**Taking on tomorrow, together May 25: Becoming the Marine Insurer of Choice**

00:00:06.407 --> 00:00:09.847
<v SPEAKER_1>Hello and welcome to Alongside, the podcast from NorthStandard.

00:00:09.847 --> 00:00:11.407
<v SPEAKER_1>I'm Kait Borsay.

00:00:11.407 --> 00:00:14.887
<v SPEAKER_1>This is the latest in our Taking On Tomorrow Together series.

00:00:14.887 --> 00:00:20.467
<v SPEAKER_1>We're recording this on May the 15th, ahead of the publication of NorthStandard's results.

00:00:22.147 --> 00:00:26.347
<v SPEAKER_1>Well, today we'll be looking at those annual results and ahead to the coming year as well.

00:00:26.347 --> 00:00:30.507
<v SPEAKER_1>We're joined as usual by NorthStandard Managing Director Paul Jennings.

00:00:30.507 --> 00:00:32.047
<v SPEAKER_2>Hi, Kait, it's lovely to be here again.

00:00:32.047 --> 00:00:37.167
<v SPEAKER_1>And making his debut for this series anyway, NorthStandard Chief Financial Officer Nick Jelley.

00:00:37.167 --> 00:00:38.747
<v SPEAKER_3>Hi, Kait, it's very nice to be here.

00:00:38.747 --> 00:00:40.387
<v SPEAKER_1>Question for you first, Nick.

00:00:40.867 --> 00:00:44.047
<v SPEAKER_1>Did you volunteer for this or were you cajoled into it?

00:00:44.047 --> 00:00:50.567
<v SPEAKER_3>Well, Kait, I am an accountant at an insurance company, so I'm not often allowed out from behind my spreadsheets.

00:00:50.567 --> 00:00:56.087
<v SPEAKER_3>But Jeremy's not here today, so I got asked along and I've jumped at the opportunity.

00:00:56.087 --> 00:01:00.527
<v SPEAKER_1>Jeremy Grose, not with us today, as Nick has mentioned, Paul.

00:01:00.527 --> 00:01:01.587
<v SPEAKER_1>What on earth is he up to?

00:01:02.127 --> 00:01:05.927
<v SPEAKER_2>Jeremy is 6,000 miles away, as we speak.

00:01:05.927 --> 00:01:11.747
<v SPEAKER_2>Jeremy and a number of people from our local offices are taking part in an adventure race.

00:01:11.747 --> 00:01:15.567
<v SPEAKER_2>This is a race organized by the Mission to Sea Ferries.

00:01:15.567 --> 00:01:19.767
<v SPEAKER_2>It takes place every two years in Japan, close to Tokyo, I think about an hour away.

00:01:19.807 --> 00:01:23.587
<v SPEAKER_2>There are over 100 teams of shipping-related companies that are taking part.

00:01:23.587 --> 00:01:28.967
<v SPEAKER_2>And two years ago, the charity raised over $1.3 million as a result of this.

00:01:29.107 --> 00:01:34.347
<v SPEAKER_2>So we're hoping the contribution for NorthStandard in taking part will be significant.

00:01:34.347 --> 00:01:34.607
<v SPEAKER_1>All right.

00:01:34.607 --> 00:01:36.927
<v SPEAKER_1>Well, good luck to Jeremy and the team out there.

00:01:36.927 --> 00:01:41.067
<v SPEAKER_1>Look forward to hearing more about it when we all see each other again.

00:01:41.067 --> 00:01:45.167
<v SPEAKER_1>Nick, let's find out a little bit more about you as you're with us for the first time today.

00:01:45.167 --> 00:01:48.587
<v SPEAKER_1>You're the Chief Financial Officer for NorthStandard, as we've said.

00:01:48.587 --> 00:01:54.467
<v SPEAKER_1>Tell us a little bit more about your role and yourself as well, how you come to be at NorthStandard.

00:01:54.467 --> 00:01:57.467
<v SPEAKER_3>Well, I joined what was then Standard Club.

00:01:58.007 --> 00:02:02.647
<v SPEAKER_3>I think it was 18 years ago, but I still feel like I'm one of the new people on the blog.

