

Putting the January achievement in context, Gavin comments: “We actually processed almost 1,100 endorsements electronically, representing around 27% of total endorsement volume for the month. When you consider that, by our estimation, around 70% of total endorsements are non-complex – the category that we have been targeting initially – it means that we are now up to nearly 40% of our ‘in-scope’ number within 10 months of starting. That is certainly comparable to electronic claims take up at a similar point and thus very encouraging.”

The success has been built on two key foundations – effective external communication with their insurer counterparties; and appropriate internal controls. Marsh created an eMRCE database to provide all business units with standard and consistent templates for trading with their counterparties. The database also tracks and records the status of each endorsement to help ensure agreement by all necessary parties (which, of course, supports Contract Certainty). The project also has full senior level support. As Aaron notes: “the fact that eMRCE forms part of our senior management’s balanced scorecard has had a very beneficial effect.”

Gavin adds: “the use of electronic means to transmit and agree certain types of endorsements improves efficiency by promoting a consistent methodology across location, risk type and distribution route. In addition, it enables underwriters and brokers to focus their time on negotiation; and facilitates the introduction of improved controls, audit trails and compliance requirements. It also promotes early visibility for follower agreement parties. All parties now have contemporaneous access to the endorsement which speeds up the agreement process.”

The database has been crucial to the progress Marsh has made. Rather than leave the creation of the covering email solely down to the broker or technician, it takes them through a brief series of questions which allows the system to generate the key parts of the eMRCE template. This means that Marsh conforms very precisely to the prescribed format - a quality appreciated by underwriters.



A grand achievement...

In January this year, Marsh became the first broker to exceed 1,000 electronically submitted endorsements in a single month. This is the latest milestone on Marsh’s path to the full adoption of the Electronic Market Reform Contract Endorsement (eMRCE). In this article, we talk to Gavin Horner (eMRCE Project Leader); Graeme Birch (Aviation team); Linda Smith (Financial and Professional Practice); Aaron Cray (Marine & Energy); and Steve Lowen (International Property team) about Marsh’s experience in introducing electronic endorsements and the challenges still to come.

It has also been crucial to Marsh’s smooth interaction with Brit and Catlin – two insurers using the Trisystems service which Jonathan Brant wrote about in our December issue. This service translates email endorsements into ACORD standard messages that the insurers can then pass into their underwriting workflow systems. The service relies on the broker to produce an email that exactly mirrors that set out in the eMRCE standard documentation.

together and when we intend to get going. This worked very well in my area, particularly where we came across resistance in some underwriting teams. We were able to show them the email exchange between us and their management – all very supportive. That soon cut through any “local” opposition”.

For Steve, whose team is based in Norwich, electronic endorsements are proving particularly advantageous: “All

“we have used the contacts database on the market reform website to find out the relevant sponsors and project managers and sent them an email setting out our intended approach, how we can work together and when we intend to get going. This worked very well in my area, particularly where we came across resistance in some underwriting teams. We were able to show them the email exchange between us and their management”

In terms of communicating to insurers, Marsh wrote to its counterparties in each area as it has begun take up. Linda explains the benefits: “we have used the contacts database on the market reform website to find the relevant sponsors and project managers and sent them an email setting out our intended approach, how we can work

our client management and servicing is done from our Norwich office. With the need to get the evidence of a change of cover to a client within the thirty day contract certainty target, we simply do not have time to be moving documents back and forth on paper. eMRCE has made it easier for our technical teams to be in touch with the insurers directly –

and it has helped insurers to shift the administrative work on endorsements away from underwriting staff, where they choose to do so.”

Steve has also seen the benefit of open communication with their equivalents on the insurer side: “We had fifteen of our key underwriting partners visit Norwich, which proved a very valuable exercise. It allowed us to build a rapport with the person on the other end of the email and, having taken the time to build up a viable working relationship, has helped to speed up the process. The get-together also allowed us to discuss things such as the appropriate level of complexity of endorsement to try and agree without a broker seeing an underwriter. Generally, insurers took the attitude: ‘send it to us and we’ll tell you if we need to see you’, which is very helpful.”

The experience of the last ten months has also been that once people have seen eMRCE in action they have seen the benefit. “The initial reaction of our broking teams in London was that they did not want anything to do with it” Steve says “now, if I tried to hand back the responsibility for processing they wouldn’t have any of it!”. Linda has also noticed that time has been a great help in embedding the approach – “our markets are much more responsive than they were at the launch”

In the aviation practice, the roll out has also proved the flexibility of the



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MRCE standard, as Graeme notes: “for instance, we do not have a GUA in our market; we have a lead underwriter agreement. We have had to adjust the templates to cope with this.”

One issue that Graeme is looking to resolve is one that the others have also found the most challenging: how to collate the potentially large number of responses that the email approach can

generate into something the client wants to see. In Gavin’s area they have dealt with this pretty pragmatically: “we collate all the responses within the Lotus Notes database so that it can also be accessed by the processing team in Norwich. They then confirm all is in order and create a single Broker Insurance Document, incorporating the agreed MRCE. This is then sent to the client as evidence of the change and creates the requisite electronic file for XIS. That single document approach is now standard for all endorsements across Marsh. We inform the client that we have the complete record of underwriter agreement and they are welcome to see it if they ask for it.”

Each area has plans in place to drive up further usage of eMRCE in the coming months. They are collating lines of business and insurers with whom they will seek bilateral agreements. Gavin is also custodian of the increasingly competitive internal league table that lets teams see how their take up rates match up to their colleagues. “We are continuing to work with our markets to implement this major programme and to realise its undoubted benefits, both for ourselves and most importantly for our clients. The success is also hopefully representative of a wider move by Marsh. eMRCE shows we are right where we want to be – at the cutting edge of the changes that are delivering London as the market of choice.”

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 15th April
Wednesday 20th May
Tuesday 16th June

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 30th April
Thursday 28th May
Thursday 25th June

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