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NEWSLETTER 07

Driving Change: Ideas, People, and Progress in Insurance

Cyber risk and Automated Vehicles

Author: Mr Francis Valletta

The great promise of autonomous vehicles (AVs) is a future with fewer accidents, less traffic, more comfort and easier mobility. However, as cars transform from mechanical machines into sophisticated computer systems on wheels, they introduce a new and complex risk landscape: cyber risk. For the insurance industry, understanding and quantifying this emerging threat is going to be paramount.

Traditional vehicles had a minimal digital footprint, but AVs are inherently connected and data driven. This creates a vast "attack surface" that hackers can exploit and the vulnerabilities stem from multiple components.

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Let us have a look at four of these vulnerabilities:

- AVs rely on a suite of sensors (such as Lidar, radar and cameras) to perceive the world around them. A cyber-attack could manipulate this data, tricking a car into "seeing" a phantom obstacle or misinterpreting a traffic sign. For instance, an attacker could use GPS spoofing to send false signals, causing the vehicle to deviate from its intended route and be driven to a location or area chosen by the hacker.

- To operate safely, AVs communicate with other vehicles (V2V), road infrastructure (V2I), and the cloud. This constant data exchange is a prime target, and a hacker could intercept and manipulate these communications, potentially causing a chain reaction of accidents or creating mass traffic jams. A distributed denial-of-service (DDoS) attack could overwhelm a car's communication system, preventing it from receiving vital real-time information.

- Software updates are going to be common and will be used for patching vulnerabilities and improving the AV's performance. However, if the update channel is not secure, a hacker could push a malicious update. This could allow them to gain remote control of the vehicle's critical functions, such as braking, steering, or acceleration. They would then ask for a ransom payment to release control back to the owner.

- AVs collect enormous amounts of data on their passengers, including location, driving habits, and even private conversations. This sensitive information is a valuable target for theft and could be used for stalking, blackmail, or identity fraud.

The consequences of an AV cyber-attack therefore range from financial loss to mass casualty events. While the majority of cyber incidents to date have been data-related, the growing sophistication of threats means physical harm is a real possibility. A report by the American Academy of Actuaries highlighted this shift, stating that cyber risks for vehicles are moving beyond pure financial loss to include "loss to tangible property including the financial consequences" and bodily injury. [1]

As there is the likelihood that the industry will shift from insuring the vehicle and driver, to insuring the technology, the liability landscape changes. Who is at fault when a hacked vehicle causes an accident? The vehicle owner? The manufacturer? The software developer? This question is a significant challenge for existing liability frameworks. This sentiment was echoed by Evangelos Avramakis, Head of Digital Ecosystems R&D at Swiss Re Institute, who stated, "The re/insurance industry will need to rethink the way it is approaching the AV opportunity, within a complex AI and data-driven environment, a more comprehensive approach will be needed."[2] This highlights the need for the insurance sector to develop new products and risk models that account for these novel, technology-driven exposures.

Mitigating AV cyber risk requires a collaborative, multi-layered approach across the entire automotive and technology supply chain. Here are five issues that would need to be addressed:

- Cybersecurity cannot be an afterthought; it must be built into the vehicle's architecture from the ground up. This involves using secure hardware, robust encryption for all data transmissions, and strict logical separation of critical and non-critical systems.

- Manufacturers must ensure that over-the-air (OTA) updates are cryptographically signed and transmitted over secure channels. This verifies the authenticity of the update and prevents malicious code from being injected.

- Continuous monitoring and real-time threat detection systems are crucial. These systems can identify unusual behaviour, such as attempts at remote access or data manipulation, and alert operators or even trigger a vehicle's fail-safe mode.

- The AV industry must work together to establish and adhere to common cybersecurity standards. Organisations like the United Nations Economic Commission for Europe (UNECE) have already introduced regulations requiring manufacturers to demonstrate a robust cybersecurity management system throughout a vehicle's life cycle.

Only by proactively addressing these challenges, the automotive and insurance industries can ensure that the promise of autonomous vehicles is realised safely and securely. The digital road ahead is full of potential, but only if everyone is prepared to navigate its new and complex risks.