00:02:02.647 --> 00:02:05.507
<v SPEAKER_3>I think when people join P&I clubs, they do stay.

00:02:05.507 --> 00:02:08.847
<v SPEAKER_3>It might have been 18 years, but it certainly doesn't feel like that.

00:02:08.847 --> 00:02:09.947
<v SPEAKER_1>Nick, thank you.

00:02:09.947 --> 00:02:18.227
<v SPEAKER_1>Before we look at the annual results in a bit more detail, Paul, when we spoke a year ago, the incident in Baltimore Harbour, it had just happened.

00:02:18.227 --> 00:02:19.347
<v SPEAKER_1>It's an accident.

00:02:19.347 --> 00:02:23.707
<v SPEAKER_1>Well, it's fair to say it's had a huge impact, hasn't it, on the industry and on NorthStandard too.

00:02:24.507 --> 00:02:27.647
<v SPEAKER_1>Just expand on where we are now a year later.

00:02:27.647 --> 00:02:30.107
<v SPEAKER_2>Yeah, I mean, that's the ship of the Dali, of course.

00:02:30.107 --> 00:02:33.067
<v SPEAKER_2>And I think it was March 24, wasn't it?

00:02:33.067 --> 00:02:35.667
<v SPEAKER_2>And really big headlines for a long while.

00:02:35.667 --> 00:02:38.467
<v SPEAKER_2>And again, sadly, there was a loss of life out of this as well.

00:02:38.467 --> 00:02:40.827
<v SPEAKER_2>It wasn't just physical or structural damage.

00:02:40.827 --> 00:02:53.407
<v SPEAKER_2>In terms of the incident itself, we at NorthStandard have quite a large participation from a reinsurance point of view and also the reinsurance contracts that we buy with other members of the international group have been and will be impacted by this incident.

00:02:54.047 --> 00:02:58.327
<v SPEAKER_2>I think in terms of where it stands at the moment, it's got a long way to run.

00:02:58.327 --> 00:03:01.927
<v SPEAKER_2>There are, as you can imagine, lots and lots of lawyers involved in this.

00:03:01.927 --> 00:03:04.807
<v SPEAKER_2>I think it's going to keep the lawyers and judges busy for quite a few years to come.

00:03:04.807 --> 00:03:19.767

<v SPEAKER_2>But whilst that one's kind of hit the headlines, last year for us, and it has been a busy year for us and for the industry as a whole, and there have been a number of other major incidents that maybe not quite on the magnitude of that one, which haven't made the headlines in quite the same way.

00:03:19.847 --> 00:03:41.447
<v SPEAKER_2>So we have quite a significant pollution occurred in Singapore, which ended up with polluting some of the beaches in Sentosa, which you probably know is quite a luxurious resort in Singapore, to a ship that's currently a ground in Canada, a large container ship that unfortunately is probably going to have to be a wreck and removed.

00:03:41.447 --> 00:03:46.087
<v SPEAKER_2>We've had wrecks off South Africa and losing lots of boxes, et cetera, of South Africa.

00:03:46.087 --> 00:03:48.947
<v SPEAKER_2>So there's been quite a global incidence of large claims.

00:03:49.007 --> 00:03:52.767
<v SPEAKER_2>And of course, from a headline point of view again, and it's not just the headline ones that drive it.

00:03:52.767 --> 00:03:54.067
<v SPEAKER_2>I think that's the important point.

00:03:54.067 --> 00:03:57.947
<v SPEAKER_2>There's a huge amount of this going on all the time that isn't reaching headlines.

00:03:57.947 --> 00:03:59.927
<v SPEAKER_2>But it was in March, wasn't it?

00:03:59.927 --> 00:04:05.027
<v SPEAKER_2>We had a large collision off the UK coast, which certainly here in the UK anyway made big headlines.

00:04:05.027 --> 00:04:11.747
<v SPEAKER_2>But there is a lot of global incidence going on, and it's kept us and the rest of the industry very busy over the last 12 months.

