

## Inside this month:

Quicker premium movement? You bet your sweet A&S! – *BMS tell a rewarding repository tale*  
Plus I'M Ready to sign? PPWIG goes public and the latest electronic policies news.

## MARKET REFORM



LLOYDS



LAIBG

www.marketreform.co.uk

# the market reform newsletter

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## Reform everyone is part of the cycle

It is hard for us to imagine what it must be like to spend three weeks pedalling at speed across, up and down France; engaging in perilous mass sprints, individual time trials and steep mountain-top finishes. Despite the ever-present suggestions of performance enhancing drugs, the Tour de France riders are undoubtedly supremely fit athletes with remarkable powers of recovery. The elite riders are rightly recognised amongst the superstars of world sport. However, we should bear in mind that the Tour, like progress on Market Reform, is dependent on many more people than just the most visible participants. Only one man may wear the yellow jersey, but a whole team of people will have contributed to its capture.

The Tour doesn't consist of 180 riders all cast in the same mould. Each team has specialist sprinters and mountain climbers – as well as the “domestiques” who bear the brunt of the day-to-day workload. The leader – the “capo” - who fronts the push for overall success couldn't do that without the support of his team. The domestiques may get their day in the headlines as part of a successful break-away or for their role in the team effort but the danger is that their contribution does not gain equal recognition as they bask in the reflected glory of their lead man's achievements. We should learn from this and ensure we recognise the labours of those who make market reform happen on the ground. The big initiatives, and the key role of industry leaders, are important

in moving the agenda forward; but a major contribution is made by those who keep the wheels turning every day.

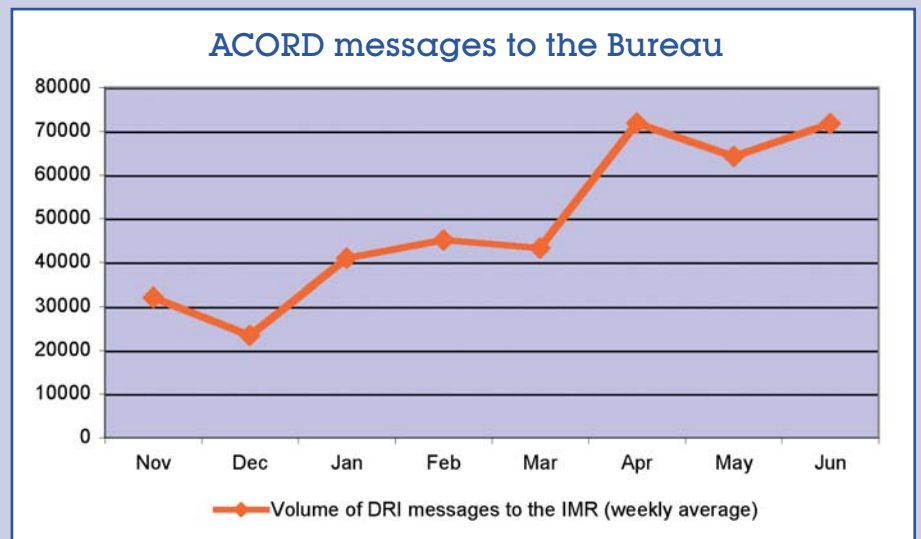
The Tour is also heavily reliant on the whole caravan of supporting activities that keeps the show on the road and broadcasts the event to the world; the sponsors, the organisers, the team logistics staff, the mechanics, and the media. Without them the race could not operate

successfully. These supporting roles within Market Reform are often played by the suppliers of technology to the market that support the firms' development of new methods of processing business. Clearly, suppliers have a commercial incentive to provide their products – but we should acknowledge that they are often at the forefront of reform progress; and have to bear significant commercial risks in being there.

So, as we remember the drama of the Tour de France and its recent conclusion on the Champs Elysee, let us celebrate the contribution of all the riders – capo, domestiques and support staff - that make the Market Reform “tour de force” possible. Whatever your role in the reform process, remind yourself that your efforts keep the race on the road. You may not be the King of the Mountains, but you are certainly as vital a participant. Who would want to wear a polka-dot jersey anyway?

## DRIVING electronic trade

London is leading the way in utilising ACORD standards to support electronic trade. As you can see from the graph, traffic to the IMR shows market firms generating in the region of 70,000 messages a week. As Roy Laker said in our June edition: “Global electronic insurance processing using ACORD standards is gathering momentum”; and London is at the forefront.



## For further information

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### Useful Links

**MRO** - [www.marketreform.co.uk](http://www.marketreform.co.uk)

**LMA** - [www.the-lma.com](http://www.the-lma.com)

**LMBC** - [www.lmbc.co.uk](http://www.lmbc.co.uk)

**IUA** - [www.iua.co.uk](http://www.iua.co.uk)

**ACORD** - [www.acord.org](http://www.acord.org)



## IMR agreement - customer packs on their way

Customer packs containing the IMR Agreement and explanatory material have been sent out. Firms should have received their copy from their Association.

Your Xchanging Customer Relationship Manager should have been in touch

to discuss this with you. Firms should sign up to the contract as soon as possible and certainly by 19th September at the latest.

If you have any queries, contact your Association or Xchanging.

## Premium Payment Improvements Working Group Report published

The Premium Payments Improvements Working Group (PPIWG) was formed as a joint managing agency, London company market and broker initiative last November to take forward the issues and opportunities identified by the original Premium Pay-

ment Working Party in 2006/2007.

