

## **Arch Insurance International Pursuing Better Together Podcast: Vicky Carter**

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Hello and welcome to the latest edition of the Arch Insurance International Pursuing Better Together podcast series. Today it is my absolute pleasure to be joined by a true pioneer of the reinsurance market. Vicky Carter is Chairman of Global Capital Solutions, International for Guy Carpenter. She is a key member of the company's leadership team and is also a member of Guy Carpenter's Executive Committee. In September 2021, Vicky became Deputy Chair of Lloyd's and is also a member of the Lloyd's Risk Committee, as well as the Lloyd's Nominations and Governance Committee. A Freeman of the City of London and a liveryman of the Worshipful Company of Insurers, she has over 40 years of experience in the reinsurance industry and during her career was the first female founder of a Lloyd's intermediary. Vicky, first of all, thank you very much for joining us today.

### **Vicky Carter**

It's an absolute pleasure.

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I suppose I should start at the very beginning by asking how you began your career in the reinsurance sector, and also why you chose to enter this particular marketplace?

### **Vicky Carter**

Nigel, I'm not sure I chose it. I'm sure like many of the people listening today, nobody chooses at school to go into insurance. It all happened I'd say by fate really. I started life or my career training to be a doctor. So, I went to St. Bartholomew's medical school. I spent a lot of time on the lacrosse field when I was at school, and maybe not enough time work looking at academics. Sadly, although my A-Levels were good, and I got into medical school, when I got onto the first MB course, I flunked the physics by 2% and that meant going away and taking another science A-Level. So, my father said, I'm not going to sub you for another year, I think you should go and work, and I think you should go to the City. That filled me with complete horror and dread because my impression of the City, watching my father come back every night, was boring and dull. Well, guess what? I couldn't have been more wrong. So, I took a temporary job, which was supposed to be very temporary, and here I am over 40 years. I'm still here.

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Can you give me a sense of what that marketplace was like when you joined? When you entered the Lloyd's space?

### **Vicky Carter**

Oh my gosh, it was so different from where we are today. Today's so much for the better, but still a long way to go. To me, it was a very sort of classic, totally male dominated industry. To me, 1980 doesn't seem that long ago, but, when you think about it, it's a long time ago, and it was just a very, very different, old fashioned, very much relationship driven industry. It was pretty daunting to come in as a young female into this sort of environment. Exciting but daunting.

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Relatively early on in your career, you already started breaking new industry ground. You became the first female founder and CEO of a Lloyd's broking house. Just how significant an achievement was this?

### **Vicky Carter**

It's funny, it was never a plan to come in and do all these things. As I said, what I love about the industry, is there are so many avenues to go and there are so many opportunities to pursue. I've always taken every opportunity that's come to me, I've never been frightened of doing something. And you know what, I am a great believer, if you try something and you give it your best, that's all you can do. And if it succeeds, that's fantastic. If it doesn't succeed, you know what, pick yourself up and move on to the next thing. So, I never planned to be the first female founder of a Lloyd's business. It happened by circumstances there was an opportunity to go and create a new business back in 1992 with a then business partner who had been my boss for a long time. It was just an opportunity to take, and a chance to, you know, to jump, jump up the ladder. It was another job to try and succeed and do well and build a reputation.

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Did you feel an extra pressure to succeed?

**Vicky Carter**

I think it was more about being a female coming into a very male dominated industry, I had to be fiercely protective over my reputation, number one. And so for me, proving to people I'm there because I can do the job, and I'm good at the job as opposed to being there because I'm a female, and any other connotation that that could bring, that's what was important to me. I grew up in a fairly competitive, sporty environment. I had three brothers and a sister, I was the youngest, and they all had had very successful careers. And for me, it was just trying to be successful at what I did, and I wanted people to respect me for the job I did. That was absolutely the important thing to me, and to be honest, continues to be the most important thing. I want people to value me for the work I do.

