

ICMIF Advanced Management Course 2024

2. Leading Mutual Insurers with Purpose



Welcome Back

2. Leading Mutual Insurers with Purpose

Tuesday morning groups

Group 1
Amie Grace Sabornido
Andreas Gärtner
Helle Sand
Jens Smids
Rick Hyman

Group 2
Anne Rice
Franziska Rummel
Kenneth Wolstrup
Pim Robyn
Ryan Dale Maquidato

Group 3
Cindy Nestman
Jana Vanderlinden
Justin Pursaga
Sven Balthies

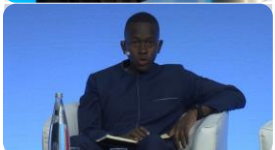
ICMIF Advanced Management Course



Your work is more important now than at any point in history



The world needs you to lead the whole industry with purpose



Your members need you to solve the problems they have



We eternally add value by looking for new solutions to new problems in society



We need each other because peer-to-peer consultancy is cheaper and better than McKinsey



ICMIF will assist and inspire to help you
to **achieve your purpose** and the **impact** you have the ambition to have

The Problems of Mutual Insurers are Universal

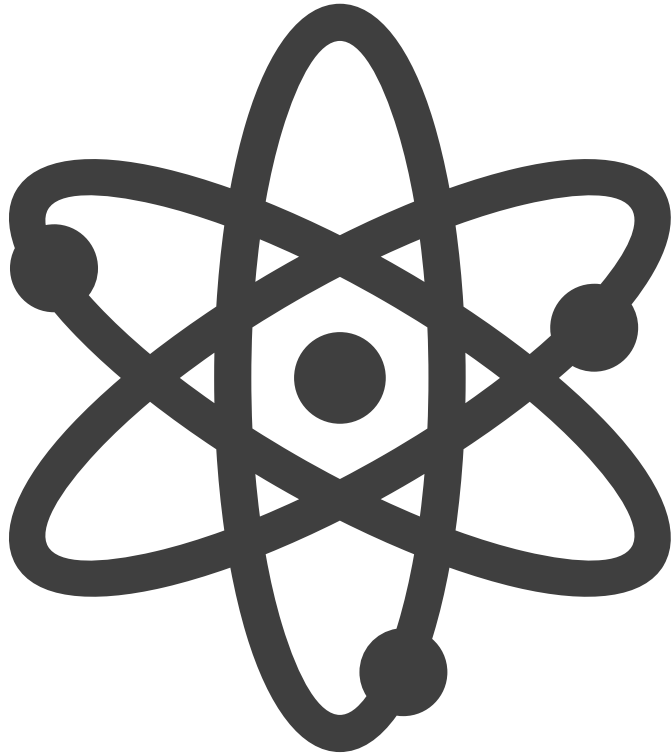
The **solutions** are **specific** and **context dependent**



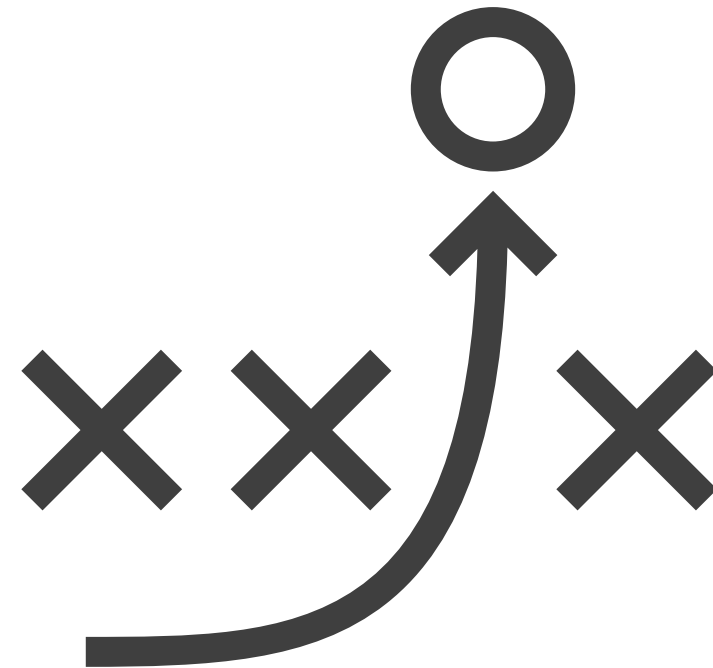
Rob Wesseling
President and CEO, The Co-operators

The **ICMIF AMC** Makes it Easier For You to **Assist Each Other**

Break Down Complex Subjects
Into **Easy to Understand** Atomic Parts

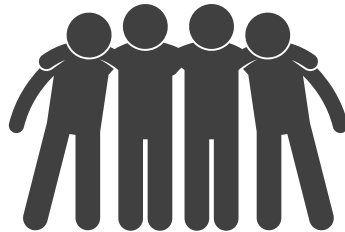


Develop Leadership **Plays** With Fellow
Mutual Insurance Leaders



The ICMIF AMC is Designed as One Integrated Piece

Monday
**Welcome and
introductions**
18.00 – 18.00



Tuesday
**Leading mutual insurers
with purpose**
09.00 -17.00



Wednesday
**Leading teams
in a complex world**
09.00 -17.00



Thursday
**Activating strategy
in a complex world**
09.00 -17.00

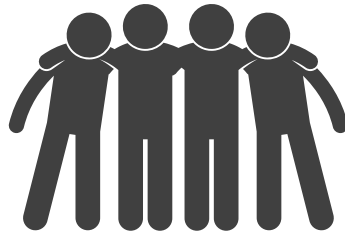


Friday
**Translating learning
into value**
09.00 – 15.00



Today Prepares the Ground

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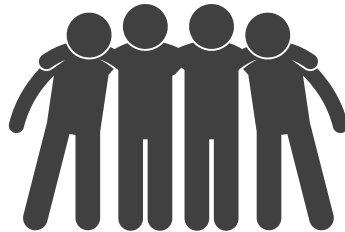


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High Level and Foundational

Monday
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18.00 – 18.00



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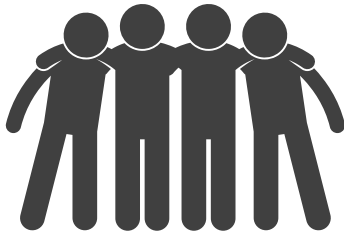


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Translating learning
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09.00 – 15.00



Capture Your Thoughts to Prepare to Translate Your Learning Into Value

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ICMIF Advanced Management Course 2024

Universal Challenges Leading with Purpose In a Complex World



Part 1 (of 6)

Next break: **09:45**

What Happened?

1000

40

1000

30

1000

20

1000

10

Actual total →

4100

Our Brains Used Patterns to Save Energy

1000

40

1000

30

1000

20

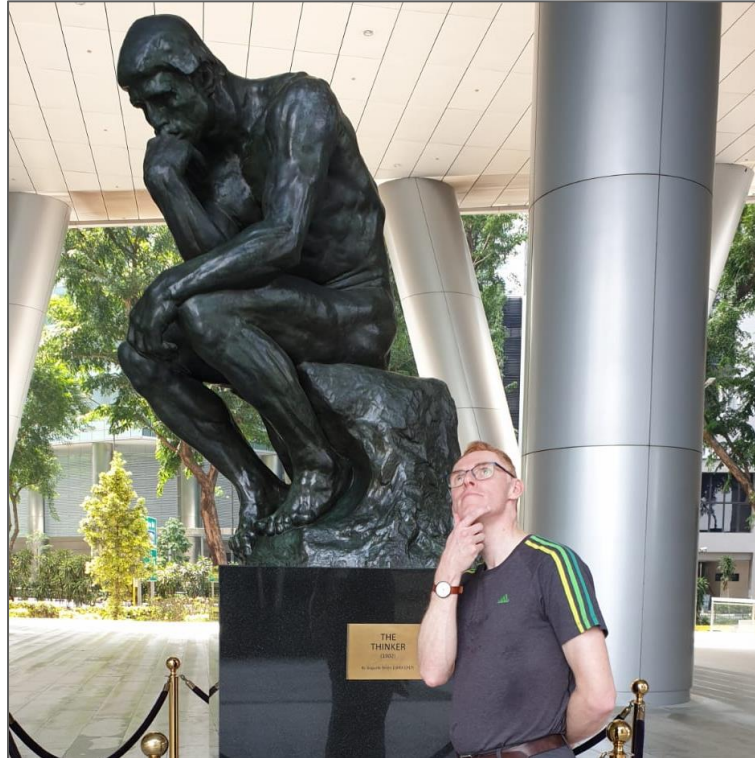
1000

10

Actual total → **4100**

“When we think we think less than we think we think”

What Happened?



“When we think we think less than we think we think”

Leading Mutual Insurers With Purpose in A Complex World

Universal Challenge #1: People Aren't Rational



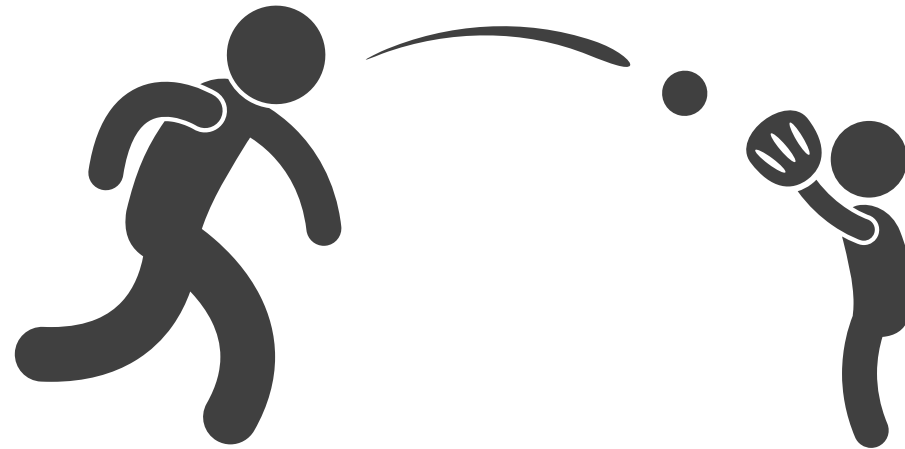
“When we think we think less than we think we think”

Daniel Kahneman

1. Watch



2. Predict





Leading in a Complex World

A Technical Problem



A Complex Problem



Comparing Technical & Complex Problems



Technical

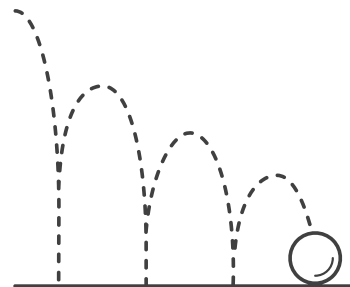


Complex



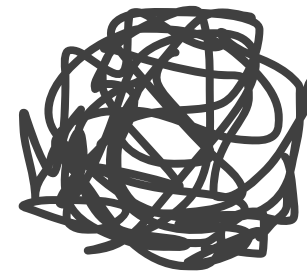
Technical

How shall I underwrite this standard risk?



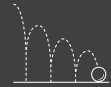
Complex

How do we ensure our company manages the present while it also invents the future?



Comparing Technical & Complex Problems

Technical



Repeated patterns



Predict with confidence



Reliable learning



Engage an expert



Apply rules

Complex



Hard to understand



Impossible to predict



Hard to learn from



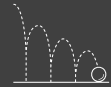
Work as a team



Apply models and tools

Rules Fail in the Face of Complexity

Technical



Repeated patterns



Predict with confidence



Reliable learning



Engage an expert



Apply rules

Complex



Hard to understand



Impossible to predict



Hard to learn from



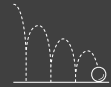
Work as a team



Apply models and tools

Complex Situations Require Teams Using Models and Tools

Technical



Repeated patterns



Predict with confidence



Reliable learning



Engage an expert



Apply rules

Complex



Hard to understand



Impossible to predict



Hard to learn from



Work as a team



Apply models and tools

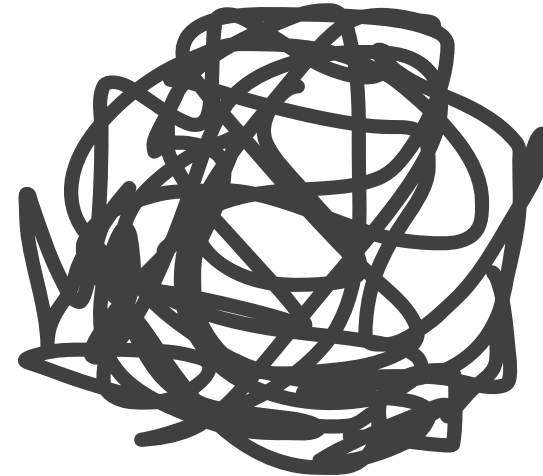
Leading Mutual Insurers With Purpose in A Complex World

Two Universal Challenges

1. People Aren't Rational

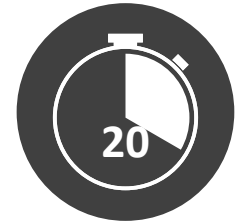


2. The Real World is Complex

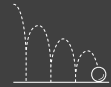




Your Return On Investment



Where do you need an expert using rules?



Repeated patterns



Predict with confidence



Reliable learning



Where do you need a team using models and tools?



Hard to understand



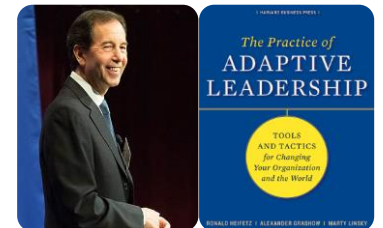
Impossible to predict



Hard to learn from

The Most Common Cause of Leadership Failure

Stems from trying to apply
technical solutions to **adaptive challenges**



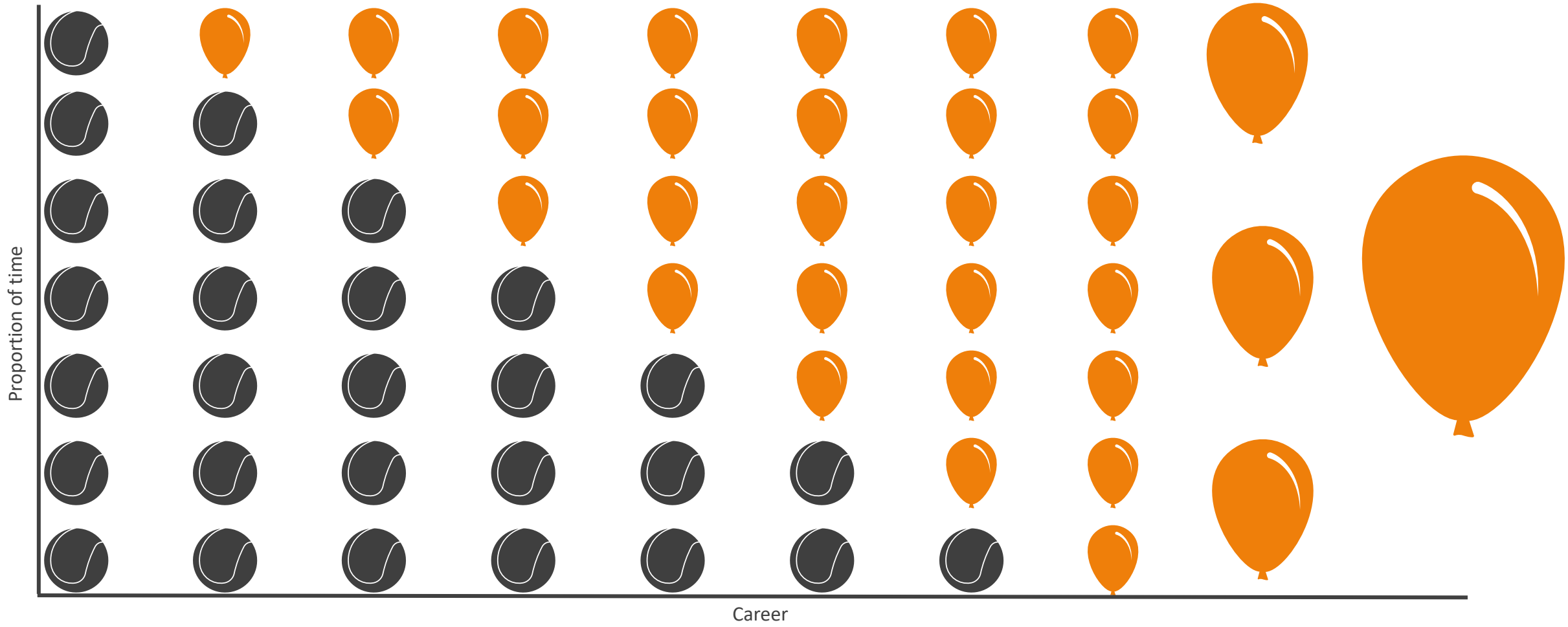
Ronald Heifetz
Harvard University

For Every Complex Problem

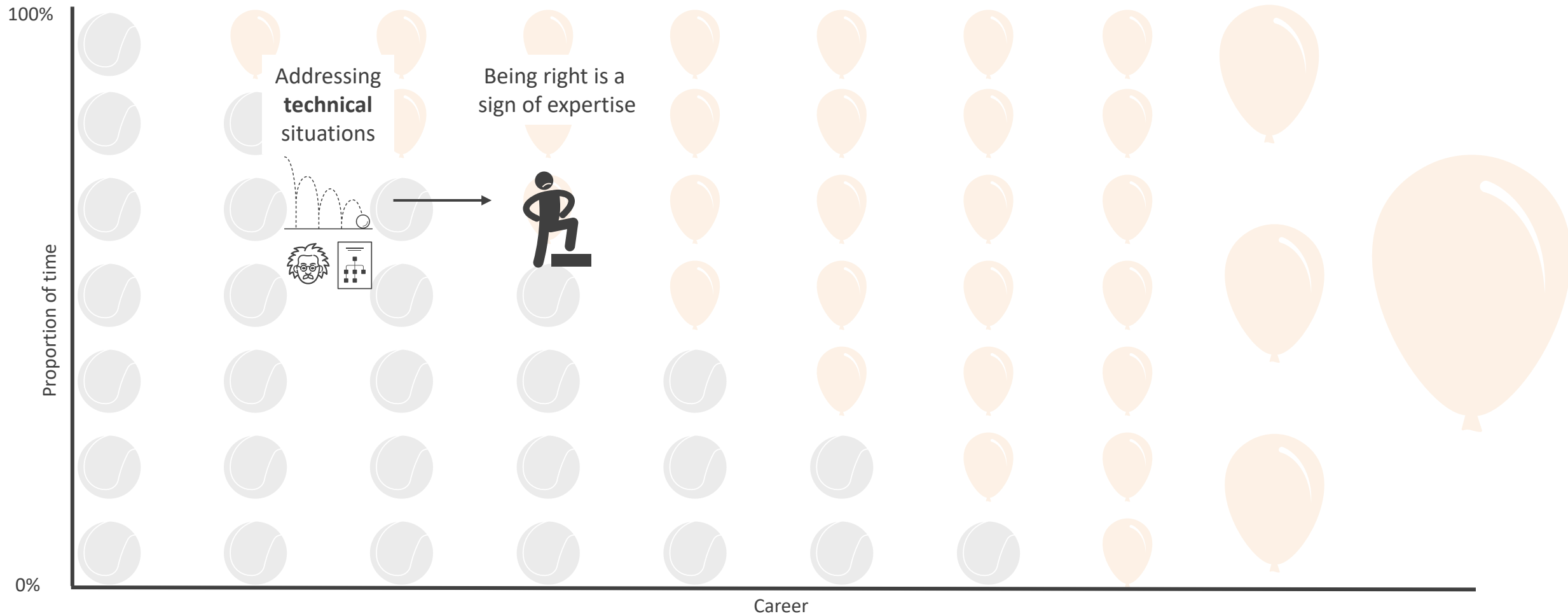
There is an answer that is clear, simple and
wrong

HL Mencken

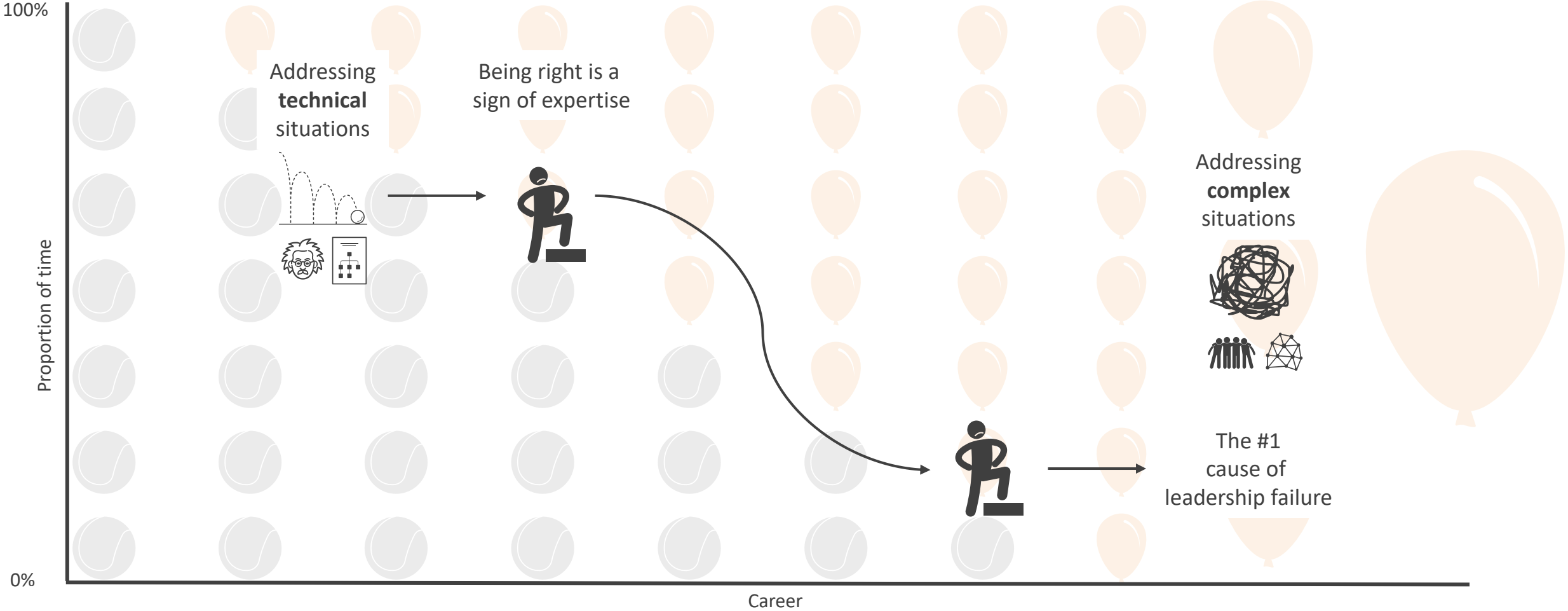
American journalist, essayist and satirist



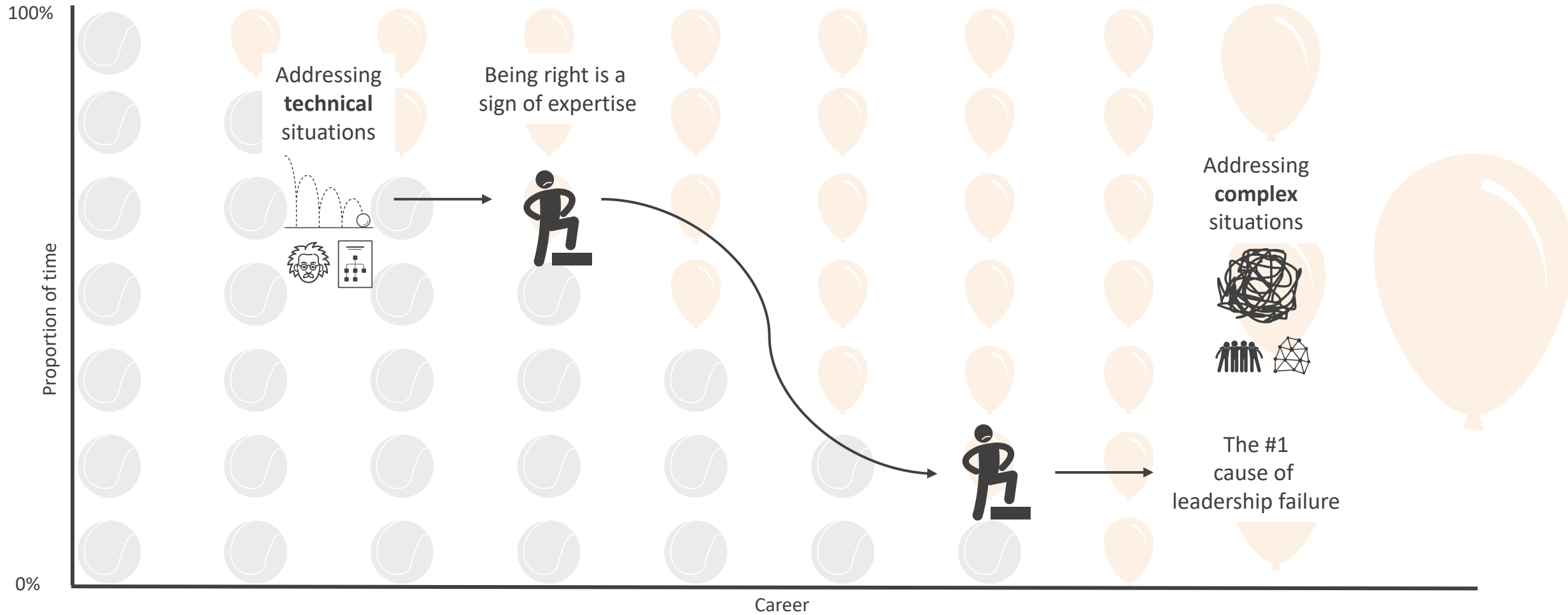
We Associate Being An Expert With Our Status As Leaders



We Cannot Be Experts In Every Complex Situation

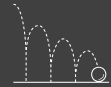


But We Can Become Expert In How to **Approach** Complex Situations



But We Can Become Expert In How to **Approach** Complex Situations

Technical



Repeated patterns



Predict with confidence



Reliable learning



Engage an expert



Apply rules

Complex



Hard to understand



Impossible to predict



Hard to learn from

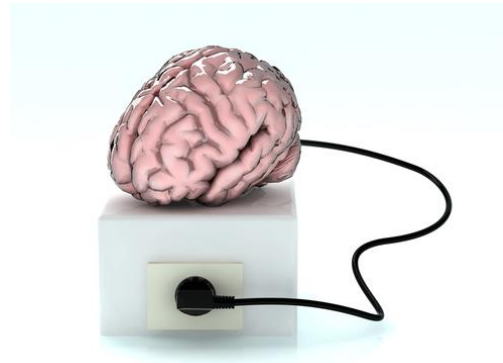


Work as a team



Apply models and tools

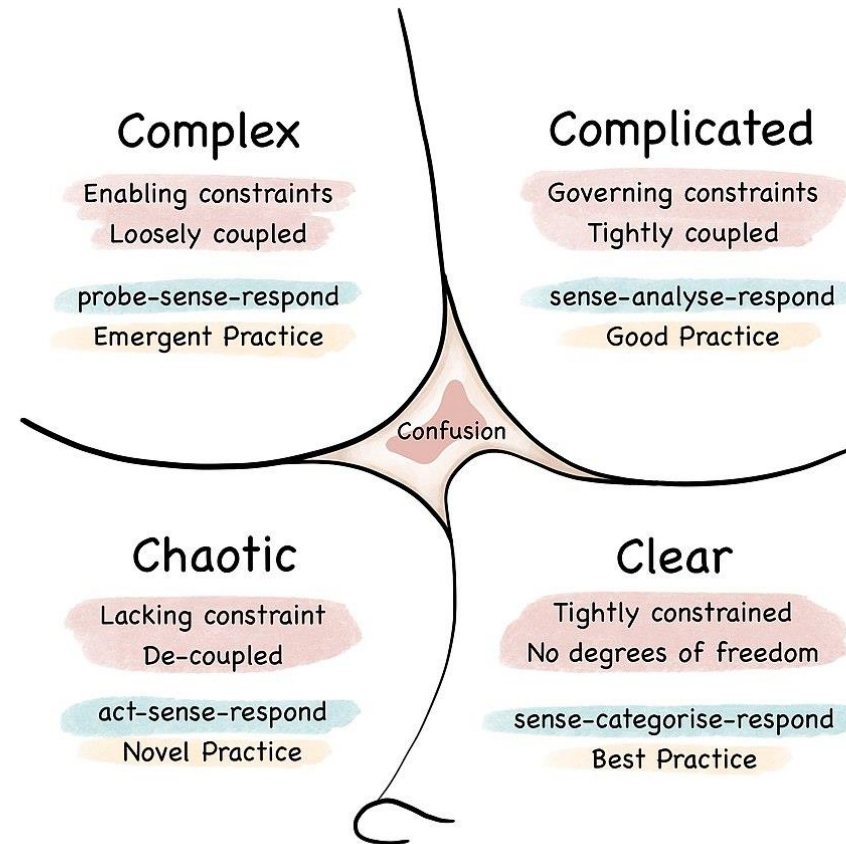
Break #1 (of 4 today)



Next session starting at

10:05

Cynefin Framework



ICMIF Advanced Management Course 2024

Foundations of Leading with Purpose (With an Energy-Saving Brain)



Part 2 (of 6)

Next break: 11:05

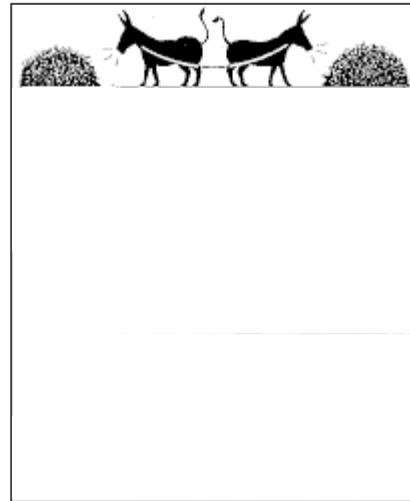
Leading a Team Towards A Leader's Goal

A

B

Leading a Team Towards A Leader's Goal

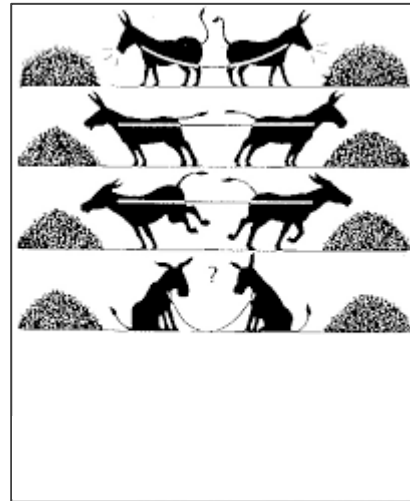
A



B

Leading a Team Towards A Leader's Goal All Too Often Ends In Failure

A



B

Organizations Spend Over \$160 Billion a Year Hiring Consultants to Develop and Execute Strategies

And yet 80 percent of corporate strategies fail



Why?



Why?

Because we forget the most important factor
in successfully executing strategy:

People



Aric Wood
CEO, XPLANE

Leaders are Not (by definition) Responsible for Results

Leaders are **responsible for the people** who are responsible for the results



Simon Sinek
Author

We Overlook Strategic Activation

Strategic Planning -----> Strategic Execution



Strategy Activation

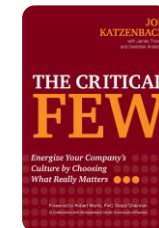
Seeks to **capture hearts and minds**, develop a **shared vision**, and **persuade** people to **work together** to co-create new futures



Aric Wood
CEO, XPLANE

When Corporate Boards Fire CEOs

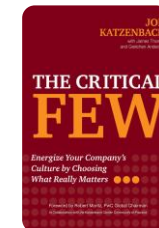
The official reason is often a lack of financial success or failure to meet targets



Jon R. Katzenbach
Managing Director, PwC US

But Each is an Outcome of a Deeper Issue

An inability to connect strategic choices and operational shifts to the company's people in **ways that motivate and energize them**



Jon R. Katzenbach
Managing Director, PwC US

Leading in A Complex World

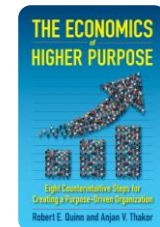
Universal Challenge: The Principal-Agent Problem



The Central Framework of Microeconomics

The Principal-Agent Model

Self-interest causes the goals of the principal and agent to **diverge**



Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

Leading Mutual Insurers With Purpose in A Complex World

Universal Challenge: The Principal-Agent Problem



**The principal (the employer)
and the agent (the employee)
form a work contract**

Robert Quinn

The **Principal** (Employer) and the **Agent** (Employee) Form a Work **Contract**



Assumption: The **Agent** (Employee) is **Lazy**



**For a Certain Amount of Money, They Will
Deliver a Certain Amount of Labour, and **No More****



Since Effort is Personally Costly,
the **Agent** (Employee) **Underperforms**

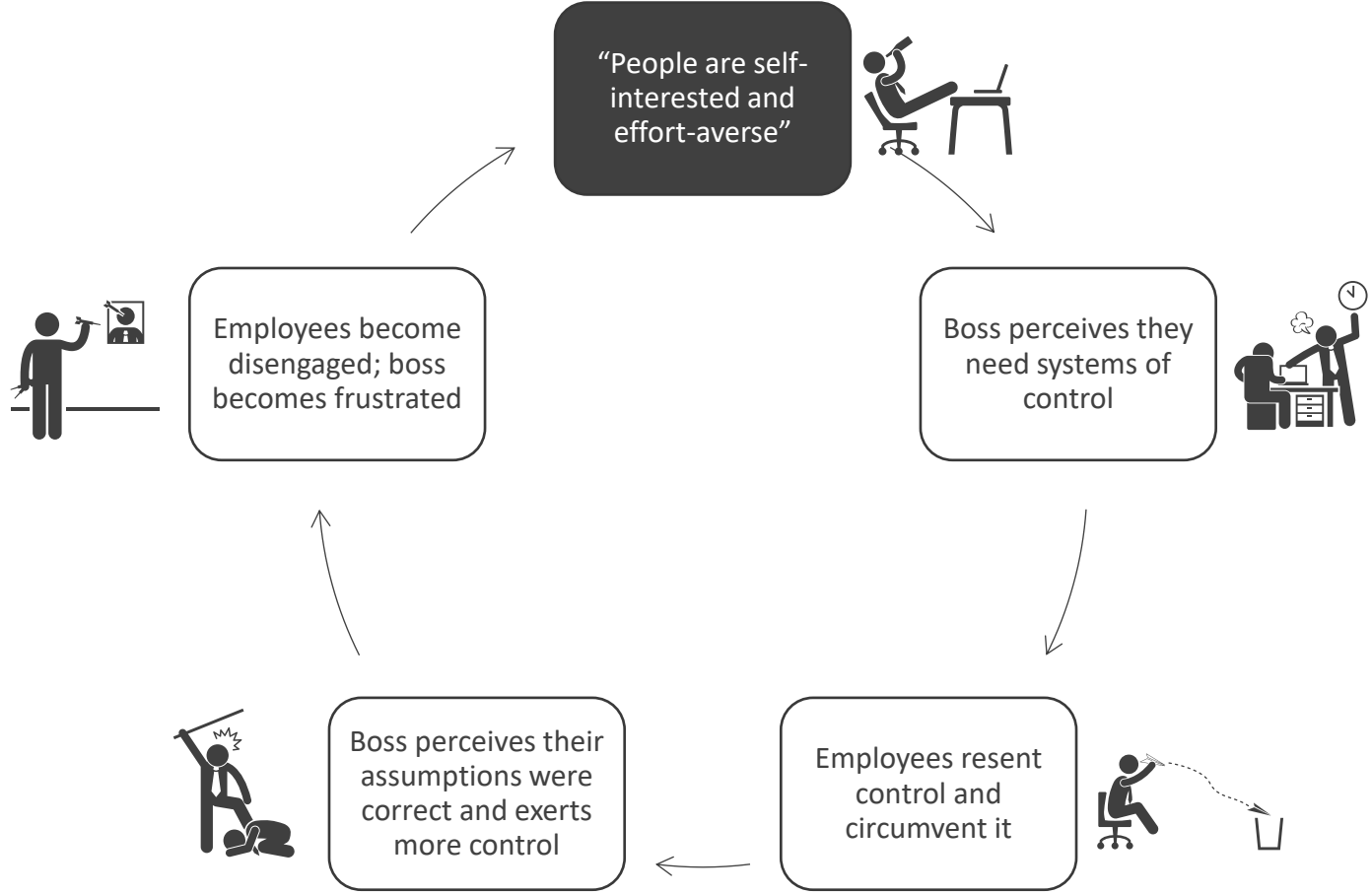


Unless the **Principal** (Employer) Puts in Place Incentives & **Control** Systems



An Economic Theory of Higher Purpose

Vicious circle



Leading Mutual Insurers With Purpose in A Complex World

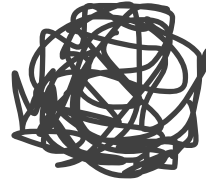
Three Universal Challenges

1. People Aren't Rational



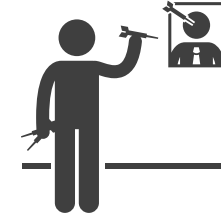
“When we think we think less than we think we think”

2. The Real World is Complex



“The most common leadership failure stems from applying technical solutions to adaptive challenges”

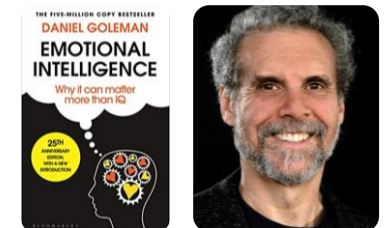
3. Principal-Agent Problem



“Self-interest causes the goals of the principal and agent to diverge”

Leadership is Not Domination

But the art of **persuading** people to work towards a **common goal**

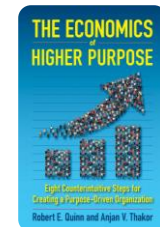


Daniel Goleman
Author

The Central Framework of Microeconomics

The Principal-Agent Model

Normally predicts behavior



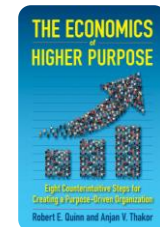
Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

The Central Framework of Microeconomics

The Principal-Agent Model

Normally predicts behavior, but is based on **assumptions** that **diminish the ability of leaders** to **inspire behavior** that results in organizations of exceptional performance

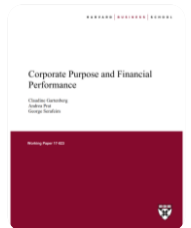


Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

An Authentic Purpose Delivered With Clarity

Has a **positive impact** on both operating financial performance and forward-looking measures of performance like stock price



Harvard, Columbia & Wharton

500,000 people across 429 firms

Our Purpose and strategy were introduced in 2020

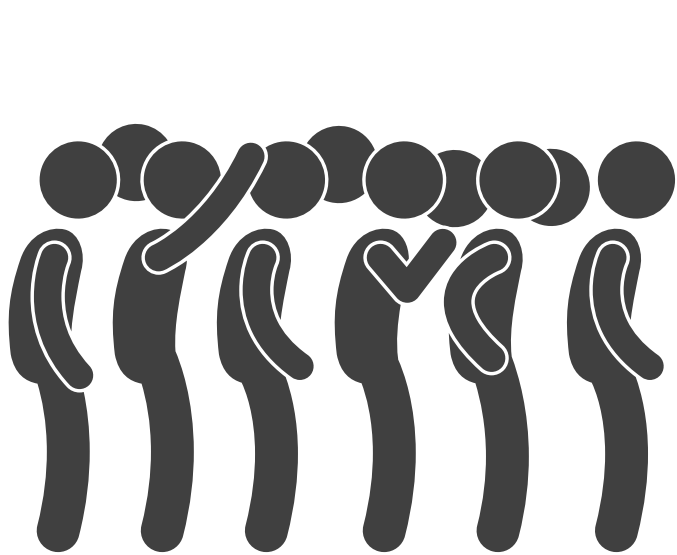


Nadia Al Yafai
Head of Mutuality and Social Impact,
Royal London (UK)



Jamie Jenkins
Director of Policy & External Affairs,
Royal London (UK)

We All Work For Purpose-Driven Organisations



The Positive Impact on Performance is Driven By

The **perceptions of middle management** and **professional staff**, rather than senior executives



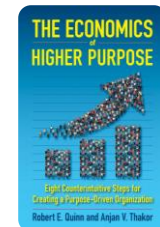
Harvard, Columbia & Wharton

500,000 people across 429 firms

Purpose is Not Just a Lofty Ideal It Drives Financial Health and Competitiveness

People who **find meaning in their work** don't hoard their energy and dedication

They **give them freely**, defying conventional economic assumptions about self-interest

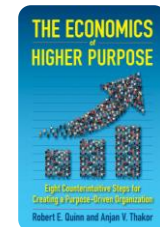


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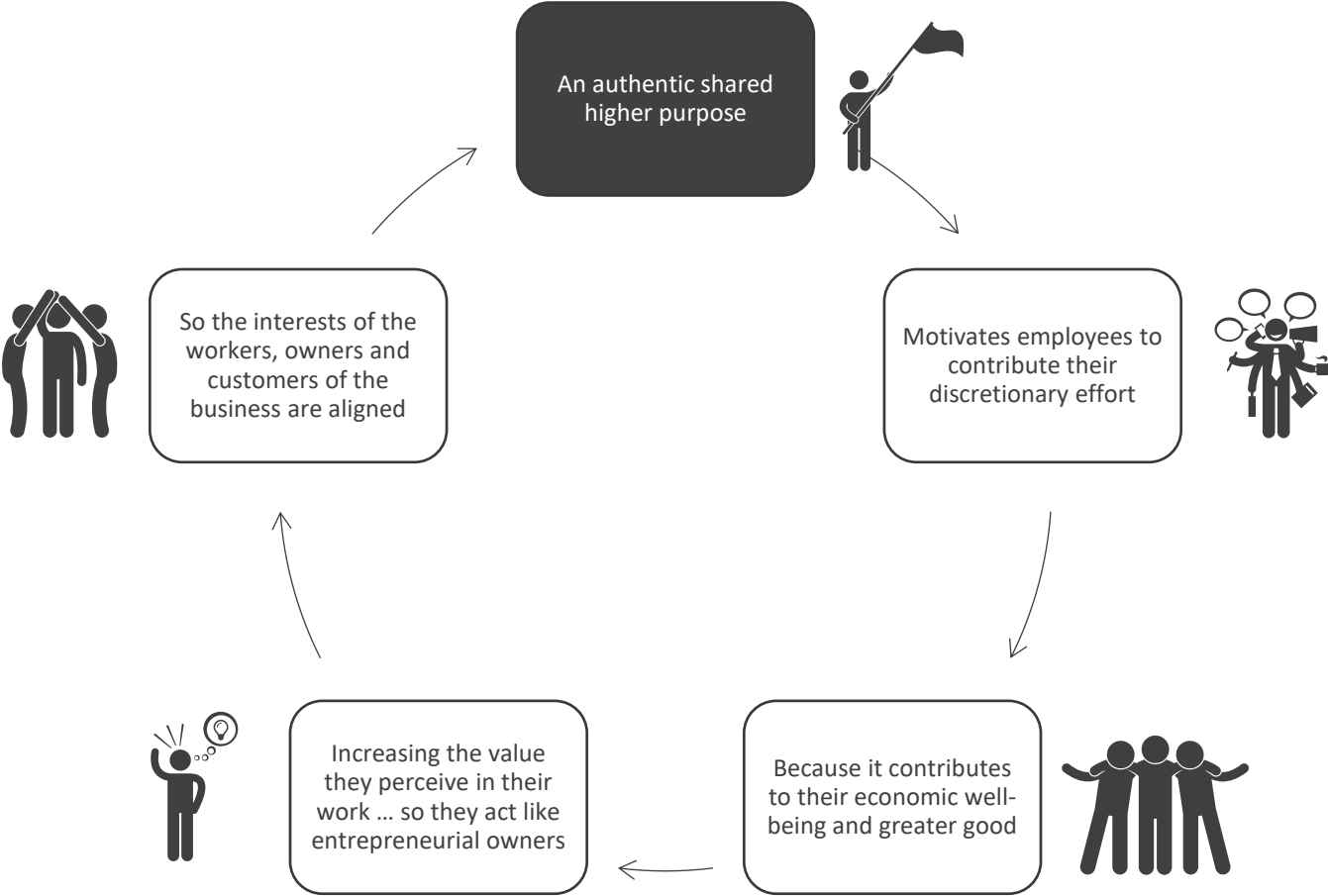
Seada van den Herik

CEO, Onderlinge 's-Gravenhage (Netherlands)



An Economic Theory of Higher Purpose

Virtuous circle



The #1 Responsibility of a Leader

To catalyze a **clear and shared vision** for the company



Jim Collins

McKinsey & Stanford University

The #1 Responsibility of a Leader

To catalyze a **clear and shared vision** for the company and to **secure commitment** to and vigorous pursuit of that vision

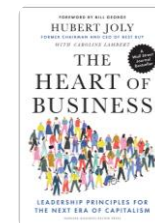


Jim Collins

McKinsey & Stanford University

This Approach is Easy to Understand

But putting it into **practice** is not so easy



Hubert Joly
CEO, Best Buy

For Senior Leaders To Lead With Purpose

Discover and refine the organization's
higher purpose



Royal London's Purpose and Strategy

Our Purpose and strategy were introduced in 2020



For Senior Leaders To Lead With Purpose

Discover and refine the organization's higher purpose



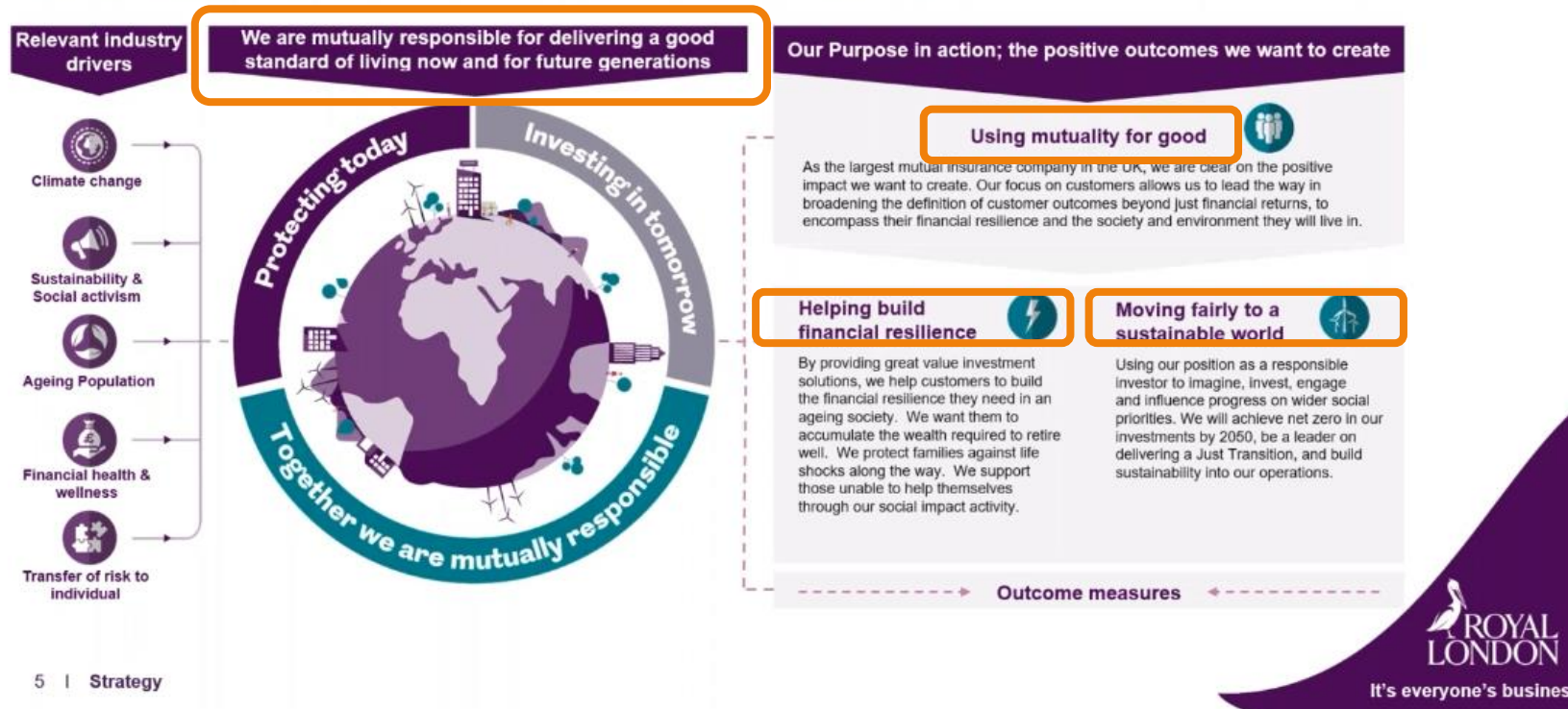
Intersect the purpose with the organization's strategy



Royal London's Logic Model For Activating Strategy

Our purpose in action: using mutuality for good

As a modern, purpose driven mutual, we are clear on the positive impact we want to create.

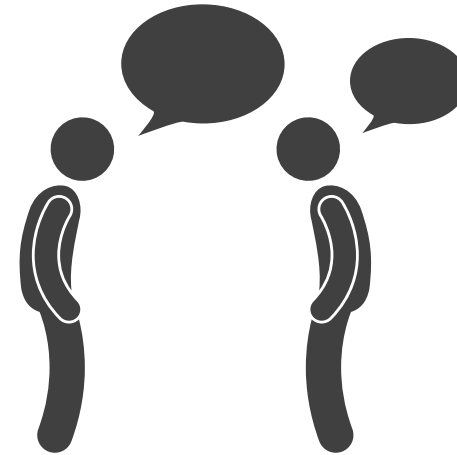


For Everyday Leaders To Lead With Purpose

Once leaders have internalized the organization's purpose and strategy

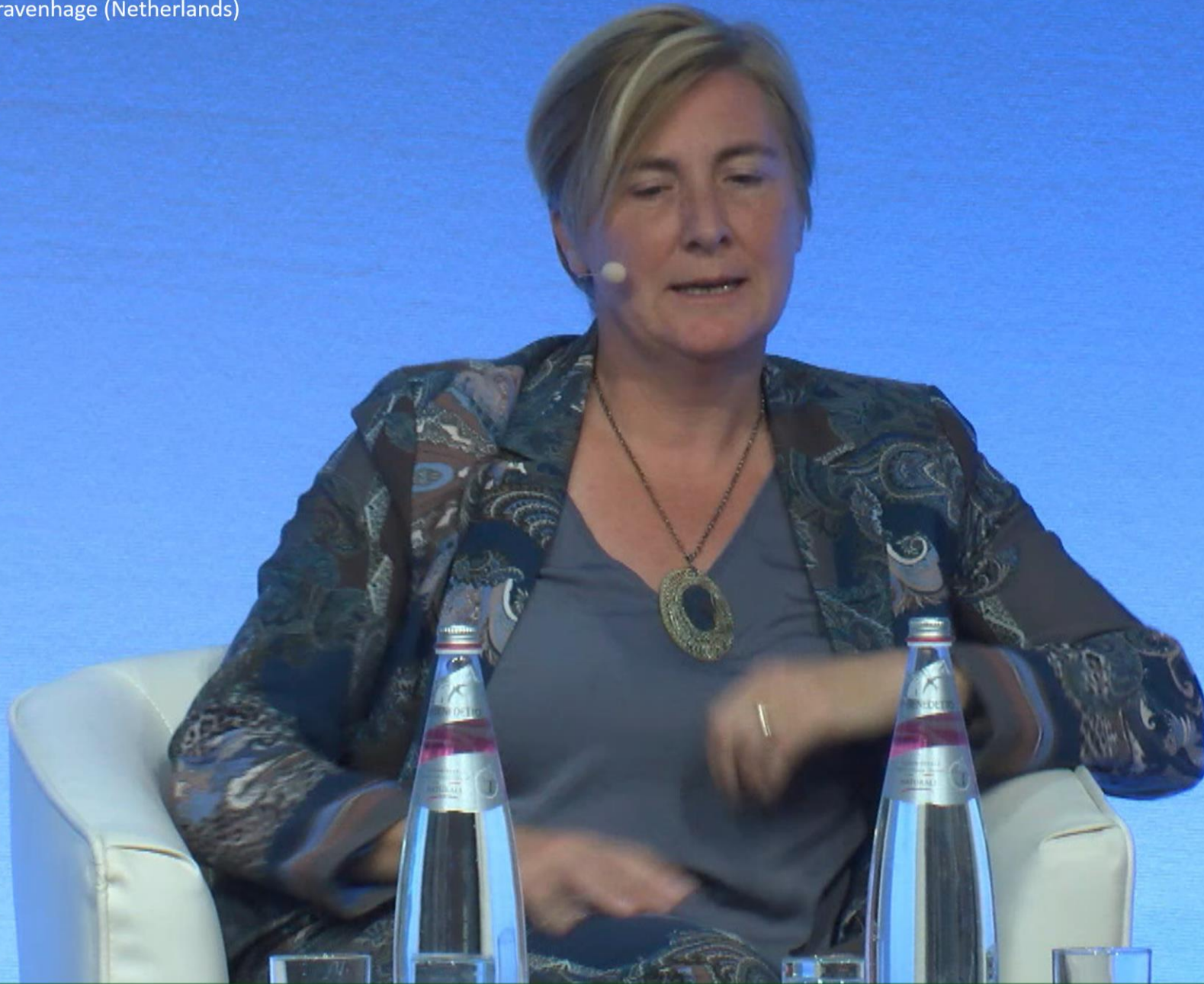


Make it easier for frontline employees to translate it to their day-to-day tasks



Seada van den Herik

CEO, Onderlinge 's-Gravenhage (Netherlands)



Martin Robert

Executive Vice-President, Beneva (Canada)



Are Your People

Extracting Rock



Building Aqueducts and Basilicas



The #1 Responsibility of a Leader

To catalyze a **clear and shared vision** for the company and to **secure commitment** to and **vigorous pursuit** of that vision

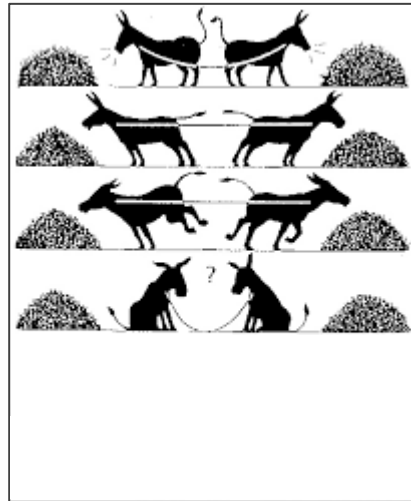


Jim Collins

McKinsey & Stanford University

Competing Goals = Low Motivation

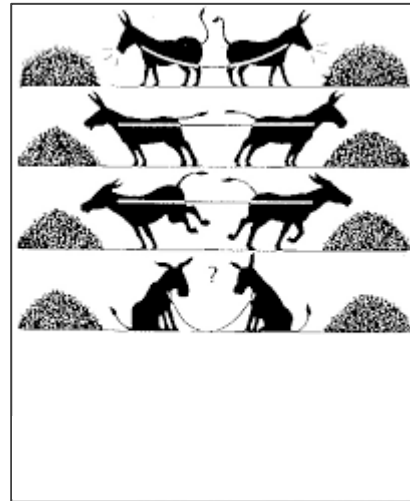
A



B

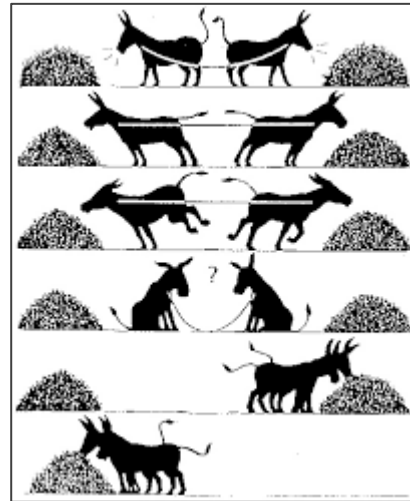
Shared Goals = Higher Motivation

A

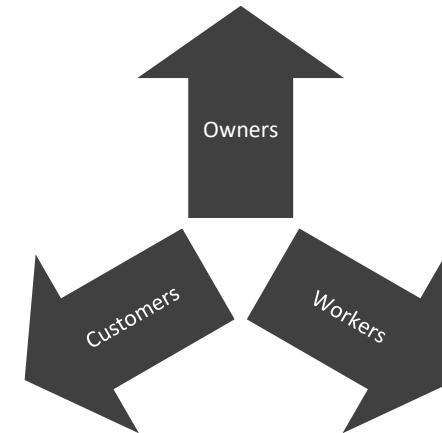


B Shared goal

The Challenge of Competing Motivation



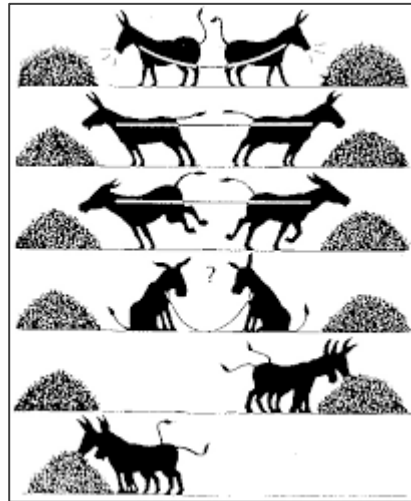
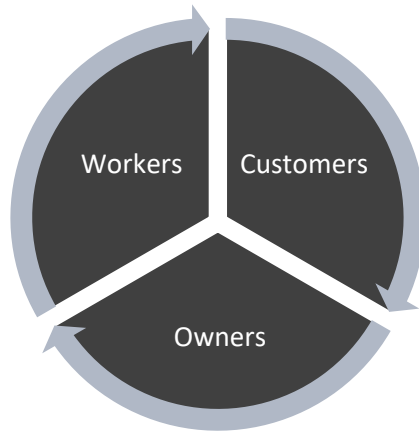
Joint stock
Non-aligned motivation



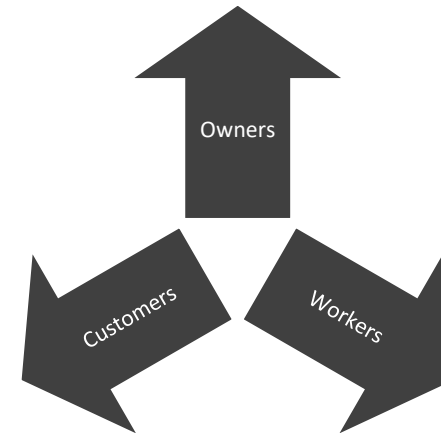
One Could Argue...

Only Mutuality **Aligns Motivation**

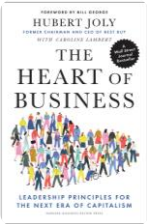
Mutuality
Aligned motivation



Joint stock
Non-aligned motivation



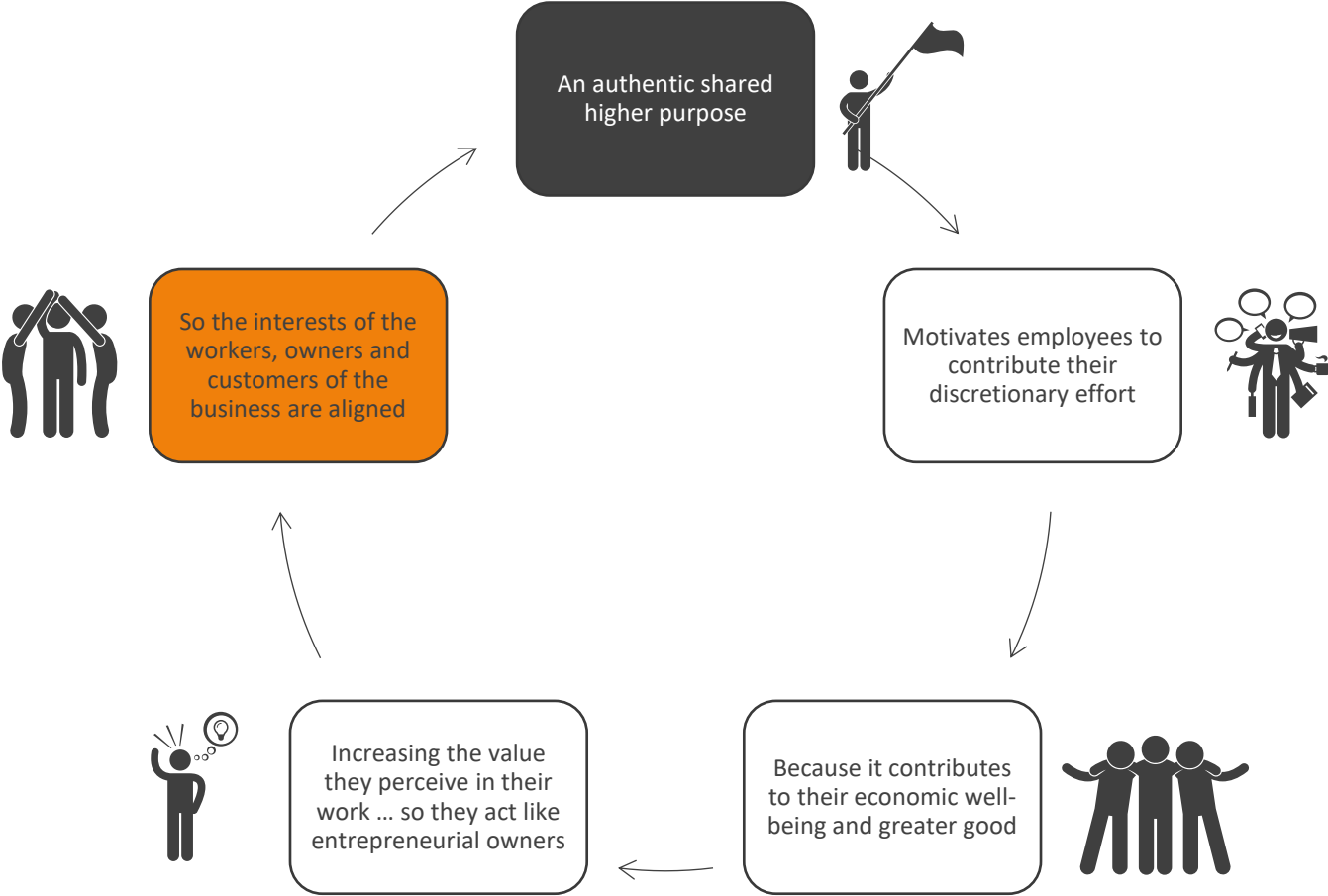
Declaration of Interdependency



Hubert Joly
CEO, Best Buy

An Economic Theory of Higher Purpose

Virtuous circle



To Create an Attractive and Regenerative Workplace

Where employees **experience** that their
market value increases and

Employment is a **positive contribution** to
their **quality of life**



Helle Sand

Chief People Officer, LB Group, Denmark

Mutuality Makes Leading With Purpose **Easier**



Mutuality Can Build and Sustain Purpose for Workers, Customers, Owners and Society



Insurance Started Out

As **communities coming together**
to **share life's big risks**
by **mutualising them**



Shaun Tarbuck
Chief Executive, ICMIF

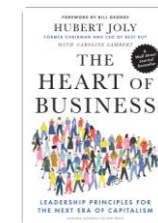
Glenn Croasdale

Chief Client Officer, FMG (New Zealand)



Purpose

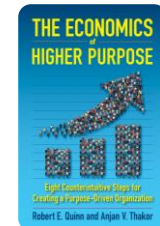
Is the **reason a company exists**



Hubert Joly
CEO, Best Buy

What We Seek is an Intersection of Higher Purpose and Business Strategy

Not some charitable cause distinct from the
company's business

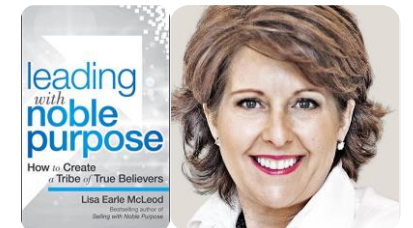


Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

A Noble Purpose

Is the positive **impact** a company is seeking to make on **people's lives**



Lisa Earle McLeod

Founder, McLeod & More

We Insure Over Half of the Farmers and Growers



Glenn Croasdale

Chief Client Officer, FMG, New Zealand

We Insure Over Half of the Farmers and Growers Agriculture is the Largest Industry

We have a **critical role** to ensure our **farmers and growers** are able to **take the risks** they need to

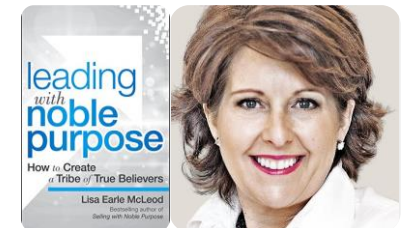


Glenn Croasdale

Chief Client Officer, FMG, New Zealand

A Noble Purpose

Is the positive **impact** a company is seeking to make on **people's lives** and, by extension, its contribution to the **common good**



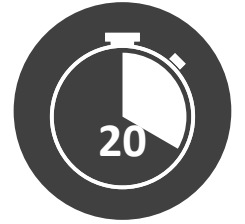
Lisa Earle McLeod
Founder, McLeod & More

A Better Deal for Rural New Zealand





Your Return On Investment

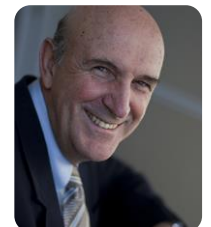
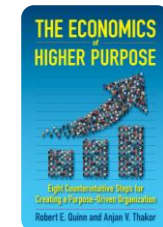


2. What is your organisation's purpose?

Optionally, what is one way you harness that purpose to inspire the people you lead?

