

The LMA believes that electronic placing is essential to London's place as the insurance market of choice and, allied to London's existing unique strengths, to gaining competitive advantage over other markets. Because of this, we have made a significant commitment to work with the market to increase the use of electronic placing.

Over the coming months we aim to create clarity in the market about the benefits and implications of, and options for, the adoption of electronic placing and to extend significantly its use among market organisations. To lead this work, we have appointed Peter Holdstock who is a leading expert in this field. Specific deliverables will include a 'benefits model' to illustrate how electronic placing can deliver to businesses based on their particular circumstances.

A crucial part of our work will be to support the adoption and development of ACORD standards and ensure the consistent implementation of those standards through the sharing of the experiences of early adopters. To this end, we will be inviting those organisations publicly committed to implementing electronic processes to engage with us in discussions with other insurers and brokers and with ACORD.

We will support market businesses by providing central expertise on which they can draw, providing insight into the experience of the early adopters, facilitating access to suppliers and stimulating pilot and live trading activity.

I encourage any market organisation wishing to discuss electronic placing to contact Peter or me.

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Electronic placing—the practitioner experience

*As readers may have recently seen reported, Aspen Re ("Aspen") announced in June that they are the first additional insurer to adopt the global placing platform piloted by the G6 companies. This innovative approach allows insurers to trade risks with brokers electronically, rather than via the more familiar paper-based processes. In this article we talk to **Lisa Gibbard, Head of IT at Aspen**, about the reasons behind this move and the future she sees for electronic trading in London and beyond.*

Aspen celebrated their fifth anniversary in June of this year. In that time, they have seen their operation

grow substantially from an initial staff of 39 in London to approximately 450 in 10 locations worldwide. Along with the expanding staff, Aspen's scope of business has grown significantly. A major factor behind the Company's success is their commitment to employ cutting edge technology to underpin how they measure risks and underwriting exposures. Using the efficiencies that technology provides helps speed up the time to respond to broker and client enquiries, whilst keeping a tight control on costs.

"In this market, companies that embrace new technology not only improve their business today, but they also safeguard their business for tomorrow", says Lisa. "This was very much the case with our adoption of electronic trading. Here we had the chance to embrace electronic processing and make significant improvements to the way we do business. Now we can address staff utilisation issues as well as the major operational risks inherent with using paper-based processes."

Aspen's introduction of a new underwriting system has helped raise awareness of the importance of data quality. Underwriters are very conscious of the

Market Reform Contract - further information

Following a series of successful seminars explaining the use of the new placing document standard - MRC - we have compiled a list of frequently asked questions to provide further guidance.

To access these FAQs visit our website - www.marketreform.co.uk. This section will be updated as we respond to further queries.

amount of time spent re-keying information sent by the broker, and the risk of potential exposure that would result from keying errors introducing inconsistencies between critical documents. "This is one of the major benefits of the new system" explains Lisa. "Not only can our underwriting staff feel more confident about data quality, they are also free from a major administrative burden, enabling them to focus on what they are employed to do – underwriting risk."

However, this was not the only driving force behind Aspen's decision. In a market that is becoming increasingly competitive, the potential for some clients to look beyond the London market to find the same cover for less, especially on high volume transactional business, is growing. Whilst Aspen believe that London will always play a key role in the market, the reduced operational costs associated with electronic processing will enable it to compete more effectively when it comes to price alone. In addition, the emergence of new geographic centres for insurance business means it is now essential to have the capability to do business seamlessly in any market.

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 project or aspect of the process.

Forthcoming dates are provided below. Full details on the topics, locations and time for each one will be published prior to the session.

Thursday 28th June - 9.15am Tower Room, LUC

Thursday 26th July
Thursday 23rd August

Places can be booked by emailing mrpo@marketreform.co.uk. Places are reserved on a first come first served basis.

IT Club dates:

Thursday 28th June - 11.00am Balls Brothers, Minster Court

Thursday 26th July
Thursday 30th August
Thursday 27th September

Suppliers Forum dates:

Thursday 2nd August - 10.00am ACORD Conference Centre, LUC

Thursday 4th October
Thursday 13th December

To book a place on either of the above please contact Mel Harding, ACORD, by emailing mharding@acord.org

Continued from page 3

The other driver is pressure from business partners who have made significant progress towards electronic trading. If reinsurers want to maximise the business opportunities they get from these sources, they need to embrace this technology as well.

Once the decision to progress with electronic placing was made, implementation went incredibly smoothly – Lisa goes so far as to describe it as “easy - we have experienced low implementation costs. I think there is sometimes a tendency to overcomplicate IT projects in this market. And as we have considerable experience with technology we know what sorts of problems to look out for. Also, Stuart Sinclair, our COO, is a great believer in keeping things simple. So we have ensured that we have not made this part of a big programme of work. We have approached the project in straightforward, deliverable stages and we have made sure to learn from the G6 companies”.

The results of this focused approach are remarkable. In just three months Aspen went from the initiation stage to going live. The testing of the connection with Benfield was completed in only two weeks.

Lisa points out that this is by no means the end of the road for electronic processing but rather one part of a much broader technical strategy. Implementation of electronic processing is already expanding to other aspects of the business as staff become familiar with the system and see how it can make their lives easier, freeing them to focus on the aspects of their responsibilities where they add value. Staff also recognise the benefit the system delivers by addressing risk management issues across the company and how it can provide a competitive advantage through better services to brokers and clients.

The next stage of Aspen’s plan is to increase internal efficiencies through expanding interfaces to in-house systems and workflows. Already Aspen are implementing a single workflow system in the claims arena across Bermuda, US, London and the new office in Zurich. This will allow claims work to be allocated across the group on a needs basis - meaning peaks in claims activity in any one centre can be managed by spreading the processing seamlessly across the global team.

Of course successfully delivering IT systems is only part of the challenge – actually getting underwriting staff to use them is the real test. A demonstration of the level of acceptance that the system has achieved came recently: “When our London office was visited by colleagues from Bermuda, one of the London underwriters excitedly took his counterpart off to show him how useful the new system is! Seeing underwriters promote the system to their colleagues is a fantastic result.”

ACORD Forum London 2007 scheduled for October



Leading industry experts from London, the US and Europe will gather at Gibson Hall on 17th & 18th October for the 2007 ACORD Forum London. The event will focus on where the industry and the market are today and what the future holds in these changing times.

See <http://www.acord.org/LondonForum/> for more details.