

# Barry & Ben, the Legacy men

**T**he drive to get claims that were initiated on paper (legacy claims in reform parlance) transferred to ECF and processed electronically is well underway. This is a key part of the work needed to deliver on MRG's "finish what we have started" agenda as it will be a significant contributor to achieving the target of full ECF usage for all claims by end 2010. So we thought it about time we caught up with some people on the front line of the initiative. At Aon, the work is being led by Barry Le Page. Barry is joined, in an interesting example of gamekeeper turned poacher (or should it be a physician actively healing himself?) by Ben Sayles, once the market project manager for the Insurers' Market Repository. We spoke to Barry and Ben and Lee Brandon CEO at PRO Insurance Solutions Ltd ("PRO"), one of Aon's key insurer business partners for this work, on the progress made so far.

The ECF legacy challenge is sizeable. The estimate is that there are currently in the region of 120,000 claims that were initiated on paper still open across the London market. Of these, Ben says that around 25% - some 30,000 claims - are on behalf of customers of Aon and Benfield. Of course, what these volumes do in the main is increase the size of the potential prize for delivery. As Ben notes, ECF is already delivering significant benefit for customer service: "our work shows that for the average claim, processing on paper sees an end to end transaction time of 36 days. Processing via ECF cuts that to below 20; in other words it pretty much halves the elapsed time for the customer to get a resolution to their claim. Of course, most ECF legacy claims are not average though - they tend to be at the more complex end which can take nearer to 150 days. We think that ECF can have a similar effect here

- and halving these processing times will be a big win for our clients".

Aon's approach has been to look at its range of legacy claims and work them into an internal priority order.



**"ECF is already delivering significantly improved service.**

**If we can extend this into the legacy world - halving paper based processing times that can be nearer 150 days - this will be a big win for our clients."**

"Part of the exercise must be for us to identify those claims that are unlikely to have a transaction - the so called "statics"" says Le Page. "These tend to be cases where the claim is officially closed but that has not been recognised either on our internal systems or on CLASS. These need to be

tidied up, but we do not need to be looking to transfer them to ECF. Similarly, those claims where we are confident we are about to resolve the case and close the file are not ripe for moving across. Weeding these out will leave us seeking to transfer only those claims where we are confident we can realise the benefit".

In parallel with this internal exercise Aon is agreeing the parameters for electronic processing of legacy claims with its insurer business partners. On the Lloyd's Managing Agent side, this means entering into formal "ECF Legacy partnerships" and registering these for subsequent posting on the market reform website. For Companies, the website is regularly updated with those that are 'open for legacy business' and ready to agree a transition approach with broker trading partners. As Sayles says "with all our carriers it is about finding an approach that will deliver mutual benefit. We do not want to go for a monolithic approach that will see insurers suddenly swamped with huge volumes of electronic files - that will not deliver the successful adoption we want to achieve. So we sit down with our colleagues in the Managing Agencies and Companies and discuss the parameters that make sense in each case. We look, in most instances, to start with specific lines of business where we think we can gain the most traction; and we will build on that. Plus we are all keen to make progress on the level of ECF queries, so we are looking also at ways that we can improve the quality of what gets put on the repository. The query rate at present is a bit higher than it should be, so we will be looking to streamline the overall process as well during the legacy pilot".

This collaborative approach is welcomed by insurers. Lee Brandon underlines how well it has been working so far. "We recognise the

benefit to both our clients and their insureds/reinsureds, in that speed of settlement and accuracy of information is essential in today's market place. In extending the ECF facility to legacy business we will be able to provide a more efficient service to business both aged and current. By working with Barry and Ben plus their counterparts in other broking houses, PRO are seeking to lead the charge in bringing efficient practices to the legacy market." For Barry, the client benefits will come as a result of ECF legacy completing the transfer of claims to a single process for brokers, appropriately supported by technology. "For us that delivers on all the buzz words of the moment – it is a fully auditable process that ensures transparency to our clients. It helps us satisfy regulatory requirements and, in less grandiose terms, it will mean that at all times we know where every claim file is. All that translates itself to the end customer enjoying much faster turnaround times; and knowing what stage their claim is at whenever they need to know".

At Aon, ECF Legacy, along with the eAccounting work and the ongoing roll out of RI3K for placing, will complete the move to a fully technology backed London market process. As Ian Summers, MD says "that is where we have

**"It is a fully auditable process that ensures transparency to our clients. It helps us satisfy regulatory requirements and, in less grandiose terms, it will mean that at all times we know where every claim file is. All that translates itself to the end customer enjoying much faster turnaround times; and knowing what stage their claim is at whenever they need to know."**

wanted to get to as a firm. We will have moved to a world where we transfer information to carriers as far as possible in a structured electronic format. That leaves our staff free to add value at the

points of the transaction where this makes most sense to our clients – the points at which that information needs to be interpreted correctly."

The challenges delivering the project are ones that Ben is used to from his aforementioned lengthy history in the reform world. "Naturally we face a certain degree of scepticism; but we have key advocates internally who reinforce our commitment as a company to getting this done. We have internal targets for the number of legacy files we want to see transferred by the end of the year – and these break down to individual levels. In common with all successful reform work, we also have interim targets to track our progress against along the way. As we have already set out, if London is to be seen as the market of choice for global insurance, then delivering the most effective claims service we can is vital. At Aon we are fully bought in to that idea – and we also believe that being the first major broker to get to 100% usage of ECF for all claims is something that can only look good to clients."

# 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. Dates coming up are provided below. All sessions start at 9:15am at Willis Auditorium, Lime St.

- Tuesday 16th June**
- Wednesday 22nd July**
- Wednesday 19th August**

Only those who pre-register will gain admittance. 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. All sessions start at 11am. Dates coming up are:

- Thursday 25th June**
- Thursday 30th July**
- Thursday 27th August**

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