

# 2015 REVIEW



osg

# CONTENTS

	PAGE
2015 in Pictures	4
Mission, Vision, Values	5
2016 Outlook	6
Legislation which may impact the Insurance sector – 2015/2016:	7
Property Claims	10
Latent Defects	20
What is Driving Motor Claims	22
Liability Claims	26
Look Back Review	32
Regulation	34
Cyber Security	36
Health Industry Trends	40
People Placement	42
OSG Academy	46
Executive Management Team	50
Authors & Contributors	51



# INTRODUCTION

On behalf of the OSG Group we are pleased to present our latest annual business review which incorporates a look back at events, matters of interest and significant business and claims development within and effecting the Insurance Market in 2015.

As is customary we will highlight within the contents of our review data, information and critical analysis on a series of current topics and update you on the overall OSG response and continued development of our service proposition.

We operate in a constantly changing marketplace and are required to adapt and be flexible to respond to internal & external factors including but not limited to those from an Economic, Legislative, Environmental or Regulatory Perspective.

As a service provider OSG are constantly growing and developing our service platform so that we can respond to the needs of the market place with a competitive, variable cost and service focused business solution.

We are continuing to invest and to innovate through people development, technology and process to ensure we meet the current and changing needs of our individual clients. These solutions are tailor made to our client's individual needs ensuring individual service solutions and shared cost benefits.

With an overall team of 450 OSG are the largest and fastest growing specialist service provider and with the history and experience as Chartered Loss Adjusters we have diversified to provide the most comprehensive and extensive range of outsource services available for the insurance and financial service sectors.

The strength of the organisation has been created through the development and growth of long-term business relationships and the continued and increasing support of our growing client base is to us, the real measure of success. We hope you will find the contents of the review of interest and would welcome any comment or feedback.

We look forward to a successful 2016 for OSG and all our business partners.

Regards

Malcolm

European Business Awards  
National Champion



Investors in  
People Accreditation



Deloitte  
Best Managed Companies Award

# 2015 IN PICTURES



OSG Graduates 2015



DIAS Football Champions 2015



Deloitte Best Managed Companies Award



OSG Launch New Website

# MISSION, VISION, VALUES

**Mission** Our mission is to provide solutions that meet the changing demands of the market for our clients and their customers.

**Vision** Our vision is to become the preferred provider of outsourcing services for the international financial services companies.

We intend to achieve this using a combination of extensive industry experience, operational excellence, lean process management and modern technology.

**Values** OSG was founded on a number of key principles which are carried into every service we provide to our clients.



## People, Process & Technology

**People:** OSG is a learning organisation. We provide for the development of our talent for their benefit and overall for the organisation, our clients and their customers.

**Process:** Using lean principles we have a transformation team solely dedicated to improving business processes internally and within our clients' systems.

**Technology:** OSG believes in innovation. We continuously assess new opportunities in technology, processes and people to uncover areas of real value for our clients.

## Behavioural Science

Our services have been transformed by the introduction of conversation management and investigative interviewing techniques.

## Lean principles

In 2010 we made a decision to transform our service offering by introducing Lean Business Principles- improving our services while reducing costs and eliminating waste. During that time we have seen dramatic changes in the insurance market as companies have shifted from being product centric to being truly customer centric. This approach is supported by our lean model.

# 2016 OUTLOOK

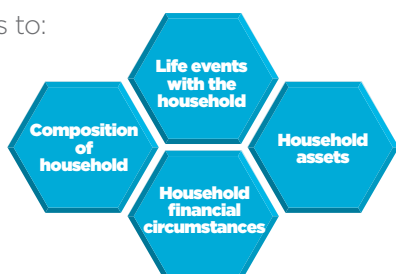


OSG has continued to grow over the last year in both our Loss Adjusting and Business Solutions divisions.

Swiss Re's Global insurance review 2015 and outlook 2016/2017 advises that Global economic growth is forecast to improve in 2016. Demand for primary non-life insurance should increase in the next two years given the improving economic outlook. The emerging markets will be the main drivers, with an expected recovery in Central and Eastern Europe and incremental growth improvement in other regions. In Europe, the UK economy will grow by more than 3%, based on domestic demand and Germany will also begin more economic reforms, boosting business confidence and investment.

This growth can only occur with the understanding of customer behaviour. Customer behaviour is a complex subject that effects the insurance industry in fundamental ways, from product development, marketing and distribution to enforce management, financial reporting and risk management. The use of advanced analytics in the insurance industry is more prevalent which can provide significant insights in how customers select and utilise their products. To understand customer behaviour requires a change in insurers mind set.

Firstly it is important not to identify a customer as an individual but as part of a household and switching focus to:



Companies that use data analytics effectively are likely to have a more holistic view of customers, the market, and opportunities than their competitors.

OSG Group has a full understanding of the importance of customer behaviour and currently work with a number of clients in providing insights to their data base.

## IFS 2020

The International Financial Services sector has been an important feature of Ireland's economy for close to thirty years. It has grown from less than 60 people employed in the IFSC in 1987 to 35,000 today. For Ireland to capture the future opportunities in the international financial services sector, there are distinctive and specific actions needed to grow and support the sector. In appointing, for the first time in 20 years, a Minister of State with specific responsibility for international financial services, the Government has demonstrated its commitment to the sector. The Governments Strategy sets out a vision for its future as well as ambitions in terms of job targets. The Government have identified 30 actions to be implemented immediately and will continue to add to these on an annual basis to ensure they are responsive to new trends and emerging opportunities. They expect that this sustained focus will result in the creation of at least 10,000 net new jobs in the international services sector by the year 2020.

# LEGISLATION WHICH MAY IMPACT THE INSURANCE SECTOR – 2015/2016:

## **Criminal Justice (Corruption) Bill 2015**

This impending Bill was due to be published in the Government's legislative programme for Autumn/Winter 2015 though wasn't and it is now likely to be published after the General Election. It introduces a corporate offence of bribery and/or corruption and will strengthen and overhaul Ireland's existing bribery laws once it is enacted. It will impose liability on commercial entities that inadequately supervise their employees or agents and, once implemented, will have an impact on many sectors, including the insurance sector.

**In summary:** An offence will be committed by businesses where a director, employee or agent of that business gives/accepts a bribe with the intention of obtaining or retaining business or gaining some advantage for that business. The inclusion of bribes given/taken by an "agent" will place a significant onus on businesses to conduct due diligence on those who could fall within this undefined term.

## **Workplace Relations Act 2015**

From 1st October 2015, the Act introduced a new two tier structure which will comprise of two statutory independent bodies: the WRC

which will deal with workplace complaints in the first instance and the Labour Court which will hear appeals from the WRC. The appellate function of the EAT will be incorporated into the expanded Labour court. The Act places emphasis on the early resolution of disputes.

One of the amendments in the Act is an amendment of the Organisation of Working Time Act 1997 - **the amendment provides that employees will accrue annual leave while on sick leave.** These changes came into effect on **1st August 2015** but will not apply to any dispute referred to a Rights Commissioner before the commencement of the Act. Under the new Act, where an employee on certified sick leave is unable to take all or part of their annual leave during a leave year, the employee can take that annual leave for up to 15 months after the leave year has ended. This accrual is limited to 20 statutory annual leave days and does not entitle an employee to accrue additional contractual annual leave days. If the employee does not take such leave within 15 months after the end of that leave year, the employee will lose their entitlement to that leave. This will be an additional cost for employers as they will now have to pay for the annual leave that is accrued – employers will need to consider how this is managed in their organisations.

## Fourth Anti Money Laundering Directive

This Directive is due to be implemented in Member States by **26th June 2017** and is another piece of legislation for the insurance sector to take note of. Following on from the Third Money Laundering Directive, MLD4 introduces a stronger risk based approach to combat money laundering and terrorist financing. It also extends the scope of the EU's Anti Money Laundering and Counter Terrorist financing framework to cover traders in goods to the extent that they make or receive cash payments in excess of €10k (currently the threshold is €15k). In addition, MLD4 strengthens customer due diligence requirements, including those relating to "politically exposed persons". Member States will be obliged to keep registers listing information on the beneficial owners of corporate and other legal entities. Other changes affect the issues of data privacy and sanctions.

The insurance sector will need to continue to monitor how this legislation will impact the way it carries out its business and implement changes in its existing practices to ensure compliance, once the Directive is implemented.

## Civil Liability (Amendment) Bill

This Bill provides for damages to be awarded in the form of periodic payments to persons suffering catastrophic injuries which will have

an impact on the insurance/settlement of claims sector. It is envisaged that a Court could award the cost of future care of a plaintiff in the form of index-linked annual payments in circumstances where the plaintiff has suffered severe injuries and will require treatment and assistance in the long term.

A "catastrophic injury" is defined in the draft Bill as "a severe injury, involving serious impairment, the direct and proximate causes of which require the plaintiff to receive lifelong, permanent care and assistance". It is proposed that the PIAB Act 2003 is to be amended to enable the PIAB make awards in the form of two or more periodic payments. In practical terms, the draft Bill proposes that defendants, when making a formal offer of settlement under Section 17 of the Civil Liability and Courts Act 2004, must include the amount of the offer attributable to future pecuniary loss and set out the relevant portions of that amount attributable to medical care, treatment and assistive technology.

The draft Bill proposes that the maximum payments from the Insurance Compensation Fund as provided for in Section 3 (4) Insurance Act 1964 would not apply in cases of PPOs. A plaintiff should be guaranteed the full amount due under a PPO and where an insurance company goes into liquidation, it is expected that the PPO will be paid from the Insurance Compensation Fund;

Elaine Kenny, OSG





### **Criminal Justice (Offences relating to Information Systems) Bill**

This Bill will enable ratification of the Council of Europe Convention on Cybercrime and the transposition of the EU Directive 2013/40 on attacks against Information Systems. Cybersecurity is likely to be one of the key factors that will impact all businesses, including the insurance sector, in the future – having secure systems and Cyber Insurance is becoming a necessity for all organisations;

### **Consumer Insurance Contracts Bill**

This Bill sees the proposed reform of Consumer Insurance Contracts. This Bill, if and when enacted, will involve significant reforms to insurance law as it applies to consumer contracts. If adopted, insurers will need to substantially redraft their consumer insurance policies. Insurers will also need to give careful consideration to proposal forms and ensure that they include specific questions directed at identifying material risks. It remains to be seen whether the draft Bill will be adopted by the legislature and it appears unlikely

to be priority legislation. If enacted in its current form, the draft bill envisages a period of 18 months following enactment before the reforms come into force, this enables the insurance sector to put in place the practical arrangements needed to implement the reforms and to allow consumer bodies to communicate their effects to the public. Another one to watch for the insurance sector;

### **Financial Services Miscellaneous Bill**

This Bill aims to ratify the Inter-Government Agreement, to put in place an alternative insurance regulatory regime and to provide for the transition of a Deposit Guarantee Scheme funding arrangement;

### **Health Insurance (Amendment) Bill**

This Bill aims to provide for revised risk equalisation credits and corresponding stamp duty levies on health insurance policies for 2016, and to make some technical amendments to the Health Insurance Acts 1994-2014.



# PROPERTY CLAIMS

Welcome to our Look Back Review (LBR) of Property Claims in 2015. This is where we examine the key features and property claims patterns experienced over 2015; we compare these to the previous year's trading; identify any new emerging claims trends; along with considering future claims solutions that will support you over the coming year.

Throughout 2015, OSG continued with our focus of seeking opportunities:

- To enhance your customer's journey
- Support your on-going claims cost control
- Reduce file life cycles
- Reduce expenses
- Drive positive NPS outcomes

These objectives are achieved through our continued investment in people, process and technology, the detail and outcome of which is outlined in this OSG LBR for 2015.

