



Looking out for others: Ansvr's Warren Hutcheon

Doing the right thing

Ansvr keeps faith with an ethical insurance approach to protect society's most vulnerable and contribute to the community

By Miranda Maxwell

Warren Hutcheon says Ansvr, the church-owned ethical insurance firm he has headed in Australia for six years, was an early disruptor when it was established by Swedish teetotalers in 1961, around the time drink driving laws were introduced.

Legend has it the cupboards of those seeking insurance cover would be inspected to be sure there was no alcohol at the residence and that customers were all total abstainers.

"I'm not sure if they checked the bins or how true that is, but it makes an interesting story," Mr Hutcheon, the insurer's Chief Executive, tells *Insurance News* during an interview at the Ansvr head office in Melbourne.

These days, staff are allowed a celebratory tippie at company events and new business is no longer conducted by home visits, with a state-of-the-art digital insurance

system coming soon that will be managed and hosted by IT group SSP.

Ansvr – a finalist in the *Insurance News/LMI Mansfield Awards* SME property and casualty award category last year – is historically known for its expertise in the faith sector, but offers a range of risk and insurance solutions to the growing sectors of care, community, education and property owners/heritage.

"What does Ansvr really do? In one sentence, I would say Ansvr helps organisations protect vulnerable people," Mr Hutcheon says. "We would consider children, the aged and disabled communities as being vulnerable."

Ansvr strives to be the most trusted insurer within its core areas of business. It's a unique mix that is particularly pertinent in the wake of three recent royal commissions into aged care, disability, and institutional responses to child sexual abuse, intersecting

precisely with Ansvr's areas of interest.

"Our risk management focus is very much on helping boards and organisations improve their governance and policies to protect the vulnerable," Mr Hutcheon says.

There are only a few insurers in Australia that provide physical and sexual abuse cover (PSA), and Ansvr is one of them. It indemnifies an organisation for any legal liability relating to abuse. But Mr Hutcheon is keen to emphasise that the policy does not provide cover for the abuser.

For an organisation to acquire cover requires very effective risk management policies, procedures and frameworks. Ansvr Risk, a separate risk management company, was established in 2018, recognising that for customers it is about the "total cost of risk" – an organisation's risk maturity, existing and emerging risks impacting their sectors, organisational resilience and so on.

It's topical given the recent departure

of senior staff from St Kevin's College in Melbourne and subsequent investigation by the Victorian Government into whether the college breached mandatory child safety and reporting standards. The new acting principal has admitted "some serious mistakes were made".

It's another example of why it is critical that policies related to moral and ethical issues are embedded within the culture of the organisation.

Mr Hutcheon says it's crucial that a culture in which all members are encouraged to "speak up" is fostered. There is also a need to educate employees and volunteers about what these policies mean in practice.

"If you look at websites for lots of organisations, many have policies around child protection and how they manage these sorts of things," he says. "It is one thing to have policies in place, but it is really about how those policies are understood

and work in practice.

"You've got to be able to bring the policy to life."

Mr Hutcheon has spent 35 years in insurance and is a past chairman of the General Insurance Faculty Advisory Board at the Australian and New Zealand Institute of Insurance and Finance, and has held board positions on government and not for profit organisations.

He recommends using examples and scenarios to assist with training so all personnel know how policies should operate in practical terms, and what to do when a given situation occurs.

The role of the board is critical, he says, and Ansvr is seeing a push for directors to have better and more relevant information about their organisations' cultures.

"We are seeing directors walking the talk and wanting to be better informed," Mr Hutcheon says.

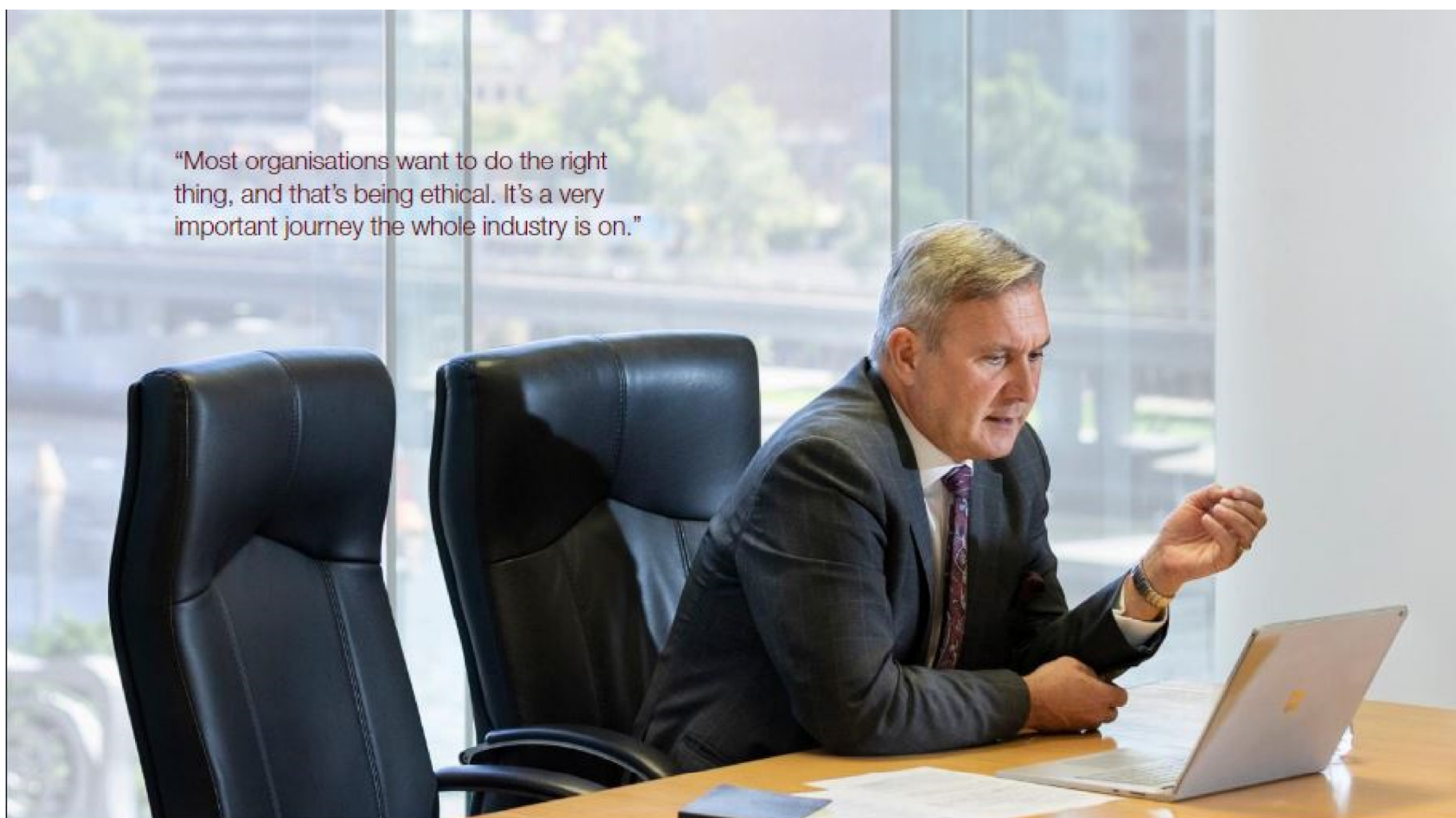
"There is not one silver bullet that makes you an ethical organisation. It's predominantly a culture that addresses the needs of a variety of different stakeholders and functions in a consistent, and professional way."

