

Annual Report 2009-2010

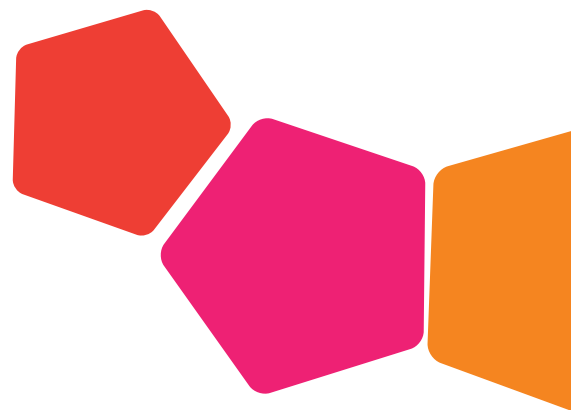
Insurance
Institute of
Ireland



advancing your career

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“ We are committed to our members’ professional development, primarily through our comprehensive education and CPD programmes”



Celebrating
125 years

Over
13,000
Members

5 Local
Institutes



Introduction

It is my pleasure to bring you the Annual Report of the III for the year 2009-2010. This was the first year of the current Institute 3-year Strategic Plan – “*Your Profession, Our Priority*” which set the Institute on a path to challenge all aspects of what we do and how we do it.



Eamon Shackleton
Chief Operations Officer

Our President this first year was Adrienne O'Sullivan, CEO of DAS Legal Services and we have been privileged to have such a dedicated voluntary officer serving the Institute during this critical and formative time. Adrienne will set out her account of her presidency later in this report. Denis Kelleher, Director, New Ireland Assurance Company and Incoming President for 2010 will highlight his vision for his year with members at the core of his attention. Much remains to be done under the Strategic Plan and Denis will explain how all this is member centric, for that is the reason for the Institute's existence.

In re-focussing the direction of the Institute to ensure that the current and future needs of the members are met and at the same time, ensuring that maximum value is provided, the National Council of the Institute refined the fundamental principles as follows:

MISSION STATEMENT:

“We are committed to our members’ professional development, primarily through our comprehensive education and CPD programmes”

VISION STATEMENT:

By 2011, The Institute will be:

- Indispensable to our membership and the industry in general by being at the heart of insurance knowledge and recognised as market leader in the sector.
 - Member centric, with particular focus on marketing rather than simply selling.
 - To the wider business world, representing the community of insurance professionals and positively supporting the awareness of ethical behaviour through our Professional Code.
 - At all times, ensuring that we are fully informed and aware of the present and future educational and training needs of the insurance industry and ensuring that our products and services satisfy these needs.
 - Offering the insurance industry a 'one-stop shop' access point for Technical Insurance Education and CPD provision.
 - Directed by an extended Executive team to ensure continuity and focus. This also ensures coordination of Local Institute Council structures with their redefined roles under this plan and expansion of the remit of PSAB- GI in general disciplinary matters.
- Conducting Institute activities in modern and fully functional premises allowing for professional meetings, training and technical programmes to be facilitated.
 - Providing on-line business services whilst maintaining a personal service to members across the different sectors.
 - Valuing the strong working relationships we hold with our academic and professional partners and striving to build and develop to meet the needs of our industry effectively.
 - Recognising and valuing the voluntary contributions of all the Institute's officers and seeking to deepen the business and social networking potential and opportunities that our Local Institutes create.
 - Internally, the Institute will have a restructured team utilising advanced integrated systems guaranteeing continued support to all our members and industry activities with particular focus towards business development activities.

During the year, the internal organisation of the Institute was reviewed as part of the overall planning process and in keeping with the other objectives of the Strategic Plan, Carol Lacey has assumed a full responsibility for Education and CPD Strategy. Carol as Director of Education Strategy is responsible to ensure that the Institute's programmes meet the professional needs of our members, both in the area of studying for qualifications and continuous professional development for 'regulated members'.

As a result, Gillian Doherty has been appointed Director of Professional Services in addition to her role as director of the Professional Standards Advisory Board – General Insurance. In her new position, Gill is responsible for all Student and Membership Administration including the convening of examinations and invigilation.

A full organisational chart of the management is set out later in this report.

As will be indicated by Adrienne and Denis later in this report, major changes are happening in your Institute to provide you with world class service. All of us at Insurance House look forward to providing this service to you in the coming year.



Eamon Shackleton
Chief Operations Officer

Our CPD programmes are targeted at the needs of members in all sectors of the industry, along every step of their career path.

“After the seminar I came away with two real nuggets of information that I used the very next week”



Carol Lacey
Director of Education Strategy



Gillian Doherty
Director of Professional Services



Anne Brady
Events Manager

President's Message

I think we will all be familiar with that infamous Chinese saying - more of a curse than a saying, perhaps - that goes: *'may you live in interesting times'*. Well, indeed we do. And you don't need me to enumerate the reasons.



