

LM All Staff Box Meeting

31st October 2018



Agenda

| | |
|------------------------------------|------------------------------|
| Introduction | Kate Markham |
| Employee Engagement Results | Kate Markham |
| Update on S33 raises 33k | Holly Cleland and Jack Bryan |
| Q&A | Kate Markham |

Employee Engagement Results 2018

London Market

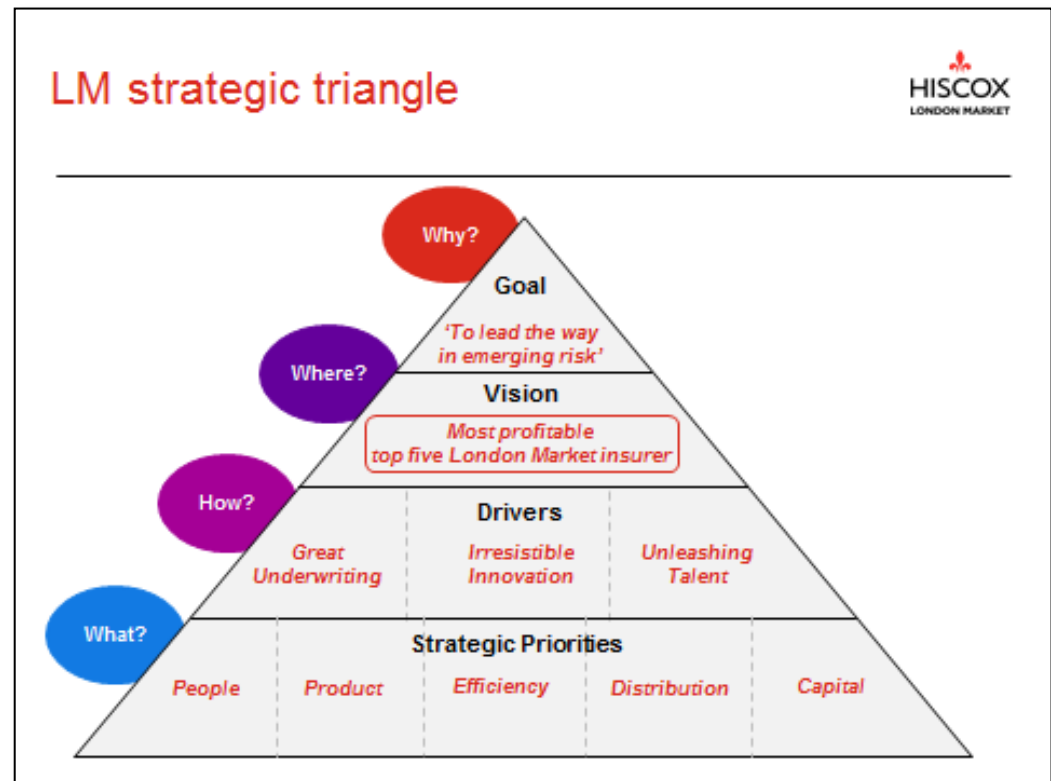


Engaged employees is the most important ingredient we need to deliver on our ambition

“To win in the marketplace, you must first win in the workplace”
Doug Conant

“The only way to do great work is to love what you do”
Steve Jobs

Engagement Survey is therefore a key tool for us



However the recent survey shows that London Market engagement has dropped again in 2018