It should be noted, that the outcomes expressed in this review, solely reflect the

profile of claims managed by OSG. These are influenced by the volume and blend of instructions received, which can vary between clients and vary year on year.

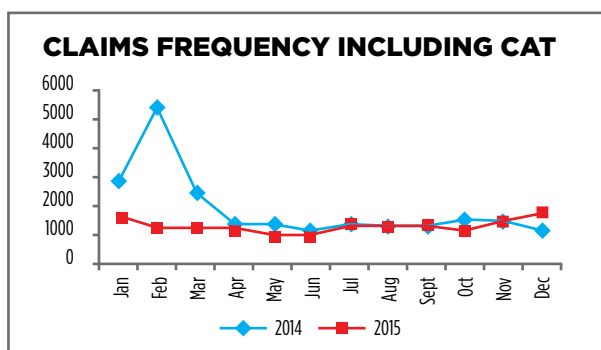
We have identified two features that have influenced variations between 2015 and 2014 as follows:

1. Increased insourcing in 2015 by some insurers, on lower band value claims; as they utilised in-house capacity
2. OSG case portfolio movement in higher value claims bands, due to growth in Large & Complex Claims Services

## Overall Claims Frequency

At a macro level, Property claims frequencies in 2015, remained largely benign and similar overall, to the prior year 2014.

The only exception to the above, was weather related surge experienced in Q1 2014; and in particular arising from Storm Darwin, which occurred in February 2014.



OSG secured in excess of 16,300 new Property claims instructions in 2015. These were spread across Commercial and Domestic books of business; and between Field and Non- Field claims management portfolios.

Areas of growth in Property Claims for OSG in 2015 notably included:

- Motor Claims Services
- Large & Complex Claims Specialist Service
- Jewellery Validation & Valuation Service

Q4 2015 also saw the beginning of another Storm “conveyor belt” that would extend into Q1 2016 and gave rise to a surge in Storm and Flood damage claims. Whilst not of the volume or value scale experienced in 2014, the Flood damage claims emerging from these events have been the subject of much political and media scrutiny. Most of this scrutiny was, in our opinion, out of balance and context.

In the context of a continued benign overall Property claims frequency in 2015; concerns have been expressed within the industry; on Market Loss Adjusting Capacity & Capability. A number of competing firms have been forced to reduce their capacity / capability over 2015, when they found they were no longer in a position to carry the full activity risk.

OSG adopted an alternate strategy in 2015; through maintaining technically qualified capacity and capability, for both BAU and Surge eventualities. These were however geographically realigned to meet current demand. Full details of the OSG Capacity & Capability Modelling are available upon request.

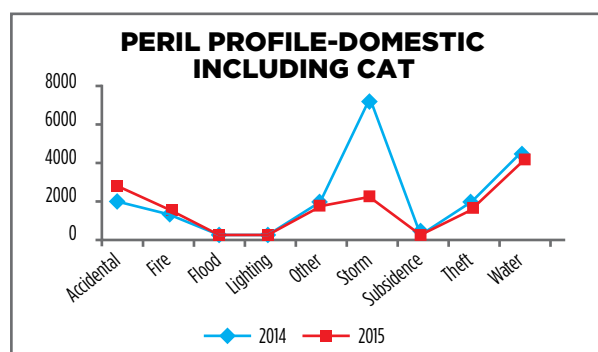
OSG believe further growth opportunities require new ways of thinking and a more innovative approach to client service solutions, supported by our technical competencies and capacity.

## Loss Type Frequency

Analysis of loss type frequency when weather related surge is removed; reveals some interesting variances for OSG between 2015 and 2014.

Following a previous reduction in 2014, OSG saw a restored increased frequency for **Accidental Loss or Damage** claims, emerge in 2015 of +35% on the Domestic book.

We also saw an increase year on year of +6% on **Domestic fires** and an increase of +22% on **Commercial fire** loss frequency in 2015. Analysis suggests these outcomes were influenced by outsourced claim distribution changes, which favoured OSG, as opposed to a greater number of fire incidents overall.

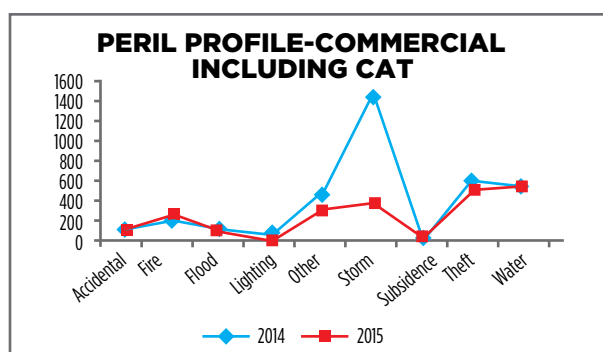


Surprisingly, in the context of media reporting, OSG saw **Burglary & Theft** instruction frequency fall, from 1,961 cases in 2014 to 1,547 cases in 2015, on the **Domestic Book**, a reduction of -21%.

We saw an instruction frequency reduction, also emerge for **Burglary & Theft** on the **Commercial Book** from 581 in 2014, to 494 in 2015, a reduction of -15%.

Analysis suggests that this decline is not solely attributable to insourcing by some insurers on the lower value bands; rather there may have been a broader frequency reduction on Burglary & Theft claims, within the wider market

Peril profiles on the Commercial Book, largely mirrored those on the Domestic Book for 2015, with the exception of the increased activity on Accidental Loss or Damage Claims, detailed earlier.



**Escape of Water** claims notifications also saw a frequency reduction of -12% in 2015 on the **Domestic book**. Frequency on the **Commercial book** however remained stable year on year 2015 V 2014.

This was the first reduction in frequency for Escape of Water claims on the Domestic book that OSG has witnessed over the last four years.

Analysis reveals this may have primarily been influenced by increased insourcing by a number of clients, particularly on the lower €1k - €3,000 value band, as they optimised use of in-house capacity in 2015.

## Average Claims Cost Outcomes

Fair control of the indemnity spend is a continued focus point within OSG. Our unique deployment of Xactware technology; pro-active determination of scope; and a continued drive towards reduced file life cycles; all combine to meet this objective.

We would refer you to the **OSG Household Claim Inflation Report 2015**, also published

within this annual look back review; to consider inflationary trends that we anticipated would emerge in 2015, as the economy continued to recover, and the demand for goods and services increased.

We have seen further recent changes in supply & demand, particularly within the Home Repair Construction Sector, that OSG believes, is impacting on claims cost. Home Repair Rate cards in use, are therefore currently under review within OSG, in the context of same, and in respect of which, we shall be contacting you shortly.

As with past years; we have compared average claim cost outcomes between 2015 and 2014; for **Domestic** cases, by value band. We have also examined the percentage of cases received, that fall within each of these bands; to identify any differences emerging.

Bear in mind that distribution changes to OSG in 2015, particularly arising from growth in our Large & Complex Claims Service, will have influenced certain of these outcomes and most notably on upper band values.

At a macro level, when we remove the impact of weather related surge, we have seen an overall increase of +9% on average claims cost for the **Domestic Book** in 2015. More detailed analysis reveals this increase, is largely driven in the upper €30,000+ value band, rather than at the lower band values.

Domestic excluding CAT			
	2014	2015	Variation
Bands	Average	Average	
0 <€1	€0	€0	
€1 - €3,000	€1,308	€1,242	-5.0%
€3,000 - €5,000	€3,914	€3,964	+1.3%
€5,000 - €10,000	€6,773	€6,842	+1.0%
€10,000 - €20,000	€13,735	€13,769	-0.2%
€20,001 - €30,000	€24,847	€24,772	+0.3%
€30,000 +	€62,306	€71,013	+14.0%
Grand Total	€4,730	€5,162	+9.1%

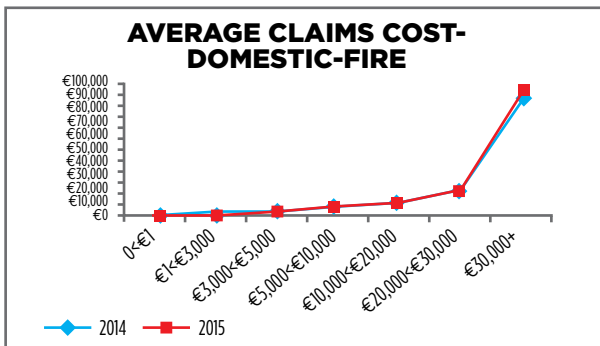
When the impact of weather related surge is included; average claims cost on the Domestic book rose by +16%. This again was primarily driven by increases in the upper

€30,000+ value band, only partly offset by a reduction of -10% in the lower €1 - €3,000 band.

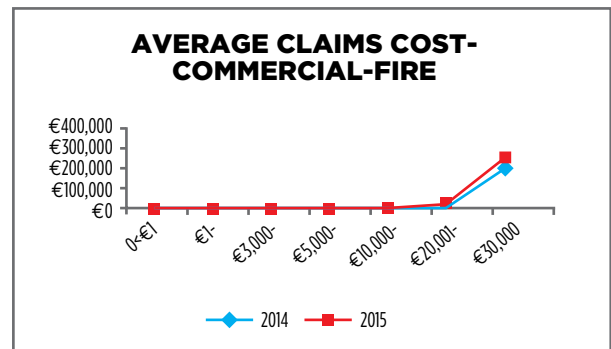
Whilst average costs on the **Commercial book** are less meaningful, due to volume and mix differentials, 2015 shows an overall reduction in average costs of -16% when compared to 2014.

Commercial excluding CAT			
Bands	2014 Average	2015 Average	Variation
0 <€1	€0	€0	
€1 - €3,000	€1,549	€1,550	-
€3,000 - €5,000	€3,940	€3,949	-
€5,000 - €10,000	€7,037	€7,040	-
€10,000 - €20,000	€14,228	€13,975	-2%
€20,001 - €30,000	€24,440	€24,432	-
€30,000 +	€298,616	€181,836	-39%
Grand Total	€19,376	€16,266	-16%

Although OSG saw a +6% increase in frequency, average claim costs for Domestic fires remained very similar overall in 2015, when compared to the previous year. The only value band where a notable difference arose, was a +9% in the €30,000+ value band.



**Commercial fire** claims in 2015, on the other hand, revealed a +22% trend on frequency and an overall +35% on average costs for OSG, when compared to 2014.



Most significant differences again arose in the €30,000+ value band. Analysis reveals, this is driven by growth in the OSG Large & Complex Claims Service, rather than a significant market change in fire loss frequency.

Notwithstanding a frequency reduction of -21% for **Domestic Burglary & Theft**, we saw a +13% average cost increase on burglary claims.

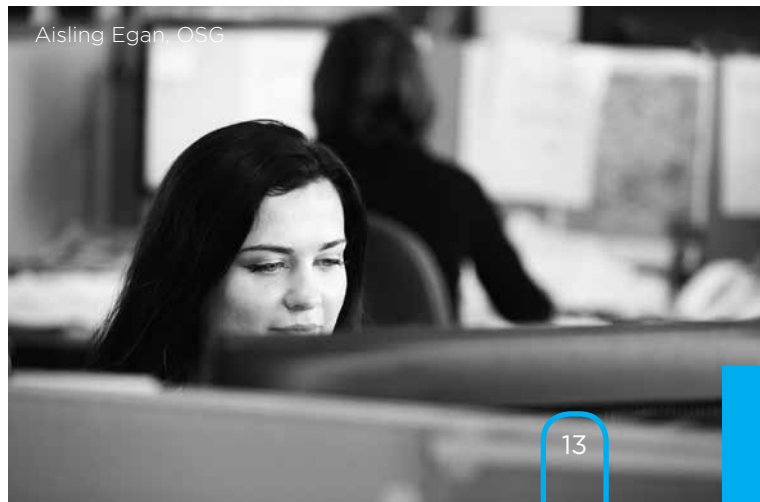
This was primarily driven by a +11% increase on the upper €30,000+ value band. We believe this trend is influenced, by a shift in distribution value to OSG, to a larger portfolio of higher value losses.

