

## Q&A Born Digital



### An inside look at the people powering the practice

Claude Yoder was one of the founding members of Lockton Re's operation in North America having joined in May 2019. He is responsible for analytics globally and has driven the development of the Lockton Re analytics platform SAGE.



Claude Yoder

#### **Hi Claude. First off, can you tell us a bit about how you came to join Lockton Re?**

It was one of the easiest decisions I've made. Lockton is unique within the industry in terms of its independence and commitment to empowering teams to be entrepreneurial. In my world of analytics, technology, and innovation, there is an absolute need for flexibility and fast-paced decision making. And if you want to encourage experimentation and drive new inventions, this really can only be done in the right type of environment.

Sadly, larger bureaucratic organizations tend to snuff out innovation. Once the larger, organizational corpus senses a non-compliant organism it tries to remove it.

At Lockton, innovation is expected and rewarded. And powered by the incredible platform we've created, we are moving faster than anyone else in the industry at this point.

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#### **What do you think it is about Lockton Re that stands out from the competition?**

We are driven by a few key principles: number one is our fierce independence, second, is how we empower our people, and third, that we are an organization that was born digital. It all starts with Lockton's unwavering commitment to remain independent and focus solely on providing client value. It seems obvious when you say it, but very few observe this dynamic and fewer still 'live it'. This orientation makes all the difference.

And it's absolutely crucial to attract the right type of talent. To be sure, it's already allowed us to hire the caliber of professionals we couldn't have imagined in prior organizations. While it may not be for everyone, dynamic, client-focused, entrepreneurial talent seem to recognize the power of this platform and come in droves.

And finally, the fact that we can build our analytics platform and technology unencumbered by massive legacy architecture, has already proven to be an incredible differentiator.

We have the best technologists in the industry and are running very fast without any weight on our back—outpacing our much larger competition. Those that suggest that the larger brokers are better positioned because of their massive 'data stores' really have no idea what it's all about.

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### **How do you think Lockton’s culture is different from the more established reinsurance players?**

It’s truly unique, and exactly like it should be—great people that are singularly focused on adding value to our clients. These are professionals who work hard, collaborate, and leave all the ego behind.

A great example is what we’re all dealing with in terms of the new ‘COVID environment.’ Our team at Lockton Re hasn’t missed a beat. And to be honest, our more modern technology platform has enabled us to actually pick up the pace!

The culture is highly collaborative, and the focus couldn’t be clearer—because it’s all about our clients. Given the need to innovate faster and provide increasing levels of value in a highly dynamic environment, there is no better group of people or platform to be a part of.

### **How has the recent wave of consolidation affected the industry?**

Any industry, or even more broadly, any decision-making process, should always have appropriate options available. Given recent consolidation, the marketplace has been very vocal in terms of their concerns for a lack of options. To have any situation where there is barely a handful of providers is never good. We believe we’re here to make a difference for our clients—and couldn’t feel more strongly about this.

What we’re doing is something very special. And the fact that there are limited options out there for reinsurance guidance has only made our platform more compelling. I think we’re really starting to break through and are going to keep listening to our clients and adding more and more value—very quickly.

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### **What do you think the longer-term impact of COVID-19 will be on reinsurance markets?**

COVID-19 is proving to be longer lasting than originally imagined. Understanding the impacts is no easy task, but critical for carrier strategies in the immediate and medium term. We focused very early on analysing how COVID-19 effects our clients’ exposures and underwriting. Product lines—from Excess Casualty to D&O to Workers Compensation to Property, etc.—all have different COVID-19 profiles.

On the one hand, some exposures are going down, vis-à-vis, less people physically on-site for work, or fewer people on the road driving, etc. On the other, some exposures are going up—with concerns about increased hacking activity, and the continued rise in social inflation, are some examples.

At the same time, you have underlying rate increases which haven’t been seen in years, if not decades. And the sensitivity to a carrier’s book-of-business, particularly their industry mix within a given product, is also essential to understanding COVID-19’s impacts. Lockton Re has a proprietary approach to help carriers analyze these impacts—so they can better navigate this unprecedented environment.

### **Technology is dramatically changing almost every industry. How do you think it’s changing reinsurance?**

We’re leading with technology and analytics, and believe we’re playing a major role in helping to transform the reinsurance industry. And as I mention, this practice has the benefit of being born digital, which means that there’s no legacy IT architecture to deconstruct.

Consequently, our technology team is able to take full advantage of this green field. One key example is the development of our SAGE™ analytics platform that leverages our best-in-class technology stack.

SAGE represents a very different approach to the traditional reinsurance brokerage and is all about democratizing analytics. SAGE is an interactive, intuitive, web-based application that provides deeper analytical insight to our clients. Just like modern apps, it’s incredibly sophisticated yet easily accessible.

It provides a very transparent view of how options were created and allows users to dynamically make changes to reinsurance structures—so they can understand the impacts on financial performance. It’s the beginning of something new for reinsurance and puts us more in the realm of other industries where modern technology has already pushed forward.

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