The Organization Must Stress Operational and Economic Success

While it embraces higher purpose



Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

The Centre of Power in the Organization has Shifted

From the command structure
to **empowered people**



Aric Wood
CEO, XPLANE

The Very Basis of Competition Today is Creativity and Innovation

We should not be surprised that this has **upended command and control** and for our people to think critically about the **why** of things



What is the Difference Between Management and Leadership?

Management vs. Leadership

Addresses **can't**

Overcomes **won't**

Management **controls** performance
because it impacts skill

It's a matter of monitoring,
analysing and directing

Leadership **creates** performance
because it impacts willingness

It's a matter of modelling,
inspiring and reinforcing



Stan Slap

Founder, Slap Company

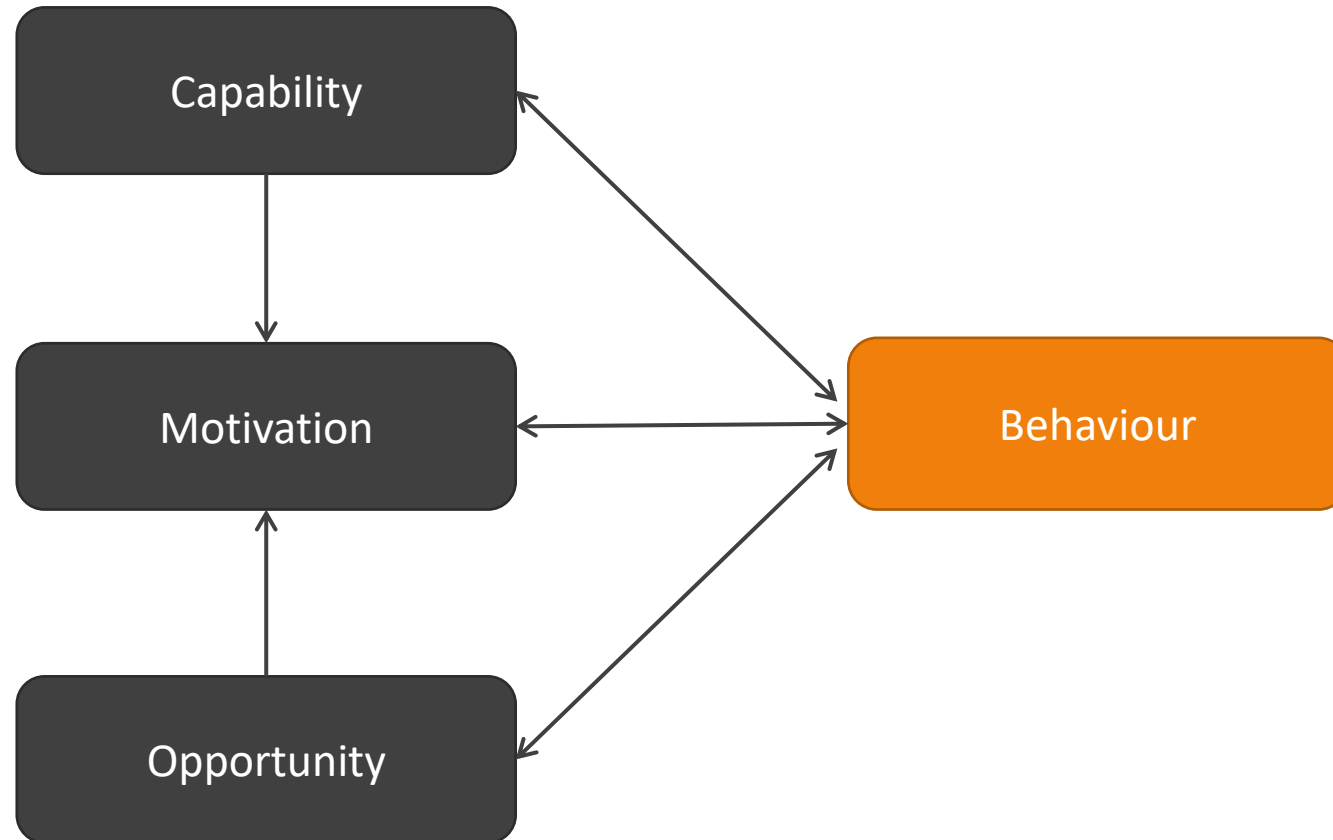
What 3 Things Do You Need to Prove to Secure a Conviction for Murder in the USA?

Capability

Motivation

Opportunity

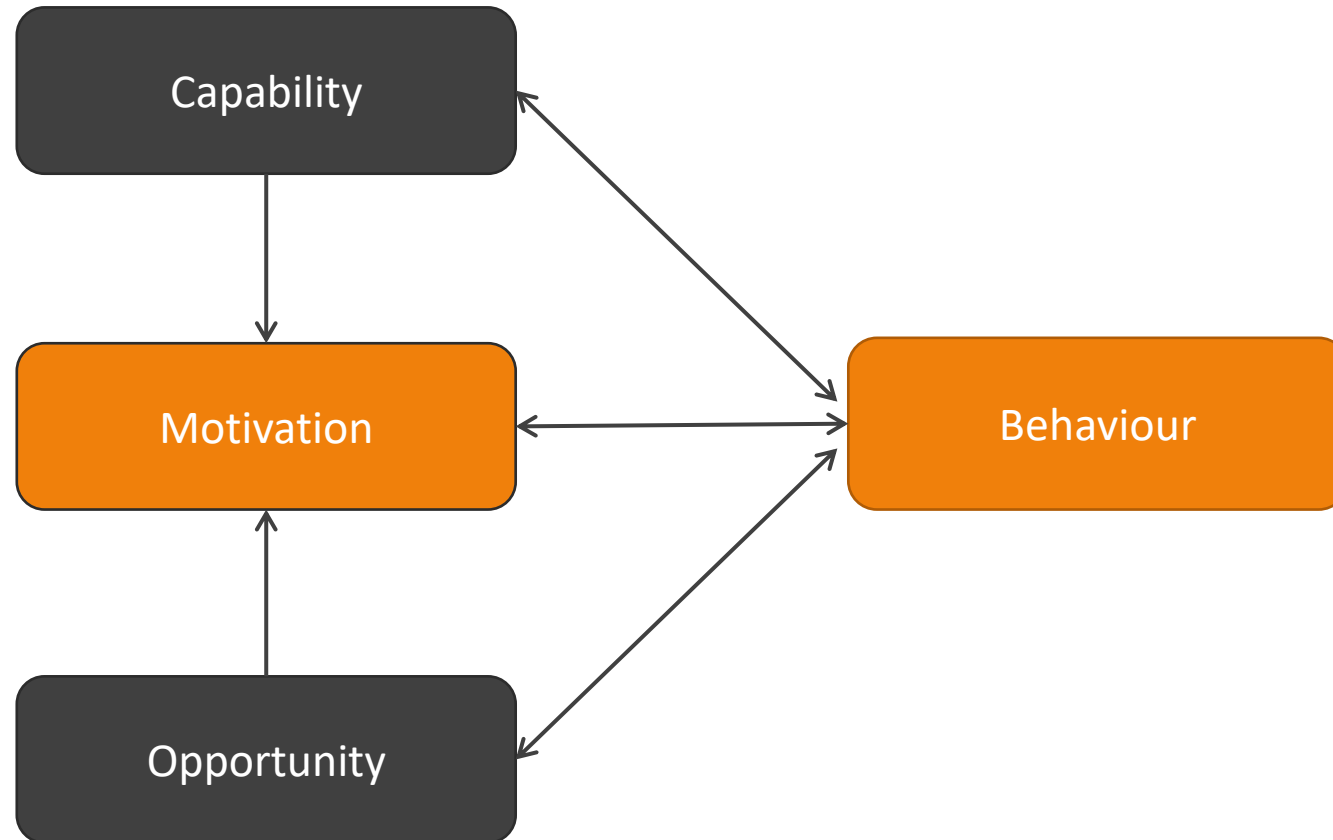
Delivering Behavioural Change



Prof. Susan Michie

University College London

Why Leaders Fail



Prof. Susan Michie

University College London

For Leaders to Activate the Strategy of Purpose-Driven Organisations

1. Clarify the **Purpose**
to overcome
self-interest

By providing a vision of a
purpose bigger than any
one of us

2. Lead to
unlock the **Drive**
to act

By helping each person
connect their own
purposes with the
organization's

3. Manage to provide
the **Organisation**
to act

By providing the
capability and
opportunity each person
requires to act

Leading Mutual Insurers With Purpose in A Complex World

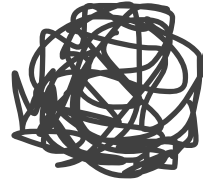
Three Universal Challenges & One Opportunity

1. People Aren't Rational



“When we think we think less than we think we think”

2. The Real World is Complex



“The most common leadership failure stems from applying technical solutions to adaptive challenges”

3. Principal-Agent Problem



“Self-interest causes the goals of the principal and agent to diverge”

The Power of Purpose



“An authentic purpose delivered with clarity has a positive impact on performance”

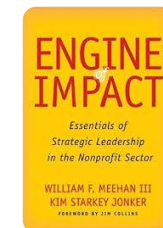
Apply A Logic Model

Theory of Change

A **logical description**
of how “it” works

The Engine of Impact

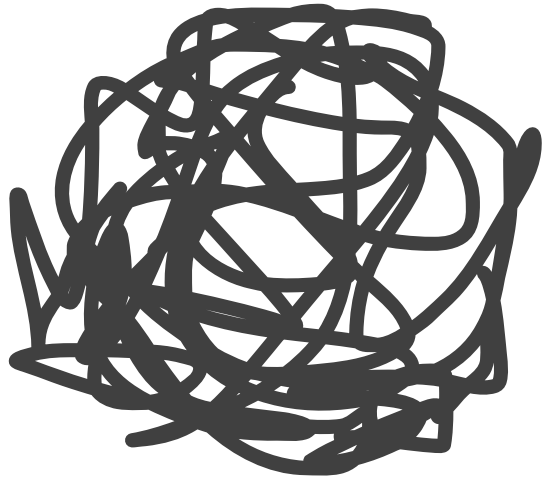
Describes your **strategy** for
achieving your goals given the
theory of change



Meehan & Starkey Jonker

Stanford University Business School

Complex Systems Feature Uncertainty



Complex Systems Feature Uncertainty

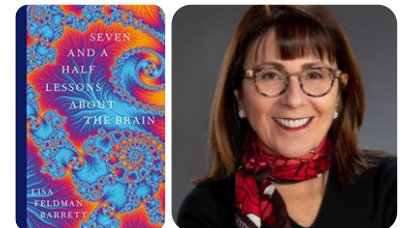
Wherever there is **uncertainty**
there has got to be **judgment**
and wherever there is **judgment**
there is an opportunity for **human error**



Donald Redelmeier
University of Toronto

Why Did a Brain Like Yours Evolve?

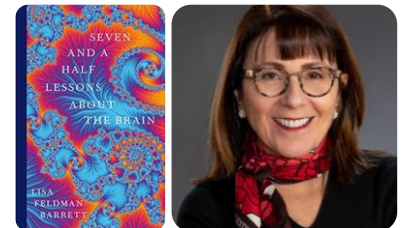
There is no “why”



Lisa Feldman Barrett
Northeastern University

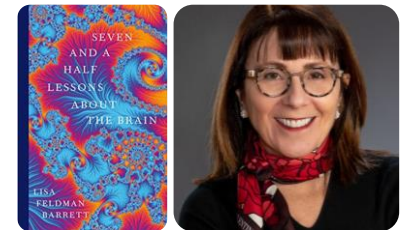
But We Can Say What is Your Brain's Most Important Job

It's not rationality. Not emotion
Not imagination, or creativity, or empathy



Lisa Feldman Barrett
Northeastern University

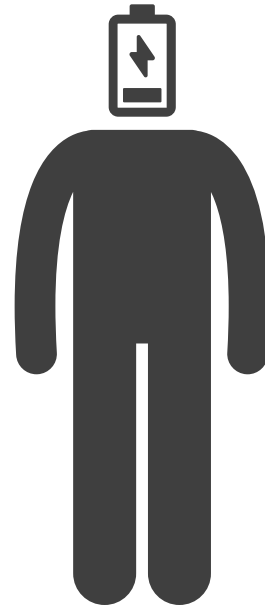
Your Brain's Most Important Job Is to Manage Allostasis



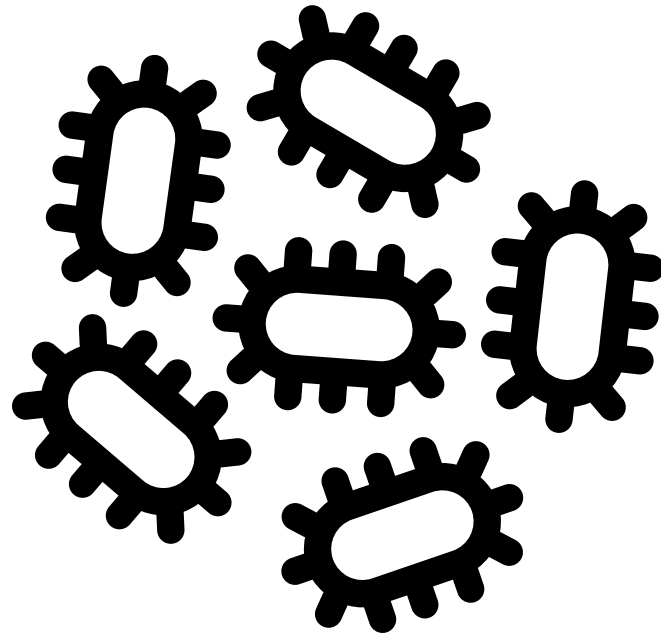
Lisa Feldman Barrett
Northeastern University

Allostasis

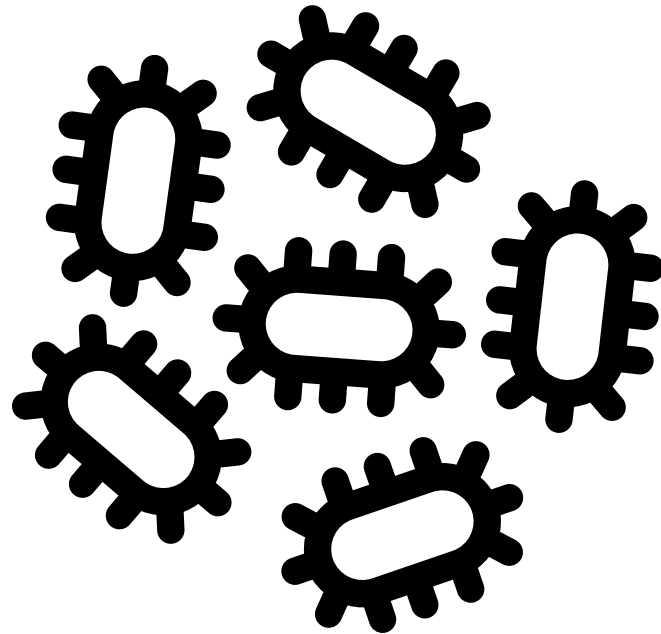
Body Energy Budgeting



Once Upon a Time 550 Million Years Ago



You Were a Little “Stomach” Floating Without Control Bumping Into “Food”



Like a Nematode (302 Neurons Versus Our ~85 Billion)

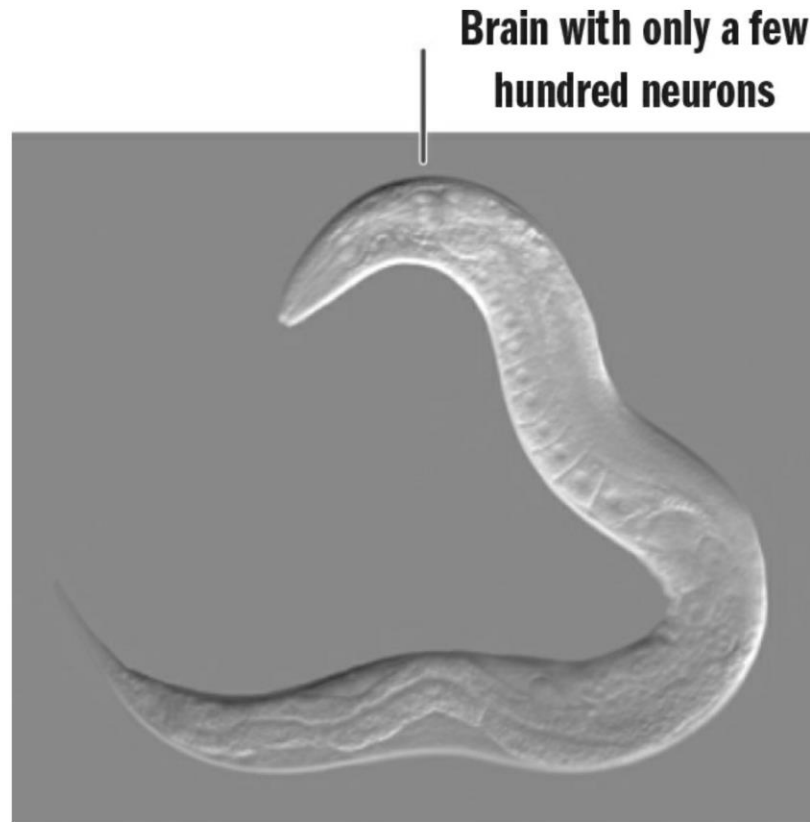
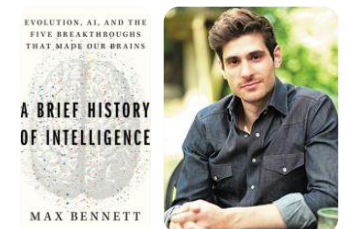


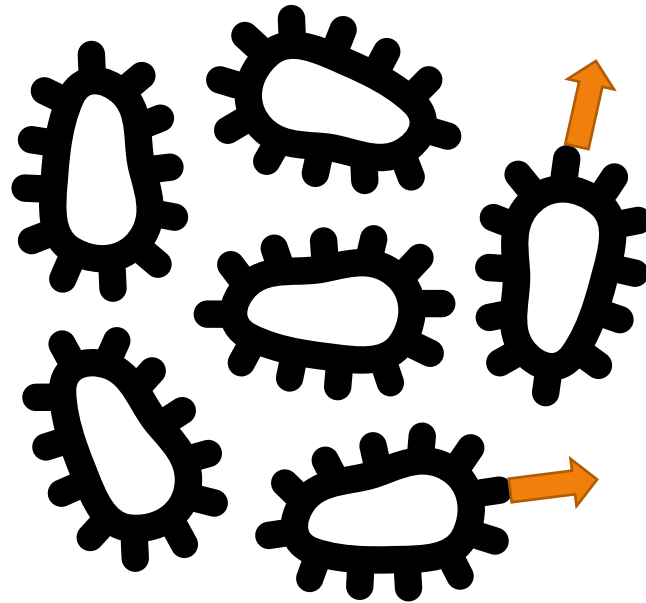
Figure 2.5: The nematode *C. elegans*

Original art by Rebecca Gelernter



Max Bennett
AI Entrepreneur and researcher

Little By Little You Evolved to Wiggle Towards The Food



If Food Smell Increases, Keep Going Forward If Food Smell Decreases, Turn

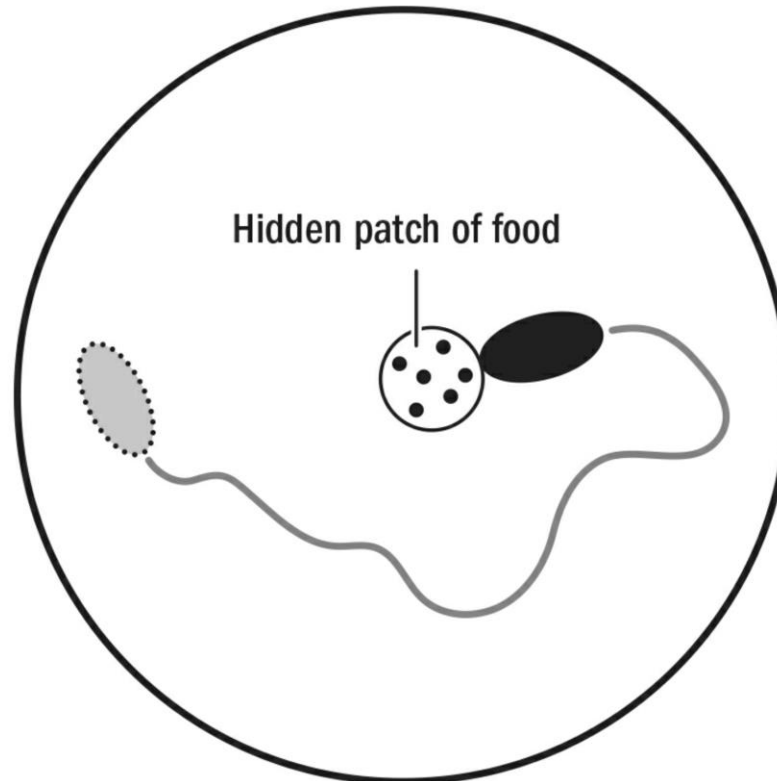
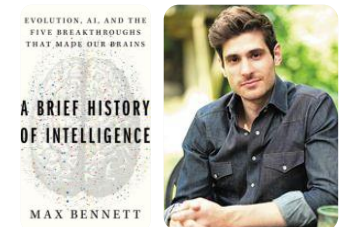


Figure 2.6: Nematode steering toward food

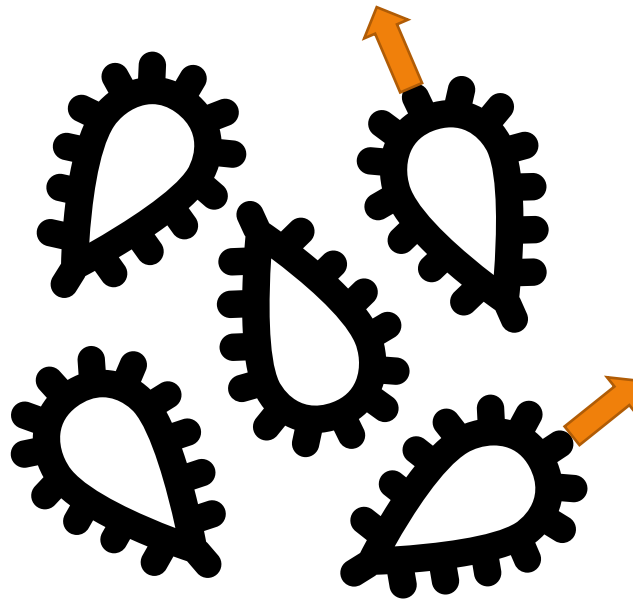
Original art by Rebecca Geier

1. If food smells increase, keep going forward.
2. If food smells decrease, turn.

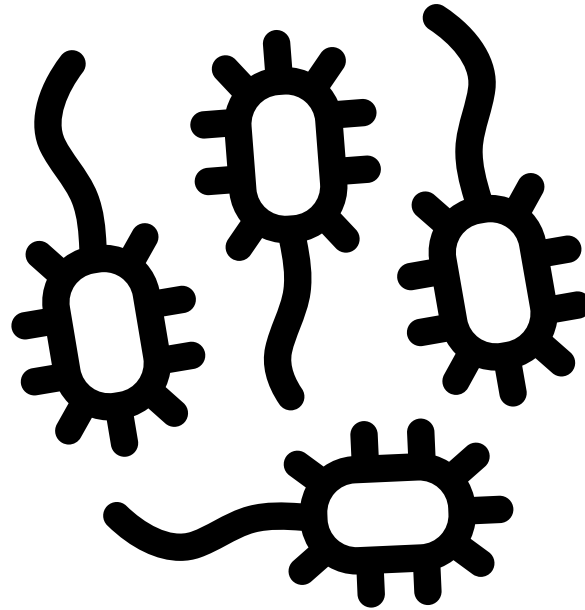


Max Bennett
AI Entrepreneur and researcher

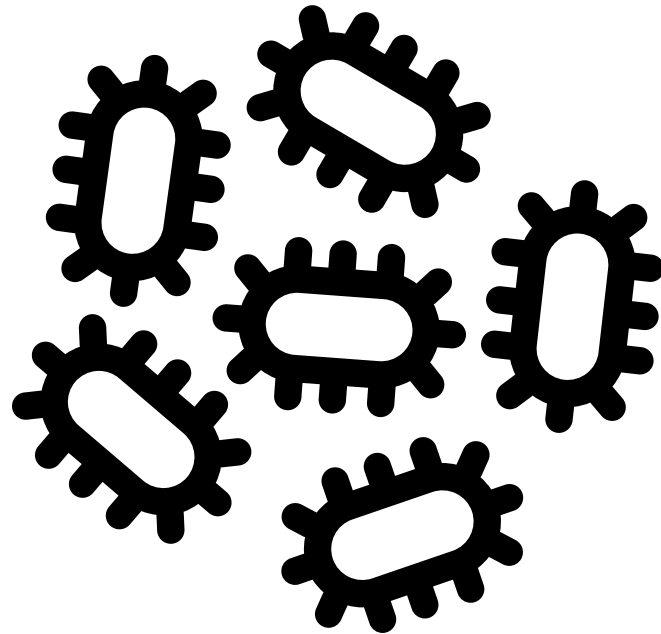
Competition Is Fierce So Natural Selection ...



... **Rewards** Those Able to
Efficiently Predict Where to Go for Food

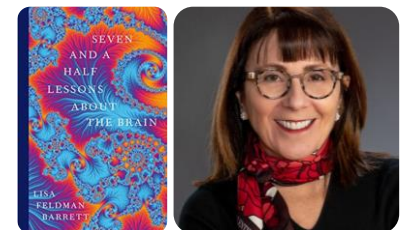


And **Punishes** Those that Simply **React**



Your Brain's Most Important Job Is to Manage Allostasis

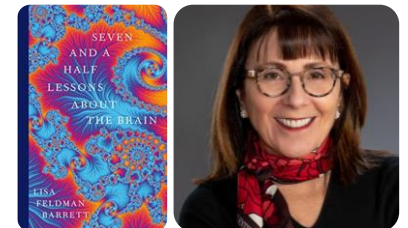
By **predicting** energy **needs** before they arise



Lisa Feldman Barrett
Northeastern University

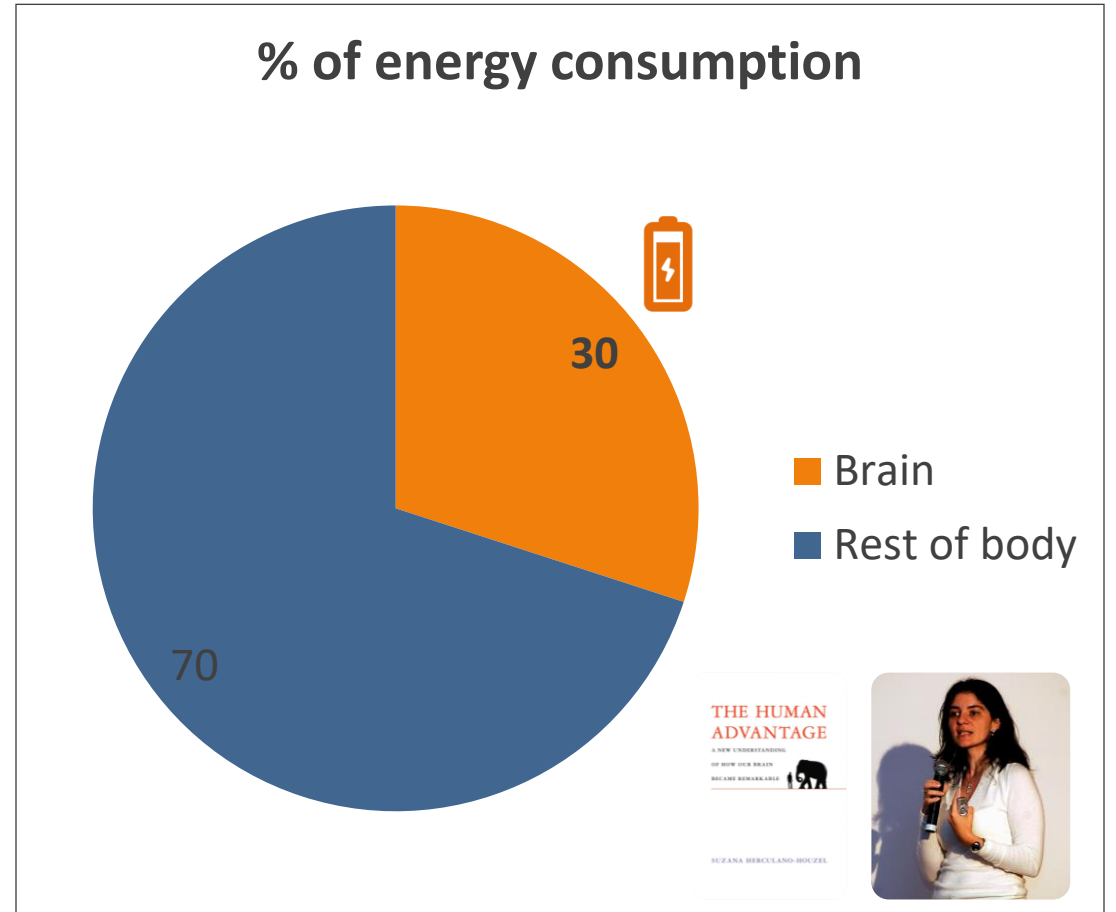
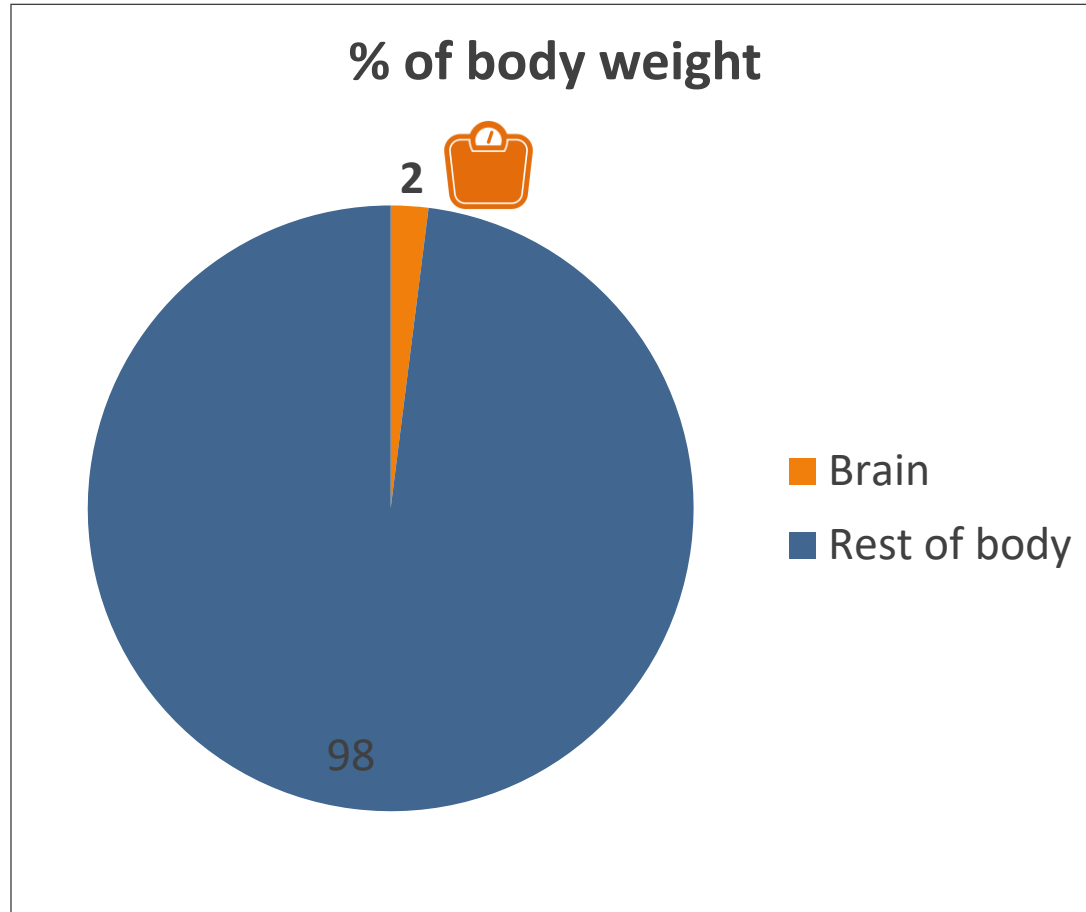
Your Brain's Most Important Job Is to Manage Allostasis

By **predicting** energy **needs** before they arise
so you can **efficiently** make worthwhile
movements and survive



Lisa Feldman Barrett
Northeastern University

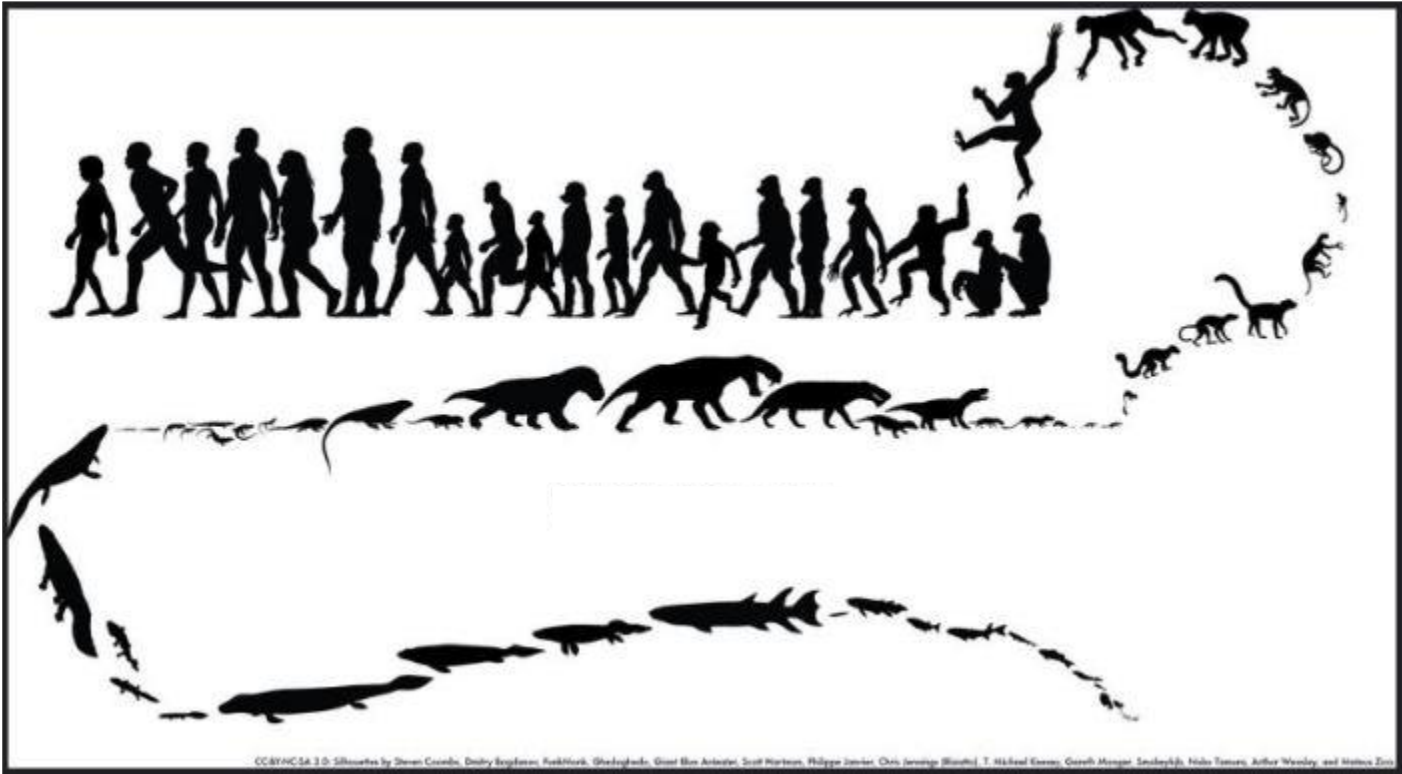
Our Brains Are Hungry For Energy



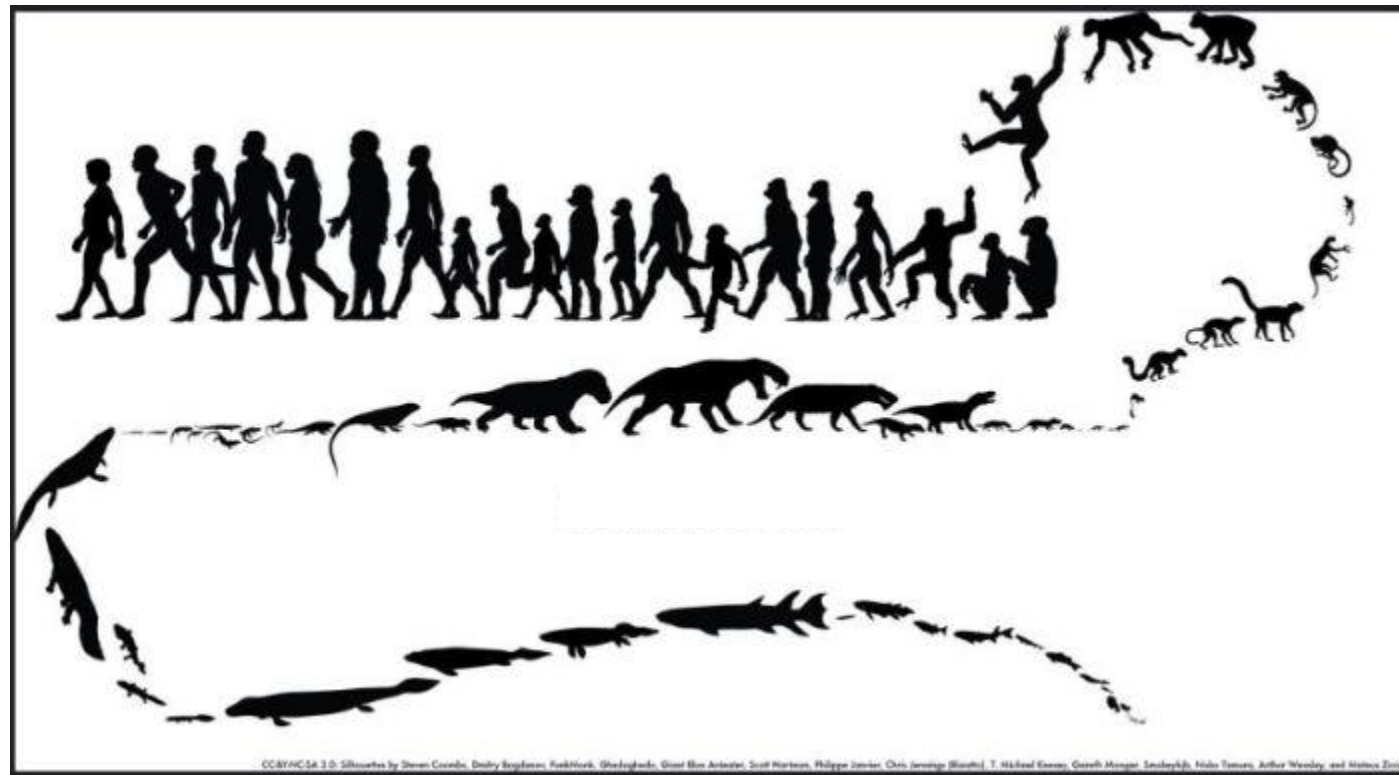
Suzana Herculano-Houzel

Vanderbilt University

The Battle For Calories Drives Evolution



Our Brains Evolved To Conserve Energy



CC-BY-NC-SA 3.0 Silhouettes by Steven Cozzello, Dmitry Borodine, Fedoriv, Ghedoghe, Gino Elia Antelmi, Scott Hartman, Philipp Janier, Chris Jarrold, Blouin, T. Hilford Eames, Gareth Morgan, SanderKj, Nils Tenzer, Arthur Wesley, and Helmut Zim

In Effect

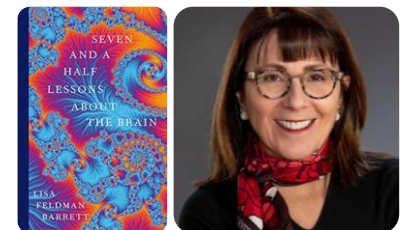
All animals are under stringent selection pressure to be **as stupid as they can get away with**



Richerson and Boyd
University of California Davis, Arizona State University

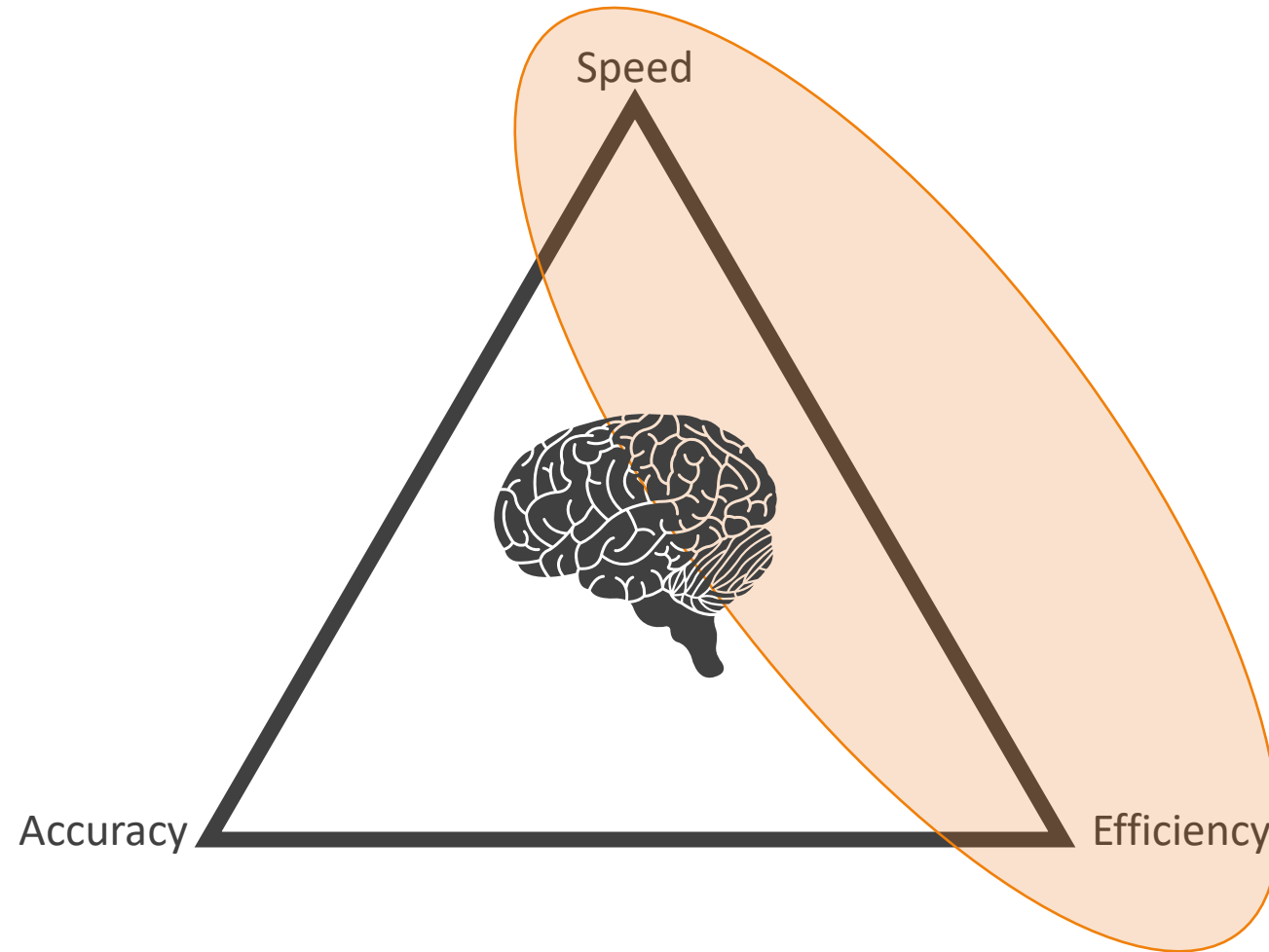
Brains Aren't Wired for Accuracy

They're wired to **keep us alive**



Lisa Feldman Barrett
Northeastern University

We Evolved To Think As Little As Possible

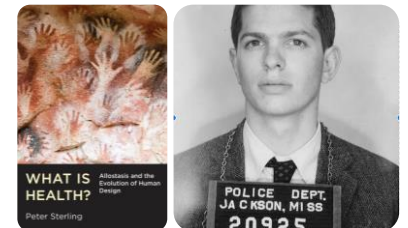


Efficiency Requires a Brain

To **predict** what will be needed

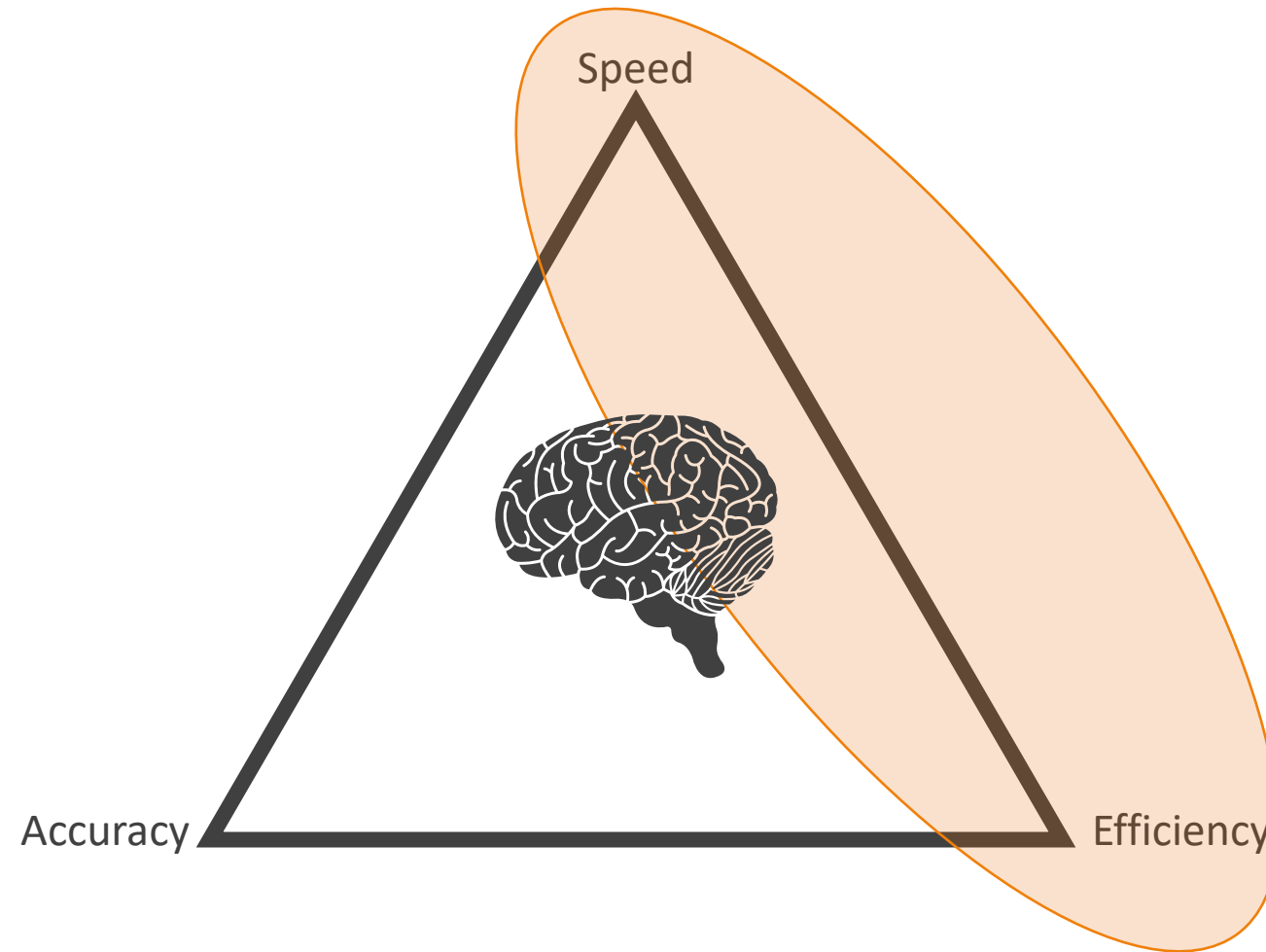
Prediction beats reaction

History guides prediction



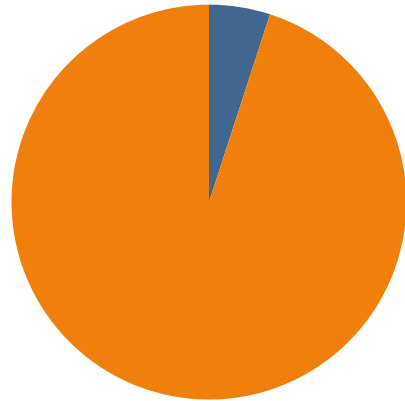
Peter Sterling
Perelman School of Medicine

Energy Saving Prediction Machine



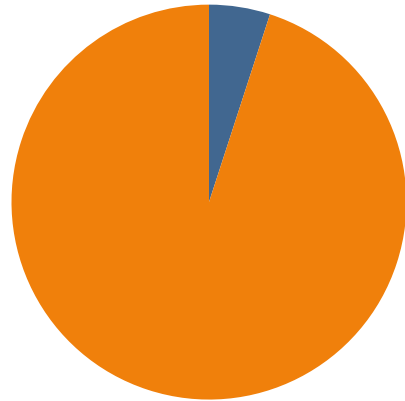
We Evolved To Operate On **Prediction-Based Autopilot**

95%



Navigating Life On **Prediction-Based Autopilot** is Essential and Wonderful

95%



Do You Remember How Overwhelming It Was to Drive for the First Time?



Now You Can Drive A Familiar Route



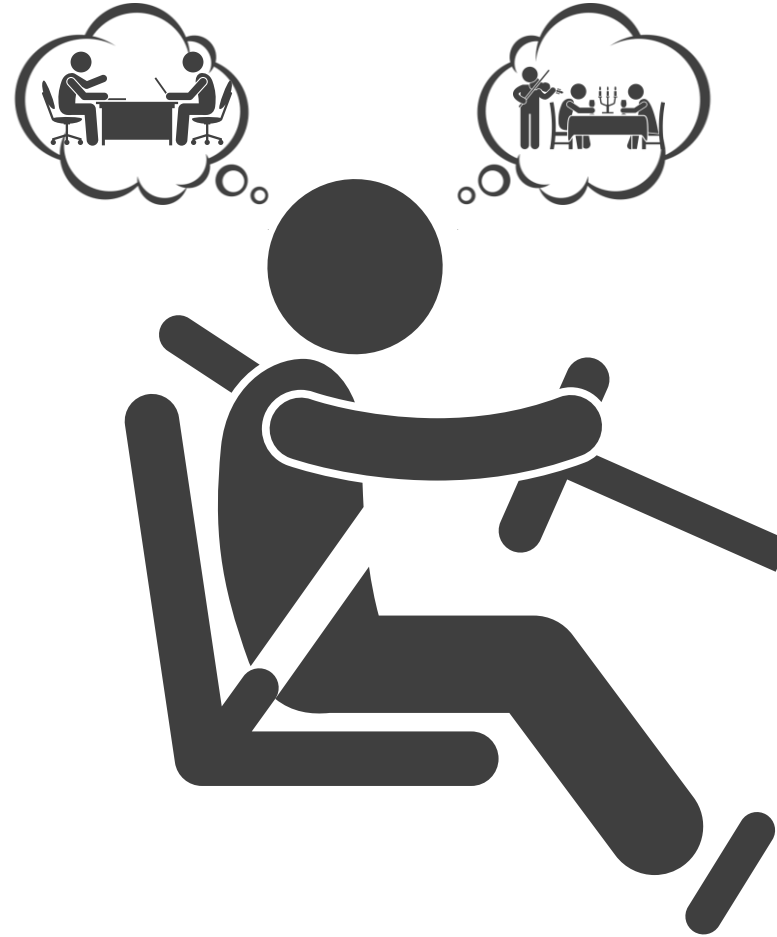
Thinking About Yesterday's Meetings



Planning Today's Meetings



Dreaming About Tonight

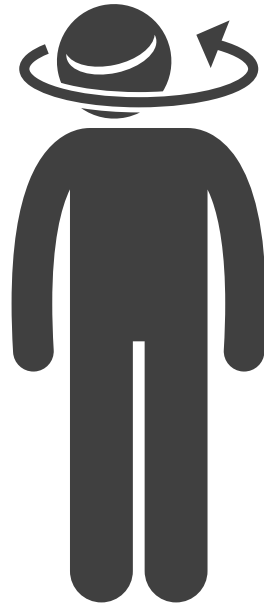


And Reach Your Destination With No Recollection of the Journey You Just Made



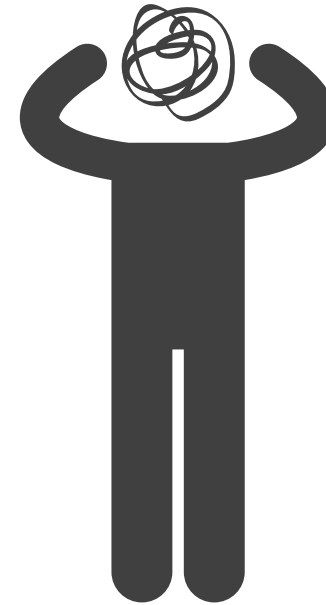
Universal Challenges Leading In A Complex World With An Energy-Saving Prediction Machine Brain

It can be hard to
make sense of the world



Know what is **true**

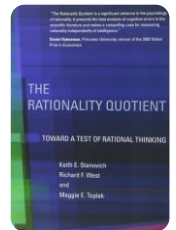
It can be hard to
know what action to take



Know what **to do**

We Seek the Thinking Processes for Rationality

Nothing could be more practical or useful for a person's life

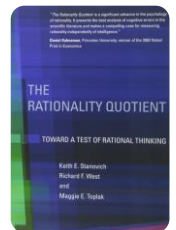


Stanovich, West and Toplak

The Rationality Quotient

We Seek the Thinking Processes for Rationality

Nothing could be more practical or useful for a person's life than the thinking processes that help them **find out what is true** and **what is best to do**



Stanovich, West and Toplak

The Rationality Quotient

Work As A Team



**Jana
Vanderlinden**

P&V
BELGIUM



**Jens
Smids**

P&V
BELGIUM



**Pim
Robyn**

P&V
BELGIUM



**Cindy
Nestman**

Co-operators
CANADA



**Anne
Rice**

Wawanesa Mutual
Insurance
CANADA



**Justin
Pursaga**

Wawanesa Mutual
Insurance
CANADA



**Helle
Sand**

LB Group
DENMARK



**Kenneth
Wolstrup**

LB Group
DENMARK



**Andreas
Gärtner**

R+V Versicherung AG
GERMANY



**Franziska
Rummel**

R+V Versicherung AG
GERMANY



**Sven
Bähies**

R+V Versicherung AG
GERMANY



**Amie Grace
Sabornido**

CLIMBS
PHILIPPINES



**Ryan Dale
Maquidato**

CLIMBS
PHILIPPINES

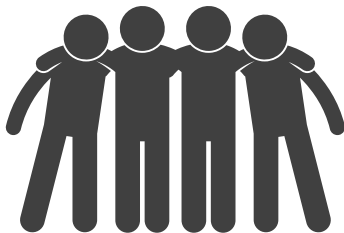


**Richard
Hyman**

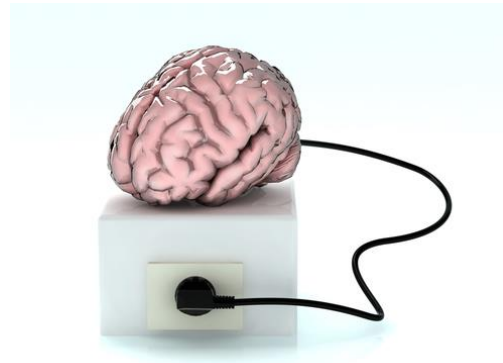
ICMIF
UNITED KINGDOM

Apply The Essential Mental Models and Tools for Leading With Purpose in A Complex World

<p>Monday Welcome and introductions 18.00 – 18.00</p>	<p>Tuesday Leading mutual insurers with purpose 09.00 -17.00</p>	<p>Wednesday Leading teams in a complex world 09.00 -17.00</p>	<p>Thursday Activating strategy in a complex world 09.00 -17.00</p>	<p>Friday Translating learning into value 09.00 – 15.00</p>
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Break #2 (of 4 today)



Next session starting at

11:20

Leading in A Complex World With an Energy-Saving, Predicting Brain

1. People Aren't Rational



"When we think we think less than we think we think"

2. Energy-Saving, Predicting Brains



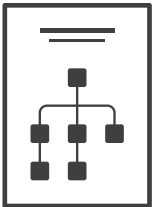
"Your brain's most important job is predicting energy needs so you can efficiently move and survive"

3. The Real World is Complex



"The most common leadership failure stems from applying technical solutions to adaptive challenges"

4. Rules Fail In Complex Worlds



"For every complex problem, there is an answer that is clear, simple and wrong"

Work As A Team



Complex situations require multiple perspectives because each is unique and no-one can see the whole system

Use Models And Tools Not Rules



Single rules fail in complex worlds, but a combination of many models makes complex problems tractable

Leading Mutual Insurers With Purpose in A Complex World

5. The Principal-Agent Problem



"[Without shared purpose], self-interest causes the goals of the principal and agent to diverge"

6. Overlooking Motivating People



"80% of strategies fail, because we forget the most important factor in executing strategy: people"

Lead With a Clear, Shared Purpose



"An authentic purpose delivered with clarity has a positive impact on performance"

ICMIF Advanced Management Course 2024

A Framework for Thinking About Thinking (part 1)



Part 3 (of 6)

Next break (lunch): **12:30**

What Do You See?



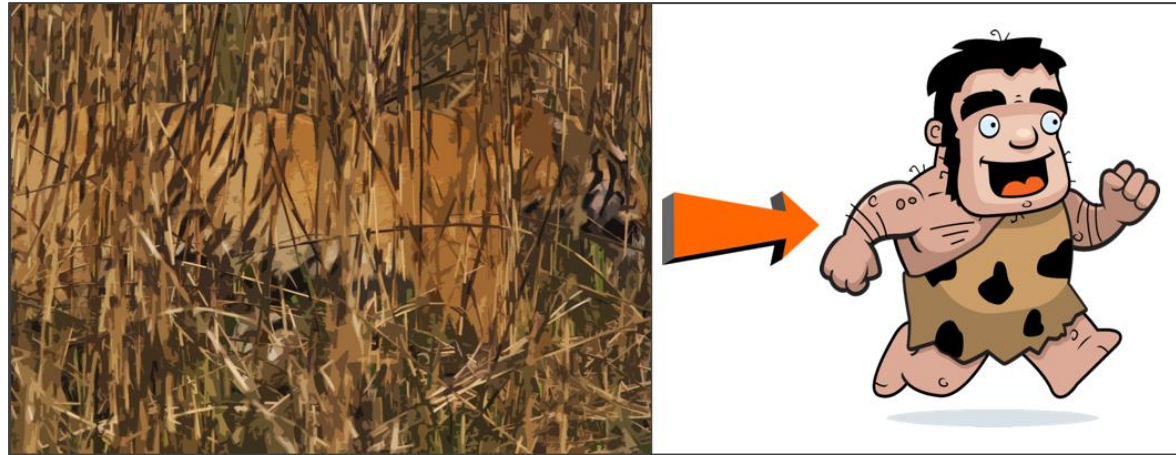
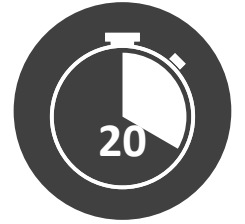
We Snap to Very Quick Understandings





Your Return On Investment

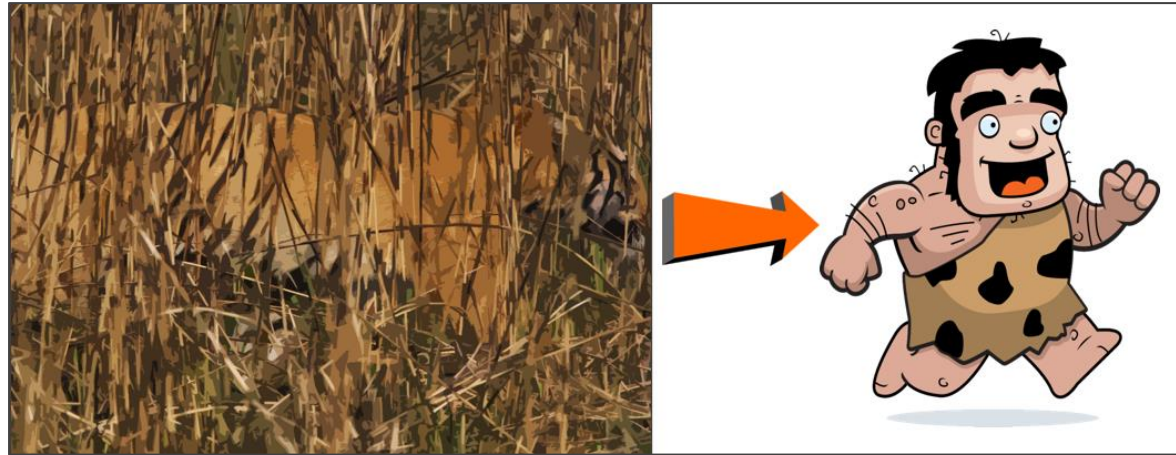
Snap



3. Where does your expertise enable you to exercise snap judgments in your work?

Examples

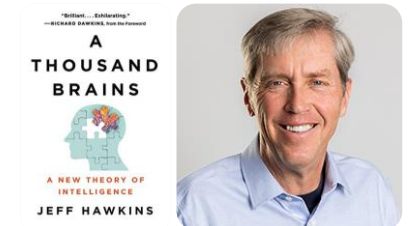
Snap



- **Data:** the answer jumps straight out to you from a spreadsheet
- **People:** you can read the mood of a longstanding colleague just by how they say “hello”

The Origin of Expertise

The brain has to **learn what is normal**
— that is, what should be **expected**
based on past **experience**



Jeff Hawkins
Founder, Numenta

Thank You, Experts



**Jana
Vanderlinden**

P&V
BELGIUM



**Jens
Smids**

P&V
BELGIUM



**Pim
Robyn**

P&V
BELGIUM



**Cindy
Nestman**

Co-operators
CANADA



**Anne
Rice**

Wawanesa Mutual
Insurance
CANADA



**Justin
Pursaga**

Wawanesa Mutual
Insurance
CANADA



**Helle
Sand**

LB Group
DENMARK



**Kenneth
Wolstrup**

LB Group
DENMARK



**Andreas
Gärtner**

R+V Versicherung AG
GERMANY



**Franziska
Rummel**

R+V Versicherung AG
GERMANY



**Sven
Bähies**

R+V Versicherung AG
GERMANY



**Amie Grace
Sabornido**

CLIMBS
PHILIPPINES



**Ryan Dale
Maquidato**

CLIMBS
PHILIPPINES



**Richard
Hyman**

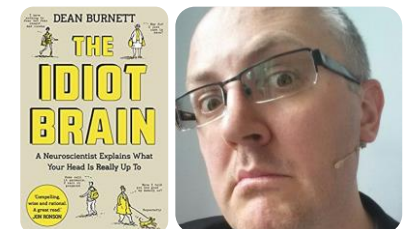
ICMIF
UNITED KINGDOM

The Other Side of the Coin



I'd Like to Say Sorry...