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How important to you is that drive to push or even to break market boundaries?

**Vicky Carter**

Really important. I don't think there are market boundaries, if there genuinely is a boundary, there's something wrong. When I when I meet an obstacle, the way round it is probably to prove better. So to not to tackle things head on, sometimes people try to obstruct you, go round them and prove them wrong. Show actually that you have a better solution or whatever. The other thing, I think people think you've got to be a hardnosed bitch as a female in this industry. And again, I'm a great believer, you don't have to be and maybe people think you are because you've succeeded in the industry. But then when they get to know you, they think actually, you're quite normal. So, I'd like to think that this business is a continual learning. It's an industry where every single day you learn something new. And if you think about the environment we're in today, this is an amazing learning journey we're on right now. We've had black swan events that have happened, we've now moved into this incredibly volatile world of climate change, of inflation, of political instability, economic crisis, COVID, pandemics, you name it, we're all learning. And we're all trying to work our way through a very, very complex and very complicated world right now. And that goes from the people that have just entered the industry to right at the top. It's very, very different to when I came into the industry. As you've just touched on, things have changed so dramatically.

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I just wanted to focus on one of the initiatives that you have been very much involved in. The launch of the Marsh McLennan Rising Professionals Forum and Gala, which has gained industry-wide recognition was very much your brainchild. Can you talk about why this initiative was so important to you, and why its goals are perhaps more relevant today than ever before?

**Vicky Carter**

Well, let's face it, we are really poor at bringing new talent into this industry. It's one of the things that I think we're all waking up to, but far too late. Everybody talks about the war on talent, everybody's got this challenge with how do you attract good talent? I think there are a number of things. Number one, insurance sounds boring and if people don't understand what it's about, they don't have the benefit of having a family member or friend or relation in the industry, they're not going to know how diverse and how dynamic this industry truly is. And I don't think young people have any idea what insurance really is all about, and how many different areas you can move into whether it's into capital, whether it's risk management, whether it's an actuarial, whether it's research, business intelligence, there's so many different aspects of it, and so many different lines of business. So, I think the first thing we've got to do better at is promoting the industry and the societal good, because to me, young people are very focused on things like climate change. The younger generation have a very different outlook on life, very different way they live their lives, very different requirements of things they want in their lives, than our generation. We need to wake up to that. And so, we need to be better as organisations of a being able to attract talent and keep them. When I came in, I learned everything by being out in the market, so when I had the opportunity, when I thought about what I could give back to the industry, one of the things I think is really important is to provide a platform for young people to meet, because technology will drive to doing more stuff remotely. And that creates a challenge of how people meet face to face and build relationships. So, a platform where people can meet and build those relationships, and also a platform to look into the industry and hear from world class experts on all the

different things that face the industry. So, to me, trying to create something around that was truly valuable to companies for their young, to inspire them, to maintain them to keep them, maybe to even encourage them to do things in their own organisations. That was the driver to me, and I couldn't be prouder of what it's become. The younger generation have a very different outlook on life, very different way they live their lives, very different requirements of things they want in their lives than our generation. We need to wake up to that. And so, we need to better as organisations of being able to attract talent and keep them. When I came in, I learned everything by being out in the market, so when I had the opportunity, when I thought about what could I give back to the industry, one of the things I think is really important is to provide a platform for young people to meet and build those relationships and also a platform to look into the industry and just hear from work class experts on all the different things that face the industry. So, to me trying to create something around that was truly valuable to companies for their young, to inspire them, to maintain them, to keep them, maybe event to encourage them to do things in their own organisations. That was the driver to me, and I couldn't be prouder of what it's become.

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How important is it that companies look to empower that next generation of potential leaders?

