



**HL INFLUENCERS:
DIGITAL TRANSFORMATION
TRANSCRIPT
Diane Maxwell**

Karishma Paroha	Hello everybody, and welcome to another edition of <i>The Influencers</i> , our podcast conversation on digital transformation and law. I'm Karishma Paroha, a senior lawyer working in the product and insurance sector at Hogan Lovells, and the acting chair of the IUA's developing technology monitoring group founded by my co-host, Tom Hughes, after the success of our first insurance focus mini-series, we are back with another group of fascinating speakers.
Tom Hughes	We certainly are Karishma. Who said insurance wasn't exciting? I'm Tom Hughes, the director of underwriting at the IUA. In our first three episodes, we covered robots in our homes, security in the cloud and taxis in the sky. Before we find out where we're heading next, some context - the DTMG is one of many groups we have at the IUA exploring innovation and risk. We are an association representing many of the largest international insurance and reinsurance companies based in the historic London market. Day to day, I get to work with risk specialists, with innovators and regulators on everything from marine and aviation to environmental and casualty insurance
Karishma Paroha	Tom and I are ready and raring to go with a special three-part series, delving into exciting technology from an insurance perspective and considering risks and opportunities of this cutting-edge world.
Tom Hughes	And I'd like to think that this world wouldn't be quite so cutting-edge without the support of the insurance community. And perhaps an opportunity for me to give a worthy shout out to IUA members. Insurance, of course, has a vital role to play in giving innovators the comfort they need to do what they do best, to innovate, whether that's covering GenAI tool developers, eSports events organizers or builders of autonomous vessels.
Karishma Paroha	Before Tom gets carried away talking about autonomous vessels, I'll steer us back on course. Today, we're talking about a profession undergoing fundamental change - risk management. Risks are more connected, more digital and more unpredictable than ever, and the role of the risk leader is evolving just as fast, from cyber and climate risk to AI geopolitics and supply chain disruption. Organizations face threats that don't respect borders or traditional insurance models. So, this

	<p>conversation is about leading through uncertainty, the role of technology, the future of insurance and what tomorrow's risk leaders need to succeed. It is an absolute pleasure to welcome our guest today, Diane Maxwell, a leader who has spent her career at the heart of the insurance and risk industries, building relationships, driving innovation and helping organizations navigate uncertainty with confidence. Diane has recently been appointed as the next CEO of Airmic, the UK's leading association for risk management professionals</p>
Tom Hughes	<p>Diane brings deep market experience, a strong voice on the role of technology and risk, and a real passion for connecting people across the industry, recognizing that many of today's greatest challenges simply can't be solved by one organization alone. Diane, it's fantastic to have you with us.</p>
Diane Maxwell	<p>Thank you Tom. Thank you for the invitation.</p>
Karishma Paroha	<p>So to begin, Diane, you stepped into Airmic at a really pivotal moment for the profession. What was it about this role and about Airmic's mission that made you feel that this was the right move for you, and what do you want most to achieve in this next chapter?</p>
Diane Maxwell	<p>Okay, starting with the big questions. So, look, I think it is a really critical time for risk. For all the reasons that you've both just outlined. I would say that it's not only that we're seeing escalating and rapidly evolving risks, but in aggregate, I do believe that risk managers are facing a really challenging risk landscape at the moment, a really challenging environment. So, I mean, that's important. It's a really important time to be in this role. I think I would also say that if we don't manage risk well, and then we don't take risk, or we avoid risk, then we don't grow, we don't innovate, we don't compete. So, it is critical that we feel confident, organization-wide and economy-wide, about our risk capabilities. So, you know, I'm not just saying that lightly, I think that's critical. We've got about 70 partners that we work with insurance, they provide the financial and business resilience that we all need and looking forward to working with them. Financial resilience has been a very big theme throughout my career and continues to be and we work with members, about 2500 members who are risk managers and again, really critical, one of the things that attracted me is those members are across retail, food, hospitality, automotive, energy, so we've got a huge breadth across our membership for this role that breadth across all of those sectors is really quite key. So, I think you said, what do I want to achieve? So, supporting those members, I think, is critical, and that's going to be where a lot of my focus is increased support for risk managers. We've said it's a challenging time. They're facing professional challenges. I would say the work that we do, which would be our learning, our courses, our events, our special interest groups, creating a community networking, I'd like us to really look across all of those, ask our members whether that's working for them, and sharpen what we bring and the value that we</p>