7%

Decrease in
Overall
Engagement

7%

below IBM
Global
Benchmark

12%

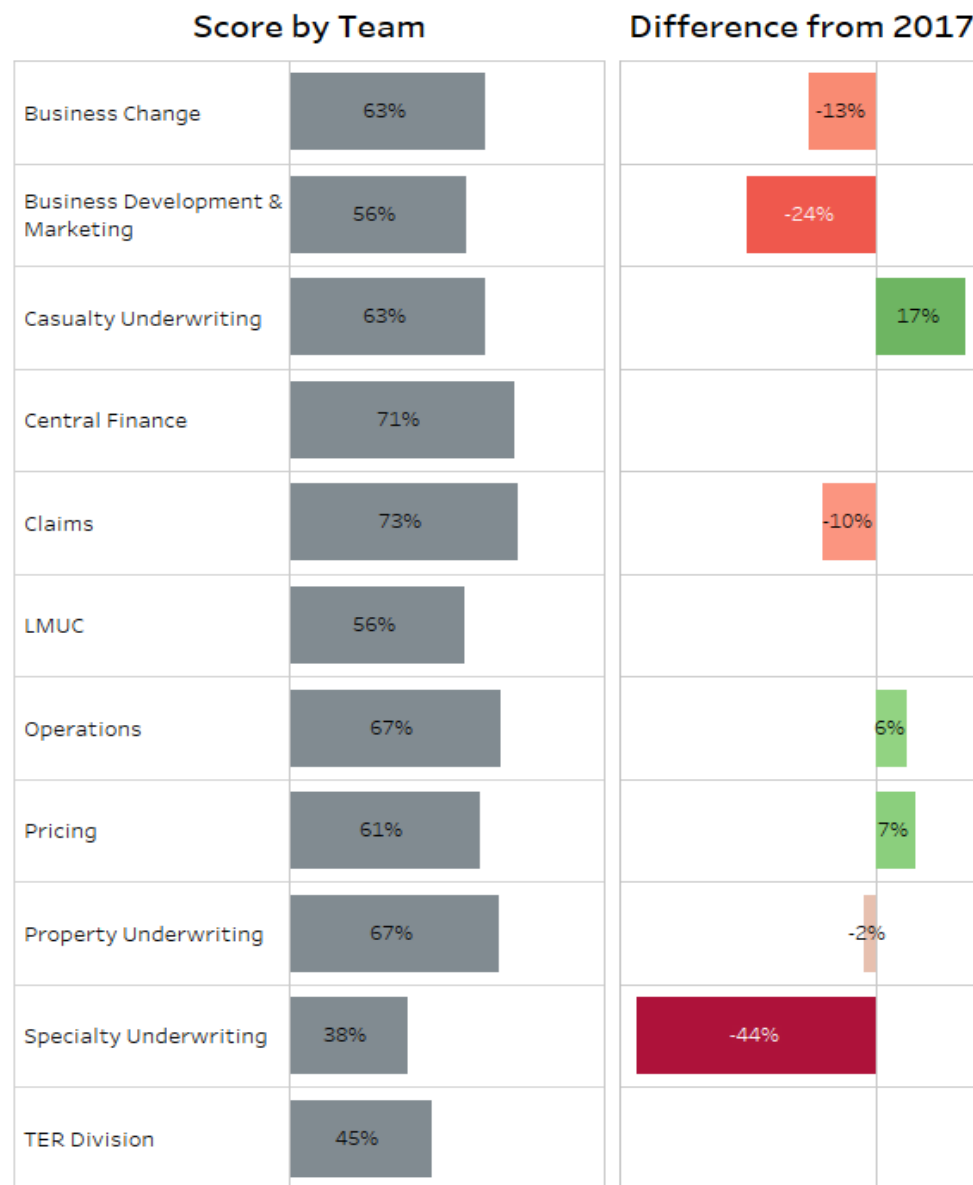
below Financial
Services
Benchmark

90%

Response Rate

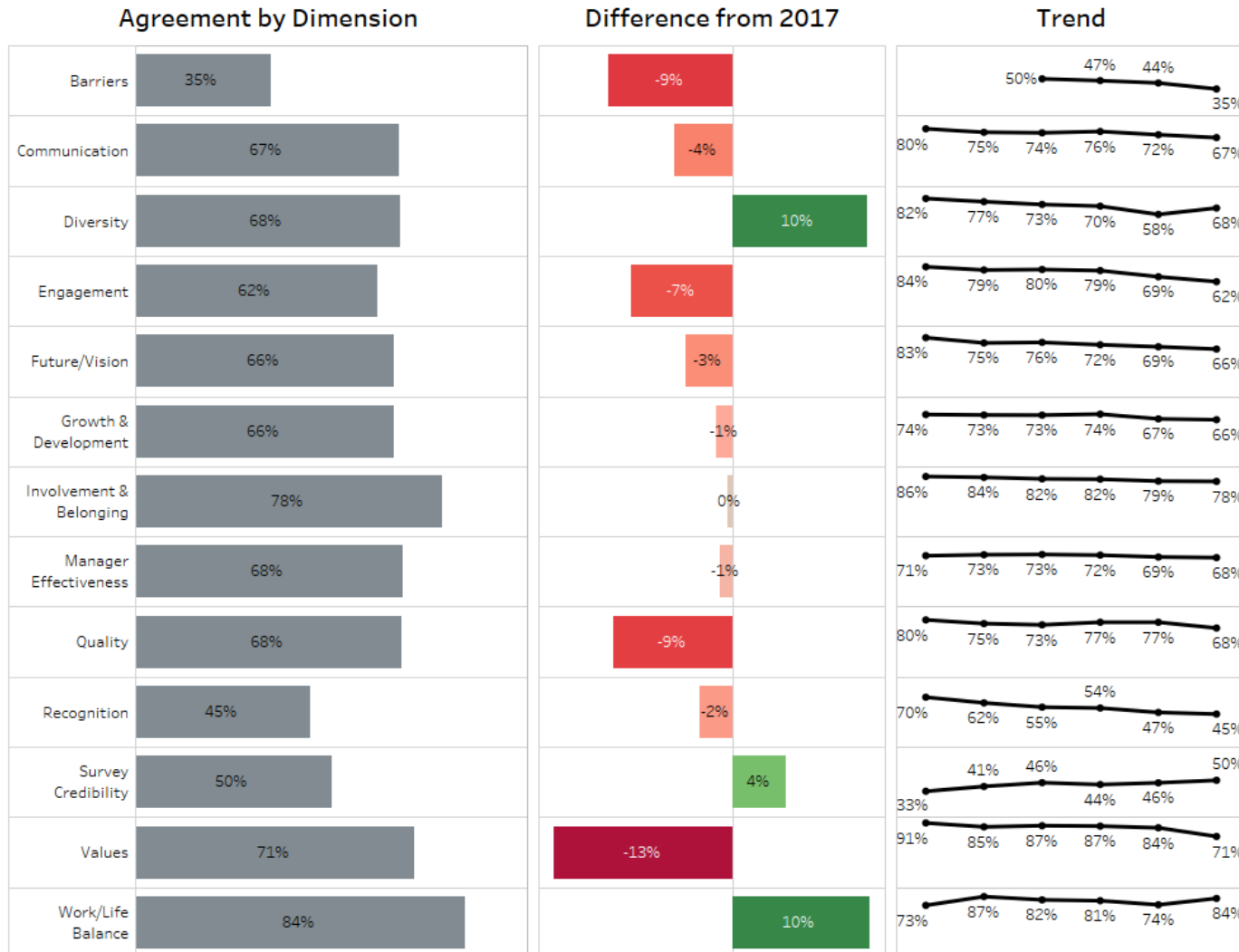
- **IBM Global Benchmark-** 15 million respondents and 667 surveys
- **Financial Services Benchmark-** 3.16 million respondents and 132 surveys

Engagement in LM varies by team considerably



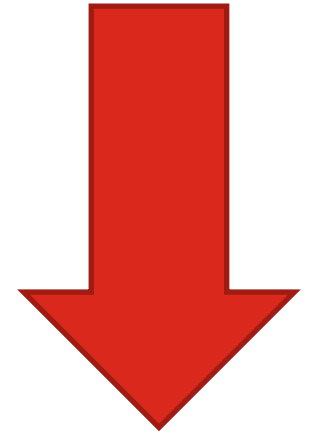
- Positive increase for Casualty, Operations and Pricing.
- Significant drop in Change, Business Development, Claims and Specialty.

In LM we've seen an increase in some areas where we have taken action, but there is more work to do

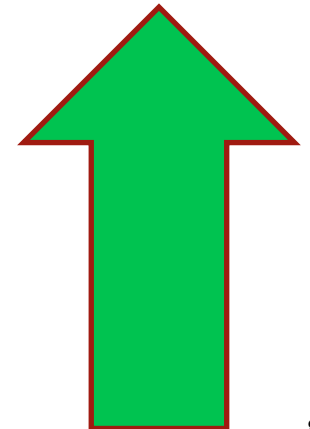


Key declines this year relate to barriers, quality and values, as well as an overall drop in engagement

- **Engagement**
 - Driven by people thinking of looking for another job.
- **Quality**
 - Lack of cooperation amongst teams.
- **Values**
 - Managers/Supervisors are not seen to be modelling our values.
- **Barriers**
 - Predominantly linked to 'glass ceiling' and lack of promotion.