Burglary & Theft Domestic			
Bands	2014 Average	2015 Average	Variance
0 <€1	€0.00	€0.00	
€1 - €3,000	€1,436.84	€1,512.39	+5%
€3,000 - €5,000	€3,823.30	€3,999.45	+5%
€5,000 - €10,000	€6,955.07	€7,022.09	+1%
€10,000 - €20,000	€13,576.06	€13,487.73	-1%
€20,001 - €30,000	€24,811.05	€24,104.23	-3%
€30,000 +	€42,659.15	€47,158.03	+11%
Grand Total	€4,422.80	€4,985.30	+13%

James O'Connor, OSG



Aisling Egan, OSG





Concern has been expressed, throughout the market in 2015, regarding an upward trend on average costs, for **Escape of Water claims**, on the **Domestic book** in particular.

We have therefore extended comparative analysis on this peril type from 2015 back to 2012, to assist. OSG Volume and Value distribution variances were also considered and occur most notably in 2015.

Notwithstanding the former, there is a clear rise in average costs for Escape of Water claims, year on year; and driven primarily by losses falling into the €20,000+ value bands.

Escape of Water - Domestic				
	2012	2013	2014	2015
Bands	Average	Average	Average	Average
0 <€1	€0.00	€0.00	€0.00	€0.00
€1				
- €3,000	€1,660.77	€1,710.40	€1,700.53	€1,801.82
€3,000				
- €5,000	€3,915.48	€3,903.46	€3,892.30	€3,927.89
€5,000				
- €10,000	€6,848.66	€6,767.26	€6,845.52	€6,978.62
€10,000				
- €20,000	€13,466.10	€13,375.00	€13,647.92	€13,633.97
€20,001				
- €30,000	€24,022.72	€23,923.05	€23,704.64	€24,856.48
€30,000 +	€56,692.49	€58,371.15	€50,612.61	€53,791.35
Grand Total	€3,811.66	€4,097.58	€4,133.77	€5,146.89

OSG are undertaking a further deep dive on this data and shall be reporting to you more specifically in relation to same shortly. We need to understand the influencing factors, which may be multiple, in order to recommend a cost containment strategy for 2016 and beyond.

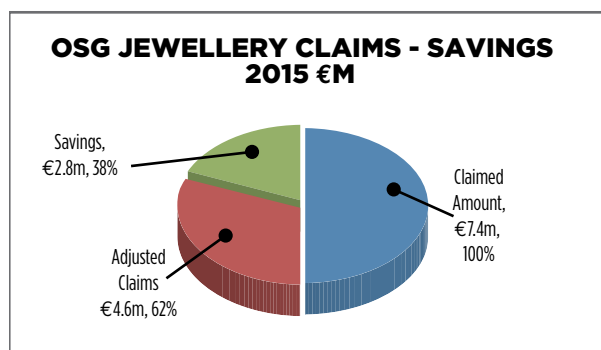
## OSG Jewellery Solutions

2015, was sadly marked by the sudden and unexpected passing of our esteemed colleague Patrick J Dowling RIP.

Paddy was pivotal to the successful development of the **OSG Specialist Jewellery Validation and Valuation Service**. He was a most decent, larger than life character, who had a genuine passion, for both the jewellery claims business and all of his colleagues within OSG and within the broader industry.

Paddy is sadly missed, though his legacy of a specialist jewellery validation and valuation service is going from strength to strength, in OSG.

We are delighted to confirm, that OSG successfully retained the services of, Mr Robert Eccles, a Certified Diamond Grader with H.R.D; and a Graduate of the Antwerp Diamond High Council. Robert also holds the F.G.A and Retail Jewellers Diploma, with the National Association of Goldsmiths.



Robert Eccles, who previously supported Paddy Dowling, seamlessly took over leading the OSG Jewellery Validation and Valuation Service, in August 2015. With over 33 years in Retail, Wholesale and Jewellery Manufacturing, Robert's experience, expertise, and qualification, has enabled OSG build upon the legacy left by Patrick J Dowling and to develop this service further.

Having successfully managed jewellery claims, with a combined value in excess of €22m, over the past three years, OSG saw further increased savings of 38% achieved in 2015, which were +3% up on 2014.

The expert evidence of Robert Eccles, was also sought by a number of insurers in 2015, to support Mediation and Arbitration Hearings, leading to very positive outcomes for our clients.

The OSG Jewellery Validation & Valuation Service is available to all clients, on single or multiple item claims, across all value ranges, as required.

## Large & Complex Claims

**All Large and Complex Claims** in OSG are managed exclusively out of our bespoke unit for such losses. We believe OSG now has the largest team in terms of technical qualification and experience operating in the Irish Market today. Full detail of our Large & Complex Loss Capacity and Capability modelling is available upon request.

Part of the OSG strategy for 2015 was to ensure we both maintained and built technical capacity and capability for such losses. This strategy saw growth in terms of new instructions for Large & Complex losses, which doubled in 2015, when compared to 2014.

The largest case received in 2015 was a commercial fire loss, with a value in excess of €10m+. Other large losses received; extend across the full value ranges & spread across Manufacturing, Retail, Wholesale, and catastrophic Personal Lines claims.

Most frequent Peril types were Fire, Flood, and Burglary for 2015. Unoccupied Commercial Properties, held in Receivership, featured unusually for Fire losses when compared to the previous year 2014.

OSG were also instructed on a number of very substantial Burglary losses in 2015, where High Net Worth customers, were targeted and safes containing high value jewellery especially featured.

Referrals to the **OSG Special Investigation Unit** in 2015 were similar on the Domestic Book to 2014. We saw an increased referral on the Commercial Book however of +19% in 2015 V 2014.

A number of suspicious Fire and Burglary claims in 2015, remain either under active investigation or before the Courts, the outcomes of which will be reported in due course.

## OSG Recoveries

The OSG Recoveries Unit, led by solicitor, Catherine Lynn, had another very successful year in 2015. In total, €3.5million was recovered in 2015, a rise of +25% on 2014.

The Recovery Department within OSG has maximised its advantage by improving our processes from within by:

- Identifying a claim recovery on site quicker
- Applying a low cost sensible and effective handling strategy
- Ensuring a faster return of claim outlays
- Return of claim costs in addition to core claim outlays
- Utilising all available avenues for Recovery

The OSG Recoveries Unit is expanding to support a greater demand for **Recovery Services**, with a number of clients now electing to substantially outsource this function to OSG. Capabilities extend across all business classes, to include Motor, Property, Casualty, Contribution, Excess, VAT and Travel.

## The Customer Journey

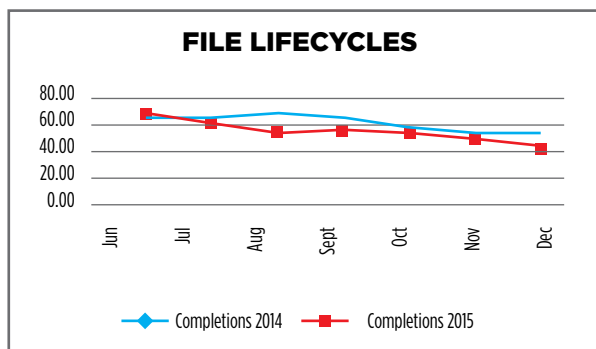
2015 saw a continued focus by OSG on improving the Customer Journey and Customer Experience. Key objectives for the year were to reduce file life cycles; maintain

Regulatory Compliance; and improve NPS outcomes.

## File Lifecycles

Domestic file life cycles, particularly in the low to mid value range, are in our opinion too long. We utilised Q1 & Q2 of 2015 to focus a drive on closing out longer tail claims. From June 2015 we targeted the core volume of claims, for life cycle reduction, whilst accepting to a degree, that complex losses such as Subsidence, Oil Pollution or Large Catastrophic losses, will by their nature, have extended cycle patterns.

To understand our progress, we have analysed Domestic claims outcomes, instructed and settled in 2015, and compared these to similar 2014 profiled outcomes from June 2015.



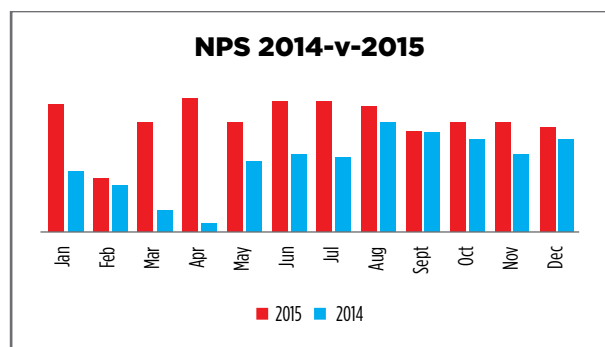
Trevor Dunne, OSG

Whilst the overall outcomes detailed above are encouraging, OSG will be driving reduced file life cycles as a key objective in 2016.

We utilised 2015, to develop a bespoke field tablet technology that will support significant process efficiency. This tablet will deliver a capability of comprehensive and enhanced data capture from site, supported by audio, video and stills as appropriate, which will automatically download to; populate; and attach to our operating system Elite. The tablet is now in live pilot, across our Regional Office Network and we anticipate full roll out by Q2 2016.

### Net Promoter Score

Net Promoter Scoring, through OSG “Rant & Rave” software, was also utilised by OSG in 2015, to gauge customer sentiment and experience. Whilst we find the narrative from these responses to be more informative than a specific score outcome, OSG saw improved Promoter outcomes emerge, month on month over 2015, when compared to 2014.

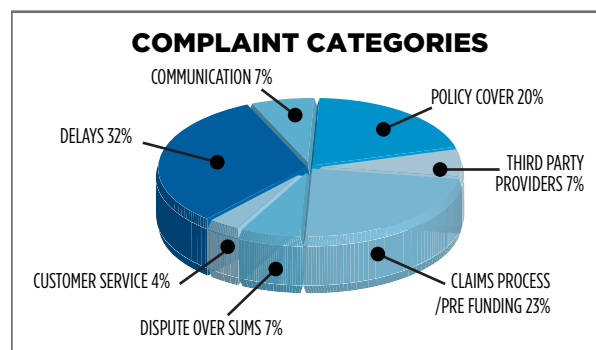


It should be noted, that the reduced scoring apparent in late Q1 and early Q2 2014, arose from the Storm Darwin event. Completion rates were negatively impacted as a weighted focus on the inspection phase of that response, took place.

### Complaints - RCA

Overall complaints as a percentage of transactions undertaken in 2015 remain extremely low. All expressions of dissatisfaction are registered, comprehensively investigated and managed by our Customer Services Team, fully in accordance

with the Consumer Protection Code.



