Market Reform Update

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Contents

1 E-accounts
2 Right First Time
3 Cessation of Paper
4 E-endorsements
5 ECF
6 Future strategy
E-Accounts – Release 1

• Release 1 built and Market acceptance tested by Willis and Miller
• 120 of the 138 test scripts successfully completed
• Release 1B required to deliver two change requests and allow a clean run through of selected scripts
• Once Release R1B is complete, rollout convoys are planned for UIB, Guy Carpenter and Price Forbes
• Aon and Brokasure Enterprise testing to follow in Q4 2010
E-Accounts – Release 2

- Functional specifications agreed and signed off
- New functionality includes:
  - Carriers Accounting Entries Service added
  - Deferred Premiums
  - DRI document delivery
- Costs being reviewed by E-accounts Management Group
- Cost benefit case being used to justify expenditure
Right First Time (RFT)

The current level of bureau premium query and rejections is high and adds to brokers costs and delays premium payment.

- LMG project will:
  - Confirm current premium checks and PAN completion guidelines fit for purpose
  - Review & update Tracker Codes used within Xchanging to describe queries and rejections.
  - Enhanced broker level statistics enabling problem areas and systemic issues to be rectified from July 2010

- January 2010 baseline figure shows 74% of Lloyd’s & 77% of companies transactions were RFT.

- Objective - 50% reduction by the end of 2010
Cessation of paper

• Although 90% of all premiums are processed electronically, there is an LMG target to eliminate the remaining 10% by July 2010.

• Problem areas for some brokers are those where functionality has only recently been added such as Mid Term Market Change, Mid Term Broker Change, Aviation Verticals, Treaty.

• LMA and IUA wont agree cut off date until 90% figure is higher so July target will be missed.

• Once date agreed it will be published with six months notice and flyers will be inserted into any paper premiums received during the six months lead time.

• Certain paper is still permitted by exception.
E-Endorsements

• 15 brokers representing 66% of Lloyd’s premium volume signed up and all managing agents and 11 IUA company insurers

• Dates:
  – Firms to have systems in place by 1st June
  – 1st June – Business scenario testing
  – 1st September – Latest date for go live & operational readiness
  – 1st December – review of pilot and decision on wider rollout

• Class of business – Marine Hull, Marine Cargo and Marine Liability.

• Covers submission and agreement of all endorsements for the specified classes of business
ECF

- ECF2 – Carrier based:
  - Claims Workflow Triggers – allows carriers to integrate ECF into their workflow
  - Management Reporting – MI reporting on claims and their status
  - Document File Viewer – Presents disparate IMR documents to the insurer as a single indexed searchable file

- ECF for Binders – Prototype design completed. AAC asked for a Cost Benefit Analysis and further analysis of the extent of co-lead binders.

- Legacy – Requires an acceptance from carriers that only new claims documents will be loaded and others will stay on paper.
Future Strategy

• “Finish What We’ve Started” (FWWS) a tactical programme which fixes issues within a workstream
• Future strategy more radical change which joins up workstreams
• Eliminates more non-beneficial Londonisms
• Addresses Lloyd’s insurers desire for choice of processing
• Builds on report issued in 2009
• Four workstreams covering A&S, Placing, Claims and Binders & Lineslips
• Groups due to report by end of 2010
The diagram illustrates the integration of systems for placing, claims, settlement, and reporting in a brokerage and insurance context. It highlights the following key components:

**PLACING**
- Broker's System
- Messaging Hub
- Insurer's System

**CLAIMS**
- Broker's System
- Claims Platform
- Messaging Hub
- 100% business

**SETTLEMENT**
- Central Settlement
- Insurer's System
- Lloyd's or Domestic Regulator

**ACCOUNTING**
- Broker's System
- Messaging Hub
- Central Service Provider
- Messaging Hub
- Insurer's System

Note: Insurers could outsource back-office functions to a 3rd party.
# More Information

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<tr>
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