	bring. So, in terms of what I want to achieve, I'm hoping that by the end of this year, members will be saying that they're really feeling supported.
Karishma Paroha	Excellent, thank you.
Tom Hughes	Perhaps that's a shared passion in our roles that we share, Diane, because I must admit, when I make my way to the desk every morning, I don't quite know who I'll be meeting, or which risk we'll be talking about, the type of technology that's going to come across the desk, and that's absolutely part of the fascination of these cross-class, cross-industry roles. Now from your perspective, Diane, what emerging or evolving tech focus risks do you think organizations are still underestimating? And linked to that, what skills or mindsets do you think tomorrow's risk leaders need if they're going to implement real business decisions, not just manage frameworks?
Diane Maxwell	You mentioned in the introduction, cybersecurity, AI, data use, data governance - there's quite a long list coming at us fast, and I would say if we think about how that's unfolding, I just mentioned some prominent risk factors that we're perhaps not thinking enough about. If we think about the threat actors, as we call them, I do believe that they can move faster than the firms can that our members are part of. If you think of a professional team of cyber hackers, that's their full-time job. It's their main focus for businesses that they are attacking, cyber is a secondary, if not prominent consideration. They're in the business of making, selling and distributing things. They're in the business of producing energy, of providing utilities, so structurally in terms of systems and processes, a cyber hacker isn't waiting for the next executive directors meeting or board meeting to get sign-off on a tech upgrade. The issue then is that they're moving faster. They're more fleet of foot, they're more agile, they're evolving quicker, and I think that presents a set of risks. Cyber hackers are not fighting for budget and competing priorities. You know, 100% of their budget is on this thing that they do. So, I think that's important. I think too, another thing that we're perhaps not talking enough about, is that when technology moves so fast and so far, then our understanding of it is necessarily behind where that technology gets to. And when you've got a scenario in a business where a small tech savvy group owns the knowledge of a new piece of technology and the threat that it brings and that, broadly, the rest of the organization aren't quite as clear on it, then I think that brings us problems. And it struck me, I was at a conference this week, and I saw a panel on quantum computing. And the room was full and we were all nodding, and it was interesting, and we were all keen to understand the use of quantum computing and insurance. It's critical. However, if you asked us to feed back a summary of what we just heard, I think for the majority of the people in the room, we probably couldn't. So, as technology moves fast and expands and evolves, I think there is a real challenge about how we

	<p>keep pace. Reminded me a little bit of the GFC, the global financial crisis in 2007, when there were a set of very new, complex and quite opaque products, you know, CDOs, collateralized debt obligations. And I was working in banking at the time. And a lot of those new products brought risks that we didn't understand, because we didn't understand the products. And they were signed off by exec teams and boards who didn't understand them. And then, clearly there was some, you know, everyone nodded, and then there were some consequences and risks that came with that. So, look, anytime we reach a tipping point where perhaps three quarters of the room isn't entirely sure what anyone's talking about, then I would suggest that we have, we have a heightened risk. I think you said, Tom, what's the mindset and the skills needed for that? If we can just focus on those issues for a moment, because I really do think they may be the sort of unspoken things. I think leaders will need to be more humble. I think they will need to be prepared to ask questions and be prepared to say, and this is, it sounds like a small thing, but it's actually a big thing. They will need to be able to sit and say, I don't know what you just said. I don't entirely understand what you've just described to me. Please keep describing it until I truly understand it. And I think real leaders are going to need to be prepared to be uncomfortable and to say that they don't know. We go back to the banking issue in the GFC, I think about presentations I've done on digital assets to rooms of people nodding. I'm not sure how much was really understood. So, I think for the risk community, there's going to be a need to be curious, be uncomfortable, ask lots of questions, and if we think about it, we're asking the risk community and risk professionals to get across a lot of very new things very quickly, and to get across a breadth of emerging cyber of AI and of all the other things that come in between, you know, quantum computing and everything else. And I think that is really a huge ask. I think we can't underestimate that.</p>
<p>Karishma Paroha</p>	<p>So I think Diane, you've just been so honest, and I think it's all about accepting we might be behind the curve, but we still need to be looking around the corners and having the discussions which you've so adequately explained to us just now. We hear huge promises about AI, data analytics and automation, transforming risk management itself, and you've mentioned quantum computing, etc, but where do you see technology genuinely adding value right now? I'm looking forward, what opportunities does evolving tech present to risk managers?</p>
<p>Diane Maxwell</p>	<p>Absolutely. So, I left the panel and went home and used AI to swot up on quantum computing. I watched an extraordinary number of videos and asked AI to help me on my journey. So, bluntly, it's a good tool. We've just said there's a bandwidth issue. We know that risk managers need to get their colleagues and the exec and the board over line on some of these challenging things. The fundamental question for risk tech. A moment ago, we were talking about tech risk and we're now</p>