... to any readers who find themselves
referencing this book and subsequently
losing an argument with a neuroscientist



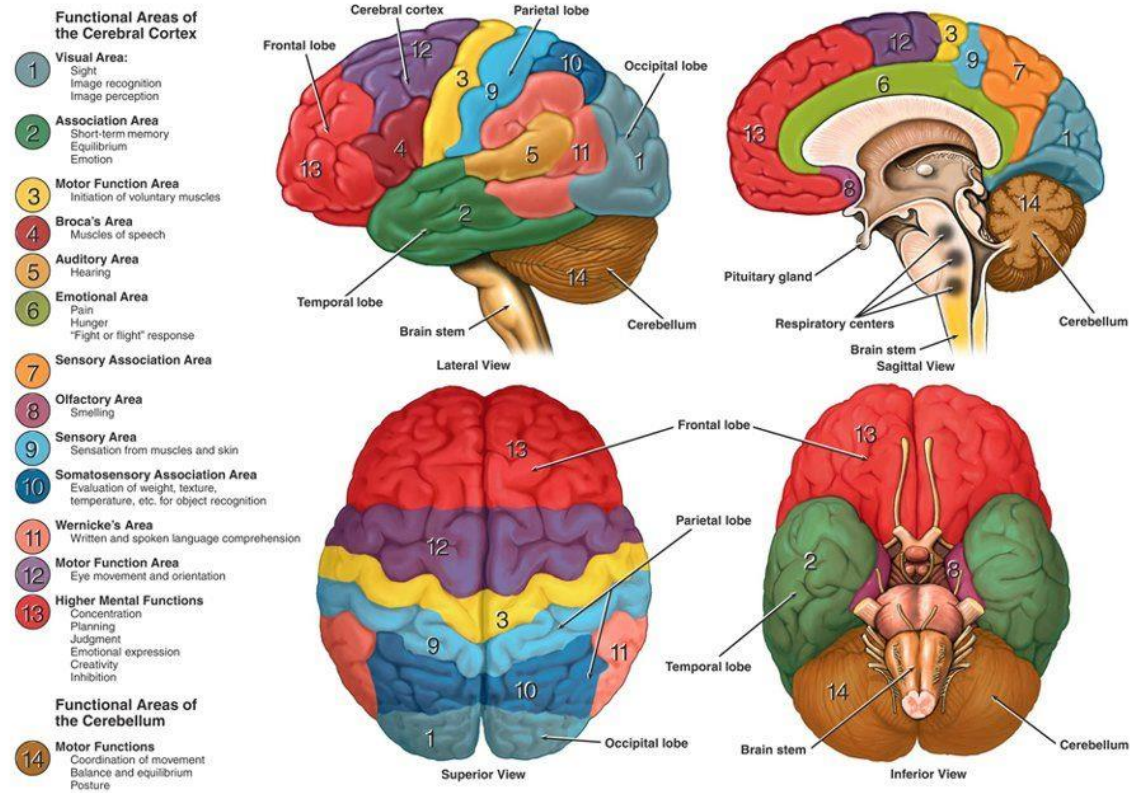
Dr. Dean Burnett
Neuroscientist and comedian

From One Cell to a Fully-formed Organ



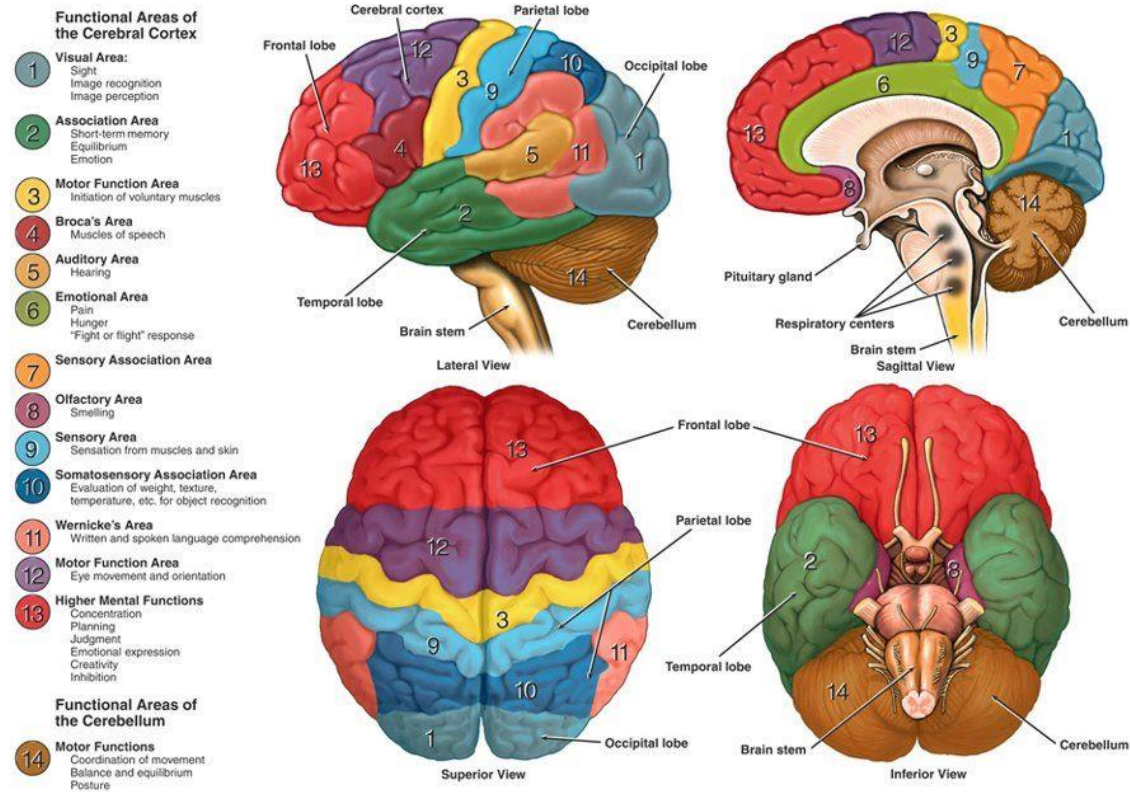
Our Brains Developed As Mini Systems

Anatomy and Functional Areas of the Brain



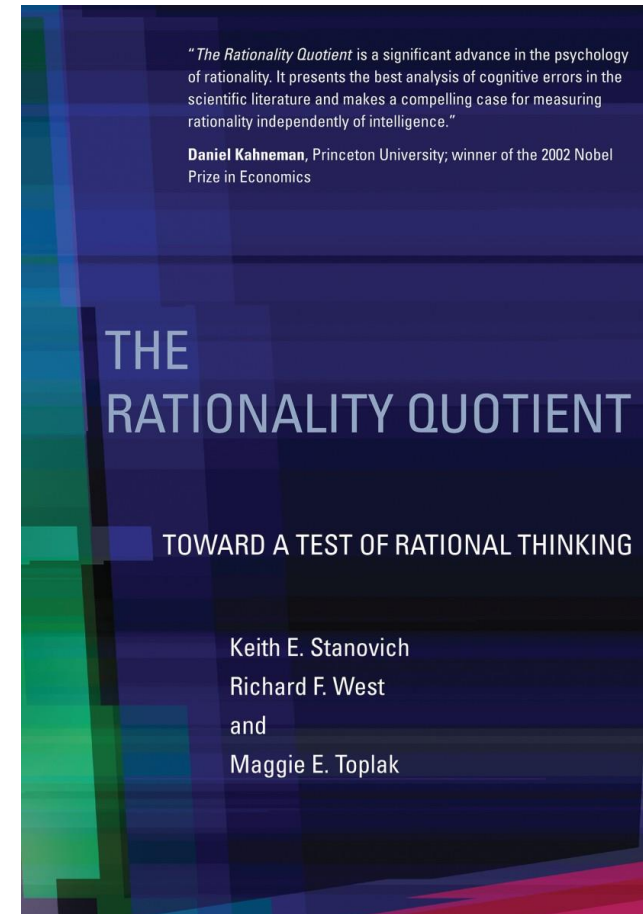
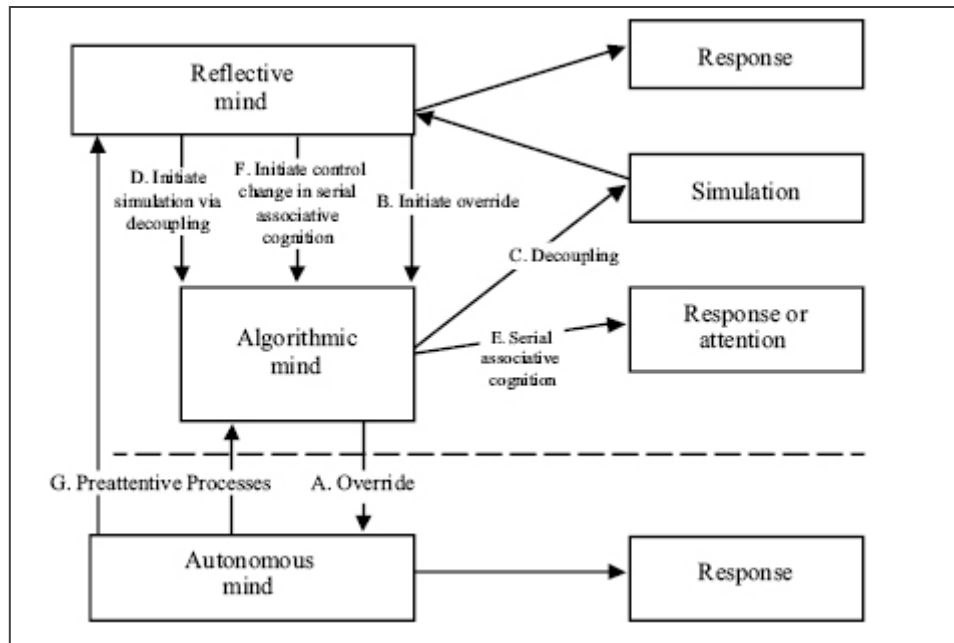
“Neural Parliament”

Anatomy and Functional Areas of the Brain



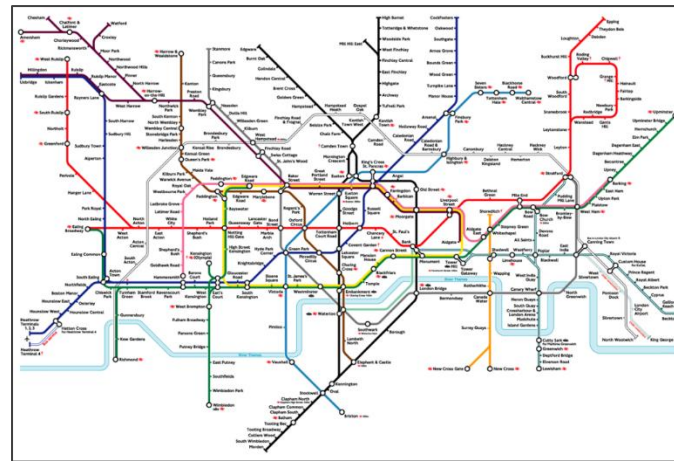
Dr. David Eagleman
Stanford University

There Are Many Models



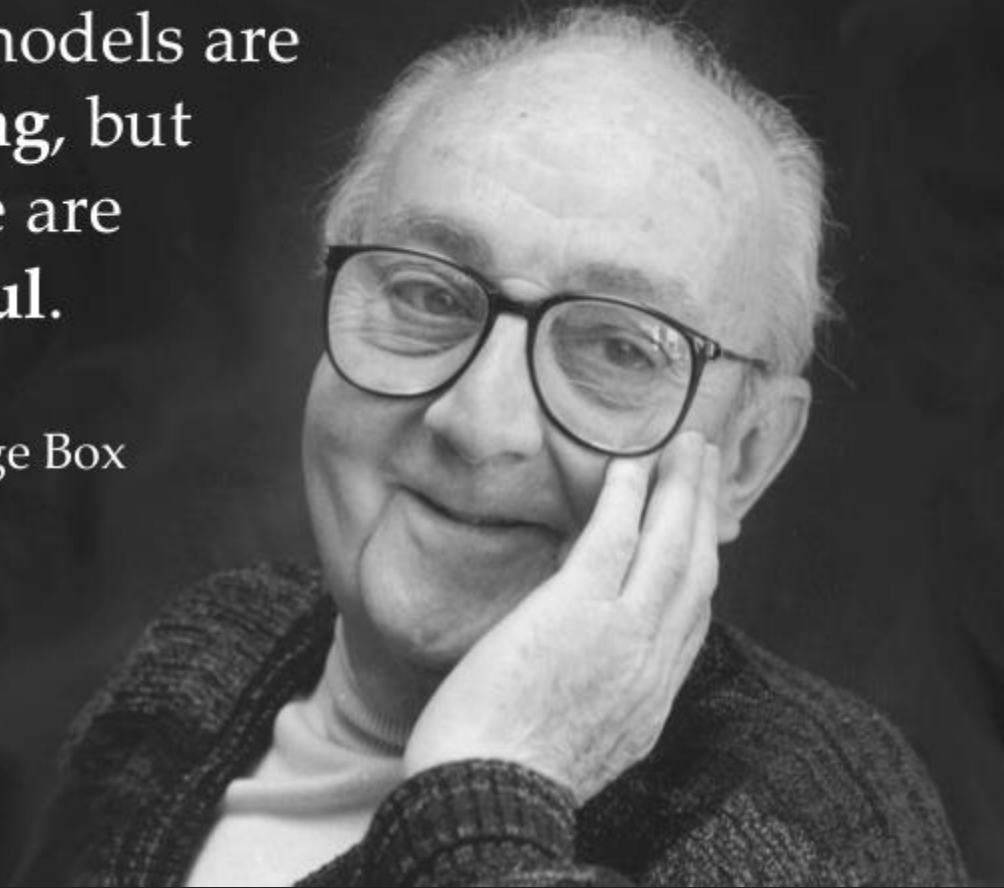
The Purpose of Models Is To ...

1. Simplify
2. Define
3. Create spaces within which we can apply logic

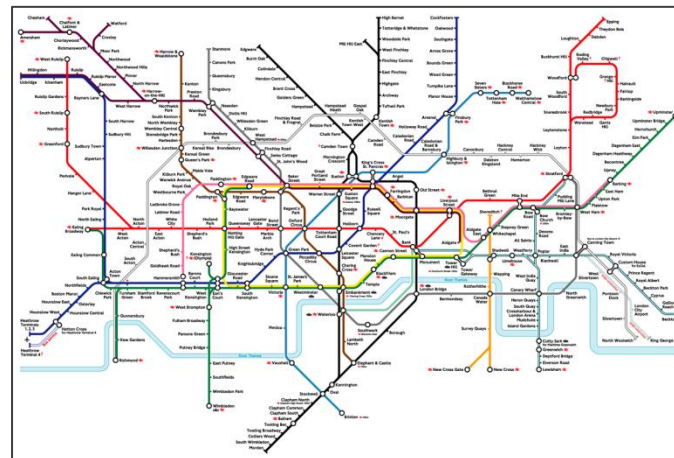
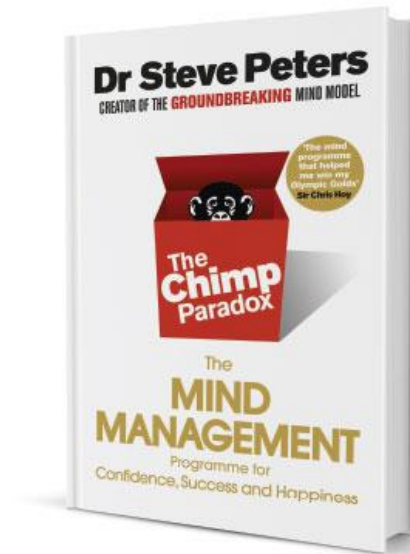


All models are
wrong, but
some are
useful.

- George Box



Our Underground Map



Three Distinct, But Interconnected Teams



1. Subconscious brain

2. Emotional brain

3. Thinking brain

Uncertainty → Judgement → Human Error



Technical

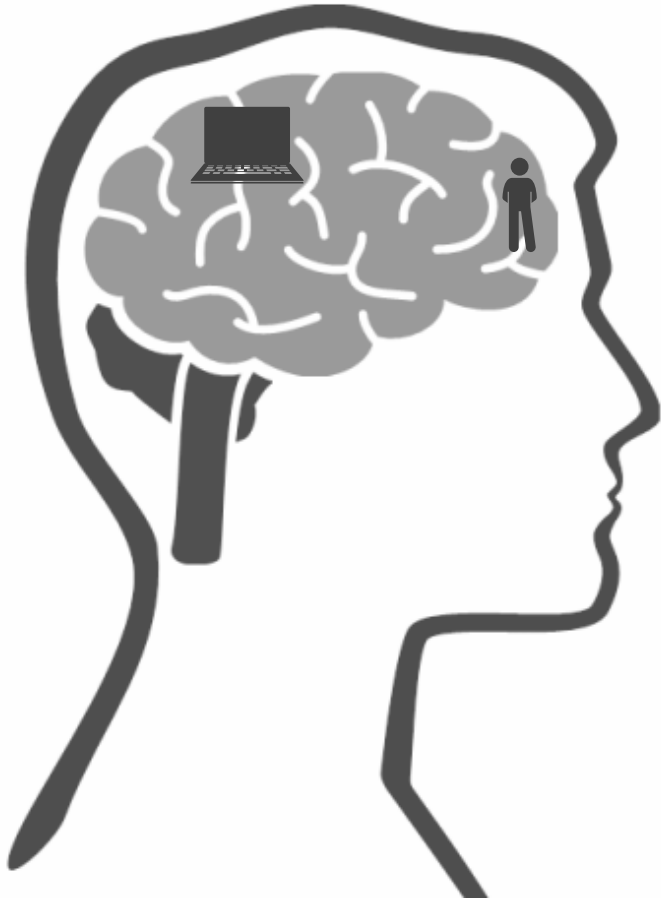


Complex



Wherever there is **uncertainty**
there has got to be **judgment**
and wherever there is **judgment**
there is an opportunity for **human error**

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
than the Human



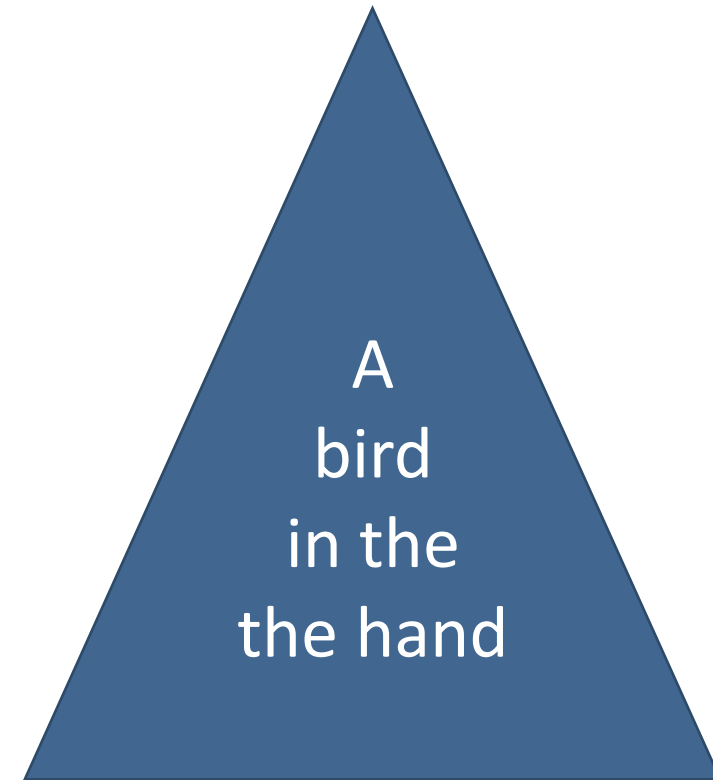
2. Emotional brain

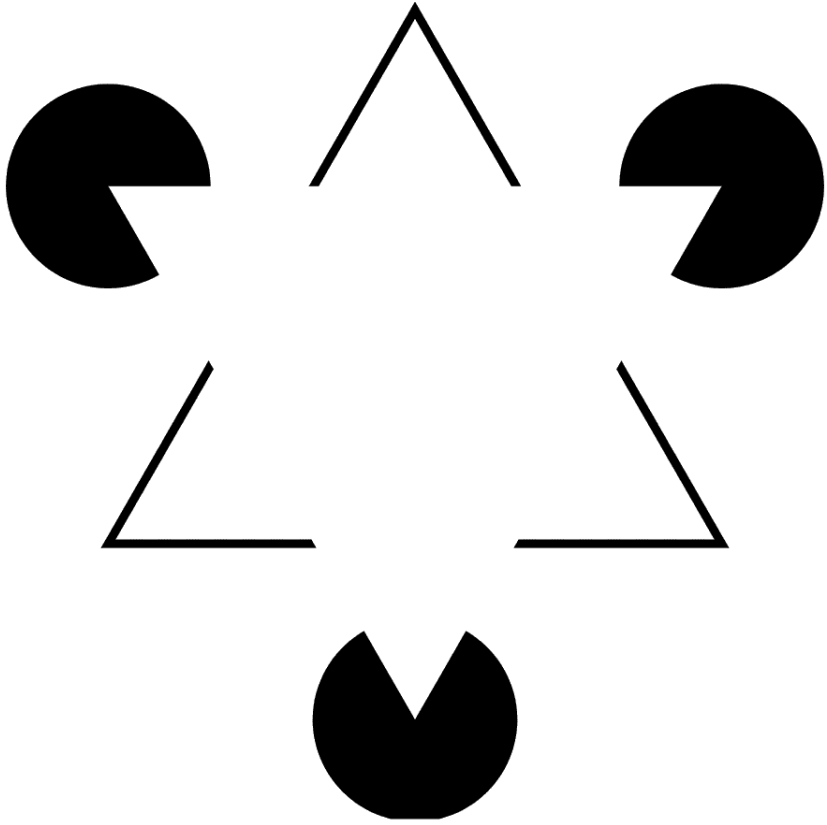
3. Thinking brain *"The Human"*

We Snap to Very Quick Understandings



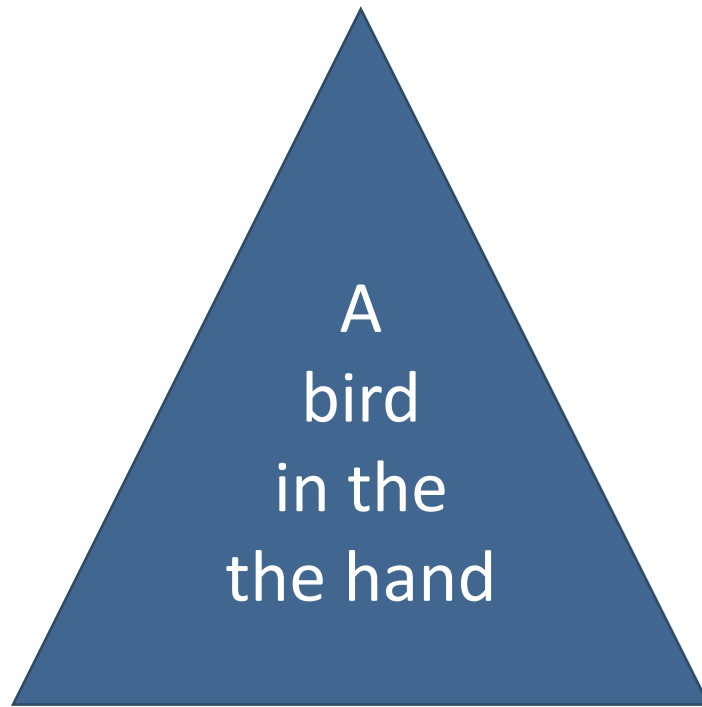
According to research at an English university, it doesn't matter in what order the letters in a word are, only that the first and last letters are at the right places. The rest can be a total mess and you can still read it without a problem. This is because we do not read every letter by itself, but the word as a whole.



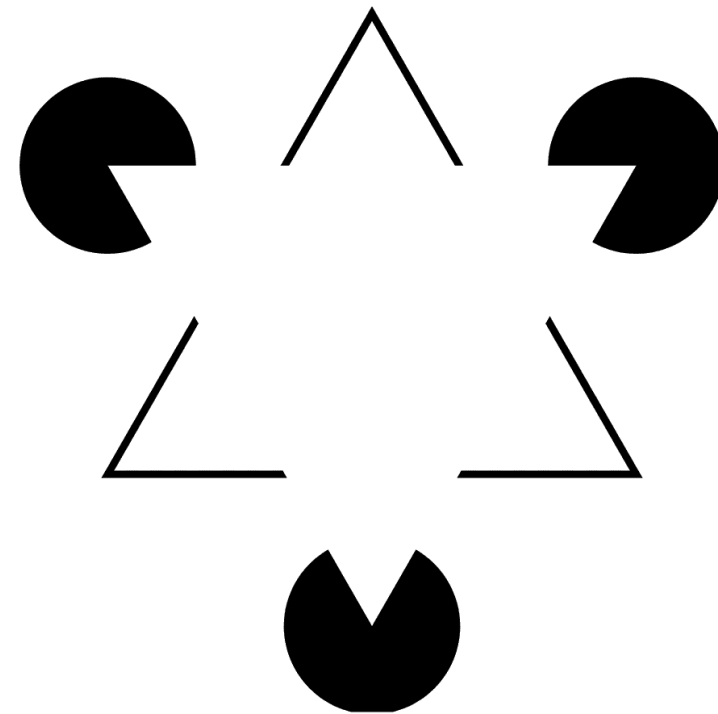


Errors of Perception

Failing to See What Is There



Seeing What Is Not There



90% of Decision Errors Are Are **Errors of Perception**

And not reason



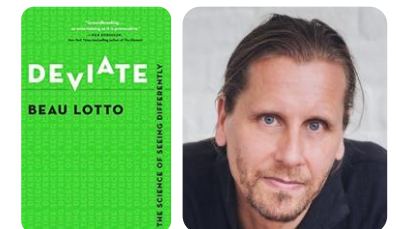
Prof. David Perkins
Harvard

You Didn't Evolve to See Reality



You Didn't Evolve to See Reality

You evolved to **survive**

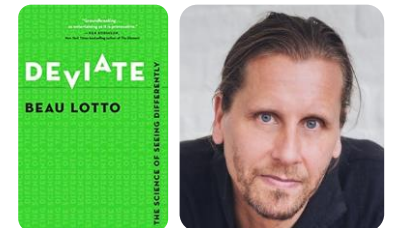


Beau Lotto
University College London

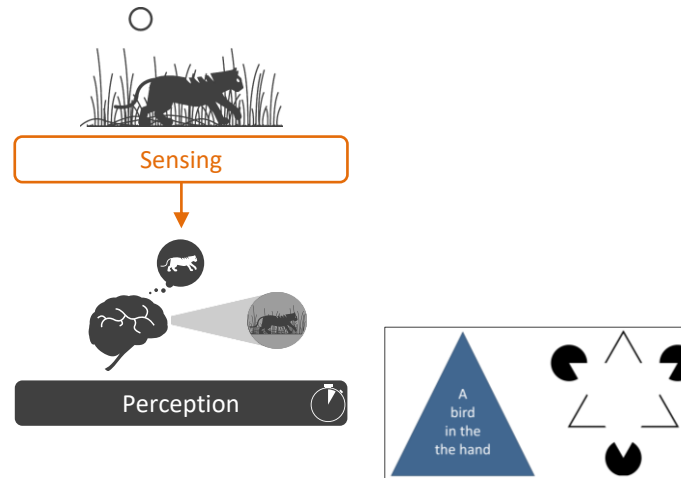
Whenever We Open Our Eyes

We **never see what's there**

We only see what was useful to see in the past



Beau Lotto
University College London



**“90% of decision errors are
are errors of perception”**

Prof. David Perkins
Harvard

We Do Not Perceive Reality

We walk around with these unchallenged beliefs:

1. that we are perceiving reality **accurately**;
2. that our perception is not only accurate but **valid**;
3. that if it's obvious to us, it must be **obvious to others**.

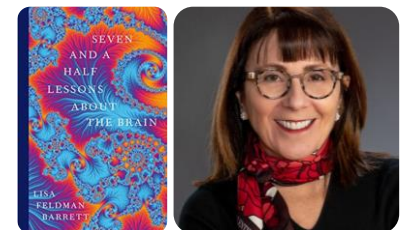
All it takes is a moment of reflection to realise **none of it is true.**"



Jeff Hunter
CEO, Talentism

Neuroscientists Like to Say

Your day-to-day experience is a
carefully controlled hallucination



Lisa Feldman Barrett
Northeastern University

Notice Anything Odd?



Without Changing Anything Let's Rotate the Head



Upside Down Things Might Look a Little Strange



The Mouth Was Rotated



The Eyes Were Rotated



14

From the Original Video



To Produce This Effect



Which Looks a Little Strange Right Way Up



But Rotate the Whole Head With the Eyes and Mouth Upside Down



And Everything Looks Normal Again

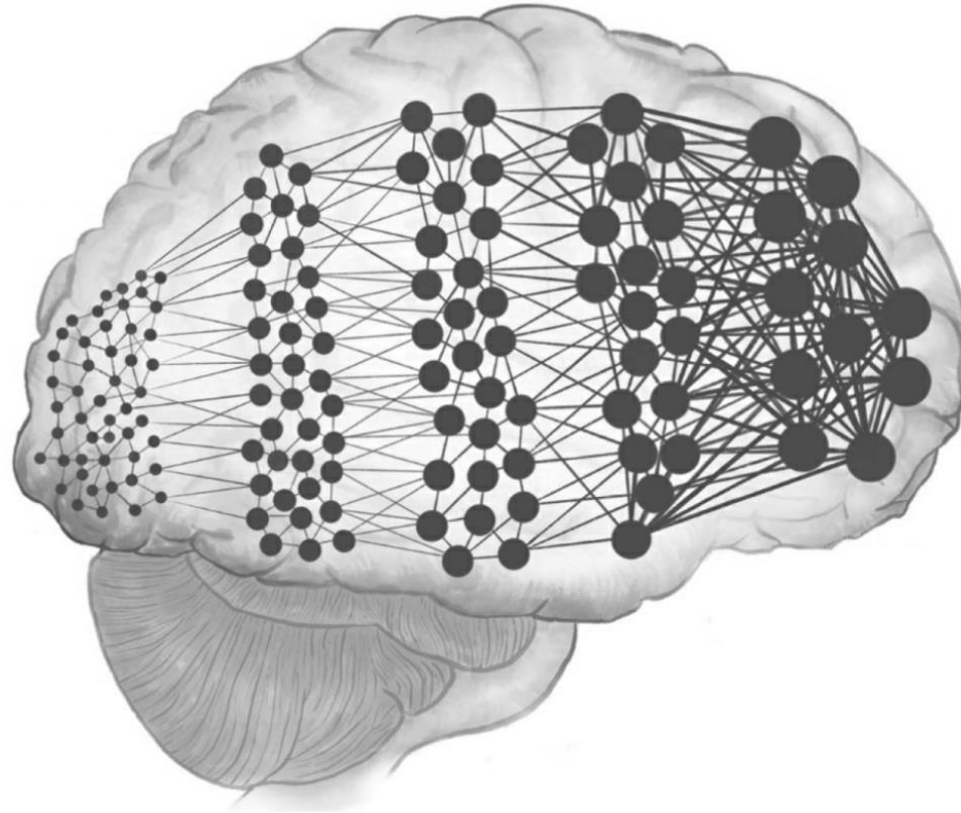


What Happened?



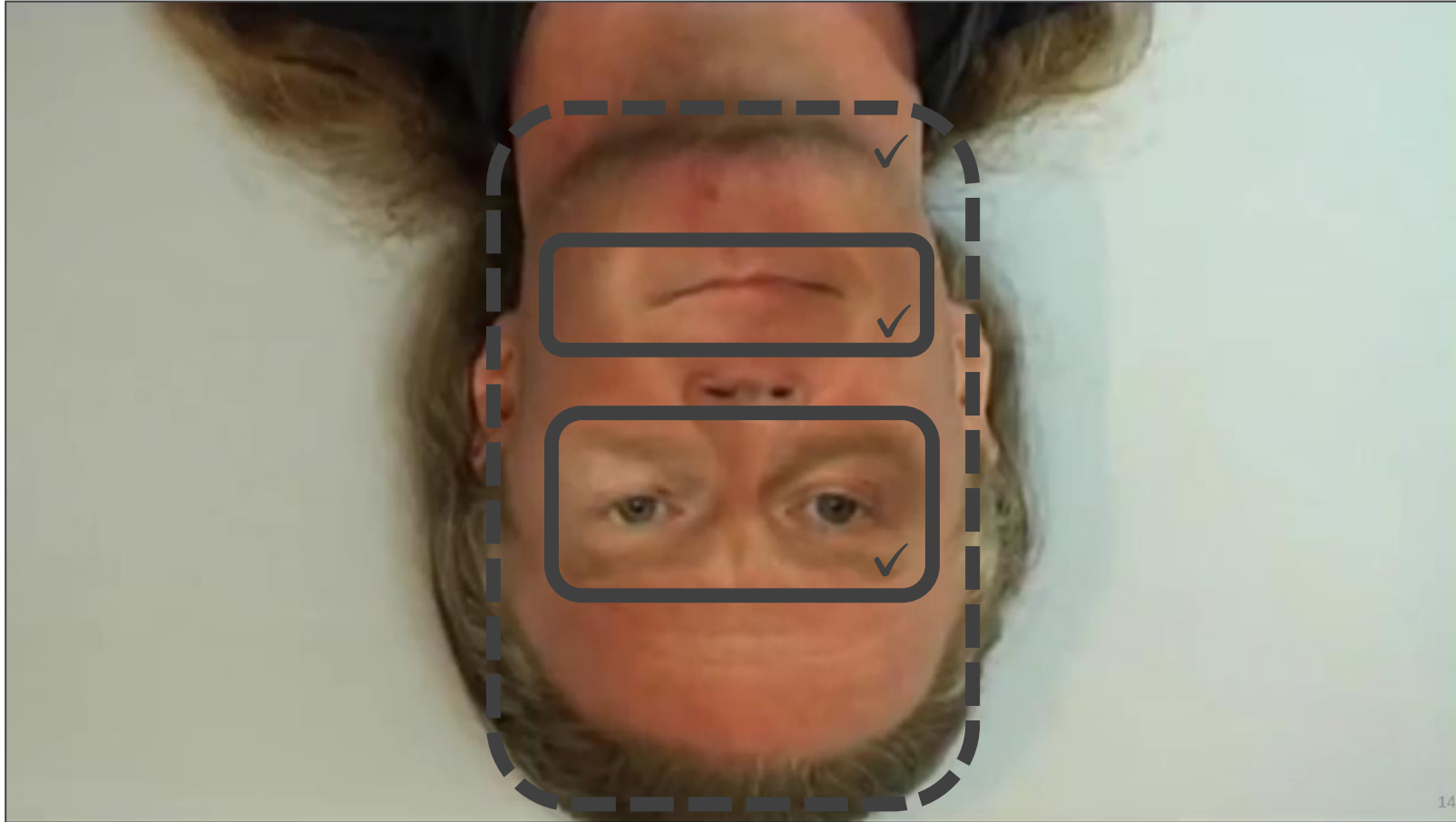
Our Brains Construct Reality As Models of Models From Billions of “Dumb” Sensory Inputs

Photons Lines Shapes “Eye” “Face”

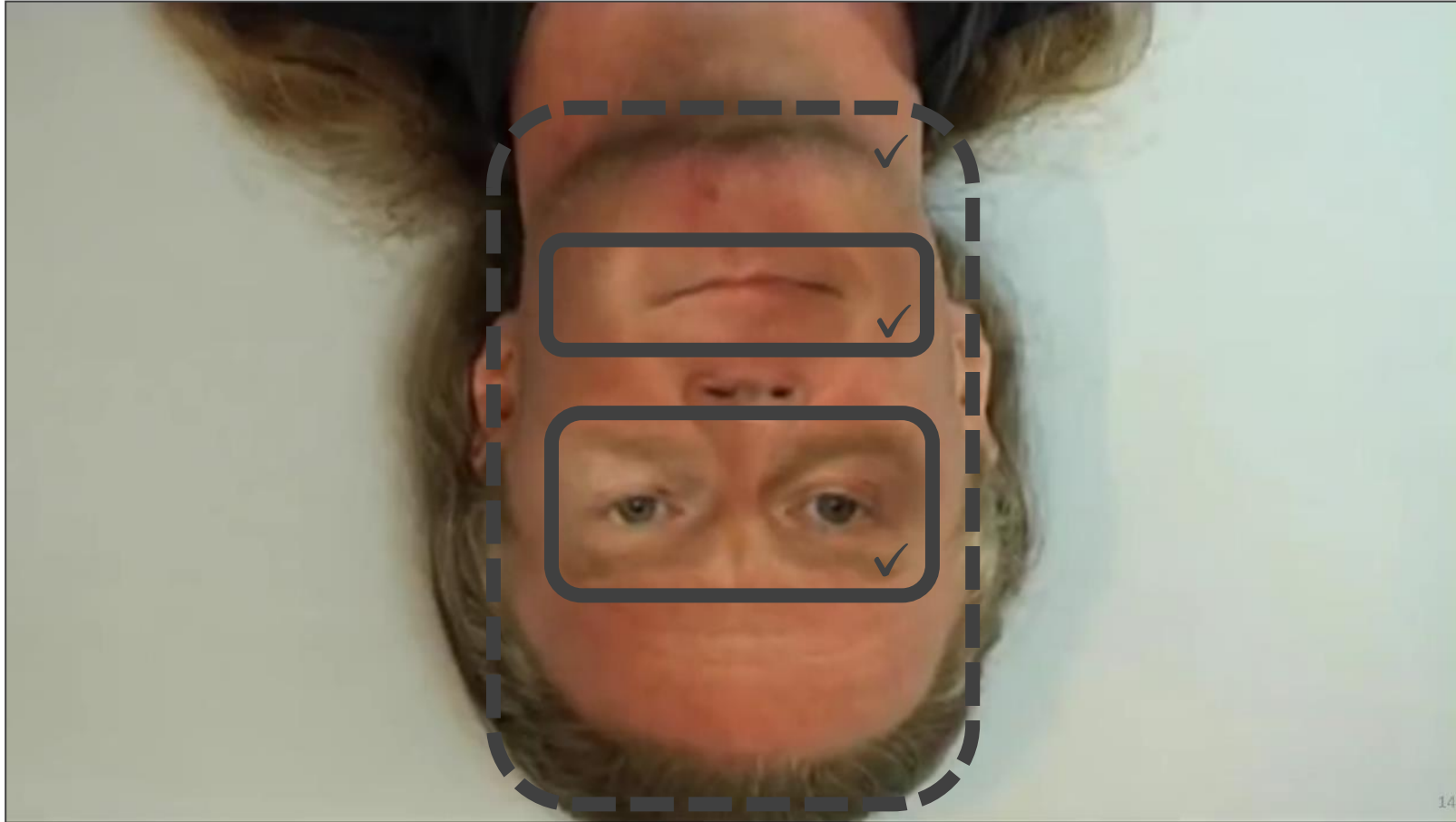


Source: Seven and A Half Lessons About the Brain (Feldman Barrett)

Our Brains Construct Reality As Models of Models From Billions of “Dumb” Sensory Inputs



As Our Brains Construct Reality They Construct a Story Which Fits



Our Beliefs Dictate What We See

Reality

✓ ✓ ✓



What We Believe



Our Beliefs Dictate What We See



Source: richardwiseman.wordpress.com/2014/01/29/can-you-spot-whats-wrong

Where Do Our Beliefs Come From?



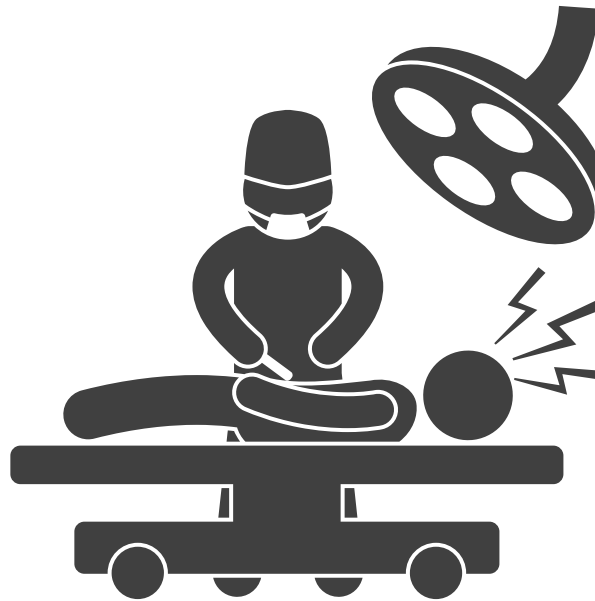
Source: richardwiseman.wordpress.com/2014/01/29/can-you-spot-whats-wrong

Why Don't Patients Return for a Second Painful Colonoscopy?



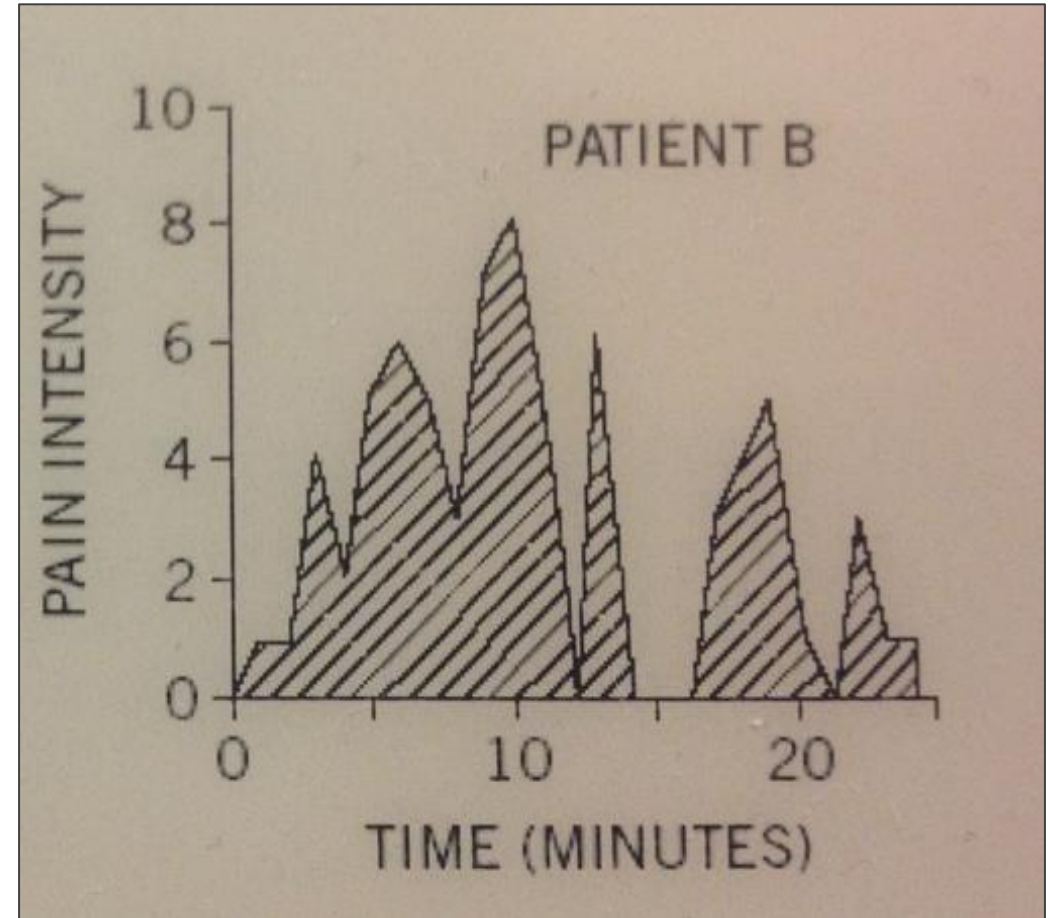
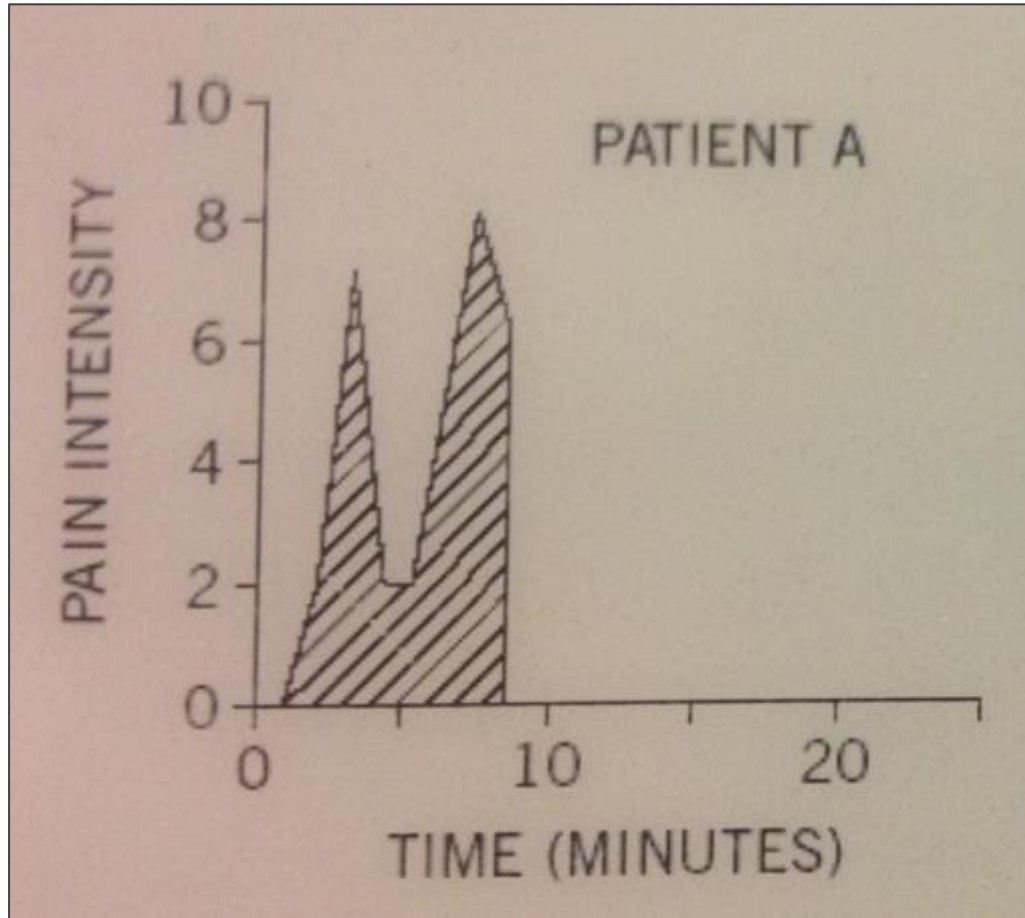
Donald Redelmeier
University of Toronto

How Much Pain Are You Feeling? 1 to 10 Scale

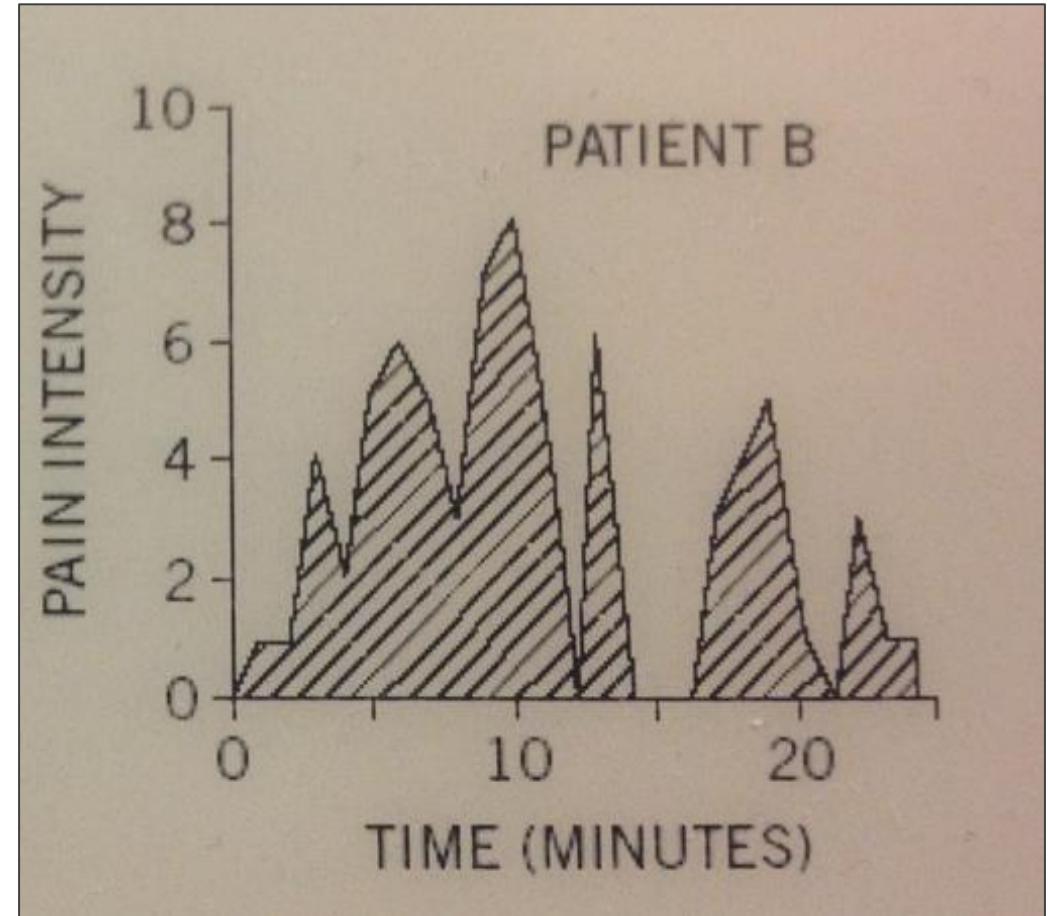
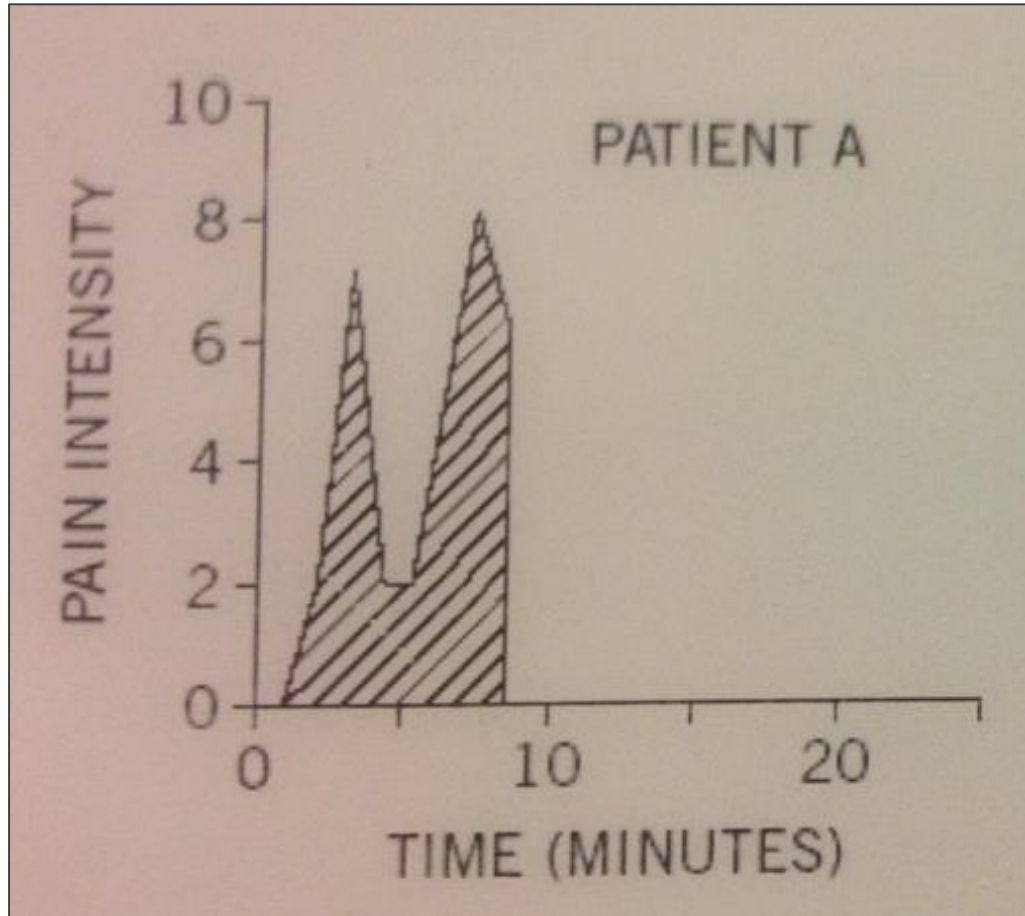


Donald Redelmeier
University of Toronto

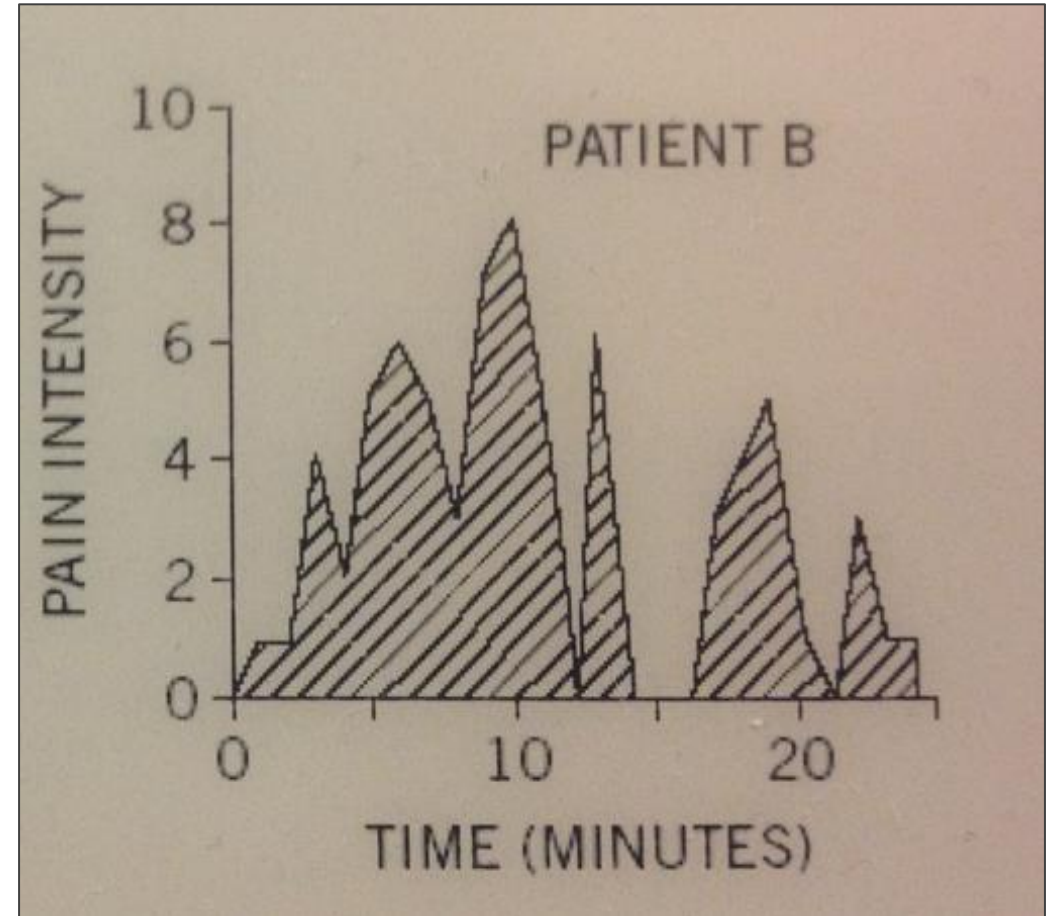
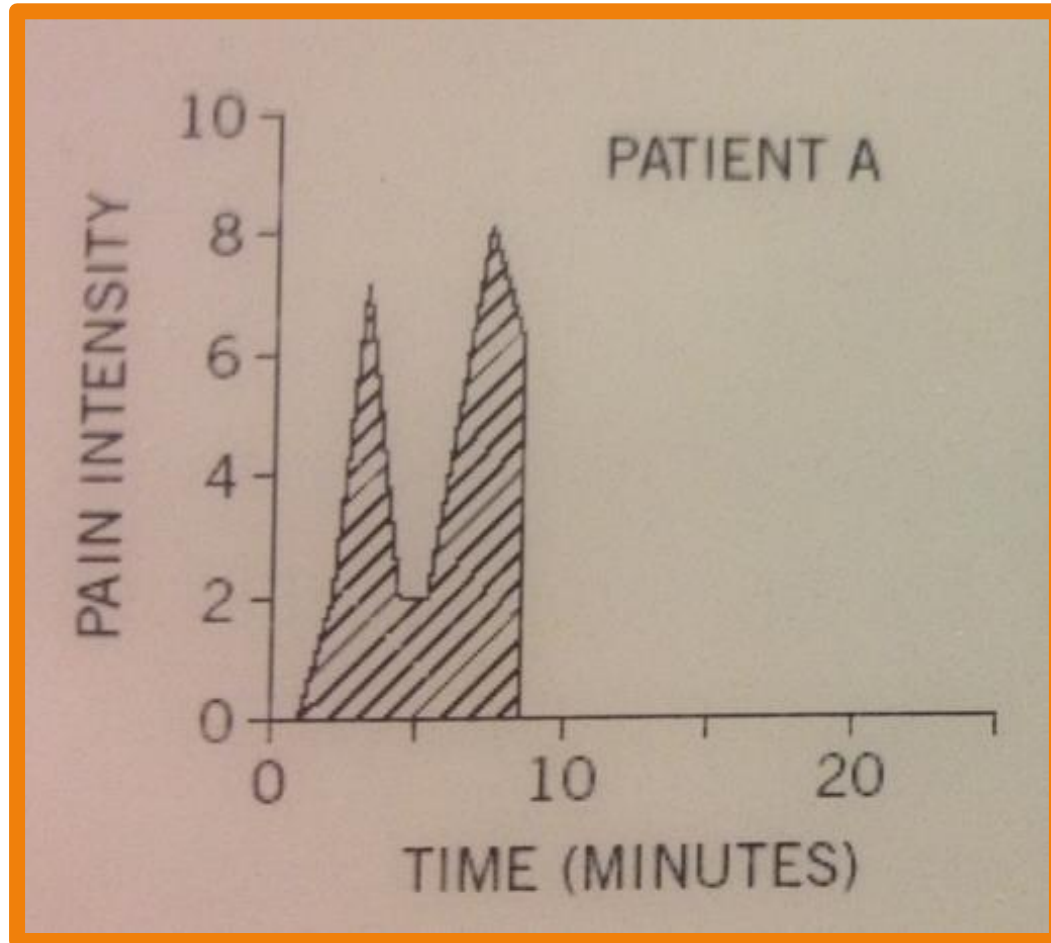
How Much Pain Are You Feeling? 1 to 10 Scale



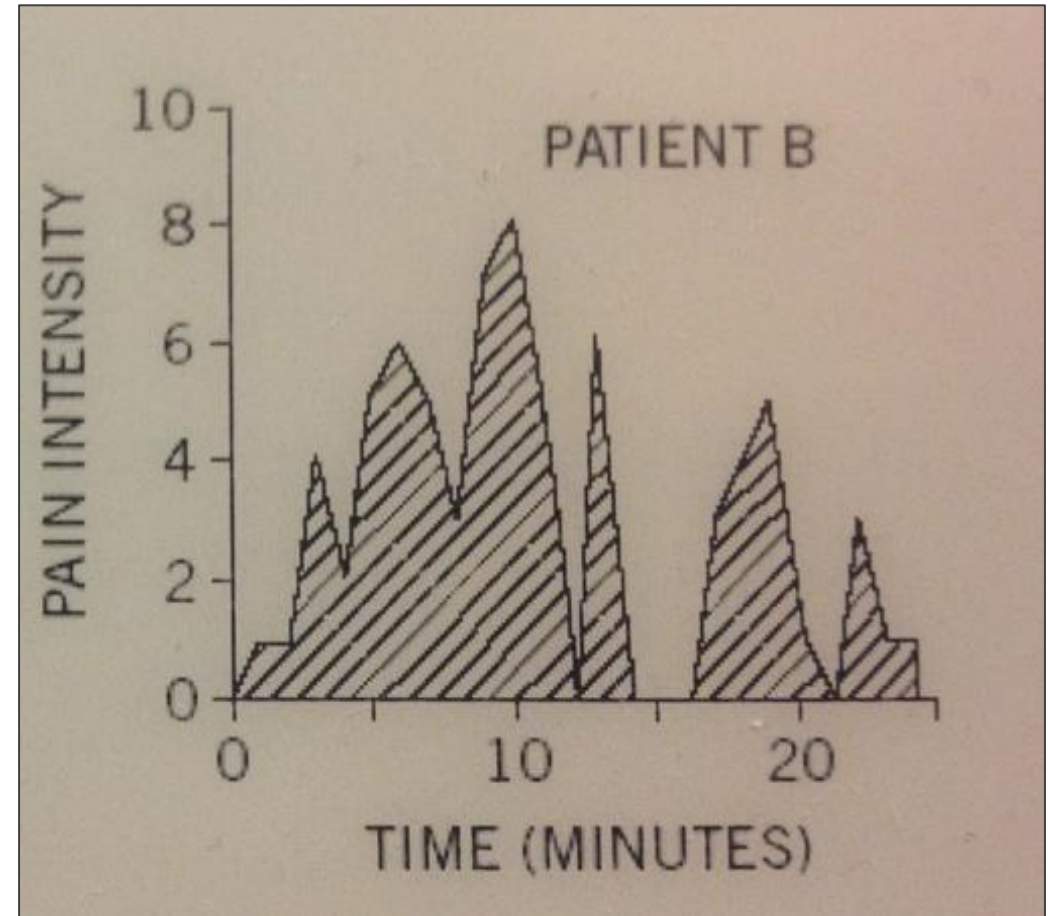
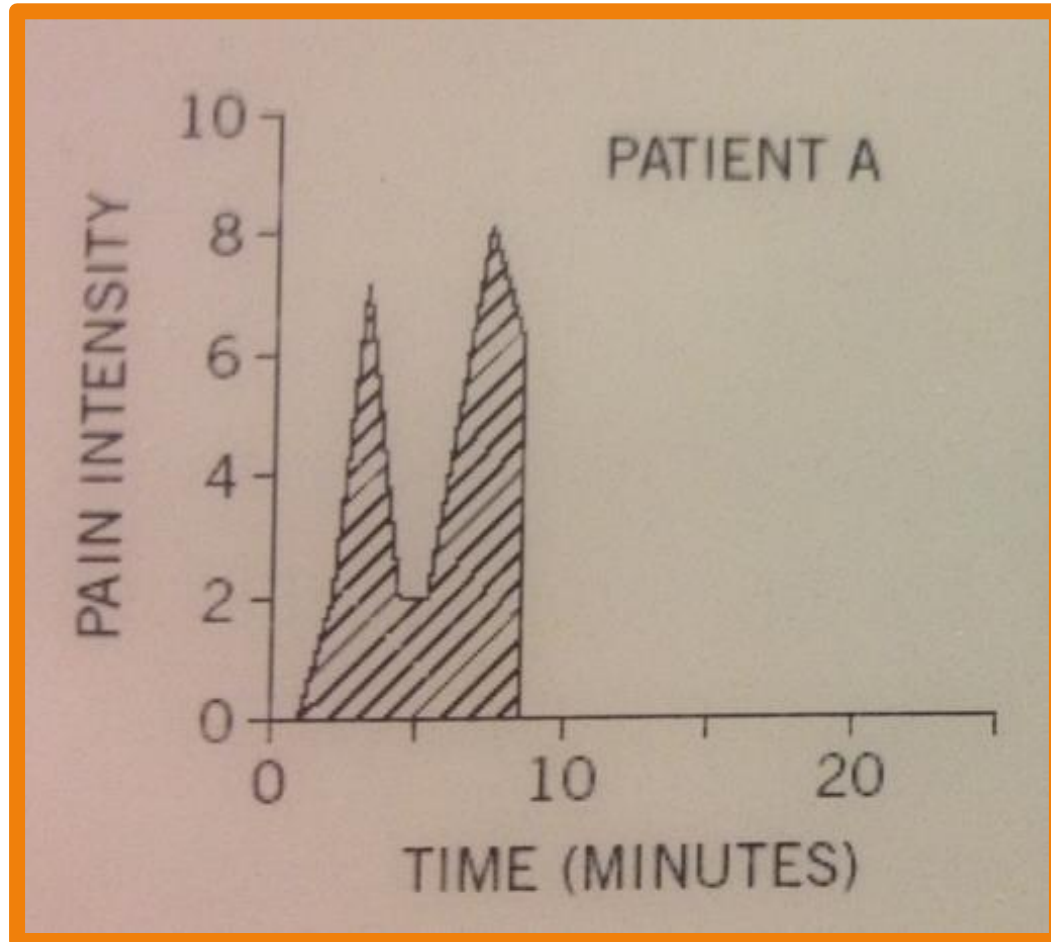
One Week Later Who Reported Experiencing More Pain?