00:04:11.747 --> 00:04:19.207
<v SPEAKER_1>Look, it's fair to say, when we're looking at the climate at the moment, that global geopolitics comes into it heavily.

00:04:19.207 --> 00:04:24.587
<v SPEAKER_1>It's been shaken up further by Donald Trump's arrival for a second term in the White House.

00:04:24.587 --> 00:04:28.767
<v SPEAKER_1>There are other events, of course, affecting global stability too.

00:04:28.767 --> 00:04:31.067
<v SPEAKER_1>How does all of that impact NorthStandard?

00:04:31.067 --> 00:04:36.547
<v SPEAKER_2>We're impacted by geopolitics, geoeconomic events to the extent that we serve the shipping industry.

00:04:36.547 --> 00:04:41.087
<v SPEAKER_2>So we consider ourselves part of the shipping industry whilst being an insurance company.

00:04:41.087 --> 00:04:42.607
<v SPEAKER_2>That's very much our role.

00:04:43.287 --> 00:04:48.667
<v SPEAKER_2>Shipping is probably one of the most exposed industry to geopolitical economic events.

00:04:48.667 --> 00:04:57.587
<v SPEAKER_2>You know, bearing in mind that 90% of all commodities or goods that we use will have been transported at sea at some stage, you know, on a global scale.

00:04:57.587 --> 00:05:01.007
<v SPEAKER_2>So any global disruption impacts shipping.

00:05:01.007 --> 00:05:01.947
<v SPEAKER_2>It's not new.

00:05:01.947 --> 00:05:05.387
<v SPEAKER_2>And from a shipping point of view, I think what probably is now with Mr.

00:05:05.387 --> 00:05:08.107
<v SPEAKER_2>Trump in the White House is the pace of it.

00:05:08.247 --> 00:05:09.447
<v SPEAKER_2>It's almost relentless, isn't it?

00:05:09.627 --> 00:05:13.447
<v SPEAKER_2>We kind of wake up every morning, seeing something different is happening.

00:05:13.867 --> 00:05:21.007
<v SPEAKER_2>Most apparent for shipping, I guess, is tariffs and the trade war with US and China in particular.

00:05:21.007 --> 00:05:29.087
<v SPEAKER_2>That certainly has in the first few weeks of the Trump administration led to reduction in trade between US and China.

00:05:29.087 --> 00:05:31.467
<v SPEAKER_2>That may or may not be resolved at the moment.

00:05:31.467 --> 00:05:36.667

<v SPEAKER_2>I think we're hearing, again, this is rapidly moving, but we anticipate that will unpick itself a bit.

00:05:36.667 --> 00:05:37.967
<v SPEAKER_2>Disruption for shipping is not new.

00:05:37.967 --> 00:05:45.307
<v SPEAKER_2>And, you know, whether that you go back to COVID or you go back to the various wars or closure of the Suez Canal, shipping does find a way around these things.

00:05:45.467 --> 00:05:52.887
<v SPEAKER_2>And our role in that very much is to support shipping and support our members and how they can adapt, because we have to keep trade going.

00:05:52.887 --> 00:05:58.307
<v SPEAKER_2>This is making sure that commodities get to third world countries, that we keep the flow of trade going.

00:05:58.307 --> 00:06:00.567
<v SPEAKER_1>Let's take a closer look at your results then, Nick, shall we?

00:06:00.567 --> 00:06:02.107
<v SPEAKER_1>Let's get into some detail here.

00:06:02.107 --> 00:06:04.087
<v SPEAKER_1>What's the overall picture, first of all?

00:06:04.087 --> 00:06:08.787
<v SPEAKER_3>Well, it might help if we went back a year and you're asking me the same question.

00:06:09.567 --> 00:06:17.647
<v SPEAKER_3>I'd have been reporting a stellar underwriting year with a 93% combined ratio and under 100% as a profit.

00:06:17.647 --> 00:06:24.307
<v SPEAKER_3>So it was a good underwriting year, and we'd had a great investment return and free reserves had grown.

00:06:24.307 --> 00:06:29.087
<v SPEAKER_3>Our levels of surplus capital had grown and we're feeling pretty confident.

