



## Providing jobs, driving growth, serving local firms: Insurance in Birmingham and the West Midlands



# 13,000

jobs provided in the West Midlands



# £850m

contributed to the Birmingham economy



# £1.2bn

contributed to the West Midlands economy

The insurance and long-term savings industry powers the economies of our major cities. Three quarters of the people in the industry work in towns and cities outside the capital.

Insurance is a key and growing sector in the West Midlands economy, providing almost 13,000 jobs, with 7,800 of them in Birmingham alone. The West Midlands is home to major firms such as **Wesleyan Assurance** and **Phoenix Life** as well as hosting major offices for **Allianz** and **Zurich**.

The industry contributed £850 million to the Birmingham economy in 2015, with a contribution of £1.2 billion to the West Midlands economy, all helping drive growth in the **Midlands Engine**.

### Spotlight on the West Midlands:

#### A key regional centre.

Major insurers and long-term savings providers are investing in Birmingham as a centre for the West Midlands economy.

#### Supporting manufacturing.

The insurance industry plays a key role in supporting the West Midlands manufacturing economy – and through it, the wider Midlands region - especially through commercial insurances packages like credit insurance, professional indemnity and engineering insurance.



## Investing in Birmingham to provide growth and support local business

Major insurance and long-term savings firms look to Birmingham as a key hub to serve the West Midlands and as a vital market for services. **RSA**, one of the UK's largest commercial insurers, has opened a new trading site in Birmingham, where local brokers can trade with experienced underwriters. The site in the city centre means West Midlands firms can do business face-to-face with knowledgeable local underwriters and get instant decisions.

The modern, purpose-built trading site offers **RSA's** local partners full access to Wi-Fi-enabled meeting rooms and other facilities and follows the firm's move to Interchange Place in the city's commercial core.

**RSA** and other ABI members' investment in the region means that Birmingham hosts the fourth biggest insurance hub in the UK. With more than 13,000 jobs, it is a larger insurance hub than traditional financial services centres such as Edinburgh.



## Supporting manufacturing economy and helping drive the Midlands Engine

Given Birmingham's longstanding status as the 'city of a thousand trades', much of the insurance and long-term savings market is devoted to providing bespoke products, supporting specific industries. The insurance industry partners with the vast network of SMEs in the region, and is fundamental to the strength of the Midlands Engine, powering one of the UK's most important drivers of growth.

Trade credit insurer, **Atradius**, which has a major regional hub in Birmingham, works with textile firm Softex to protect them from the risk of a client becoming insolvent. With low profit margins in the industry, Softex - whose clients include Burberry, M&S, John Lewis and Laura Ashley - knows that just one client becoming insolvent could deliver a hammer blow to the firm.

### Softex MD, Kiran Yarashi, refuses to do business without trade credit insurance:

"A small hit can be enough to kill off a company and we don't want to be in that position." Softex need an insurer that understands its business, is responsive to its needs and acts fast when it matters. Mr Yarashi says: "I always seek the opinion of Atradius whether to supply a customer as they can advise if I'm likely to get paid or not - and I don't want to take a hit. They are my advisors of where to do business."

Recently, Softex was almost hit with financial turmoil when one of its customers, a fashion manufacturer, went into administration. However, **Atradius** acted quickly and paid out a claim of over £55,000 which Softex received within a month.

### Mr Yarashi says:

"The administration was unexpected. It was a long-standing customer with a reported turnover of £15m and there were no signs that it was about to go under. We couldn't have continued operating without the pay-out."



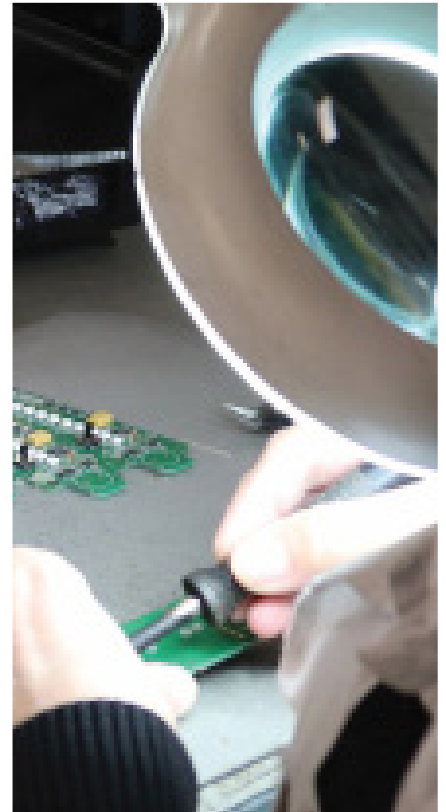
In 2013, **Direct Line Group** partnered with a Birmingham technology company, TrakM8, to be the first UK insurer to create [abi.org.uk](http://abi.org.uk)

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cutting-edge hardware units for customers' cars. The black boxes automatically collect data on driving behaviour, vehicle health, and journey data. This has allowed Direct Line Group to reduce insurance premiums by up to 40 per cent and give customers vital insight into their vehicle's performance. Through its partnership with Direct Line Group, TrakM8 has been able to swiftly develop cutting edge technology that has enabled it to attract new clients, grow significantly as a company and put the UK at the forefront of the thriving global market.

**ABI members operating in the West Midlands include:**

- Allianz
- Aviva
- AXA
- Chubb
- DiLG
- Ecclesiastical
- Markel International Insurance Company
- New India Assurance Company
- Phoenix Group
- Prudential
- RSA
- Wesleyan Assurance Society
- XL Group Ltd
- Zurich



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