talking about risk tech. If we think about risk tech, the question is - how does it support and serve risk managers? There's no point in it for its own sake. It is only of any good to us when it serves and supports that profession. The short answer, the really short answer, is it can support us in being data-led and evidence-based in our decision making and using real time data. You know, we're not relying on last quarter's data. Typically, we'll be using real time data. When you're wanting to get a board over the line, all of that data-led, evidence-based, I think, is very useful. I do think there are barriers, and some of that is about habit. It's about ease, bandwidth, human nature. I am walking around with an exercise book and pen in my bag. I have a remarkable tablet sitting at home at which is a far more efficient and effective long-term way of taking notes and meetings. It means I can draw on those notes at any moment, have everything filed. I'm carrying around a very old exercise book now, unless I intend to keep a box of exercise books somewhere, this is going to present me with a problem quite shortly. I'm doing it because in the rush out the door in the morning, I'm thinking, "Is the tablet charged? I haven't set it up properly. Have I got the right subscription on it?" And if you think about that, that is one of the barriers, is having the time to be really clear on what technology to use and how you're going to use it. I did in advance of talking to you both today, have a look at our 2025 tech survey that Airmic did last year. I had a quick look through to see things, anything useful for this discussion, and just some interesting stats that come out of there. We can see that of the risk managers we spoke to, 22% were extremely or somewhat dissatisfied with their current risk tech tools, which would suggest that one in five are not completely happy with how it's serving them and supporting them, and they are probably telling other colleagues that and other people within their risk community that. So, 21%, the use of risk tech they would describe as basic and 51% intermediate and 28% advanced. So broadly, there's less than a third in that advanced category. When we asked them what the barriers were, what came back clearly was budget considerations and integration into existing systems. In fact, that last one was probably one of the common threads that ran throughout the research. 40% said resistance to change from employees was a big issue. Now if we think about that and we acknowledge the fact that any risk tech that we're using within an organization, for example, it's been used by different departments to report their risks to be aggregated centrally. You've got to train that staff to use that new tool. You've got to persuade them to use it and take it up, and you've got to have buy in. And that's not necessarily easy. So, just looking ahead, 55% said they were likely or extremely likely, to invest in risk tech in the next two years. So, you know, you'd have to say, looking at all of that, the appetite is there. But how do you bring together the appetite with successful deployment, implementation and rollout of the technology that we know is there. At our conference in June, I'm planning to have a separate risk