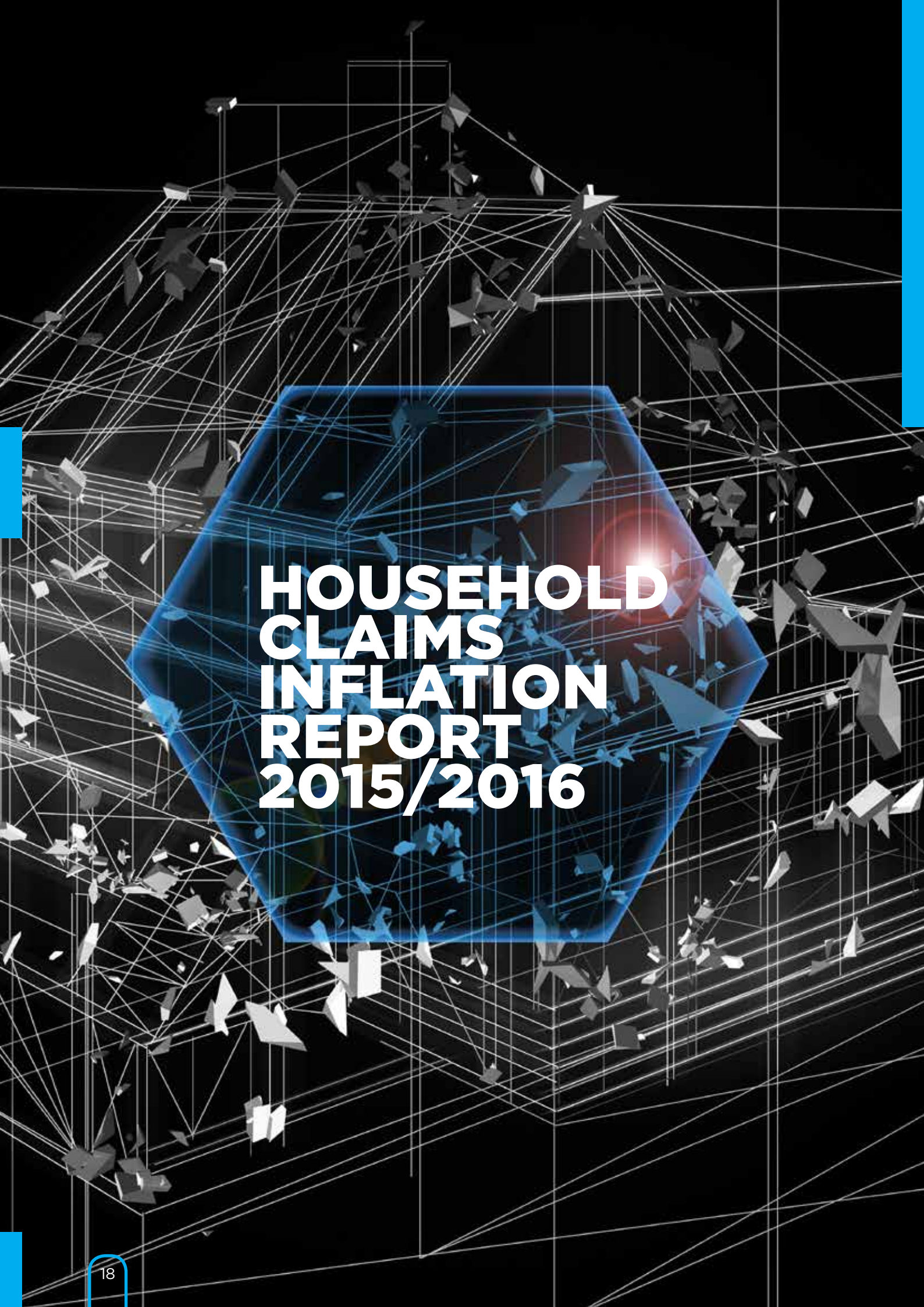
In 2015, expressions of dissatisfaction, as a percentage of overall transactions in property claims, registered at just 0.9%.

Following investigation, only 0.22% of these expressions of dissatisfaction, were upheld or partially upheld by our instructing principals. The root cause analysis shows similar outcomes between 2015 and 2014, which informs the Response Strategy for the coming year.

Should you have any queries, or require any further information on the OSG Property Claims, service suite, please revert to Danny Donohoe, Group Director and Head of Claims Services OSG.



Lori Nugent, OSG



# **HOUSEHOLD CLAIMS INFLATION REPORT 2015/2016**

In July 2015 we published our annual Inflation / Deflation Report. The summary findings of that report produced by John McGee & Tom Cleary of OSG is outlined below. The purpose of this report is to provide a forecast of annual household property claims deflation/ inflation for the remainder of 2015 and 2016.



## BUILDINGS

### Overview

- Total value of Construction output in 2014 was €11 billion, a rise of circa 9% on 2013
- 14% growth in construction output predicted for 2015
- Housing output rose to 11,016 units in 2014
- Tender levels on large projects increased by 5% in 2014
- CSO figures released in April 2015, show employment in construction has increased 20% Q1 2014 (102,300 to Q1 2015 (122,700)
- Residential property prices in the year to April increases 15.1% nationally. (Dublin +20%, rest of Ireland excluding Dublin +11.4%)

### Material Costs

We estimate material costs will rise in the remainder of 2015 and 2016 as follows;

2015:		1.00%
2016:		1.50%

### Labour Costs

With regard to domestic claims, we predict that there will be pressure on labour costs and for the remainder of 2015 and into 2016. We estimate inflation as follows;

2015:		0.50%
2016:		2.00%

### Contents

We expect the cost of household content claims to marginally reduce for the remainder of 2015 and to remain neutral for 2016 as follows:

2015:		-0.30%
2016:		0.00%

### Inflation Forecast 2015 - 2016

Based upon the detailed research undertaken, the current improving economic environment and our knowledge of the market, we estimate household claims cost inflation, on an annual basis, for 2015 of +0.41%, and for 2016 slight inflation of +1.39%:

	2015	2016
Materials	1.00%	1.50%
Labour	0.50%	2.00%
Buildings (Weighted: Materials 30:70 Labour)	0.65%	1.85%
Contents	-0.30%	0.00%

Forecast Deflation (Weighted: Buildings 3:1 Contents)	+0.41%	+1.39%
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In conclusion, we expect household claims inflation to increase marginally throughout the remainder of 2015 and 2016, however, we do not expect price inflation to be a significant factor in relation to claims cost.



# LATENT DEFECTS

**OSG** have been providing loss adjusting services to the Insurers of the Premier Guarantee for Ireland latent defects policy since 2006. However, the volume of high value latent defect claims began to rise significantly from late 2007 into early 2008 as a consequence, but not solely, of the now well publicised pyrite problem affecting estates in parts of Co Dublin, Kildare, Meath and Offaly.

By 2010 the scale of this problem, otherwise unheard of in Ireland, was becoming apparent and a plan was put in place by OSG to provide a fully managed reinstatement programme for Insurers; to maximise efficiencies, achieve consistencies and obtain real-time cost benefits.

A unique and carefully considered full cradle to grave claims handling service was created by OSG to include first notification of loss, determination of policy liability, fully certified remediation of properties, tendering, project management, engineering services and ultimately project management, of the litigation action to recover their losses. OSG's Latent Defects Unit, incorporating personnel with the appropriate high level of technical, legal and practical competence required to ensure the smooth transfer of hundreds of existing claims from the UK Scheme Administrator, went live in early 2011 and a full claims service for all new claims was created.

This strategic decision by Insurers/OSG somewhat uniquely provides reinstatement, rather than cash, indemnity and has streamlined what could have been a significant claims management problem for Insurers to financially manage.

With works scoped, tendered and certified by engineers retained directly via the Latent Defects Unit and volume discounts negotiated with flooring/removal parties involved in the process there is little, or no, ability for a Policyholder to receive payment directly. Such a well-controlled process ensures that reinstatement costs are tightly budgeted and managed and virtually eliminates the ability for betterment, or leakage.

Working within the latent defects team, OSG's Quantity Surveyors continually negotiate advantageous market rates which tie good quality contractors, capable of undertaking the variety of reinstatement repairs required, into volume contracts to ensure cash flows are tightly controlled.

The traditional loss adjusting functions of structural property claims were also extended to cater for the efficient project management of high value, high profile, multi-unit, structural reinstatement projects such as Riverwalk Court, have also completed successfully with significant benefits to both Insurer and Insured.

As a consequence of the pro-active, pragmatic and consistent approach adopted by OSG personnel well trained to manage

the difficulties that may be encountered on such an emotive account, complaints are very rare with Policyholders often providing compliments upon the service they have received upon completion of their claim.

To date OSG have successfully progressed several hundred Housing Units through to final reinstatement and certification, with planned reinstatement works already programmed well into 2016.

OSG are also uniquely positioned to offer a similar bespoke claims management service to other Insurers who may also benefit from planned and co-ordinated cost controls, by utilising OSG's specialist technical unit who have significant experience and technical knowledge in this difficult and complex field.

OSG's specialised recoveries department in association with Merit Consulting offer a co-ordinated approach to complete this unique full claims management service. No other firm in the Irish market offers the same complete cradle to grave service for high value, technically complex, losses.

## Pyrite Related Claims

The pyrite problem has, over the last six years developed into a major issue affecting many thousands of homeowners primarily on the east coast of the country. The mineral Pyrite, or iron pyrite (also known as Fool's Gold because of its appearance) is unstable in the natural environment. Pyrite exposed to air and water decomposes into iron oxides and sulphate. Building stone containing pyrite tends to stain brown as the pyrite oxidizes. This problem appears to be significantly worse if any marcasite is also present. The presence of pyrite in the aggregate used to make concrete can lead to severe deterioration as the pyrite oxidizes. In Ireland building stone containing a high pyrite content, used in house foundations, has caused

major structural damage.

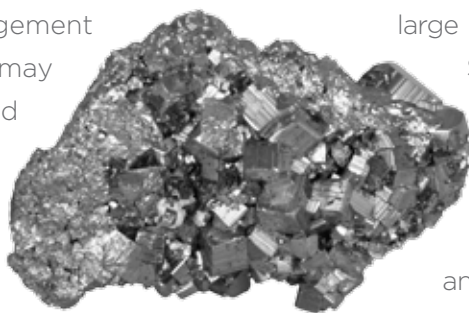
Due to the heightened awareness within the public arena of pyritic heave damage affecting properties, the Irish Government identified the requirement to produce Building Standards for all parties involved in the investigation/reinstatement of this previously unregulated area, to consider and implement an Irish Standard.

In recognition of the significant experience OSG already had in identifying and project managing large scale pyrite reinstatement works, Senior members of OSG's Latent Defect Unit and Merit Consulting Engineers were invited by The National Standards Association of Ireland (NSAI) to participate in an NSAI steering group to formulate the new Irish standards, known as IS398 Parts I and II. These Standards were created and published in 2013 and now reflect best practice in the identification of defective infill responsible for pyritic heave and reinstatement works required.

The OSG Latent Defects Unit and wider OSG Group have been successful with the full notification of first loss, to settlement, service for the management of reinstatement to latent defect and pyrite affected properties providing solutions that have satisfied all parties including the homeowner.

For further information please contact:

**Pamela Marchant-Ragan,**  
**OSG Latent Defect Unit Manager**  
[Pamela.marchant-ragan@osg.ie](mailto:Pamela.marchant-ragan@osg.ie)





# **WHAT IS DRIVING MOTOR CLAIMS**



**Last** year we wrote an article looking at the motor insurance market and what changes had occurred during 2014. We looked at the various road safety statistics and market analysis in relation to accident locations and frequency. This year we are looking at two areas to include claims costs and our experience at OSG.

## Claims Costs

### **What can the Insurance industry do to address claims costs?**

As long as OSG have been in the business of managing Liability Claims, reducing the costs associated with trying to settle a claim has been on the national agenda. In the early 80's Jurys were no longer used in Civil cases to try to help reduce the level of awards but also to reduce the length of time it took a case to run to a full hearing before a Judge.

In 2003 when the Injuries Board was set up it was said that the costs associated with settling any claim were in the region of 45% of the settlement figure. In 2015 it is reported that for cases falling outside the Injuries Board process this percentage is closer to 60%.

There are a number of factors influencing claim costs but the largest of these are the legal bills associated with any settlement, either by way of negotiation or by Trial. Depending on what publication you read too many cases are ending up in the Courts and for Motor Claims alone it appears there is an additional €200m being paid out every year in legal costs. This is aside from the enormous fees paid out in medical negligence cases.