Adrienne O'Sullivan
President

The year 2009, was one of the hardest hitting for the economy as a whole and in the insurance industry also: when the financial pillars were falling at our feet, we saw the hardest winter in thirty years. Snow, ice and major flooding rounded off a year of shocks; financial, economic, social and physical. And while the financial sector absorbed the collapse of Anglo Irish Bank, the necessary recapitalisation of our two major banks and the use of the country's pension fund to float the economy, the insurance industry avoided most of the difficulties witnessed in the banking sector, year on year.


In the last year, Ireland has faced job losses, falling incomes, tax increases, rising public debt, huge personal and household debt, expenditure cuts and a rise in emigration that had not been seen since the 1980's. Tighter credit conditions and a slow down in economic activity has brought the Irish economy to its knees.

The prospects for a sustainable upturn in the economy remain conjectural. As a small open economy, Ireland has to remain hopeful that the small green shoots that have emerged will take root and lead us on the road to recovery.

The financial services sector has featured prominently and badly during 2009, however not all sectors were similarly affected. While the insurance industry avoided most of the difficulties witnessed in the banking sector, it has not been immune to the difficulties of the past year. The unprecedented extreme weather which resulted in terrible flooding, and severe frosty conditions throughout the country has put added pressure on the sector, which has seen the level of claims in the casualty and property area increase dramatically.

Despite these setbacks The Insurance Institute of Ireland has had a full and prosperous year, and has continued to meet the educational and professional development needs of its members. The introduction and implementation of the Insurance Institute's strategic plan 2009-2011, will ensure that the Institute continues to prosper over the coming years.

I am delighted to tell you that the total income collected from all sources by the Institute this year amounted to €4.12M which represents an increase of 21% over the previous year. This is great news during such a difficult year and it means that we can confidently proceed with the provision of CPD as a part of the membership benefits included at no extra cost to members.



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It also means that the Institute continues to be self funding, thus confirming an earlier decision by National Council to cease seeking Corporate Subscriptions. You will hear later of details of developments that are planned for the next year of the Strategic Plan and again, I can confidently predict that the Institute's finances are more than adequate to meet these needs.

Recognising the approaching deadline for MCR compliance, I am glad to report that the total membership (including those holding joint membership with the III and the LIA), now exceeds 13,000. This includes over 4,000 members studying for examinations. The membership average age is now heavily weighted towards the 25 – 40 age group with the consequent demand for a more technologically effective student and membership service. Such needs have been identified during the planning process and significant investment has and will continue to be made in IT to address this need.

The insurance industry is an ever changing environment and we believe that the strategic plan we have put in place will meet the needs of that industry, and our members. I am proud to inform you all that great

progress has been achieved with the development of the Insurance Institute's strategic plan; we have taken innovative steps across a range of important areas, which will be a departure from the Institute's traditional ways of operating.

The decision to appoint a Chair to the Executive Committee was made during the strategic review of the Institute's Corporate Governance structure. The chair oversees the implementation of the Institute's policy decision, a role that had been traditionally held by the President. The appointment has office duration of 3 years and achieves a greater level of continuity and consistency in policy implementation.

I am delighted to remind you that Malcolm Hughes, my predecessor as President and chair of OSG Limited, holds this challenging position. Malcolm has applied himself energetically and unselfishly to his role, making the Executive Committee a major driver of change within the Institute which has resulted in the National Council being a far more effective body. These successful developments within the structure of the Institute, have paved the way for further enhancements to come.

Extensive market research was carried out to see if our educational services were meeting the current and future needs of our Institute and the insurance industry. I am appreciative of those members who attended the series of workshops in Athlone, under the guidance of Evelyn Hanrahan. The outputs of these workshops were enormously valuable for the Institute in deciding the way forward.

In addition, we have consulted with an extensive range of Institute members and representatives from the insurance industry, including the Education and Training Committee of the Insurance Federation, which resulted in the roll out of the first ever national CPD Strategy. The other important initiative taken by the Institute as a result of the CPD strategy is the provision to fully paid members, particularly those in MCR (Minimum Competency Requirement) roles, of up to 36 hours of face to face CPD to satisfy all their compliance needs at no additional cost to their annual membership. This strategy initiative ensures that members can obtain their face to face CPD in venues throughout the country that are convenient to them.

The strategic plan proposed an in-depth review of the Institute's accounting and financial management and, as a result of this, significant sums of money previously held as deferred amounts relating to examination and membership fees, now form part of the accumulated reserves of the institutes. These funds will be used to further develop Institute projects in the pipeline.