00:06:29.087 --> 00:06:39.427
<v SPEAKER_3>But also at exactly the same time, we were cautioning that that previous year had been very lucky in terms of the level of large claims and pool claims.

00:06:39.427 --> 00:06:45.687
<v SPEAKER_3>That previous year up to February 24 had been remarkably quiet in terms of large claims.

00:06:45.687 --> 00:06:49.367
<v SPEAKER_3>And in terms of our own claims, we'd had very few.

00:06:49.367 --> 00:06:52.607
<v SPEAKER_3>Roll on a year, and the opposite has happened.

00:06:52.607 --> 00:07:04.167
<v SPEAKER_3>We've already talked about the Dali claim, but there's been plenty of other large pool claims that have been less high profile, but they cost the P&I clubs collectively a significant sum of money.

00:07:04.647 --> 00:07:14.607
<v SPEAKER_3>And so, while premium income this year is up, we're up 50 million on the previous year to just under 900 million now, 885.

00:07:14.607 --> 00:07:27.087
<v SPEAKER_3>What we've seen on the underwriting side is that increase in pool claims and our own large claims has pushed our combined ratio completely the other direction to 114%, so a 14% loss.

00:07:27.087 --> 00:07:31.867
<v SPEAKER_3>Now, fortunately, we've had a good year on investments again, 5.9 investment return.

00:07:32.247 --> 00:07:36.107
<v SPEAKER_3>That's pretty much entirely offset that underwriting loss.

00:07:36.107 --> 00:07:47.267
<v SPEAKER_3>So our free reserves, the level of our surplus assets over our liabilities, that has dropped ever so slightly, but by $3 million to 800 million.

00:07:47.267 --> 00:07:52.807
<v SPEAKER_3>So in terms of capital strength, we are almost as strong as we were the year before.

00:07:52.807 --> 00:07:58.487
<v SPEAKER_3>And on the underwriting side, yes, it's been a very challenging year, but it just shows the volatility in P&I.

00:07:59.227 --> 00:08:03.947
<v SPEAKER_3>I think it demonstrates the benefit of having scale.

00:08:03.947 --> 00:08:14.547
<v SPEAKER_3>So NorthStandard now, following the merger, being twice the size of the previous two clubs, that that extra capital that we've got means we can ride out a bad year.

00:08:14.547 --> 00:08:24.207
<v SPEAKER_3>And the size of our investment portfolio and the fact that it's conservatively invested means that we can fall back in the short term on investment returns if we need to.

00:08:24.207 --> 00:08:25.607
<v SPEAKER_2>I think it's been a challenging year.

00:08:25.607 --> 00:08:29.227
<v SPEAKER_2>I mean, marking the second year of NorthStandard coming together.

00:08:29.227 --> 00:08:34.567
<v SPEAKER_2>First year, probably we could have written the script for that one, it would have been ideal.

00:08:34.567 --> 00:08:36.167
<v SPEAKER_2>This year, challenging back to reality.

00:08:36.167 --> 00:08:41.987
<v SPEAKER_2>But I think actually probably justifying our decision and the decision of our members to merge.

00:08:42.167 --> 00:08:47.487
<v SPEAKER_2>When we talked about this and the benefits of merger, we talked about volatile world, we talked about uncertain world.

00:08:47.487 --> 00:08:56.587
<v SPEAKER_2>Gosh, we've seen both of that, whether it's on a global economic view or whether it's in our own industry in terms of a return to a high level of activity in the claims world.

00:08:56.727 --> 00:09:02.287
<v SPEAKER_2>So a challenging year, but one that we almost say we've taken in our stride.

00:09:02.287 --> 00:09:05.867
<v SPEAKER_2>I feel comfortable with the position where we are as NorthStandard.

00:09:05.867 --> 00:09:14.087
<v SPEAKER_2>It's been a difficult year for the industry as a whole, but effectively that's why we're here to manage these situations.

00:09:14.087 --> 00:09:20.767
<v SPEAKER_2>And an industry that deals with nearly 90% of trade, we are going to, we're going to find to face these instances.