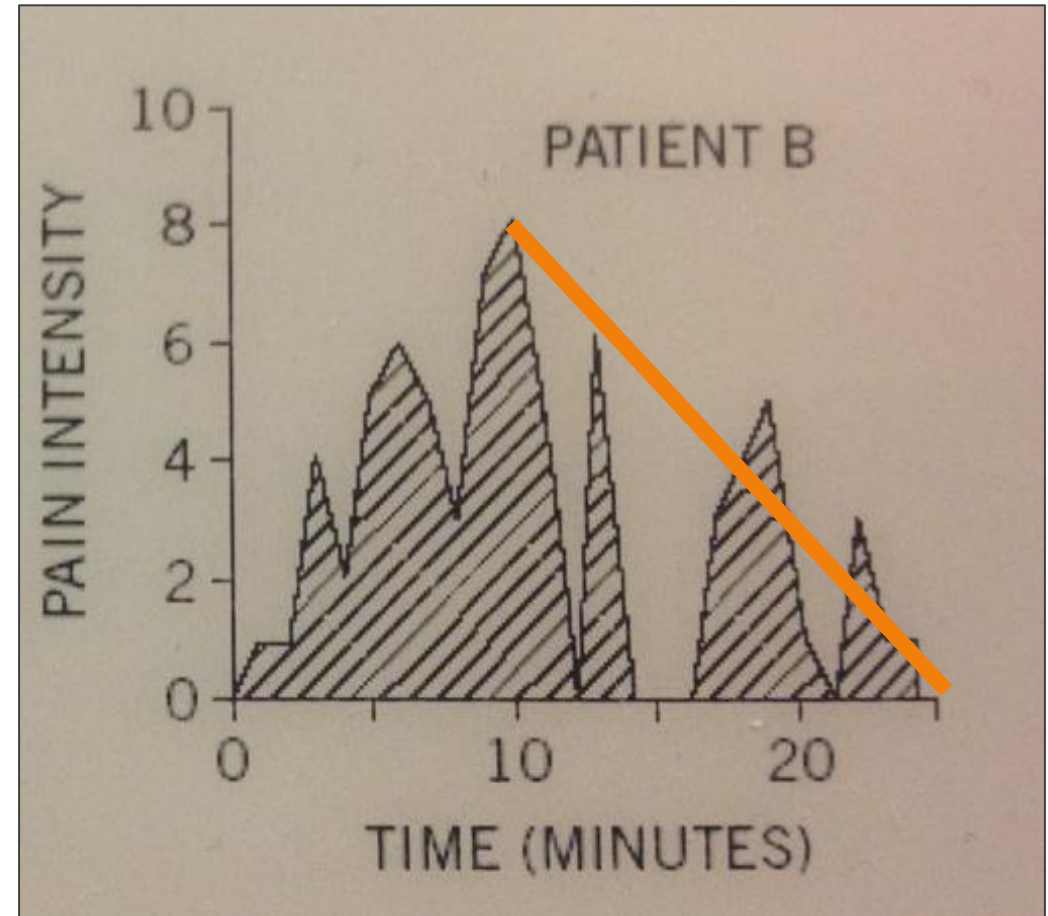
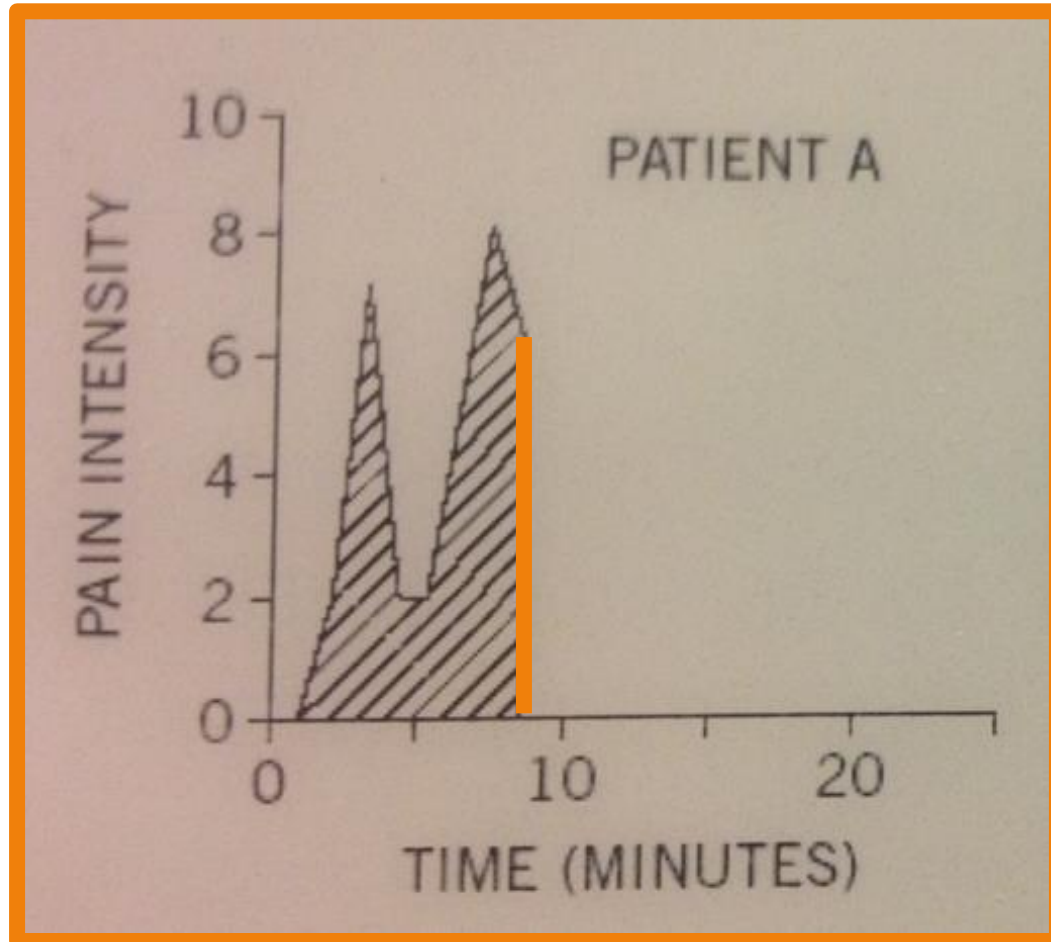
One Week Later Who Reported Experiencing More Pain?



Why Did Patient A Remember Experiencing More Pain Than Patient B?



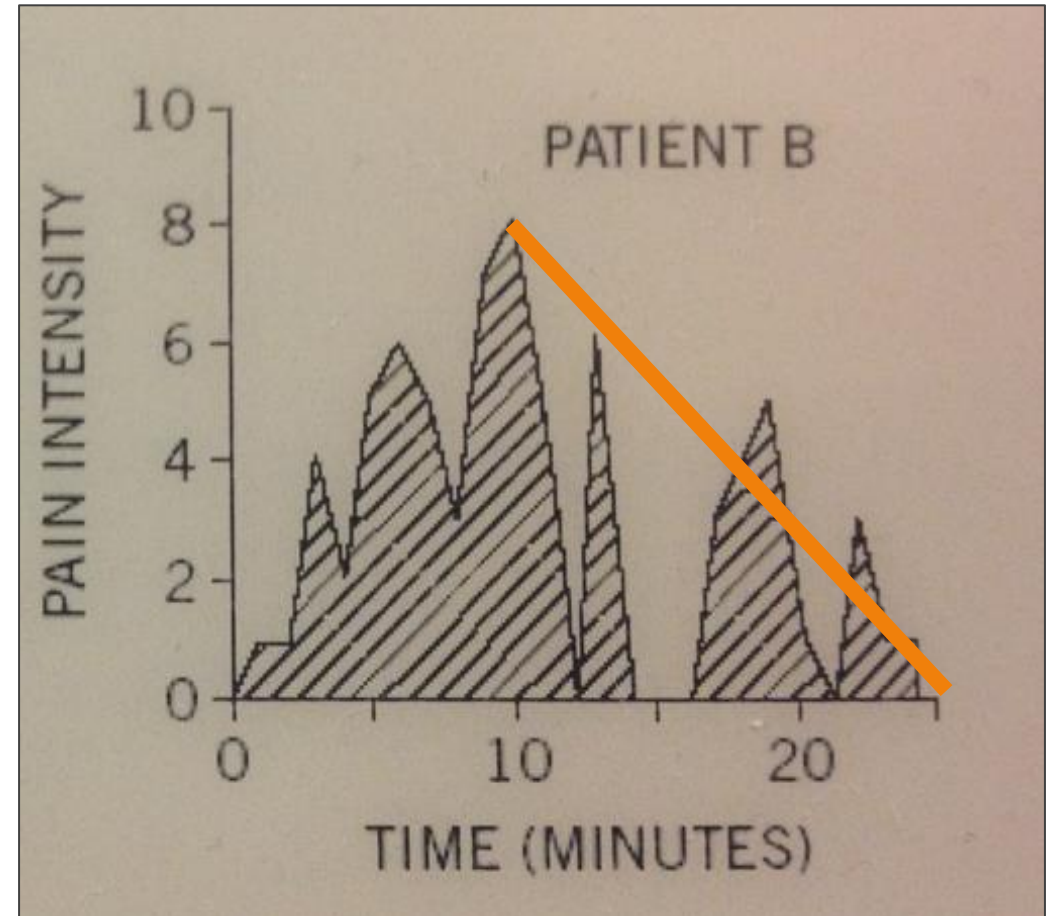
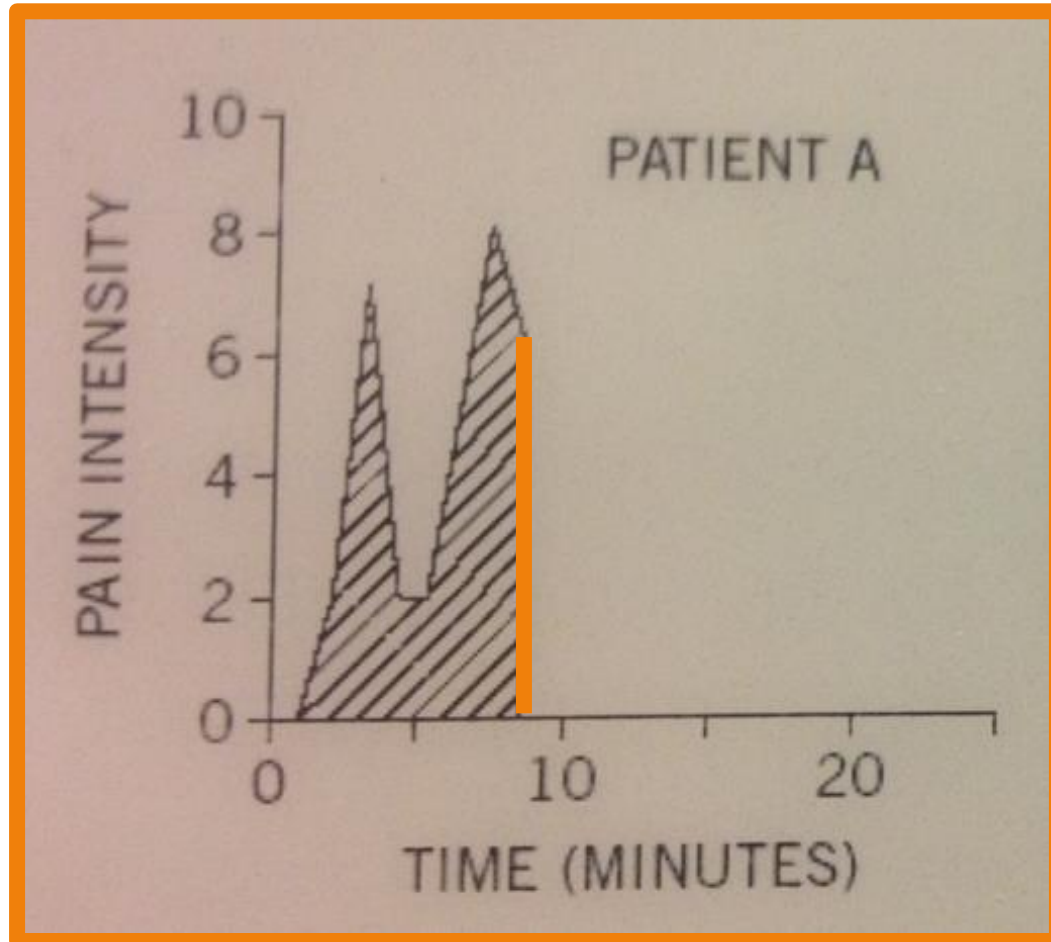
Why Did Patient A Remember Experiencing More Pain Than Patient B?



“Last impressions can be lasting impressions.”

Donald Redelmeier

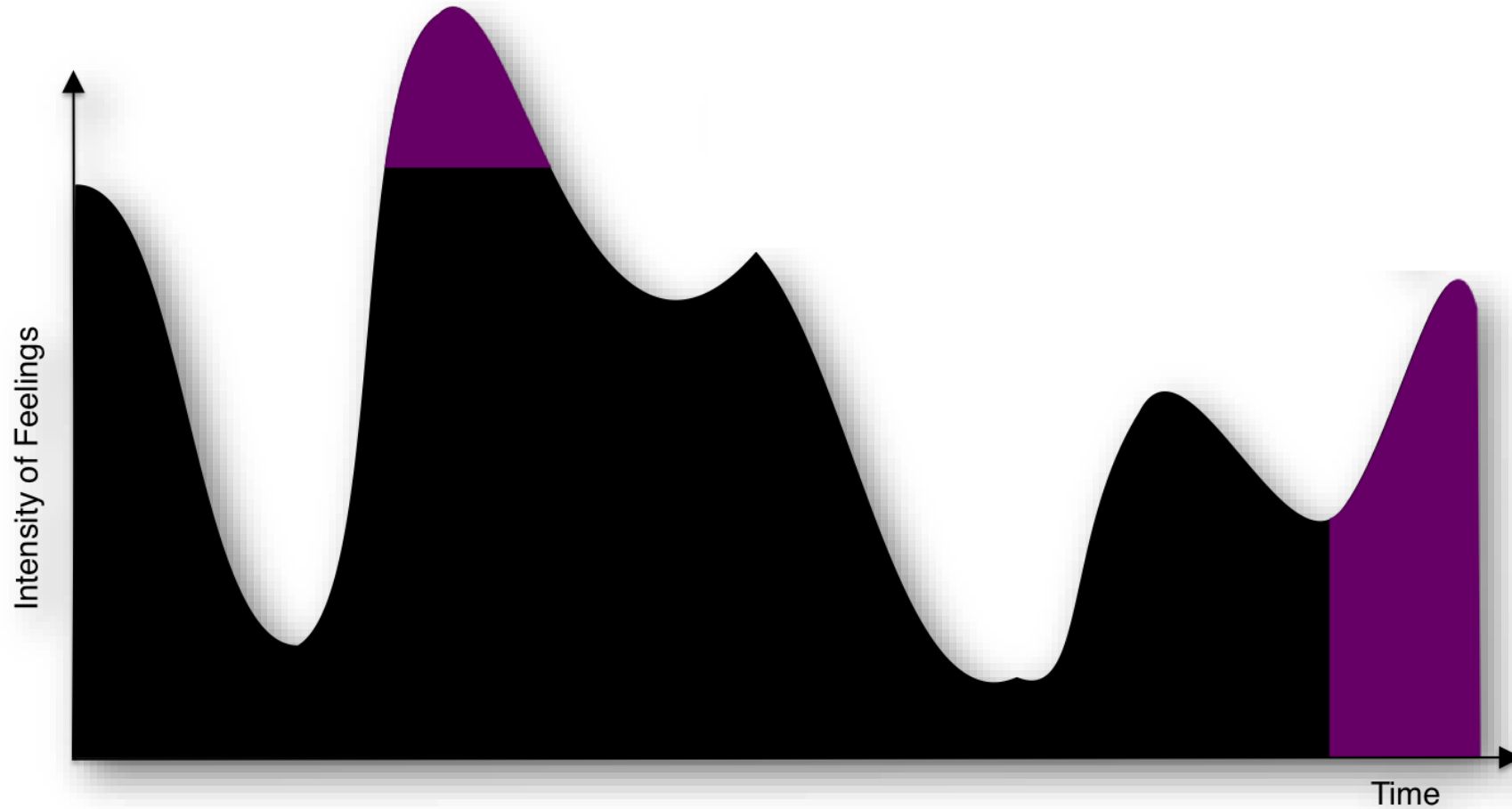
One Week Later, Patient A Believes They Experienced More Pain



"Last impressions can be lasting impressions."

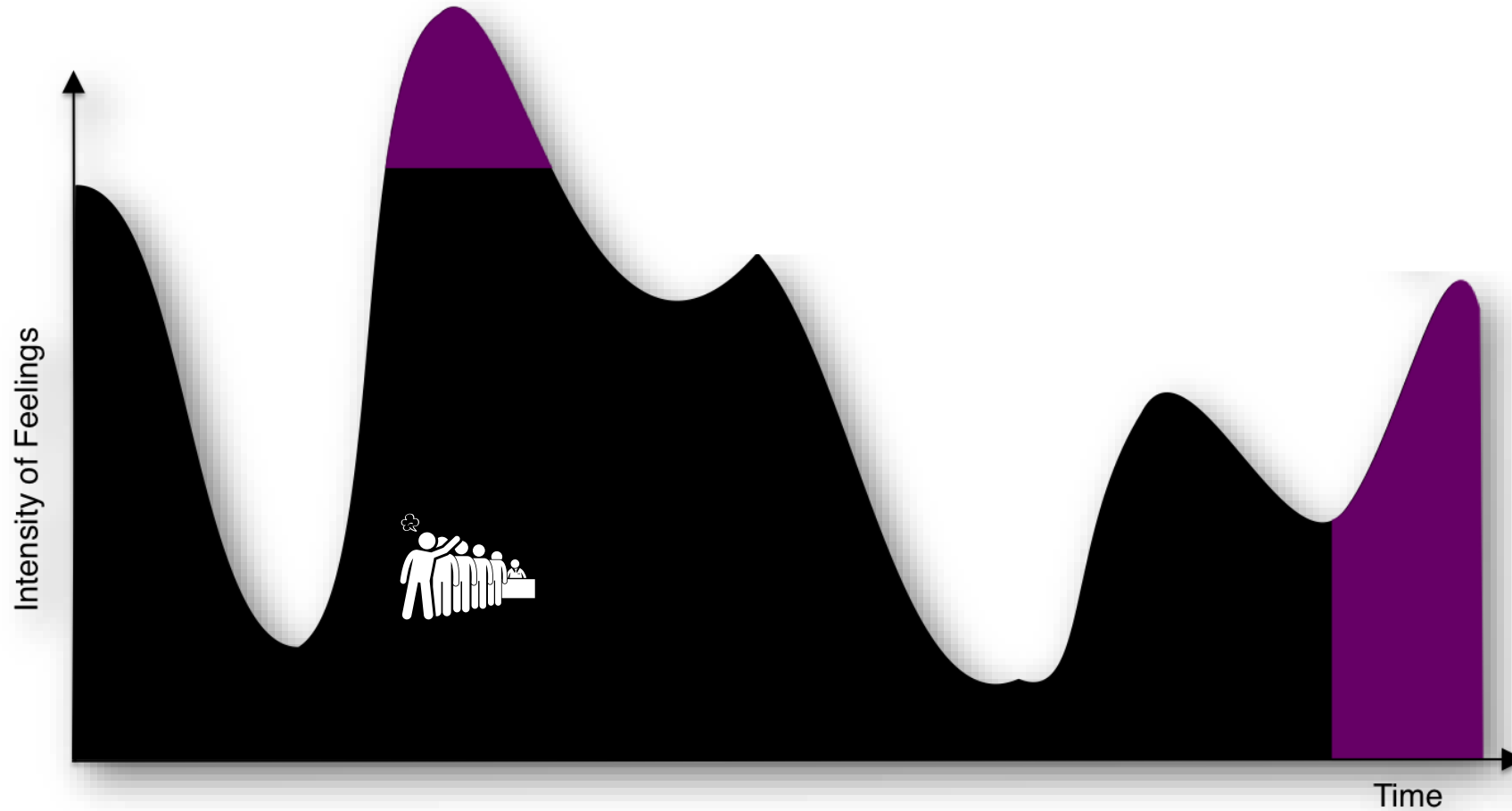
Donald Redelmeier

The Remembering Self is the Story Teller

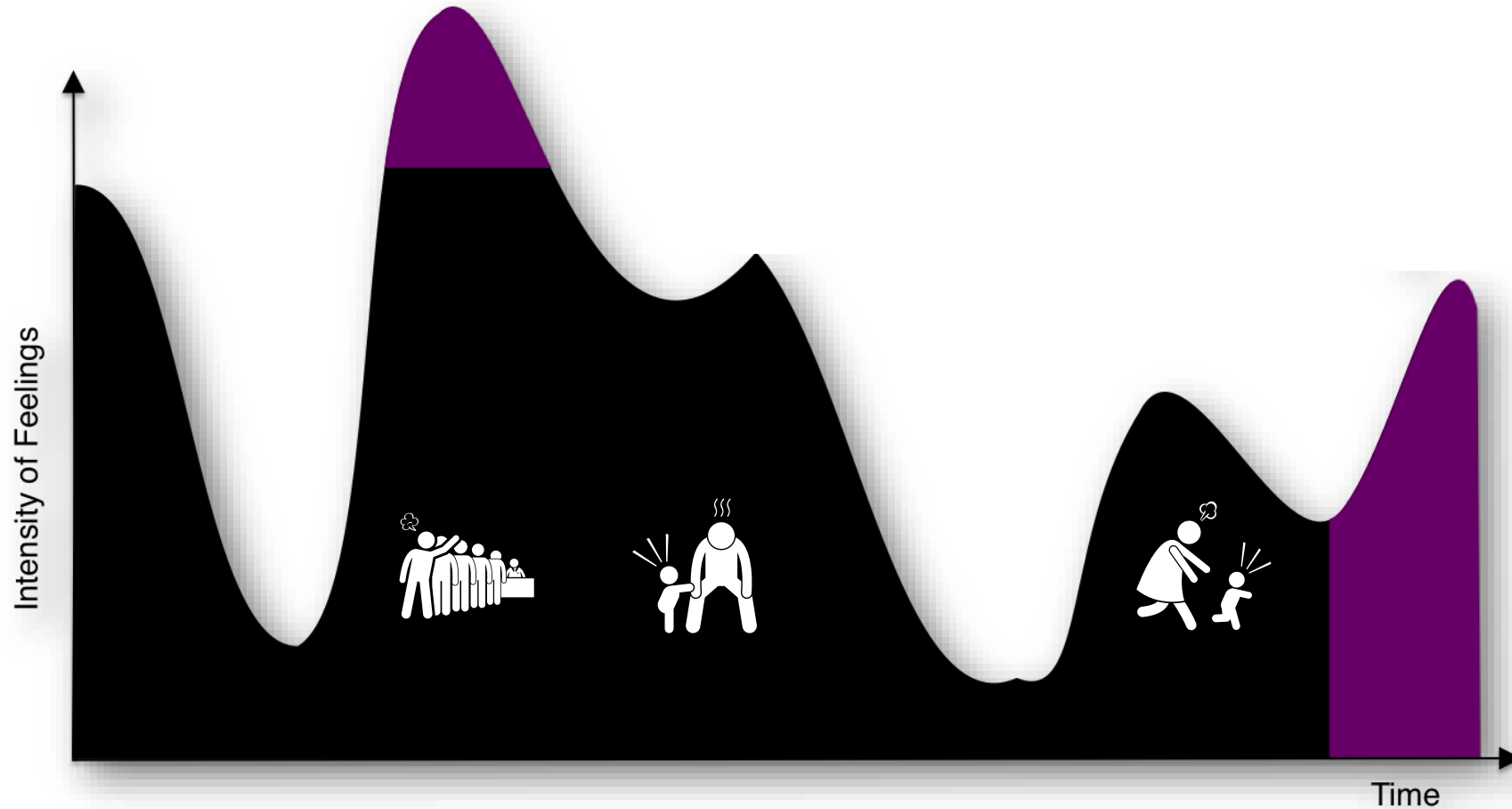


Source: www.ted.com/talks/daniel_kahneman_the_riddle_of_experience_vs_memory

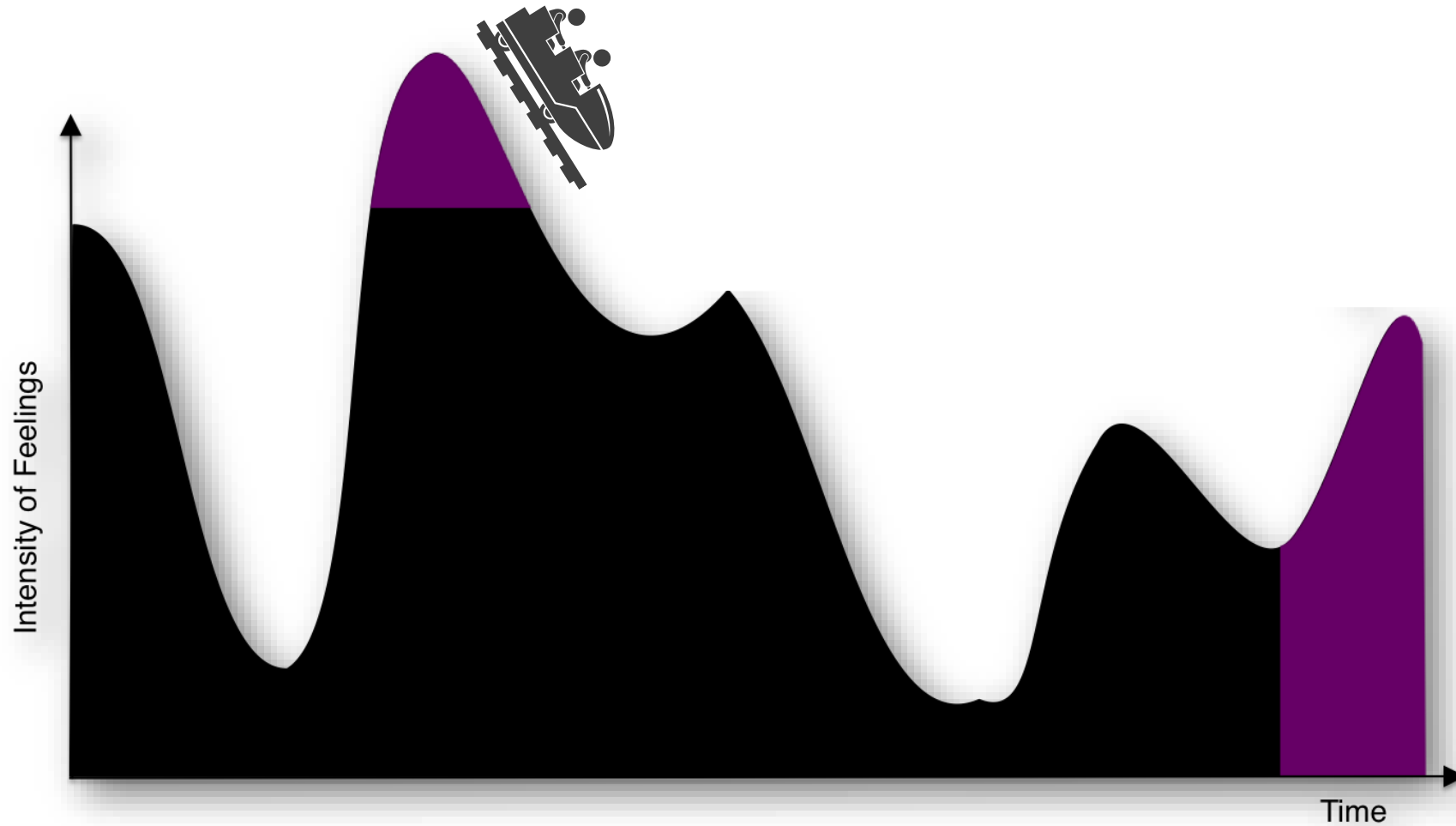
Although Theme Parks Involve Long Queues



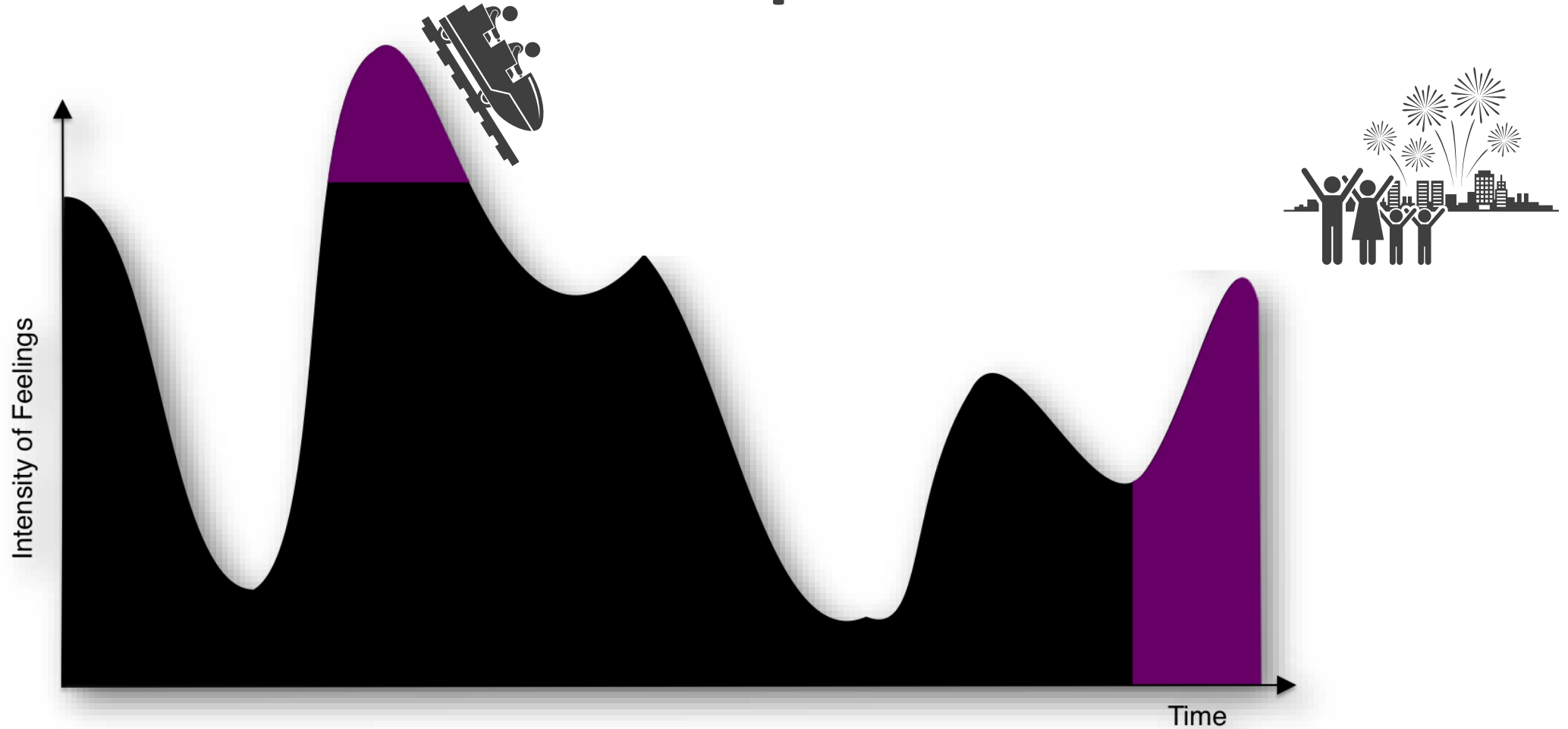
Although Theme Parks Involve Long Queues and Chasing After Over-Excited Kids



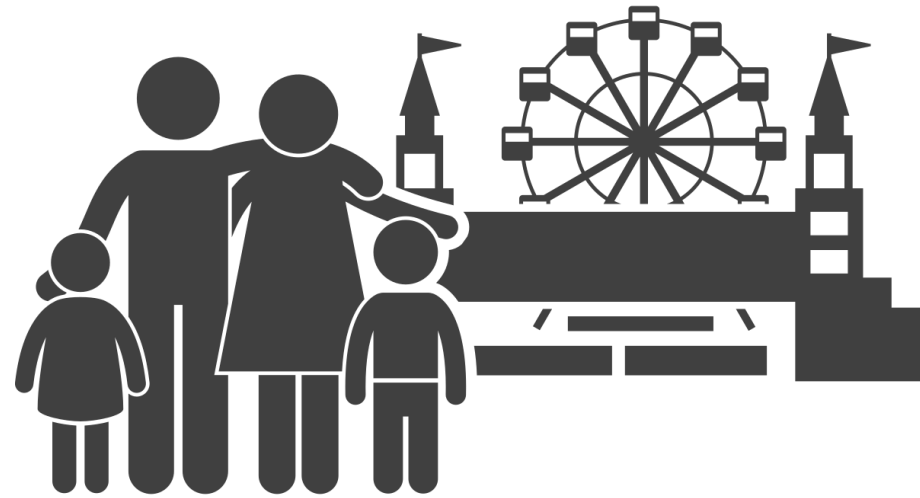
We Only Remember the Peak Experiences



We Only Remember the Peak Experiences And the End Experiences

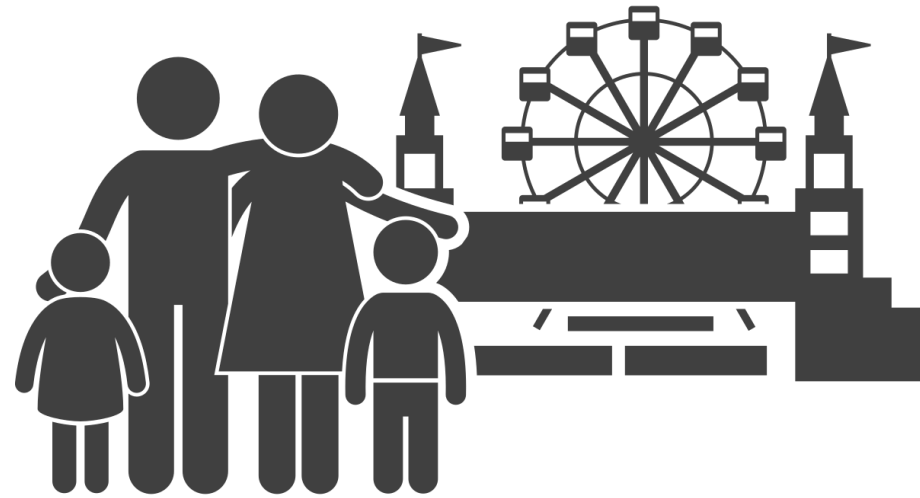


Our Remembered Experiences Form Our Beliefs



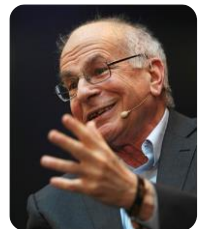
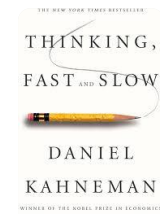
Our Remembered Experiences Form Our Beliefs

“The Happiest Place on Earth”



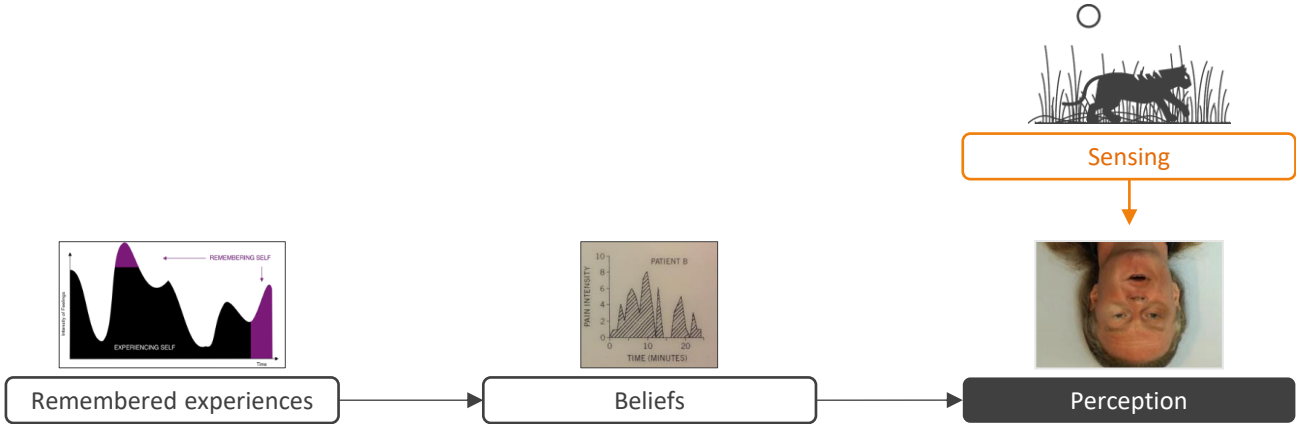
I Am My Remembering Self

The **experiencing self**, who does my living,
is like a stranger to me



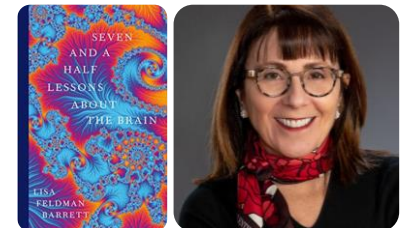
Daniel Kahneman
Princeton University

Our Experiences Shape What We See



When Your Predicting Brain is Right

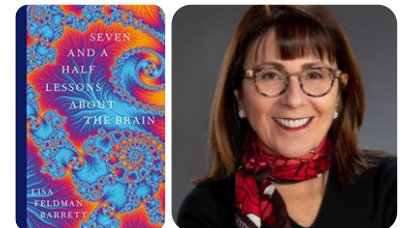
It **creates your reality**



Lisa Feldman Barrett
Northeastern University

When Your Predicting Brain is Wrong

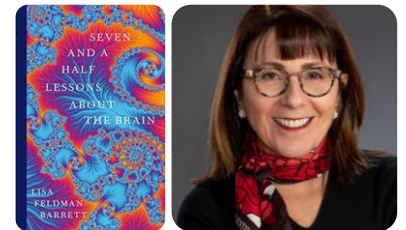
It **still** creates your reality



Lisa Feldman Barrett
Northeastern University

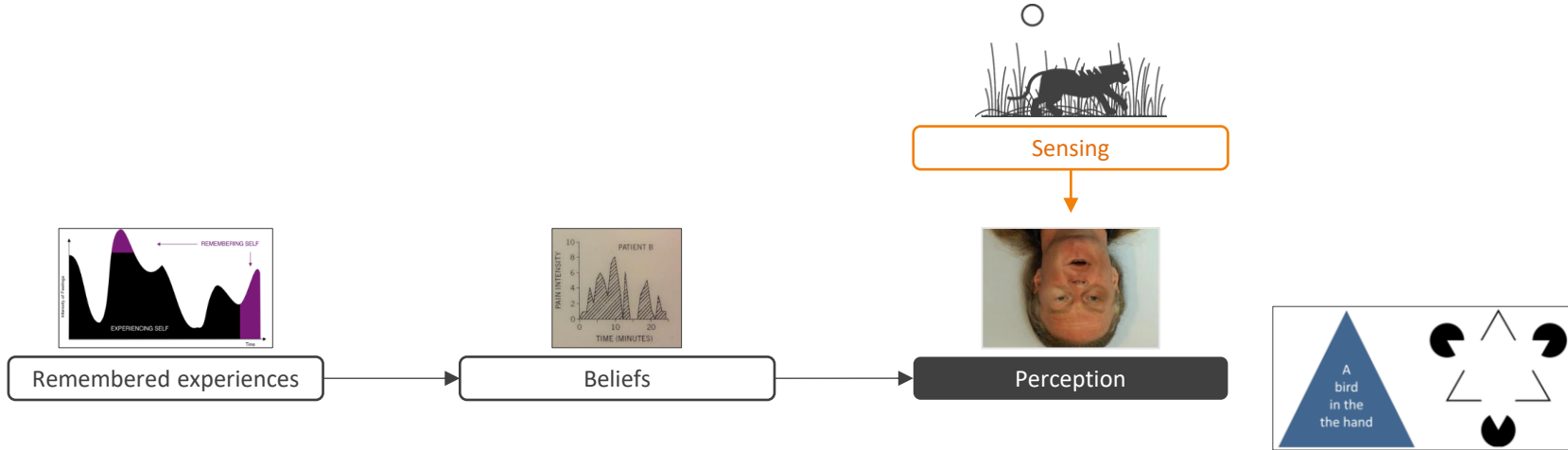
When Your Predicting Brain is Wrong

It **still** creates your reality,
and hopefully it **learns from its mistakes**



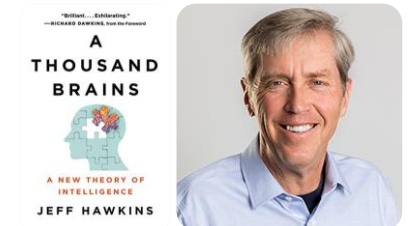
Lisa Feldman Barrett
Northeastern University

Our Experiences Shape What We See



We Are Not Aware

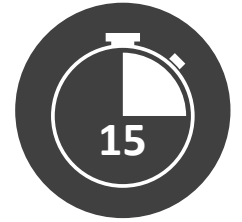
Of the vast majority of **mis-predictions**



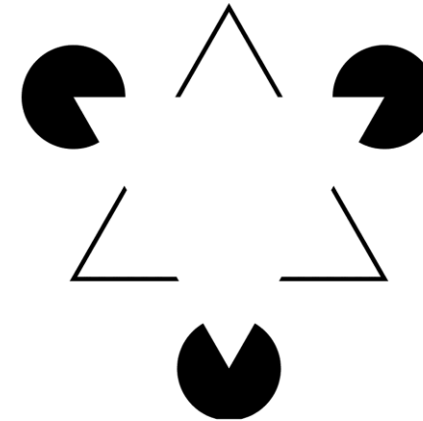
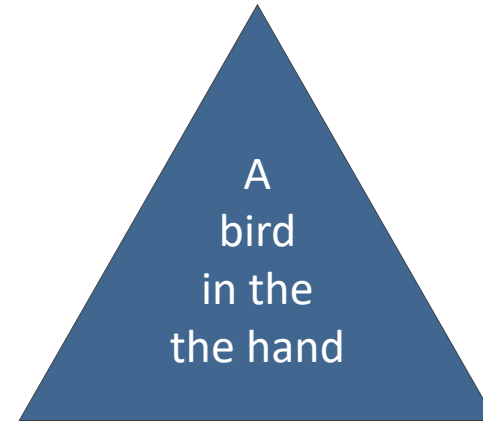
Jeff Hawkins
Founder, Numenta



Your Return On Investment



Snap

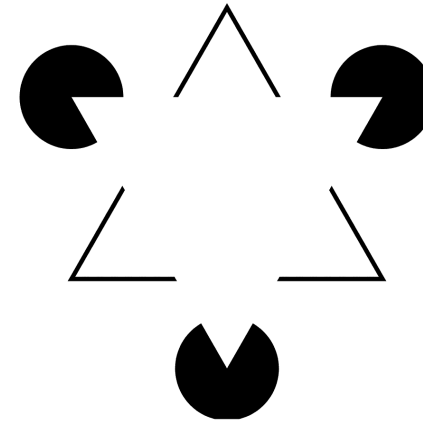
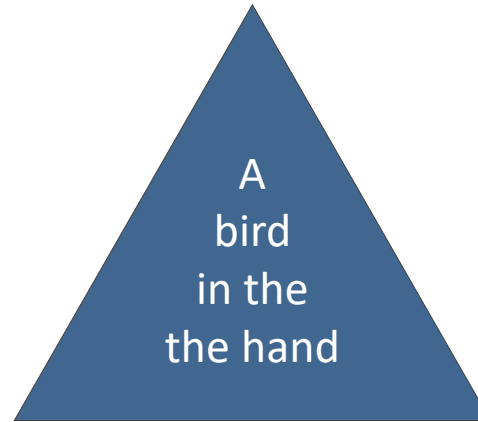


4. Where in your work might you snap to a mistaken perception?

Seeing what you expect to see or failing to see what you should see?

Examples

Snap



- A non standard risk that we underwrite as a standard risk
- Perceiving demand for a new product for which, in reality, there is little demand

Lunch

Tuesday afternoon groups

Group 1
Anne Rice
Jens Smids
Ryan Dale Maquidato
Sven Bähies

Group 2
Andreas Gärtner
Cindy Nestman
Kenneth Wolstrup
Pim Robyn
Richard Hyman

Group 3
Amie Grace Sabornido
Franziska Rummel
Helle Sand
Jana Vanderlinden
Justin Pursaga

Next session starting at

13:30

ICMIF Advanced Management Course 2024

A Framework for Thinking About Thinking (part 2)

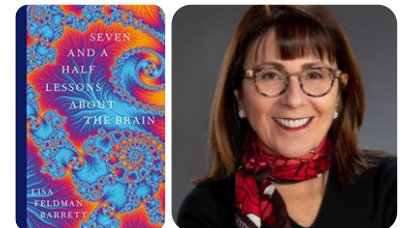


Part 4 (of 6)

Next break: **14:35**

Your Brain's Most Important Job Is Not Thinking

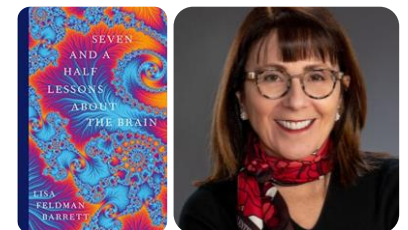
It's **predicting** energy needs before they arise



Lisa Feldman Barrett
Northeastern University

Your Brain's Most Important Job Is Not Thinking

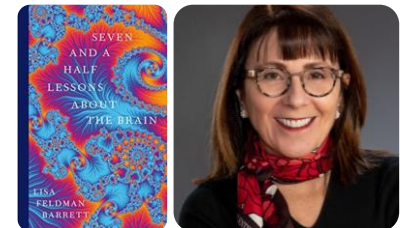
It's **predicting** energy needs before they arise
so you can **efficiently** make worthwhile
movements and survive



Lisa Feldman Barrett
Northeastern University

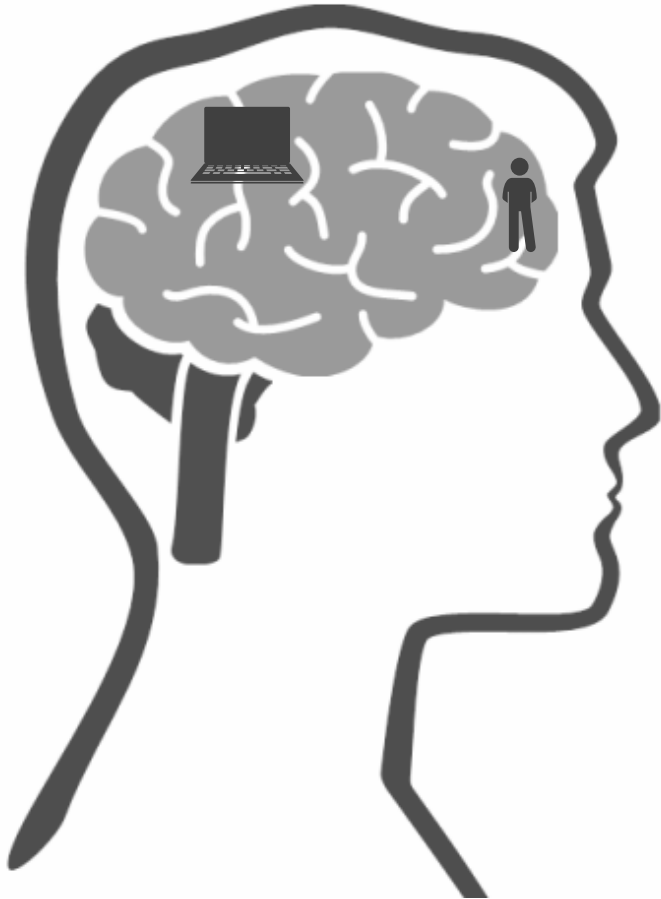
How Can Animals Predict Their Bodies' Future Needs?

The **best source** of information comes from their **past**



Lisa Feldman Barrett
Northeastern University

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
than the Human



2. Emotional brain

3. Thinking brain *"The Human"*

We Snap to Very Quick Understandings



Mum: “Watch Out Sean”



Source: youtu.be/C3fGJ12n1ok

Mum: “Because He is Hunting”



Source: youtu.be/C3fGJ12n1ok

Dad: “Sean, Stay”



Source: youtu.be/C3fGJ12n1ok

Dad: “Stay”



Source: youtu.be/C3fGJ12n1ok

Mum: “Look. Oh!”



Source: youtu.be/C3fGJ12n1ok

Mum and Dad: “Wooooaahhhhhh!”



Source: youtu.be/C3fGJ12n1ok

Mum and Dad: “Wooooaahhhhhh!”



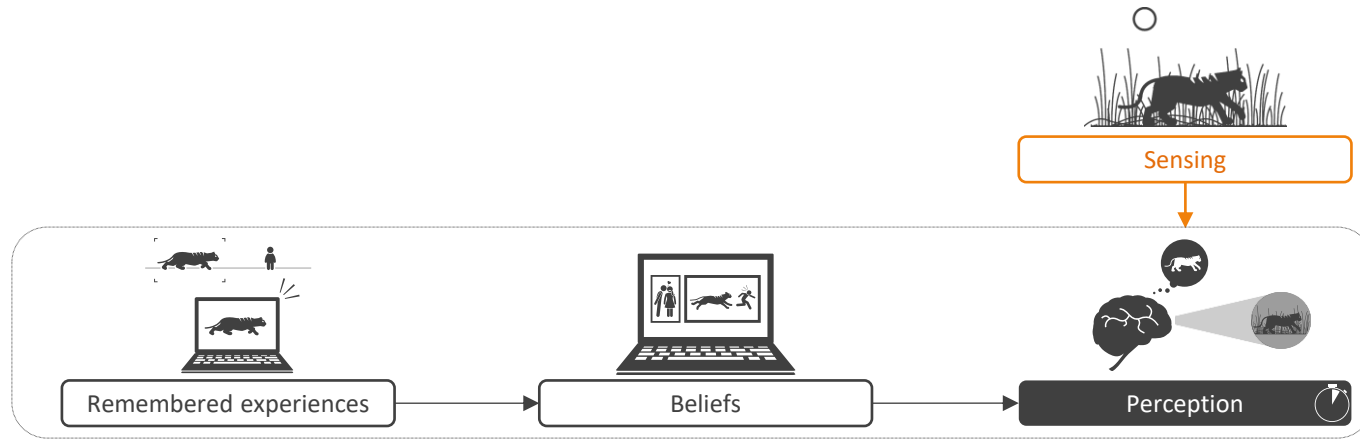
Source: youtu.be/C3fGJ12n1ok

Mum and Dad: “Wooooaaahhhhhh!”

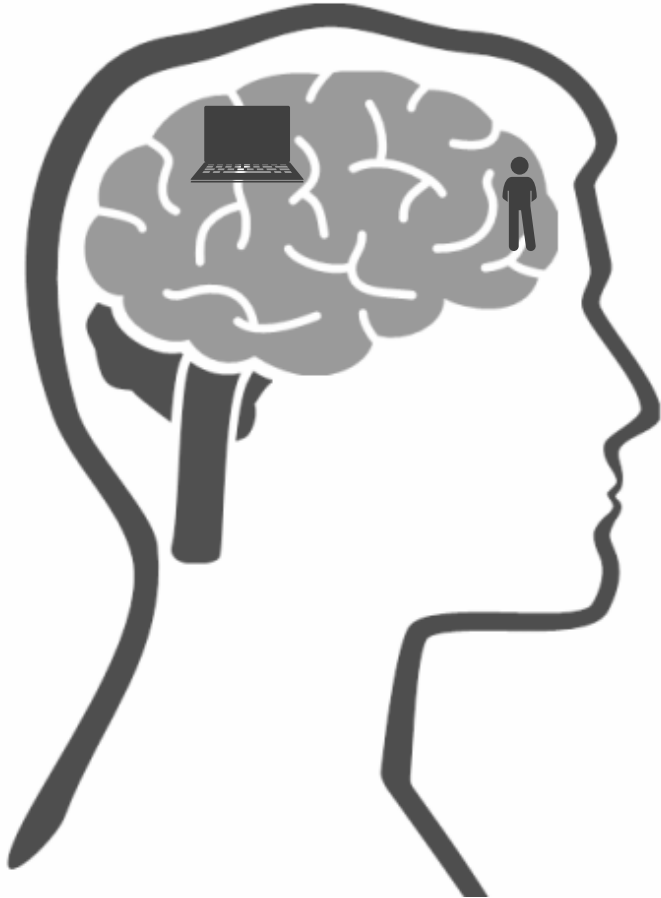


Source: youtu.be/C3fGJ12n1ok

Our Experiences Shape What We See



Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

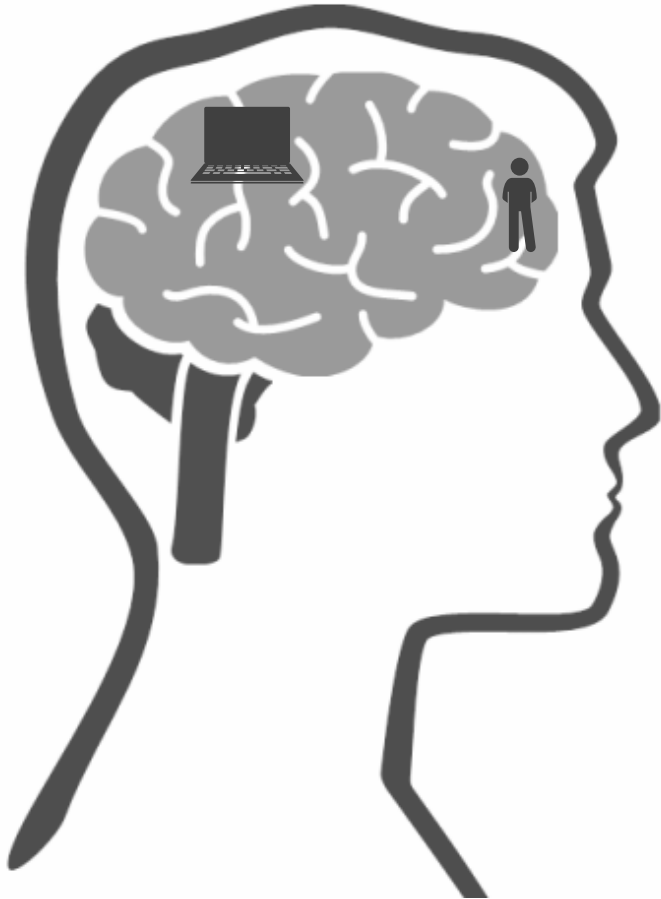
20x faster
than the Human



2. Emotional brain

3. Thinking brain *"The Human"*

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
than the Human



2. Emotional brain

Approach or avoid
Feelings

3. Thinking brain *"The Human"*

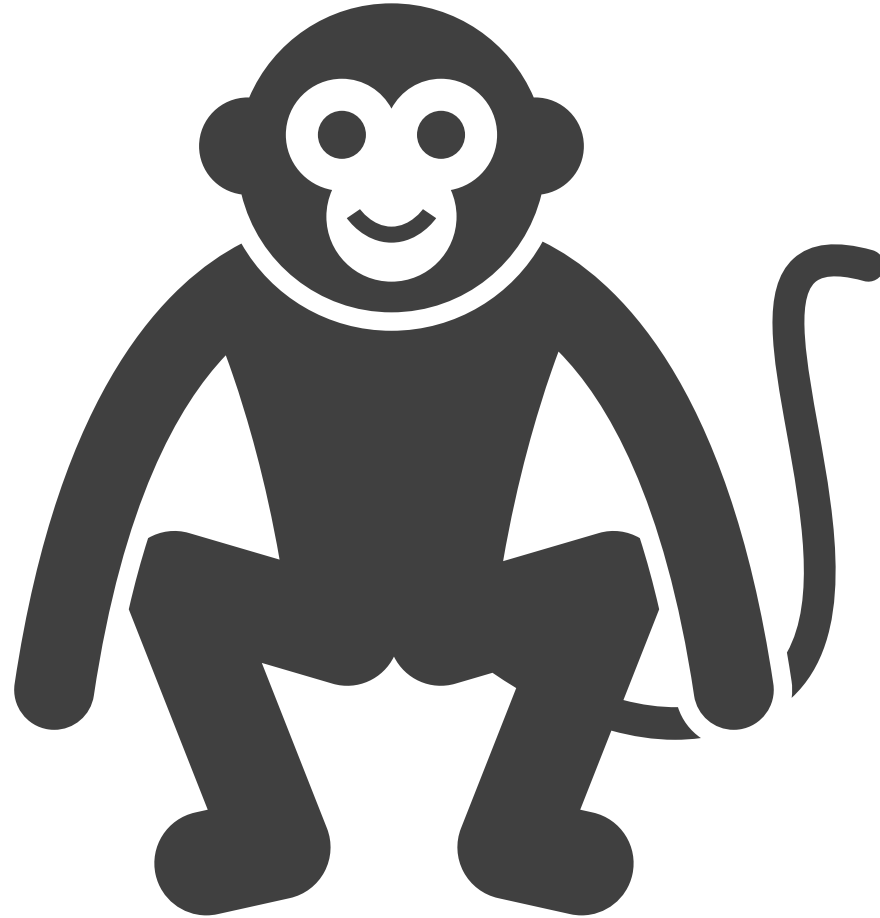
Why Emotions Are Critical



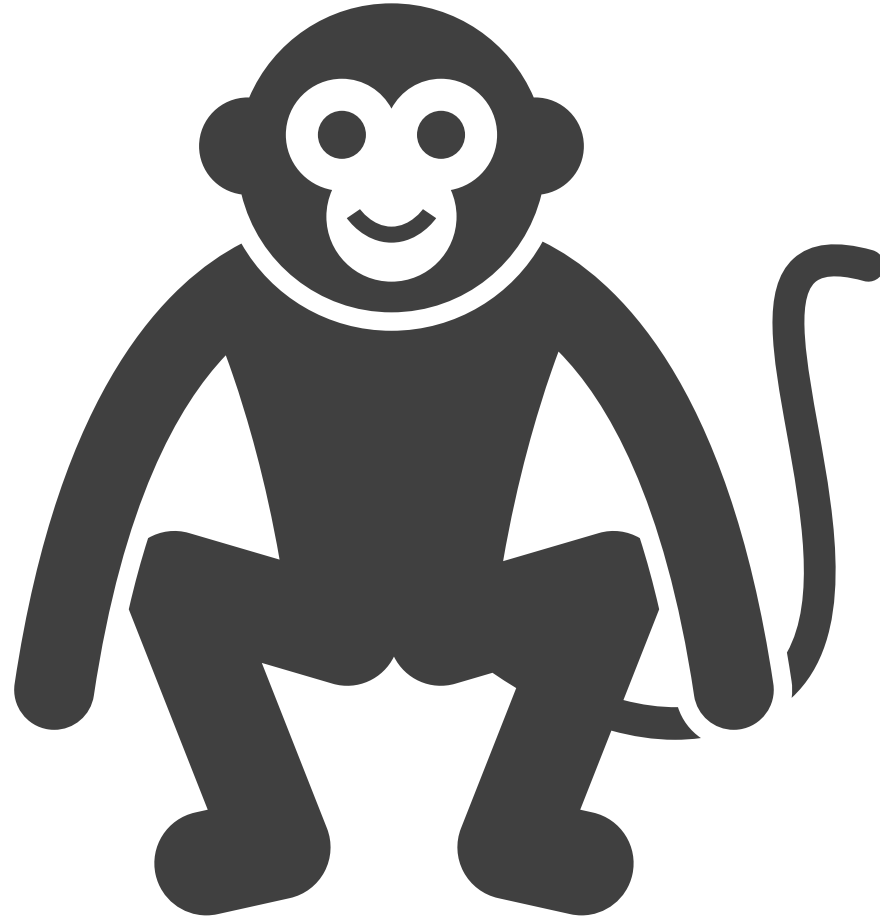
Emotions Prompt Us To Act



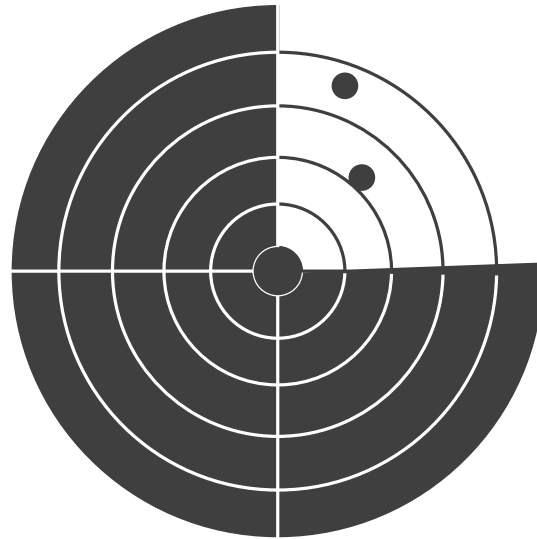
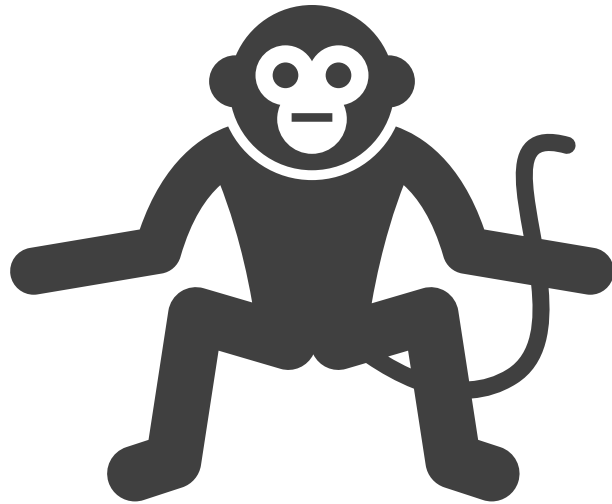
Say Hello To Your Chimp



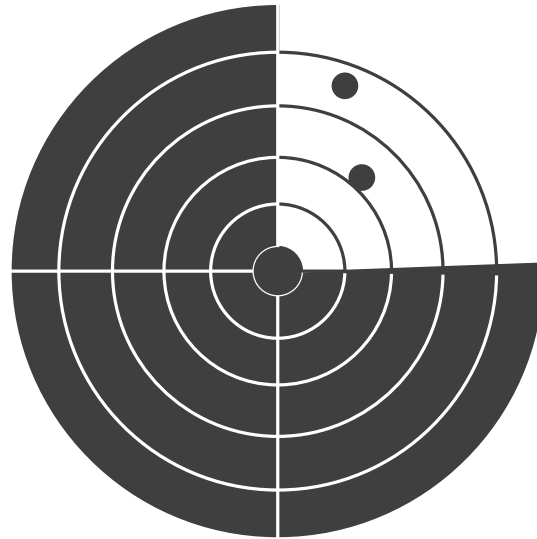
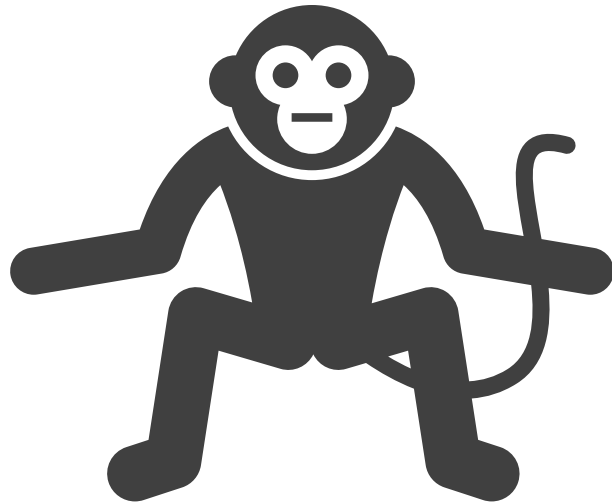
Our Chimps Run Most of Our Lives



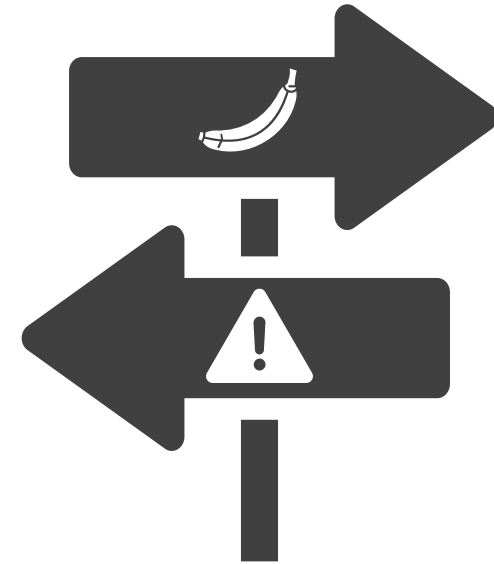
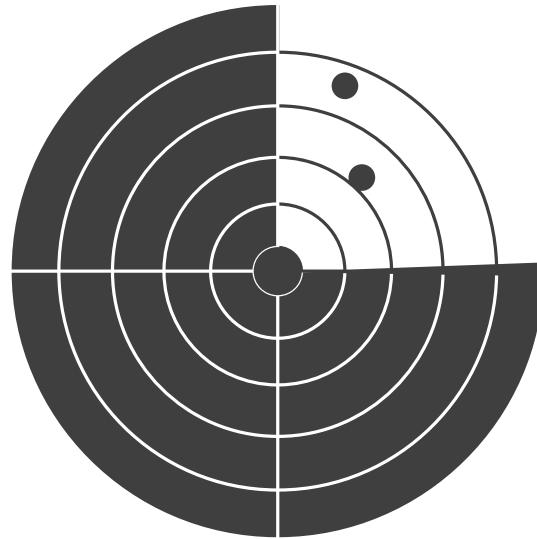
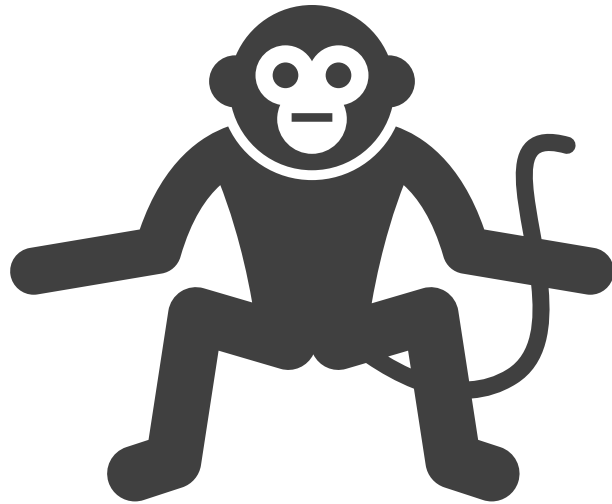
Our “Chimps” are on Constant Alert



Our “Chimps” are on Constant Alert For Threat



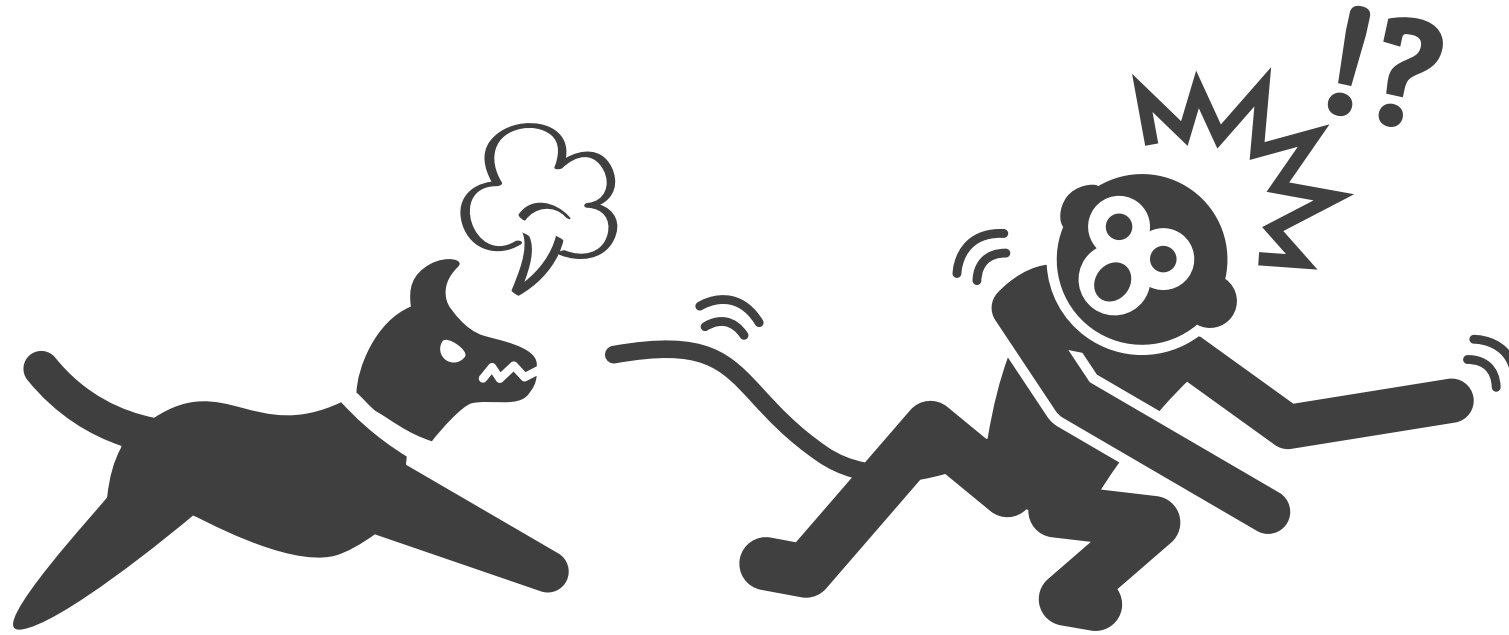
Our “Chimps” are on Constant Alert For Threat and Opportunity



“Chimps” Have No Time to Ponder



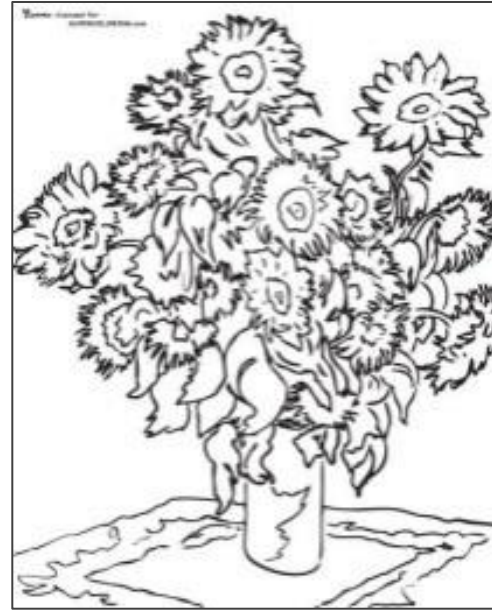
“Chimps” Must Predict and React Instantly



While The World is Rich in Detail



“Chimps” Demand Simplicity



“Chimps” Do Not Think Statistically



“Chimps” Imagine What Might Be



“Chimps” Imagine What Might Be Not What’s Likely to Be



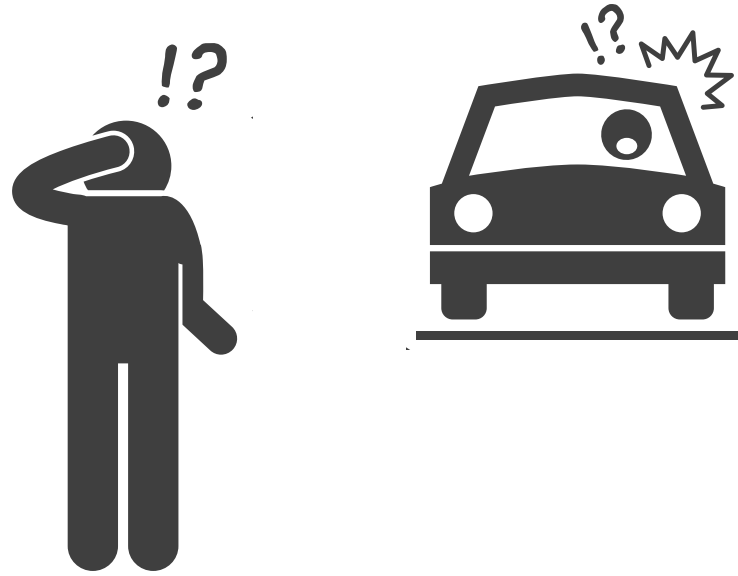
$$E(r) = \sum_{s=1}^s p(s)r(s)$$

$E(r)$ = *expected return*

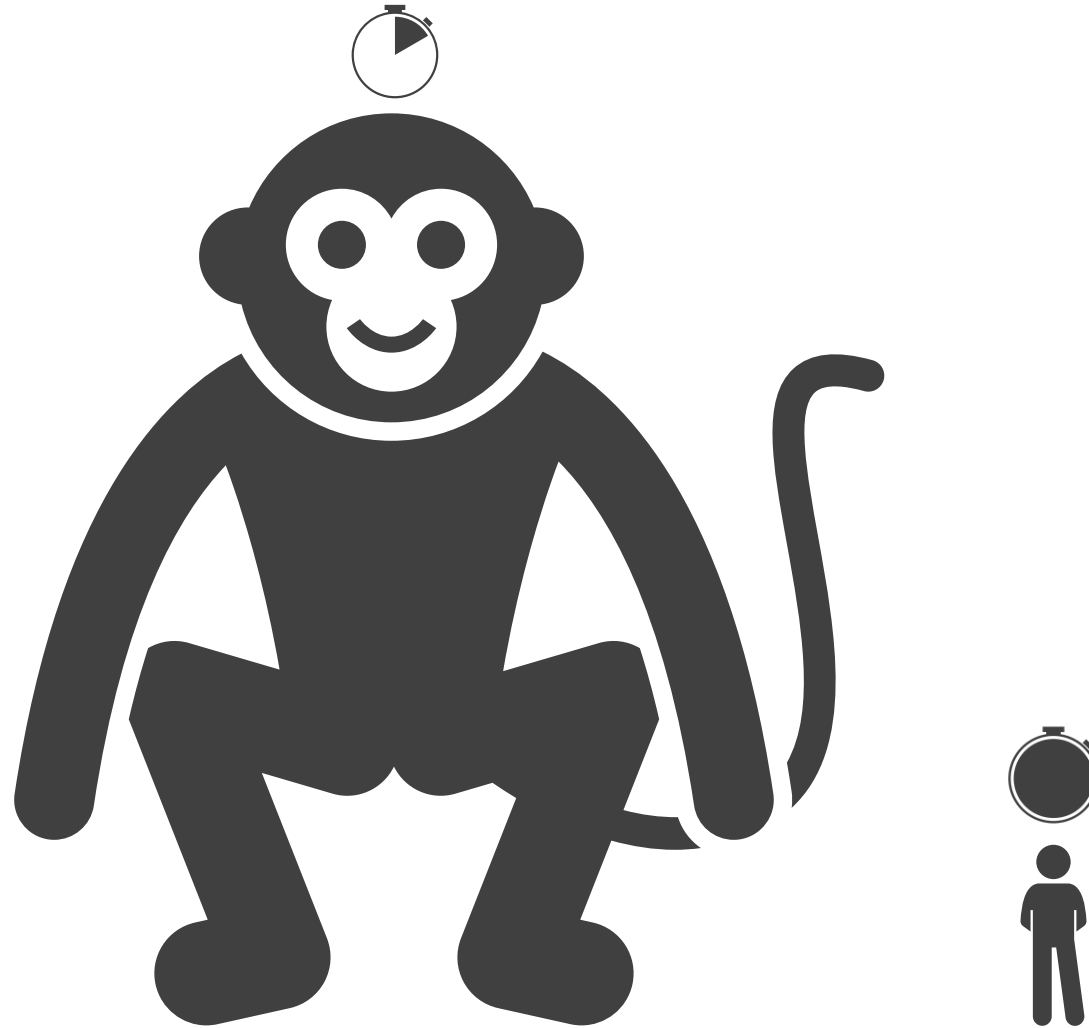
$p(s)$ = *probability of scenario*

$r(s)$ = *return of scenario*

People Whose **Humans Can't Access Their Chimps** Take ~45 Minutes to Tell If It's Safe to Cross a Road



Chimp is 5x Faster and Stronger than Human



“Do I Wish To Feel This Way?”

