

Lawyers Choice Award: Insurance Broker of the Year - Germany / Dr. Ihlas GmbH



What is a Financial Lines Insurance Broker?

First of all let me say that we are very proud of this recognition. Real appreciation is rare and the best reason to celebrate! Many Thanks to AI and to those who voted for us!

As a niche player we have specialized in insurance lines of business like Directors & Officers (D&O), Representations & Warranties (W&I, R&W), Initial and Secondary Public Offering (IPO, SPO), Employment Practices (EPL), Pension Trust (PTL, Fiduciary), Criminal Legal Defence Cost Coverage (StrafRS), Commercial Crime (VSV), Cyber and Package Policies. Most of these lines are very young and started slowly within the last three decades. The Financial Lines usually account for only 3 to 8% of the total insurance premiums of our clients but they do matter and protect the senior management. We are proud to service top clients coming from the areas of Private Equity, Financial Institutions and large commercial corporations. It is a B2B concept. We provide services to Risk Management, Inhouse Brokers, Procurement and Legal Departments. We operate as Wholesale Brokers and at the same time produce unique solutions made for one customer.

The award is recognition of your outstanding contribution to your local market; to what elements of your firm would you attribute this achievement?

Of course you need luck and a passion for what you are doing. Providing senior advice needs experience as well, so a significant length of time in business is required. A lot of patience is needed in many Financial Lines. For example the Warranty and Indemnity Insurance (W&I) has been known for more than 20 years but it takes a long time to change buying patterns and to create understanding for such a line. The German market did not purchase D&O before 1996. But it has been offered since 1986 and I started in 1990 as a D&O-Trainee working for a USA based world market leader. Usually it is not the need for protection alone that creates the demand. You make money from saving and not from spending. Clients rarely want to be seen as the very first buyer. But as soon as leading German insurers allocate sufficient resources to these new lines the markets starts to show growth. That will fill up the capacity needed. Research and development as well as sharing through publications and speeches are key efforts of our marketing. Sometimes this looks more like a law firm or a consultant and not like an insurance broker. But mere procurement and placement of policies is too simple and of little added value to most of our clients. W&I is linked to the US/UK-legal system and that requires adjustments to local law. Finally Financial Lines belong together and are interrelated in many ways. This is a lesson learnt when the claims come in. We do all of them. Others still face difficulties in providing and uniting all these lines into one department. The structure of financial lines in the German insurance market is still fragmented.

The award is a clear validation of your firm and your team's culture. What do you do to actively develop your culture?

We try to find the right clients and people and then we let it go with know-how and passion. Old basic values guide us rather than short-term management slogans or mere number crunching so that we practice hands-off management, open communication, fun at work, appreciation for clients and their needs, trust etc. I like Robert I. Sutton's way to describe how it should be done.

Tell us about your network.

We are a member of the International Broker Network UNISON and the association of German Brokers VDVM e.V. Spending years within the association of German Underwriters working on Directors & Officers Insurance (GDV) and many years of performance as a key note speaker put us into a position of being one of the first in the market.

Client loyalty is tested by your competitors now more so than ever before. How do you rise to this challenge and what defensive measures do you engage to protect against this?

We recruit only experienced people and deliver three things: Service, service and service. Research and development combined with long lasting answers that could take time are our approach. We don't practice short-term marketing. People need to be challenged and trusted. To work on M&A tasks with policies based on the claims made principle, to study how our clients mirror within the media and to know our contribution to insure the risks involved is simply challenging and rewarding.

The consolidation in the market place continues unabated. Do you see niche practices as the future of the profession?

The inhouse brokers and risk managers in Germany are facing a growing need for additional external services. They prefer their independence but need to manage their expenses as well. For niches like financial lines they need to choose between 'make or buy?' To buy from us is, of course, a good decision.

Do you believe that you have a USP that is clearly articulated, understood by the market and how it differentiates you from the competition?

Our brand is based on recommendations and qualifications: <http://www.dr-ihlas.com/en/references.html>. Financial Lines are very challenging and we take them seriously and with respect. This is not just another line of insurance, not for us and not for our clients.

Fact File



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