



The voice of yoof

One of the factors often put forward as having a significant impact on the speed of modernisation of London market processes is the growth in influence of generations of people who regard the use of technology as second nature. As this new wave of workers enters and comes to dominate the market, so the theory goes, the old resistance to change and use of electronic support for processing would be swept away. We decided to put this theory to the test. So during 2009, Hannah Flower, Jon Pipe, Lorna Johnston, Mayumi Kitamura and Polly Coleman – recent alumni of the Aon graduate programme – have been holding conversations with their peers around the market about how they see the future shaping up. The results are set out below – some encouraging and some which go to show that there is less separating age groups than some might believe.

“We were all interested in getting involved in this area” says Hannah “as we have all seen business go to other markets apart from London because it is sometimes just so much cheaper to place it there. This is especially true of 100% business – the more straightforward stuff. So we got the need for some change to

London's processes because we had first hand evidence of the problems. What we wanted to see was how much our views were shared by our age group in other broking firms and underwriters. So, between us, we spoke to 26 people across the market, the majority of whom were still in their twenties and all of whom had less than ten years experience in the market. They were split evenly between brokers and insurers – mainly London based but we did also talk to a number of

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people in the Aon offices in America, including some who had worked in London for a while previously before going back to the States”.

Jon picks up the story: “The general attitude of all those we spoke to was positive – especially in terms of increased use of technology. Everybody saw this as having a significant part to play in the future of the market in a way that com-

plements the core broking and underwriting skills. Indeed in many ways technology was seen as a potential answer to some of the things that our community find most frustrating about working life – access to underwriters and the ability to get business done when you want to. Limited box hours for instance were a bugbear that often came up (mainly from brokers it has to be said!) – and one where more remote access could be part of the solution!”

However Polly details some areas where the innocence of youth may have been swiftly corrupted by prevailing attitudes: “It became pretty clear that in many organisations it still is quite fashionable to have a negative attitude to technology and change and that that is something that gets instilled in people pretty quickly once they start. Walking around with paper is still seen as the normal way of life even amongst those that we spoke to. But again there were signs of where this might be starting to break down. Most people cited the speed of decision making as a sizeable plus of working in London. Indeed one of Hannah's contacts in New York who had worked here pointed out that, if nothing else, our way of doing business means

“at least you can see whether someone is in and you don’t just get your calls screened!” But, increasingly, people are noticing that this is being eroded somewhat. More often underwriters are deferring a decision until they have checked something or got more information – ‘I need to wait for the modelling results’ for instance. So people are beginning to see that a submission of the placing data prior to the face to face discussion might help re-establish that speed of making the deal. It would allow the underwriter thinking time so that everything is in place for a negotiation.”

“Most of the frustrations the people we spoke to expressed around their experiences of electronic placing were probably pretty similar to anybody’s” adds May “and they all tend to be what you might characterise as ‘teething problems’ with the way it has been implemented. So our age group is equally as troubled by the way that electronic processing often requires duplication of work and as yet is not significantly reducing the amount of data that gets re-keyed. They also noticed the difficulty in getting electronic submissions appropriately prioritised – that underwriters tend to see the person in front of them rather than process stuff on screen and that at some places nothing will happen on a placement until they are visited. The lack

of take up – and the inconsistency even within the same firm (one respondent cited an insurer where the aviation team even deleted emails that they were sent whereas the marine team had fully embraced the use of RI3K) – also came to light. Our contacts – probably because they have been the, at least partial, victims of the phenomenon - were also crit-

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ical of the tendency in both insurers and brokers to designate a junior member of the team as the technology expert responsible for electronic submissions and responses. This then leads to them watching untrained senior team members negotiating a deal but struggling to record the outcome on a system that remained very unfamiliar to them.”

However one thing that was noted was a more receptive air to the use of technology the younger the counterparty: “most of those surveyed commented the younger business partners that they dealt with were at least positive and looking for opportunities for

smarter ways of processing. Some senior brokers and underwriters seemed to be refusing to engage as a matter of principle” confirms Lorna.

So will the younger generation be the catalyst that delivers nirvana in terms of processing efficiency? Lorna is cautious but optimistic: “What our survey shows is that there may not be as much difference in attitude amongst our peer group as some people might have expected or even hoped for. But there are grounds for some confidence. The general feeling is that change and more use of technology is inevitable; there is a more open attitude, I think, amongst the people we talked to than there might be more generally

in broking and underwriting teams. Plus we asked each person we spoke to describe the future state of the market in one or two words. The picture that came back was revealing. Our community talked of a changed market where efficient processes reliant on electronic flow of information were paramount; where face to face negotiation was part of a vibrant business culture; where brokers and underwriters were seen as experts within an industry respected for its professionalism; where the cultural change had been significant and the need for further continuous improvement was embedded. That sounds not bad to us.”

Events...

Dates for your diary

The LMG 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.

- Wednesday 16th December**
- Friday 29th January**
- Wednesday 24th February**

Only those who pre-register will gain admittance. Online booking is available via www.londonmarketgroup.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:

Wednesday 25th November

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