The group's final report has now been published and is available via Association websites. If you have any questions regarding this, please contact your Association.

## Electronic Policies – save time, trees and trouble

As a reminder, there is now a load more information on the Electronic Policies service available on the market reform website. This includes an overview of the service; an example

e-policy; a list of brokers already signed up; and how to do so if your firm is not yet on this list. Also look out for an article in next month's newsletter by John Higgs – Head of UK Policy Teams at Willis – on their experience of using the service.

If you haven't registered, please do so; if you have, please make as much use of this service as possible. The MRG target for end 2008 is for 80% of bureau policies to be signed electronically. Let's all do our bit to get the market there.



# A&S, BMS, Success



The BMS team worked with individual areas and dealt with each area's issues separately rather than attempting a simultaneous company wide roll out. Steve Harrison, Director, Technical Services picks up the story: "we aimed to get each team going and then move on to the next. This meant we could deal with concerns at the individual level and deal with them in a way that made sense to that individual – one of the worst things you can say to a marine team is "this works for the non-marine guys". You need to find a more tailored explanation and, as our take up figures now show; we have been very successful in managing that."

Another key decision was to ensure the company took a very positive attitude towards Xchanging. Phil was keen that the prevailing attitude within BMS was to work with Xchanging to achieve what they wanted rather than seek to criticise – "we saw an awful lot of Geoff Kennard around here, and sometimes he needed a pretty thick skin. But the net result was a spirit of co-operation between us and XIS that has saved both sides considerable time and money".

The result of this tailored, step by step approach has been a remarkably smooth ramp up of IMR usage within BMS. Sounding like the Repository equivalent of Jeremy Clarkson, Steve hits us with the killer fact - "We went

**B**MS were one of the first brokers to hit 100% electronic original premium submissions. This is one result of their co-ordinated change programme to get full benefit from the IMR. But, says Phil Hill, Managing Director of BMS Management Services, the project has been reasonably straightforward: "the implementation was relatively painless – its probably been the easiest of the reform projects so far. We made sure we did not complicate the process so we have adopted direct load. We have taken the approach of concentrating on the things we can do rather than worrying about things we cannot".

BMS had been redeveloping their in house broking system, which meant that their usage statistics for a while were not up with the market leaders.

However, in common with an increasing number of firms, they have reaped the benefit of addressing the reform initiatives as part of a wider strategy. "We wrote our new system with electronic accounting and settlement and electronic claims handling in mind. We knew that our US offices were already trading electronically – if only via email to clients – and needed to be prepared for a similar approach here. This meant that once the IMR was up and running we already had a structured system to enable the right documents and information to be produced. And, as our system allowed for flexibility at the time of transmission – our documents are editable right up to the point when you submit which means you can spot and amend any errors – roll out has been less challenging than it might have been."

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from 0 to 90% usage within a month!"

The advantages of adoption are already apparent as Steve sets out: "We have a lot less paper involved in

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our process; and turnaround times are quicker on most of our items. We use the IMR as our base set of data which means we have things available at source. This helps our Business Continuity but most of all it means that we are just not losing documents as we used to in the past. That alone has justified the project for our marine division."

Now BMS have determined the business implications of these changes

through 100% usage, the process will move from Direct Load to use the messaging processes built into the BMS systems – "One step at a time!"

Phil concludes: "All these improvements have contributed to the central, key benefit – we have speeded up the passage of premium money to our markets and of documents to our clients". A streamlined, more efficient process delivering to the end customer – the reform idyll.

## ECF: more information, earlier...

Amongst the benefits the market is seeing from ECF is the increased information it allows all underwriters on a risk to access as soon as a claim is lodged. One Lloyd's managing agent told us: "this is really showing us the worth of having an electronic file. As a follower, under the old process, the broker and the leader could be discussing a claim for months and news of it would never reach XCS. Even if you got a Syndicate Claims Message these are only 100 characters and don't give you much information. You would need to see the broker file which could take time – and quarterly reporting cycles don't always allow you that. Now, as soon as the claim is uploaded we can see the whole picture and reserve accordingly. You get an immediate understanding of the claim and its background and don't need to chase around to find things out. ECF gives everybody the opportunity to see something that may have a significant impact on their business at the appropriate point in the process. You can then take whatever action you need – including contacting the leader to discuss their approach if necessary".



# Events...

## Dates for your diary

The Market Reform Forum sessions are designed to provide an update on the progress of the reform programme and give more detailed information on particular projects or aspects of the process.

Forthcoming dates are provided below.

**Thursday 31st July - 9.15am**  
Old Library, Lloyd's, Lime St

**Thursday 28th August - Willis Auditorium, Lime St**  
**Friday 3rd October, Willis Auditorium, Lime St**  
**Friday 31st October, Willis Auditorium, Lime St**  
**Monday 1st December, Willis Auditorium, Lime St**

Online booking is available via [www.marketreform.co.uk](http://www.marketreform.co.uk)

Places are reserved on a first come first served basis.

### ACORD Club dates:

ACORD Club provides an update on the latest technological innovations in the market. The venue for this is Balls Brothers, Minster Court. Forthcoming dates are

**Thursday 28th August**  
**Thursday 25th September**  
**Thursday 30th October**

For more details on upcoming speakers, visit the ACORD website ([www.acord.org](http://www.acord.org)) or email Melanie Harding ([mharding@acord.org](mailto:mharding@acord.org))