

# An old-fashioned start that lasts

Most people now enter the insurance industry after university but Lee Vanderson's start at age 16 has given him a real-life learning process, he tells **TEH SHI NING**

**A**T THE beginning of this year, Lee Vanderson, chief underwriter and principal of Ascot Underwriting Asia, a Lloyd's syndicate, moved from the daily bustle of Lloyd's famous underwriting floor in One Lime Street, London to a quiet 16th floor office in One George Street here in Singapore.

"It was a huge change for me," he says, describing how, as an underwriter in The Room at Lloyd's, he would sit in Ascot's "box" as brokers queued up to see him through the day, and transactions were made there and then over the desk.

There is some element of a Lloyds platform here in Singapore – the Lloyds syndicates are all situated on two floors at One George Street which makes it easy for brokers to visit the underwriters if they so wished. But, 90 per cent of business here is conducted entirely over e-mail.

"I always believe that if you're working for your client, your client would want you to go see the underwriter to try and persuade him to write the business rather than just send an e-mail. It's very easy to say no to an e-mail," says Mr Vanderson.

He adds, however, that in most markets around in the world, such as the US, the insurance business works that way, and acknowledged that it is the uniqueness of the Lloyd's market in London which made the difference so stark to him.

That, and the fact that he has spent 23 years as an underwriter there.

"My father was a broker, so insurance was all I knew growing up. I had a good education but decided that university wasn't for me and decided to join the insurance industry at the age of 16," Mr Vanderson recounts.

He started out "running errands, getting sandwiches and cups of tea for the bosses, photocopying and handwriting every risk they wrote in a ledger", as business had not yet been computerised back in the 1980s.

But, those years provided the best education ever, he says.

"I was sitting right next to an underwriter who at that time already had over 30 years of experience underwriting. So I was just next to the person who really makes those big deci-

sions, listening to everything he was doing and learnt that way."

Training to be a cargo underwriter was additionally complicated, because it required knowledge on the large range of cargo goods from "bottles of water, to rice, sugar, cocoa, oil, vegetable fats and everything that is moved around the world", and details on how each commodity is shipped, right down to what might happen to different grades of rice, wheat and barley for example.

It was thus five or six years before he was even allowed to "have a scratch" – agreeing to simple endorsements and name changes.

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— Mr Vanderson

Mr Vanderson recounts, and another year before he was allowed to do some limited underwriting.

But from then on, his career took off, boosted by solid foundations, and he joined Ascot in 2001 as the cargo underwriter before being appointed to manage its regional base here in Singapore.

"Mine was an old-fashioned start," says Mr Vanderson, "many people now start with degrees from the universities. But even then, you've still got to have that real-life learning process, you can't learn how to be an underwriter from university alone."

He believes that the future of the insurance industry in Singapore relies on companies like Ascot to pass on their knowledge and experience.

"We have just employed a Singaporean and plan to do just that. There is talent in Singapore but we must look for young people and train them," he says.

Ascot was also involved in the Global Internship Programme that the General Insurance Association of Singapore launched this year, an experience which Mr Vanderson describes as "excellent", adding that they "look forward to meeting more good people through the programme".

The need to attract young talent to the general insurance industry is all the more pressing, given the rapid growth of Singapore's general insurance industry.

In Mr Vanderson's opinion, Singapore has probably overtaken Hong Kong as the insurance centre of the region.

Much of Ascot Underwriting Asia's business, for example, is based elsewhere in Asia – Korea, Japan, Thailand, Indonesia. But, Singapore's positioning as an insurance hub has attracted sufficient key industry players for it to be a good base from which to conduct business, Mr Vanderson explains.

"It is also easy to travel to the rest of the region from Singapore," he says. As Ascot's ambassador in this region, Mr Vanderson's job takes him around Asia and to the Middle East frequently.

"Meeting people from all over the world and learning new things every day, that's what I like about being in this industry. It's amazing what you can learn about goods being moved from place to place," he says.

