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BUSINESS UK

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5-STAR MGA

**EXPERT UNDERWRITING.
IT'S WHAT WE DO.**

Founded in 1998, DUAL has always kept underwriting
excellence at the core of its business

5-STAR AWARDS 2021: MGAs

THE UNIQUE APPEAL OF MGAs

THE INSURANCE industry is all about personal relationships. And in the MGA world, those relationships depend on being able to deliver the right coverage for niche markets – everything from terrorism to cyber to high-value yachts. Faced with COVID-19 lockdowns and remote work mandates, as well as a hardening market, MGAs were well positioned to adapt quickly to the crisis.

“The very nature of the UK MGAs, in terms of their innovative, agile approach, enabled them to very, very quickly move to a sort of a home operating model for their staff to maintain service standards, especially to their



“Most MGAs, if not all, increased their retention rates [during the pandemic], and they also found far more increasing new business activity”

Michael Keating, Managing General Agents' Association

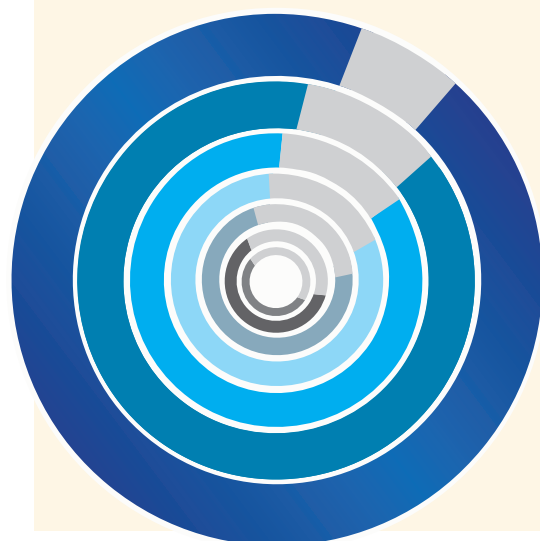
brokers,” says Mike Keating, CEO of the Managing General Agents' Association (MGAA). “And this was evidenced insofar as

most MGAs, if not all, increased their retention rates, and they also found far more increasing new business activity because they were able to adapt far quicker than the very large insurers, who really are like big tankers that take a while to turn around.”

It's a sentiment echoed by Charles Manchester, chairman of the MGAA and founder, chairman, and CEO of Manchester Underwriting Management (MUM), one of this year's 5-Star MGAs. Manchester says MGAs have provided service levels that are second to none throughout the crisis – although not without their fair share of challenges.

“Some MGAs have been badly affected by COVID-19, particularly those operating in the travel insurance, hospitality and contingency markets,” Manchester says. “Others have been caught up in the Supreme Court [business interruption] case, directly or indirectly, but many have seen business grow due to rate movements and service levels.”

WHAT'S MOST IMPORTANT TO BROKERS WHEN CHOOSING AN MGA?



- Competitive pricing: 95%
- Expertise in niche markets: 90%
- Reputation: 88%
- Access to a wider variety of markets/carriers: 87%
- Efficiency through technology: 77%
- Administrative support: 68%
- Training: 51%

What's next for MGAs?

In general, there are two schools of thought on where the MGA market in the UK is today and where it's going. One is that limited capacity, less commission and stricter terms from insurers will cause many MGAs to struggle going forward. The other is that now a critical time for MGAs to shine – which is the position Keating takes.

“For our members, this hard market ... is a watershed moment, one where MGAs that really know their stuff, and are not just opportunist links in the chain to market, will not only survive, but blossom, while those that do not add any value will wilt away,” Keating wrote in a recent editorial for *IBUK*.

Manchester notes that “insurers generally have toughened up over the last two or three years, particularly in specialty lines such as those MUM writes, and this affects their appetite for supporting MGAs. Those MGAs that don't add real value will struggle to get quality

employees work from home a couple days a week and in the office the other days, leveraging the best of both worlds.