I think that the perception of the Institute and the way that we communicate our message is vital to the Institute's future prosperity. We have devoted much time and effort over recent months to reshaping the look and feel of the Institute in advance of the important milestone in the Institute's history – its 125th Anniversary in May this year. Again, following extensive research, the Institute has established what changes need to be made, and these have been approved by the National Council for use by all Institutes, national and local. These changes are consistent with the renewed vigour and dynamism that is now evident throughout the Institute.

As President, I had the pleasure of addressing many events, both locally and nationally during my year as President. It was an exhilarating experience to speak on many important issues while representing the national body.

The office of the President of The Insurance Institute of Ireland is very special and has been occupied by many of the great luminaries of the insurance professions down through the years. It has been one of the greatest highlights of my professional career and I have been honoured and privileged to serve the membership as the first lady President.

I am passing on the Presidency of the Insurance Institute to the very capable hands of Denis Kelleher, who has already begun to apply his vast reserve of energy and talent into the preparation for the celebratory year ahead. I will continue to serve the Institute in my capacity as Vice President and will remain available to support and assist Mr Kelleher.



Adrienne O'Sullivan
President

Incoming President's Address

As the III enters its 125th year, I am deeply honoured to have been elected by my colleagues to serve as President of the National body.



Denis Kelleher
Incoming President

I have been associated with the Insurance Institute for all of my professional life and previously had the opportunity to represent The Insurance Institute of Cork as its President. Professional development is a personal priority for me and this is why I am such a fervent supporter of the Institute. In addition, through its network I have met and made many life long friends, some of whom I have had the privilege to work alongside of and others I meet regularly through the course of my many travels around the country. These people have a common bond, and that is The Insurance Institute. It has fostered a long and proud tradition which has been sustained over the years through many changes and re-incarnations.

The III and its members are not immune to the economic conditions which affect the industry that we serve. However, ultimately the success of any commercial activity is dependent on a very large extent to the quality and expertise of the professionals that do the job. Education and other professional development programmes are integral to the success of any company, and the III has been at the forefront providing such services, thus

contributing to the global recognition of Ireland as an advanced knowledge economy. In addition to our reputation as amongst the most educated in the world, the Irish insurance professionals, through the III programmes, have been a major contributor to the continued success of the insurance industry in Ireland.

2010 is not only the year that the III celebrates its 125th anniversary; it is also the 2nd year of the Strategic Plan, 'Your Profession – Our Priority'; a plan devised by the Institute in recognition of the changing times we live and work in. The III had accepted the need to examine itself and to embark upon a course of renewal, even before the full extent of the economic crises was revealed. The Institute took a 'back to basics' approach in order to identify if the professional needs of the members were being met and addressed. In order to form an accurate and objective picture of the III's market position, the Institute commissioned extensive research, and from this a radical plan emerged. The plan took shape under the able direction and guidance of past presidents Aidan Cassell, Adrienne O'Sullivan, and Chair of the Executive Committee, Malcolm Hughes.

It is therefore a daunting, yet exciting task for me to assume the role of the President at a time of continuing frantic development. During the first year of the strategic plan, the internal restructuring of the III was completed, and the first ever National CPD Programme introduced. The plan for this year, my year as President, promises to be even more dynamic for the III and in particular its membership.

The central focus of my year as President will be the members, and assuring that they benefit from their participation in the III. Coming from a Life company, I also want to ensure that our joint members with the LIA enjoy real value from the Institute. In support of this focus, the following major projects are in hand during the coming year:

- New Education Strategy
- Accreditation of CIP qualification on the National Framework of Qualifications
- New CPD Programme, included in subscription fee
- New Online Student + Membership Services
- New Online Learning Management System
- New Corporate Design
- New Website
- Key Account Managers

All these initiatives are intended to continue to create a professional and learning experience, which is in step with the needs and expectations of the member.

I am aware of the ever evolving profile of the membership body, and the fact that differing age groups are at different stages of career progression and professional development. In recognition of this the Institute will shortly introduce a greatly enhanced online member and student service platform. This service will be very user friendly and will provide greater access and proximity to the Institute.

Later in the year a major online Learning Management System will also be introduced. This is being developed in partnership with the Chartered Insurance Institute (CII) in the UK and will support not only CIP and current CPD but will also address some of the professional needs of our Associate and Fellow members.

This is part of the re-invigorated strategic relationship with the CII and I am delighted to announce that Laurence Baxter, Head of Policy and Research of the CII, has kindly agreed to join the Professional Standards Advisory Board – General Insurance (PSAB-GI). This will be a two way process; the localisation of CPD requirements of Associates and Fellows through the PSAB-GI will be greatly smoothed by the presence of Laurence. On the other hand, Ireland is more advanced in the area of statutory regulation compared to the UK and the CII have much to benefit from the PSAB-GI's experience in this field.