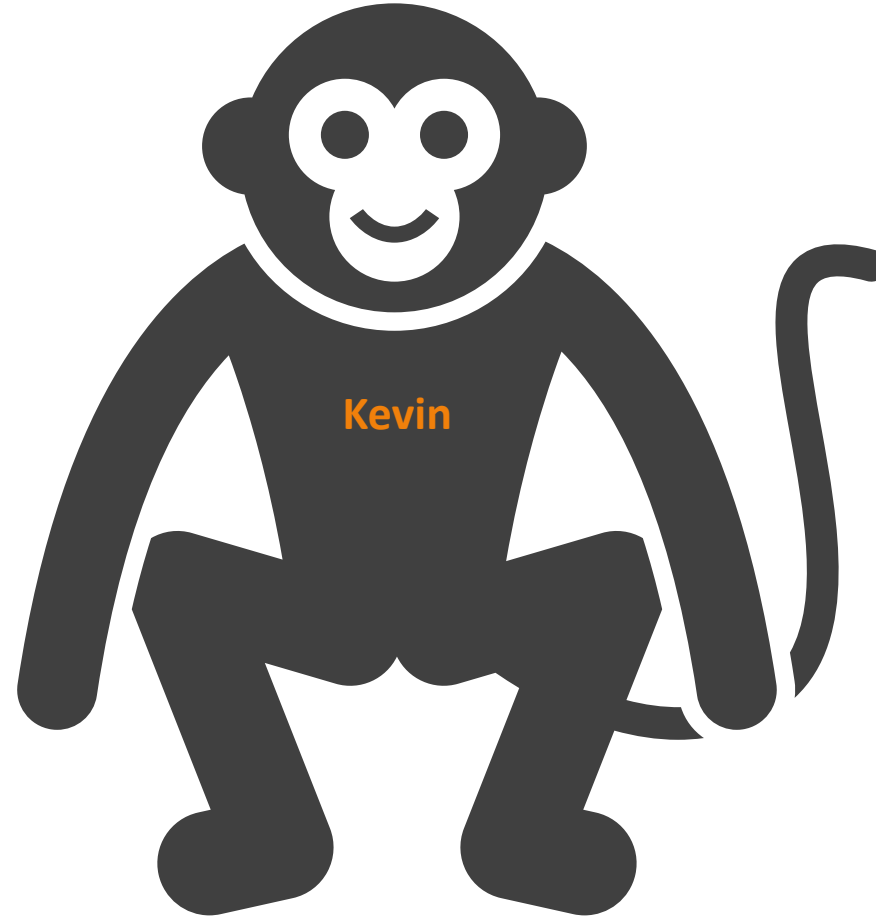


Yes = Dave

Give Your Chimp A Name

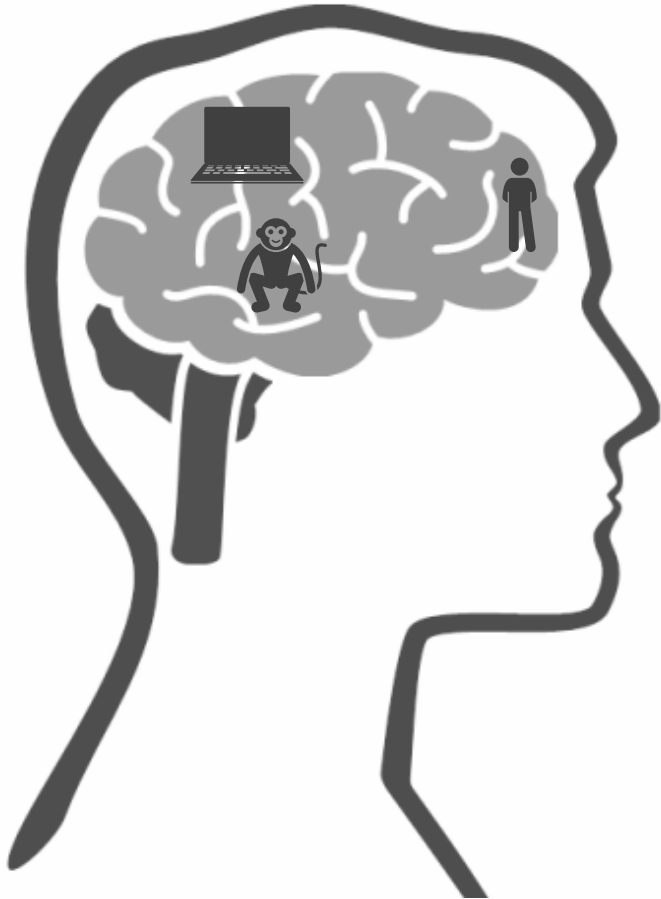


To Dave and Kevin
look after each other
Steve Peters



Dave

Three Teams



1. Subconscious brain

"The Computer"

Patterns based on experience
Beliefs

20x faster
than the Human



2. Emotional brain

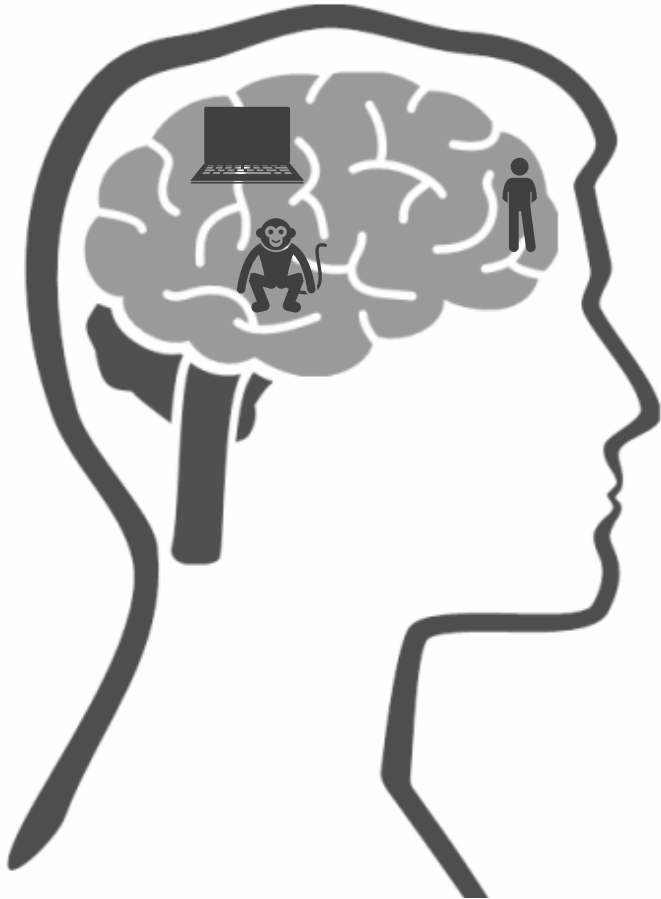
"The Chimp"

Approach or avoid
Feelings

3. Thinking brain

"The Human"

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
than the Human



2. Emotional brain *"The Chimp"*

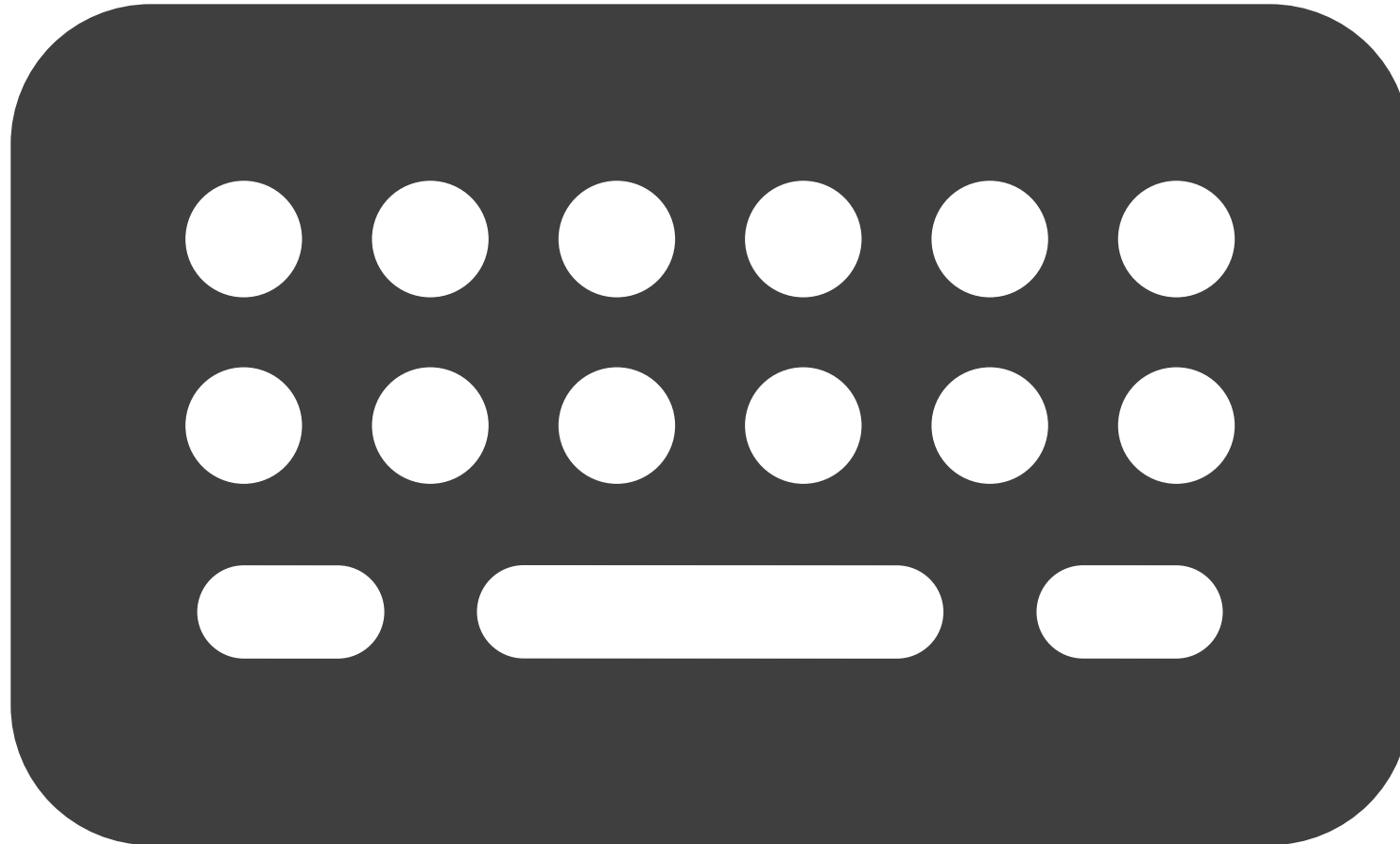
Approach or avoid
Feelings

5x faster
than the Human



3. Thinking brain *"The Human"*

How Good Is This Keyboard?



How Good Is This Keyboard?

1. Pen Held Between Teeth



2. Pen Held Between Lips



Which Group Rated the Keyboard More Favourably?

1. Pen Held Between Teeth



2. Pen Held Between Lips



Which Group Rated the Keyboard More Favourably?

1. Pen Held Between Teeth



2. Pen Held Between Lips



Why Did The First Group Rate the Keyboard More Favourably?

1. Pen Held Between Teeth



2. Pen Held Between Lips



The Slow Human **Invents** A Story That Is **Consistent** With What the **Chimp** Already Feels



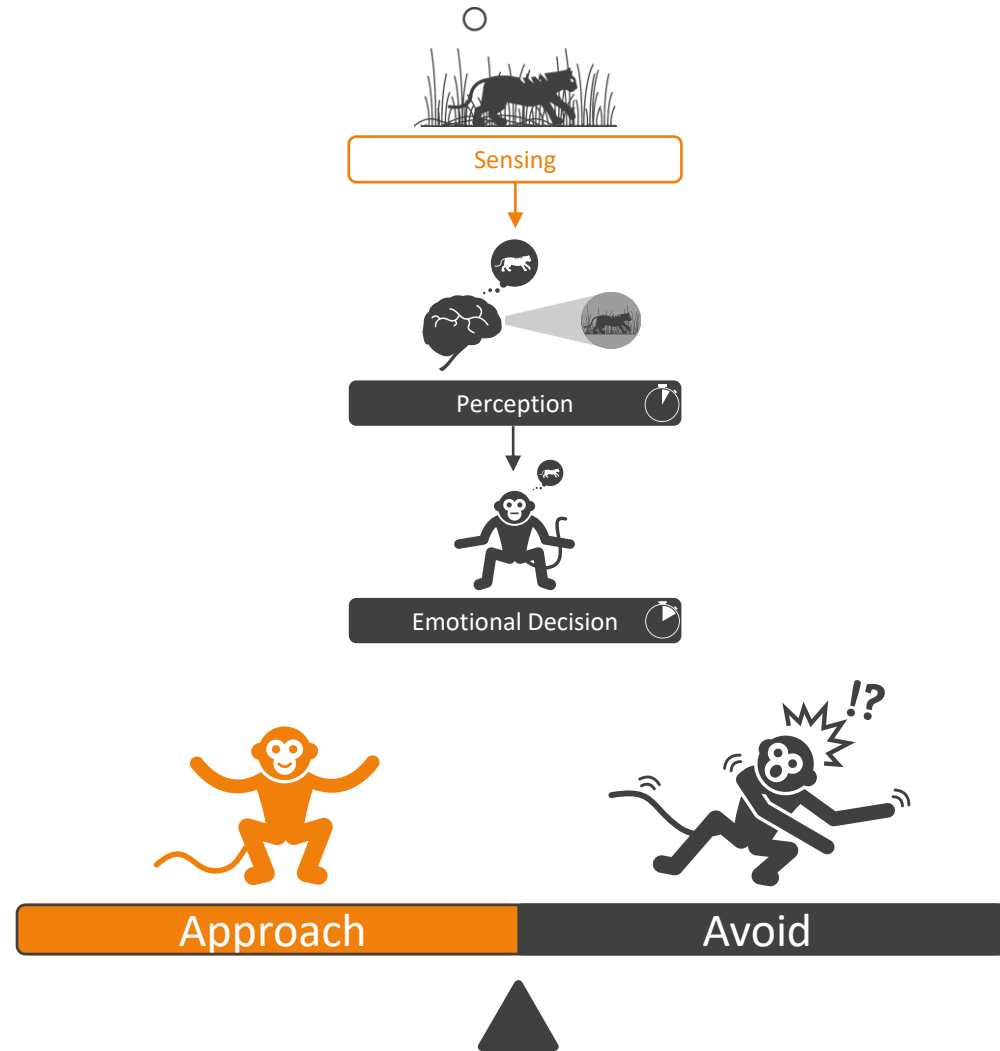
How We Feel Becomes What We Think



How We Feel Becomes What We Think ... Without Us Ever Realising

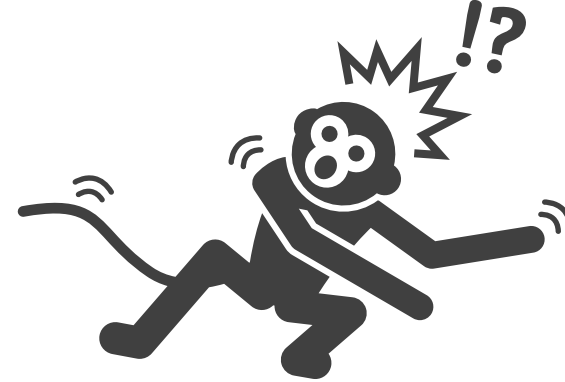
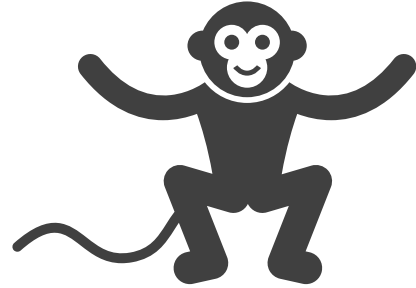
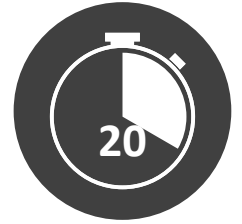


Chimps Prompt Us to Approach or Avoid





Your Return On Investment



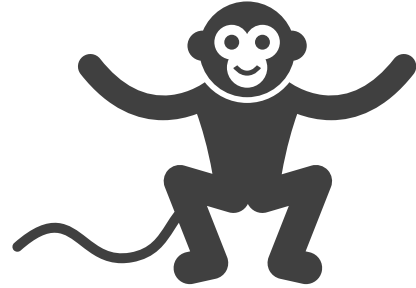
Feeling as Thinking

Our emotional brains tell us how they feel about the patterns our subconscious brains deem relevant, and encourage us to either approach or avoid the object of our attention on that basis.

How we feel about the object of our attention frequently turns into what we **think about it**.

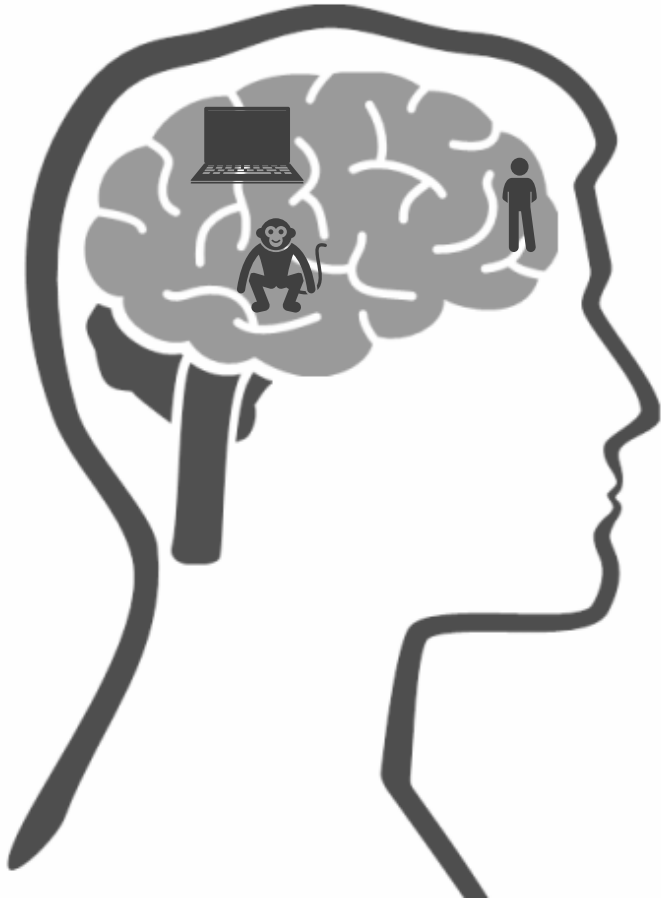
5. Where in your work does your Chimp influence your judgment?

Examples



- How we feel about a client becomes what we think of the risk
- A prior experience with a colleague forever influences my instinctive interpretation of what they say

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
than the Human



2. Emotional brain *"The Chimp"*

Approach or avoid
Feelings

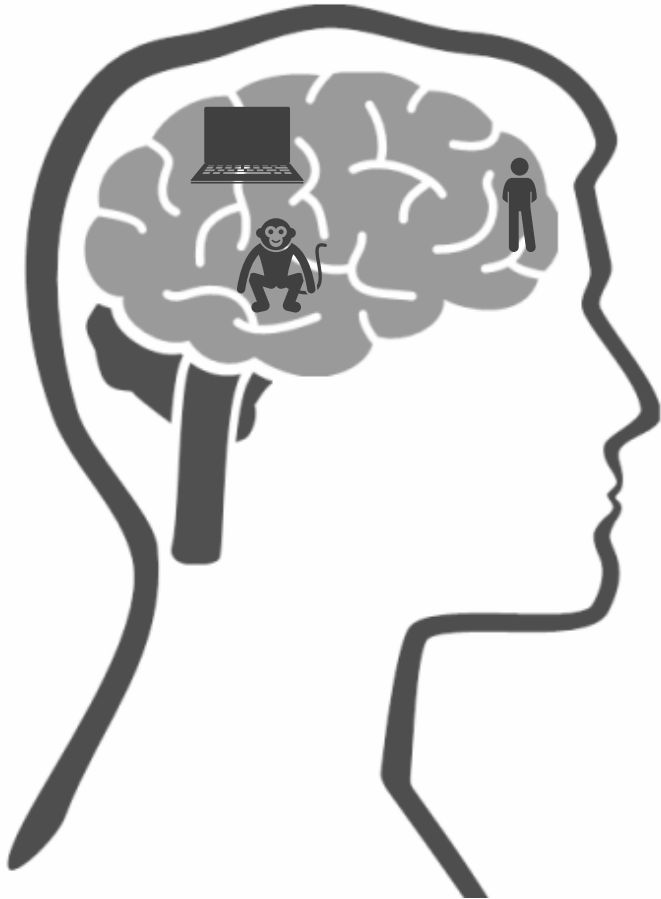
5x faster
than the Human



3. Thinking brain *"The Human"*

Logic and analysis
Facts

Three Teams



1. Subconscious brain *"The Computer"*

Patterns based on experience
Beliefs

20x faster
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2. Emotional brain *"The Chimp"*

Approach or avoid
Feelings

5x faster
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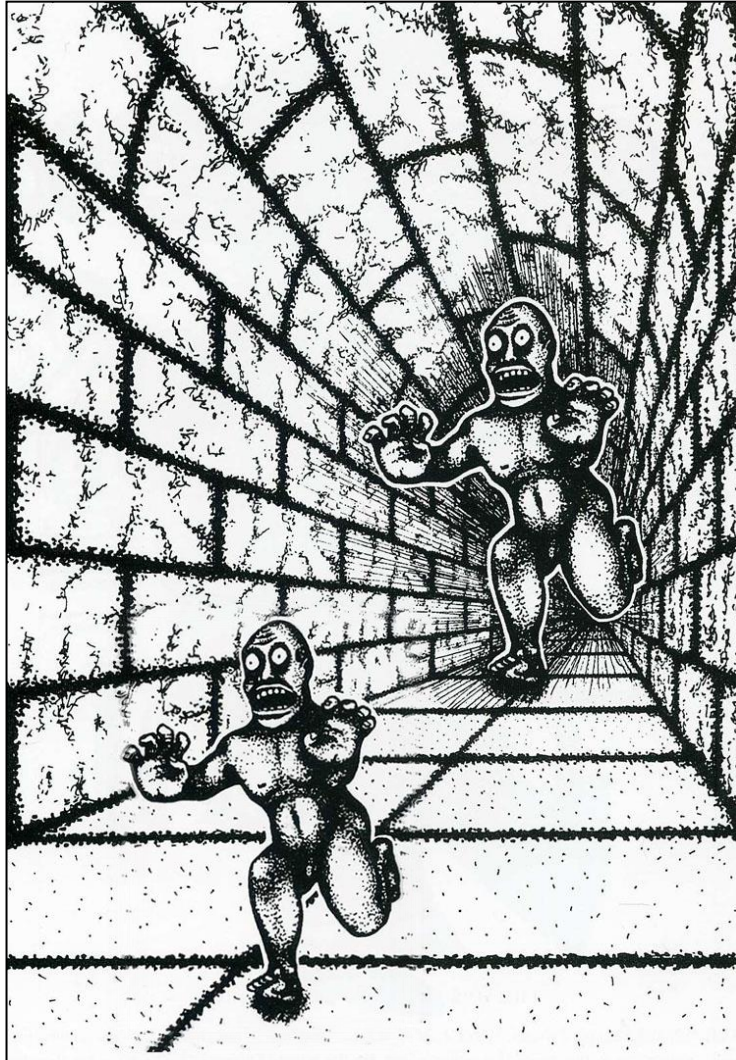


3. Thinking brain *"The Human"*

Logic and analysis
Facts

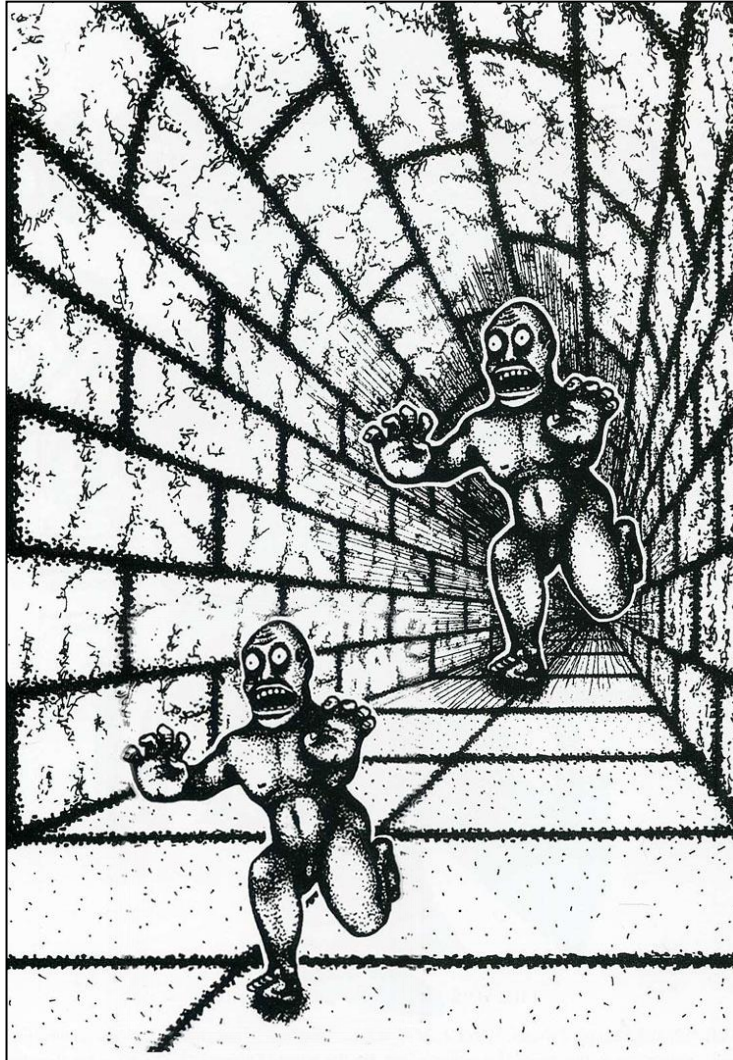
What do we mean by
“decision bias”?

Which Monster is the Taller of the Two?



Decision Bias = Energy Saving Shortcut

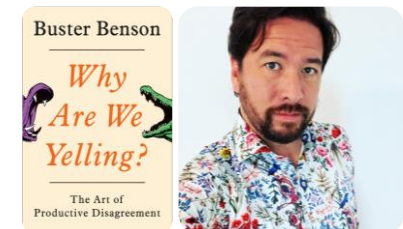
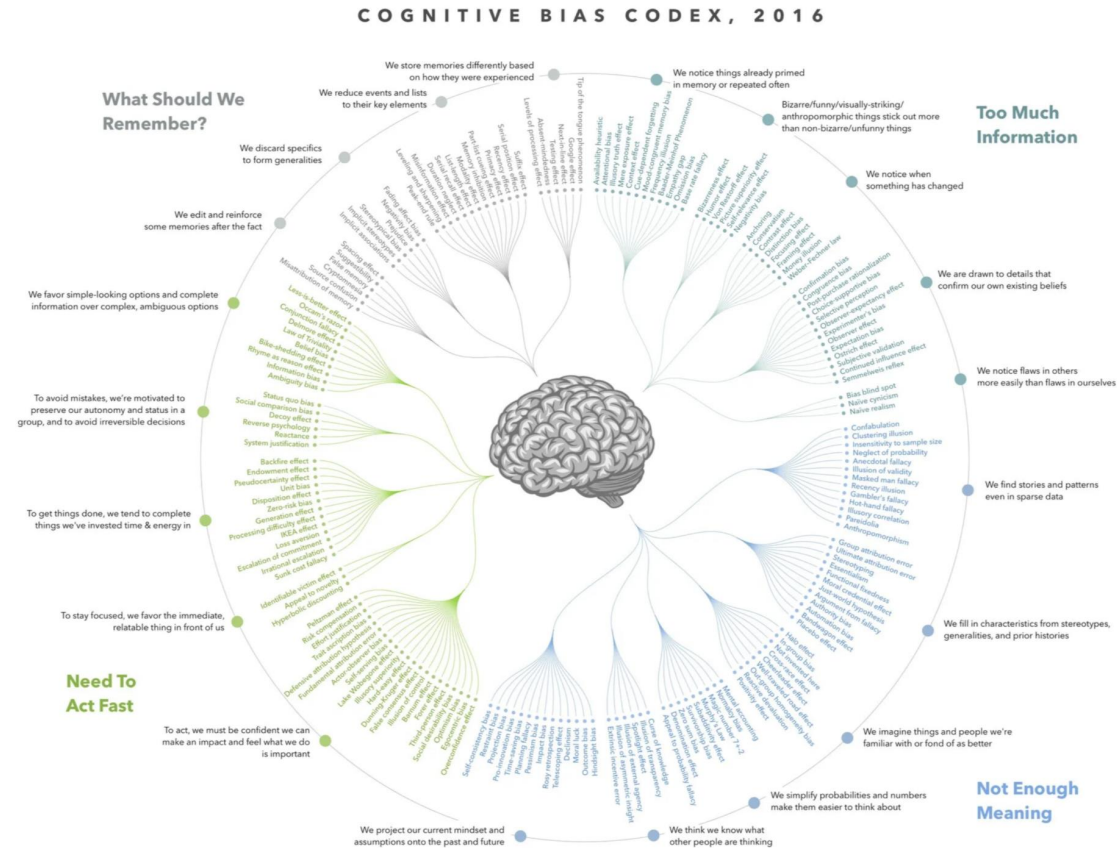
“Rule of Thumb” = heuristics



Researchers Have Identified Lots of ‘Biases’

- **Action Bias** Why do we prefer doing something to doing nothing?
- **Affect Heuristic** Why do we rely on our current emotions when making quick decisions?
- **Ambiguity Effect** Why we prefer options that are known to us
- **Anchoring Bias** Why we tend to rely heavily upon the first piece of information we receive
- **Attentional Bias** Why do we focus more on some things than others?
- **Availability Heuristic** Why do we tend to think that things that happened recently are more likely to happen again?
- **Bandwagon Effect** Why do we support opinions as they become more popular?
- **Barnum Effect** Why do we believe our horoscopes?
- **Base Rate Fallacy** Why do we rely on specific information over statistics?
- **Bikeshedding** Why do we focus on trivial things?
- **Bottom-Dollar Effect** Why do we transfer negative emotions about being broke on items that we purchase?
- **Bounded Rationality** Why are we satisfied by "good enough"?
- **Bundling Bias** Why do we value items purchased in a bundle less than those purchased individually?
- **Cashless Effect** Why does paying without physical cash increase the likelihood that we purchase something?
- **Category Size Bias** Why do we think we're more likely to win at the big casino versus the small one?
- **Choice Overload** Why do we have a harder time choosing when we have more options?
- **Cognitive Dissonance** Why is it so hard to change someone's beliefs?
- **Commitment Bias** Why do people support their past ideas, even when presented with evidence that they're wrong?
- **Confirmation Bias** Why do we favour our existing beliefs?
- **Decision Fatigue** Why do we make worse decisions at the end of the day?
- **Declinism** Why we feel the past is better compared to what the future holds
- **Decoy Effect** Why do we feel more strongly about one option after a third one is added?
- **Disposition Effect** Why do we tend to hold on to losing investments?
- **Distinction Bias** Why we tend to view two options as more distinctive when evaluating them simultaneously than separately.
- **Dunning-Kruger Effect** Why can we not perceive our own abilities?
- **Empathy Gap** Why do we mis-predict how much our emotions influence our behaviour?
- **Endowment Effect** Why do we value items more if they belong to us?
- **Extrinsic Incentive Bias** Why do we think others are in it for the money, but we're in it for the experience?
- **Framing Effect** Why do our decisions depend on how options are presented to us?
- **Functional Fixedness** Why do we have trouble thinking outside the box?
- **Fundamental Attribution Error** Why do we underestimate the influence of the situation on people's behaviour?
- **Gambler's Fallacy** Why do we think a random event is more or less likely to occur if it happened several times in the past?
- **Google Effect** Why do we forget information that we just looked up?
- **Halo Effect** Why do positive impressions produced in one area positively influence our opinions in another area?
- **Hard-easy effect** Why is our confidence disproportionate to the difficulty of a task?
- **Heuristics** Why do we take mental shortcuts?
- **Hindsight Bias** Why do we see unpredictable events as predictable after they occur?
- **Hot-hand Fallacy** Why do we expect previous successful performance to lead to future successful performance?
- **Hyperbolic Discounting** Why do we value immediate rewards more than long-term rewards?
- **IKEA Effect** Why do we place disproportionately high value on things we helped to create?
- **Identifiable Victim Effect** Why are we more likely to offer help to a specific individual than a vague group?
- **Illusion of Control** Why we believe we have more control over the world than we actually do
- **Illusion of Validity** Why are we overconfident in our predictions?
- **Illusory Correlation** Why do we think some things are related when they aren't?
- **Illusory Truth Effect** Why do we believe misinformation more easily when it's repeated many times?
- **In-group Bias** Why do we treat our in-group better than we do our out-group?
- **Incentivization** Why do we work harder when we are promised a reward?
- **Just-World Hypothesis** Why do we believe that we get what we deserve?
- **Lag Effect** Why does spacing out the repetition of information make one more likely to remember it?
- **Law of the Instrument** Why do we use the same skills everywhere?
- **Less-is-Better Effect** Why do our preferences change depending on whether we judge our options together or separately?
- **Leveling and Sharpening** Why do we exaggerate some details of a story, but minimize others?
- **Levels of Processing** Why do we remember information that we attach significance to better than information we repeat?
- **Look-elsewhere Effect** Why do scientists keep looking for a statistically significant result after failing to find one initially?
- **Loss Aversion** Why do we buy insurance?
- **Mental Accounting** Why do we think less about some purchases than others?
- **Mere Exposure Effect** Why do we prefer things that we are familiar with?
- **Motivating Uncertainty Effect** Why rewards of unknown sizes tend to motivate us more than known rewards
- **Naive Allocation** Why we tend to prefer spreading limited resources evenly across options.
- **Naive Realism** Why do we believe we have an objective understanding of the world?
- **Negativity Bias** Why is the news always so depressing?
- **Noble Edge Effect** Why do we tend to favour brands that show care for societal issues?
- **Nostalgia Effect** How do our sentimental feelings for the past influence our actions in the present?
- **Observer Expectancy Effect** Why do we change our behaviour when we're being watched?
- **Omission Bias** Why don't we pull the trolley lever?
- **Optimism Bias** Why do we overestimate the probability of success?
- **Ostrich Effect** Why do we prefer to ignore negative information?
- **Over-justification Effect** Why do we lose interest in an activity after we are rewarded for it?
- **Peak-end Rule** How do our memories differ from our experiences?
- **Pessimism bias** Why do we think we're destined to fail?
- **Planning Fallacy** Why do we underestimate how long it will take to complete a task?
- **Primacy Effect** Why do we only remember the first things on our grocery list?
- **Priming** Why do some ideas prompt other ideas later on without our conscious awareness?
- **Projection Bias** Why do we think our current preferences will remain the same in the future?
- **Reactive devaluation** Why is negotiation so difficult?
- **Regret Aversion** Why do we anticipate regret before we make a decision?
- **Representativeness Heuristic** Why do we use similarity to gauge statistical probability?
- **Response Bias** Why responses to a survey or experiment can be inaccurate due to the nature of the survey or experiment
- **Restraint Bias** Why do we overestimate our self-control?
- **Rosy Retrospection** Why do we think the good old days were so good?
- **Salience Bias** Why do we focus on items or information that are more prominent and ignore those that are not?
- **Self-serving Bias** Why do we blame external factors for our own mistakes?
- **Serial Position Effect** Why do we better remember items at the beginning or end of a list?
- **Social Norms** Why do we follow the behaviour of others?
- **Source Confusion** Why we forget where our memories come from, and thereby lose our ability to distinguish the reality or likelihood of each memory.
- **Spacing Effect** Why do we retain information better when we learn it over a long time period?
- **Spotlight Effect** Why do we feel like we stand out more than we really do?
- **Status Quo Bias** Why do we tend to leave things as they are?
- **Suggestibility** Why is yawning contagious?
- **Survivorship Bias** Why do we misjudge groups by only looking at specific group members?
- **Take-the-best Heuristic** Why do we focus on one characteristic to compare when choosing between alternatives?
- **Telescoping Effect** Why do some things "seem like they just happened yesterday?"
- **The Illusion of Explanatory Depth** Why do we think we understand the world more than we actually do?
- **The Pygmalion Effect** Why do we perform better when someone has high expectations of us?
- **The Sunk Cost Fallacy** Why are we likely to continue with an investment even if it would be rational to give it up?
- **Zero Risk Bias** Why do we seek certainty in risky situations?

188 Different Biases In One Conceptual Model



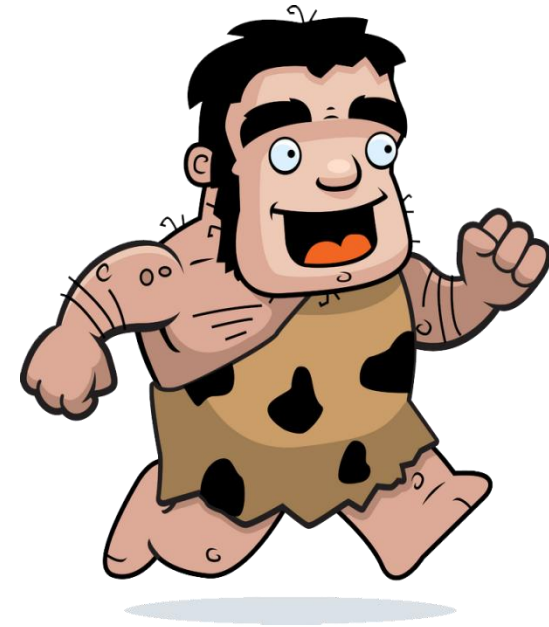
Buster Benson
Author and entrepreneur

To order: <https://www.designhacks.co/products/cognitive-bias-codex-poster>
Source: <https://betterhumans.pub/cognitive-bias-cheat-sheet-55a472476b18>

We Snap to Very Quick Understandings



A Twist in the Tale



A Friend Was Deciding Which Car To Buy

Sarah



Jim



A Friend Was Deciding Which Car To Buy

Safe



Sporty



Decision Made: Volvo 480



What Did Jim's Brain Tell Him Once He Realised There Were Not Many Volvo 480s on the Road?



Made decision

Paid for car

Took delivery of car

"Not many Volvo 480s on the road"

Not Many Volvo 480s = Rubbish Car



Made decision

Paid for car

Took delivery of car

"Not many Volvo 480s on the road"

~~Not Many Volvo 480s = Rubbish Car~~ Not Many Volvo 480s = I'm Special



Made decision

Paid for car

Took delivery of car

"Not many Volvo 480s on the road"

We Snap - Then We Stick



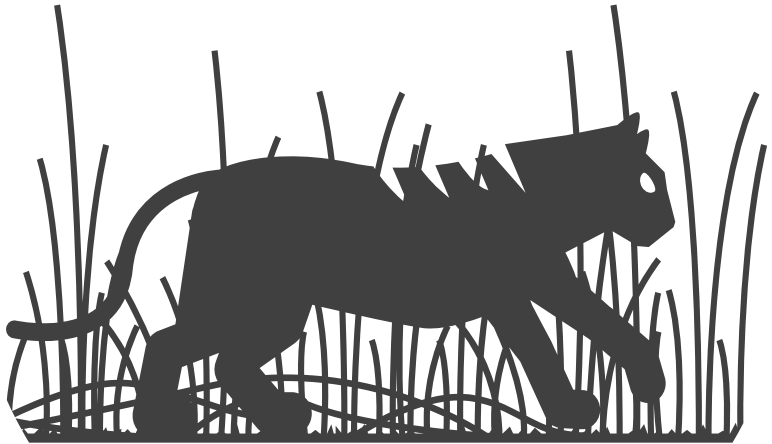
Made decision

Paid for car

Took delivery of car

"Not many Volvo 480s on the road"

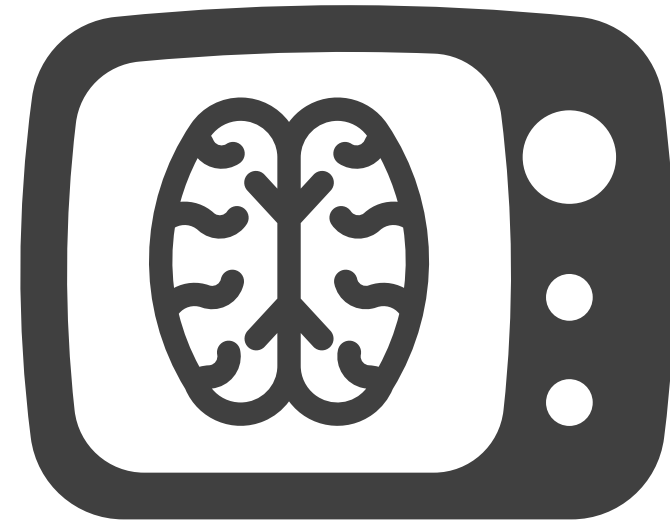
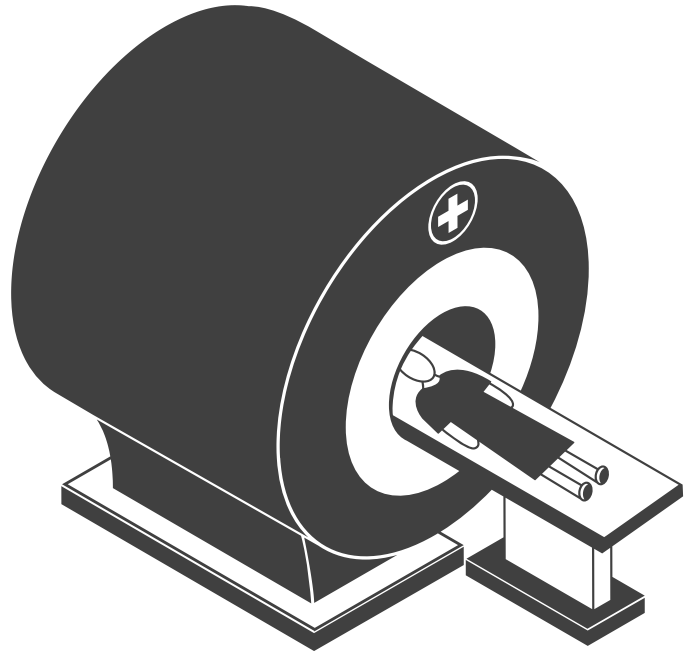
We Snap - Then We Stick



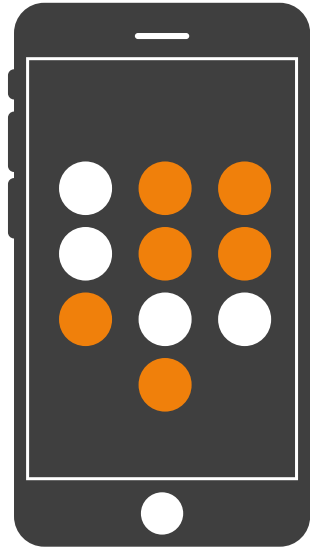
1st Conclusion Bias



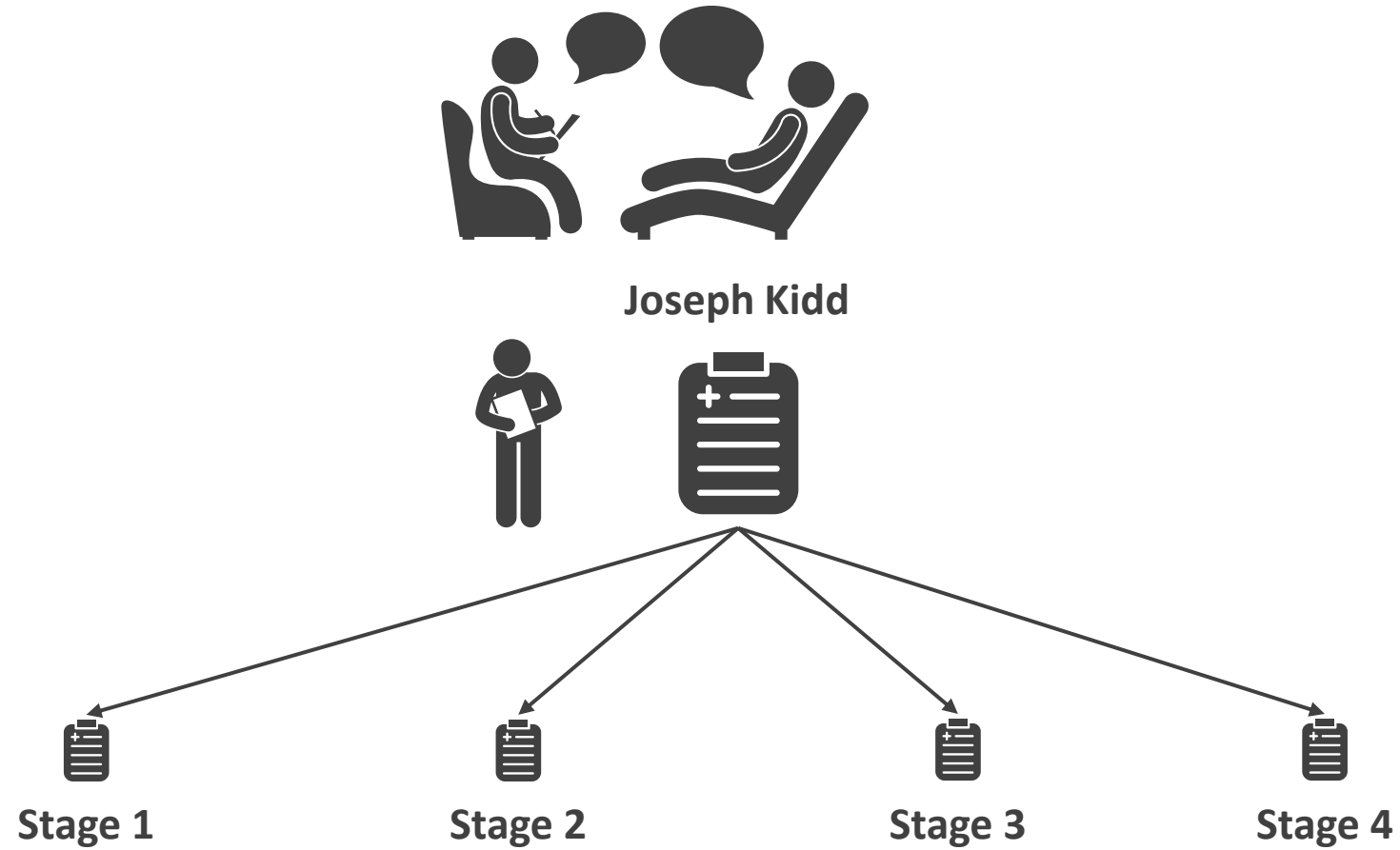
1st Conclusion Bias Saves Mental Energy



1st Conclusion Bias Saves Mental Energy



The Joseph Kidd Case



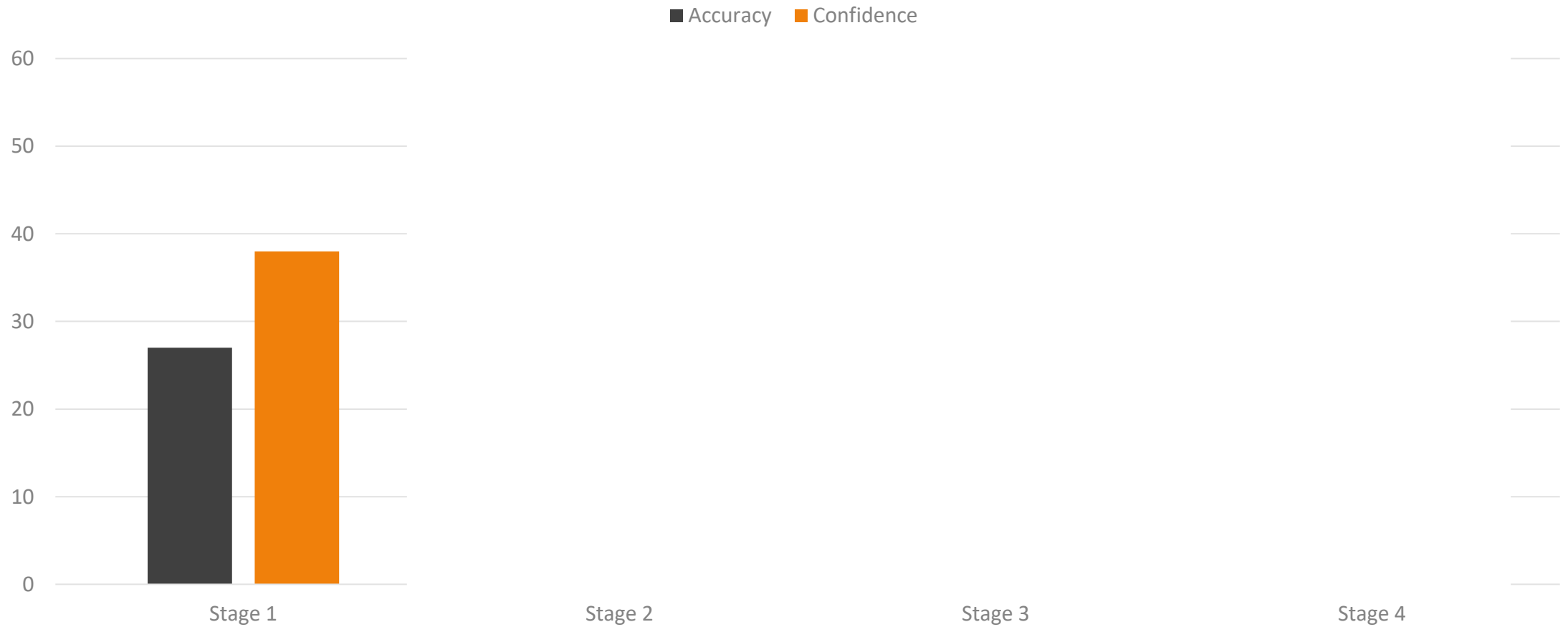
At Stage 1 The Doctors Are Asked

1. What is your **diagnosis**?

At Stages 2, 3 and 4 The Doctors Are Asked

1. How **confident** are you in your diagnosis?
2. Do you wish to **change** your diagnosis?

Accuracy and Confidence at Stage 1



What Happens as the Doctors Receive More Information?