[1] "Cyber Risks and the Autonomous Vehicle" published by the American Academy of Actuaries' Cyber Risk Task Force in October 2016.

[2] Swiss Re Institute article "On the emerging risks of automation: the case for Autonomous Vehicles", dated July 26, 2021, by Margherita Atzei, Evangelos Avramakis, and Luigi Di Lillo.

The Growth of the Insurance Sector in Malta: Building a Future of Opportunity and Excellence

Author: Dr Andre Farrugia

Post second world war, the insurance industry in Malta boomed and augmented. Forming part of the lucrative financial industry, the insurance sector flourished at a fast pace trying to parallel the growth in the international insurance market. It emerged as a significant player contributing to the indigenous economic development, attracting global players, and fostering local talent development.

The Resilient Growth of Malta's Insurance Sector

Malta's insurance sector has witnessed significant growth, driven by a blend of strategic factors. Its regulatory framework, which aligns with both European Union regulations and local adaptations, provides a stable and reliable environment for insurance operations. This has made Malta an attractive location for insurance market players looking to establish or expand operations within the EU and beyond.

In recent years, Malta has seen the establishment of numerous insurance related companies, both native and subsidiaries of international firms. The country's advantageous fiscal regime, coupled with a sound regulatory framework, underpins its attractiveness as an insurance domicile. This led to new developments attracting diverse business in the form of entities specifically attracting the establishment of six PCC companies housing 24 cells, and a plethora of insurance and specialist reinsurance companies passporting into Malta under the freedom of services or freedom of establishment route.

The Digital shift: The use of IT and tech is here to stay

The future of Malta's insurance sector is increasingly driven by innovation and digital

transformation. Several Maltese companies are at the forefront of this shift, actively deploying advanced technologies to enhance their service offerings and operational efficiency. For long now, companies have had digital portals that allow policyholders to manage their policies online, file claims, and access documentation conveniently. This has now shifted to another dimension by providing digital channels to broaden the service across the sector using mobile and online platforms that meet modern consumer expectations. Also, device trackers in motor vehicles have been successfully used in motor insurance through which better and fairer underwriting and claims decisions are made. The introduction of drones to survey losses, as in the case of a motor traffic accidents, is the way forward, with the potential to have this extended to pre risk surveys. Such tech-powered solutions allow for faster and more accurate decision-making, in the while, offering more personalised policies and streamline claims processes, significantly enhancing the customer experience.

Investing in Professional Development: Attracting Talent

Talent retention is as vital as talent acquisition. While talent acquisition, in itself is a challenge, high turnover rates can undermine growth strategies. A stable workforce builds continuity and strengthens customer relationships. Offering competitive compensation packages, creating positive work environments, and ensuring work-life balance are effective strategies for retention. Moreover, fostering a culture of continuous learning and innovation can keep employees engaged and align individual objectives with organisational goals

Critical to sustaining and expanding the sector's growth is investing in professional development and training. In an industry where expertise can significantly impact service delivery and customer satisfaction, cultivating a skilled workforce is paramount. Investment in human capital ensures that employees are not only equipped with necessary technical knowledge but also adaptable to the evolving landscape of insurance.

Professional development extends beyond technical training; it includes fostering skills in leadership, communication, problem-solving, and strategic thinking. Programmes that support continuing education, certifications, and leadership development can enhance employees' expertise and prepare them for future challenges.

Malta's educational institutions namely institutions like the University of Malta, MITC and MCAST play a crucial role in developing insurance-specific programmes. Partnerships between educational entities and industry leaders can lead to curriculum developments that reflect the real-world demands of the insurance sector, ensuring that new entrants into the workforce are well-prepared.

Malta's insurance sector is poised for continued success, capitalising on its regulatory strengths, strategic location, technical talent and commitment to innovation. By investing in technology and professional development, Malta holds the potential to be among the leaders in modern insurance solutions, not only within the Mediterranean region but also globally.

