

# New partner, new products

**With a new underwriting partnership and new product offerings, Damien Coates expects DUAL's impressive growth to continue.**

By Ann-Maree Moodie

**W**hite collar crime in the post-GFC environment is driving a surge in management liability insurance in order to protect companies against theft, fraud and corruption, according to research by underwriting agency, DUAL Australia.

Managing Director Damien Coates says that management liability insurance – a new product offered by the company – has surged 100% industry-wide in the past 12 months.

“The global economic downturn saw a significant upswing in the risk of managers raiding the cookie jar and going off to the casino and losing the lot,” Mr Coates says.

And if not cookies, then certainly tomatoes, with one DUAL client suffering the theft by an employee of \$300,000 worth of tomatoes from a warehouse.

“Less than 5% of companies have management liability insurance and every company that employs staff has a crime exposure and has to comply with regulations,” Mr Coates says. “We have taken a complex product and delivered it in a simple way. Last year on that product alone we wrote \$10 million in premium and 87% of that premium was for first-time buyers.”

## Change of partner

The growth of DUAL Australia's product offering is only one of the changes at the company, which announced on 1 December that it will underwrite solely on behalf of Lloyd's (Arch Syndicate 2012).

“The reason is simple: our partnership with Lumley three years ago came about to resolve a licensing issue,” Mr Coates says. “That licensing issue has now been resolved and it makes sense for us to realign DUAL Australia with all the other DUAL offices to continue underwriting on behalf of Arch at Lloyd's.”

DUAL Australia will be one of Lloyd's top three cover holders. The company has 12,000 clients, who will be able to access Arch at Lloyd's as well as other Lloyd's syndicates as DUAL Australia expands its product offering into areas such as accident and health.

“As a result of the GFC there has been a flight to security, and being able to offer our clients Lloyd's A+ capacity rather than our previous A- capacity is a big benefit for our clients,” Mr Coates says.

## Continuing to grow

DUAL Australia has grown from zero to \$50 million revenue annually in five years. The company is also strengthened by being part of the Hyperion Insurance Group which is “working towards an IPO in the foreseeable future”.

“In the future, our aim is to continue to maintain the 30% compound growth we've been achieving to date,” Mr Coates says. “We will do that by continuing to innovate products such as management liability insurance and to raise the number of companies purchasing this type of insurance from 10% to 25%. We will also continue to expand into new products such as accident and health and we'll look at other new products such as marine and trade credit.”

The third plank of future plans is further investment in people and in opportunities.

“We believe that the structure we have at DUAL means we are providing a creative environment for underwriters who believe they can build profitable businesses,” he says.

With a managing director who is only 38 years old and an average DUAL age of 32, the youth and vibrance of DUAL is certainly evident, with the road to continued growth clearly in sight. ✍



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