

Exari's Open Market Checks

Lloyd's Minimum Standards oblige all members to carry out robust compliance procedures with detailed slip checking a number one priority. Unfortunately, too many managing agents continue to rely on labour intensive, manual processes.

Do you recognize this problem?

The market today delivers repeated reminders of the importance of Lloyd's Minimum Standards. In response, managing agents are committing ever greater resources to compliance so that Lloyd's Open Market Quality Assurance checks are completed properly.

In typical circumstances, you will access the minimum standards checklist on Lloyd's web site, revealing 50-60 specific requirements which need to be reviewed against all of your lead policies. If you require an audit trail you will have to save the output file and manage this centrally in order to prove who performed the check, what the outcome was and what, if any, action was taken to remedy a discrepancy on the slip.

Completing the checklist is a significant undertaking, with every requirement needing careful review. Any red flags will frequently require immediate escalation to senior individuals such as a specialist wordings manager or an external consultant.

Even for the most experienced reviewer the entire process will 1-2 hours for every contract.

Preparing for the talent gap

Having identified a number of common and critical failures in the checks carried out by managing agents on their slips, Lloyd's estimates £5bn of costs in claims expenses can be attributed to poor contract wordings.

Meanwhile, an acknowledged lack of wordings experts in the market leaves managing agents in a challenging situation. Increasing compliance demands from both Lloyd's and the Financial Conduct Authority mean they must perform these minimum standard checks as a matter of daily business process and be prepared to report with a detailed audit trail back to the market.

Your organisation's internal compliance needs may also face similar demands. For example underwriting peer review meetings may call for detailed analysis of minimum standard checks to help an insurer manage operational risk exposures.

The Exari Solution

Exari QA delivers automated policy review with an intuitive red-amber-green output identifying wording failures and discrepancies immediately.

An audit trail with risk references is attached to flagged wordings or clauses, ensuring simple oversight and escalation procedures in the event of failures and discrepancies. Users save hundreds of man-hours spent reviewing contracts to ensure they meet Lloyd's minimum standards, improving the accuracy of their checks and feeling the benefits of greater operational control.

Benefits: Pre-Bind

- Substantial time savings (circa 1-2 hours per slip)
- Accurate checks; minor errors, spellings, abbreviations all picked up by the system
- Ability to escalate discrepancies to senior management/compliance
- Robust audit trail

Benefits: Post-Bind

Code your own risk appetite with our wide-ranging portfolio analysis capability.

Configuring the system to cross check minimum standards against a variety of your own exacting terms, to deliver meaningful management information which becomes richer the more information the system is asked to review.

Benefits: Strategic

When businesses are attempting to write more business and maintain compliance without increasing their staffing or operational costs, automating checks makes perfect sense as a strategic option.

For example, during M&A transactions, due diligence must be conducted with a fine toothed comb to ensure value in a transaction. Exari QA allows the acquiring company to review a target's portfolio in detail so that no stone is left unturned.

ABOUT EXARI

Exari delivers the most complete Enterprise Contract Lifecycle Management platform, used every day by market-leading companies to understand all aspects of their contract ecosystem worldwide. With Exari, customers can reduce contract risk and improve operating efficiency with 100% Contract Certainty™.