Customer Service in Insurance: Why it Matters (Even in an Age of AI)

Author: Mr Ramon Muscat

In the insurance sector, customer service is not simply a "nice to have" add-on — it is central to the insurer's reputation, trustworthiness, and competitiveness. While artificial intelligence, automation, and digital tools are transforming how insurers operate, they cannot replace the human dimension of service. In this regard, Simon Sinek recently noted how "AI can process data in seconds, but it will never replace the power of Emotional Intelligence. Empathy, self-awareness, and human connection …".**A strong customer service capability helps retain customers, reduce complaints, and build loyalty — all of which feed into long-term profitability.**

Service vs. Experience: Functionality and Emotion

It is useful to distinguish customer service from **customer experience**. The former tends to refer to functional activities: responding to queries, processing claims, handling renewals, correcting errors, providing clear documentation. Customer experience, by contrast, encompasses how customers feel — the emotional impression left by every interaction.

In insurance, this distinction is crucial. A claims handler might correctly follow procedures and pay out in line with policy, fulfilling the "service" function. But if the customer feels neglected, confused, or treated as "just a number," the experience is damaged. The emotional dimension — empathy, respect, clarity, a feeling of being heard — is often what differentiates one insurer from another in the customer's mind.

To deliver an excellent experience, staff must employ **emotional intelligence**: the ability to understand and manage one's own emotions and to sense and respond to others' emotional

states. **Empathy** — putting yourself in the customer's shoes — becomes a core capability. If an insured is in distress after an accident or loss, it is not enough merely to mechanically execute policies; it is vital to reassure, to communicate with clarity, and to treat the person as more than a file number.

Why Every Frontline Person Should Care

Offering high-quality service must be the aim of everyone dealing with customers — from call agents, claims adjusters, underwriters, to back-office staff. The advantages are manifold:

- For customers: clarity, trust, fewer frustrations, reduced worries — especially in times of stress (e.g. when filing a claim).
- For the insurer: lower churn, fewer escalations, better reputation, greater retention, positive word-of-mouth, and potentially lower operating costs (less rework, fewer complaints).
- For the employee: more satisfaction in their role, fewer angry confrontations, better morale, and a professional sense of doing good work.

There are many general principles one can learn — communication skills, active listening, de-escalation techniques, clear writing, complaint handling. But in insurance there are special constraints and challenges that require extra care.

Particular Challenges in Insurance

- Regulation and disclosure – Insurance is heavily regulated. Communications must meet strict standards of clarity, fairness, transparency, and must avoid misleading statements. This means service staff must be well trained in regulatory requirements when interacting with customers.
- Complexity of product and terms – Insurance policies are technical, full of definitions, exclusions, conditions, clauses. Customers often struggle to understand. The service role includes simplifying and translating these into plain language, guiding the customer through terminology and jargon.
- Claims handling stress – The claim is the moment of truth. In many other industries, service failures are inconveniences; here, they may involve financial loss and emotional stress. Delays, lack of transparency, or perceived unfairness have outsized negative impact.
- Legacy systems and processes – A number of insurers continue to rely on outdated IT infrastructure, siloed operations, and rigid workflows, which can hinder efficiency and responsiveness. These challenges may impact customer experience and operational agility. To remain competitive, insurers are increasingly investing in digital transformation, process reengineering, and real-time data integration.
- Rising expectations and competition – Customers today expect "Amazon-level" responsiveness: instant access, multiple channels (chat, app, phone, email), self-service options. Insurtechs and digital-first providers raise the bar, forcing traditional insurers to upgrade.

Evidence of the Impact

Excellent customer service isn't just "nice to have" — it's what sets the winners apart. The UK Customer Satisfaction Index proves it: customers care deeply about how they are treated, not just what they get. Over half (56%) say their satisfaction depends on whether a company genuinely understands and cares about them, and more than a third (34%) are happy to pay extra for great service. In July 2025, the UKCSI hit 77.3 (measured on a 100-point scale), with top scores going to firms that showed real empathy.

In today's insurance market, customers are more informed, more demanding, and quick to switch — great customer experience is not optional; it wins loyalty, (the opposite could break trust in seconds), and if you do not deliver, they will not wait around — they will go elsewhere.

Crossing Borders, Sharing Knowledge: MITC's Global Training Journey

Author: MITC

In 2025, MITC began a strategic collaboration with Groupama (Groupe des Assurances Mutuelles Agricoles), a leading French insurance group headquartered in Paris, with operations in 10 countries. Through this partnership, MITC is delivering tailored training programmes to Groupama employees via the Groupama Academy. This initiative represents more than just a training engagement — it is a testament to MITC's growing reputation as a trusted provider of professional insurance education on an international scale.