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- **Diversity**
 - 10% increase. Has changing the tone paid off?
 - **Survey Credibility**
 - 4% improvement. More people feel that positive change will happen as a result of this survey.
 - **Work/Life Balance**
 - 10% improvement in people feeling that they have the flexibility to manage their life.



Quality has declined by 9% across the business unit, driven by a lower score on cooperation/team work

Score by Team

Difference from 2017

| Team | Score | Difference from 2017 |
|----------------------------------|-------|----------------------|
| Business Change | 71% | -5% |
| Business Development & Marketing | 64% | -8% |
| Casualty Underwriting | 67% | 1% |
| Central Finance | 46% | |
| Claims | 72% | -14% |
| LMUC | 67% | |
| Operations | 78% | 0% |
| Pricing | 76% | 5% |
| Property Underwriting | 75% | -2% |
| Specialty Underwriting | 61% | -24% |
| TER Division | 69% | |

Insights

- Significant reduction for Change, Business Development, Claims and Specialty.
- 68% agreement for dimension overall.
- With the exception of Operations, reduction is driven by less than 50% agreement that **there is good cooperation/team work between departments.**

Our values score declined by 13% overall linked to managers/leaders not role modeling the values

| Score by Team | | Difference from 2017 |
|----------------------------------|-----|----------------------|
| Business Change | 83% | -2% |
| Business Development & Marketing | 78% | -12% |
| Casualty Underwriting | 75% | -4% |
| Central Finance | 68% | |
| Claims | 68% | -22% |
| LMUC | 44% | |
| Operations | 85% | -2% |
| Pricing | 71% | -10% |
| Property Underwriting | 75% | -12% |
| Specialty Underwriting | 63% | -35% |
| TER Division | 73% | |

Insights

- Only 56% of us believe Supervisors/Managers are role modelling values.
- 15% decline in belief that area's management behaviour is consistent with the values (79% to 64% agreement)

Comments linked to Values:

- We need to believe in our values - we should always have an emphasis on quality in everything do.
- Continue promoting the values of the company.

Barriers remains a key challenge, with only 35% agreeing that there are no barriers to thriving

If you aren't a shameless self-publicist then you are doomed to fail

Glass ceiling with regards to promotion

Many teams are under-resourced

More jobs are advertised externally than is necessary

The dial has shifted too far in the favour of women

A professional style of dominance, bordering on aggression, is favoured.

Some scores have improved however. A positive shift has been seen on Diversity in most teams

Score by Team

Difference from 2017

| Team | Score by Team | Difference from 2017 |
|----------------------------------|---------------|----------------------|
| Business Change | 67% | 17% |
| Business Development & Marketing | 69% | 9% |
| Casualty Underwriting | 88% | 33% |
| Central Finance | 79% | |
| Claims | 67% | 2% |
| LMUC | 44% | |
| Operations | 67% | 25% |
| Pricing | 67% | 17% |
| Property Underwriting | 69% | 11% |
| Specialty Underwriting | 75% | -11% |
| TER Division | 73% | |

Insights

- Has the change of tone with Diversity paid off?

The verbatim add colour and meaning to the high level scores

Succession planning should be on an individual basis. Everyone needs to be coached and trained towards the next career step.

Keep investing in training

Taking on apprentices and graduates rather than developing internal people

Running great courses, the success factory and mental health awareness

Providing a clearer specification as to what is required in each role

Saying there isn't a 'tap on the shoulder' policy and then 'tapping people on the shoulder'

Stop 6 month PDRs unless there is a change in role

Encourage people to take a leap out of their comfort zone

Hiscox should:

Continue

Start

Stop

We have taken action this year, but it hasn't moved the dial as we would have hoped

Sample of Actions

Formed working group across divisions

Launch of flexible working pilot

Box meeting to provide transparency on pay and promotion

Line Underwriter away day

Office move to change location of teams

Career tube maps completed for all roles

Definition of insanity is doing the same thing expecting a different outcome, so we're going to mix it up a bit

Our plan so far..

1. Tackle at a local level per team with LMLT member ownership
2. Action plan consists of 3 actions per area to be tracked centrally
3. PDR objective for each LMLT member

In the spirit of recognition...

Thank
you!