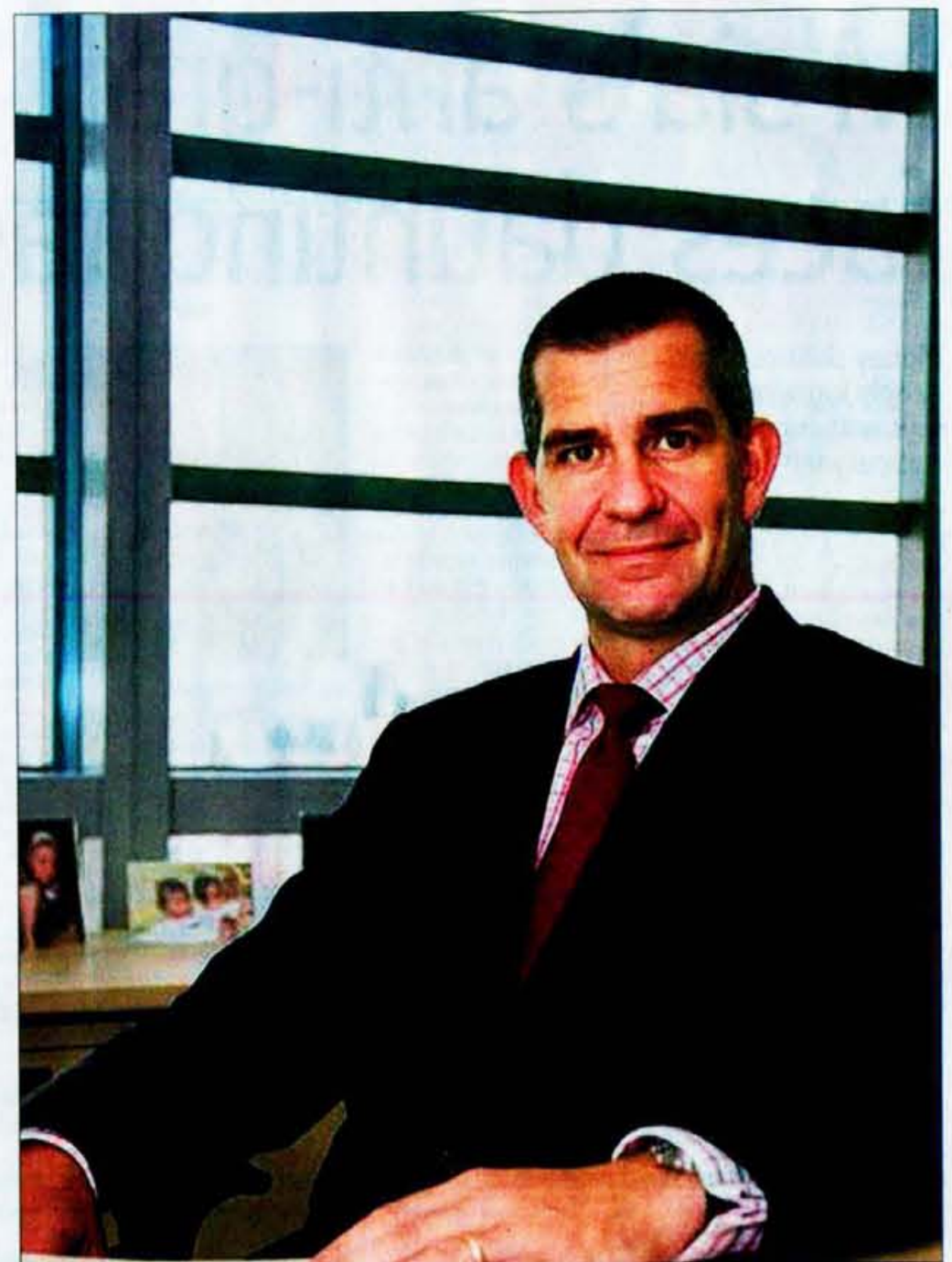
"The insurance industry has a reputation of being dull, but if you choose the right insurance lines, it is far from dull and can be very exciting, and that's what we have to get across to young talent out there," he adds.

The current global economic conditions may, in fact, make things especially interesting.

After all, what is most challenging about his job, Mr Vanderson says, is "managing the insurance cycle and making money through that cycle".

"It takes knowing when to write business at good rates and good profitability, and knowing when not to write business when rates are too low."

Mr Vanderson thinks that rates are "at the bottom of the cycle at the moment" and hopes to see "some flattening in the market next year and no further reductions in rates".



Mr Vanderson: Singapore has probably overtaken Hong Kong as the insurance centre of the region so the need to attract young talent is all the more pressing

In his view, some classes of the insurance industry, such as energy, have already started to recover. He expects opportunities to arise for Ascot to raise capacity on the energy side next year, while capacity for cargo should hold steady.

Cargo underwriting, which makes up 65-70 per cent of Ascot Asia's business and is Mr Vanderson's area of expertise, remains very competitive, as there is still much capacity in Asia.

However, Ascot will be looking to reduce their capacity for property business here next year, due to soft rates. "We are not afraid to say no if it's not right for us, to just concentrate on good underwriting and making a profit," he explains.

But overall, Mr Vanderson believes that the insurance industry's outlook is strong. "Everyone needs insurance, even in the current economic climate. We just have to be sensible when charging prices," he says.

This is the first in a four-part series on personalities in the insurance industry brought to you by:



Dr Goodwin: The Global Internship Programme provides an opportunity to stretch the intellectual capacity of interns

## Oveseas stints a key draw for interns

GENERAL insurance is a rapidly growing global industry which in Singapore alone generated \$2.45 billion worth of business in 2007, according to the General Insurance Association of Singapore (GIA). But to the uninitiated, it is still a vaguely understood grouping of niche business lines.

