

# Pat Ryan is right – great brokers may be evolving, but their role is eternal

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**It's great when you get to hear from an industry legend. Someone who has helped shape the industry we all inhabit always speaks with huge authority – but it's even better when you hear them speak while they are standing on their home turf.**

These figures may be global citizens and travellers, as at home in London as they are in Laos, but there is something about being close to home that brings the best out of even the most seasoned executive.

So it was with Pat Ryan last week.

Maybe it was the faintest hint of spring in the air but, speaking in his native Chicago, he was on exceptional form to open our first InsiderTech conference in the Windy City.

He was energetic and enthusiastic in his description of the exciting InsurTech opportunities that lie ahead.

Of particular interest for this timeless broker was the SME sector.

Pat spoke of how, when running Aon, the giant broker had reluctantly been forced to offload its SME unit because it simply couldn't find a way of making money out of this type of business. The frictional costs of servicing the customer were far too high.

Now he animatedly explained there were myriad new technological applications and platforms that were bringing costs right down and, at the same time, unlocking extremely attractive economics for the carriers that backed them.

Many were small, single-class, single-sector, single-carrier-type deals, but the potential was huge.

Ryan got most excited when he depicted the opportunity for multi-class multi-carrier-type packages, enabled by technology.

Not for the first time, he is onto something very big indeed.

The insurance-buying life of the SME is beset by having to waste time and money buying multiple products with overlapping coverage – just to make sure the business gets the cover it needs.

My Uber driver into the city from O'Hare Airport was particularly eloquent on the subject. Once I had told her I was on my way to host an InsurTech conference there was no stopping her.

She couldn't understand why she had to buy three policies when she only wanted one. She explained that she had private insurance for when she was driving as a private individual, industrial-strength commercial hire cover through Uber for when she was on professional duty, and also a separate taxi-driver's accident and health cover to protect her income from professional disablement. She needed all three but knew that what she was buying lacked commercial sense.

No wonder our speaker was so excited.

Ryan had to leave the conference early to fly with his wife to Washington. They were to be honoured at a gala dinner at the Kennedy Center for the Performing Arts in recognition of their considerable philanthropy over many years.

He had already been incredibly generous by letting us into his thinking about the opportunities for the profitable re-development of the SME sector.

Yet he left us with another gift.

He told us with great conviction that he thought the role of the intermediary was timeless.

And, looking at the myriad possibilities being opened up by technology, it was impossible not to agree with him.

Our risks are changing fast and insurance products just can't keep up. Therefore the need for, and value of, an intermediary that can source and package the correct combination of cover at the right price just keeps rising.

Disintermediation is one of the things that many would-be tech disruptors often talk about.

They can talk all they want – they will stay forever thus – would-be disruptors.

Pat is right – great brokers may be evolving, but their role is eternal.

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