The charges for legal services vary depending on location in the Country and Court jurisdiction. With the recent changes in court jurisdictions (Feb 2014) there is a suspicion that not only will awards increase but the costs associated with these cases will also rise. Greater efficiencies will need to be brought into the courts services to allow the efficient management of the number of cases that will be brought in the Circuit Court. If the costs associated with these cases could be standardized and simplified it would bring greater clarity/transparency to the entire process.

Staying with the point on transparency, the Insurance industry despite the huge number of claims doesn't share any information in relation to the legal costs associated with these cases. The majority of claims (70%) are settled by Insurers without recourse to either the IB or the courts. Insurers must provide clearer information to the Central Bank who in turn can aggregate this and publish it so that we can all see what is going on.

The introduction of the Recovery of Benefits and Assistance Scheme (August 2014) has led to an increase/revision of Insurers reserves. Whether you are "for or against it," it is now part of the system and the money has to be reimbursed to the Department of Social Protection.

The Central Bank has recently said they are under resourced by 40%. This will need to be considered by Government because the collapse of Quinn Insurance and more recently Setanta Insurance has added a further burden in the region of some €200m.

Recent publications have said that fraud costs every one of us an extra €50.00 on our motor policy. Although Insurers have the data that can detect fraud there isn't a proper way to share the information. We need to look forward and find ways to share this information. This would help the Insurance industry but would also positively influence the economy as a whole.

To help counteract fraud we need more investment in the Gardaí to modernize how they do their job. One suggestion is to get rid of the windscreen discs in favour of camera system where the number plate can be read with a Garda camera so that untaxed or uninsured cars can be located and removed from the road.

The Judgement in the Gill Russell case where the discount rate was reduced from 3% to 1% for future care costs will impact on the reserves held by insurers in catastrophic injury cases.

The recent case involving Setanta Insurance is going to significantly add costs to the Insurance industry (potentially €90m reserves on all claims) and therefore greater clarity is needed around the role of the Insurance Compensation fund and the Motor Insurers Bureau (MIBI). The argument being that the MIBI was set up with the specific task of protecting innocent victims involved in accidents with uninsured or untraced motorists as opposed to protecting those unfortunate enough to be involved either by way of first party insurance or in an accident with a vehicle where their Insurer becomes insolvent.

Leadership is needed and this runs across all stakeholders, the Insurance industry, Government and the Legal Industry. There needs to be cohesive approach with more

transparent sharing of information so that legitimate claims can be dealt with swiftly and in a genuine case the Claimant will get their damages promptly. With real change the costs associated with this delivery could reduce dramatically.

## The Future

### **Are there emerging trends, types of claims, new practices by Solicitors, process improvements?**

In OSG we work for a number of Motor Insurers, investigating, managing and settling their Motor Claims. In recent years we have dealt with Irish Visiting Motorists cases for foreign Insurers. During the Celtic Tiger the numbers of claims arising from accidents involving foreign cars rose sharply. In recent years, with the recession this reduced substantially but in the last 12 to 18 months we have seen a growth in this area. That means that there may be more Europeans looking to Ireland either for work or for pleasure and as a result we have seen an increase in claim figures.

Domestically, we are dealing with accidental damage, third party damage and personal injury claims amongst others. We have seen a number of cases in recent months where circumstances surrounding a particular accident are dubious to say the least. We have specialist investigators that carry out rigorous enquiry and take any number of statements to verify the circumstances of the accident. We work closely with the Gardaí to try and obtain CCTV footage in urban areas.

We believe that the Injuries Board is a useful tool and has removed some of the costs associated with managing "run of the mill" claims. The Solicitors practices include withholding some specialist medical reports so that the assessment made by the Injuries Board is lower than expected and the specialist report is only produced when the Proceedings are issued to try increase the potential award.



There are cases where the loss of earnings claims are disputed and the Injuries Board releases the case as a result. The only way to try to tackle this is to monitor and manage cases very closely. Offers should be made in the right cases and reasons sought as to why it may be rejected. Frequent communication to the claimant's solicitor and claimant will be needed to find out underlying reasons as to why the case will not be easily settled.

We have found that careful consideration needs to be taken in each case because Plaintiff's Solicitors will obviously try to identify the cases where they can make the most money.

We believe that thorough investigation and analysis can only work if there is an open and transparent sharing of legitimate information. This does not mean breaching the Consumer Protection Code or using individual's personal data illegally. We believe that with an agreed sharing format for Claimant's information this will help reduce fraudulent claims but will also

help get the compensation to the legitimate Claimant at a quicker pace.

Various working groups within the Insurance industry have tried in the past to create a forum where there was a sharing of information but this arrangement is ad hoc and inconsistent at best. Where there is another insurer involved we make immediate contact opening up the lines of communication early so we can discuss the pros and cons of a case and try to agree a resolution.

Leaders within the Insurance industry should agree a standardised format for contentious cases involving Insurers and try to agree a way whereby these cases are not "thrashed" out in Court.

Were the legal industry willing to adopt a standardized fee scale/fee rate for processing injury claims then great savings could be achieved. There will always be cases where a full fight is required and while these cases are costly the numbers of these cases could be reduced greatly.

# LIABILITY CLAIMS

**2015** has seen quite a number of developments and on-going volatility in the area of Liability Claims. This is to be expected and welcomed with the growth in the economy. Human nature will ensure that with more people at work, more cars on the road and more expendable income to spend on leisure activities more accidents will inevitably happen.

In this paper we will consider a number of important developments during 2015 such as Law Reform Commission Consultation Paper, New Civil Liability (Amendment) Bill 2015 and the establishment of the Court of Appeal and its knock on effects.

Firstly however we want to consider some recent media reports affecting our industry quite negatively. On the 2nd September 2015 there was an article published in the Irish Independent with the headline “High Court Injury Case Awards up 34% in year” The article contained further statements as follows:

- High Court injury case awards up 34pc in year.
- Renewed outbreak of a ‘compo culture’.
- Motor premiums have shot up by 20pc in the past year
- Total Awards 2014 €155m.
- Average award level of €304,000.

The information was derived from the Court Services Report 2014 and is factual however is quite “skewed” by the inclusion of a number of high value medical malpractice awards. What did not appear in the article was the following information, also derived from the Court Services 2014 report:

- 26% decrease in the volume of High Court cases
  - 47% of awards under €60K
  - 34% of Awards between €60K and €200K
  - Therefore 81% of HC Awards under €200K
  - Lowest Award - €2K
  - Highest Award - €9m
- 16% increase in the volume of Circuit Court injury case
  - 64% of awards under €15K
  - 35% of Awards between €15K and €60K
  - Lowest Award - €250
- Injuries Board, average award of €22,643



The increase in the volume of cases going into the Circuit Court is a consequence of the increase in Circuit Court Jurisdiction which will also of course result in a reduced legal bill and a reduction in claims cost over all. From personal experience, prior to the change in monetary levels, once a case within the Injuries Board is rejected or not assessed High Court proceedings were issued. There were very few if any Circuit Court Writ's issued.

***“Lies, Damned Lies and Statistics”*** – Mark Twain.

## **Law Reform Commission Consultation Paper**

The Law Reform Commission (LRC) published its Report on Consumer Insurance Contracts on the 7th July 2015 and recommends radical overhaul of consumer insurance contracts in Ireland.

The LRC is recommending the abolition of the pre-contractual principle of utmost good faith and the abolition of the pre-contractual duty of disclosure as they apply to consumer insurance contracts and their replacement with specified statutory duties and obligations to answer specific questions carefully and honestly.

Therefore when it comes to the proposal from the Insurer must ask specific rather than general questions and these have to be unambiguous or Insurers could fall foul of the contra Proferentum rule.

The LRC is also recommending the abolition of warranties in consumer insurance contracts and their replacement again with specific provisions. The abolition of the concept of insurable interest is also mooted with a requirement being placed on the Policyholder to prove the loss.

Mention was also made of Third Party Rights as detailed under Section 62 of the Civil Liability Act 1961 and the recommendation is that Third Parties should be allowed to bring claims directly against Insurers where necessary and appropriate.

I would question whether it is possible to simplify the contract of insurance or reduce costs through complicated statutory provisions? Particularly when more recently the Insurance industry has proven responsive to consumer demands in tailoring products and adopting codes of practice.

## **Civil Liability (Amendment) Bill 2015**

This proposed legislation seeks to introduce Periodic Payment Orders (PPOs) allowing catastrophically-injured claimants

(predominantly those involving brain and spinal injuries) to receive the cost of future care in the form of index-linked annual payments. The existing system of making lump sum awards had been criticised over many years as leaving a catastrophically injured Claimant in an uncertain position in relation to their future. The Defendant (insurer or other indemnifier) has certainty on settlement but not the Plaintiff.

The introduction of PPO's will change this and switch the uncertainty onto the Defendant shoulders. The Court would have discretion to make PPOs for catastrophically-injured plaintiffs who require lifelong care and attention. Prior to doing so however there will be consultation with both the plaintiff and defendant.

My opinion is that it will not be availed of too often particularly when the consensus of the Plaintiff in each case will be required. This has been the experience in England. The deciding factor will probably be the discount rate applied if the PPO is not availed of. If the judiciary wants to assist the implementation of the recommended scheme, and it has been looking for this for quite some time, then the higher the discount rate the greater the incentive for a Plaintiff to participate. Some commentators suggest that the order will be imposed by the Judiciary however I cannot see that happening and there will more than likely be a consultation process with respect to each one with the interested parties.

## **Establishment of the Court of Appeal**

2015 also saw the establishment of the Court of Appeal to assist with the back log of cases within the Supreme Court. This resulted in a number of High Court Judges being elevated and their replacement within the High Court with of course a subsequent knock-on in the Circuit Court. We are therefore currently endeavouring to become acquainted with quite a number of different personalities on

the various benches and we will refer to this again later when we consider damages and some case studies.



## **Jurisdiction of District and Circuit Courts increased.**

On 3 February 2014, the new monetary jurisdiction limits for the District Court and Circuit Court came into force. These changes in monetary jurisdiction are provided for in the Courts and Civil Law (Miscellaneous Provisions) Act 2013.

The changes in monetary jurisdiction limits are as follows:

- The Circuit Court limit increased from €38,092 to €75,000 (in cases of personal injury actions the limit will only increase to €60,000);
- The District Court limit increased from €6,348 to €15,000.

These new monetary limits only apply to proceedings instituted on or after 3 February 2014 and do not affect previously issued proceedings.

The changes in the monetary jurisdiction limits, coupled with the establishment of the Court of Appeal and the appointment of quite a number of new Judges to the various benches has proved to be quite challenging

for Claims Handlers and Liability Adjusters. It could be argued that the changes should have taken place well before February 2014 as both the District and Circuit Court civil jurisdictions were not operating productively as more and more cases, particularly those leaving the Injuries Board were heading for the High Court along with the high level of associated legal costs.

The changes in the limits have begun to balance this out as 2014 saw a 26% decrease in the volume of High Court cases and a 16% increase in the volume of Circuit Court injury cases. As a result there will have been a substantial saving in relation to legal costs.

There has been quite an amount of media comment in relation to the perceived increase in the level of damages with the suggestion that this is in the region of 34%. Again statistical information can be taken to prove and disprove the same point. There has been an increase however not to that extent and a number of different factors have combined to result in the current state of affairs. We have already mentioned them, firstly the appointment of quite a number of new High Court and Circuit Court Judges and secondly the increase in the maximum District Court and minimum Circuit Court jurisdiction to €15K. However it is still too early to identify patterns and we are still getting to know the Judges.

## **Manual Handling**

With the growth of the economy and increase in employment there will inevitably be a proportionate increase in the volume of accidents at work and experience has shown us that the vast majority will be the result of poor manual handling.