Ansvr leaders are held to account for non-financial as well as financial performance. All customer complaints and other feedback results are reported to the board and Ansvr takes a "balanced scorecard" approach to its incentive program, giving weight to customer and staff outcomes.

"I believe the whole general insurance industry in Australia is striving to improve the way we treat all our stakeholders – customers, staff, business partners, shareholders and the like," he tells *Insurance News*. "Most organisations want to do the right thing, and that's being ethical. It's a very important journey the whole industry is on."

While there are many challenges and risks as organisations go through various

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royal commissions and inquiries, the final result should be that we end up with stronger and better organisations providing improved services, and better outcomes for vulnerable people.

"That's core to what Ansvar does," Mr Hutcheon says.

The insurer is owned by the UK's Ecclesiastical Insurance Group (EIG), which in turn is owned by Allchurches Trust, an independent registered charity.

Ecclesiastical insurance was established in 1887 by two MPs, three clergymen, a barrister and a clerk of the House of Lords after a series of high-profile fires had left parishes with ruined churches and no means of restoring them.

One of the founding principles was to plough any profits from the business back into charitable work.

Today EIG is a broad financial services group that includes general insurance, investment management and insurance broking businesses in the UK.

The group has set itself a five-year target of providing £100 million for the Allchurches Trust, and also operates award-winning ethical investment manager Edentree.

Ansvar follows the group's ethical investment strategy, and won't invest in certain bonds or other investments that don't meet its corporate responsibility standards.

Historically, Ansvar pays a 90% dividend back to its parent, keeping 10% in Australia to fund growth and for community giving.

As the firm prepares to celebrate its 60th anniversary in Australia, the future promises plenty of upside as most of the sectors Ansvar specialises in have strong growth projections. This is particularly so in the aged, disability and childcare sectors.

The advent of the Federal Government's National Disability Insurance Fund has created significant opportunities in risk management and insurance for Ansvar.

"Faith" is the exception to the overall growth picture, though due to demographic forces faith-based education, aged care and other services are growing.

Ansvar's gross written premium is up 70% since 2014, growing 25% last year, with management increasingly able to reinvest in the business as scale increases.

The company competes against smaller specialist insurers, particularly in childcare

and allied health and some faith-based arenas, as well as many of the larger insurers on a number of corporate accounts.

"Ultimately we are owned by a charity, but Ansvar is not a charity. Our role is to produce profits and dividends to support the charity," Mr Hutcheon says.

Prior to joining Ansvar he was chief executive of the Victorian Managed Insurance Authority, the risk and insurance adviser to the Victorian Government.

The government job involved a cultural and performance turnaround program, and Mr Hutcheon agrees that the Ansvar experience has also involved a focus on rebuilding the business.

"It's very difficult to run a licensed insurer with low revenue, as the fixed costs are substantial," he says. "However, we have concentrated on improving our sector knowledge and developing a risk-led value proposition for customers."

On larger accounts Ansvar adopts a "trilateral" approach, working with the appointed broker and customer. Last year, the insurer decentralised its decision-making by establishing regional underwriting managers in each state, and following the

appointment of a Canberra manager, it is actively looking at other areas where a regional presence is needed.

"As a specialist insurer we try and get decisions made as close to the customer as possible," Mr Hutcheon says.

Ansvar's Community Education Program, which focuses on sustainable programs for Australians under the age of 25, has been running for 26 years, and contributed more than \$10 million to community organisations. In addition, EIG shareholder Allchurches Trust recently contributed \$75,000 to Australian bushfire recovery efforts.

The initiative provides grants of up to \$50,000 for programs supporting Australian youth, promoting healthy lifestyle choices and helping youth at risk or experiencing difficulties such as drug and/or alcohol abuse through rehabilitation and skills training.

"Being ultimately owned by a charity, giving is core to our shareholders' purpose," Mr Hutcheon says.

"It comes back to wanting to be a good corporate citizen and making a contribution to the community we operate in." □