#### **Vicky Carter**

If companies don't empower the younger generation, they won't succeed. End of story. It's quite simple. Young people have a voracious appetite for learning, and they want things a lot quicker than the generation I grew up in. And I think part of that is the amount of information and data they have at their fingertips today. The younger generation today absolutely inspire me. Every time I sit down with them, they're just full of energy, they look at things very differently, they come with different a approach. And I think we should look at that and listen to them and understand, because guess what, there may be a better way of looking at something or doing something that we have never thought about. Again, through the rising professionals, I met some amazing young, talented people. These are people that have been at university, they've had ideas, and now they're following through now that they're in their 20s. And to me, what we need to do is we need to encourage them to think, to encourage their thoughts. Because if we don't do that, we're going to stagnate. There's so much opportunity out there to bring new products to the industry. So, to me it's absolutely critical.

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Just on that and talking about that change that we need to see in the marketplace, in your opinion, is the speed and scope of change that is currently taking place sufficient for the industry to increase its relevance in this changing environment? And a second question, is there enough collaboration to deliver or to achieve what is needed?

#### **Vicky Carter**

Well, there's so many different aspects of that, Nigel. I think one of the areas where I see a lot more development is around things like preventative, anything prevention, so you learn the world of cyber, rather than trying to sort out the issues afterwards, I think the focus is going to be much more about how you prevent these things from happening. As we go into a more digital world, looking at preventative products, technologies, is going to be probably a faster growing side rather than the post event type product. So, I think there has to be a fine balance between traditional underwriting and common sense, and new technology, new skills, and talent. Innovation is absolutely imperative in our industry. We've got a lot of things to look at; sustainability, climate, faster claims, payment, all those things that everybody's focused on today. But what we need to do is we need to make sure that we help people transition to that new world first. And one of the challenges and we've certainly seen it in the energy sector, is you can't just say we're not going to insure anybody that's associated with carbon anymore, or carbon fuels. We've got to help them transition because things don't change overnight. And that's a challenge. And then the other area, I think, where we have an advantage over a lot of these new insurtechs that are coming through. The insurtech world is fascinating world, but for them, the challenge is even if they have the products, they don't know how to navigate it into our industry. Our industry is highly complex from things like regulation, compliance, all those sorts of challenges that they need to face conduct risk. So, I think what's protected our industry from real disruption from outside sort of organizations and technologies is the complexity of governance and compliance and regulation. And so, you know, we're in a difficult space, but a massively exciting space where we need to encourage more products, there's no question about that. That means we've

got to partner up with technology companies, you know, we've got the insights to the industry, we know what the clients need, the technologies can build the tech. Bring those together and partner more. And certainly, if you look at the insurance gap, with huge gaps between insured and economic loss, which we've seen in things like COVID, and everything, partnerships, public private partnerships are going to be an absolute imperative way to move forward to make sure we try to cover or fill those gaps for new with new products and ideas.

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Just specific to the Lloyd's market, I wanted to focus on the work that is happening there in order to bolster the efficiency of the market and its competitiveness and enhance its capabilities. Obviously, this is something in your role as Deputy Chair that you are heavily involved in. How much of a leap forward is Lloyd's looking to make in terms of applying these market wide initiatives?

### **Vicky Carter**

I think the Exec at Lloyd's now is such a strong executive team, and I think their vision of where Lloyd's needs to be is absolutely spot on. They're doing a tremendous job with so many different challenges, we've touched on a number of challenges. So, there's a lot of challenge for a marketplace. And don't forget, Lloyd's it is a little bit like the EU, you've got all these member states, and everybody's got their own vested interest. Trying to get people to work together, is very very difficult. One of the things I think we need to do as a marketplace, particularly in the Lloyd's market, is get people working a lot more together and certainly, as we go through this challenging market, seeing people come to work together is a really important piece of work that I think needs to go on a lot more at Lloyd's. We all know that digitalisation is absolutely imperative to businesses to be successful in the future. I think you'll see by 2024 a real transition in Lloyd's and I think the future for Lloyd's is very exciting. I think there's some amazing work going on within the Lloyd's organisation. The Lloyd's Lab for one is a tremendous initiative that was formed a few years ago, I think they are on cohort nine or 10 now. There have been a number of interesting insurtechs and businesses that have come through that developed some very, very different types of products across a whole range of things, whether it's safe passage of grain and fertilisers from the Ukraine into Europe, insurance for IVF - couples could never insure against failure of IVF. Very very varied, very exciting, very different things. The digitalisation of the market is imperative from a cost perspective, as well as for efficiency. It should be seen by people as being an enabler as opposed to causing more infrastructure and costs. Like anything in life, trying to get over these things and trying to change, it's like trying to turn a tanker, it does not happen overnight. It takes time, it needs everybody to buy into it and it needs everybody to work with it,