In late 2014 the case of *Meus V Dunnes Stores* was heard and for the first time we received some judicial guidance in relation to precisely what is required to train an employee properly in relation to manual handling.

The plaintiff was in the process of stocking display shelves in a store when she hurt her back. The Judge provided clear and unambiguous guidance on the nature and extent of manual handling training and the means of demonstrating its efficacy.

The critical issue for employers (and Insurers) is the reasoning. The Judge confirmed the importance of specific “on the job” risk assessment and subsequent supervision. The Central issue is therefore that of Risk Assessment.

## **Duty of Care – Leisure Industry**

With more people working and more disposable income we will see an increase in leisure and social activities. That being the case our attention will turn once again to the Occupiers Liability Act 1995 and the Common Law Duty of Care associated with this.

For an Occupier Shopkeeper, Publican, Hotelier, Night Club owner etc. what is important is that in relation to security in particular, that all possible risks undergo risk assessment and that the security staff is properly trained and licensed.

A Standard operating Procedure should be drawn up and this must form part of the training provided to all parties (both direct employees and contractors) and that all sign up to it. Record keeping and reporting as always is important however where at all possible CCTV should be installed and utilised. There is no doubt that in relation to defending or indeed just deciding on liability CCTV evidence can prove crucial.

However it is not just enough to have a CCTV system. The system must be adequate, maintained by a licensed engineer, with recordings checked regularly and any potential incident which could give rise to a claim down loaded and retained. There is little point in having a system that records on a loop with the footage not being checked regularly.



# LIABILITY CLAIMS TRENDS

**In relation to trending on liability and motor business the headline is of course that we are seeing an increase in both volumes and cost. This is down to a mixture of increasing court awards, the inclusion of recovery benefits, increasing economic activity and an increase in the volume of motorists on the road.**

Motor claim frequency has increased by an average of 8% between 2012 and 2014 and that trend will continue as the volume of traffic increases on the roads particularly during rush hours because of economic growth.

The recent “Bodily Injury Thematic Review” issued by the Central Bank has noted an increase in the average incurred cost per motor claim of 8% between 2012 and 2014. A similar percentage is provided in relation to public liability claims. There is a substantial increase of 27% in relation to Employers liability. However we now have more business start-ups, business expansions and overall more people working than we had back in 2011 and as a result the increase was bound to be more pronounced.

In relation to employers liability workplace accidents are likely to increase as the economy recovers. ESRI statistics have confirmed that during the recession workplace accidents

reduced from 29.6% per 1,000 workers in 2001 to 18.9% per 1,000 workers in 2012 positive economic activity will now see this trend change and from an industry perspective we need to identify where these risks within the workplace will be.

From past experience we have noticed that higher levels of activity and work intensity, have led to a lower level of supervision. This traditionally has resulted from “cutting corners to meet demand” through a reduction in the workforce or an increase in the required productivity without its replacement either physically or technologically.

In many instances the first layer to go will be supervision as that person’s time is used more productively elsewhere.

In the long run that will cost. The injury rate for those with one month or less experience is 16.8% whilst those experience employees with five years’ experience and having undergone

a reasonable period of supervision, have a risk rate of 2.4%.

Industries that involve highly variable working hours are linked to higher injury and illness risks. The ESRI report shows that highly variable hours are linked to higher injury and illness risks. This, the report says, “is important in the light of the emergence of zero-hours and minimum hour’s contracts, and to the increasingly permeable boundaries between working time and leisure/family time due to technological change”.

The most prominent work-related illnesses are ‘musculoskeletal’ (predominantly manual handling) followed by ‘stress, anxiety and depression’. Again the ESRI report notes that women are more likely than men to experience work-related illness, since 2008. Taking into account the “growing feminisation” of the workforce, it is likely to see an increased trend in the illness rate.

We are also seeing an Increasing Trend in relation to claims taken for Wrongful Arrest & Defamation. This is an extremely difficult risk to manage however as in all aspects

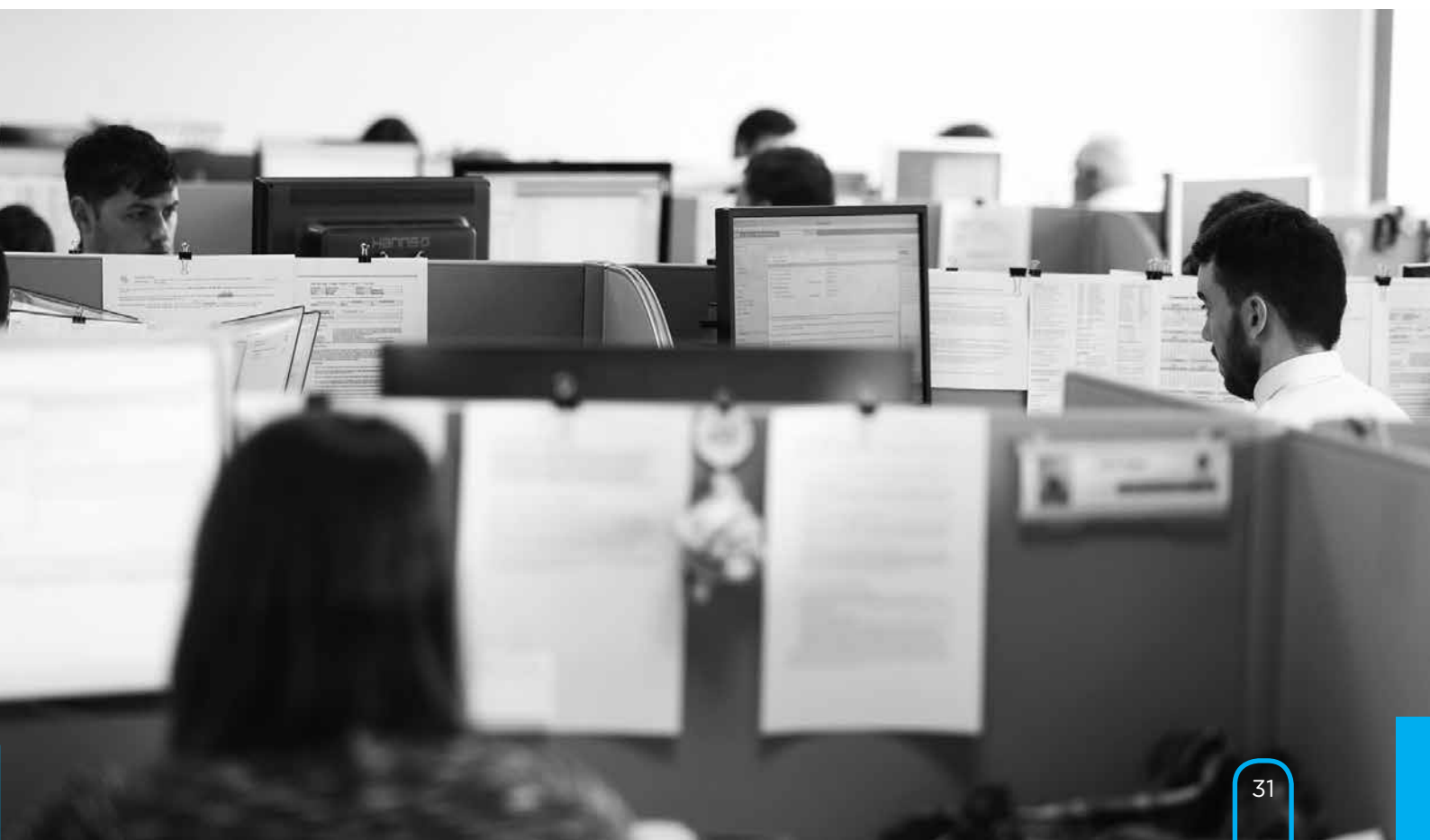
of employment the appropriate training of security and management on how to handle such circumstances is crucial. The initial manner of the confrontation and questioning will for the most part decide how a legal action will subsequently be decided.

To succeed the customer must prove that the Security Guard or shop employee did or said something to another person which was false about the Customer within the hearing, sight and / or the presence of another person or persons that would tend to lower the standing of the Customer in the eyes of right thinking members of society.

Therefore as long as the interaction with the Customer was reasonable the defence of “Qualified Privilege” should be available.

Retailers should draw up a set of guidelines, procedures and protocols set out in writing as to best practice to be implemented by their staff or security personnel when dealing with customers. This document should be incorporated with the Retailer’s Health and Safety programme

It’s one to watch.



# LOOK BACK REVIEW

## Case Administration and Resolution System (CARS)

The challenge to conduct case reviews and look backs under the glare of the regulator is a daunting and difficult task. The level of evidenced due diligence, QA and reporting is a substantial overhead to carry. Many systems and processes across the organisation and a diverse range of skills and experience are required to perform these reviews and the impact on business as usual is not trivial. Our experience in dealing with a range of these issues lead to us to consider a better way to consolidate the requirements into a solution supported by best in class technology, processes and the prerequisite skills and experience to outperform.

## Technology

CARS is a case management solution built on an Enterprise Level CRM system (Super Office CRM) and customised to provide a range of tailored solutions. CARS services our clients by offering a technology enabled platform that mitigates risk. This approach allows us to create rules based processes that are regulatory compliant within a short timeframe. Each process designed has an inbuilt Quality Assurance audit trail.

Our Technology is designed to transform data into meaningful information and processes that comply with regulatory requirements.

We have carried out successful reviews in the financial services space and have deployed our solution to address complaints handling and customer service with a number of clients.

By using highly qualified experienced personnel across a range of disciplines, we have found that we have been able to provide added value and cost effective deployments to clients by providing customised solutions addressing the full cycle business process requirements.

CARS has been deployed to provide compliant complaints handling to Consumer Protection Code standards and performing case look back reviews for OSG clients. It can be targeted to address a range of further solutions such as:



CARS can add considerable value to existing business processes and can be customised to integrate with core systems

## **CARS Technology - Core Functionality**

The Solution administrates, case manages, records, adjudicates, notifies settlement, reports on all activities and meets all regulatory requirements as set out by Clients and the Central Bank of Ireland

### **Scalable Technology Platform**

- Enterprise Level fully scalable solution that can case manage client requirements on a volume basis
- Highly integrated i.e. the entire case life cycle and all participants, tasks / activities are transparent.
- Cross Platform – client, browser, tablet, smart device, mobile
- Fluid, agile and flexible development and support processes Flexible Deployment Options
- On Client Site
- On premises in OSG
- Cloud based hosted environment
- Integrated Regulatory Compliance
- Compliance is built into the process - so there is no additional overhead in meeting client regulatory requirements.

- Possible breaches are alerted for each case - and ensure timely intervention by the case handler
- Workflow Escalation processes and exception handling throughout each task.
- Workflow and tracking systems apply at the individual case level throughout the case lifecycle.
- Transparent task based activity allows audit and QA to be easily monitored and performed.
- All correspondence e.g. inbound and outbound documents, and emails issued are stored against each case.

### **Case Review & Reporting**

- Case assessment form auto generated from case details
- Case critical path mapped for each case
- Extensive reporting, MI and Dashboards available in real time

### **Contact**

We would be delighted to provide you further details of our approach and a demonstration of our system.

If you require any further information please contact:

**Dick Harnett, Head of Business Development, Marketing & Sales**  
on 01 261 1486  
or email [dick.harnett@osg.ie](mailto:dick.harnett@osg.ie)

Christopher Poole, OSG

# REGULATION

## Regulation overview:

In a continuing trend we are seeing the increasing role of international and European law and institutions in how the financial Services sector is supervised. We have seen colossal change in the last number of years in relation to the consolidation of regulatory supervision and legislative texts namely the Single Supervisory Mechanism, Solvency II, IDD, GDPR (General Data Protection Regulation) and The Companies Act, among others. The growth of the financial services sector in Ireland is expected to continue and with this, technological advancements and new data protection and security implications. The rate of change, growth and diversification of classes / types of business will challenge even the most succinct amendments as regulators grapple to quickly update legislation in line with emerging cyber risks and personal data threats and consumer protection vulnerabilities.