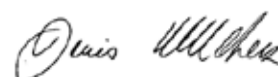
Substantial investment and effort will be devoted to those considering embarking on the programme towards achieving the ultimate professional accolade of Fellowship. The Institute will staunchly support this section of the membership as they represent the greatest source of intellectual capital in the profession. Partnerships with various Universities are being explored, in order to generate new challenging papers and research for the benefit our advanced members.

Supporting this journey is the decision for the III to become fully involved with the School of Professional Finance (SPF) which is an external school of University College Dublin (UCD). In addition to facilitating the accreditation of the Institute's qualifications on the National Framework of Qualifications in Ireland (NFQ), we also hope that it will encourage the further education and development of members towards degree level qualifications and beyond. Life long learning can not only be a great source of professional success, but also personal satisfaction. The Institute will be proactive in pursuing this objective.

I realise that many aspects of the Strategic Plan, and I have only touched briefly on some of them, will be realised beyond my Presidency. I do appreciate that any contribution I make, together with the efforts of my predecessors, will advance the overall mission of III, which by now has become the leading professional institute in the financial services sector.

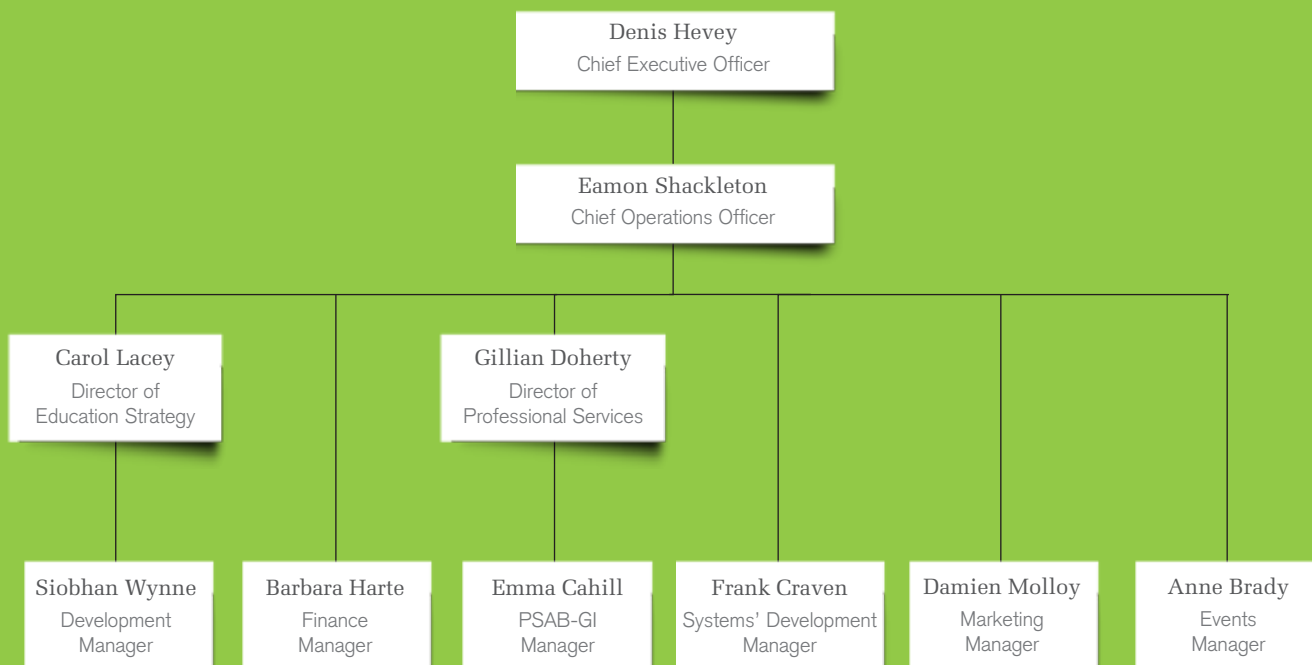
The existence of the III as a professional and educational body has always been down to the support and dedication of the members. As President I will be totally committed to making sure that the members and their interests will be central to all my efforts.

The central focus of my year as President will be the members, and assuring that they benefit from their participation in the III.



Denis Kelleher
Incoming President

Organisational Chart



Insurance Institute *of* Ireland



advancing your career

The Insurance Institute *of* Ireland

Insurance House
39 Molesworth Street
Dublin 2

01 645 6600
info@iii.ie
www.iii.ie

Local Institutes

Cork, Dublin, Galway, Limerick, Sligo.

Celebrating 125 years: a legacy of excellence, a framework for the future.