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LONDON MARKET GROUP PRESS RELEASE

Continuous improvement will maintain London's global advantage

Barnabas Hurst-Bannister, chairman of the London Market Group (LMG), has announced the group's plans for 2010. These will see the market build on the successes of 2009 and continue the modernisation programme that has kept London as the leader in the global insurance industry.

In a letter to Chief Executives of all London market brokers and insurers, Hurst-Bannister says: "In 2009 we saw further tangible benefits from our efforts thus far – and these are being appreciated by our clients. We are now engaged in the sort of continuous improvement exercise that all markets must pursue or risk being left behind by their competitors. Our plans for 2010 set an ambitious agenda; but one that is necessary if the London subscription market is to maintain its pre-eminence in the global industry in which we now operate."

Benefits delivered

Hurst-Bannister highlights the tangible benefits delivered by the modernisation work thus far.

- A 40% improvement in a key measure of client satisfaction
- Electronic Claims File (ECF) has halved the end to end transaction time for the average claim.
- Electronic accounting submissions have reduced the average time taken to process premium by two days.

2009 achievements

2009 saw the London Market reach a number of further milestones in its modernisation programme.

- In excess of 90% of all premium submissions are now made electronically. By the end of the second quarter of next year firms will no longer have the ability to submit accounting data to Xchanging on paper;
- Full adoption of electronic policies such that paper is now only used where there is a territorial or jurisdictional reason, or client request, so to do;
- Further expansion to the scope of ECF;
- Achievement of electronic endorsements targets – proving that technological support for front office processes can deliver benefit to the market; and

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- The delivery and piloting of the Exchange to facilitate further technology support for the placing process.

2010 workplan

LMG will build on these achievements in 2010 by:

- a continued focus on Finishing What We've Started to deliver eAccounting and the claims usability enhancements package ECF2
- advance the work on electronic placing support by furthering the use of structured data for endorsement messages – a project that Aon, Willis and Marsh committed to at the end of last year
- determining what should lie ahead for the change agenda through further analysis of the optimal approach to processing in the technology enabled market that is coming into being.

Paul Jardine, Chairman, Lloyd's Market Association, said:

"2010 provides a great opportunity for the London market. We have proved we can adopt technology to deliver efficiency to our processing; and we have demonstrated that this can work as well in the front office as the back. Our endorsements plans will take this forward and help us deliver the sorts of benefits to our placing process that ECF has delivered in the claims arena".

Stephen Riley, Chairman, International Underwriting Association, said:

"London is now reaping genuine advantage from its modernisation efforts. The plan Barnabas has laid out for 2010 will ensure that continues and our position – once more at the forefront of global insurance – is ensured"

Jonathan Palmer-Brown, Chairman, London & International Insurance Brokers' Association, said:

"The modernisation of London processing has delivered significant benefit to our clients. The LMG plans for 2010 will bring more of the same keeping London ahead of the game in terms of client service"

Richard Ward, CEO, Lloyd's, said:

"We have seen a great improvement in our processes over 2009 and the benefits from our market reform initiatives are more noticeable. The progress made on the Exchange last year means that we have already made a strong start to 2010."

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Notes to editors

Copies of Barnabas Hurst-Bannister's letter to CEOs and the accompanying LMG workplan are available from the LMG website – www.londonmarketgroup.co.uk

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