

The Dale Debrief



Issue: 03



Q&A with Dominic Peters



Dominic Peters
Active Underwriter

Q. Why did you leave one of the largest businesses at Lloyd's to join one of the smallest?

A. I've known Duncan (Dale) for many years, so I know the type of culture and business developments he wants to bring to the market. I like the fact that it's a Lloyd's centric business with strong foundations. Part of the reason for me coming in was to allow Duncan to move up in his role, and to help the business as it grows in size.

Q. What are the opportunities and challenges that you see, particularly with the Dale Managing Agency in the next year?

A. When it comes to becoming a managing agent, Duncan and the team had already built strong

foundations. We have the approval in principle, and now we're going through progressing the application with the PRA – hopefully towards the end of 2022 – it's a hugely exciting prospect. Duncan will be leading the business as it develops and my role as CUO is to take on the underwriting. When the business started, we went through a prolonged soft market and a number of challenges in the market, but have managed to ride out that period. We are very much on an upward curve and that's an attractive prospect for all of us in the business.

Q. How does the situation in Ukraine affect the Dale portfolio?

A. The thoughts of everyone at Dale are with those impacted by this horrendous situation. From a business perspective, based on all of the information to date, we have modest exposure to the current events in Russia and Ukraine and continue to monitor as this devastating conflict continues to evolve.

Q. What are your observations on the reinsurance market?

A. Things have been moving in the right direction, but they needed to. The loss activity over the last 4 or 5 years has been heightened – it's the assessment about whether this is a new sort of normal versus just heightened activity, but the pricing has been moving in the right direction. You've got different elements to any portfolio, and mid-year renewals are the ones that are more impacted within the US from 2021. The biggest event was Hurricane Ida and a lot of those contracts came up for renewal around 01/06. The European market is more 1/1 and is an area where we didn't have significant exposure previously. Part of our strategy is to try and diversify the property reinsurance book, because it's very US centric at the moment, but that is all subject to the pricing adequacy and the ability to shape the portfolio in the right approach.



Q. We have seen start-ups like Ki and the Beazley smart tracker. What impact do they have on a syndicate like 1729?

A. It's only going to be additional competition to Syndicates like ours, but I think there are a number of different dynamics occurring in the market at the moment. There is probably a lot of retrenchment in some of the bigger players, so I guess they're picking up shares that would have been with other parties. For us, we don't just want to be a capacity provider or follow market. It's a case of us focusing on where we can make a difference, and where we've got the leadership mentality to be able to do this. It's also important to not try and be all things to all people. Hopefully that is what brings clients back to us and gives us the opportunity to develop our business. Within the Casualty and Property Insurance space we do lead a good proportion of the contracts we write.

Q. How are you managing the impact of inflation?



It would be fair to say that we're including within our pricing models a far higher level of assumption of inflation.

A. It has been a factor for a number of years. We're adjusting our pricing models with the levels of inflation that we feel we should be taking. Probably for the last few years we feel we've been taking an enhanced level of inflation anyway, and as things have been developing even further we've increased those even

more significantly. Whether it's just been trying to get materials into different areas or where it's been difficult to get hold of the contractors to do rebuilding and that type of thing. It all has a different impact to the outcome, and will be very different across different levels of types of portfolio whether it's on a D&F (direct and facultative insurance) primary layer compared to a treaty reinsurance book. It would be fair to say that we're including within our pricing models a far higher level of assumption of inflation.

Q. Do you have any views on the underwriting room and face-to-face trading?

A. Yes, I do – from our side and as a Lloyd's-centric syndicate, we're very dedicated to the Lloyd's market and I'm very much in favour of doing anything we can to improve efficiency. But I think the benefit for us and for the market as a whole is to have underwriters, brokers, clients, whoever else it may be, adjusters, service providers all in the building. Those face-to-face meetings and valuable relationships matter – whether in the same Lloyd's building or not. But I think Lloyd's has got to try and re-engineer the space to be a valid proposition, and for me it's very important to have those sorts of relationships. We believe that having people working and collaborating together is key for our market. As an aside, young graduates or interns who came into our industry for the first time during the lockdown periods must have found it very difficult. I'm really pleased that they're now able to see what our market has to offer and take advantage of learning and development opportunities that simply weren't the same when accessed remotely.

Q. Contingency business has struggled recently for obvious reasons, but Dale has been a part of the UK Government scheme to get live events insured. Tell us more.

A. The contingency market has been heavily impacted by Covid – the estimation of the losses is between about \$6 billion to \$8 billion on a worldwide basis through the cancellation of all the events, and that has changed the market and accelerated the rate position. You have had a number of people who've retracted from the market as well, but in terms of the specifics on the live events scheme, that was introduced in September last year, and we're a supporting market. The traction has been quite slow to date, probably not helped by Omicron when that started accelerating in December last year, but as we've opened back up it's going to be interesting to see how that develops over the coming months and as we head back in to Autumn and Winter.

Q. Tell us something we don't know about you.

A. I have just completed my FA Introduction to football coaching and I spend my weekends either helping Dunmow Rovers U11 Leopards as a Coach or watching Liverpool FC with my son, as well as attempting to fit in other family sports events and the obligatory taxi service. Football is a real passion of mine and Dunmow Rovers is a fantastic club where hard work, exercise and learning to be part of a team are core principles we try to instil in all of the children we work with. It's great fun too, and it's my way of relaxing away from the office.



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