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For success to be achieved and particularly given the number of initiatives, it's imperative that there is sufficient collective will to ensure that it succeeds in what it's trying to achieve.

### **Vicky Carter**

Well, if you look at Lloyd's, it's got the most amazing concentration of intellectual capital. It's really the last true face to face marketplace that we have, and people shouldn't forget that and I think everybody wants to see Lloyd's succeed. But if you think about when Lloyd's was set up, there weren't alternative platforms, there wasn't alternative capital. It was the only if you wanted to insure something, you went to Lloyd's. Well, today, people have got choice. So, we've got to make sure Lloyd's stays relevant. But again, I think the vision of the exec at the moment is absolutely spot on. They're trying to change things like the capital structure, trying to bring in some creative ideas like London Bridge, and how it can attract alternative capital in a much more cost effective and easier manner. They're certainly working hard on the D&I aspect. So, I think the vision and the willingness is there. We need people to collaborate to make sure it succeeds.

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Yes. And of course, it's all about building the market for the future. What does that future look like? What does success look like in terms of the various initiatives that are ongoing at the moment for Lloyd's?

### **Vicky Carter**

It remains the specialty insurance market of the world. This is where people come to access intellectual capital, to help place complex risks which are getting more and more complex, where you

can get consortium to work together to build substantial capacity. That, to me, is where the excitement of Lloyd's is and is the innovation that will come out of Lloyd's. I hope that Lloyd's will become the innovation centre of the insurance industry as well. I'd like to see the lab accelerate, people really start to value the work that's being done within that lab, which I don't think people really appreciate. So, I still feel that Lloyd's and London are the centre of the industry. I think people love coming to London, it's certainly the insurer tech hub of the world, as a financial market it's still amazing. And I think our industry, having the centre at Lloyd's and having the centre in London, I hope to see it continue to thrive and thrive.

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Absolutely. Very positive message there. Vicky, we have covered so many topics. I have one final question for you. I just wanted to return to our overarching theme of pursuing better together and I just wanted to finish by asking, from your own personal perspective, what does this idea of pursuing better together mean to you?

**Vicky Carter**

I think this is an industry about teamwork. This is not a one man show industry. And I think when you collaborate with other people and bring the best knowledge from the best brains together, you create amazing things. I see it in an organisation like Marsh McLennan, we can bring the resource whether it's from Mercer, whether it's from Oliver Wyman, whether it's Marsh, whether it's from Guy Carpenter, you put all that together, it's unbeatable. And I think that's the exciting thing, it's the ability to tap into so much information, so much data, so much intellectual capital. And I think that's an absolute demonstration of working together to create products to navigate the world we're going into, which is only going to get more volatile. And you can't do that as a one man show, it's impossible. I think anybody who sits there thinking, 'oh, this is all me' is wrong. It's all about teamwork. And for me, I'm a great believer of bring the best brains together and be proud of what you're offering. All parts of companies are being challenged now, so to me, it's all about succeed, and succeed together and get the best brains together to create the solutions.

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Absolutely a great message to finish our discussion on there. All that is left for me to do is to say a huge thank you on behalf of Arch Insurance International for joining us today.

**Vicky Carter**

It's been a great pleasure and many thanks to Arch for inviting me to be part of this today.