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Accessible Engineering Insurance

Justin Faure, partner at King Price engineering

Justin Faure, partner at King Price engineering shares tips for brokers with engineering clients

COVER: We're talking about engineering insurance and specifically the engineering lines for SMMEs. To start with, could you tell us how, as King Price engineering insurance, you tie up with brokers and how you build relationships?

Justin Faure: At King Price, we work very closely with our broker partners because we believe they play a critical role when it comes to advising clients on their specialised insurance needs. Brokers are core to our success and at the heart of everything we do in the engineering insurance space.

Their ability to give trusted advice to our shared clients, based on first-hand understanding of their clients' risks, is invaluable. In fact, growing our broker relationships is a key strategy for us. Because King Price launched in the direct space, there's a perception that we only operate as a direct insurer.

However, we have a thriving broker book and innovative, relevant, cost-effective products in our engineering, business, community and agri insurance sectors – some of which are industry and world firsts.

COVER: Engineering insurance is quite technical and there are a lot of things in the underwriting process that, in general, brokers won't know, because it is technical, and it is not expected of them to know that.

So, a broker, may feel a bit intimidated to go to an engineer who is very much a specialist, and very technical and now they need to go and talk to them about their risk and insurance. How do you approach this challenge from your side?

How do you assist brokers, for example on how they identify clients that are potential engineering clients and how they approach them?

Justin Faure: Insuring engineering risks is a very niche undertaking and, although, the field can be technically challenging, we un-complicate it as much as possible. Firstly, the King Price engineering team has over 50 years of experience between us and we're always on hand to advise and provide guidance.

We've also invested heavily in training, which has been ongoing throughout all the lockdowns thanks to online learning.

I think another factor that sets us apart is our policy wording, which is easy to understand. We use everyday English instead of legalese.

Our cover is split into 8 sections that broadly cover all specialised engineering risks, but clients can choose only the cover that they need – and combine it with cover from our business insurance offering if necessary – so that they're comprehensively insured but not paying for cover that they don't need.

Germany-based global reinsurance giant Munich RE has a 15% shareholding in King Price, which gives us the ability to write significant risks while giving our broker partners the peace of mind that we can pay any potential claims. We also have industry-leading technology and reporting systems.

Our custom-built ratings engine is the best on the local market, as it enables us to make complicated underwriting decisions within 48 hours and empowers our clients who benefit from cover that's customised to their unique needs. In the broker world, this translates to being able to offer quick turnaround times on quotes, sustainable book growth, and client relationships built on trust.

COVER: So, brokers can attend your online training sessions just to get some basic background information to help them be more confident when they approach these types of clients?

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Justin Faure: Absolutely, and from my side, training has become by far my favourite part of the job. I find it very gratifying to build relationships through these 1 on 1 interactions. The more training sessions I can do, the better, as it really empowers brokers to use this knowledge to offer tailored advice and to make greater use of a wider range of product information.

COVER: With regards to the client, basically, once the broker has signed the client, there is an ongoing relationship that the broker has.

There is also the fact that the broker needs to stay on top of the risk that he has underwritten, to ensure the health of the book. Where do you fit in with that and how do you assist them?

Justin Faure: At the risk of sounding clichéd, we're with our broker partners every step of the way and we're continually looking for new ways to enhance the service and cover that we offer. One of the biggest emerging trends in insurance, is mitigating risks before claims happen.

While it's early days, King Price has big plans in this arena. Globally, we're seeing a move towards specialisation. For example, in the US, insurers don't offer liability for their contractors' policies, as they believe this should be dealt with by legal specialists.

The pandemic has also accelerated the insurance industry's move towards greater use of technologies like AI, which allows insurers to score risk more consistently and underwrite with greater certainty. We're looking seriously at usage-based insurance and have already implemented a world-first 'pay as you farm' product, which bases premiums for agricultural machinery on actual usage.

It's possible that we could extend this approach into other spaces as well. We're already working on an app, with an external provider, that will enable capital equipment owners to switch their cover on and off, as needed. This is great news for engineering clients.

COVER: *Basically, what you are saying, is that engineering insurance is accessible to the average broker and that they can build up their knowledge and lean on you to guide them through this until they are comfortable with it?

Justin Faure: Absolutely. In addition to the online training platforms that we have, we're also uploading engineering materials onto the King Price broker portal, which will allow brokers to access information at their own time, at their own convenience, in order to gain and build their confidence at their own pace.

COVER: I think it's exciting because brokers need to expand their portfolios. I have known brokers in the past that avoided certain technical lines when they had the opportunity, because they did not want to mess up and not provide the good service that they normally provide, because they are a bit intimidated. So, this could assist them to get involved.

Justin Faure: One hundred percent, we encourage open dialogue. We have an open-door policy. The more confidence we can instill in our broker partners, the better for all. Clients benefit from getting the best cover for their unique risks, brokers benefit from growing their books, and we benefit from economies of scale, experience, and enhanced relationships. Everybody wins.

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