“You can't get away from the importance of face-to-face relationships in our industry,” he says. “But I think they'll use technology such as Microsoft Teams and Zoom to create an opportunity and savings for organisations, insurers and MGAs. I think what you'll find is that they will use technology to add value and to be complementary to those traditional ways of working. I think it will be a hybrid of online and face-to-face.”

Going forward, Manchester says he expects “more insurers to enter the market as the MGA model is proven. Maybe they'll be less naïve than some of them have been in the past, though.”

Top priorities for brokers

As part of the survey to determine this year's 5-Star MGAs, *IBUK* asked brokers what's most

METHODOLOGY

To determine the best MGAs in the UK market, *Insurance Business UK* sourced feedback from insurance brokers over a 15-week period. *IBUK*'s research team started by conducting a survey with a wide range of brokers to determine what they value in an MGA. The research team also spoke to hundreds of top brokers across the region by phone, asking them to rate the MGAs they had worked with over the previous 12 months in 17 product categories.

At the end of the research period, the MGAs that received the highest ratings from brokers in terms of work quality, specialist expertise and client service were declared 5-Star MGAs for 2021.



“Those MGAs that don't add real value will struggle to get quality capacity support in this market. Good MGAs will thrive into the rest of 2021 and 2022”

Charles Manchester, Manchester Underwriting Management

capacity support in this market. Good MGAs will thrive into the rest of 2021 and 2022. The model works well when the right partners get together.”

As more and more people get vaccinated and lockdown restrictions ease, the question lingers: should insurers and MGAs revert to pre-COVID-19 work environments or stick with new technologies relied upon during the tough times? Keating believes the new workplace will likely be a hybrid setting where

important to them when choosing an MGA. By far, the most critical factor to brokers was competitive pricing – 95% of survey respondents rated pricing as either important or very important when choosing an MGA, and many brokers mentioned competitive rates when asked why they would recommend their top MGA partner. One broker lauded their favourite MGA for “[going] above and beyond to assist with all cases, consistent pricing and great underwriting capability”.