00:09:20.767 --> 00:09:24.647
<v SPEAKER_1>And it's an important test of your resilience, isn't it effectively?

00:09:24.647 --> 00:09:25.127
<v SPEAKER_2>It is.

00:09:25.127 --> 00:09:35.827
<v SPEAKER_2>I mean, perhaps, again, if I was writing the script, perhaps earlier in the script than I would have thought, maybe have two or three years of bedding down, but no, it is indeed.

00:09:35.827 --> 00:09:39.847
<v SPEAKER_2>It's a test of resilience of us, but also I think the system as a whole.

00:09:39.847 --> 00:09:50.587
<v SPEAKER_2>And if we reference the large claim that hit the headlines last year, the Dali, that was a test of resilience for the whole of the international group and the P&I system that we're part of.

00:09:50.587 --> 00:09:52.187
<v SPEAKER_2>And then you bring that down to our own level.

00:09:52.187 --> 00:09:56.427
<v SPEAKER_2>I think the challenging year this year is really is testament to our resilience.

00:09:56.427 --> 00:09:58.887
<v SPEAKER_1>Do you think last year was an exception?

00:09:58.887 --> 00:10:00.727
<v SPEAKER_2>No, no, sadly.

00:10:00.727 --> 00:10:08.187
<v SPEAKER_2>I think perhaps the 22 and 23 years where we had a low incidence of claims, probably they were the exceptions.

00:10:08.187 --> 00:10:13.667
<v SPEAKER_2>I would like to be able to say the other way, but I think it was unusually quiet in 22 and 23.

00:10:13.667 --> 00:10:22.887
<v SPEAKER_2>And we haven't really been able to analyse exactly why that is, whether world trade has picked up a bit more or numbers ships increasing every year and therefore demand for more crew all the time.

00:10:22.887 --> 00:10:29.467
<v SPEAKER_2>All of these factors play into it, but unfortunately I think an elevated level of claims is probably the norm.

00:10:29.467 --> 00:10:44.567
<v SPEAKER_1>And this can all be a bit of a head scratch, I can't it, when it comes to predictability, especially in your role too as the numbers guy, the CFO, Nick, how do you deal with the types of unpredictable fluctuations that we've been talking about?

00:10:45.527 --> 00:10:49.147
<v SPEAKER_3>Well, it's almost impossible to predict.

00:10:49.147 --> 00:11:00.647
<v SPEAKER_3>If we go back over the last three years, our share in dollar terms of the pool has fluctuated between 40 million three years ago, and 140 million last year.

00:11:00.647 --> 00:11:05.347
<v SPEAKER_3>That's a hundred million swing on net premium of 700 million.

00:11:05.947 --> 00:11:08.827
<v SPEAKER_3>That's a huge, huge difference.

00:11:08.947 --> 00:11:15.907
<v SPEAKER_3>You can't really look at one year in isolation, you've got to look at the previous two years and the next two years as well.

00:11:15.907 --> 00:11:19.587
<v SPEAKER_3>But looking further ahead than two years is almost impossible to do.

00:11:19.587 --> 00:11:33.007
<v SPEAKER_3>If you went back six years ago and thought what would happen over the next six years, your business plans then would have been completely wrong because we've had COVID, we've had Ukraine, we've had trade wars, we've had everything.

00:11:33.007 --> 00:11:35.627
<v SPEAKER_3>And trying to predict those things is really difficult.

00:11:35.627 --> 00:11:46.447
<v SPEAKER_3>But what we do have to do from a risk perspective is try and imagine all those things that could go wrong and make sure we have enough surplus capital to cover those eventualities.

00:11:46.447 --> 00:11:51.107
<v SPEAKER_3>And if they did happen, do we have enough reinsurance to cover those sorts of things?

00:11:51.107 --> 00:11:56.487
<v SPEAKER_3>And then do we have enough free reserves or surplus capital to cover with a downturn?

00:11:56.487 --> 00:12:01.507
<v SPEAKER_3>All insurance companies have to do this and we're forced in some respects by our regulators to do this.

