

# Update on e-Placement at Aon

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# Introduction

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- Aon UK has made significant progress in the past 12 months moving from a paper process to one **supported** electronically with data being re-used throughout the process
  - Up to 80% of our Treaty business is now **transacted** electronically
  - Over 160 markets binding business electronically with us – mainly UK, Europe, and Bermuda
  - Now placing direct business with plans for Fac business and pilots in Australia and Singapore
- Share with you our approach and experience with the use of ACORD standards for placement and contract amendment processes
  - Process
  - Architecture
  - Progress and feedback
  - Next steps
- Not just Aon – LMA website for detailed information [www.lmalloyds.com](http://www.lmalloyds.com)



# Process

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- ↳ Significant Cultural Challenge
- ↳ Supports key business processes for placement and endorsements
  - Submission information
  - Quote and Firm Order
  - Bind and Signed line advice
  - Then hands off to the back office transaction
- ↳ Business actions triggered by email alerts
  - Notification to Outlook or Notes at key stages
  - Email could be removed once processes embedded and integrations complete
- ↳ Importantly face-to-face still exists where it adds value



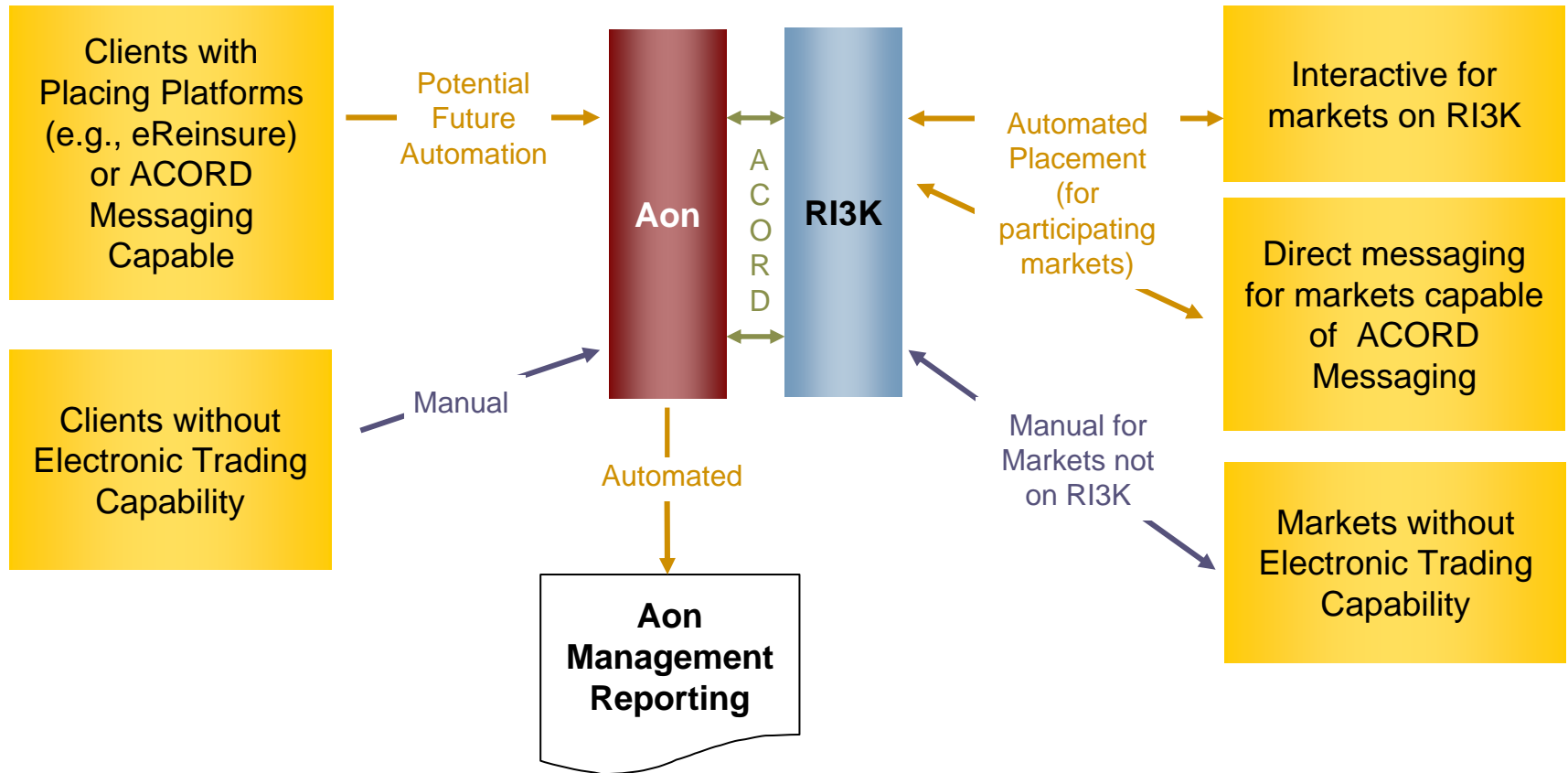
# Architecture

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- ↳ We required a simple infrastructure which would allow all our trading partners to work with us
  - Both ACORD message and Web interface
- ↳ It needed to be secure auditable and transparent
  - Essential to keep a central record for business practitioners to be able to access
- ↳ Basic principals
  - Must be able to reuse the data, no re-keying
  - Must be an international standard – not London specific



# High Level Architecture



## Notes:

- Currently Aon's implementation is Broker and Market facing only – once brokers and markets are settled this will potentially be opened to our Clients



# Progress and Feedback

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- Aon have placed over 15,000 lines electronically with over 160 international markets – up to 80% of the Treaty Renewal book for Aon in London
- 3<sup>rd</sup> Party consultancy engaged to gather feedback both internally and externally
  - A number of functional enhancements required within the Ri3k application
  - Technology first step is not difficult but benefits come with full integration and movement of data
  - Culturally both brokers and underwriters are reluctant to remove paper– leading to duplication of process
  - The market needs greater clarity and to agree on common standards to avoid the beta max / VHS scenario – greater commitment from the brokers!



# Progress and Feedback

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## → Some of the benefits we have seen;

- Improved efficiency of distribution to Reinsurers
- One common repository of all communications and documents (with a record of which were shared and accessed) providing an audit trail for dispute resolution
- File is always up-to-date with latest information
- Immediate notification of written & signed lines enables real-time tracking of placement progress by the Broker and in the future the Client
- Captures placement data in a central repository enabling improved management information
- Opportunity to standardise contracts
- Opportunity to avoid re-keying of information



# Next Steps

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- ➔ Our simple approach, using web-based technology and basic ACORD messaging has made the implementation manageable / scalable and is recognised as a solid step towards a fully data driven support process
- ➔ Intention is to work with the market EPSG to address the issues raised during our feedback exercise
  - Agree with Ri3k release roadmap covering underwriters top issues, comparison tools
  - Work with software providers to encourage ACORD integrations
  - Produce clear business protocols to address the procedural issues
  - Building on the good progress London is making and encourage further broker take-up
- ➔ Increase the data set sent via the ACORD message
- ➔ Continue to work with the business practitioners
  - This is as much a hearts and minds exercise as a technology project
  - Creating a road map detailing the next phases



# Questions

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