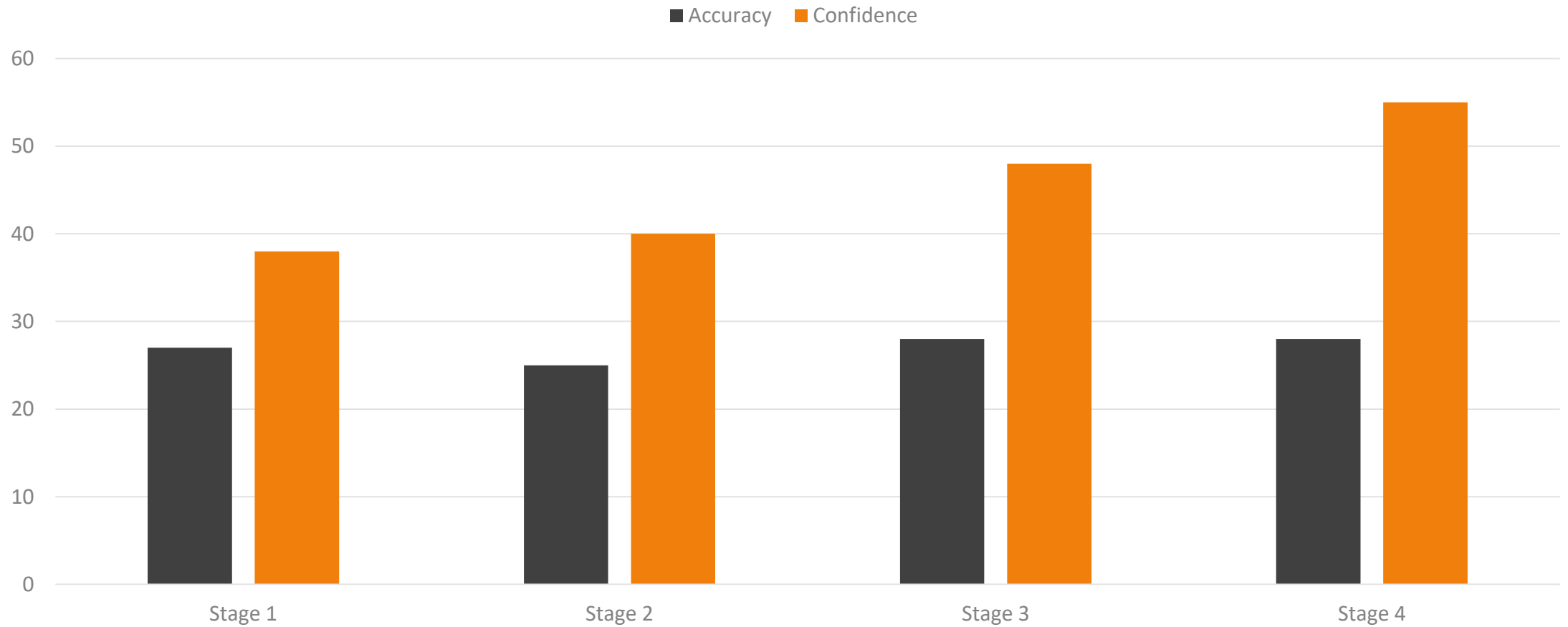
The Accuracy of the Doctors' Diagnoses

1. Accuracy decreases
2. Accuracy increases
3. Accuracy stays the same

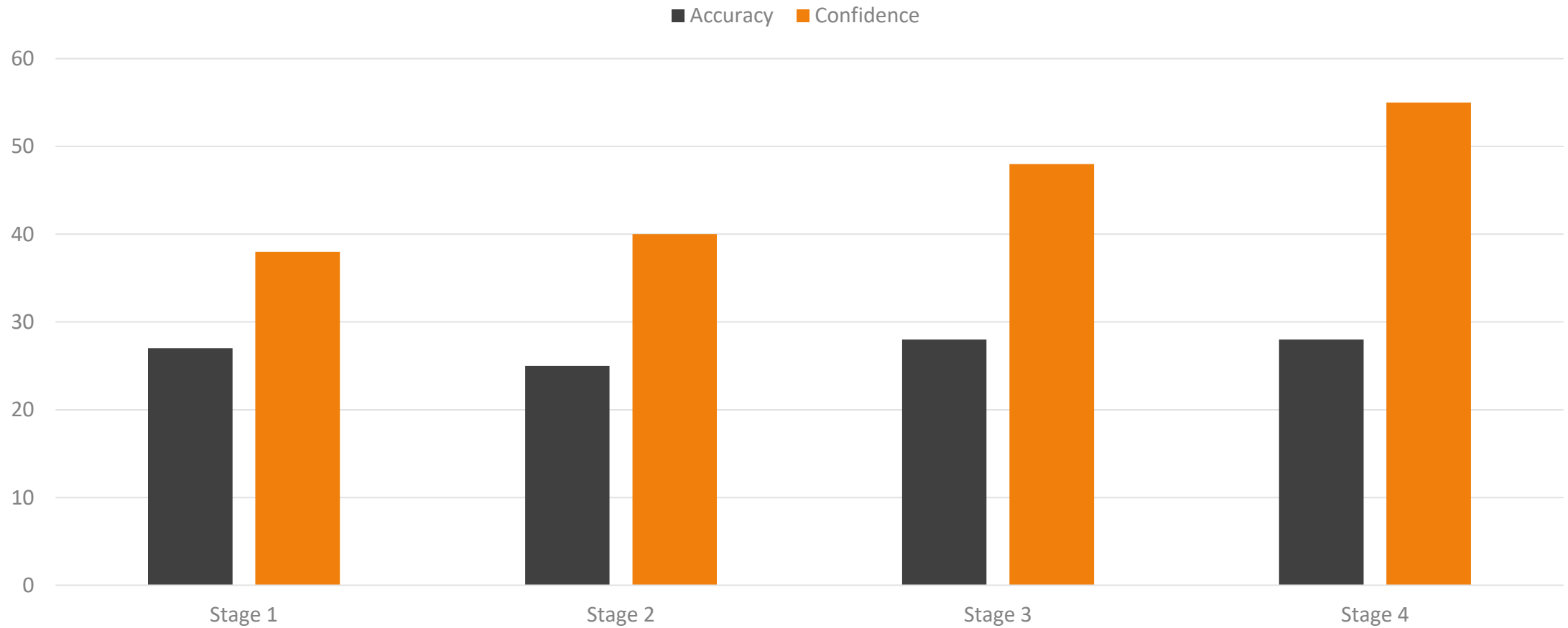
The Doctors' Confidence in their Diagnosis

1. Confidence decreases
2. Confidence increases
3. Confidence stays the same

1st Conclusion Effects

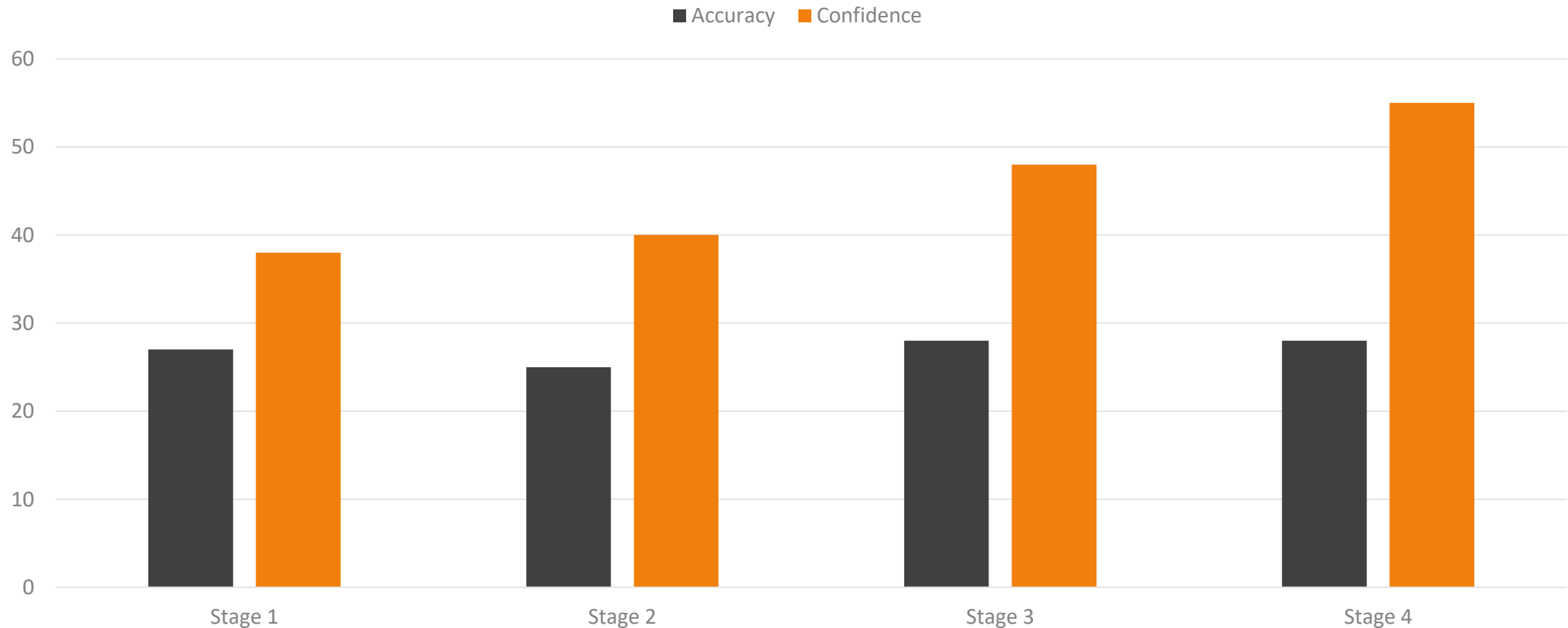


More Information = Better Decision



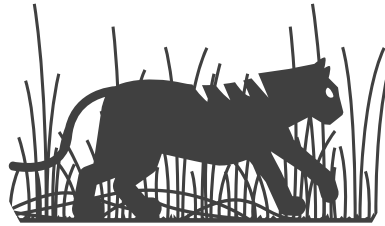
~~More Information = Better Decision~~

More Information = **More Selective Confirmation**





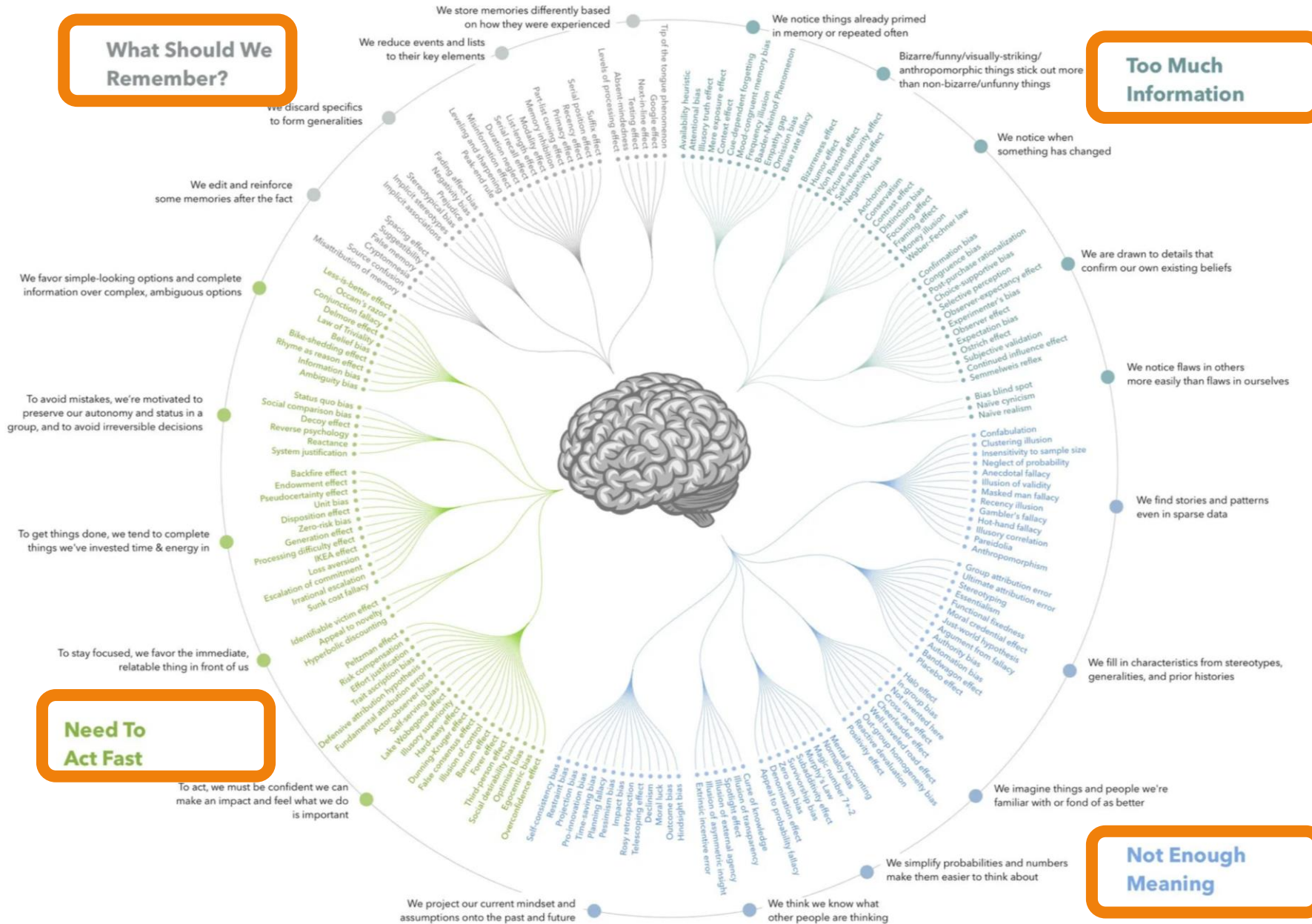
Your Return On Investment



Snap	& Stick
<p>We have a tendency to jump to very quick understandings of complex propositions.</p>	<p>We become anchored to our initial diagnoses by seeking out data that confirms them.</p>

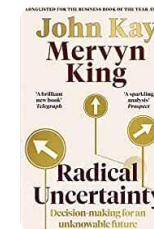
6. In your work, where have you seen people stick with a first conclusion even in the face of conflicting evidence?

COGNITIVE BIAS CODEX, 2016



Many So-called “Biases”

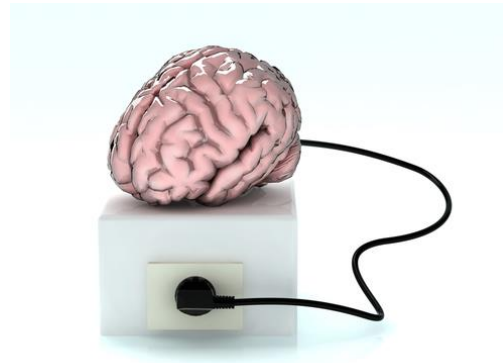
Are in fact **beneficial to success** in the real world, even if they are sometimes **misleading in the small worlds** created for the modelling and experimental psychology



Sir John Kay and Lord Mervyn King

Former Dean of Oxford Said Business School and former Governor of the Bank of England

Break #3 (of 4 today)



Next session starting at

14:50

ICMIF Advanced Management Course 2024

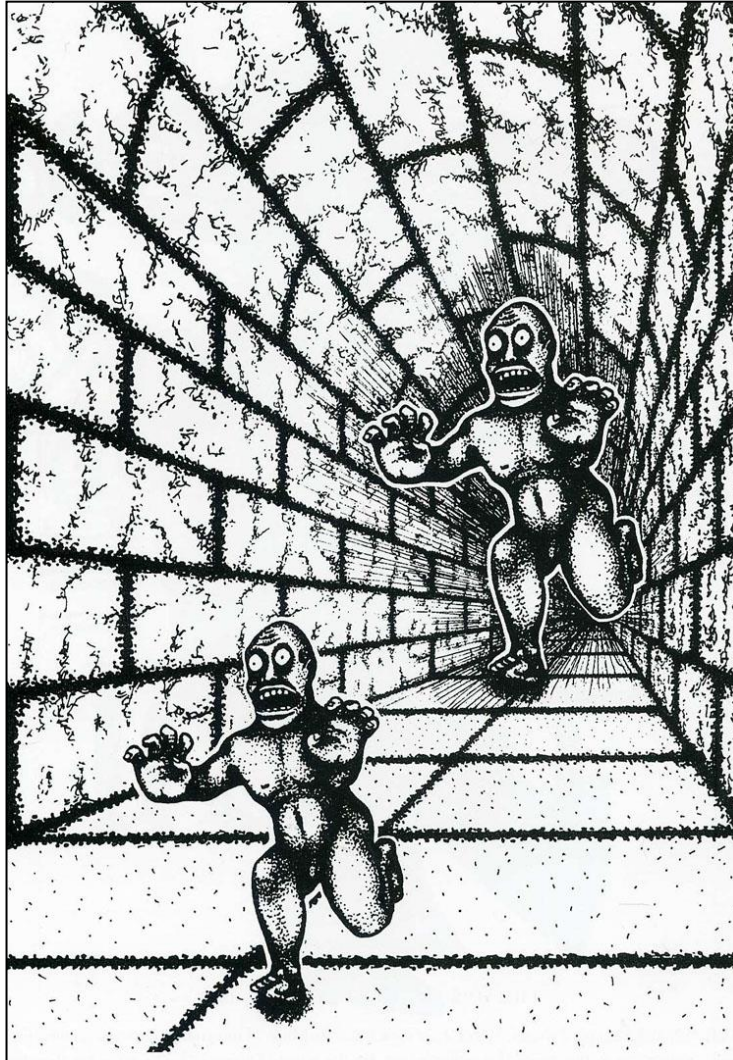
A Framework for Thinking About Thinking (part 3)



Part 5 (of 6)

Next break: **15:40**

“It’s Just the Way We Are Wired”



A Shared Vocabulary Helps Objectivity



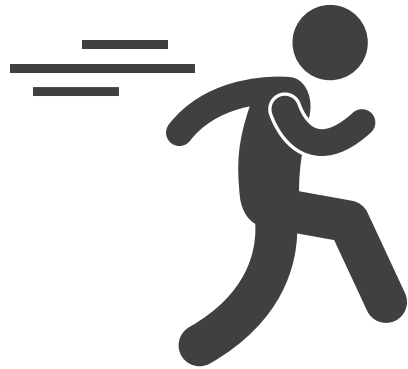
Two Principal Types of Bias



Action

Inaction

Biases of Action



Overconfidence

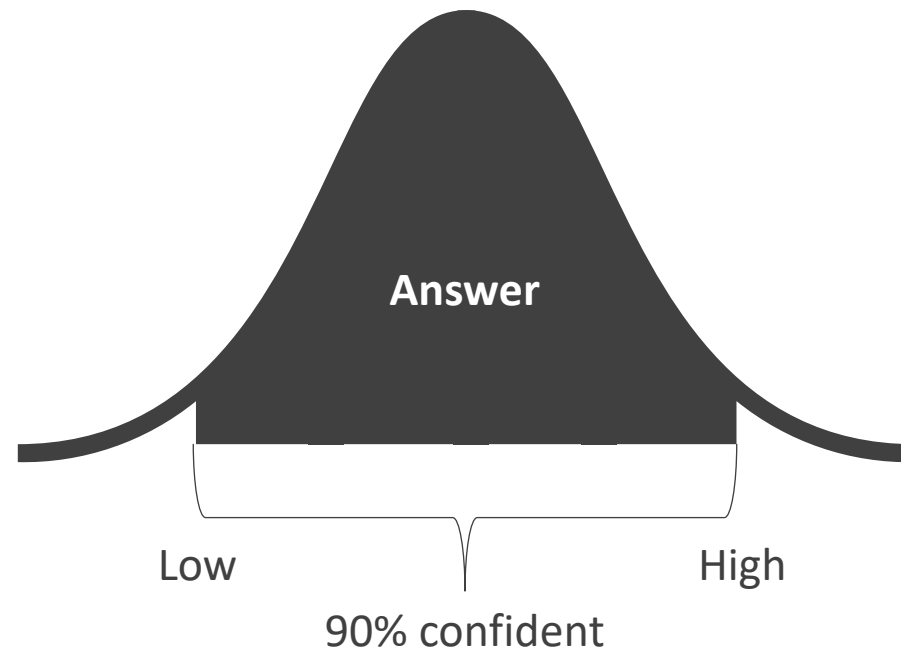


Base rate neglect

Most Of Us Are Overconfident



Record Whether The Answer Lies Between Your High and Low Estimates



1. What is the total daily growth in the length of all the hairs on an average man's body?

22 Metres (72 feet)



2. What is the value of a one mile high pile of £5 notes?

£70 Million



**3. How long is the Nile
river?**

6,738 Kilometres (4,187 miles)



4. How long can a cockroach live without its head?

168 Hours (1 week)



5. What is the total length of the coastline of Japan?

29,750 Kilometres (18,486 miles)



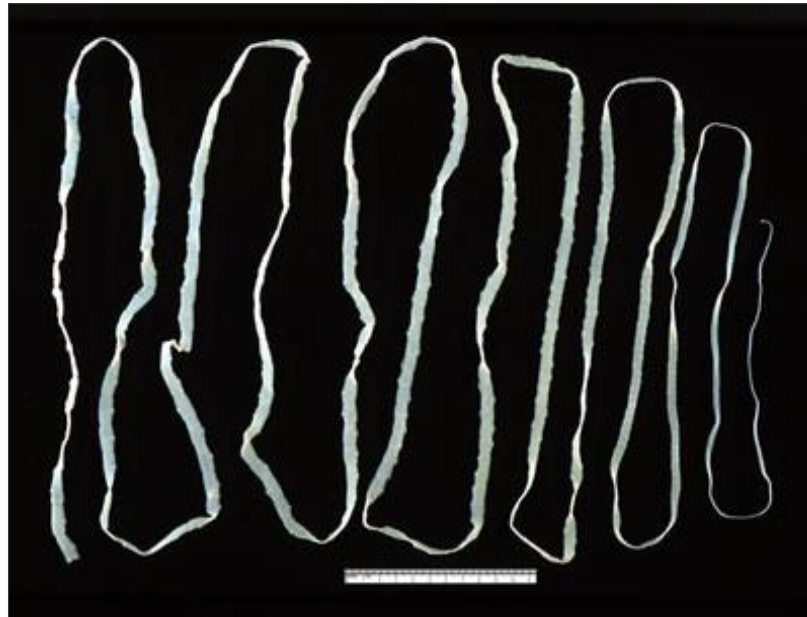
6. What is the world record for the most one arm push-ups completed in one hour?

1,868



7. What is the length of the longest recorded tapeworm found in a human body?

33 metres (108 feet)



8. What is the weight of an empty Boeing 747?

179 Tonnes (395,000 pounds)



9. How long is the gestation period of the Asian elephant?

645 Days (21 months)

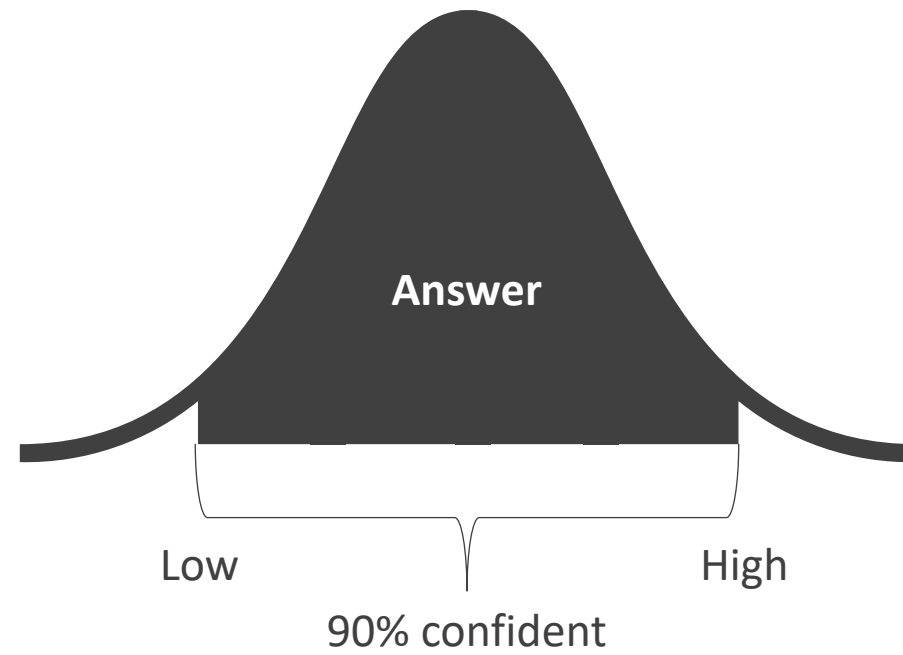


10. What is the average air speed of a common house fly?

7 km/h (4.5 mph)

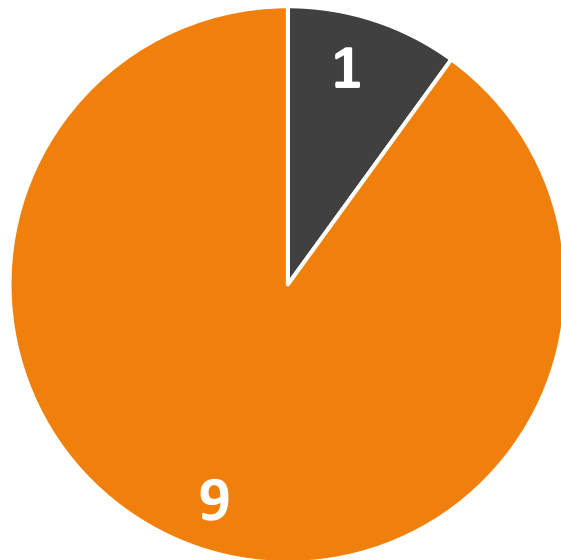


How Did We Do?



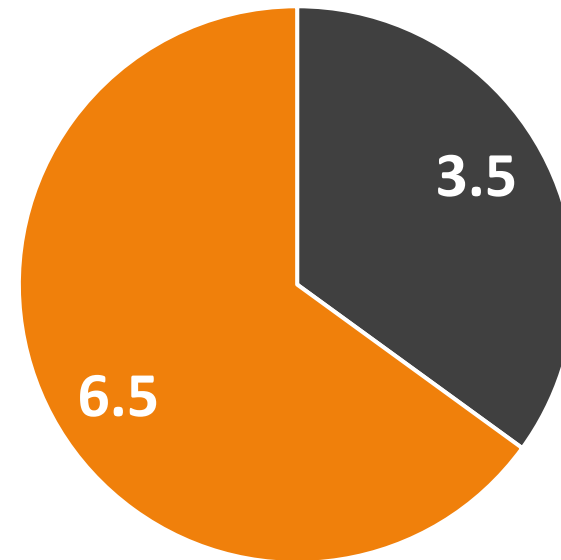
How Did We Do?

Response expected
as the question was framed



■ Outside range ■ Within range

Typical response



■ Outside range ■ Within range

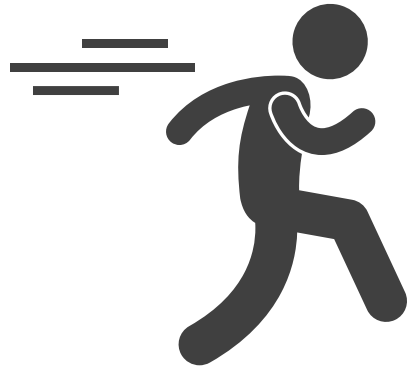
When we say we're 90%
confident of something...

... we're actually 65%
confident of it

Most Of Us Are Overconfident



Biases of Action

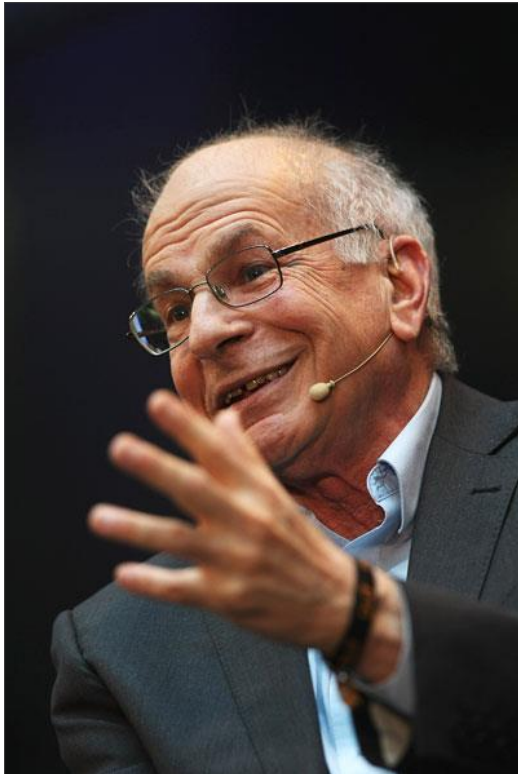


Overconfidence



Base rate neglect

Base Rate Neglect



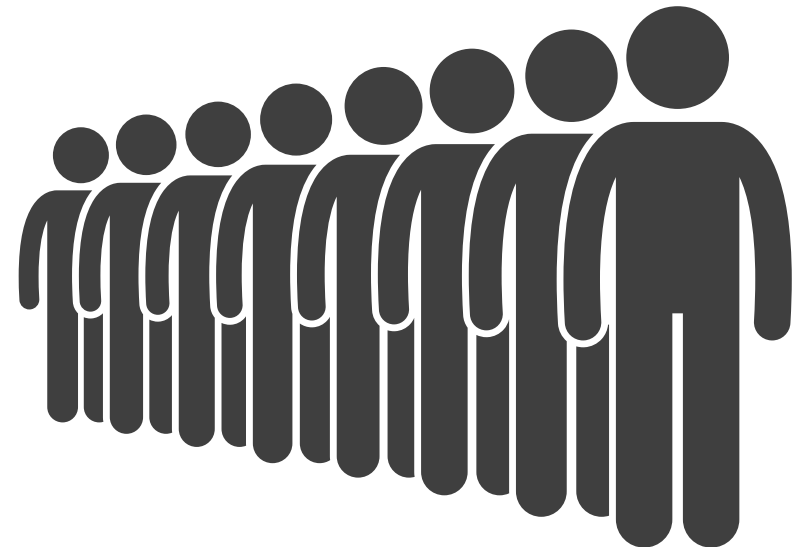
- Project started: 1976
- 1 year
- Estimate: 18 to 30 months
- Seymour
- 40% never finish
- **Base rate: 7 to 10 years**
- “Let’s press on”
- Project finished: 1985

Base Rate Neglect

**Inside View: We Overweight
The Specifics of The Case**

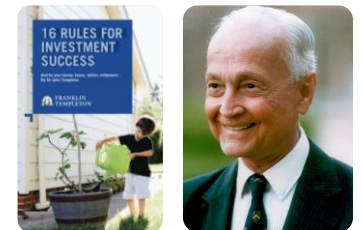


**We Underweight The Evidence
From A Large Sample of Similar Cases**



The Four Most Costly Words in the Annals of Investing

This time is **different**



Sir John Templeton
Founder, Templeton Growth Fund

Two Principal Types of Bias



Action

Inaction



Biases of Inaction



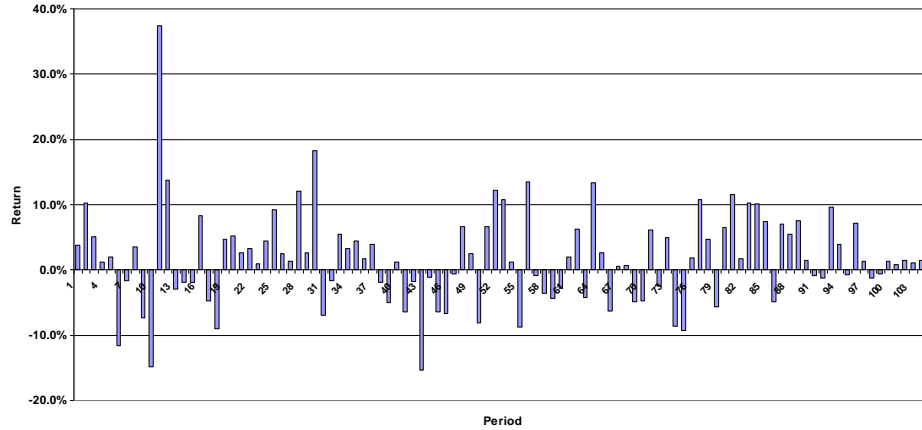
Loss Aversion



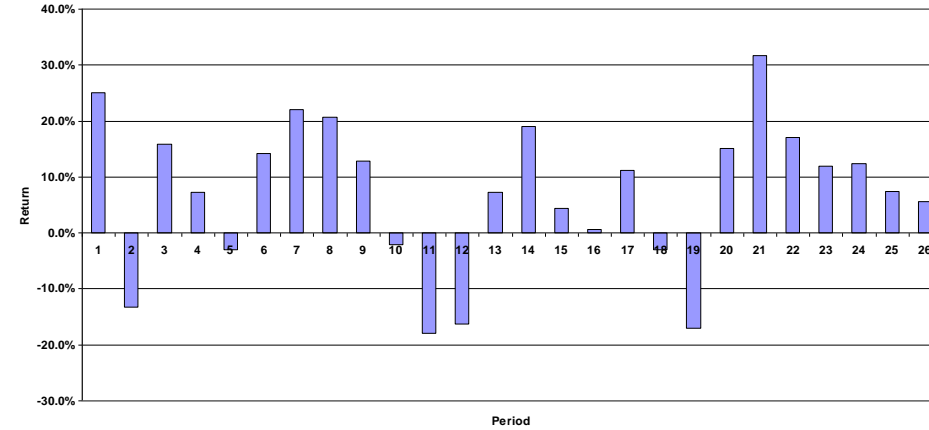
Familiarity bias

Which Asset Would You **Most** Like to Own?

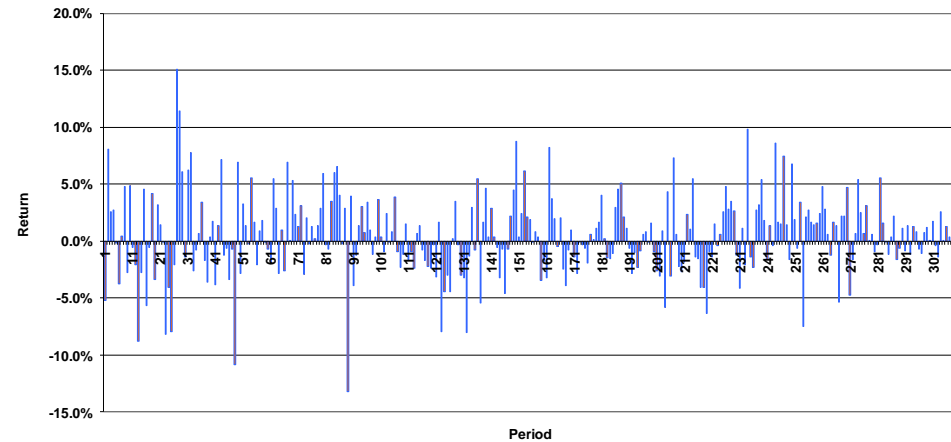
Asset A



Asset B

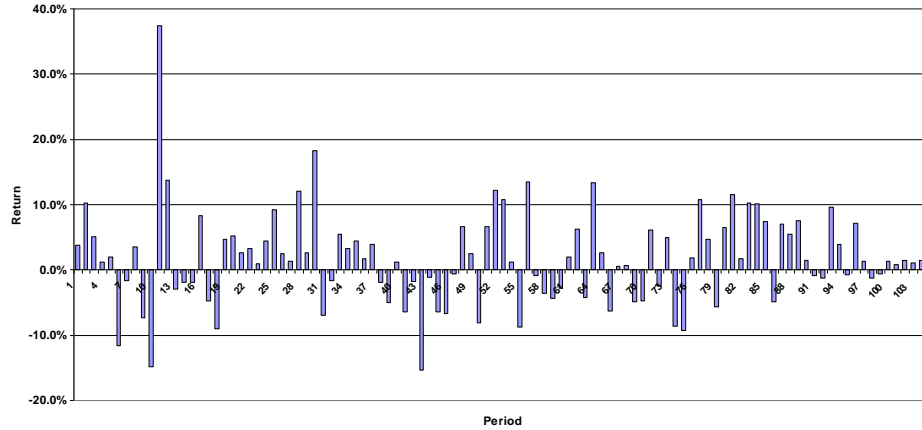


Asset C

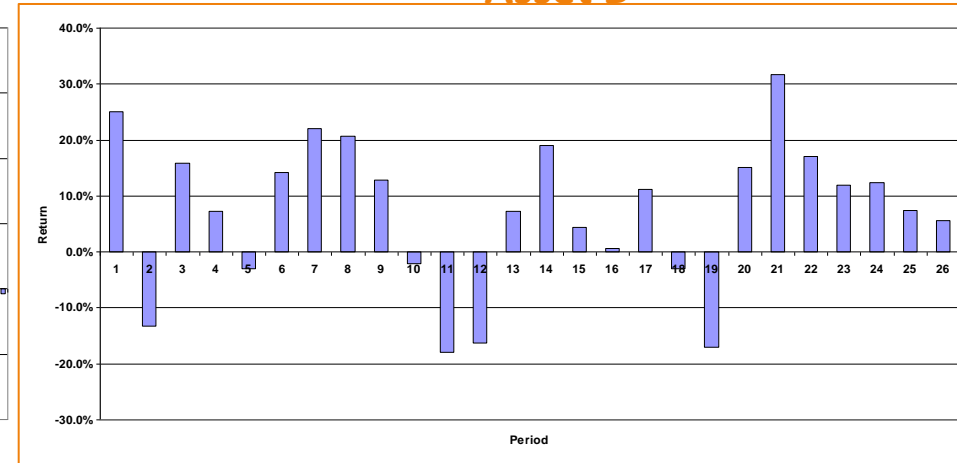


Which Asset Would You **Most** Like to Own?

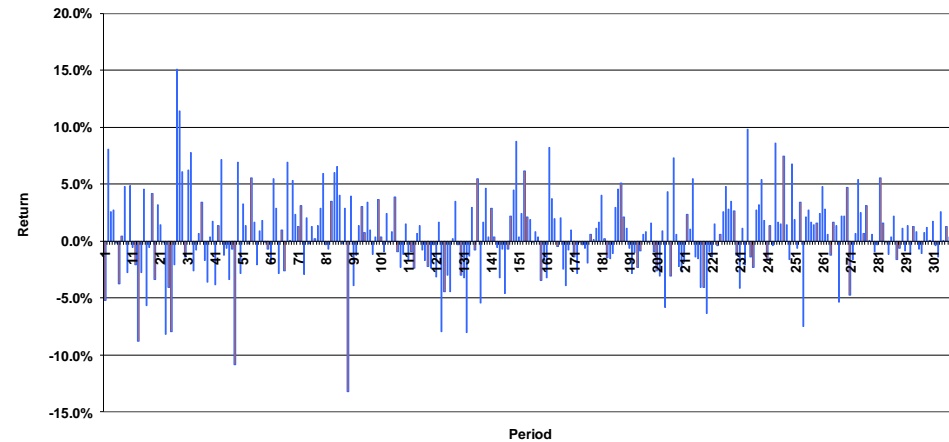
Asset A



Asset B

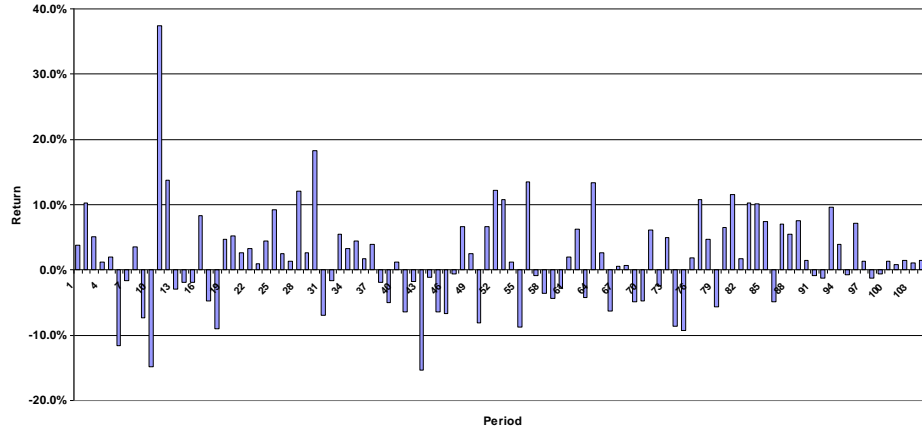


Asset C

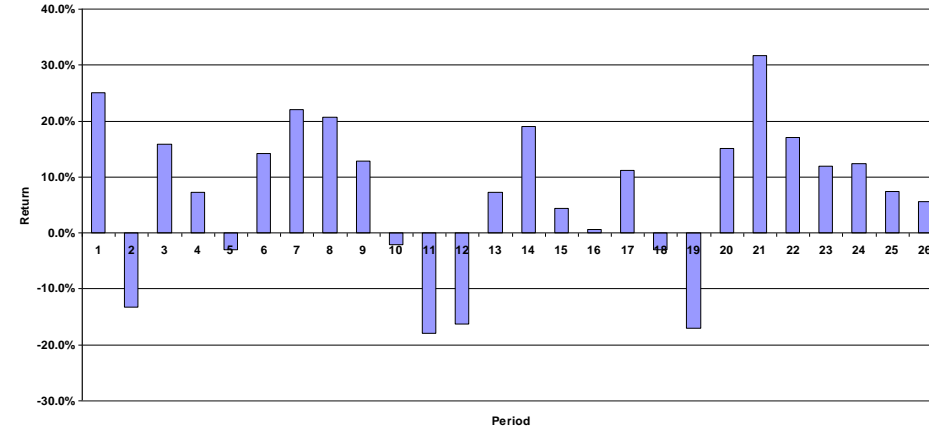


Which Asset Would You **Least** Like to Own?

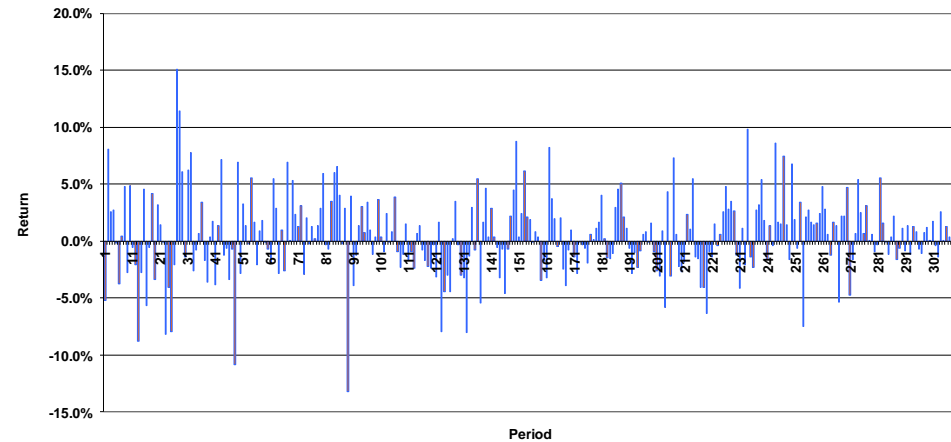
Asset A



Asset B

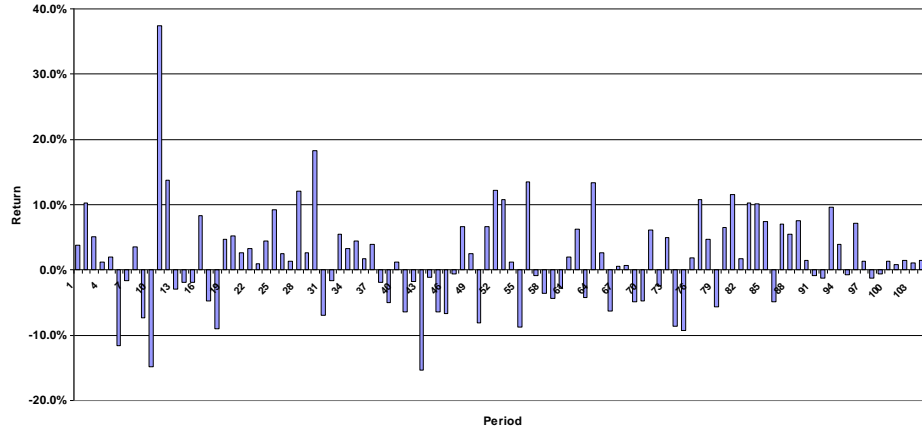


Asset C

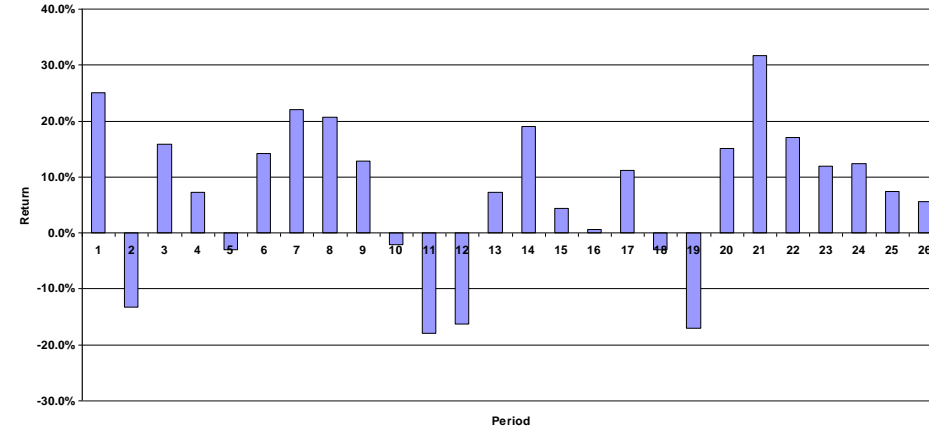


Which Asset Would You **Least** Like to Own?

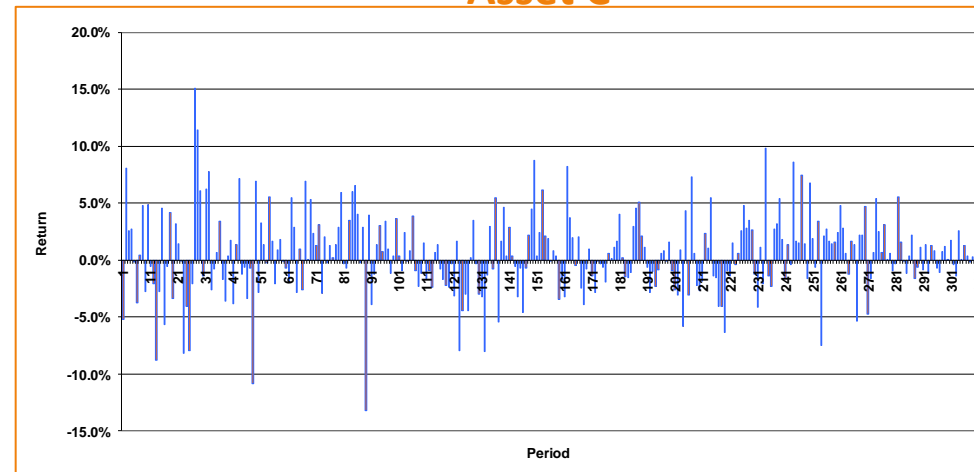
Asset A



Asset B

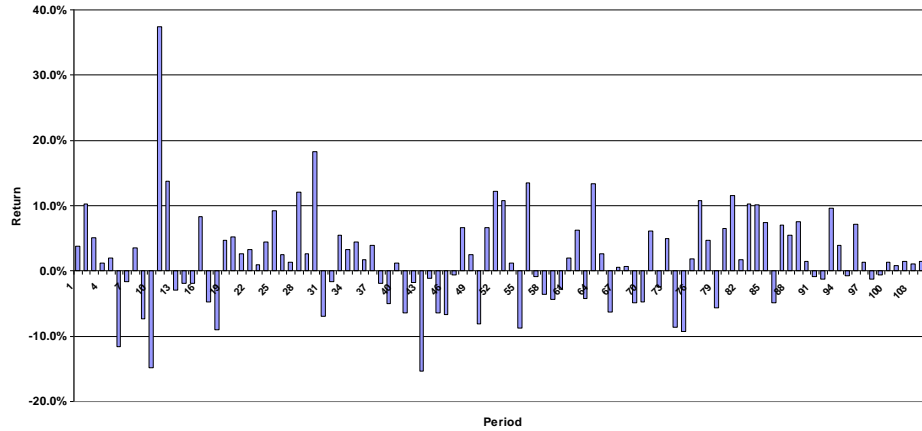


Asset C

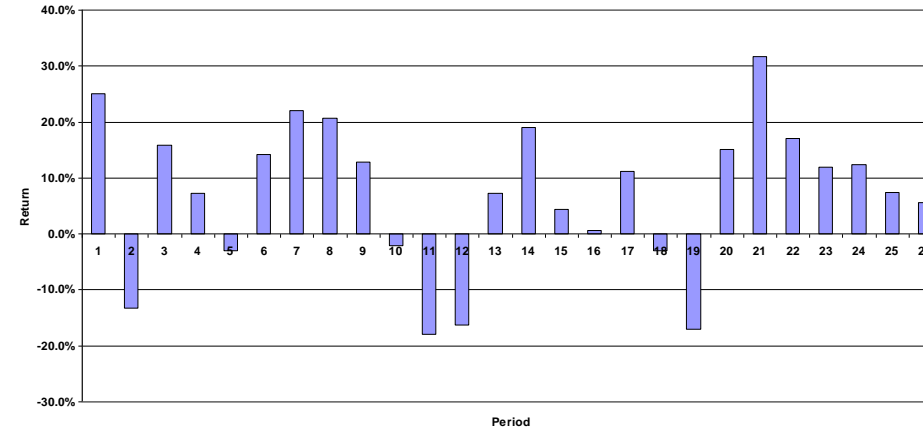


Did Anyone Spot What is Special About the Data?

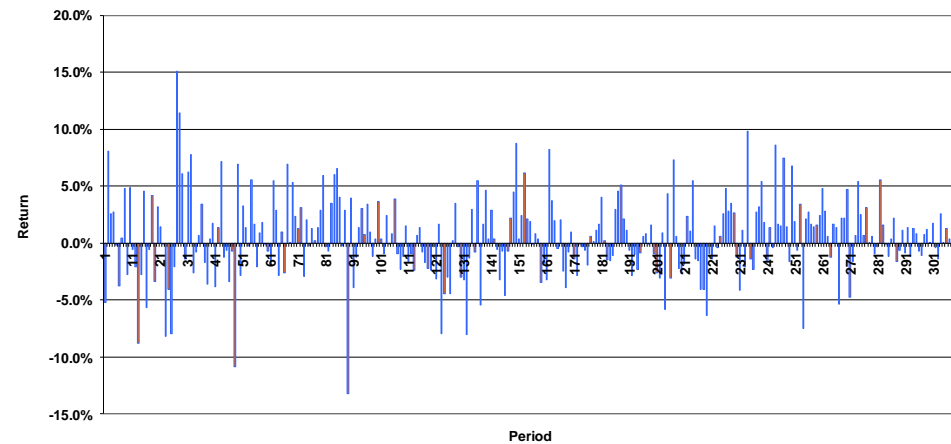
Quarterly



Annual

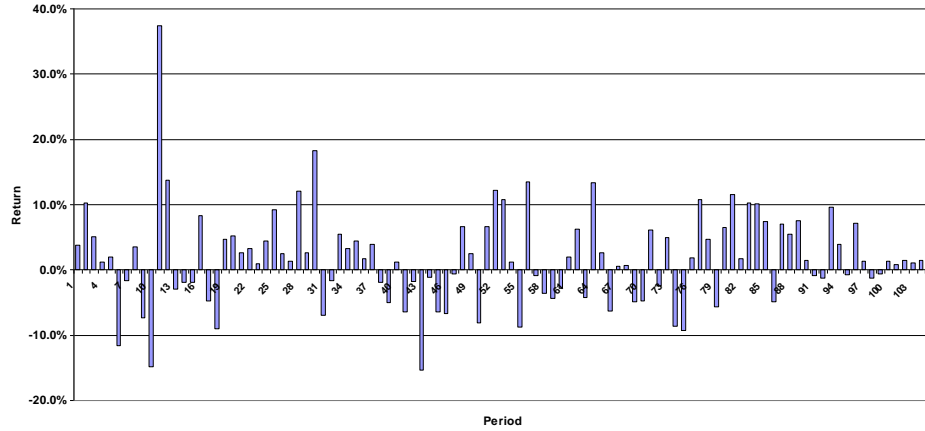


Monthly

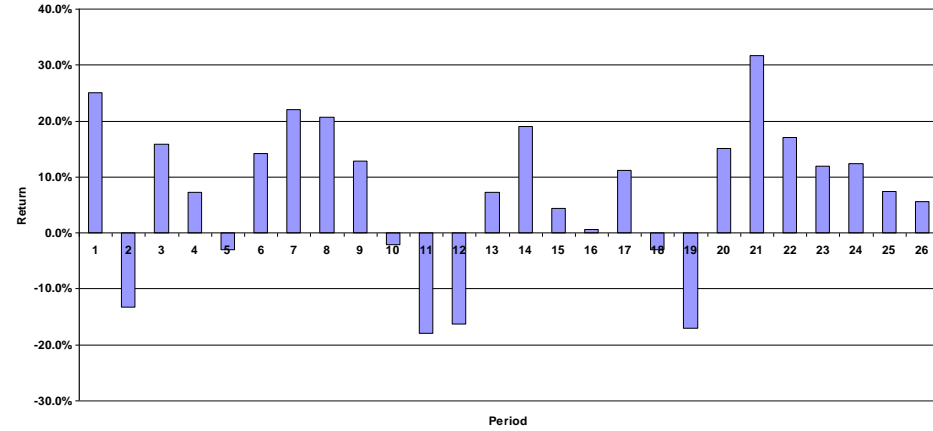


It's All The Same Data

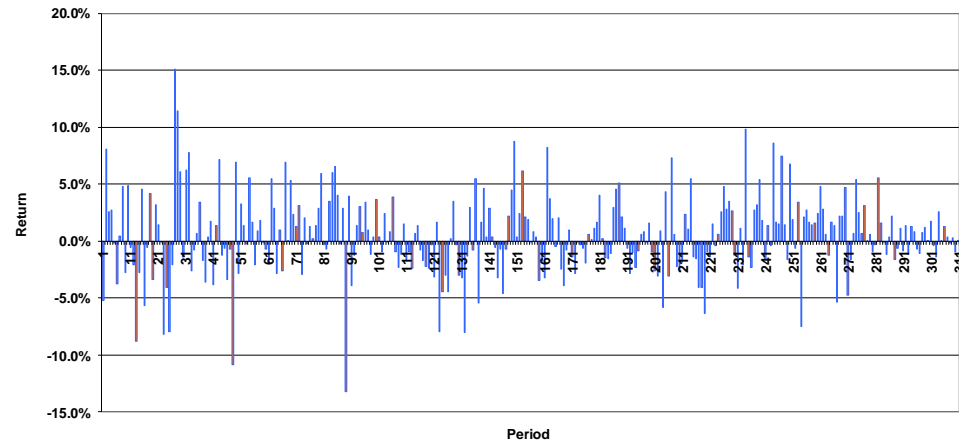
Quarterly



Annual

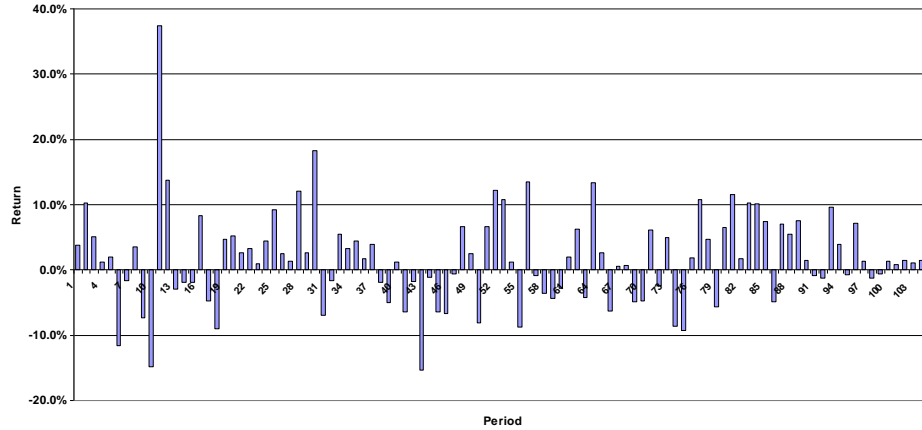


Monthly

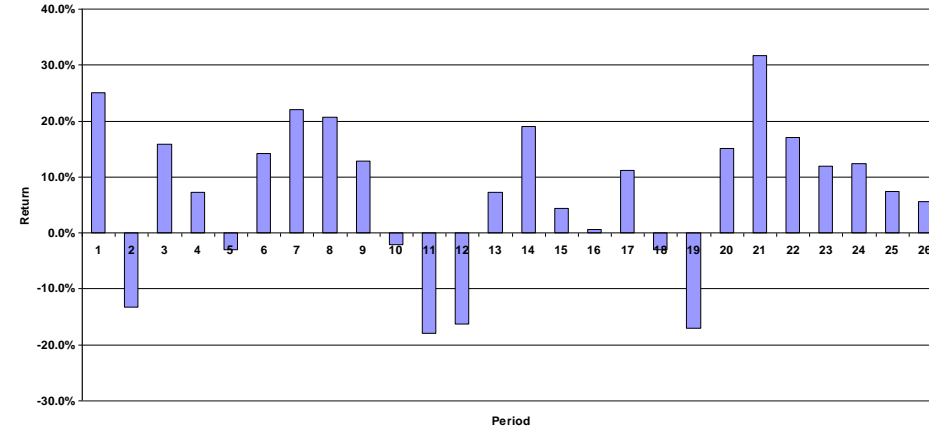


The Returns Are Identical

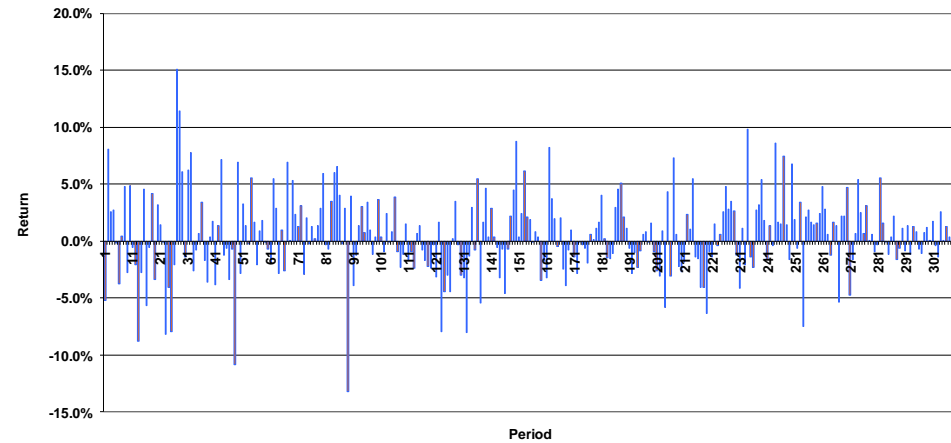
Quarterly



Annual

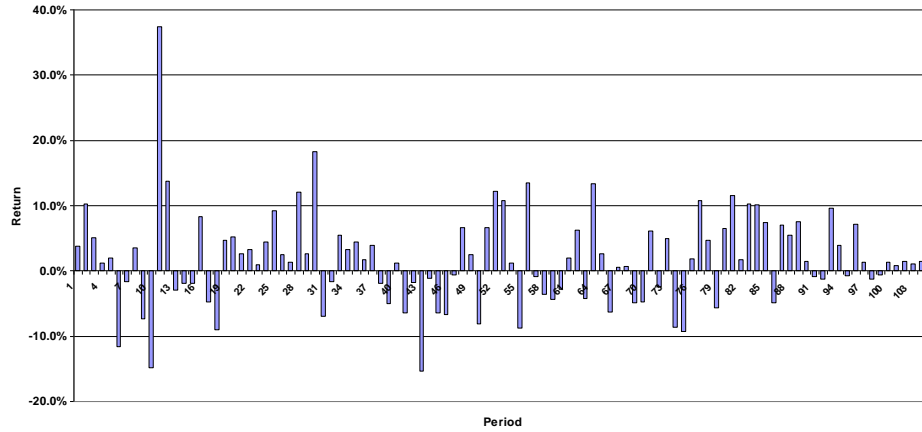


Monthly

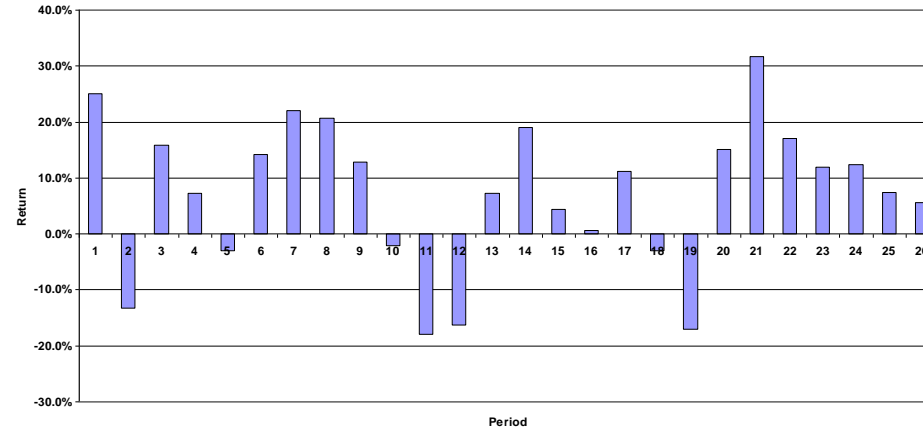


Any Preference Stems From How the Data Are Presented

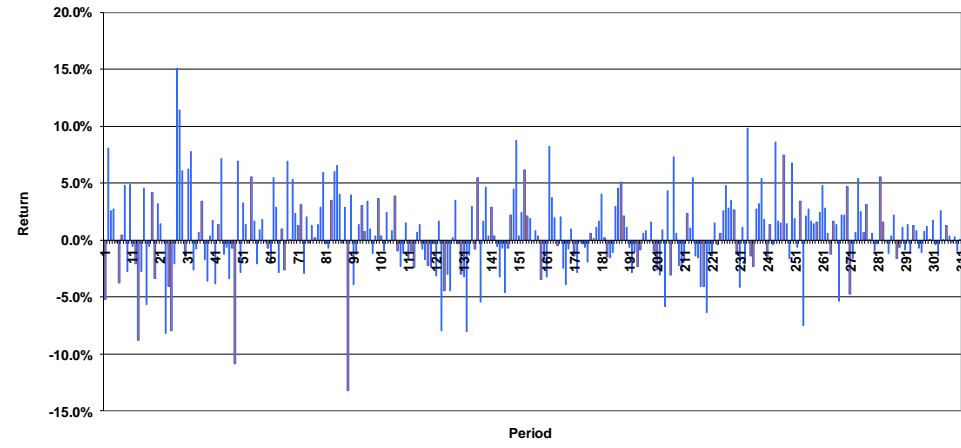
Quarterly



Annual

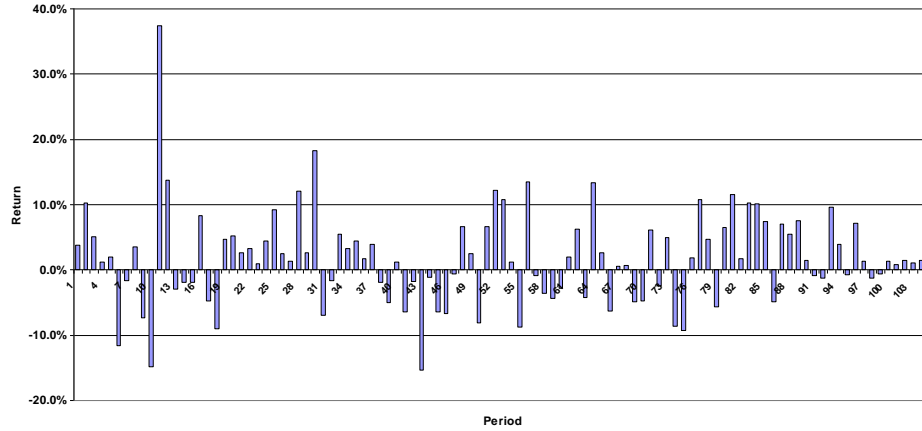


Monthly

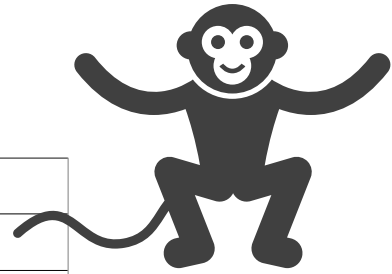
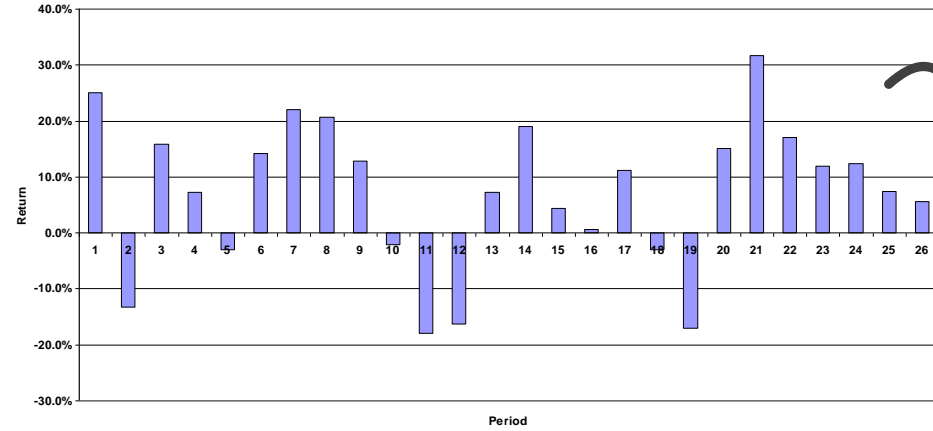


Loss Aversion

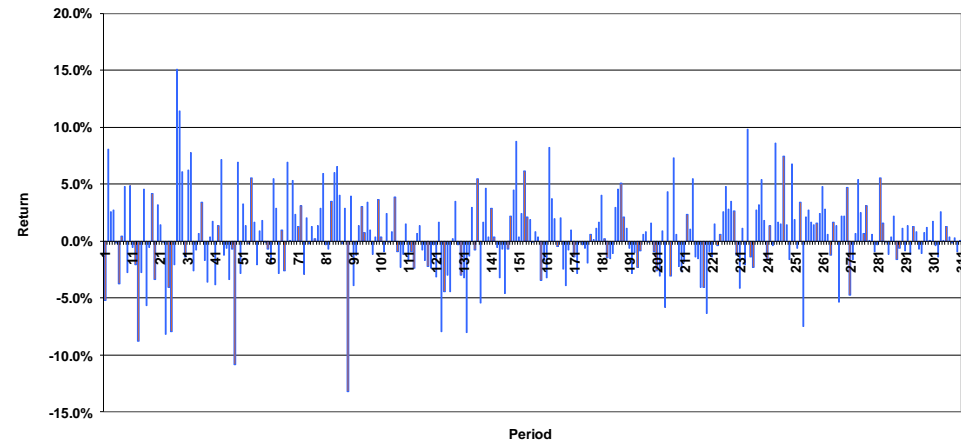
Asset A



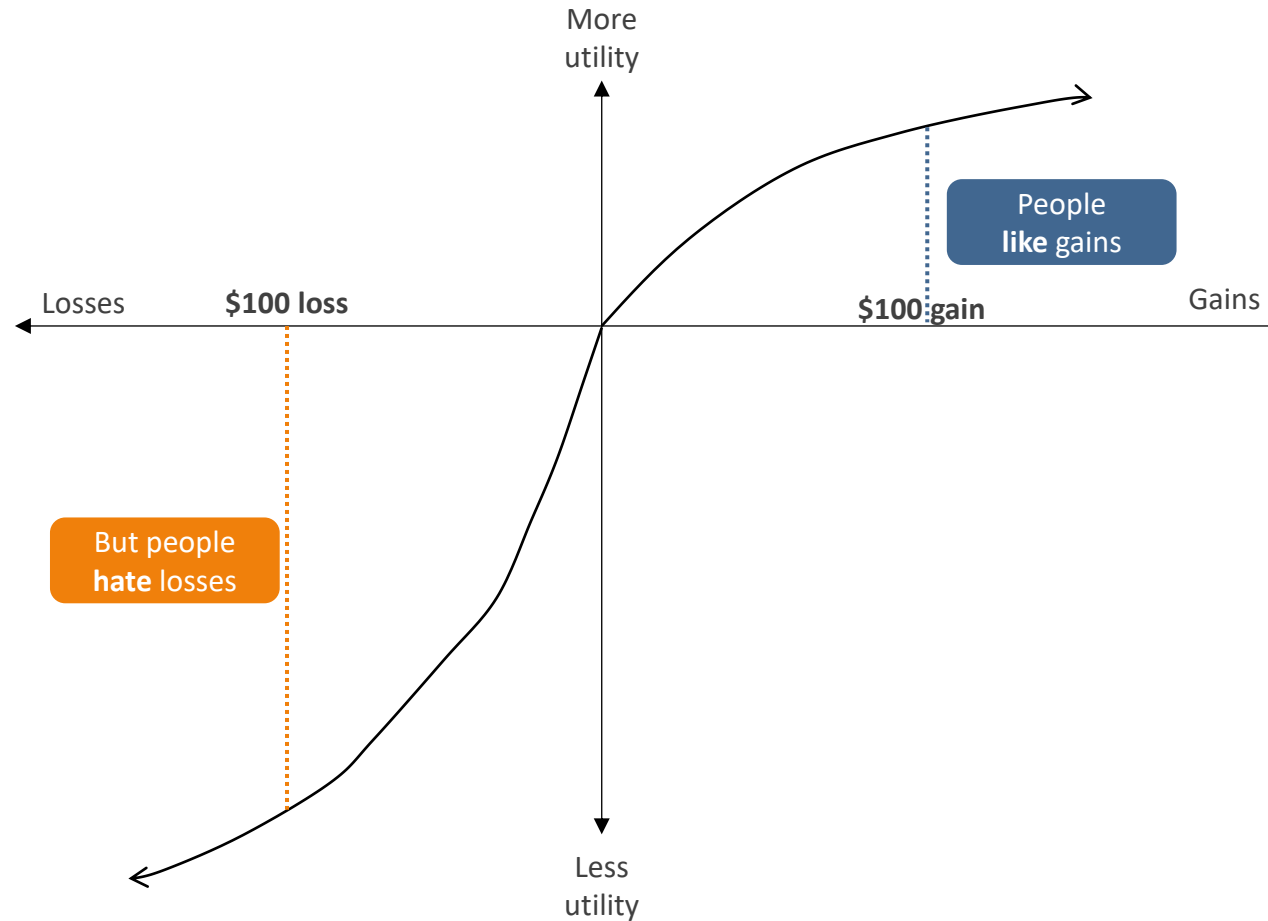
Asset B



Asset C



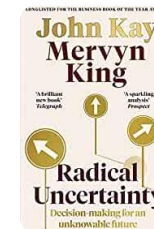
People Hate Losses More Than They Like Gains



Source: Misbehaving, Thaler

Very Often, the Risks that Concern Us are Not Risks to the Status Quo

But risks to our **plans to change** that status
quo



Sir John Kay and Lord Mervyn King

Former Dean of Oxford Said Business School and former Governor of the Bank of England

Biases of Inaction



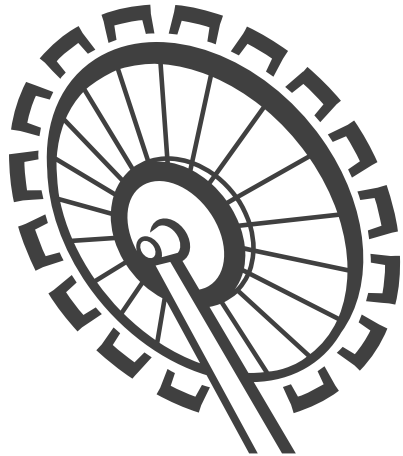
Loss Aversion



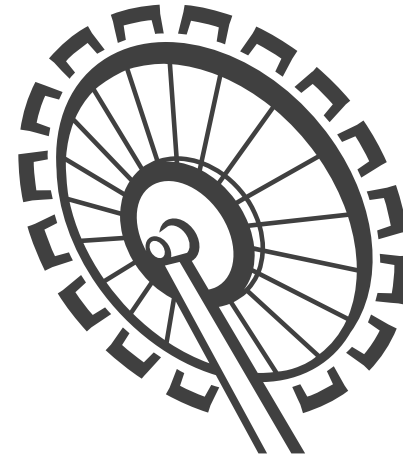
Familiarity bias

How Risky Is This Ride?

