

Risk Profiling the Underwriters

Alerting Underwriters to the Behavioural Bias of Risk Type



The Aim

Hiscox is a large international specialist insurer underwriting a diverse range of personal and commercial insurance risk. The Regional Underwriting team took part in a project to promote awareness of Risk Type characteristics of individuals and teams. The aim was to examine how personal risk preferences might impact on the perception of risk in the cases they deal with.

The Issue

Underwriters play a crucial role in maintaining the fine balance between risk, reward and competitiveness. On a daily basis, they weigh up risk potential and set the terms that keep the company in profit. How important is it for them to have insight into the ways in which their own risk dispositions may influence their judgements and decisions?

The Approach

The Risk Type Compass assessment was completed and a Team Report generated. The Risk Type Compass is a personality based assessment focusing on differences in the way individuals perceive and handle risk and make decisions. The Team results were explored at the Hiscox annual meeting in London and consequently filtered down to their regional teams.

The Results

"... if I know where my team is on the spectrum, and if I can build an understanding of where the team is regarding their risk profiles, then that is very useful"

- Senior Underwriter, managing a team of 19

"It can be an eye-opener for employees regarding their natural predisposition - creates greater awareness. [The team profile] is useful to benchmark yourself against too"

- Adventurous Risk Type Underwriter

"This approach is useful in understanding your most prominent characteristics - interesting to understand myself more, and the team"

- Adventurous Risk Type Underwriter

Situation

- Major specialist insurer seeks a better understanding of how underwriters manage risk

Solution

- Risk Type Compass used to assess individuals and combined to provide an overview of the team as a whole

Results

- Individuals better understand themselves and their colleagues, allowing them to make more informed decisions about risk

"Good to know where they start - reign in, or push more if more conservative"

- A Manager and Carefree Risk Type Underwriter

"The process was easy and didn't take too long. It was useful to see the rest of the teams' profiles. For a new team, it would be good to see where other people are coming from - who is strong in one area, who is the best to bounce ideas off"

- Prudent Risk Type Underwriter



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