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# London still needs to dot the Is and cross the Ts

**As London process reform continues to gather pace with the transfer of information electronically some in the market say that firms need to pay greater attention to the quality of what they are transferring**

In terms of the global insurance industry and the complex subscription market risks on which London has built its reputation, the devil remains in the detail.

Whether electronic or in hard copy, documentation is the foundation of the insurance and reinsurance industry.

From a client's perspective it's the most important part of the business process and getting a document wrong can mean problems or litigation. Since the insurance promise is based on a written contract, the industry's most important product is the policy documentation which lays out the criteria for coverage and the basis for payment of claims.

Indeed specialist firm Exari says the way in which documents are created has lagged behind the non-subscription market carrier programs, despite being the only element seen by clients.

While London is moving towards a greater use of technology within its processing, including electronic policy and claims documentation, the need to eliminate debatable wordings remains pivotal to the ability to accurately underwrite and price risks.

Martin Kett Vice President, Insurance at Exari says "It also reduces the number of disputes over the validity of claims which are not only time-consuming and expensive, but severely damage the reputation of individual underwriting companies and the industry alike. Automating the creation process for documentation, will lower these costs and risks."

He adds: "The key components are the risk details. Capturing the right details, whether in words or numbers, is clearly vital to business management and risk exposure. An effective document automation solution enables accurate capture of both words and data and produces quality documentation. Claims and disputes have shown the dangers of 'loose' document production and brokers and insurers have been compelled to address this challenge, not only to satisfy the needs of clients but also in order to comply with the Contract Certainty Code of Practice. Yet, how many organisations still rely on basic word processing packages to manage complex document assembly throughout negotiations between the various parties in the process?"

What is clear is that the technology now exists to provide brokers and underwriters of all sizes with a solution that enables them to build complex and bespoke contracts via an easy to use web interface. And, as Mr Kett explains the benefits go beyond pure document production.

"At Exari we've helped a number of underwriters and brokers to deliver business solutions which cut time, error and risk from their contract development process," he adds.

There is an increasing traction from the rest of the market in terms of the documentation it delivers

Broker Willis Group Holdings will shortly be using Exari's system to create slip documents in online templates via a series of questions.

These documents are then rendered into Word files that data can be extracted from or added to. The relevant insurers are also able to access the data from the slip.

Jonathan Prinn, Chief Operating Officer of Global Placement at Willis explains: "As a major broker representing multi-national clients with complex risk requirements, we will be using Exari to help us streamline and accelerate the speed of data capture and to eliminate error for enhanced account management and customer service.

"One of the key benefits of the system is that it provides greater controls to deliver contract certainty as well as transparency."

Teresa Beach, Head of Transformation for the Catlin Group says the pressure is on the market to deliver.

"We face competitive pressures globally and as such we need to produce timely and accurate policy documentation in local markets to remain competitive," she adds.

There are also the issues around the rules that the London market's reform committee will install as the reform process continues. Les Doel, Head of Administration at Lloyd's broker Croton Stokes Wilson says, "One of the key issues we had to consider when reviewing our software options was flexibility and ease of amendment. If the MRC guidelines change or new compliance rules need to be incorporated." ■