Chunta ✓

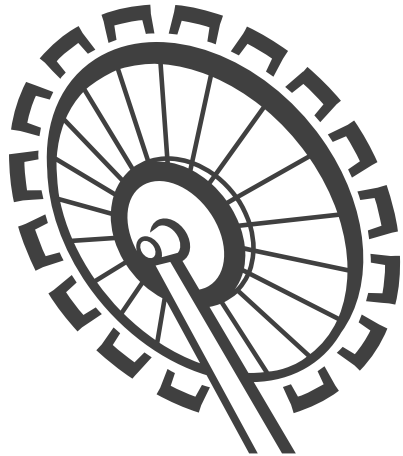


Vaiveahtoishi ✗

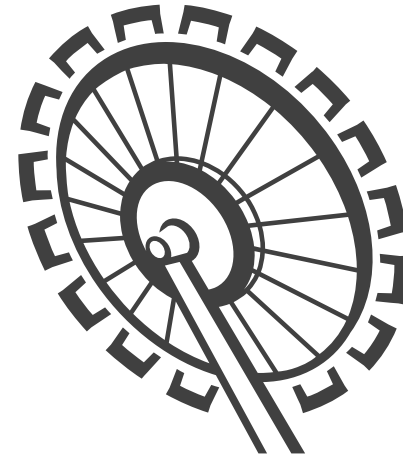


Familiarity Bias

Chunta ✓



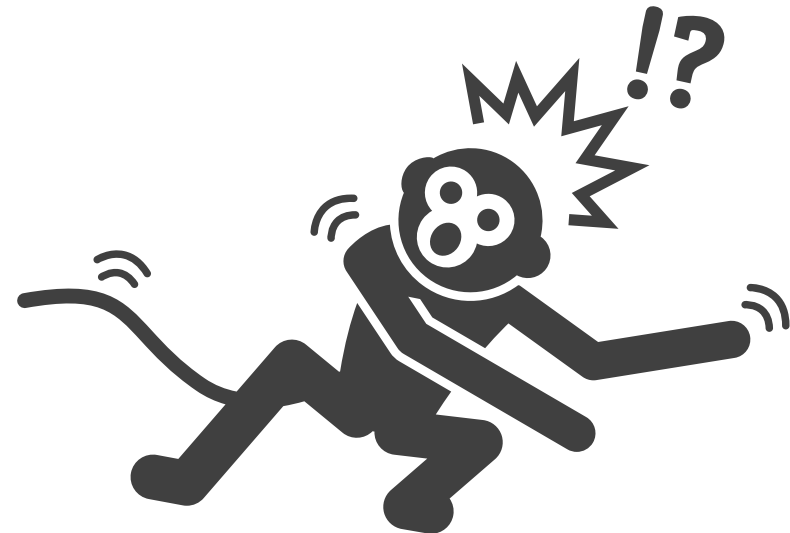
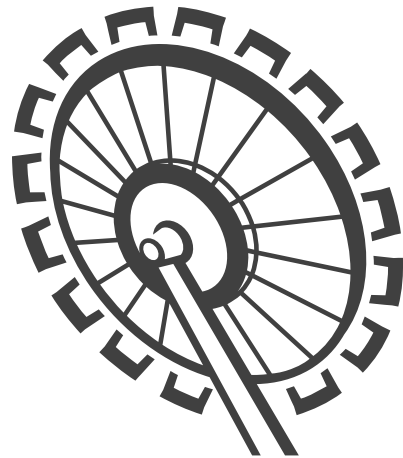
Vaiveahtoishi ✗



In the Unfamiliar Lies Potential Risk

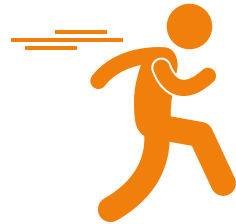
Vaiveahtoishi ✂

It sounds risky therefore...



The Biases of Action and Inaction

Action



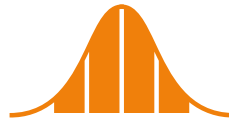
Overconfidence



Most of us are overconfident. When we say we are 90% confident of something, what we really mean is that we are 65% confident of it.

We are inclined to 'bite off more than we can chew' and engage in risk seeking behaviours that are not warranted by our chances of success

Base Rate Neglect



Many of us ignore the base rate chance of success or failure when we are close to action. We take an inside view.

We lose our objectivity in favour of the declaration that 'it will be different this time.'

Inaction



Loss Aversion



We dislike losses more than we like gains.

We overweight the possibility of loss in our decision making.

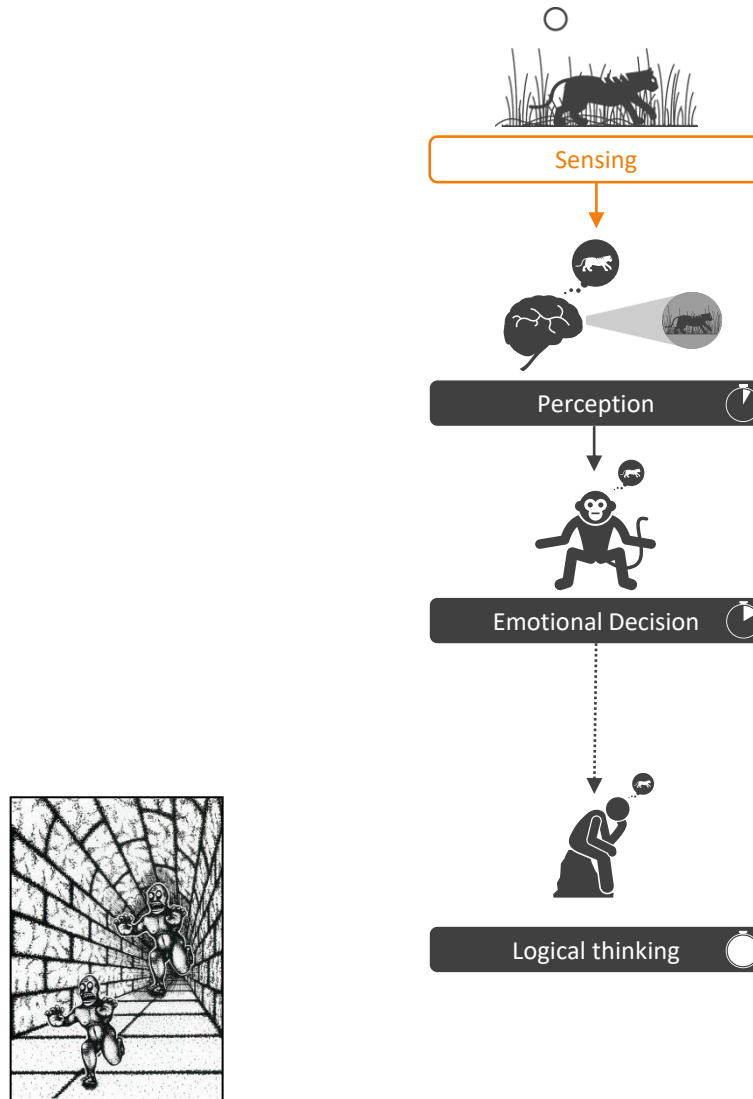
Familiarity Bias



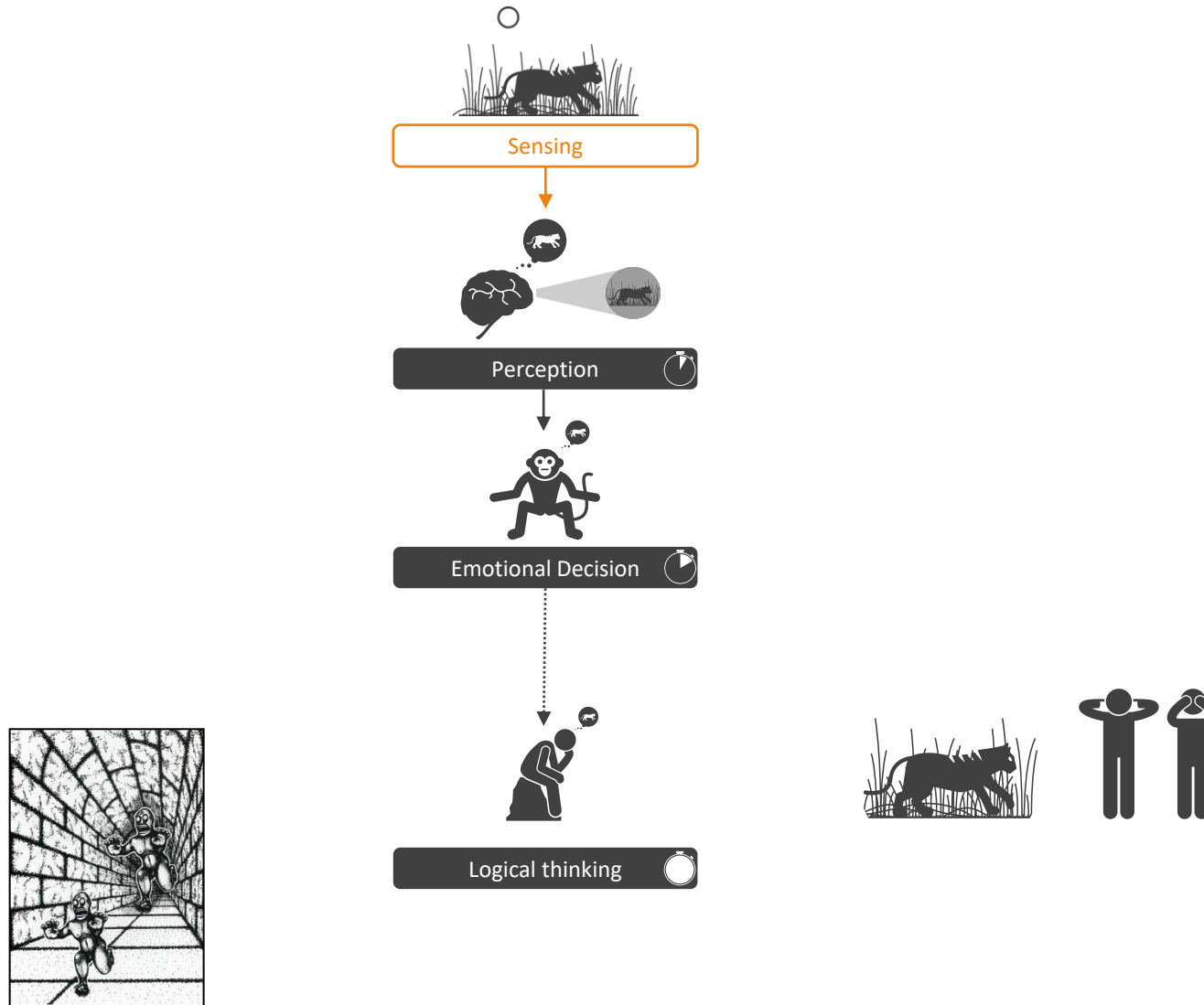
We tend to judge options and ideas that appear familiar to us as being inherently more attractive than those with which we are less familiar.

We are frequently inclined to judge any possible departure from the status quo as more risky than is objectively the case.

The Human Uses Rules of Thumb



We Snap & Stick

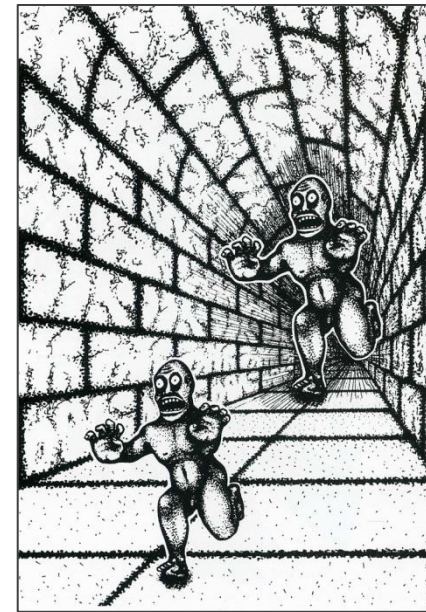


The Two Energy Saving Rules

1. The Computer and the Chimp are used wherever possible



2. If the Human is engaged it starts with simple rules of thumb

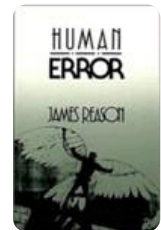


“When we think we think less than we think we think”

Daniel Kahneman

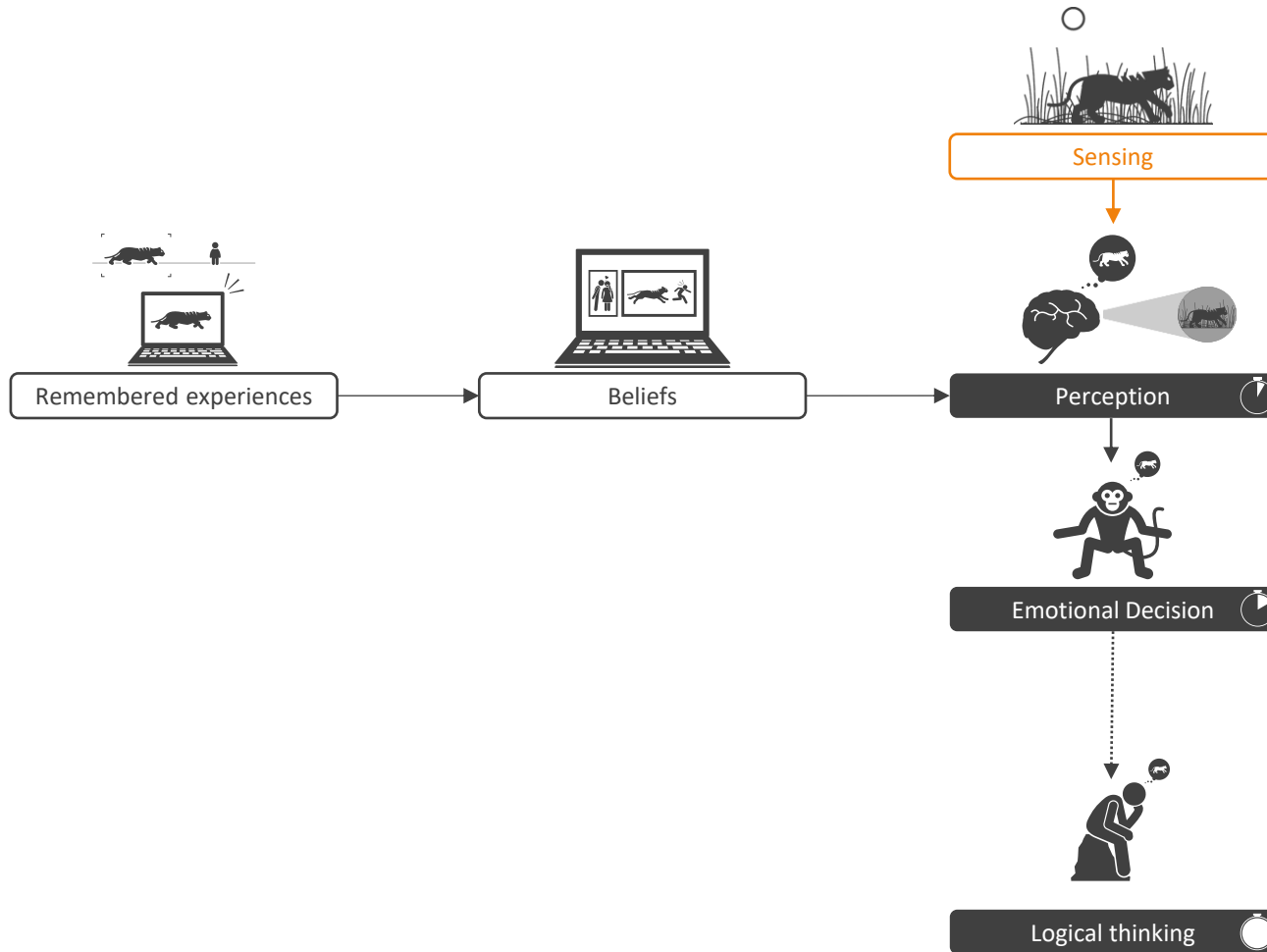
Errors are the Price of Saving Energy

The **price we pay** for the brain's remarkable ability to **think and act intuitively**. To sift quickly through the sensory information that constantly bombards us **without wasting time** trying to work through every situation **anew**



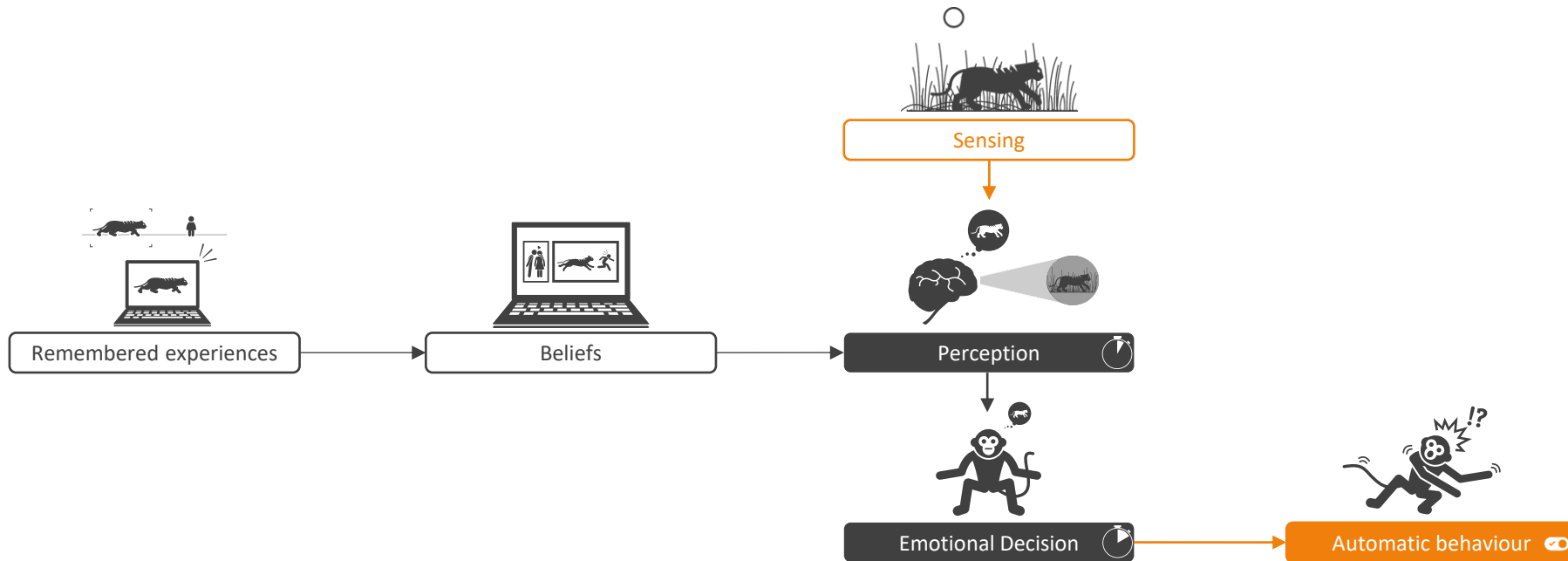
Professor James Reason
University of Manchester

Rule 1: Use Computer And Chimp Where Possible



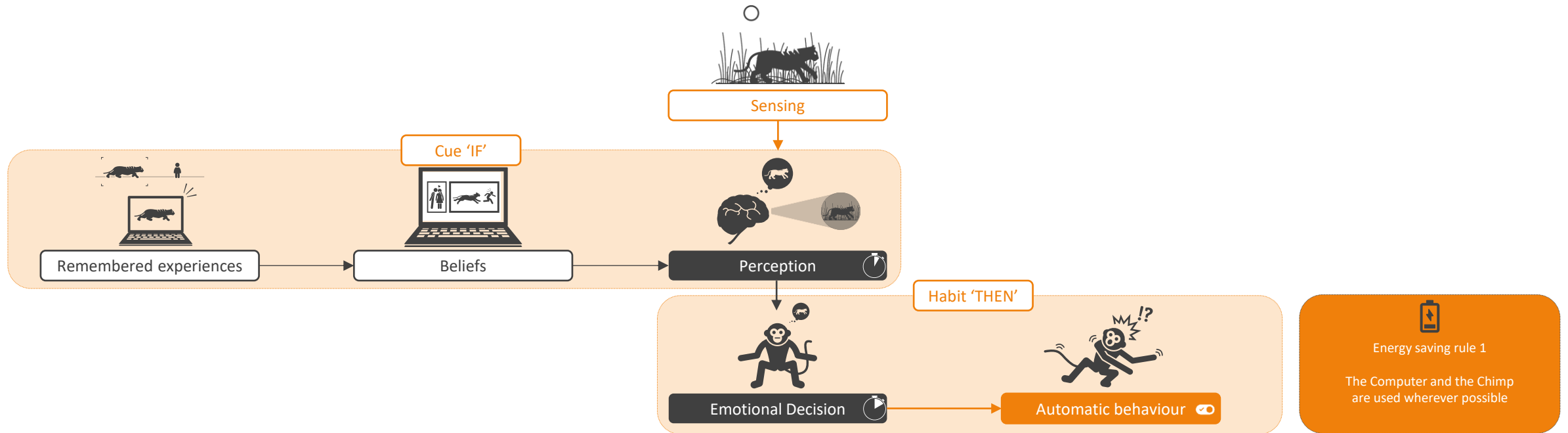

Energy saving rule 1
The Computer and the Chimp
are used wherever possible

Up to 95% of Our Actions Are Automatic

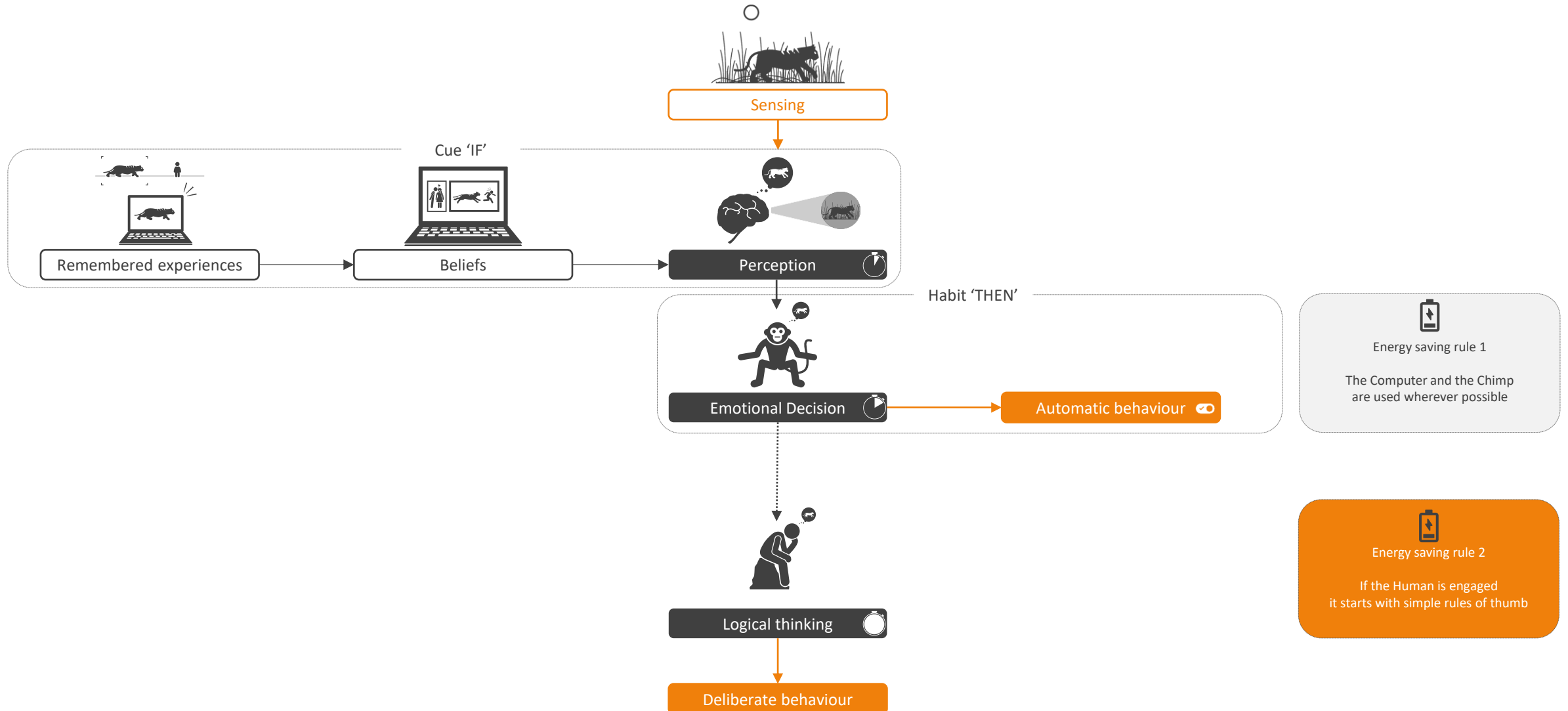



Energy saving rule 1
The Computer and the Chimp
are used wherever possible

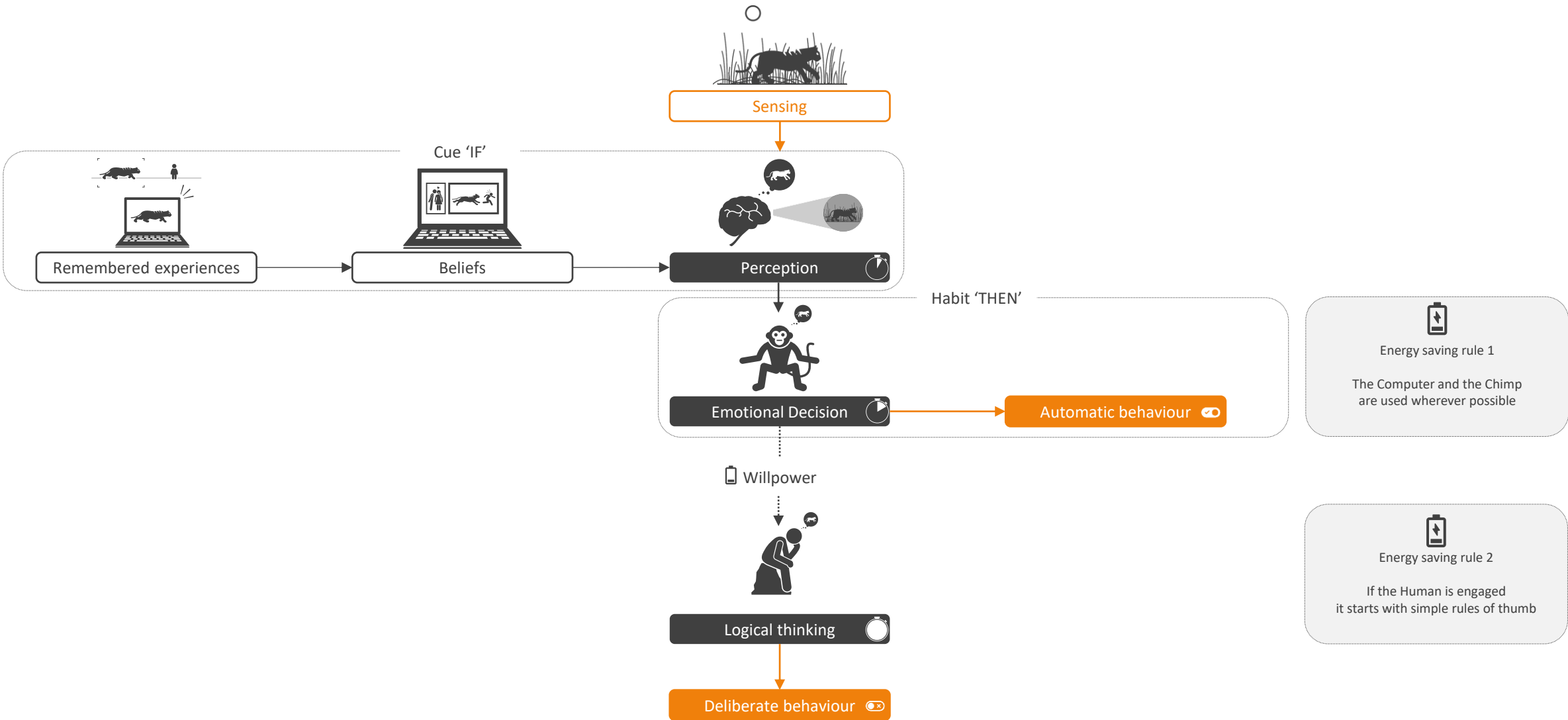
'If' Cues Trigger 'Then' Habits



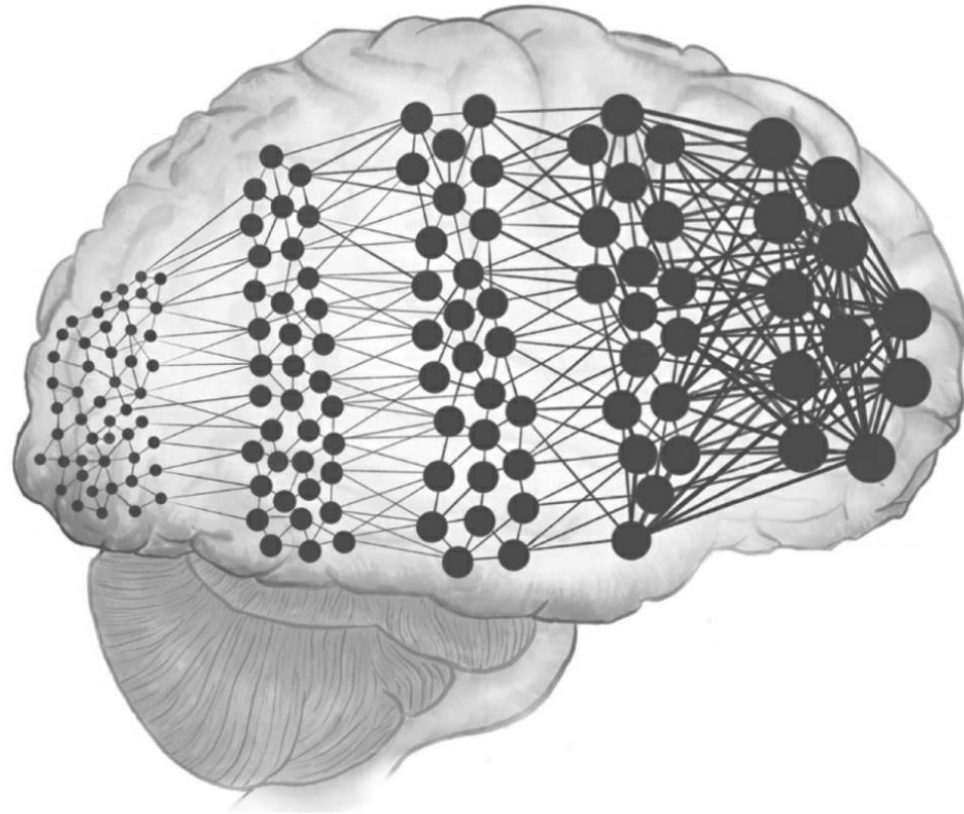
Rule 2: The Human Uses Rules of Thumb



How We See, Think and Act

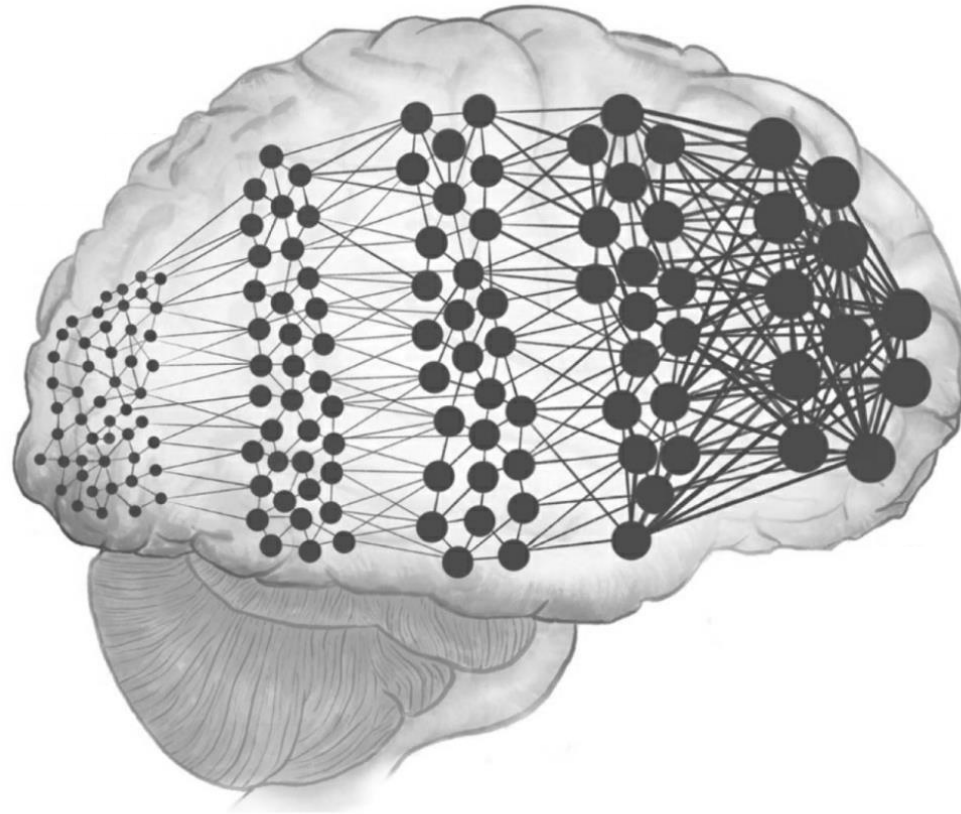


Our Brains Construct Reality As Models of Models From Billions of “Dumb” Inputs



Source: Seven and A Half Lessons About the Brain (Feldman Barrett)

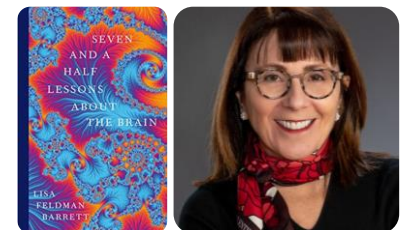
Our Brains Also **Recreate Memories** From Countless Mental Fragments



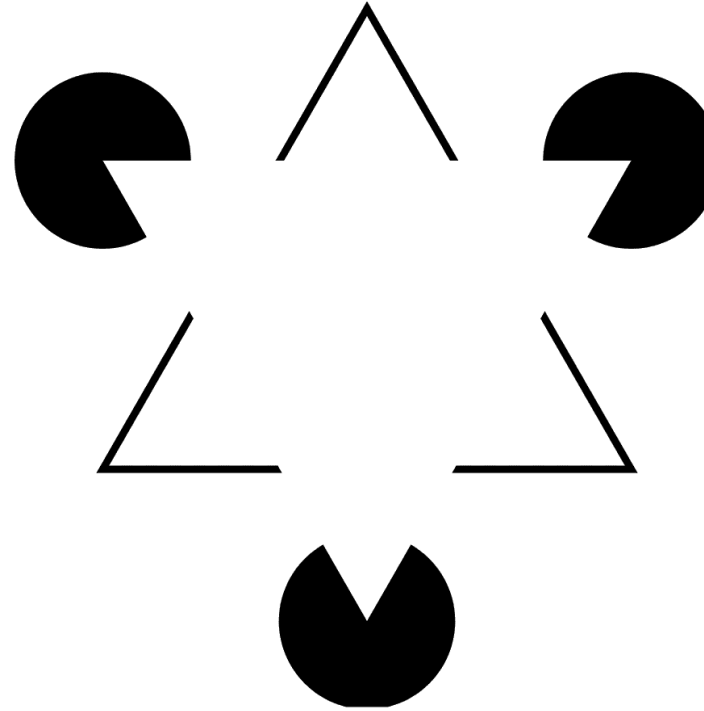
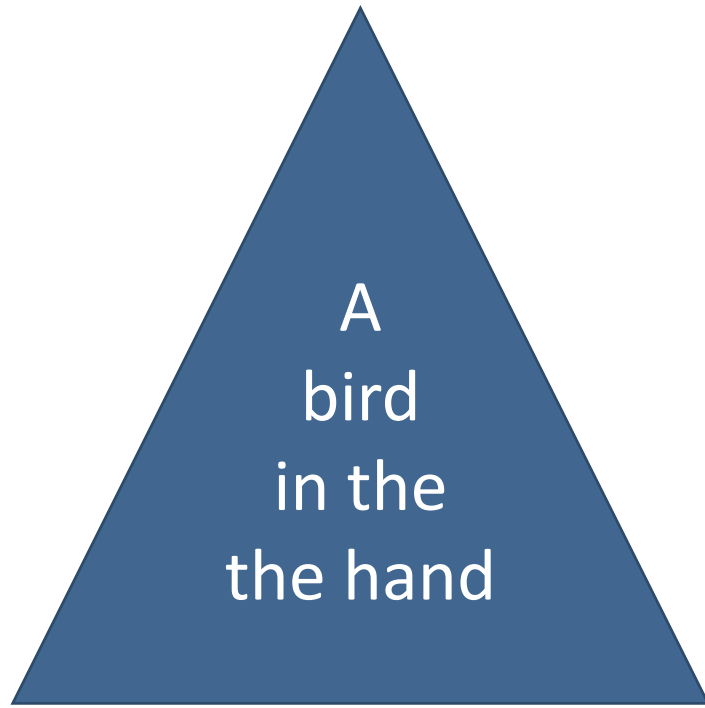
Source: Seven and A Half Lessons About the Brain (Feldman Barrett)

Neuroscientists Like to Say

Your day-to-day experience is a
carefully controlled hallucination



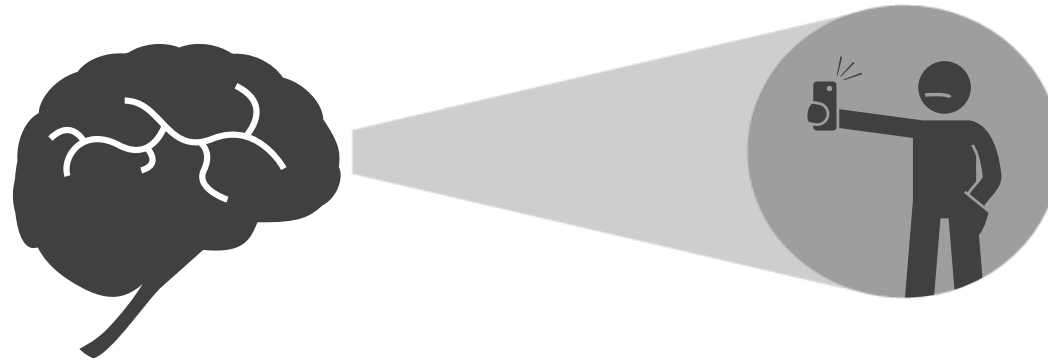
Lisa Feldman Barrett
Northeastern University



**“90% of decision errors are
are errors of perception”**



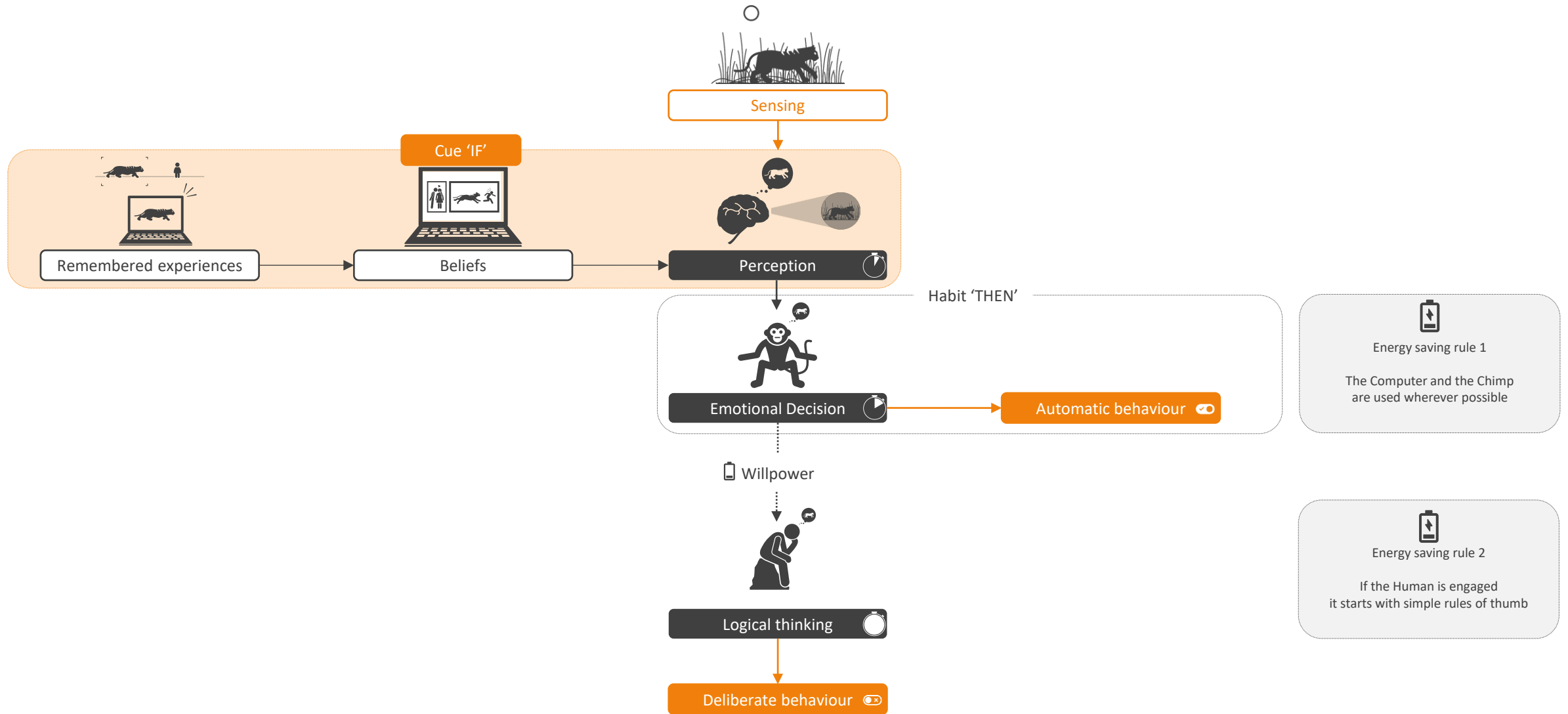
Prof. David Perkins
Harvard



**“90% of decision errors are
are errors of perception”**

Prof. David Perkins
Harvard

Start Here



Key Tool: **Diagnose Before Treating**



Because 90% of decision errors are
are errors of perception

To Lead In A Complex Situation

A

B

First Diagnose Where We Are

Where are we?

A

Where do we
want to be?

B

First Diagnose Where We Are

Where are we?

A

B

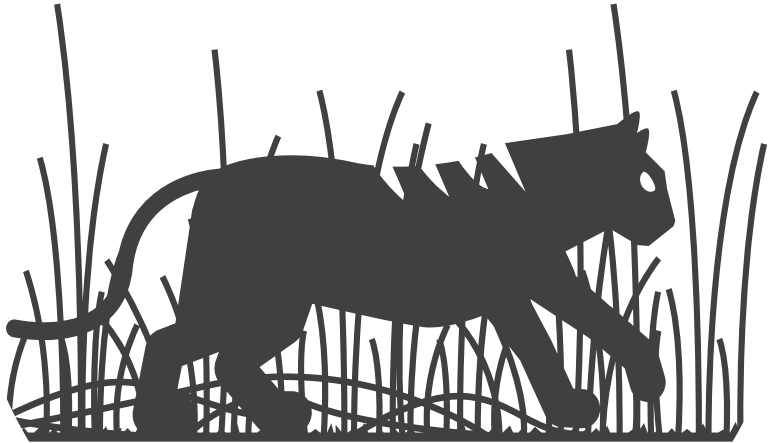
Quick Version of Tool #1:

From

To

Highly effective when coaching

We Snap - Then We Stick





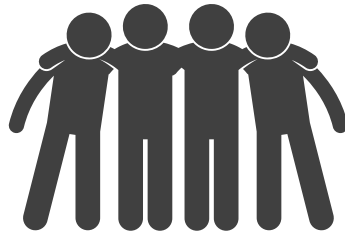
Your Return On Investment



7. In your work, where would deliberately **diagnosing before treating** be helpful?

Preparing for Tomorrow

Monday
Welcome and
introductions
18.00 – 18.00



Tuesday
Leading mutual insurers
with purpose
09.00 -17.00



Wednesday
Leading teams
in a complex world
09.00 -17.00



Thursday
Activating strategy
in a complex world
09.00 -17.00

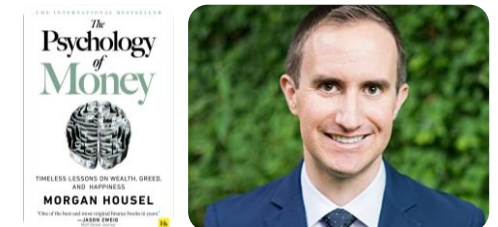


Friday
Translating learning
into value
09.00 – 15.00



When Faced with a Problem, Rarely do People Ask

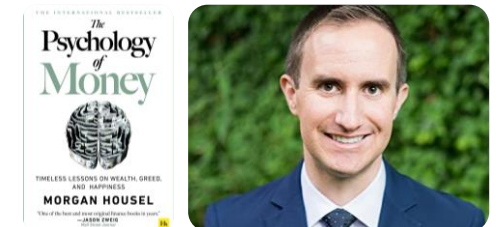
“What is the **best, perfect, answer** to this question?”



Morgan Housel
The Psychology of Investing

When Faced with a Problem

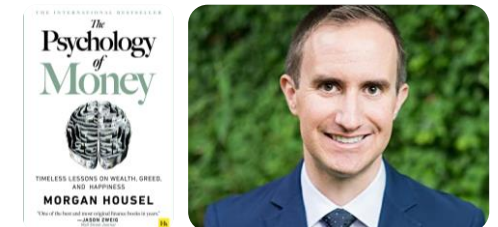
Our energy saving brains take psychological
paths of least resistance



Morgan Housel
The Psychology of Investing

The More Efficient Question is Often

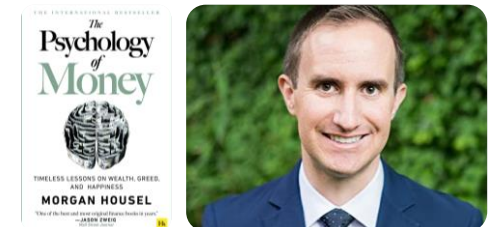
“What answer to this question can I obtain
with the **least amount of effort, sacrifice,
and mental discomfort?**”



Morgan Housel
The Psychology of Investing

Most of the Time That's Fine

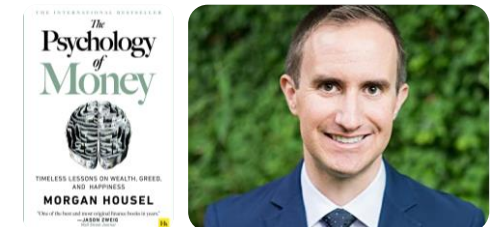
You use a little intuition and common sense and find a practical answer that doesn't rack your brain or bog you down with details



Morgan Housel
The Psychology of Investing

But Sometimes With Complex Problems

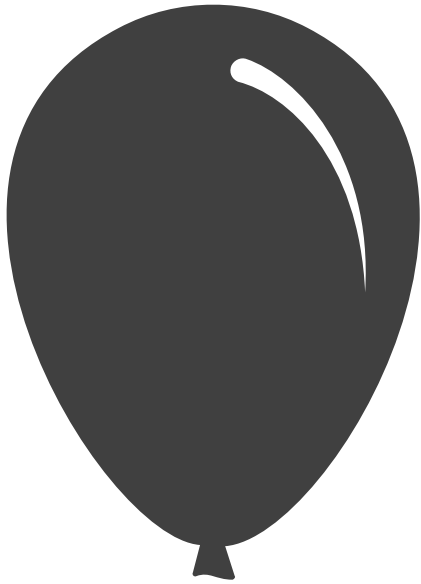
The easy answers lead you down a nasty path of **misunderstanding, ignorance, and blindness** toward **risk**



Morgan Housel

The Psychology of Investing

A Few Paths of Least Resistance that Everyone is Susceptible to at Some Point



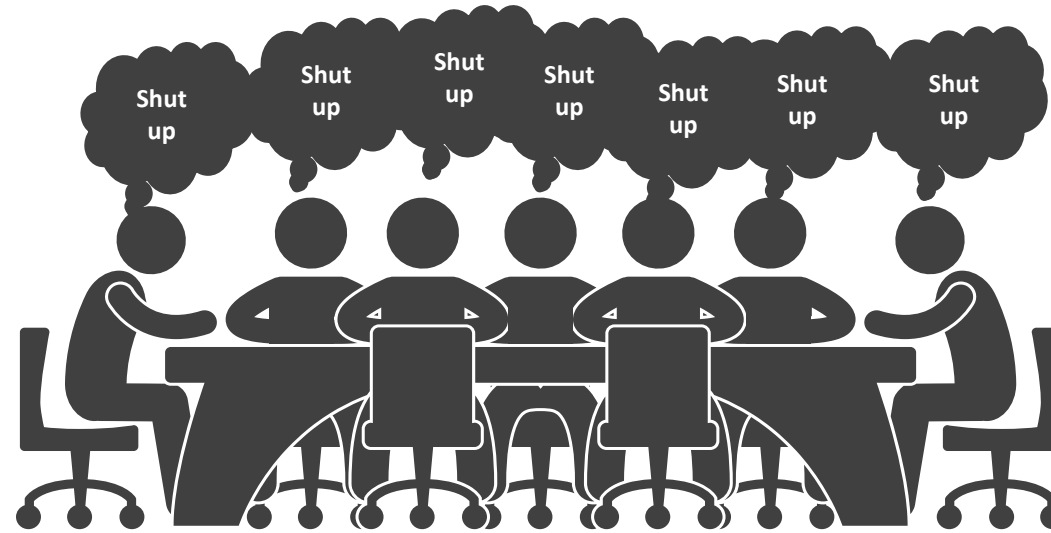
- The quick **elimination of doubt** and uncertainty
- **Single-cause explanations** for complex events
- **Overconfidence** as a way of shielding against the uncomfortable fact that the world is driven by probability, not black-and-white certainties

A Few Paths of Least Resistance that Everyone is Susceptible to at Some Point



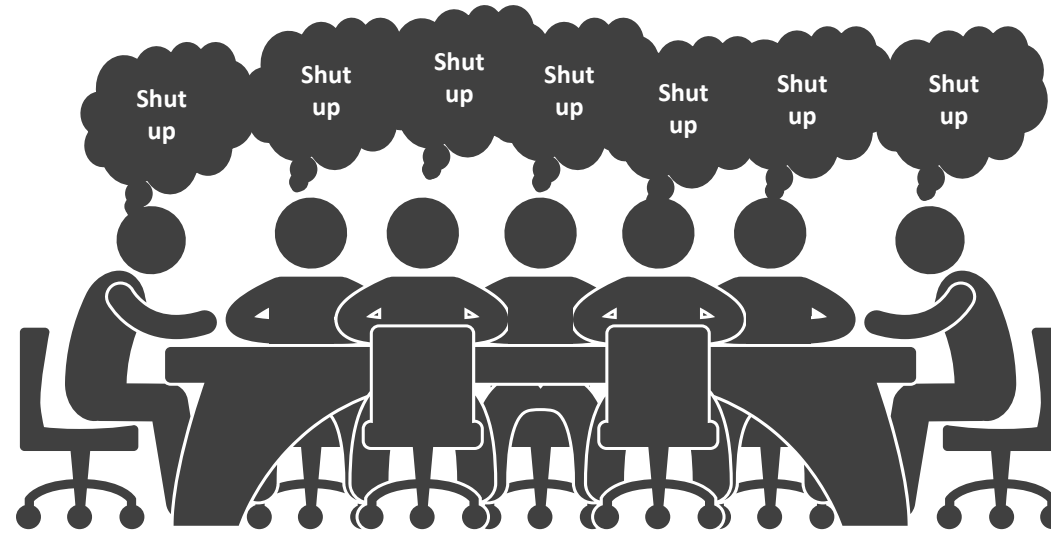
- The **justifications** of your own actions and the **judgment** of others'
- The **belief** that your own field of vision is the same as everyone else's
- The desire to replace statistics with **stories**

Which Can Lead to This



Buster Benson
Author and entrepreneur

How Might We Lead More Effective Collaboration in A Complex World?



Researchers Tracked Electricity Usage In Two Groups of Effectively Identical Homes



One Group Used 30% Less Electricity

1. Meter in the hall



2. Meter in the basement



Which Group Used Less Electricity?

1. Meter in the hall



2. Meter in the basement



Which Group Used Less Electricity?

1. Meter in the hall



2. Meter in the basement

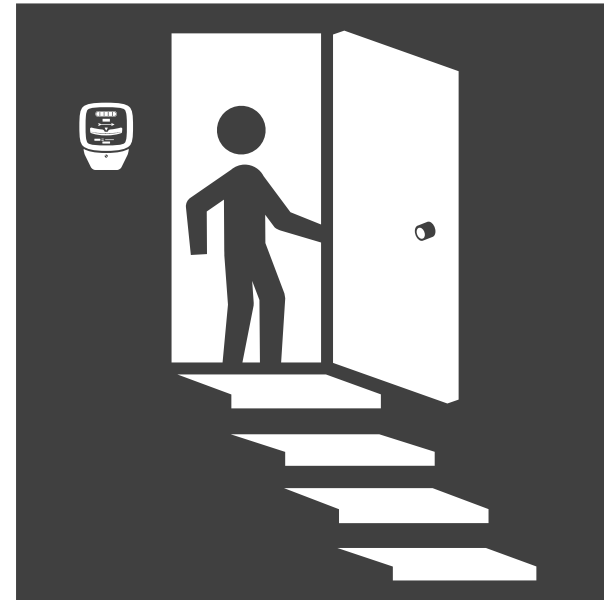


Context Dictates Behaviour

1. Meter in the hall



2. Meter in the basement



Context Triggers Habits

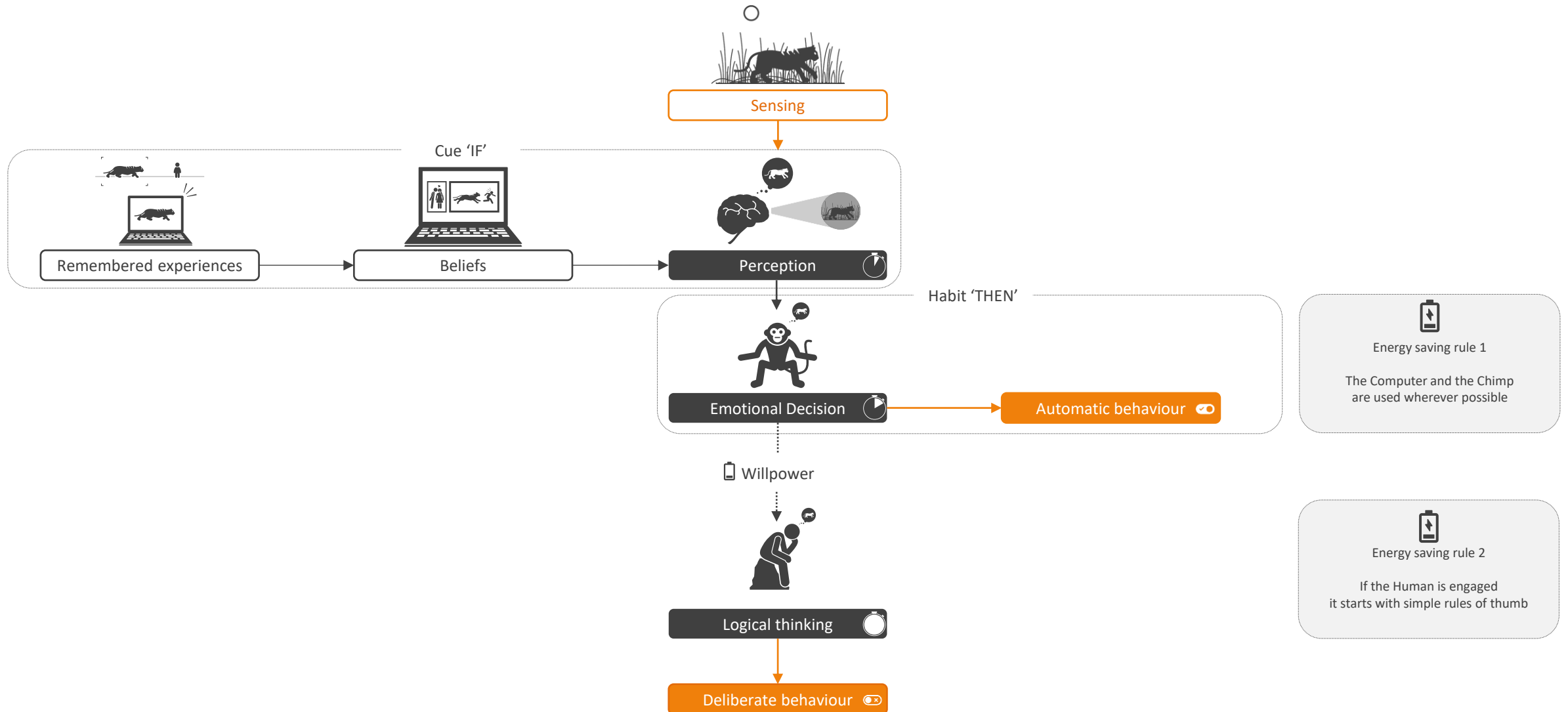
1. Meter in the hall



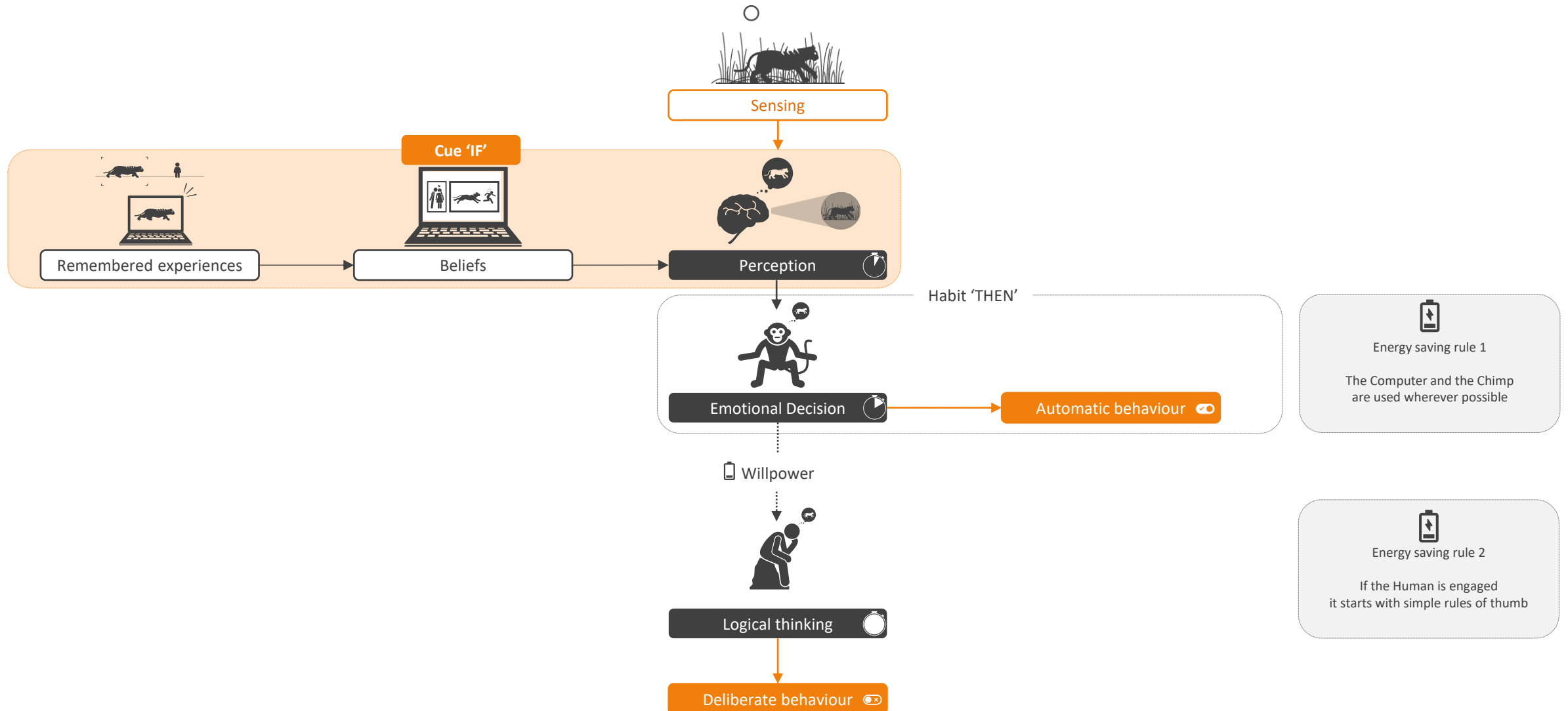
2. Meter in the basement



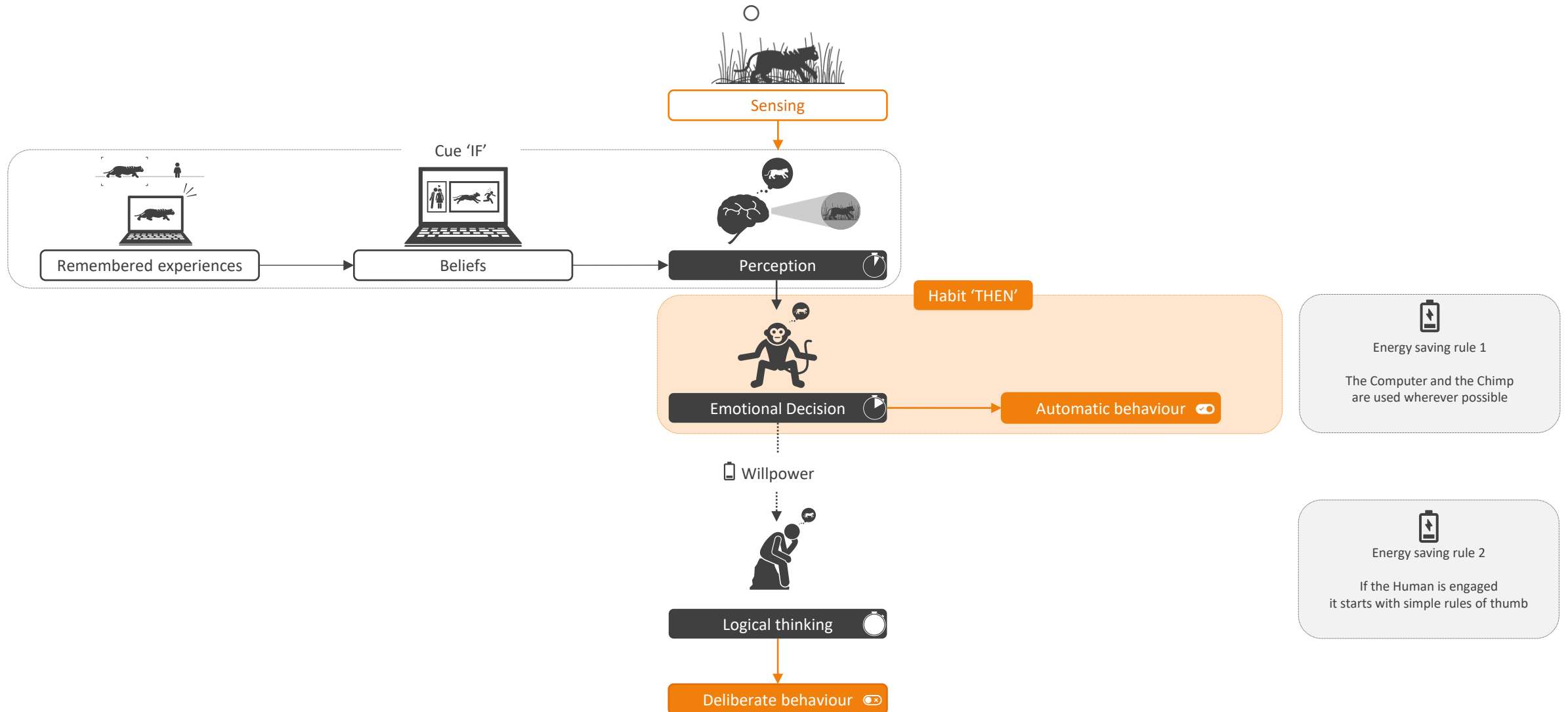
Context Triggers Habits



Context Triggers Habits

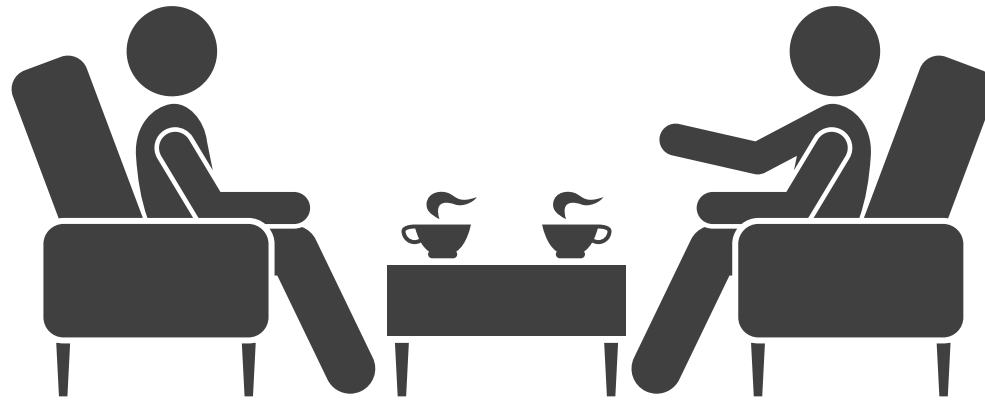


Context Triggers Habits



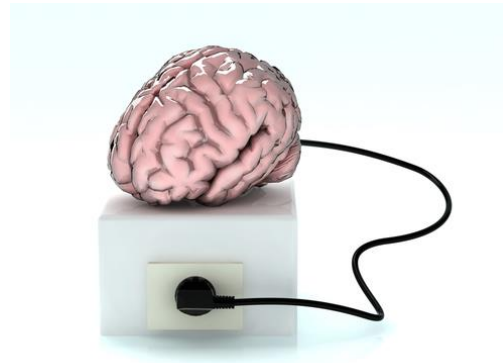


To Start Tomorrow's Session



On reflection, what was most valuable regarding yesterday's session?