“Boards and senior management need to consider the risks that their business models, practices and behaviours pose to their customers, and ensure that the right culture is embedded within their firms all the way from the board room to front line staff. This Outlook Report calls out the responsibility on firms to demonstrate to us that they have consumers’ best interests at the centre of all that they do.”

**Bernard Sheridan,**

Director of Consumer Protection,  
CBol

“1 January 2016 marked a major milestone for the insurance industry with the implementation of Solvency II in Ireland. Solvency II is the first significant overhaul of insurance regulation in a number of years.”

**Sylvia Cronin,**

Director of Insurance Supervision, CBol

“The decision by the European Court of Justice today, declaring the invalidity of the Safe Harbour agreement, forces the European Commission to act in order to ensure that transatlantic transfers of personal data of EU citizens to companies in the US offer the continuity of protection required by EU law and come up with immediate alternative to Safe Harbour.”

**Claude Moraes,**

European Parliament’s Civil Liberties Committee Chair

# 2015

## JANUARY

**01st** - HIA 1994 (Minimum Benefits) (Amendment) Regulations 2014 came into operation which clarify that the amount of the charge payable under Section 55 of the Health Act 1970 is payable in respect of services provided in a publicly funded hospital.

## FEBRUARY

**6th** - Central Bank (CB) publishes their Consumer Protection report. The report centralises on the 5 C's framework: Consumer, Culture, Confidence, Challenge & Compliance

**9th** - CB publishes their enforcement priorities for 2015 which include: Prudential requirements, Timely, complete & accurate information to the CB, Oversight of Outsourced activities, AML, F&P, Consumer Protection

**26th** - FSOB publishes their 2014 annual review. It notes that the number of complaints received have reduced by 42% since 2013.

## APRIL

**1st** - Appointment of Ger Deering as Financial Service Ombudsman.

**30th** - Central Bank Publish their Annual report for 2014.

## MAY

**1st** - Lifetime Community Rating introduced. This resulted in increased charges for people 35 and over taking out private medical insurance for the first time.

## JUNE

**1st** - Commencement date of the Companies Act 2014  
**2nd** - FCA publishes results of thematic review on delegated authority

**5th** - Fourth Anti-Money Laundering Directive was published. Member States are obliged to transpose MLD4 into national law by 26/06/2017.

**08th** - Insurance Europe published the Annual Report

**16th** - CB publish macro Financial review of 2015. It notes the insurance industry still face significant challenges despite the improvement in its operating environment. Furthermore it indicates that increased competition if affecting the profitability of non-life insurance

**26th** - EIOPA publishes their Annual report

## JULY

**13th** - CB publish updated Fitness & Probity FAQs

**22nd** - EU council announced that the Insurance Mediation Directive 2 (IMD2) will be replaced by the Insurance Distribution Directive (IDD)

## SEPTEMBER

**23rd** - CB publish their results following themed inspection on Cyber Security. It reiterates that Cyber security is the responsibility of the board and highlights best practice.

**30th** - CB publishes Insurance statistics 2014

## OCTOBER

**1st** - Insurance Europe launches online interactive insurance tool

**6th** - Court of Justice of the European Union (CJEU) declares Safe Harbour scheme "Invalid". This has huge implications for any EU entities transferring personal data to the US.

## NOVEMBER

**01st** - Private Security (Licensing and Standards) (Private Investigator) Regulations 2015 comes into operation

**23rd** - CB publishes their strategic plan 2016 - 2018.

# 2016

## January

**01st - Commencement date of Solvency II.** As Solvency II is a maximum harmonisation Directive there is little room for how it is transposed into Irish law. This EU Directive codifies and harmonises the EU insurance regulation.

**01st - CB Corporate Governance Requirements for Insurance Undertakings 2015** comes into effect.

# 2017

## EU General Data Protection Regulation -

EU institutions reached agreement on a compromise text on 15/12/2015. The Regulation will become applicable two years thereafter. IDD is likely to come into effect in Mid- 2017

**MLD4** will be implemented in Ireland in Mid- 2017



# **CYBER SECURITY**



**Cybersecurity** is in the headlines, and much work within industry is focused on new initiatives to respond. Like all things 'cyber' there is a marketing dynamic and an air of mystique along with an assumption of deep technology and military style attackers.

However from a governance perspective Cybersecurity risks can be seen as a subset of Information Security risks. Whereas cyber security focuses only on IT (typically internet connected) risk, information security covers all risks to information no matter what form it is in. This differentiation is important to those collecting and/or processing data that falls within specific regulation (Privacy or PCI) which requires specific controls and governance covering the complete lifecycle and not just within the IT domain. Regulators and Payment Schemes have issued significant fines for cyber, procedural and process related non-compliances.

## Regulation

Regulations, notably the General Data Privacy Regulation (GDPR), Payment Card Industry Standards (PCI) among others requires 'due-diligence' validation confirming a supplier has adequate controls and governance in place to protect information accessed, given or collected in their name.

As an increasing number of organisations, business and IT services success is determined by employees from third parties, due to outsourcing. This presents a significant challenge especially with regards

demonstrating oversight and effective management controls without impacting the supply chain by imposing specific policies.

Suppliers such as OSG can help their clients by ensuring an effective Information Security Management System (ISMS) is in place, and that the ISMS has a balance of compliance and risk based approach to the protection of IT used in the storage and processing of sensitive data.

Because you can doesn't mean that you should "Big data" continues to be an emerging issue across industries and will continue to be at the forefront of discussion globally in 2016. Big data issues are also a key focus of the EU Digital Agenda initiative, particularly on open access to information and facilitation of scientific research. Big data use is expected to grow in 2016 as data becomes increasingly agile and widespread, and technologies and related algorithms continuously add new ways to collect, observe, and measure information.

Within the insurance industry the prospect of using the Big-Data approach to identify patterns, frauds and other business enabling options such as sales by third parties etc. will put additional pressure on collecting more data and/or retaining it for longer than is necessary. This

capability inevitably causes friction between compliance and business development.

## Compliance vs Maturity

Privacy protection is critical to consumer and employee trust. Information Security is therefore a business-critical discipline for many enterprises, which is driven by legal and regulatory compliance requirements and concern about enterprise reputation.

Clients include controls within their contracts to ensure compliance with privacy laws, regulations and local market customs. However, compliance with specific (privacy) laws is not the only goal, the management and mitigation of risk is the primary objective, compliance risk is but a subset of this.

Threats to information security evolve, presenting new risks to Information Assets and it is the organisations ability and willingness to evolve with these changes that are the sign of an effective partner. The security industry recognises this and is moving towards the development of Maturity Models which define a level of maturity applicable for given business models as opposed to the development of shelf-ware policies and no win

contracts. Maturity levels vary widely, even within enterprises, and they can be improved only after conducting a realistic, methodical maturity assessment. As large clients identify and develop their target maturity models, suppliers should adapt and align to help minimise the box tick only approach.

## Principals

Effective Information (Data) Security can be addressed following a few key principles:

- **Strategize and Plan:** Capture business requirements, and monitor legal developments. Document the flow of personal information in applications (CRM, HR management, email, voice, messaging, archiving, office and marketing).
- **Develop Governance:** Ensure someone is identified as responsible for data as an asset. Structure and revise policies. Evaluate likelihood and impact of fines. Become familiar with industry and country-specific regulations of your clients. Identify the key flows of data into and out of an organisation, considering Protection of Data-in-Motion/transit and Protection of Data-at-Rest.

Kate Carroll, OSG



- **Publish Policies:** Privacy policies tell customers (and employees) how their personal information is being used, and what level of privacy they can expect within the organization.

- **Define a Controls Framework:** A control can be a tool, a guideline or a role assignment. A controls framework ensures that different controls work together. Ensuring privacy controls are integrated within IT and business processes.

- **Execute:** Determine the privacy impact of business applications, surveillance and application testing. Promote the use of security controls, such as encryption, data loss prevention and data masking. Identify and record inappropriate disclosures, and respond to breaches notifying stakeholders as required.

- **Communication and Awareness:** Inform employees and partners how important privacy is. Ensure the awareness program reaches every applicable corner of the organisation.

- **Measure and Improve:** Benchmark the privacy program. Market its success, and consider privacy certifications. Establish a dialogue with client representatives regarding the capture and storage of sensitive data such as personal information. Know what you collect, why you collect it, who it belongs to and ensure that you have permission to process and store it.

- **Be Proactive, Not Reactive:** Better to anticipate that clients will require demonstrable proof of compliance/maturity with industry norms and best practice.

- **Privacy by Design:** Enforce Privacy as a Default Setting in all business processes and IT systems.

## Outlook 2016-2020

- Development of Cybersecurity Standards, initially focused on Critical National Infrastructure, including large financial services organisations will evolve and become increasingly a requirement.

- Continual moves toward certification and maturity assessment criteria for large institutions and their connected suppliers.

- General Data Protection Regulation (GDPR), as recently approved by EU Council, will work its way through compliance frameworks.

- Regulators flexing enforcement powers on data protection and privacy issues will continue to issue fines.

### Matthew Dickie,

MSc IT Security

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OSG would be delighted to provide a more detailed briefing and understanding of our specialist claims management in this area.



# HEALTH INDUSTRY TRENDS

**The** private health insurance market in Ireland has seen a decline in the population with private health care cover decreasing from 2.3m (2008) to 2m in (2015) with over 300,000 people forced to abandon private health care, putting further pressure on the public healthcare system. The primary reason for the decline is affordability, compounded by healthcare levies and caps on tax relief. It is estimated that an average of 7,000 people are leaving the market every month, if this trend continues over 210,000 people will potentially drop their health care insurance between now and the end of 2016.

## **Innovative Business Solutions**

OSG Business Solutions are supporting key healthcare providers in bucking this trend by offering customised portfolio solutions for each client to drive the revolution in healthcare. OSG provide a customer centric attitude, data savvy expertise, a partnering organisation with a strong foundation in the core insurance business, a MCC/CPC certified workforce, with a flexible and cost efficient business model.

We work closely with our clients to develop a roadmap to support their business growth, building new capability, experimenting using pilots to contain risk, scaling up / down as appropriate to meet the market needs using our skills in resource and portfolio management to yield strong results for every client.

OSG. have been very successful in leveraging our existing infrastructure to support the business growth for our private health care clients this year as we scaled up for the introduction of lifetime community rating in April 2015.

The primary purpose of introducing LCR (Lifetime Community Rating) was to encourage people to purchase health insurance at a younger age. Encouraging more people to join the market at younger ages helps spread the costs of older and less healthy people across the market, helping to support affordable premium levels for all. Age at entry loadings were applied on health insurance policies written from the 1 May 2015. From this date, anyone who took out private health insurance at age 35 or over, and who did not have qualifying periods of credit, paid

a loading. The level of loading depends on the age at which the person takes out private health insurance. There was a grace period up to 30 April 2015 prior to the introduction of loadings during which individuals of any age could purchase private health insurance without incurring loadings. Following expiry of the grace period, the only way to avoid paying late entry loadings is to take out private health insurance before reaching the age of 35.

Our Sales team were tasked with capitalizing on this opportunity by selling a select range of plans - this accounted for a phenomenal 60.9% of total policies sold to new customers during April, with an 80% retention rate consistently exceeded for existing customers in high premium category offerings. This success is testament to the capability and scalability in infrastructure that we have developed here in OSG as well as the standard of expertise, recruitment and training of new and existing hires, who are pro-actively supported in obtaining insurance industry qualifications.

