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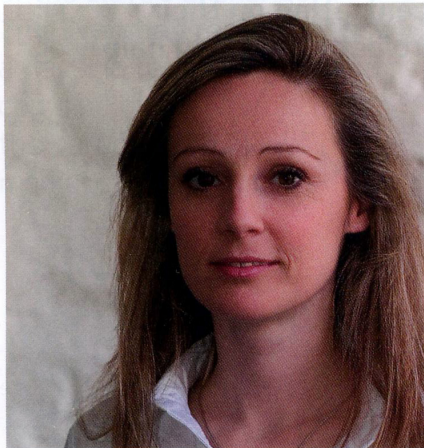
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NO PAIN NO GAIN

Sceptics must move with the times, write **Helen Sainsbury** and **Simon Howden**



The hub approach promises to overcome a number of issues associated with the P2P model says Helen Sainsbury

Helen Sainsbury is a Business Consultant, and Simon Howden is Head of Development at Trace Isys.

In 2006, following the demise of Kinnect, a group of Lloyd's insurers known as the G6 set out to create a common set of data standards and underlying processes to enable the electronic transfer of risk-related data and documents on a peer-to-peer (P2P) basis. The G6 members – managing agents Beazley, Catlin, Hiscox, Wellington, Kiln and Amlin – joined forces with leading brokers Aon and Benfield to pilot the new standards. The aim was to streamline the placing process, improve efficiencies and to support, not replace, underwriting at the box. Pioneers of the new ACORD-based standards were soon joined by other leading market names, such as Brit, JLT and Miller Insurance Services and this new initiative showed real signs of gaining traction.

But three years on ... despite a promising start, progress has been slow. Converting risk information into a structure that can be exchanged directly between trading partners' back office systems is no easy task. There are overheads associated with maintaining multiple connections, the standardisation of message content has at times been problematic, and reaching a consensus on message flows and business process has been difficult.

The biggest challenge has been convincing the sceptics, many of whom are senior brokers and underwriters, of the benefits that ePlacing can bring. Some initial advocates have fallen by the way-side. Others have joined purely on the premise of it being a 'tick in the box', rather than a viable way to place business.

So how can the market overcome these challenges? How can messaging really gain traction within this industry? Messaging hubs such as the

Lloyd's Exchange are moving closer to making this a reality. They will begin to act as a central arbiter for the enforcement of standards, providing a single point for managing connectivity, security, upgrades and error handling.

The hub approach promises to

overcome a number of issues associated with the P2P model. However, to gain real traction change needs to be driven from the top. Senior management need to move with the times and make this happen, or be left behind. At the end of the day the gain will far outweigh the pain.

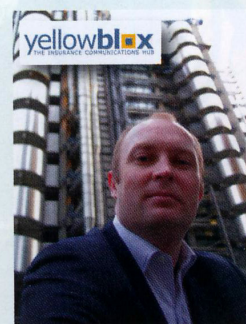
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Welcome to *Global Reinsurance's* Technology special report, in which you will read about the Lloyd's Exchange, Qatar Insurance Services, and the impact of new technology on brokers.

It is true that some people have, over the years, expressed worry regarding new technology – that it might take away their jobs, change the way the market operates and remove one-on-one contact.

But technology is here to help not usurp us. IT solutions can take away mundane and time-consuming tasks,

help improve accuracy, leave an auditable trail, improve both customer service and relations whilst also allowing professionals to concentrate on "value added" work. Going around the market waiting for signatures, on claims or special acceptances, is simply not the best use of a broker's time – especially on routine binder business. The London Market and Lloyd's is a knowledge centre and technology is capable of setting the people with this knowledge free – free to be more productive and creative for our clients on all sides of the market.



Richard Garnett is managing director of Yellowblox