00:12:01.507 --> 00:12:16.127
<v SPEAKER_3>But even if we weren't, we'd be wanting to do this as well because we want to make sure that we've got a stable capital base and we can ride through a downturn in the market for a couple of years and still be able to support our members and have that capital strength.

00:12:16.127 --> 00:12:20.007
<v SPEAKER_1>And just summing up then, Nick, financial rating, how's that looking?

00:12:20.007 --> 00:12:24.187
<v SPEAKER_3>Well, all P&I clubs are rated by Standard & Poor's.

00:12:24.187 --> 00:12:27.887
<v SPEAKER_3>And Standard & Poor's look at all the P&I clubs en masse.

00:12:27.887 --> 00:12:30.667
<v SPEAKER_3>We have an A rating with S&P.

00:12:30.667 --> 00:12:34.647
<v SPEAKER_3>They reaffirmed that rating in early May.

00:12:34.647 --> 00:12:37.587
<v SPEAKER_3>As well as having your A rating, you also have an outlook.

00:12:38.067 --> 00:12:47.247

<v SPEAKER_3>And they've affirmed our A rating with a stable outlook, which means they don't expect there to be any changes in that rating over the next 12 to 24 months.

00:12:47.247 --> 00:12:51.927
<v SPEAKER_3>So we're pretty pleased that that rating has been reaffirmed.

00:12:52.047 --> 00:12:57.867
<v SPEAKER_3>We can't get higher than A at the moment as a mono-line insurer, as we pretty much are.

00:12:58.027 --> 00:12:59.867
<v SPEAKER_3>We're capped at that A rating.

00:12:59.867 --> 00:13:06.567
<v SPEAKER_3>But having the stable outlook gives confidence, I think, to our members that we are a stable insurance company.

00:13:07.427 --> 00:13:12.747
<v SPEAKER_1>Let's look more into the vision further into the future, shall we now with both of you?

00:13:12.747 --> 00:13:17.927
<v SPEAKER_1>NorthStandard's positioning is to be the marine insurer of choice.

00:13:17.927 --> 00:13:20.227
<v SPEAKER_1>What does that mean in practice, Paul?

00:13:20.227 --> 00:13:22.127
<v SPEAKER_2>Well, it's a pretty lofty ambition, isn't it?

00:13:23.027 --> 00:13:24.667
<v SPEAKER_2>And I think it quite rightly, it should be.

00:13:24.667 --> 00:13:28.407
<v SPEAKER_2>It shouldn't be something that is just there and easy to obtain.

00:13:28.647 --> 00:13:31.467
<v SPEAKER_2>It is something that we can aspire to, I think.

00:13:31.607 --> 00:13:33.207
<v SPEAKER_2>And we're talking many, many years here.

00:13:33.367 --> 00:13:35.147
<v SPEAKER_2>I think five years is even too short.

00:13:35.207 --> 00:13:39.447
<v SPEAKER_2>It's something we aspire to maybe over a 10-plus year period.

00:13:40.407 --> 00:13:46.327
<v SPEAKER_2>What it means to me is it's, from a ship owner point of view, looking to purchase marine insurance.

00:13:46.327 --> 00:13:58.207
<v SPEAKER_2>They want to buy that, have a relationship with NorthStandard because of security, stability, relationships, the breadth of cover we've got, our expertise, our reputation in the market, all of that.

00:13:58.207 --> 00:14:04.787
<v SPEAKER_2>So when somebody is thinking about where do I feel most secure and most safe to put these really, really expensive assets and everything that I'm looking at?

00:14:04.927 --> 00:14:07.647
<v SPEAKER_2>I want to be with NorthStandard, and that's where we need to get to.

00:14:07.647 --> 00:14:13.647
<v SPEAKER_2>And we've got to have absolutely everybody within NorthStandard working with us to achieve that.

00:14:13.647 --> 00:14:22.907
<v SPEAKER_1>And Nick, when we think about, from your perspective, how NorthStandard is the go-to marine insurer of choice, how do you think you achieve that?

00:14:22.907 --> 00:14:28.127
<v SPEAKER_3>Well, I suppose as CFO, I'm coming from the capital strength side of things.

