extreme weather events, particularly the recent floods, have tightened the local insurance market, resulting in a more challenging market," said Mr Al Naser to *Middle East Insurance Review*.

"As businesses experienced the real impact of climate-related risks, we have seen a greater awareness of risk management and a more proactive approach to securing adequate coverage".

He also said that rising claims are driving up premiums in property insurance.

These shifts have contributed to the growth and strategic expansion of some insurance brokers, including Lockton, which experienced a double-digit increase in revenue. The company also introduced speciality lines from the Dubai International Financial Centre to help deliver insurance solutions tailored to regional market needs.

The new cyber trend

Asked about new broking trends he had observed over the past year, Mr Al Naser pointed to the increase in demand for cyber insurance, particularly among SMEs and fintech firms, which he said are "recognising the financial and reputational risks associated with data breaches and cyber attacks". He also indicated that cyber threats remain a top challenge.

According to 'The Global Risks Report 2024', published by the World Economic Forum, 39% of respondents around the world ranked cyber attacks fifth in a list of risks most likely to present a material crisis. The report also ranked cyber insecurity fourth by severity in the short-term.

Mr Al Naser said insurance brokers can capitalise on this trend to maintain profitability and business sustainability by proactively adapting and proposing dedicated insurance policies to ensure value for clients, which can "directly [address] the increasing demand for robust cyber protection".

He said that claims teams with insurance brokers could support clients by working closely with them to streamline claim preparation and resolution.

War for talent an opportunity

As employers are intensifying their focus on talent attraction and retention, competitive employee benefits play a crucial role in securing top talent, Mr Al Naser said, noting an increased uptake in wellness initiatives, where brokers help businesses proactively manage the health of their employees.

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"There are signs of interest in employer-driven financial security, with more businesses recognising the importance of workplace savings plans and financial wellness initiatives to help employees proactively plan for their future," he said.

"Mental health is another area where we are seeing companies placing a stronger emphasis on mental well-being and this being introduced/increased as part of their benefits offerings."

Brokers who invest in data and analytics could enable businesses to make more informed decisions about employee benefits and assist in optimising offerings as well, according to Mr Al Naser.

However, he also pointed out that these developments exacerbate the continuing concern of medical inflation, "as businesses look for ways to manage rising healthcare costs while still offering comprehensive coverage to employees".

Adapting to a changing market

Given the shifts in the insurance landscape, "simply being transactional is no longer enough", Mr Al Naser said.

Instead, he believes brokers must strive to provide real value, ensuring that client specific needs are understood, developing tailored solutions and driving efficiencies through digital innovation.

This necessitates investment in a broker's employees, he said, in order to ensure their staff have "the skills and expertise to navigate an increasingly complex market".

The future

When asked what insurance broking trends he predicts for the coming year, Mr Al Naser said, "AI and digital transformation will continue to enhance risk assessment and claims processing, improving efficiency for both insurers and clients."

He expects the market to experience further consolidation as well, with mergers and acquisitions among insurers reshaping pricing structures and coverage availability.

"Additionally, the introduction of new regulatory measures, such as ACII certifications and capital requirements, reflects the ongoing commitment to enhancing governance, professionalism and consumer protection," Mr Al Naser said.

"We see this as a positive step toward a more resilient and transparent insurance sector."

"Brokers must strive to provide real value, ensuring that client specific needs are understood, developing tailored solutions and driving efficiencies through digital innovation."

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