



London leads the world in electronic transactions

Efforts to reform the London insurance market are producing results



By Max Pell,
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It is all too easy in the present era to be affected by creeping doubt. Daily coverage about economic fragility overlooks accomplishments made in other spheres and can obscure what is greater and remarkable.

Insurance is a prime example of this, as the great strides being made to reform the London insurance market are producing some great results. In fact, the London insurance market is now in a position to ask the question: is London the most advanced electronic insurance market in the world?

In many ways London is very advanced compared to other insurance markets, so the answer to the question in that respect is yes, it is.

London is a place where risks can be placed and accepted electronically and the whole end-to-end process is straight through from an electronic point of view.

What other insurance market in the world can do that? London also has the ability to deal with 300 different entities—all at varying stages of digital adoption—simultaneously. By allowing so many different parties to play on a different platform, regardless of their starting point, London is leading the way in the global insurance competitive marketplace.

Net settlement is another triumph for London, as it is the largest net settlement hub in the world for insurance. Furthermore, a recent Gracechurch survey demonstrated the speed of turnaround in claims handling in the London market is faster than other hubs such as Bermuda and Singapore.

While emerging markets have obviously had the luxury of starting recently with a clean sheet of paper, London still handles the very large, complex risks local markets lack the appetite for.

London handles over £50bn (\$79.6bn) of premium and claims payments transacted annually, which when netted down results in

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33%
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only £11bn of cash actually moving. And that includes fourteen different currencies.

At the recent Insurance Technology Congress, a panel of leading insurance market figures were in unanimous agreement London leads the world electronically.

Various reasons were cited for this. All agreed the collaborative efforts of a wide range of participants across the market over many years directly contributed to London's strength electronically. One panellist said seven years ago around one-third of clients received contract documents within 30 days; today it is over 95%. Others felt there was no faster place in the world to do business for complex contracts.

Further reasons offered by the panel as to why London leads electronically included: electronic claims file reducing settlement times by 60%; the levels of contract certainty and use of ACORD messaging in London are unseen elsewhere, and the progress being made in the adoption of e-accounts and e-endorsements were also hailed as crucial factors in London's leading position.

There is then a compelling list of reasons why the London insurance market is technologically more advanced and holds pride of place on the world stage.

Obviously there is still a lot more work to be done to accomplish all that can and needs to be achieved, but plans to improve the status quo are in place.

As regards the tendency in the market to play down its strengths, it is worth pausing to raise one's head out of the operational fray to realise, actually, London is an amazing place for transacting complex global business.

To get here has required some pioneering and genuinely ground-breaking efforts and to go forward will require courage and determination. It is to the market's credit that, as things stand and for the reasons stated, London is the most advanced electronic insurance market in the world. Through its ingenuity, collaborative efforts, strong working partnerships and dogged determination it occupies a highly competitive and prized position in the global insurance market today—and long may it continue. ■

Unwin takes on Rich's Xchanging chairman position

Xchanging has appointed the former chief executive of consulting firm Caggemini, Geoff Unwin, as its new chairman, replacing incumbent Nigel Rich who steps down at the end of the year, writes Richard Banks.

In his new role, Unwin will work alongside Ken Lever, who was confirmed as chief executive in June after a stint as interim chief executive following the resignation in February of Xchanging founder David Andrews.

Rich, board member since 2006 and chair since 2008, explained: "The time is right to introduce a new set of skills to the board to complement those of [Lever]."

And Unwin appears bullish about the future, looking forward to what he termed, "the next stage of growth in a market where the fundamental drivers for outsourcing remain strong".

Unwin spent more than 20 years at computer services firm Hoskyns, including stints as managing director and executive chairman. After Hoskyns was rebranded under the Caggemini banner he was named chief executive.

Since 2002 he has served as chairman of a number of boards, including Business Media, Liberate, Omnibus Systems and Alliance Medical, and currently chairs Tapru, RD Card Holdings, OpenCloud, and Halma. ■

Ropner goes live on TIW eAccounts processing service

Marine broker Ropner Insurance Services has gone live with Xchanging and non-bureau carriers using TIW's eAccounts service, writes Richard Banks.

TIW's e-accounts platform has now been approved to work with XIS for the transmission of technical accounts. The cloud-based service also covers ACORD's eBOT and eCOT messaging for non-bureau carriers.

Accounts technicians create their premium transactions in the normal way and process electronically to Xchanging or to the carrier directly. On the bureau side, they will receive signings automatically. For direct accounting, the standard ACORD agreement and settlement process is used. ■