This new collaboration follows a series of strengthened partnerships with other institutions, such as the ongoing cooperation with the Ghana Insurance College, which has already demonstrated the value of cross-border knowledge sharing and capacity building in the insurance sector. Together, these initiatives signal a significant milestone in MITC's journey to expand its global footprint.

By aligning with respected international entities, MITC is not only extending its reach but also reinforcing its commitment to maintaining the highest standards in education and services. These partnerships provide valuable opportunities for cultural exchange, innovation, and the continuous enhancement of course offerings — ultimately enriching the learning experience for all participants and further establishing MITC as a hub for excellence in insurance and financial services training.

Spotlight on the MITC Quality Assurance Committee (QAC)

Author: MITC

Upholding Excellence at MITC

At the Malta Insurance Training Centre (MITC), maintaining the highest standards in education and services is a top priority. Central to this commitment is the Quality Assurance Committee (QAC), established in 2025.

The QAC is a dedicated body that ensures MITC continues to deliver quality-driven, relevant, and compliant educational programmes for the insurance and financial services sectors. It is composed of seven members, each representing a key stakeholder group across academia and industry:

- MITC Alumni Committee (MII)
- Insurance Industry
- Financial Industry
- Insurance Association Malta – Representative
- Malta Insurance Brokers Association – Representative
- Student Body Representative
- MITC Representative

The Role of the QAC

The QAC plays a vital role in shaping and strengthening MITC's academic and operational quality. Its core responsibilities span several key areas:

- Curriculum & Programme Review

Oversees the continuous evaluation of academic programmes and curricula. Feedback from students, faculty, and industry stakeholders is used to recommend updates and ensure ongoing relevance.

- Assessment & Evaluation

Monitors educational effectiveness by analysing exam outcomes and student performance data, identifying areas for improvement and driving higher academic standards.

- Quality Standards Monitoring

Establishes and audits both academic and administrative quality benchmarks. Regular reviews and audits ensure compliance with these standards.

- Accreditation & Compliance

Ensures that MITC's programmes meet current accreditation requirements and remain aligned with changing regulatory expectations.

- Faculty & Staff Development

Supports professional growth for trainers and staff, encouraging upskilling and evaluating teaching practices to uphold quality.

- Student Feedback & Support

Reviews student feedback and recommends initiatives to improve learning experiences and support services.

- Continuous Improvement & Benchmarking

Promotes a culture of continuous improvement. Benchmarks MITC's performance against other institutions to identify opportunities for growth.

- Risk Management

Identifies potential academic and operational risks and proposes strategies to mitigate them.

- Reporting & Communication

Prepares biannual reports for MITC senior management and governance bodies, providing updates on quality assurance activities and progress.

Ensuring Quality, Driving Progress

Through its structured and wide-ranging responsibilities, the Quality Assurance Committee plays a central role in helping MITC meet the evolving needs of students, educators, and industry stakeholders.

Its work safeguards the integrity of MITC's educational offerings while fostering a forward-looking culture of innovation and continuous improvement — reinforcing MITC's position as a centre of excellence in professional education.

What's New?

MITC Certificate Award Ceremony 2025

28th November 2025
18:00 - 21:30
Salini Suite, Salini Resort

Join us as we celebrate the achievements of our graduates at the upcoming MITC Certificate Award Ceremony!

Reservse your place

Motor Insurance – Advanced Practical Perspectives

22nd October 2025
14:00 - 17:00

This workshop is designed specifically for experienced practitioners who are seeking additional knowledge of motor insurance, the handling of complex motor claims and the overall management of a motor portfolio.

Reserve your place

Masterclass Series: The Role of the MLRO – from Theory to Practice

November 2025
9:30

Three engaging sessions, two online and the other in person, combining theory with practical application.

Reserve your place

Your Voice Matters

As we plan our 2026 training, we'd love your feedback. Take a minute to tell us how we did, what could be better, and what you'd like to see next year.

Share your thoughts in our quick survey!

Give us your feedback

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