00:14:29.427 --> 00:14:35.467
<v SPEAKER_3>We want to be stable and secure, and the A-rating from S&P is an important part of that.

00:14:36.107 --> 00:14:40.327
<v SPEAKER_3>We don't want our free reserves to be jumping around significantly.

00:14:40.827 --> 00:14:57.707
<v SPEAKER_3>We want to show that if you're buying a contract of insurance from NorthStandard, that you're buying a contract from an insurance company that is large, stable and is growing and can support your needs and can ultimately pay your claims.

00:14:57.707 --> 00:15:02.487
<v SPEAKER_2>From a strategic point of view, we don't have a massive sort of playbook of strategy.

00:15:02.767 --> 00:15:07.607
<v SPEAKER_2>We have tactics for every part of the business and how we're going to achieve and how we're going to execute.

00:15:07.607 --> 00:15:16.907
<v SPEAKER_2>But I think it's really important that our strategic aims are easily understood and supporting this idea of being the marine insurer of choice.

00:15:16.907 --> 00:15:18.907
<v SPEAKER_2>For us, we've synthesized that down.

00:15:18.907 --> 00:15:23.647
<v SPEAKER_2>We think quite simply, we want to grow and diversify NorthStandard.

00:15:23.647 --> 00:15:27.967
<v SPEAKER_2>We want to innovate and lead, and we want to invest in the future.

00:15:28.767 --> 00:15:35.327
<v SPEAKER_2>Now, those three simple pillars, if you like, all have huge amounts underneath them as to what that actually means.

00:15:35.327 --> 00:15:40.547
<v SPEAKER_2>And growing diversify isn't just about getting more business in, or getting different types of business in.

00:15:40.547 --> 00:15:41.407
<v SPEAKER_2>That's a key part of it.

00:15:41.407 --> 00:15:44.607
<v SPEAKER_2>We will only do that if people want to do business with us.

00:15:44.607 --> 00:15:51.907
<v SPEAKER_2>And they'll only want to do business with us because we're strong, stable, importantly because we've got expertise, we've got great relationships with people they want to deal with.

00:15:51.907 --> 00:15:54.007
<v SPEAKER_2>So there's a huge amount to that.

00:15:54.007 --> 00:16:00.047
<v SPEAKER_2>In terms of innovating and leading, we want to be known to be a voice in the market that represents ship owners' interests.

00:16:00.047 --> 00:16:02.267
<v SPEAKER_2>We want to be able to adapt products.

00:16:02.627 --> 00:16:08.927
<v SPEAKER_2>I think we've done that quite successfully recently already with our Orca AI investments and collaborations.

00:16:08.927 --> 00:16:10.467
<v SPEAKER_2>So we want to see more of that.

00:16:10.467 --> 00:16:14.627
<v SPEAKER_2>And then the really important one, the one that really excites me, I think, is investing in the future.

00:16:14.727 --> 00:16:20.967
<v SPEAKER_2>And that's got many aspects to it, but it is fundamentally about our people, investing in our people, helping them to develop and grow.

00:16:20.967 --> 00:16:27.787
<v SPEAKER_2>It is investing in the future of shipping and the decarbonization and transformation that shipping is going through and will continue going through.

00:16:27.787 --> 00:16:33.327
<v SPEAKER_2>And also our responsibility to the marine community and to the communities we operate in.

00:16:33.327 --> 00:16:35.307
<v SPEAKER_2>We want to invest in that as well.

00:16:35.307 --> 00:16:36.787
<v SPEAKER_2>There's a huge amount underneath that.

00:16:36.987 --> 00:16:38.567
<v SPEAKER_2>I said there isn't a playbook.

00:16:38.567 --> 00:16:39.547
<v SPEAKER_2>There isn't in that sense.

00:16:39.867 --> 00:16:43.607
<v SPEAKER_2>We just want people to feel how they can contribute to those pillars.

00:16:43.607 --> 00:16:48.507
<v SPEAKER_1>And Paul, let me just pick up on some of the projects that you think will achieve some of those things.