	<p>tech room with vendors so that when members are there, they can go in and meet with vendors and perhaps talk to them about what's possible, or raise concerns and issues and barriers. So, I think there's appetite, but perhaps not clarity over the how and the what would be some thoughts.</p>
Tom Hughes	<p>Okay, Diane. We're shifting tech now for a moment and turning our attention to the insurance community. Insurance has always been about polling and transferring risk, but today's risks are inevitably more intangible, more interconnected and more systemic in nature. Now in my role, I spend time day to day with underwriting practitioners trying to establish examples where they are shifting themselves from reactive risk resolvers to proactive risk partners to try and give clients the solutions that they need. Do you think that the traditional insurance model is evolving quickly enough?</p>
Diane Maxwell	<p>I would say if it's not, there is very real jeopardy. It has to, it has to, in part, to stay competitive. It needs to, if it's going to provide the financial and business and economic resilience that we need from the insurance sector and that we rely on the insurance sector for. I think we're going to have a period where we have protection gaps as insurers grapple with innovation of products, where they grapple with and wrangle over policy wording to be sure and clear about what they're ensuring and what those policies cover. I know the IUA are doing some work on policy wording from memory, so I think that that's going to be really critical. I do think we will see losses on both sides, potentially the buy side and the sell side, because there will be unknown unknowns, and we have a period of uncertainty. We are seeing a lot of innovation. We are seeing new products, and that will continue. I was reading about cover that businesses can take out when their own AI goes rogue. You can take cover out for your own AI going rogue, which there was some interesting examples of that. So, I think we're seeing innovation. And I do want to be positive, and I think there's a lot to be positive about. You know, the insurance sector is global, is structurally global, and that means that there is a lot of learning from other jurisdictions and markets. And that is a very positive thing. The sector is also very data rich, and it is data led, and I think that is a big positive. And also, the sector invests very heavily in quality research. I would always say, if you want to know anything about any given subject, find an insurer, insurance company, who's done research and read the report. It'll probably be the best thing you can read on it. So, I think there's a lot of positives, but I do think we're going to have a period of difficulty while both sides work all of this out, understand the risks better and understand the required cover better.</p>
Karishma Paroha	<p>So, to wrap up today's episode, something perhaps a bit lighter. Diane, if I could grant you one wish to eliminate a risk from the world, what would that be, and what would you hope that fixes as a knock on effect?</p>
Diane Maxwell	<p>Oh, so look, the problem is, if you eliminate risk, you eliminate the upside that the thing that brought the risk does. So, I'm a firm believer you don't</p>

	<p>do anything without, anything meaningful and useful, without risks. So, I'm not so sure about the eliminating risk. And I'm not so sure I'm going to make this any lighter either, actually, because when I was thinking about this, I would say the thing that's probably bothering me currently is our addiction to our phones. Actually, I think it's a sizeable challenge for us. There are huge upsides to having everyone having phones, a small computer in our pocket. There are massive upsides, but I think there are sizeable downsides. And I would say our dwindling attention span, the consumption of our time as we end up in endless doom scrolling, the opportunity for misinformation on a grand scale, particularly in the political arena, the echo chamber that we end up in as algorithms feed us what we already thought we knew and support our views, make us believe the rest of the world supports our views. And this is, I suppose, a personal thought really is parenting. Now, I raised my two children before phones were quite so prolific. And I'm quite nostalgic about the fact that we spent lots of car rides and train rides and plane rides, talking, looking out the window, talking about the world at large, and we got bored, you know? And I think now all of those moments, actually would be filled with a phone and scrolling, or watching YouTube or watching something. I'm not quite sure how we put the genie back in the bottle with phones, and we wouldn't want to, but we are going to have to give consideration to how we manage them</p>
Karishma Paroha	Absolutely. It relates to that so true as well.
Tom Hughes	<p>Well, Diane, we've covered a huge amount of ground, and obviously you have some incredible experience from which you talk, and I think perhaps there's a lesson there about us becoming slightly less connected with our tech in order to become more connected with each other. And you mentioned a little bit earlier about the need for us to lift our heads and to look a little bit further forward than perhaps we already are, and for us to take the opportunity to ask a simple question, perhaps more often than we are doing so today. And for leaders, be curious, be uncomfortable, and of course, don't leave any stone unturned, as you suggested, Diane, at the end of a presentation, you didn't just leave the room without asking those questions - you made sure that you filled the gaps in your knowledge, and I think there's probably something that cuts across everything we've talked about, and it is about collaboration. I think it's going to be impossible to manage some of the risks that we've talked about today from a single perspective, and we'll only be able to do that as a community of risk managers, of legal experts, of insurers. So, perhaps that's an interesting take home for us all today. Thank you so much, Diane for joining us.</p>
Diane Maxwell	Thank you Tom and Karishma, thanks for inviting me.
Karishma Paroha	<p>Yes, many thanks, Diane, really such an eye opening discussion. Your move to Airmic feels perfectly timed for where the profession is heading. Thank you so much for sharing your insights, your energy and your vision with us. We're really looking forward to seeing how you help shape</p>

	the next chapter of risk leadership in a world increasingly defined by technology, data and digital transformation. Thank you to everyone listening. Please do join us again soon. For now, take care and goodbye.
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