67%

of brokers said an MGA's expertise in niche markets is very important



58%

of brokers said an MGA's reputation is very important

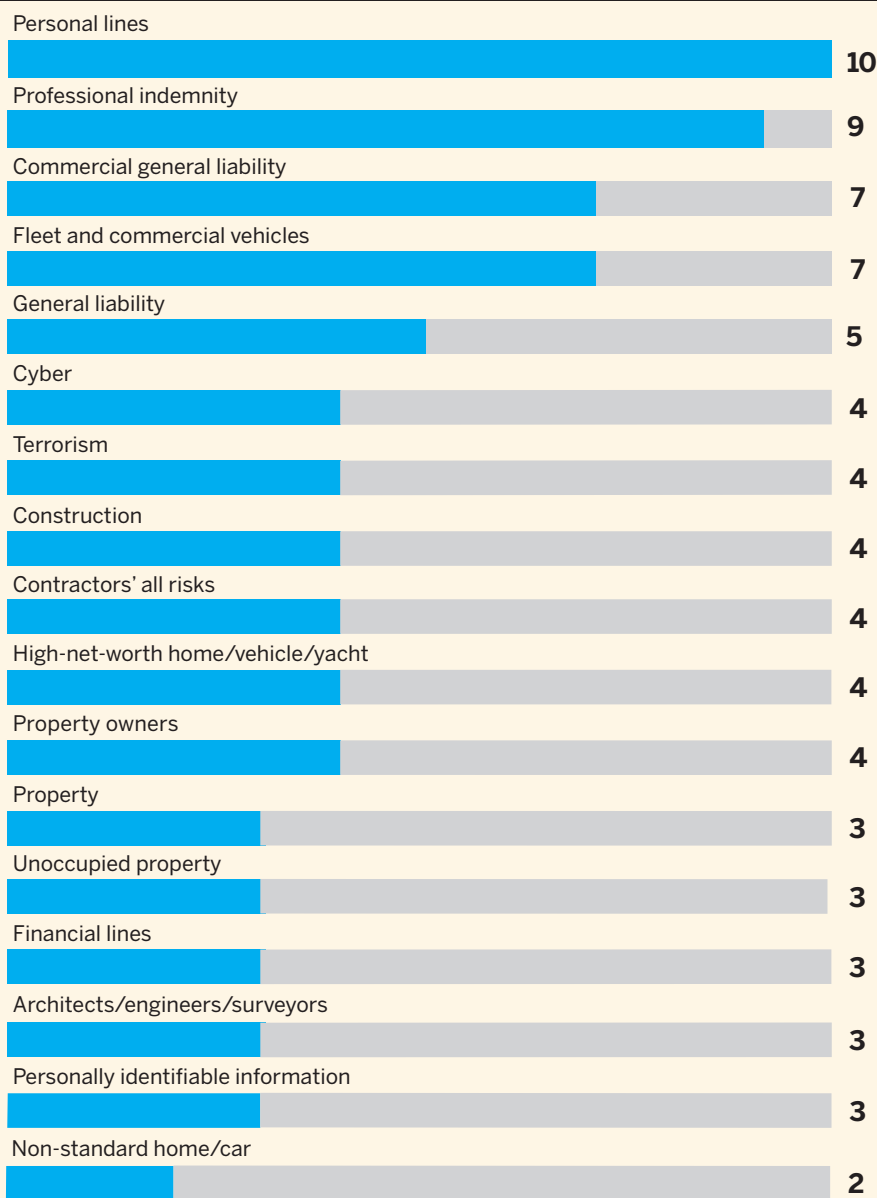


57%

said an MGA's access to a wide variety of markets and carriers is very important

5-STAR AWARDS 2021: MGAs

NUMBER OF AWARD WINNERS BY CATEGORY



Nearly as important to brokers was an MGA's expertise in niche markets – 90% of survey respondents said expertise is either important or very important when choosing an MGA. One broker told *IBUK* they look for “quality markets, long and stable relationships,

and niche products”, while another said they seek out MGAs that can provide “bespoke product insurance”. A third broker raved of their favourite MGA: “In a short space of time, they have established themselves and proven to be very helpful on niche placements requiring

understanding and expert underwriting.”

Brokers also value MGAs with impeccable reputations (rated as an important quality by 88% brokers) and ones that can give them access to a wide variety of markets and carriers (named an important factor by 87% of brokers). On the latter point, one broker touted their top MGA's “access to schemes and Lloyd's”, while several others mentioned a comprehensive product range as a reason why they would recommend their favourite MGA to other brokers.

Somewhat less important to brokers was an MGA's ability to achieve efficiency through technology; 77% of brokers said technology is an important or very important consideration when choosing an MGA to work with, and several brokers highlighted efficiency as a reason they would recommend their top MGA partner. One broker praised their favourite MGA for its “ability to conclude business efficiently”, while another touted their MGA's “easy-to-use portal [and] easy access to decision-makers”. Several others commended their top MGAs for quick turnarounds.

While administrative support didn't rate as highly on brokers' list of priorities when selecting an MGA (only 68% said it was important or very important), the service brokers receive from MGAs clearly is paramount. Again and again, brokers named excellent service as the reason they choose to work with certain MGAs. One broker noted that their top MGA “will always look to find solutions and are keen to do the right thing by the end client”. Another praised their MGA for “great professional service – refreshing in this market!” A third broker noted that their top MGA's service “has not changed at all through the pandemic, which has been very much appreciated and has set them apart”.

At the bottom of brokers' priorities when selecting an MGA was the training provided – only 51% of brokers deemed training an important factor when selecting an MGA, and no brokers mentioned training when asked why they would recommend their top MGA.



