MEETING MINUTES
LMBC-ACORD BROKER COMMITTEE
4 SEPTEMBER 2008, 10.30AM – 12.00PM

Chairperson | Dan Lott
Meeting Host | ACORD
Meeting Facilitators | Roy Laker / Puneet Bharal

Attendees:
Enter a check mark [✓] for all participants in attendance.

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<th>Present</th>
<th>Members of the Subcommittee</th>
<th>Company</th>
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<td>Andrew Sindall</td>
<td>Guest Krieger</td>
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<td>Chet Ahmet</td>
<td>Harmon Wickes &amp; Swayne</td>
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<td>✓</td>
<td>Dan Lott</td>
<td>LMIB</td>
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<td>✓</td>
<td>Ed Slade</td>
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<td>✓</td>
<td>Mark Barwick</td>
<td>LMBC</td>
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<td>Maryse Hazell</td>
<td>Dashwood Brewer &amp; Phipps</td>
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<td>Neil Bullivant</td>
<td>Howden Insurance Brokers</td>
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<td>Paul O’Halloran</td>
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<td>Andrew Walkling</td>
<td>Price Forbes</td>
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<td>✓</td>
<td>Rob Gillies</td>
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<td>Peter Holdstock</td>
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<td>✓</td>
<td>Roy Laker</td>
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<td>Puneet Bharal</td>
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<td>Beth Grossman</td>
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<td>Phil Brown</td>
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<td>Rick Gilman</td>
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Antitrust Statement Reference:

I have been asked to remind all of you in attendance that various local, national, and international laws restrict the exchange of information among competitors regarding matters pertaining to pricing, refusal to deal, market division, tying relationships, and other topics which might infringe upon antitrust regulations or lead to an abuse of the standards setting process. No such exchange or discussion will be permitted during this meeting.

Executive Summary:

In this meeting, the group received an update on ePlacing initiatives from Rob Gillies and Peter Holdstock from the LMA; an update on ACORD’s activities from ACORD staff and general market update from Mark Barwick from the LMBC.
Discussion:

1. ePlacing Update - Rob Gillies, LMA
2. ACORD Update - ACORD staff
3. LMBC Update - Mark Barwick, LMBC
4. AOB

Atters arising from the previous minutes – XIS have resolved the issue re. emailing and have now dedicated the newest version of Windows Office/exchange on one staff desk at all times.

1. **ePlacing Update from Rob Gillies and Peter Holdstock, LMA**

Note: Rob Gillies’ presentation is available to download in the ACORD London Office Blog (www.acordlondon.org).

Mr. Gillies quoted various commentators and observed a trend and various convergent pressures towards end-to-end straight-through-processing, e-trading and the various. Mr. Gillies quoted that the Watertrace report was positive about e-trading in the London Market and encouraged people to read the report. The report can be found at http://www.lmalloyds.com/AM/Template.cfm?Section=e_Placing&Template=/CM/ContentDisplay.cfm&ContentID=11023.

Mr Gillies noted the varying complexities of risk/negotiation, but that what is common amongst all negotiations is that there is a need to share data. Some deals are simple enough to warrant simple electronic exchange, others will require face-to-face meetings. E-trading allows better time-segmentation and usage by professionals.

Mr. Gillies stated that the ePlacing Steering Group drives ePlacing in the London market and outlined the Group’s vision. More can found about the ePlacing at http://www.lmalloyds.com/AM/Template.cfm?Section=e_Placing&Template=/TaggedPage/TaggedPageDisplay.cfm&TPLID=44&ContentID=9329#Resources. Mr. Gillies informed the group that the LMA have a spreadsheet-based tool on the website to show how ePlacing can benefit companies and encouraged the group to use it; the tool is useful in helping to build a business case definition. The tool can be found at http://www.lmalloyds.com/AM/Template.cfm?Section=e_Placing&CONTENTID=11026&TEMPLATE=/CM/ContentDisplay.cfm.

Mr. Gillies concluded with his two key messages, that ePlacing is

1. not about removing face-to-face negotiations, but getting data in a reliable, cost-effective way
2. Moving with the market, not falling behind it

Peter Holdstock outlined the structure of ePlacing oversight in the London market and described the responsibilities of the Steering Committee and the Implementation Group as well as the participating companies for the latter. The key broking representation is from TIW (vendor), Aon, Benfield and Miller.

Mr. Holdstock noted that the various methods of e-trading sometimes cause confusion in the market. The main methods are: trading platforms and ACORD messaging. It is important to note that both methods work well together, using ACORD messaging. Mr. Holdstock pointed out that it is not an either or option between the methods.
Mr. Holdstock reported that between Jan 2008 – Aug 2008, 15,000 trades had been made on RI3K. That was broken down as 8,500 risk- and 6,500 endorsement lines. Pure P2P messaging numbers are lower, but the process is still evolving, as are the message and its usage.

Mr. Holdstock referred the committee to current landscape diagram of ePlacing in London market (please see the LMA website) and described the various players and capabilities therein. Mr. Holdstock stated that the “G6” originally tested the process with one-way messaging. Since then, the two-way process has been picking up momentum and one-way is starting to phase out. Additionally, the placing message itself is being enhanced. i.e. development work is being done to agree how to manage multi-section risks for e-placement. Messaging capability is now looking at certain use-cases e.g. co-brokered risks.

Next phases of message definition are to be market validated, hopefully by end of the month. Mr. Laker highlighted that any new data items are probably already in the placing message spec, to which Mr. Holdstock agreed.

Mr. Holdstock noted that Marion Madden of Kiln is looking to encourage brokers are e-trading capable; she is working with Marsh on this now.

Mr. Barwick asked what can be done to encourage all syndicates to take up e-trading?

Mr. Holdstock answered that he felt ACORD messages are easier to manage than email.

Mr. Lott noted that costs are an issue for the smaller players in the marketplace. eMail doesn’t cost the broker anything to use, but insurers are not responding to eMails. Mr. Lott has asked certain insurers if brokers can make use of their gateway (as it is a fixed cost item). To date, no definitive answer has been received.

Mr. Holdstock said that he was happy to talk to MRO about lack of response from insurers re. emails. Mr. Gillies said that he was happy for brokers to contact him directly to report on underwriters who are not responding to eMRCE and other agreed e-processes.

Mr. Barwick stated that Lloyd’s Lawyers have issued an amendment to the by-law re. evidence of cover. Lloyd’s website has the new footnote. Mr. Lott confirmed that he can circulate the LMA update to a wider audience.

Benfield, Brit and Xchanging have an agreement re. Evidence of Cover but the validation rules generally still need to be settled on as there is still disparity between “G6” and ACORD rules.

Mr. Rick Gilman (ACORD) asked the Committee their views on the ACORD London Forum; what they liked about it and what they would recommend be re-evaluated for future events. The Committee were asked to consider recommendations and email their thoughts to Mr. Gilman at mailto:rgilman@acord.org.
Mr. Barwick gave an update which he segmented into two areas:

1. **complete what has been started:**
   - IMR
   - Get ECF up to 100% of transactions
     - Extending scope to legacy
     - Bring more new claims into scope
   - ELPAN2
     - LMA are pushing for its implementation with their members
     - Accounting splits
     - Load of data in Xchanging systems
     - BSM changes to allow for signing back on the same level as submissions

2. **Start new things**
   - LMBC are currently doing some “blue sky strategy”. Mr. Barwick will update the group on this in later meetings and communications.
   - LMA are looking at the role of a central service provider moving forwards

**Next Scheduled Meeting:**

Date: 29th October 2008 (last of the year)
Time: 1030-1230
Location: ACORD London conference room