00:16:48.507 --> 00:16:58.707
<v SPEAKER_2>Yeah, I think particularly in terms of investing in the future, I know many, many companies and organizations say, you know, that people are the key, but it is absolutely the case with NorthStandard.

00:16:58.707 --> 00:17:02.327
<v SPEAKER_2>And it's a vital part of the business that we run.

00:17:02.667 --> 00:17:14.127
<v SPEAKER_2>We're running a shadow leadership team within NorthStandard as well that works alongside the executive leadership team to bring diversity of thought within the way we lead and the way the business is led.

00:17:14.127 --> 00:17:16.747
<v SPEAKER_2>We've got a reverse mentoring project, which is fantastic.

00:17:16.747 --> 00:17:21.727
<v SPEAKER_2>And I've approached it on the basis, I don't want to be taught how to do technology.

00:17:22.547 --> 00:17:23.547
<v SPEAKER_2>That's not what it's about for me.

00:17:23.627 --> 00:17:34.427
<v SPEAKER_2>It's about how can my leadership style be more understood, more beneficial to the company from somebody of a different generation who's not as experienced.

00:17:34.947 --> 00:17:38.547

<v SPEAKER_2>What am I doing from a leadership point of view now that's not getting the messaging across?

00:17:38.547 --> 00:17:39.467
<v SPEAKER_1>Interesting.

00:17:39.467 --> 00:17:50.567
<v SPEAKER_1>Nick, you might want to tell us about a reverse mentoring experience that you've had, or we can go into some more detail about achieving, whether it's the three pillars or some of the overall aims of the business.

00:17:51.247 --> 00:18:02.707
<v SPEAKER_3>Well, I'm also on the reverse mentoring program with one of our claims staff, who's teaching me the niceties of claims handling.

00:18:02.707 --> 00:18:05.087
<v SPEAKER_3>It's been a positive experience for me.

00:18:05.087 --> 00:18:17.447
<v SPEAKER_3>Back on to the three pillars, I think, as we've already talked about, pool claims have a massive impact on P&I clubs' underwriting results, and the volatility on the pool is a big concern for clubs.

00:18:18.307 --> 00:18:23.947
<v SPEAKER_3>But 30% of our business is not impacted by pool claims.

00:18:23.947 --> 00:18:34.427
<v SPEAKER_3>That's our specialty divisions, and that includes Strike and Delay, Coastal and Inland, Small Craft, Sunderland Marine, Hull and War, Aquaculture.

00:18:34.427 --> 00:18:39.087
<v SPEAKER_3>And the more we can grow and diversify into those divisions, the better.

00:18:39.087 --> 00:18:41.907
<v SPEAKER_1>Well, thanks again, both of you, for your time and insight today.

00:18:41.907 --> 00:18:44.547
<v SPEAKER_1>That's NorthStandard's managing director, Paul Jennings.

00:18:44.547 --> 00:18:44.987
<v SPEAKER_2>Thanks, Kate.

00:18:44.987 --> 00:18:46.147
<v SPEAKER_2>It's been great to chat.

00:18:46.227 --> 00:18:47.847
<v SPEAKER_2>Look forward to catching up again soon.

00:18:47.847 --> 00:18:49.727
<v SPEAKER_1>And Chief Financial Officer, Nick Jelley.

00:18:49.727 --> 00:18:50.607
<v SPEAKER_3>Thanks, Kate.

00:18:50.607 --> 00:18:55.987
<v SPEAKER_1>Click follow on your favourite podcast player to ensure you don't miss any episodes of Alongside.

00:18:55.987 --> 00:19:06.147
<v SPEAKER_1>There, you'll also find episodes of our sister podcast, Future Thinking, where we've looked recently at the world of cyber threats, AI and decarbonisation impacting shipping.

00:19:06.147 --> 00:19:09.287
<v SPEAKER_1>That's all for this episode of Taking On Tomorrow Together.

00:19:09.287 --> 00:19:10.327
<v SPEAKER_1>I'm Kate Borsay.

00:19:10.327 --> 00:19:11.107
<v SPEAKER_1>Thanks for listening.