Sarah Harmon, OSG



## The Road Ahead

As we position the organization for success in 2016, we continue to offer a wide range of customised business solutions and managed services to our clients. We have a diverse portfolio of business expertise which encompasses the following business lines; Accident & Health, Commercial, Life, Home, Motor, General Insurance & Private Health Insurance.

In the Sales acquisition arena we continue to transform companies' sales performance through our delivery of high conversion rates and qualified staff. We specialize in managing sales for a wide range of insurance products to meet individual customer and client needs to achieve agreed sales targets. We create bespoke teams to ensure we deliver a brand focused sales solution to our clients.

Michelle Carroll, OSG



**We specialise in the following key services:**



This year we will continue to transform and innovate our business services here in OSG as we ramp up to support the healthcare revolution.



# PEOPLE PLACEMENT


**OSG** has been strategically working in the area of People Placement since 2009 and today it is an area of the business that is continuing to grow and flourish each year. Over the past 7 years OSG has successfully placed over 100 personnel in this area recruited specifically in line with the client's needs and requirements.

People Placement is the supply of personnel to undertake work on the client's behalf. What attracts clients to OSG's People Placement service is its flexible nature and adaptable methodology. Clients can choose whether such personnel be based on their own premises, on their client's premises or based in OSG's Head Office itself. OSG's Head Office is established specifically and adapted effectively to cater for the client's system access requirements.

The personnel that are placed in such manner are full time employees of OSG whose services are supplied under contract to the client. Currently, OSG have personnel based in Insurance Companies, Insurance Brokers and Banking Institutions. They work successfully on behalf of our clients in the following areas:

- **Claims Administration**
- **Personal Lines Administration**
- **Commercial Lines Administration**
- **Insurance Sales: Motor-Home-Travel-Pet**
- **Customer Retention Programmes**
- **Lead Generation Programmes**
- **Business Analysts & UAT**
- **Complaints Handling**
- **Product Look Back Reviews**
- **Regulatory Special Projects**

The benefit of OSG's People Placement Service is its ability to understand your needs and to match them with a bespoke solution. OSG understand quality is the key to success, enabling them to



James Brennan, OSG

recognise the talent that is required to deliver the very best for your company and for OSG.

Working together collaboratively and seamlessly, OSG's aim is to supplement and support your organisation's approach to recruitment and talent management. OSG provide their client's with flexibility, scalability and excellence as outlined under these core areas:

## **HR & Recruitment Process**

OSG have a dedicated Recruitment Team consisting of proactive experts committed to finding the talent you require. OSG obtain full control and responsibility for the entire recruitment process. A thorough approach to recruitment is adopted to ensure the best match is met. Such processes involve job advertisements, collation of all curriculum vitae's for pre-screening, phone interviews, formal face to face interviews, vetting procedures and reference checks. The HR function is established and maintained throughout the placed personnel's contract and job appointment.

## **Suitably Qualified & Experienced Personnel**

OSG's People Services and HR department have successfully placed an array of employees with diverse and widespread skills, qualifications and experience; ranging from solicitors, barristers to APA and CIP claims handlers and insurance experts. Today OSG have placed; a team of legal experts and complaints adjudicators working on behalf of the client on bespoke teams and look-back review projects; administrators and data analysts, updating and collating specific client data; and both complaints handlers and claims handlers working within the client's already established teams.

## **Client Needs Training**

OSG's Education and Training Department, together with the OSG Academy possess highly dedicated and qualified individuals that place the training of all OSG personnel as their core objective. Where appropriate, and as specified by clients,

Niamh Moore, OSG





OSG place special emphasis on obtaining the insurance qualifications (APA/CIP) as it is their belief that educating employees enables a successful and skilled working environment and empowers employees to up skill and gain product knowledge not just in their own field but in the entire scope of the insurance industry.

### **Client Product Training**

All OSG personnel receive client product training as specified by the client. This may require prompt and efficient recruitment to ensure sufficient training takes place prior to the go-live date. Such training can take place on client's premises or in OSG's Head Office as required by the client.

### **People Placement Integration & Management**

OSG pride themselves on possessing an open and dynamic culture and OSG's HR department ensure all placed employees are integrated in the same manner. Constant communication between all parties is paramount. From a HR perspective, OSG actively manage these placed employees whereby all absence, attendance and leave is handled, all contracts are issued

and managed, and where the HR department are quick and efficient to intervene and assist in any given circumstance. OSG's People Placement manager holds weekly or fortnightly meetings with personnel based of-site, these consist of team meetings and briefings or one to one meetings with specific employees and team leaders. The People Placement manager is in constant communication with the managers on the client teams to provide assistance and support wherever possible.

### **On-going Client Relationship**

The Client relationship that was established in 2009 continues to flourish today. OSG's clients have developed the trust and understanding to rely on them to deliver extraordinary results under any circumstance. The Head of People Placement, People Placement Manager, Head of Business Development and Sales Director, and the HR department ensure that constant communication is instilled between all parties. Understanding that communication is the key to success has enabled such relationships to be maintained. OSG welcomes queries and request from their clients and aim to ensure such needs are met.

OSG take the challenging and time consuming tasks and functions to enable our clients to focus on the future and the success of their company. Personnel Placement provides our clients with peace of mind and enables them to:

- Focus on Core activity
- Deliver Cost & Efficiency Savings
- Support ERP & VRP (Early Retirement & Voluntary Redundancy Programmes)
- Significantly Reduce your Overheads
- Provide an Enhanced Service
- Bridge Compliance Issues
- Deliver Staffing Flexibility when and as it is required

OSG are a collaborative partner, chosen for our expertise, our integrity and our proven ability to deliver results. Please see descriptions of our relevant client sectors below.

## Client Sectors

### Banking

Over the last number of years OSG has been working with key Financial Institutions including the major Banking Sectors of Ireland assisting them with Regulatory Projects including PPI Review, Complaints Handling and Look Back Reviews. We have had over 60 personnel engaged in these projects both based on site at our client's premises but also in OSG offices in Merrion Hall, utilising our CRM Systems to manage and record outcomes.

We have also operated Lead Generation & Sales Acquisition programmes in the area of Home and

Motor Insurance supporting existing Banking Insurance Teams servicing the Insurance needs of Bank Customers.

OSG currently provide back office Administration support for a number of Regulatory Special Projects, where our task is to collate file data for subsequent processing by specialist Bank Team.

### Insurance

OSG have effectively provided personnel for Sales Acquisition Teams within the General Insurance Market to support in house Sales Teams for Home, Motor and Travel.

This has been a significant area of growth for OSG where the company now provides Sales Acquisition and Customer Support Teams on site in Merrion Hall for Home, Motor, Travel and Health Insurance. Health insurance is OSG's most recent procurement where today they have over 60 personnel engaged in this process.

In addition, OSG have personnel placed with a number of General Insurer's working across the business in Claims, Commercial, Personal Lines, Casualty, EDI Teams, Cash & Banking and General Admin.

### Brokers

OSG also work with the Broker Community providing support in the area of Sales Acquisition and Customer Support for Home, Motor and Health Renewals.

OSG has the ability to respond quickly to our client's needs and to provide flexible support for peak renewal periods to ensure maximum renewals and customer retention is achieved.



Derek Foley, OSG

# OSG ACADEMY



## Conversation and Relationship Management

**Delivering on our customer's expectations requires OSG employees to engage in case management to solve or resolve problems or issues.** Case Management consists of:

- Managing the relationship with the customer (and typically many other relationships with individuals within an organisation and with third parties)
- Managing conversations
- Managing information
- Applying IT in a data-rich environment
- Decision-making
- Taking actions.



As part of the Academy's Practitioner Development Programme of skills training, our Conversation & Relationship Management Module concentrates on enabling individuals to manage interactions with customers, other individuals within the organisation and with third parties by raising awareness of the key issues involved in managing conversations and relationships at every level.

As a key element to Case Management, raised awareness of conversational realities, and of how relationships are created and sustained enables participants to engage professionally, wherever they work in OSG, and to converse and relate comfortably and confidently with those with whom, or for whom, they work.

### **The module covers the following four areas:**

**Creating Working Relationships** - in the case management context a key message is mutual activity: that you and the other person working together - collaboratively - will solve (or resolve) a problem or issue. This section of the module deals with 'how' to establish constructive working relationships.

**Impression Management** - is the process by which we try to control or influence the perceptions or thoughts of another person or other people about ourselves, the encounter, the exchange between us, about an issue, and the event as a whole. Impression management is a business critical issue since it is fundamental to generating positive client, customer or third party perceptions of OSG and the service being delivered. This section teaches participants how to establish influence when required. Once influence is present, further skills of persuasion and negotiation can be developed.

**Conversation** - this section analyses conversation as follows:

- The channels of communication - both verbal and non-verbal
- How conversation works - the dynamics and mechanics of conversation
- Disruptive talking and disruptive listening - increasing awareness of these behaviours and how to counteract them

- Levels of listening - including the level of mental demand required for each level and exercises on improving your levels of listening
- How people disclose and multiple factors that affect disclosure

Understanding conversation thus enables participants to professionally manage their own conversations. This section includes practical exercises and role play.

**Relationships** - through examination of the different types of relationships, the participant learns the skills to enable them to relate at all levels, with most individuals and in most situations. A number of relationship models are examined:

- Positional Model
- Transactional Model
- Concern and Control Model.

We complete the module with an examination of eight behaviours - skilled **RESPONSE** behaviours - ways of responding to the other person - which evidence that you are

Education & Training Team, OSG





being mindful of the other person.

By the end of the module, the participant's awareness of conversational realities, and of how relationships are created and sustained sets them up well:

- to engage in professional case management wherever they work in OSG
- to converse and relate comfortably and confidently with those with whom, or for whom, they work.

Each individual in OSG completes this course at a minimum, laying the foundations for further skills modules such as Assertiveness, Dealing with Difficult People, Negotiation Skills, etc.

## Sales Training

Our Sales training is focused on delivering profitable sales whilst maintaining high levels

of customer service - achieving a balance that professional sales agents require in this increasingly challenging and competitive marketplace.

The aim of our sales training is to provide OSG employees with the necessary skills to enhance their personal selling techniques and increase the rate of success during the sales process. We achieve this by providing one to one coaching sessions with the individuals.

Our dedicated sales coach ensures that the coaching sessions are varied each time so that the coaching does not become too mechanical and predictable.

One of the main elements of our coaching is the use of positive reinforcement in order to strengthen a desired skill that the sales agent possesses and avoiding the mistake of focusing on aspects of poor performance alone.



Our sales coach provides individual feedback to each and every agent. Both discuss the feedback in detail and work together to create a Personal Development Plan. In general, two or three areas will be highlighted for development and an action plan is drawn up for completion within agreed timelines. This development plan is shared with the team manager so that they can monitor the agent's performance ensuring that they are applying the feedback and striving to improve the development areas.

For larger groups in the organisation, we arrange Sales Workshops. This format has proven extremely successful as it enables individuals to brain storm and learn through observation and group feedback, in a lot of instances from others not in their team.

Agents are monitored through each team's QA process. Should any issues emerge, refresher training can then be arranged.

## **Continuous Professional Development (CPD)**

OSG Academy also strives to keep its members, and affiliated parties aware of current market issues, trends and developments. The Academy is responsible for the provision of courses, events, seminars and workshops, for the purpose of assisting people to achieve their expected CPD commitments under the Minimum Competency Code.

Produced annually, the OSG CPD Series, aims to cover a range of topics current to industry developments. Our experienced faculty members deliver lectures regularly from our Head Office in Sandymount and can also attend at customer's premises on request. Advances in technology enable participants to log in live from around the world through our web portal.

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