

Catch that pigeon NOW!

*As we heard from John Muir at May's Market Reform Forum, electronic endorsements are the future for the London Market. Indeed, Joe Plumeri, Chairman & CEO of Willis, has been heard to remark that "there are pigeons faster than trading information in this business". In this article, **Paula Cooper, Executive Director at Willis**, tells the story of how Joe and John's promises at the market level are being delivered within their own firm.*

Willis has been at the forefront of work to reform the London Market approach to contract changes for well over a year now. The pilot project, which last year successfully trialled the use of a new paper document standard (MRCE), was led by Stuart Dean and sponsored by John Muir – a senior partner within our London operation. John has maintained this role into 2008, providing the leadership for the market wide roll out of e-MRCE – the approach to the electronic trading of endorsements – which is seeing the market make use of email initially to support the remote agreement of changes, with a move to exchanging structured data in due course.

Having the market sponsor as your boss has many advantages – but it does bring with it a considerable pressure to ensure that your organisation retains its position in the vanguard of the new way of working. We have had therefore to make sure that Willis was in a position to start electronic endorsements and that we are capable of ramping up our volumes pretty quickly.

We have approached the introduction of e-MRCE by re-evaluating our entire approach to endorsements. We have built a new process geared towards electronic processing. This is supported by a new system based within Microsoft Outlook – our standard email tool.

Each business unit, and, in some instances, each team within a business unit, has been set up with a group email box. To initiate an electronic endorsement, a member of any of these teams simply clicks into the relevant mail box and creates a new message. They are then presented with three possible tem-

plates – one to send to a leader; one to send to a follower; and one to send as a notification to markets not involved in any agreement process. All the templates include as default the relevant language from the MRCE standard and provide the underwriter with the option

kept things simple – if you are used to using a group email box you would have no problem picking up our method. To help market wide take up, we will be making available to the all brokers, via the LMBC, the specification of the work we have done in Outlook to support our

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to agree to the endorsement or not. The templates also include the relevant GUA provision where appropriate. When one of our staff has created the email, they will attach the standard MRCE generated from our in house broking systems. We have removed the honeycomb template from all our broking systems and replaced it with the MRCE – so no-one should be seeing Willis endorsements in anything other than the new format; and, increasingly, you will be seeing these via email.

We are proud of the approach we have taken technologically. We have

approach so others can use it should they so wish. Look out for this on the market reform website in the near future.

We have now completed the roll out of the new system and have provided initial training to 95% of our business units. Our aim is that the new approach will see account executives and technicians take responsibility for the large majority of our non-complex/non-urgent endorsements; freeing our front line broking staff to spend more time developing business and providing the specific expertise to the placing process that delivers value for our clients.

But our implementation does not stop with delivering a simple system. As with all large programmes we know it is the day to day drive from senior management down that delivers real change. We are involved in a constant cycle of promotion, measurement of progress and feedback to make sure e-MRCE becomes business as usual for Willis staff. The project has been promoted internally by all our senior executives from David Margaret (UK CEO) down. John Muir, as well as being the market face of e-MRCE, is the day to day senior sponsor of our internal initiative. We can easily see daily usage from all the group email boxes that we have set up. This allows us to see statistics at the business unit level or team view and to also see which specific individuals have been creating electronic endorsements. To help promote the work and to ensure that people know their efforts are being recognised, John each day rings each individual who sends an e-MRCE to thank them for the part they are playing in making our project successful and to ask for their feedback. This has been 95% positive thus far – and where it has not been John has been able to provide answers with which the person has been comfortable. I think it is fair to say that John’s impact has been crucial

to getting us to where we are today.

So, as they say in America, “where’s the beef”? As I set out earlier in this article, roll out and training has taken a while, but we are now in a position where pretty much all relevant Willis staff have the tools to process endorsements electronically, so we are now



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expecting to see our volumes rise rapidly. And we have the evidence that that is starting to happen. In April we processed 146 endorsements electronically – all via either a trading platform or one of our portals. In May we began issuing e-MRCEs and sent 52 endorse-

ments via email. We have already outstripped that in June – sending 55 in the first week alone. As the volumes suggest, we are still very much at the beginning of the process but we are increasing our usage rapidly. We aim to be processing 100% of non-complex/non-urgent endorsements electronically as soon as possible and certainly well before the end of this year.

At Willis we have long seen electronic endorsements as the obvious next step in the market reform process. As Joe Plumeri says: “paper is in retreat across the London insurance market. Having ditched paper for original premiums, new claims, and bureau policies, we are now setting about removing it from the endorsements process. The prize is big. Perhaps 50% of market endorsements add little to the quality of service perceived by the client: but handling them on paper costs both brokers and insurers plenty. Processing them electronically will cut this unnecessary cost”. We have now started the process that will bring that vision to realisation – and, where possible, we are doing what we can to help other firms adopt the new way of working as soon as possible. I am confident that this effort will play its part in delivering a more efficient way of processing business in London.

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.

Forthcoming dates are provided below.

Thursday 26th June - 9.15am
Willis Auditorium, Lime St

Thursday 31st July – Old Library, Lloyd’s
Thursday 28th August - Willis Auditorium, Lime St

Only those who pre-register will gain admittance.

Places can be booked by emailing:

mro@marketreform.co.uk.

Places are reserved on a first come first served basis.

IT Club dates:

IT Club shares the same dates as the forum, with this session kicking off at 11.00am on each date. The venue for this is Balls Brothers, Minster Court. For more details on upcoming speakers, visit the ACORD website (www.acord.org) or email Melanie Harding (mharding@acord.org)