



ECF – coming out of its shell?

Markel was an early and enthusiastic adopter of the Electronic Claims File. As we heard from Stuart Willoughby in our March issue, Markel has been innovative and advanced in its approach to embedding ECF within its own processes. It was therefore the ideal company to ask the question “ECF vs paper – which is the Tortoise and which is the Hare?” Claims Administration Manager, **Regan Gilbert**, tells us about Markel’s latest initiative...

At the advent of ECF, it was a commonly held view that ECF files would and did take longer to adjust and process than paper files. Indeed, an early Time and Motion study showed that, on a transaction basis, ECF took up to twice as long as paper, a fact which ECF detractors, like the hare before them, revelled in.

Since that time, Markel, along with Lloyd’s, IUA, other Managing Agents and Xchanging have worked hard both individually and collectively to improve training, familiarity, process and functionality. But to what effect? Is the tortoise now catching the hare?

In true keeping with the Markel style and along with our desire to support and embrace market reform, we decided to put it to the test, with some very interesting results.

The Markel Time and Motion Study

The Markel T&M study was carried out in April 2009 involving over 50 of our associates and just over 1,000 transactions across all of Markel’s business lines. Half the transactions were paper and half electronic. The study aimed to compare ECF to Paper but also offered the chance to ascertain answers to some other relevant questions:

- Are there differences between Lloyds’s and Company transactions?;
- The comparison between advices and settlements;
- An assessment of the time spent by associates on processing compared to adjusting; and
- Where are the bottlenecks in the ECF process?

We were obviously interested for our own purposes, but we also wanted to help the market in terms of its future ECF strategy and investment choices.

Our associates were asked to complete forms each day measuring the time taken per transaction to access claims systems, review claims and policy documentation, update internal systems, scratch files/update CLASS and update our internal ECF workflow system.

The Results

Having collated and analysed all the data, the conclusion was (cue drum roll please), the tortoise has now overtaken the hare. In other words, ECF is quicker, but only just.

On average across all business lines, ECF transactions are taking marginally less time to complete than paper transactions. This is particularly significant, giving credence, at last, to those who have worked

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hard to integrate ECF into the market.

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So, not only has the tortoise overtaken the hare, it is building momentum and credibility and will truly stay the course.

That is not to say that everything is perfect. Our study also showed that a significant amount of time is wasted where people are unable to complete transactions, whether due to a lack of

documentation, processing errors or functionality issues (probably the biggest culprit).

Solutions identified by Markel

The Markel T&M study clearly substantiates the value of market investment into the electronic environment. ECF is the way forward, but it is not yet achieving its full potential. While there are a number of recommendations that can be made, we consider that there are two critical tactical steps to be taken:

- System triggers to advise a party, at any given point in the agreement process, that a transaction needs to be acted upon, and
- The need for still more broker training to reduce error rates

The study also highlights the needs for investment in ECF2 so that all market participants can enjoy the benefits of the electronic world. We have already fed back the results of the Markel Study to the MRG in order to assist in that decision making process.

The market now has empirical evidence demonstrating the value of the electronic world. We believe that all market participants have a duty to encourage full take-up by persuading brokers and



insurers that it is now quicker to process our client's claims via ECF.

There is still some way to go, but the tortoise is well positioned, well supported and does not need to look over its shoulder to see that the hare is fast running out of steam! As we like to remind our Claims Director, “where there's a Willoughby, there's a way”!

If you are interested in learning more about the time and motion study and Markel's approach to using ECF, we are holding a breakfast briefing at 8.30 am on Wednesday 2nd September 2009 at Merchant Taylor's Hall, 30 Threadneedle Street, London, EC2R 8JB. Key note speaker at this event will be Barnabas Hurst-Bannister. If you would like to attend, please e-mail regan.gilbert@markelintl.com to secure your place. Limited spaces available.

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.

- Wednesday 19th August**
- Wednesday 16th September**
- Wednesday 21st October**

Only those who pre-register will gain admittance. Online booking is available via 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 27th August**
- Thursday 24th September**
- Thursday 29th October**

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