Break #4 (of 4 today)



Next session starting at

15:55

Leading in A Complex World With an Energy-Saving, Predicting Brain

1. People Aren't Rational



"When we think we think less than we think we think"

2. Energy-Saving, Predicting Brains



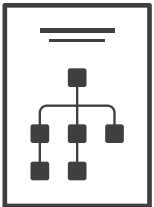
"Your brain's most important job is predicting energy needs so you can efficiently move and survive"

3. The Real World is Complex



"The most common leadership failure stems from applying technical solutions to adaptive challenges"

4. Rules Fail In Complex Worlds



"For every complex problem, there is an answer that is clear, simple and wrong"

Diagnose Before Treating



Because 90% of decision errors are are errors of perception

Work As A Team



Complex situations require multiple perspectives because each is unique and no-one can see the whole system

Use Models And Tools Not Rules



Single rules fail in complex worlds, but a combination of many models makes complex problems tractable

Leading Mutual Insurers With Purpose in A Complex World

5. The Principal-Agent Problem



"[Without shared purpose], self-interest causes the goals of the principal and agent to diverge"

6. Overlooking Motivating People



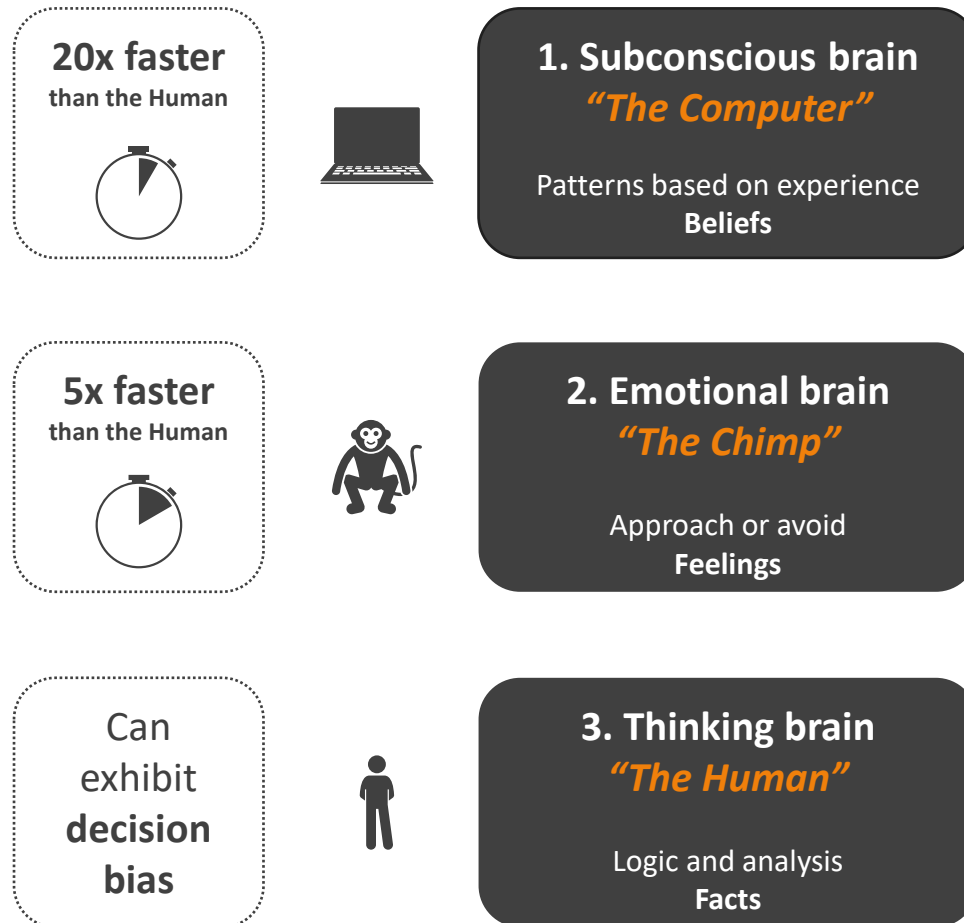
"80% of strategies fail, because we forget the most important factor in executing strategy: people"

Lead With a Clear, Shared Purpose



"An authentic purpose delivered with clarity has a positive impact on performance"

Behavioural Logic Model



ICMIF Advanced Management Course 2024

Three Behavioural Levers of Purpose-driven Leadership



Part 6 (of 6)

Session ends: **17:00**

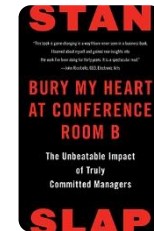
Management vs. Leadership

Addresses **can't**

Overcomes **won't**

Management **controls** performance
because it impacts skill

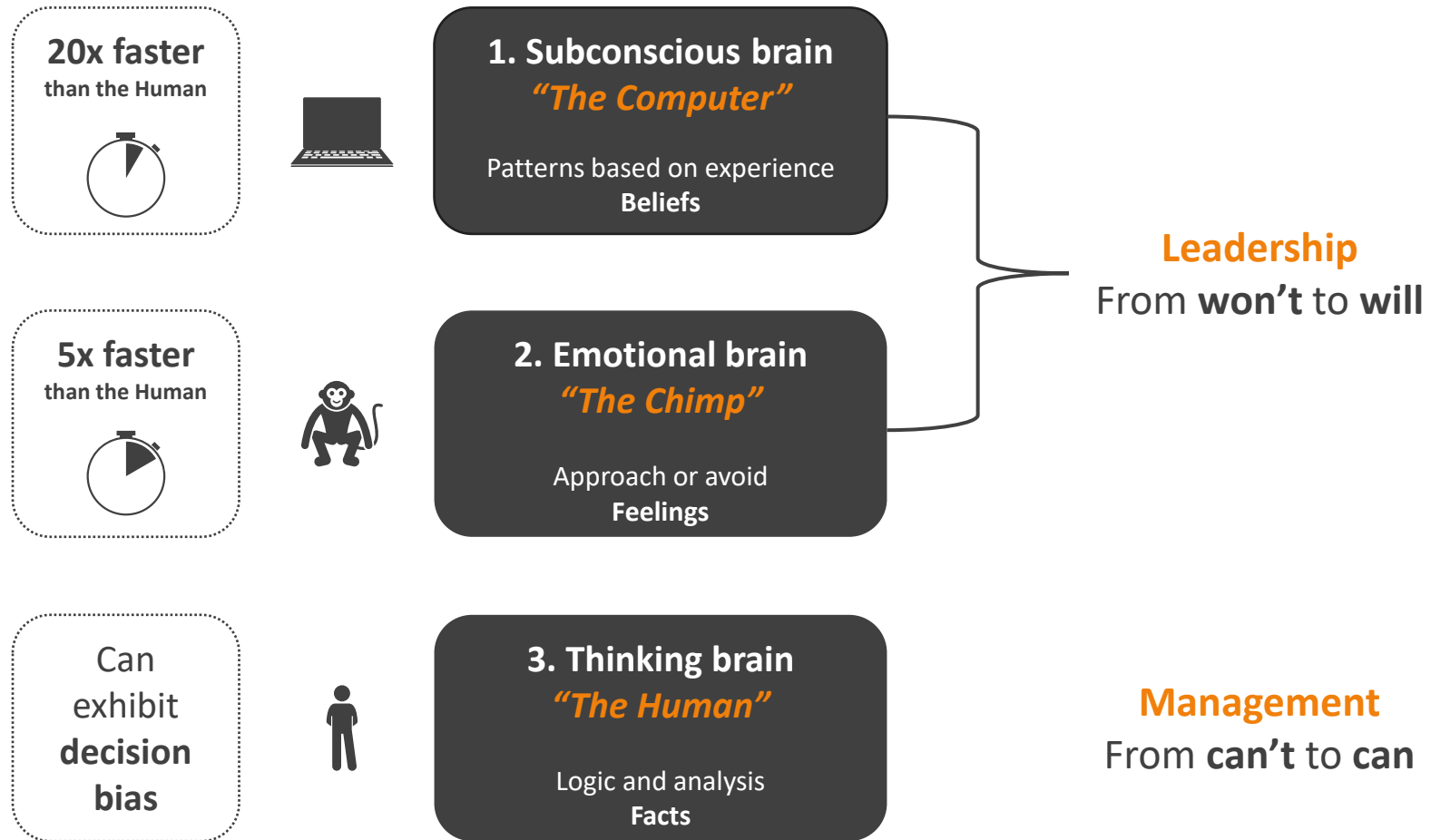
Leadership **creates** performance
because it impacts willingness



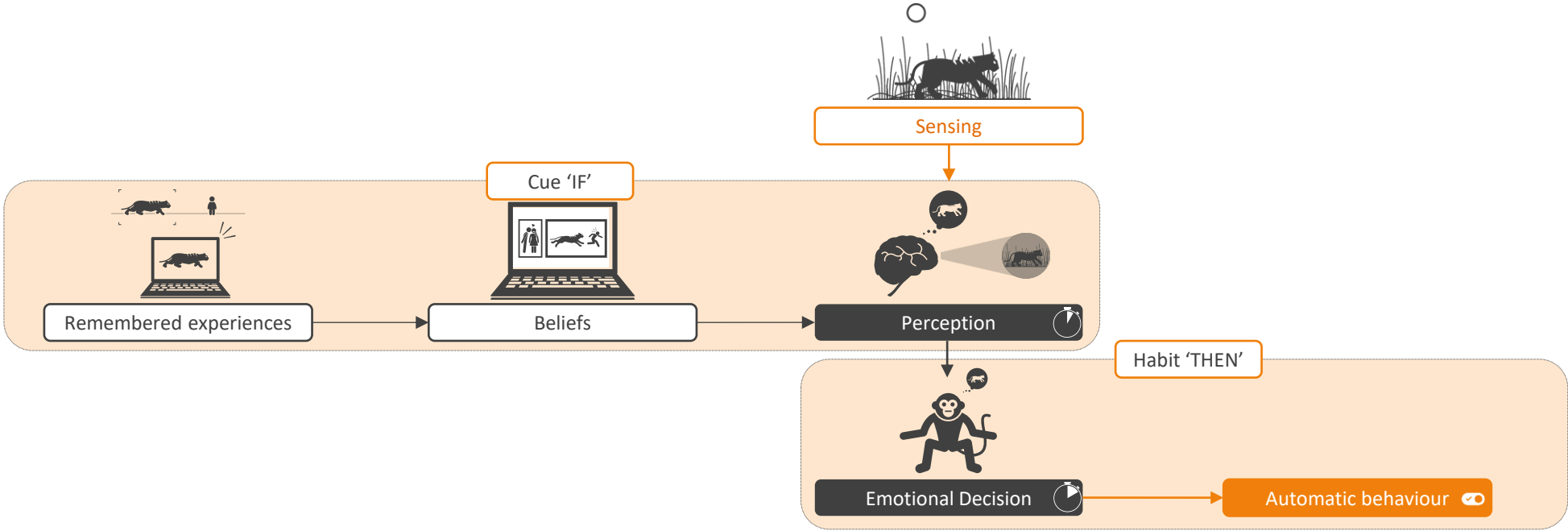
Stan Slap

Founder, Slap Company

Behavioural Logic Model

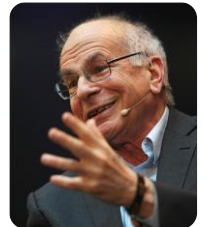


Our Brains Are Constantly Scanning for What to Do



The Best Psychological Idea Ever

When you want to influence somebody's
behavior

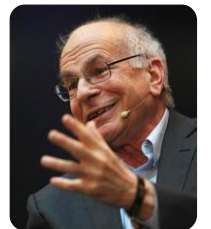


Daniel Kahneman

Princeton University

The Best Psychological Idea Ever

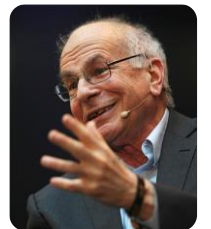
When you want to influence somebody's behavior, make **good behaviors easier**



Daniel Kahneman
Princeton University

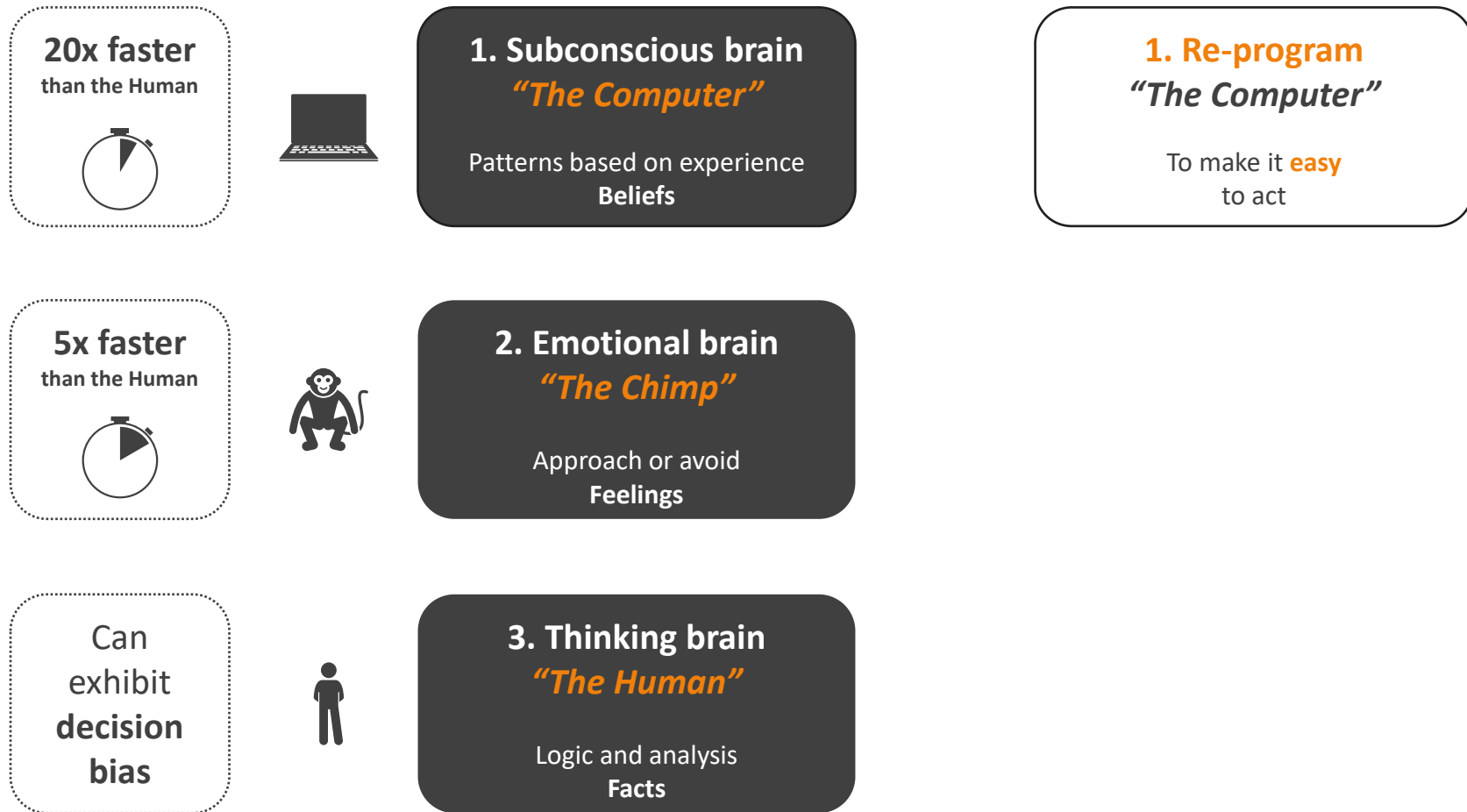
The Best Psychological Idea Ever

When you want to influence somebody's behavior, make **good behaviors easier** or **negative behaviors harder**

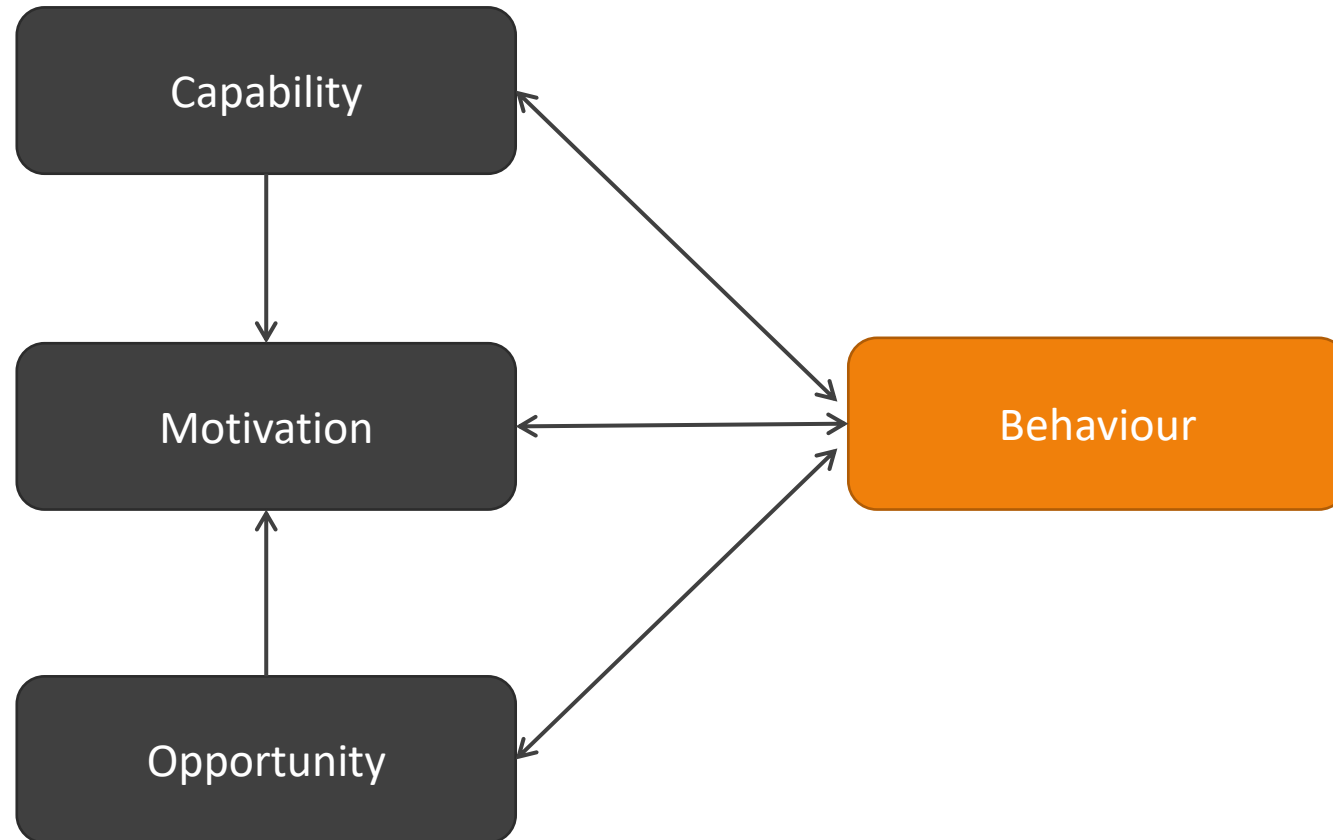


Daniel Kahneman
Princeton University

Three Behavioural Levers



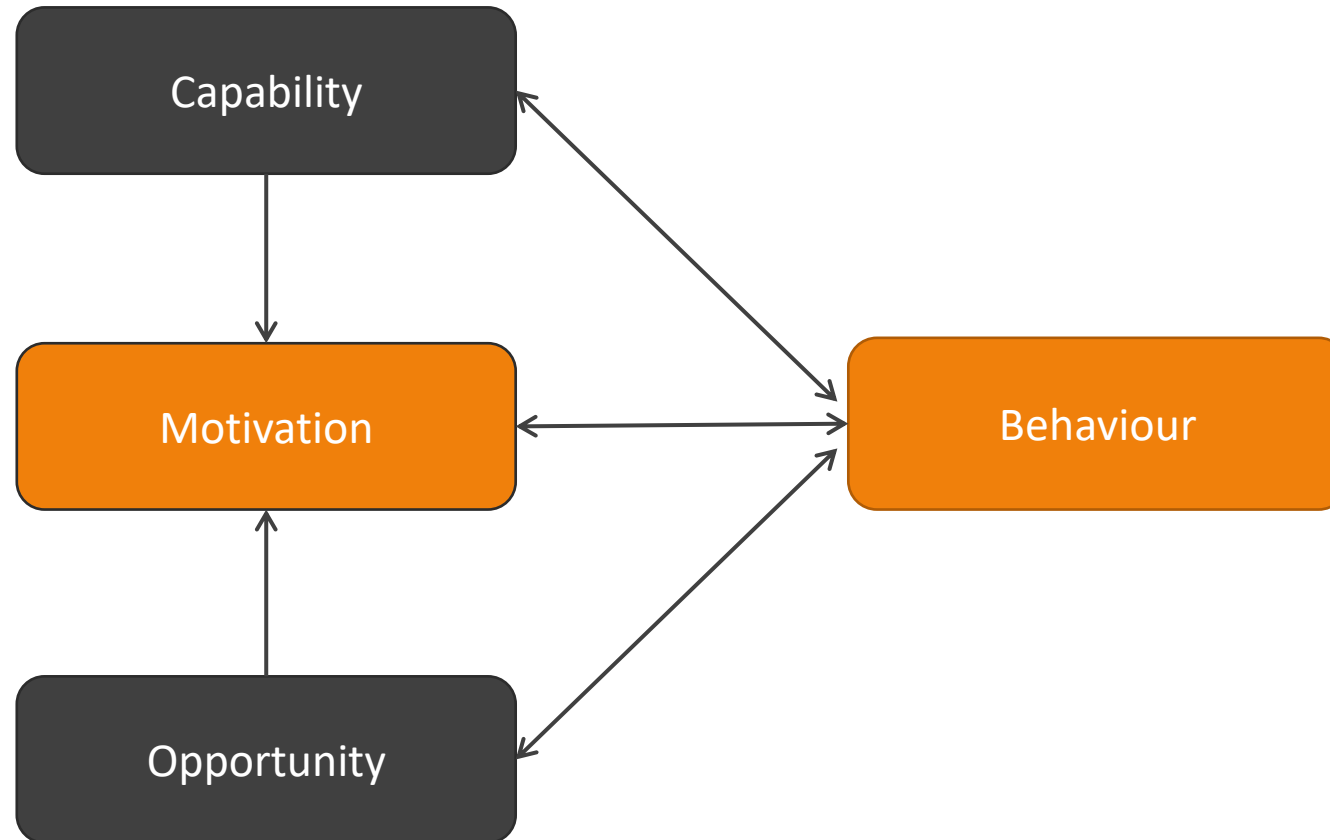
Delivering Behavioural Change



Prof. Susan Michie

University College London

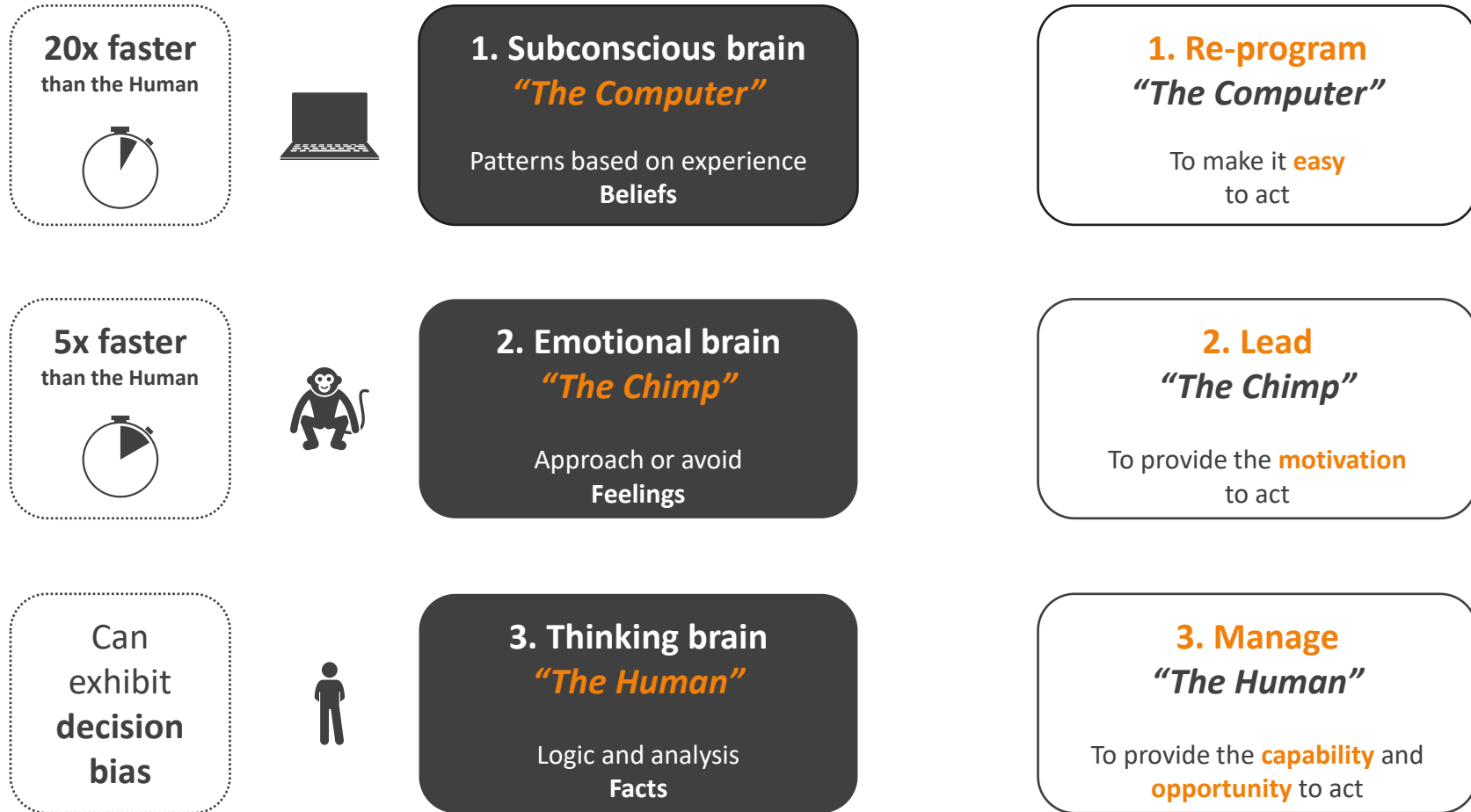
Why Leaders Fail



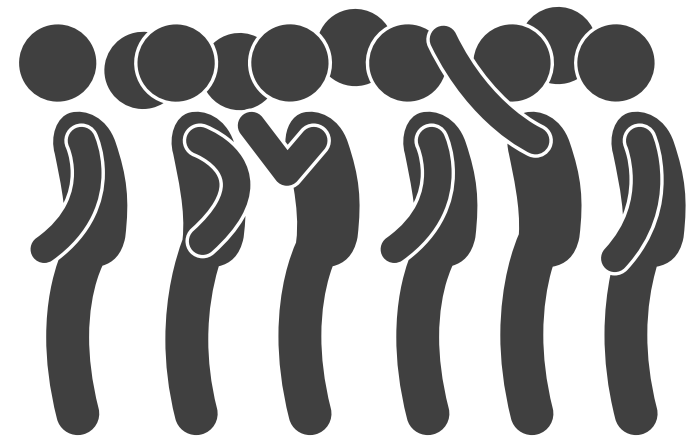
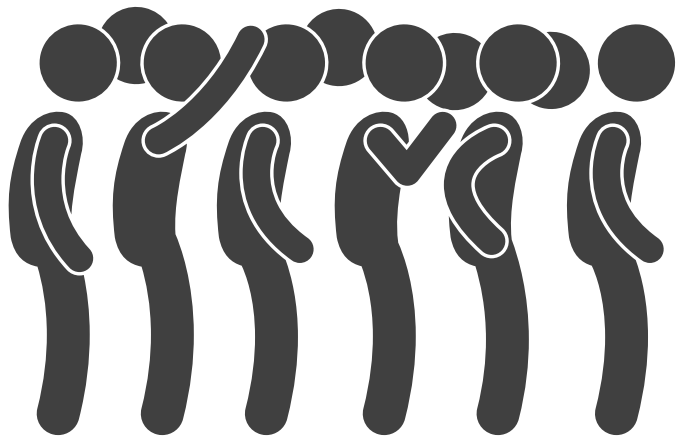
Prof. Susan Michie

University College London

Three Behavioural Levers



We All Work For **Purpose-Driven** Organisations



For Leaders to Activate the Strategy of Purpose-Driven Organisations

1. Clarify the **Purpose**
to overcome
self-interest

By providing a vision of a
purpose bigger than any
one of us

2. Lead to
unlock the **Drive**
to act

By helping each person
connect their own
purposes with the
organization's

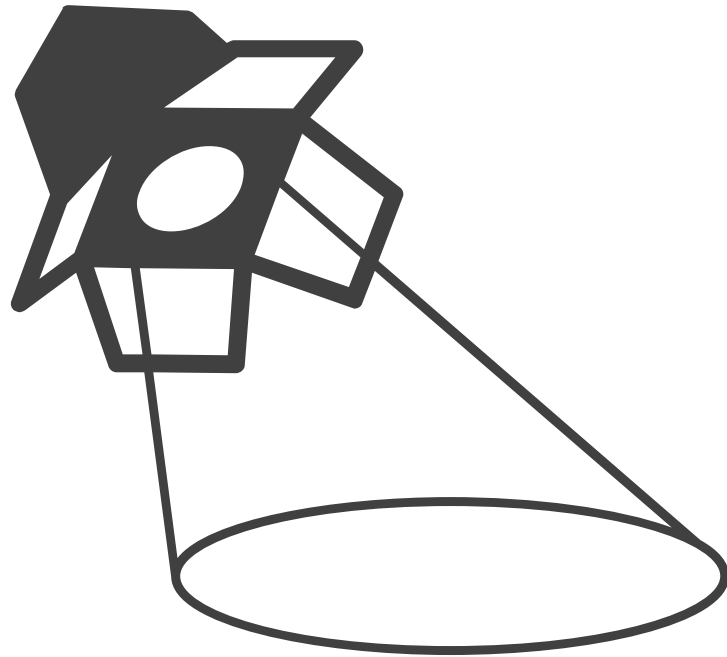
3. Manage to provide
the **Organisation**
to act

By providing the
capability and
opportunity each person
requires to act

Three **Purpose-Driven** Behavioural Levers

From	Lever	To
Limiting Beliefs	<p>1. Re-Program the Computer to make it easy to act Clarify the Purpose to overcome self-interest by providing a vision of a purpose bigger than any of us</p>	Enabling Beliefs
Won't	<p>2. Lead the Chimp to provide the motivation to act Unlock the Drive to act by helping each person connect their own purposes with the organization's</p>	Will
Can't	<p>3. Manage the Human Provide the Organisation to deliver the capability and opportunity each person requires to act</p>	Can

Reveal Bright Spots



When Are People Where You Work Purpose-Led?

~~Effort-conserving
or acting out of self-interest~~



Purpose-led





Your Return On Investment



From	Lever	To
Limiting Beliefs	1. Re-Program the Computer to make it easy to act Clarify the Purpose to overcome self-interest by providing a vision of a purpose bigger than any of us	Enabling Beliefs
Won't	2. Lead the Chimp to provide the motivation to act Unlock the Drive to act by helping each person connect their own purposes with the organization's	Will
Can't	3. Manage the Human Provide the Organisation to deliver the capability and opportunity each person requires to act	Can

8. When are people where you work driven by purpose? Why might this be?

Martin Stokes

CEO, MAS (New Zealand)



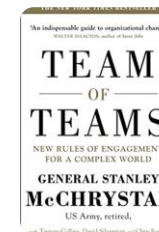
A Leader's Most Important Job

Is to **connect people** to their **purpose**



Joe Robles
Former CEO, USAA

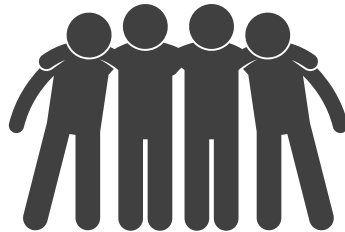
Listen, Learn Then Lead



Stanley McChrystal

The Fundamentals of Leading Mutual Insurers With Purpose

Monday
Welcome and
introductions
18.00 – 18.00



Tuesday
**Leading mutual insurers
with purpose**
09.00 -17.00



Wednesday
Leading teams
in a complex world
09.00 -17.00



Thursday
Activating strategy
in a complex world
09.00 -17.00



Friday
Translating learning
into value
09.00 – 15.00



One More Thing

They talk constantly about “**winning**”

They obsess about “**beating** their competition”

They say their vision is to “be **#1**”



Simon Sinek
Author

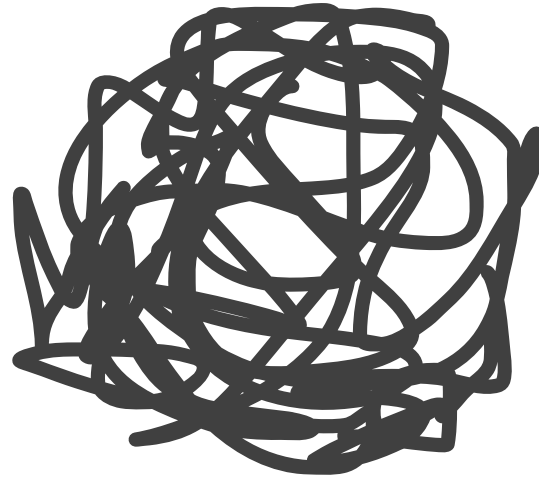
Leading With a **Finite Mindset**

Winning today in a game with a finish line



The Real World is Complex

There are no rules nor a finish line



There is No Such Thing as Winning Business

All these things are **journeys**,
not events



Simon Sinek
Author

What's Next for Zenkyoren?

The target is very far away

So rather than talking about the next stage

We have the **challenges in hand**



Fumio Yanai

President of the Board of Directors, Zenkyoren (Japan)

We Have to **Just Keep Working At It**

[paraphrasing]

So the daily initiatives we need to take are:
To make improvements continuously
and enhance our quality



Fumio Yanai

President of the Board of Directors, Zenkyoren (Japan)

It's **Infinite**

There's **no end**

There's **no goal**

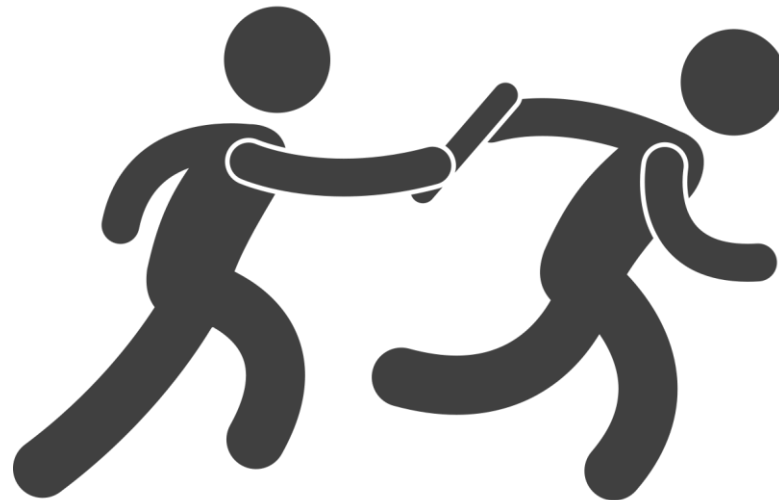


Fumio Yanai

President of the Board of Directors, Zenkyoren (Japan)

Leaders Require an **Infinite Mindset**

In a game with no rules and no finish line



The True Value of an Organization

Is measured by the **desire** others have to contribute to that organization's ability to keep succeeding



Simon Sinek
Author

To Succeed in the Infinite Game of Business

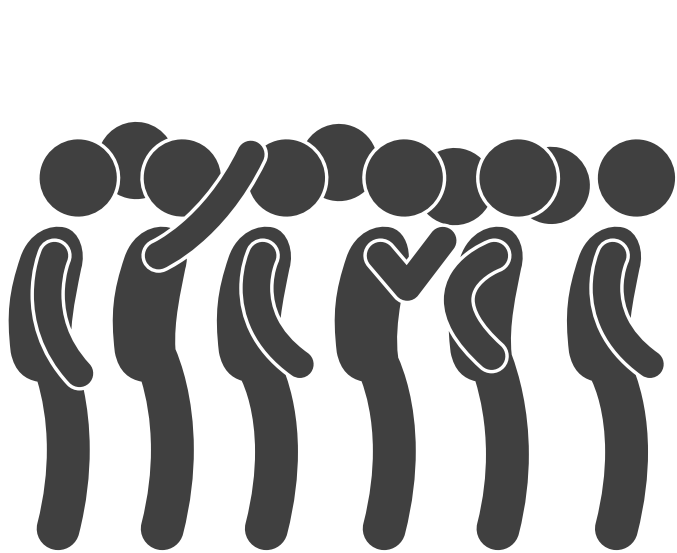
“What’s best for **me**” is **finite** thinking

“What’s best for **us**” is **infinite** thinking



Simon Sinek
Author

We All Work For Purpose-Driven Organisations



Engaged In an **Eternal Struggle** to Benefit People



When We Lead With a Finite Mindset in an Infinite Game

It leads to all kinds of problems



Simon Sinek
Author

When We Lead With a Finite Mindset in an Infinite Game

It leads to all kinds of problems, the most common of which include the **decline of trust, cooperation and innovation**



Simon Sinek
Author

To Succeed Long-Term

Paraphrasing

Leaders need an **Infinite** Mindset



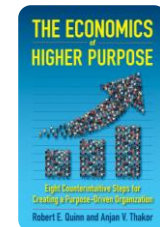
Simon Sinek

Author

When Will I Be Done?

When we told him he needed to keep clarifying the organization's purpose for **as long as he was CEO**

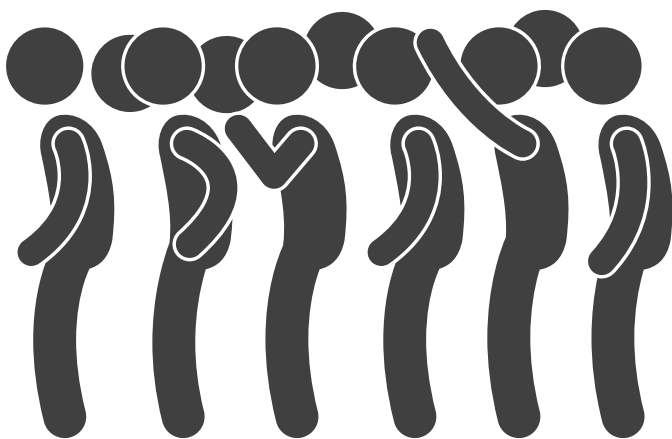
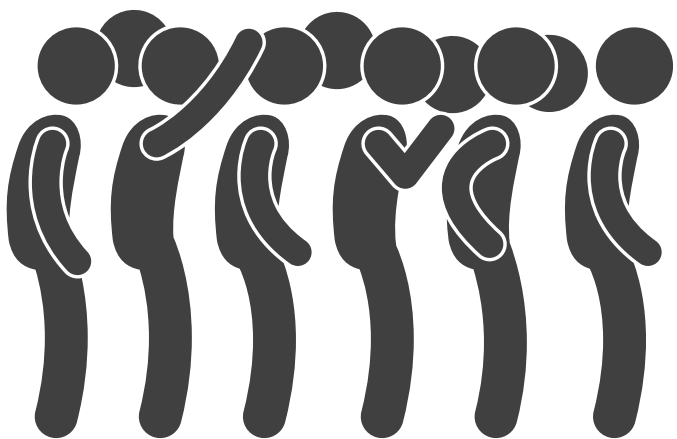
He **sank into his chair**



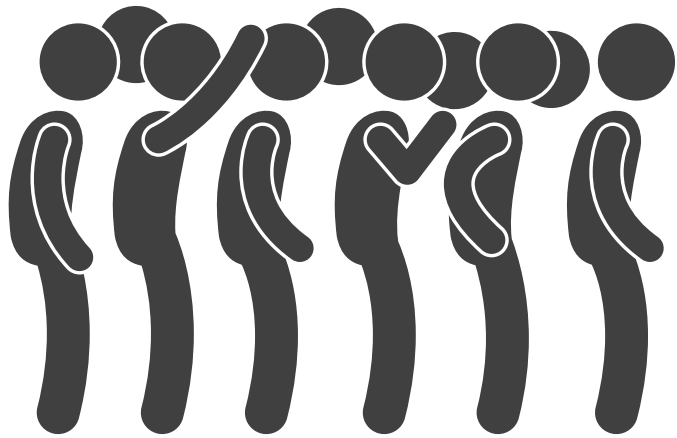
Prof. Robert Quinn

Center for Positive Organizations, University of Michigan

Leading With Purpose is a **Practice**



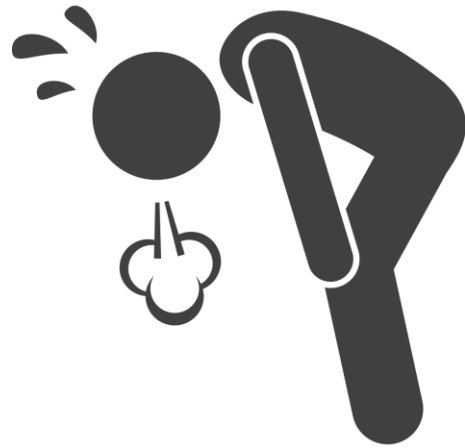
Which Requires **Eternal** Renewal



Universal Challenge

Maintaining An Infinite Mindset is Hard

Very hard



Simon Sinek
Author

Just as it is **Easier** to
Focus on a **Fixed, Finite Goal**

Than an infinite vision of the future



Simon Sinek

Author

It is Easier to Lead a Company with a Finite Mindset

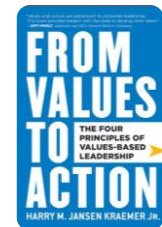
Especially during **times of struggle or downturn**



Simon Sinek
Author

Doing the Right Thing

Is much more **difficult** than it sounds

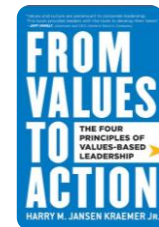


Prof. Harry M. Kraemer

ex-CEO, Baxter International. Kellogg School of Management

You Don't Have to Figure it Out on Your Own

If you **surround yourself** with **people you trust** and whose **values align** with yours and the organization's



Prof. Harry M. Kraemer

ex-CEO, Baxter International. Kellogg School of Management

People Like These



**Jana
Vanderlinden**

P&V
BELGIUM



**Jens
Smids**

P&V
BELGIUM



**Pim
Robyn**

P&V
BELGIUM



**Cindy
Nestman**

Co-operators
CANADA



**Anne
Rice**

Wawanesa Mutual
Insurance
CANADA



**Justin
Pursaga**

Wawanesa Mutual
Insurance
CANADA



**Helle
Sand**

LB Group
DENMARK



**Kenneth
Wolstrup**

LB Group
DENMARK



**Andreas
Gärtner**

R+V Versicherung AG
GERMANY



**Franziska
Rummel**

R+V Versicherung AG
GERMANY



**Sven
Bähies**

R+V Versicherung AG
GERMANY



**Amie Grace
Sabornido**

CLIMBS
PHILIPPINES



**Ryan Dale
Maquidato**

CLIMBS
PHILIPPINES



**Richard
Hyman**

ICMIF
UNITED KINGDOM

The Real Source of Mutual Advantage

To succeed long-term, leaders need an
Infinite Mindset

The Real Source of Mutual Advantage



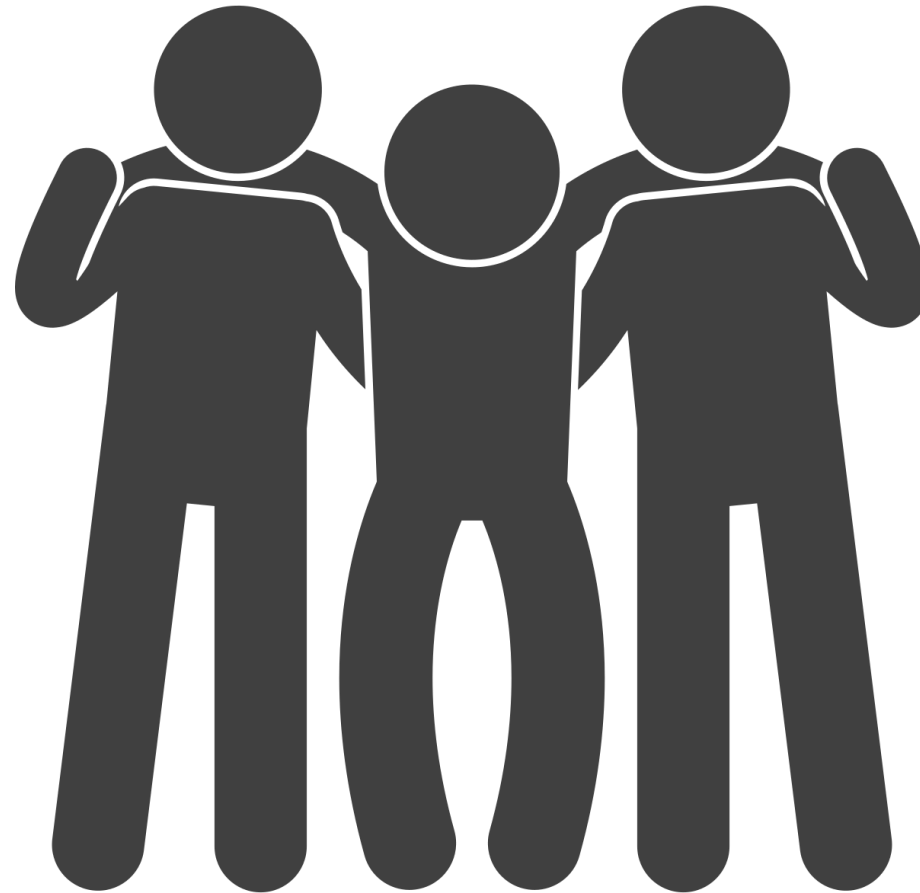
Mutuality Makes Leading With Purpose **Easier**



Mutuality Makes Sustaining an Infinite Mindset **Easier**



A Network of Mutuals Makes Sustaining an Infinite Mindset and Leading With Purpose **Easier**



Mutual A

Mutual B

Mutual C

A Leader's Most Important Job

Is to **connect people** to their **purpose**



Major General Joe Robles

Former CEO, USAA

ICMIF Advanced Management Course 2024

2. Leading Mutual Insurers with Purpose



ICMIF Advanced Management Course 2024

2. Leading Mutual Insurers with Purpose



Leading in A Complex World With an Energy-Saving, Predicting Brain

1. People Aren't Rational



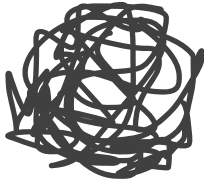
"When we think we think less than we think we think"

2. Energy-Saving, Predicting Brains



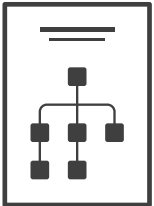
"Your brain's most important job is predicting energy needs so you can efficiently move and survive"

3. The Real World is Complex



"The most common leadership failure stems from applying technical solutions to adaptive challenges"

4. Rules Fail In Complex Worlds



"For every complex problem, there is an answer that is clear, simple and wrong"

Diagnose Before Treating



Because 90% of decision errors are errors of perception

Work As A Team



Complex situations require multiple perspectives because each is unique and no-one can see the whole system

Use Models And Tools Not Rules



Single rules fail in complex worlds, but a combination of many models makes complex problems tractable

Lead Eternal Renewal



"There's no end. There's no goal. It's infinite". Lead eternal renewal via new solutions to new challenges

Leading Mutual Insurers With Purpose in A Complex World

5. The Principal-Agent Problem



"[Without shared purpose], self-interest causes the goals of the principal and agent to diverge"

6. Overlooking Motivating People



"80% of strategies fail, because we forget the most important factor in executing strategy: people"

7. Ignoring What Drives People



"Without knowing what drives the people around them, leaders struggle to connect people to the purpose"

8. Defaulting To A Finite Mindset



"It's easier to focus on a fixed, finite goal, but the real-world is complex, with no rules and no finish line"

Lead With a Clear, Shared Purpose



"An authentic purpose delivered with clarity has a positive impact on performance"

Listen, Learn Then Lead



Listen to understand what drives colleagues before seeking to connect what you ask of them to the purpose

Connect People to the Purpose



Clarify how the shared purpose also delivers your people's goals and how it translates to their day-to-day tasks

Lead With An Infinite Mindset

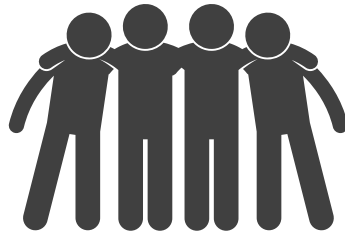


"To succeed long-term, leaders need an Infinite Mindset which sustains trust, cooperation & innovation"

Thank You

09:00 Start Tomorrow (please take your seats in good time)

Monday
Welcome and
introductions
18.00 – 18.00



Tuesday
Leading mutual insurers
with purpose
09.00 -17.00



Wednesday
Leading teams
in a complex world
09.00 -17.00



Thursday
Activating strategy
in a complex world
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Translating learning
into value
09.00 – 15.00



icmif



www.icmif.org



[@ICMIF_Web](https://twitter.com/ICMIF_Web)



linkedin.com/company/icmif

Welcome to ICMIF



The history of the International Cooperative and Mutual Insurance Federation

www.icmif.org/icmif-timeline

1922

The Insurance Committee of the International Cooperative Alliance (which would ultimately become ICMIF) was founded in Rome. Five out of 21 invited cooperative insurance companies attended on 25 April to set up a new organisation for the promotion of international understanding between cooperative insurers and to establish a reinsurance society.



Procès-verbal du Congrès tenu à Rome le 25-4-22.

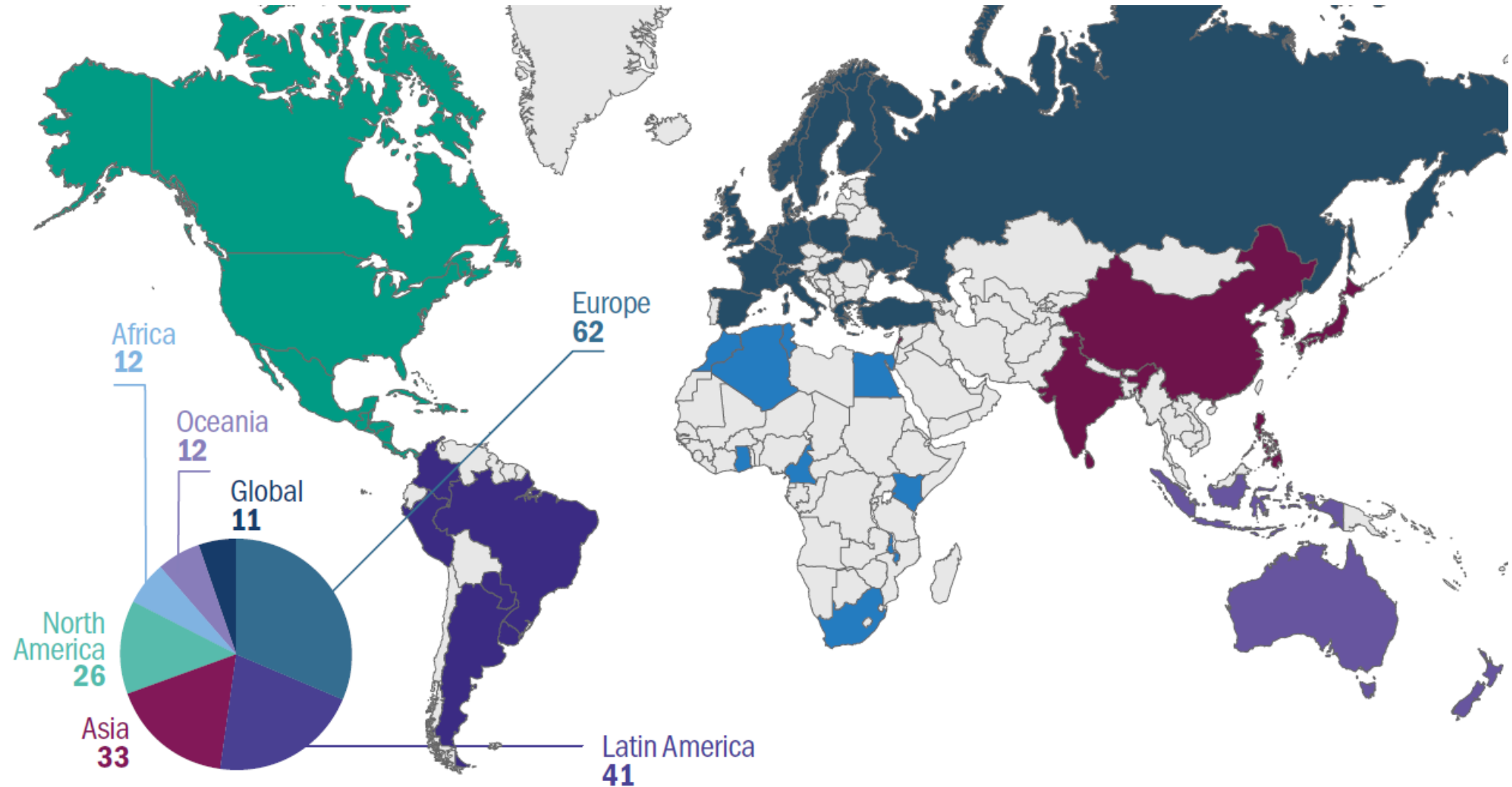
Le Dimanche 23 Avril 1922, se sont trouvés réunis au siège de l'Institut National des assurances à Rome, les délégués Français, Italiens, Suédois et Belges. Messieurs Mauni et Lemaire exposent à Monsieur Coia les raisons qui les ont amenés à solliciter de lui une audience.

Monsieur Coia se déclare ravi de cette visite et s'offre à répondre à toutes nos questions.

Monsieur Lemaire lui pose une série de questions qu'il a condensées en un questionnaire qu'il lui remet.

Monsieur Coia répond à certaines de ces demandes nous donne rendez-vous à nouveau pour mardi et promet que de toute façon, il répondra par écrit au questionnaire qui lui a été remis par Monsieur Lemaire. Le délégué Hollandais ne pouvant être présent.

200 member organisations (mutual and member-owned insurers) in 60 countries



ICMIF is a purpose-led, professional membership organisation for mutual and cooperative insurers, focusing on strategic priorities for a modern world.

Mutuality at the heart of a purpose-led business



- Mutuality as an enabler and authenticator of a purpose-driven business strategy.
- Leveraging the mutual difference in the customer value proposition to create a competitive advantage.
- Communicating the benefits of mutuality and social purpose in a way that is relevant for today's customers.

Creating value by embedding sustainability



- Sustainability as a strategic differentiator that creates long-term, sustainable value for all stakeholders.
- Leading the industry from risk protection to prevention by building community and societal resilience.
- Expanding on ESG commitments in an integrated approach towards a net-zero future.

Adapting our businesses to thrive in the future



- Embracing digitalisation to transform our businesses to become truly customer-centric.
- Reimagining the workplace and people strategies to remain leading employers in the new world of work.
- Seizing new business opportunities through innovation, new solutions and emerging business models.

ICMIF facilitates a unique depth of strategic knowledge sharing and collaboration in a non-compete environment across its diverse, global membership network

Connect



Connect innovative and purpose-led insurance organisations to exchange and collaborate

Curate



Curate best-practice and strategic intelligence to help organisations to gain a competitive advantage

Cultivate



Cultivate the knowledge and capabilities needed by leaders to navigate the future

'Only at ICMIF' member value proposition

Membership

Impact



Events and networks

In-person events:

eg Biennial Conference, Sustainability Summit, Global Strategy Summit, MORO

Virtual networks:

eg Virtual roundtables for strategy leaders, HR Forum, Latin American WG

Member-to-member introductions



Strategic intelligence

On-demand resources:

eg Knowledge Hub, webinars, Strategic research, Financial reports

Benchmarking tools:

eg ICMIF-calibrated Insurance SDG Calculator, ICMIF UNDRR Resiliency Benchmark



Leadership development

Talent and leadership development

eg Advanced Management Course, ICMIF Young Leaders, On-demand Mutual Leadership Course



Partnerships

Board/Committee seats

eg IDF, UNDRR, GRI

ICMIF Foundation

eg UNDP ICMIF Insurance Innovation Challenge (IIC)

ICMIF's strategic themes that underpin all member propositions

Mutuality

Sustainability

Business transformation

ICMIF as the Knowledge Broker

Member-to-member exchanges

The strength of the
ICMIF global network

2021/2022

71

ICMIF members
connected across

22

countries



ICMIF BIENNIAL CONFERENCE 2024

12-15 November 2024: Buenos Aires (Argentina)



www.icmifconference2024.org

Collaborating with purpose
People, Performance, Partnerships

The ICMIF Biennial Conference is the premier global gathering of 350+ mutual and cooperative insurance leaders from across the world.

A conference with a difference, the event is designed to stimulate original ideas for better business performance and strategic advantage: helping leaders create real, lasting value for their organisations, their member-policyholders, and the communities they serve.



*View the list of
upcoming ICMIF
events and networks*



**In-person
conferences
and events**



**Virtual
networks and
roundtables**



**Leadership
development
courses**

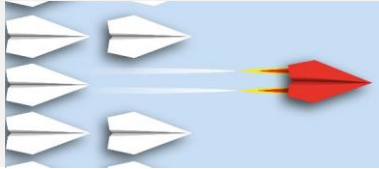
Virtual Strategic networks



Virtual Strategic networks

Virtual roundtables for strategy leaders – **The mutual difference**

Quarterly



HR Forum

Bimonthly



Reinsurance

Virtual meetings and events



Virtual roundtables for strategy leaders – **Strategic transformation**

Quarterly



Sustainability and ESG

Bimonthly



Brand and marketing
NEW FOR 2024

Bimonthly



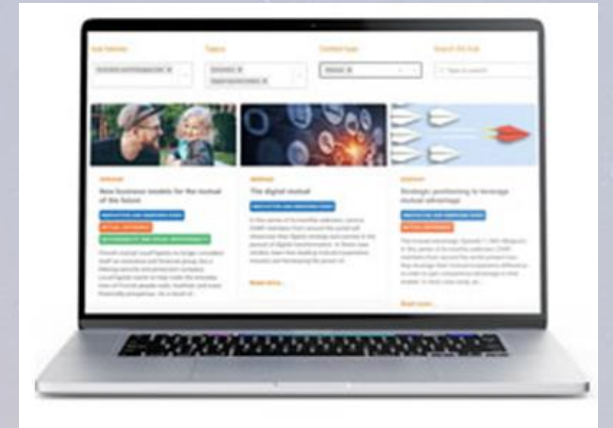
ICMIF Knowledge Hub

The member exclusive **ICMIF Knowledge Hub** brings together all of ICMIF's strategic intelligence and best-practice content in one place, making it easily accessible and searchable for ICMIF members.

The hub currently has 1500+ searchable assets and can be switched to virtually any language

It utilises a dynamic tagging system so users can easily navigate the wealth of member only content which has been curated for ICMIF members, including:

- ✓ conference sessions + summaries;
- ✓ webinars recordings + transcriptions
- ✓ member case studies
- ✓ thought-leadership articles
- ✓ leadership interviews
- ✓ blog articles
- ✓ and the latest news stories.



ICMIF Knowledge Hub

The Knowledge Hub is organised by three thematic areas of strategic interest: **mutual difference**; **innovation and emerging risks**; and **sustainability and social responsibility**.



Mutual difference

Leveraging the uniqueness of the mutual and cooperative value proposition in order to create a positive differentiator from market competitors.



Innovation and emerging risks

Innovating to seize new business opportunities and respond to the development of technological advances, changing customer behaviours and emergence of new risks.



Sustainability and social responsibility

Embedding sustainability and responsible business practices that are aligned with mutual/cooperative values and contribute to a positive impact on communities and societies.

Strategy; Brand and marketing; People and culture; Governance; Regulation; Emerging markets

Innovation; Digital transformation; Data and technology; Emerging issues; Reinsurance; Cyber; COVID-19

Sustainability; Responsible investing; Social impact; Prevention; Climate action; Disaster risk and resilience; Inclusive insurance

ICMIF webinars: on demand



ICMIF webinars are organised exclusively for ICMIF members.

Bringing thought leadership and showcasing best-practice. Focusing on current strategic issues and latest trends impacting the mutual and cooperative insurance sector.

All webinars are recorded and are available to search by theme/ topic: **130 available to be view on-demand by all ICMIF members.**



www.icmif.org/icmif-webinars

Member-only link to access registration links and recordings

Research & Reports — financial research and strategic benchmarking



Global Mutual Market Share and Global 500

- An overview of the global mutual and cooperative insurance sector, measuring both financial and non-financial metrics.
- A list of the 500 largest mutual and cooperative insurers, ranked by premium income

ICMIF Member Sustainable Investments

- An analysis of ICMIF members' assets' alignment with sustainable investment frameworks in FY 2022.
- Publication due in Q3 2024.
[Previous edition](#) of report published in December 2023.

NEW IN 2024

ICMIF Members Artificial Intelligence (AI) survey

- Insights on how ICMIF members are leveraging AI across their business
- Curation of practical [uses cases](#) and best-practice examples from mutuals around the world

All member-only research and reports can be accessed via the [ICMIF Knowledge Hub](#).



Learning @ ICMIF

Informal

- ***Networks and events***
- ***On-demand resources***
- ***Member-to-member knowledge exchanges***

Formal

- ***Leadership development courses***
- ***Experiential learning***
- ***Bespoke offerings***

Learning and leadership development

ICMIF Advanced Management Course (AMC)

Equip your leaders with new mindsets and capabilities to lead with purpose in a complex world

Manchester, UK.

Aimed at senior managers and leaders of change

- Harnessing the power of purpose (new for 2023)
- How to activate strategy in purpose-driven organisations (new for 2023).
- How to identify and approach complex situations using the latest neuroscience
- Mutual perspective

Mutual Leadership Course – on-demand learning

In 2024 ICMIF's popular online **Mutual Leadership Course (MLC)** will be available on-demand

The course has been designed to help equip your existing and emerging leaders with the tools and mindsets to help your organisation adapt to a changing world

Other on-demand resources, e.g., “Mutuality 101”, featuring only-at-ICMIF content to be added to new Learning Management System (LMS)

ICMIF Young Leaders

ICMIF's global network of emerging and high potential professionals (aged up to 35 years old), identified by their seniors as strong candidates to become future leaders within their organisations

Purpose - to provide a learning and professional development opportunity:

- Exposure to wider issues impacting the insurance industry, strategic best-practice and mutuality on a global scale
- Learn from and collaborate with peers from other ICMIF organisations around the world
- Network and engage in discussions with senior executives and industry leaders
- Research and intelligence from perspective of the next generation

New for 2024...

On-Demand Learning

- ✓ In 2024 ICMIF's popular online **Mutual Leadership Course (MLC) Adapting to a Complex World** will be available on-demand.
- ✓ The course has been designed to help equip your existing and emerging leaders with the tools and mindsets to help your organisation adapt to a changing world
- ✓ Other on-demand resources, e.g., "Mutuality 101", featuring only-at-ICMIF content to be added to new Learning Management System (LMS)

Contact : Mike Ashurst, Vice President mikea@icmif.org





▶ AN ICMIF ON-DEMAND COURSE



Mutual Leadership: Adapting to a Complex World

Equip your existing and emerging leaders with the tools and mindsets to help your organisation adapt to a changing world.

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