

Brokers and Insurers Question Time says ECF will meet the London Market's client service objectives

Submitted by: Clarity Communications

Tuesday, 14 October 2008

A meeting today of 150 leading brokers and insurers gathered to debate the industry response to Electronic Claims Files (ECF), heard Richard Ward, chief executive of Lloyd's, say: "The aim is to have a single source of information that can be accessed around the globe; transparency is the key." Mr Ward emphasised the importance of processing claims quickly, and said ECF was central to creating "a far more efficient London Market".

The ECF Question Time involved a panel of industry experts addressing queries on the electronic process and followed an independent survey of the insurance industry, initiated by City law firm CMS Cameron McKenna and leading insurer Markel International. Stuart Willoughby, claims director of Markel International said the survey confirmed a high take-up of ECF in the market especially among Lloyd's managing agents (96 per cent) and brokers (86 per cent). Savings from manpower reduction as well as increased flexibility were cited as contributing to improvements in business efficiency and better service for clients. There were also calls for much more investment to enhance workflow systems and agreement procedures.

The panel (chaired by Liam O'Connell Head of Insurance and Reinsurance at CMS Cameron McKenna, and consisting of Gary Bass, claims consultant at the Lloyd's Market Association; Dave Matcham, Chief Exec of the International Underwriting Association of London; Ian Summers, Managing Director of eBusiness and Market Reform, Aon; Kent Chaplin, Head of Claims at Lloyd's) was asked how confident they felt that ECF could withstand the volume of claims generated by catastrophic events. Gary Bass said the system is already being tested and is coping well: "In 2007 less than 4,000 transactions per month went through ECF - it is now 14,000. So far, 2008 has been an aggressive claims year with the busiest recorded first-quarter since 9/11." Ian Summers added; "the question is, how could we manage without ECF?"

The panel agreed that the Lloyd's and Companies Markets need to work more closely together to achieve more cohesion in dealing with claims." Most managing agents work in the Company Market" said Kent Chaplin, "therefore a Lloyd's-centric view is not appropriate; a more holistic approach is needed.". On the issue of introducing minimum service standards to the London Market, the panel was broadly in favour but thought that a system of self-policing was to be preferred to statutory enforcement. In response to a question on the lack of management information on ECF, the panel agreed that quality management information is the key to evaluating performance.

On the thorny issue of legacy claims, Kent Chaplin noted that there are something like 200,000 'open' and existing claims still on paper and that attempting to deal with all of these through ECF immediately might not always be good either for the process or the claimant. However, the plan is to migrate as many claims as possible to ECF over time. The key, said the panel, is to improve client service and speed up the end-to-end process. Questioners and panel members were united in their determination to maintain the client relationship, and emphasised that ECF will not mean the end of face-to-face client meetings.

Ultimately, the main beneficiary of the system should be the client and getting that service delivery right will sustain London as the market of choice. With all the caveats that might be expected from such

a diversity of practitioners, both the survey and the Question Time confirmed a widespread acceptance that ECF is here to stay and, with further investment, will provide a platform to meet the London Market's objective of delivering pre-eminent client service.

For more information, please contact:

David Lovibond, Monument PR, 01225 747 213

Charles Dalton-Holmes, CMS Cameron McKenna, External Communications, 020 7367 3482

Colleen Faughnan, Marketing and PR coordinator, Markel International, 0207 953 6735

- CMS is the organisation of independent European law and tax firms of choice for organisations based in, or looking to move into, Europe. CMS provides a deep local understanding of legal, tax and business issues and delivers client-focused services through a joint strategy executed locally across 31 jurisdictions with 55 offices in Western and Central Europe and beyond. CMS was established in 1999 and today comprises nine CMS firms, employing over 2,200 lawyers and is headquartered in Frankfurt, Germany.

- CMS nine member firms are: CMS Adonnino Ascoli & Cavasola Scamoni (Italy); CMS Albiñana & Suárez de Lezo (Spain); CMS Bureau Francis Lefebvre (France); CMS Cameron McKenna LLP (UK); CMS DeBacker (Belgium); CMS Derks Star Busmann (Netherlands); CMS von Erlach Henrici (Switzerland); CMS Hasche Sigle (Germany); and CMS Reich-Rohrwig Hainz (Austria).

- CMS Cameron McKenna LLP is a leading European law firm advising businesses, financial institutions, public sector bodies and governments. It is a limited liability partnership registered in England and Wales.

- The members of CMS are in association with The Levant Lawyers with offices in Beirut, Abu Dhabi, Dubai and Kuwait

- Markel International Limited is a specialty property and casualty insurer. Based in London and comprising the international operations of Markel Corporation, it wrote gross premiums in 2007 of \$693 million. It has five operating divisions writing business either through Markel Syndicate 3000 or through Markel International Insurance Company Limited. Markel Corporation is a US listed business, capitalised at around \$3.5 billion, which in 2007 wrote gross premiums of \$2.4 billion.