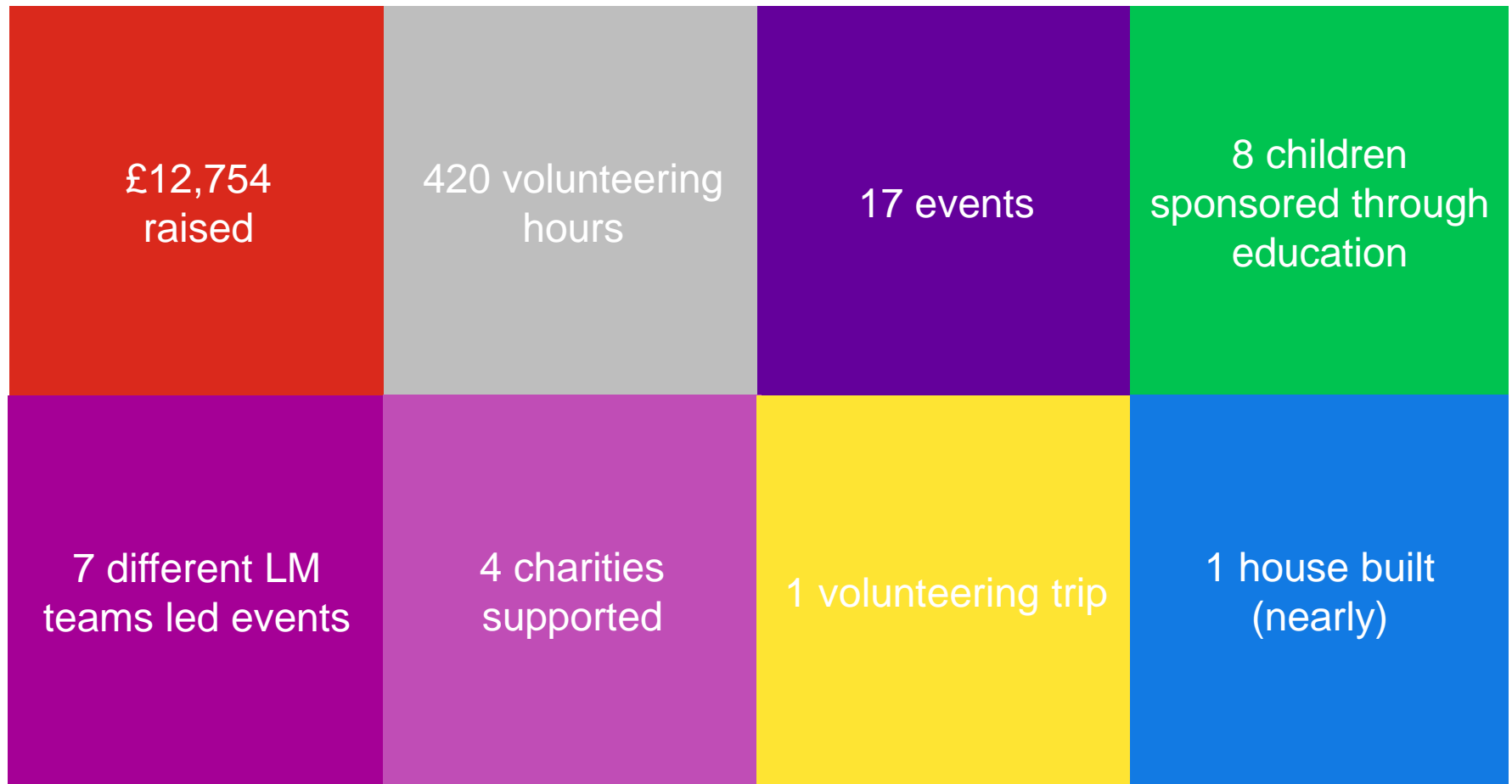
London Market Gives Syndicate 33 raises 33k

Jack Bryan
Holly Cleland



Syndicate 33 raises 33k

How are we doing?



Syndicate 33 raises 33k
Volunteering trip







We changed a family's life.

Forever.



The Dust Project

So what next?

| | | | |
|--------------------------------------|---------------------------|-------------------------------|-------------------------------|
| New school | Nev house partnership | Plots of land | Toilets |
| Houses | Wells | Transitioning orphanage girls | Coffee shop for tourists |
| Full time support staff in Sri Lanka | Community sports facility | Small business grants | Waste for life materials |
| Jaffna guest house | Hospital | Child sponsorship | International apprenticeships |



12,500 people are homeless in London today.

Are you **tough** enough to sleep **rough**?



Thank you