5-Star AWARDS 2021 MGAs

PERSONAL LINES

- ★ Capital Insurance Markets
- ★ DUAL Group
- ★ Ensurance
- ★ First Underwriting
- ★ Footprint
- ★ Kew Insurance
- ★ Patrona Underwriting
- ★ Policyfast
- ★ Prestige Underwriting Services
- ★ Wrightway Underwriting

COMMERCIAL GENERAL LIABILITY

- ★ Compass
- ★ DUAL Group
- ★ Patrona Underwriting
- ★ Pen Underwriting
- ★ Policyfast
- ★ Trilogy
- ★ Wrightway Underwriting

GENERAL LIABILITY

- ★ DUAL Group
- ★ iprism
- ★ Manchester Underwriting Management
- ★ Policyfast
- ★ Wrightway Underwriting

TERRORISM

- ★ Beech Underwriting Agencies
- ★ DUAL Group
- ★ Ensurance
- ★ Omnyy

CONTRACTORS' ALL RISKS

- ★ DUAL Group
- ★ Ensurance
- ★ Euna
- ★ Pen Underwriting

PROFESSIONAL INDEMNITY

- ★ Angel Underwriting
- ★ Aqueous Underwriting Management
- ★ DUAL Group
- ★ Euna
- ★ Glemham Underwriting
- ★ Manchester Underwriting Management
- ★ One Commercial Security
- ★ Prosure Solutions
- ★ Servca

FLEET AND COMMERCIAL VEHICLES

- ★ Blagrove
- ★ BUA Underwriting
- ★ KennCo
- ★ Millstream Underwriting
- ★ Policyfast
- ★ Provego
- ★ Wrightway Underwriting

CYBER

- ★ CFC Underwriting
- ★ DUAL Group
- ★ Ensurance
- ★ Manchester Underwriting Management

CONSTRUCTION

- ★ DUAL Group
- ★ Ensurance
- ★ Origin UW
- ★ Thistle Underwriting

HIGH-NET-WORTH HOME/VEHICLE/YACHT

- ★ Azur
- ★ DUAL Group
- ★ Millstream Underwriting
- ★ YachtPod Risk Partners

5-STAR AWARDS 2021: MGAs



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PROPERTY OWNERS

- ★ Gresham Underwriting
- ★ Modus Underwriting
- ★ Policyfast
- ★ R&Q MGA

PROPERTY

- ★ DUAL Group
- ★ iprism
- ★ Policyfast

UNOCCUPIED PROPERTY

- ★ DUAL Group
- ★ Plum Underwriting
- ★ Policyfast

FINANCIAL LINES

- ★ DUAL Group
- ★ Manchester Underwriting Management
- ★ Nexus Underwriting

ARCHITECTS, ENGINEERS AND SURVEYORS

- ★ DUAL Group
- ★ Ensurance
- ★ Manchester Underwriting Management

PERSONALLY IDENTIFIABLE INFORMATION

- ★ CFC Underwriting
- ★ DUAL Group
- ★ Manchester Underwriting Management

NON-STANDARD HOME/CAR

- ★ NBS Underwriting
- ★ Prestige Underwriting Services



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Alison Williams sums up Prestige Underwriting Services' philosophy in one word: partnerships.

"This is my 30th year of working in insurance, and it is very much a relationship business – we need to have strong partnerships with both our capacity providers and our brokers," says Williams, who has been with Prestige Underwriting since 2014 and was made managing director in 2020. "We've got many longstanding relationships with brokers across our network."

Since 1997, Prestige Underwriting has been highly trusted across the UK and the Republic of Ireland for developing non-standard and niche insurance products, including non-standard home and motor insurance. Prestige Underwriting's team of 130 provide a broad spectrum of personal and commercial lines insurance products exclusively to a network of more than 1,300 brokers, allowing them to compete with direct underwriters and other large insurers.

"We're very fortunate that we're one of the original MGAs and one of the longest-standing," Williams says. "That's worked in our favour. We've got a long, proven history that we can share with capacity partners."

Another key to Prestige Underwriting's success has been flexibility, Williams says. "We're reactive. We're agile. For these reasons, our clients like dealing with us – they like our philosophy, our ethos, our openness."

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AWARDS
★ ★ ★ ★ ★ **2021**



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