In a bid to demystify the general insurance industry and attract young talent, the GIA started its Talent Outreach Project (TOP) in 2006. Its latest venture, launched in June with the support of the Monetary Authority of Singapore, is the Global Internship Programme (GIP).

This year's pilot batch of five interns went on an eight-week programme hosted by Allianz SE Reinsurance Branch Asia Pacific, Benfield Asia, Lloyd's Asia, including the Amlin, Ascot and Watkins syndicates, QBE Insurance (International) Limited and RSA Group.

Dr Michael Goodwin, QBE Insurance's CEO Asia Pacific, and chairman of the GIA's Regional Development Committee which organises the

GIP, said: "It provides an opportunity to stretch the intellectual capacity of interns and give them a sense of what general insurance is all about, including the varied careers of underwriters, claims specialists and risk managers."

Attachments abroad are a key draw. The GIP posts interns to overseas offices for them to have a glimpse of the global insurance industry and to gain exposure to different local and corporate cultures. This year's interns were sent on stints in London, Dubai and Sydney.

The GIA aims to put 210 undergraduates through the GIP by 2012, scaling up participation in stages. Next year, for instance, an expanded 12-week programme hosted by 24 companies will be offered to at least 42 interns.

Second-year undergraduates of all disciplines from the local universities are eligible to apply, and applications for GIP 2009 close in January. Details for interested companies and students are available at [www.gia.org.sg](http://www.gia.org.sg).

## GIP intern lands jobs with QBE

By **TEH SHI NING**

FRESH out of Nanyang Business School and barely a month after her final examinations, Li Xue, 23, has already hit the ground running with her first full-time job as an actuarial executive with QBE Insurance (International).

It is unsurprising that Ms Li has set her sights on a career in insurance or finance since her early undergraduate days, having chosen to major in actuarial science with economics, a combination which required an extra semester's study.

But as most of her university seniors graduated to start work in life insurance companies, where actuaries are in higher demand, life insurance, rather than general insurance, seemed to be the more natural choice.

Hence, she did not really envision herself going down the less-trodden path of general insurance till only recently.

In July, the opportunity arose for her to participate in the newly launched Global Internship Programme (GIP).

When considering the programme's offering, Ms Li knew she was unlikely to gain much exposure to actual actuarial work as most of the host companies this year did not have dedicated actuarial departments in their local offices. But she had other objectives in mind.

"I wanted an overview of the industry, and to better understand the different job functions. Also, I hadn't made up my mind on whether to join the industry, but knew I was about to graduate and had to make a career choice soon. So I saw it as a very good chance to explore possibilities."

With an outstanding academic record and the confidence with which she carried herself during her interviews with both GIA and the host companies,



Wide exposure: The GIP really helped me to understand the 'why' and not just the 'how' of operations in the insurance industry, says Ms Li, who was one of the programme's pilot batch of five interns

Ms Li was soon selected as one of the GIP's pilot batch of five interns.

She thus embarked on her whirlwind GIP experience of two weeks in Singapore with Ascot Underwriting Asia, two weeks in London with Lloyd's and Ascot, a Lloyd's syndicate, another fortnight at QBE's headquarters in Sydney, and two final weeks with QBE's office back here.

"It was such a wonderful eye-opener," she enthused. "I had a really good combination of attachment too. I got to see first the Lloyd's market, then the companies market with QBE, and the differences between the two." The Lloyd's market and companies markets

are governed by different regulations.

Snippets of her action-packed days in London included: job-shadowing underwriters as they negotiated deals with brokers on the Lloyd's trading floor, sitting in at exciting high-level meetings with potential claims involving government parties, and working on a presentation delivered to the senior management at Lloyd's.

At each office, Ms Li said, she learnt more about the industry. Along with her fellow interns, she was treated to a host of presentations by senior managers from different departments, and was thus equipped with a basic understanding of key insurance principles, under-

writing, claims handling and business development.

"It was quite a different experience from other internships I've been on where you're assigned to a single supervisor and department and work with them for the entire duration of the internship," said Ms Li.

Under the GIP they were able to interact with senior management in charge of varied operations, and could ask all sorts of questions. "This really helped me to understand the 'why' and not just the 'how' of operations in the insurance industry", Ms Li explained.

Mingling with insurance professionals at after-hours social events also allowed her to glean "the different perspectives insurance professionals might

have on a single issue", Ms Li said.

In the month abroad, she even managed to squeeze in some sight-seeing and catch up with friends living in Sydney and London, in between the hectic internship programme, adjusting to the different seasons and recovering from jet-lag after long-haul flights.

However, in Ms Li's case, the icing on the cake had to be the fact that GIP paved the way for her career with QBE Insurance.

"I am really grateful that I was hired as an actuarial executive. I think they probably hired me for my performance during the GIP, and also because what I could offer with my actuarial background matched their own growth needs," Ms Li said.